Speech by Dr. S.L. Mansholt given at Vlaardingen on 19 May 1962 on the occasion of the opening of the herring season

I accepted with great pleasure the invitation to speak here in Vlaardingen as today's opening of the herring season, because it has been decided to place the celebration under the motto of integration in Europe. I may even go so far as to say that perhaps it ushers in a new period and that not only is it the opening of the Dutch herring season but an occasion which may lead us to seek a clearer picture of what will have to happen during the next eight years in the Europa of the Six. I can only say what we want to happen - we can of course give no guarantee that it will turn out as we would wish. That will largely depend on how far the six countries want to arrive at a single European fisheries policy.

It is fair to say that at the moment there is a certain amount of anxiety in the fishing industry, not only in the Netherlands, but also in the other five Community countries, or rather four, since I think we can safely leave trout fishing in Luxemvourg out of it. There are a number of rapid changes, both economic and social. The market situaation is changing very fast, and so by and large are the conditions of production and marketing. So we would do well to review the situatien and try to discover what changes are really needed. It goes without saying that the fishing industry including our own, will be affected by the formation of a common market and still more by the formation of a European Community. And not only by the formation of a European Community as laid down in the Treaties of Rome, that is to say, a Community of six countries, for I believe we may assume that it is precisely in the fishing industry that the possible entry of new members - England, Norway and Donmark + will at one and the same time raise major problems and offer greater possibilities.

Perhaps we can put it this way: if England, Norway and Denmark do decide to join our Community, this will be even more important for fishing and therefore for the Netherlands, than a common fisheries policy worked out among the Six. And now I feel it is up to me today to discuss with you what the important problems are that face us at the moment, what our task is and what our responsibility, the responsibility of all those in the fishing industry, involved.

The Treaty of Rome has little to say on fisheries and what it does say is, in my opinion, not even correct. Let me quote you the Article in question, Article 38: "The Common Market shall extend to agriculture and trade in agricultural products". And now, wait for it "Agricultural products shall mean the products of the soil, of stock-breeding and of fisheries as well as products after the first processing stage which are directly connected with such products". Here, too, it is the same old story. We are familiar with the old grumble of the fisheries that they are simply regarded as an appendage It does not seem to have been possible to avoid this of agriculture. in 1957 either (it seems to me that since I also had a hand in it I can be permitted to say so here). Nevertheless, fisheries as such were mentioned, which means that one thing has already been settled, and that is very important: namely that in a good seven years from now, seven and a half, to be more precise, there will be one common market for fishery products. That has been settled; and if there is to be a fisheries policy it can only be a common policy, a common fisheries policy, whatever its form. This decision has been taken, it is one of the facts of life and so we must now take a look at what such a common market means for us what are the obligations, what are the prospects and what the responsibilities that it involves?

First, we could consider what any common policy ought to consist of, and secondly (and that is extremely important from the short-term point of view) the ways and means of making a reality of the Community in the 8-year transition period that lies before us - in other words, how we can move from a fisheries policy which is still purely national to a common policy in such a way that we also move from a national to a common market.

For this reason I think we should have a brief of the current situation. Let me tegin with the producer. So far as production and marketing are concerned, I believe we can safely say that Belgium, France, the Netherlands and Germany have the same production area the North Sea - but that they must then sell this catch in national markets, each with a different policy towards the producer. Generally speaking we can say that in the eight countries vordering the North Sea countries which we hope will all ba members of the same Community in the not too distant future ('in other words England, Norway and Denmark) would be in ), there is a tendency for actual catches to fall despite the expansion of the fishing fleet, despite everything being done to provide the producers with the more up-to-date gear arailable. We can see - and for herring I think the figures bring this out very clearly a tendency to fall, And I believe that this must be a source of anxiety to us all and that it must bring with it a realization of responsibility. What must be done to reverse the trend, to make the production curve move up once more? We know that it is diffeicult to compare the figures.

There is much to be done before we have statistics from which we can draw accurate conclusions. Nevertheless I should like to stress this general trend.

Let me remind you of the steep increase in Danish landings of herring; this, it is true, is of a very special nature, but I should nevertheless like to say a word of warning about it. For I cannot help thinking that the way Danish catches have grown in recent years may pose a threat to the entire North-Sea fishing of our eight countries.

So far as that North-Scafishing is concerned the Netherlands does not make a bad showing; although catches declined on more or less the same scale in Germany, Britain and Norway, they went up in France, the Netherlands and Denmark.

Turning from production to marketing, I should first like to say something about consumption, for on this after all depends the fisheries policy of tomorrow. Firstly, consumption in our western countries, by which I mean the western European countries which could make up the future Community; in these countries consumption varies greatly from, for example, eleven pounds of edible fish per head of population in the Netherlands to thirty-three pounds in Denmark and some twenty-Britain. This shows that a fishing nation like the Netherlands is numbered amongst the Western European countries where consumption is lowest.

I think we can even say, although no actual figures are available, that the consumption of fish per head of population in Western European countries varies still more and probably ranges between nothing and a much higher figure than any I have just mentioned. Would it be going too far to assume that about 40% of the population of Western European countries I am talking about never eat fresh fish?

I do not think I am far out, and we must surely try to find the reason for this. I believe that there is still great scope for expanding consumption, not so much in the areas where fish already forms part of the diet but in the parts that have yet to become familiar with this cheap form of protein. I should like to add something on consumption outside the Community. We know that fish is the cheapest of all forms of animal protein. It is cheaper than milk, eggs or meat. And if we then realize that there is a severe shortage of animal protein throughout the world, particularly in the underdeveloped countries, then I believe that, where the expansion of consumption is concerned, we must give out undivided attention (and this is my second point) to improving the intake of protein in the less developed areas by boosting the consumption of fish. This is already being done to some extent, since attempts are being made to develop fishing, in Africa, in South America and in the Far East. But I feel that here Western Europe is faced with a special task.

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Thirdly, (and I am still sticking to facts) a word on international trade, particularly between the Six and the three: Britain, Norway and Denmark. If we now take a look at the overall picture I can well understand that insiders will say: "you cannot add apples and pears together when you are doing a sum, so for heaven's sake don't try it with herrings and cod, round fish and flat-fish!" But if we do take a general view, then we see that the Netherlands is the only country of the Six that, on balance, is an exporter. And that, despite all the problems that we Dutchmen find to grumble about - and there are plenty of them - it does emerge that in the last five years the Netherlands has not fallen behind in this respect but has even managed to raise its net exports. The Common Market is a net importer to the tune of about 300,000 metric tons. In view of the scale of production, this is not a large amount. Hence we may say that we are more or less verging on equilibrium. The three newcomers to our Club - Britain, Denmark and Norway - are net exporters. We can therefore assume that the overall picture of self-sufficiency, if I may use that ugly word, in the Nine will be about the same as in the Six, as can be seen from the figures - a certain tendency towards expansion of imports. We can also see that the expansion of exports from the Six is chiefly due to larger exports by the Netherlands. And from that I would draw the following conclusion: despite the many barriers that trade has come up against and the problems facing Dutch fisheries, we must nevertheless conclude that Dutch fisheries, and the trade and industry dependent on them, have succeeded in strengthening their position. I believe that this is very important for their future.

If you will allow me to give a picture of the herring industry (which I hm taking, with thanks, from the Minister for Fisheries' memorandum in reply to the Lower House) then we see that the Netherlans

was the least hit by the fall in herring catches. They dropped from 100 in 1950 to 98 in 1960: that is stability, whereas in Belgium they fell from 100 to 35, in France from 100 to 60, in Germany from 100 to 85 and in the United Kingdom from 100 to 61. By contrast there is the remarkable case which I just mentioned, of Denmark with an increase from 100 to 770. From this, too, I have drawn a rather rash conclusion, which I give you for what it is worth: the general picture shows that no-one can say that the Netherlands is lagging behind in the fishing industry.

I now come to a fourth point on production which is important for the development of the fisheries policy - the problem of productivity. Here, too, it is difficult to compare the figures that are available. In what terms can we express this productivity? In tons of fish caught per fisherman? Then we are immediately faced with the difficulty that there is a big difference between fish regarded as a delicacy and other types of fish, while herring is in a category by itself. Productivity could perhaps still be best expressed in terms of the value of output per person engaged in fisheries per fisherman. And then we can see the big differences in our six countries and also in our nine countries. Once again. as regards productivity per fisherman we see that the Netherlands comes off quite well. Thus, if we express productivity as the quantity of fish caught in terms of money - and let us do this in European units of account, which we still call dollars - we see that in recent years productivity per fisherman in Germany was \$ 6,500 followed by Britain on about the same level, and next the Netherlands, with \$ 5,300 and Belgium with \$ 5,000. Then we see a sudden drop - France with \$ 2,500, Norway with \$ 1,500. Here I must include Italy with a gross yield of well below a 1,000 in the fishing industry.

I would not wish to conceal the fact that the problem of the Italian fisheries is a quite special one. Firstly, it is a cosial problem that cannot be solved in isolation but calls for much broader measures of regional development and industrialization particularly in southern Italy and in the Italian islands in the Mediterranean. This is partly also the case for the French coastal fisheries.

But even for fisheries that bear comparison - those of Britain, Denmark, Norway, the Netherlands, Belgium and Germany - the differences are still quite considerable. Of course we must also see this in the light of the composition of the fishing fleets, and particularly of developments in this composition. I do not wish to make any forecasts on this subject - that I willingly leave to those who are much more qualified to do so - but I would simply like to make the basic point that in France and Germany there has been a rapid increase in the number of larger vessels (by which I mean those of more than 500 tons). For example, in 1948 France had no large boats; in 1958 it had 56 (according to the latest figures I could get held of) within a total tonnage of 52,000, or one-fifth of the tonnage of the whole fishing In Germany the figure is higher still: in 1948 there were 23 and in 1958 no less than 154 vessels of over 500 tons, and this amounts to half the total tonnage of the flest. Thus we see than in ten years half the tonnage of the German fishing fleet came to be made up of larger boats. And what about the Dutch fleet, which must fish the same waters and will soon have to compete on the same markets? Only 1% of its total tonnage is in boats of more than 500 tons. If my information is correct, there are two at present. You will appreciate that this is not meant as a criticism. It is possible that the wrong sort of developments are taking place in other countries, do I am refraining from making any judgement. I am only giving you the facts at the moment, and I do see an important difference in development which can perhaps be justified. But good reasons will have to be found. I am only pointing out that we shall soon have one area of production and one market and that consequently any difference in the way the productive machinery is developing must give us food for thought. It has been stressed (and here again I am quoting the Minister for Fisheries! memorandum that the cutter type has become very widespread in the Netherlands, but we are still faced with the question of whether the composition of the fleet will be sufficiently balanced in the future common market to withstand the undoubtedly keener competition, I feel that this is a problem that we must study jointly.

There is a second point, and it is a delicate one (I know because I have read it in the newspapers): the problem of the many types of subsidy for rebuilding the flect. This is not only a topical problem, but is also to some extent traditional. I recall that when I was responsible for fisheries policy the problem of the scrap premium came up almost every month. A very delicate question, to be sure, but I am certainly not going to join in the dispute about the scrap premium here. I was involved in it myself for long enough. I am merely pointing out that in every country subsidies are granted to the fleet in widely differing forms and to a greater or less degree. I can assure you that we have given a great deal of thought to this point because a clear understanding of it is required if we are to frame a common fisheries policy.

It is very important for the future common policy that we have a

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very clear understanding of what the authorities are doing you could almost say of whether they are taking measures which could distort competition in the long run. But I would first like to draw a certain conclusion and then I will come back to competition when speaking of the common policy. I do not get the impression that the difference in subsidies has so far had much influence on the position of the fleets in relation to each other. I am not saying anything of the future, but so far I have found nothing in the figures to show that at present the Dutch fishing industry is badly hit as a result, for example, of heavier subsidization or scrap promium in other countries be it Belgium or Germany. It is a different matter whether the productive machinery has developed through being supported and stimulated by artificial means, in such a way as might cause trouble in the future. I am reserving my judgement on that point. But I can understand that it is not only in the Netherlands that this problem merits close attention; we shall be considering it in Brussels too.

I now come to another question, and that is what actually are the main features of the common market which, according to the Treaty of Rome, we shall have in eight years time.

complete freedom of movement for fish and fish products, with no national barriers, no tariffs, no quotas, no more special arrangements; there we have a common market and freedom of movement for all products, unless it should be decided not to have freedom of morement but to act on the basis of a certain common policy, as is the case in agriculture for example, such action would, however, have to be governed by common rules and not by national frontiers, which for fisheries too would be swept away, economically speaking. This dommon market

will take shape automatically as tariffs are systematically dismantled and quotas abolished. And although we are not moving ahead in agriculture as fast as in industry, this automatic process, which gathers speed as it goes along, nevertheless provides the driving force in freeing the market.

But not by itself: all this can only take place - and the Treaty of Rome is most emphatic on this point - if competition is on an equal footing, or rather if there is no distortion of competition, which is of course quite a different kettle of fish. But it is precisely in a common market that the natural competitive advantages (proximity to good fishing grounds or a better trading position) are given full play. But there may be no distortion whatsoever of that competitive situation, unless the six countries, acting on the Commission's proposal, decide to the contrary. Thus, measures can always be taken, but then these must be joint measures.

If it is decided - and this is the third point I should like to make - to follow a given policy in developing the market, a certain price policy, such as guaranteed prices or something of the kind, or a policy concerning the rebuilding of the fleet, then in the final phase, in eight years time all these decisions can only be taken at Community level. The common policy on which we must all agree and for which the Commission will have to make proposals, can either be a co-ordination of national policies or one single policy. That makes no difference at all to the final result, because the determining factors are one single market and common conditions of competition. It is simply a matter of convenience whether the choice falls on

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co-ordination of the various national policies or on what is in reality one single policy. We have always made this distinction in agriculture as well; it is mentioned in the Treaty, but we are coming more and more to the conclusion that in the final count co-ordination of national policies more or less amounts to one single policy.

What could such a policy entail and what ought its minimum requirements to be? We will, of course, have to give this our serious consideration in the coming years and by "we" I do not only mean those of us in Brushels who will have to work out the actual proposals and submit them to the Council of Ministers, which for the time being must decide on them by unanimous vote and subsequently by qualified majority. Not at all. I feel it is extremely important that all those connected with the fishing industry also give this matter their full attention .- in other words, organizations in the fishing industry themselves. And that requires a certain type of organization, a new form of organization which we can already see developing in industry, commerce and agriculture and which, I am very pleased to say, we can now also see growing up in the fishing industry. By this I mean the organization based on the Six, which groups existing national organizations together in one organization for the Six and which has just been set up. In fact, I had the pleasure of receiving its sponsors on the day of its inception. I mean, of course, Europache. And I consider this an extremely inportant step, for only in this way can the organizations, I will not go so far as to say renounce their national viewpoints, but rather confront them with those of the others. It is very easy for a national organization to come forward with its own requirements where the future policy is concerned for then it naturally takes the attitude of someone defending the vested interests of his own territory. This, however, makes it all the more difficult first to reach agreement with all the others who must take part in framing the common policy, I consider the creation of this body extremely important, and I feel that, as is also the case in agriculture, it will eventually provide a

consultative committee which will be called in to give its advice on carrying out the policy.

Turning now to the substance of the policy, I feel I must stress, that, if fisheries are to share in the growing prosperity then, just as in agriculture and industry, they can only do so on the basis of an increase in productivity. We must bear this constantly in mind, because we should definitely be barking up the wrong tree if we shose any other course, since it night prevent productivity from increasing. That does not mean higher output - I am steering well clear of that point - but there must be larger catches per man, larger catches per unit of capital. It is quite possible that this will have to be stimulated by a good deal of co-ordinated government aid. I certainly do not want to exclude the fact that, so far as financing is concerned, certain arrangements in a Community framework will be necessary. But there must be no forgetting that no further discrimination at all can be tolerated in this field. The parties to the Treaty are already forbidden in the transition stage to take any measures which would infringe the standstill of 1958 and increase the distortion of competition. I can inform you that the Commission is investigating the situation in the different countries and viewing it in the light of the injunction not to proceed beyond the 1958 position. This is the only possible way to conduct policy where the fleet - the production machinery - is concerned so that in time there will be one single policy, whatever it may be.

But though I may first have mentioned government aid, or possible government aid, there is no denying that the fate of the fisheries in the future will primarily depend on the entrepreneur himself. We shall still h vo to see to it that the fishories do not become dependent on direct contributions as a result of some Government's subsidies policy. I see no reason why the fishing industry should not be able to develop sufficiently on the basis of a good fisheries policy in which production and market outlets are well balanced and use is made of normal capital facilities and the usual credit condition. If this cannot be done, then I think it should first be proved that it cannot be done. Needless to say, the authorities, particularly if they work at Community level, will be able to do a great deal to unfold frosh possibilities by developing new types of boats, investigating new fishing methods and carring out co-ordinated research on the North Sea and more distant waters. Here, too, there is much greater scope if the common policy also extends to our friends in Britain, Norway and Denmark.

I will now move on rom production to the market. In the first place, as I have already said, we must keep on striving for equilibrium between production and sales.

But the way the fleet is developing, the capacity of the fishing grounds-to mention only the North Sea - and the scope for stepping up consumption all seem to me to indicate that a common policy is vitally necessary to the establishment of such an equilibrium. It is primarily a structural problem: what type of system does supply require? I think we can be sure that the system is not economic as it is now operating in the nine countries as a whole. There is plenty of rodm for improvement; by and large this system is not a rational one. Then there is also the question of whether we can afford to

step up production in the light of the resources in the North Sea. I am simply leaving this an open question. I believe, however, that we shall have to combine giving this our serious attention, as we have in the past. And then we must ask ourselves what must be done to maintain production or, if necessary, to increase it. And this brings us straight to the problem of overfishing. I should like to stress this problem with regard to the future common policy. All five countries fish in the same grounds... all eight countries... and in my opinion there is no point at all in following a market policy on prices, stabilization funds, measures to deal with surpluses, minimum prices (and there are so many desiderata in this field) if that policy is not based on structural changes, that is to say, adaptation of production in the long run to demand on the one hand and to the resources of the sea on the other.

I believe that this foundation which we must all agree in the basis of the policy, must be laid before we can see whether additional measures, such as stabilization funds, measures to deal with surpluses and the like, are necessary. But we should be embarking on an extremely dangerous course if we tried to "cure the symptoms", as it were by making all kinds of artificial arket arrangements, and ignore the main problem of production, sales and resources.

We have so far refrained from making proposals for this policy. There are a number of practical reasons for this, which amount, quite frankly, simply to a lack of time in the four short years we have had in which to tackle so much.

But on top of that - and I should like to stress this - the structural problems we shall have to deal with first cannot be solved without bringing in the United Kingdom, Norway and Denmark. And consequently I consider it very important for the fishing industry that these three countries are at present negotiating to join the Community. We now have an opportunity to frame a real common policy. And I should not wish to amit the possible association of, for instance, Sweden.

May I give you two sets of figures: the total output of fish within the Six is about 1.9 million tons and that of the three candidates for membership is 3.2 million tons. That means about 40% from us but about 60% from the other three. So there can be no question of carrying out a real structural fisheries policy within the Six alone. I am therefore in favour of the idea that we must now start consulting our British, Norwegian and Danish friends on how to handle this problem. It seems to me important that our six governments already decide to embark on discussions with Britain, Norway and Denmark on problems such as adapting catches to market prospects quite independently of the negotiations for membership. For even if England should after all not join the Community, a common policy in this field would still be very urgently required. I feel we may even go so far as to say that if Britain - and perhaps also Denmark and Norway - do not join the Community, a common fisheries policy must still be evolved for the North Sea and neighbouring waters. Here we must, of course, also realize that we are not starting from scratch; there is already a system and established rolationships, and a large number of technical, social and economic problems will have to be solved. But this does not alter the fact that we shall have to draw up together the guiding lines of a long-term common policy, not to mention tackling the short-term problems.

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As regards preparations for such a discussion, I can inform you that this autumn the Commission intends to hold a preliminary conference on fisheries in co-operation with the six governments. It will take place in Brussels, in either September or October and since it is only a beginning, it will possible to air a number of urgent problems - without solving them - and to prepare the ground for discussions in a broader context at a later date.

I come now to a few specific problems of the common policy in the final phase. First of all, a practical problem - the landings. Clearly, in a common market, where there must be conplete freedom of movement for goods, no further discrimination of any kind will be possible so far as landings are concerned.

This is a principle that is set out in our Treaty and that we can simply apply to this specific fisheries problem: no more obstacles, no more discrimination where landings are concerned.

Secondly, the right of establishment. I can see no reason at all why all the general Treaty rules on the freedom of establishment could and should not be applied, since an exception can only be made if this is decided jointly, and then it must be for a special reason. Thus there may be no discrimination at all in establishment within the Community in the final stage. And that is already very close at hand - this too must be one of the policy's points of departure.

I now come to the third point. I should like to bring up: the problem of territorial waters and fishing areas. A very important problem. We know that several conferences on the law of the seahold in Geneva in 1958 and 1960 did not really settle anything. To my mind this is further proof that the traditional method whereby countries seek agreement

on such points cannot really be said to provide a solution any longer. But we now have the opportunity of solving this problem by quite different means, that is to say by a common policy. And I might even go so far as to say that this policy was virtually decided for the six by the act of signing the Treaty of Rome and that it will be decided for the Nine as soon as the other three countries join. We know -I do not need to labour the point - that in 1958 Iceland, followed by Norway, unilaterally extended its territorial waters, in other words it extended its fishing limits. Consequently, attempts are now being made to obtain some form of redress in the traditional way through bilateral agreements, which are partly already in effect and partly being drafted and negotiated. But - very luckily I feel - there is on the other hand the formation of the European Community, and we hope, that this will include Britain, Norway and Denmark; that puts quite a different complexion on things. This does not apply so far as the Six are concerned but will definitely do so as soon as Norway which was, so to speak, one of the guilty parties, joins this common It is out of the question that this situation could continue to exist within the Community. There can be no discrimination within the Community, and it is therefore very gratifying that it is precisely through the new method of integration that this reduction of the free fishing area can be reversed, and that in a certain sense this will take place automatically. Norway will have a big interest in the common market and cannot afford, in my opinion, to be sent out of the common market where fisheries are concerned. But of course membership is only possible under the same conditions of competition and without discrimination. Hence I arrive at the conclusion that for the members of the Community territorial waters and fishing zones can no longer exist. That of course has nothing to do with the problem

of conservation zones; I can well imagine that, from the point of view of a good fisheries policy, there must be plenty of scape for excluding fishing in certain waters at certain times of the year so as to improve or maintain the stocks of fish. But that too will only be possible, shortly, on the basis of joint measures; that means that this Community fishieries policy can be carried out on the proposal of the Commission and be implemented by the decisions of the Council of Ministers. Of course that still leaves the problem of the agreements which this will entail with those outside our Community. I shall just mention two of them; Sweden does not seem so difficult to me; if it does become associated then a fisheries policy which takes this into account will have to be considered. But there is of course still the problem of the Russian fleet - of Russian fishing in the No th Sea. To my mind we should never adopt the attitude that we cannot have a good fisheries policy on the North Sea because not all the countries that fish there will follow it. We shall have to forge ahead and in any event frame this policy within the Nine.

I should now like to say a few words on a particularly important subject which will also play a part in the common policy. That is the problem of social conditions in the fishing industry.

Apart from the fact that the harmonization of social conditions is laid down in the Treaty in any case and must therefore be accomplished, I am very much aware of the need to improve these social conditions. I am sure that there are big differences among our six countries in, let us say, sickness benefits or accommodation on board - in other words, in social conditions in general. Harmonization will constantly have to be based on the country where conditions are the best. I feel that, apart from that, we may

conclude that for part of the fleet at least conditions are not good enough and must be improved. I read something recently on the problem of getting crews for the luggers and the difficulties that this involves. I believe there is no chance of keeping adequate and capable crews for the fleet as industry strides ahead in the West if social conditions do not continue to make going to see an attractive proposition. Conditions must be good, and this matter, I feel, deserves every attention. If conditions are worse in the fishing fleet than they are ashore or in the merchant navy, then in the long run the fishing industry will be quite unable to keep the men it needs. Hence this must constitute an important item in fisheries policy.

Mr. Chairman, I come then to the conclusion that fisheries are already faced with big economic and social changes, even if there were no Common Market, and that these changes are almost so far-reaching

that they threaten to overwhelm us. The problems that accompany them are extremely complicated. But, on the other hand, I am of the opinion that it is precisely the formation of the common policy - on the basis of common conditions of competition, or in other words of the free market - that can open up new prospects for Dutch fisheries as well. Much will depend on the display of initiative, courage, for-sightedness and enterprise. I am confident that these will be displayed. And it is with this confidence in the future that I urge you all to join together in the work on that European fisheries policy. I thank you.