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SUBJECT - End-of-Tour Report, Laverne E. Wakefield,
Fisheries Advisor, Rural Development Division

REFERENCE - AID/W Report Control No. U-513)

Mr. Wakefield has made a series of notable contributions to the fisheries industry of Korea during his first full tour. The attached report typifies his modesty on this account.

The facts are more eloquent than words. He has provided leadership for this Mission and the ROKG, during an interlude of trial and negotiation, and all of it has been directed toward the mutual objectives of our two governments. Imagination, resourcefulness and a will to get on with the business at hand have been threaded through his daily -- and numerous -- contacts.

USOM/K is pleased to welcome the Wakefield family back to Korea for a second tour.

DOHERTY

Attachment: End-of-Tour Report
Laverne E. Wakefield

A.I.D.
Reference Center
Room 1656 NS

PAGE 1 OF 1 PAGES

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APPROVED BY:

Roger Ernst, Deputy Director

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END-OF-TOUR REPORT (Control No. U-513)

Name Laverne E. Wakefield Job Title Fisheries Advisor
 Country of Assignment Korea
 Tour of Duty Began March 25, 1964
 Tour of Duty Ended June 6, 1965 Prior Country Assignment & Years
Indonesia - 5 years, 7 months
 Project Activity (Name and No.) 489-11-110-594 Rural Development Policy
Planning and Survey

I. Introduction:

This advisor came to Seoul on a direct transfer after five years and seven months with USOM Indonesia as Fisheries Advisor. The advisor was assigned to the Fisheries Bureau, Ministry of Agriculture and Forestry (MAF), with his chief counterpart the Director of the Bureau. However, the job description was quite broad and covered the Central Federation of Fisheries Cooperatives (CFFC), the Research and Development Agency (RDA), the Fisheries Inspection Service and the private sector of the fishing industry. The Mission had not included a fisheries advisor in its staffing pattern for more than a year prior to the arrival of the incumbent. The hiatus caused a certain amount of deterioration of lines of communication and information.

Fisheries in Korea produce in excess of 450,000 tons annually and provide the main source of protein in the country's diet. There are more than a million people involved in fisheries, either as a full-time or a part-time occupation.

The fisheries are divided into the following categories:

1. Tideland cultivation and harvest which includes the production of seaweeds, oysters, clams and similar products.
2. Coastal fishing by some 40,000 boats, most of which are craft without power.
3. Offshore fishing by a small number of powered vessels which operate on the continental shelf adjacent to the Korea peninsula and deliver their catch to the various ports along the coast line.
4. High sea fishing, mainly for tuna, by a small but rapidly increasing number of modern tuna long-line vessels which deliver their catch in foreign ports.
5. A small inland fisheries, chiefly carp culture, which is of little importance at present.

Fishermen here have a relatively low social standing and their average income is one of the lowest in the country, being considerably below that of the average farmer.

II. Activities:

Primary objectives were:

1. To bring attention to the importance of fisheries in Korea and its possibilities in the development of the country.
2. To get into operation the fish markets at Pusan, Masan and Yosu, which had been financed by AID funds.
3. To encourage private enterprise, particularly American companies to invest in Korea's fisheries.

4. To concentrate on channeling more of the present production into export items.

5. To improve the credit position of CFFC, the authorized agency of the government for handling fisheries credit.

III. Results:

1. Due to a series of favorable conditions, including the Japan-Korea normalization talks, fisheries has reached a better understood position. The government has now planned to create a fisheries agency which will be headed by a director of ministerial rank. This agency will combine most of the scattered fisheries sections, some of which were lodged in the Ministry of Communications (MOC) and the Ministry of Commerce and Industry (MCI).

2. The fish markets at Pusan and Masan are in operation and the Yosu market will open the latter part of May 1965.

3. Both Star Kist Foods and Van Camp Sea Food Company have increased their participation in financing tuna boats. Star Kist will open an office in Seoul on May 20, 1965, to facilitate its expanded operations in Korea. Both Bumble Bee Sea Food and Ibec Company are negotiating with Korean companies for tuna boat deals.

4. Exports of fisheries products in 1964 rose to \$23 million from \$13 million in 1963. This upward trend is expected to continue in 1965 and will receive added impetus as a result of the setting up of the export promotion committee by the ROKG and USOM.

5. Fisheries counterpart funds, which were in National Agricultural Cooperatives Federation (NACF) and the Korean Reconstruction Bank (KRB), have been transferred to CFFC.

IV. Tideland Fisheries Development:

The tideland of the south and west coasts of Korea provide an ideal area for the development of the culture of oysters, clams, seaweed and - in selected areas - fish farming.

At the present time only about ten per cent of the best locations are under production and the expansion of these areas can contribute to the improvement of Korea's economy. All of the products harvested from these tidelands have a ready export market as well as a local demand.

The development of these areas at this time is best accomplished by the use of Food for Peace. The work is labor-intensive and the people involved are in one of the lowest income brackets. Chung Nam Province is a good example; the fishing population has an average yearly cash income of less than Won 3,000.

There have been two successful projects in 1964 along these lines, one at Ullung Do and one in Kangwon Do. In 1965 the Kangwon Do project will continue and the largest project yet attempted will be in Chung Nam Province and will involve 1,000 M/T of grain.

V. Coastal Fishing:

The coastal fishing fleet comprises the most undeveloped area in Korean fisheries. Average yearly production per man is just under 500 kilograms and can be compared with the ten tons per man-year normally produced in most partially developed fisheries operations. Boats and fishing equipment are in most cases very primitive and conversion to modern economical units is not yet taking place. One of the most serious problems hindering development of a modern fleet is that the

present marketing system does not allow the boat and fishermen a reasonable return or percentage of the value of the fish caught. Development of coastal fishing is most essential, as it now constitutes the main source of export products and those for domestic use. General conversion of non-power vessels is impractical as the hulls are not suited to power installation and the end-product would not be an economical unit. Great advances could be made by introducing modern methods to the various coastal fisheries activities.

VI. Offshore Fishing:

The offshore fisheries of Korea are much more modern and progressive than coastal fishing. All of the vessels are powered and use relatively modern gear, although they are not as yet competitive with Japanese vessels. Most of the export shrimp come from this fleet, which was developed under an AID program that has now projected Korea into a favorable position to compete in the world shrimp market. Offshore fisheries will have some new modern vessels introduced as part of the French-Italian loan for new fishing boats. The advent of these new vessels will open up untapped areas of operation for Korea and stimulate expansion of the offshore fleet. These new boats will introduce mid-water trawling and deep-water fishing off the east coast.

Offshore fishing covers shark fishing, whale catching and purse seining for pelagic species such as mackerel, saury and sardines. Modern one-boat purse seine operations using power blocks to haul the nets have not been accepted yet in Korea, although in developed countries this type increases production to as high as 500 tons per man-year of effort.

VII. High Seas Fishing:

Korea's high seas fisheries is confined currently to tuna operations in the Southwest Pacific Ocean. This new venture for Korea began four years ago as the result of AID assistance. The present fleet of sixteen 150-ton tuna long-line vessels was financed by loans from Van Camp Sea Food Company and Star Kist. Dollar loans provided the material to construct the vessels in Korean shipyards. These vessels have been very successful. They have averaged nearly \$40,000 a year in net profits. More than 20 vessels are now in various stages of construction in Korean shipyards, all financed by American companies.

The Korean Government entered into an agreement with a French and Italian consortium to construct 91 vessels for high seas fishing at a cost of \$44 million. These boats are now being delivered and 40 will be in operation by the end of 1965. Thirty of these vessels owned by the Korea Marine Industrial Development Corporation (a state company) will fish in American Samoa. The remainder will fish in the Indian Ocean and the South Atlantic off the East and West Coasts of Africa. Catches of this company's fleet will be marketed by International Tuna Sales, a company with Star Kist management. By the time all present commitments for tuna boats have been fulfilled, Korea will be a major factor in tuna production.

VIII. Inland Fisheries:

Korea's inland fisheries are not as yet an important factor in the overall picture. Most streams and lakes have been depleted by over-fishing by such destructive methods of capture as explosives and poison.

Although the Government maintains several hatcheries for carp, this enterprise has not been very successful and lack of support by the government, coupled

with poor acceptance by farmers, has deterred advancement in inland fisheries.

The potential in this field is quite large. The government is giving more attention to all fisheries problems and now could be the time to initiate some inland fisheries projects. Along this line, a proposal for an inland fisheries project in the Han River basin is under preparation by the Kangwon-do Governor's office, with cooperation from the Fisheries Bureau, MAF, and the Fisheries Section of Kyongi-do Provincial office. This report, which will be completed before the end of May, will give detailed information on the inland fisheries potential in the Han River basin.

IX. Processing of Fisheries Products:

The processing of fish in Korea is still relatively undeveloped. Twenty-one per cent of all fish products are preserved by sun drying as compared to 67 per cent being consumed fresh. Of the remaining 12 per cent salted, smoked, fermented and salted and dried account for 9 per cent. Modern methods of canning and freezing amount to 1.3 per cent and 1.7 per cent, respectively.

Existing plant capacities are far from maximum utilization, as illustrated by the following chart:

<u>Kind</u>	<u>No of plants</u>	<u>Production capacity</u>	<u>Results in 1964</u>
Canned	47	3,026,000 C/S	192,278 C/S
Frozen	55	102,780 M/T	18,439 M/T
Agar-agar	39	1,000 M/T	580 M/T
Fish meal	3	5,400 M/T	472 M/T

This lack of full utilization is in part a result of a peculiarity of Korea's fisheries. Very few processing companies depend on their own vessels for raw materials, nor do they contract with groups of producers to assure themselves of supplies. Most processors have been opportunists who move into processing only when market prices for raw material have been very low and prices for processed products have been high. This is just the opposite of most countries where people in the fish business seek to secure a supply of raw material before they consider building a processing plant.

A limited few of the Korean fishing companies operate on a comparable basis with American companies having control over their supply of raw material, their own processing facilities and their own sales organizations. These companies are all successful and it is hoped their example will be followed by others.

X. Marketing of Fish Products:

The marketing system that exists in fisheries constitutes a very complicated and undesirable situation. Although the government has passed laws, it recognizes there still exists a very serious problem and the MAF has requested an AID technician to study and make recommendations for new legislation to eliminate the present problems. The Mission is recruiting a man for this position.

As I am in full agreement as to the need of a full-time specialist in marketing, I shall not go into further details of marketing. My observations may be summed by saying that unless some solution to marketing problems is reached, the future of Korea's fisheries is gravely threatened. Capital inputs for production equipment such as boats and gear cannot be amortized under the present marketing system. The

exception of this observation is the high sea tuna boats that market their catch in foreign ports under specific contract arrangements.

XI. Credit:

The Central Federation of Fisheries Cooperatives (CFFC) established by the government in 1963 is the authorized agency to handle fisheries credit. Prior to the formation of this organization, fisheries credit was handled by NACF and KRB, neither of which were able to do a good job. Although CFFC is a relatively new organization and seriously handicapped by insufficient funds, it is doing a good job. This organization is becoming more and more important in the fisheries picture and has been receiving technical help from Dr. Webster Johnson, Credit Advisor in the Rural Development Division. The success that he has had has been so well received that the Minister of MAF has requested USOM to provide a full-time advisor to CFFC. Recruitment is underway for this technician.

It is my opinion that USOM should support this agency as much as possible and bolster its financial structure with a substantial amount of counterpart funds.

XII. Training:

1. Participant training by USOM.

Since 1956 22 participants have received training in various fields of fisheries, and only two of these participants are no longer active in the fisheries field. All of the active trainees occupy important jobs in fisheries. Dr. Lee, Dong Nae, a participant in 1957, is now Director of the Fisheries Bureau of MAF, the highest government office in fisheries. Two participants are in the United States now and three participants are scheduled

during CY 1965. Unquestionably, careful selection of participants and study areas have paid excellent dividends.

2. Technical Training in Korea:

With the help of a UN Special Fund grant of \$1 million, Korea is establishing its first fisheries technical training institute. This institute will train deck officers, engineering officers and master fishermen who will be needed for the large fleet of high sea and offshore vessels being acquired by Korea. Although the institute will only be able to turn out 70 trained persons per year and requirements are several times this figure, Korea is to be commended for taking a big step in the right direction to increase the number of trained fishermen.

XIII. Fishing Ports:

Although Korea has many ports that handle a large tonnage of fish products, none has adequate market, refrigeration or processing facilities, boat yards, fuel storage, transportation and most important - plans for expansion. Many of the rich fishing areas have no developed port areas in the vicinity. Ullungdo, an island in the midst of a rich fishing area of the Japan Sea and 80 miles off the east coast has no developed fishing port at all. The Heuksan Islands on the west coast have similar limitations. The President of Korea, on a recent trip, instructed that plans be made for developing fishing ports, but these plans will hinge strongly on achieving a settlement with Japan.

This advisor in cooperation with Mr. W. H. Johnson, RDD advisor in Kangwan Do, has submitted a proposal for development of Sokcho port on the northeast coast of Kangwan Do.

Most of the small fishing ports, of which there are hundreds, are nothing more than breakwaters providing some degree of protection to land boats and to haul them up on the beach. This is to be expected where most of the fishing vessels are small, unpowered craft. When power boats are introduced in large numbers these boats will operate from the already overcrowded protected ports. The loss of vessels and of fishermen's lives in stormy weather due mainly to the lack of developed ports, is a serious problem facing the fishing industry of Korea. The lack of adequate warning systems to notify fishermen of approaching storms or typhoons aggravate the problem.

XIV. Research:

Most fisheries research is conducted by the Fisheries Research and Development Agency an independent arm of the Ministry of Agriculture and Forestry and not directly connected with the Fisheries Bureau of the same Ministry. The head office is located in Pusan and there are regional offices throughout the maritime provinces.

Nearly all of the work done by this agency is applied research and results have been quite good. Most of its equipment has been supplied by AID funds and technicians were assigned to the agency for several years. Although progress has slowed somewhat without the help of a foreign technician, the agency does a good job in relation to budget funds provided by the government. It is now charged by the government with the responsibility of establishing a fisheries extension service.

The work done by this organization also includes oceanographic sampling and a comprehensive number of sampling stations have been established around the

peninsula. This agency needs an increase in funds to do its assigned work on off-shore and high seas fisheries.

XV. Fisheries Inspection Service:

This service also is under the Ministry of Agriculture and Forestry but is not connected with the Fisheries Bureau. It is by law responsible for the inspection of all fisheries products exported from the country. It has a laboratory in Seoul equipped by AID. However, because of insufficient budget and lack of laboratories at the major ports, the agency has a difficult time of it. There are many instances where exported fish products have been below acceptable standards which has caused considerable trouble in the export market. Another problem is the lack of legal grading standards, leading to complaints from many buyers on the variation in quality of various lots of the same products. It is hoped that the export drive being made by the government will result in strengthening this organization, so it can effectively perform its duties. An excellent report on inspection of export products in Korea which includes the fisheries field has been prepared by Mr. Niels C. Beck, Industry and Engineering Division, USOM/K.