

Begich Calls for Fishing Depletion Allowance as in Oil Industry

ANCHORAGE—In a further elaboration of his program for Alaska's fishing industry, Sen. Nick Begich, candidate for the U.S. House of Representatives, said this week that he advocates the same kind of a depletion allowance that is now given to the oil industry for fishing in the United States.

Begich stated that the depletion allowance is a major point in his six-point fishing program and that, "the depletion allowance has been extended to almost all other depletable resources in this country since it was first authorized in the Internal Revenue Code of 1926."

"Although oil has a 27½ per cent depletion allowance, there are forty other minerals which receive a 23 per cent allowance, forty more minerals which receive a 15 per cent allowance, six minerals at 10 per cent, two at 7½ per cent and nine others at 5 per cent," the Anchorage senator noted.

"Why have not fish been included in this list of important depletable natural resources?"

"The purpose of a depletion allowance is to allow the cost of obtaining and processing the mineral resource to be deducted from the gross income of the resource. This would make it possible to take into consideration the cost of obtaining and processing fish as is done with other resources.

"Similarly, a depletion allowance should be tied to the cost of improvements of fishing boats and equipment. It would allow Alaska fishermen to make added improvements to their boats, purchase new modern equipment and be able to deduct this from their total taxable income.

This is desperately needed in Alaska, particularly with the added foreign competition and the mechanization which has taken place with these foreign fishing fleets in recent years.

"Additionally, the fish canneries would have the opport-

unity to upgrade their equipment and processing, develop new production and marketing techniques and increase their production. This would lower the prices to the consumer.

"This improvement in the fishing industry would benefit everyone. More fish sold and at cheaper prices will result in more fish being used. This, in turn, would benefit the fishermen and the producers by increasing the demands for their services.

"We desperately need modernization of our fishing industry through improved equipment and techniques and this is the sensible way to do it," Begich said.

"We need to incorporate in our present internal revenue code the concept that a renewable or living resource needs a depletion allowance. The facts are, of course, on the side of our depleted fishing industry. Once given the facts congress will support such legislation. Certainly, our fishing industry deserves more attention."

Begich concluded by saying, "in fact, there is no industry which needs revitalization as much as the fishing industry, not in Alaska but throughout the country. I know this type of allowance would be the vital boost the fishermen need. We can do no less."