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## **The completion of the internal agri-foodstuffs market**

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**The completion of the  
internal agri-foodstuffs market**

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THE COMPLETION  
OF THE INTERNAL  
AGRI-FOODSTUFFS MARKET



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## FOREWORD

On 1 July 1987 the first major reform of the Treaty of Rome, the so-called Single European Act, entered into force.

Over the last two years the press, legal and economic reviews and a number of monographs have discussed the matter at length, on account of the importance the new regulatory framework may have in the construction of a Europe without frontiers.

In this context it would also have seemed logical for the specialized media to analyse the effects that the reform of the Treaty will have on the agri-foodstuffs sector, in which the CAP has been established - until now the Community's only truly common policy. However, such analysis has been less frequent than one might have hoped.

This study, prepared by the Agriculture, Fisheries and Food Division of the European Parliament's Directorate-General of Research, does not claim to offer anything other than an initial analysis of this problem. While we are conscious that many data which time will enable us to incorporate in future studies are at present lacking, the need to be aware of the consequences that the consolidation of an internal market in the agri-foodstuffs sector may have on Member States' economies amply justifies the publication of this study. The need to monitor the sectoral evolution of the construction of the large European market of 1992 in the rural world transcends the purely informative level, to become a key element in its future, a variable which, together with the difficult process of adjustment which the CAP is undergoing, outlines the context in which Community agriculture will have to develop in the year 2000.

Luxembourg, June 1989.

## 1. INTRODUCTION

In June 1985 the European Council Summit in Milan adopted the well known White Paper from the Commission on Completing the Internal Market. By doing so it not only approved the programme set out therein, which contained around 300 proposals for harmonization of legislations to be adopted by the Council in the run-up to 1992, but also defined its means of implementation and identified priority areas.

Execution of the proposals set forth in the White Paper acquired a solid basis on which to develop, with the extension of the procedure of vote by a qualified majority to practically two thirds of the proposals. This once again confirmed the evolutionary nature of Community Law and its capacity to adapt to changing economic circumstances.

The new Article 8 A of the EEC Treaty (Article 13 of the Single Act) formally establishes the objective of the internal market as "an area without internal frontiers in which the free movement of goods, persons, services and capital is ensured..." It also sets a time limit for completion of the process of creating this large single market, at 31 December 1992, although setting that date does not create an automatic legal effect, as is recalled in a Declaration contained in the Final Act.

On that date the desire of the founding fathers set forth in the Treaty of Rome will become a reality, albeit after more than 20 years' delay. And we shall then see an end to the surprising paradox whereby we have a Common Agricultural Policy (CAP) that has long since reached the age of majority, without having completed a Common Market in agricultural produce which is its concomitant.

## 2. THE COMMON AGRICULTURAL POLICY AND THE INTERNAL MARKET IN AGRI-FOODSTUFFS

At first sight, however, it might seem contradictory to maintain an Agricultural Policy characterized by its high level of intervention (in prices and quantities), while establishing a manifestly liberal internal market. No such contradiction existed at legal level from the moment the Treaty of Rome instituted an "Economic Community" with common policies, rather than a simple free trade zone, at which time the Community organs singled out agriculture, in view of its special economic and social characteristics, for special treatment which would give rise to the CAP, as was also the case with coal and steel (the ECSC) and with the nuclear industry (EURATOM). Thus, Article 38 of the Treaty of Rome lays down that "... the common market shall extend to agriculture and trade in agricultural products (paragraph 1) and that "the operation and development of the common market for agricultural products must be accompanied by the establishment of a common agricultural policy among the Member States" (paragraph 4).

Against this background, the internal market in agri-foodstuffs constitutes the same material basis on which the CAP developed. And that policy, apart from the fact that it is virtually the only policy genuinely established at Community level, includes among its fundamental principles the achievement of unity of the market and the application of Community preference.



On the basis of these principles, the CAP has not only not impeded intra-Community trade, but has in fact developed it far beyond expectations. Table I shows us the continuous growth over the last 30 years in imports of agri-foodstuffs between Member States of the Community. In 1984, with imports of agri-foodstuffs running at ECU 116,000 million, 49.7% of the total consisted of imports within the EEC Ten (Table I). In 1985, with a total volume of trade amounting to more than ECU 123.3 thousand million, intra-Community trade among the EEC Ten accounted for 52.3%. In 1986, despite the restrictive clauses on trade contained in their Treaties of Accession, enlargement of the Community to include Spain and Portugal led to a substantial increase (by almost 5 percentage points) in intra-Community trade, which now accounted for 57% of all agri-foodstuffs imports. In 1987 the previous year's trends were maintained and consolidated. One might single out the spectacular increase in intra-Community imports in Portugal that year, which grew by no less than 11%, though the same period saw a slow in the sharp increase recorded the previous year in Spain.

TABLE I

DEGREE OF COMMUNITY PREFERENCE:

INTRA-COMMUNITY IMPORTS OF AGRICULTURAL AND FOOD PRODUCTS (IN %)

MEMBER STATES	% OF TOTAL VOLUME OF EEC AGRI-FOODSTUFFS IMPORTS						VALUE IN MILLIONS OF ECU	
	1958	1979	1984	1985	1986	1987	INTRA-COMMUNITY AGRI-FOODSTUFFS IMPORTS 1987	TOTAL AGRI-FOODSTUFFS IMPORTS 1987
GERMANY	20	48.4	50.7	52.7	57.9	60.6	16,961	27,972
FRANCE	5	43.9	51.1	53.5	59.4	60.8	10,881	17,880
ITALY	11	46.2	53.5	56.3	61.7	62.3	12,511	20,057
NETHERLANDS	14	42.0	47.6	50.9	53.5	57.5	8,022	13,930
BELG./LUX.	28	66.3	67.6	70.0	71.6	72.1	6,893	9,550
U.K.	--	38.1	49.4	51.6	51.6	54.0	10,190	18,870
IRELAND	--	69.7	67.0	67.5	79.1	78.6	1,297	1,649
DENMARK	--	31.6	38.8	41.0	43.2	45.0	1,535	3,407
GREECE	--	27.2	64.7	65.5	71.2	72.5	1,761	2,427
SPAIN	--	--	19.3	22.4	34.6	35.0	2,075	5,920
PORTUGAL	--	--	10.2	17.3	24.5	35.7	720	2,016
TOTAL EEC	14	46.0	49.7	52.3	57.0	58.9	72,846	123,678
EEC -6		EEC - 10			EEC - 12			
			50.0	52.7				
			EEC - 12					

SOURCE: Annual reports "The Situation of Agriculture in the Community".  
Own compilation.

Although it is true that the degree of Community preference is already a far cry from the 14% with which it began in 1958, it nevertheless varies from country to country on account of the structural characteristics of each individual agri-foodstuffs sector, and also depending on how long each country has been a member of the EEC and on the level of existing trade barriers. As is to be expected, Spain and Portugal, which acceded most recently, have the lowest percentages of Community preference, but the sharp increase recorded in scarcely two years (13 percentage points for Spain and 18 in the case of Portugal) augur well for a speed-up in import substitution, despite the conditions imposed by the transitional period and the trade agreements signed with the United States concerning grain. Next comes Denmark, with a lower rate of Community participation (45%), possibly attributable to its geographical situation, the relatively short time that has passed since its accession, and to the fact that it possesses one of the most highly developed agri-foodstuffs complexes in Europe. This last reason is also applicable in the case of the Netherlands (57%). The limited development in the United Kingdom - scarcely 17 points in 10 years - may be explained by the specific nature of its agriculture, and by the maintenance of its traditional trade links with the Commonwealth countries.

A special case is that of Ireland, heading the list of the EEC-12 with 79% of Community imports. The strong productive specialization of its agriculture, together with the weakness of its structures, may account for this phenomenon, and for the high level reached by Greece (72%) in the few years it has been a member of the Community, whereas in 1979 it was achieving less than 30%. Portugal, too, seems to be following an identical path for the same reasons, having achieved 35% of Community imports, where two years ago it barely reached 17%. These data confirm the need to strengthen economic and social cohesion, with a view to offsetting the worsening trade imbalances which will very probably result from completion of the internal market.

### 3. THE IMPORTANCE OF THE EUROPEAN AGRICULTURAL SYSTEM

The socio-economic and regional importance of the agri-foodstuffs system cannot be overlooked, even for a post-industrial society such as Europe's.

The Community of Twelve currently has a population of 322 million, that is, 322 million potential buyers, which makes it the largest consumer market in the world. The agri-foodstuffs system constitutes the main job-creation and value-added sector in the Community. It contributes approximately 10% to Community GDP, of which only 3.5% derives from the primary sector proper. The Community's utilized agricultural area amounts to 129 million hectares, 52.3% of which are located in less-favoured areas. There are 23,750 food processing enterprises with more than 25 employees and 8.9 million farms, with an average area of 8.9 hectares. The agri-foodstuffs system accounts for 20% of total Community employment, approximately 25 million persons, 4 million of whom work in the food-manufacturing industry, 10 million in the primary sector, 10 million in the distribution sector, and the rest in the sectors supplying non-agricultural inputs necessary for the processing of food. The primary sector alone at present accounts for 8.3% of the total working population.

Moreover, the Community is the main world purchaser of agricultural products, with imports in 1987 to the tune of 58.7 thousand million dollars (15% of total imports), and the second largest world exporter after the United States, with 32.8 thousand million dollars (8.4% of total Community exports). On the basis of provisional figures for 1987, it can be concluded

that in that year the Community of Twelve accounted for 14.7% of world agricultural exports and 25.3% of imports.

These data confirm the need for a thorough appreciation of the effects that the development of the internal market may have on the agri-foodstuffs sector.

#### 4. THE COMMUNITY AGRI-FOODSTUFFS SYSTEM AND THE INTERNAL MARKET

It is virtually impossible to evaluate the impact that completion of the internal market will have on intra-Community trade in agricultural products and foodstuffs. At present (1987) the most important categories are: fruit and vegetables (16.6% of intra-Community agri-foodstuffs imports); meat and meat-based preparations (13.5%); dairy products and eggs (11.7%); grains and grain-based preparations (10.7%); and beverages and tobacco (10.4%) (Table II). The scope and volume of the planned harmonization measures relating to health and plant health control, analyzed below, suggest that the effects will be greater in the first three categories than in other products.

TABLE II  
INTRA-COMMUNITY IMPORTS OF  
AGRICULTURAL PRODUCTS AND FOODSTUFFS  
(1987)

CATEGORY	VALUE IN MILLIONS OF ECU	%
Fruit and vegetables	12,064	16.6
Meat	9,852	13.5
Dairy products and eggs	8,534	11.7
Grains	7,754	10.7
Beverages and tobacco	7,560	10.4
Raw materials	3,733	5.1
Fish	3,582	4.9
Coffee, tea, cocoa	2,944	4.0
Live animals	2,810	3.8
Animal feedingstuffs	2,698	3.7
Oils and fats	2,322	3.2
Other	9,002	12.4
TOTAL	72,846	100

Source: EUROSTAT. Group O Nimexe.

In forecasting the consequences of completion of the internal market, it is particularly valuable to know the productivity and labour cost of the various foodstuff subsectors, broken down by countries of the Community. These data, for 1983 and 1984, are set out in Tables III and IV.

a. Gross value added per person in employment compared by countries enables us to note the profound differences in productivity that exist within the Community. The Netherlands, Italy, Belgium and Denmark exceed ECU 30,000 per person in employment, closely followed by a second group of countries at around ECU 27,000: France, Germany, the United Kingdom and Luxembourg. A long way behind, at between ECU 16,000 and ECU 21,000, and in each case below the Community average, come the Mediterranean countries, such as Spain and Greece, to which we should also add Ireland.

However, sizeable differences can be observed by subsectors, although broadly speaking the previous pattern is repeated: Italy is the country with the highest Gross Value Added per person in employment in five subsectors (meat, bread, chocolate, animal feedingstuffs and beverages), and comes second in two others. The United Kingdom is the country with the highest productivity index in three subsectors (milling, alcohol products and brewing), and comes second in four others. Denmark is the most productive country in three subsectors (dairy products, starches, and other foodstuffs) and second in two others. The Netherlands has the highest GVA per person in employment in two subsectors (oils and fats, and preserved fish), and occupies second place in four others. Belgium holds first place in two subsectors (sugar, and preserved fruit and vegetables) and is second in three others. France is the best placed country in two subsectors (pasta products and the wine sector); and Spain occupies first place in one subsector (tobacco) and second place in two others. At the same time, Greece has the lowest GVA per person in employment in the Community in nine subsectors and the second lowest in two others; Spain is the country with the lowest productivity index in three subsectors (preserved fruit and vegetables, milling, and preserved fish) and the lowest but one in five others; and Italy comes last in the pasta products subsector, precisely because of its prominence and dispersion in that country, and last but one in three others.

These data reveal in all their harshness the pronounced economic inequalities that continue to exist twenty years after the creation of the Common Market. Two major areas are revealed in the Community's geography: the States of North-Western Europe have the highest productivity indices, joined by Italy in some subsectors, with indices often at least double those of the Mediterranean countries, Spain and particularly Greece.

The differential between the GVA of the highest placed country and that of the country ranking last, measured by its quotient, shows us the degree of cohesion in each subsector. Only in the pasta products subsector can we conclude that there are scarcely any differences between the industrial structures (with an index of 1.2). Elsewhere, the quotients generally range from 1.9 to 2.4: animal feedingstuffs 1.9, prepared meat products 2.05, starches 2.1, bread, dairy products and preserved fruit 2.2, and chocolate 2.4. The differences soar, tripling or more, in the case of oils and fats (2.8) and sugar (3.6).

Various factors may account for these divergences. Clearly, more efficient industrial structures, consistent with the productive specialization that one might logically hope for in the Community, explain the majority of these cases. In others, however, one cannot disregard an external factor such as the system of trade preferences in force in the Community, which, combined with an effi-

cient port infrastructure, enables the industries of countries without their own raw materials, or with higher production costs, to become leaders in the Community. This is especially apparent in the sectors of oils, cocoa and chocolate, milling products, tobacco and preserved fruit.

b. This situation, which generally favours the countries of Northern Europe, is in any case somewhat compensated for by much lower labour costs in the less developed countries, substantially below the Community average (ECU 17,500). As can be seen from the Tables below, the countries with generally higher productivity are also those with the highest labour costs. The only exception to this rule is the United Kingdom, which has an intermediate GVA per person in employment index (ECU 27,400), together with one of the lowest labour cost indices (ECU 13,900). The least competitive countries in this respect are the Netherlands (ECU 22,100), Germany (ECU 20,000) and Denmark (ECU 19,900). These three countries share the highest costs in all the subsectors (except in two cases: brewing, and other foodstuffs): Germany has the most costly workforce in eight subsectors, the Netherlands in five, and Denmark in two. At the other extreme, Portugal (with an average of ECU 3,600) and Spain (ECU 9,200) are the Member States with the lowest costs.

From these data we can draw various conclusions: 1) firstly, that the impact of completion of the internal market may vary considerably among the countries and regions of the Community; 2) secondly, that, leaving aside the probable incidence of other factors, such as economic operators' and national Administrations' capacity to respond, it will be the most efficient industrial structures that derive most benefit from completion of the internal market; 3) that at the present time, when the need to modernize the industrial fabric is based on making operations more capital-intensive, the lower labour costs in some countries cannot offset their shortfalls in productivity at a global competitive level, and can only serve to delay the foreseeable expulsion of labour from many subsectors in the medium term; 4) that completion of the internal market must be accompanied by a strengthening of economic and social cohesion to favour the weakest agro-industrial structures of the Community, to enable them to survive in the new competitive climate and to prevent an increase in unemployment in the less-developed areas, which already have the highest rates; 5) that the agri-foodstuffs SMEs, whose basic purpose is to process local production, provide the backbone for the socio-economic life of extensive depressed areas of the Community that already have serious problems of depopulation and that, if they are to continue this catalytic role in a climate of free competition, they need a specific policy of support by the Community, based on quality and promotion of marks of origin, to enhance the value of their products; and 6) that the construction of the single market requires, in turn, a gradual deepening of the social dimension to ensure that, concurrently with the fostering of productive specialization at Community level, social guarantees and rights will be increased in the least-developed countries.

TABLE III

GVA BY PERSON IN EMPLOYMENT  
AT FACTOR COST BY BRANCHES OF THE AGRI-FOODSTUFFS SECTOR  
(In thousands of ECUs)  
1983 and 1984

	B	DK	D	F	IRL	I	L	NL	GB	GR	E	EEC-10
<b>Oil and fat industries</b>												
1983	30.7	32.6	39.6	34.4	--	32.8	--	49.5	39.9	(*)--	28.7	--
1984	--	30.5	35.9	--	18.1	38.0	--	51.9	43.1	--	31.6	--
<b>Prepared and pre-served meat products</b>												
1983	24.4	24.5	21.6	20.5	--	27.0	15.5	25.0	17.9	12.6	15.2	--
1984	--	26.9	22.6	--	--	27.8	--	26.3	19.5	13.5	18.6	--
<b>Dairy industries</b>												
1983	29.3	30.7	29.6	25.2	--	28.1	--	--	32.4	14.9	25.5	--
1984	--	36.1	31.9	--	--	31.5	--	34.2	34.2	15.9	29.4	--
<b>Preserved fruit and vegetables</b>												
1983	31.5	26.0	24.3	26.4	22.0	23.5	--	26.3	22.1	12.8	11.2	--
1984	--	27.2	24.6	--	19.7	26.7	--	29.0	22.1	13.7	12.8	--
<b>Milling products</b>												
1983	39.2	32.4	35.2	35.1	--	27.5	--	--	42.6	21.1	14.0	--
1984	--	34.7	32.3	--	19.4	36.9	--	41.6	42.0	21.8	16.9	--
<b>Pasta products</b>												
1983	--	--	26.8	34.3	--	25.2	--	--	--	--	25.8	--
1984	--	--	27.4	--	--	29.6	--	--	--	--	32.2	--
<b>Starches</b>												
1983	--	64.0	37.8	37.2	--	26.1	--	--	--	--	42.2	--
1984	--	72.6	38.4	--	--	33.7	--	--	--	--	46.4	--
<b>Bakery and pastry</b>												
1983	18.8	22.0	16.5	20.6	7.1	22.5	15.4	22.5	14.6	11.2	10.3	--
1984	--	23.3	17.5	--	--	25.1	--	22.8	14.9	11.4	11.0	--
<b>Sugar industry</b>												
1983	54.0	--	40.6	45.4	--	24.2	--	--	45.4	16.4	31.0	--
1984	--	--	46.4	--	--	31.8	--	--	44.7	15.0	37.1	--
<b>Cocoa, chocolate and confectionery</b>												
1983	24.6	23.5	25.2	28.3	18.6	28.9	--	30.5	21.1	15.9	21.8	--
1984	--	23.6	23.4	--	22.8	38.2	--	33.7	21.9	15.7	23.1	--
<b>Animal feeding-stuffs</b>												
1983	45.3	38.6	38.4	31.0	32.9	40.5	--	40.5	37.3	--	27.3	--
1984	--	44.3	39.5	--	29.1	60.1	--	35.7	35.4	--	33.7	--
<b>Other foodstuffs</b>												
1983	22.9	40.9	28.3	34.4	--	30.4	--	--	31.4	--	24.5	--
1984	--	43.6	26.2	--	--	33.3	--	--	32.9	--	27.8	--
<b>Ethyl alcohols</b>												
1983	31.2	--	26.1	49.8	--	48.3	--	38.3	54.5	20.3	35.6	--
1984	--	--	28.4	--	--	47.0	--	42.0	60.8	23.2	38.6	--
<b>Wine industry</b>												
1983	--	--	36.3	43.9	--	35.6	--	--	38.4	24.7	24.6	--
1984	--	--	30.6	--	--	38.9	--	--	41.9	25.8	23.7	--
<b>Brewing and malting</b>												
1983	37.0	32.4	36.4	39.2	--	35.7	43.3	--	45.8	20.8	29.6	--
1984	--	34.0	35.3	--	--	36.0	--	--	44.7	22.3	35.1	--
<b>Soft and carbonated beverages</b>												
1983	29.4	27.4	33.3	36.8	--	31.0	--	--	37.7	19.4	23.9	--
1984	--	32.0	34.4	--	--	37.8	--	--	34.2	20.4	27.7	--
<b>Tobacco</b>												
1983	26.0	32.4	26.8	26.5	30.4	20.1	--	--	48.4	16.1	41.7	--
1984	--	37.6	28.7	--	34.1	19.3	--	--	49.6	15.8	55.6	--
<b>Preserved fish</b>												
1983	22.5	18.0	19.1	20.8	16.7	20.8	--	--	13.6	--	13.6	--
1984	--	19.6	20.0	--	21.0	19.2	--	35.2	16.1	--	14.7	--
<b>TOTAL: FOODSTUFFS, BEVERAGES AND TOBACCO SECTOR</b>												
1981	25.7	23.5	22.1	25.8	--	20.4	23.1	47.4	23.5	--	17.2	23.2
1982	25.7	25.2	25.3	27.1	--	24.0	24.6	29.2	25.8	16.1	19.3	23.9
1983	30.2	27.7	27.4	28.3	--	27.3	27.0	32.9	27.2	15.8	19.2	--
1984	--	30.0	27.5	--	--	31.1	--	33.6	27.4	--	21.7	--

(\*) Data for Greece refer to 1982 and 1983.

SOURCE: Own compilation from EUROSTAT data: "Structure and Activity of Industry. Annual Survey 1983-1984". 40

TABLE IV

LABOUR COST PER PERSON IN EMPLOYMENT  
BY BRANCH OF FOODSTUFFS SECTOR

(In thousands of ECUs)

1983 and 1984

	B	DK	D	F	IRL	I	L	NL	GB	E	P	EEC-10
Oil and fat industries												
1983	19.0	20.6	25.6	23.0	16.6	17.6	—	27.0	16.0	8.6	7.1	21.9
1984	—	22.6	28.1	—	16.8	19.7	—	25.5	17.6	10.0	8.0	23.3
Prepared and pre-served meat products												
1983	14.8	18.8	16.3	15.7	12.0	16.4	11.8	19.5	10.8	7.0	3.0	14.9
1984	—	20.1	17.2	—	11.4	17.6	—	19.2	11.6	7.9	3.0	15.1
Dairy industries												
1983	19.9	18.4	20.3	18.1	16.7	18.5	—	—	14.5	12.0	3.9	20.3
1984	—	20.3	21.6	—	18.2	19.9	—	24.2	14.8	12.6	3.9	19.5
Preserved fruit and vegetables												
1983	13.2	17.7	15.7	17.6	15.3	11.5	—	20.2	12.3	5.6	4.1	14.5
1984	—	19.1	16.9	—	15.2	14.1	—	20.8	13.0	6.4	4.3	15.3
Milling products												
1983	21.5	19.8	22.6	22.0	15.4	17.7	—	—	15.9	6.0	4.3	20.7
1984	—	21.2	23.3	—	18.0	19.5	—	24.2	17.3	7.1	4.2	20.2
Pasta products												
1983	—	—	19.4	21.1	—	17.4	—	—	—	9.4	4.2	18.3
1984	—	—	20.0	—	—	19.1	—	—	—	10.9	4.2	19.2
Starches												
1983	—	22.9	24.1	21.9	—	21.3	—	—	—	16.4	—	22.8
1984	—	24.6	26.1	—	—	22.0	—	—	—	18.4	—	25.0
Bakery and pastry												
1983	15.2	17.8	12.8	15.6	11.6	15.6	10.6	18.3	10.0	5.4	2.3	12.5
1984	—	18.7	13.3	—	12.2	18.1	—	18.4	10.4	5.7	2.3	12.6
Sugar industry												
1983	23.6	—	23.5	26.1	—	15.3	—	—	19.7	9.8	6.8	20.9
1984	—	—	24.9	—	—	20.1	—	—	20.6	10.7	7.6	21.3
Cocoa, chocolate and confectionery												
1983	16.6	17.0	17.2	19.3	16.0	17.7	—	21.5	13.3	9.3	3.6	16.4
1984	—	18.3	18.4	—	18.3	20.7	—	21.8	14.0	10.0	3.9	16.7
Animal feeding-stuffs												
1983	20.0	20.3	22.4	19.9	14.2	20.0	—	22.1	16.2	10.7	4.7	19.5
1984	—	22.7	24.0	—	15.2	21.6	—	22.2	17.7	12.2	4.9	20.7
Other foodstuffs												
1983	18.3	18.7	18.7	20.8	15.7	19.0	—	—	13.6	10.5	4.5	16.7
1984	—	20.3	20.0	—	16.6	20.6	—	—	14.9	11.5	4.5	17.6
Ethyl alcohols												
1983	21.6	—	20.8	23.8	—	21.8	—	24.3	15.2	11.0	3.1	21.0
1984	—	—	22.2	—	—	23.4	—	25.4	15.8	12.7	3.1	21.5
Wine industry												
1983	—	—	21.7	24.8	—	16.9	—	—	15.3	8.9	3.1	20.9
1984	—	—	22.3	—	—	18.8	—	—	16.6	9.9	3.2	18.6
Brewing and malting												
1983	20.2	21.9	23.7	23.5	25.5	19.5	20.3	—	18.6	15.2	6.0	21.8
1984	—	23.4	24.8	—	28.2	22.1	—	—	19.3	17.7	6.0	23.0
Soft and carbonated beverages												
1983	18.7	19.0	20.1	21.3	—	18.5	—	—	12.8	13.2	4.0	18.0
1984	—	19.9	21.3	—	—	20.1	—	—	13.7	14.7	3.9	18.3
Tobacco												
1983	18.0	17.0	26.5	23.7	17.4	12.3	—	—	19.8	12.2	6.6	19.5
1984	—	18.6	27.7	—	21.9	13.0	—	—	22.5	13.8	5.6	20.8
Preserved fish												
1983	12.5	13.5	15.7	14.4	9.0	13.3	—	—	10.8	6.9	2.7	18.9
1984	—	14.6	16.6	—	11.0	14.4	—	22.0	11.3	7.5	2.8	15.8
TOTAL: FOODSTUFFS, BEVERAGES AND TOBACCO SECTOR												
1983	18.0	18.5	19.0	18.9	15.7	16.4	14.7	21.9	13.2	8.3	3.6	17.1
1984	—	19.9	20.0	—	17.0	18.3	—	22.1	13.9	9.2	3.6	17.5

SOURCE: Own compilation from EUROSTAT data: "Structure and Activity of Industry. Annual Survey 1983-1984". 4



## 5. NEW FORMS OF NATIONAL PROTECTIONISM

The unquestionable development of Community trade to which we have already referred does not however mean that the objective of a Common Agricultural Market has already been achieved. Green Europe is still a long way from being a reality.

As has been pointed out, the European internal market can be viewed from two differing standpoints.

For some, who accord particular emphasis to the progress made at the legal level since the signing of the Treaty of Rome, the common market and the free circulation of goods are unquestionable facts, and at the same time unprecedented successes as trade measures. The completion of a customs union, with the abolition of tariffs between Member States, the ban on quotas, domestic trade monopolies and discriminatory internal taxes, together with the adoption of the common customs tariff, are just a few examples to support this thesis. And the positive trend in intra-Community trade since the establishment of the Community also confirms this view: from ECU 22 thousand million in 1958 (33% of total trade transactions), the figure rose to ECU 487 thousand million in 1987 (58% of total trade).

To these successes must be added, with regard to agricultural products, the very existence of the CAP, an example of economic policy cooperation developed to an extent unparalleled in other spheres.

For others, on the other hand, the internal market is simply a legal fiction, or, at best, an objective attained only partially in the area of dismantling tariffs. And in support of their argument they point to the countless forms of neo-protectionism to which Member States have recourse daily in order to impede agricultural or industrial trade, always in the name of the most laudable principles, such as the defence of product quality, consumer health protection, preservation of the environment, public order, etc. It is clear that, if we are to judge by the number of proceedings for contraventions of the free circulation of goods that the Commission has brought in recent years, physical, administrative, tax and especially technical barriers (the latter accounting for 80% of the total) are a generalized phenomenon in all Member States, despite their slow reduction after the entry into force of the Single Act.

While it is true that in certain cases it may encourage Community actions (for example, in the iron and steel industry or in control of domestic aid), a period of economic recession and high unemployment such as the present generally leads to greater temptations to renationalize common policies, especially the CAP, and gives a boost to protectionist measures. It is clear that the ever-fertile imagination of governments has bestirred itself to an unprecedented extent in recent years with a view to protecting its productive sectors and employment. Strict procedures for type approval, complex rules for labelling, excessively detailed import documents, meticulous and improper frontier controls, disproportionate customs sanctions, discrepancies in tax treatment, financial aids to sectors or enterprises, cutting back on customs posts - these are some examples of the protectionist paraphernalia - difficult to pin down on a purely legal basis - to which States have recourse on a daily basis, particularly those most developed commercially and technically. For this reason, it is not surprising that harmonization of legislations has traditionally been the least developed aspect of the CAP, compared to structural measures and, especially, the markets and prices policy.

## 6. CONSEQUENCES OF THE LACK OF A COMMON AGRICULTURAL MARKET

This long series of trade obstacles converts the common agri-foodstuffs market into a simple sum of twelve fragmented markets, and renders it incapable of competing effectively with its North American rival, which, furthermore, through its powerful multinationals, already controls an important share of that market from within.

With the exception of Unilever and Nestlé, the ten largest agri-foodstuffs groups in the Community are North American, and, with their subsidiaries, cover all the Member States. In contrast, 44% of the 46 major European enterprises in the sector have a presence in only one country apart from their own. Only 10% of these enterprises market their products in at least four countries of the Community. Against this background, the removal of existing non-tariff barriers is a sine qua non if the necessary restructuring of the Community's agri-foodstuffs industry is to go ahead.

Much the same can be said of food distribution, when we note the high degree of concentration in favour of multinationals that in general have no direct link with the productive sector of the countries in which they are established. At present, 10% of the distribution enterprises in the highly industrialized countries handle 83% of the volume of business in France, 79% in Belgium, 78% in the United Kingdom, 66% in Spain, 65% in the United States, 57% in Switzerland, 55% in Germany and 51% in Italy.

This extraordinary concentration obviously brings with it a deterioration in conditions of trade, which are fixed at low levels by producers and industrialists, in favour of the large groups which are, in turn, very often used as channels through which to introduce untried, highly standardized and competitive products on to the markets, which, while it is not a wholly bad thing, may in some cases displace local products regardless of their quality, and irretrievably harm the economy of the least-favoured rural areas. In these circumstances, an opening up of the markets is the only way forward for the small producers, organized into cooperatives, or for the foodstuffs SMEs, so that, with an adequate Community framework that gives preference to quality products, protects marks of origin and regulates interprofessional agreements, they can reach new markets with their products.

It should be pointed out, however, that some restrictions on trade in agri-foodstuffs are firmly entrenched in national administrations, particularly those relating to packaging and labelling (31% of the total), and specific restrictions on imports (29.5% of the total). These are followed by regulations on content and description (18%), restrictions on ingredients (15%) and tax discriminations (6.5%).

Examples of governments' fertile imagination can be cited ad infinitum. In some States there is still a requirement to submit at the frontier a certificate showing that the foodstuffs being brought in are not irradiated. Another Member State has prohibited the import of sausages not made exclusively from meat. Another State has adduced the existence in certain dairy products of bacteria capable of causing meningitis as a reason for banning imports. In another case, year in year out, from October to January, one State declared that turkeys from neighbouring States were diseased, despite which it invariably deemed them healthy again the following February, once Christmas was over. To give a further example, in one State harvested apples could be treated with a preparation based on ethoxyquin, a product prohibited in the neighbouring countries, while the latter countries authorized treatment based on diphenylamine, which was prohibited in the former country. Lastly, another State banned the use of a

certain non-nutritional sweetener, which prevented the development of the diet soft drinks industry. These examples would be worthy of inclusion in a dictionary of the absurd, were it not for the fact that unfortunately they also entail an economic cost that is difficult to calculate.

In this regard, in recent months various studies have appeared on the "cost of the non-Europe". The costs resulting from delays at customs posts are reckoned at between ECU 0.4 and 0.8 thousand million. The cost of administrative formalities at frontiers is estimated at between ECU 8.4 and 9.3 thousand million, that is, 1.8 - 1.9% of total intra-Community trade (see Table V). A report presented to the European Parliament by the parliamentarian Sir Fred Catherwood sets the minimum cost of the "non-Europe" at ECU 120 thousand million, of which ECU 12 thousand million represent losses resulting from frontier controls within the Community and around ECU 50 thousand million, the cost of obstacles arising from disparities between national regulations.

Another recent study presented by the Commission and directed by Mr. Paolo Cecchini, on the economic effects of the completion of the internal market, estimates the benefits deriving from its completion, even when restricted to the seven Member States covered by the study, at around ECU 216 thousand million (5.3% of GNP). As regards only the agri-foodstuffs industry, the financial costs of non-tariff barriers are estimated at between ECU 500 million and a thousand million, that is, 1 - 2% of those enterprises' volume of trade, or 2 - 3% of the GVA of a sector that is of great importance from the production and employment standpoints. This is only as regards direct costs. There is also a whole series of indirect benefits to the Community's industrial and trade structures, that are difficult to quantify.

TABLE V  
DIRECT COSTS OF CUSTOMS FORMALITIES  
TO INTRA-COMMUNITY TRADE IN  
GOODS  
(In thousands of million ECUs)

1. Administrative costs borne by the enterprises	
- Internal	5.9
- External	1.6
TOTAL:	7.5
2. Cost of delays at the frontier borne by the enterprises:	0.4-0.8
3. Total cost for the enterprises (1)	7.9-8.3
4. Administrative costs borne by the public authorities	0.5-1.0
5. Total cost of customs formalities (2)	8.4-9.3

(1) Which represents between 1.6 and 1.7% of total intra-Community trade.

(2) Which represents between 1.8 and 1.9% of total intra-Community trade.

SOURCE: European Economy No. 35.

7. THE EFFECTS OF THE SINGLE ACT ON COMPLETION OF THE INTERNAL MARKET IN THE AGRI-FOODSTUFFS SECTOR

The Single Act provides a new legal framework with a fourfold potential, with the undeniable risks that entails, for the completion of the internal market in the agri-foodstuffs sector. The first constitutes what we would regard as a negative advantage: it will facilitate elimination of the barriers that currently affect the smooth running of the common market in agricultural products. The second potential, complementary to the previous one, is positive in character: it will permit the constitution of a common industrial base through harmonization of regulations regarding manufacture and marketing, thereby improving the international competitiveness of European enterprises. Let us not forget that the Community is the world's largest importer and second largest exporter of agricultural products, and that at present the multilateral negotiations within GATT, the famous Uruguay Round, are taking place, with the question of agriculture receiving special attention. Thirdly, in view of the increasing interdependence of economic sectors, the creation of a common market in agri-foodstuffs will facilitate integration of the CAP in the Community's general programme of economic development, will restate the agricultural question in appropriate terms, and accelerate the consolidation of new policies. Fourthly and lastly, the establishment of an area without frontiers can strengthen economic and social cohesion, in two directions: by integrating the rural regions of Europe in general economic development, albeit to differing extents; and, so as to alleviate these potential differences, by simultaneously strengthening the Community's agricultural structural policy, through a reform of the instruments available to the Community in this sphere with which to combat regional disequilibria.

In 1992, then, there will be a new Community-wide framework, with which farmers, agri-foodstuffs industries and cooperatives and distributors will have to be familiar, and within which they will have to compete without national umbrellas. At the same time consumers will see their rights strengthened, and clearly will assert them before the appropriate authorities. In the last analysis, the future development of the CAP will inevitably take place in the context of a large, common internal market, as is confirmed by the most recent reform measures adopted in April 1988, in accordance with the principles of greater market orientation and the progressive influence of supply and demand on price formation.

Contrary to what would seem to be the case at first sight, the development of free competition will not take place through gradual deregulation at all levels. On the contrary, national regulations will be replaced by Community Law, which, generally speaking, is characterized by its formalism and rigour. This will be quite a challenge for economic operators and national administrations, who will have to familiarize themselves more fully with the Community regulations governing, not only agriculture, but also competition, patents, companies and so forth, and with their interpretation and application.

It is a legal challenge that spills over into the economic area inasmuch as, on account of this new regulatory framework, the trends that can currently be observed in the present agri-foodstuffs market will accelerate in the coming years: a) in the first place, with regard to the gradual homogenization of European demand for food products. It is to be expected that the various existing national or regional patterns of consumption will gradually come to co-exist with a "typical" European consumer, whose socio-economic, cultural and demographic characteristics become daily more uniform; and b) secondly, with regard to supply one can expect a growing concentration in manufacturing and distribution of foodstuffs, with a view to achieving economies of scale so as to reduce fixed costs, which will also bring with it an increase in the negotiating power of manufacturers and distributors vis-à-vis their customers or suppliers and will exacerbate tensions on account of ever-increasing competition.

All this must bring with it a veritable economic revolution, which will affect all segments of the agri-foodstuffs market to varying extents. After the rules of the game have been changed, the various economic operators will have to adapt to the new environment in order to survive, which will oblige them to implement new strategies, and introduce new structures, new techniques and new attitudes.

The challenge will be particularly difficult for two economic categories: a) firstly, for the structurally and economically weakest agricultural holdings, which are already experiencing difficulty in adapting to the new realities of the markets after the application of measures to reform the CAP, and which are not capable of benefiting from most of the structural measures in force; and b) secondly, for the SMEs, which are predominant in the agri-foodstuffs sector, and which frequently lack the human, technical and financial resources necessary to acquire the levels of competitiveness that the single market will need. Both categories may also encounter additional difficulties in adapting if they are located in rural regions, which are traditionally more depressed, suffer from serious handicaps of infrastructure and qualified labour, and are further from the major centres of consumption.

#### 8. STRATEGIES FOR THE AGRICULTURAL SECTOR IN THE FACE OF THE SINGLE MARKET

But the single market does not only conceal dangers; it also implies important potential for expansion, for which the agri-foodstuffs sector must prepare itself at the industrial, commercial and productive levels, and also at the various administrative levels.

- a. At industrial level. Economies of scale and the growing homogenization of demand entailed in completion of the internal market will compel industries not yet linked to foodstuffs multinationals to restructure themselves at Community level, in order to be able to compete with the conglomerates that for many years have been planning, producing and marketing their products for a market of 320 million consumers. Practically all the European food enterprises, irrespective of their size or subsector, will have to become involved in exporting if they wish to survive, although they must not neglect to expand their domestic market at the same time. The conditions in which they do so will vary according to their dimension or comparative advantage vis-à-vis competitors or partners, but broadly speaking two strategies are possible: the first consists of attaining a suitable economic size in the Community context through mergers or takeovers of complementary enterprises located in other national markets; the second involves the conclusion of cooperation agreements with other European enterprises on division of product manufacture, sharing of distribution channels or the drawing up of joint research and development plans, in the latter case making use of the possibilities for financing offered by the Community's multi-annual programme for technological research and development. In any case, both strategies must be based on optimisation of indigenous productive and trade structures, enabling productivity to be increased and costs reduced. The enterprises will have to place special emphasis on improving their range of products, phasing out those with lower value added and introducing new products to satisfy the dynamic demand of the Community consumer.
- b. At commercial level. Completion of the internal market will entail greater commercial concentration, with a consequent strengthening of the major European chains of distribution. This may have various effects: on the one hand, easier access by those chains to new suppliers, located in areas not yet covered. In this context, the simplest solution for the smaller-scale enterprises will be to convert themselves into manufacturers of distributor brands so as to introduce their products to the Community markets. To do so it is essential to maintain competitive costs and to meet the quality and

supply standards required by the distribution networks. The rather larger agri-foodstuffs enterprises whose products should keep their own brand names will have the option of signing trade cooperation agreements with similar enterprises with a firm hold on other markets and with complementary products, with a view to reciprocal distribution.

- c. At productive level. Community farmers and stock breeders will have to become the real protagonists in the inevitable process of concentration of supply that is under way, if they wish to benefit personally from the favourable effects of the economies of scale and negotiate on equal terms with the purchasers of their products and the providers of services or inputs. In this respect, the setting up and development of powerful producer organizations, embracing the largest possible number of activities, from processing to marketing of products, by way of provision of services, is a key element in rising to the challenge of 1992. At the same time, Community farmers will have to make an effort with regard to quality and strive to convert themselves into true businessmen, capable of managing their holdings with the aid of the new technologies, as productive, efficient and competitive units.
- d. At administrative level. In the last analysis, completion of the internal market in the agri-foodstuffs sector will also have repercussions on the national administration: it will be necessary to harmonize the various State regulations, prepare the different levels of the civil service for a less discretionary exercise of their powers, bring about a reduction in management costs so as to improve competitiveness (through changes in tax arrangements or social security contributions), and, in summary, to guarantee the necessary effort to invest in transport infrastructures, research, the educational system and general support for productive activity (with the creation or modernization of laboratories, type-approval centres, customs centres, slaughterhouses, etc.) to ensure that there are no bottlenecks in the process of economic development.

At this last bureaucratic level, one far from trivial consequence of completion of the internal market will be a change in the traditional relationship between economic operators and the Administration. Brussels will no longer be, as it has been until now, simply the reference point for agricultural prices and other market mechanisms. Technical, plant health, veterinary, tax, environmental and transport regulations will also acquire a Community character. The national framework will gradually give way to the Community Administration, under whose regulatory power and supervision European free competition will develop. This will mean that some relations between the Administration and those it administers will vanish, as in the case of customs controls. In other cases the reverse will be true, and an unknown administration, that of the Community, will enter into direct relations with those it administers, either in place of the national Administration, as in the case of justification of the use of funds charged to the Community budget, or else superimposed upon it through, for example, coordination of controls and the exercise of direct inspection. In this context it can be said that with the entry into force of the Single Act the Community Administration makes a qualitative leap, and from being basically an administration that merely proposes, it is gradually in many cases becoming an administration that disposes, something which at present is quite exceptional.

## 9. SHORTCOMINGS OF THE SINGLE ACT

It is understandable that this new framework inspires as much fear as hope in many sectors of the Community. It prompts both apprehension and approval, regardless of the fact that the Single Act in no way guarantees that the internal market will be completed.

Some writers have even affirmed that it contributes nothing new and that its virtues are offset by the diluting effect of its many reservations and imprecisions. Such imprecision is, perhaps, all of a piece with the model of Community construction applied, and, in this regard, with Community Law as well.

The fact is, the Single Act is a model of ambiguity at various levels:

- To begin with, in the very definition of the "internal market". In the first proposal by the Commission submitted to the Intergovernmental Conference in Luxembourg the following formula was used: "The internal market of the Community ... consists of an area without frontiers in which persons, goods, services and capital circulate in the same circumstances as within a Member State." Article 13 of the Single Act, on the contrary, states: "The internal market shall comprise an area without internal frontiers in which the free movement of goods, persons, services and capital is ensured in accordance with the provisions of this Treaty." These are substantial shades of meaning which do not reflect the spirit of the White Paper in the text adopted.
- In view of differences in development among the Twelve, the technique of negative differentiation has been accepted, which may lead to the future adoption of a variable-geometry or two-speed Europe, particularly if the measures planned to strengthen economic and social cohesion do not achieve the expected results (Art. 15 - new Article 8 C).
- Express exception is made to the principle of the qualified majority concerning decision-taking relating to fiscal provisions, the free movement of persons, and the rights and interests of employed persons (Article 18 - new Article 100 A (2)).
- Abundant use is made of ambiguous terms such as "the approximation of the provisions ... will take as a base a high level of protection" (Article 18 - new Article 100 A (3)), which may result in a system of mutual recognition based on reduction of protection to the lowest common denominator.
- States are permitted to make unilateral reservations, in such matters as protection of the workplace or of the environment, and to invoke the traditional safeguard clauses contained in Article 36 of the EEC Treaty (for reasons of public safety, protection of the health and life of persons and animals, and preservation of plants, inter alia), reservations which may lead to permanent derogation from the norms of the internal market (Article 18 - new Article 100 A (4)).

As can be seen, then, the fears expressed by some States throughout the negotiations have been faithfully and contradictorily reflected in the final text: fears on the part of some more highly industrialized countries regarding the imposition of standards lower than their current regulations in matters concerning the consumer, the working environment and the environment; on the part of the non-continental countries in health matters, with a view to protecting their islands from risks of contamination by plants or animals; and lastly, on the part of the countries of the South, which, concerned at the lack of competitiveness of many of their industries and at their regional imbalances,

wish to see guarantees that structural measures will be applied to strengthen economic and social cohesion. The development of the process of legislative harmonization up until now only confirms the doubts raised after the adoption of the Single Act.

But there is more to it than this. To be realistic, we must acknowledge that, even if in 1992 the microeconomic obstacles of every kind that currently exist were abolished, States would still have at their disposal a wide range of devices with which to distort trade. The clearest example is in the monetary and fiscal area. At present States can freely set the level of their public deficit, which obviously determines the domestic tax burden (the social security regime applied, and the volume of direct and indirect taxes) (see Table VI). In the monetary field, with certain limits and qualifications that vary from State to State, they can resort to periodic devaluations in order to regain competitiveness in production costs and prices.

It is obvious that the completion of a true internal market, in the agri-foodstuffs sector or elsewhere, must be accompanied by consolidation of a genuine economic, financial and social area, with a strengthening of the European Monetary System, greater convergence of Member States' economic policies, promotion of the common trade policy, greater development of social legislation and encouragement of technological research and development at European level - all questions which, while officially recognized in the Single Act, found no specific reflection with legal effect in the final wording. In this regard, it is worth singling out the conclusions of the European Councils in Hanover (June 1988) and Madrid (June 1989), which permitted or will permit progress in the process of creating a future economic and monetary union, and the conclusions of the European Council in Rhodes, at which achievement of a Community social area was studied for the first time.



TABLE VI  
TAX REVENUE AS A % OF G.D.P. BY MEMBER STATES

	B	D	DK	E	F	GB	GR	I	IRL	LUX	NL	P	EEC-12
TAXES AND CONTRIBUTIONS:	45.4	37.5	50.6	30.4	44.2	39	36.7	36.2	40.2	42.4	45.5	32.4	40.0
Of which: social security contributions:	15.3	14	1.6	11.9	18.9	7	12	12.4	5.7	10.9	19.3	9.1	11.5

SOURCE: OECD. Statistics on government revenue in OECD Member States. 1986.

## 10. FREE COMPETITION IN THE AGRICULTURAL MARKETS

The message of the foregoing is that a high degree of integration in a single sector is not enough to prevent distortions in competition, as the example of the CAP shows. In spite of their undeniable development, there are substantial distortions in the agricultural markets because of the lack of concomitant progress in the other sectors with most influence over agricultural activity. This is manifested in discrepancies between national legislations which result in lack of harmonization between cost structures (credit, transport, fertilizers, pesticides, agricultural insurance, agricultural machinery, veterinary care and animal feedingstuffs). Harmonization of these is thus an indispensable medium-term objective, in the interests of consistency with the single market, given that profit margins are gradually being eroded in the light of the reform of the CAP.

Furthermore, while it is true that the Treaty of Rome itself accords a special status to the agricultural sector in matters of free competition and marketing, we believe that this can in no way justify some of the specific distortions that exist in agricultural trade. The most patent example is the so-called Monetary Compensatory Amounts (MCAs), which, created to maintain trade equilibrium within the common organization of the market, in themselves constitute a considerable obstacle to the free circulation of agricultural products. As is well known, many common organizations of the market are based on a system of guarantee prices, fixed in a common monetary unit, the ECU, with a view to maintaining farmers' incomes. However, these prices are theoretical, since they are then converted into the corresponding national currencies at a "green" rate of exchange, which accounts for the fact that support prices differ widely among Member States. As the guarantee price is fixed only once a year, currency fluctuations must be compensated for at the frontier by means of a system of rates and subsidies, the Monetary Compensatory Amounts. It is easy to imagine the trade distortions that can result from application of these amounts, which show particularly wide disparities in such competitive products as beef and veal, sheepmeat and pigmeat. Furthermore, this system is profoundly unjust, in that, thanks to the existence of the positive compensatory amounts, producers from countries with strong currencies and higher prices (such as the FRG) have their exports subsidized for purely monetary reasons, to the detriment of producers from countries with weak currencies (negative MCMs) and lower guarantee prices (such as Greece). Consequently, both the Council and the Commission have proposed finally dismantling the MCAs, positive and negative, by 1992. Positive Compensatory Amounts are already being phased out, and, for countries that are members of the EMS, negative MCAs will be eliminated in four stages, the first of which began in January 1989 with an average reduction of 25%.

Unfortunately, however, monetary obstacles are not the only examples of trade distortion derived from actual application of the Community agricultural regulations. And we are not referring here to the more or less short-term interferences, such as those resulting from the slaughter of dairy cows brought about by application of the quotas, affecting the beef and veal market. No one is unaware of the different forms that the principles of unity of the market, Community preference and financial solidarity may take in common organizations of the market. In the name of these principles national quotas have been introduced in certain sectors (dairy, sugar), or the market compartmentalized by the application of different premiums in producer regions (the case of sheepmeat); quotas have been allowed on imports by countries (in the case of New Zealand butter for the United Kingdom, and of maize and sorghum for Spain); products from third countries are allowed into Community territory at prices substantially lower than those of some Community producer States (Spanish fruit and vegetables, for example, during the transitional period, with regard to Mediterranean third countries); and lastly, a widely differing degree of guarantee has been established on intervention according to sectors, even providing contradictory regulations

for interchangeable products such as olive oil compared to other oils and fats, or grains compared to their substitutes (soya, gluten, manioc), coming from third countries and almost totally exempt from customs duties, with effects that can easily be imagined on the cost of preparing animal feedingstuffs for the dairy and livestock farms closest to the ports of importation, compared to those of the grain-growing countries.

In the context of completion of the burgeoning internal market, two different reactions to this situation are possible. One option would be to advocate a global redefinition of the CAP, going beyond the present simple budgetary controls, and guided by the principles of greater market orientation, gradual alignment with world prices, encouragement of productive specialization and a total freeing of world trade in the framework of GATT. Conversely, the second option would stress the principles that justified inclusion of the CAP in the Treaty of Rome and of economic and social cohesion in the Single Act, and would advocate differentiated treatment in favour of small farmers and production located in less-favoured areas. The most evident consequences of this approach would be a gradual modulation of support and the introduction of a true rural policy, not confined to agricultural matters.

The question is, however, whether these two approaches are in fact diametrically opposed, as would appear to be the case. It seems more correct to predict the continuation of a differentiated treatment according to sectors, concurrently with the gradual introduction of a CAP polarized between the market and social aspects. Such a CAP would have a chapter devoted to developing a technologically up-to-date agriculture, increasingly competitive both internally and externally, and with less support along the lines of the traditional CAP. Complementing this would be a chapter dominated by social criteria, intended to maintain, by means of guaranteed prices and compensatory aids, the incomes of those farmers least able to adapt to the new realities of the markets.

## 11. THE ROLE OF THE COURT OF JUSTICE OF THE EUROPEAN COMMUNITIES

Despite the shortcomings of the Single Act, or indeed because of them, the completion of the internal market provided for in the new Article 8 A depends to a large extent on the future conduct of the Commission and of the Court of Justice of the European Communities.

It depends above all on the Court, firstly because the Commission does not possess absolute and final power, and its decisions may be the subject of an appeal before the jurisdictional organ in Luxembourg. And secondly, because of the function of interpreter of Community Law conferred on it by Article 164 of the EEC Treaty, which with the advent of the Single Act will continue to strengthen and grow both qualitatively and quantitatively. Indeed its Article 11 (new Article 168 A of the EEC Treaty) provided for the creation of a court with jurisdiction to hear and determine at first instance, thereby speeding up the work of the judges, a court which was finally constituted in November 1988.

It has been written that the development of Community Law has made it possible to compensate for the shortcomings of the Community's decision-taking process. The Court at Luxembourg has played a leading role in this task, and it is to be hoped that this role will not decline in the immediate future, but rather the contrary. The importance of the Community case law in this new stage leading up to 1992 is emphasized by the appeals already before or ruled on by the Court since the adoption of the Single Act.

In this context the well known "Cassis de Dijon" case is an ideal instrument with which to combat the new protectionist barriers. It should be recalled that,

in accordance with this case law, Member States must permit the marketing of those products legally and fairly manufactured in the territory of any other Member State, regardless of the fact that they may comply with technical and qualitative prescriptions that differ from domestic regulations. This obviously implies, as a corollary, "mutual recognition" of equivalent regulations on manufacture, type approval, control and certification of products.

However, one exception is admitted to this principle: Member States may prohibit the sale in their territory of products legally manufactured and marketed in other States of the Community, in the interests of complying with an "imperative necessity" which the Court and the Commission have specified, though not exhaustively (public health and safety, consumer protection, efficacy of tax controls, fair trading, etc.).

The possibilities for application of the "Cassis de Dijon" principles in the context of completion of the internal market are obvious. Moreover, it is no coincidence that the "Cassis de Dijon" case law as such has found in the agri-foodstuffs sector an ideal framework for its development, and that it has even been observed that it in fact constitutes the germ of a future Community Food Law.

## 12. THE "CASSIS DE DIJON" CASE LAW AND THE AGRI-FOODSTUFFS SECTOR

The last months of 1988 saw unusual activity in the Court with regard to the internal market. The development of the "Cassis de Dijon" case law as applied to the agri-foodstuffs sector, while it confirms the extraordinary importance of the work of the Court of the Communities in the area of free circulation of agricultural products, nonetheless reveals some highly significant internal contradictions. We shall confine ourselves here to analyzing the most important cases: 1) Cases 176/84 and 178/84 of 12.3.1987 on the marketing of beer in Greece and Germany, of great interest on account of the details given in their rulings with regard to additives and to the concept of "technological necessity"; 2) Case 216/84 of 23.2.1988 on the marketing of substitutes for milk; 3) Case 298/87 of 14.7.1988 on the naming of yogurt; 4) Case 407/85 of 14.7.1988 on the marketing in Italy of pasta manufactured from common wheat; 5) Case 302/86 of 20.9.1988, on the packaging of beers and soft drinks in Denmark, in which for the first time the Court gave environmental protection precedence over free circulation of products; 6) Case 190/87 of 20.9.1988 on health controls in trade in fresh meat, in which the concept of an "administrative formality" at the frontier is defined; 7) Case 286/86 of 22.9.1988, on the naming and ingredients of Edam cheese in France; 8) Case 18/87 of 27.9.1988 on the levying of charges in health controls by some Lander of the FRG on imports of live animals; and 9) Case 274/87 of 2.2.1989 on the ingredients of meat products in the FRG.

All these cases transcend by their content the simple concerns of the agri-foodstuffs sector, and in some cases constitute real milestones along the road to completion of the internal market. Their significance may be positive or negative, since, although most of them fall into the traditional line of the "Cassis de Dijon" case law, which in principle takes no account of consideration of the socio-economic and environmental effects of the free circulation of goods, two of them do in fact provide a significant innovation by justifying, on the basis of different arguments, the obstruction of free trade.

a. The Federal Republic of Germany's law governing the purity of beer, of which the Greek law is a faithful copy, restricted marketing under the name of "beer" to the low-fermentation beverage made only of hops, barley malt, water and yeast. Identical prescriptions applied to high-fermentation beers, though with some exceptions.

From this law derived the ban on marketing under the name of "beer", for reasons of public health, beverages containing other substances, notably additives. The consequences of such a law for trade can easily be imagined if one bears in mind that the Germans are the foremost consumers of beer in the Community (146 litres per capita per annum), the world's second producers, with 93 million hectolitres in 1985, after the U.S.A. (227 million), and ahead of the United Kingdom (62.5), Spain (23), France (21), the Netherlands (17.5) and Belgium (10.5); and that, contrary to what one would expect, the German market imports almost no beer from other countries (800,000 hectolitres per annum, or 1% of total consumption). But, apart from the distortions to competition caused by this regulation, it must also be held responsible for the extraordinary fragmentation in the German brewing industry (1,200 firms, that is, 75% of the total for the Community), which is the ultimate cause of its lack of competitiveness.

In its rulings of March 1987, the Court considered such an absolute ban on the use of additives unjustifiable and contrary to the principle of proportionality. The German and Greek rules led to the exclusion of all additives authorized in other Member States, for reasons unconnected with health or technological considerations. This was borne out by the fact that these same ingredients were authorized in the manufacture of practically all other beverages.

b. A similar case to that of the German and Greek beers arose regarding the Italian law on pasta products, section 29 of which stipulated that only durum wheat is to be used for the industrial production of pasta. The Court again pronounced against this "purity law", despite the dietary habits of the Italian consumer and the possible economic consequences this might have on a production practically confined to the least-favoured areas of the South of the Community, which enjoyed specific market regulation measures (an intervention price higher than that of durum wheat and direct aids to production).

For the Court, a general ban on marketing imported pasta made from common wheat or from a mixture of common and durum wheat was not proportional to the objectives sought, was not justified either for reasons of defence of public health or for reasons of consumer protection, or in the interests of guaranteeing fair trade, and did not contribute to the smooth running of the common organization of the grain market. The Community judges ruled that it was open to the Italian Government to reserve the description "durum-wheat meal pasta" for pasta obtained exclusively from that type of wheat, thereby allowing Italian consumers freely to demonstrate their preferences among the different qualities and prices.

c. A case similar to the previous two was Case 274/87 of 2.2.1989, on the ban on importing meat products not composed exclusively of meat in accordance with the German regulations. In this Case, too, the Community Court rejected the "imperative necessity" adduced by the German Government. The possible inclusion of plant proteins in the meat products could not be considered as a threat to human health, nor was it necessary to prohibit the import of products not wholly made of meat in the interests of consumer protection when all that was needed was adequate labelling; nor, finally, could the national measures applied be justified on the grounds that they were intended to support Community efforts to stabilize the beef, veal and pigmeat markets, when the case law of the Community Court itself had clearly established the obligation of Member States to refrain from any unilateral measure in the field of common organization of the markets established.

d. After the three cases discussed concerning the "purity" of products such as beer, pasta and sausages, of particular significance for the Member States affected, Case 190/87 was of special interest for the free marketing of goods in sectors such as fresh farmyard poultrymeat, in which a harmonized system of

health control had already been introduced. In spite of this, German national regulations provided for the systematic inspection of all goods at the frontier. In this case, the Court ruled that products subjected to a system of harmonized control cannot also be systematically subjected to controls other than those of an administrative type to which all goods crossing an intra-Community frontier must be subjected. In its ruling, the Community Court also drew a distinction between the concept of "physical controls", those that are carried out on the goods and imply a physical action thereon, and the concept of "administrative formalities", operations to check, by simple visual inspection, the customs documents and certificates submitted so as to ensure that they correspond to the goods being transported.

e. In the purest tradition of the "Cassis de Dijon" case law, in 1988 the Court ruled on three interesting cases concerning dairy products. In Case 286/86 it overruled the ban by the French State on the use of the name "Edam" to describe cheeses imported from third countries that did not have a minimum fat content of 40%, where they had been manufactured and marketed legally under that description in the Member State of origin and the consumer had been adequately informed of their fat content (34.3%). Similarly, in Case 298/87, the Court unreservedly ruled that it was a measure whose effect was equivalent to a quantitative restriction to reserve the right to apply the name "yogurt" only to fresh yogurts and not to frozen yogurts, when the characteristics of the latter products did not differ substantially from those of the fresh and they were appropriately labelled. Lastly, in Case 216/84, the Court rejected the plea of imperative necessity such as consumer protection or the defence of public health as grounds for preventing the free circulation of powdered and concentrated milk substitutes. In response to the allegation that this would exacerbate the well-known problems of the dairy sector, the Court ruled that it was for the Community, and not for an individual State, to find a solution to these problems.

f. This confirmation of the primacy of the principle of free circulation of goods over all other considerations was contradicted, however, in two significant rulings of September 1988. In Case 18/87, the Court surprisingly accepted the levying of charges by five German Länder in connection with the Community controls established for imports of live animals. In favour of their retention it was argued that the real cost of the controls was higher than the charges levied, and that these controls were required under Community Law, the corollary of which was that any negative effects which might violate the principle of free circulation of goods should be eliminated by means of Community regulations which would provide either for the harmonization of charges, or for the obligation for States to bear the cost of the controls, or for these costs to be charged to the Community budget. This case is thus an instance of an explicit refusal by the Court to fill a gap in the law, which it deemed it incumbent on the Commission and the Council to deal with, contrary to what might have been regarded as its traditional opinion, and indeed as the very basis of much of its commendable work in establishing case law.

g. Case 302/86, on the other hand, is of great interest on account of the declaration by the Court that free circulation of goods shall yield precedence to an imperative necessity that until now has been unusual, namely protection of the environment, which, since the adoption of the Single Act, has been regarded as one of the Community's priority objectives. Thus, for the Court, the obligation imposed on producers by the Danish Government to market beer and soft drinks solely in standardized re-usable containers which could be returned to any drinks retailer, guaranteed an optimum rate of reutilization and constituted an effective means of safeguarding the environment. For this reason, the consequent obligation for exporters to create their own network for collection of non-standardized containers in Denmark did not contravene Article 30 of the Treaty. On the other

hand, in the same decision the Court ruled that it was a violation of the principle of free circulation of goods to limit to 3,000 hectolitres per producer per annum the quantity of beer and soft drinks that could be marketed in non-standardized containers. However, only time will tell whether this precedent will be consolidated and whether in future protection of the environment will continue to take precedence over free circulation of goods, and if so, in what circumstances.

### 13. THE ROLE OF THE COMMISSION

Along with the Court of Justice of the Communities, the Commission plays an essential role in completion of the internal market, in two respects. Firstly, through the close and agile work of vigilance which, as guardian of the Treaties, it must exercise over States and enterprises in order to ensure strict compliance with Community Law; and secondly, since it possesses the legislative initiative and is the true driving force behind the internal market, through its regulatory proposals, which are necessarily numerous and complex.

a. The first function is based on Article 30 of the Treaty of Rome, which prohibits quantitative restrictions on imports as well as all measures with equivalent effect between Member States. The broad interpretation which the Court has applied to this concept, seeing it as any trade regulation likely to affect, directly or indirectly, actually or potentially, intra-Community trade, enables the Commission to obtain the abolition of ever more varied and sophisticated methods of impeding trade applied by States.

This underrated task is fundamentally a preventive one, and acquires a para-legislative character through the imposition on violators of a specific interpretation of the Community rule, and which frequently leads to an agreed modification of some aspects of State projects. Evidence of the importance of this task is, for example, the fact that only 1.5% of the files examined under Article 30 of the EEC Treaty reach the Community Court. Since the entry into force of the Single Act, there has been a gradual increase in the number of contravention proceedings regarding the internal market (177 notices of proceedings in 1987, compared to 119 in 1986 and 152 in 1985), owing to the intensification of controls by the Commission. At the same time it must be pointed out that between 42 and 45% of complaints submitted to the Commission were submitted on the basis of Articles 30 to 36 of the EEC Treaty (358 in 1986, 359 in 1987), which confirms the increasing awareness of citizens and economic operators of the rights conferred on them by membership of the Community.

During 1987 the Commission studied more than 1,000 files concerning the compatibility of national regulations or practices with the Community rules on the free circulation of products, a significant proportion of which referred to foodstuffs or to various regulations directly linked to the agri-foodstuffs sector. Of those finally resolved, mention may be made of the abolition in one Member State of the obligation for enterprises marketing pesticides to maintain a representative in its territory; or the lifting of the ban in another State on marketing "sparkling grape" wine in a champagne-type bottle with a wired cork; or the admission for sale of mayonnaise containing mustard, regardless of the national legislation on that product, provided the ingredients were stated on the label; or, lastly, the lifting of the State ban on exporting sangría in containers holding more than two litres.

On the other hand, in other cases during 1987 the Commission was obliged to take proceedings initiated under Article 169 of the EEC Treaty. In one of these, it prosecuted a Member State for laying down a minimum fruit content for carbo-

nated soft drinks; and in another, it appealed to the Court for confirmation of the non-compliance of a State that required pâté to be manufactured exclusively from meat products, with no addition of eggs or milk, as is customary in other States.

b. With regard to the second function, for some time now the Commission has been making good progress in developing its work of legislative harmonization in the most varied fields: food legislation, excise duty, fertilizers, plant health products, agricultural machinery, veterinary regulations, etc.

According to the Commission's own reports, in the Spring of 1989 it had already presented 83% of the 279 proposals that remained in the White Paper after the various technical adjustments that made it possible to eliminate some of the 300 directives originally planned in 1985.

Thanks to this work by the Commission, in mid-1989, three years ahead of its projected completion, the internal market is already practically mapped out, as too are the difficulties that may impede its final attainment.

In March 1989 the Council had adopted only around half the measures set out in the White Paper (133 proposals in all). If to these we add the common positions decided on and the partial adoptions, the former figure would reach almost 46% of the draft legislation, that is, 127 of the 279 planned proposals. Consequently, in the Spring of 1989 the Council would have before it 119 proposals still awaiting a decision. The backlog was particularly serious in the areas of harmonization of animal and plant health, indirect taxation and free circulation of persons.

Table VII sets out the legislative work in the agri-foodstuffs sector done by the Commission and completed by the Council. Between 1985 and May 1989 the Ministers of Member States adopted 65 directives and one regulation, 34 of which referred to veterinary rules, 16 to legislation on foodstuffs, 10 to plant health, 4 to technical harmonization of agricultural vehicles, and 2 to fertilizers.

Despite all this it is clear from the reports of the Commission that the agri-foodstuffs sector is one of the areas in which the Council has fallen furthest behind the schedule set out in the White Paper. With regard to the plant health and veterinary proposals, at the end of May 1989 17 health measures were still awaiting approval, some of them dating from before the adoption of the White Paper. To these we must add all the proposals submitted regarding harmonization of excise duties on tobacco and beverages (3 in all), which the Council was unable to approve because of the need for a unanimous vote. And despite the fact that in 1988 harmonization regarding foods made great progress, in mid-1989 no less than 20 measures were still awaiting agreement.

As can be seen from Table VIII, in May 1989 a total of 44 proposals were blocked, some of which had been submitted in 1976, 1981, 1982, 1983 and 1984. In some cases the Commission had even gone so far as to withdraw the original proposal in order to resubmit it with some amendments. In others, obstruction by States continued even after the regulation had been approved and published. This was the case, for example, with Directive 85/649, which, in the general interest of the consumer, banned the use of synthetic hormonal growth stimulants with effect from January 1988, and which is analyzed in detail below.

#### 14. HARMONIZATION IN HEALTH MATTERS

We have already noted the considerable delay affecting the legislative programme for completion of the internal market in health matters. Yet this field was regar-



ded as crucial by the White Paper. Of the 300 measures it envisaged, 74 consisted of veterinary and plant health regulations. Broadly speaking, it is proposed that controls on trade in live animals, meat and plants should henceforth be carried out at internal level in each country: controls on goods will take place at the point of origin, and controls on certificates at the place of destination.

As can be seen from Tables VII and VIII appended to the end of this study, the planned harmonization measures embrace the most diverse matters, from permissible levels of pesticide residues to means of eradicating various epizootic diseases, by way of requirements to be complied with by abattoirs, storage plants and vehicles for transporting fresh meat, or regulations for the use of antibiotics and hormones.

a. With regard to plant health, harmonization activities have concentrated on three areas: conditions for national recognition and marketing of plant health products, protection against introduction into States of harmful organisms by plants, and fixing of maximum levels of pesticides in certain sectors.

In the first of these areas, as early as 1976 a proposal was tabled before the Council, which it never proved possible to adopt and which was withdrawn, in early 1989, and replaced by a new proposal. As regards plant health protection, controls have been strengthened in order to prevent the introduction of organisms harmful to plants or plant products, in Directive 77/93, subsequently modified by Directives 85/173, 86/545, 86/546, 86/547 and 87/298, while a new proposal (COM(88) 170) is still awaiting adoption (see Tables VII and VIII). As regards fixing of maximum levels of pesticide residues, legislative work began in 1976 in the fruit and vegetables sector (Directive 76/895), and was later, in 1986, extended to grain and animal-derived products (Directives 86/362 and 86/363). However, in the context of completion of the internal market in 1992, Directive 76/895 contained a substantial lacuna, in that it did not require Member States to adopt the maximum levels set forth therein for domestic trade, an omission which could obviously lead to intra-Community trade problems. In consequence, in February 1989 the Commission presented a proposal with a view to rectifying this situation and extending the Community measures to other products (potatoes, oilseeds, pulses, etc.), so that the main components of the human diet would be covered (COM(88) 798, see Table VIII).

b. As for animal health, this has proved one of the most controversial areas, and one in which the legislation has fallen furthest behind schedule. There can be no doubt, however, that national veterinary provisions, justified by differing health situations, constitute serious obstacles to free trade in animals and animal products and distort the smooth running of the common organizations of the market.

Up until now, Community health regulations have focused especially on cattle and pigs, their meat and meat-based products, with a view to liberalizing trade in these to a maximum. Until late 1988 and early 1989 the Commission had presented almost no proposals for animal health measures concerning sheep and goats (COM(88) 742) or poultry and eggs (COM(89) 9).

Confining ourselves to cattle and pigs, from a purely veterinary standpoint, these years have seen an intensification of measures to eradicate various epizootic diseases: foot-and-mouth disease, tuberculosis, brucellosis, leucosis and African and classical swine-fever (see Table VII). In the immediate future it is intended to speed up the national programmes in this field currently under way until a common animal health level is attained. After making enormous strides in the eradication of African swine-fever with the declaration of the greater part of Spanish territory as a swine-fever free area, the major effort in the coming months will be focused on foot-and-mouth disease.

As regards hygiene, regulations have been enacted to control residues, and on the use of hormones in certain products (fresh meat, meat products and milk), though these are basically directed at intra-Community trade. The Commission is intending gradually to extend these provisions to domestic production.

In the specific field of imports from third countries, the objective is the establishment of a common regime for all States without exception. In this connection, over the next few years national inspections at the frontier will have to be replaced by animal welfare control measures that guarantee transport in adequate conditions.

Lastly, health controls must be harmonized and identical irrespective of the destination of the product, the national market or intra-Community trade. In this regard, in August 1988 (COM(88) 383) the Commission presented three proposals to the Council: the first provided for the abolition of veterinary controls at the internal frontiers of the Community with the concomitant adaptation of the safeguard clause; the second proposal provided for a series of measures to guarantee uniform and co-ordinated application of the current regulations for control, including the direct inspections to be carried out by the services of the Commission; and the third proposal intensified co-operation activities between national veterinary authorities. As was to be expected, States have voiced a number of reservations regarding these proposals, so that the scene seems to be set for a long and arduous debate within the Council.

#### 15. THE CASE OF THE DIRECTIVE ON HORMONES

In the animal health sphere, an analysis of the interests and actions of the sectors and States affected by Directive 85/649, on utilization of hormones in Community livestock, allows one to gain some idea of the difficulties involved in completion of the internal market.

After more than five years of prodigious debates among Member States, this Directive was adopted in December 1985, with its date of application deferred to January 1988. At that date, all Member States had already adapted their legislation to take account of the Directive, which prohibited the use of five hormones (oestradiol 17 $\beta$ , progesterone, testosterone, trenbolone and zeranol) in livestock. This regulation conflicted with those in force in the United States, the main exporter of meat to the Community (with 100,000 tonnes per annum and a value of 170 million dollars), where hormones are permitted to be used freely.

In a context of growing difficulties in its trade with the Community, the United States argued that the ban on production of and trade in meat treated with hormones had no scientific or economic basis. They saw it as a discriminatory measure pure and simple, and therefore filed a complaint with GATT and announced an increase in customs duties on certain Community products to an amount of 153 million dollars, the estimated loss in income on their meat exports.

The United Kingdom, the main recipient of the United States imports, endorsed these arguments, and appealed to the Court of Justice of the Communities to repeal Directive 85/649, supported by Denmark, which, although it prohibited the use of hormones, decided to support the action purely on grounds of competition.

The appeal adduced procedural defects such as the failure to base the Directive on the new article 100 A as well as Article 43, which was traditional in proposals of an agricultural nature. In its ruling in February 1988, the Court found that, although the Commission was right to use only Article 43 of the EEC Treaty as a legal basis, Directive 85/649 could be repealed on grounds of procedural defects under the Council's Rules of Procedure.

To these State interests we should also add the interests of those parts of the private sector affected (stock breeders, consumers, manufacturers, etc.). In the last three years the pharmaceutical industry, for example, which produces these hormones, has stepped up its promotion campaigns, and has taken the measures implementing the Directive to the Court of Justice, an appeal that was rejected by the Court in January 1988.

On 18 November 1987, this bone of contention led to a Decision by a qualified majority of eight Ministers of Agriculture, which temporarily suspended certain aspects of the controversial Directive. While the ban on production of hormone-treated meat from 1 January 1988 was maintained, as provided for, some exemptions were granted in trade matters. Under these, countries that were traditional purchasers of meat, such as France and the United Kingdom, could continue to import meat treated with hormones until 31 December 1988. At the same time, the United States suspended application of their trade reprisals for one year. During this long "interregnum", after the resolution of Case 68/86 by the Court of Justice and the repeal of Directive 85/649 on grounds of procedural defects, the Council was obliged in March 1988 to return to the question and, having made good these defects, decided to ratify the directive in the terms already indicated.

In practice, the solution adopted proved to be no solution at all, and only delayed the emergence of an unresolved conflict at both legal and trade level. From the point of view of legal precedent, the matter remains an open one, until such time as the national courts and the Court of Justice of the Communities rule on the appeals filed by the manufacturers of hormones against application of Directive 88/146. From the trade standpoint, once the period of suspension accorded had expired, in January 1989, the trade war between the United States and the Community was unleashed as expected. The United States Government continued to maintain its position that the Community ban was discriminatory, despite the fact that, through bilateral contacts, the remaining exporter countries had already undertaken to comply with Directive 88/146, and that the Commission had decided to exclude from the ban meat intended for domestic animals (amounting to 40 million dollars in value terms - more than 20% of United States meat exports to the EEC).

According to United States estimates, accepting the ban on the use of hormones would have meant a 13% drop in U.S. beef and veal production. Consequently, in early 1989, the U.S.A. unilaterally decided to increase customs duties on various Community foodstuffs in an amount totalling 100 million dollars, and threatened to apply the meat inspection provisions contained in the Trade Bill, a measure which could lead to the virtual elimination of European meat exports, with an annual loss to the Community of 445 million dollars. For its own part, the Commission, which had always regarded the regulation purely as a public health measure, proposed, by way of a reprisal, increasing Community tariffs on imports from the United States of unshelled nuts and dried fruit to a similar value (96.6 million dollars), with effect from February 1989. However, this proposal has remained a threat, since the Council has taken no concrete decision on the matter, whereas the United States reprisals have entered into force as planned. Meanwhile, in spring 1989, close bilateral contacts between the two parties led to some rapprochement in attitudes that had previously been totally opposed.

The example of the hormones case is a paradigm of the external difficulties that may be encountered along the road to completion of the internal market. Among the EEC's trade competitors, the idea is becoming widespread that, by increasing intra-Community competition, creation of the Community internal market will simply stimulate demands for protection vis-à-vis the exterior from some enterprises or subsectors of the Community. Hence the firmness and virulence of the reaction by the United States to the hormones issue, which was really a minor matter, representing barely 100 million dollars of global EEC/US trade amounting to 166 thousand million dollars.

Furthermore, in another connection, this conflict serves as a warning of the economic consequences that application of biotechnologies may have in the near future on world food production and trade, while it also raises serious doubts regarding the effectiveness of measures such as those imposed by the Community in the case of hormones. The difficulties of implementing complete and reliable controls, not least from the technical standpoint, the ongoing debate within the scientific community on the effects of artificial hormones and ways in which they differ from natural hormones, and in addition, the danger of an uncontrolled black market in hormones developing, hardly augur well for the success of a ban such as that adopted by the Community. The scandal that came to light in the Münster region of the Federal Republic of Germany in 1988 only confirms the suspicion that, in spite of the Community regulation, large quantities of prohibited anabolic steroids are being stored and marketed illegally in various countries. Similarly, gradual advances in methods of detection of residues are simply displacing the market towards other active substances or new preparations not subject to controls. How Community Law is to react to these developments is a question in urgent need of elucidation.

#### 16. HARMONIZATION IN MATTERS OF MANUFACTURE, SALE AND CONTROL OF FOODSTUFFS

At present, the foodstuffs proposals are the most important area awaiting harmonization in the context of completion of the internal market in agri-foodstuffs. As we have already noted, at the end of 1988 twenty foodstuffs proposals were awaiting approval by the Council, a very sizeable number, particularly if we bear in mind the efforts made recently to make headway in this field.

In April 1986 the Commission presented an important foodstuffs package, consisting of four Directives, to be adopted in principle before the end of that year. To these were subsequently added a number of individual new proposals which, like their predecessors, disappeared from sight in the Council's various ad hoc working parties. The result of this was that during 1987 the Commission substantially slowed the rate at which it presented proposals, and devoted itself mainly to modifying or substituting its earlier documents so as to facilitate the task of the Ministers. It was not until the end of 1987, and particularly in 1988 (thanks to the speed-up in work achieved by the German and Greek Presidencies), that clear signs appeared that things were on the move, although the price for this was sometimes a high one.

Two foodstuffs proposals predating the White Paper, one on flavouring agents and the other on extraction solvents, finally went ahead by a qualified majority in October 1987 after modification of the Commission's proposals regarding procedures for management and updating of the Annexes setting out the materials affected by the two new Directives. The Council reserved powers of execution for itself, instead of delegating them to the Commission, and, with regard to flavours, adopted a procedure to forestall a revolt by Parliament. Even so, the final text of both proposals was subsequently debated again in Council and was not published in the form of a Directive until July 1988. All this is indicative of the dangers attendant on the decision-taking procedures currently in force with regard to completion of the internal market.

In June 1988 three new common positions were adopted: one with reference to materials and objects intended to come into contact with foodstuffs; another on additives, which decided the categories on the basis of which a list of authorized substances would be fixed in the future (in this latter case the Council reserved for itself different powers of management); and lastly, a Directive on protection of the consumer in matters of price indication for foodstuffs.

It was not until the Council of 14 October 1988 that new advances were made in the foodstuffs sector. A common position was reached by a qualified majority on a proposal presented in 1986 on jams, jellies, fruit marmalades and chestnut purees, thanks to: a) introduction of the Regulatory Committee procedure for its future management, instead of the Consultative Committee procedure, as originally requested by the Commission; and b) exclusion of questions relating to additives, it being left to the discretion of individual Member States to authorize their use in jams. In the same Council a practical agreement was reached on a proposal relating to the approximation of legislations on fruit juices through acceptance of the use of the Regulatory Committee and a 10-year derogation of the ban on adding sugar to concentrated juices. At the first Council of 1989, by now under the Spanish Presidency, the agreements reached in October 1988 were ratified without debate.

The following Council, held on 18 November 1988, gave a new boost to the foodstuffs sector, with basic agreement reached on three proposals. Firstly, a common position was adopted on dietary products, as before, thanks to an agreement on the controversial question of the committees. Under that position, the old Directive 77/99, which provided for the possibility of States applying national derogations in the absence of specific Community provisions, would be repealed and replaced by a new Directive which would fix the requirements for advertising, labelling and presentation of this type of foodstuff. The new Directive would also determine what dietary foodstuffs would subsequently be the subject of specific provisions. The adoption of these special directives by products was entrusted to the Commission, with the exception of the lists of authorized additives, which, once again, was to be decided by the Council.

In November 1988 a common position was also adopted on a proposal originally presented in 1982 on the labelling, presentation and advertising of foodstuffs. This position a) broadened the scope of the previous Directive 79/112 to include bodies (restaurants, hospitals, etc., except for charitable organizations and the armed forces); b) abolished all the derogations granted to Member States; c) set forth the list of products for which it was not necessary to give an expiry date (fresh fruit and vegetables, wines, some soft drinks, some pastry products, seafood, among others); d) replaced the expiry date by a latest consumption date in the case of those microbiologically perishable products that might present a risk to human health after the lapse of a short period; and e) excluded irradiated products from the Directive. It should be stressed that in this case agreement was possible thanks to the fact that the Council itself decided most of the material provisions, a task which should in principle have been the responsibility of the Commission.

The third proposal adopted in November 1988 referred to the identification of batches of foodstuffs, a question which until then had been within the competence of States, since the previous Directive 79/112 contained no provisions on this matter. By "batch" is meant a group of units of sale of a foodstuff produced, manufactured and packaged in practically identical circumstances. However, some exceptions were provided for in the case of products pre-packaged for immediate sale, those packaged at the request of the customer, and for containers whose largest surface is smaller than 10 cm<sup>2</sup>.

Lastly, in the Council of 21 December 1988 the Ministers reached a common position on frozen foods, regulating the entire refrigeration chain from manufacture to the retail stage, including transport; and in the Council of 23 January 1989 two new Directives were finally adopted, on official control of foodstuffs and definition, designation and presentation of spirituous beverages, totalling 175 beverages with the exception of wine and beer.

This significant speed-up in the work of harmonizing Community food law in 1988 should not, however, allow us to forget the large number of proposals still awaiting approval by the Council, and especially, the conditions imposed in order to obtain the common positions adopted. The Commission has been obliged constantly to relinquish its powers of management in favour of States, which are reluctant to lose control over a sphere as sensitive as that of human diet. The conclusion in this regard is obvious and pessimistic: completion of the internal market in the foodstuffs sector can be achieved in 1992, even in spite of the legislative backlog, if it is measured by the number of proposals in the White Paper that have been approved. But these quantitative advances may involve a qualitative detraction from the spirit of the single market and conceal important factors determining its subsequent development.

#### 17. THE NEW APPROACH IN HARMONIZATION OF FOODSTUFFS

The Commission had in fact foreseen the difficulties that would be inherent in the process of harmonization, not least in the foodstuffs sector. Consequently, basing itself on the example of the "Cassis de Dijon" case law, in its Communication of 7 May 1985 it presented the so-called "new approach" in matters of technical harmonization and standardization, which, as regards foodstuffs, took the specific form of a new Communication in November of the same year.

The system in force until 1980 had been based exclusively on the harmonization Directives, 180 of which had been approved. This was an all-out approach which, over the course of time, had proved excessively regulatory and also inefficient: national provisions had to be harmonized on the basis of the old Article 100, unanimously, with the additional difficulty of subsequently transcribing the Directive that had been approved to State level, a process which took between one and three years. Furthermore, previous experience had shown that on the basis of the general principles of the food law, States did not require coercion. Hence a new strategy was defined, based on:

- a. introduction of the new Article 100 A and the priority use of vote by a qualified majority;
- b. limitation of the harmonization procedure to "essential requirements" in matters of protection of public health (authorized additives, materials intended to come into contact with foodstuffs, dietary products, manufacturing procedures), economic protection of the consumer (regarding composition of products, labelling and advertising), and public control over trading in foodstuffs;
- c. and, with a view to halting the proliferation of highly detailed technical Directives by products, the "new approach" fixed an obligation to gradually draft general European regulations on the above questions, pending which "mutual acceptance" of national provisions would be taken as a working basis (in accordance with Community legal precedent, referred to above, and with Articles 30 to 36 of the EEC Treaty).

As can be imagined, application of this approach entailed a series of urgent tasks. In the first place, the growing work of preparing European standards obviously entailed giving more powers to the European standardization organisms. The technical specifications with which products must comply in order to circulate freely had to be defined in the framework of the European standards drafted by the European Committee for Standardization (CEN), or by sectoral standardization bodies. A strengthening of their capacity and competence constitutes a prerequisite for controlling the development of new restrictive forms of trade. It has to be borne in mind that practically all Member States already possess their own

specialized institutions in this sphere (the IBN in Belgium, the DS in Denmark, the DIN in Federal Republic of Germany, the AENOR in Spain, the AFNOR in France, the BSI in the United Kingdom, the ELOT in Greece, the IIRS in Ireland, the UNI in Italy, and the NNI in the Netherlands). Some of these organisms are veritable factories of technical obstacles, producing a surprising average of 1,400 a year in the case of the Deutsches Institut für Normung, 1,100 a year in the case of the Association Française de Normalisation, and 850 a year in the Asociación Española de Normalización.

Moreover, under the new focus it was necessary to intensify prevention of obstacles to trade and introduce greater transparency in State regulations. This was the object of Directive 83/189, which required prior notification to the Commission of national draft technical regulations on industrial products, with some exceptions. In accordance with a Communication of the Community organ dated 1 October 1986, technical rules not notified in accordance with that Directive would not have effect vis-à-vis third parties.

In March 1987 the Commission set out to extend the material scope of this regulation and presented a proposal with regard to the establishment of procedures for information regarding technical rules and regulations on agricultural products. After long discussion between States and the Commission, and the presentation of a new proposal in January 1988, it was finally adopted, becoming Directive 88/182. According to this new provision, a key to completion of the internal market, with effect from January 1989 States must notify the Commission, for study by the CEN, and the other Member States of their draft technical regulations, irrespective of whether they were applicable to industrial or agricultural products. With a view to avoiding the adoption of national measures likely to compromise future Community rules, a twelve-month status quo was established for those matters on which the Commission had expressed interest in legislating, during which period Member States must refrain from adopting their own new technical rules. Furthermore, in accordance with the text adopted, the Commission would immediately notify each of the other Member States, in its own language, of any national project.

However, in the light of the experience obtained in recent years and of the remarks made above, it can be concluded that, as applied to foodstuffs, the new focus is inadequate, since it does not guarantee the final result of the harmonization proposals presented within its framework. Perhaps, however, in all fairness, we should not hold a mere concatenation of technical circumstances responsible for the consequences that the serious shortcomings of the Community decision-taking process have on completion of the internal market. But that is another matter, which it is not for us to consider here.

#### 18. CONCLUSION: ACTION BY THE EUROPEAN PARLIAMENT

With the entry into force of the Single Act, one of the main areas of Community agricultural activity has become the completion of a true internal market in the agri-foodstuffs sector for 1992. It is now universally accepted that this great area without frontiers will constitute the framework within which the CAP must develop in the future. In the last analysis, this evolution simply heralds a qualitative leap in this policy, which is definitively acquiring an industrial character. With the Single Act, the whole agri-foodstuffs chain is now to be regulated, in one way or another, by Community Law.

In this process, the role of critical conscience and institutional motor played by the European Parliament becomes daily more apparent, when set against the paralysis of the other Community organs in the face of the growing difficulties involved in creation of a common economic area. The number of proposals for agri-foodstuffs harmonization still awaiting approval by the Council, and, above all,



the conditions imposed in order to arrive at the common positions adopted, fully corroborate this view.

Action by the European Parliament with regard to completion of the internal market in the agri-foodstuffs sector has been concentrated at three levels: in the area of legal precedent, in opinions delivered on its own initiative, and at the level of legislative consultations.

a. At the level of the Courts, the European Parliament has twice appealed to the Court of Justice of the Communities against various decisions of the Council, in defence of the institutional equilibrium established in the Treaties. In the first of these appeals, it contested the legal basis of Regulation 3954/87 on the fixing of maximum tolerances of radioactivity in foodstuffs, animal feedingstuffs and drinking water, considering that it should be based on the new Article 100 A of the EEC Treaty, instead of on Article 31 of the EURATOM Treaty (Case 70/88 of 4.3.1988). But without any doubt, the action that had the greatest repercussions was the lodging of an appeal (Case 302/87 of 27.9.1988), requesting the nullification of Decision 87/373 - a case relating to the problem of committees in the Community, which is particularly serious with regard to the CAP on account of the huge number of committees involved in its operation. Unfortunately, the Decision of 27 September 1988 did not lead to a ruling on the substance, since the Court considered the appeal inadmissible on the grounds that Parliament had no right to bring proceedings.

b. As regards action on its own initiative, the European Parliament has adopted a legislative initiative on administrative and judicial assistance among the national authorities responsible for supervision and control of the manufacture and marketing of foodstuffs, which provided for swifter and more direct cooperation procedures between Member States in the field of preventive controls and of prosecution of contraventions of the food regulations. In the matter of opinions delivered on its own initiative, the activity of the European Parliament has been basically centred on three areas: analysis of the effects that completion of the internal market may have on agriculture, with the adoption in May 1989 of a specific Resolution on agriculture in the context of 1992 (Doc. A2-94/89 adopted on 26.5.1989); the need to introduce a genuinely Community-wide policy concerning foodstuffs to include all aspects of the matter, particularly in its Resolution on the food industry of April 1989 (Doc. A2-17/89 adopted on 14.4.1989); and, thirdly, defence of Community consumers against the risks involved in introduction of biotechnologies into agriculture, and in particular, growth hormones in cattle - already discussed in Chapter 15. Regarding this latter point, attention is drawn to the setting up of a committee of inquiry within the Assembly, which presented its report in April 1989 (Doc. A2-11/89 submitted to Parliament at its part-session on 12.4.1989, under Rule 109.3.3 of the Rules of Procedure).

c. The third and last level of activity of the European Parliament has consisted of legislative consultations carried out in the framework of the procedures under Articles 43, 100 and 100 A of the EEC Treaty. Apart from the amendments adopted, some of which were taken up by the Council in its various common positions, mention should be made of the continuous declarations by the Assembly in favour of the use of the consultative committee procedure, in support of the Commission, and also the request for greater parliamentary intervention in the decision-taking process. In this way, the activity of the European Parliament transcends the process of completion of the internal market in the agri-foodstuffs sector, to take its place in a longer-term institutional strategy whose ultimate objective is nothing less than the achievement of the European Union with a democratically elected Assembly with powers similar to those of national assemblies. Only in that context is it meaningful to think about the morning following 31 December 1992, and about the future development of a Green Europe.



TABLE VII  
 MAIN PROPOSALS IN THE WHITE PAPER  
 ON COMPLETION OF THE INTERNAL MARKET ADOPTED BY THE  
 COUNCIL ON AGRI-FOODSTUFFS FROM 1985 TO MAY 1989

ACT	TWELVE	SUBJECT	IMPLEMENTATION DATE
Dir.85/173	L 65 of 5/3/85	Amendment to Dir. 77/93 (Plant health)	1 January - March 1985
Dir.85/320 Dir.85/321 Dir.85/322	L 168 of 28/6/85	Eradication of swine-fever	1 January 1986
Dir.85/323 Dir.85/324	L 168 of 28/6/85	Microbiological controls on meats	Not yet fixed
Dir.85/325 Dir.85/326 Dir.85/327	L 168 of 28/6/85	Medical examination of personnel	1 January 1986
Dir.85/358	L 191 of 23/7/85	Hormone growth promoters	1 January 1987
Dir.85/397	L 226 of 24/8/85	Production and trade in milk	1 January 1989
Dir.85/511	L 315 of 26/11/85	Control of foot-and-mouth disease	1 January 1987
Dir.85/572	L 372 of 31/12/85	Plastic materials in contact with foodstuffs	Not yet fixed
Dir.85/573	L 372 of 31/12/85	Coffee extracts, chicory extracts	1 January 1987
Dir.85/585	L 372 of 31/12/85	Preservatives	1 January 1987
Dir.85/591	L 372 of 31/12/85	Sampling and methods of analysis	23 December 1987
Dir.85/649	L 382 of 31/12/85	Hormone growth promoters	1 January 1988, de- ferred for one year by the Council in No- vember 1987 and annull- ed by the Court in February 1988
Dir.86/102	L 88 of 3/4/86	Emulsifiers	27 March 1987
Dir.86/197	L 144 of 29/5/86	Obligation to indicate ingre- dients and alcoholic strength	1 May 1988

Dir.86/298	L 186 of 8/7/86	Protection in the event of tractors overturning	2 June 1988
Dir.86/355	L 212 of 2/8/86	Prohibition of ethylene oxide as a plant pro- tection product	1 July 1987
Dir.86/362 Dir.86/363	L 221 of 7/8/86	Maximum levels for pesticide residues	30 June 1988; with Annex amended subse- quently by Directive 88/298
Dir.86/469	L 275 of 24/9/86	Control of residues	1 April 1986, 31 Dec- ember 1987 and 31 Dec- ember 1988
Dir.86/545 Dir.86/546 Dir.86/547	L 323 of 18/11/86	National/third country plant health regulations	Up to 31 December 1989
Dec.86/649 Dec.86/650	L 382 of 31/12/86	African swine-fever in Spain and Portugal	With submission of plans: Portugal: 1/1/87 (Decision 87/526. Twelve L 306 of 28/10/87)
Dec.87/58	L 24 of 17/1/87 L 32 of 3/2/87	Eradication of brucellosis, tuberculosis and leukosis in bovine species	With submission of plans
Dir.87/64	L 34 of 5/2/87	Trade in fresh meat	1 January 1988
Dir.87/153	L 64 of 7/3/87	Additives in animal foodstuffs	31 December 1987
Dir.87/231	L 99 of 11/4/87	Eradication of classical swine-fever	31 December 1987
Dir.87/402	L 220 of 8/8/87	Approximation of laws rela- ting to protection of tractor drivers	26 June 1989
Dir.87/486 Dir.87/487 Dir.87/488 Dir.87/489	L 280 of 3/10/87	Eradication of classical swine-fever	-31 December 1987 -with national plans -with national plans -31 December 1988
Dir.87/491	L 279 of 2/10/87	Animal health problems affecting intra-Community trade in meat products	1 January 1988
Dir.87/519	L 304 of 27/10/87	Undesirable substances and products in animal nutrition	3 December 1990
Reg.3954/87	L 371 of 30/12/87	Maximum permitted levels of radioactive contamination in foodstuffs and animal feeds	1 January 1988
Dir.88/166	L 74 of 19/3/88	Protection of battery layers	1 July 1987

Dir.88/182	L 81 of 26/3/88	Information procedures on standards and technical rules applicable to agricultural products and foodstuffs	1 January 1989
Dir.88/183	L 83 of 29/3/88	Liquid fertilisers	25 March 1989
Dir.88/271	L 116 of 4/5/88	Amendment to Dir.77/93	—
Dir.88/288	L 124 of 18/5/88	Health problems affecting intra-Community trade in fresh meat	1 January 1989
Dir.88/289	L 124 of 18/5/88	Health problems upon importation of bovine animals and swine and fresh meat from third countries	1 January 1989
Dir.88/297	L 126 of 20/5/88	Type approval of wheeled agricultural or forestry tractors	6 June 1990
Dir.88/298	L 126 of 20/5/88	Amendment to Annexes to Dirs.76/895 and 86/362	1 July 1988 1 January 1989
Dir.88/299	L 128 of 21/5/88	Trade in animals treated with hormones	31 December 1988
Dir.88/315	L 142 of 9/6/88	Indication of the prices of foodstuffs	9 June 1990
Dir.88/344	L 157 of 24/6/88	Extraction solvents	24 June 1991
Dir.88/388	L 184 of 15/7/88	Harmonization of flavouring agents	15 January 1990
Dec.88/389	L 184 of 15/7/88	Basic substances for flavourings	15 July 1990
Dir.88/406	L 194 of 22/7/88	Enzootic bovine leukosis	1 July 1988 1 July 1990
Dir.88/407	L 194 of 22/7/88	Trade in frozen semen	1 January 1990
Dir.88/408	L 194 of 22/7/88	Charges on meat controls	31 December 1990
Dir.88/409	L 194 of 22/7/88	Health and inspection rules applicable to meat intended for the domestic market	1 January 1991
Dir.88/410 Dir.88/411 Dir.88/412 Dir.88/413 Dir.88/414	L 200 of 26/7/88	Directives implementing the regulations on wheeled agricultural or forestry tractors	30 September 1988 Commission Directives
Dir.88/593	L 318 of 25/11/88	Jams, jellies, fruit marmalades and chestnut puree	31 December 1989 1 January 1991

Dir.88/657	L 382 of 31/12/88	Imports of minced and sliced meat	1 January 1992
Dir.88/658	L 382 of 31/12/88	Trade in meat-based products	1 July 1990 1 January 1992
Dir.88/660	L 382 of 31/12/88	Health problems concerning trade in meats	1 April 1989
Dir.88/661	L 382 of 31/12/88	Zootechnical standards appli- cable to breeding animals of the porcine species	1 January 1991
Dec.89/20	L 9 of 12/1/89	Classical swine-fever	15 January 1989
Dec.89/21	L 9 of 12/1/89	African swine-fever in Spain	14 December 1988
Dec.89/45	L 17 of 21/1/89	Exchange of information on dangers to the consumer	21 January 1989
Dir.89/107	L 40 of 11/2/89	Food additives	28 June 1990
Dir.89/108	L 40 of 11/2/89	Deep frozen foods	10 July 1990 10 January 1992
Dir.89/109	L 40 of 11/2/89	Materials and objects coming into contact with foodstuffs	10 July 1990 10 July 1992
Reg.382/89	L 44 of 16/2/89	Implementation of Dir.85/397 on trade in milk	19 February 1989; Commission Regulation amended by Regulation 822/89
Dir.89/173	L 67 of 10/3/89	Wheeled agricultural or forestry tractors	31 December 1989
Dir.89/227	L 93 of 6/4/89	Imports of meat-based pro- ducts from third countries	30 June 1990
Dir.89/284	L 111 of 22/4/89	Content of fertilisers	17 April 1989
Dir.89/344	L 142 of 25/5/89	Products of cocoa and chocolate	1 January 1988

TABLE VIII

MAIN AGRI-FOODSTUFFS PROPOSALS ON COMPLETION OF THE INTERNAL MARKET

NOT YET ADOPTED BY THE COUNCIL IN MAY 1989

Commission proposal	Title	Proposed legal base	Observations
COM (76) 427	Marketing of phytopharmaceutical products	Art. 100 A	--
COM (81) 504	Personnel responsible for health inspection of trade in meat	Art. 43	3 proposals
COM (81) 712	Harmonization of preserving agents	Art. 100 A	Partially adopted Dir.85/585
COM (82) 529	Aujesky's disease and swine vesicular disease	Art. 43	Partially adopted Dirs.82/893 and 84/336
COM (82) 626	Compulsory indication of ingredients and alcoholic strength	Art. 100 A	Partially adopted Dir.86/197
COM (83) 378 (Prev. COM (81) 795)	Production and trade in medicated feeding stuffs	Art. 100 A	Dir.81/851
COM (84) 726	Modified starches	Art. 100 A	--
COM (85) 782	Certification of seeds	Art. 43	--
COM (86) 159 (Prev. COM (82) 328)	Definition of spirituous beverages and aromatised wines	Art. 100 A	2 proposals with a change of legal base. Agreement of the Council of 12-15/12/88 and 23/1/89
COM (86) 384	Substances with anti-oxidising effects	Art. 100 A	--
COM (86) 564 (Prev. COM (84) 793)	Preparations for nursing mothers	Art. 100 A	--
COM (86) 659 (Prev. COM (89) 785)	Filiation standards applicable to breeding animals of the porcine species	Art. 100 A	--
COM (87) 241 (Prev. COM (86) 91)	Food for particular nutritional use	Art. 100 A	Agreement of the Council of 13/11/88 and 5/5/89

COM (87) 242 (Prev. COM (82) 166 and COM (86) 89)	Labelling and advertising of food products	Art. 100 A	Agreement of the Council of 18/11/88
COM (87) 325	Harmonization of the struc- ture of excise duties on cigarettes	Arts. 99-100	--
COM (87) 326	Harmonization of the struc- ture of excise duties on manufactured tobacco other than cigarettes	Arts. 99-100	--
COM (87) 328	Harmonization of the struc- ture of excise duties on alcoholic drinks	Arts. 99-100	--
COM (87) 720	Maximum tar content in cigarettes	Art. 100 A	--
COM (88) 47	Health guarantees concer- ning fish (nematodes)	Art. 43	--
COM (88) 132	Food colouring products	--	--
COM (88) 170 (Prev.COM (84) 288)	Protection against entry into Member States of orga- nisms harmful to plants or plant products	Art. 43	--
COM (88) 293	Maximum acceptable levels of radioactive contamination in foodstuffs	--	--
COM (88) 295	Conditions for exporting foodstuffs and feeding stuffs after nuclear accidents	Art. 113	Proposal for a regulation
COM (88) 303	Compound feedingstuffs for animals	Art. 43	--
COM (88) 319 (Prev. COM (86) 688)	Fruit juices	Art. 100 A	Agreement of th Council of 14/ 10/88 and 18/11 88
COM (88) 322	Emulsifying, stabilising and other agents	Art. 100 A	--
COM (88) 383	Intensification of controls on implementation of veter- inary regulations	Art. 43	Proposal for 3 regulations
COM (88) 489	Compulsory labelling on nutritional properties of foods	Art. 100 A	Proposal for 2 directives

COM (88) 562	Oligo-elements in fertilisers	Art. 100 A	--
COM (88) 598	Zootechnical and genealogical conditions for the marketing of pedigree animals	Art. 43	--
COM (88) 626	Agricultural and forestry tractors	Art. 100 A	--
COM (88) 629	Agricultural and forestry tractors	Art. 100 A	--
COM (88) 630	Protection against rollover in tractors	Art. 100 A	--
COM (88) 646 (Prev. COM (87) 46)	Health conditions in the marketing of egg products	Art. 43	--
COM (88) 654	Approximation of laws on foods treated with ionising radiations	Art. 100 A	--
COM (88) 742	Health problems in trade in ovine and caprine products	Art. 43	2 proposals: 1 for a regulation and 1 for a directive
COM (88) 779	Veterinary medicaments	Art. 43 Art. 100 A	3 proposals: 1 under Art. 43 and 2 under Art. 100A
COM (88) 785	Trade in embryos of the bovine species	Art. 43	--
COM (88) 798	Maximum levels of pesticide residues in plant products	Art. 43	--
COM (88) 845 (Prev. COM (87) 719)	Labelling of tobacco products	Art. 100 A	--
COM (89) 9	Trade in farmyard poultry and hatching eggs	Art. 43	--
COM (89) 34	Plant health products	Art. 43	--
COM (89) 224 (Prev. COM (87) 501)	Identification of batches of foodstuffs	Art. 100 A	1988 Agreement
COM (89) 225 (Prev. COM (86) 747 and COM (88) 38)	Official control of foodstuffs	Art. 100 A	Agreement of the Council of 21/12/88

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