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European Fisheries

Report¹

Committee on Agriculture and Rural Development

Rapporteur: Mr Roger de KINDER, Belgium, Socialist Group

1. 1959 - 11th Session - First part



A. Draft Recommendation presented by the Committee on Agriculture²

The Assembly,

Noting with satisfaction that the Council of O. E. E. C. and the Ministerial Committee for Agriculture and Food have instituted a procedure for the regular confrontation of national fisheries policies;

Noting with satisfaction, also, the action of the European Productivity Agency in the field of consumer education,

Recommends that the Committee of Ministers of the Council of Europe and the Council of O. E. E. C. examine the following suggestions, which are designed to increase consumption and intra-European trade in fish products and at the same time improve living conditions for the fishing populations :

1. to take co-ordinated action to promote the establishment of pilot cold chains and freezing warehouses, as O. E. E. C. is now doing in France and Italy, with due regard for and in collaboration with, other sectors of the trade in perishable food;
2. to promote the establishment of uniform standards of hygiene in the fish trade;
3. to examine the possibilities of giving further support to the efforts of the European Productivity Agency in the field of consumer education;
4. to study the improvement of national marketing arrangements, including the possibilities of moderate Government stocking, in order to help secure greater regularity of supply and even out abnormal price fluctuations ;
5. to enquire into the investment problems of the fish trade, particularly the possibilities of providing financial assistance during the initial period in which investments in improved transport and trade installations are not likely to pay;
6. to study methods of co-ordinating production and consumption policies, with a view to the liberalisation of trade in fish products at least to the extent necessary to reduce seasonal fluctuations in supply; and in examining the protection afforded to fisheries industries labouring under special difficulties, to consider the application of measures other than quantitative restrictions;
7. to examine the possibilities of improving fisheries statistics and establishing a uniform commercial classification.

2. (a) Adopted unanimously by the Committee.
MEMBERS OF TUE COMMITTEE : MM. Lucifero (Chairman) ; De Kinder, Viscount Stonehaven (Vice-Chairmen) ; MM. Torsten Andersson, Biesheuvel (Alternate : Tjalma), Charpentier, Droulia, Sir Thomas Dugdale, Sir Anthony Esmonde, MM. Federspiel, de F61ice, Gerns, Jacobs, Jannuzzi, Jonasson, Legendre, Leirfall, Lücker, Margue, Peeoraro, Römer [Alternate : Stendebach), Royle, Sener.
N. B. THE NAMES OF THE REPRESENTATIVES WHO VOTED ARE PRINTED IN ITALICS.
(6) See 9th Sitting, 25th April 1959 (draft Recommendation adopted), and Recommendation 198.

B. Explanatory Memorandum presented by M. DE KINDER

1. INTRODUCTION

1.1.

The question of European fisheries was first examined by the Committee on Agriculture in October 1957 on the basis of a document submitted by the Rapporteur (AS/Ag (9) PV3—Appendix).

In the light of this discussion, the Rapporteur prepared a more detailed study of fisheries problems arising in the member countries.

This new survey, bearing reference No. AS/Ag (10) 11, was examined in September 1958. The Committee then asked the Rapporteur to submit to it a document reviewing the discussions held in committee and the work done on the subject by O. E. E. C.

As a result of this preliminary discussion a motion for a recommendation was tabled on 22nd September 1958 ([Doc. 852](#)) and referred by the Assembly to the Committee on Agriculture on 10th October 1958.

This Report, which constitutes a conspectus of the above-mentioned material, was discussed and approved by the Committee in March 1959. The Committee considers that it gives a broadly comprehensive picture of the present state of the fishing industry in the Europe of the "Fifteen" and has accordingly the honour to submit it to the Assembly together with recommendations which, in the opinion of the Committee, are designed to facilitate the solution of the problems under consideration.

In the following paragraphs, the Committee has endeavoured to view European fisheries industries against the general background of the two principal schemes of European economic integration : the European Economic Community (E. E. C.) and the proposed European Economic Association. Part I deals with the present state of affairs and the trends of development in the countries grouped by the areas in question; Part II is intended to analyse some of the main provisions of the E. E. C. Treaty and their possible effects on fisheries industries in the "Six" and in the other OEEC countries. Nothing is yet known about the way in which fish products would be treated within a European Economic Association.

2. The main characteristics of the fishing industries in different countries

By way of introduction it should be emphasised that the international comparison of fisheries is complicated by prevailing differences between the methods used in compiling and computing national statistics. All comparisons made should therefore be interpreted with caution.

2.1. Importance of fisheries in the national economy

Within Europe the importance of fisheries in the national economy varies considerably from one country to another.

One summary way of illustrating this is to relate the value of fish landings to national income.

T A B L E I - Importance of sea fisheries in the national economies

Country	Value of fish landing in % of national income	Fishing population in % of total working population
Belgium	0.2	0.1
France	0.3	0.3
Germany	0.2	0.1
Italy	0.3	0.6
Netherlands	0.4	6.3
Denmark	1.0	0.7
Greece	12	n. a. n. c.
Iceland	20.6	7.4
Ireland	0.3	n. a. n. c.
Norway	3.2	5.1

1. Including Algeria. - 2. Estimate.

Country	Value of fish landing in % of national income	Fishing population in % of total working population
Portugal	2.8	n. a. n. c.
Sweden	0.3	0.5
United Kingdom	0.3	0.1

1. Including Algeria. - 2. Estimate.

Source : National Income : Statistics of National Income and Expenditure, U. N., New York 1957.

It will be seen that with one exception the share of fisheries in the national income of European countries is relatively insignificant, ranging between 3 % and 1 % in Norway, Portugal and Denmark (in that order) and between 0.4 % and 0.2 % in the remaining countries mentioned here. The exception is Iceland where the share is no less than 21 %. However, in evaluating these figures, it should be remembered that only the primary phase of fishing production has been taken into consideration here. In cases where the bulk of the catch is processed in one form or the other, the value to be added is likely to be very considerable. Thus, in Iceland it is estimated that processing adds about 90 % to the total value of fish landed. (Compare with Table IV.)

Moreover, as will be shown later in this paper, the importance of the fishing industry in the export trade of the four countries mentioned above is considerably greater, in the case of Iceland indeed, absolutely dominating.

The second column of Table I shows that fishing population makes up only a very small part of the economically active population in most countries, Iceland and Norway also in this context being the two outstanding exceptions with a ratio of 7 % and 5 % respectively. Other countries with more than a half per cent of the population employed directly in fisheries are, in this order, Denmark, Italy and Sweden.

2.2. Fisheries Production in Western Europe

2.2.1. Fish catch developments

The fish catch of all European countries (excluding the U. S. S. R.) in 1956 amounted to 8 million metric tons live weight or 27 % of the world catch. The latter percentage was the same as that registered in 1938 and the European fish catch thus showed the same change — an increase of about 44 % — from 1938 up to 1956.

The fish catch in the OEEC member countries combined has shown a development from 5.5 million tons in 1948 to 7.1 million tons in 1956, the latter figure being 40 % higher than pre-war. The Six account for about 30 % of the total catch, the other OEEC countries for the remaining 70 %. It may be added that the increase as from 1950 to 1955 by 25 % of fish catch compares with increases of 32 % and 39 % for meat production and industrial production, respectively.

2.2.2. Composition of catch

An overall picture of catch composition in OEEC countries combined shows the two main groups to be herrings, sardines etc., and cods, hakes etc., which together account, in almost equal parts, for about 75 % of total European catch. The remaining group " Other fish " covers a wide variety, of which flounders, halibuts and sole are among the most important.

T A B L E II - Catch Composition for selected OEEC Countries, 1955

Country	Cods, hakes, haddocks, etc.		Herrings, sardines, anchovies, etc.		Other Species		Total	
	Thous. M. T.	%	Thous. M. T.	%	Thous. M. T.	%	Thous. M. T.	%
Belgium	34	43	21	26	25	31	80	100
France	195	37	99	19	229	44	523	100

1. Including Algeria. - 2. 1954.

Country	Cods, hakes, haddocks, etc.	Herrings, sardines, anchovies, etc.	Other Species	Total				
	Thous. M. T.	%	Thous. M. T.	%	Thous. M. T.	%	Thous. M. T.	%
Fed. Rep. of Germany	189	24	340	44	248	32	767	100
Italy	5	2	72	33	170	65	217	100
Netherlands	28	9	158	49	134	42	319	100
Sub-total	451	24	690	36	775	40	1.916	100
Denmark	71	17	196	46	158	37	425	100
Faroe Islands	92	87	13	12	1	1	106	100
Greece	2	3	8	15	50	82	60	100
Iceland	346	72	54	11	80	17	480	100
Ireland	7	29	5	21	12	50	24	100
Norway	513	27	1.140	61	215	12	1.868	100
Portugal	185	47	97	25	108	28	390	100
Sweden	47	24	127	63	25	13	199	100
United Kingdom	754	69	181	16	164	15	1.099	100
Sub-total	2 017	43	1.821	39	813	18	4.651	100
Grand total	2.468	38	2.511	38	1.588	24	6.567	100
1. Including Algeria. - 2. 1954.								

1. Accounting for 98 % of total OEEC catch in 1955.

Source : F AO Yearbook on Fishery Statistics

An exact comparative analysis of the catch by countries is difficult because the group " Other fish " often includes—as in the case of France and Germany—not only unspecified species but also fish delivered to fish meal factories as being unfit for human consumption.

Nevertheless, it emerges clearly that the components making up the catch carry a very different weight from country to country. True, the share of herrings, sardines, etc., in the total catch is almost the same in the EEC countries combined as in the other OEEC countries combined—about two-fifths—the main producers being the federal Republic of Germany and Norway which together account for nearly 60 % of the total catch of all OEEC countries of this category of fish. But inside each of the two groups there are marked differences. Thus, among the OEEC countries outside the Six it is found that for the two dominant nations, Norway and the United Kingdom, herrings etc. accounts for 61 % and 16 %, respectively, of total catch.

The other main group—cods, hakes, haddocks, etc.—makes up only one-fourth of the catch of the Six but more than two-fifths of the catch of other OEEC countries. This group dominates in the case of two countries : Iceland and the United Kingdom where it represents 72 % and 69 %, respectively, of their total catch. Together with Norway these two countries account for 67 % of the total European catch of this specification.

2.2.3. The value of the catch

International surveys on this subject inevitably suffer from the necessity to convert national figures into a common currency, the U.S. dollar, at the official rates of exchange, which do not always give a true picture of the real conditions.

Another factor of inexactitude is that values in available statistics are given as relating to " landed weight ", i.e. in terms of that part of the catch which is brought ashore after heads, guts, shells, etc., have been removed. In certain fisheries the catch is not only dressed but also processed before landing, while in others, especially herring fisheries, no dressing or other processing takes place at sea. In Europe taken as a whole, landings

account for about 90 % of catch, Greece and Portugal being the two extremes diverging from the norm : in Greece the whole catch is landed, while landings in Portugal only account for 73 % of the catch. The national statistics underlying Table 3 take these factors into account as far as possible.

TABLE III - Values of landings by countries and main groups of species 1955 - Million \$

Country	Cods, Hakes, etc.	Herrings, etc.	Other Species	Total
Belgium	3.7	1.4	6.6	11.7
F r a n c e	40.3	15.8	79.2	135.3
Fed. Rep. of Germany	15.0	23.9	19.9	58.8
Italy				61.5
Netherlands.	2.9	10.3	12.2	25.4
Sub-total				292.7
Sub-total without Italy	61.9	51.4	117.9	231.2
Denmark	5.3	7.7	23.5	36.4
Greece				
Iceland				32.6
Ireland	0.8	0.2	2.6	3.6
Norway	35.5	34.6	13.8	84.0
Portugal	18.0	12.2	13.6	43.8
Sweden	4.6	10.9	7.7	23.2
United Kingdom	85.4	9.4	37.8	132.6
Sub-total				356.2
Sub-total	149.6	75.0	99.0	323.6
Grand Total				648.9
Grand Total	211.5	126.4	216.9	554.8

1. Including Algeria - 2.

Without Greece. - 3.

Without Greece and

Iceland. - 4. Without

Greece, Iceland and

Italy.

Source : FAO Yearbook of Fishery Statistics.

It will be seen that the value of fish landings by OEEC member countries, excluding Greece where no figures are available, amounted to 650 million dollars in 1955. About 45 % of the total was accounted for by the Six, the remaining 55 % by the other member countries.

Owing to the absence of detailed data for three countries—Italy, Greece and Iceland— it is not possible to give the exact breakdown by main specifications for all OEEC countries. For the remaining countries, which after all include the largest fishing nations accounting for 85 % of landed value, the figures show the two groups " cods, etc. ", and " other species ", each to comprise 40 % of total values, with " herrings, etc. ", answering for the remaining 20 %. If a distinction is made between the six and other OEEC countries, it will, however, be seen that " other species " dominate in the former group (largely due to France) while " cods, etc. " dominate in the latter group (essentially the U.K. and Norway).

An analysis of the unit values of landings, i.e. the average value in 100 U.S. \$ per ton weight of the different species of fish shows the group " other fish " to lead with 1.7, " cods, etc. ", following at 1.4 and " herrings, etc. ", trailing far behind with only 0.5. Moreover, there are striking divergencies from country to country, Italy taking first place with an average unit value of 3.5 and Norway last place with 0.5. These divergences are due partly to the varying importance in national fisheries of the different groups, partly to quality differences within these groups, including differences in the composition of the group " other species ".

An analysis of this latter group shows the main species to be flounders, halibuts, etc., with relatively high unit values (from 8.0 in France, 3.5 in Belgium and the U.K. to 2.7 and 2.6 in the Netherlands and Denmark), salmon, trout, smelts, etc., and Crustacea. This group also covers a variety of Mediterranean species that make up the bulk of landings in Italy and Greece.

2.2.4. Disposition of the catch.

The utilisation of the fish catch varies greatly from country to country and, even within a country, from season to season.

T A B L E IV - Disposition of the catch (1955) - (Percentages)

Country	Marketing fresh	Freezing	Curing	Canning	Reduction	Mises Purpose
Belgium	75	8	12	3	2	—
France (Incl. Algeria)	60	...	29	11	—	—
Fed. Rep. of Germany	...	...	...	...	...	...
Italy	85	1	10	4	—	—
Netherlands	40	2	36	8	7	7
Denmark	23	11	3	4	49	10
Faroe - Islands	7		91	0	0	—
Greece	93	2	4	1	—	0
Iceland	3	47	48	0	2	—
Ireland	80	1	10	0	3	6
Norway	12	8	26	3	50	1
(33	(—)	(48)	(19)	(—)	(0)	Portugal
United Kingdom .	77	7	4	1	9	2
Total Europe	41	8	25	5	21	0

1. " Marketing
fresh " includes
" freezing " . - 2.
Estimates
based on 92 %
of the catch. - 3.
All Europe,
including
Eastern, Central
and Southern
Europe.

Source : F A O Yearbook of Fishery Statistics (E-6).

About 40 % of the total catch in Europe is marketed as fresh and almost 8 % as frozen. An examination of individual groups of species shows that herring and cod account for the main quantity that is salted.

Listing the countries according to the proportion of catch processed in one or the other form, Iceland ranges first with only 3% of the catch being marketed as fresh. Next in the order of importance of processing are : Norway, Denmark, the Netherlands and France. As will be seen in the next section, the largest net exporters of fish and fish products are Norway, Iceland, Denmark, Portugal and the Netherlands in that order. The largest exporters and the countries with the highest rate of processing, thus, almost cover each other.

Another interesting fact is the high proportion of reduction (i.e. to fish meal and oil) in Denmark and Norway. Reduction was primarily introduced to absorb excess quantities, mainly herring for which it was not easy to find an outlet at reasonable prices; production, however, it may be noted, is increasing from year to year. Denmark, for instance, uses increasing quantities of fish oil instead of olive and other vegetable oils for the canning of other fish. Norwegian fish oil production goes in increasing quantities to the margarine factories. In 1955, 133 thousand metric tons, or 73 % of the total catch of herring went for reduction in Denmark; the corresponding figures for Norway are 820 thousand metric tons or 71 % of the total herring catch.

Most of the herring catch of the other North Sea countries, principally the Netherlands and the U.K., is used for human consumption in fresh or cured condition (salted, spiced, smoked or marinated). France and Portugal can a large proportion of their sardine catch; Norway and, to some extent, Sweden, can brislings (sprats) and immature herrings. Germany processes domestic as well as imported herrings into a variety of products of almost " industrial " character to meet customers' taste and demand.

Concluding, it may be said that one of the main purposes of processing is to facilitate distribution and stockage and thus to ease the trade in fish products which are extremely perishable. Nevertheless, more than 40 % of the European fish catch³ is offered fresh to the consumer. In view of the inadequate development of transport facilities for frozen fish, a great part of the fresh fish consumed in Europe has to be marketed within a limited range of the fishing ports or only reaches the consumer in a not always fully satisfactory condition. The outstanding importance of fish processing in the main exporting countries must be viewed against this background.

2.3. Foreign Trade

2.3.1. The importance of the fish trade in the different countries

Table V highlights the importance of fish in the foreign trade of OEEC member countries.

It will be seen that for the OEEC area as a whole the share of imports and exports made up by fish is insignificant. However, there are considerable differences from country to country.

TABLE V - External trade in fish and fish products (S. I. T. C. 03) in per cent of foreign trade values (1956)

	Import %	Export %
Belgium	0.7	0.2
France	1.0	0.3
Federal Republic of Germany	0.4	0.2
Italy	1.5	0.1
Netherlands	0.2	1.0
Sub-total	0.7	0.3
Austria	0.7	0.
Denmark	0.3	3.1
Greece	2.0	0.2
Iceland	0.	76.0
Ireland	0.4	1.0
Norway	0.1	13.8
Portugal	2.4	12.8
Sweden	0.8	0.4
Switzerland	n. a. - n. c.	n. a. - n. c.
Turkey	0.	1.7
United Kingdom	0.8	0.2
All OEEC total	0.7	0.9

1. Switzerland not included.

As regards the import side, these differences are still relatively modest. Thus, the highest ratio of fish imports to total imports—2.4 %—is that of Portugal, although this country is a net exporter of fish products. Other countries with a relatively high ratio of fish imports are Greece, Italy and France, in that order.

On the export side national differences are on quite a different scale. In the extreme case of Iceland fish products account for no less than 76 % of total exports (and this percentage increases to 82 % if feeding stuffs for animals derived from fish are included. Two other leading fishing nations—Norway and Portugal—follow at a considerable distance with 14 % and 13 %, respectively, while the percentages for the remaining countries are insignificant.

2.3.2. Trade of individual countries with the world and with the OEEC area

Proceeding to the absolute figures contained in Table VI it will be seen that the largest net exporters are : Norway and Iceland, with net balances of 106 and 48 million dollars, respectively, the corresponding figures for the countries next in importance—Denmark, Portugal and the Netherlands—are far lower, ranging from 29

3. The percentage covering the whole world is almost the same.

to 22 million dollars. The second largest European producer, the United Kingdom, and two of the other big producers, Germany and France, are thus among the net importers. Listed according to the absolute net value of imports the countries come in this order : the United Kingdom, Italy, France, B. L. E. U. and Germany. The EEC countries as a group are net importers to the tune of almost 95 million dollars while the other OEEC countries are net exporters to the tune of almost 120 million dollars.

T A B L E VI - OEEC countries' trade in fish and fish preparations 1 with the world and with the OEEC area (1956) - Million \$ 8

Reporting countries	World	OEEC area (metrop.)	% O.E.C.E. out of world	Net			
Reporting countries	Imports	Exports	Imports	Exports	Imports	Export	Net
Belgium-Lux.	24	5	17	4	70	75	—19
France	53	15	20	6	38	37	—38
Féd. Rép of Germany	26	14	21	10	81	77	—12
Italy	47	2	31	1	07	55	—46
Netherlands	8	30	5	23	65	70	+ 22
EEC total	158	66	94	44	60	67	— 93
Austria	7	—	6	—	81	98	— 7
Denmark	4	33	4	26	93	76	+ 30
Greece	9	—	8	—	89	54	— 9
Iceland	0	48	0	15	—	32	+ 48
Ireland	2	3	1	3	41	99	+ 1
Norway	1	107	1	42	87	39	+ 106
Portugal	11	39	10	28	94	73	+ 28
Sweden	17	8	14	3	85	42	— 10
Switzerland	n. a. - n. c.	n. a. - n. c.	n. a. - n. c.	n. a. - n. c.	n. a. - n. c.	n. a. - n. c.	n. a. - n. c.
Turkey	—	5	—	4	100	68	+ 5
United Kingdom	89	16	33	6	37	32	— 73
Sub-total	140	259	77	127	55	49	+ 119
OEEC total	298	325	171	171	58	52	+ 26

1. Excluding Switzerland -
1. SITC group
03. - 2.
Imports c.i.f. :
exports f.o.b.

This leads to the next question, that of the origin and destination of fish imports and exports. A first answer is given in Table VI, which shows the percentage share of the OEEC area in total imports and exports of each country.

It will be seen that the two largest exporters Norway and Iceland market only 39 % and 32 %, respectively, of their exports in other OEEC countries while for the countries coming next as exporters, Denmark, Portugal and the Netherlands, the corresponding percentages are no less than 76, 73 and 76, respectively.

On the import side, the picture is similar, as two of the largest importers, the United Kingdom and France only import 37 % and 38 % from other OEEC countries, while the second largest importer, Italy, and Belgium-Luxembourg and Germany import 67 %, 70 % and 81 % of their total imports from OEEC countries. The EEC countries—net importers—take 60 % of their total imports from the OEEC area, whereas the other OEEC countries—net exporters—market only 49 % of their total exports within the OEEC area.

2.3.3. Trade of individual OEEC countries with the EEC area and with OEEC countries combined

An examination of the individual OEEC countries' trade with the EEC area shows considerable net export balances. The main suppliers of the EEC area are, in this order, the Netherlands, Portugal, Norway and Denmark which distribute 83 %, 60 %, 39 % and 44 %, respectively, of their West European exports in the EEC area.

T A B L E VII - Trade with the EEC area (1956) - Values Million dollars c.i.f.

Reporting Countries	Imports from and exports to EEC area	Percentage share of trade with EEC area of trade with all OEEC countries combined	
Reporting Countries	Imports	Exports	
Belgium-Luxembourg.	10	3	57
France	10	4	50
Fed. Rep. of Germany	4	6	20
Italy	7	1	24
Netherlands	2	19	33
EEC total	33	33	35
Austria	3	—	56
Denmark	—	11	8
Greece	1	—	46
Iceland	0	6	—
Ireland	—	1	2
Norway	1	16	45
Portugal	1	17	10
Sweden	—	2	2
Switzerland	n. a. - n. c.	n. a. - n. c.	n. a. - n. c.
Turkey	0	1	0
United Kingdom	3	4	10
Sub-total	9	58	12
OEEC total	42	91	25

The bulk of the EEC countries' fish exports remains within the EEC area. The only net exporter is the Netherlands, which exports 83 % of its European fish exports to other EEC countries. On the import side, it may be noted that France takes 50 % of its European fish imports from EEC countries. The corresponding figures for B. L. E. U. and Italy are 5.7 % and 24 %.

Taking the EEC area as a whole, it will be seen that the trade within that area balances at about 33 million dollars, the other OEEC countries being net exporters to the EEC to an amount of 47 million dollars.

2.3.4. Development of trade by commodity groups and countries of origin or destination

This section is mainly based on figures taken from the OEEC publication *Fish Marketing in Western Europe* since 1950 (OEEC/EPA325/2). Figures are given in metric tons.

2.3.4.1. The main net importing countries Gross imports in 1955 :

E. E. C. : Italy (128,000 M.T., value 46 million \$), France (100,000 M.T., value 39 million \$), Belgium-Luxembourg (68,000 M.T., value 20 million \$).

Other OEEC countries : United Kingdom (141,000 M.T., value 63 million %).

Italy: The specification which ranks first in Italian fish imports is salted and dried cod, amounting to 43,000 M.T. in 1954. The development in the trade of this specification during recent years shows a decreasing trend, a fall by about 22 % from 1951 to 1954, mainly due to declining imports from the two major suppliers,

Denmark and Iceland, although these countries in 1954 still accounted for 55 % of the total. Simultaneously, it may be noted, supplies from France, Germany and Belgium-Luxembourg increased somewhat so as to account for about 24 % of total Italian imports of salted and dried cod in 1954.

As for fresh and frozen fish, no significant development can be discerned, the major suppliers being Norway and Denmark with a share of 61 % of total imports of this product (amounting in 1954 to 23,000 M.T.).

As regards stockfish, Norway and Iceland accounted for 76 % and 23 %, respectively, of imports in 1954, Iceland showing an expanding tendency on the Italian market for this product which as a whole fell back slightly between 1951 and 1954. Total stockfish imports were about 6,000 M.T. in 1954.

Total imports of salted and smoked herrings in 1954 were 6,000 M.T., a decline as compared with 1951. The major suppliers were the United Kingdom and the Netherlands, 53 % and 25 % respectively in 1954.

Total imports of canned tuna in 1954 were 8,000 M. T. or somewhat higher than in 1951. Main suppliers were Portugal (45 %) , Spain (16 %) and Spanish Morocco (10 %) . Total imports of other canned fish in 1954 were 18,000 M. T. Main suppliers were Spain (33 %) , Portugal (20 %) , French Morocco, the Netherlands, Canada and Spanish Morocco.

France: Molluscs and Crustacea account for the highest share of imports into France, 40,000 M.T. in 1955. A slightly increasing tendency as compared with 1951 can be discerned. By far the most important supplier is the Netherlands with a share of 65 % (increasing) in total imports of this commodity. Other large suppliers are Denmark with 14 % (decreasing as compared with 1951), and the Federal Republic of Germany 8 % (increasing as compared with 1951).

Imports of canned fish were 25,000 M.T. in 1955, a decline compared with 1951; Morocco is the major supplier with 46 % of the total.

As for fresh or frozen salt water fish, imports amounted to 23,000 M.T. in 1955, the main suppliers being Norway (28 %) and French Morocco (23 %) . The Federal Republic of Germany, Denmark, B. L. E. U. and the Netherlands are, however, also relatively important suppliers, accounting for between 6 % and 10 % each, Denmark being the only country to show a slightly decreasing trade volume as compared with 1951.

B. L. E. U. : As in France molluscs and Crustacea are the most important fish imports, 25,000 M.T. in 1955. Imports have been very stable since 1951. The Netherlands account for 90 % to 95 % of Belgium's import of this product.

Other import specifications of importance are canned fish, amounting to 14,000 M.T. in 1955 and showing a steady rise as compared with 1951. The main suppliers are, in this order, Portugal (31 %) , Japan (25 %) and Canada (19 %)

Imports of salted and smoked herring amounted to 13,000 M.T. in 1955, or slightly less than in 1951. The Netherlands accounted for almost 100 % of these imports.

As for fresh fish (excluding herring), imports almost doubled from 1951 to 1955 when they amounted to 11,000 M.T. The major suppliers were the Netherlands (48 %) , Denmark (21 %) and the United Kingdom (12 %) .

The United Kingdom : The available import statistics for the U. K. are incomplete insofar as they only give information about fresh or frozen whitefish. These imports amounted to 68,000 M.T. in 1955, representing 48 % of total imports in that year, and which signified a decline by 50 % compared with 1951. Iceland was the main supplier in 1951 with a share of about 41 %; in 1955 its share was less than 1 %. Other main suppliers were Germany (with a share in 1955 of 53 %) , Denmark (27 %) and Norway (16 %)

2.3.4.2. The main net exporting countries Gross exports in 1955 :

E. E. C. : Netherlands (148,000 M.T., value 28 million \$). Other OEEC countries : Norway (360,000 M.T., value 98 million \$), Iceland (139,000 M.T., value 40 million \$), Denmark(102,000 M.T., value 30 million \$), Portugal (67,000 M.T., value 34 million \$).

The Netherlands : The two main groups of species exported by the Netherlands are (i) salted and smoked herrings and (ii) molluscs and crustacea. Exports of the former show a rather stable development and amounted to 55,000 M.T. in 1955. The main customers were B. L. E. U. with 24 %, the Federal Republic of Germany with 17 %, and Norway, Italy and France with between 5 % and 3.5 % each. Total exports of

molluscs and crustacea (not canned) amounted to 49,000 M.T. in 1955, representing a rise of 26 % above 1951, mainly due to increased exports to France. Practically the only customers are France (53 %) and the B. L. E. U. (45 %) .

Norway: The largest quantity exported by that country consists of salted or spiced herrings. Exports of these products showed a steady increasing tendency from 1951 to 1955 when they attained a level of 86,000 M.T. In 1955 about 60 % of these exports went to the U. S. S. R., representing a 10 % increase over 1951. Other larger customers were Eastern Germany 13 %, Sweden 10 % and the U.S.A., 7 %.

The second most important group consists of fresh herrings, of which 69,000 M.T. were exported in 1955. This was slightly higher than in 1951 but there were considerable variations from year to year. The largest buyers were the Federal Republic of Germany with a share of 43 % in 1955, Eastern Germany 28 % (heavy increase since 1951), the United Kingdom 14 % (decreasing as compared with 1951).

As for frozen herrings, 44,000 M.T. were exported in 1955, more than double the figure for 1951. Major buyers were Eastern Germany and Czechoslovakia with 32 % and 23 %, respectively, in 1955, both showing heavily increased imports as compared with 1951.

Exports of salted and dried fish (hlipfish) which amounted to 42,000 M.T. in 1955 has shown considerable variations from year to year. By far the largest customer is Brazil, which took 64 % of Norwegian exports of this commodity in 1955.

Other important groups are canned fish, 31,000 M.T. of which were exported in 1955, with U.S.A. and the United Kingdom as main customers; and frozen fish, including fillets (not herrings) of which 27,000 M.T. were exported in 1955 to a large number of customers, the most important of which were Czechoslovakia (20 %) , Italy (19 %) , U.S.A. (11 %) and Sweden (9 %) .

Iceland : The bulk of Icelandic exports consists of three main categories of fish : fresh and frozen fish, wet-salted fish, and salted herrings.

Exports of frozen fish were 57,000 M.T. in 1955; the export statistics show very pronounced and considerable variations from year to year (1950 : 47,000 M.T., 1951 : 87,000 M.T., 1952 : 58,000 M.T., 1953 : 45,000 M.T., 1954 : 62,000 M.T.). The major buyer in 1955 was the U. S. S. R., taking 42 % of frozen fish exports against nothing in 1951; other large customers were U.S.A. (19 %) and the Federal Republic of Germany (18 %)

As for wet-salted fish, exports rose by 40 % to 33,000 M.T. from 1951-1955. The main customers were Italy (39 %) , Portugal (26 %) (as against nothing in 1951), Greece (12 %) and the United Kingdom and Denmark with 8 % and 7 %, respectively.

Exports of salted herrings amounted to 24,000 M.T. in 1955 with the U. S. S. R. taking 41 % in that year (as against nothing in 1951), Finland (31 %) and Sweden (23 %)

Denmark ; Danish fish exports are rather evenly distributed among a number of species. Exports of fresh cod and related species remained stable from 1951 to 1955 when they amounted to 20,000 M.T., which were marketed in a large number of countries with three-quarters accounted for by OEEC countries. The most important market were the United Kingdom (21 %) and the U.S.A. (11 %) .

As for fresh flatfish, exports in 1955 amounted to 19,000 M.T., one-third less than in 1951. The main buyers were the United Kingdom (53 %) , Sweden (16 %) and the Federal Republic of Germany (11 %)

A similar decline was suffered by the exports of fresh herrings and related species, which amounted to 17,000 M.T. in 1955, when 65 % of this export was marketed in the Federal Republic of Germany.

Other fresh fish were exported to the tune of 23,000 M.T. in 1955, an increase of 35 % over 1951. Markets are found in a great number of countries of which the most important are Italy (23 %) , Germany (21 %) and Sweden (16 %)

Exports of molluscs and Crustacea have remained rather steady and amounted to 12,000 M.T. in 1955. Main buyers are France (35 %) , the United Kingdom (31 %) and the Netherlands (20 %)

Portugal : This country's speciality is canned fish. The export of this commodity amounted to 64,000 M.T. in 1955 and shows a steady expanding tendency in the years under review, more than doubling from 1951 to 1955. Exports go to a large number of countries throughout the world of which the most important are Germany (20 %) and the United Kingdom (15 %) , Ireland (14 %) and the U.S.A. (9 %) .

2.4. Consumption, transport and distribution

Consumption

As the composition of supplies varies considerably from one country to another and it is difficult to weigh processed and unprocessed commodities accurately, Table VIII is only intended to give a very rough average picture of fish consumption in Western Europe. With this reservation in mind, it is seen that some countries have experienced a modest increase of fish consumption while others show the opposite development. As a whole the OEEC area has shown almost unchanged consumption levels from 1938 up to 1952/53, with the exception of the years immediately after the war, when consumption was considerably higher (about 17 kg. per head per year); a very slight upswing in fish consumption can be discerned for the most recent period. The overall constancy of consumption levels implies that consumption in absolute terms has only increased proportionally with the 14 % growth of population numbers.

Consumption in the widest sense is, of course, a determining factor for production. All the emphasis that may be laid on the promotion of production will be useless and dangerous if consumption and export possibilities do not develop parallel with increased supplies. While the East European Market has in recent years absorbed a growing share of the catch of the main exporting countries, Iceland and Norway, it is widely considered that much could be done to increase consumption of fish products in Western Europe by ameliorated consumer's guidance and by improved advertising services in distribution.

T A B L E VIII - Average Fish Consumption in Kg. per Head per Year

Country	Pre-war	1949/50 ¹	Landed Weight	
Country	Pre-war	1949/50	1952/53	1955/56
Belgium-Luxembourg	14.1	13.5	16.5	15.3
France	14.7	13.5	14.7	14.7
Fed. Rep. of Germany	14.1	15.9	15.7	15.9
Italy	10.0	11.2	12.4	12.4
Netherlands	15.3	14.7	14.1	13.0
Austria	3.5	4.7	5.3	7.1
Denmark	32.4	38.3	31.2	31.2
Greece	12.4	11.8	14.7	15.3
Ireland	6.5	5.3	7.7	n. a - n. c.
Iceland	129.3	102.7	n. a - n. c.	n. a - n. c.
Norway	40.6	49.5	40.6	39.0
Portugal	n. a - n. c.	38.9	41.8	43.0
Sweden	42.4	41.8	44.7	47.0
Switzerland	2.9	5.9	7.1	7.7
Turkey	1.2	1.8	3.5	3.5
United Kingdom	20.6	18.8	15.9	16.5
OEEC total	15.3	15.4	15.3	15.7

1. The first year after the war considered as normalised - 2. 1948-49.

Source : Fish Marketing in Western Europe since 1960, OEEC/EPA 325/2 (OEEC Food Balance Sheets).

In pursuit of this general line of thinking, the O. E. E. C. has been devoting considerable attention to the possibilities of expanding the consumption of deep-frozen fish. The advantages of stimulating the consumption of frozen fish are two-fold. On the one hand, such a development would make it possible for the exporting countries to increase their sales within Western Europe and thus to increase their liberalisation of intra-European trade. On the other hand, the importing countries of Europe would be supplied with additional quantities of non-perishable—and thus stockable—protein foods at competitive prices.

With this end in view the O. E. E. C. is proposing to study ways and means of furthering the establishment and development of pilot cold chains. Exporting countries already possess important quick freezing plants and shipping facilities. A further development in this field, which is clearly the responsibility of the exporting

countries will, however, depend on the development of retail distribution in the consumption centres. This would principally be the responsibility of private enterprises, but it is considered that the establishment of pilot cold chains is a necessary enticement to accelerate the development of retail distribution facilities. The most appropriate action, in the view of the O. E. E. C., is the sponsoring of discussions between the bodies most immediately concerned : the Governments, the enterprises, the organisations responsible for the trade in frozen fish, and the possible sources of finance.

Transport

A very great part of the intra-European fish trade goes by sea. Regular cargoliners and express mail liners, mostly with refrigerated compartments for the transport of fresh and frozen fish, are the principal regular carriers. During fishing seasons specially built refrigerated vessels are chartered for direct export. Nevertheless, a considerable volume of fresh fish is transported to the ports of discharge by the fishing craft. This is not only a very costly means of transport but is also in many cases unsatisfactory from the point of view of preserving the quality of the fish.

If it were possible to disregard national prerogatives and political borders and to take only the amelioration of quality and transport into consideration, the most rational solution of the transport problem for this perishable foodstuff would be to establish trawler stations and processing plants close to the northern fishing grounds. In this connection it may be mentioned that some discussion has taken place in Norway as to how far it would be compatible with national interests to allow foreign fishing craft to discharge their catch in Norwegian harbours and use Norwegian processing (freezing) plants.

Some export of fresh and frozen fish (mainly from Denmark and from the Netherlands) goes by rail and road. This means of transport has improved rapidly since the war. The rolling-stock available is sufficient to handle the present volume of trade, and the freight rates are considered to have little effect on consumption. In southern countries, however, a more extensive use of insulated transport would be needed, although conditions have improved there also. The " Transfrigoroute Europe ", a union of transport firms, tries to ensure a regular and satisfactory transport of perishable foods, including deep frozen products.

Distributive Trade

If consumption of fish products is to increase, quality will have to be improved, prices be more reasonable, and the species most in demand be more abundantly supplied. Experience proves that it is in areas where fish supplies have been of high quality over a long period that it is most appreciated. Thus, joint efforts have to be made both by the wholesale and retail trade to bridge the period during which investments in improved installations in retail shops are not likely to pay. Simultaneously attention must be given to efficient propaganda. The lack of knowledge of the nutritive value of fish, and its proper preparation, is not only surprising but quite alarming. While the propaganda in some countries is still at an experimental stage, the experience made in a number of other countries is encouraging enough to warrant efforts in this field. Countries planning an expansion of propaganda would, however, benefit by a thorough investigation of ways and means before any funds are invested. Usually it becomes a failure if methods applied in other countries or to other commodities are simply copied.

Moreover, retail prices are generally considered as being too high. Adjustments take place within the retail trade with the result that many of the fluctuations in the initial fish price are evened out at the retail stage. The stabilisation of retail prices can, however, be carried too far. If such adjustments took place at a lower level, they might be one of the many means to consolidate the fish trade in Europe. It is obviously of advantage to the industry and not only to the buying public that the low prices of seasonal landings are reflected at the retail level. Experience shows that for some regions in Europe fluctuations in the price paid to fishermen were hardly, if ever, reflected in the retail trade, and random control showed that the retailer's profit margins were very large. Furthermore, it may be mentioned that the OEEC team of experts visited cities serviced by excellent retail stores where the margin charged for covering the costs was fairly reasonable. However, the same margins were charged by inferior stores which were obviously run at much lower costs.

2.5. Government Policies

2.5.1. Trade Obstacles

In most West European countries net fish imports represent a relatively small share of total imports of foodstuffs—about 2 % in Germany and the United Kingdom, 5 % in France and B. L. E. U. and as much as 10 % in Italy, to mention a few examples. For practically all of the importing countries, however, fish imports

constitute a fair proportion of fish consumption, for some—Belgium, Austria, Switzerland, Italy and Greece—ranging between 50 % and 90 % of domestic production. International trade thus constitutes an important factor for the fish supplies of most West European countries. At the same time, fish make up an important part of the export trade of a few other countries, principally Iceland, but also to a lesser degree Norway and Portugal.

As illustrated in Table I X below, the most significant trend in West European fish trade since 1948 and up to 1955 is that intra- European exchanges of fish and fish preparations have declined both absolutely and in relation to the total fish exports of OEEC countries which have remained fairly stable despite an almost 30 % rise in West European landings in the same years; total OEEC fish imports have simultaneously fallen by about 23 %. This trend contrasts vividly with the general evolution of intra-European trade, which has increased by 50 % to 60 % in relation to total commodity trade, between 1948 and 1955.

TABLE IX - Trade in fish and fish preparations 1 of OEEC member countries

	Fish exports of OEEC member countries combined							
	1938		1948		1951		1955	
	Thous. M. T.	%	Thous. M. T.	%	Thous. M. T.	%	Thous. M. T.	%
To O . E. E. C . . .	713	54	566	62	572	78	782	73
Other	266	46	491	38	358	22	225	27
	979	100	1.057	100	930	100	1.007	100

TABLEAU IX - Echanges de poisson et de préparations de poisson 1 des pays membres de l'O. E. C. E.

	Fish exports of OEEC member countries combined							
	1938		1948		1951		1955	
	Thous. M. T.	%	Thous. M. T.	%	Thous. M. T.	%	Thous. M. T.	%
From O. E. E. E . C . 1	671	85	617	87	626	87	805	79
Other	183	21	121	13	95	13	106	15
	854	100	926	100	721	100	723	100

1. The difference between these figures and those for exports to OEEC countries above are due to differences of statistical methods.

1. Groups : Fresh and frozen fish, cured fish, canned fish and molluscs and Crustacea.

Source : Fish Marketing in Western Europe, O. E. E. C. 1957.

How important the resulting shifts in the trade pattern are, is pointedly demonstrated by the cases of Iceland and Norway. The combined exports of these two countries showed a slight increase, from 425,000 M. T. to 450,000 M. T., during the years 1951 to 1955, but this came about as the net result of a 30 % decline in exports to OEEC countries and a 60 % increase in their exports to other countries, almost exclusively obtained in Eastern Europe which in 1955 had become as important a market to Iceland and Norway as the whole OEEC area.

Part of the explanation for the decline in intra-European fish trade is that the increase of production of importing countries has not been fully offset by expanding consumption. In fact—as shown in Section D, Table VIII—fish consumption per capita has remained fairly stable during the period under discussion. However, to a large extent this development must also be viewed as a result of government policies. These will be examined in the next few paragraphs, starting with an enquiry on the state of intra-European trade liberalisation in fish products and tariff policies.

2.5.1.1. Quantitative restrictions

A priori it might be assumed that fish would be more in need of liberalisation than almost any other commodity in view of the fact that fluctuations in supply are large and differ from one country to another, and that it is only by a free exchange of these goods that large catches can be satisfactorily disposed of. However, although endeavours have been made since 1950 in the framework of the O E E C trade liberalisation programme to liberalise intra-European trade in fishery products, most of the international trade in these products is still effectuated within a network of bilateral agreements. Unfortunately, it is not possible to ascertain liberalisation percentages for fish trade, nor to evaluate accurately the importance of State trading in this sector. It is known, however, that the situation in these respects varies considerably from one country to another.

While import quotas are fairly common, trade regulation is to a large extent effected by direct licence control by the competent national authorities. In some cases the importing countries have been very liberal in admitting additional imports, an indication that quotas have been set very low and often at quite unrealistic levels. The United Kingdom, for instance, had a quota of £152,000 for exports of various fish and fish preparations to France in 1956, but in reality exported for about £335,000 to this country in that year, representing an addition of 120 %. In other cases quotas are made available for products which the exporting countries are unable to produce in sufficient quantities and, indeed, quota increases sometimes refer to such products.

2.5.1.2. Customs duties, taxes and other restrictive measures (as of September 1957)

For the purpose of customs duties, other taxes and other restrictive regulations, fish and fish preparations are generally classified as follows :

1. Fresh and frozen fish (other than herring);
2. Salted and dried fish (other than herring);
3. Fresh and salted herring;
4. Canned fish products.

Because of its important place in fish consumption, fresh and frozen fish occupies first place in the question of trade restrictions. As fresh fish is a most perishable product it must be sold immediately after landing or go for salting or reduction to meal. Salted and dried cod in this context is a commodity with a highly "specialised" trade in certain exporting countries as well as in a few importing countries.

Only a smaller part of herring production is consumed in OEEC countries as food. Intra-European trade of salted herrings after the war is little more than one-half of the volume traded before the war (less than 50,000 M. T. during recent years against about 90,000 M. T. in 1938). Canned fish is an industrial product prepared for long storage and distributed through other trade channels than the aforementioned three groups.

Table X shows the rates of customs duties in selected countries. It has not been possible to convert all the duties to per cent rates ad valorem.

T A B L E X - Customs duties in selected countries

Country	Benelux %	France %	Germany %	Italy %	Austria %	U. K. %	Greece US \$/100 Kg. dollars E. U. pour 100 Kg.	Sweden esc./Kg. esc. pour 100 Kg.	Suède skr/100 Kg. couronn es pour 100 Kg.	Switzerla nd S. fr/100 Kg. fr. S. pour 100 Kg.
Fresh and frozen white- fish ¹	0	33-35	10-15	20	0	10		0.53	0 3	0.50
Salted or dried whitefish	0	30	15	8	0	10	0.77	0.75	0 1	2.
Fresh and frozen herring	0	33	5	20	0	10	0.63	0.78	0 3	0.50
Salted horring	0	30	10-15	5	0	10	10.63	0.31	0	2.
Canned fish products.	25-30	25	14-28	20-27	15	5-10	12.00			10-20
¹ . Almost all other fish than herring; includes fillets. - 2. Frozen fillets are subject to a duly of 18 %. - 3. Fozen fillets are subjects to duty of 145 skr./100 Kg. - 4. Stockfish is subject to a duty of 75 skr./100 Kg.										

Source : Communications from O. E . E . C.

Country review of trade restrictions

Benelux

Customs duties : as will be seen from Table X, Benelux levies no duties on the main categories of fish but only on canned fish products with 25-30 %. Duties are also levied on fresh and canned Crustacea, with 20 % and 30 %, respectively.

In Belgium, imports are, moreover, subject to quotas. The issuing of import licences does not as a rule occasion serious delay, but some countries claim difficulties for certain species. It has been criticised that France is able to sell fresh herrings at dumping prices in Belgium, because the French exporters get an import licence in France for Belgian fish in exchange.

A *taxe de transmission*⁴ of 5 % exists on fish as on other imported goods, and there is further a *taxe forfaitaire* of 10 % on imported fish while domestically produced fish is hit by a somewhat lower *taxe forfaitaire*.

The Netherlands are an exporting country but also import fishery products on a quota system. No complaints have however been made with regard to obstacles hampering this import.

France

As from July 1957 all fish imports into France are under a strict quota system. Even before that time exporting countries generally considered the French quotas too small in relation to demand. Furthermore it is claimed that the quotas are often split up into such small licences that it does not pay for the licence-holder to utilise them. A maximum price system on most imported species makes it difficult to jump over the wall of the high taxes and duties : there are no fixed prices for domestic fish.

In addition to the customs duties there exist certain other import taxes i. e. *timbres douanier*, (3 % of the customs amount), *taxe sanitaires*, and local taxes at the places of import (up to 2 % on the import value plus the customs amount).

Customs duties are very high—30- 35 %—especially on low-priced fish, with the result that imports of more expensive species⁵ are relatively favoured.

Germany

German imports of fishery products are liberalised to the extent of 80 % (basis 1949). Quantitative restrictions are applied to salted herrings and some canned products. Fresh and frozen fish is partially liberalised and partially under quota. Germany is criticised for increasing the duty on salmon when neighbouring countries have their fishing season.

While customs duties for fresh and frozen herrings are only 5 %, they amount to 10-15 % for the other main specifications; much higher rates are charged for certain special products (thus, for Crustacea the duty is 35-40 %) .

Italy

There are no quantitative restrictions on fish imports into Italy. Moreover, for many species the customs duties actually applied are considerably lower than the rates, some of them rather high, that are stipulated in the tariff. Thus the duties on salted cod, stockfish and smoked herrings—accounting for the bulk of imports from OEEC countries— have been gradually reduced or temporarily suspended.

Austria

With the exception of certain processed fish products (such as smoked and marinated fish) which compete with home production, fish imports are liberalised in Austria. Customs duties are negligible except for frozen herring-fillets (18 %) and certain special species, e. g. Crustacea and molluscs (28.—to 35.—Austrian Schillings per 100 kg.).

Greece

Imports of fishery products into Greece are liberalised. Most specifications are subject to modest customs duties, a higher rate applying to canned fish products.

Portugal

4. 1. In special cases the *taxe de transmission* can be refunded to exporters and possibly be considered as an export premium.

5. 2. e.g. salmon and prawns (customs duties 10 %) , flounders and turbot (customs duties 25 %) .

Fish imports are officially liberalised, but export possibilities to Portugal are in effect hampered by various monopolistic practices. Until some years ago, Portugal was one of the largest importers of salted fish. This import has been radically reduced owing to the expansion of the country's own high sea fisheries. It is claimed that this expansion has been made possible by subsidies which discriminate against other OEEC member countries' exports.

Sweden

Although only 25 % of imports (on the basis of 1948) have been communicated to the O. E. E. C. as liberalised, the de facto percentage is now about 75 on the basis of 1956. However, there are still—as in Germany—seasonal import bans in order to protect home fisheries. There are no customs duties on fresh fish, but frozen fillets are burdened with rather high duties.

Switzerland

There are no quantitative restrictions on sea fish imports. Customs duties are relatively high only on some specialities such as molluscs (10 to 70 S. frs. per 100 kg).

The United Kingdom

There are no quantitative restrictions on fish and fish products. In reply to claims made by some countries about landing difficulties, the United Kingdom authorities have emphasised that the wharves where landings direct from fishing vessels take place, and the discharge and transport material in these places are owned by private enterprises who can allow or deny the vessels of other nations to discharge their catch. Customs duties are generally 10 % on the major species and fish preparations.

2.5.2. General Policies

Apart from foreign exchange considerations, import restrictions are mainly justified on non-commercial grounds, such as the wish to secure a satisfactory living standard for the fishing population and to maintain a reliable reserve of maritime personnel for recruitment to the navy and merchant marine.

Such considerations are generally accepted, but when protection through high tariffs and other restrictions aims at creating a new or expanded fish industry based on fisheries far away from the country, such restrictions are liable to be criticised as unjustified by the exporting countries.

The expansion of fisheries production which took place after the war was first of all aimed at mitigating food shortages, but also resulted from a drive to become self-supporting as regards fishery products. This was particularly the case in countries whose fisheries had suffered great losses of material and where the fishing fleets to a certain extent had become obsolete during the war. To a great extent the fleets were rebuilt and improved. A large number of distant water trawlers have been put into operation and in recent years improvements and rationalising measures have been carried out on the near and middle water fleets.

For the importing countries which have access to fishing grounds, Government policies often aim at more rigidly limited imports than in the pre-war period since the substantial increase in national production has not been matched by a corresponding increase in consumption⁶. In most countries the problems connected with the disposal of domestically produced fish have led to increased endeavours to encourage fish consumption through directly or indirectly subsidised propaganda.

As fish prices have often shown a less pronounced increase than other prices, some Governments have supplemented commercial protection with positive support measures. Some countries have used subsidies in order to support and gradually rationalise the less effective fleets; others have regulated retail prices and others again have instituted equalisation funds to even out price fluctuations.

The question arises what could be done to promote fairer conditions in European trade. Undoubtedly, a co-ordination of the different systems of Government policies would do much to eliminate some of the difficulties now hampering the economic development of fishery industries. Generally, it may be considered as incompatible with the rules of regulated competition to aim at covering the costs of all enterprises; or at securing price and income parity through interference on the market. Thus, price support policies which strive to hold the domestic price level permanently above the market price, leads to the accumulation of unsellable

6. 1. See foregoing chapter about consumption.

stocks and as a consequence to interferences with production; other practices that must be considered harmful are price-fixing through professional organisations or monopolies, State import monopolies and currency restrictions. It would also appear that the competent authorities are often given too far-reaching powers for interfering in the market. Their actions, influenced by interest groups, are therefore often difficult to foresee.

It has been seen earlier that the present system of quotas under bilateral agreements operates very unsatisfactorily since it not only hampers exports but also in practice tends to lead to sudden and unpredictable changes in the flow of trade.

A co-ordination of government policies would be most useful in the following fields which could be considered as compatible with a regulated competition :

1. Organisation of the market in order to secure a well-working price-mechanism and to promote competition. This could be done through the organisation of markets and exchanges, fair price quotations, market observation and market report, reliable statistics, hygienic standards, establishment of commercial classification, etc.;
2. Moderate protective duties, in order to dampen but not eliminate the full effect of international competition on such branches of fisheries which have special difficulties owing to their localisation, the duties to be progressively abolished;
3. Moderate government stocking in order to help stabilise seasonal price and, generally, even out offers, which tend to be irregular, with demand, which is relatively inelastic;
4. Defensive measures against foreign State trade monopolies and against price-dumping exercised by foreign private monopolies;
5. Appropriate credit and taxation policies in order to even out short-term variations in production and trade, thus stabilising economic conditions.

To sum up, government policies in most countries still suffer from an "over-dose" of intervention, particularly in regard to foreign trade. This is all the more serious in the fisheries sector, as fish is inherently more in need of liberalisation than perhaps any other commodity, since fluctuations in supply are inevitably heavy and irregular and only a free exchange of goods could ensure that large catches were rapidly disposed of on the markets.

3. The European Economic Community and fisheries

3.1. The Common Market for Fish

Article 2 of the Treaty establishing the European Economic Community states : It shall be the aim of the Community, by establishing a Common Market and progressively approximating the economic policies of Member States, to promote throughout the Community a harmonious and balanced expansion, an increased stability, and accelerated raising of the standard of living and closer relations between its Member States.

The general provisions concerning the progressive establishment of the Common Market are accompanied by special rules intended to cope with the particular position and structural problems of agriculture. Fish and fish products are included among the commodities that are dealt with by the agricultural provisions in Chapter II of the Treaty. It follows that the fishing industry will come within the scope of the common agricultural policy to be worked out for the Community. This means that also the organisation of agricultural markets, foreseen in the form either of common rules of competition, or by coordination of national market organisations or, finally, by a European market organisation, will extend to fish as well as to agricultural products proper. However, as these Treaty provisions are of a skeleton character and the detailed elaboration of the common agricultural policy is still to be undertaken, it is not possible now to indicate with any exactitude what will be the real significance to the fishing industry of the Common Market. The observations that follow must therefore necessarily remain very general in character.

The Treaty provides for the progressive removal of customs duties for agricultural goods, and thus also for fish, at the same rates and following the same time-table as for industrial goods. However, it will be recalled that supplementary provisions foresee the introduction of minimum prices and long-term contracts for certain agricultural products to facilitate the necessary readjustment to the changed conditions of competition. It is a safe guess that these provisions will in practice be applied to fish and fish products as well as to agricultural goods proper.

As regards minimum prices more particularly, it should be emphasised that until such time as the European Commission will have elaborated the system to be applied, it is left to the individual Governments autonomously to fix such prices, subject to certain conditions. It needs no detailed reasoning to recognise the importance of Governments exercising their powers in this respect with caution. Quite apart from its effects upon the trade of outside countries, a policy too restrictive in character might all too easily, through its opposite effects on domestic production and consumption, result in a situation characterised by high prices and a surplus of fish—thus defeating the purposes underlying the minimum price system. In the longer run, much will depend upon the common policy and marketing rules to be adopted and the effectiveness with which national regimes are adapted to fit into this Community framework.

In this context it may be useful to cast a glance at figures illustrating productivity in the fishing industries of selected O EEC countries.

Within the Six, the Federal Republic has the most important production per tonnage of its fishing fleet as well as per fisherman, a distinction which probably is due to the highly developed distant water fisheries. The figures for the Netherlands and Belgium do not show larger differences in this context. A comparison between Belgium and France shows that the productivity per tonnage fishing fleet is the same while there is a great difference in productivity per manpower, probably due to the 16,000 fishermen approximately, employed in shore-fishing without boats.

Divergences in statistical computation apart, the national differences of productivity—and it may be noted, of prices—must of course largely be ascribed to the structural differences of national fisheries industries. If to this is added the differences in unit values of landings, the divergences in the general price-level and the differences in the application of policies, the difficulties to the establishment of the Common Market will become clear.

TABLE XI - Productivity

Country	Per tonnage of fishing fleet M. T.	Per fisherman M. T.
Belgium	2.6	28.3
France	2.6	8.3
Fed. Rep. of Germany	4.5	63.2
Italy	1.5	1.8
Netherlands	3.8	27.1
Denmark	3.1	29.1
Iceland	8.9	85.5
Norway	4.6	23.3
Sweden	3.8	12.2
United Kingdom	3.8	36.5

1. Source : La Pêche Maritime, Doc. 1957.

3.2. The External Tariff of the Community

According to the Treaty, external customs duties will in principle be fixed as the arithmetic average of the duties in application as on January 1957 in the four customs areas forming the Common Market (Benelux, France, Germany and Italy). This is the highest possible tariff compatible with GATT requirements. As for the bulk of fishery products the customs duties are, however, still to be negotiated. Only a few special products are contained in List F of the Treaty which indicates the tariff headings in respect of which duties under the common customs tariff have been fixed by mutual agreement : Freshwater fish (16 %) ; crustacea and molluscs (cray fish and lobsters 25 %, crabs and shrimps 18 %, oysters 18 %) .

If the arithmetic average is applied to the products of sea fisheries, the tariffs will be approximately the following :

1. Sea fish, fresh, chilled or frozen - 13-16 %
2. Fresh herring - 13 %
3. Salted herring - 11 %

As compared with existing tariffs this would mean a substantial increase for the Benelux tariff, which hitherto has not charged any duty on these commodities at all, and a general lowering of the French tariff. Germany would have to raise slightly the duties on "sea fish" and "fresh herring", and Italy would have to lower the duties of these two specifications and raise the duties in the case of "salted herring". It should be added that the first practical steps towards the progressive introduction of the common external tariff are not scheduled to be taken until four years after the entry into force of the Treaty⁷, and that outside countries will thus not begin to be affected by that tariff until after 1st January 1962.

For the time being; the only thing to be said is that the duties already announced and the duties as they would be if the arithmetic method be applied, may cause some but probably no radical changes in foreign trade patterns owing to their new incidence rather than their overall level. Of far greater importance to exporters from outside countries will probably be the way in which other restrictions are going to develop as the common "agricultural" policy begins to take shape.

It has earlier been noted that 65 % of European fish imports into the EEC area originate in the other OEEC countries⁸ which have hitherto marketed almost one half of their European exports in the EEC area. Obviously these countries are interested in retaining their markets in the EEC countries and possibly increasing their exports to this area. The productivity figures for some of the other OEEC countries (see Table X I above) show that it is not a lack of capacity on their part which would hamper such increase. However, if the implementation of the Common Market is not paralleled by the establishment of a European Economic Association, the resulting discrimination can hardly fail to affect unfavourably the export interests of outside countries, at the same time as prices inside the Common Market will tend to rise due to the decline in competition from non-Six exporters. The creation of a European Economic Association would prevent the first contingency and alleviate the effects of the second, but it goes without saying that this wider scheme would also have to include provisions ensuring the stability of markets and reasonable living conditions for the fishing population, more or less along the lines already laid down in the Rome Treaty.

4. CONCLUSIONS

1. The fish industry is not a very important economic sector in the OEEC area as a whole : production is thus less than 0.5 % of aggregate national income and external trade less than 1 % of total intra-European trade. Nevertheless, it constitutes the main and sometimes only local industry in many coastal regions. Moreover, in a few countries fisheries are of outstanding importance to the national economy. The value of fish exports in relation to total exports in 1956 was thus 76 % for Iceland, 14 % for Norway and 13 % for Portugal.

2. The production of the fish industry has risen in Western Europe by more than 40 % since pre-war. By comparison, consumption of fish products increased by less than 20 % in the same period. A corollary of this development has been that intra-European trade in fish and fish preparations declined between 1948 and 1955 : despite a 30 % rise in European landings in this period, total OEEC fish imports simultaneously fell by more than 20 %. The combined exports of Norway and Iceland to OEEC countries in fact declined by no less than 30 %; this was, however, offset by a 60 % increase in exports to other, mainly East European, countries, resulting in a small increase of total fish exports. By 1955, the East European countries had become as important a market to Iceland and Norway as the whole OEEC area.

3. There is little reason to assume that this state of affairs has come about as the result of a real surplus situation. The apparent saturation of the West European market is attributed by all authorities on the matter to the fact that the quality of fish supplies in many of the major consumption centres is comparatively low, owing to the high perishability of unprocessed fish. A considerable part of fish sold as fresh is in fact more than fifteen days old at the time it reaches the consumer. This is all the more to be deplored as there is believed to be a great potential market in Western Europe for fish products of good quality in view of their high nutritional value.

7. In the case of tariff headings on which the duties in fact applied on 1st January 1957 do not differ by more than 15 % in either direction from the duties under the common customs tariff, the latter shall be applied at the end of the fourth year after the entry into force of the Treaty; in the case of other tariff headings a reduction per stage by 30 % of the difference shall be effectuated.

8. 1. Table VII.

4. As in the case of other perishable foodstuffs, the problem of fish marketing is essentially one of transportation and storage. Freezing techniques are, however, now considered to have reached the point where it should be possible to provide the whole OEEC area with regular supplies of high quality fish products. A more widespread use of modern freezing techniques in storage, transportation and distribution would obviously also interest producers and merchants of other perishable foodstuffs.

5. In view of present consumer attitudes to fish products, the effort to increase regular supplies of high quality fish products must be accompanied by improved consumer guidance, principally through advertising at the retail trade level.

6. To a very large extent the extended use of freezing techniques and of consumer guidance can only be brought about by the fish trade itself. Nevertheless, Governments could and should take concerted action to promote these developments and in other ways improve marketing and trading conditions. The obvious forum for examining the possibilities of such action is the Ministerial Committee for Agriculture and Food which, together with the Council of O. E. E. C, has already instituted a procedure for the regular confrontation of national fisheries policies.