



FEDERAL ACTIONS



Department of the Interior

CONTRACT FOR PROCESSING ALASKA SEAL SKINS TO BE CANCELED:

The Department of the Interior announced on November 30, 1961, that it has advised the Fouke Fur Company of St. Louis, Mo., that the company's contract with the Federal Government for processing and selling Alaska fur seal skins will be terminated on December 31, 1962.

The decision to end the contract stemmed from the company's notice to the Department that it will move its operations from St. Louis to Greenville, S. C., said Administrative Assistant Secretary D. Otis Beasley. Beasley, who met with representatives of the Fouke Fur Company, said its decision to move was announced without consultation or discussion with representatives of the Department of the Interior, although about 50 percent of the firm's business by volume results from the contract with the Government.

Harvesting and processing of fur seals is part of a scientific management program in which the State of Alaska and the natives of the Pribilof Islands, where the animals are taken, are vitally concerned.

Since the signing of the fur-seal treaty in 1911 between the United States, Canada, Japan, and Russia, the United States has been responsible for administering the Alaska fur-seal industry. The scientific management of the fur seals has resulted in an increase from an estimated 125,000 animals to some 1.5 million at present. The program now permits the taking of some 90,000 seal skins annually.

The contract between the fur company and the Government has existed 40 years on a negotiated basis. Contracts have been amended many times during the period. The United States share of the seal skins has been

processed and sold by the Fouke Fur Company under the contract being terminated.



Department of State

AGENCY FOR INTERNATIONAL DEVELOPMENT

NEW GUARANTIES FOR U. S. PRIVATE ENTERPRISE OVERSEAS:

The U. S. State Department's Agency for International Development (AID), announced on October 27, 1961, that the Agency is ready to receive applications for investment guaranties under the program authorized by the Congress. The total amount of guaranties which can be written under the new program is \$240 million of which \$100 million can be used for the new all-risk guaranty program.

The Investment Guaranty Program is one of the elements authorized by the Congress in the Foreign Assistance Act of 1961 to encourage and assist U. S. private enterprise to participate in the economic and social development of friendly less-developed countries and areas.

The Investment Guaranty Program provides protection against risks peculiar to doing business abroad. The three former types of specific risk guaranties against losses resulting from inconvertibility, expropriation, and war are still available. The new program includes also losses resulting from revolution and insurrection. In addition, coverage is now, for the first time, available not only for United States firms but also for dollar investments by wholly-owned foreign subsidiaries of United States companies.

Under the expanded program, the Agency may, in certain instances, write guaranties against all risks. Such guaranties will be at least 50 percent of the dollar investment and

may go as high as 75 percent in some cases.

Specific Risk Guaranty: From the investors' point of view the most important new provisions of the 1961 Act are:

1. Eligibility for such guaranties is extended to investments by wholly-owned foreign subsidiaries of U. S. companies;
2. Protection against loss resulting from revolution or insurrection is authorized;
3. The authority to treat breach of contract by a government as expropriatory is confirmed.
4. Flexibility is authorized in working out arrangements with host governments for institution of the program.

All Risk Guaranty: In addition to the basic, specific risk guaranty authority described above, AID will in those special and specific cases which occupy an agreed, high priority position in the host country's development plan, issue guaranties of not more than 75 percent, more commonly 50 percent, against loss of any dollar investment and against any risk, including normal business-type risks.

Among the criteria which will be taken into account in reviewing a project are:

1. Whether the activity gives reasonable promise of contributing to the development of economic resources or to the increase of production capacities in furthering the purposes of this title;
2. The extent to which the recipient country is showing a responsiveness to the vital economic, political, and social concerns of its people, and demonstrating a clear determination to take effective self-help measures; and
3. The possible effects upon the United States economy, with special reference to areas of substantial labor surplus, of the guaranty involved.

It is contemplated that this authority, which is new to the Foreign Aid Program, will be used to guarantee general economic development projects with emphasis on those projects which further social progress and the development of small, independent busi-

ness enterprises. No such guaranty shall exceed \$10 million; the total face amount of guaranties issued under this authority outstanding at any one time shall not exceed \$90 million. No guaranty shall exceed the total value as of the date of the investment made in the project, plus annual earnings or profits on said investment to the extent provided by such guaranties. It should be kept in mind that funds guaranteed under this title shall not be loaned or reloaned at rates of interest excessive or unreasonable for the borrower.

General economic development projects are defined as those projects, agricultural as well as industrial, in which private capital desires to participate which further develop economic resources and productive capacities of less developed friendly countries and areas. Consideration would also be given to projects such as food processing plants, etc.

AID will give consideration to guaranteeing investments which lead to the development of small independent business enterprises. In this connection investors are reminded of the considerable number of development banks in existence in less developed countries which are supported in part by the AID agency, and which are equipped to assist in the financing of deserving small and medium size ventures.

Note: For a detailed description of the guaranties available, general criteria to be utilized in their administration, and procedures for applying for guaranties, write to the Investment Guaranty Division Agency of International Development, U. S. Department of State, Washington 25, D. C.



Eighty-Seventh Congress

(First Session)

Public bills and resolutions which may directly or indirectly affect fisheries and allied industries are reported. Introduction, referral to committees, pertinent legislative actions, hearings, and other actions by the House and Senate, as well as signature into law or other final disposition are covered.



The second session of this Congress convened on January 10, 1962, after this issue went to press.

FISH AND WILDLIFE SERVICE COMMISSIONER: MacIntyre, Pautzke, and Ross Nominations (Hearings before the Committee on Commerce, United States Senate, 87th Congress, 1st Session, on Nominations of Everette MacIntyre, Federal Trade Commission, July 26 and August 1, 1961; Clarence F. Pautzke, Fish and Wildlife Service, June 7, 1961 and Charles R. Ross, Federal Power Commission, September 21, 1961), 31 pp., printed. Includes nomination of Clarence F. Pautzke, Commissioner of U. S. Fish and Wildlife Service, with statements of one of the Washington Senators and the nominee, Mr. Pautzke.

FOREIGN TRADE: On December 4, the Subcommittee on Foreign Economic Policy of the Joint Economic Committee began hearings. In connection with the hearings, reports have been published by the Committee on the following subjects: subjects:

The European Economic Community and the United States, Joint Committee Print (87th Congress, 1st Session, Report by Robert R. Bowie and Theodore Geiger to Subcommittee on Foreign Economic Policy of the Joint Economic Committee, Congress of the United States), 77 pp., printed. This report is an analysis of the implications of European intergration and the Common Market for U. S. policy.

The Task for 1962: A Free World Community, Joint Committee Print (87th Congress, 1st Session, Report by Henry S. Reuss to the Subcommittee on Foreign Economic Policy of the Joint Economic Committee, Congress of the United States), 13 pp., printed. The report covers the three central economic problems of the free world--trade, payments, and aid--and how they may best be solved by sovereign nations working together.

Trade Adjustment in Theory and Practice, Joint Committee Print (87th Congress, 1st Session, Report by Otto R. Reischer to the Subcommittee on Foreign Economic Policy of the Joint Economic Committee, Congress of the United States), 106 pp., printed. This study examines various methods designed to minimize economic dislocations caused by increased competitive imports. Discusses the significance of adjusting to increased competitive imports; economic and public policy aspects of trade adjustment; foreign examples of

readaptation; previous contributions to the discussion of trade adjustment; organizational and administrative aspects of a trade adjustment program; trade adjustment in manufacturing; trade adjustment in agriculture; and trade adjustment in mining.

Trade Restraints in the Western Community With Tariff Comparisions and Selected Statistical Tables Pertinent to Foreign Economic Policy, Joint Committee Print (87th Congress, 1st Session, Report to the Subcommittee on Foreign Economic Policy of the Joint Economic Committee, Congress of the United States), 66 pp., printed. The purpose of this report is to present a variety of available statistical information which may be pertinent to considerations of foreign economic policy. Part I of the report discusses comparisons of restraints on trade and capital investment presently imposed by the countries of the industrialized West, plus Australia, New Zealand, and Japan. Part II presents a compilation of selected statistical tables dealing with the volume of international trade, foreign investment, wage and productivity rates, and similar subjects.

United States Commercial Policy--A Program for the 1960's, Joint Committee Print (87th Congress, 1st Session, Report by Peter B. Kenento to the Subcommittee on Foreign Economic Policy of the Joint Economic Committee, Congress of the United States), 45 pp., printed. This study examines the United States commercial policy background, i. e., the scope of commercial policy; the tacit compromise on trade policy; the deadlock in tariff bargaining; the new challenge to trade policy and the need for radical reform. It also discusses the strategy of trade liberalization; the tactics of trade liberalization; tariffs, wages, and employment; tariffs and the U. S. balance of payments; and other aspects of commercial policy.

PORTLAND HARBOR, MAINE, IMPROVEMENT: H. Doc. 216, Portland Harbor, Maine, Letter from the Chief of Engineers, Department of the Army, Dated April 26, 1961, submitting a report, together with accompanying papers and an illustration, on a review of reports on Portland Harbor, Maine, requested by a resolution of the Committee on Public Works, House of Representatives, adopted August 20, 1957.



FIRST CLAM CANNERY IN UNITED STATES

"Burnham and Morrill are credited with establishing the first clam cannery in the United States in 1878 at Pine Point, Maine. The pack of canned clam products was small for some years as considerable difficulty was experienced with discoloration but production slowly increased when this difficulty was overcome. P. F. Halferty developed a method for canning minced razor clams about 1900, building up a commercial clam canning industry in Oregon, Washington, and Alaska."

--Principles and Methods in the Canning of Fishery Products, Research Report No. 7, p. 4, U. S. Fish and Wildlife Service.