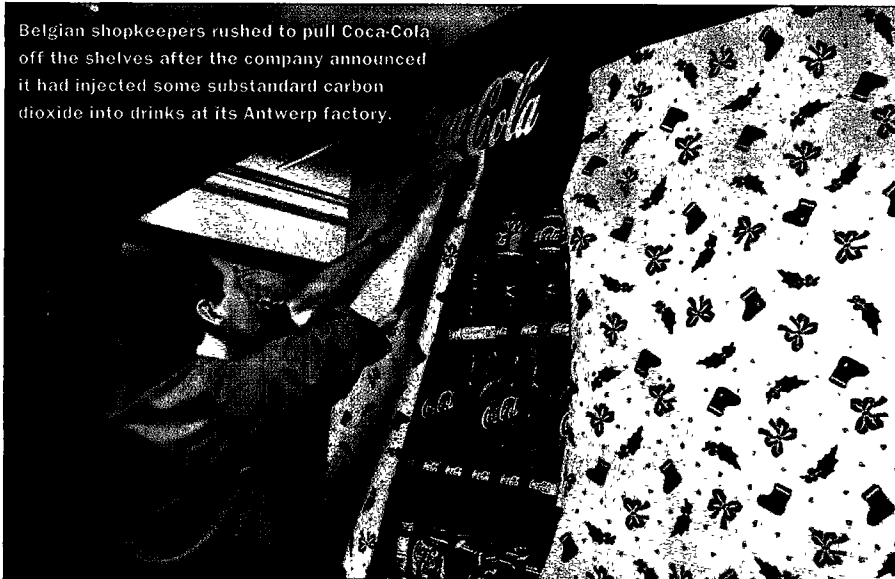


Scare



Above: A Greenpeace demonstration in London earlier this year called for a five-year freeze on the farming and patenting of genetically-modified organisms. Left: Activists protested outside the 1996 ANUGA international food fair in Cologne, Germany.

Belgian shopkeepers rushed to pull Coca-Cola off the shelves after the company announced it had injected some substandard carbon dioxide into drinks at its Antwerp factory.



scientific evidence.

Even EU officials agree that the system in Brussels is far from perfect. Requests for product approvals move at a leisurely pace through various committees of national experts as well as the European Commission and the EU Council of Ministers. Delays are inevitable. The temptation for politicians to play to a gallery of activist consumer groups is often irresistible.

In practice, the burden of responsibility lies with the Commission, which has to decide product approvals if the member states cannot agree. Yet the Commission faces a difficult dilemma: if it vetoes products without clear scientific guidance, it risks violating WTO rules. If it approves them, it risks the wrath of member states and a popular backlash.

Thus, the Commission has been powerless to stop Austria, France, and Luxembourg from blocking the sale of GMO crops approved by Brussels. Although the Commission is preparing legal action against France, officials worry that if it steps up the pressure too fast, the fifteen EU member states could go their own way, causing the disintegration of the single market.

The handling of the mad cow disease scandal is a useful pointer to the politics of food safety in Europe. First, the Commission allowed itself to become too close to farm producers, many of whom put profits (and EU subsidies) far ahead of health and environmental concerns. Then, after the mad cow crisis erupted in Britain in 1995-96, it found itself under irresistible pressure, mainly from

Germany, to propose a worldwide ban on British beef exports.

Three years later, the ban has finally been lifted, long after the Commission itself judged British beef to be safe. While the Commission may have acted with proper caution, public confidence has been shaken further by a succession of other food safety scares in other agricultural sectors.

So what is to be done? One option is to create a new pan-European independent food regulator with powers similar to the FDA, as it has already done for pharmaceuticals. However, whether such a new body would command more respect than the Commission is an open question.

A second option is mandatory labeling of GMO foods in stores. The US has long opposed such schemes on the ground that they are expensive and risk being discriminatory against US exports. But the US has hinted that it might be open to such an idea to resolve the beef hormone problem.

The third option is to wait for public confidence to return. That could in turn depend on the attitude of European farmers who could argue that a failure to follow the US advances in GMOs risks consigning Europe to a technological backwater.

At the very least, there is a serious risk that food safety could become a defining issue in transatlantic trade relations in the next few years. ☉

Lionel Barber is a contributing editor to EUROPE and the news editor of the Financial Times.

Euro

Will Brussels Cap the CAP?



By Bruce Barnard

The Common Agricultural Policy (CAP) has courted controversy since its inception in 1962, hailed by supporters as a symbol of the European ideal, damned by detractors as a gigantic confidence trick on European taxpayers and consumers.

The CAP has undergone three reforms, the first in 1988, the most recent in March, but it remains basically intact, a devilishly complicated subsidy system that absorbs around half of the European Union's \$90 billion annual budget. Its domestic critics associate it with waste, corruption, and fraud; its foreign critics allege it grossly distorts world trade and closes markets to poor agriculture-exporting nations.

The CAP will face a fresh onslaught in November when the European Union sits down with its major trading partners at a ministerial meeting of the World Trade Organization (WTO) in Seattle, which is expected to launch a new round of global trade liberalization negotiations.

Farm trade has disrupted EU-US re-