

The reference price system applying to imports from third countries was modified so that the Commission can take rapid action to prevent serious disturbances in the Community market. It prescribes the base prices at which a great number of imported fish products have access to the EEC market.

In the case of 'direct landings', i.e. fresh and chilled, whole or dressed, the reference price is equal to the withdrawal price and is applied to all species in the withdrawal scheme.

For frozen products, the reference price is determined on the basis of the average reference price for the fresh product, taking account of the processing costs and of the need to ensure a relationship of prices in keeping with the market situation.

It is permissible, however, to import below the reference price. The reference price only works as a trigger, i.e. only if the reference price is undercut by the actual import price for more than three consecutive market days, and if significant amounts are imported, the Commission may take action. From the Canadian perspective, it can be argued that reference prices can be unduly influenced by exchange rates, resulting in countervail or other actions even when dumping is not occurring.

VI. EFTA 8) AGREEMENTS

In response to the Hague communique of 1969, all the non-acceding members of EFTA expressed an interest in negotiating free trade agreements with the Community. The objective of these negotiations was, in the Community's view, to establish an industrial free trade area between the Community and each EFTA state. In general, agricultural trade was excluded from the agreements since the Community maintained that the CAP was not subject to negotiation with third countries. In practice, however, it proved impossible to exclude certain processed agricultural products from the agreements.

The EEC-Iceland Agreement created a precedent in its provisions of fish exports which Norway sought to emulate, without total success.