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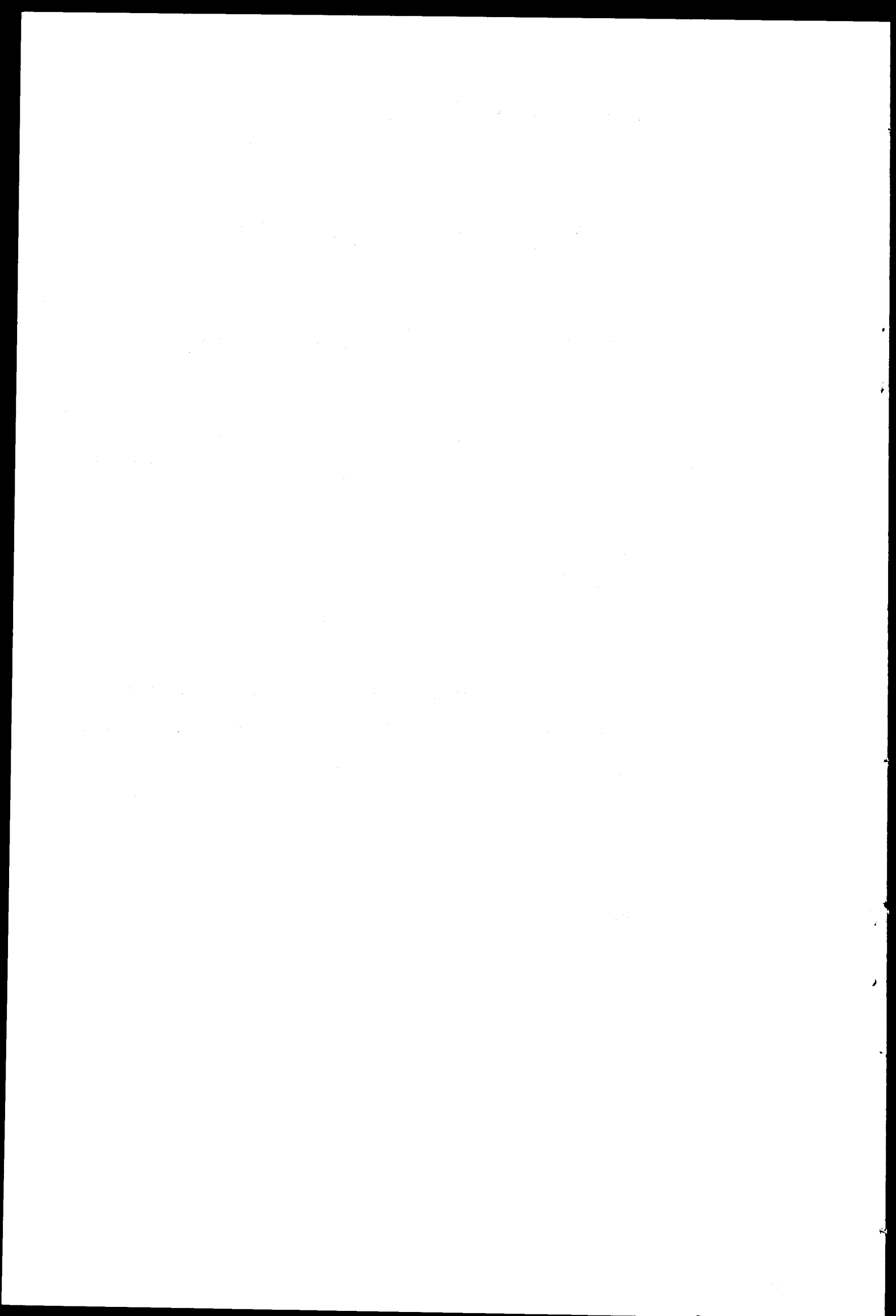
DOCUMENT 112/75

Report

drawn up on behalf of the Committee on Agriculture

on the proposal from the Commission of the European Communities to the Council (Doc. 97/75) for a regulation setting up a temporary scheme of aids for the private storage of certain fishery products

Rapporteur: Mrs E. ORTH



By letter of 12 May 1975 the President of the Council of the European Communities requested the European Parliament, pursuant to Articles 42 and 43 of the EEC Treaty, to deliver an opinion on the proposal from the Commission of the European Communities to the Council for a regulation setting up a temporary scheme of aids for the private storage of certain fishery products.

The President of the European Parliament referred this proposal to the Committee on Agriculture as the committee responsible and to the Committee on Budgets for its opinion.

The Committee on Budgets appointed Mrs Orth rapporteur at its meeting of 12 May 1975.

It considered the proposal for a regulation at its meeting of 22 and 23 May 1975 and unanimously adopted the motion for a resolution.

Present: Mr Houdet, chairman; Mr Laban, vice-chairman; Mrs Orth, rapporteur; Mr Boano, Mr Espersen, Mr Fröh, Mr Hansen, Mr De Koning, Lord St. Oswald, Mr Scott-Hopkins and Mr Zeller.

The opinion of the Committee on Budgets will be published separately.

CONTENTS

| | <u>Page</u> |
|----------------------------------|-------------|
| A. MOTION FOR A RESOLUTION | 5 |
| B. EXPLANATORY STATEMENT | 6 |

A

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

MOTION FOR A RESOLUTION

embodying the opinion of the European Parliament on the proposal from the Commission of the European Communities to the Council for a regulation setting up a temporary scheme of aids for the private storage of certain fishery products

The European Parliament,

- having regard to the proposal from the Commission of the European Communities to the Council (COM (75) 211 final),
- having been consulted by the Council pursuant to Articles 42 and 43 of the EEC Treaty (Doc. 97/75),
- having regard to the report by the Committee on Agriculture and the opinion of the Committee on Budgets (Doc. 112/75),

Approves the Commission's proposal.

EXPLANATORY STATEMENT

1. The aim of the Commission's proposal is to grant aids, similar to those provided for in respect of the products¹ listed in Annex II of the basic Regulation², for frozen tunny, frozen fillets of cod and frozen fillets of saithe.

2. The market for frozen tunny and frozen cod and saithe fillets is at present in serious difficulties. As a result of the extremely low market prices, stocks of these products have, in fact, grown significantly and to unload these stocks onto the market at current prices would increase the losses already suffered in this sector still further.

The following table shows the degree of over-stocking of these types of fish.

| Fish type | Present stocks | Normal monthly stocks |
|-----------------------|--------------------|-----------------------|
| Frozen tunny | 14,000 metric tons | 1,000 metric tons |
| Frozen cod fillets | 52,500 metric tons | 18,000 metric tons |
| Frozen saithe fillets | 11,500 metric tons | 5,800 metric tons |

3. The difficulties which have for some time now been experienced by the European fisheries sector are partly attributable to structural adjustment difficulties, but in part also to short-term conjunctural market developments.

4. The Commission has virtually concluded its work in preparation for joint restructuring measures in the coastal fisheries sector, to be financed by the Guidance Section of the EAGGF. Concrete proposals will be submitted to the Council and Parliament in the foreseeable future. The Commission has furthermore begun consideration of corresponding measures for deep-sea fisheries.

¹ Sardines, sea bream of the species *Dentex dentex* and *Pagellus*, squid, cuttlefish and octopus.

² See Regulation No. 2142/70 of 20.10.1970, OJ L 236, 27.10.1970, p.5.

5. The Commission has, however, in view of the critical market trends for the most important types of fish landed in the Community, taken a number of short-term measures designed to contribute towards a degree of stability in this sector.

6. France, for example, was already authorized - in February of this year - to apply the escape clause, and to stop imports of tunny intended for processing and of frozen hake until 17 March 1975 and was then twice granted an extension until 15 May 1975. France has now applied for authorization to extend this concession in respect of tunny until 1 August 1975.

7. Moreover, the Commission has fixed reference prices for the frozen fish products listed under Section B of Annex IV of the basic regulation, to strengthen the Community market against external influences. Of particular significance in this connection is the fact that the Commission has also included hake in this regulation, which third countries have been selling as a substitute for cod at extremely low prices and which has been one of the main reasons for present difficulties in selling this type of fish.

8. The Commission has, furthermore, granted export permits for frozen cod and saithe fillets, with a view to increasing exports and thus relieving the internal market.

9. This series of external economic measures avoids any quantitative restriction on imports, since the fish products concerned are included in the GATT and cannot therefore be made the subject of import quotas. Moreover, the Community has undertaken in frequent statements¹ not to apply any quantitative restrictions on the import of fish products. This stance is prompted on the one hand by its concern to guarantee the Community fish processing industry as wide an access to the international fish market as possible, and on the other by its desire not to jeopardize unfairly existing trade with third countries for the sake of internal economic considerations by the application of administrative control measures.

10. Alongside these measures the Commission is now submitting its proposal which is intended to prevent, in the present critical market situation for frozen tunny, frozen cod fillets and frozen saithe fillets, the reduction of the present high level of stocks in storage and their dumping on the market. Since the aids provided for here are intended to provide a degree of relief for the Community fishing industry, they are limited to those types of fish landed primarily by the fishing fleets of the Member States. This also has the effect of preventing aid being granted to fish types imported from third countries.

¹ See, for instance, Regulation No. 1555/74 of 17.6.1974, OJ L 167 of 22.6.1974, p.1.

11. This measure, which is designed to bring about an immediate improvement in the present market situation, is limited to the extent that the aids to be granted apply to products in storage on 15 May 1975. Restricting the storage period to five months is intended to prevent a depreciation in quality through excessive storage. It is also assumed that the market will have stabilized by the end of this period.

The Management Committee, in accordance with the provisions of Article 14(3) of the basic regulation, can decide to extend (until the end of the year at the latest) the period for which aids can be granted to products placed in storage at a later date. Finally, the amount of the aid may not - likewise in accordance with the provisions governing aid laid down in Article 14(2) of the basic regulation - exceed actual costs.

12. The market situation for these fishery products demands rapid action. It is therefore particularly to be regretted that the European Parliament was consulted at such a late stage on this proposal, and cannot therefore deliver its opinion before its June part-session.

The Committee on Agriculture finds this particularly regrettable since it considers this regulation on aids, together with existing measures, as an appropriate way of helping to stabilize the market which, for short-term economic reasons, is in an unfavourable position.

The Committee on Agriculture commends to Parliament the adoption of this proposal.