'our' fish to market," he writes, "yet we do not have the capability to land even enough fish for our home markets." The U.S. fishing industry has nothing to match the big Soviet or Japanese "factory ships"; over 90 percent of U.S. vessels are less than 100 gross tons. Without major federal subsidies of prices, wages, and shipbuilding, American fishermen cannot modernize, and no such subsidies have been proposed.

A less costly alternative, Slye suggests, would be to allow foreigners to continue fishing in the newly decreed zone under close supervision, with quotas, set seasons, and fees paid to the U.S. for the purpose of developing its own fishing industry.

Business Success and Education

"Relating Education to Entrepreneurial Success" by Merrill E. Douglass, in *Business Horizons* (Dec. 1976), School of Business, Indiana University, Bloomington, Ind. 47401.

Although many basic texts on small-business management cite the "low formal education level" of typical individual entrepreneurs, this assumption is a "myth," even in the South, according to Douglass, a business professor at Michigan's Grand Valley State College.

Douglass interviewed 153 entrepreneurs (black and white, one-third of them women) in the greater Atlanta area; all of them were owner-operators of firms with fewer than 30 employees. He found that one-third had college degrees, 24 percent had "some college," and 31 percent a high school degree. The blacks were slightly more educated than the whites, especially the women, one-fourth of whom had graduate degrees.

But higher education did not necessarily mean greater entrepreneurial success; those owner-operators with "some college" did better —in terms of their companies' sales growth—than those with college degrees. And, to Douglass's surprise and chagrin, college graduates who had majored in business were "not as successful as other college majors," e.g., majors in engineering or science.

Banks Need Reform Laws

"Banking Legislation: Key Issues for 1977" by Paul S. Nadler, in *Bankers Monthly* (Dec. 1976), 601 Skokie Blvd., Northbrook, Ill. 60062.

"Haphazard" federal regulatory and legislative practices have made it possible for savings banks, savings and loan associations, and credit unions to gain unfair advantage over commercial banks, whose activities are in general far more restricted by law.

So argues Nadler, a Rutgers business professor. He sees the dwindling membership of banks in the Federal Reserve System as a trend meriting serious federal attention. Banks are now withdrawing from the "Fed" at the rate of almost one a week, because many states permit banks' required reserves to be kept in interest-yielding instruments—a benefit the Federal Reserve System does not confer. Without widespread bank participation, the ability of the Fed to manage money markets would be severely hampered.

Originally, the nation's commercial banks functioned as the sole repositories of checking accounts; lax federal and state regulations now allow this function to be taken over in effect by credit unions, savings banks, and savings and loan institutions (called "thrifts"). Moreover, the thrifts in many states can offer checking accounts that bear interest—a device forbidden to commercial banks in 44 states. This is done under a number of guises; the principal one is called "Negotiated Offer of Withdrawal," or NOW.

As Nadler sees it, competition—and resulting improvement in services to customers—is being curbed by too much regulation. In many states, for example, commercial banks, but not "thrifts," are severely restricted in their use of such technological improvements as telephone transfer of funds (including bill-paying by phone) and 24-hour "electronic tellers."

Arab Oil Tankers: A Slow Start

"Arab Investment in Shipping Could Run Out of Steam Soon" by Bruce Barnard, in *The Middle East* (Jan. 1977), 17/18 Henrietta St., London WC2E 8Q, England.

When Arab states began generating huge revenues from increased oil prices in 1973, some Middle East leaders believed that a good way to put the new money to work would be to use Arab-owned tankers to carry Arab oil to foreign markets. This goal has not come close to realization.

Barnard, a writer on Arab affairs, notes that the newly created, nine-country Arab Maritime Petroleum Transport Company showed an operating loss in 1975 and that the associated United Arab Shipping Corporation will probably fall far short of its goal of 150 vessels, mostly tankers, by 1985. By then, ship tonnage controlled by Middle East states is expected to increase by only 45 percent, a growth rate, economists say, that falls well below what might be expected, given the Arabs' available capital and control of resources.

Why? Private investors in the Middle East have preferred to put money into such overseas and domestic ventures as real estate, tourism, and other potential sources of fast profits. The Arab countries entered the international shipping industry when it was showing its lowest profit rates in 30 years. And Middle East governments have had only slight success in making deals with Western or Japanese