

EMBARGO : 1400 on Friday 23rd May 1975

The Rt. Hon. George THOMSON

Member of the Commission
of the European Communities

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THE RT HON GEORGE THOMSON :
ADDRESS TO THE BRITISH IMPORTERS CONFEDERATION
LONDON, FRIDAY 23rd MAY 1975

What I like about the Community after two and a half years of practical experience of its working is its capacity for change - its adaptability.

It has shown a willingness to learn from its own mistakes. The Russian butter deal was a mistake. But as a result, the Community, when it now finds itself with surplus food, gives priority to pensioners and other groups of needy citizens within the Community, as well as a greater priority than in the past to food aid for the poor and hungry in the developing countries. When I first came to Brussels, consumer subsidies were considered sins against the Holy Writ. Now German taxpayers and French exporters are making sacrifices to keep down the price food in Britain : Community solidarity works.

Of course that doesn't get rid of the problem of surpluses. Until mankind has discovered - Heaven forbid - the secret of controlling the climate and the weather, there will be bad harvests and good harvests and this year's surplus will be an insurance premium against next year's shortage.

Surpluses are inevitable in any agricultural system - except perhaps the Communist system, where shortages seem to be the inevitable feature. But they ought to be seen in perspective. The beef mountain Community-wide amounts to a buffer stock of twelve days' supply. In Britain, because the Community had flexibly met our special problems by special arrangements, the beef mountain on the latest figures amounted to 143 tons. I noticed one of the leading anti-Marketeters claiming that, if Britain came out, we would have a national beanfeast with our beef mountain. Some beanfeast !

At the turn of the year, when there was a desperate sugar shortage, how nice it would have been if there had been a modest little sugar mountain somewhere on the Community landscape !

The butter mountain has soared and melted away several times during my period in Brussels. At present it stands at 16 days' supply. With New Zealand imports falling 20 or 30% short of their entitlement in the UK market, we would have had a shortage of butter to go along with our shortage of sugar if it had not been for the Community surplus.

Butter mountains come and go. A more permanent and a more worrying feature of the Community landscape are the mountains of bumph.

They are not, of course, peculiar to Brussels. All national administrations pour out unnecessary paper. But in Brussels the problem is multiplied because we do it in six languages - plus a new and particularly unpleasant seventh language, which I might christen Jargocrat. It sounds like Serbo Croat, but it is less comprehensible ! When we ^{used to} convert wheat from being used for bread into being used for bacon by feeding it to pigs, we ^{called} it denaturing, and misled people into thinking we ^{were} destroying it.

When I arrived as an innocent in Brussels, I fondly imagined that one of the early achievements of the Community had been to abolish the internal national borders along which so much blood had been shed in so many European civil wars. But it was far from being as simple as I expected.

I found it was often true of personal travel. In a private car, you can go largely unmolested backwards and forwards across that network of frontiers where Belgium, France, Germany, the Netherlands and Luxembourg converge - unless you are young, bearded and wearing jeans, and are thought likely to have a bootfull of heroin. But the movement of goods is a different matter. And at every major crossing point, you see the patient queues of heavy lorries waiting to be cleared. It is at first sight a paradoxical spectacle in a Community one of whose principal achievements is supposed to be a Customs Union.

The underlying reason, of course, is that, though the tariff barriers have come down - and the internal trade of the old Six increased five fold - many non-tariff barriers remained. These have been aggravated recently by the complications caused by floating exchange rates and monetary compensation payments on agricultural imports.

I want to assure you that the European Commission regards it as its duty to do ceaseless battle to reduce these bureaucratic obstructions. It is a battle on two fronts. First to try to reduce the paperwork and simplify the procedures within the existing system.

My fellow Commissioner, Finn Gundelach, who deals with customs and internal market affairs, has been working hard on this. Earlier this year, the Commission adopted a programme for simplification of customs procedures. This is not something we can achieve overnight, but among the aims we are working towards are abolition of transit documents; simplification of customs nomenclature; simplification of customs clearance procedures; in other words, an attack on the sort of jungle that makes your professional lives very difficult.

An example of what must be done is this: Tariff classification and cumbersome paperwork still clogs the passage of goods passing between the Member States. Yet this is now quite irrelevant since - with the temporary exception of the new Member States - there is no longer any customs duty to be collected. After all, tariff classification is no longer required for goods traded between Lancaster and Leeds or Hamburg and Frankfurt. In a Customs Union, it should no longer be necessary to require it between Hamburg and Lancaster or Frankfurt and Leeds.

But removing the residue of the tariff barriers is not enough. There is also the battle on the second front to reduce the non-tariff barriers to trade by harmonising the national requirements relating to goods entering into internal Community trade.

Harmonisation, in this sense, does not mean - repeat not mean - that the Commission is determined that we are all to become Identikit Europeans, eating the same Euro-bread with the same Euro-sausages, washed down by the same Euro-beer. For the ordinary citizen it means exactly the opposite - it means a greater range of choice as Europe's rich variety of food and drink and consumer goods generally flows more freely across the frontiers. For those in the export-import business, it means bigger opportunities and fewer bureaucratic headaches as you deal with one set of Euro-regulations instead of six or seven sets of national regulations.

You all know the frustrations met by traders as a result of different national standards, some of them purporting to guarantee safety and other requirements, many of them thinly disguised protectionism. The Community is engaged on the mammoth and lengthy business of

agreeing common standards for internal trade while leaving the traditional standards of purely local products alone. I am sure that the process is too slow for your tastes. But this is not the sort of subject matter into which one jumps superficially. The facts have to be got right. All the interested parties in the Community have to be thoroughly consulted.

Britain as a member of the Community is part of that process of examination and consultation. Britain outside the Community would have little option but to comply with Community standards, drawn up without her participation and the participation of her manufacturers. The importance of this is not to be underestimated. As modern advances in technology make our manufactures increasingly complex and sophisticated, so is the scope for non-tariff barriers so much the greater. Unless you like the idea of living in a siege economy, with the national drawbridge raised, it is ³vital British interest for everyone importing and exporting for Britain to be right there inside the Community where the decisions are made playing her full part in shaping them.



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Press Release

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EMBARGO UNTIL 14.00 HOURS
FRIDAY, MAY 23, 1975

May 22, 1975

Extract from a speech by the Rt. Hon. George Thomson,
Member of the Commission for Regional Affairs, to the
British Importers Confederation in London.

The Community Is Flexible

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It has shown a willingness to learn from its own mistakes. The Russian butter deal was a mistake. But as a result, the Community, when it now finds itself with surplus food, gives priority to pensioners and other groups of needy citizens within the Community, as well as a greater priority than in the past to food aid for the poor and hungry in the developing countries. When I first came to Brussels, consumer subsidies were considered sins against the Holy Writ. Now German taxpayers and French exporters are making sacrifices to keep down the price of food in Britain : Community solidarity works.

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The Community Wants Variety and Simplicity

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UK Influence within the Community

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