



COMMON MARKET FARM REPORT

BELGIUM, FRANCE, FEDERAL REPUBLIC OF GERMANY, ITALY, LUXEMBOURG, THE NETHERLANDS

Common Fisheries Policy TO COME INTO EFFECT ON FEBRUARY 1, 1971

As part of the completion of the Common Market's common agricultural policy, the ministers of agriculture of the European Community completed work on a common fisheries policy before the November 1 deadline they had set for themselves in June. The new policy comes into effect on February 1, 1971.

Meeting In Luxembourg October 19 and 20, the European Communities Council of Ministers adopted the basic regulations on fisheries, one establishing a common organization of the market in fisheries products, the other establishing a common policy for the structure of the fishing industry. Before December 31 the Council will have to adopt further measures, including regulations on prices and product quality.

The main features of the common fisheries market are based on the Community's CAP. The structure and market policy -- with quality norms, producer organizations, price systems, and its system for trade with non-member countries -- is similar to the organization in force in the fruits and vegetables sector.

The fishing industry plays an important role in the agricultural economies of the Community's coastal regions. With this in mind, the essential objectives of the market organization are to adopt supply to market demand and to ensure a fair income to producers.

The common market organization covers: fresh, frozen or chilled, salted, dried, and

Belgian shrimp fishers. In 1969 the Community exported \$5.6 million worth of edible fish and fish products to the United States and imported \$12.7 million worth. (Total EC fish exports were \$190 million and total imports \$474.3 million.) Photo: Belgian Tourist Bureau, New York



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smoked fish; crustaceans and mollusks; fish, crustaceans and mollusks unfit for human consumption; fish livers, eggs, and soft roe; canned and prepared fish, crustaceans, and mollusks, and fish flours and meals.

Important Role Assigned Producers' Groups

An innovation of the new regulation is the role assigned to producers' groups for providing production outlets and applying marketing and quality rules. These groups are to promote the execution of fishing plans, the concentration of supply, and price stability. Provisions have been made to help in the establishment and management of these bodies. For this purpose, the member states will be allowed to grant aids to the producer's groups, which will be partially financed by the Community's Agricultural Fund. Such aids, however, are to be temporary and are to be gradually phased out (in three years for start-up aids, five for intervention aids) so that producers will assume a steadily increasing share in financial responsibilities.

During the first three years, member states' start-up aids may not exceed 3 per cent (first year), 2 per cent (second year), and 1 per cent (third year) of the value of the marketed production handled by the producers' organization, as long as this does not exceed 60 per cent during the first year, 40 per cent the second, and 20 per cent the third of the management costs of the producers' organization.

Member states may also offer credits or special loans, during a five-year period, to cover a part of the expenses incurred through market intervention to support fish product prices.

Price System

The price system lays down withdrawal, intervention, and guide prices and, for trade with non-member countries, reference and floor prices. The system will vary according to type of fish: i.e., fresh, frozen, or tuna.

Provision has been made for the fixing of a guide price for products of particular importance for producers' income, i.e. fresh fish (herrings, sardines, hog-fish, cod, pollack, haddock, whiting, mackerel, anchovies, plaice, and shrimp). These guide prices, which are used to determine the price levels triggering off market intervention operations, are to be based each year on the prices recorded over the three previous fisheries years on the representative markets of the Community.

Producers' organizations will be bale to withdraw their members' produce from the market if prices fall below a "withdrawal" price, to be set under a "management committee" procedure, within a range of between 60 and 90 per cent of the guide price. The producers' groups will determine the disposition of the withdrawn pro-



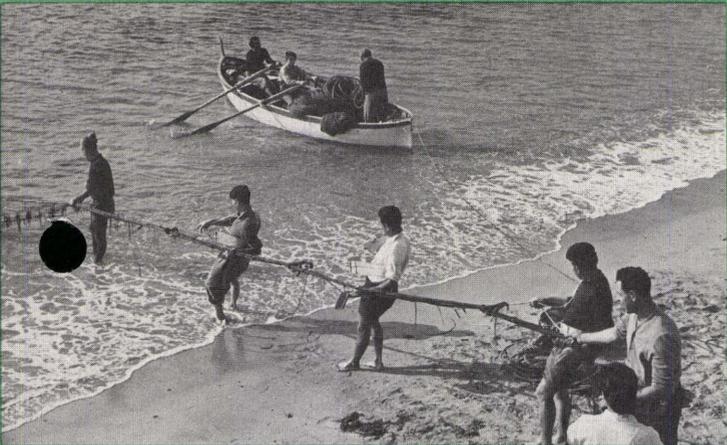
Top: Shipping oysters to consumer centers in France. Photo: French Embassy Press and Information Division, N.Y.

Bottom: The carp "harvest" in Germany. Photo: German Information Center

ducts which must either be for uses other than human consumption or so as not to interfere with the normal sales of the production in question. The action of the producers' groups will be supported by Community compensation equal to 60 per cent of the guide price when the withdrawal price is more than 65 per cent of the guide price, and 55 per cent of the guide price when the withdrawal price is below 65 per cent of the guide price.

For sardines and anchovies, which have no producers' groups at present, intervention will be made by traditional state organs. If the market price for these products stays below the intervention price (35 to 45 per cent of the guide price) for three days, the Commission will declare an emergency and the member states' intervention agencies will buy the products at the intervention price, to be used for non-human consumption purposes.

Separate provisions have been made for certain frozen products (sardines, dolphin, squid, cuttlefish, octopus) if market prices drop below 85 per cent of the guide price long enough to signify a possible market disturbance, allowing aids to be granted producers for private storage.



Top: Fishermen on the Italian Riviera. Photo: Italian Government Travel Office, New York

Bottom: Drying and preserving fish. Photo: French Embassy Press and Information Division, New York

If a drop in import prices of tuna for the canning industry threatens the Community's tuna producers' income, compensation will be granted.

Quotas Abolished in Trade

The system of trade with third countries, based on reference prices for imports, will make it possible to abolish import quotas for most products and to apply only the common customs tariff. If the entry price of imports from a non-member country falls below the reference price, in certain cases imports may be suspended or limited or, in other cases, a countervailing duty may be applied. Limiting of imports will not apply with respect to countries who guarantee to respect the reference price.

A safeguard clause has been included to protect the Community market from specially severe external disturbances. For herring, sprats, cod, and tuna, the Community has completely suspended the common customs tariff, in the absence of Community production, to assure supplies for the processing industries.

For those products for which it is not yet possible to have an import system (trout, carp, and certain canned sardines and tunas), the mem-

ber states will be allowed to maintain existing national quotas until adequate protection can be guaranteed, possibly following negotiations with interested third parties.

The regulation also provides, under certain conditions, for an optional grant of rebates on exports of fish products which will allow for the difference between the Community price and a lower world market price.

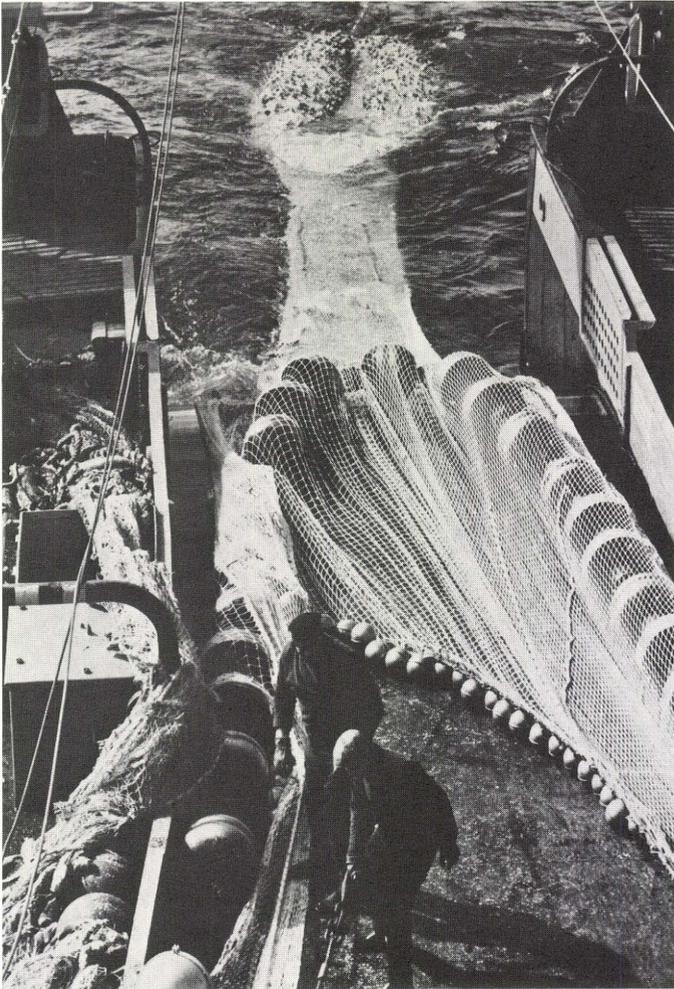
Five-Year Transition for Territorial Waters

The structural policy complements that of the common market's organization and has to take into account the fact that deep-sea fishing has a long-standing social structure and involves conditions unique to marine exploitation. The regulation's aim is to ensure the fishermen in the Community equal access to fishing grounds and equal rights to operate in maritime waters coming under the jurisdiction of the member states. Not only should fishing vessels be able to fish in any country's territorial waters, but they should also be able to unload their cargo in any Community port. However, an exception will be allowed for a five-year period for coastal fishing in certain zones within three-mile limits, to favor local inhabitants whose activity depends almost exclusively on this type of fishing. (The 18 African Associate states do not gain any right to fish in territorial waters of the Six, and vice versa, as a result of the common policy.)

The regulation also fixes as an objective Community measures to safeguard existing resources in the waters involved, which may include restrictions on catching certain species, on fishing grounds, periods, and on fishing techniques and vessels. The member states will have to give information to the Commission each year on national structure policies, planned improvement measures, and research and technical programs. Based on this data, the Commission will submit a report to the European Parliament and the Council of Ministers on the structure of the fishing industry for possible

Belgian fishing boats at Ostend. Photo: Sabena, Belgian World Airlines, New York





"Long-distance fishing with floating factories," the slogan of the German high seas fisheries. Photo: German Information Center

Community action. The Community will supervise measures to increase productivity through technical progress, the restructuring of production methods, and the search for new seabeds and methods of fishing. The Commission can also

express its opinion on measures taken to protect or improve the standard of living of the fishing population.

Member states will be authorized to grant financial support for carrying out the regulation, and common action may be decided and financed by the Community, for purposes such as the modernization of vessels.

To facilitate the formulation and application of a common structural policy and to coordinate member states' policies, a Standing Committee on Fisheries Structures will be created.

Establishing a common policy for the fishing industry has been a difficult problem because of the wide structural differences between the Community's member states. Germany and France each produced around 700,000 tons in 1969. However, the French industry mostly consists of small fleets using small vessels and, despite government subsidies, has out-moded fishing fleet equipment while the German industry relies on large units using modern equipment and large numbers of foreign workers. Italy also has a large number of small enterprises; Belgium is the only member state with an export surplus of fish, producing about 270,000 tons, exporting about 160,000 tons, and importing about 60,000 tons.

Further trouble has developed in the Common Market's relations with the countries applying for membership in the Community, particularly with Norway. Norway had sought permission to participate in the deliberations on the fisheries policy because of the importance of fishing for Norway's economy. Norway said that it was unrealistic for the Community to establish a fisheries policy without first consulting the present candidates for entry. The Norwegian catch alone is larger than the combined catch of the whole Common Market, and Britain and Denmark each catch approximately half as much as Norway

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