

WORKERS' CO-OPERATIVE  
PRODUCTIVE  
AND ARTISANAL SOCIETIES

*in the*

*FISHING  
INDUSTRY*

*in*

CANADA

FRANCE

ISRAEL

ITALY

JAPAN

MEXICO

INTERNATIONAL CO-OPERATIVE ALLIANCE

*Auxiliary Committee*

*of*

*Workers' Co-operative Productive  
and Artisanal Societies*

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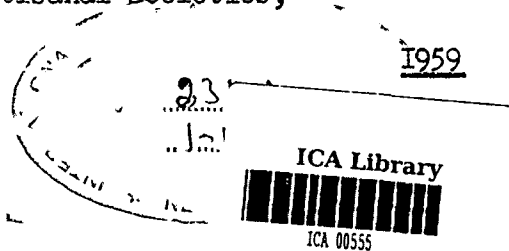
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INTERNATIONAL CO-OPERATIVE ALLIANCE,  
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Secretariat :  
Borgo Santo Spirito 78, ROME, Italy.

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C A N A D A

1. Official Statistics, 1956.

According to the official statistics of the Federal Department of Agriculture, entitled "Co-operation in Canada - 1956", the following is a summary of the development of Fishermen's Co-operatives in Canada -

No. of Fishermen's Co-operatives .....	79
No. of members .....	9,565
Sales of fish and fish products of members ...	\$14,624,000
Sales of supplies to members .....	\$2,734,000
Total volume of business (including other revenue).....	\$17,435,000

These are the statistics only of Co-operatives handling fish and fishing supplies. Figures for some other types of Co-operatives are given later.

2. Location of Fishermen's Co-operatives by Province.

These Co-operatives are located in eight of the provinces of Canada as follows -

	<u>Number of Co-operatives</u>	<u>Members</u>	<u>Volume of Business</u>
Nova Scotia .....	18	1,725	\$5,483,000
British Columbia ...	4	3,062	\$4,606,000
Ontario .....	8	195	\$2,493,000
Quebec .....	28	3,005	\$2,322,000
New Brunswick .....	9	906	\$1,346,000
Prince Edward Island	5	189	\$ 577,000
Newfoundland .....	3	300	\$ 545,000
Saskatchewan .....	<u>4</u>	<u>183</u>	<u>\$ 63,000</u>
	<u>79</u>	<u>9,565</u>	<u>\$17,435,000</u>

From this list it is seen that there are Fishermen's Co-operatives in all provinces except Alberta and Manitoba. There have been attempts over a number of years to organise the fishermen of Manitoba, but nothing permanent has been accomplished up to the present.

3. Type of Organisation.

The general pattern of organisation of Fishermen's Co-operatives has been much the same in the Eastern Provinces. In the beginning, groups of fishermen got together to organise small local Co-operatives for the sale of their fish, and the purchase of supplies. As time passed, many of these small Co-operatives amalgamated

to form larger Organisations, with the result that while the number of Fishermen's Co-operatives tends to decrease, the size of the average Organisation tends to increase. Because the largest part of the fishing business in Canada has to do with the export trade, at a very early stage of their development the Co-operatives grouped together into federations for centralised selling. At the present time there are three major Federations of Fishermen's Co-operatives in Eastern Canada: United Maritime Fishermen, Quebec United Fishermen, and Ontario Fishermen's Co-operative. However, it is interesting to note that marketing has reverted to the decentralised system in the Ontario Co-operatives, and the central has become a supplies co-operative, with responsibility also for organisation, education and co-ordinating services.

On the Pacific Coast the pattern of development has been different. There the centralised type of organisation with direct membership of fishermen, rather than the federation, seems to suit conditions best. In British Columbia, the Prince Rupert Fishermen's Co-operative Association has grown over a period of about 25 years into a large processing and marketing organisation, and its members have at the same time developed several other successful co-operative enterprises, including a selling agency in the U.S.A.

Although the need for it has been frequently discussed, no plan of centralised marketing at national level has been attempted by the Fisheries Co-operatives. However, representatives of the regional groups have been meeting for some years in an informal body known as National Co-operative Fisheries Association.

#### 4. Some Background and History.

Some idea of the need for Fishermen's Co-operatives can be seen from the report of a Royal Commission which investigated the fisheries of the Maritime Provinces and the Magdalen Islands just 30 years ago.

One section of the report, written in 1928, reads in part as follows -

"Fishermen in general in the Maritime Provinces, and more particularly the shore fishermen, have not shared largely in the prosperity of the country in recent years. In other industries in Canada wages have been progressively high, but the shore fishermen's remuneration has not, on the whole, noticeably increased, nor has the purchasing power of his dollar paid for his implements of production grown greater. His toil has too often offered a maximum of hardship and a minimum of reward. His work has been carried on in places under conditions incredibly bad. Primitive methods of marketing have been followed. There has been little or no co-operation ..... the individual shore fisherman has worked in his own way, often to his own disadvantage ..... there has been no organisation through which he could deal with large and complex problems in industry. He has not learned, like wage earners in other industries, to protect himself by organisation and co-operation. He still sells haphazardly at a low level of prices and buys at a high level of retail cost .....

"Fishermen have not been organised to compel attention. They should get more of the consumer's dollar, and for his dollar the consumer should get more fish. The shore fishermen receive a smaller percentage of the dollar paid by consumers of fresh fish in large cities than is received by producers of other food commodities .....

"If the shore fishing industry is to succeed, co-operation among fishermen is absolutely and immediately essential. Co-operation is no longer an experiment. In Prince Edward Island at least two lobster fishermen's co-operative associations are in existence .... in the United States the number of co-operative business organisations doubled in 1915 - 1925 ..... in Canada egg circles, livestock breeders' associations, organisations of fruit growers, wool growers, potato growers, producers of dairy commodities, the wheat pool and many other similar associations are all outstanding examples of successful co-operative effort. And yet, today, in the Maritime Provinces over 40,000 fishermen have practically no co-operative associations!

"We recommend, therefore, that the establishment of co-operative organisations of fishermen be assisted by the Department as soon as possible and that an organiser experienced in co-operative methods be appointed and paid by the Federal Government for the required period to initiate and complete this work."

It was out of these conditions that the Fishermen's Co-operatives got their first start. And it is noteworthy, too, that from the recommendation in the final paragraph quoted above has come the arrangement whereby the Government of Canada, through the Department of Fisheries, makes educational grants to three universities in Canada to assist in the education and organisation of fishermen. These grants in the past year amounted to \$90,000.

Some of the Provincial Governments have also given encouragement and assistance in the work of organisation, but in general the fishermen have undertaken the responsibility quite on their own for building their Co-operatives.

##### 5. Trend 1955 - 1957.

The trend in volume of business of the Fisheries Co-operatives is encouraging -

	<u>Fish Marketed</u>	<u>Sales of Supplies</u>	<u>Total *</u>
1955	\$11,883,000	\$2,418,000	\$14,407,000
1956	\$14,624,000	\$2,734,000	\$17,435,000
1957	\$17,410,000	\$2,930,000	\$20,626,000

\* (This figure is larger than the other two combined because it includes "other revenue".)

The volume of co-operative business as a percentage of the total Canadian fisheries is still low - less than 10%. Only in the Province of Quebec is the figure fairly high - well over 30%. However, in a few areas, and also in certain species, in which the Co-operatives have been developing for some years, they now have the greater part of the trade.

#### 6. Obstacles to Growth.

There are two major obstacles, among others, to the rapid growth of Fishermen's Co-operatives in Canada in the near future. The first is what we might call the "umbrella factor" by which we mean that the existing Co-operatives act in a protective way over the unorganised as well as the organised fishermen; for as soon as a good Co-operative Association sets a fair level of prices for both fish marketed and fishing supplies handled in a certain area, the usual effect is for that level to become the standard for the whole industry. The result is that a new Co-operative starting at this point is not likely to show the same spectacular gains which the earlier Fishermen's Co-operatives often realised for their members some years ago.

The second obstacle is finance. The capital required to establish a modern fish processing plant in Canada is now at least five times, and in some cases perhaps as much as ten times, what it was 20 years ago. In the early thirties, a group of fishermen in Nova Scotia started a pioneer co-operative with about \$1,000 of borrowed money. In the last two years they carried out a plant improvement programme that cost about \$350,000 and they have to spend considerably more before they have thoroughly up-to-date facilities. The technological advances of the fishing industry in recent years place a heavy financial burden on any group of fishermen who are going to carry on business for themselves, and in Canada we have not yet built co-operative institutions in the field of finance to match the needs of co-operative marketing organisations, either agricultural or fisheries.

#### 7. Other Types of Co-operatives.

Fishermen in Canada are building other types of Co-operatives in addition to those for marketing of fish and providing fishing supplies. The total co-operative programme includes Credit Unions, Consumer Stores, Insurance and Health Services. In a number of important fishing centres the greater part of the business life of the community is done co-operatively. For example, in Nova Scotia the fishing area of Cheticamp-Grand Etang is developed co-operatively to such an extent that by far the greater part of all business in fish marketing, fishing supplies and consumer goods is through co-operatives, and two credit unions in these communities have assets of about \$300,000. In the Province of Quebec a large number of fishing centres have organised most of their community business through co-operatives and caisses populaires. On the other side of the continent, in Prince Rupert, the fishermen own a large modern processing plant and cold storage, a consumer co-operative, one of the largest credit unions in Canada (assets of about \$3½ millions), and a successful co-operative company for marine insurance; and in addition they are active in the larger provincial development in life, casualty and fire insurance, central credit, co-operative wholesaling and C.U. and C.Health Services.

## 8. Education.

The educational programme is an essential part of the work of fishermen's co-operatives in Canada, and because of the university grants mentioned above, education is generally more intensive among the fishermen than in other sections of the Canadian movement. Educational services for members of fishermen's co-operatives are provided from three principal sources: (1) the co-operative organisations directly, (2) the co-operative unions, (3) government departments.

1. The federations or central organisations are active in education, and in one province the federation is the principal educational body. In general, their principal concern is in matters affecting the commercial operations, such as: capital and finances, marketing costs, prices, facilities, quality of product, and membership loyalty.

2. In some provinces the co-operative union is the chief educational agency. Its services are of a more general nature and not so close to the commercial problems of the co-operatives. Where they are active and well developed, the unions distribute literature, publish periodicals, conduct courses, assist in the organisation of fishermen, and provide a link between the fishermen's co-operatives and the rest of the movement.

3. Some provincial governments have actively supported fishermen's co-operatives, and have provided valuable assistance of one kind or another. In Quebec, the Provincial Government took responsibility for putting the Co-operative Federation back on its feet when it ran into serious difficulties about 10 years ago. But some of the provinces have not given any help to Fisheries Co-operatives, and this is not surprising in view of the strong influence of old-line fish companies in politics and government.

Assistance from the Federal Government has been indirect, but nonetheless valuable. Through annual grants to one university in the Maritimes, one in Quebec, and one in British Columbia, the Government of Canada has encouraged and aided the Fishermen's Co-operatives in a remarkable way.

Certain Federal Agencies have also contributed to the educational programme, e.g., the C.B.C. through radio broadcasts for fishermen, and the National Film Board in the production of several films which show the good results of Co-operatives in fishing communities.

## 9. The Future.

Taking the experience of the last 10 years as an index and measure of events to come, the future of Fishermen's Co-operatives will depend on: 1. Their ability to change and make adaptations to match a fast-moving industry. 2. The securing of competent business managers who can also adapt their methods and procedures when necessary to suit new ways of modern business. 3. Sources of financing for both fixed assets and marketing operations, with a growing proportion of the finances coming from the co-operative members themselves. 4. An imaginative and continuous educational programme.

But more basic than even these four factors is the question whether the instruments of production, the modern fishing boats and gear, will, in the future, be owned by the fishermen themselves or by large corporations which will simply employ all fishermen on wages. The Fishermen's Co-operatives in Canada today are built on the foundation of members who own their boats and gear, and if this basis of ownership disappears then the Co-operatives will indeed be in mortal danger. That is why the various fishermen's loan boards (provincial) and the subsidy (Federal) for the construction and purchase of large modern boats, engines and equipment by fishermen are of vital importance.



## F R A N C E

### SEA FISHING IN FRANCE.

Sea fishing provides employment in France for about 65,000 fishermen, to which must be added about the same number of people employed in related industries: the fish trade, canning industry, curing. Total production varies between 400,000 and 450,000 tons of fish a year, at an approximate value of from frs.50 to 60 milliard at unloading and an amount appreciably trebled in finished products.

The fishermen are divided between industrial and artisanal fishing according to the method of remunerating the crew. The so-called industrial fishing is undertaken by high tonnage ships, whose crew is wage earning. Their remuneration is, therefore, calculated on the basis of a minimum fixed wage, often augmented by a percentage of the gross sales.

But the great majority of the fishermen, about 50,000 (77% of the total) work on smaller boats directed by artisan fishermen. Artisanal fishing uses the so-called "shared" remuneration, which means that the net profit from the sale of the fish is divided between all who, directly or indirectly, took part in their capture, in proportion to the shares fixed by agreement or by tradition. Thus a certain number of shares are set aside for the person responsible for the upkeep of the boat (that is to say the owner or the boatbuilder) in order to cover maintenance costs and to allow for the amortisation of the hull and the motor; other shares are reserved for the captain, mechanic, radio mechanic; the remaining shares go to each member of the crew generally in relation to his work on the boat. This form of exploitation of sea fishing dates back to time immemorial and it is remarkable that it constitutes very precisely a first attempt at Co-operation.

It is in artisanal fishing that co-operative institutions have developed, which are grouped within the Confédération des Organismes de Crédit Maritime Mutuel. Created at the end of the 19th century, these institutions are of three kinds -

Credit organisms,  
Supply and Selling Co-operatives,  
Mutual Insurance Companies.

### MUTUAL MARITIME CREDIT BANKS.

As techniques develop, sea fishermen have been led to invest more and more important sums in their working tools. In place of the simple inexpensive sailing boat was substituted the motor boat, in place of hemp fishing nets, nylon fishing nets. To travel further and further, the boat had to be bigger, had to be equipped

with heavier and more and more expensive instruments like winches, sounding apparatus, radio navigation apparatus. Fishing techniques themselves necessitated more important installations, for example for the tunny fish there are now installed on board sardine fish-wells with pumps to circulate the water; finally the conservation of the catch entailed new expenses: firstly holds cooled with ice, subsequently, in many boats, refrigeration apparatus.

All these expenses demanded the raising of money out of proportion to the savings which fishermen make on their earnings. Therefore, it was necessary to organise a credit system to place the necessary capital at their disposal. Thus, the artisan fishermen would be able to remain the owners of their boats and would not be obliged to ask financial help from the capitalists.

These credits, the prime necessity for the existence of artisan fishing, are apportioned by the Mutual Maritime Credit Banks:

Local banks in each important port, which bring together those concerned and allow them to appreciate the moral guarantees which the borrowers offer;

Regional Banks of Mutual Maritime Credit, which number 13 in the whole of France, and have the task both of centralising demands, final decision and recovery of credits. The local banks, the Co-operatives and the individual fishermen are shareholders of the regional banks;

The Central Bank at Paris, which is the Central Bank of Co-operative Credit, and is both the distributor of funds and the administrator of the treasury. The Regional Banks and the Co-operatives are shareholders of the Central Bank.

Mutual Maritime Credit is supplied by cash deposits by the fishermen themselves, deposits at sight and deposits for a fixed period, by bank credits obtained from the regional banks with or without endorsement by the Central Bank, by Stock Exchange issues which the Central Bank can undertake, by capital collected by the members amongst themselves, by their reserves, and finally by State advances. It was arranged in the present form by the law of 4th December, 1913.

It grants the fishermen long term advances for the construction and purchase of boats, medium term advances for the purchase of motors and big repairs, short term advances for fishing tackle or small repairs.

It grants to Co-operatives long term loans for shore installations, and short term loans for their day to day purchase of goods.

It functions according to the principle of mutuality, the Board of Administration of the local and regional banks being composed of sea fishermen themselves. Presented to the local bank, which examines it and takes a first decision, the request is transmitted to the regional bank which assures the distribution between the different local banks dependent on it of the funds at its disposal.

Outside the rôle of lender in the true sense of the word, certain regional banks undertake a banking and book-keeping service on behalf of the fishermen. They hold the accounts of the boats; receive money from the sale of fish, distribute the proceeds and pay the tradesmen. Very often also they act as technical and taxation advisers. It is to the Regional Director that the fishermen in difficulty come for help when they have matters in dispute or taxation worries. In most professional questions the Directors of the Regional Banks are also consulted. Generally speaking, the Regional Banks constitute in their sector the organ entrusted with the task of giving impetus to the various Co-operative Institutions.

The Central Bank fulfils towards the Regional Banks a similar function to that fulfilled by the Regional Banks towards the local banks. It is not limited to the distribution of available funds between the Banks and to the collection of their surplus deposits. It tries to obtain funds and negotiates bank credits, it is consulted on the most important loans, sometimes it even makes advances to Co-operatives on its personal responsibility through the Regional Banks.

Very decentralised, very flexible to be able to adapt itself to local conditions which vary greatly from one port to another, this organisation places at the disposal of the fishermen a cheap credit, professional and personal, at the limited interest of 4.5% per annum. Founded on the appreciation, by their equals, both of the human and professional human qualities of the fishermen, and the yield of the investment which it often plans, the allocation of loans represents a good application of co-operative principles.

#### MARITIME CO-OPERATIVES.

There are at present 80 Maritime Co-operative Societies grouped in three Regional Purchasing Centres, each closely linked, and having a total turnover of several milliard francs. Their aim is to supply an ever increasing share of the goods and services necessary to the fishermen and their boats. Their common policy is to endeavour to combine low prices and high returns; it must be admitted that their anxiety to distribute large returns prevails over all other considerations of financial administration.

The first Co-operatives which were established sold salted cod's-roe (eggs of cod thrown into the sea to bring sardines to the surface, which were caught in the nets). Since the 18th century, the French fishermen, and principally the sardine fishermen have complained of being at the mercy of the merchants selling the cod's-roe, who demanded that the fishermen should hand over to them the whole of their fish at prices which the merchants fixed. Consequently the first activity on the part of the Co-operatives, was concentrated on the sale of cod's-roe. At present all the cod's-roe is sold through the Maritime Co-operatives, whose joint commercial organism, the Federation of Concarneau, has become for France the sole importer of cod's-roe which it buys direct from Iceland and Norway.

Another very important co-operative activity is the supply of motor-fuel (petrol or fuel-oil) which the fishermen need for their motors. The Co-operatives have developed shore installations for storage and for distribution of fuel, the liquid going to the boats by pipes.

Generally speaking, these Co-operatives supply the fishermen with everything necessary to equip their boats: nets, ropes, anchors, chains, paint and fishing apparatus in general. They also sell provisions and special clothes. Some Co-operatives have workshops for the manufacture of nets.

In many boats, it is necessary to take ice on board to freeze the fish. Some Co-operatives have, therefore, built ice factories which supply the fishermen, at more reasonable prices, with broken or flaked ice.

Finally, other Co-operatives concentrate on the sale of the fish, but so far their experiences have not been too happy so that their activity is limited to the weighing and distribution of the produce between the fishmongers and the manufacturers: keeping the accounts of the fishing boats.

Other Co-operatives manage joint services for the fishermen, like workshops for dyeing nets or even installations, the property of the fishing community, for example, tunny nets in the Mediterranean region.

One of the most important societies in this category is Itsasokoa of Saint-Jean-de-Luz which owns a floating refrigeration factory, which accompanies the artisanal fleet when it goes to catch tunny fish in tropical waters; this refrigerator, which has a freezing unit of 600,000 freezing hours, 14 tanks each of 20 cubic metres, allows an effective freezing rhythm of from 60 tons reaching to 70 or even 80 tons a day, and a storage of capacity of 210 tons. Its use by the Basque artisanal fleet gives the highest return, the clippers load their fish into the refrigerator during the night, and the frozen fish is loaded during the day into the transport refrigeration cargo boats which assure liaison with the town packing stations.

Whether it is a question of these powerful Co-operatives owning factories, or modest food shops, the Maritime Co-operatives have profoundly changed the situation of the sea fishermen. In the small ports, a tradesman was at the same time the seller of fishing tackle and bait, buyer of the fish and often the owner of a wine shop, so that in connection with each buying or selling transaction, the fisherman was persuaded to consume alcohol, often on credit. As a result there was a practical subjection by the fisherman to the tradesman.

That situation, prejudicial to the dignity of man, has disappeared as a result of Co-operation. The premises of the Co-operative in each port is much more than a shop, it is the meeting place where the fishermen come to talk together, to discuss democratically their interests and the business of the Co-operative; it is in a way their club, their common house.

#### MUTUAL ASSURANCES.

Under the protection of Mutual Maritime Credit, Mutual Assurance Associations are created which enable the borrowers from the Banks to fulfil, under the most advantageous conditions, the obligation to which they have to subscribe, guaranteeing

repayment of the advance received, an assurance against risks at sea or fire. In the case of the risk materialising, the assurance indemnity, which must cover at least the amount of the debt of the borrowers towards the Mutual Maritime Credit is delegated to the creditors' bank.

The policy which covers at least the balance of the loan, can be subscribed either through a mutual assurance society or a private company accepted by the Mutual Maritime Credit. In practice, the private assurance societies are found to be expensive, formal and often hard in their interpretation of contracts; so the fishermen felt it necessary to organise their own insurance.

In spite of opposition from private insurance companies, or even nationalised ones, the movement is extending more and more; at the present time there are various types of mutual assurance according to the degree of co-operative feeling of the fishermen, also according to the degree of resistance which the fishermen have met from the private insurance companies. In certain cases, it means simply that mutual insurance companies undertake brokerage, the assurance risks in the true sense of the word being recovered, reinsured by private assurances. Formerly, mutual insurance companies themselves assured small risks and reinsured large risks.

But the new tendency is to try to dispense with private or nationalised insurance companies and to completely cover the risks by Co-operative Mutual Insurances. For example this has just been decided at Quimper. In 1957, the Mutual Insurance Society of Finistère covered the risks of 461 ships, to a total value of about Frs. 1 milliard 700 million, insured for 1 milliard 340 million. The amount of premiums collected rose to Frs. 41,900,000 allowing the Mutual Insurance Society a profit of more than Frs. 21 million and assuring the distribution of Frs. 2,933,000 as dividend.

These results show the development of the activity of the Mutual Insurance Society of Finistère which, following a study made by the Confederation, has decided to offer its members new advantages: alignment of rates of premium for transfers over 100 thousand at the rate laid down for lower transfers, indemnification of the towage dues to the port of registry or at least as far as the French port nearest to the disaster. At the same time the Mutual Insurance Society has abolished re-insurance for risks lower than 5 million and the additional hundreds of thousand francs. The economy in reinsurance premiums which results has improved still more the effects of this system.

This example has given new impetus to the Co-operative Movement of Maritime Assurance, and three other important Mutual Insurance Societies have decided to act in the same way.

Finally, studies are made with a view to extend mutual insurance between the ports, and creating a Mutual Insurance Society of the Mutual Insurance Societies.

## THE CONFEDERATION OF MUTUAL MARITIME CREDIT ORGANISMS.

In order that these organisms may know each other better and help each other more, a Confederation of Mutual Maritime Credit Organisms was set up in 1955, which unites 13 Regional and 60 Local Banks, 54 Maritime Co-operatives, three Unions or Federations of these Co-operatives, Mutual Insurance Societies, and the Central Bank of Co-operative Credit. As the national organism towards which all the local institutions for Maritime Co-operation converge, the Confederation has created the desirable link between its widely dispersed members all along the seaboard of France and Algeria.

A non-profit-making association, the Confederation has as its aims to unite the different Maritime Banks and Co-operatives in France more closely, to make each aware of their common aims, and to develop, on the human as well as on the commercial plane, co-operation between the sea fishermen. The Confederation is particularly concerned with organising general studies to the advantage of the fishermen and the member organisms, to inform and advise them on questions of general interest, to assure a constant exchange of experiences between them in order to limit and even avoid proceeding by way of trial and error, and finally to represent them before the public authorities, economic and professional and inter-professional organisms on questions which interest them as a whole. On the other hand, the Confederation undertakes to promote reforms and improvements in rules and legislative texts applying to sea fishermen and to Maritime Co-operatives, Mutual Insurance Societies, and Mutual Maritime Credit Banks. Eventually, it will assume the rôle of arbitrator in conflicts which may arise between the members - and if the parties are agreed to submit to this arbitration.

At the moment, one of its principal tasks, which is the more important from the point of view of time involved than for the co-operative interest, is to solve innumerable difficulties which arise between the taxation officials and maritime co-operative organisms, and even between the officials and the fishermen. The Confederation plays the rôle of a taxation advisory co-operative.

By its Congresses held every two years in different ports, and the permanent activities of its other organs (Board of Administration, Office, General Secretary, Paris Delegation), the Confederation brings to its members the constant support of the whole of the Maritime Co-operative Movement, and assures liaison with the Ministry of the Merchant Service, with the public authorities and parliamentary procedures.

It endeavours to make the public more aware of the importance of the organisations of maritime credit to the fishermen; and for this purpose it opened a stand at the last international nautical exhibition at Paris.

The Confederation publishes an information bulletin specialising in questions touching Mutual Maritime Credit and the Maritime Co-operative Movement, and which constitutes at the same time a link and documentation.

Finally, it is concerned with helping the African fishermen in the French Union. Each year it participates in courses offered by the French Co-operative Movements, it finances courses of instruction for African children interested in fishing, it enables them to visit the principal ports and to follow courses in sociology and co-operation. It also has contacts with the promoters of Maritime Co-operatives, notably in Senegal and Guinea. That is its most important rôle, as Co-operation would seem to be particularly adapted to the material needs and to the emancipation desires of the African sea fishermen from specialised tribes, which in many cases still conserve their communal organisation; thanks to its rather modest action, the Confederation is convinced that it has thus accomplished a task of human solidarity which is essential between the well established Movements and the young co-operators.

By the admission of the Confederation as a member of the International Co-operative Alliance, new and vast horizons are open to sea fishermen and to French oyster breeders: useful information on the difficulties experienced by other fishermen in the world, and the solutions they have found, a perspective of international trade of maritime products, finally contacts with the young Co-operative Movements of new countries for the purpose of knowing their needs and contributing to their expansion by assuring them efficient and competent help.

In conclusion, it is fitting to emphasise in a general way the psychological and moral rôle played by Maritime Co-operation for the benefit of the sea fishermen. Put into concrete form by their activity, the spirit of mutual aid and unity which has inspired their creation, the various co-operative organisms of maritime fishing impress the mark of this spirit on all their interventions. But, in addition not the least important aspect of their work is to give information, advice and support. Placed side by side with the fishermen's trade unions without in any way depending on them, they carry on a professional and social activity to the greater benefit of their members. The sea fisherman knows that at the Co-operative or at the Maritime Credit Bank he is at home, amongst his equals, there he finds himself at home, he knows that as distinct from being amongst his enemies, adversaries or competitors, he is only surrounded by friends, advisers, helpers, who have the same preoccupations as himself, the same ambitions, the same problems and the same successes.

## I S R A E L

The Lake of Tiberias (known also as the Sea of Galilee) rich in fish, especially a local variety of sardine, is a fertile fishing ground, and a source of livelihood for a fairly large proportion of the town's population. With a view to improving the primitive fishing methods in use until recently, and increasing the catch, an attempt was made in 1949 by the Central Union of Workers' Co-operative Productive and Service Societies to organise the fishermen on co-operative lines, and the Rakat Co-operative Society was formed, consisting of eight members of Bulgarian origin.

Since its inception the Society has expanded the scope of its work, acquired new and better equipment, suited for deep-sea fishing, and owns at present six trawlers, part of them power driven. At the height of season, the co-operative members are helped out by temporary hired labour.

In 1957 the Society increased its capital by raising the share value from I£.800 to LI.1,500 each, thus bringing its own capital up to about I£.13,000. By their own effort, coupled with the help of this Union and banking institutions, the Society recently purchased additional motor trawlers and radar equipment which enables the men to spot the schools of fish and makes for more efficient performance.

The Society owns at present I£.20,000 worth of fishing equipment. Its turnover increased in 1957 to I£.76,000 as compared with I£.61,000 in 1956, and it is hoped that with the help of their new outfit, and to the extent the members will learn to use better methods, the Society stands a fair chance of still further expansion, which may prove the merits of co-operative organisation for the achievement of better working conditions and a higher standard of living, and so attract a bigger membership from among the town's fishing population.



## I T A L Y

### CONFEDERAZIONE COOPERATIVA ITALIANA

To recall the first phases of the Co-operative Fishery Movement, we must look back to days long ago and to the earliest expressions of human solidarity which, in Italy, had a particularly religious character, accompanied by the desire to help those most in need.

Around the year 1450 numerous and prosperous Fishery Corporations were created, particularly in Venetia, Verona and Venice.

One of these Corporations still exists on Lake Garda where, in the two localities of Torri del Benaco and Sirmione it operates in waters which it owns. These waters were acquired by the said Corporation under the Notary Act. No.140 (pages 433, 434, 435) of the Ancient Registry Office of Venice.

During the Republic of Venice, and favoured by the "Serenissimi", many organisms were created with the object of mutuality and working together and eventually they became fairly important.

One of these organisms which is very flourishing and very well equipped, is still fully active at Caorle, near Venice. In 1890 it was transformed into a "Co-operative Fishery Consortium" and has about a thousand fishermen from the zone and its surroundings as members.

In Sicily, and many other districts, fishery organisms having the form of brotherhoods came into being at about the same time.

The transformation of these original organisms into co-operative societies took place slowly during the 18th and 19th centuries, mostly due to the pressure of the new industrial economy.

Fishery Co-operation eventually took a more precise form, as much from the organisational point of view as from the statutory point of view, with particular emphasis on mutuality and assistance to members.

But the real development of Fishery Co-operation began after the first Italian Law of 4th March, 1877, and under the impulse of the new Law No.378 of the 1st July, 1904, which provided for the creation of Fishery Trade Unions - which were, in fact, Consortiums of Fishermen - in the following zones: Adriatic Sea, Central Tyrrhenian Sea, Southern Tyrrhenian Sea, Ionian Sea and Sicily, Ligurian Sea and Sardinia.

To carry on their activity, these Trade Unions had first to be recognised by Royal Decree.

In order to guarantee their functioning, the State granted to each one which had been recognised a subsidy of Lira 30,000 to be used for installation costs and initial organisation. Unfortunately this effort failed because the Trade Unions were oppressed by heavy machinery which hampered their functioning.

The Law of 1904 was followed by No.312 of 24th March, 1921; by the "Unique Text on Laws on Fishing" approved by Royal Decree, No.1064 of 8th October, 1931, and subsequently by Law No.1487 of 12th July, 1938, on the functioning of the wholesale marketing of fish,

Other laws provided for the constitution of Co-operatives and their National Organisms which, as organs of representation, protection, assistance and inspection, were juridically recognised by the Decree Law of the Ministry of Labour, No.1577 of 14th December, 1947.

#### SECTORS OF FISHING CO-OPERATION

Fishing Co-operation in Italy can be divided into four different sectors -

a. Co-operatives of Ship-Owners and Share-holders, having as their object high sea fishing, joint sale of the produce, collective purchasing of motor fuel and fishing tackle, refrigeration of the fish, and other forms of technical and administrative assistance.

b. Co-operatives for small fishing. Coastal fishing with sailing boats, rowing boats or motor boats not exceeding 25 h.p.

The members of these Co-operatives have the right to receive through their Co-operatives technical and administrative assistance in insurance, mutuality and credit. They also enjoy reduced prices for the purchase of fishing material (cotton, rayon, floats), for the varnishing of the boats and the dying of fishing nets, etc.)

c. Co-operatives for fishermen operating in fresh water. These fishermen have the same rights as those which operate in sea water.

d. Fishmongers' Co-operatives, which carry on trading activities; they buy the fish collectively in the wholesale markets and the Co-operatives and sell through their members who, in this case, as a result of social welfare and State insurance are considered as dependents and have a fixed wage.

\* \* \* \* \*

There are also about ten Provincial or Regional Consortiums of Fishermen's Co-operatives whose aim is to direct the wholesale fish markets as well as the collective buying and selling of fishing material to the benefit of the associated Co-operatives.

The commendable activity of a Consortium of Fishermen's Co-operatives for the delivery to associated Co-operatives of motor-fuel, lubricating oil, fishing nets, steel-wire cable and generally all the materials necessary for sea and lake fishing, should also be mentioned.

As this Consortium has no speculative aim, prices are generally lower than those of free trade and it grants long-term payments.

#### NUMBER OF CO-OPERATIVES

There are today in Italy 450 Co-operatives legally constituted, having a total membership of 120,000 and distributed over the country as follows -

Sicily .....	85	Marches .....	22
Apulia .....	48	Liguria .....	20
Calabria .....	44	Lombardy .....	16
Campagna .....	42	Tuscany .....	15
Sardinia .....	38	Abruzzi-Molise .....	15
Latium .....	35	Umbria .....	12
Venetia .....	35	Basilicata .....	1
Emilia-Romagna .....	22		

Generally speaking all the Co-operatives function in a commendable way. They can be divided into three categories -

- Small Societies with from 9 to 50 members.
- Medium Societies with 50 to 150 members.
- Large Societies with 200 to 3,000 members.

\* \* \* \* \*

The Co-operatives for small fishing received greater impetus after the passing of the Law which acknowledged the right of their members to state insurance and family allowances. At least 100,000 co-operative fishermen are at present benefitting from these advantages, apart from sick benefits accorded by the Law No.250 of 13th March, 1958.

Out of a total of 450 Fishery Co-operatives, 410 are affiliated to the National Federation of Fishery Co-operatives of the Confederazione Cooperativa Italiana.

#### ORGANISATION AND EQUIPMENT OF CERTAIN CO-OPERATIVES

The small Co-operatives generally have fairly limited equipment: headquarters, dye-works for the nets, centre of collection for the catch.

Above all they give assistance and administrative service to their members.

The medium-sized and larger Co-operatives, apart from the headquarters, of which they are usually the owners, deal with the sale of motor-oils, nets, ice; the transport of the fish to the consumers' markets; conservation and refrigeration of the fish; the supply of boxes for transport; the dying of the nets; hauling slips; the working of the small workshops for the repair of the boats and motors; the management of the wholesale fish markets and collection centres; obtaining permission to fish in waters owned by the State. They also give their members administrative, technical and financial assistance.

### PRODUCTION OF FISH IN 1957

According to recent data of the Central Office of Statistics, and of competent Ministries, the production of fish is as follows -

a. Fish

	<u>Quintals</u>
Ligurian Coast .....	39,959
Tyrrhenian " .....	368,276
Sardinian " .....	65,435
Sicilian " .....	332,327
Ionian " .....	65,308
Adriatic " .....	595,278
	<hr/>
	1,466,583

b. Molluscs

Ligurian Coast .....	43,917
Tyrrhenian " .....	41,219
Sardinian " .....	17,237
Sicilian " .....	29,496
Ionian " .....	58,883
Adriatic " .....	133,585
	<hr/>
	324,337

c. Crustacea

Ligurian Coast .....	2,314
Tyrrhenian " .....	14,702
Sardinian " .....	2,465
Sicilian " .....	18,040
Ionian " .....	1,362
Adriatic " .....	37,442
	<hr/>
	76,325

Total ..... 1,867,245 Quintals

The above total quantity includes (in quintals) -

<u>Anchovies</u>	<u>Tunny fish</u>	<u>Other types</u>	<u>Molluscs</u>	<u>Crustacea</u>
Sardines			Octopus	
Mackerel			Cuttle-fish	
			Sleeve-fish	
671,383	76,325	766,426	324,337	76,325

PRODUCTION OF FISH IN THE LAKES

	<u>Quintals</u>
Piedmont .....	3,521
Lombardy .....	16,438
Trentino and Upper Adige .....	772
Venetia .....	2,475
Friuli and Julien Venetia .....	41
Tuscany .....	1,048
Umbria .....	4,501
Latium .....	5,203
Abruzzi-Molise .....	383
Sardinia .....	397
Total .....	<u>34,779</u>

\* \* \* \* \*

Careful calculations show that at least 70% of the total product was fished by members of Co-operatives.

The average selling price did not exceed 250 lire per kilo (100 kg. = 1 quintal). It would seem, thus, that in relation to the smallness of the product, the sums realised are fairly limited in relation to the needs of the fishermen.

\* \* \* \* \*

As regards the fishing boats, the competent offices have given us the following data -

Motor fishing vessels (for fishing in the open sea) .....	3,100
Motor smacks (for coastal fishing) .....	9,010
Sailing boats and smacks for small scale fishing .....	34,000

If we examine the number of fishing boats in preceding years, we notice a remarkable development in motorisation, particularly the small motor boats up to 25 h.p.

This is due to a number of factors -

1. That the fisherman instinctively follows industrial progress and tends to limit fishing in sailing or rowing boats to reduce his effort;

2. To the provident Laws passed by the Government in the field of credit by the creation of a floating capital granting long-term loans at low interest (3%), as well as to the following Laws -

a. Law of the Government of the Sicilian Region for granting to Fishery Co-operatives subsidies up to 75% of the total of the invoices for work destined to increase the importance and equipment of fishing.

b. Law of the Government of the Sardinian region for the granting of subsidies up to 90% to Fishery Co-operatives which improve their fishing equipment.

c. Decree of the Finance Ministry by which freedom from customs duty was accorded to motor oils (mineral oil, petrol and petroleum) used for fishing.

d. Law for granting subsidies up to 40% to Co-operatives or individuals who do what is necessary to improve their fishing equipment. This law is, however, limited to provinces coming under the jurisdiction of the "Caisse du Midi".

e. Annual laws promoted by the Ministries of the Merchant Service and Agriculture by which subsidies are granted up to Lire 300 million for sea fishing and up to Lire 100 million for fresh water fishing, to Co-operatives or individuals who improve their fishing equipment. These laws provide for the granting of subsidies up to 50% on presentation of invoices proving the purchase of the material indicated in the application and in the estimates.

f. Law by which subsidies of Lire 50 million are granted to the F.A.R.P. (Foundation for Assistance and Provisioning of Fishing) for the granting of small fishery credits.

The sums granted as credit to applicants (all belonging to small fishing) whether members of Co-operatives or not, must not exceed Lire 250,000 for a single loan and the repayment of the debt thus contracted must be effected within 36 months.

This credit has met with much approval within the circle of small fishing.

#### ASSISTANCE AND SOCIAL INSURANCE

While workers in the small fishing industry grouped in Co-operatives have benefitted since 1937 from family allowances for their dependents (wife, parents, children up to the age of 18) under the recent law on Insurance for Fishermen, they have also the right to sick benefits, 60% of the contributions being paid by the State and 40% by the fishermen.

In addition the Law also provides for the late entry of old fishermen who are not entitled to insurance benefits under the pension scheme - Invalidity and Old Age of the National Institute of Social Insurance, as well as the obligation of social insurance to fishermen grouped in Co-operatives and to individual fishermen.

\* \* \* \* \*

The laws mentioned above have undoubtedly contributed to the development of Fishery Co-operation, and particularly Co-operation of small fishing born in poverty, and for the need to defend the labour capital against the rapacity of a world which could not and cannot compare with the experiences of the ill-formed and, in our case, primordial economy of the past.

It has been a slow evolution, made more difficult by the particular psychology of the fisherman, due to his field of work far away from the dynamics of land activities.

The way is not only hard for us but for all other countries bordering on the sea.

#### THE PRINCIPAL PROBLEMS OF FISHERMEN'S CO-OPERATIVES IN RELATION TO THEIR DEVELOPMENT

Our Co-operatives ask for -

1. The administration of wholesale fish markets;
2. The passing of a law for the cessation of feudal fishing rights;
3. The creation of a Police Force for Fishing with the specific task of guarding the coasts and inland waters to stop unlawful fishing with explosives or other illegal means or with unauthorised fishing tackle;
4. That, on account of international agreements, the limit of territorial waters should be fixed at six miles from the coast;
5. That fishing should be made possible for our fishermen on the coasts of Libya, Greece, Tunisia, Yugoslavia, Morocco, Algeria, Corsica, Albania and Turkey, where Italian fishing vessels are often seized even outside the territorial waters;
6. That the I.C.A. should concern itself with convening a World Assembly on Fishery Co-operation, or at least a meeting of Co-operatives in the basin of the Mediterranean, to deal fully, amongst other problems, with that of suggesting to the Governments concerned that it is necessary to reach an agreement for disciplining fishing in Mediterranean waters, in order to eliminate the continual controversies which occur amongst fishermen operating in this sea.

\* \* \* \* \*

It is obvious from what has been said that the organisation of fishing gear has progressed remarkably. However, presupposing that production can be increased, the distribution sector must be examined, as well as the services on land which leave much to be desired and which are still absolutely insufficient for the needs.

We lack fishing ports and we are still waiting for the realisation of the long-studied programme for the improvement of the ports and for the installation of 40 fishing ports in Southern Italy alone.

At least ten fishing ports, equipped with all the gear necessary to satisfy the needs of industrial armament, would be sufficient.

It is clear, on the other hand, that the development of our production is connected also with fishing outside the straits. But obviously the produce of the ocean disembarked in large quantities must be concentrated, for distribution, in a few ports well situated and having at their disposal all the equipment necessary for the conservation and rational handling of the fish.

It is not satisfactory that the fish should be well treated on board the fishing vessels and badly treated ashore.

Other important elements are those of packing, transport and refrigeration.

From the coastal warehouse to the counters of the retail shop, there are a number of intermediary phases which are the most dangerous from the point of view of the deterioration of the fish.

It is above all on this point that we must concentrate our attention if we wish to overcome the mistrust of the consumers of the fish, to increase their consumption, and at the same time to improve the price to the fishermen which today is fairly low in relation to the selling price of the product.



## I T A L Y

### LEGA NAZIONALE DELLE COOPERATIVE

The Movement of Sea Fishermen's Co-operatives in Italy includes 320 Co-operatives with 43,000 members and a share capital of nearly 163 million lire.

While the number of members is fairly large (43,000 out of nearly 150,000 in the fishing trade), its economic strength is very weak, and for this the limited share capital is only one of the reasons.

In fact, many of these Co-operatives do not exercise any effective economic activity as regards production, processing and marketing, but limit themselves to the local administration of social insurance for fishermen in the small fishing industry.

Nevertheless there are a certain number of Co-operatives whose economic activity is fairly well developed (Cattolica, Cesenatico, Fasano, Fano, Goro, Venice, Rimini, Riccione, Porto S. Giogio and others), which possess fairly extensive equipment (ice factories, coastal fuel tanks, markets, depôts, shops) and are developing satisfactory social services for their members (pension, health insurance, rest homes, etc.).

The majority of these Co-operatives are affiliated to the Lega Nazionale delle Cooperative, which includes almost a third of the Fishery Co-operative Movement.

But this does not alter the fact that in the economic sphere (production, processing, marketing) and the technical sphere, Fishery Co-operation represents a very modest percentage of the Fishing Industry as a whole (in contrast, for example, to Japan, Norway, Sweden and other countries).

The factors which have retarded the development of Fishery Co-operatives in Italy are many -

a. Sea fishing is one of the most neglected and stagnant branches of the national economy (1). Although national production does not meet the country's needs (40% has to be imported) the fishing industry has become one of the least remunerative, and from this comes the phenomenon that young people are not taking up sea fishing, consequently the diminution and sometimes the disappearance of any fishing activity in certain coastal zones.

1.

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1. While there has been a small increase in the number of motor fishing vessels and in the total tonnage, production has remained the same: 1952 - 1,984,390 quintals; 1956 - 1,952,281 quintals.

This contributes to an unfavourable comparison between the costs of production and the price, the relatively out of date state of the equipment, the faults in the organisation of the markets, the fairly low level of fish consumption (national average: 6.450 kg. per person) an unfavourable relation between the number of fishermen and the abundance of fish in the coastal waters, foreign competition.

The meagre social benefits enjoyed by the fishermen in comparison with other types of workers contributes to the depression of the industry.

The low revenue derived from the industry constitutes a very grave limit to the self-financing capacity of Fishery Co-operatives.

b. The preponderance of the artisanal form of fishing.

Individualism is a characteristic trait of the type of person concerned who lacks traditions of association. Apart from this, the difference in property and working conditions within the same artisanal structure makes the development of a mutualistic conscience based on homogeneous interests very difficult.

c. The relatively artificial character of the formative process of part of the Co-operatives.

Many Fishery Co-operatives came into being after the second world war. On one hand, there was a trend towards association amongst the fishermen, encouraged by the reconquest of democracy and the confidence in State aid to this branch of the economy. On the other hand, there were many Co-operatives at that time created mainly by the passing of a law which established their organisation as a co-operative in order to enjoy some social assistance (family allowances).

The majority of these Co-operatives can only undertake the administration of social insurances.

The factors which retard, even today, the development of a strong Fishery Co-operative Movement show at the same time the determining function which Co-operation can fulfil for the future of Italian sea fishing, in the interests of the fishermen as well as the national economy. One cannot but agree with Dr. F. E. Popper of the F. A. O. when he said at a recent press conference that "Co-operation holds the key for the development of the fishing industry".

In view of the realisation of the European Common Market, all the problems which handicap Italian sea fishing (costs of production and distribution, equipment, commercial organisation, etc.) will become more grave and will make modernisation of the methods and structures still more urgent (2).

The perspective of the European Common Market makes still more evident the importance and necessity of Co-operation as a structural factor, both against the danger of monopolies and speculation and for the economic future of Italian fishing and the social interests of the fishermen.

2.

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2. Competition from Germany, France and Holland can be particularly dangerous because of their superior equipment, lower production costs, and higher tonnage of fish.

Italian Sea-fishing Co-operation must be developed in quantity and in quality.

It can contribute greatly to the solution of the fundamental problems of this economic branch: diminution of costs of production and marketing, modernisation of equipment, professional training, conserving and processing, development of deep sea fishing, etc.

Much of this is dependent upon the efforts of co-operative fishermen in collaboration, in certain aspects, with the other co-operative sectors, to take the necessary steps -

a. to make more efficient the economic return of existing Co-operatives, by extending the variety of economic service, improving equipment and installations, unifying services between Co-operatives, creating the organisms of second degree to coordinate buying and selling policy, etc.;

b. to ensure that the Co-operatives which limit their activity to office administration and welfare work, undertake real activity of economic service, in the first place by the supply of necessary products to the fishing industry;

c. to develop collaboration with Co-operative Organisations in other countries regarding trade exchanges, technical and organisational experiences, etc.;

d. by propaganda and organisational action to attract thousands of other fishermen to the co-operative idea and Organisation.

But, taking into account the special conditions in our country, the development of Co-operation amongst the fishermen finds itself also closely conditioned by the development of an effective policy of improving the sea fishing industry, as an economically and socially depreciated sector, which needs State aid and encouragement as regards -

a. Development of scientific research and of the existing institutions to assure, with the progress of biological and hydrological studies, technical research, information for modern orientation of mediterranean and deep sea fishing;

b. Development of institutions for professional education and qualification and help to Co-operatives which take the initiative in this direction;

c. Credit facilities for equipment and functioning with particular arrangements for Co-operatives;

d. Cessation of exclusive feudal rights in sea waters;

e. Reform of present laws for the management of fish markets, in order to facilitate the taking over of the management by Co-operatives;

f. Improvement of the conditions of social insurance to the fishermen;

g. Improvement of coastal installations as regards posts for help and refuge, luminous signals, and others;

h. The stipulation and improvement of agreements and treaties with neighbouring countries as regards maritime collaboration and fishing rights in territorial waters.

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## J A P A N

### 1. Co-operative Organisation in the Japanese Fishing Industry

Japan, which has the largest fishing industry in the world, also possesses one of the most developed systems of fishermen's Co-operation. The local societies are grouped into Regional Federations on an occupational basis, and at the apex, into a National Federation of Fishermen's Co-operative Associations. Parallel to this three-tiered structure is the Central Co-operative Bank for Agriculture and Forestry, which is the principal financial organ for the distribution of public and co-operative credit. Within this organisation, the main co-operative activity consists of the commercialisation of the fishing produce and the various fishermen's supply networks. Credit distribution has not yet been sufficiently developed.

### 2. Some statistical data

At the end of March 1956, there were 5,571 Fishing Co-operatives consisting of 5,368 local societies and 203 Federations. Among the local societies, there were 4,354 Fishermen's Co-operatives, 792 Fishery Workers Co-operatives and 222 Fish-processing Co-operatives. Of the 4,354 Fishermen's Co-operatives, 260 were organised on an occupational basis and 4,094 on a regional basis, of which 3,154 were involved in sea-fishing, and 941 in fresh water-fishing. Of the 203 Federations, 158 were Federations of Fishermen's Co-operatives, 34 Fishing Credit Trusts, 10 Federations of Fish-processing Co-operatives, and 1 Credit Trust for Fish-processing Co-operatives.

In 1955, there were 1,085,361 members in the Regional Fishermen's Co-operative Societies, 19,760 in the non-regional Co-operatives, 22,869 in the Fishery Workers Co-operatives and 10,335 in the Fish-processing Co-operatives, making a total of 1,138,325 members, which represents almost the total of Japanese Fishermen (it should be made clear, however, that certain among them are members of several associations).

Although there are several large capitalist fishing enterprises in Japan, representing 25 % of the total production, the majority of fishing enterprises are small or medium sized units. In 1954, of a total of 251,747 fishing enterprises in Japan, 93.4 % were family enterprises, 0.2 % were Fishermen's Co-operatives, 0.1 % fish production Co-operatives, and 5.5 % were mixed enterprises, resembling co-operatives, but not legally recognised as such. The proportion of fishing enterprises built on a capitalist basis was only 0.4 %, from which can also be deducted those which are managed by Fishing Schools, experimental stations, etc... The Co-operative Societies produce directly only about 2 % of total Japanese piscicultural production, but in fact controls almost the whole of this industry, all Japanese fishermen practically, being members of this or that co-operative society. The Co-operative Movement has thus made enormous progress, and it now plays a top role as the nucleus of the economy of the fishing villages.

Organised originally to maintain order on the fishing grounds, to protect small fishermen and to collect fishing dues, the fishing co-operatives did not start out with a large capital, but today, the total capital of the fishing co-operatives is 5 milliard Yens, that is, about 5 milliard francs.

According to an enquiry of March 1956, the capital assets were made up of 10 % disposable funds as against 20 % deposits and 70 % loans. The use of these funds was apportioned into 48 % for loans to members, 28 % capitalisation, 21 % deposited in other financial institutions, 2 % in scrip and 1 % in liquid assets.

According to the 1954 enquiry, 47 % of the fishing co-operatives did not have an invested capital greater than 200,000 Yens. Although it relates to small co-operatives for the most part, whose main activity is one of control and collection of fishing dues, this figure indicates that their financial basis is far from being solid. More adequate measures (Government financial aid and the regrouping of small societies) are being planned to improve this insufficiency.

### 3. Public Authority Action

The legal framework of Fishing Co-operatives was outlined by the Fishermen's Societies Statute of 1886 and the Fishery Law of 1901, amended in 1910, to allow for the administration of common services, in 1933, to introduce the capital shares and limited responsibility system, and in 1938, to authorise the fishing associations to carry out the financial operations of deposits, loans and discounting.

All this legislation was recast by the new law on Fisheries of 1950, which marked, for the co-operatives, the passage from the purely administrative role of the collecting of fishing dues to the role of providing various economic services for their members.

In return for the control which the Administration exercises over them, the co-operatives benefit from certain advantages (fishing monopoly in the coastal zones, reduced rate of tax on turnover, exemption from registration fees, credit facilities).

Long term public credit is granted by the National Bank for Agriculture, Forestry and Fishery, a public institution which functions on budgetary grants and which, from 1951 to 1955, distributed 14 milliard, 467 million Yens to fishing co-operatives alone, at inclusive rates of between 6 and 7.5 % and with an amortization period of 10 to 15 years.

The credits of this National Bank are in fact granted under the responsibility and by the intermediary of the Central Bank for Agricultural Co-operatives and Fishermen's Credit Federations. The Central Bank for Agricultural Co-operatives assures, by its own resources or by the funds of the National Bank, the financing of about 35 % of the fishing industry's investments. Loans from commercial banks cover about 50 to 60 % of these investments.

The fisheries' borrowings are guaranteed by the provincial Mutual Guarantee Societies, and they are counter-guaranteed by the Government.

Parallel with this, is a system of mutual insurance, reinsured by the Government, which covers craft and gear.

Thus, the Government affords considerable aid to the co-operative efforts to the Japanese fishermen, notably by ensuring them a suitable legal framework and by putting at their disposal a well organised credit system.

A special mention should be made of the Tokio School of Fishing Co-operatives, which, in a year, trains 50 staff for these associations and which recruits its students, by preference, from among those who have already devoted at least 5 years of professional activity to a co-operative or a Federation of co-operatives.

#### 4. Organisation of the Fishermen's Co-operatives

Membership of the Fishermen's co-operatives is limited to workers residing in the area of the association and fulfilling at least 30 to 90 days a year (according to the individual case) professional fishing activity. Besides individual members, co-operatives can have "corporation" members, that is, companies exercising a fishing activity in their area, on condition that they employ less than 300 workers and that their fishing fleet is not greater than 300 tons. At least 2/3 of the members of a fishing co-operative must be working full-time for it, and at least 2/3 of the workers of a co-operative must be members. Furthermore, no member may hold shares of a value greater than double the average of the shares held by each member.

The board of directors (generally, a minimum of 5 members, a minimum of 3 for the fishermen's co-operatives) are elected by secret ballot for one year, 3/4 of their members (all for the Fishery Workers Co-operatives) having to be members of the society.

At least 10 % of the profits must be set apart for the reserve fund, until the latter has reached a sum equal to half the capital. Designed to cover losses, this reserve fund is distinct from the development fund, which receives 5 % of the profits, and which serves to finance the modernisation of fishing techniques and the training of the members. The surplus goes, firstly to the payment of a dividend equal to, at maximum, 5 % of the value of the shares, then to an allowance proportional to the transactions carried out by each of the members with the co-operative.

#### 5. Economic activities of the Fishing Co-operatives

These activities are defined by article II of the law on Fishing Co-operatives.

It is, firstly, the commercialisation of the fishing products which makes up the greatest volume of the business of the fishing co-operatives, followed by credit transactions and pooled purchasing, then comes the control of fisheries, the manufacture of ice, etc... 50 % of the fishing co-operatives assure both the commercialisation, the common buying and the credit.

The fishing co-operatives, however, only exercise a very feeble influence over the fixing of the price of the fish products, on account of the fact that they control most of the points of sale in the areas of production, but they control hardly any in the zones where there is a very high consumption. This situation, which affords the wholesalers and agents an overwhelming influence, is far from satisfactory, but it seems that the co-operatives are still too weak to take a greater part in the commercialisation of their products.

## 6. Conclusion

The development of fishing techniques, itself bound up with the scientific work being carried on in Japan since long before the war, has combined with the growth in the demand for fish and the increase in Government financial aid to accelerate the evolution of the fishing industry towards the exploitation of the high seas.

Although coastal fishing has also been considerably modernised (mechanization of the craft, spreading of new techniques, etc...) its productivity remains lower than that of deep-sea fishing which, furthermore, is assured of a far greater stability of production and revenues and can dictate its word on the market.

The result is that the principal objective of the Japanese fishing co-operatives is to assure to the catch of the coastal fishermen a competitive position in relation to the catch of the deep sea fishermen, to enable the former to gain access to equipment and necessary credit at reasonable terms, and exploit the fishing resources with methods allowing the fishermen to maintain the highest possible level of revenue. Nevertheless, the inside organisation of the co-operatives, and especially the distribution of the capital among their members, private individuals and corporate bodies, is not without certain deviations despite the limitation of voting right to one voice for each of the members. Certain co-operatives, dominated in fact by large ship-owners, seem to be aiming more at the maximisation of profit than the growth of the well-being of the fishermen. In other cases, local rivalries of a personal character are preventing co-operation between the small societies.

Therefore, those responsible for Japanese fishing co-operation are at present bringing their efforts to bear on the democratization of the co-operatives, their specialization, and the regrouping of the smallest among them.



## MEXICO

I. Fishery Co-operatives came into being in Mexico with the passing of The Law on Fishing, the object of which was to nationalise fishing in territorial waters for the benefit of the fishermen, who are a class of people with very limited economic resources.

Nationalisation, as well as protection for the fishermen, is assured by this law, which lays down that certain sea fish, including oysters, shrimps, sea lobsters, cockles, etc., may only be caught by waterside fishermen grouped in Co-operatives.

Originally, the Fishery Law reserved 14 kinds of fish for the Co-operative Societies, and the Government allowed them exemption from all taxes for 5 years. At that time, every Mexican citizen could catch fish reserved for Co-operatives, provided that, if he did not belong to the Co-operative Societies, he paid a tax of \$1.00 (1 peso) per kilo of fish caught, while the Co-operatives paid nothing. Later on, the law was revised for several reasons, and at present Fishery Co-operatives have the exclusive right to catch 7 kinds of fish, including the 4 mentioned above.

II. For circumstantial reasons, 60% of the fish caught by Fishery Co-operatives are shrimps. This fishing is carried out in three different places, which also demands the use of three different systems -

In the open sea: special boats and ground line nets, or drag-nets.

On the beaches: Outboard motor boats and cast-nets (nets thrown out by hand);

In the estuaries: Fixed fishing tackle.

III. In the clauses dealing with Fishery Co-operatives, the Law supports the idea of their owning their boats and provides that the necessary authority to hire the boats they need be accorded to those which do not own them.

As a result, when the deep sea Fishery Co-operatives were established, as stated above, by workers with very limited resources, they had not the economic resources for the purchase of essential equipment (boats, etc.) which is very expensive; nor were they able to count on sufficient credit, so that they were obliged to hire boats from shipowners, who stipulated that the Co-operatives should sell them their fish at low prices.

Thus, while the Co-operatives were gradually acquiring their own equipment, the efforts of the Confederation were turned towards improving the contract systems, so that the Co-operatives might obtain the best prices, so as to improve the personal situation of the fishermen, to permit the creation for the members of an adequate social insurance service, and, above all, the accomplishment of their co-operative aims.

In 1952, thanks to the intervention of the Confederation, contracts were improved by an increase of \$300.000 (300 pesos 00/100) per ton in the purchasing price of shrimps, and it was decided that half this increase \$150.00 (150 pesos 00/100) should be added to the shares of the fishermen, and the remaining half used to create a fund for the purchase of boats by the Co-operatives.

It should be noted that in 1952 there were 27 Co-operatives for deep-sea fishing which owned 5 fishing boats; as a result of the decision mentioned above, they now own 66 boats with a wide radius of action.

IV. Co-operatives which fish for shrimps in the bays and, since 1954, have sold their catch to special enterprises at fixed prices (prices which did not exceed \$3.00 (3 pesos 00/100) per kilo of unpeeled shrimps), have obtained a net improvement as, by the modification of contracts with the enterprises dealing with the congelation, packing and exporting of the fish, they receive an average of \$9.00 (9 pesos 00/100) per kilo of unpeeled shrimps.

Better conditions of contract have been obtained for Co-operatives which fish in estuaries. The drying of the shrimps on the spot which was done through the lack of local roads to quickly transport them to the refrigeration and packing centres is no longer necessary because, thanks to the construction of adequate local roads, they can now be transported quickly to the centres. Only a minimum quantity of shrimps are now dried in the old fashioned way (or "apastillade", as it is called in Mexico). At the same time attempts have been made to perfect the system of fishing with the help of biologists who are studying and improving these methods.

All that has been said above refers to the fishing (or catching, as it is called in Mexico) of shrimps on which, for reasons of favourable circumstances, the majority of Co-operatives concentrate at present.

V. A group of Co-operatives are engaged on fishing sea lobsters of a quality suitable for export, which are found on the west coast of the Lower California Peninsula, at the extreme north-west of the Mexican Republic. Fair conditions of contract which have been obtained has enabled them to have full ownership of their fishing tackle, aerial transport, buildings for preparing the lobsters and town shops for their sale.

In the same region of Lower California, Co-operatives concentrate on the fishing of molluscs by diving. Originally, the diving equipment was owned by the packing stations which hired them to the Co-operatives, and profited by imposing their arbitration in the fixing of prices, naturally prejudicial to the fishermen. Today, the situation has changed as, by continual efforts, the Co-operatives have gradually acquired their own diving equipment and sea transport. This has greatly helped the divers and other employees, as the Co-operatives no longer have prices imposed on them.

In this same region, cockles are also found, and are caught for conserving. At present the cockles are sold to special packing firms, but it is hoped that the Co-operatives will acquire their own factories in which to store the fish, to the greater benefit of their members.

"Totoaba", which is localised in the Gulf of California, is caught by deep sea fishing boats owned by the Co-operatives, as well as by small outboard motor boats. This fish, also another called "cabrilla" is nearly all exported to the United States.

The Confederation has succeeded in having dates fixed in each region for the fishing of "ostion" (large oysters). It has made every effort to promote a scientific exploitation of this fish, particularly the control of production, so that "ostions" are scientifically produced on the coasts of the State of Sonora, particularly in the bay called "Las Guacimas", with very good results. It is hoped that this process will rapidly expand in all zones where the fishing of "ostion" is carried on.

## CONCLUSION

We have tried to describe how our Fishery Co-operatives function, on a contractual basis. This form is provisional or, better still, temporary, and will only last until the Co-operatives have acquired the necessary equipment to enable them to function normally and to assure to their members all the benefits which a Co-operative must provide. Some Co-operatives already own their boats and their situation is better, but this is not enough for perfect functioning.

So that the Mexican Fishery Co-operatives may completely fulfil their rôle, they must possess -

Fishing boats fully equipped with all the necessary accessories;

Installations for ice production and refrigerators;

Packing stations;

A Sales Centre for the distribution of fish direct from the Co-operative to the consumer, cutting out the present series of intermediaries, whose operations increase prices, and who exert pressure on the Co-operatives to catch only fish which assured them a good profit, thus preventing the people from benefiting from this type of food.

As this equipment is very expensive, the funds of the Co-operatives are not sufficient: in fact, the fundamental problem is to obtain credit. The Confederation is working for the reform of the law which governs the Co-operative Credit Bank to perfect its working and in order that the Bank of Mexico can supply the Co-operative Credit Bank with the necessary economic support so that it may, in its turn, offer the Fishery Co-operative Societies the large credits which they need.

When this has been achieved, the Fishery Co-operatives will be in a position to realise great benefits, not only for the fishermen but also for the Mexican peoples, by bringing within the means of the economically weak classes this plentiful and beneficial food.

#### SUPPLEMENTARY INFORMATION.

At present we have 145 Fishery Co-operative Societies working on the two coasts of the Mexican Republic, grouped in 12 Regional Federations

#### RESUME OF THE FUNCTIONING OF THE MEXICAN FISHERY CO-OPERATIVES AND THEIR PRESENT POSITION.

1. In spite of its great stretch of coast, Mexico cannot be called a country of fishing tradition.
2. Until a few years ago, fishing was carried on in an old fashioned way, each man using methods which suited himself, as there was no law or rule which governed it.
3. The fishing industry, which aims to become an important factor in the economic life of the country, has only recently begun to develop.
4. It is for the industry that the Fishing Law was passed; this Law nationalised fishing and, in addition, was designed to help and protect fishermen with insufficient economic resources, that is to say the coastal populations.
5. To make this protection effective, the Law, indirectly, led the fishermen to organise themselves in Co-operative Societies.
6. To finance co-operative organisation between fishermen with insufficient economic means, the Fishing Law, after some reform, gave the Co-operatives the exclusive right to catch 7 types of fish, most of which are exported by those who "extract" them in order to get a better price.

7. The Law supports the idea that the Co-operatives should own their boats and the necessary equipment.

8. As the boats, equipment and installations for the industry are very expensive, the funds economised or saved by the Co-operatives have not been sufficient to buy them, and only a few Co-operatives have their own boats.

9. Because of this, they had provisionally to hire them, but in their contracts the shipowners imposed the condition that the Co-operatives sell to them their catches.

10. The inconvenience of this contract system is that the fishermen are bound by the demands of those from whom they hire the boats (who are at the same time the purchasers), and this leads to frequent difficulties and struggles to keep prices at a reasonable level for the fishermen.

11. This system is provisional and will only continue until the Co-operatives are able to buy their own equipment to meet the needs of their activity.

12. The Co-operatives need a lot of capital to perfect their functioning and to realise all they should do for their members and within the zone in which they work.

13. The Co-operative Credit Bank, which was established to help the Co-operatives, cannot grant these large credits as its economic resources are not sufficient.

14. The Confederation is endeavouring to reform the Law which governs the Bank in order to perfect its functioning. It is also endeavouring to prevail upon the Bank of Mexico, which is the State Bank, to grant the Co-operative Credit Bank sufficient economic support to enable it to offer important amounts of credit to the Fishery Co-operatives and those of other branches.

15. When the Fishery Co-operatives can count on these credits, they will acquire -

All the fishing boats they need with all the necessary equipment;

Ice factories and refrigerators for congelation;

Packing stations; and

They will be able to organise their Selling Centres to distribute the fish direct to the small retailers without intermediaries, thus eliminating speculation, and assuring the people of nourishing food.

16. We have 145 Fishery Co-operative Societies which, with sufficient credit, can develop their activity to the great benefit of the Mexican nation.

17. We hope to obtain the necessary legal reforms so that our Co-operatives may completely fulfil their functions.