THE CHARTER BOAT INDUSTRY OF NEW YORK STATE:
A PROBLEM ANALYSIS

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THE CHARTER BOAT INDUSTRY OF NEW YORK STATE: *A PROBLEM ANALYSIS*

by
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THE CHARTER BOAT INDUSTRY OF NEW YORK STATE: A PROBLEM ANALYSIS

Of all the forms of outdoor recreation available to Americans, those which take place at or near the nation's shores enjoy enormous popularity. From the rugged coast of Maine to the sand and coral shoreline of Hawaii, water-oriented recreation attracts millions each year to beaches, coves, inlets and islands.

This kind of appeal is hardly surprising. Lakes, rivers and oceans strongly influenced American history, and today more than half its citizens reside within 50 miles of a coastline, a zone accounting for only 8% of the U.S. land total. Census data suggest that Americans are continuing to move into this coastal strip as employment opportunities in these areas continue to expand.

As the population shifts toward the coastline regions, the pressure on water-oriented recreation resources is steadily growing. Almost 10 million people now own recreational boats, and nearly 60 million persons participate in some form of pleasure boating an average of eight times a year.

In New York State alone, over 3 million people engage in boating activities annually, thanks to increased leisure time, greater affluence and availability of recreational boating facilities. New York is the second leading state in the number of boats owned, and boating-related industries employ over 4,000 people. The overall level of boating demand is high, but it is unevenly distributed throughout the state. Three-fifths of the state's boaters live in the New York City metropolitan area. Long Island and the Great South Bay region satisfies one-third of the state's boating demand. Upstate is also experiencing an increase in boating demand in counties bordering Lake Ontario and the St. Lawrence River.

It is clear, then, that while the demand for pleasure boating continues to grow in New York State's coastal zones, the shoreline itself is a finite recreational resource. To resolve this problem there must first be a better understanding of the various opportunities that currently exist for more efficient and economical utilization of the shoreline. One way to accommodate increasing boating demand and to more efficiently use the coastal zone is to encourage the development of boat rentals and charter boating operations.

Previous research on the subject of the boat rental and charter boat industry in New York State has been slight and scattered. The purpose of this report is to profile the present charter boat industry in New York State and to examine its role in coastal recreation, based on our study of 90 charter operations undertaken in 1975. It will outline constraints and potentials of the industry and will suggest several ways charter boat operators may become more economically competitive.

Constraints

Any industry, in or outside the recreation field, is subject to various factors that keep it from achieving its ideal potential. The charter boating industry is no exception. It faces both physical and socioeconomic constraints that must be considered in any discussion of present operations or future possibilities. The charter industry in New York State is a small part of an intricate system, and is influenced by many outside variables.

Among the physical constraints the industry faces are ecological and climatic conditions. For example, charter boat operations are most efficiently conducted from waterside marinas, but the number of suitable sites for construction of marinas is small, and many of them are located in marshes. Of all the various ecological areas, marshes are recognized as being the most productive of the nutrient materials and support large numbers of economically valuable fish. Destroying a marsh or swamp to build a marina paradoxically results in the loss of the fish on which the charter operators depend.

The charter industry is particularly susceptible to another factor: the relatively short boating season. On Lake Ontario the season is only four or five months long which makes sizable investments in vessels and equipment difficult to return. Also, boat operators face a definite lack of protected harbors on long stretches of the Lake Ontario shoreline to which they can retreat in event of severe weather. Finally, according to some boat operators, there is evidence suggesting overfishing is taking place on the St. Lawrence River and off Long Island.

Besides the physical factors, several social and economic elements may also act in ways that restrain the growth of the industry in New York State. Presently, local taxation systems do not favor the construction of marinas and the operation of charter fishing boats. Often, local officials are unsympathetic to the benefits accruing from water-oriented recreation because the benefits accrue to a regional population while the costs associated with the increased services are picked up at the local level.

Land acquisition costs are high, and rising. Good marina sites average between $100,000 and $200,000 an acre on Long Island, and $2,000 to $20,000 an acre on Lake Ontario's shoreline. Just to secure a good marina site on Long Island may require an investment of nearly a million dollars.

Lastly, charter boat operations are subject to the whims of the national economy, depending as they do upon the willingness of middle-class families to spend their discretionary income on fishing. The recent economic recession had a depressing effect on the industry, as did the doubling of fuel prices in 1973.

Potential

Despite these constraints, the boating industry in general has virtually quadrupled since the end of World War II. Marinas have expanded their operations by adding dock spaces and purchasing the increasingly expensive shorefront acreage for parking, restaurants, boatyards and other major facilities. To further increase operating space, new methods are being tested, notably floating docks and pigeonhold berthing—a technique for stacking small boats ashore in large dry storage sheds.

With the tremendous demand for docking spaces close by metropolitan areas, as well as the inability of marinas to keep pace with the demand, the advantages of renting or chartering boats are becoming obvious. This is particularly true in congested urban shoreline areas where launching fees, docking rates, and the cost of storage, marine upkeep and repair are out of reach to middle income people. When the high cost of fuel is added, the desirability of owning one's own pleasure boat dims, and the idea of chartering a boat only when one needs it seems very attractive indeed.

A new program in Lake Ontario that promises to eventually revitalize the charter industry there is the introduction of Pacific Salmonid species by the Department of Environmental Conservation. Since 1966, salmonid fishing has been gaining enthusiasts. A sizable charter boating industry could be developed in the Buffalo, Rochester and Oswego areas to convey fishermen to the cold, deep offshore spots where salmon thrive.

The potential offered by the introduction of the salmon is, however, offset somewhat by the lack of harbors of refuge on the lake. Currently, only four harbors offer complete boating services: Rochester, Sodus Point, Oswego and Sacketts Harbor. The outlook of adding more lake harbors is more encouraging now as various public agencies have begun considering plans for creating several new refuge ports in the near future.

New York State's Charter Boat Industry

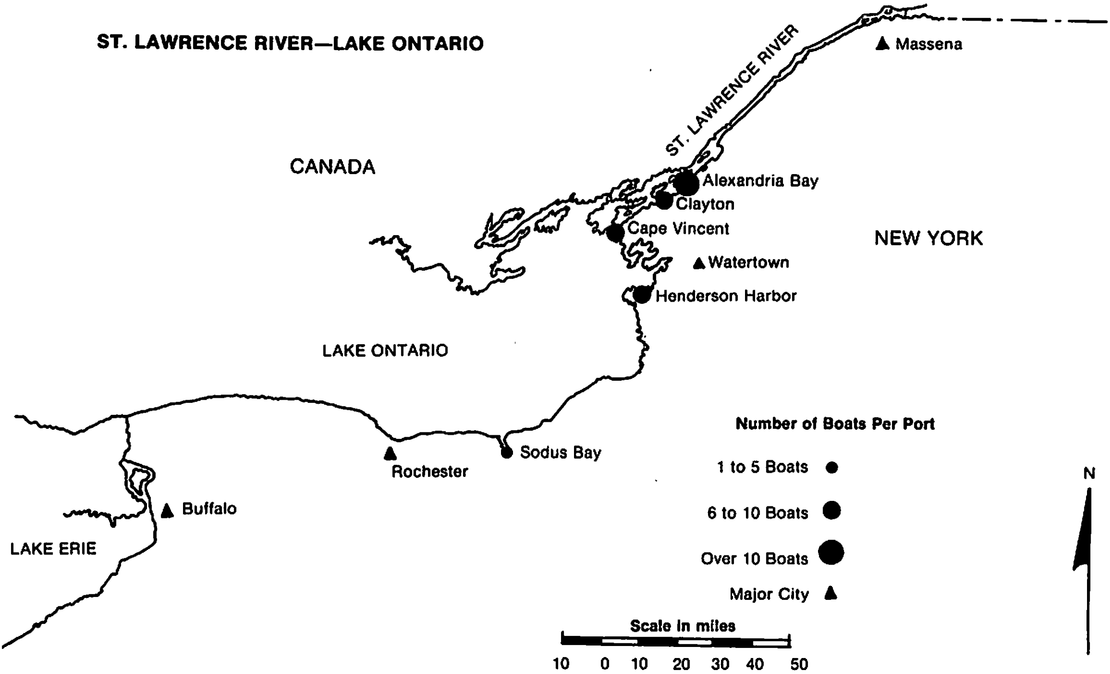
New York State is almost unique in terms of water-oriented recreation because of the diversity of marine environments it possesses. Not only does the state have a long Atlantic coast offering direct access to salt-water fishing off Long Island, but an equally extensive shoreline borders the inland "freshwater sea" of Lake Ontario and continues beside one of the state's major navigable rivers—the St. Lawrence.

There is also a considerable variation in the structure of the charter industry utilizing these diverse waters. On Long Island the industry is well established; on Lake Ontario it is in its infancy, and in the St. Lawrence region, charter boating is established but facing numerous problems. For this reason, our study report will discuss the regions separately.

The Lake Ontario and St. Lawrence River Charter Boat Industry

Lake Ontario and the St. Lawrence River form the largest freshwater system in New York State. The lake is fifth in the Great Lakes chain, and is the smallest in terms of surface area, though with a maximum depth of 778 feet, it has a substantial volume and range of subsurface water temperatures—important factors for some fish species. The St. Lawrence River is the primary outflow for the lake's waters to the Atlantic. It is a deep running river which contains a very productive freshwater resource.

Several major cities and many smaller towns and villages are situated on the shores of this lake-river system, and from time to time have been blamed for reports of water pollution, but these scares are fewer now as stricter control on waste from commercial and municipal sources are in



effect statewide. As pollution monitoring becomes more sophisticated, the presence of new pollutants can be quickly identified. Both commercial and recreational fishing will have to adjust to periodic "crisis" conditions in order to survive.

A form of contamination that has proved stubborn is the presence of lampreys which was credited for the rapid decline of lake trout populations several decades ago. A program to control the lamprey is now underway in conjunction with the salmon-stocking project in Lake Ontario.

The combination of pollutants and lampreys has caused a decrease in catches of lake herring, lake trout and blue pike, resulting in the virtual demise of commercial fishing in the lake. Recent catches have been of less-desirable species such as carp, yellow perch, bullhead, eel and sunfish. Introducing coho and chinook salmon may well alter this picture in the next few years and provide much more sport fishing than is presently available. In addition, lake trout are being restocked and eventually they should be distributed widely throughout Lake Ontario.

In contrast, the St. Lawrence River contains the best freshwater fishery in New York State. It is world-famous for its muskellunge catches and noted for fine takes of northern pike, smallmouth bass and yellow perch. The highly productive waters of the river are now fished so heavily that truly outstanding catches are becoming increasingly difficult to land, but in spite of charges of recreational overfishing, the river should continue to provide fine fishing and good charter boating business opportunities for the foreseeable future.

Charter operations on the Lake Ontario and St. Lawrence are best known by their regional name of "guide boats." As the word guide suggests, these charter services are smaller in scope. The upstate operations are based at Henderson Harbor, Cape Vincent, Clayton and Alexandria Bay. Our study located 33 guide or charter operations on the freshwater New York State coastline of which two-thirds were interviewed for the study.

Guides work in the following manner: Customers make reservations with a guide in one of the villages before they want to fish, contracting for both the services of the guide and the boat. This system ensures that customers obtain not only a vessel from which to fish, but also someone knowledgeable about where the fish can be found in the general vicinity.

Guide boats tend to be smaller craft, ranging from 22 to 30 feet in length, but most often 26 feet with a maximum capacity of six passengers. Guides do not carry more than six passengers per trip because more than six would subject the operators to stricter U.S. Coast Guard documentation or licensing. Many guides prefer to carry only four passengers per trip, stating that more than four passengers make conditions too crowded.

Only about a third of the guides stated they were in the business full time, and several of these held part-time jobs during the long, inactive winter season. All the others considered themselves in guide boat operations only part time, obtaining most of their income from a variety of other occupations.

Where do guide boat customers come from? Most guides agreed that the upstate region provided the bulk of their patronage, with just a few mentioning "locals" as their main source of revenue. Downstate residents and those from out-of-state were much more important, the two groups together constituting almost the same number as the upstaters.

The price of a day's fishing with a guide and boat ranged from a low of $65 at Alexandria Bay to a high of $100 at Cape Vincent. Each of the four harbor villages has a guide association that determines the minimum price, but several guides had fees higher than their local minimum. Overall, the average charge was $73.81 a day for two people, with an additional $5.00 a person, not including bait.

Almost half the guides we interviewed reported they did not advertise. Those who did, advertised at their dock or through their marina or in magazines. Almost a quarter of the guides had prepared some form of advertising pamphlet or folder.

During their operating period, guides concentrate on particular fish species according to season. During the early season, the favored species were northern pike and yellow perch, while in midseason smallmouth bass were most often sought. In late season muskellunge and smallmouth bass were favorites, closely followed by northern pike.

In general, the upstate New York guide boat business is characterized by older men with approximately 22 years of guide experience. Almost all guides maintained their businesses at the same location through their years in the business. Three out of four guides stated that they planned to remain in the guide business for at least the next five years. The rest were either retiring or quitting the field for some other form of employment.

When they were polled as to their views of the prospects for the health and prosperity of businesses like theirs in the next five years, guides gave a surprisingly gloomy prognosis, despite their general determination to stay with the guide boat trade for that future period. Only a few replied that they thought conditions would be *very favorable* or *favorable* (23%). Many more believed conditions would *either remain the same* or be *unfavorable* (50%), and 23% thought business conditions would be *very unfavorable.*

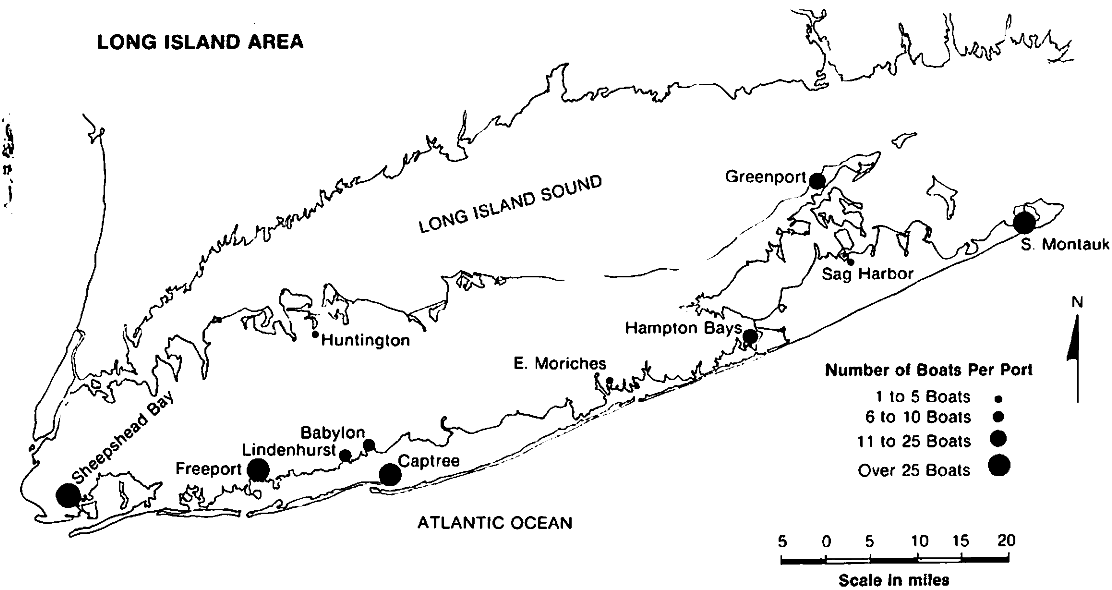
A major problem was that the cost of operating their business was too high (95%). Other pressing problems indicated were lake and river pollution (45%). Over half the guides referred to the high cost of securing capital for new equipment and improvements (59%), to overfishing of the area's waters (59%), and to the unwillingness of customers to pay higher rates to cover increased operating costs (55%). Many guides blamed an unhealthy U.S. economy for their economic woes (73%). Only a few believed government regulations had any detrimental effect on the success of a business such as theirs (18%).

What factors did guides believe will determine the success of their kind of businesses?—unquestionably, a healthier national economy that increases discretionary income (82%). Guides frequently replied that a cleaner and less polluted Lake Ontario and St. Lawrence River would improve their chances of remaining economically viable and competitive (73%). Many felt that a fish-stocking program would be a help (55%), while others felt that the introduction of the salmon into the lake and river system could eventually be an important factor (45%). Some guides also thought that the kind of conditions that make it hard for the average person to afford a boat worked in their favor (41%), because guides believe they offer a service that is a good alternative to personal boat ownership.

The Long Island Charter Boat Industry

In contrast to guide boat operations in upstate New York, downstate charter boating is characterized by more numerous, somewhat larger charter vessels, based in several more locations, being much more competitive and, of course, all utilizing a completely different marine environment—the Atlantic Ocean.

Long Island is situated in the midst of the nation's greatest metropolitan population area, the so-called "megalopolis," which stretches from Boston to Washington along the Atlantic coast. Within a day's drive live over 50 million people. The coastline of Long Island is notable for its



recreation potential; however, most of the shore is privately owned and public access is currently restricted to a few dozen miles of beaches.

Along the south shore of Long Island water pollution does not appear to be a significant problem, because ocean currents offshore perform a constant flushing action that serves to keep the water reasonably clear. There remain some localized problems, though, and litter, including broken glass on the bottoms of some of the bays is a hazard to swimmers. To the north, in Long Island Sound, the situation is not as favorable. There, some of the western bays and harbors are now heavily polluted, though in other places the water quality has remained relatively good.

In spite of the presence of pollution in the waters of the Sound, the fishery resource there is ample and varied. It includes winter flounder and blackfish as the resident population of fin fish, along with a migratory population that includes striped bass, bluefish, weakfish, Atlantic mackerel, shad, scup or porgy, and summer flounder and fluke. Sportfishing has tended to concentrate on the migratory groups when they are available.

On the south shore, the species composition is nearly the same, with a few interesting exceptions. Flounder and fluke account for the greatest proportion of catches in the south coast bays, while along the far western reaches species such as shad, sea sturgeon, alewife, blueback herring and striped bass can be fished as they prepare for their migration up the Hudson River.

Charter operations on Long Island are somewhat different from those prevailing upstate. When referring to charter operations on the island, it is necessary to differentiate between "party boats," and "charter boats." The former are nonreserved vessels that any customer with the price of a ticket may board, together with dozens of other such individuals, for a day's ocean fishing; the latter term describes the system of groups reserving the services of a boat and skipper beforehand. On party boats the customer goes wherever the skipper chooses to sail, while charter boat customers usually inform the skipper where they want to go, what they want to fish for and how long they wish to stay.

On Long Island there are presently 103 party boats and 154 charter boats, and our study contacted and interviewed one-quarter of this total. Interviews were conducted at the five major Long Island ports: Captree State Park, Freeport, Greenport, Montauk and Sheepshead Bay. Seven other smaller harbors that served only a charter operation or two also were selected.

Because excursions from Long Island are out into deep ocean waters, the size of the vessels is considerably greater than that of the upstate boats. The average length of party boats was 69 feet, with the largest measuring 130 feet and the smallest 42 feet. More than half the party boats were 65 feet long, a size often selected by operators because above this length all vessels are subject to much stricter Coast Guard regulations pertaining to crew qualifications and structural strength. To avoid the extra costs their regulations would incur, many party operators select craft just under regulation size. Charter boats are somewhat smaller, being between 22 and 65 feet long, with an average length of 42 feet.

The average party boat can carry 70 passengers, but one large vessel at Sheepshead Bay had a maximum capacity of 150 passengers. The smaller charter vessels average a maximum passenger capacity of 12, with an overall range of between 6 and 48 passengers. Nearly half the Long Island charter boat operators listed a maximum capacity of just six passengers because, as is the case with guides upstate, taking more than six subjects them to documentation or licensing by the Coast Guard.

Because Long Island's harbors and waters remain ice-free all year, the charter and party boats have the opportunity to conduct year-round operations, and about a third of the party boats sail even during the coldest winter months. The peak season appears to be from May through October for both types, with operations in general tapering off rapidly in the winter months.

During their busiest season, party boats sailed an average of 6.18 days a week, while charter boats worked 5.14 days per week. Off season, the party boats averaged 3.99 days a week, and charter boats sailed only 3.35 days weekly.

In contrast to their upstate counterparts, most Long Island party boat operators and many charter skippers consider themselves full-time businessmen in the charter industry. Eighty-six percent of the party boat owners stated that their operation represented full-time employment for them, while 57% of the charter boat operators reported that they obtained no other source of income.

The variation in party boat fees is negligible throughout Long Island, but for charter boat rentals it can differ by as much as $75 between vessels in different ports. The average party boat price was $11.34 per person per trip, which represents the average for the lowest rates stated and usually means bottom fishing in the bays. Half the party captains mentioned higher prices for offshore or bluefish fishing, averaging $13.37. The lowest rate for a party boat excursion was $10, the highest was double that amount. Generally, the prices charged by competing boats in the same harbor were almost identical, though the newer and bigger vessels are able to up the going price for themselves by a dollar or two per person.

Charter boat pricing varied by location, with the rates of all charter boats in a given port being set at a standard fee by the local charter boat association. At Montauk the highest charge prevailed: $225 for a full day of fishing and $125 for a half-day. Greenport and Hampton Bays charged the least: $140 and $150 for "ocean" fishing.

The competition and standard pricing structure has caused party operators to advertise heavily in local papers and magazines for customers, and close to half the party boats had some form of advertising at the docks (43%). Thirty-five percent of the charter boat operators did not advertise, but those who did preferred local papers (10%), magazines (13%), and some form of at-the-dock or marina ad services (26%).

Both party and charter boat operators said the bulk of their trade came from the New York City area. In fact, for party boats, over 90% of their customers were from the city, with progressively smaller numbers coming from the Long Island vicinity, the local area, and out-of-state. More New Yorkers than any other group formed the customers of charter boats, but an almost equally large percentage were from Long Island, with only a few from local areas, out-of-state, or upstate.

What do their customers want to fish for? With the season again divided into early, middle and later periods, party and charter boat captains gave differing answers. Party boats went for flounder (62%) and mackerel (38%) in the early season, fluke (54%) and bluefish (51%) in the middle, and cod (41%), blackfish (32%) and flounder (23%) in the late season. For charter boat captains, the most commonly fished species in the early season were flounder (68%) and cod (48%), in midseason, bluefish (71%), shark (29%), and fluke (23%), and in late season, bass (55%), bluefish (19%) and blackfish (10%).

Party boat and charter boat captains seem to like their trade as much as the guides. Virtually all the party boat operators, some 93%, planned to stay with the business for the next 5 years, and 73% of the charter boat captains stated a similar determination. The few planning to leave the charter business within the next 5 years cited reasons such as retirement, the cost and headaches of the trade or a desire to enter another line of work.

The prospects for the health and prosperity of the charter boat and party boat industry in the near future seem somewhat brighter to Long

Island operators than they do to upstate guides. While about 25% of the party and charter boat captains we polled believed that prospects would be *unfavorable* or *very unfavorable,* 38% of party and 48% of charter operators predicted business conditions being *about the same* or better.

This streak of optimism is tied to a belief that a healthy U.S. economy is the single factor determining the success or failure of their kind of business (81% of party and 71% of charter operators). In addition, both groups saw the increasing population of their region creating a rising demand for party and charter boat services (party, 46%; charter, 32%). Many of them mentioned the inability of the average person to find mooring space for his private pleasure boat as a significant factor influencing the prospects of the Long Island industry (party, 38%; charter, 16%). Another interesting point that emerged from the interviews was the belief by 16% of party and 19% of charter captains that the proposed 200-mile offshore limit to foreign fishing would benefit business, presumably by increasing the amount of fish available to their customers.

Charter boat and party boat captains also listed a variety of problems or constraints they felt would be important factors in their businesses in the next half-decade. Most often they mentioned the problem of overfishing by foreign fleets (68%), notably Russian and Japanese trawlers which take large quantities of fish from the waters beyond the present 12-mile limit. Second was the high cost of operating their vessels (party, 87%; charter, 81%), along with the expensive or unobtainable capital for new equipment and repairs. Frequently, party captains cited the short fishing season (51%), the unwillingness of customers to pay the higher fees necessary to cover rising operating costs (65%), the high price of business insurance (57%), and the overabundance of governmental regulations bearing on their industry (41%). Charter boat operators responded similarly, but fewer ranked the problems as high. Also, both groups strongly feared an unhealthy American economy (party, 76%; charter, 61%).

Since so many operators replied that some government regulations were a burden, the study asked them to specify which rules seemed most troublesome. By far the largest number replied that the current 12-mile offshore limit has proved detrimental to the success of their business (party, 19%; charter, 13%). A smaller number disliked the various equipment requirements imposed by the Coast Guard, especially holding tanks and ship-to-shore distress radios. The first, they feel, is doubly unfair since not only are the tanks expensive, but New York City and many Long Island towns dump a far greater proportion of sewage into the sea than their boats.

Conclusions and Recommendations

Some conclusions may be drawn from the data about the relative health and future prospects of New York State's charter industry. In general, it can be assumed that if fish are available, the weather is good and customers have money to spend, then the business will be good and charter operators will prosper. For the entire industry, though, some factors interrelated or interfered with this forecast. With the exception of the weather, these factors will be discussed in this section.

Beginning with physical factors, the evidence indicates that the size of the boats employed by guide, party and charter operations has little to do with the success of the business. Many of the Long Island charter boats and all the guide vessels had a maximum passenger capacity of six, which does not seem to adversely affect business, for charter captains usually ask the same fee for any number of customers in a group, and most guides prefer to take fewer than six passengers. Our findings do suggest that larger vessels sailing during peak summer weekends may be financially more successful than smaller party craft because on peak summer days they can carry more passengers which reduces the per unit fixed cost.

Party boats have the longest operating season, followed by charter boats and guides. Because party boats are usually larger and more expensive to sail, party operators try to amortize these high capital costs by spreading them out over a long period. Charter boat captains enjoy a slight advantage here as they receive the same fee any season, and when they leave port their boats are either contracted-for and full, or else they do not sail. On the other hand, party boats often have to sail with less than full capacity in the marginal months just to cover costs. Party captains are usually aware of the minimum number of passengers it takes to break even on a given day and will not sail without that number of customers, though. Guides have the shortest season because the fishing season is legally regulated for their most favored fish: smallmouth bass, northern pike and muskellunge. In any case, freezing temperatures and winds would make attracting customers difficult in winter months.

The seriousness with which an operator treats his business influences his success. Because most party boat operators are full time, they tend to be more involved in business affairs; they sail more often and advertise much more than do charter boat or guide boat captains because of a lack of other income sources. Party boat advertising appears mostly in local papers, such as the *New York Daily News* and the *Long Island Fisherman,* a sportsman's paper with a Long Island distribution.

On the other hand, a smaller number of charter operators, and even fewer guides, considered themselves full time. Therefore, charters and guides tended to schedule fewer trips and advertised less frequently than party boat operators, relying on word-of-mouth, repeat customers and the ability of their respective marinas to arrange trips.

With these advertising policies, it might be assumed that all three forms of charter operation went most heavily after the local or area trade. Upstate guides have concentrated on attracting customers from their region and from lakeside cities such as Buffalo, Rochester and Syracuse. The St. Lawrence fishery is a considerable distance away for downstate and out-of-state customers, but most guides saw upstate as providing the majority of their patronage.

Customers for the Long Island party and charter operations are likewise drawn from the nearby New York City and Long Island vicinity, with considerably fewer numbers coming in from elsewhere. Because a party boat trip is relatively cheaper than a charter excursion, the majority of party customers seem to be relatively more urban and of lower income than charter boat users.

The proximity of a huge number of potential customers on Long Island and New York City and the relatively large number of boats concentrated in a few major harbors has not led to competitive pricing at the local level. Instead, local charter organizations have set up minimum pricing structures, with advertising, boat size and condition and port status having emerged as bases for competition. Larger and better-equipped party boats tend to attract more first-time customers, while big-name "charter-fishing ports" like Montauk are able to attract wealthier veteran or repeater trophy fishermen to their charter boats for a higher charge due to the port's prestige and reputation.

Guide, party and charter boat customers are usually in search of pleasurable sportfishing for their day's fee. The notable exception is the predominance of "meat" fishing on party boats operating from Sheepshead Bay in Brooklyn. Most of the users of Sheepshead Bay's party boats are urban, lower income fishermen who cannot afford privately-escorted charter excursions. These customers are mostly interested in filling their home freezers with, say, $20 worth of fish caught from a party boat they paid only $10 or so to board, and to enjoy a day away from the city. To a lesser extent, this condition was noted also at Freeport, still less at Captree, and by the time one gets to Montauk on the east tip of Long Island sportfishing predominates.

Summertime shark fishing is attracting considerable attention among sportfishermen on Long Island. Summer is often a slow season for many charter businesses because many game species move far offshore, and so the boom in shark fishing, especially at the sportfishing ports such as Montauk, has been a welcome source of revenue. Thanks to the book and movie *Jaws,* sharks are now regarded with fascination and awe by many people, and since sharks are relatively easy to catch, they usually make customers happy when other big-game fish are scarce or otherwise difficult to catch.

Upstate guides reported that their prize fish, muskellunge, was becoming hard to find in some areas. In order to satisfy their customers, guides were switching to bass or pike which are still prevalent in Lake Ontario and the St. Lawrence River.

What conclusions can be drawn from this regarding the prospects for the New York State charter industry? In the upstate region, guides hold a pessimistic outlook on things to come, while Long Island party and charter boat operators believe that the future, in general, will be at least as good as the present and probably better.

All groups agree that the key to their success or failure is the state of the national economy. Recreational fishing from party, charter and guide boats is a form of disposable-income spending and represents a distinct luxury in times of economic downturn. Operators know that in hard times people turn to other, much cheaper forms of recreation, such as traveling to the beach for swimming or surf fishing. Also, companies that once used charter fishing trips as rewards or sales devices have cut back on the practice in recent years, and some captains mentioned that this had hurt their business.

The recession, the rising rate of inflation and the increasing cost of fuel and other operating supplies have resulted in a lower demand for charter services. However, about 10% of the party skippers maintain that an unhealthy American economy worked to their advantage; these captains operated from Sheepshead Bay and found that many unemployed workers used their boating services.

Lake pollution bothered some upstate guides, who stated that a cleaner marine environment would help them avoid the kind of business declines that followed press announcements of mercury-poisoning in the St. Lawrence region in the late 1960's. Guides in the St. Lawrence area also seemed convinced that stocking would aid their business. This has been demonstrated to be of doubtful value since the lake and river now appears to support fish populations in accordance with the amount of food available for them. Introducing salmon may benefit the Lake Ontario charter fishery, but the salmon are not expected to occur in the St. Lawrence River. It is felt that the salmonid fishery will hurt the St. Lawrence charter fishery because it will produce downstate competition, where most of their users originate.

A similar situation exists off Long Island's 12-mile limit, according to many party and charter boat operators. There, it is felt that the lack of sportfish is due to the activity of foreign fishing fleets, some comprising 100 trawlers and fish-processing factory ships. Whether this problem is real is also questionable. Though the foreign trawlers have been operating in waters formerly the exclusive preserve of the smaller American commercial fishery, some of the operators admit to large catches anyway. Others stated a belief that the fish populations offshore are cyclical and at the present time fish may be at a low point in the cycle.

Among the Long Island captains, financial problems created by rising costs which they felt could not be passed along to customers were mentioned.

If charter operators are to remain financially viable, they must price their product at a level which will give them an adequate return on their investment and labor. This can only be based on their costs. Sea Grant advisory service agents should work with charter operators and show them methods of pricing their products.

Complaints about the high cost of insurance were also heard. Often, operators had doubts about the willingness of insurance firms to pay on claims, citing a well-known case at Captree a few years ago when an operator had to sue an insurer to collect on a small claim.

Another cause of concern to charter and party boat operators is the increased cost of docking. In smaller port villages, municipalities own the very limited dockage space and charge operators a steep price for it, sometimes pricing the business out of operation. Many of these charter operations serve mainly the local population, leading the captains involved to believe that in view of the recreation services they provide to the community, they are being unfairly and unreasonably discriminated against. The full value of their services should be demonstrated to local officials.

On Long Island, in general, the charter industry is apparently doing well despite the recession. Charter boats, particularly, appear to have a somewhat brighter future. That most of their problems relate to business costs is hardly surprising in view of the recent economic recession with its attendant rise in inflation rates and the doubling of fuel prices.

Upstate, the situation is not as favorable. Our interviews suggest the charter industry in the Lake Ontario and St. Lawrence River area is in a state of decay. The salmon program will effect lake operations, but since the species seek deep and cold waters not characteristic of the St. Lawrence, the operators there will hardly benefit from the new fish. There is an opportunity for present guides to move their operations to Buffalo or Rochester to take advantage of the developing salmon fishing charter industry there, but this is doubtful. Many of the guides we interviewed are old and settled in their ways. When the salmon program begins in earnest, many guides may find some of their regular customers lured away to the salmon waters, and many potential St. Lawrence bass fishermen may elect to stay closer to their hometowns of Rochester and Buffalo and take up fishing for salmon instead.

Some of the often-repeated complaints about overfishing off Long Island require further study. Are the foreign trawler fleets seriously depleting the fish populations charter operators depend on for their living? Upstate, complaints of recreational overfishing should be investigated to determine whether present fishing seasons adequately protect muskellunge and pike during spawning.

As it is apparent that many charter operators are skilled fishermen first and businessmen second, Sea Grant advisors should become involved with the industry's business end where appropriate. The high cost of operation is one area that could benefit from research, and advisors could schedule meetings between boat operators and bankers to work out better business practices that would entitle operators to lower capital loan rates.

Charter operators should consider replacing their vessels' gasoline engines as they wear out with diesels, which use a fuel about 10¢ per gallon cheaper than gasoline. To save energy, captains might try fishing closer to their home ports if fishing spots now overlooked can be pinpointed by marine biologists.

Finally, charter operators need to consider alternative uses for their boats, perhaps by adding such nonfishing services as scuba-diving excursions, or guiding birdwatchers to offshore nesting islands. A truly imaginative charter skipper might well be able to expand his trade and increase his profits in this manner.