

EXTRACTS FROM A SPEECH BY MR CHRISTOPHER TUGENDHAT,
VICE-PRESIDENT OF THE COMMISSION OF THE EUROPEAN
COMMUNITIES, AT A LUNCHEON ORGANIZED BY THE EUROPEAN UNION
OF WOMEN, NORTHAMPTON BRANCH, ON THURSDAY 1 MARCH 1984

OPEN COMMON MARKET FRONTIERS TO LET TRADE FLOW FREELY

THE RECENT LORRY DRIVERS' BLOCKADE IN FRANCE, AND TO A LESSER EXTENT ELSEWHERE ON THE CONTINENT, PROVES ONCE AGAIN THAT WE STILL HAVE A LONG WAY TO GO TO ACHIEVE A TRUE COMMON MARKET. THE DRIVERS' COMPLAINTS ABOUT PROCEDURES AND ABUSES AT FRONTIERS JUST WOULD NOT ARISE IF THOSE FRONTIERS HAD BEEN ABOLISHED TO THE DEGREE ENVISAGED IN THE TREATY OF ROME.

THE COUNCIL OF MINISTERS SHOULD NOW RESPOND TO WHAT HAS HAPPENED WITH A RENEWED EFFORT TO IMPLEMENT BEFORE THE COMING HOLIDAY SEASON, THE COMMISSION'S PROPOSALS FOR BREAKING DOWN BARRIERS AND ENABLING PEOPLE AND GOODS TO CROSS BORDERS MORE FREELY.

/EVEN IN NORMAL

EVEN IN NORMAL CIRCUMSTANCES, FRONTIER FORMALITIES REPRESENT A DISGRACEFUL ANACHRONISM. THEY ARE ALSO VERY EXPENSIVE AND SWALLOW UP BETWEEN 5 AND 10% OF THE PRE-TAX VALUE OF THE GOODS CONCERNED. THE TIME LOST MERELY IN WAITING AND HOLD-UPS AMOUNTS TO ABOUT £500 MILLION PER YEAR. IN THEIR INTERNAL MARKETS WHICH PROVIDE THE BASIS ON WHICH THEIR EXPORT TRADE IS BUILT, AMERICAN AND JAPANESE COMPANIES SUFFER NO SUCH DISADVANTAGE.

THE COMMISSION HAS FOR LONG BEEN TRYING TO PERSUADE GOVERNMENTS TO REMOVE THESE EXPENSIVE OBSTACLES. THREE OF ITS PROPOSALS SHOULD NOW BE ACCEPTED AS A MATTER OF URGENCY:

FIRST, IMPORTERS SHOULD BE ABLE TO PAY VAT ON GOODS THEY PURCHASE FROM OTHER MEMBER STATES IN THEIR ORDINARY TAX RETURNS, RATHER THAN AT BORDERS THEMSELVES. THIS, OF COURSE, IS THE WAY WE ALREADY OPERATE IN BRITAIN. BUT IN MOST MEMBER STATES AN IMPORTER HAS TO STOP AT THE FRONTIER, HAVE HIS DOCUMENTS CHECKED, PAY VAT, POSSIBLY HAVE A SPOT-CHECK ON THE GOODS, AND THEN DEDUCT THE VAT PAID AT THE FRONTIER FROM HIS PERIODIC RETURN ON THE BASIS OF THE RECEIPTS PROVIDED AT THE FRONTIER. THIS IS A MAJOR CAUSE OF DELAY.

/I VERY MUCH HOPE

I VERY MUCH HOPE THAT THE BRITISH GOVERNMENT WILL CONTINUE TO GIVE ITS FULL SUPPORT TO THE COMMISSION'S 14TH VAT DIRECTIVE, WHOSE OBJECTIVE IS TO EXTEND THE SORT OF ARRANGEMENTS WE HAVE IN BRITAIN TO THE REST OF THE COMMUNITY.

SECOND, THE MULTIPLICITY OF ADMINISTRATIVE DOCUMENTS CURRENTLY USED IN INTRA-COMMUNITY TRADE SHOULD BE TOSSED INTO THE DUSTBIN OF HISTORY WHERE THEY BELONG. THEY SHOULD BE REPLACED BY A SINGLE FORM FOR DECLARATION OF DISPATCH, INTERNAL COMMUNITY TRANSIT AND ENTRY OF COMMUNITY GOODS FOR HOME USE, OR THEIR ENTRY UNDER ANY OTHER PROCEDURE IN THE MEMBER STATE OF DESTINATION.

/THIRD THERE SHOULD

THIRD, THERE SHOULD NO LONGER BE SYSTEMATIC CHECKS OF LORRIES AND OTHER COMMERCIAL VEHICLES AT BORDERS. THIS PRACTICE MAKES A MOCKERY OF THE TERM 'COMMON MARKET' AND IS OPEN TO ABUSE BY UNSCRUPULOUS CUSTOMS OFFICERS. THE RIGHT TO MAKE CHECKS MUST OF COURSE REMAIN AS A DETERRENT TO THE SMUGGLING OF DRUGS AND ARMS, AS WELL AS TO DISCOURAGE FRAUDS WHICH DRAIN THE COMMUNITY'S FUNDS; BUT GOVERNMENTS OF THE MEMBER STATES SHOULD AGREE ON THE PRINCIPLE OF SPOT-CHECKS MAYBE INVOLVING NO MORE THAN ONE IN TEN VEHICLES. THE VALIDITY OF CHECKS ALREADY CARRIED OUT IN ONE MEMBER STATE SHOULD ALSO BE ACCEPTED BY CUSTOMS OFFICERS IN ANOTHER.

THE BORDER BETWEEN BELGIUM AND HOLLAND IS A LIVING EXAMPLE OF WHAT I HAVE IN MIND. CAR DRIVERS CAN NORMALLY PASS THROUGH WITHOUT EVEN SLOWING DOWN. LORRY DRIVERS MAKING TAX RETURNS IN ONE OF THE TWO COUNTRIES ARE NORMALLY ONLY REQUIRED TO DEPOSIT A CONTROL COPY OF THE DOCUMENTATION, ALTHOUGH THERE IS ALWAYS THE POSSIBILITY OF A SPOT-CHECK FOR THE REASONS I HAVE DESCRIBED.

/THE REMOVAL OF

THE REMOVAL OF BARRIERS TO TRADE SHOULD BE A MAJOR PRIORITY FOR BRITAIN. AS A NATION WHICH EXPORTS 30% OF OUR TOTAL OUTPUT AND SENDS 43% OF ALL THOSE EXPORTS TO OTHER EEC COUNTRIES, IT IS VERY MUCH IN OUR INTEREST THAT OUR GOODS SHOULD CROSS FRONTIERS IN THE WORDS OF THE PASSPORT "WITHOUT LET OR HINDRANCE". THAT IS ONE OF THE BASIC OBJECTIVES OF THE TREATY OF ROME.

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