

EUROPEAN PARLIAMENT

Working Documents

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DOCUMENT 1-679/80

Report

drawn up on behalf of the Committee on Agriculture

on the proposals from the Commission of the European Communities to the Council (Doc. 1-359/80) for

- I. a Regulation on measures to encourage exploratory fishing and cooperation through joint ventures in the fishing sector**
 - II. a Regulation on a common measure for restructuring modernizing and developing the fishing industry and for developing aquaculture**
 - III. a Regulation concerning the coordination and promotion of fisheries research**
- and on the crisis in the Irish fishing industry**

Rapporteur: Mr Kent KIRK

By letter of 12 August 1980, the President of the Council of the European Communities requested the European Parliament, pursuant to Article 43 of the EEC Treaty, to deliver an opinion on the proposals from the Commission of the European Communities to the Council for regulations concerning structural policy in the fisheries sector.

On 27 August 1980, the President of the European Parliament referred these proposals to the Committee on Agriculture as the committee responsible and to the Committee on Budgets for its opinion.

On 14 January 1980, the motion for a resolution tabled by Mr Kavanagh and others on behalf of the Socialist Group pursuant to Rule 25 of the Rules of Procedure on the crisis in the Irish fishing industry was referred to the Committee on Agriculture as the committee responsible.

The Committee on Agriculture appointed Mr Kirk rapporteur on 24 September 1980.

At its meeting of 26-28 November 1980 the committee considered the draft report and adopted the motion for a resolution and the explanatory statement by 15 votes with 3 abstentions.

Present: Sir Henry Plumb, chairman; Mr Früh, vice-chairman; Mr Kirk, rapporteur; Mr Barbagli (deputizing for Mr Ligios); Miss Barbarella, Mr Battersby, Mr Clinton, Mr Curry, Mr Dalsass, Mr Gatto, Mr Helms, Miss Hooper (deputizing for Mr Provan) Mr Maher, Mr Moorhouse (deputizing for Mr Hord), Mr Nielsen, Mr d'Ormesson, Mr Skovmand and Mr Vitale.

The opinion of the Committee on Budgets is attached.

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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

embodying the opinion of the European Parliament on the proposals from the Commission of the European Communities to the Council for

- I. a Regulation on measures to encourage exploratory fishing and cooperation through joint ventures in the fishing sector
 - II. a Regulation on a common measure for restructuring, modernizing and developing the fishing industry and for developing aquaculture
 - III. a Regulation concerning the coordination and promotion of fisheries research
- and on the crisis in the Irish fishing industry

The European Parliament,

- having regard to the proposals from the Commission of the European Communities to the Council¹,
 - having been consulted by the Council pursuant to Article 43 of the EEC Treaty (Doc. 1-359/80),
 - having regard to the motion for a resolution tabled by Mr KAVANAGH and others on behalf of the Socialist Group on the crisis in the fisheries sector in Ireland (Doc. 1-608/79/rev.II),
 - having regard to the report of the Committee on Agriculture and the opinion of the Committee on Budgets (Doc. 1-679/80),
 - having regard to the report of the European Parliament on measures to be adopted for the development of fish farming within the Community (Doc. 116/79),
 - whereas in recent years the conditions of production in fishing industry have been greatly changed by factors such as the loss of fishing rights in the waters of third countries, the introduction of fish conservation measures in Community waters and a steep rise in the cost of fuel,
 - whereas a comprehensive and clearly-defined policy on structures is therefore needed if the future of this industry is not to be jeopardized completely,
1. Welcomes the fact that the Commission has now submitted proposals on structural policy in the fisheries sector but deplores the fact that the Commission has still not submitted a structural report as it is required to do annually by basic Regulation 101/76. Parliament would only have been able to judge fully the expediency of the measures proposed if it had received this report;

¹ OJ No. C 243, 22.9.1980, p.1, 5 and 12

2. Notes with disappointment, however, that the Commission does not make clear which parts of the proposal for a directive presented to the Council on 21.10.1977 it wishes to maintain and which it considers to be included in the present proposal;
3. Considers that this ambiguity - particularly in view of the large financial commitment to the measure - makes it more difficult to make an overall appraisal of the structural policy which is proposed;
4. Urges the Council to adopt without delay these proposals which are essential to the development of a viable Community fishery fleet;
5. Emphasizes that considerable financial efforts will be required to permit the adaptation of the Community's fishing fleet to existing catch possibilities and cost structure, and takes the view that priority should be given to further adjustment of fishing fleets to potential catches; points out that while a reasonable basic fleet must be preserved in the Member States, surplus capacity must at all events be avoided;
6. Requests the Commission to supplement its programme for the restructuring of the fisheries sector by social measures, financed by the Social Fund, to safeguard the employment of fishermen to enable them to exercise their activities in full again as soon as fish stocks have been reconstituted;
7. Invites the Commission to make use of the present situation in the fisheries sector to ensure a more equitable distribution of working time between Community fishermen with the payment of compensatory premiums where appropriate;
8. Doubts whether the financial resources provided will be sufficient to the tasks required, but considers it important that specified financial limits are adhered to until such time as the goals and development of a Community fisheries policy have been properly defined; account should be taken, in the period covered by the regulation, of the additional needs arising from the expansion of the Community to include Greece as of 1.1.1981 and Spain and Portugal in 1983;
9. Expresses doubts given the continuing uncertainty and the lack of clarity surrounding the development of the economy as to the effectiveness of the programmes envisaged by the Commission's proposals to guide in a realistic manner structural investment in the fisheries sector; and considers therefore that much greater responsibility should be given to producer groups for drawing up investment programmes;
10. Regrets that the Commission's proposals, which require that aid be granted in priority for the construction of vessels to replace existing vessels, will not provide adequate help to construct vessels to young fishermen, who should be encouraged to enter the industry;
11. Points out that the progressive exclusion of the Community's deep-sea fleet from foreign waters and the lack of adequate grounds for these vessels in Community waters will require:

- (a) the introduction of measures for decommissioning the larger vessels, together with adequate financial provision;
 - (b) the development of new fishing grounds particularly by means of cooperation agreements with third countries on fishing;
12. Does not believe that new grounds will provide sufficient short term catch possibilities and that, therefore, measures for decommissioning vessels for a limited period will be required; such measures should, however, be incorporated within the proposed multiannual guidance programmes;
13. Welcomes at the same time the imaginative proposal to encourage the development of joint ventures with third countries, and points out that this will require extensive training programmes for third country nationals in fishing techniques and processing technology;
14. Believes that the proposed joint ventures and exploratory voyages should not be seen purely as a means of reducing excess catching capacity in the Community, but should be judged on their own merits; emphasizes that for certain projects and waters smaller vessels than envisaged by the Commission will be required; and that, therefore, the minimum length should be decreased from 33 to 30 metres;
15. Considers that, if it wishes actively to promote the establishment of joint ventures, the Commission will have to:
- (a) devote more attention to the procedures proposed in this connection in order to make them more flexible and attractive;
 - (b) find ways of ensuring that catches landed by joint ventures are not regarded as imports and hence subject to levies;
16. Believes that special measures will be needed to remedy the special circumstances facing the Irish fishing industry which, being completely underdeveloped, is almost totally dependent on small inshore fishing vessels with restricted fishing possibilities and on those species of fish, such as herring and salmon, most severely regulated by stock conservation measures, and which furthermore faces particularly high operating costs;
17. Requests the Commission to propose measures for the financing of preliminary studies required for the setting up of training programmes in the Community;
18. 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 have been rebuilt;

19. Emphasizes that the tremendous increase in fuel cost to fishermen since 1977 threatens 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;
20. Calls for greater research and intensified action in the field of pollution of the marine environment by chemicals and other waste substances, including oil spillages since pollution not only adversely affects the fishing industry itself but can have long-term consequences for the health of the fish-consuming population;
21. Notes the impact that development of other uses of the sea, such as oil extraction and - in the future - mineral extraction, can have on fishing activities; believes that the Community should outline proposals for compensation of fishing vessels whose equipment may be damaged by industrial installations in the sea;
22. Regrets the absence of adequate measures to encourage the consumption of fish and improvements in marketing structures;
23. 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;
24. Insists that a fisheries structural policy must include provisions for the supervision and the gradual harmonization of national aids;
25. Believes, while accepting the necessity for premiums to encourage restructuring, that the Commission must seek to regulate problems which will arise in their implementation, and in particular variations in national tax levels on premiums granted for the scrapping of boats:
 - (a) to preserve the principle of Community solidarity, restructuring aid must be fairly distributed;
 - (b) priority must be given in the allocation of restructuring funds to underprivileged areas and to fleets which suffer losses in the distribution of catch quotas;
26. Reminds the Commission and Council that Greece will become a member of the European Community in 1981 and regrets the absence of any reference in the structural proposals to the problems facing the Greek fishing industry and the impact of Greece's membership on the cost of the proposed measures;
27. Emphasizes the major contribution that common measures to encourage fish farming could make to the economies and employment prospects in some regions particularly those which have been seriously hit by measures to conserve fish stocks and the increase in fuel costs and those which are particularly suitable for aquaculture (brackish water, lagoons, pools, etc.);

28. Considers that the basic technological advances have been made to permit an important expansion of fish farming within the Community, and that fish farming could become a growth industry providing exports of live or processed fish, expertise, equipment and foodstuffs, and in which the Community, through lack of adequate encouragement to invest, is lagging seriously behind the United States and Japan;
29. Underlines the fact that a number of major obstacles to the development of fish farming within the Community are not technological, but the result of the lack of an adequate administrative and legal framework, sufficient veterinary and inspection facilities, and a lack of organization of research throughout the Community; and in particular measures are required:
- (a) for coordinated research programmes to encourage and to provide a financial participation for research on the identification and prevention of disease,
 - (b) to draw up a list of notifiable diseases and measures to be taken in the case of an outbreak of disease,
 - (c) for regulations covering the trade within the Community and imports from third countries of live fish and ova, non-pasteurised dead fish, exotic and ornamental fish,
 - (d) projects for the improvement of techniques to identify and control diseases and to improve the selections of strains or genetic characteristics of brook stock, and
 - (e) vocational training schemes;
30. Calls upon the Commission to re-examine the tariff protection afforded to species farmed within the Community and which face competition from subsidized producers in third countries.

- (a) Proposal from the Commission to the Council for a regulation on measures to encourage exploratory fishing and cooperation through joint ventures in the fishing sector

Preamble and recitals unchanged

Articles 1, 2, 3, 4 and 5 unchanged

Article 6

In order to benefit from the measure provided for in Article 4, the voyages must meet the following conditions:

- (a) they must be undertaken by fishing vessels of length between perpendiculars of not less than 33 metres;
- (b) they must last for a period of not less than 50 fishing days, with one or more landings;
- (c) these must be one or more scientific observers on board.

Article 6

In order to benefit from the measure provided for in Article 4, the voyages must meet the following conditions:

- (a) they must be undertaken by fishing vessels of length between perpendiculars of not less than 30 metres;
- (b) unchanged
- (c) there must be one or more scientific observers on board, or where this is not possible, a scientific observer should participate in the preparation of the voyage and the evaluation of its findings.

Articles 7 to 10 unchanged

Article 11

1. For the period between 1 January 1981 and 31 December 1983, the Community shall reimburse to the Member States, subject to the conditions laid down in the following paragraphs, the expenditure incurred as a result of the decision provided for in Article 3(3).

2. The eligibility of the expenditure incurred shall be limited to:

- 100 EUA per gross register tonne and per year of contract for the operations provided for in Article 10(a);
- 400 EUA per gross register tonne for the first 300 grt, and 200 EUA for each additional gross register tonne for the operations provided for in Article 10(b).

3. The Community's contribution may not exceed 50% of expenditure considered to be eligible under the decision provided for in Article 3(3).

Article 11

1. Unchanged

2. Unchanged

3. Unchanged

4. The estimated cost of the Community contribution is 9 mEUA for eligible expenditure in respect of measures referred to in Title I and 6 mEUA for eligible expenditure in respect of measures provided for in Title II.

4. The estimated cost of the Community's total contribution is 15 mEUA. This figure is purely indicative.

Articles 12 to 16 unchanged

- (b) Proposal from the Commission to the Council for a regulation on a common measure for restructuring, modernizing and developing the fishing industry and for developing aquaculture

Preamble and recitals unchanged

Articles 1 to 10 unchanged

Article 11

Article 11

1. The following projects meeting the requirements laid down in Articles 8 and 9 shall enjoy priority consideration for Fund aid:

unchanged

- (a) in respect of fishing vessels:
the commissioning of vessels having a length between perpendiculars not more than 33 metres and meeting one or more of the following requirements:

unchanged

- be intended to replace vessels more than 12 years old and vessels lost as a result of accidents or wreck or irreparably damaged;

unchanged

- be based in coastal areas where the population is particularly dependent upon fishing, especially for types which are not overfished and which are located in areas not too remote from the zones specified;

unchanged

- correspond to a type of vessel approved by the competent authorities with a view to standardizing the means of production;

deleted

- comprise technological innovations, with a particular view to multi-purpose fishing;

unchanged

- be operated by a group of fishermen.

unchanged

- (b) in respect of modernization of fishing vessels, grouped projects which are coordinated in their economic and technical aspects,

(b) in respect of modernization of fishing vessels, projects intended to improve the efficient use of fuel or type of fishing which will permit a reduction in use of fuel,

(c) in respect of aquaculture, the launching of pilot projects designed to guide and develop production in the sector and, where appropriate, to facilitate retraining of fishermen.

(c) text from old (b)

(d) in respect of assistance, training, or research centres, centres operated on a public or semi-public basis and having close ties with the main areas of production in aquaculture and fishing.

(d) text from old (c)

(e) text from old (d)

Paragraph 2 unchanged

Articles 12 and 13 unchanged

Article 14

1. The proposed duration of the common measure shall be five years from 1 January 1981.

2. The estimated total cost of the common measure to the Fund shall be 200 million European units of account.

Article 14

1. Unchanged

2. The total cost of the common measure to the Fund is estimated at 200 million European units of account. This figure is purely indicative.

Articles 15 to 23 unchanged

(c) Proposal from the Commission to the Council for a regulation concerning the coordination and promotion of fisheries research

Preamble and recitals unchanged

Articles 1 to 5 unchanged

Article 6

1. Joint programmes of research on aquaculture, the improvement of fishing techniques and fish processing and preservation as defined in the Annex I, shall be adopted.

Article 6

1. Joint programmes of research (a) on aquaculture, the improvement of fishing techniques and fish processing and conservation;

(b) on a multi-species model of fisheries management;

(c) on the biological data for fisheries conservation policies and the effectiveness of measures for stock conservation;

as defined in the Annex I, shall be adopted.

Paragraph 2 unchanged

3. The Community may participate in the costs following from the implementation of the programmes. The maximum of this participation is fixed provisionally at 5 million European Units of Account shared between the various programmes according to annex II. The appropriations necessary for each exercise are fixed annually in the general Community budget.

3. The Community may participate in the costs following from the implementation of the programmes. The total cost of this participation is estimated at 5 million European Units of Account shared between the various programmes according to annex II. This figure is purely indicative. The appropriations necessary for each exercise are fixed annually in the general Community budget.

Paragraph 4 unchanged

Articles 7 to 12 unchanged

EXPLANATORY STATEMENTIntroduction

1. Two documents are examined in the report:
 - (a) a set of proposals for a common structural policy for the fisheries sector to replace the interim annual measures in force;
 - (b) a motion for a resolution tabled by Mr KAVANAGH and others on behalf of the Socialist Group on the crisis in the fisheries sector in Ireland.

2. The structural proposals which are of fundamental importance to the long term future of the Community's fishing industry cannot be understood fully without reference to the disastrous past history of failure by the Council to adopt numerous proposals made by the Commission in this sector.

Lack of progress on a structural policy

3. Whereas fish is one sector where a common structural policy is essential to maintain a viable industry, progress in the adoption by the Council of such a policy has been lamentably slow.

Regulation 101/76¹ laid the basis for a Community fisheries structural policy. This regulation, however, provided for no concrete measures to aid the fishing industry, limiting itself to providing the juridical basis for conservation measures, the possibility of common financing of structural measures and for the coordination of national structural policies.

Until 1975 the only regulations to have been adopted concerned the specialized deep-sea salt cod sector² and conditions regulating the grant of national aid .

4. From 1975 onwards it became clear that the geography of fishing has been fundamentally transformed by three factors:

- the extension of fishing limits to 200 miles by third countries, thus drastically reducing distant water fishing grounds;
- the necessity to impose strict catch quotas in order to conserve fish stocks; and
- the increases in costs due particularly to increases in fuel costs.

¹ OJ No. L20, 28.1.76, p.19

² OJ No. L 291, 28.12.72, p.30

5. Faced with these emerging problems, the Council requested the Commission to submit proposals for improving the structures of the non-industrial inshore fishing industry and the deep-sea fishing industry.

6. The Commission considered that the problems of the deep-water fleet could not be assessed with sufficient precision until the results of the Conference on the Law of the Sea were known.

It proposed, therefore, a programme for the restructuring of the inshore fishing fleet¹. This programme included measures to modernize the fishing fleet in particular regions and measures to encourage the cessation of fishing (life annuities for fishermen and premiums for the scrapping of vessels), together with measures to encourage fish farming.

This proposal was amended in July 1976 to take into account the opinion of the European Parliament and the Economic and Social Committee².

7. As the crisis gradually developed in the Council as to the shape of a common fisheries policy, it became clear that any decision on a structural policy would have to await agreement on fisheries policy as a whole.

8. Faced with deadlock in the Council, and the serious aggravation in the situation of fishermen caused by the decision of many states to extend their offshore zones to 200 miles and by the low state of Community stocks of premium fish, the Commission proposed a directive on immediate measures to adjust capacity in the fisheries sector³, including measures to reduce fishing and processing capacity, to promote consumption and to assist fishermen.

9. A draft Council Resolution⁴ on the common structural policy followed, which stressed the need to restructure and possibly develop inshore fishing and fish farming, while encouraging a rational use of resources and an equitable standard of living for fishermen.

The Council agreed to adopt interim measures on restructuring inshore fishing, while shelving further consideration of the problems facing the distant water fleets.

10. As a result the Commission drew up a proposal for interim measures for restructuring the inshore fishing fleet⁵ which included investment grants for vessels under 24 metres and fish farming. As a result of the discussions in the Council the emphasis had been directed towards the problems of regions with local populations particularly dependent on the fishing regions and associated industries.

¹ Doc. 438/75

² COM(76) 355 final

³ COM(77) 543 final, Doc. 357/77

⁴ COM(78) 10 final

⁵ Doc. 106/78

A special derogation was made in financing terms for Greenland, Ireland, Northern Ireland and the Mezzogiorno: the beneficiaries were to finance 25 per cent of projects rather than 50 per cent.

11. As a result of discussion in the Council, the proposal for immediate measures for adjustment in the fisheries sector was abandoned¹ and the Commission further amended the programme for restructuring the inshore fishing industry, by removing from the programme, or common interim measure, as it was now to be called, all provisions concerning redeployment, disinvestment and social measures.

12. This reflected the refusal of the Council to consider social measures to deal with the problems resulting from the enforced reduction in fishing effort and is prepared, for reasons of political expedience, to allow only for measures to develop the inshore fleet in certain regions of the Community suffering from a low level of agricultural development.

13. The Council adopted² on 25 July 1978 the limited proposal for an interim common measure for restructuring the inshore fishing industry so as to develop inshore fishing and fish farming within those regions suffering from a lack of agricultural development. Five million eua were set aside.

14. This interim measure was prolonged for 1979 and 1980 with the sum allocated being increased each year from 5 mEUA to 15 mEUA and 20 mEUA.

15. Thus the Council has wasted five years by rejecting one proposal after another for a fisheries structural policy, while agreeing only to very limited interim measures.

16. The Commission has once more proposed a more comprehensive set of structural proposals. It is to be hoped that the Council will not deal with these proposals as it has dealt with the previous programmes.

¹ After being further modified (COM(78) 247 final)

² Regulation 1852/78, OJ L 211, 1.8.78, page 30

I. THE STRUCTURAL PROPOSALS

17. The Commission's structural proposals are composed of seven measures of varying importance:

- (a) measures to aid the deep-sea fleet to develop new grounds to replace those lost in traditional waters (Iceland, Norway, Canada etc.) by encouraging the exploration of new grounds and to assist financially joint ventures with countries unable to exploit their fishing zones, and in particular with the developing country Africa, as well as countries such as New Zealand
 - 9 mEUA is to be set aside over three years for exploratory fishing
 - 6 mEUA is to be set aside over three years for joint ventures.
- (b) measures to assist firms to replace and modernize fishing fleets with aid extended to all sizes of vessels (and not limited to vessels below 24 metres as at present), subject to a special provision that for vessels above 33 metres a ratio between tonnage broken up and that constructed should be respected
 - 120 mEUA is to be set aside over 5 years for vessels between 12 and 33 metres
 - 60 mEUA is to be set aside over 5 years for vessels above 33 metres.
- (c) measures to encourage aquaculture
 - 40 mEUA is to be set aside over 5 years
- (d) the creation of artificial reefs to create protected zones around which new stocks may develop
 - 5 mEUA is to be set aside
- (e) assistance to training and research centres
 - 5 mEUA is proposed
- (f) coordination and promotion of fisheries research in the following fields:
 - (i) aquaculture
 - 2.493 mEUA has been set aside
 - (ii) fishing techniques to reduce costs and to assist conservation measures
 - 1.060 mEUA has been set aside
 - (iii) to encourage greater efficiency in fish processing, preservation and new products
 - 1.447 mEUA has been set aside
 - (iv) utilization of new under-exploited species
 - (v) search for new fishing grounds and species

The construction and modernization of vessels

18. The necessity for more far reaching measures than the existing interim regulation to encourage the modernization of the Community's fishery fleet cannot be in doubt.

Fundamental changes in the geography and costs, as well as technological development, mean that today the Community's fleet is not sufficiently adapted to these new circumstances. The exclusion or partial exclusion of the Community's deep-water fleet from its traditional grounds in Iceland, Canada, Norway and Africa has increased pressure on fishing grounds in the Community's waters.

At the same time catch possibilities have been limited by past over-fishing. Fishermen have been forced to land increased quantities of lower priced species. At present, prices even for certain premium species such as cod are being forced down by imports to levels which render fishing uneconomic.

Added to this already dramatic situation, the price of fuel, a major cost element for the fishing industry, has soared in recent years, increasing by 100% in 1979. And fishermen must attempt to adapt to this catastrophic combination of circumstances at a time when interest rates are at record levels.

To meet these changes, new boats, new techniques and crew training will be required.

The Community's fishing fleet must be remodelled. The European Parliament as long ago as 1975 argued for effective measures to develop a Community fleet with a greater emphasis on smaller multi-purpose vessels more effective in their use of fuel.

There can be little doubt, therefore, that the basic objectives of the Commission's proposal, the disinvestment and diversification of the Community's fleet, is correct.

This is all the more important given the fact that Member States, in the face of the difficulties facing their fishing fleet, have decided to provide considerable aid on a national basis. There is a great risk that these purely national aid schemes will lead to an even more unbalanced Community fleet.

Guidelines are essential to ensure that the Community fishing fleet develops in accordance with the new catch possibilities. The question is to decide whether the Commission's proposal provides such guidelines.

The interim measures adopted for the last three years have been directed towards inshore vessels under 24 metres. The Commission's present proposal, while removing the absolute maximum size restriction, favours inshore and middle distance vessels which have operating cost advantages.

The Commission now proposes that aid for the construction and modernization of vessels shall be extended to all size of vessels without limit as to length or tonnage, with two provisos:

(a) for vessels above 33 metres the owner should break up vessels to an equal tonnage, with wrecked or irreparably damaged vessels considered as broken up;

(b) priority is to be given to vessels below 33 metres.

Thus an owner could replace a number of small outdated vessels with one large modern vessel, resulting in a vastly increased catching capacity.

Modernization of vessels will increase substantially catching capacity by the use of more sophisticated equipment, more powerful engines, winches etc.

The danger that the total catch possibilities will be increased beyond future catch possibilities cannot be ignored. This will result eventually in a decrease in the average incomes.

The aim must be to increase income by reducing unit costs by increasing catch rate per vessel.

This must mean, in addition to creating a more modern fleet, the decommissioning of a number of vessels, particularly the larger, more energy consuming vessels.

It is likely that stocks will recover gradually over the next few years, so the temporary decommissioning of vessels may provide a means of maintaining the Community's fleet in being during this period.

Given the high cost of decommissioning, it is unlikely that national governments will be able to maintain more than very modest programmes. Community funds will be essential if progress in this direction is to be made.

Commission proposals have been made in the past to encourage the cessation of fishing and the decommissioning of inshore and deep-water vessels. These have not been adopted by the Council, and it is not at all clear whether they remain on the table and, if so, how they fit in with the present proposals. If intended to replace existing proposals, the proposal before us today is clearly insufficient in that it will lead to an unjustified increase in catch capacity.

At a more general level, the Commission's proposal can be criticized in that it offers no clear conception of the way in which the Community's fleet should be developed. There is a total absence of analysis on catch possibilities, the type of vessels required and the changes in structure required. The problems vary considerably from country to country. Britain suffers from an excess of deep-sea vessels. Italy has the largest fleet, but is largely composed of very small outdated vessels. No mention is made of the problems facing the Italian middle water and deep-sea fleet, excluded from Yugoslavian, North African and West African waters. It is difficult to see how the Commission's proposal is intended to relate to the specific problems facing each country.

It is true that Member States are to draw up programmes designed to achieve a satisfactory balance between capacity and stocks. But such programmes are likely to be existing national schemes dressed up as Community measures with past errors and conflicting objectives maintained by Community funds. Vessels will be built which must inevitably be decommissioned in future years, perhaps with the aid of further Community funds.

This point is of very great importance and much greater clarity on this point must be introduced. We must also ensure that the programmes adopted are realistic. To this end a much greater consultative role must be given to fisheries producer groups when programmes are drawn up.

Joint ventures and exploratory fishing

In general the Committee can approve the objectives of these proposals which fit in with the needs to find alternative uses for surplus fishing capacity. Two remarks, however, can be made. Greater attention must be paid to the true needs of countries with whom joint ventures are to be developed. It is evident that these countries will require vessels suited to the needs of their fishing grounds and at times this may mean smaller vessels than those of 33 metres. Therefore the minimum limit should be reduced from 33 to 30 metres. For exploratory fishing it should be pointed out that the majority of Member States have already made funds available. It is unlikely, therefore, that additional Community resources will serve any great purpose.

The coordination and promotion of fisheries research

The proposals of the Commission can be approved. At the same time fisheries research should be much more closely adapted to the broader requirements of a common fisheries policy. In particular, much greater effort is required for research on the effectiveness and the biological basis of the various options available to the Community in implementing its stock conservation and management policy. In particular, funds should be available for research on the advantages and possibilities of introducing a multi-species approach to fisheries management.

SUMMARY OF APPROPRIATIONS PROPOSED

	<u>Community aid</u>	<u>No. of years</u>	<u>Total (mEUA)</u>
1. Develop new grounds	50%	3	9
2. Joint ventures			
- contractual enterprises	50%	3	1.5
- limited companies	50%		4.5
3. Construction and modernization			
- vessels 12 to 33 metres	25%	5	120
- vessels above 33 metres	25%	5	30
4. Aquaculture	35%	5	40
5. Artificial reefs	50%		5
6. Training and research centres			5
7. Research programmes		3	5

MOTION FOR A RESOLUTION (Doc. 1-608/79/rev.II)

tabled by Mr KAVANAGH, Mrs DESMOND, Mr O'LEARY, Mr O'CONNELL, Mr HUME,
Mr ABENS, Mrs LIZIN and Mr SCHWENCKE

on behalf of the Socialist Group
pursuant to Rule 25 of the Rules of Procedure

on the crisis in the Irish fishing industry

The European Parliament,

- Aware of the unique difficulties of the Irish fishing industry in view of its underdeveloped state and potential for growth,
 - Aware that the existing rules relating to restrictions on catches of various species - such as herring and salmon - militate particularly against the small inshore fishermen typical in the Irish industry, and threaten their livelihood,
 - Recognizing that the economy of the indigenous populations in the south-east, south, west and north of Ireland have depended almost exclusively on this method of fishing for centuries,
1. Calls on the Commission to re-examine its policies with a view to
 - i) changing them to eliminate those aspects which discriminate against inshore fishermen, and threaten their livelihood;
 - ii) ensuring the economic survival of those regions traditionally dependent on inshore fishing;
 2. Calls on the Council to explain why it has failed to protect the interests of inshore fishermen.

OPINION OF THE COMMITTEE ON BUDGETS

Draftsman: Mr O. FICH

On 24 September 1980 the Committee on Budgets appointed Mr FICH draftsman.

It considered the draft opinion at its meetings of 10 October and 17 November 1980 and at the latter meeting adopted it unanimously with five abstentions.

Present: Mr NOTENBOOM, acting chairman;
Mr FICH, draftsman; Mr ARNDT, Mr BONDE,
Mrs BOSERUP, Mr BROK (deputizing for Mr RYAN),
Mr FORTH, Mrs HOFF, Mr HOWELL, Mr MOTCHANE,
Mr TAYLOR and Mr TUCKMAN
Mr J.M. TAYLOR

I. Introduction

1. Council Regulation (EEC) No. 101/76 supplemented the common organization of the market in fisheries products and redefined the basic elements of a structural policy in the fisheries sector. In particular, it laid down the framework for the rational development of fisheries together with common rules governing the award and coordination of national aids. A Standing Committee for the Fishing Industry was to assist the Commission in this task.

2. In the meantime, the Commission submitted various proposals for structural improvements in this sector on which Parliament delivered a favourable opinion. The main proposals were:

- a Community system for the conservation and management of fishery resources (COM(76) 535 final),
- a draft directive on measures to adjust capacity in the fisheries sector (COM(77) 543 final),
- a common interim measure for restructuring the inshore fishing industry (COM(78) 170 final).

3. The last draft regulation was adopted by the Council on 25 July 1978¹ and has several times been amended.

4. In view of the creation of fishery zones and of the precarious decline in many fish stocks in the Community zone, the Commission now feels compelled to put forward new proposals for a common structural policy in the fisheries sector and update old draft directives. The Commission has to this end put forward the following three proposals:

1. a regulation on measures to encourage exploratory fishing and cooperation through joint ventures in the fishing sector,
2. a common measure for restructuring, modernizing and developing the fishing industry and for developing aquaculture,
3. a regulation concerning the coordination and promotion of fisheries research.

¹ Regulation (EEC) No. 1852/78 in OJ No. L 211 of 1.8.1978

5. The main objective of these proposals is the restructuring of the factors of production, in particular fishing fleets, the processing industry and market structures. They are aimed at ensuring competitiveness and a reasonable standard of living for people dependent on fishing for their livelihood and are based in the main on Articles 42 and 43 of the EEC Treaty.

II. Points in the Commission proposals of particular relevance to the Committee on Budgets

The first of the Commission's proposals seeks to supplement the draft directive on certain immediate measures to adjust capacity in the fisheries sector. Parliament has already delivered an opinion on this proposal¹. It has still not yet been adopted by the Council, however.

(a) Proposal for a regulation on measures to encourage exploratory fishing and cooperation through joint ventures in the fishing sector

6. The main aim of this proposal is to promote the redeployment of the fishing activities of the fishing fleets in the Community through exploratory voyages within or outside Community waters and/or the establishment of joint undertakings in third-country waters. Under a three-year plan a financial contribution to the aids granted by the Member States for vessels of a length exceeding 33 metres is proposed in respect of both measures. This financial contribution will be up to 50% of the expenditure eligible for reimbursement.

7. Overall the cost of Community participation in the exploratory fishing activities is estimated by the Commission at 9 m EUA and in the case of cooperation on the basis of joint fisheries ventures at 6 m EUA.

8. The relevant cost estimates are set out in detail in the annex to the financial statement.

(b) Proposal for a regulation on a common measure for restructuring, modernizing and developing the fishing industry and for developing aquaculture

9. The proposal for a regulation takes account of the changes that have taken place in recent years in the structure of Community fleets and accordingly adapts a proposal for restructuring inshore fishing amended by the Commission in 1978, which to date has been only partially implemented in the form of a regulation on an interim common measure². This proposal thus replaces the previous Commission proposal (COM (78) 247 final of 29 May 1978). It is in two parts:

- the drawing up of multiannual programmes (5 year) and projects in the fisheries sector,

¹OJ No. C 6 of 9.1.1978, p. 120 ff

²OJ No. L 211 of 1.8.1978, p. 30 ff

- common measures in regard to aquaculture, i.e. breeding facilities for fish, crustaceans and molluscs.

The aim of the measures is to:

- achieve a reasonable balance between catch capacity and marine resources in the fisheries sector, and
- attain a quantitatively significant and economically profitable production of fish, crustaceans and molluscs in the aquaculture sector.

10. The financial implications amount in the case of the adjustment and renewal of capacity in the fisheries sector to approx. 150 m EUA and in the aquaculture sector to approx. 50 m EUA. Detailed figures are given in the annex to the financial statement.

(c) Proposal for a regulation concerning the coordination and promotion of fisheries research

11. This proposal seeks to lay down the beginnings of a common research policy in the fisheries sector by:

- exchanging information,
- coordinating national research,
- supplementing research already begun in the Member States.

12. The research programmes are chiefly intended to cover aquaculture, new fishing techniques and the improvement of the processing and preserving processes for fisheries products. The overall cost of these measures, which include personnel expenditure for research teams and expenditure on equipment (up to 50%) is estimated by the Commission at approx. 5 m EUA for the three-year period.

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13. With the three measures proposed here, the total expenditure on structural measures in the fisheries sector (including other provisions) amounts, according to the Commission's figures, to approx. 351 m EUA. This is broken down as follows:

- Immediate measures to adjust capacity in the fisheries sector (Commission draft directive (COM(77) 543 final of 25.10.77)) ¹	131 m EUA or	per annum 26.2 m EUA
- Draft regulation (a) (Exploratory fisheries)	15 m EUA or	5 m EUA
- Draft regulation (b) (Restructuring of fisheries sector and development of aquaculture)	200 m EUA or	40 m EUA
- Draft regulation (c) (Research)	5 m EUA or	1.66 m EUA
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	351 m EUA or	72.86 m EUA

Since draft regulation (a) replaces in part the immediate measures provided for in the draft directive, the figure of 15 mEUA should be deducted from the total (cf. Commission proposal pp. 5 and 22).

III. Comments of the Committee on Budgets

14. The Committee on Budgets welcomes in principle the Commission proposals, which, with the broad aim of ensuring the efficient use of resources, provide for participation in and the coordination of national measures and thereby seek to frame a genuine Community policy for the fisheries sector as well. The committee calls attention in this connection to the various amendments in this area adopted by Parliament at the first reading of the 1980 budget. With a view to the creation of a genuine and effective common policy on fisheries and the marine sector, a number of token entries were at the time called for and made against the various budgetary headings (Articles 860, 870 and 872).

15. The formal presentation of the Commission proposals is open to a general criticism in that there is no reference in any of the articles laying down the financial provisions to the purely indicative nature of the estimated overall cost of the proposed measures.

16. Proposal (b) on common measures for restructuring, modernizing and developing the fisheries sector calls for several comments:

- This measure is to be implemented within the framework of the common measures under the Guidance Section of the EAGGF, for which the overall figure for the period 1981 to 1984 was limited, despite opposition from the Committee on Budgets, to 3,600 m EUA. The Commission believes it is possible to cover the budgetary implications of the present proposal within this amount without thereby exceeding the overall figure earmarked for the Guidance Section. The Committee on Budgets insists in this connection that the measures originally proposed within the 3,600 mEUA should not be jeopardized by the threat of the ceiling being exceeded and that the annual amounts should in any case be fixed in the budget on a year-to-year basis according to actual needs.

¹Parliament's opinion: OJ No. C6 of 9.1.1978, p. 120 ff.

Under the programme for the renewal or replacement of fishery vessels, Community aid totalling 30 m EUA is proposed specially for vessels of a length exceeding 33 metres. At an annual renewal rate of 6% of total tonnage the Commission arrives at an expenditure estimate of 60 m EUA over a five-year period; it has, however, cut this amount by half in view of the special situation currently prevailing, i.e. the limited catch potential for this kind of vessel.

17. The Committee on Budget feels bound in this connection to appeal to the Committee on Agriculture, the committee responsible, to scrutinize carefully the need for a measure of this nature from the viewpoint of the economic use of resources. The question arises in particular as to whether an incentive to renew these vessels should not be dispensed with entirely in view of the limited catch potential for this kind of vessel.

For this reason also, the Committee on Budgets is of the opinion that proposal (a) to encourage exploratory fishing should apply not only to vessels exceeding 33 metres in length, and therefore calls on the Committee on Agriculture to examine the possibility of lowering this limit substantially.

18. For Commission proposal (a) the 1981 estimate totals 6 m EUA. These funds are to be charged to Article 870, against which 20 m EUA has been entered in the 1981 preliminary draft budget. For draft regulation (b) 25 m EUA has been entered in commitment appropriations and 10 m EUA in payment appropriations under Article 860 of the preliminary draft budget. For draft regulation (c) the figures are 0.5 m EUA in commitment appropriations and 0.25 m EUA in payment appropriations (Article 872). With the 20 m EUA in commitment and payment appropriations for the draft directive on certain immediate measures to adjust capacity in the fisheries sector under Article 870, which has not yet been approved by the Council, approx. 45.5 mEUA is thus provided in commitment appropriations for restructuring in the fisheries sector in 1981. Of this total, the Council has entered 25 mEUA, in commitment appropriations and 10 mEUA in payment appropriations in the draft budget (Article 860).

19. It is extremely surprising to note that in its proposals and financial estimates the Commission has not taken account of the accession of Greece on 1 January 1981 and hence of the participation of this new member in the fisheries policy, even though it points out that the regulations will be directly applicable in Greece. The Commission draws attention instead to the need for modification of the budgetary estimates 'in order to take into account the specific needs of this country in the fishery sector' (Commission document p.4.).

The Committee on Budgets calls on the Commission to take account of these modifications, if necessary in a letter of amendment to the 1981 budget, in order to avoid a supplementary budget.

IV. Conclusions

20. The Committee on Budgets

- supports the measures proposed by the Commission with regard to fisheries policy, which are intended to supplement existing proposals and measures,
- underlines once again its view that all figures in regulations relating to estimates of expenditure for these measures are of a purely indicative nature and can be fixed finally only during the annual budgetary procedure,
- points in this connection also to the fact that the restructuring and development measures to be implemented under the Guidance Section of the EAGGF should not be impeded by the ceiling of 3,600 mEUA placed on the Guidance Fund by the Council, and calls on the Commission to take prompt action to deal with this problem,
- advocates a review of the expenditure on the modernization or renewal of fishery vessels of a length exceeding 33 metres with a view to reducing further the proposed total amount of 30 mEUA or dispensing entirely with aid for such vessels,
- is in favour, however, under certain conditions, of lowering the limit for vessels to which the proposal to encourage exploratory fishing may apply,
- calls on the Commission to furnish the Committee on Budgets and the European Parliament without delay details of the financial implications of these measures deriving from the accession of Greece, and, if necessary, to take account of these implications in a letter of amendment to the 1981 budget in order to avoid a supplementary budget,
- approves the Commission proposals subject to the submission of these figures and the following amendments,
- asks the Committee on Agriculture to request the Commission to incorporate the following amendments in its proposals, pursuant to the second paragraph of Article 149 of the EEC Treaty:

- (a) Council regulation on measures to encourage exploratory fishing and cooperation through joint ventures in the fishing sector

Preamble and recitals unchanged

Articles 1 to 10 unchanged

Article 11

1. For the period between 1 January 1981 and 31 December 1983, the Community shall reimburse to the Member States, subject to the conditions laid down in the following paragraphs, the expenditure incurred as a result of the decision provided for in Article 3(3).
2. The eligibility of the expenditure incurred shall be limited to:
 - 100 EUA per gross register tonne and per year of contract for the operations provided for in Article 10(a);
 - 400 EUA per gross register tonne for the first 300 grt, and 200 EUA for each additional gross register tonne for the operations provided for in Article 10(b).
3. The Community's contribution may not exceed 50% of expenditure considered to be eligible under the decision provided for in Article 3(3).
4. The estimated cost of the Community contribution is 9 m EUA for eligible expenditure in respect of measures referred to in Title I and 6 m EUA for eligible expenditure in respect of measures provided for in Title II.

Article 11

1. Unchanged
2. Unchanged
3. Unchanged
4. The estimated cost of the Community's total contribution is 15 m EUA. This figure is purely indicative.

Articles 12 to 16 unchanged

- (b) Council regulation (EEC) on a common measure for restructuring, modernizing and developing the fishing industry and for developing aquaculture

Preamble and recitals unchanged

Articles 1 to 13 unchanged

Article 14

1. The proposed duration of the common measure shall be five years from 1 January 1981.
2. The estimated total cost of the common measure to the Fund shall be 200 million European units of account.

Article 14

1. Unchanged
2. The total cost of the common measure to the Fund is estimated at 200 million European units of account. This figure is purely indicative.

Articles 15 to 23 unchanged

(c) Council regulation concerning the
coordination and promotion of
fisheries research

Articles 1 to 5 unchanged

Article 6

Article 6

Paragraphs 1 and 2 unchanged

3. The Community may participate in the costs following from the implementation of the programmes. The maximum of this participation is fixed provisionally at 5 million European Units of Account shared between the various programmes according to annex II. The appropriations necessary for each exercise are fixed annually in the general Community budget

3. The Community may participate in the costs following from the implementation of the programmes. The total cost of this participation is estimated at 5 million European Units of Account shared between the various programmes according to annex II. This figure is purely indicative. The appropriations necessary for each exercise are fixed annually in the general Community budget.

Articles 7 to 12 unchanged
