

COMMISSION OF THE EUROPEAN COMMUNITIES

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COMMUNICATION OF THE COMMISSION TO THE COUNCIL

Problems arising from the fixing of national catch quotas
within the International Fisheries Commissions -
Principle of application of a Community co-ordination in this respect

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Subject : Problems arising from the fixing of national catch quotas within the International Fisheries Commissions - Principle of application of a Community co-ordination in this respect.

In conformation with the decision taken by the Committee of Permanent Representatives at its 713th session on the 16th January 1974, it was arranged for a working group to meet on 4 February 1974 in order to study the difficulties encountered in the co-ordination of a Community attitude within the framework of the international fishery commissions.

At the end of this meeting, it was decided that the services of the Commission should draw up a working document, of a general character, with a view to specifying the general lines which put into practice, as a conservative measure, improvements in the effective conditions for co-ordination within the framework of the international fishery commissions.

This document, which is drawn up within the perspective of the eventual application of Community catch quotas (1), constitutes a first stage in the process of bringing together the divergent attitudes of Member States, between each other and from that of the Commission, and of reinforcing the community co-ordination with the framework of the above-mentioned organizations.

"It is obvious that several of the solutions suggested have a basis only with reference to existing international law; every modification of this law should obviously incorporate adaptations, which may be substantial, of these solutions, in the light of the new context which would thus be created."

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(1) Communication of the Commission to the Council - Doc. COM/73/433 final of 20 March 1973.

The allocation of national catch quotas came into effect two years ago at the International Commission for the North-West Atlantic Fisheries (ICNAF); several months ago the North-East Atlantic Fisheries Commission followed a similar path (1). There is every indication that these developments will increase.

This statement of fact which implies no value judgment, is of no small significance for the future of the Community fisheries; such measures are not without effect, direct or indirect on the common fisheries policy. Added to the uncertainties regarding fishing limits (third conference on the Law of the Sea) and the recent and often substantial increases in shipping costs resulting from the energy crisis, these measures prompt questions as to the future of deep sea fleets, and, as to the policy which can be recommended for the Community in the medium term. It is within this general context that the problem of quotas arises.

However, since this memorandum has only a very limited scope and aims only to provide discussion on the lines following, after having brought to mind the state of the question to define the minimal conditions for a Community co-ordination securing such co-ordination under better conditions than those existing at present.

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(1) Thus, a first agreement was entered into in December 1973 concerning the Celtic Sea herring. However, in this specific case where there is no establishment of quotas, the result is identical. In fact, fishing for herring is forbidden in the zones concerned between the 1st. April 1974 to 31st March 1975, but exemptions are given to different countries, following certain modalities.

I) Summary of the facts - The establishment of national catch quotas as an element of common fisheries policy.

1. The first national catch quotas were fixed at the ICNAF in 1972 (1).
In point of fact, these quotas were the logical follow-up to a series of measures, of varied nature, designed to counteract to some extent, the over-exploitation of the sea's resources and the consequent depletion of stocks. The catch quota thus appeared as a measure supplementing those already taken (regulations on fishing gear, e.g. mesh of fishing nets, fish size limits etc.) but also as the most effective one so far, imperfect as it is. In this context, it may be pointed out, and this is a point of no small significance, that the catch quota is only an intermediate stage in a whole series of existing and future conservation measures. It is not a universal cure for present ills and has, on the contrary, numerous disadvantages (2); such as lack of selectivity, problems of calculation and enforcement difficulties; for all these reasons, it is possible to think in terms of a progression in which more sophisticated measures will be substituted (3).

However, the fact remains that for the moment, despite these disadvantages, the catch quota is the most important conservation measure. This fact explains why the NEAFC has already followed a similar line to that of the ICNAF, the multilateral agreement relating to the conditions of fishing in the waters neighbouring the Faroe Isles, of September 1973, being in this matter and 'ad hoc' (4) a first precedent.

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- (1) c.f. on this point 'proceedings of the 22nd annual meeting and the special meeting on herring - 1972.'
 - (2) although the catch quota has the advantage of being relatively easy to calculate from statistical data, it has several disadvantages if used alone; weight assessment is not selective, since it includes fish of all ages; moreover 'rejects', which are sometimes very numerous, are not included in catches, controls are often difficult to apply etc.
 - (3) these, perhaps, are measures which contain the idea of fishing-effort, emerging from a study at ICNAF, at the instigation of the USA (January 1973 - Rome - proposal for limiting fishing effort by allocating to each country a number of days fishing on the fishing grounds.
 - (4) it will be recalled, in fact, that this agreement reached at Copenhagen has not been signed in the framework of the NEAFC.

2. This trend is not without its own problems. They are inherent in all operations which limit production, the economic consequences of which are almost automatic. In this precise case, it is even more true that the interests of the member states are often divergent, if not diametrically opposed (1). It is therefore, from this rather unsatisfactory starting point, that the Community should begin to consider changes in a direction more acceptable to its members. This requires in the first instance and in the very near future, difficult as this may be, an effort by the Community to arrive at a 'common' position for as many situations as possible.
3. This last point should be stressed. The establishment of national catch quotas, cannot in fact be considered as an isolated marginal measure and of no direct consequence to the Community's fisheries policy. For as long as the production of numerous species (and in particular of those which are most important and of considerable commercial value) is limited, not only will there be foreseeable effects on the market, but in addition, the consequences on the structure of the deep-sea and even the middle-water fleets will also be important. On this point, it is interesting to note, for example, that the growing scarcity of certain species, such as herring, cod etc. and the consequent fixing of catch quotas, in certain areas of the ICNAF, combined with new techniques for preserving and processing at sea, has already had direct effects on the supply structure of the trawlers concerned, with the range of the species fished expanding continually to include lesser known and less profitable species (2). In the same way, in several member states (as in non-member countries) the ship-building industry is beginning to move towards a 'technological response' to the problems arising from the fixing of quotas : polyvalence, a wide field of action, great mobility, but also much higher capital and maintenance costs requiring to be offset by increased productivity. Can and will this productivity be so easily assured in the future, if, in fact, the traditional species can no longer be fished in the same quantities owing to depletion of stocks and the very proper fixing of quotas, if access to new fishing grounds proves difficult and costly and if the new species fished are considerably less profitable ? It is a big question.
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(1) To cite a sole example, the present case of the North Sea 'herring' and the recent one of the Georges Bank 'herring' are sufficient to illustrate the matter. c.f. respectively the special herring meeting - December 1973 - NEAFC; and the special herring meeting of ICNAF - January 1974 - Rome.

(2) This phenomenon has already been observed in at least two member States

4. These few examples suffice to show the obvious connections between the adoption and implementation of a general policy fixing catch quotas on the one hand and both the functioning of a common market policy and the orientation and financing of the installation of nautical equipment. In this instance, it is already becoming apparent that the criteria for granting Community loans from FEOGA guidance funds will, in the very near future, have to take account of these new factors. In the long term, and bearing in mind the probable extension of fishing limits by numerous maritime states, it is to be expected that a restructuring of the Community deep sea fleets, on new bases very different from the present, will be essential.

In this general context, it is now clear that the establishment of national catch quotas constitutes a fundamental element to be taken into consideration in the framework of the common fisheries policy and put into practice the means of insuring a Community co-ordination in order to arrive at a common position, established on non-discriminatory basic criteria between Member States (capable of being made the object of a common presentation of Community interests within the framework of the fisheries commissions).

II) Principle of implementing Community co-ordination

1. On the basis of the only criteria currently taken into consideration within the international fisheries commissions, co-ordination concerning the assessment of global catch quotas comes up against almost insurmountable technical problems. Basically three sets of criteria are involved : criteria of historical priority, criteria of special needs, and criteria of additional rights granted to coastal states. However, if the main principles of general distribution and adjustment of these criteria could have been fixed in the past, principally at the ICNAF in 1972 and 1973 (1) the experience has shown that they only have an indicative value, and that in fact each allocation of national catch quotas brings about many conflicts of interest between interested states, case for case, zone for zone, species for species (2). In such a context, it would consequently appear technically difficult to lay down, in a theoretical a priori manner, a distribution and adjustment bracket, for these different criteria which can serve in general as a basic for a Community.

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- (1) Principle of 40 - 40 - 10 - 110 adopted on the basis of a Canadian proposal in 1972; new Canadian proposal in 1973 of 45 - 45 for the "remainders".
- (2) It is thus that a very clear tendency emerged during 1973, in favour of increasing the rights reserved for coastal states (which is not entirely unrelated to the forthcoming conference on Fishing Rights); that the "special needs" have never been defined and with good reason since they are nothing other than a margin of negotiation, however useful, appreciated and frequently used.

co-ordination towards global negotiation with non-member countries. To secure the adoption of such a general and theoretical formula would be tantamount to settling the whole problem, once and for all The most that could be done at this stage would be to aim at achieving co-ordination in fixing three main points, as follows :

- to arrive, case by case, at a narrowing of the different brackets adopted by each member state (e.g. for rights based on historic priority, what value should be placed on the various sub-divisions of these rights, i.e. the last three years; the seven previous years etc.; equally, the scope and breakdown of the 'special needs').

- to stipulate, as far as 'special needs' are concerned, and again, case by case, the percentage of those which should be reserved for 'others' amongst the 'new entrants'.

- to fix, as far as possible, the rights of coastal states. This is a particularly delicate point and is not unrelated to other aspects of international maritime economy, as has been seen above.

2. Nevertheless, all these hardly negligible objectives, will not be sufficient. In fact and within the perspective of subsequent fixing of community catch quotas (1), it is within the framework of the solidarity of the member States that a solution to the problem posed can be found. This could be expressed in the following manner :

Within the framework of the actual quota system and within the TAC, the preference given to certain types of distribution should appear more advantageous for the Community as a whole than one offering a maximum of advantages (2) to one or to several of the member states considered separately. Within this perspective, the adoption of a common more profitable global attitude should be considered with regard to the solidarity envisaged by the treaty in order to secure the due compensation of the producer's interests.

(1) cf. "Communication of the Commission to the Council" - Doc. COM/73/433 final - of 20 March 1973.

(2) The case occurred in several resumptions at the time of the North Sea herring negotiation.

Such an approach, ensuring the economic optimum for the Community within the difficult context which is determining the future of fisheries on a world scale, appears in addition to be the only possible opportunity of developing a coherent policy of structure, allowing the maintenance of a satisfactory rate of increase for the producers and avoiding the unfavourable economic and social consequences which would result, for certain types of activity and for certain coastal regions, from the pursuit of a non-concerted and autonomous following of national interests.

3. The modalities of application of this principle would merit an examination in depth within the Community. Thus, it would be possible to envisage that it, in such a precise case, one or more of the member states should agree, as an act of Community solidarity, to make a greater sacrifice than they would be prepared to make in the event of another allocation of quotas, it should be possible in certain cases (need for new investments for the purpose of reorienting the industry), and within certain limits, to compensate for the additional detriment caused to their interest, by means of suitable procedures, either in existence or to be created.
4. Whatever the technical difficulties in the application of the principle described above (1), it follows from all the previous developments that this principle is alone susceptible in the short and medium term, of contributing to a harmonious and concerted development of the potential of production of member states of the Community, within the framework of the new conjuncture of international maritime fisheries.

(1) At the particular level of evaluation of interest involved and the decision taken as to the manner of compensation.

Annexe relating to information and statistics supplied to the Commission

It is essential that the member states can communicate in good time to the services of the Commission, the statistics and general information which they have prepared concerning problems dealt with in order that the Commission is furnished with the basic documentation necessary for the realisation of the objectives mentioned in the present document. To this end the following procedure would be adopted :

- the member states should undertake to send regularly to the Commission of the Communities the statistics which they already supply to international fisheries commissions or other official organizations (ICNAF, ICES etc....) and to do so at the same time as they send their data to these institutions, thus saving precious time, since there is sometimes a considerable time-lag between the supply of statistics to these organizations and their actual publication (1).

- the member states should also supply the Commission of the Communities with figures showing the likely overall economic effects (e.g. possible market repercussions, the structure of fleets, onshore installations, etc...) and the social effects of the various bases of quota allocations adopted or likely to be adopted. These figures should be accompanied by explanatory notes. If for technical reasons this procedure would not work, the Commission should be supplied with a concise general report on the problems on the agenda of the fisheries commissions and on their likely economic and social consequences for each member state concerned.

- in addition, the Commission should receive individual or collective assistance of a technical nature as required from government experts, such as scientists and statisticians, etc....

(1) Where firm statistics are not available before the full meeting of the Commission, as may occur at the 'mid-term' meetings of the ICNAF it would be advisable for each member state to send provisional figures beforehand.