

Congressman Les AuCoin
Testimony before Agriculture Committee
July 18, 1978

Mr. Chairman:

It's a pleasure to be here today to testify in favor of H.R. 11079, a bill to amend the Farm Credit Act to allow Production Credit Associations to make 15 year loans to harvesters and producers of aquatic products.

On February 27 I introduced H.R. 11160, legislation which is similar though broader than the bill before you today. In subsequent conversations with officials at the Farm Credit Administration, I agreed to support the more specific language of H.R. 11079 as it, too, would accomplish my purpose -- providing needed long-term financing for U.S. fishermen.

Mr. Chairman, the need for this legislation was brought to my attention, as I'm certain it has been to the distinguished author of H.R. 11079, by fishermen on the Oregon coast who are eager to take advantage of the tremendous opportunities made possible through enactment of the Fisheries Conservation and Management Act of 1976.

Whether or not they are able to do so may well depend on their ability to locate financing adequate to meet the heavy capital investment involved in the purchase of new fishing vessels and equipment. In Oregon, production credit associations have been active lenders to the Oregon fishing industry. Yet in letters, I have been told time and time again that the current short seven year maturity date is not adequate in order for a fishermen to meet his loan obligation.

Mr. Chairman, twenty years ago the U.S. fishing industry ranked second among the world's major fishing industries. Today it has slipped to sixth, behind Japan, the U.S.S.R., the People's Republic of China, Peru, and Norway. What will it take for the U.S. to regain its prominence in this crucial, food-producing industry? A good dose of imagination, perseverance, and plain hard work, to be sure. But it will also require financing -- lots of it. The Government Accounting Office has estimated that it will take a \$400 million investment in new vessels and \$800 million for processing plant expansion to bring the U.S. a fifty per cent market share by 1985.

Some of this money might be provided by our production credit associations if the legislation before you is approved. I commend my colleague from the Southern Oregon coast for his commitment to the development of our fishing industry -- a commitment he has demonstrated many times in the past -- and I urge this committee to pass favorably on his bill, H.R. 11079.