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Report

drawn up on behalf of the Committee on Agriculture

on the ~~the~~ common fisheries policy

Rapporteur: Mr CLINTON



On 20 July 1979, the motion for a resolution tabled by Mr Curry pursuant to Rule 25 of the Rules of Procedure on the fisheries policy was referred to the Committee on Agriculture.

On 18 April 1980, the motion for a resolution tabled by Mr Kirk pursuant to Rule 25 of the Rules of Procedure on Community provisions for the conservation of fish stocks in EEC maritime waters was referred to the Committee on Agriculture.

The Committee on Agriculture appointed Mr Clinton rapporteur on 26 September 1979.

At its meeting of 20-22 October 1980 the committee considered the draft report and adopted the motion for a resolution by nineteen votes to five with three abstentions.

Present: Sir Henry Plumb, chairman; Mr Früh, vice-chairman; Mr Clinton, rapporteur; Mr Barbagli (deputizing for Mr Colleselli), Miss Barbarella, Mr Battersby, Mr Costanzo (deputizing for Mr Ligios) Mr Curry, Mr De Keersmaecker (deputizing for Mr Tolman), Mr Dalwass, Mr Delatte, Mr Gatto, Mr Gautier, Mr Giummarra (deputizing for Mr Diana), Mr Helms, Mr Hord, Mr Kirk, Mr Josselin (deputizing for Mrs Cresson), Mr Jürgens, Mrs Krouwel-Vlam (deputizing for Mrs Herklotz), Mr Lynge, Mr Maffre-Baugé, Mr Provan, Mr Papapietro (deputizing for Mr Vitale), Mr Sutra, Mr Vernimmen and Mr Woltjer.

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The Committee on Agriculture hereby submits to the European Parliament the following motion for a resolution together with explanatory statement:

MOTION FOR A RESOLUTION

on the common fisheries policy

The European Parliament.

- having regard to the motion for a resolution tabled by Mr CURRY on behalf of the European Democratic Group. (Doc. 1-246/79),
- having regard to the motion for a resolution tabled by Mr Kirk (Doc.1-124/80),
- having regard to the report by the Committee on Agriculture (Doc.1-560/80),
- recognizing a clear obligation on the Council to fulfil a Treaty obligation,
- having regard to the urgent necessity to safeguard an industry threatened by increasing costs, reduced catches, falling market prices and increasing imports,

The importance of a decision by the Council

1. Emphasizes that it is essential that a decision be taken in the immediate future to implement a common fisheries policy, so as to
 - (a) avoid the threat that existing, and mostly informal, conservation arrangements will break down, thus placing fish stocks in great danger,
 - (b) bring to an end the present uncertainty and insecurity undermining the future of the fishing industry, particularly with regard to investment decisions,
 - (c) establish stable relations with third countries and assure access by Community fishermen to foreign waters;
2. Considers it in the interest of all fishermen that the present uncertainty be ended;
3. Calls upon the Council to implement, as agreed, a common fisheries policy in January 1981;

General principles

4. Underlines, furthermore, that the policy agreed upon should be comprehensive in nature, and not be based on piecemeal settlements of particular issues which could result in arrangements emerging which fail to achieve essential objectives, and prove unsatisfactory to all parties;
5. Considers, in order to achieve such a comprehensive solution, it essential to establish the basic principles of a common fisheries policy by which decisions on specific policy measures could be made;

6. Believes that a fisheries policy should be based on the best scientific evidence available, while taking into account the social needs in regions where economic activity depends significantly on the exploitation of fishery resources, the reality of patterns of fishing, the economics of fishing in each region, and the need to convince all those concerned that the measures proposed are both practical and fair;
7. Considers, therefore, that the basic principles for the common fisheries policy should be as follows:
 - (a) the necessity for a comprehensive system which takes account of social as well as economic factors, and the impact of Community decisions on particular fishing communities, and on jobs directly or indirectly linked to fisheries or aquaculture,
 - (b) the need to pay due regard to the dependence of particular regions on fishing and to the contribution which fishing can make to the wellbeing of the poorer and the more peripheral regions of the Community as recognized in the Hague Agreement of 1976, together with the losses suffered by Community fishermen in third country waters,
 - (c) outside a three-mile limit all Community fishermen should have the same access to fishing grounds. For certain particularly dependent areas protective measures may be adopted by the Community for local fishermen. These safeguards may take the form of an extension of the three-mile limit up to a maximum of twelve miles and also of certain technical measures (catch plans). Paragraphs 2 and 3 of Article 100 of the Treaty of Accession would then apply analogously.
 - (d) the necessity for conservation measures to safeguard and develop stocks,
 - (e) the paramount necessity for an adequate system of control to ensure that quotas and other conservation measures are respected by all fishermen,
 - (f) a revision of the present market organization so as to achieve proper and orderly pricing arrangements and adequate protection against the increasing quantities of cheap imports of certain species being dumped by third countries,
 - (g) an improvement in the external policy of the Community, and in particular a thorough revision of tariff rates, as well as a full fledged cooperation policy with developing countries;
 - (h) the need to promote onshore employment, in particular by encouraging the processing of fish landings to the fullest possible extent;

Market problems

8. Underlines once more to the Commission and Council that the Community markets for fish, and particularly cod, have been unacceptably disrupted by increasing imports from third countries which, having excluded foreign and Community vessels from their 200 mile zones, are exporting surpluses at below economic prices to some regions.
9. Points out that imports of processed and semi-processed fish are undermining onshore employment in the processing industries in some regions.
10. Calls therefore for the reference price to be set at realistic levels, not at the withdrawal price as at present, but at a guide price reflecting normal market prices; this to be done on a regional basis, so that regional requirements in the market are taken into account;
Requests the Commission to amend the regulations so as to ensure that fish withdrawn from the market is still retained for human consumption, while avoiding disruption of the Community market;
11. Urges that tariff rates, which are nominal on imports from certain third countries, should be revised and made more uniform, with particular attention being paid to fish which has undergone any form of processing;
12. Considers that fish producers organizations should be given responsibility within their economic area for ensuring the orderly marketing of fish and processed fish, such rules should apply to all landings within the economic area and to all vessels operating in the economic area;
13. Points out that Article 22(2) of Regulation 100/76 states that where imports lead to serious economic disturbances which threaten the objectives of Article 39 of the Treaty, the Commission shall adopt the necessary protective measures; and insists that the Commission should no longer delay in taking these measures;
14. Emphasizes the importance of increasing the effort directed to the promotion of fish and fish products and the development of a European label, especially in view of the increased imports from third countries; and requires all imported fish to be duly identified as such;
15. Regrets the climate of suspicion created by the lack of information on national aids, and calls upon the Commission to publish a succinct list of national aids, by type of aid, credits provided for and their compatibility with the Treaty;

16. Calls upon the Commission to respect its obligation under Articles 92 and 93 of the Treaty to keep existing and proposed national aids under constant review and take all action laid down in the Treaty to ensure that all aids not compatible with the Common Market are abolished;

17. Requests the Commission to examine the harmonization of national measures concerning fuel subsidies;

Conservation measures

18. Believes that the fundamental objective of a fisheries conservation policy is to maximize long term employment at sea and on land which will be placed in danger by uncontrolled overfishing;

19. Emphasizes that the rebuilding of fish stocks and to sustain them at a productive level requires Community based policies, rather than national measures implemented haphazardly and with varying degrees of efficiency;

20. Points out that the migratory patterns of many of the principal fish species make it essential that there be a Community wide conservation policy, reinforced by cooperation with third countries;

21. Emphasizes that quotas are not a sufficient basis for conservation policies, particularly in view of the political difficulties, and that measures are required therefore to control fishing methods, through the establishment of more closely defined zones where fishing is prohibited or restricted to certain periods, certain types of vessels or certain fishing equipment and mesh sizes;

22. Believes that it may be necessary for an active fisheries management policy to increase fishing effort on certain low value species whose total biomass increases to replace over-exploited fish, in order to allow for a future increase in fishing effort on species for human consumption;

23. Requests the Commission to actively develop research programmes to enable the Community's conservation policy to be based in future years on marine biological models of the food chain inter-relationship between species;

24. Asks the Commission to examine the problems arising from the use of purse seines and beam trawlers in zones where the use of such gear runs counter to conservation measures;

5. Recognizes the efforts made in past years by the Danish industrial fishing fleet to minimize bycatches and requests the Commission to continue research on the biological characteristics of the main species fished for industrial purposes in order that acceptably clean catches be attained, by measures relating to mesh sizes and on the location, depth and time of fishing effort;

Notes for certain fish species, such as sandeel, industrial fishing presents no problems since no significant bycatches occur;

Considers that by the end of the transitional period, i.e. before 1 January 1983, the Community should have arrived at a ban on industrial fishing of species for human consumption;

26. Urges the Commission to examine the problems relating to fish returned to the sea, and the separation on board of species intended for industrial purposes and those suitable for human consumption;

Control measures

27. Emphasizes the paramount importance of practical control measures, taking into account the operational realities of fishing;
28. Believes that control measures should be based on non-restrictive licensing of vessels and skippers; this system should cover boats, equipment, fishing skippers and owners and that sufficient penalties should be imposed on owners as well as skippers;
29. (a) Believes furthermore that licensing schemes are essential to the pursuit of policies for the management and conservation of fishery resources since they facilitate the collection of the statistical information necessary to implement such policies successfully;

(b) Any trading in licences should be controlled so that the European taxpayer does not give capital handouts to the Industry, unless it means progress to rationalisation and restructuring;
30. Believes in order to facilitate control and the compilation of statistical information, that the licence should be accompanied by a logbook for each vessel, in which are recorded catches by species, area and equipment employed, and which shall be considered Community property and available for scientific research;
31. Stresses the importance of the speed and efficiency with which records are drawn up, collected and transmitted to the Commission, and to this end believes that the zones and codes employed by the International Council for the Exploration of the Sea should be employed;
32. Considers that any system of monitoring catches would be incomplete without records on fish discharged at sea;
33. Does not believe that it will be possible to apply a complete recording system to the very smallest inshore boats, and that the monitoring procedures should be adapted to take this into account;
34. Considers that unless certain supplementary measures are adopted, restrictive licensing schemes may freeze existing structures, favour obsolescence of fleets in the absence of 'buy-back' arrangements, or encourage the formation of monopolies;

35. Believes, at the same time, that licences limiting access to fishing grounds make it possible to:
- assure an adequate income for fishermen;
 - protect the industry against rationalization by means of arrangements for 'buying back' boats withdrawn from fishing;
 - obtain loans more easily from credit institutions since the incomes of fishermen are guaranteed by the licensing system;
36. Believes that the application of a restrictive licensing system is best limited to the larger deep water vessels which would benefit from more secure catch possibilities;
37. Believes that responsibility for monitoring the observance of all fisheries policy measures should rest with the Commission, with the possibility of:
- (a) officials of one Member State being appointed in ports of other Member States,
 - (b) a rotatory system of officers being placed on board a selected number of vessels above 24 metres, again on a cross-national basis, and backed up by more sophisticated air and sea borne equipment;
38. Believes that both Community inspection vessels and Community inspectors should be considered as agents of the Community, free to move and able to act fully in and between all Community zones;
- Believes there should be instituted an appeals procedure for fishermen sanctioned in national courts for alleged contraventions of Community provisions, and considers that potential conflicts can be minimized if inspection vessels carry an inspector from another Member State;
39. Requests that the Commission draw up a programme for the development, and where necessary the partial financing, of a limited number of land based maritime control centres, with adequate radar facilities, able to coordinate controls at sea, and fulfilling multiple roles, for example, the control of shipping, pollution by vessels and fishing activities;
40. Expresses concern that there has been insufficient attention paid to the problem of transfer of fish at sea to motherships landing in third countries;
41. Points out the particular problems of controlling catches in Greenland waters and requests that there be more adequate controls of catches when landed, with information being passed rapidly to the Greenland regional administration;
42. Requests that the concept of 'experimental fishery' be more closely defined and should not be used to cover purely commercial fishing, and that adequate controls of experimental fisheries be established;

Social and structural aspects

43. Emphasizes that, while the fishing industries are not of great importance in national terms, they are of major importance to particular regions and communities, especially the more peripheral and maritime areas in which there is little alternative source of employment; and stresses the role of fishing at sea in creating jobs on land in the processing, shipyards, engineering and transport sectors;
44. Considers, therefore, that the Community should seek to protect the interests of communities particularly dependent on the fishing industry and of the small inshore fishermen, in their traditional grounds, by control of size and type of vessel and equipment employed, particularly to catch certain premium species, in regionally limited reserved zones of variable width, by means of fishing plans;
45. Points out that a Community policy to conserve fish stocks will require major changes in the Community's fishing fleet and processing industries; and that since different regions exploit different species, stocks and geographical regions, the burden of conservation measures will fall unequally;
46. Expresses its concern that the basic statistical information of the impact of particular conservation measures on employment at sea and on land by region does not exist;

Calls upon the Commission to take the necessary steps to ensure that this information is made available in the near future;
47. Stresses the importance of structural measures to allow fishermen to adapt vessels to changes in regulations on quotas and technical conservation measures; and the need for industrial fishermen to conform to by-catch regulations;
48. Does not believe it logical, at a time when strict limitations are placed on catches, that the Community's structural policy contains only provisions for development of fishing and none for planned disinvestment, redeployment, social measures and to promote consumption;

Calls on the Commission and Council to extend the scope and objectives of structural measures in the fisheries sector;
49. Urges that restructuring measures should be implemented more flexibly so as to cover projects essential to the everyday activities of fishermen, and in particular those which will make it possible to improve the quality of fish;
50. Points out that the processing industry, which provides more employment than the fishing fleet itself, has had to face heavy costs as a result of the necessity to adapt to stock management measures, to changing patterns of landings and to new species; and that a new process of adaptation may be required once stocks of fish, and in particular herring, have been rebuilt;

Recognizes the need to increase the processing and marketing capacity of those areas such as Ireland where there exists a limited domestic market;

51. Emphasizes that, in the absence of adequate Community structural measures, national measures will be introduced, so leading to distortions in competition and an unbalanced development of the Community's fishing fleet;
52. Emphasizes that the tremendous increases in fuel cost to fishermen since 1977 threaten the economic future of the industry;

Calls upon the Commission to encourage steps to aid the introduction of fuel saving measures on vessels, for example by the coordination of research programmes;

53. Regrets that the particular problems facing the Mediterranean fishing industry have been largely overlooked by the Commission and Council;
54. Points out that Italy is particularly dependent on a distant water fleet fishing in the waters of third countries, and in particular Tunisia and Yugoslavia, with whom the Community can offer little in reciprocal quotas, with the result that the Italian fleet is faced with exclusion;
55. Points out that the lack of adequate technological development of the Italian fish processing industry makes it difficult for Italy to compete with imported canned fish.
56. Urges the Commission to draw up a comprehensive development programme for the Italian fishing industry to overcome its present problems;

Research

57. Considers that, in order to develop and implement an effective Community fisheries conservation and management policy, and in particular to ensure the optimum long-term utilization of resources by means of a multi-species approach, it is essential that the Community possess an improved understanding of marine biology and hydrography; and that to this end:
 - (a) Community aid should be granted to fisheries research centres within Member States; and
 - (b) the Commission should propose measures, and participate in the drawing up of programmes, to coordinate the activities of such centres;
58. Stresses the important role of aquaculture in the future for those peripheral regions of the Community heavily dependent on the fishing industry;

and calls upon the Commission to grant financial aid to those bodies presently engaged in research on problems at present retarding the development of large scale fish farming, and in particular questions relating to appropriate techniques, food chains and fish disease;

59. Requests that the Commission initiate investigations into alternative fishing grounds for the Community's long-distance fleet in the Pacific and South Atlantic Oceans;

A Community fisheries policy and the developing countries

60. Reminds the Council and the Commission of the European Parliament's request for the elaboration of a true and far reaching fisheries policy with developing countries;

61. Considers that such a development policy would provide advantages to both sides:

(a) enabling the developing countries to exploit themselves in a rational manner resources which at present largely benefit third countries; a long term basis for the creation of employment and exports would be provided;

(b) the Community would have the opportunity to find an outlet for its expertise in fishing technology and fish processing, a market for machinery as well as certain fishing vessels which are now excess to the Community's required fishing capacity;

62. Requests that the Commission come forward immediately with proposals to coordinate fisheries educational and training resources within the Community, including the partial financing of training centres, so as to provide the necessary specialist advice and technical assistance essential to a policy of fisheries cooperation with the countries of Africa;

63. Calls upon the Commission:

(a) to establish the proper legal and financial framework, including the provision of long-term loans to developing countries,

(b) to encourage the setting up of joint ventures between the fishing industries of these countries and the Community;

64. Notes that such policies have been implemented by a number of third countries and international organizations, and that the European Community is in danger of being left behind;

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65. Believes that the proposals before the Council can form the basis of an acceptable common fisheries policy, but need to be supplemented particularly by measures for the marketing and promotion of fish; price and import policy, and for control and supervision of fisheries in Community waters;

66. Considers that the specific problems of fisheries in the Mediterranean must be made the subject of special study and of proposals as detailed as those contained in this resolution, having regard to the enlargement of the EEC.
67. Calls on the Council to accept the principles outlined in this resolution as the basis for a common fisheries policy and to deal with the Commission's proposals in light of those principles;
68. Instructs its President to forward this resolution and the report of its committee to the Council and Commission of the European Communities.

EXPLANATORY STATEMENT

1. The Committee on Agriculture emphasizes the need for an early agreement on a common fisheries policy in the interests of the fishing industries of all the Member States. The issues involved are complex and a broad approach is required if an adequate solution is to be found.
2. Against a background of declining fish stocks and excess catching capacity, the Community has failed to adopt a comprehensive fishing policy to meet the situation arising from the extension of fishing limits to 200 miles. Adequate steps to safeguard the future livelihood of those engaged in the fishing industry are not being taken and the uncertainty which prevails in regard to the future shape of the common fisheries policy makes it difficult for the industry to plan its future and to make correct investment decisions. The Committee on Agriculture can, therefore, agree that urgent action is now required.
3. The absence of a comprehensive fisheries policy within the Community must make it increasingly difficult to regulate relations with third countries. The longer agreement on a Community regime is deferred the more difficult it will be for the Community to pursue an orderly international fisheries policy. Existing arrangements with Norway have already been placed in serious danger.
4. Article 102 of the Act concerning the conditions of accession of Denmark, Ireland and the United Kingdom requires the Council, acting on a proposal from the Commission, to determine conditions for fishing with a view to ensuring protection of the fishing grounds and conservation of the biological resources of the sea, such action to be taken 'from the sixth year after accession at the latest'. Notwithstanding this clear obligation, it would appear that at present all Community conservation measures, apart from the ban on industrial fishing of herring, have lapsed. No other Community measures now exist to prevent the destruction of fishing stocks apart from an informal agreement of eight Member States that they should maintain their fishing of the principal stocks according to total allowable catch laid down in the Commission's proposals. While the Council has adopted the TACs for 1980 and has agreed to implement a system of catch reporting, it cannot be accepted that such measures represent an adequate response to the present situation. In particular, the absence of any effective enforcement measures is a serious deficiency which must tend to undermine the confidence of the industry in Community policy.

5. If there is to be an adequate common fisheries policy there has to be agreement on the general principles underlying it. The basic objectives of a common fisheries policy could be summarised as follows: to ensure that present and future livelihood of all fishermen is safeguarded; maximizing at sea and onshore employment possibilities; taking particular account of the interests of the particular regions which are heavily dependent on fishing or to whose economies fishing contributes an important part. At the same time, full attention must be paid to the realities of patterns of fishing, the economics of fishing, and the requirements of the industry in each country. The realisation of such objectives would require the following measures:

- ensuring that sufficient fish stocks will exist in the future by means of adequate measures for conservation;
- protecting those regions to which fishing is particularly important by the means of regional fishing plans;
- establishing control and inspection mechanisms, without which which conservation measures would gradually fall into disrepute and misuse;
- ensuring the proper organization of marketing so as to maintain suitable prices and ensure protection against cheap imports from third countries;
- establishing an external policy with regard to the needs of fishermen, processors and consumers; and finally
- establishing an adequate structural policy so as to allow the Community's fishing fleet and processing industry to adapt to the changing conditions imposed by a common fisheries policy.

6. It is essential that the common fisheries policy should take adequate account of social and regional requirements. The need for special arrangements for the poorer areas in which fishing is particularly important was recognized by the Hague Agreement of 1975 and it is essential that this recognition be maintained. Moreover, the livelihood of inshore fishermen depends on the maintenance of exclusive coastal bans such as are provided for in the Act concerning the conditions of accession of Denmark, Ireland and the United Kingdom and it is essential that these be maintained after 1982 with such adaptations as are necessary to take account of the greatly increased areas of fishing now available to the Community.

7. The essential initiative that is now required is a political one. At present there are a large number of proposals by the Commission awaiting decision by the Council. What is now required is an agreement in the Council as to the principles on which the common fisheries policy should be founded. If such were forthcoming, agreement on detailed proposals should not be difficult.

8. Finally, Members should be reminded that a considerable degree of agreement has been reached in the Council of Ministers on the broad lines of the Commission's proposals. In fact the outstanding issues for agreement, while important and sometimes highly technical, represent a limited number of issues and do not put in question the broad lines of the Commission's proposals. Given the degree of work required to have reached this amount of consensus on the existing proposals, these should not be jettisoned but should be retained as the basis for discussion. A new political initiative is more important than new proposals.

9. The Committee has consistently argued that a broader approach than that adopted by the Commission and Council is required. Market problems are as important, if not more important, than quota arrangements. The importance of control and surveillance of fisheries conservation measures, and the confidence of the fishing industry in their effectiveness, has been of consistent concern to the Committee. Finally, it is important to emphasize the contribution of fishing to many of the poorer regions of the Community and the fact that conservation measures affect different communities in a very unequal fashion.

These principal themes highlighted by the European Parliament's Working Group on Fisheries are developed in further detail below on the basis of certain of the principal papers examined by the working group, as follows:

- regional and market problems;
- the need for greater promotion of fish and fish products in the Community;
- the problem of subsidies in the fisheries sector;
- the possible methods to implement effective control measures; and
- the role of a Community fisheries policy for the developing countries.

10. Structural policies have been examined in greater detail in a separate report by Mr Kirk (PE 67.146)

REGIONAL AND MARKET PROBLEMS

I. FISHERIES MANAGEMENT POLICIES - THE BIOLOGICAL BASIS

1. The primary objective of a Common Fisheries Policy must be to ensure the future economic security of the fishing industry. Given the serious over-fishing of a number of fish stocks in the last two decades, a number of fish stocks, particularly pelagic species, are in danger of collapse. Fisheries management policies must ensure that there is sufficient fish in Community waters in future years to ensure a continuing and viable Community fishing fleet.

For such policies, the evidence of the scientists is the basic working material. If it is ignored the fishing industry is placed in danger.

SOCIAL CRITERIA IN MANAGEMENT POLICIES

2. At the same time, since we are interested in fishing as an industry constituting a source of employment and income for a group of people, biological goals can only be a starting point. The ends to be pursued must be based equally on economic and social considerations. The building up of a fishery on an over-exploited stock should therefore be gradual. Getting at biologically defined maximum (or optimum) sustainable yield as quickly as possible may mean unacceptable hardship in the industry. Temporarily reducing fishing activities to a very low level can wreck sources of capital, future supplies of crews and future sales channels. In most cases a gradual transition to a more lucrative fishery produces a minimum of economic and social problems. The problem is how to get from a situation with enough capital, fishermen and markets but small fish stocks into a situation with abundant fish stocks, while maintaining capital, employment and markets. Evidently, in cases of dangerously depleted stocks - where a stock-recruitment collapse is imminent - stronger actions should be taken but only for the time needed to avert the danger. The problem is to balance the long term needs of the fishing industry, ensuring adequate fish stocks, with the short term problem of maintaining employment and the existence of the infrastructure of the fishing industry.

UNEQUAL IMPACT OF CONSERVATION MEASURES

3. The problem is complicated by the unequal impact of conservation measures upon the different fishing ports and regions.

4. According to differences in geographical position, zone of exploitation, processing facilities, as well as tradition, different ports exploit different species and stocks.

Since conservation measures such as reduced quotas are not required equally for each species, different ports will suffer unequal restrictions on their traditional patterns of fishing. The social burden therefore will not be spread equally.

An example - the herring fisheries

5. The herring is the most dramatic example of the need for conservation measures and their unequal impact. As the International Council for the Exploration of the Sea has reported in its annual reports for 1978 and 1979 that without the most stringent measures for the principal stocks, including bans on direct catches, certain of the stocks would be in danger of extinction.

The North Sea herring stock has suffered the most from past years of over-fishing. The total ban on herring catches must be implemented in 1981 as well as 1980 if the stock is to have the slightest chance of recovery. And as the table below shows each country is dependent to a different degree on North Sea herring fisheries: Denmark, the United Kingdom, France and to a lesser extent the Netherlands, have taken the greater part of herring catches from these waters.

	<u>North Sea</u>	<u>West of Scotland</u>	<u>Celtic Sea</u>	<u>West of Ireland</u>	<u>N. Irish Sea</u>
Belgium	1,376	11			507
Denmark	30,172	249			
France	11,832	1,643	1,578	1	
Germany	1,682	4,860	36		
Netherlands	19,647	21,039	1,264	13,626	989
England	9,662	20			(
Scotland	15,015	53,351			(16,401
Ireland		8,558	2,970	5,095	(3,205

Even within a particular region, the situation varies considerably. If one takes the example of Scotland, of 11,056 persons employed in fish processing 23% were connected with herring. But for certain towns this figure was considerably higher.

Herring as a % of total fish processing

Mallaig	67%
Frazerburg	54%
Lossiemouth	44%
Stornoway	44%
Campbeltown	37%
Peterhead	27%
Leith	27%

Unemployment in this region is twice the national and in such areas as Stornoway at 14%. There are few alternative job opportunities.

With lack of supplies of the raw material, factories cannot be kept running. One firm used a £40,000 herring factory as a store. Switching over to other fish species is expensive both in terms of new equipment and training staff. The one firm referred to above stated that 500 jobs were at risk.

Regional differences in species exploited - the example of France

In France, fishing accounts for only 0.2% of the Gross National Product. With approximately 30,000 fishermen, France occupies second place in the Community, after Italy, with the number of fishermen employed.

At the same time, the principal fishing ports are distributed unequally along the 3,500 km of French coast, concentrated principally in the west; 6 out of the 10 most important fisheries ports are concentrated in Brittany, which supplies half of the French fisheries produce.

Equally important is the fact that each principal port differs in the composition of its landings, according to its geographical position and zone of exploitation. Boulogne is specialized in herring, whiting, saithe and mackerel; Lorient and La Rochelle in hake and whiting; Concarneau in tuna, crayfish and sardines.

REGIONAL IMPORTANCE OF FISHERIES

In developed countries, the value of fishery landings represents only a small proportion of the GDP. Although increases in value would be expected to match inflation, this proportion will continue to decline as primary industries become relatively less important. In West Germany the value of fishing represents only 0.038 per cent of GDP and Denmark 0.703 per cent. However, this takes no account of the value added in processing and the amount of employment given in localized communities.

Tables 1 and 2 show that the number of fishermen employed varied between 919 in Belgium and 63,120 in Italy in 1977. All countries experienced a decline in the period 1967-77, as much as from 48 percent in the case of West Germany.

As a proportion of total working population the numbers involved are small but there are further workers involved in the ancillary industries such as processing, fish meal, boat building and repairing, marketing, transport and chandlery. Of course, the problem in calculating the total number dependent on fishing for their livelihoods involves how far the chain is taken back and is further complicated by the diverse nature of the fishing industry in particular areas. For example, in the Scottish highlands alone the employment multiplier has been estimated to range between 1.9 and 2.5. The amount of labour required is dependent on how the fish is processed and marketed and how far the landing point is from the centres of consumption. To take an example, the recent huge increase in the catch of mackerel off the South West coast of England has resulted in little extra on-shore employment. Due to worries over inconclusive CFP negotiations and fears over the state of the fish stocks, companies are unwilling to invest in shore based operations.

TABLE 1

FISHING

		Ger.	Bel.	Neth.	DK	Fr.	Irl	It.	UK
Fishermen	1970	6504	1264	3449	11700	36214	6634 ¹	56848	21651
	1978	4711	991	2706	11400 ¹	25052	8620	63120	23186
1978/1970		-7.5%	-14%	-10%	-2.6%	-17.4%	+29.8%	+ 3%	+4.7%

¹ 1976

TABLE 2

FISH PROCESSING (1978)

	Ger.	Bel.	Neth.	DK	Fr.	Irl	It.	UK
Employees	8322	947	1193	5587	9728	434	3090	11140
Turnover (mEUA)	366.9	39.5	52.0	259.7	403.4	6.2	151.3	251.5

The clear conclusion is that whereas employment and income in the fishing industry on a macro scale is relatively insignificant, in micro terms it forms the basis and strength of many communities.

A regional approach therefore to employment is essential. In the case of the UK over 17% of the labour force in Grimsby is dependent on fishing. Studies by Mackay and McNicholl on the Shetlands suggest an aggregate income and employment multiplier for oil of 1.3 to 1.4, while for fishing it is stated to be 1.63 and for fish processing 2.82. Taking the Scottish economy as a whole the proportion of fishermen to ancillary workers has varied from 1 : 1.74 in 1964, 1 : 2.31 in 1972 and 1 : 2.12 in 1976.

In Ireland employment of fishermen increased by 50% between 1965 and 1975, while on shore processing increased by 200% and other related activities by 300%. In 1975 the total number of full time fishermen was 2,274, part-time fishermen 4,356, and total employment (excluding distribution) was 9,280.

One final example can be given from a country which is often overlooked in fisheries discussions, Belgium.

From a regional viewpoint the rather small Belgian fishing industry is indeed significant: the population of the coastal area amounts to about 185,000 people, of which 45,000 find employment in their own region. With its estimated 6,000 jobs (including ancillary activities) the fishing industry is the most important source of employment for the coastal population, with the house-building and road construction sector, tourism, the chemical industry and others following far behind.

II. MARKET PROBLEMS

1. Fishermen in recent years have had to face up to a particularly difficult combination of factors:

- reduced catches due to depletion of stocks and the introduction of conservation measures;
- the loss of important fishing grounds in third countries; and
- exceptionally high increases in costs, particularly capital costs of vessels and equipment and the cost of fuel.

Fishermen in certain regions of the Community, already placed in a difficult position, are confronted increasingly with a further serious problem: prices for fish which do not compensate for increases in costs. This is particularly true of the prime species of fish, such as cod, for which prices have even decreased in recent months. The situation is particularly serious in the United Kingdom, which, being the major market for fish products in the Community, attracts the most important amounts of imports. In an attempt to meet increasing competition from foreign vessels, producers organizations in the United Kingdom were forced to reduce in February 1980 the minimum price for large cod from £3.30 a stone to £2.80.

Britain, as the largest fish market in Europe, suffers the most. Total imports for January 1980 were 43,885 t, compared to 20,807 t in January 1979. This represents ten times the amount landed by British vessels on the seven major deep-sea ports in the same month.

Frozen imports show a 130% increase (from 3,951 tonnes to 9,084) in processed filets and portions, with the biggest increase being in industrial blocks (ready for sawing into fish-fingers etc.), which rose by 126% from 2,988 t. to 6,747 t.

The British market is hit hardest on those favoured species such as cod, haddock and plaice. Fresh or chilled whole cod imports rose by 102% from 5,549 to 11,222 t., while the price dropped by 6% from £555 to £522 tonne. Whole haddock imports increased by 99% from 526 to 1,047 t., while the price fell by 17%. Whole plaice imports increased from 1,871 to 3,420 t., or 83%, with the price dropping by more than 120%.

3. There are three major reasons for the depressed market prices on certain Community markets:

- (a) increased imports from third countries, which benefit from subsidies from certain of these countries
- (b) the lack of respect by certain producers for the measures implemented by producer groups to stabilize prices
- (c) imports within the Community, often with fish being transported by land to ports, lowering prices for fish landed from ships.

(a) increased imports from third countries

In recent months imports from Iceland, Norway, US and Canada have flooded the UK ports, causing disruption of the markets.

At times the prices of the imports make it evident that financial assistance has been provided by governments of third countries. In Norway it has been proposed that N.Kr. 530 million should be granted in 1980 in support measures for the fishing industry, with N.Kr. 137 million earmarked as a price subsidy to cod fisheries.

Canada, after extending its fisheries zone to 200 miles, excluded a considerable number of boats which landed their fish directly outside Canada. This resulted in considerably increased quantities of fish being landed in Canada, at the same time that Canada was itself, for similar reasons, facing difficulties on the American market. Canada, faced with a glut of fish and few markets available, has decided to launch a major effort to sell fish in Europe, and particularly in the United Kingdom. Canadian fish is entering British ports at prices which in no way reflect production costs. Such unfair imports are undermining the viability of the Community fishing fleet and efforts by producer groups to maintain stable prices.

(b) producer groups

In the United Kingdom, fish producers organizations have introduced marketing rules to ensure greater stability of fish prices. These rules are not respected, however, by all producers landing at the ports in question. This has resulted in depressed prices for fish and considerable financial losses to the producers' organizations.

These producers' organizations should be given the legal powers to ensure, after following a procedure to be laid down by the Community, that price stabilization measures implemented by producers' organizations are respected by all those wishing to sell fish on a particular market.

(c) transshipment within the Community

The position of producers' organizations is made worse by transshipment by land within the Community. Fish caught by vessels from one port or in one country is landed at other ports and other countries where the efforts of producers' organizations have resulted in relatively stable prices. Large quantities are being ferried into Britain from the continent on refrigerated lorries. UK fresh or chilled imports from the EEC were up 97% in January 1980 over January 1979, from 2,988 to 6,747 t. The UK has become the dumping ground for Community fish. In 1979 imports of cod fillets from France increased by 510%, from Germany by 300% and from Denmark by 192%. Cod blocks rose by 204% from France, and 53% from Germany and Denmark. As a result prices fell by up to 22%. Producers' organizations should be given the ability to ensure that fish shipped by land or sea after being landed at ports elsewhere are sold in conformity with price stabilization measures. In addition the Community official withdrawal prices, which are set significantly below market prices should be increased.

The necessity to protect the processing industries

4. The fish processing industries in the Community have suffered during 1979 from eroded profit margins as a result of increases in costs.

This situation has been aggravated by increased imports of processed fish from third countries. The greater part of the flood of Canadian imports is already processed. If this trend is allowed to continue unchecked, the processing industries, which provide employment for thousands of people, in areas where few alternative employment outlets exist, will be undermined completely. This cannot be allowed to happen.

Measures to be taken

5. Clearly the problems facing the Community fishing industry will require long term solutions, including adequately financed structural measures. But in the short term there are a number of urgent measures to be adopted without delay:

- (a) Tariff rates, which are nominal on imports from certain third countries, should be revised and made more uniform, with particular attention being paid to fish which has undergone any form of processing;
- (b) Fish producers organizations should be given responsibility within their economic area for ensuring the orderly marketing of fish and processed fish, as well as for ensuring supervision of catch quotas and other conservation measures; such rules should apply to all landings within the economic area and to all vessels operating in the economic area;
- (c) Article 22(2) of Regulation 100/76 states that where imports lead to serious economic disturbances which threaten the objectives of Article 39 of the Treaty, the Commission shall adopt the necessary protective measures; the Commission should no longer delay in taking these measures.

III. DEPENDENCE OF IRISH FISHING INDUSTRY ON INSHORE FISHING

1. The problems facing the Irish fishing industry are unique in the Community. Most Member States face an overcapacity of distant water and larger vessels. Ireland is faced with an over-dependence on:

- (a) inshore fishing by very small vessels
- (b) fishing of a limited range of species, and in particular herring and salmon.

2. These two questions, of course, are related: the traditional dependence on certain species has led to a certain size of vessel, which in turn limits the possibility of turning to other species. This is particularly dramatic at the present time since the stocks of these two species have been endangered by overfishing in the past and severe restrictions, and bans in the case of herring, have been imposed. This means evidently that the Irish fishing industry has been particularly hard hit by the few conservation measures so far implemented by the Community.

3. Inshore fishermen from the Irish Republic have been particularly upset by the EEC ban on herring fishing in the Celtic Sea. The dispute over the herring ban - which the inshore fishermen claim to be discriminatory - has come to a head in the past few days following the arrest of three Irish vessels on October 11. The fishermen, represented by the Irish Salmon and Inshore Fishermen's Association, say that they will take their case to the European Court if the ban is not lifted.

4. The inshore fishermen's main contention is that their boats are too small to carry out any other form of fishing and so the ban will deny them their livelihood. Meanwhile larger vessels - both from the Irish Republic and other EEC countries - are taking substantially more herring as by-catches than the small fishermen would need to keep them in business. Skippers of the larger trawlers are alleged to have admitted that the income they receive from the herring by-catch makes a substantial difference to total earnings. The inshoremen are also complaining that the larger vessels are capable of operating in all weather whereas they themselves are much more limited.

5. Support for the inshore fishermen has also been voiced by the Irish Fishermen's Organization; a spokesman said that it must be made a top priority to establish an inshore zone for the smaller vessels so that jobs could be saved.

6. Apart from immediate measures to ease the situation of the inshore fishing industry, two longer term policies are required:

- (a) investment programmes to develop a greater middle water fisheries capacity
- (b) marketing measures to ensure an adequate market for fish landed in Ireland.

NECESSITY FOR INVESTMENT IN LARGER VESSELS

7. If Ireland is to reduce its dependence on a narrow range of fisheries, by widening its base particularly into white fish, it must be prepared for heavy investment in boats and training programmes for the fishermen required to man larger and more sophisticated vessels. According to Brendan O'Kelly, chairman and chief executive of the Bord Iascaigh Mhara, by 1983 all applicants for boats will require certification. Between 1980 and 1984 it is planned to treble landings to 300,000 tonnes and this will involve £150m in fleet expansion with an emphasis on middle-water fishing with boats of 120 - 130 ft, the first five of them costing around £2m each.

8. This development will also mean changes in the structure of Ireland's traditional fishing industry with its reliance on small owner-skipper boats. There will have to be a change to multiple-skipper ownership, cooperatives responsible for fishing as well as marketing and perhaps skippers of larger boats aligning themselves with on-shore investors.

9. Improved fisheries training programmes will be required, for fishermen, skippers and also for the workers in the onshore industries: fish processing and marketing, and the ship maintenance industries.

NECESSITY FOR IMPROVED MARKETING STRUCTURES

10. Because of the limited size of the domestic market, Ireland must develop its fisheries industry on the basis that its home market is Europe. However, such increased exports to the EEC are likely to suffer because of lack of promotion for fish on the continent as compared with the better organized agricultural industry in Ireland.

11. For this reason Ireland has proposed to its EEC partners that the European industry should lessen its concentration on the problem of production and allocate more funds for developing a European market for fishery products in general.

Unless Ireland can develop a European 'label', it could be faced with cheap imports from countries that have expanded into 200-mile zones. Ireland could become enveloped in a price war with countries outside the EEC on the European market and the repercussions on Ireland's fishermen and their earnings could be dramatic.

CHEAP IMPORTS FROM THIRD COUNTRIES

12. Ireland also shares a problem that is common to a number of Member States: unfair competition from third country imports. Following the extension of fishery limits to 200 miles, a number of third countries, and in particular Canada, have found their home market and traditional export outlets saturated by the vastly increased domestic landings.

13. The response of these countries has been to export considerable quantities at prices that do not reflect production costs to the main market, that is, the Community. As a result prices for a number of species have dropped below economic prices in certain Member States and in particular the United Kingdom and Ireland.

14. Over the first nine months of 1979 average unit market prices of the main types of white fish increased by between nil and 11 per cent compared with the previous year.

The Irish Fish Producers' Organization (IFPO) claims that the Irish landed price for most varieties is significantly lower than that obtained by fishermen in other EEC countries where inflation is lower than in Ireland. It shares the view of its British partners about the effect of imports from third countries. Pointing out that Canada has increased its herring catch to about 250,000 tonnes and its exports to Europe by 20 per cent and is planning a 200 per cent increase in its cod catch by 1985, bringing it to about 600,000 tonnes, the IFPO says that if the EEC fleet is to be protected third country imports must relate not to the EEC minimum price but to the average market price.

15. The IFPO statement was backed up by fishermen on the south and west coasts who decided last week to impose a voluntary quota on catches of whiting of 50 boxes a night (containing 7 stoness each - 45kg) in an attempt to end the over-supply of fish on the Irish market.

16. The Irish Fish Producers' Organization (IFPO) is disappointed with 1980 EEC minimum prices, and says that not only do the minimum prices not reflect the rate of inflation, running at 17 per cent, but they also bear no relation to the average market price.

Larger vessels may find it possible to maintain profitability at its existing levels but the threat to the middle section of the fleet is very real, says the IFPO. Owing an estimated £5m to £7m to the State in loan repayment and having received approximately £1.5m from the Exchequer in grants, these smaller vessels which are normally tied down to their home ports are dependent on the white fish varieties for which the minimum price increase is only between 1 and 4 per cent.

17. The solution to the import problem would appear to be:-

- (a) to set a maximum tonnage which can be imported into the Community (say 1978 levels);
- (b) to set a realistic reference price, not at the withdrawal price level as at present, but at the guide price level which is the theoretical normal commercial price. This would call for a new Regulation which might run into some difficulties at Council of Ministers level, but something rapid needs to be done. One possibility of working within the present Regulations is by using the same formula as is laid down in Regulation 100/76, Art 11(4) and Art 19 but using the higher level of calculation permitted.

COSTS

18. The costs of operation have risen immensely over the past few years and in the past year or so have risen by about 100%. This is basically due to the oil price increase which, when taken in the context of a fishing vessel, can amount to easily £1,000.00 per week. Apart from oil, the cost of other items associated with the operation of the vessel have also risen, for example, repairs, hire of equipment, radar etc. In the Irish context, although this could work also in the opposite direction, is the fact that any Irish fisherman who has foreign loans would be adversely affected by the current rates of exchange.

In addition, the Irish market being the furthest from the Community, has to bear correspondingly high costs for the transport of fish. The Irish Sea is widely regarded as being the most expensive stretch of water in the world, and while the whole of Europe is currently complaining about the poor economic state of the Industry, in reality it is a matter of degree. We maintain that the Irish Fishing Industry, because of its distance from the main markets, suffers the highest costs and lowest prices.

CLOSED AREAS FOR HERRING FISHING

19. In the Irish context, the Celtic Sea and the North West area (VIa) are closed on conservation grounds. In the Celtic Sea the closure has had drastic effect on the income situation of East and South Coast fishermen. As a result of the closure a great deal of economic hardship has ensued and also a considerable amount of frustration and resentment. For a very considerable period, Dutch vessels in particular, were operating widely in the Celtic Sea, supposedly fishing for mackerel, but generally regarded as fishing for large amounts of herring. The by-catch loophole has now been closed. However, it appears that probably more herring was taken from the Celtic Sea when it was officially closed than when it was officially open. It is the Irish fishermen's contention that complete closures are, in fact, counter-productive in the sense that:

- (a) a great degree of indiscriminate poaching is likely to take place;
- (b) vessels built for a particular fishery and dependent financially on it are likely to be re-possessed for non payment of loans, and
- (c) the scientific assessment of the stock situation is dramatically affected, as sampling done on normal commercial catches gives a far more accurate assessment of the stock situation.

Irish fishermen maintain that there should always be a subsistence fishery in operation, no matter how bad the stock may appear to be.

PORT INFRASTRUCTURE

20. In general terms all Irish Ports lag far behind Continental Ports with regard to the necessary facilities for the efficient sale and handling of fish landings. In the Irish context, good Port facilities must be considered as essential, given that the operating margin between prices and costs is lower than elsewhere in the Community. The reverse, unfortunately, is the case. Most Ports have little in the line of adequate facilities and the deterioration in quality obviously will be reflected in the price.

There seems little point in putting more and more boats to sea if the shore facilities to handle the increased catches are lacking. In this context infrastructure must be extended to include roads, which to many Ports are extremely dangerous, and telecommunications in addition to the basic requirements which are adequate piers, auction sheds, ice and water etc.

VESSEL FINANCE

21. Heretofore the emphasis has been on the provision of finance for new vessels, but in view of the restrictions which have been imposed on several stocks, and having regard to the price of new vessels, the whole question of vessel finance needs to be re-examined. The cost of new vessels at the moment has gone beyond the reach of several potential fishermen and the trend is getting worse all the time. However, on the other hand, there would be a great deal of interest in modernising and re-equipping existing boats provided the necessary facilities were made available. Indeed for very small sums, many second-hand boats could increase their earning capacity immensely. Also in the case of timber vessels, provided the vessel has been properly maintained, age is relatively irrelevant.

It can be said with certainty that there is no possibility of a first time owner getting into the fishing business at the moment by purchasing a new vessel. It, therefore, would seem to make little sense to encourage young men to become fishermen and then not provide an outlet for their ambitions and their skills.

COOPERATIVE DEVELOPMENT

22. Because of the difficulties of organizing fishermen, in view of the remoteness of the areas and the mobility of their operations, some thought might be given to the provision of either State or Community finance to encourage the development of cooperatives.

IV. PROBLEMS FACING THE ITALIAN FISHING INDUSTRY

The Italian fishing industry faces three particular problems which render the case of Italy significantly different from that of other Member States:

- (a) The Mediterranean is not covered by a 200-mile Community economic zone as the Atlantic, North Sea and Baltic.
- (b) Italy is particularly dependent upon a distant water fleet fishing in waters of countries with whom the Community can offer little in the form of reciprocal quotas, and in particular Tunisia, and West African countries; Italy also faces considerable difficulties in reaching agreement with Yugoslavia.
- (c) There exists a considerable structural imbalance in the Italian fishing fleet, which, because of insufficient assistance from the government to incorporate technological development, consists exclusively, apart from the distant water fleet, of very small inshore boats.

AGREEMENTS WITH THIRD COUNTRIES

Tunisia

Tunisia, having created a 200-mile exclusive economic zone, has extended its waters to areas fished traditionally by Italian vessels.

Under a national three year agreement, which ran out in the middle of 1979, the boats, mainly from Sicily, have been allowed to fish in Tunisian waters on payment by the Italian Government of just under US \$ 3m a year. But the expansion of the Tunisian fishing industry in the last few years will make Tunisia reluctant to provide continued access on the current scale. It is possible that the Tunisians will not want to allow any Italian fishing and they will certainly want more money from the EEC if fishing is to continue.

Hopes in July 1979 that the EEC would be able to negotiate an agreement with Tunisia to replace the agreement between Italy and Tunisia, which expired on June 18, have come to nothing. There have already been incidents between Italian fishermen and Tunisian gunboats. Mr Gundelach told the Council that he would be making a visit to Tunisia in the near future to discuss both agriculture and fisheries. The Italians may well be obliged to make concessions on Tunisian olive oil to obtain continued access to Tunisian fisheries. But Tunisia will also be looking for financial compensation for the Italian right to fish.

Yugoslavia

The establishment of a Community competence to negotiate fisheries agreements with third countries has complicated Italian arrangements with Yugoslavia.

The Council agreed in June 1979 to a six month prolongation of Italian fishing in Yugoslav waters. Despite efforts by the EEC, the Yugoslavs have been reluctant to negotiate a separate fishing agreement with the EEC to replace the old agreement between Italy and Yugoslavia. The Italian payment to Yugoslavia for fishing in 1979 is still under negotiation but the Council agreed that the EEC contribution should be based on the payment from Italy over the last three years of 570m lira a year. The EEC contribution for the second half of 1979 will be 80 per cent of half this annual amount, a total of 228m lira (about £120,000 or US\$ 250,000).

During recent talks Yugoslavia continued to show reluctance to negotiate with the Commission, perhaps in the hope of gaining bargaining power for increased agricultural exports to the EEC.

INADEQUATE PROCESSING FACILITIES

Italy's canning industry is at present operating at only 35% - 40% capacity because its obsolescence and lack of investment funds make it unable to compete with imported canned fish.

Therefore, while the bulk of Italy's anchovy catch is being diverted to fish meal production, vast quantities of canned anchovy are being imported for human consumption.

The Italian intervention agency paid out Lira 3,000 million on intervention, which would have been better spent on improving the country's canning industry.

IMPORTS

1978 imports of fresh, frozen, dried and smoked fish increased by 24% over 1977. In value it stood at Lira 426,000 million.

Total consumption of fish in Italy in 1978 (excluding canned fish) was 544,000 tonnes. Imports were 270,000 tonnes and exports only 83,000 tonnes.

INADEQUATE AID TO FISH FARMING

Consumer tastes are difficult to change. New species of fish therefore can be seen as little more than a temporary expedient. Fish farming is ideally suited to Italian waters since temperatures remain above 12°C in winter.

Fish farms could help reduce imports, maintain processing factories at a higher rate of through-put, and increase employment.

However, the Italian Government has failed so far to provide the necessary financial support and modifications to legislation.

**THE NEED FOR GREATER PROMOTION
OF FISH AND FISH PRODUCTS
IN THE COMMUNITY**

V. THE IMPORTANCE OF PROMOTIONAL EFFORTS

1. In the fisheries sector, as in agriculture, promotional campaigns to stimulate consumption and to facilitate the marketing of a wide range of products is essential to maintain reasonable prices to consumers and to reduce the cost of market organization.

2. This is all the more important in the fisheries sector in view of the considerable differences in national tastes and the resulting prices obtained for the different fish species. In one country a certain type of fish will obtain a high price, whilst in others it may fetch a very low price.

This is demonstrated very clearly by the following table:

Unit value by country 1977 (EUA/tonne)

	Ger.	Fr.	It.	Neth.	Bel.	UK	IRL	DK
Herring	203	413	-	411	-	289	399	333
Cod	398	987	-	741	631	912	-	518
Haddock	-	566	-	516	-	731	426	538
Striped mullet (1)	198	2744	1948	967	-	121	-	53
Saithe	336	421	-	334	-	460	-	347
Mackerel		234		211	-	185	123	222

(1) 1976

THE LACK OF A COMMUNITY POLICY FOR THE PROMOTION OF FISH

3. In the course of January 1976 in plenary session, the European Commissioner responsible for fisheries, Mr Lardinois, in response to the request by the European Parliament, promised to examine this question in greater detail.

4. Since that date no further action has been taken by the Commission.

NATIONAL PROMOTIONAL CAMPAIGNS IN THE EEC

5. Considerable disparity is revealed in national marketing campaigns according to a survey carried out by the Dutch Produktschap voor vis en Visprodukten.

Denmark

No funds are allocated by the Danish Government or by the Danish producers' organisation to help promote consumption of fish. However, it is planned to introduce advertising campaigns for the new and little known species which are now beginning to come onto the market, although no action has yet been taken along these lines.

United Kingdom

Responsibility for promotion of fish lies with the White Fish Authority and the Herring Industry Board. Advertising activity includes campaigns in the national press, trade journals and household magazines, cookery demonstrations, recipe books and leaflets. These campaigns are financed by means of the 'publicity levy' of £0.01 per stone (6.35kg) of whole white fish sold (including imports). During the 1978/79 financial year this levy raised £285,000, but accumulated savings on expenditure in previous years enabled the budget to be increased to £351,476. Advertisements in the national press in particular were co-ordinated with seasonal movements in supplies and prices.

Republic of Ireland

Similar promotion effort is carried out in Ireland. The Irish Sea Fisheries Board co-ordinates the advertising campaign, which is financed by the government. No financial contribution is made by the fishing and processing industries or by the merchants.

West Germany

The Fischwirtschaftliches Marketing Institut in Bremerhaven organises promotion of fish consumption in West Germany. It is financed jointly by contributions from producers, traders and importers. Likewise, representatives of these sectors are responsible for the institute's policy and the allocation of finance.

In 1978 the West German Federal Government also made a contribution of DM 5.6m (£1.466m) to launch an advertising campaign aimed at encouraging consumption of lesser known species. A further DM 3.9m (£1.02m) was spent on advertising traditional species. Funds for this came from the levy on landings and imports, which at present amounts to DM 0.50/100 kg (£0.13/100 kg) slightly less than the UK levy. This mechanism for financing such publicity was created under German law in 1950 by the so-called 'Fischgesetz' (fish law).

An allocation of DM 1.2M is to be made by the federal ministry of agriculture to the fish marketing institute at Bremerhaven to help finance promotion campaigns for new and promoting sales of lesser known types of fish. The bulk of the finance will be used to promote consumption of Greenland halibut, blue ling, hake, soury, blue whiting and whiting as well as suggest new ways of presenting fish to consumers, for example fresh mackerel.

Belgium

No special body exists in Belgium to further consumption of fish by means of advertising campaigns. Instead, the National Sales Service arranges a limited amount of advertising with the help of financial aid from the Ministry of Agriculture and Fisheries. In 1978 this aid totalled Bfr 1.4m. (£22,580) and a similar amount has been allocated for 1979. The trade provides none of the finance.

France

The French have a special body to deal with promotion of fish, the Comite National de Propagande pour la Consommation des Produits de Mer (PROMER). This body is financed both by levies from the trade and by allocations from the government budget.

It is difficult to estimate precisely what share of PROMER's activities are financed by the government. In 1978 a total of Fr 6m (£666,000) was designated for publicity purposes. The Comite Central de Pêche Maritime collects a levy on landings and imports. However, not all of the money received through this levy goes to PROMER - some of it is paid into the Fonds d'Intervention de l'Orientation des Marchés des Produits de Mer (FIOM, Intervention and Guidance Fund for Marine Products).

Italy

At present no comparable measures are being taken by the Italians, although in 1976 the government organized a campaign to promote consumption of protein other than meat. The reason behind this move was, however, due at least as much to Italy's balance of payment problems caused in part by rising imports of meat as to any specific concern on the part of the government over the country's diet. Much of the campaign was aimed at boosting sales of cheap fish such as anchovies and sardines.

THE PROBLEM OF SUBSIDIES IN THE FISHERIES SECTOR

VI. SUBSIDIES AND THE TREATY

1. The Treaty is very clear on the question of subsidies. Article 92 states that any aid granted by Member States or through state resources which distorts or threatens to distort competition by favouring certain undertakings or goods is incompatible with the Treaty (unless specifically provided for).

The following aids are compatible with the common market:

- (a) social aid granted to individual consumers and not discriminating between the origin of products
- (b) aid to make good disaster damage.

The following may be compatible with the Treaty:

- (a) aid to underdeveloped areas
- (b) aid to European projects
- (c) aid to develop certain economic activities
- (d) aids specified by the Council.

2. The Commission of the European Communities is under the obligation to ensure respect for these provisions. The Commission is to keep national aids under constant review, decide which aids are to be abolished and refer aids to the Court of Justice where any state does not comply with decisions (Article 93).

The Commission is to be informed of plans to grant or alter aid and shall consider whether they are compatible with the Treaty.

3. The terms of the Treaty are straight-forward. The problem of ensuring respect for them has proved immensely difficult. Aids can be given in many different forms and by many different bodies. They are difficult to detect, camouflaged by the wording of legislature texts and the plethora of governmental and semi-governmental bodies.

4. The first task of the Commission has been to draw up a list of such aids. Such a list now exists for agriculture and fisheries.

5. The Commission has not yet proceeded to the second stage of determining which of those aids are incompatible with the Treaty and should be abolished.

6. There exists, of course, a wide range of national aids, in terms of objectives and instruments employed.

A simple classification can be given as follows:

I. Investment aids

- new vessels
- improvement existing vessels
 - inshore boats
 - middle water vessels
 - distant water/freezer trawlers
- port facilities
- processing facilities

II. Operating subsidies

- fuel subsidy
- aid to maintenance costs

III. Marketing aids

- sales promotion
- price subsidy

IV. Interest rate rebates

V. Incentives to develop new species or grounds

VI. Research

7. There will be, of course, a considerable variation in the degree of distortion of competition caused by each category of aid.

Certain subsidies, and in particular those intended to encourage the development of marketing and processing facilities (without directly subsidizing prices) may be considered to be in conformity with the lines laid down in the Commission's structural proposals.

8. On the other hand subsidies such as fuel subsidies for the fishing industry must normally be considered as operating aids, which as a general principle are incompatible with the competition rules laid down by the Treaty. Fuel subsidies are of particular importance because as the Commission estimates fuel costs represent about 25-30 per cent of total operating costs for a fishing vessel on average. In 1977 increases in fuel costs were negligible and in 1978 increases in fuel costs were limited to about 10 per cent. But since that time, fuel costs have increased by around 60 per cent for the coastal and middle water fleets and have doubled for the distant water fleet in the period from January 1, 1979. And according to French fishermen's organizations, the cost of fuel has risen by 570 per cent since 1974.

9. In a different category from all other aids come those operating subsidies aimed at encouraging the development of new fisheries. These, therefore, will be dealt with separately.

10. The paper covers some of the latest developments in national aids accorded to fishermen. It is not intended to be exclusive. It shows the latest trends.

FRANCE

Fr 175 million has been allocated for 1980 by the French Government to permit the country's fishing industry to modernise and reduce the trade balance deficit of the sector. Expenditure will provide aid of Fr 53 million for fuel subsidies, Fr 30 million for vessels maintenance, Fr 36 million for FIOM (the French fisheries intervention and market support agency), and Fr 56 million for investment. Investment aids are to be used to modernise and improve on-board facilities and equipment of eight factory vessels and of some 100 smaller fishing vessels. The companies involved will be offered a three-year contract by the government; the contract would also include the establishment of a foreign subsidiary.

Subsidies worth Fr 37.1 million were provided by the French Government in 1978 for the construction of new inshore and deepwater vessels. Last year the amount, which was a little higher, permitted the placing of orders for 154 vessels in 1978 and a further 87 in the first half of 1979. Considerable research is also being put into ways of reducing fuel consumption.

For inshore fishing, the government plans to develop a regional aid programme drawn up in consultation with fishing industry representatives. Most of this aid will go towards the construction of new vessels. About 100 new vessels will be subsidised; this is twenty more than the number foreseen in the original budget.

For the middle water and deep water fleet, an investment premium of 12 per cent will operate, but no increase was announced for fuel aid. Special credits are also to be made available to those companies which put forward concrete investment plans for the next three years to increase profitability.

For fresh fishing vessels of over 1,500hp, degressive aid will be made available over a three-year period to help with maintenance costs. This aid will apply only for vessels commissioned after 1971. In addition, a maximum 20 per cent investment grant will be available for fitting out for vessels in the middle and deepwater fleets. Grants will also cover some of the expenses incurred by vessels seeking out new fishing grounds.

Funds will also go towards the cost of constructing eight 'semi-industrial' freshers, two 'industrial' freshers and two tuna vessels.

GERMANY, FEDERAL REPUBLIC

In the face of economic difficulties in the sea fishery sector, the West German Government is preparing a plan designed to re-adjust the current subsidy structure. The government will also look into the possibility of improving fishing methods in particular with regard to energy consumption and product quality. Current investment measures for small and coastal fishing vessels, especially cutter credits, grants for new vessels and interest subsidies, would be continued where the catch potential warranted it.

The programme, begun in 1978, with funds of DM 17.2 million, has already paid out some DM 10 million for temporary lay-ups due to missing catch opportunities and to stock conservation, or as premia for searching new fishing grounds and new types of fish, as well as higher premia for breaking up vessels.

The following table shows the importance of the German fisheries budget:

	1979	1980 (Million DM)	
		Draft	Approved
Fisheries	55.7	79.7	49.8
Immediate fisheries programme	36.6	-	29.3
Fuel subsidies, Agriculture and Fisheries	640.0	576.0	640.0
Aid adjustments to market gardening and fisheries	-	-	58.0

UNITED KINGDOM

As a result of government financial policy, public spending on grants and investments was restricted in 1979 with a cut in funds available for new vessels and improvements. Priority is given to replacement of lost vessels.

Existing UK arrangements for grants and loans for the acquisition and improvement of fishing vessels, and for the loans for the provision or improvement of plants for processing fish or for making ice will be continued during 1980. At present these arrangements are operated through the UK White Fish Authority and the Herring Industry Board and under the Fishing Vessels (Acquisition and Improvement) (Grants) (Variation) Scheme 1979 the system will be continued for a further year.

At present single rate of grant is 25%. Loan assistance for new vessels of less than 100 GRT and for new engines is awarded at a maximum rate of 50%.

Grants and loans approved under the scheme in 1978/79 were distributed as follows:

	<u>New vessels</u>	<u>Conversions and reconditioning</u>	<u>Improvements</u>
<u>Near and middle water vessels</u>			
Grants	906,306	-	334,248
Loans	-	-	-
<u>Inshore vessels</u>			
Grants	2,360,842	392,304	1,176,804
Loans	1,250,581	110,741	-
<u>Distant water vessels</u>			
Grants	83,298	-	219,853
Loans	-	-	-
Total grants	3,350,446	392,304	1,730,905
Total loans	1,250,581	110,741	-

Britain's fishing industry is to receive £2M aid from the government for the six months starting on April 1 and another £1M to extend the programme of exploratory voyages to assess the commercial potential of under-utilised species.

The £2M grant will be made available through the Fish Producers' Organisations and will be used for such purposes as helping to cover part of the cost of intervention to maintain withdrawal prices, providing temporary laying-up premia, paying dock, harbour and landing dues and the financing of approved programmes to improve the grading, handling and sales promotion.

DENMARK

Due to financial problems faced by the Danish fishing industry Denmark has introduced a scheme of interest rebates on loans taken out by vessel owners. This scheme covers 50M Kroner of loans made available by the Fish Bank of Denmark at an interest rate of 12%, i.e. 5% below the market rate. Furthermore, the loans will be interest-free for the first two years.

THE SURVEILLANCE AND CONTROL OF FISHERIES POLICIES

VII. IMPORTANCE OF CONTROL AND SURVEILLANCE

INTRODUCTION

1. When the Council, in its resolution of 3 November 1976, stated that, as from 1 January 1977, Member States should 'by means of concerted action, extend the limits of their fishing zones to 200 miles off their North Sea and North Atlantic coasts without prejudice to similar action being taken for the other fishing zones within their jurisdiction such as the Mediterranean¹', it recognized at the same time that the Community had a special responsibility for fisheries in the zone thus defined.

2. The Commission was thus authorized by the Council to conclude, on behalf of the Community, agreements with third countries so that their vessels may fish in the Community fishing zone or so that Community vessels may fish in the waters of those countries. While it is the Council that grants quotas to the vessels of third countries, it is the Commission that issues them with the licences they need to fish in Community waters.

3. In the same resolution, the Council recognized that the protection and policing of the fishing zone off Ireland should not involve that Member State, by the very size of the zone, in expenditure out of proportion to the volume of Community fishery resources which Irish fishermen can exploit in this zone and that the implementation of the means of surveillance available or planned should be accompanied by suitable measures to ensure that costs were fairly shared.

4. The Council thus recognized the joint responsibility of the Community for the surveillance of the Community fishing zone; this is also reflected in the fact that fishing licences are issued by the Commission.

Thus, each coastal Member State monitors and polices, on behalf of the Community, that part of the Community fishing zone which comes under its sovereignty or jurisdiction.

The control activities carried out by the Member States vis-à-vis fishing vessels are performed on behalf of the Community as a whole.

5. We thus see the importance for the Community of the control and surveillance of fishing activities, since they alone guarantee that the principles and rules of the common fisheries policy are complied with.

¹ Bulletin of the European Communities No. 10-1976, paragraph 1503, p. 23

6. These control and surveillance procedures may take various forms:

- the issuing of licences;
- a financial contribution by the Community to the inspection and surveillance operations carried out by the Member States;
- coordination of the inspection and surveillance operations carried out by the Member States;
- setting up of a 'corps' of Community inspectors;
- possibly, establishment of a Community coastguard service.

We shall now consider these various measures.

THE VARIOUS FORMS OF CONTROL AND SURVEILLANCE OF FISHING ACTIVITIES

(A) Issuing of fishing licences

7. There are various aspects of the issuing of fishing licences to vessels from third countries and to Community vessels between which a distinction should be made:

(a) The first possibility is for the Community to introduce a non-limitative licensing system. In other words, for the Community to:

- . introduce a fishing licence, available for anybody requesting it, which would enable it to know the number of vessels authorized to fish in its waters;
- . endeavour to make available the resources to finance the common fisheries policy by charging a fee for the fishing licences;
- . use the fishing licences as a means of obtaining reciprocal fishing rights in the waters of third countries. The Community could threaten to refuse fishing licences to vessels of third countries which refused to allow Community fishermen access to their waters.

(b) It is also conceivable that the Community might wish to restrict access to its waters by fishing vessels (a limitative licensing system) in order:

- . either to protect its fish stocks;
- . or to compel a concentration and rationalization of its fisheries industry;
- . or to exclude from its waters the vessels of third countries which have themselves refused to allow Community fishermen access to their waters.

(B) Financial contribution by the Community to inspection and surveillance operations carried out by the Member States

8. We saw in paragraph 3 that the Community had from the beginning intended to help Ireland with surveillance of the zone which it administers on behalf of the Community by providing it with financial assistance. This principle was later extended to Denmark.

Thus, by Decision No. 78/640/EEC of 25 July 1978, the Council granted 10 m EUA to Denmark and 46 m EUA to Ireland to enable these Member States to obtain the equipment they required for fisheries surveillance operations¹.

9. Parliament had suggested at that time that this aid might be extended to other Member States and had advocated the standardization of surveillance equipment so as to bring its price down. This has not so far been done².

Insofar as the Community finances the surveillance equipment, it may be expected to claim the right to examine the use that is made of it or, at least, to endeavour to coordinate the surveillance activities of the Member States with a view to increasing their effectiveness.

(C) Coordination of the inspection and surveillance operations carried out by the Member States

10. In a report on certain inspection procedures governing fishing activities and surveillance procedures governing other activities affecting the common system for the conservation and the management of fishing resources³, the Committee on Agriculture, whose opinion was endorsed by the European Parliament, asked for such coordination to be introduced.

The Commission itself incorporated this idea into its preliminary draft budget for 1980 (Article 874) and even proposed the possible creation of a centre for the coordination of surveillance operations.

11. Such coordination of surveillance operations is useful in that each Member State is responsible for controlling one part only of the Community fishing zone, i.e. that which comes under its sovereignty or jurisdiction.

A vessel from a third country infringing the Community fisheries policy might, for example, take refuge in the adjacent zone belonging to another Member State. If surveillance operations were coordinated, escape would be much more difficult.

12. Coordination might be carried further, particularly with respect to Community fishing vessels. There might be a division of labour among the Member States, the Community fishing zone being divided up according to the ability of each coastal Member State to carry out surveillance operations rather than according to maritime frontiers as at present.

¹ Doc. 39/78 - Rapporteur: Mr Corrie

² See Written Question No. 1033/78 (OJ No. C 101, 23.4.1979, p. 17 and OJ No. C 214, 27.8.1979, p. 10)

³ Doc. 441/78 - Rapporteur: Mr Klinker

Inspection vessels and aircraft from the Member States might display Community marketings to show that these inspection and surveillance operations were being carried out on behalf of the Community.

(D) Creation of a 'corps' of Community inspectors

13. In its proposal of 13 October 1977¹, the Commission proposed that the Member States should officially appoint inspectors to ensure that the Community fishing laws were complied with and, in particular, to see that each fishing vessel respected the fishing plan submitted to the Commission, the purpose of this being to regulate fishing in certain sensitive geographical zones.

14. The Committee on Agriculture, supported by the European Parliament, asked² for these inspectors to be considered as servants of the Community and for inspection vessels of each Member State to carry at least one inspector from another Member State to ensure that controls were carried out impartially.

(E) Establishment of a Community coastguard service

15. In the report by Mr Klinker mentioned above, the Committee on Agriculture recommended the eventual establishment of a Community coastguard service, operating under the Community flag and responsible for purely civil tasks, viz:

- (a) inspecting fishing activities in Community waters,
- (b) preventing or combating pollution of the marine environment,
- (c) carrying out scientific marine research,
- (d) taking part in search and rescue operations at sea,
- (e) performing any other task which the Council might entrust it with under a common policy of the sea.

16. The establishment of such a service would have the advantage of making control an entirely Community matter, thus guaranteeing impartiality. However, in view of the current situation in international law, such a service could give rise to certain problems insofar as the Community flag would not be recognized by third countries. (Although international law allows a national flag and the flag of an international organization to be flown side by side, it does not provide satisfactorily for the case of regional organizations.) However, this problem could be solved if the European Community as such became party to the future United Nations Convention on the law of the sea.

¹ Doc. 357/77 - COM(77) 513 final

² Doc. 442/77 - Rapporteur: Mr Corrie

VIII. LICENCES

OBJECTIVES OF LICENSING SCHEMES

1. A number of measures for the conservation and management of fishery resources have been proposed in view of the alarming fall in stocks of certain overexploited species (herring, Norway pout, California sardines, etc.).

These include licensing schemes which permit continued fishing within certain limits.

2. The main objective of licensing schemes is to protect fishery resources from overexploitation in order to ensure that fishing activities are not suddenly curtailed as a result of the depletion of certain species (conservation).

In addition to the conservation of fishery resources, licensing schemes also seek to guarantee licence holders' incomes within certain limits by sharing out the resources available (management).

3. Having described these objectives, we shall now briefly consider the different types of licence used in various parts of the world and summarize their effects in the light of the experience gained by countries which have introduced such instruments for controlling access to their fishery resources.

It will be noted that in a number of countries (in particular Australia and Canada) licences have brought advantages both to fishermen (higher incomes, easier bank loans, etc.) and to coastal regions (creation of new jobs and new industries).

THE VARIOUS LICENSING SCHEMES

4. Licensing schemes vary depending on the number of vessels concerned, the species of fish affected and the quantitative restrictions placed on fishing effort.

(a) Generalized licensing schemes

5. Under this scheme, licences are granted to all fishermen who apply.

Generalized licensing has been introduced in the United Kingdom for herring fishing in the North Sea and off the west coast of Scotland. Experience has shown that such schemes permit control of fishing effort inasmuch as they serve to impose limits on the periods during which fishing is authorized.

(b) Selective licensing schemes

6. Schemes of this type are operated in conjunction with quotas, licensing being restricted to the number of vessels considered strictly necessary to fish such quotas.

The licensing system introduced by the Community for vessels from third countries is based on this approach. The aim of the licences is to limit the fishing effort of such vessels to the quotas allocated to each of the countries concerned.

(c) Limitation licensing schemes

7. Schemes of this type are designed simply to restrict the number of vessels with access to fishing grounds, without fixing quotas.

Limitation licensing has been applied by the Isle of Man to herring fishing. In 1977 the island's authorities decided to grant licences to 100 British and 24 Irish vessels on condition that they had been engaged in herring fishing in the area in the previous two seasons. The Isle of Man calculated the number of licences on the basis of the British and Irish fishing efforts in its waters.

Iceland applies a mixed scheme involving generalized licensing for its local shrimp fishing fleet and limitation licensing for foreign vessels (Oslo Agreement).

Australia and Canada, to name but two examples, also apply limitation licensing schemes.

8. We shall now consider the advantages and disadvantages of the three main types of licensing described above.

ADVANTAGES AND DISADVANTAGES OF LICENSING SCHEMES

9. As British experience has shown, generalized licensing schemes make it possible to limit the periods during which fishing is authorized and, by means of such measures, to control fishing effort.

The main advantage of this system is its simplicity; the main disadvantage is its lack of flexibility. To be more precise, closed periods may create considerable hardship for fishermen, quite apart from the fact that they have an adverse effect on the continuity of supplies.

10. Selective licensing schemes are the most difficult to implement because they call for measures to check whether the vessels working in a given area are in fact authorized to fish and to determine whether cumulative catch levels exceed the quotas allocated to the countries concerned.

On the other hand, this system makes it easier to pursue a policy for the management and conservation of fishery resources. However, it is essential for the proceeds from the sale of licences substantially to offset the high costs of surveillance measures.

11. Limitation licensing schemes, which have already been used for some time in Australia and Canada, merit closer consideration in the light of the experience gained by these two countries.

(i) Australia

12. The introduction of licence limitation has resulted in two fundamental changes in the Australian fisheries sector. First, by restricting the number of licences issued, Australia has abandoned the concept of general access to fishing grounds. Secondly, the control of fishing effort by regulating boat numbers rather than introducing quotas means that economic considerations now play a part in fisheries management.

13. Thus, in Australia, licence limitation achieved by freezing the number of vessels entitled to fish, by restricting boat replacement and by gear controls, has called a temporary halt to increases in fishing effort, resulting in a degree of stability in this sector.

(a) Advantages

14. One reason for the adoption of limited licensing schemes was the success of the Western Australia rock lobster scheme. Between 1962/63 and 1968/69 average annual revenue per vessel rose by 12% as compared with a 5% increase in costs during the same period. Without licence limitation, revenue would not have been so high.

As a result of the rise in fishermen's income, credit institutions are now more willing to grant loans to fishermen for the modernization or replacement of their boats.

(b) Disadvantages

15. However, this limitation licensing scheme is not without its disadvantages. The attractive prospects described above may well tempt fishermen who remain in the industry to improve their vessels or gear in order to increase catches. Such overcapitalization, combined with increases in the number of fish put onto the market, tends to reduce profitability.

16. It is tempting to try to overcome this disadvantage by forbidding the modernization of boats or equipment. However, where this has been attempted, it has resulted in a phenomenon known as 'grandfathering' (ageing vessels crewed by old men). The Chesapeake Bay oyster industry in the United States provides a typical example of this development.

(c) 'Buy-back' arrangements as a possible solution

17. With schemes of this type, in which the number of licences is fixed, efforts could be made to reduce the number of boats as technological progress results in greater catching efficiency. Since few fishermen will withdraw voluntarily, the possibility of 'buying back' their vessels should be considered. The funds necessary for such measures could come from licence fees but it is doubtful that these alone would provide sufficient revenue for the purpose. In this event, supplementary measures based on public funds should be considered.

The advantage of 'buy-back' arrangements is that they serve to maintain incomes in the sector, they do not stand in the way of technological progress and they compensate fishermen who leave the industry.

(ii) Canada

18. In 1968 Canada introduced a licence limitation programme for west coast salmon fishing, which incorporated a 'buy-back' system financed out of licence fees.

19. The income from licence fees is administered by a committee chaired by a representative of the Department of the Environment's Fisheries Service and consisting of representatives of fishermen and fishing companies.

20. One of the effects of the 'buy-back' arrangements has been to increase the market value of salmon fishing vessels. Moreover, the rationalization programme resulted in a 23% increase in productivity per man between 1967 and 1974, a doubling of the revenue per boat during the same period and the creation of new jobs in ancillary activities, which more than compensated for the losses of employment in the fisheries sector proper.

21. The Canadian Government has now extended this system to other regions and other fisheries and has expressed satisfaction at the results of the programme, which has made it possible to modernize Canadian fisheries, to secure high incomes for fishermen and to create new jobs in such industries as shipbuilding and electronics.

22. Before drawing to a close, we shall briefly describe the experiences of Japan and South Africa, which show how licensing schemes can produce different results in different countries. We shall also consider Iceland whose licensing schemes are also relevant in this context.

EXPERIENCE IN OTHER COUNTRIES

(i) Japan

23. In Japan the licensing system is applied by the fishery institutions and controls the activities of each fishery by means of restrictions on the number of licences issued, the size of vessels, fishing grounds, gear and, in some cases, the species taken.

24. The objectives of the Japanese limitation licensing system include the protection of fisheries against each other, the reduction of competition and prevention of disputes between different groups of fishermen, the maintenance of incomes, the conservation of fishery resources and the prevention of international disputes.

25. One of the methods employed to reduce the considerable numbers of fishing boats in Japan (29,000 in 1970) has been to switch fishing activities from one species to another or to induce fishermen working from large vessels to operate in more distant waters.

26. Since Japan does not apply 'buy-back' arrangements, operators have often preferred to remain in a fishery even after it has ceased to be profitable either out of fear of losing their fishing rights or in anticipation of benefitting from government action in favour of the relevant types of fishing.

27. The result of the Japanese licensing system has been to encourage large companies to move further and further away from home in order to escape government control. However, this policy has not produced any considerable improvement in the average productivity of fisheries or in fishermen's incomes; nor has it been very effective in helping to achieve conservation objectives.

(ii) South Africa

28. In 1949, the South African Government decided to refuse to issue licences for additional fishmeal factories and to limit the number and capacity of those already in operation or under construction.

This limitation, in conjunction with similar measures imposed on canning plants from 1953 onwards, induced fishermen and factory owners, who were aware that they would have difficulty in marketing their catches, to agree to accept an annual quota of 250,000 t for pilchards and maasbanker. Moreover, the licences for the west coast fisheries were frozen.

In 1954 new conservation measures were introduced with the result that licences acquired a new value. Under these regulations, fishermen wishing to acquire larger vessels must procure additional licences enabling them to obtain the extra tonnage.

Finally, as a result of this fixed licensing scheme, fishing now tends to be concentrated in the hands of a small number of operators. Licensing has therefore led to the formation of a monopolistic market.

(iii) Iceland

Iceland wishes to rebuild its cod stocks. To this end, it has excluded virtually all foreign fishermen from its waters. Kristjan Fridriksson, the owner of a textile and clothing factory in Reykjavik, has submitted to the Icelandic parliament a plan whereby Iceland would prohibit the exploitation of young fish. However, fishermen in the north and east of the country depend on young cod for their living; new jobs would therefore have to be found for these people if such a ban were introduced.

The Icelandic fishing fleet, which totals 100,000 GRT, needs to be reduced by 20%. To this end, Mr Fridriksson believes that the Icelandic Government should sell licences for a maximum of 55,000 GRT to fishermen in the south and south-west of the country. This would reduce the fishing fleet as a whole to 80,000 GRT. 'Surplus' fishing vessels would then be sold abroad (to Canada and New Zealand for example).

The remaining boats would benefit from larger catches. Fishermen should therefore be required to make payments, in addition to their licence fees, calculated pro rata on the basis of the quantities of fish landed. The funds collected in this way would be used to promote industrialization projects in the north and east of the country (where the exploitation of young cod would be banned) in order to counteract unemployment among the fishermen affected by this conservation measure.

Mr Fridriksson believes that his plan would enable Iceland to pay off its external debt as cod catches would rise, to increase its aid to the developing countries and, finally, to improve the commercial situation of the country.

CONCLUSIONS ON LICENCES

29. The experience gained by individual countries does not provide a basis for general conclusions on the advantages or disadvantages of licensing schemes. Indeed, the effects of any given licensing system depend on the nature of the licence itself, fisheries structure in the country concerned and the availability of alternative employment in the regions affected.

30. This being so, it would perhaps be instructive to consider the example of the United States which, for economic rather than ideological reasons (i.e. because of the principle of free enterprise), has been very reluctant to introduce any licensing system.

Thus, under the Fishery Conservation and Management Act of April 1976, the United States provided for a 200 mile zone within which US vessels have a preferential right to harvest the optimum yield consistent with stock management. Foreign vessels, on the other hand, must apply for a licence to take the surplus which cannot be fished by American boats.

The US Department of Commerce is not in fact in favour of the introduction of a licensing scheme for American fishing vessels since it takes the view that the costs of applying control would exceed the proceeds from the sale of licences. Hence, its position on this matter is motivated by economic factors, as witness also the fact that the Department of Commerce envisages the introduction of licensing schemes only for fisheries in which overcapitalization exists or is likely to develop.

On the other hand, the Department emphasizes that licensing might well be essential to the collection of the basic statistical information required for a resource management programme.

31. Thus, licensing schemes are essential to the pursuit of policies for the management and conservation of fishery resources since they facilitate the collection of the statistical information necessary to implement such policies successfully.

32. To sum up, licensing schemes, and in particular licences limiting access to fishing grounds make it possible to :

- provide an adequate income for fishermen;
- protect the industry against rationalization by means of arrangements for 'buying back' boats withdrawn from fishing;
- obtain loans more easily from credit institutions since the incomes of fishermen are guaranteed by the licensing system;
- create jobs in sectors such as shipbuilding and electronics; and
- protect fishery resources and thus ensure long-term employment.

33. On the other hand, unless certain supplementary measures are adopted, licensing schemes may freeze existing structures (Japan), favour obsolescence of fleets in the absence of 'buy-back' arrangements, or encourage the formation of monopolies (South Africa).

34. The above factors show that the introduction of a licensing system calls for a decision on the type of licences to be used and the method of allocation. As a prerequisite for such a decision, the concept of fishing effort, which depends on the size of vessels, the type of gear in use, and the professional skill of the fishermen, must be defined. Moreover, the objective of the management of fishery resources i.e. maximum sustainable yield or optimum sustainable yield, must be clarified.

In the first instance, the objective is to harvest the maximum resources from the sea without regard to cost. In the second case, an effort is made to optimize the yield in order to reduce annual fluctuations in catch quantities and to counteract the risks of stock depletion.

35. Thus, licensing schemes are extremely complex systems for the management and conservation of fishery resources. Although their effects are not always predictable, they nevertheless provide a measure of consistency in fisheries policy inasmuch as they derive from recognition of the finite nature of the sea's resources. They symbolize the adaptation of means to resources and thus represent a step forward in economic and political thinking since they signify the end of the 'cowboy economy'. In other words, they are an instrument for the management of the scarce natural resources of the world.

IX. THE VIEWPOINT OF A PRODUCERS' ORGANIZATION

1. There is an urgent need for the introduction of a system of control and management which will guarantee the future of stocks.

The EEC was, and still is, lacking in a system of management, control and conservation which would guarantee the protection and expansion of stocks and ensure a fair share out of resources amongst the Community countries.

2. The Community when it first wished to extend limits was unable to do so as a legal entity. It was only when each country unilaterally extended that the total area became EEC water. However for jurisdictional and protection reasons each country has been delegated the responsibility of carrying out Community policy on management, control and conservation in its particular sector.

3. Various proposals have come forward from the Commission of the European Communities offering solutions to the problem of monitoring and controlling catches and renewing stocks. In the view of the Irish Fishermen's Organization the proposals to date, while they can be partly supported on a theoretical level, are of little practical value. They do not take into account the operational realities of fishing and as they stand offer no solution to the problem at hand. In fact they have only succeeded in causing consternation and anger in communities relying on fishing for survival.

PROPOSALS FOR MANAGEMENT, CONTROL AND CONSERVATION

4. The central element in the proposals is the creation of a corps of Fishery Protection Officers who would form part of the Naval Service.

The main duties of each FPO would be to stay on board each fishing vessel in excess of 24 metres between perpendiculars for the duration of the vessel's fishing trip. During the course of each trip it would be the duty of such Officer to ensure that all regulations laid down by national or international law are being observed, to note the location of fishing activity, to act as a look-out for unauthorized vessels and to keep a close record of the composition of landings of the boat concerned. In addition, it would be feasible for such Officer to carry out basic testing routines on behalf of the scientific division of the Department of Fisheries & Forestry.

5. The reasons for placing officers on board vessels over 24 metres between perpendiculars are as follows:

1. The 24 metre length is recognized in the EEC as a cut-off point for inshore vessels.
2. There would be accommodation difficulties on vessels of lesser size.
3. The greater bulk of such vessels land into the coastal state and as such can be monitored by an effective shore based system.

6. The Irish Fishermen's Organization would expect to see officials of another Member State being appointed as Fishery Protection Officers in Irish ports in order to satisfy the EEC that the system is being rigorously applied. In return we would expect Irish Fishery Protection Officers to be appointed at foreign ports for the same reason.

7. The members of the Irish Fishermen's Organization would be prepared to help with this scheme in providing sea going training and experience to potential FPOs.

8. The US Coastguard has a protection system using the same principle. The US Coastguard places observers aboard one-quarter to one-third of the larger vessels inside its limits at the expense of the foreign country concerned. Even with such a small percentage of observers the US system works reasonably well when it is combined with the sophisticated level of technological and sea-borne equipment available to the Coastguard service. In the Irish context, since the Fishery Protection fleet is limited, we consider it essential that observers in the form of Fishery Protection Officers be placed on all vessels in excess of 24 metres between perpendiculars.

9. It is estimated that allowing for relief crews a total Fishery Protection Officer corps of 300 people plus a maximum of 50 people ashore for administration purposes would be adequate.

10. The principle of observers has already been accepted by the Commission on behalf of third country vessels in Community waters, and there would seem to be no good reason why the principle should not be extended to Community vessels as well. Basically, what it all boils down to is that the regulations must not only be observed, but be seen to be observed by all fishermen.

11. The Commission will probably maintain that its proposed regulations regarding the completion of log books, reporting of location and catches on board etc. will provide sufficient control over fishing vessels. In practical terms, nobody can see this being effective without on-the-spot investigation.

X. RESTRICTIVE LICENCING

The representatives of the Irish fishing industry have expressed considerable concern over the argument put forward that restrictions on fishing effort by the adoption of fishing licences are necessary. This appears to be the thinking in some sectors of the EEC and in particular is favoured by the various distant water fishing interests. From the Irish point of view the introduction of fishing licences on a restrictive basis must be very critically analysed.

There are a number of basic points made by the Irish fishing organizations:

1. The Irish fishing industry, which is essentially an inshore industry, relies for its success on mobility and flexibility in its catching operations. Any restriction on these vessels operation based upon the issuing of licences would undoubtedly create a great deal of tension and would certainly tend to create parochial divisions amongst fishermen.
2. The creation of a restricted licencing system or systems would inevitably result in the creation of clubs which in the long term would tend to get narrower and more restrictive rather than more accommodating. This would inevitably result in a situation where those fishermen with licences would be opposed to the entry of new fishermen or, worse, young fishermen, into that particular fishery.
3. Because of the fact that quotas have always been set on a historical performance basis a restrictive licencing system could result in a situation whereby the quota for a particular species and area might not be reached due to insufficient effort. As a consequence this could have repercussions on the following years figures.
4. Licences are probably required for certain types of vessel but these would be mainly the bigger vessel purpose built to fish for particular species and which are capable of ranging widely. From that point of view it probably is in the interests of the distant water fleet to ensure that a licencing system operates since that particular sector of the industry is in a declining situation. On the other hand as the Irish fishing fleet is expanding it is important to ensure that there is sufficient room for Irish men to invest in fishing vessels should they so decide.
5. It seems reasonable to suggest that provided quotas and total allowable catches are rigidly observed that the economics of the operation would determine the level of investment in fishing vessels.

It is interesting to note that these views are also held by the German inshore fleet which is reluctant to trade its traditional flexibility for a procedure which may appear to be administratively convenient but which in practical terms could create a great deal of disruption.

A COMMUNITY FISHERIES POLICY
AND THE DEVELOPING COUNTRIES

XI. RELATIONS WITH DEVELOPING COUNTRIES

A wider Community fisheries development policy required

1. For a number of years already, the Commission of the European Communities has been engaged in negotiations on fishing agreements with certain African countries, and in particular Senegal, Guinea-Bissau, Mauritania and Cape Verde. Agreements have been signed with Senegal and Guinea-Bissau.

2. In considering these agreements, the European Parliament insisted upon the necessity for the elaboration of a true and far reaching development policy in the fisheries with such countries.

3. A development policy would provide advantages to both sides:

- enabling the developing countries to exploit themselves in a rational manner resources which at present largely benefit third countries; a long term basis for the creation of employment and exports would be provided;
- the Community would have the opportunity to find an outlet for its expertise in fishing technology and fish processing, a market for machinery as well as certain fishing vessels which are now excess to the Community's required fishing capacity.

4. It was for these reasons that the European Parliament adopted in November 1979 the following points in its Resolution on the Agreement with Senegal¹:

'Requests that the Commission come forward immediately with proposals to coordinate fisheries educational and training resources within the Community, including the partial financing of training centres, so as to provide the necessary specialist advice and technical assistance essential to a policy of fisheries cooperation with the countries of Africa;

'Calls upon the Commission to establish the proper legal and financial framework, including the provision of long-term loans to Senegal and other ACP countries, necessary to encourage the setting up of joint ventures between the fishing industries of these countries and the Community, so as to make available to the fishing industries of Senegal and other ACP countries;

(a) the expertise of the Community fisheries industry on

- the utilization and management of the fisheries resources;
- the development of navigational and fishing skills;
- the processing and marketing of fish and fish products;

(b) fishing vessels, equipment and, in the short-term, personnel for the vessels to facilitate operations and training;

(c) processing equipment;

¹ Report by Mr Ligios (Doc. 1-474/79)

'Calls upon the Commission to make a report on the Fishing Agreement with Senegal one year after its entry into force; and to develop, in the light of the experience gained, joint venture programmes with other ACP countries.'

5. The Commission has failed so far to follow up with concrete measures.

Steps taken by third countries

6. By contrast a number of third countries have adopted policies along the lines proposed by the European Parliament.

Norway

Norway has established a working group of the Norwegian Agency for International Development to study the possibility of transferring surplus fishing vessels from the Norwegian fleet to the fleets of developing countries.

Sweden

Sweden is to provide Skr 100 million aid over the next three years to help finance development of fisheries in Angola.

The greater part of the 200,000 tonne catches made in Angolan waters is taken by Soviet and Cuban vessels.

In order to restore a more balanced pattern of exploitation, the Angolan Government has issued tenders for 25 freezer trawlers, 120 purse seiners and 80 long lines.

Swedish aid will also help to finance the construction of 10-15 metre ferro-cement vessels and education programmes for fisheries and marine science experts.

Poland

Poland has established an aid programme with Nigeria which includes:

- 45 cutters, together with
- Polish fishing crews
- Expert personnel in fish processing, fishing equipment etc.
- Exports to survey fish resources
- Poland's help to assist Nigeria in the sale of used fishing vessels and the development of new prospects, including new canneries and trading companies.

World Bank

The World Bank has allocated \$28.5m to Tunisia to help finance a wide range of fishery projects along the Tunisian coast, including: improving 10 ports and repair yards, ice plants and freezing plants; the construction of 400 11.75 metre vessels and 30 13.8 metre vessels; training schemes; and resource studies of fish stocks off Tunisia's coast.

FAO

The United Nations Food and Agriculture Organisation has announced a \$35 million aid programme for the establishment of a fisheries management for those developing countries which have extended their exclusive economic zones to 200 miles.

The FAO programme includes both medium- and long-term plans to improve catches in developing countries. The aim of the FAO aid programme is to improve substantially the economic status of some ten million fishermen and forty million people in ancillary capacities worldwide.

Conclusions

7. A far-reaching fisheries development policy would be of considerable benefit to developing countries and to the Community.
8. Such policies have been implemented by a number of third countries and international organizations.
9. The Commission of the European Communities has been given authority for negotiating and managing the Communities' external fisheries policy. The Commission should ensure that it carries out the responsibilities it has been entrusted with, and that important aspects, such as development policies, are not neglected.

ANNEX I

MOTION FOR A RESOLUTION(DOCUMENT 1-246/79)
tabled by Mr D. CURRY
on behalf of the European Democratic Group

pursuant to Rule 25 of the Rules of Procedure
on the fisheries policy

The European Parliament,

- having regard to the continuing difficulties of the Commission and the Council in reaching an agreement acceptable to all Member States on the future of Community arrangements for its fishing industry,
- 1. believes it essential for the preservation of the fish stocks on which the livelihood of Europe's fishing community depends, that a comprehensive conservation policy based on scientific rather than political criteria should be established as soon as possible;
- 2. calls on the Commission to draw up new proposals for 1980 in close consultation with the European Parliament;
- 3. calls for new initiatives in the search for a settlement which take fair account of the legitimate needs and aspirations of all of Europe's fishing community;
- 4. instructs its President to forward this Resolution to the Presidents of the Commission and Council.

ANNEX II

MOTION FOR A RESOLUTION(DOCUMENT 1-124/80)

tabled by Mr KIRK

pursuant to Rule 25 of the Rules of Procedure

on Community provisions for the conservation of
fish stocks in EEC maritime waters

The European Parliament.

- having regard to the fact that the Commission has approved the national 'mackerel box' off the coast of Cornwall,
- having regard to the fact that the Commission has submitted a proposal based on the International Maritime Research Council's recommendations on the conservation measures necessary in 1980 - also for mackerel stocks; no 'mackerel box' is included in the proposal,
- having regard to the fact that the Council and Parliament have approved the proposal subject to certain amendments,
 1. Requests the Commission to state what new information on the size of mackerel stocks has made it necessary to introduce further conservation measures;
 2. Points out that national measures are a threat to the establishment of the common fisheries policy;
 3. Therefore requests the Commission immediately to submit to the Council and Parliament a proposal for adoption as a Community measure, taking equal account of the size of mackerel stocks and the fishing industries involved.