

to (less valuable) fish meal and oil, were partially financed (approximately 60 per cent) by FEOGA.

The rest was financed by the producers' organizations from the proceeds of levies on their members' sales. For minor species the cost of withdrawals would be financed entirely by the producers' organizations. For a discussion of producer organizations and withdrawal prices under currently existing rules, you are referred to Appendix A.

Withdrawal prices were to be fixed at a low level so that withdrawals would be triggered only if prices fell catastrophically. This, and the finite supply of fish would prevent fishing for FEOGA from creating fish meal mountains.

Various mechanisms were introduced by the market organization regulation to ensure that imports did not undermine the price support system established within the Community. These mechanisms varied from item to item but the most classic, applying to many fish items imported into the Community, was the reference price (minimum price) below which products cannot be imported into the Community.

Exporters were expected not to disturb the Community market by presenting goods at the Community frontier whose entry price was lower than the reference price. If exports were presented at lower prices for a certain period, the regulation permitted the Commission to take various actions, upon the request of a member state and after consideration of the matter in a management committee.

The Commission might decide to limit or suspend imports of items whose entry price was below the reference price. There was a margin of flexibility in this system since suspension was neither automatic nor obligatory. Having consulted the management committee, it was for the Commission to judge whether the supply situation and the price level warranted such action.

Revisions to Common Market Organization

Because of the move to EEZ's, the Community entered the 1980's with an annual trade deficit of over 1 billion ECU's in fish for human consumption from countries outside its membership. Fresh fish had