

Marine Recreation Conference:

# **The Economy and the Business of Marine Recreation**

Bruce J. Cole, editor

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**A report on the fourth Marine Recreation  
Conference**

# **The Economy and the Business of Marine Recreation**

**Bruce J. Cole**

Marine Advisory Service

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## **An introduction**

The annual New England marine recreation conference focuses on timely, important issues facing the marine recreational industry. The first two conferences provided a forum where environmental issues could be discussed. Renewed emphasis on coastal management, at federal, state and local levels, helped prompt the choice of last year's conference theme — planning for shoreline and water uses. During 1974, however, a nose-diving national economy, high rates of inflation, and an energy shortage made the theme of the national economy and the business of marine recreation appropriate. More than 80 economists, bankers, boating businessmen, ecologists and representatives of state and federal agencies met for the conference at the Center for Continuing Education in Durham, New Hampshire, during mid-December, 1974.

During the first six months of 1975, the economy will probably look much like the first six months of 1974, complete with little industrial growth and double digit inflation, one economist predicted. He said, however, that the current recession will become no worse than the six other recessions the nation has weathered since 1945 and that the economy will probably "bottom out" in the third quarter of 1975 and begin a recovery. There should be no problem with either a fuel scare or lack of fuel this year, a Federal Energy Administration official said. The FEA is predicting that adequate amounts of fuel will be available for the boating industry.

Neil W. Ross, who helped organize the conference, said that compared to this time a year ago, when the fuel shortage left those in the industry in a state of panic, the mood of the industry this year is one of confidence. "The

major difference this year is fuel," he says. "People know that the pipeline is not going to be shut off. There is great concern about the national economy, but this concern is coupled with the expectation that it will take an upturn in late 1975." Mr. Ross is a marine recreation specialist for the Marine Advisory Service at the University of Rhode Island.

The currently beleaguered United States economy will make better businessmen out of those in the industry, Mr. Ross predicts. "They can't change the economy or the cost of borrowing or consumer confidence on a nationwide scale. The only real way to continue to make money is to become more efficient. They have to buy better, as well as control inventory and costs."

This report summarizes the fourth Marine Recreation Conference. Complete written texts of the presentations and discussions are not available. However, each co-sponsoring organization has one set of cassette tapes of the entire conference, and these are available for transcribing or copying. In addition, Mr. Ross has a set of video tapes of the conference which he is willing to loan. He can be reached at the University of Rhode Island Marine Advisory Service.

Bruce J. Cole

# Forecast for '75

## **Economic recovery?**

*recovery last half of '75 / buying power down, interest high / must plug regional energy development*

The recession-plagued U.S. economy will remain a problem during much of 1975. However, it may begin to recover in the third or fourth quarter of the year.

Dr. James Howell, an economist and vice president of the business research department of the First National Bank of Boston, made that prediction in the conference keynote address, adding that the recession will become no worse than the six other recessions the nation has weathered since 1945.

The Texas-born economist has served on the Federal Reserve Board and as an economic advisor to the President of Chile.

"There is absolutely no question that the nation is in a potentially serious national recession," Dr. Howell said.

The first nine months of 1975 will look much like the first six months of 1974, he said, complete with little industrial growth and double digit inflation. Late in 1975, however, the economy should begin a recovery.

How will boat sales be affected in 1975? The income group hit hardest by the recession, Dr. Howell said, is that with persons making \$10,000 to \$15,000. These people are also the largest boat buying public. Moreover, auto sales in 1975 are expected to be down 25 percent from peak years. "It's a well-known fact," he said, "that recreational demand and auto purchases go hand-in-hand."

Inflation has had a major impact on the buying power of the American consumer, the Boston economist said. For the last six quarters, prices have risen at a 12 percent annual rate while income has risen only seven to eight percent. In an attempt to maintain their standards of living during this time, Americans have spent one-third of their savings, representing about \$23 billion.

Dr. Howell predicts that extraordinarily high long-term interest rates will prevail through this decade. Tremendous credit demands placed on developed countries by the developing nations and a relatively low supply of money from savings channels are factors which will continue to contribute to this situation, he said.

In this "tight" money market, the Federal Reserve Board may favor certain industries, Dr. Howell said. "The Board is going to seriously experiment with credit allocation formulas; they are determined to insulate the housing market from high interest rates. The extent to which that might de-emphasize recreational borrowings from commercial banks, I would think, is something this industry would want to watch very, very carefully."

Dr. Howell took the opportunity to plug energy development for New England. "We have got to tell companies in New England that energy help is on the way, and then deliver. If we don't, in the long run, we're going to lose them."

The economist called on New England industry to support VLCC (very large crude carrier) terminals, refineries and offshore oil development for the region.

Quoting from a survey conducted by the First National Bank of Boston, he said that during

a 12-month period ending September, 1974, energy costs for industry rose about 50 percent. One in five companies reported that its energy costs more than doubled.

"Three percent of these companies indicated they were already cutting back in New England because of higher energy costs, and they are going to nestle under the wings of the energy-rich South."

This region is dominated by non-New England-committed outside ownership, the economist said. Nineteen of 22 major companies in Vermont, all six large companies in Maine, and all 16 in New Hampshire are controlled by corporate headquarters located outside the region.

"These corporations know the contributions of given production line facilities to earnings per share. They're watching us; we'd better do something about energy."

### **Boating fuel available**

*reasonable quantities / oil villain in region's costs*

The recreational boating industry and pleasure boaters can count on "reasonable quantities of gasoline" through the summer of 1975, according to Robert Mitchell, administrator of the Federal Energy Administration's northeast region.

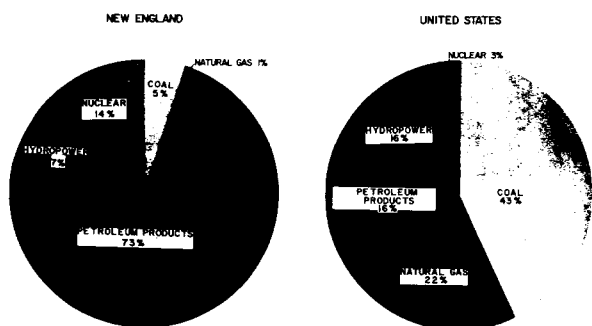
"Regardless of the steps taken, I don't think you (the boating industry) will be terribly hard-pressed for gasoline this summer."

Among the options being considered for a national energy policy, he said, are a reduction in petroleum imports, forced conservation coupled with a gas tax, and an allocation program which

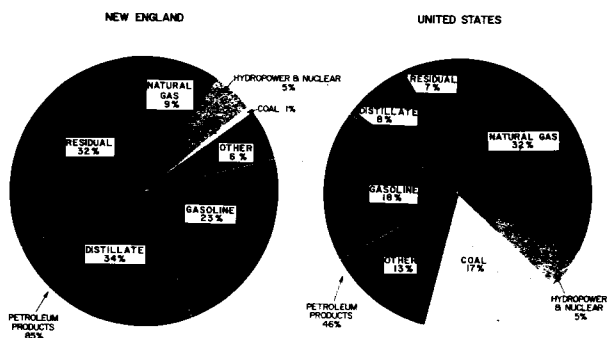


would limit overall fuel consumption. Under the latter option, "priority" activities would receive all the fuel they presently require while "non-priority" industries, such as recreational boating, may receive somewhat less than the amount of fuel presently consumed.

Mr. Mitchell presented a list of statistics that tell why New England electricity costs are fully one-third higher than electricity costs in the rest of the country (see Figs. 1, 2, 3) and why the U.S. has become more and more dependent on oil imports.



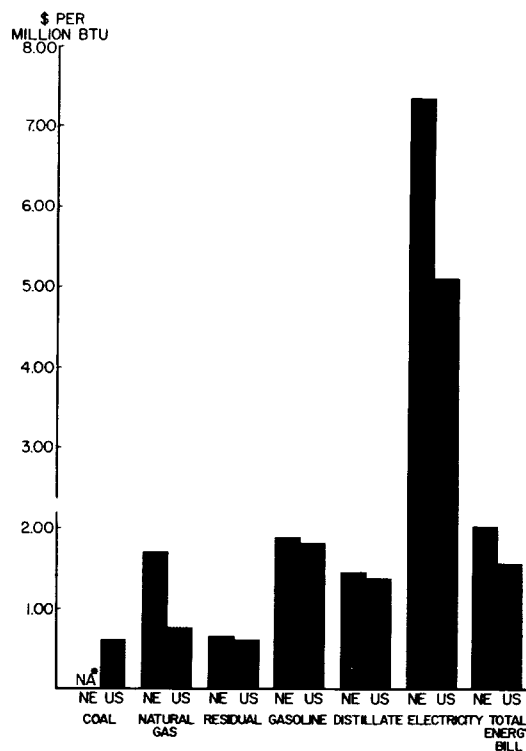
**Fig 1.** Electric generation fuel sources, United States and New England, 1972.



**Fig. 2.** Energy sources, United States and New England, 1972.

The reason for high energy costs in New England, he said, is primarily that nearly three-quarters of the electricity produced in the region is generated by power plants which require oil, the most expensive of the commonly used energy sources. In comparison, only 16 percent of the electricity used nationwide is generated at oil-fueled plants.

The national energy problem, Mr. Mitchell said, has stemmed from demands for energy increasing while U.S. production of fossil fuels declined. For the past 20 years, the U.S. energy



\* NOT APPLICABLE

**Fig. 3.** Energy prices, excluding taxes, to end-users, 1972.

demand has grown at a four to five percent rate annually, bringing our current per-capita use of energy to six times that of the rest of the world. "Our problem now," Mr. Mitchell stated, "is to reduce that growth rate. There is plenty of room for Yankee thrift."

In the face of burgeoning energy demands, U.S. crude production leveled off in 1970 after decades of steady growth. Since then, he said, both crude production and the magnitude of proven U.S. reserves have been in steady decline.

Coal and natural gas production has not taken up the slack. U.S. coal production has not increased appreciably since 1943, and since 1968 the U.S. has been consuming natural gas faster than new reserves have been discovered.

The combination of declining domestic production and increasing energy demands has meant that the U.S. has had to increase petroleum imports from 15 percent of total U.S. oil consumption in 1960 to about 43 percent currently. Unless steps are taken through national energy policy, the U.S. may be importing one-half of its petroleum needs by 1980, he said.

### **Money tight, but available**

*credit rating important / big craft preferred / must stimulate cash flows, stop consumerism war*

Money for financing retail and wholesale boating businesses will be "tight" for the next three years; however, it will be available to those willing to pay high interest rates.

That is the shared view of Domenic Sansone, vice president of the New England Merchant's National Bank of Boston, and Dal

Welch, dealer division head of the Casco Bank and Trust Company of Portland, Maine. The bankers talked about trends in financing available for boating.

"Money will be available," Mr. Sansone said, "however, bankers will be a little hesitant to finance those with marginal credit or speculative promotions or who allow their customers to overstock inventory. I honestly feel that money will be available for wholesale and retail units if the customer has good sound financial statements, a good track record, and a good equity position in retail deals."

Mr. Welch said that his bank's loan program has been structured recently to draw personal deposits which have been depleted during the recession.

"We have a revolving credit program where the customer last summer was paying 9.6 percent simple interest compared to our commercial rate of 12 percent plus. That program was designed to draw deposits; it hasn't yet. Savings are still being spent because of inflation, so now we're going to have to go back to the drawing board."

Are banks no longer financing small pleasure craft, preferring instead the large, expensive boats?

"I prefer to deal mainly in boats that cost \$50,000 and up," Mr. Sansone said, "and the bigger the balance, the better I like it. The person that can afford that kind of a vessel is financially able and, if there is a problem, that kind of boat can be more easily repossessed. I'd much rather make one \$50,000 loan than 20 or 50 \$5,000 loans.

Mr. Sansone added, however, that his bank does finance small boat dealers.

Among the factors that the New England Merchants National Bank of Boston considers in lending, Mr. Sansone said, are profitability, risk and use of money. Boating portfolios can be regarded as more profitable than, say, portfolios for automobile dealers. Boating portfolios, however, are less desirable when considering risk and use of money, the Boston banker said.

Because boats are a luxury item, there is a certain amount of risk in financing them during a recession, Mr. Sansone said. "Are people going to buy boats if there are both economic and energy problems? If they did buy a boat, will they continue to pay for it if there is unemployment or a reduction in earnings?"

Boating dealers must improve their use of money, he said, by stimulating cash flow during the seven months of the year when inventories move slowly.

"This is the one area that the boating industry must improve. With money rates the way they are, if you keep a boat in inventory longer than six months, between interest expense and overhead, the profit is gone. Some manufacturers are assisting by paying the floor plan interest expense for six to seven months. This policy should be used by all manufacturers if they expect to keep their dealers alive. The auto manufacturers have been helping their dealers in this area for several years."

Mr. Sansone took the opportunity to call on banks, financial institutions and manufacturers to "band together across the nation and stop this war of consumerism."

Massachusetts has two consumer-oriented laws, regarding sale and collection procedures, which the federal government is seriously considering, he said.

One such law puts the responsibility of customer satisfaction on the shoulders of the financing institution, he said. "A customer who is not satisfied with the performance of his boat can stop making payments until you fix the problem, real or not. You may take him to court to settle it, but you cannot repossess the boat."

The other is a repossession law which may place financial institutions at an undue disadvantage, he said.

### **An industry in flux**

*marginal operators losing out / gross up, not profits*

The recreational boating industry is in flux.

In a highly competitive market in which money for financing is difficult to obtain, the marginal operator is finding it harder to survive and may be squeezed out of the business.

Rising fuel costs and other considerations have created a trend toward the mid-sized sailboat.

But despite the current recession, sales by many boating dealers were good during 1974. A number of dealers claim, however, that profits are dropping.

These were among the observations made by a panel of boating businessmen who discussed trends in the industry. Members of the panel were Stanley Carlson, vice president of Wilcox Crittenden Company, a boating hardware manufacturer in Middletown, Connecticut; Jack Irwin, president of Irwin Marine, Inc., an inland marina and boat dealer in Lakeport, New Hampshire; Sydney Miller, president of the Harry Miller Company, Inc., a Boston marine

wholesaler; and Francis Pierce, president of Pierce's Marina Inc., in Boothbay Harbor, Maine.

"I see many of the marginal boating manufacturers dropping out and the big, well-financed volume manufacturers staying and probably becoming larger in the next few years," Mr. Carlson predicted.

What's the trend in boat manufacturing? Mr. Carlson said he sees a move toward sailboats in the 16- to 30-foot range. "I know of four manufacturers coming out with major introductions," he said.

No one disputed this prediction. However, a number of participants stated they felt that the mid-sized sailboat has not been in high demand recently.

"Cadillacs are selling and so are Cadillac-type boats," commented marine wholesaler Sydney Miller. People who buy the big, expensive boats can get the loans no matter how tight money is, he observed.

Francis Pierce, a Maine boating dealer, said boats that cost between \$6,000 and \$30,000 simply didn't sell last summer. He noted, however, that the market held up for the inexpensive small boats and the large boats with a price tag of more than \$30,000.

Profits for boating dealers this year, some claim, were down. "We all had a good year in sales. The gross take was up, but for some reason, the profits just weren't there," commented Jack Irwin, a New Hampshire dealer.

One problem, he said, is that the escalating cost of replacement parts is cutting into net profits. Another is that it seems to be taking more and more money to put the product into the hands of the consumer.

Analyzing the industry, Mr. Carlson said the situation has switched recently from a sellers' market, favoring manufacturers, to a buyers' market, favoring dealers and distributors.

"It (the market situation) covers the raw material we buy; it covers our unfinished goods inventory; it covers our finished goods inventory; and it certainly is going to affect delivery situations.

"In the past," he said, "dealers and distributors have tolerated late deliveries, a situation that was totally incompatible with their own interest in doing business. In the future, I don't think they're going to put up with it."

Following the presentations, one participant from the audience noted that because of rising overhead costs, the boat that returns a 20 percent gross profit no longer returns enough net profit.

The problem, one panelist said, lies with the dealers, "who are afraid of a profit. You've got to have the guts to stand up and say to the customer, 'this is what I have to have to make a profit.'"

Auto companies audit their dealer's books and make sure they maintain the price, another participant added, noting that there is no one to "run roughshod over the boat dealers to make sure they don't over-discount their boats. Boating dealers are going to have to grow up and give more than lip service to maintaining prices."

## **Economic impact of the industry**

*three of seven surveys available now*

Surveys of the marina industry are either currently underway or have been completed for the six New England states and New York. In a time of stiff competition for prime waterfront, the surveys are intended to provide economic information to coastal managers who must decide where and how our coastal areas are to be developed.

The surveys provide information on the economic impact of the marina industry, the seasonal and permanent employment opportunities it provides, services, berthing and prospects for development, as well as a great deal of other information.

Surveys of the marina industries in New Hampshire, Massachusetts, and Rhode Island have been completed and reports are available free for the public.

The New Hampshire report, entitled *New Hampshire, Marina Industry Study*, is authored by George W. Shaw, research associate, and Dr. William F. Henry, director of the Resources Development Center, of the University of New Hampshire. It may be obtained from the Sea Grant Marine Advisory Service, Sea Grant Office, University of New Hampshire Resources Development Center, Durham, New Hampshire, 03824.

The Massachusetts report, entitled *The Massachusetts Marina Boatyard Industry, 1972-1973*, is authored by Dr. David A. Storey of the department of food and resource economics at the University of Massachusetts. The publication may be obtained from the University of Massachusetts, Agricultural Experiment Station,

Room 217, Stockbridge Hall, Amherst, Massachusetts 01002.

The Rhode Island report, entitled *An Analysis of the Rhode Island Marina Industry*, is authored by Robert Kelley, a graduate student, and Dr. Niels Rorholm, a professor in the department of resource economics at the University of Rhode Island and coordinator of the University's Sea Grant program. This publication may be obtained from the Marine Advisory Service, University of Rhode Island, Narragansett Bay Campus, Narragansett, Rhode Island 02882.

Information on the marina industries in other states may be obtained from the following researchers:

New York survey: Richard Noden, natural resources department, Cornell University, Ithaca, New York 14850.

Vermont survey: Dr. Al Gilbert, research economics department, University of Vermont, Burlington, Vermont 05401.

Connecticut survey: Dr. Raymond Farrish, agricultural economics department, University of Connecticut, Storrs, Connecticut 06268.

Maine survey: Richard King, agricultural and resource economics department, University of Maine, 200 Winslow Hall, Orono, Maine 04473.

# To meet the challenge

## Adjusting to changing economic winds

*key: cost savings via good accounting system*

“We’ve got to become better businessmen.”

“We are just going to have to tighten our belts and work harder.”

These are reactions of boating businessmen to the current slump in the nation’s economy and its side effects upon the recreational boating industry.

Richard A. Trexler believes that one key to being a better businessman and to boosting profits is cost savings. And the way to trim costs, he says, is to have a highly reliable accounting system that indicates what the costs are and where they are, and that helps in deciding how they may be cut. Mr. Trexler is the manager of Moultonboro Marine Incorporated, a marina firm on New Hampshire’s Lake Winnepesaukee.

In explaining the importance of cost savings, he stresses that a \$1,000 savings in overhead equals the profit made on sales of \$30,000 in new boats and motors. During 1974, Mr. Trexler said he saved \$1,700 on electricity alone through conservation measures and rewiring.

Cost savings can be achieved, he says, by controlling inventory and by reducing overhead on lights, heat, labor, and such things as paper products and copy machine use.

Key to Mr. Trexler’s cost saving technique is a thorough and accurate accounting system that breaks down his operation into 10 profit and cost centers. Using this system, he has been able to make reductions in the following costs:

— both electricity and heating fuel costs were cut by reducing the temperature to 50 degrees in both the boat and engine repair shops and

— labor costs were cut by putting some employees' earnings on a profit-sharing basis and others on an incentive program.

Increased profit is not the only beneficial result of a good accounting system; banks need the information a good accounting system provides if they are to finance floor planning, added Domenic Sansone, vice president of the New England Merchants National Bank of Boston.

Mr. Trexler noted, for example, that he obtains financing two percent below the prime interest rate. The reason, he says, is because he provides good financial information to his banker. (Last year this was in the form of a 39-page document.)

"Your credibility," Mr. Sansone told boating businessmen, "depends upon the information you give to banks."

### **A Bicentennial boost**

*"Ask not what the Bicentennial can do for you . . . " | build in nautical themes*

Business opportunities offered by the Bicentennial celebration are not going to drop onto the laps of boating businessmen. They are going to have to aggressively seek them out and, in the process, create a few opportunities of their own.

"Somebody said the Bicentennial hasn't done anything for boating," said Neil W. Ross, organizer of the boating conference. "I think he has things turned around; the Bicentennial must come from us. We haven't done anything for the Bicentennial. Across the nation there has been zero planning for anything to do with boat travel,

or development of facilities along the waterfront. All the planning has been done for travel by car.

"If the recreational industries and the recreators don't come forward with some ideas and suggestions, the show is going to sail right by and we will not be a party to it," he added.

John O'Connell, manager of the North East Sail and Motor Facility at Wolfboro, New Hampshire, agrees with Mr. Ross. "You should tie in to your local Bicentennial project," Mr. O'Connell said, "and make sure they build in a nautical theme of some kind."

Local communities and industries can take advantage of the opportunities right around them, Mr. Ross said, using the example of the "King's trees" of New Hampshire. Before the Revolution, the King's agents would mark the tallest and best of the trees to cut and use for masts on sailing vessels. When the Revolution began, however, the British were prevented from taking the trees and at least one historian, Mr. Ross said, attributes the decline of the British Navy to the dearth of good masts. Some of the virgin forests that contained the King's trees still exist, Mr. Ross said, and these forests could be singled out for a Bicentennial project. Foresters could mark the present-day "King's trees" for cutting and sale to communities that might want one for their Bicentennial celebration, or the trees could be sold to boatyards for ship masts.

Mr. Ross also mentioned that he will coordinate and edit a Bicentennial cruising guide for Rhode Island's waters. The cruising guide, which will be a synthesis of historical sites, maps, articles, and information on present-day recreational facilities, will help ensure a water-oriented Bicentennial for Rhode Island. The



guide should be valuable to the Rhode Island boater, and it should help attract the out-of-state boater.

### **Needed: boater-lobbyists**

*not just a rich man's sport*

"We need more effective lobbying to get our points across more vigorously," said John Crompton, managing director of the London firm, Loughbrough Recreational Planning Consultants, Limited.

Mr. Crompton said that more support is needed from boaters, and he cited the approach that the Connecticut Marine Trades Association is taking in publishing a newsletter for the boater. The newsletter can be used, he indicated, to rally the support of boaters when it is needed to pass or defeat bills in the state legislature.

"People are still not aware that boating is a sport for everybody," he said. "There is a concept at the legislative level that it is a rich man's sport; we need to overcome this problem."

Mr. Crompton, who is doing consulting work in Texas, said that some shipyards there are trying to attract the business of commercial fishermen — to the detriment of the pleasure boater. Shipyards are favoring fishermen (shrimpers) because of the opportunity for greater profit. Often, he said, a shipyard owner charges a fee based on a small percentage of the fisherman's catch instead of the usual fixed dockage fee. This gives the shipyard owner the opportunity of collecting more than the fixed fee. Shrimpers also use substantially more fuel than pleasure boaters, another reason for the favorable treatment given them by shipyards.

### **Stimulating a state's marine economy**

*"the best thing that ever happened . . . ."*

In April, 1973, the U.S. Department of Defense announced its decision to close down its Naval Air Station at Quonset Point and drastically reduce operations at the Newport Naval Base and at the Construction Battalion Center in Davisville, Rhode Island.

The base closings and cutbacks have resulted in the loss of about 6,000 Civil Service and other civilian jobs and the transfer of some 17,000 military personnel with their families out of Rhode Island. Other impacts of the Naval base closings include substantially reduced tax revenues for local government; diminished aid to certain school districts; reductions in business and construction activity; and increased burdens on the state unemployment compensation system.

The Naval cutback in Rhode Island represents a serious problem. However, it also presents the state with a challenge and unprecedented opportunities, according to Kenneth Shea and Frank Welch. Mr. Shea is a special assistant to the director of the Rhode Island Department of Economic Development, and Mr. Welch is the business and industry representative for the Department.

"I think that ultimately the outcome of the Naval closings will show that this is probably the best thing that ever happened to the state," Mr. Welch said.

The Naval cutbacks free prime waterfront that can be used for industrial, commercial and recreational development, he said. "We're looking toward a state marine economy which would encompass all aspects of the marine

community, including fisheries, recreation, manufacturing and marinas," Mr. Welch said.

There are 4,600 acres of surplus military lands which the state hopes to develop. The land is located at Quonset Point, Davisville, Aquidneck Island, Prudence Island, Hope Island, and Charlestown.

The Rhode Island Department of Economic Development has completed a master plan for the use and development of the surplus military lands. The general objectives of the plan, presented in the publication, *Reuse and Development of United States Surplus Military Lands in Rhode Island*, are to provide for use of the lands which will help foster long-term economic growth and new job opportunities. "As a long-range goal," the report states, "it is proposed that sites be created and development initiated to provide a total of 12,500 new primary jobs on the surplus land, 10,000 at Quonset-Davisville and 2,500 in the East Bay area. Other properties will provide essential transport and terminal functions and will add to the public's inventory of open space and recreation."

## **Boating safety: problems, programs, industry impact**

*promoting safety good business / possible  
regulations affect boat prices*

In 1973, 1,754 people lost their lives in boating accidents that occurred in the United States. Ninety of these fatalities occurred in Rhode Island, Massachusetts, Maine and New Hampshire. Each year, boating accidents also result in about \$700 million worth of property damage.

That is the crux of the boating safety problem as outlined by Commander Raymond Womack, chief of the First Coast Guard District's Boating Safety Division at Boston.

Further compounding boating safety problems, he said, are the four out of five boaters who have had no boating safety education.

Cmdr. Womack explained that the Coast Guard has a two-fold boating safety effort — a search and rescue program and a preventive program. The preventive program, in which he works, he explained, involves an educational effort, and law enforcement of standards and regulations. Volunteer organizations, such as the Power Squadron and the Coast Guard Auxiliary, handle much of the effort to bring boating education to the 20 to 30 million people who participate in recreational boating. Cmdr. Womack said that dealers could help with the safety effort by being aware of boating education classes. "I think it would be good business for you to encourage your customers who have not had boating education to get some."

Boating dealers should know and comply with boating regulations. Those dealers who are not familiar with the regulations, Cmdr. Womack stated, should contact him at his Boston office. Information on boating standards and regulations

can also be obtained through the *Boating Safety Circular*, available from the Commandant, (G-B), U.S. Coast Guard, Washington, D.C.

Cmdr. Womack said there are two proposed regulations, one on fire systems and another on electrical systems, which will probably become law sometime in 1976 and have a substantial impact on the industry. The proposed fire system regulations would have the effect of raising boat construction costs by \$100 to \$120, representing a cost of \$8 million to the industry. Coast Guard analyses have indicated that this regulation would save about 20 lives yearly and prevent the disfiguration of another 100 persons. The electrical system regulations would raise construction costs by about \$100 per boat. A third regulation under consideration, Cmdr. Womack said, is a level flotation standard that would raise the cost of a boat \$50 to \$75 and would save an estimated 435 lives each year.

In a following discussion, Richard Trexler, manager of Moultonboro Marine Incorporated at Center Harbor, New Hampshire, took issue with the proposed Coast Guard regulations, stating that he felt the regulations may raise the price of boats to an unacceptable level. "I'm not sure we're going to survive and keep our sales at a reasonable level if our product is priced right out of the market.

"You're attacking the wrong problem," Mr. Trexler told Cmdr. Womack. "You're trying to develop legislation, some of which is fine, but with the overall legislation, you're trying to build a boat that is so safe, that the boater can be drunk and still survive." He said the Coast Guard should concentrate on getting the drunks and those without boating education out of the water.

Cmdr. Womack said that the Boating Safety Advisory Council must approve all proposed regulations if there is any chance that they will become law, and that the Council is well represented by industry with seven of 21 members.

Two state officials, Edward Bliven, chief of the Rhode Island Division of Boating Safety, and Alton Stone, director of the New Hampshire Safety Service, commented about their state boating safety programs, which are financed in part by a five-year federal grant program through the Coast Guard.

Mr. Bliven said he believes that "over" legislation or poor legislation results when legislators who do not own boats pass boating laws. Because of financial difficulties at the state level, he said the boating safety program for Rhode Island will be trimmed back to "productive areas." Free home study courses in basic boating are now being made available from the Rhode Island Division of Boating Safety.

"Our figures indicate that the small boats are the real risks," Mr. Stone said. Canoes, prams and jon boats all seem to present a high risk and "alcohol enters into the boating safety problem somewhat," he said.

The New Hampshire boating safety program is carried out with radio public service messages, classes, and talks to various groups. The enforcement program during the past year resulted in 6,500 checks of boats and 2,700 warnings issued. New Hampshire is probably the only state, he said, that has given its state boating safety specialists the power to suspend a person's privilege to operate pleasure craft.

# A program outline

## Friday, December 13

- 12:30 **Welcome and program overview**  
Neil Ross, Marine Recreation Specialist,  
University of Rhode Island, Marine Advisory  
Service, Narragansett
- 12:45 **The economy in 1975: implications for  
the business of marine recreation**  
Dr. James Howell, Vice President, Business  
Research Department, First National Bank of  
Boston
- 1:30 **Fuel for recreation**  
Robert Mitchell, Federal Administrator,  
Federal Energy Office, Boston
- 3:00 **Financing marine recreation**  
Domenic Sansone, Vice President, New  
England Merchants National Bank, Boston  
Dal Welch, Dealer Division Head, Casco  
Bank and Trust Company, Portland, Maine
- 3:45 **The business of recreation as seen by —**  
Stanley Carlson, Vice President, Wilcox  
Crittenden, Middletown, Connecticut  
Sydney Miller, President, Harry Miller  
Company, Inc., Boston  
Jack Irwin, President, Irwin Marine, Inc.,  
Lakeport, New Hampshire  
Francis Pierce, President, Pierce's Marine,  
Inc., Boothbay Harbor, Maine
- 4:30 **Economic impact of marinas**  
Dr. William Henry, Chairman, Resources  
Development Center, University of New  
Hampshire, Durham  
George Shaw, Resources Development  
Center, University of New Hampshire,  
Durham  
Robert Kelley, Department of Resource  
Economics, University of Rhode Island,  
Kingston  
Dr. David Storey, Agricultural and Food  
Economics Department, University of  
Massachusetts, Amherst

Dr. Al Gilbert, Resource Economics  
Department, University of Vermont,  
Burlington  
Dr. Richard Noden, Natural Resources  
Department, Cornell University, Ithaca, New  
York

Rhode Island Department of Economic  
Development, Providence  
Frank Welch, Business Representative of the  
Rhode Island Department of Economic  
Development, Providence

11:50 **Conference ends**

7:30 **Business workshops**

Adjusting to Economic Ups and Downs —  
strategies for money management  
Domenic Sansone, Vice President, New  
England Merchants National Bank, Boston  
Richard Trexler, Manager, Moultonboro  
Marine, Inc., Center Harbor, New  
Hampshire

Planning a Bicentennial Boost to the  
Economy  
Neil Ross, Marine Recreation Specialist,  
University of Rhode Island, Marine Advisory  
Service, Narragansett  
John O'Connell, Manager, North East Sail  
and Motor Facility, Wolfboro, Massachusetts  
Financing & Economic Impact of Marinas —  
some other views  
John Crompton, Managing Director,  
Loughbrough Recreation Planning  
Consultants, Ltd., London

**Saturday, December 14**

9:00 **Business workshop reports**

9:30 **The cost of safe boating**  
Commander Raymond Womack, Chief  
Boating Safety Division, First Coast Guard  
District, Boston  
Edward Bliven, Chief, Rhode Island Division  
of Boating Safety, Davisville  
Alton Stone, Director, New Hampshire Safety  
Service, Concord

10:50 **Stimulating a state's marine economy  
— Rhode Island's plan for recovery from  
the Navy pull-out**  
Kenneth Shea, Special Assistant to Director,