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COOPERATION  
AMONG FISHERMEN IN NORWAY

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*Business Organization and Management of Fishery  
Cooperatives in Norway*

ASLAK AASBØ

*A General Survey of the Development of Cooperation among  
Fishermen in Norway and Methods by which the Government  
has assisted the Organizations*

1959

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## FOREWORD

It is felt convenient to present a publication in English dealing with cooperation in the fishing industry of Norway as a hand-out to foreigners and others who are interested in performing studies in this field.

The two documents in this publication constituted the basis for special working papers which were submitted to the Technical Meeting on Fishery Cooperatives arranged by FAO and ILO at Naples 12—21 May 1959.

Bergen, March 1959.

*Director of Fisheries.*



Business Organization  
and Management of Fishery Cooperatives  
in Norway

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(Completed March 1959).



## 1. Introduction

In this paper the term "fishery cooperatives" is dealt with in a wide sense. It includes many kinds of organized business where the aim is to increase productivity and profitability for the common benefit of fishermen.

In a general paper of this kind, only a few important aspects of the subject can be treated and even then in a somewhat cursory manner. It is hoped, however, that the following pages may serve as a basis for discussion and encourage further study of the subject.

Any cooperative activity in fisheries must be adjusted to the conditions of the industry concerned, to government policy in general and to the conditions prevailing in the cooperative's locality. This paper is based on general conditions in the marine fisheries of Norway, but it is hoped that some of its findings may apply to conditions elsewhere.

Catching, processing and marketing are all functions which bear upon the exercise by the fishermen of their trade. As regards the first, fish shoals sometimes occur in abundance, and weather conditions and sea temperature may be favourable for fishing. Under ideal conditions there is no risk to life; boats and gear remain undamaged throughout the season; market prices are good and the fishermen are able to sell their catches without difficulty.

Then, at other times, difficulties tower on all sides. The fish shoals change course and may disappear altogether from the usual fishing grounds. Stormy weather and other unfavourable conditions may hamper fishing drastically and boats and fishing equipment may be damaged. Fish prices may decline and leave little or no return. Export markets may be blocked by restrictions. Transport conditions and sales arrangements may prove unsatisfactory and the price of the catch is greatly affected.

The influence of such adverse conditions is strongly felt by the fisherman himself. He is generally paid on a share (lay) system: the catch

value is divided into equal shares among the crew with one or more shares for the boat and/or the gear. Or, as is generally the case when fishing in distant waters, a percentage of the catch value is allotted to the crew members to be divided among them and the remainder to be kept for the boat and the gear.

So long as no market regulation and planning exist, the landing of large catches within a short period of time often leads to a decline in the first-hand sale prices. Shortage of receiving facilities may occur and transport facilities may not be available, and as most fishery products are perishable the prices are bound to fluctuate. The fall in price may even be so serious that the fisherman receives no more for a large catch than a less plentiful one.

Some species of fish are so abundant that considerable quantities must be converted into meal and oil; substantial capital is then required for erection of reduction factories, for storage and transport. The fact that great quantities are landed during a very short season may bring about the situation that the factories and processing plants and their workers are idle for a large part of the year, particularly as the work of processing is specialized in such a way that it does not offer continuous employment.

## 2. General Characteristics of Fishery Industries in Norway

In the nineteen-twenties Norwegian fisheries encountered a severe crisis. The demand for fish products on export markets were small and prices had undergone a drastic decline. In spite of emergency measures taken by the State (guaranteed minimum prices, subsidies, debt adjustments, etc.) fishing was hardly profitable and left the fishermen inadequate net return. The fishermen suffered from poverty, insecurity, indebtedness and complete dependence on the private enterprise which was in control of all marketing of fish, supply of fishing equipment and of domestic requirements. This was the situation before the cooperative movement started to gain momentum among the fishermen.

Fishing is carried out in all inshore waters and on the coastal banks, and Norwegian fishermen also operate in distant waters. Fishing is a major industry and annual landings average 1.7<sup>1</sup> million tons, more than any other European country (apart from U.S.S.R.).

The annual catch of herring species average 1.2 million tons or 70 per cent while the average contribution of cod and related species

<sup>1</sup> In this paper all figures relate to the period 1952—57 if not otherwise noted.

was 250.000 tons or 15 per cent. Approximately 70 per cent of the country's total landings was caught in the months January to April which shows that the fishing is markedly seasonal.

### **2.1 Fishermen, Boats and Gear.**

About 80.000 fishermen are occupied in fishing and some 40.000 persons in related shore industries. As fishing is seasonal, more than half of the fishermen have other occupations, many being "farmer-fishermen".

The Norwegian fishing fleet consists of 38 600 units of which 25 800 are open boats with engines and 12 600 or one-third are decked and equipped with engines. According to the 1948 fisheries census more than 60 per cent of the fishing vessels was owned by individuals and 38 per cent jointly by several fishermen. Almost all gear with relatively low value were owned by individuals, while ownership of expensive gear was shared with others. Thus, ownership of fishing boats and gear is solidly in the hands of the working fishermen.

### **2.2 Processing and Marketing.**

The domestic use of fish products is estimated at 330.000 tons. Some 1.35 million tons or nearly 80 per cent of the total landings must be sold abroad. Hence it is clear that Norwegian fish production has been developed as an export industry. Only 13 per cent of the total quantity is exported in fresh condition and 7 per cent as frozen products, while some 80 per cent has to be processed or converted so as to allow for storage and transport. Thus, fishing has given rise to a considerable shore industry.

The total annual average of the first-hand sales of fish amount to some 600 million Norwegian kroner. The value of the total exports average nearly 870 million kroner or about one-fifth of the annual average of the country's commodity exports.

### **2.3 Organized Trade.**

Ever since the inception of the exchange economy private enterprise has kept a stronghold in the fishery industries. Gradually, associations have been formed within the various branches and grown to national federations which include private fishmongers', manufacturers' and exporters' associations. Some of them have been authorized with exclusive rights to effect exports.

State intervention has become quite widespread. By the existing act of 30 June 1955 the Government is enabled to regulate production, distribution and exports. At present 8 national exporters' associations and 4 joint selling combines have been granted exclusive rights to effect exports of the most important fish products. The State authorities have also approved, and sometimes initiated, special Export Committees to negotiate sales contracts for exports, and fishermen's representatives hold seats in most of them. At present 15 such Committees are covering negotiations of export contracts including almost all fish products of commercial importance.

Fishermen's sales organizations have been vested with statutory powers to control first-hand sales of fish. The Raw Fish<sup>1</sup> Act of 14 December 1951 prohibits the processing, distribution and exportation of fish or products thereof unless it has been sold at first-hand through a fishermen's sales organization which has been approved by the appropriate Ministry. So far 14 such organizations have been established and 98 per cent of the quantity and 96 per cent of the value of all first-hand sales of fish landed in Norway go through them.

#### 2.4 Price Formation.

The organizational structure which is outlined above is, *inter alia*, based on the idea that the formation of prices on fish products be effected by negotiations and subsequent agreements between the organizations and associations concerned.

At present fish prices, however, for the seasonal fisheries of herring and cod species are fixed by the State authorities in consultation with the fishermen's organizations and exporters' associations.

Prices payable to fishermen for herring and related species are based on an average pooled price which is guaranteed by the Herring Price Equalization Fund regardless of the use that is to be made of the catch. For cod and related species minimum prices are fixed by the fishermen's sales organizations subject to approval by the price authorities. Prices for the domestic market and for sales from processors to exporters are not fixed but subject to free trade within the scope of the general price regulations.

For exports, there are special standard prices. For some commodities prices are settled by agreement between the industry concerned and the price authorities including the appropriate Export Committee. Subject to the above limitations the exporters are free to charge the prices that the market will bear.

<sup>1</sup> «Raw Fish» means fresh fish as caught.

## 2.5 Equalization Funds.

Two price equalization funds, one for herring products and one for all other fish products, have been established. The Government maintains control, approves statutes and appoints the board of directors consisting of representatives from the authorities, fishermen and exporters.

The incomes of the funds are derived as follows: where an export price has been obtained exceeding the agreed standard price, a proportion of the excess is paid into the appropriate fund. Alternatively, where the export price obtained is below the standard price and the sanction of the board has been granted, the difference may be made up out of the fund concerned.

As far as the financial resources go, these two funds allow for stable prices to be paid to the fishermen irrespective of the change in prices obtained in foreign markets. This to a great extent eliminates the risk of precarious markets and ensures a definite return to the fishermen. As the resources of the Fish Fund were exhausted a temporary arrangement was introduced in 1958 incurring State subsidies in order to secure a reasonable level of prices payable to fishermen for cod and related species of fish.

## 2.6 State Activities and Fishery Cooperatives.

It is hardly probable that the fishermen would have succeeded in improving their conditions through cooperation without the active support and friendly collaboration rendered by the State authorities.

Generally speaking, the fishery cooperatives are not subject to any cooperative act, but the fishermen's sales organizations as well as the cooperative for supply of bait are founded on special acts authorizing them with statutory powers. In addition, the mutual insurance cooperatives covering risks of loss and damage to boat and gear must adhere to regulations laid down in a special act.

Fishermen's cooperatives dealing in fish products caught and delivered by their members are exempted from ordinary income taxation.

The Government has made the following aid available to fishery cooperatives, *inter alia*:

a. *The State Fisheries Bank* grants loans on favourable conditions for financing purchase of boat, gear and fishing equipment as well as for acquiring fixed premises with accessories for fishery purposes including processing plants, repair facilities for boat and gear, buildings for accommodation of fishermen and for servicing, such as baiting of long-lines etc.

b. *The National Bank of Norway* is authorised to grant state guaranteed loans for providing working capital in order to enable the cooperatives

to cover payments of delivery of catches from fishermen and processing expenses incurring in the period up to the final settlement after marketing.

c. *State authorities*, such as the Director of Fisheries, grant loans to cover initial expenses for the establishment of fishery cooperatives. Loans are also made available on favourable conditions for construction of processing plants, ice storages, water supply schemes as well as for erection of buildings providing accomodation and other services to fishermen. In addition, substantial subsidies and state guarantees are granted for supporting the fish prices and for stabilizing the prices of bait, gear and fishing equipment.

d. *Modernization funds* have been founded with the aim to raise the general standard of retail trade. Loans are granted on favourable conditions for modernization of retail fish shops, installation of cooling equipment, purchase of specialised vehicles for transportation and distribution of fresh fish etc.

e. *Technical assistance* is given free of charge in planning and construction of processing plants, cold storages, oil and meal factories, water supply schemes etc.

f. *District offices for counsellors* who assist and advise fishermen in establishing and organizing fishery cooperatives, are maintained by the Government in the North, the Middle and the South of Norway.

g. One *school for instruction* of foremen in processing and handling of fishery products and *another* for training of engineers in operation and maintenance of freezing and refrigerating machinery and equipment are operated by the Government. In addition, lectures on cooperation are regularly given at all the five special State schools for education of fishermen.

### 3. Development and Types of Fishery Cooperatives

Gradually, the fishermen have come to realize that catching, processing and marketing of fishery products must be considered as one continuous process, and that the ultimate market price is the factor which really determines their remuneration. Thus, the price paid to fishermen is only the residual after deduction of all costs and profits which fall due in the intermediate links.

The fishermen would depend completely on those who buy and market fish products and supply fishing requirements unless the fishermen's bargaining position was strong enough to give them an influence in the fixing of prices and keep a check on costs and profits.

Fishermen with foresight and initiative came to the conclusion that their problems could be solved by themselves only if they joined forces to form fishery cooperatives. In Norway, the fishermen's professional unions were the driving force behind the development of the cooperative movement among fishermen, strongly supported by the state authorities and, at least morally, by the agricultural and consumers' cooperatives.

The common objective of all fishery cooperatives is to improve the economic and social conditions of the fishermen by undertaking organized business activities connected with the fisheries and under full control of the member-fishermen.

The business activities of fishermen's cooperatives are often of a specialized, single-purpose character, although a combination of functions may be undertaken simultaneously in so far as this is consistent with the main purpose of the cooperative.

The fields in which fishery cooperatives operate can be grouped as follows:

- a. ownership of boat and gear
- b. processing and marketing of fishery products;
- c. manufacture and supply of fishery requirements;
- d. insurance of life, boat, gear, etc.;
- e. financing and credit;
- f. mixed activities;
- g. secondary organizations.

### **3.1 Cooperative Ownership of Fishing Boats and Gear.**

Fishermen not having sufficient means to acquire a fishing boat and equipment individually may be able to establish a financial foundation therefore on a cooperative basis. In such a case, the boat would be owned and run by the cooperative for the mutual benefit of its members, priority being given to members when recruiting officers and crew. Such cooperatives might be a possible means to combat unemployment among full-time fishermen.

As a substantial part of the Norwegian fishing fleet consists of small units owned by individuals, or by joint or part ownership, there are only very few cooperatives established with the main purpose of owning boat and gear in this country. On the whole this type of fishermen's cooperative seems to be rare in Europe and North America.

### 3.2 Processing and Marketing Cooperatives.

In many regions fishing is mainly based on inshore fishing with a considerable number of small boats which may land limited quantities of a variety of fish species at one and the same time. The restricted operational range of these boats makes it necessary to land their catches at one particular — and often remote — port. There may not be any satisfactory receiving arrangement, the private buyers may sort out the fish arbitrarily, inequitable practices, e. g. in the use of weights and measures, may occur, or, the difference between prices payable to fishermen and those paid by the processors or by the consumers may seem unreasonably great.

A possible means of overcoming these difficulties is for the fishermen to organize a processing and marketing cooperative. The main objective of such cooperatives is to receive, process and market the catches landed by their members. In some places their main activity may be salting and drying of fish, the finished products of which are sold to wholesale dealers, exporters, etc. Some cooperatives may be mainly occupied with marketing of fish in fresh conditions on the home market, and processing frozen fish for export.

Filleting and freezing plants, canning factories, cold stores, oil and meal factories — all these are undertakings which may also be operated by fishermen's cooperatives, either individually or in association with others or jointly with other types of cooperatives.

A fishery processing and marketing cooperative is usually equipped with means for supplying its members with ice, bait, water, and various accommodations, as well as facilities to supply fuel and oil from tanks. It may also take up negotiation of purchase of fishing equipment for its members. In this case separate accounts should be kept in respect of these subsidiary activities and the financing arrangements planned and controlled according to special rules, which may be laid down in the by-laws.

### 3.3 Manufacture and Supply Cooperatives.

Cooperative factories and wholesale organizations may be established for manufacture and distribution of fishing gear and equipment. This enables the fishermen to check on production and distribution costs, to stimulate reduction of prices, maintain quality and ensure stable supply.

Regular supply of high quality bait in advance of the fishing season is of great importance to fishermen. Ice production and storing facilities for fresh and frozen fish and bait, and vessels fitted with refrigeration equipment for transportation and distribution are also necessary. Such services, too, may be provided through fishermen's cooperatives.



As water for human consumption as well as for supply to boats and for cleaning of fish may be hard to get at in some fishery localities, particularly on islands, water-supply schemes may be undertaken by special fishermen's cooperatives.

In certain areas fishing is carried on from small boats which lack sufficient space for accommodation of the fishermen, for repair of gear, or for baiting long-lines. Fishermen's cooperatives may be formed to erect special buildings, mostly in connection with processing plants, in order to satisfy such demand.

### **3.4 Insurance Cooperatives.**

As the work of the fishermen is extremely exposed to the risks of life, damage and loss, special insurance cooperatives may be set up to cover such risks.

In Norway, for example, some local mutual insurance cooperatives for gear and equipment have been organized as well as a re-insurance institution for gear, the latter being a state agency.

Similarly, insurance of fishing boats in the country is carried on by a number of special local mutual insurance cooperatives which reinsure in a state agency. In addition, a life insurance company and mutual schemes for insurance against accident to persons are operated by the fishermen on a cooperative basis.

Through insurance cooperatives the fishermen can be helped considerably to recover expenses incurred by damage or loss of boat, equipment and gear.

Generally speaking, such cooperatives, in addition to creating favourable insurance conditions, can aim to reduce premium rates, provide the fishermen-members with an opportunity to influence the operational policy and to decide upon the use of the operational surplus, as well as contribute to promoting minimum safety standards and improved working conditions within the fishing industry.

### **3.5 Cooperative Financing and Credit.**

Individual fishermen may often find it difficult to obtain the necessary capital for purchase of boat, gear and other equipment. The [day-to-day] working capital may also be hard to come by, since in many places the opinion prevails that the fisherman is less credit-worthy and has less security to offer than members of other occupational groups. The formation of credit cooperatives with the aim of providing loans, or dispensing credit to members, can help to offset these difficulties.

Fishermen's credit associations may enjoy some support from state funds or banks, although usually fishermen's cooperatives of the supply, marketing or boat-owners type have the same access as private enterprise to state financial institutions and banks providing loans to the fishery industry.

So far no special credit cooperatives have been established by fishermen in Norway, but a scheme for creating such organizations is being studied now on the initiative of the National Fishermen's Union.

### 3.6 Mixed Cooperatives.

Consumer cooperatives operating in fishing districts may take up the processing and marketing of fish for fishermen-members. The reason may be that the delivery of catches constitutes the means of payment for consumer goods.

Another form of mixed cooperation is when a boat-owning cooperative not only engages in fishing, but also carries on processing and marketing of the catch.

A third category is the processing cooperative which, on its own or jointly with others, acquires boats and gear for fishing purposes. This may be done in order to combat unemployment among the members during the slack season or for the better utilization of the cooperative's processing capacity and regulation of the flow of raw material.

A combination of functions within one and the same fishery cooperative presupposes a wide range of knowledge on the part of the management and employees, since operations, accounting, control and other aspects of administration become complex in fishery cooperatives of this kind. In such cases, the questions of organization, of the balance between various groups of members, of responsibility of members and of the board of management, and of education and training, necessarily involve special study and attention if the cooperatives are to function soundly and smoothly.

On the other hand, circumstances may occur when a mixed cooperative may be the only measure of satisfying the demand, as for instance in the case of the consumer/processing cooperative. The conditions prevailing in each instance have to be considered. For instance, will enough members be found with the necessary qualifications to manage two or more cooperatives? Will joint administration and management be less expensive in a mixed cooperative than in single-purpose ones? In any event, the functions of the cooperative should correspond to needs that are common to all members. The accounts and the financial transactions of the different departments of a mixed cooperative should in most cases be separately kept.

### **3.7 Secondary Organizations.**

Secondary organizations of fishermen's cooperatives may undertake a wide variety of functions. In the fields of education and promotion they can organize courses, publish pamphlets, organize lectures on the spot, or over the radio or on the television, etc. The drafting of model by-laws and special assistance to new cooperatives during their initial stages are also among the important organizational services which a secondary organization can render.

Their functions will also be strongly felt in the business and technical sphere. Marketing at home or abroad may be organized through secondary organizations, which at the same time may equip themselves to provide audit, statistical and financial services. They will also distribute information on new developments in gear, equipment and marketing trends; provide, either through their own staff or consultants, technical advice on plant layout, mechanization, productivity, work measurement and other factors concerning production; and maintain continuous quality control of the final product.

The role of secondary organizations of fishery cooperatives will no doubt become more and more important, and the next few years will see the rise of new combined activities of this kind for the benefit of the living conditions and overall welfare of fishermen.

### **3.8 Fishermen's Secondary Undertakings in Norway.**

As the margin between the price payable to fishermen and the market price is absorbed in the intermediate production and marketing process, the fishermen would maintain that sound business methods and adequate profit margins must be ascertained in processing and marketing.

In Norway a number of fishermen's subsidiary undertakings have been established, mainly with a view to carry out control. They may be filleting and freezing plants, cold stores, oil and meal factories, canning factories, plants for production of stockfish, klipfish and salted fish, wholesale and retail enterprises, export firms etc.

Some of them are operated as part of a fishermen's sales organization, while others may be organized as joint stock companies or as independent cooperatives. But all these undertakings maintain control under the full leadership of the fishermen and are intended to benefit their common interests.

They serve various useful purposes as they provide information on market conditions and costs which are needed during price negotiations. As many of them are modern in every respect, they take the lead in the endeavours of making catch receiving arrangement, transportation,

processing and marketing more efficient, thereby influencing private enterprises to do likewise. They contribute considerably to ensure safe and steady delivery conditions, which will bring about more efficient utilization of the time required for fishing operations.

With respect to exports of some important fish products, such as those relating to tunny, lobster, shrimps and eel, the fixing of prices and terms of sale may be put into effect by collaboration and mutual agreements between several fishermen's sales organizations. By such joint actions it has been possible to counteract detrimental effects arising from competition between fishermen and between sales organizations, or, from activities undertaken jointly by foreign fish importers aiming at, for instance, price reductions.

### **3.9 Fishermen's Sales Organizations in Norway.**

As previously mentioned a special act of 1951 provides for the setting up by a majority of the fishermen concerned, of a sales organization which is empowered with exclusive rights to control the first-hand sales of fishery products.

Because conditions differ widely from one district to another and, since a large number of fish species are involved, it has been found convenient to establish several sales organizations, each with a restricted scope of operation. The activities of some of them are geographically defined, while others are established to handle certain species of fish irrespective of where they are caught or landed.

The principal objective of these sales organizations is to ascertain that the fishermen are paid as high prices as the market conditions make possible. Other important aims are to stabilize prices payable to fishermen and to ensure stable delivery arrangements for landing of catches from fishermen.

The sales organizations have arranged their system of trade in various ways which may be grouped as follows.

All buyers of fish must be approved by the appropriate organization which:

- a. stipulates prices and terms of delivery, but leave the fishermen free to deliver their catches to any approved buyer at or above the stipulations;
- b. stipulates prices and terms of delivery and direct the catches to the various approved buyers;
- c. takes over the catch from the fishermen and effects marketing itself.

The sales arrangement in the a. group may be connected with a system of price equalization when prices for one and the same kind of

fish differ much in relation to its various uses (freezing, salting, drying).

The b. group arrangement is always based on a system of price equalization. The sales organization to which the buyers have to pay, calculates the average seasonal price obtained on which final settlement with the fishermen is made by the organization concerned.

In the case of the c. group the organization takes over the catch directly from the fisherman and transports the fish to its own packing premises, to oil and meal factories or processing plants approved by the organization. Afterwards the fish products are sold to wholesale dealers, retailers or consumers. Settlement with the fishermen is made directly by the organization.

The fishermen's sales organizations may differentiate prices in order to promote delivery for certain uses and they have power to control the catching of fish when gluts are threatening.

Not all organizations, however, may be sufficiently developed to allocate catches, nor may it be possible for them to standardise prices payable to fishermen irrespective of the destination of the fish. But at least they stipulate minimum prices.

#### 4. Organization of Fishery Cooperatives

Some of the special features which characterize fishery cooperatives are as follows:

a. Fishing involves a great element of chance and insecurity. The supply of fish depends on many unstable and unpredictable natural conditions, such as the movements of fish, fluctuations deriving from variations in stock and seasons, variable weather conditions, etc.; the fisherman and his boat and gear are exposed to risks of loss and damage.

b. The relation of the fisherman to ownership of boat and gear, which may influence the type of membership.

c. Fish as a commodity is perishable. It must be taken care of immediately in order to maintain quality, which has an influence on the selling price and therefore on the successful running of the cooperative. In addition, it necessitates special arrangements for handling, transport, storing and marketing.

d. Capital requirements for processing and marketing are likely to be substantial. It is necessary to acquire premises and equipment for processing and storing. Considerable working capital is needed to cover

the period between payment for fish deliveries and the final settlement after marketing.

The planning and preparatory work in organizing a cooperative will to a great extent reflect upon the future operations. Great care should be taken in the initial stages. The planning should cover such questions as the area to be served, nature of operations, risks to assume and avoid, capital required, costs of operation, member relationship and the manner of settlement with the members as well as preliminary works before starting operations. At the planning stage it may be advisable to consult efficiency experts. When, for example, a processing cooperative is to erect a freezing and cold storage plant, an experienced technician should be engaged in order that layout and operation may be in accordance with public regulations, and that the processing, transport and storing may be arranged in the most efficient and economic manner. The cost involved in such planning will give very good returns.

In a cooperative the source of rights and power lies in each and all of the members themselves. At the same time, some administrative organization has to be set up and someone appointed to conduct the operations. The organizational set-up may vary according to the provisions of national legislation or to the nature of the cooperative, but some features are of wide general application.

The organization of a cooperative must be set forth in the by-laws. These form the constitution under which the members carry out their united action to promote their common benefit. They must, therefore, be framed with the utmost care so as to observe the requirements of existing legislation and the general principles of cooperation. They will define the relations between members within the cooperative as well as between the individual members and the society as such. They will specify the functions of the various organs within the cooperative with a view to good collaboration between them in order to fulfil the objectives and purposes of the cooperative.

#### **4.1 Composition of Membership.**

There are wide variations in the composition of membership in fishery cooperatives. The main categories of membership could be classified in various ways, but for the purpose of this paper, they are given as follows:

- a. Direct personal membership
- b. Direct membership in relation to boat/gear
  1. Owner of boat and/or of gear
  2. Crew members

The membership may be divided into groups, for example, based on the size of boat, the kind of gear, the number of crew, etc.

c. Collective membership

1. Through local cooperatives the fishermen may automatically become members of regional sales organization (as in Norway)
2. Through membership of a district professional union (as in Norway), the fishermen may obtain membership in a sales organization, or for example, in a cooperative for supply of fishing requirement.

Personal membership may be preferable in small cooperatives with limited area and membership. As regards sales organizations and the large cooperatives covering a considerable area, the membership in effect may be based either on a fishing unit (boat and gear), on membership in a local cooperative or in a professional union.

The rules of membership should usually be so framed as to provide various classes of gear, the boat-owners and the crew a fair representation through elections in the governing body of the cooperative. A fair representation of fishermen from the various geographical areas within the range of the cooperative should also be taken into account.

#### 4.2 Membership Relations.

In the administration and operation of a cooperative an informed and sympathetic membership is one of the foundations upon which its success depends. The duties and rights of the members must be laid down in the by-laws and in the business regulations, with which the members should be fully conversant.

Procedures should also be laid down in the rules to facilitate friendly solutions of disputes and controversies arising between a member and his cooperative. Misunderstandings should be clarified at once so as to avoid damaging good relationships.

Equality of voting rights as between members will usually be stipulated. Although examples of graded voting rights might be found, the accepted common principle is that each member has one vote irrespective of the share capital subscribed or of the volume of business done with the cooperative. The voting should be exercised in person. In rare cases voting by proxy may be applicable.

On the other hand, the right to exercise voting may be limited, provided this is stipulated in the by-laws. For example, if a member has delivered no catch to the cooperative during any year, his right to vote may temporarily be suspended at the next general meeting, and he may be rendered ineligible to hold office in connection with that meeting.

The bigger the cooperative is the more attenuated becomes the line of contact between the individual member and the central direction. It is essential that the members should take a keen interest in the working of their cooperative. The main responsibility for maintaining good lines of contact rests with the management. Through circulars, pamphlets, journals and broadcasting, etc., much can be done to improve the relations between the members and the central direction.

The essential duties of the member may generally be stated as follows:

- a. to subscribe his part of the share capital and to be under the obligations of a member, the liability being usually limited as prescribed by the by-laws;
- b. to observe the by-laws and the business regulations;
- c. to follow the instructions given by the management;
- d. to keep himself informed of the decisions made by the competent organs of the cooperative and to convey to the cooperative observations which might be of common benefit;
- e. to sell his whole catch to the cooperative or to buy through it all the fishery requirements needed.

If a member of a processing cooperative is free to deliver only a part of his catch, the result may be that he sorts out and sells to private buyers the fish species and qualities which give the best return, the remainder only being delivered to the cooperative. In the case of a supply cooperative the production and distribution are planned in advance in relation to the usual demand of all members. If, therefore, some members buy their fishery requirements outside the cooperative, the whole operational program is likely to be jeopardized. In both cases the existence of the cooperative may be imperilled.

The duty of the members to pass all their business through the cooperative must, of course, be matched by the latter's ability to compete with private firms as regards prices, qualities and terms of sale.

### **4.3 The Organs of Administration.**

The structure of a fishery cooperative will normally comprise the following organs:

- a. the general meeting (annual meeting);
- b. the board of management;
- c. the supervisory committee.

Different practices may apply to the composition of the above organs in fishery cooperatives.

The general meeting is the supreme body. In small cooperatives



which are limited in area and membership an annual meeting of all members is convened.

As regards large cooperatives covering a wide area and having a considerable number of members dispersed along wide stretches of the coast, it may be found practicable to establish a council of delegates, vested with the authority of the general meeting, the delegates being elected at district meetings.

The board of management is the executive body and as such is responsible for the management and running of the business.

The supervisory committee is responsible for ensuring that the cooperative is run in accordance with the rules laid down. It is elected by the general meeting, reports back to it and is responsible to it only. It may investigate complaints and in this respect serve as a connecting link between the members and the cooperative. In small cooperatives the functions of control and supervision may be given to one member who, at the same time, carries out inspection of accounts.

As regards a fishery cooperative which is vested with statutory powers the State authorities will normally appoint a public inspector to ensure that the cooperative is conducted in accordance with the provisions of the appropriate legislation and that no abuse of powers occurs. In addition, the submission to Parliament of an annual report on the operation of the organization may be required. The Government will retain certain reserve powers, relating to the prevention of exploitation of buyers and domestic consumers.

#### **4.4 The General Meeting.**

The general meeting is the source of all authority and power within the cooperative. It is this meeting which adopts the constitution of the society and lays down its business regulations. Any decision it takes in the prescribed manner is binding for all members.

The rules governing the composition and functions of the general meeting must be set forth in the by-laws.

The general meeting is usually convened once a year and is empowered:

- a. to elect and remove members of the board of management and members of the supervisory committee;
- b. to examine, approve or reject the reports and balance sheet, which must be submitted to it by the board of management, the supervisory committee, the auditors, etc.;
- c. to approve the accounts and determine the disposal of the operational surplus;

d. to make final decisions on admission and exclusion of members, on raising of loans through mortgaging, on amendments to the by-laws, on dissolution of the cooperative and on the use of capital on liquidation;

e. to lay down the by-laws and business regulations, working rules of management and supervision and make final decisions as to extension or restriction of the business activities.

The required quorum of a general meeting is often one-half of the members. In special cases, mainly regarding amendments to the by-laws and dissolution of the society, the quorum may be two-thirds. In certain cases an extraordinary general meeting may be held in accordance with provisions laid down in the by-laws. Such meetings can only discuss matters set out in their agenda which must accompany the notice of the meeting. An extraordinary general meeting may be convened whenever the board of management deems it necessary, or when a given proportion of the members put in a written demand for one.

## 5. Management of Fishery Cooperatives

### 5.1 The Board of Management.

When the general meeting is electing the members of the board of management and vesting with it the authority to direct the day-to-day running of the cooperative, great care should be taken to find fishermen endowed with foresight, vigilance and experience, and with good knowledge of fishing and fishery industries.

Although the scope of activities may vary considerably as between different cooperatives in relation to the nature and size of the undertaking, the board of management is entrusted with powers and duties which are similar in principle throughout and should be laid down in the by-laws and in the business regulations.

The duties of the board of management include all the activities necessary to achieve the object of the cooperative, except such as have been specially assigned by the by-laws to general meetings or to any officer of the society. The main duties of the board may be summed up as follows:

a. to direct the affairs and to promote the progress of the cooperative in accordance with by-laws, business regulations and resolutions passed by the general meeting;

b. to maintain an up-to-date membership register and arrange for good contact between the members and the direction;

c. to appoint and discharge the employees, including the manager, fix their remuneration, organize departments and lay down working rules;

d. to maintain proper accounts and prepare statements and reports to be presented to the general meeting;

e. to arrange for the safe custody and insurance of property and to guard against abuse;

f. to determine the terms of delivery, transport and settlement, and, where appropriate, to determine prices;

g. to represent the cooperative in legal actions brought by or against the cooperative;

h. to define and fix the business policy, to determine the measures necessary to implement this policy, and to arrange for the necessary means such as manpower, equipment, finance, etc.

The board of management is responsible in every respect to the general meeting for its conduct of the cooperative. It may appoint subcommittees for special purposes, e. g. investigating complaints from members, supervising the erection of a processing plant, etc., but the board is responsible for the work done by any such subcommittee.

## **5.2 Relation between Direction and Management.**

Management involves delegation of authority and responsibility.

Although the general well-being of a cooperative depends basically upon the membership, its successful business operation depends directly on the capacity of the manager and staff.

All work must be thoroughly planned with the view to achieve the objects set. The plan of work and the system of responsibility must be clearly defined for all those who have to implement it. Constant control of operations is also necessary. The results should be constantly compared with the original plans taking into account necessary alterations arising from changes in the operational conditions.

As management essentially involves dealing with people, with devising and carrying through routines and orders, great care should be taken in defining the authority and duties of those concerned, so as to avoid conflicts and to foster teamwork. An organizational chart of administrative build-up of the cooperative will help to show how the various parts of the entire machinery fit into each other, and should be supplemented by adequate work instructions.

The fishermen are concerned primarily with fishing and may lack the experience and ability to frame the by-laws, regulations, instructions

and plans in detail. In some cases it may be found useful to engage a consultant to assist in working out such matters in close collaboration with the board of management.

### 5.3 Functions and Power of the Manager.

For the board of management the choice and employment of a manager is a weighty problem, because the failure or success of the cooperative so often lies in his hands. There are certain qualifications necessary of which some may be stressed: unquestionable integrity; experience and knowledge of business transactions regarding the fishery industries; competence and capacity; knowledge and appreciation of cooperative principles and the spirit of the cooperative movement; ability to collaborate and deal with subordinates and to direct their work.

The manager will be in charge of the operation of the cooperative's business activities and will conduct its day-to-day running under the general direction of the board of management. The manager can only perform these functions in virtue of the authority vested in him by the board of management, to which he is solely and fully responsible.

The general functions and powers of the manager will be set forth in his employment contract. As he may have to administer property and handle considerable financial resources on behalf of the cooperative, a guarantee policy should be taken out with an insurance company, the cost being paid by the cooperative. This arrangement should at least apply in so far as the manager is personally responsible for the accounts and the finance, which often is the case in smaller cooperatives.

In the day-to-day running of the cooperative, the duties of the manager generally comprise the following:

- a. to carry out the plans set up by the board of management;
- b. to organize work according to plans and delegate necessary authority and responsibility to subordinates;
- c. to issue orders and communicate decisions to subordinates and ensure that they understand their tasks;
- d. to coordinate the activities of subordinates and to promote team-work among them;
- e. to exercise control to ascertain that the work is being carried out at the lowest costs possible and with maximum output;
- f. to keep the board of management informed about the operational progress and the financial status of the cooperative;
- g. to represent the cooperative in current business dealings with individuals and institutions.

#### 5.4 Personnel Management.

The well-being of the employees is of the utmost importance for the successful running of a cooperative. Careful attention, therefore, should be given to a proper relationship between management and employees, and between employees, as well as to establishing a good understanding between the employees and the member fishermen.

Employees should have the feeling of being in the right job, of doing work appropriate to their individual aptitudes, of being members of a group with a sense of cohesion, and generally of being treated well and justly.

The management must work out how many employees are needed to carry on the business. In this connection it would be useful to set up a work plan based on job descriptions and work measurement. Large cooperatives may employ a staff officer or personnel manager. A scheme for the education of employees as well as of members should be worked out and maintained.

It may be mentioned that the manpower costs of many fishery products, as for example fish fillets, constitute a considerable part of the cost price of the finished product. Fishery processing cooperatives, therefore, should consider the management of personnel with the utmost care. Work measurement may be introduced with a view to stimulating higher output or better returns of comparable quality at lower cost and without impairing human relations.

#### 5.5 Office Management.

Office work is mainly connected with communication and records. It involves computation, checking and safeguarding. All clerical work must be reviewed to make sure that it is correctly fulfilling its purpose at the lowest possible costs.

Office management calls for good qualities in dealing with people. Office layout should be carefully studied so as to avoid unnecessary movements of staff and papers. Attention must also be paid to light, ventilation and welfare facilities so as to ensure the well-being and efficiency of the staff.

As all future judgment must be based on the records, an efficient filing system should be of necessity. The arrangement of the mail must be so organized that the right document reaches the right person at the right time. The movements of goods and money, purchases, sales contracts, wages and insurance policies must be controlled through a sound system. The money and other valuables must be kept under safe custody.

Much office work can now be mechanized. The introduction of special machines is a matter for appreciation in each case, and will be

based mostly on cost, but also on the time- and labour-saving results in relation to desired objectives.

So far as price negotiations are concerned, statistics and information about the development of costs and prices are indispensable. Sales organizations in particular should pay great attention to the establishment of a sound statistical system.

### 5.6 Financing.

Buying, selling, processing, supplying or lending are all activities which require capital, and the capital resources of a cooperative must be related to the size of the membership and the scope of the operations which it has to undertake. Far too often failure has occurred because the cooperative has paid insufficient attention to its real financial needs.

In assessing the capital required, a distinction must be made between, firstly, the amount needed to cover capital expenditure and, secondly, the amount required for working capital.

Care must be taken to ensure that the capital is sufficient to cover not only necessary purchase of premises, processing facilities, tools and supplies, but also to meet all possible items of running expenditure, i. e. raw material, wages, rent, lighting, transport, etc. likely to arise until income begins to come in. It is also wise to make some provision to meet unforeseen expenditure. In assessing the additional capital required to expand activity, the same care and examination must be applied as in the case of the initial requirements.

In a cooperative society capital may be grouped as follows:  
a. "owned capital", which is provided by share contributions, reserve funds, and other funds created by allocations from the operational surplus;  
b. "borrowed capital", consisting of loans to the cooperative and amounts owed by it for goods, and which has to be repaid within a certain period in addition to interest.

Ability to increase the "owned capital" is of vital importance, and as a general proposition, the aim should be to reduce to a minimum, if not entirely dispense with, the burden of borrowing capital.

The application of capital must be carefully considered. Capital gathered for a specific purpose should only be used for that purpose. Any risks inherent in the use must be fully assessed and action taken to minimize such risks. Insurance will give protection against various risks. Replacement must be covered through setting aside regular sums from the operational surplus.

### **5.7 Accounting, Audit and Control.**

In order to ensure the best and fullest use of available capital, goods and services, an effective control system is necessary. Complete information is required for such control, and it can only be obtained through adequate records and statistics, and good bookkeeping.

A sound system of financial accounting is the most obvious means of controlling the current activities and planning the future operational policy of the cooperative. These records should be worked out to fit the nature and scope of the cooperative. They must be condensed periodically, at least once a year, and submitted to the board of management and the general meeting accompanied with the auditor's report and explanations presented by the manager. It will also be found useful to set up a system of budgetary control by which a forecast of the following year's operations may be made.

A cost accounting system may be introduced, at least in large cooperatives which are doing business on a considerable scale. Used in the right way, cost accounting can help to reveal the true sources of profits and losses. It can also be used for forecasting the cost of future operations and may provide a basis on which to fix prices, decide on allocations of resources, and choose between alternative schemes of development.

Good bookkeeping and auditing also contribute towards effective control. In some countries, the law may not require audit to be performed by an agent external to the cooperative; in cases where a cooperative does not voluntarily engage an external auditor it is important that the auditors be chosen from amongst the more responsible and experienced members. While charged with audit functions, such members may not hold any other office within the society, and for their guidance a detailed instruction should be worked out concerning their powers, duties and functions, including appraisal of the conduct of the business by the board of management and the staff.

Sometimes it may happen that the fishermen do not realise the necessity and value of control systems, and are, perhaps reluctant to pay adequate fees for audit work. It is, however, in their own interests to appoint an external auditor and pay him a reasonable fee, as this is calculated to safeguard a regular measure of control. If individual cooperatives feel unable to afford this, it may be a good solution to engage an auditor jointly with other cooperatives.

### **5.8 Distribution of Surplus.**

Most fishery cooperatives which deal with economic transactions have to observe a safety margin in their operations. It is the duty of the board of management, for example in a processing cooperative, to ensure

that the prices payable to fishermen on delivery of catches are fixed at a level which will secure the necessary return to meet its engagements. In any cooperative it should make sure that adequate funds are immediately available to cover short-term liabilities.

Experience shows that the member-fishermen do not always recognize what surplus is. It may, therefore, be advisable to lay down rules in the by-laws defining the terms "*surplus*" and the "*dividend*" which can be divided among the members. The dividend is distributed to the members in proportion to the business each has done with the cooperative. Before any dividend is distributed all expenses must be met, e. g. overhead charges, wages, running cost, and sufficient amortization allowances to offset wear and tear and depreciation of premises, equipment and installations, as well as prudent allocations to the reserve fund. Funds may also be set aside for specific purposes, such as the erection of a freezing plant.

Finally, in order to make more working capital available to the cooperative, the members should be encouraged to plough back into the cooperative the dividends accruing to them, by introducing, for example, a saving system or a deferred dividend arrangement.

### 5.9 Reasearch and Investigation.

Business operation today is the product of continuous investigation and study and team-work. The sustained collection and collation of facts and experiences is the basis on which the business policy may be worked out.

In order to be able to adapt itself to changes in natural conditions, to improvements in processing, to necessary extensions of functions, etc., a fishery cooperative needs to keep informed about developments within the fishery industry. This can only be done by continuous investigation and research.

The management of a processing and marketing cooperative must know how supplies and prices are moving, what quantities, qualities and assortment of fishery products are in demand, what is the advantage of processing and selling various fishery products, what are the conditions of transport, the restrictions imposed by different governments, the trend of development of competitive commodities. The study of markets, prices and economic conditions must therefore be maintained.<sup>1</sup>

<sup>1</sup> It will be of interest also to the fishery cooperatives — as well as to the fishermen themselves — to keep themselves informed about variations in the regeneration of the fish «population», the location of the best fishing grounds, the aggregation of fish shoals, and the utilization of gear and equipment. Such information can be derived from general scientific and technical research institutions.



As the individual fishermen and fishery cooperative are hardly likely to be able to carry on research activities of this kind alone, it may be done through joint efforts between cooperatives, or in collaboration with the state authorities or other institutions.

## 6. Summary and Conclusions

The activities of any fishery cooperative must be assessed in relation to the circumstances prevailing in the localities concerned, to the conditions in the industry, and to the government policy in general.

It should be recognized that there may be a wide difference in approach when comparing a fish exporting country and a country where the fish production is mainly for the domestic market.

### 6.1 Assistance and Support.

Moral support and active assistance in technical and organizational matters from fishermen's unions and from cooperative societies in other economic sectors, such as agricultural and consumers' cooperatives, may create the necessary incentives to promote fishery cooperatives in the early stages.

In addition, much will depend on the attitude of the state authorities. If they grasp the significance of cooperation, much can be done to promote fishery cooperatives, through legislation, financial aid, technical assistance, guidance and education.

In some countries, e. g. where economic controls are more or less extensively exercised by the State, the latter may even initiate steps to organize cooperatives among fishermen, and accord them a place in the shaping and execution of economic and social policies.

### 6.2 Special Features and Aims of Fishery Cooperatives.

The fishery cooperatives may be distinguished by special features, *inter alia*, as follows:

- a great element of chance, insecurity and risks of damage and loss deriving from unstable and unpredictable natural conditions;
- the relationship of the fisherman to the ownership of boat and gear as a factor influencing the type of membership;
- the perishability of fish as a commodity, which necessitates immediate measures to preserve quality;

— substantial capital requirements for processing, transport, storage and marketing.

As far as lies in the power of fishermen their aims can be achieved by formation of fishery cooperatives, of which the main objectives may be to:

- eliminate and recompensate insecurity, damage and loss;
- create a fair bargaining position in the fixing of prices and terms of sale;
- stabilize prices and delivery and supply conditions regarding fish products and fishing requirements;
- promote sound business practices and efficiency through information about market conditions and by supervision of cost and price developments;
- develop capital resources to meet the requirements of fishermen as well as of their cooperatives.

### **6.3 Measures and Means to create Efficiency and Profitability.**

In order to create efficiency and profitability in fishery cooperatives great care must be taken to ensure that:

- the planning and preparatory work at the initial stages are carried out thoroughly and adequate by-laws and business regulations are laid down;
- the organizational build-up is appropriate and in accordance with legislation and cooperative principles;
- the authority and duties and the delegation of such are defined and clearly understood by those who shall exercise them;
- the rules of membership are such as to ensure a fair representation of all concerned;
- good channels of control are maintained between the members and the cooperative society so as to have an informed and sympathetic membership;
- close team-work is fostered between the board of management, etc. and the employees;
- an educational scheme is set up for members and employees, and a personnel policy is applied;
- a well-qualified manager with the necessary capacity is engaged, and the employees have the feeling of being in the right job;
- office work is appropriately organized;
- financing and capital transactions are dealt with on sound business principles, adequate reserves are put aside, and surplus is distributed in conformity with the regulations;

- adequate accounting, audit and control systems are established and satisfactorily maintained;
- continuous research and investigation are carried on, if necessary, in collaboration with other cooperatives or with the state authorities.

#### **6.4 General Observations.**

Provided that the above conditions and principles, at least, are observed, the fishery cooperatives have much to offer to the fishermen as a possible means of increasing efficiency in the fisheries and of creating improvement of the fishermen's working and living conditions.

There are advantages which the fishermen can scarcely expect to obtain unless they join forces through the medium of cooperatives. At the same time, cooperation can do little for fishermen unless they themselves display initiative and show themselves determined to ameliorate their economic and social position through the means that are open to them in the form of cooperative enterprise.

#### **6.5 Co-existence between Fishery Cooperatives and Private Enterprise.**

In the early stages of cooperation among fishermen there may be divergent interests between the fishery cooperatives and the associations of private trade. As the bargaining position of the fishermen is fortified, a change in attitude on both sides may be observed.

In countries where fishing is mainly based on exports the traditional contact lines between private enterprise and the foreign markets may play an important part in obtaining the best return.

On the other hand, the fishermen's cooperatives may contribute to eliminate the insecurity which is specific to the fishery industries and to stabilize prices and terms of sale. This may to a great extent also entail favourable conditions for the private trade. Gradually, the parties concerned may realize that they all play an indispensable part in the endeavour to achieve mutual benefit and that a close team-work between the fishermen's joint business activities and those of private enterprise may be a necessary prerequisite to success.

There may even occur instances when fishery cooperatives and private enterprise associations establish joint cooperative activities for mutual benefit, for instance by organizing transport cooperatives aiming at a regular supply of raw material to oil and meal factories, freezing plants etc.

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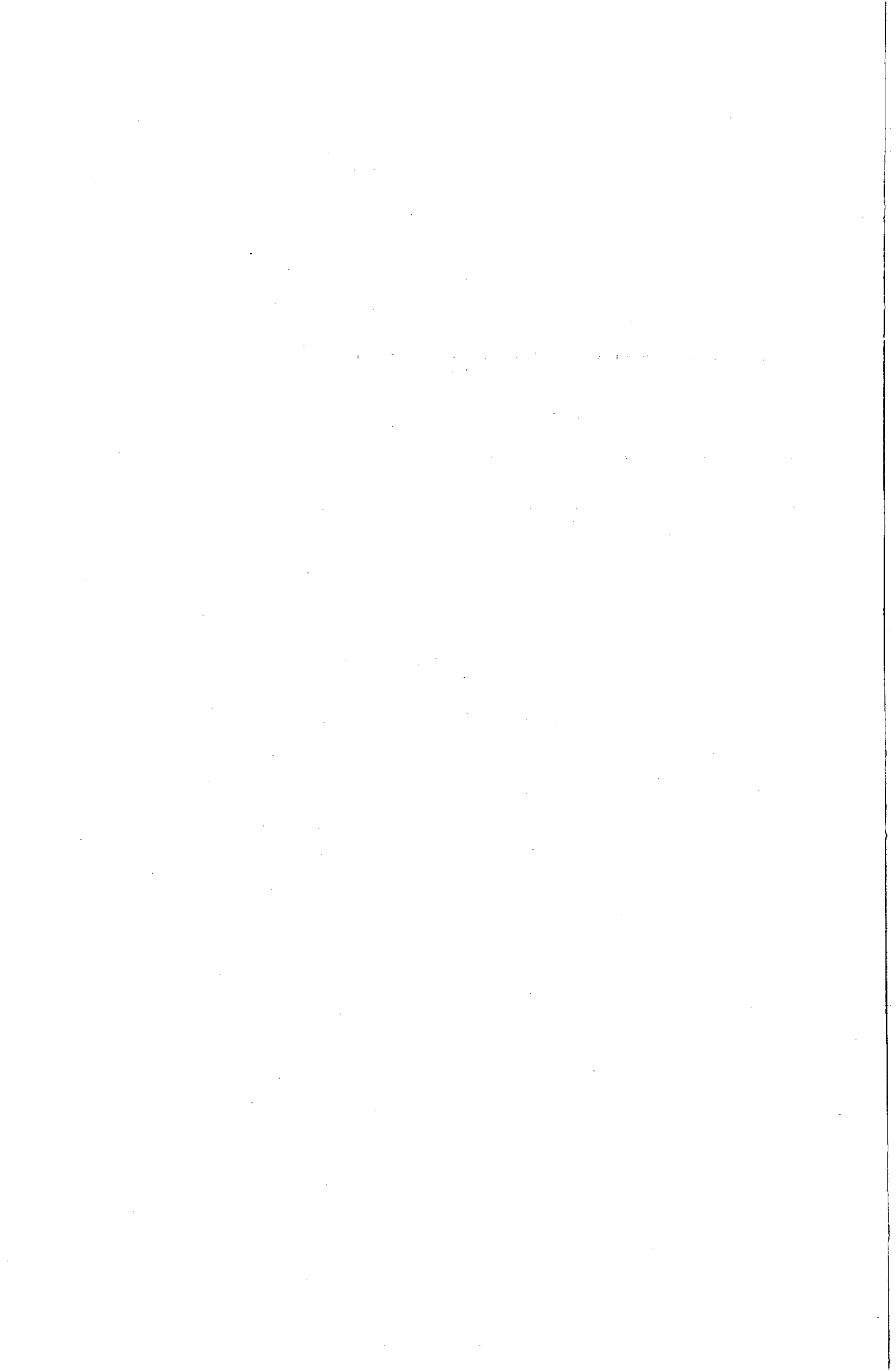
A General Survey of the  
Development of Cooperation among Fishermen in  
Norway and Methods by which the Government  
has assisted the Organization

By

ASLAK AASBØ

First-Secretary

Directorate of Fisheries, Norway



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(Completed March 1959)

## 1. Introduction

From olden times fishermen have been obliged to work jointly to a greater extent than those engaged in many other trades. Cooperation became necessary as soon as the fishermen wished to operate on a slightly larger scale, and was usually based on fundamental cooperative principles. To a great extent it was cooperation on equal terms. In the great seasonal fisheries the participants have for a long time been accustomed to working together in small teams, boat teams, seine teams, etc. These teams were organized on cooperative principles, but were intended mainly for seasonal work.

However, the cooperation mentioned here was restricted to the actual activity of fishing, i. e. obtaining the catch and bringing it ashore. The remaining stages between the fisherman and the consumer (processing, transport and marketing) were to a large extent taken over by others, and the fishermen themselves had little to say in fixing the prices of their products.

The facilities they had for obtaining loans for boats and gear were also poor.

As time passed the fishermen realized that if the profits they got from their trade were ever to stand in a fair proportion to what they put into it, they would be obliged, like other trade groups, to try to protect their interests through organizational cooperation on the broadest possible foundation. However, it was not until nineteen twenties that they took up this work seriously.

## 2. Fishermen's Trade Organizations — The Norwegian Fishermen's Organization

The work of organizing a national union of fishermen was taken up after the first World War. During the war, and up to 1921, the fishermen had done relatively well. Their fish had fetched good prices, and they had procured better boats and gear.

It was the difficult economic conditions which arose after the war,

that gave impetus to the fishermen's organizational work. The Government Authorities also realized that it was necessary to have established a fishermen's organization which could help to solve the great problems of the fishing industry.

In 1926, after a great deal of planning and preliminary work on the part of both the fishermen and the authorities, the fishermen's trade organization, the Norwegian Fishermen's Organization, was finally founded.

Once the Norwegian Fishermen's Organization was founded, it took up the work of obtaining better conditions for the fishermen. First of all it was necessary to win the fishermen themselves over to the idea of cooperation. However, the greatest and most important task which lay before the Organization was the institution of cooperative enterprises. The organization also had to serve as the organ through which the fishermen could bring their problems before the Authorities.

The Norwegian Fishermen's Organization has worked with many different matters of great importance for the fishermen's industrial, financial and social position in society.

### 3. Settlement of Accounts — The Lot System

Through the cooperation established by the fishermen in the actual fisheries a settlement system has been practised by which the profits are distributed between labour and capital.

This settlement system, which is called the "lot system" gives the fishermen the chance of far higher earnings than an ordinary wage system, and stimulates them to greater efforts.

The form in which this system is practised today is that the profits of the catch are distributed among owners of vessels, gear owners, and crews along lines drawn up in agreements, individual or collective, the latter on the basis of rates agreed on by the large fishermen's organizations and the owners' (employers') federations.

However, the lot system is not without disadvantages, as far as the fisherman is concerned. It gives fishing the character of a game of chance, as it not infrequently happens that the catch provides no profits at all for distribution. In order to counteract this disadvantage, the fishermen's trade organizations have, with the support of the State, put into practice a guarantee system for lot fishermen in many fisheries. This arrangement, which ensures fishermen a fixed minimum lot, is

financed by means of dues levied on the export of fish and fish products, and by State loans and guarantees. The guarantee fund is held in trust by the Ministry of Fisheries, but is administered by the Norwegian Fishermen's Organization, according to fixed rules.

#### 4. Marketing Controls and the Organizations founded by the Fishermen to further their Interests in this Field

As formerly mentioned, the fishermen had, in earlier days, very little to say in fixing the prices of their products. In order to be able to influence this most important question, they were obliged to put into practice a marketing arrangement which would make it possible for their interests to be represented and protected.

By Norwegian law, any Norwegian citizen that fulfils certain requirements with respect to education and practical experience has the right to carry on trade, including the export trade.

However, various branches of trade, including that dealing with fish and fish products, have recently been the subject of extensive regulation and organization through legislation, and this has involved a corresponding restriction in the right of the individual to take part in marketing activities.

The organizations thereby established can be divided into two groups:

- A. Organizations formed to deal with the first-hand sale of fish.
- B. Organizations formed to carry on the export trade.

##### A. Fishermen's Sales Organizations

1. *The establishment of fishermen's sales organizations. Statutory protection.*

The need of a controlled marketing system first made itself felt in connection with the sales of winter herring.

Towards the end of the 1920's two sales organizations were founded by the fishermen for the purpose of dealing with the sale of winter herring. On the urgent request of the herring fishermen, the Government agreed, in 1929, to give the above mentioned organizations the sole right to carry on the first-hand sale of winter herring. In 1930 a special act was passed giving fishermen's organizations approved by the authorities the sole right to sell all winter herring on first hand.

However, it was not until 1938 that an act was passed giving approved fishermen's organizations the sole right to the first-hand sale of all fish and herring, and the products of these.

The Act of 1938 was superseded by the Act of 14 December 1951 (see appendix A).

This Act now forms the basis for all controls of first-hand sale.

The main provision of the Act is that the Crown, i.e. the Government, can forbid the processing, marketing or export of fish or fish products unless the first-hand sale of the fish took place through, or with the permission of a fisherman's sales organization of which the Articles of Association have been approved by the relevant authorities (the Ministry of Fisheries).

In accordance with this Act the Articles of Association of the sales organizations can be approved if fishermen or owners of boats or gear can become members either in person or by membership through a boat team, local sales organization or fishermen's trade organization, and if the sales organization has limited responsibility, and varying capital and membership. The Articles must contain provisions to the effect that the business manager is to be approved by the Ministry of Fisheries, that the organization shall have a control committee, and that an official controller may be appointed if the authorities so decide.

The sales organizations are usually made up of the following bodies: a Committee of Representatives, a Sales Committee, a Board and an Administrative Body. The Committee of Representatives is the highest authority of the organization.

In addition to the provisions laid down by the Act, the Articles of the organizations also determine how the capital and income of the organization is to be procured, and the obligations of the members. Further, they contain rules for the election and composition of the various bodies of which the organization is made up, and determine the function of each body. They also contain provisions dealing with the establishment of funds, and the use of these, and with the action to be taken against members who commit breaches of the Articles, business regulations, etc. Finally, it may be mentioned that the Articles contain provisions dealing with the settlement of disputes between the organization and its members, and with how the organization is to be dissolved, if this contingency should arise.

The Act gives the sales organizations the right to approve buyers of fish and fish products. It thus invests the fishermen's sales organizations with considerable authority, but buyers who are refused approval are entitled to appeal the decision of the organization to the Ministry of Fisheries. It must be assumed to be within the meaning of the act if a sales organization makes certain conditions on which

buyers will be approved, in order to ensure that payment will be made and that the fish will be properly handled or processed. It must also be assumed that the sales organizations are, in certain circumstances, entitled by the Act to restrict the number of buyers as a step in rationalizing the delivery of the raw product.

According to the Act a sales organization approved by the authorities is entitled to place a temporary ban on fishing, or other fishing restrictions. However, a ban or restriction on fishing in distant waters can only be effected by an Order in Council.

The Act also permits the sales organizations to direct a catch to specific buyers and to specify that it shall be sold for a specific purpose, if this is considered necessary in order that the catch should be sold in the way most advantageous for the fishermen. A sales organization may be directed by the authorities to order catches sold for specific purposes. This Act has thus given the fishermen's sales organizations the right to make those dispositions which may be necessary in order to ensure the fishermen stable prices and a reasonable profit on their products.

In this connection it may be mentioned that a fishery such as, for instance, the winter herring fishery, could hardly be satisfactorily concluded unless catches were directed to specific buyers or purposes. This will be understood when it is remembered that in each of the good years of 1954 and 1956 catches of over 10 million hectolitres of herring were landed in the course of a season lasting only about two and half months. However, with the exception of this fishery, direction of catches is only practised to a very slight degree.

Restrictions or bans on fishing are occasionally effected.

The Act also gives the sales organizations the right to establish and operate production plants and set-ups for processing, marketing and export. Further, it has been made possible for them to take over all sale of fresh or iced fish on the home market as far as to the retailer, provided permission for this has been given by the authorities.

2. *A review of the various sales organizations which have been given the sole right to first-hand sale of fish, etc. pursuant to the Act.*

Today this legally-protected first-hand sale covers almost all fish and herring. The following 14 sales organizations have been given statutory protection in accordance with the Raw Fish Act:

1. Noregs Sildesalslag (The Norwegian Herring Sales Organization).
2. Feitsildfiskernes Salgslag (The Fat Herring Sales Organization).
3. Sild- og Brislingsalslaget (The Herring and Brisling Sales Organization).

4. Islandssildfiskernes Forening (The Association of Icelandic Herring Fishermen).
5. Håbrandfiskernes Salgslag (The Porbeagle Sales Organization).
6. Norges Råfisklag (The Norwegian Raw Fish Organization).
7. Norges Levendefisklag S/L (The Norwegian Live Fish Organization).
8. Norges Makrellag S/L (The Norwegian Mackerel Organization).
9. Sunnmøre og Romsdal Fiskesalslag (Sunnmøre and Romsdal Fish Sales Organization).
10. Sogn og Fjordane Fiskesalslag (Sogn and Fjordane Fish Sales Organization).
11. Hordaland Fiskesalslag S/L (Hordaland Fish Sales Organization).
12. Rogaland Fiskesalgslag S/L (Rogaland Fish Sales Organization).
13. Skagerakfisk S/L (Skagerak Fish Sales Organization).
14. Fjordfisk S/L (Fiord Fish Sales Organization).

These organizations can be divided into two groups. The one group consists of organizations whose sales activities are restricted to a definite type of fish or herring, irrespective of the district in which the fish or herring is caught.

The other group consists of organizations which sell a substantial amount of most of the types of fish caught and landed in specific districts.

In order to cover the expenses of administration etc., the organizations are entitled by the Raw Fish Act to require fixed dues on all fish supplied to the organizations. These dues are fixed by the Committee of Representatives of the organization, and must be approved by the Ministry of Fisheries.

In the following a short review of the individual organizations will be given, including the most important provisions of their Articles and business regulations.

a. The Norwegian Herring Sales Organization has the sole right to the first-hand sale of winter herring (large and spring herring). The Organization has a head office and a number of deputy offices in the most central places in the fishing districts. During the season of 1956 thirty-four such offices were established.

Only buyers approved by the Organization can buy herring from it.

On receiving herring the buyer issues a sold note in which is entered the amount of herring received and the purpose for which the herring has been supplied, in addition to the name and registration mark of the fishing vessel. This sold note, which is signed by both

buyer and seller, is made out in triplicate, one copy being sent to the organization, and the other two being retained by the buyer and the fisherman. Final settlement with the fisherman is made by the organization as soon as it has in hand all the information on the basis of which the average price is calculated.

The Articles of the Organization provide, *inter alia*, that its membership shall be founded on the owners of vessels or gear. These are called A members. The membership is further made up of representatives chosen by boat crew and gear team, one man from each crew or team being accepted as a member of the Organization, without taking up shares or paying membership dues. These members are called B members.

The Articles also contain provisions dealing with the obligations of the members, and draw up the lines along which the various bodies of the Organization are to work.

The Committee of Representatives is the highest authority of the Organization, and is to consist of 112 members chosen from those working with the various types of gear, and including both A and B members. At the present time the Committee is to be composed of approximately 80 A members and 30 B members.

The business regulations of the Organization include provisions dealing with the notification (reporting) and delivery of catches, conditions of sale, and regulations governing sales. They also contain provisions dealing with the calculation of average prices, with payments, and with the control of fishing.

b. The Fat Herring Sales Organization, which was founded in 1949, has the sole right to sell brisling, capelin, mackerel (including small mackerel) and all types of herring (except Icelandic herring, large herring and spring herring) landed in the coastal districts from Møre and Romsdal to Finnmark, inclusive.

The Articles of the Organization include provisions concerning the fields of activities and aims of the Organization, its membership and elections, the rights and obligations of its members, and its income.

The membership is based on seine teams, which have membership in the district seine fishermen's organizations, the teams being represented by one elected member from each team. The membership also includes net fishermen who are members of local fishermen's organizations affiliated to the Norwegian Fishermen's Organization.

The business regulations of the Organization include provisions regulating the notification of catches, sales samples, conditions of sale, and the calculation of average prices. The dues payable amount to:



- 2 percent of the sales price (buyer's dues).
- 3 percent of the sales price (fisherman's dues).

c. The Herring and Brisling Sales Organization was founded in 1949 and has the sole right to the sale of brisling, and of a considerable quantity of the herring (with the exception of large and spring herring and Icelandic herring) landed in the coastal districts from Sogn og Fjordane to the Swedish frontier.

The Articles of the Organization include provisions dealing with its aims and membership, capital and income, and with the delivery of catches, etc.

The membership is based on seine teams which take part in fishing, each team being entitled to one membership on payment of a fixed membership subscription. One elected member of each individual team is also entitled to free membership.

The business regulations of the Organization include provisions governing the notification of catches, conditions of sale, and the calculation of average prices. The dues payable amount to:

- 2 percent of the sales price to be paid by the buyer.
- 2 percent of the sales price to be paid by the fisherman.

The fishermen also pay  $\frac{1}{2}$  percent of the sales price in addition to the ordinary dues. The money raised in this way goes to a fund for the erection of canneries, and is managed by the Committee of Representatives.

d. The Association of Icelandic Herring Fishermen. This organization, which was founded in 1938, has the sole right to first-hand sale of salted Icelandic herring. The Articles of the Organization contain provisions dealing, *inter alia*, with the aims of the Organization, its membership and subscriptions, notification of catches, and the duties of the Committee of Representatives.

Those acceptable for membership in the Association are individuals and companies which own or hire Icelandic herring gear used for the herring fishery which takes place in waters near Iceland, the Faeroes, and Jan Mayen. If the Board gives its consent, gear owners who fish from foreign vessels can also be accepted as members.

The business regulations of the Organization include provisions governing the delivery of catches, prices and conditions of sale, approval of buyers, calculation of dues, etc.

e. The Porbeagle Sales Organization. This organization obtained the sole right to the first-hand sale of porbeagle in 1946.

The Articles contain provisions concerning, *inter alia*, the aims, membership and income of the Organization.

The membership is based on and/or gear teams.

The business regulations contain provisions concerning the notification of catches, the conditions of sale, average price and settlement, restrictions of fishing, and the calculation of dues.

Dues payable to the Organization amount at present to three øre per kilo to be paid by the buyer, and two percent of the sales price of all fish supplied, to be paid by the fisherman.

f. The Norwegian Raw Fish Organization was founded in 1938. The Organization has the sole right to the first-hand sale of a number of varieties of fish landed in the coastal districts from Nordmøre to Finnmark, inclusive.

According to its Articles, the aim of the Organization is that of attempting to obtain good and stable prices for both fish and fish by-products. The Articles also include provisions concerning membership, members' obligation to deliver fish through the Organization, capital and income, control of fishing, etc.

Any fisherman can become a member of this Organization by joining a fishermen's organization affiliated to the Norwegian Fishermen's Organization, or by membership in the Norwegian Seamen's Association. It is the trade organizations which elect the Committee of Representatives of the Organization.

The share capital is paid by the trade organizations, in proportion to the number of members.

The Sales Committee is entitled, after consultation with the processors' (curers', packers') and exporters' organizations, and after obtaining the consent of the Ministry of Fisheries, to make regulations controlling processing and export. In this event the Sales Committee can make the granting of export licences dependent upon adherence to these regulations.

In accordance with the business regulations the Sales Committee shall fix prices for all varieties of fish with by-products which are covered, or which may in the future be covered, by the sales arrangement. The Sales Committee is entitled to fix different prices for fish to be used for different purposes. The Board of the Organization can order that price equalization is to be put into effect, and this will then be done by the Sales Committee.

Except in special circumstances, the fishermen are entitled to deliver their catches to whichever buyer they wish.

Unless price equalization has been put into effect, the buyer is to

pay the fisherman direct, making use of sold notes issued by the Organization.

The Articles provide that 3 percent of the gross turnover of white fish, and 1½ percent of the gross turnover of self-cured fish shall be payable to the Organization to cover its expenses.

The Raw Fish Organization fixes first-hand minimum prices, Purchase and sale takes place direct between the individual buyers and fishermen, sold notes issued by the Organization being used.

g. The Norwegian Live Fish Organization was established in 1939. It has the sole right to the sale of live cod and coalfish in districts from Romsdal to Finnmark, inclusive, to purchase and sale of eels from Nord-Trøndelag to Nordmøre, inclusive, of lobster and crab from Nordland to Nordmøre, inclusive, and of shrimps (prawns) from Nordmøre to Finnmark, inclusive.

According to the Articles the aim of the Organization is to obtain good and stable prices by organizing production, transport and marketing of live fish and shell-fish (crustacea).

The membership is based on membership in local fishermen's organizations which are affiliated to the Norwegian Fishermen's Organization through district fishermen's organizations.

The share capital is obtained by shares paid by the county or district fishermen's organizations in proportion to the number of members.

The Organization is headed by a Committee of Representatives of 20 members. The Representatives are elected at the annual meetings of the county and district organizations of the Norwegian Fishermen's Organization from Møre and Romsdal to Finnmark, inclusive, this being the region covered by the statutory protection afforded to the Organization.

The business regulations contain provisions governing the notification of catches, the registration of carriers and wholesalers, the conditions of purchase and sale, price equalization and settlement, etc.

The carrier pays the fisherman in cash at time of delivery for all fish delivered to him.

h. The Norwegian Mackerel Organization, which was founded in 1939, has the sole right to the first-hand sale of mackerel landed in the coastal districts between the Swedish frontier and Stad. According to the Articles of the Organization its aim is that of attempting to obtain good and stable prices and safe conditions of payment for mackerel, by means of organized sale, export and production, etc.

The membership is based on vessels, one man being elected to represent the headman (master seiner) and crew of vessels with a crew of at least three.

The capital of the Organization is share capital, and its income is obtained by dues on catches.

The business regulations contain provisions concerning the field of activities of the Organization, the notification of catches, transport, purchase and sale and conditions of sale, prices and settlement, etc.

All catches must be reported to the Organization. The Organization is entitled to order fishermen to transport catches themselves from the place from which the catch was reported to a freezing plant, purchasing centre, etc.

i. The sales organizations mentioned below, which all enjoy statutory protection, have the sole right to the sale of a number of varieties of fish landed in six different districts from Romsdal to the Swedish frontier, inclusive:

Sunnmøre and Romsdal Fish Sales Organization.

Sogn and Fjordane Fish Sales Organization.

Hordaland Fish Sales Organization.

Rogaland Fish Sales Organization.

Skagerak Fish Sales Organization.

Fiord Fish Sales Organization.

The Articles of these organizations contain provisions governing their aims, membership, income and management, the duties of their Boards, etc.

The membership of the first two of these organizations is based on boat teams. In the case of the next two on the list all fishermen supplying fish are members.

In the case of several of these organizations the Committee of Representatives is elected by the trade organizations of the various districts.

The membership in the last two organizations mentioned is based on local sales organizations and direct membership. Most of the Representatives in these two organizations are also elected by the members, but the trade organizations in the districts in question are entitled to elect two Representatives.

The business regulations for the sales organizations concerned contain provisions governing the notification of catches, the approval of buyers, settlement with fishermen, sale on the home market, the export trade, etc.

As it will appear from the above, there are a number of local fish

sales organizations in South Norway which are affiliated to the two statutory-protected sales organizations, Skagerak Fish Sales Organization and Fiord Fish Sales Organization. Sixteen sales organizations are attached to the former, and four to the latter. Fishermen who join these organizations automatically become members of the statutory-protected sales organizations to which the local organization is affiliated. The local sales organizations are in the position of "deputies" of the larger sales organizations in question. The most important task of the local sales organization is to receive and sell all the fish for which they can find a market within their district.

3. *Activities other than first-hand sale carried on by sales organizations which enjoy statutory protection.*

As mentioned above, the Raw Fish Act authorizes the statutory-protected sales organizations to establish and/or operate, either themselves or through subsidiary companies, production plants or set-ups for processing, marketing and export.

By the establishment of such enterprises the fishermen and their sales organizations gain a knowledge of production and marketing costs, and of the market conditions governing the sale of their products. This is of great help to the fishermen and the sales organizations in their negotiations on prices and other matters. In the following some of the activities established by the most important sales organizations will be mentioned.

The Norwegian Herring Sales Organization has established its own export organization for the purpose of processing, distributing, marketing and exporting herring. This sales organization has also established its own factory organization for the purpose of producing and marketing herring meal, herring oil and other herring and fish products. The factory organization has four herring oil factories in the southern part of Norway.

The Norwegian Raw Fish Organization has established several enterprises for the production, marketing and export, etc., of fish and fish products.

Several of the other sales organizations also own factories, freezing plants, installations where live lobster can be kept until required, etc.

Some of the organizations which enjoy statutory protection carry on not only actual first-hand sale, but also activities connected with production, packing and further sale to wholesalers and retailers, and to a certain degree, also take part in the export trade. In some cases these activities are carried on by the organizations themselves, without the establishment of subsidiary companies for the purpose.

For instance, the Hordaland Fish Sales Organization, the Rogaland Fish Sales Organization, the Skagerak Fish Sales Organization and the Fjord Fish Sales Organization take charge of most of the sale to domestic retailers themselves. They also do a certain amount of fish processing and export. The Norwegian Mackerel Sales Organization itself takes charge of domestic sale of the mackerel, i.e., the mackerel is usually supplied packed to the wholesaler.

### **B. Fish Export Organizations**

Organization was also necessary in the export trade to protect the common interests of the exporters, and to meet the many problems which arose in connection with the export of fish and fish products. Even before the last war this organization was well under way, and war and post-war conditions have hastened its development. National associations of exporters have been established in most branches of the trade. These organizations have not been built up on cooperative principles, as have the fishermen's sales organizations. They are associations whose aim is limited to that of rationalizing the export trade. Like the fishermen's organizations, the export organizations have been protected by legislation, and by other means.

Members of the following national associations in the export trade have the sole right to carry on export of the following fish and herring products:

*Stockfish:*

1. Norges Tørrfiskeksportørers Landsforening (The Association of Norwegian Stockfish Exporters).

*Klippfish:*

2. De Norske Klippfiskeksportørers Landsforening (The Association of Norwegian Klippfish Exporters).

*Salt fish:*

3. De Norske Saltfiskeksportørers Landsforening (The Association of Norwegian Salt Fish Exporters).

*Salt and sugar-cured roe:*

4. Norges Saltrogneskportørers Landsforening (The Association of Norwegian Salt Roe Exporters).

*Salt large and spring herring, smoked and salted herring:*

5. Saltsildeksportørernes Landsforening (The Association of Exporters of Salted Herring).

*Salt fat herring, etc.:*

6. Norges Fetsildeksportørers Landsforening (The Association of Exporters of Fat Herring).

*Salt Icelandic herring.*

7. Islandssildeksportørenes Landsforening (The Association of Exporters of Icelandic Herring).

*Salt Icelandic herring packed on the fishing grounds:*

8. Islandssildfiskernes Forening (The Association of Icelandic Herring Fishermen).

Export controls have been established by a number of acts, the latest of these being the Act of 30 June 1955.

According to this Act the Articles of the above mentioned organizations shall be approved by the Ministry of Fisheries. An important provision in the Articles provides that anyone denied membership in the association is entitled to appeal the case to the Ministry of Fisheries.

The right to export those fish or herring products which are not covered by an association may be made conditional upon special approval being given by the Ministry of Fisheries.

The chief provision of the Act lays down that it can be decided, by Order in Council, that sales of fish and fish products to a foreign market can only be closed by an export committee appointed by the Ministry of Fisheries. These committees include representatives of the processors and fishermen, through their organizations, as well as representatives of the exporters.

An export committee can, with the consent of the Ministry, give a firm or sales office authority to negotiate sales or work off a contract on behalf of the committee.

The Crown (the Government) can also determine that foreign sales shall only take place on conditions of sale and at prices fixed by the Ministry, the export committee concerned having been first given the opportunity to express its opinion. The Ministry can also give an export committee the authority to fix conditions of sale and prices for one or more markets or for one or more products.

The Ministry of Fisheries has appointed 14 committees which are in charge of the export of a number of fish products. The activities of these committees are in accordance with directives issued by the Ministry. The 14 committees are as follows:

1. Export committee for stockfish.
2. » » » klippfish and salt fish.
3. » » » salt roe.

4. Export committee for salt large herring.
5. » » » fat herring.
6. » » » salt small herring, gutted herring, etc.
7. » » » salt Icelandic herring.
8. » » » fish liver oil.
9. » » » fresh herring.
10. » » » fresh fish.
11. » » » frozen fish and fish fillets.
12. » » » frozen herring.
13. » » » fish meal.
14. » » » herring meal and raw herring oil.

## 5. Purchasing Cooperatives

After the fishing gear manufacturers and wholesalers of Norway established their own organization in the middle of the 1930's, it was felt by the fishermen's organizations that the fishermen should have an institution of their own which could have some control over the prices of gear. By importing gear for their own account the fishermen would be able to control the prices asked by the manufacturers and importers. Further, an organization of this kind would enable the fishermen to make large collective purchases, and thereby gain other advantages.

On this foundation the Fishermen's Cooperative Purchasing Organization was constituted at the statutory general meeting of the Norwegian Fishermen's Organization in Vardø in 1939.

The aim of the Fishermen's Cooperative Purchasing Organization was that of procuring fishing gear for its members at reasonable prices, but it could also take up the purchase and sale of oil, tar, working clothes and other equipment. The Organization's activities were to be nation-wide.

In 1950 this Organization was reorganized and taken over by the Fishermen's Gear Centre, which was a joint-stock company, the fishermen having in the meantime acquired their own gear factories.

a. The Fishermen's Cooperative Gear Factory Organization in North Norway is a company with limited liability, and with varying membership and capital. Fishermen's organizations, and cooperatives and individual fishermen are among those acceptable for membership.

The aim of the Organization is to procure suitable and high-quality gear for the fishermen at reasonable prices by the erection and operation of a fishing gear factory. This aim may also be furthered by the investment of capital in other concerns connected with this



trade, in order to obtain a financial interest in these concerns. The annual meeting of the Organization can determine that the Organization shall take up other activities, but its chief purpose is the establishment and operation of a factory for the production of fishing gear.

b. The Fishing Gear Cooperative is a cooperative made up of fishermen's organizations, fishermen's cooperatives, etc. The Cooperative owns a gear factory in South Norway. Its aim is to procure suitable high-quality gear and other equipment for the fishermen at reasonable prices, by its own production and sale. The purpose of the Cooperative can also include other trading activities.

## 6. Organizations established to improve the Supply of Bait

When the fishermen of North Norway first formed their trade organization, one of the important tasks ahead was the organization of bait sales. However, many years passed before the sale of bait came under control of the fishermen's organizations.

It was not until 1947 that the fishermen's own organization, the Fishermen's Cooperative Bait Organization, was established. Its aim was the sale of all types of bait on a cooperative basis to fishermen fishing within the district of the Organization.

The Act of 8 June 1949 provides that the sale of bait to fishermen shall take place only through a fishermen's cooperative of which the Articles have been approved by the relevant authorities, and that the sale of bait from the producer shall only take place through an association of bait producers whose Articles have been similarly approved. Pursuant to this Act, the Fishermen's Cooperative Bait Organization has the sole right to the sale of bait in the counties of Nordland, Troms and Finnmark. Further, the Fishermen's Cooperative Bait Organization has the sole right to the sale of shrimps (prawns) for bait in the counties of Lofoten and Troms. In addition, the Act forbids diggers of shellfish bait to sell or otherwise transfer bait shellfish to others than the Fishermen's Cooperative Bait Organization, and forbids others than this Organization to buy or otherwise obtain possession of bait shellfish from the diggers.

For several years this Society has had a State guarantee for loans of working capital, as it is of great importance for the fishermen, and consequently for the country as a whole, that the fishermen have a satisfactory bait supply.

## 7. Fishermen's Cooperative Organizations without Special Statutory Protection, which Process and Market the Catches of their Members

### A. Production Organizations

In the above a description has been given of those fishermen's sales organizations which have the sole right to first-hand sale, this right being protected by statute. These are generally large organizations, of which the scope is more or less nation-wide. However, there are also a number of smaller fishermen's organizations, most of them with between 20 and 150 members, which do not enjoy statutory protection. This is true, for instance, of local fishermen's cooperatives between Nordmøre and Finnmark. For these cooperatives the salting and drying of fish is, on the whole, of greater importance than the packing of fresh fish.

These production organizations must, like other fish receivers between Nordmøre and Finnmark, be approved by the sales organization, the Norwegian Raw Fish Organization, and must use the sold notes issued by this organization in purchasing fish.

The reason for the establishment of these production organizations can be found in the difficulties which have periodically arisen in selling fish to the buyers on a satisfactory basis. The production organizations have been founded with the aim of providing reliable and regular markets for the catches of their members.

A number of these fishermen's cooperatives also arrange for the purchase of gear, oil and bait, etc., for members.

A few of the production organizations have purchased fishing vessels which are operated for the account of the organization. This has not always answered expectations, and some of the vessels purchased in this way have been sold.

Some organizations have also become shareholders in large ocean fishing companies with the purpose of acquiring and operating large oceangoing fishing vessels.

Many of the fishermen's cooperative production plants in North Norway are so equipped that they are able to serve as bases of operation for fishermen from other places along the coast.

### B. Combined consumers and production cooperatives

In many places along the coast of Norway, both on islands and along the fiords, there may be a need for, and an interest in the establishment of fishermen's cooperatives for the processing and mar-

keting of fish, although the quantities brought ashore in such places are often not sufficient to form a sound financial basis for an independent enterprise.

Consequently, in many such places consumers' cooperatives and production organizations have collaborated in order to cut running expenses by having the same management, premises, etc. However, it has been necessary to keep separate accounts, as the profits of the fishermen's cooperatives (the production organizations) are to be distributed according to the amount of fish supplied, whereas the profits of the consumer cooperatives are distributed in proportion to the members' purchases.

### **C. Official assistance and subsidies to the production organizations**

The State has done a great deal to help the fishermen in their efforts to form production cooperatives.

Part of this assistance has taken the form of the appointment of official consultants on cooperative questions, there being three such posts at the present time. These consultants come under the administrative jurisdiction of the Ministry of Fisheries, the Director of Fisheries being their immediate superior. Their field of work consists chiefly of production organizations, but they also assist other fishermen's cooperatives.

According to the directives guiding their work these consultants are to act first and foremost in an advisory capacity. They are to assist fishermen's organizations and fishermen in questions concerning cooperative enterprises and to be of help in the organization and establishment of cooperatives, etc. They are also to give existing cooperatives help in questions concerning cooperation, to supervise the activities and administration of cooperatives, and to see that their book-keeping and auditing systems are satisfactory. The consultants' directives do not permit them to interfere in the daily work of the organizations or in the dispositions of the Board.

To a considerable extent the production plants of the fishermen's cooperatives are financed by loans from the State Fishery Bank. Subsidies have also been granted to the plants from State budget.

Most of the trading credit required by the production organizations is state-guaranteed, and is obtained through the Bank of Norway. According to the parliamentary regulations now in force state-guaranteed loans to a total amount of 60 million kroner can be granted for the processing and marketing of fish, through the Bank of Norway.

Up to 30 June 1958, loans to the amount of 48 million kroner had been granted, of which about 11.8 million kroner, or almost 25 percent, stood to the account of the fishermen's cooperatives. Of the 11.8 million kroner granted, about 9 million kroner had been taken out by the same date. Most of the state-guaranteed trading credit given to the fishermen's cooperatives goes to the production organizations.

#### **D. Standard Articles of Association for production organizations**

In order that the structure of the different production organizations shall be as uniform as possible, Government authorities have drawn up Standard Articles for the organizations. In order to obtain state-guaranteed trading credit from the Bank of Norway a production organization must have adopted these Standard Articles.

The first Standard Articles were drawn up the Ministry of Trade in 1941. These have now been revised, new Standard Articles were established by the Ministry of Fisheries on 9 May 1957.

The basic principles behind the old and new Standard Articles are, by and large, the same. However, the provisions of the new Articles have been more stringent, in order to strengthen the economy of the organizations.

According to the Standard Articles the aim of the organizations is the processing of fish and fish products for the members. It may also be determined that the organization shall purchase gear, oil, bait and other equipment on behalf of its members. The organization can also process and sell fish and fish products, and make purchases for members of other cooperatives.

The Articles also make it obligatory for members to deliver all catches to the organization in accordance with resolutions adopted by the shareholders' or annual meetings, or by the Board. Settlement is to be made in accordance with a price to be fixed by the Board. This price must in no circumstances be higher than the ordinary price of the day in the district. The Board shall always see that the price fixed is never so high that the organization risks a loss, but high enough to ensure the organization the surplus it requires in order to meet its commitments.

The shares held by the members shall, in accordance with the Standard Articles, amount to at least 250 kroner per member.

The right to vote accompanies membership, each member having only one vote.

The conduct of the organization is in the hands of the annual meeting, the shareholders' meeting, and the Board. The annual meeting is the highest authority of the organization.

The activities of the organization are to be checked by two auditors, one of these to have a knowledge of book-keeping.

The Standard Articles also include provisions governing depreciation rates, and allocations to funds. For instance, it is provided that at least 25 percent of the surplus, after deductions have been made for stipulated depreciation and for allocation to tax fund, shall be allocated to reserve. This allocation to reserve can be discontinued when the reserve fund amounts to at least 20 times the share capital, provided the reserve fund plus the share capital are then as great or greater than the debt of the organization at the annual balancing of accounts.

In order to have some control over the application of public funds, the Standard Articles provide that the organization shall be under the supervision of the Director of Fisheries. The following resolutions must be approved by the Director of Fisheries before becoming valid:

1. Amendment of the Articles.
2. Appointment of a business manager.
3. Appointment of auditors, and the directives for auditors.
4. Leasing, sale and mortgaging of real property.

It is also provided that the organization shall comply with any instructions which the Director of Fisheries may deem necessary to give concerning approval of the annual accounts of the organization, the application of surplus, or the way in which a deficit is to be met.

The Director of Fisheries, or a person authorized by him, is entitled to supervise the activities of the organization in any way he finds necessary, to give instructions concerning book-keeping and auditing, etc.

### **E. Taxation of fishermen's cooperatives**

Cooperatives which handle the products of the fishing activities of their members are not usually obliged by fiscal legislation to pay taxes on the income of their activities, but are subject to a tax on estimated capital returns, in addition to the ordinary tax on capital and real property.

This rule has a legal foundation in the fact that the income of activities will be taxed through the members as profits of the fishery.

Accordingly, the fiscal burden of the cooperatives will not, relatively speaking, influence the trading result to any substantial degree.

## 8. Mutual Insurance of Fishing Vessels and Gear

### A. Historical background

As early as the middle of the last century associations of fishing vessel owners were founded for the mutual insurance of fishing vessels. The value of the vessels was comparatively small, and premiums had to be kept so low that it was only companies with low running costs that could accept the risk. As the fishing fleet expanded, and the vessels became larger and more valuable, joint-stock insurance companies also began to issue hull insurance policies on fishing vessels. Today we have both kinds of marine insurance, mutual insurance through the insurance societies, and insurance through joint-stock insurance companies.

Mutual insurance of fishing gear is of more recent date. It began in the 1930's when a mutual society was formed by fishermen for the purpose of insuring against loss of drift nets through weight of fish and/or storms during the winter herring fishery. Later, other local societies were founded for the same purpose, their activities being widened to include a number of other insurance risks connected with the fisheries, with the exception of fishing vessels. The insurance of set gear (gear set out for fishing) involves such a high risk that joint-stock insurance companies were at one time not interested in accepting this type of insurance. However, when the mutual societies extended their activities to include the insurance of other risks connected with the fisheries, the joint-stock insurance companies found it necessary to meet this competition by accepting set gear for insurance on the same conditions as the mutual societies.

### B. Aims

The aims of the mutual insurance societies are the following:

1. To provide insurance at the lowest possible premium, in order to reduce fishing costs.
2. To give the most favourable insurance terms possible, as far as compensation for loss and damage is concerned.
3. To share profits with policy holders by means of a bonus.

Re. 1. The mutual fishing vessel insurance societies under-write vessels at a lower premium than the joint-stock insurance companies. In the case of the insurance of gear and other fishing risks, the joint-stock companies and mutual societies have agreed to insure at the same premiums and on the same terms. However, this agreement is conditional upon negotiations being carried on each year between the

parties to fix premiums and conditions, the societies thus being enabled to protect the interests of their members.

Re. 2. The compensation conditions in hull insurance vary from society to society, but are uniform in the joint-stock insurance companies. The conditions given by the societies are never worse, and are often better, than those given by the companies. As mentioned above, the compensation conditions for gear and other risks are the same in both mutual societies and joint-stock companies. However, the mutual societies have on several occasions attained better compensation conditions for their members through negotiation.

Re. 3. Mutual insurance is based on mutual liability for deficits, and profit-sharing. This principle is laid down in the Articles of Association of the societies.

As it will appear from the above, the existence of mutual insurance societies also acts as a control on insurance premiums and conditions. This means that policy holders in joint-stock companies also reap the rewards of the work done by the societies to attain their aims. This is illustrated by the facts that it is now possible to insure set gear, and that the total costs of fishermen's insurance premiums have fallen considerably in the course of the last few years.

### C. Organization

There is now a total of about 50 mutual insurance societies for fishing vessels, and four mutual insurance societies for fishing gear, etc. The Articles of the various societies are, by and large, based on the same principles, but vary in detail. The most important provisions of the Articles are those dealing with the area covered by the society, its maximum own risk, the distribution of profits and the way in which a deficit is to be met, and the rights of the members to representation.

The Marine Insurance Act of 3 July 1953, laid down uniform Standard Articles. In accordance with this Act the Articles of the societies were revised, although the only changes necessary were in minor details, as the basic principles of the mutual insurance system were unchanged.

The societies have safeguarded their financial position by re-insurance in the Fishing Vessel Reinsurance Institute and in the Fishing Gear Reinsurance Institute respectively. The former of these institutions was founded by a State grant in 1933, and the latter was founded in 1952, partly by means of State grant, and partly by grant from the Norwegian Herring Sales Organization. The establishment of these institutions almost completely obviated the risk of losses having to be borne by

all members jointly. Collaboration in the form of co-insurance among the societies has also been introduced.

During the last few years development and modernization of the mutual insurance societies has been particularly rapid, and they now conform to the high standard expected of modern marine insurance. The sometimes severe competition with the joint-stock companies to which this development led has since been regulated by agreements.

## APPENDIX A

### Act of 14 December 1951 on the Sale of Raw Fish amended by Act of 29 June 1956

*Par. 1.* The term raw fish in this act covers fish (including herring, sprat (brisling) and shell fish) and also parts of and by-products of fish.

*Par. 2.* The King may decide that it is forbidden to prepare/process, sell or export raw fish as mentioned in Par. 1 or products thereof regardless of where the fish is caught, if the raw fish has not in the first instance been sold through, or with the approval of a fishermen's sales organization, whose by-laws have been approved by the Ministry concerned.

Such a prohibition can be made valid also for imported live or other fresh raw fish, including such raw fish as is brought ashore from foreign fishing vessels. It may also be made valid for prepared/processed raw fish which is landed from foreign fishing vessels.

Regulations under this law may be limited to cover certain kinds of raw fish, also raw fish caught, landed or brought into port in certain areas. Such regulations may also be limited to certain periods of time or to certain markets.

This act is not to hinder the preparation/processing of the owner's catch. The King may decide that the sale and export of such processed raw fish and products thereof may be done only when raw fish and products as mentioned in first instance is sold through or with the approval of the sales organization as mentioned in first section.

*Par. 3.* Under Par. 2 of this act the Ministry concerned may approve by-laws for sales organizations of fishermen when the fishermen or owners of boats or gear can become members through direct membership, or when membership can be obtained through boat crews, local sales organizations or through the fishermen's professional or-



ganization, and when the sales organization is formed with limited responsibility and with varying capital and numbers of members.

The by-laws of the sales organizations shall decide the following points:

1. Whether the business manager shall be approved by the Ministry concerned.
2. Whether the sales organization shall have a board of control.
3. Whether the Ministry concerned shall be in a position to appoint a public inspector who is to be paid by the sales organization, the inspector's salary to be fixed by the Ministry.
4. Whether the decisions which may come to be made on the employment of capital at the liquidation of the sales organization are to have the approval of the Ministry.
5. Whether disputes between the sales organization and its members shall be settled in a certain way.

*Par. 4.* A sales organization which is approved in accordance with Par. 2 shall have business rules which cover the organization's general conditions of sale. These may decide that anyone who buys raw fish from the organization, or with the approval of the organization, shall apply for approval as buyer and undertake to keep the rules of the organization. The organization may, as a condition of approval, demand that a certain guarantee be given for fulfilment of the buyer's obligation towards the organization. Approval may be limited to cover the purchase of certain species of fish, purchase for certain production plants or for certain purposes. Approval given can be withdrawn.

Refusal or withdrawal of approval can, for instance, be based on the buyer's not having a plant which satisfies the minimum requirements which have to be met for the preparing/processing of fish, or on the fact that the buyer will not be able to fulfil — or has not fulfilled his obligations towards the organization, that he cannot guarantee — or has not guaranteed — for this, or that he does not observe the usual conditions of sales and the like.

The persons who is refused approval as buyer or whose approval has been withdrawn, may, within two weeks of receiving written and reasoned notification of the decision, make a complaint to the Ministry concerned or to the person authorized by the Ministry. Complaint over the withdrawal of approval has the effect of postponement.

When market conditions require it, a sales organization which is approved in accordance with Par. 2 may place a temporary prohibition on catch or demand restrictions in fishing. The prohibition and the retrictions may be limited to certain districts, certain classes

of gear and some participating crews, or to certain kinds of fish. Prohibition on catch and restrictions which apply to fishing off Greenland, Iceland, Jan Mayen, the Faeroe Islands, Bear Island and Spitzbergen or to other distant waters, or which apply to vessels which hold concessions under the trawl fishing act may only be put into force with the approval of the King.

*Par. 6.* A sales organization which is approved under Par. 2 may direct such catches as come under the activities of the organization to certain buyers and to certain uses when this is regarded as necessary to get the catches sold in the manner most profitable for the fishermen, or to secure success to the fishery, the marketing, the production and further sales, inclusive of the supply of fresh fish to the home market.

The King may authorize the Ministry concerned to instruct a sales organization approved under Par. 2 to direct catches to certain uses.

*Par. 7.* A sales organization which is recognized under Par. 2 may itself, or through affiliated organizations, start and run production plants for preparation/processing, or arrangements for sales or export. Such an organization, or its affiliated bodies is always subject to the regulations governing such activity provided that the Ministry does not grant it, or its affiliated bodies, exemption from one or more of them.

The King may consent to organizations, approved under Par. 2, taking over all sales within the country, or in certain districts of the country as far as the retailer of fresh, iced or — by other means — cooled raw fish, provided that it is to be consumed mainly within the sales range of the organization or in certain districts, or when regard to quality or to supply demands it. Such consent may be withdrawn.

*Par. 7 a.* A sales organization which is recognized under Par. 2 has the right to charge a fee at the sale of raw fish and products thereof which in accordance with the same Par. are sold through or with the approval of a fishermen's sales organization. This may be made valid for raw fish also, which is processed in accordance with Par. 2, last section. The fee is fixed by the board of representatives of the sales organization and is subject to approval by the Ministry concerned.

*Par. 8.* If a decree under Par. 2 is issued, the Ministry concerned may make the supplementary regulations which are needed for putting into force and for ensuring that it is observed. The Ministry concerned may also make regulations on the auditing of the accounts of the sales organization and demand the statistical information which is considered necessary.

If a decree is issued under Par. 2 second section, or under Par. 7 second section, special conditions may be made: for instance, a control committee may have to be set up with representatives of the authorities and of the various sales and consumer's interests.

*Par. 9.* Whoever wilfully or negligently breaks this act of the regulations made under it, is punishable by fines. Concurrence and attempts are punishable in the same way.

*Par. 10.* The Ministry concerned shall each year put before the King a report on the carrying out of this act. The report is to be sent to the Parliament.

*Par. 11.* This act comes into force on 1 January 1952.

Regulations made under the temporary act of 18 June 1938 on the sale of raw fish and later amendments are still valid — if they do not conflict with the provisions of this act — until they are abolished or replaced by regulations given under this act.

## Appendix B.

### Résumé français.

## Etude d'ensemble de l'évolution de la coopération chez les pêcheurs norvégiens

### 1. *Historique.*

Les pêcheurs pratiquent depuis fort longtemps la coopération sous une forme non officielle pour les opérations de pêche, et ne l'ont étendue qu'à une époque relativement récente aux opérations de traitement, de transport, de commercialisation ou de financement. L'organisation rationnelle de ces activités n'a été entreprise qu'au cours des années vingt.

L'Organisation des pêcheurs norvégiens a été constituée en 1926 avec l'autorisation des autorités officielles dans le but de protéger les intérêts des pêcheurs et plus particulièrement de promouvoir l'organisation coopérative.

En Norvège, le produit de la pêche est réparti entre les propriétaires de bateaux et d'engins, et l'équipage d'après le système des «parts». Un fonds de garantie alimenté par des droits sur les exportations de poisson ainsi que par des prêts et garanties de l'Etat, a été constitué pour venir en aide aux pêcheurs pendant les périodes de mauvaises pêche. Il assure à tous les pêcheurs une «part» minimum fixe, et sa gestion est assurée par l'Organisation des pêcheurs norvégiens.

La création de cette organisation a été suivie de la mise en oeuvre

d'un système de commercialisation contrôlée. Deux organisations pour la vente du hareng d'hiver ont été constituées par les pêcheurs au cours des années vingt; une loi spéciale, promulguée ultérieurement, leur a conféré le monopole de la vente en première main du hareng d'hiver. En 1938, une autre loi a étendu ce droit aux organisations de pêcheurs agréées vendant toutes les espèces de poissons et de produits des pêches. Elle a été remplacée en 1951 par la loi qui régit actuellement toutes les ventes de poisson en première main.

## 2. *Statut et pouvoirs des organisations de pêcheurs.*

Une organisation de pêcheurs agréée doit être à responsabilité limitée et à capital variable. Tous les pêcheurs, opérant individuellement, ou appartenant à un équipage ou à une organisation commerciale de pêcheurs ont le droit d'en faire partie. Elle doit comporter un comité élu et un directeur agréé par le Ministère des pêches. Son statut précise sa structure interne, ses responsabilités financières, les devoirs de ses membres, le mode de règlement des différends et les conditions de sa dissolution.

Une organisation de vente agréée a le pouvoir:

- a) d'agréer les acheteurs de poisson et de produits de la pêche, et de retirer cet agrément (sous réserve d'appel);
- b) de limiter temporairement la pêche;
- c) d'orienter le produit des pêches vers certains acheteurs ou certaines utilisations;
- d) de créer et d'exploiter des installations de production et de traitement;
- e) avec une autorisation officielle, de vendre directement aux détaillants du marché intérieur.

## 3. *Principales organisations existantes.*

Les organisations de vente de première main, faisant l'objet d'une protection légale, sont actuellement au nombre de 14, et assurent la vente de tous les poissons, hareng compris. Parmi celles-ci, 8 sont spécialisées dans la vente de certains poissons, et les autres vendent toutes les espèces de poisson dans certains secteurs. Elles couvrent leurs dépenses en effectuant des prélèvements autorisés sur la vente de tous les poissons livrés.

a) *Organisation norvégienne de vente du hareng.* Elle vend le hareng d'hiver à des acheteurs agréés par l'intermédiaire de 34 bureaux locaux. Les pêcheurs perçoivent des prix moyens. Elle est composée de Membres «A» (propriétaires de bateaux et d'engins) et de Membres «B» (représentants des équipages et opérateurs d'engins) qui ensemble élisent l'organ exécutif. L'organisation se charge également des rapports sur les quan-

tités pêchées, des conditions et de la réglementation des ventes, ainsi que du contrôle de la pêche.

b) *Organisation de vente du hareng gras (1949)*. Elle s'occupe de la vente de tous les poissons débarqués entre Møre -- Romsdal et Finnmark. Ses membres sont composés, d'une part, des représentants élus de chaque équipe de senniers et, d'autre part, des pêcheurs au filet, membres des organisations locales de pêcheurs.

c) *Organisation de vente du hareng et du sprat (1949)*. Elle s'occupe des ventes de poissons débarqués entre Sogn — Fjordane et la frontière suédoise.

d) *Association des pêcheurs d'Islande (hareng)*. Elle a le monopole des ventes de première main du hareng salé d'Islande. Les membres sont composés d'individus ou de compagnies qui possèdent ou louent le matériel de pêche au hareng d'Islande utilisé dans les eaux voisines de l'Islande, des Féroés et de Jan Mayeur.

e) *Organisation de vente de la taupe (1946)*. Elle s'occupe de la vente en première main de ce poisson dans les mêmes conditions que les organisations de vente du hareng.

f) *Organisation de la vente du poisson de chalut (1938)*. Elle s'occupe de la vente de diverses espèces de poisson débarquées entre Nordmøre et Finnmark. Tout pêcheur peut en devenir membre en adhérant à une organisation de pêcheurs affiliée à l'Association des pêcheurs norvégiens ou à celle des marins norvégiens. Ces organisations élisent le Comité de l'Organisation et souscrivent à des actions de son capital. Après consultation avec les autres secteurs de l'industrie des pêches et avec le Ministère des pêches, l'Organisation peut établir des règlements régissant le traitement et le transport du poisson. Elle fixe les prix et peut instituer un système de péréquation des prix. Par ailleurs les pêcheurs vendent directement à l'acheteur de leur choix.

g) *Organisation norvégienne de vente du poisson vivant (1939)*. Elle s'occupe de la vente de divers poissons dans certaines zones spécifiées. Le mode d'affiliation est le même que pour l'Organisation de la vente du poisson de chalut.

h) *Organisation norvégienne de vente du maquereau (1939)*. Elle s'occupe de la vente en première main du maquereau dans la moitié sud du pays. L'affiliation se fait par bateau dont chacun est représenté par un membre.

Il existe en outre 6 organisations s'occupant de la vente de diverses espèces de poissons dans des zones limitées situées entre Romsdal et la frontière suédoise. L'affiliation se fait tantôt par équipages, tantôt par l'adhésion indirecte de tous les pêcheurs par l'intermédiaire de leurs

syndicats, tantôt par les organisations locales de vente et par affiliation directe. Les organisations locales de vente entreprennent au nom de l'organisation supérieure la commercialisation du poisson dans leurs secteurs respectifs.

4. *Exécution des opérations de traitement et des exportations par les organisations de pêcheurs.*

Outre leurs pouvoirs réglementaires, un grand nombre d'organisations de pêcheurs dirigent également des installations de traitement et des entreprises de commercialisation et d'exportation, soit directement, soit par l'intermédiaire de filiales. L'organisation de vente du hareng possède une entreprise d'exportation et des usines fabriquant la farine et l'huile de hareng ainsi que d'autres produits. L'organisation de vente du poisson de chalut possède plusieurs entreprises prospères de commercialisation et d'exportation; d'autres organisations possèdent des usines, des installations frigorifiques, des viviers à langoustes, des installations d'emballage, etc.

5. *Contrôle des exportations.*

En Norvège, l'exportation du poisson est rationalisée et contrôlée par 8 associations d'exportateurs approuvées par les pouvoirs publics, et spécialisées dans différentes espèces de poissons, mais qui ne sont pas organisées en coopératives. Le Ministère des pêches a nommé 14 comités chargés de l'exportation de différents types de poissons et de produits des pêches. Le Ministère est habilité à fixer les prix et conditions de vente après consultation avec ces comités.

6. *Achat en coopérative du matériel de pêche.*

Une organisation de pêcheurs pour l'achat en coopérative a été fondée en 1939 en Norvège septentrionale; elle a été transformée en 1950 en Compagnie, qui a pris le nom de Centre des engins de pêche, auquel sont affiliés des organisations de pêcheurs, des coopératives et des pêcheurs. Elle a pour but de procurer des engins de première qualité à des prix raisonnables, soit en construisant sa propre usine, soit en faisant des investissements dans des usines en exploitation. Une organisation analogue, la Coopérative des engins de pêche, possède son usine, et fonctionne en Norvège méridionale.

L'organisation de pêcheurs pour la fourniture des appâts a été fondée en 1947 en Norvège méridionale; elle a obtenu deux ans plus tard le monopole de la vente des appâts aux pêcheurs de son secteur.

7. *Organisations locales ne bénéficiant pas de l'appui des Pouvoirs publics.*

Il existe un certain nombre de petites coopératives locales s'occupant principalement du salage, du séchage et de la commercialisation du poisson. Elles doivent être agréées par des organisations officielles. Un grand nombre fournissent à leurs membres des engins, du carburant, des appâts, etc. Certaines d'entre elles ont acheté des bateaux de pêche ou possèdent des intérêts dans des compagnies de chalutiers.

Un certain nombre de coopératives combinent la fourniture de biens de consommation avec le traitement et la commercialisation du poisson. Ces deux types d'activités font l'objet d'une comptabilité et d'une répartition des profits distinctes.

8. *Rapports avec le gouvernement.*

L'aide gouvernementale a pris des formes diverses. Des consultants ont été nommés pour aider de leurs conseils les organisations et coopératives de production dans leurs travaux. Des coopératives de pêcheurs pour le traitement du poisson ont reçu de l'Etat des prêts et des subventions. Les crédits commerciaux des organisations de production sont garantis par l'Etat.

*Des statuts types d'association* ont été élaborés en 1941 par le Ministère du commerce, et révisés en 1957. Ils sont relatifs aux objectifs, aux contrats de livraison, à la fixation des prix, à la détention des actions, au vote des droits, aux réunions et comités, à la vérification des comptes, aux réserves et à la répartition des bénéfices. Les décisions relatives à l'amendement des statuts, à la nomination des directeurs et des vérificateurs des comptes, ainsi qu'à la location, la vente ou l'hypothèque d'immeubles, doivent être approuvées par le Directeur des pêches, qui peut également contrôler l'organisation et donner des instructions relatives à la tenue et la vérification des comptes ainsi qu'à la répartition des profits ou des pertes.

La *taxation* des coopératives est fondée sur l'intérêt estimé du capital, sur le capital financier et immobilier, mais non sur le revenu.

9. *Assurances mutuelles.*

L'assurance des bateaux de pêche, appliquée depuis un siècle, est faite par des sociétés d'assurances mutuelles et des compagnies commerciales. L'assurance des engins n'a été organisée qu'au cours des années trente sur une base mutuelle, et maintenant les compagnies commerciales couvrent également ce risque.

Les sociétés mutuelles assurent les navires au tarif le plus bas, et

pour les engins de pêche, à un taux fixé tous les ans on accord avec les compagnies privées. Elles visent également à appliquer des conditions plus favorables pour les indemnités, et restournent une part des bénéfices aux assurés sous forme de boni. Les risques de perte sont également couverts par des assurances mutuelles dont les conditions ont entraîné une baisse des primes des assurances générales.

Il existe une cinquantaine de sociétés d'assurances mutuelles pour les bateaux de pêche, et quatre pour les engins. Les articles-types d'association ont été établis par une loi de 1953. Ils doivent déterminer le secteur couvert par la société, le montant du risque maximum, le mode de répartition des profits et des pertes, ainsi que les droits de vote des membres.

La réassurance est effectuée par l'Institut de réassurance des bateaux de pêche, fondé en 1933 par une subvention gouvernementale, et l'Institut de réassurance des engins de pêche, fondé en 1952 et financé par des subventions du gouvernement et des organisations de vente du hareng.

## Annexe

*Loi du 14 décembre 1951 sur la vente du poisson  
de chalut, amendée par la loi du 29 juin 1956.*

Cette loi permet de réserver la vente du poisson de chalut aux organisations de vente des pêcheurs ou aux commerçants autorisés par elles. Le Ministère intéressé peut approuver les statuts des organisations de vente auxquelles les pêcheurs sont affiliés directement ou indirectement. Ces statuts doivent prévoir les modalités de contrôle de l'organisation ainsi que les question sur lesquelles l'accord du Ministère est requis. La loi définit les conditions dans lesquelles les acheteurs peuvent être agréés par les organisations de vente, ainsi que leur droit d'appel en cas de refus de ces organisations. Elle définit également les conditions dans lesquelles la pêche peut être temporairement interdite ou limitée. Elle confère à l'organisation de vente le droit de réserver le produit des pêches à certains acheteurs ou certains usages, ce qui peut être également imposé par le Ministère. Les organisations de vente sont autorisées à promouvoir ou diriger des entreprises de commercialisation ou de traitement du poisson. Les organisations de vente sont autorisées à prélever un droit sur la vente du poisson. La loi prévoit également la vérification des comptes des organisations de vente, la fourniture de rapports statistiques, et les consultations avec les autres secteurs intéressés de l'industrie des pêches. Un rapport annuel sur l'application de la loi est soumis au Parlement.