‘Demolishing customs' from L'Express (6 December 1985)

Caption: On 6 December 1985, the French weekly magazine L'Express speculates on whether Member States of the European Economic Community will be able to implement the free movement of goods before 1992.

Source: Les Cahiers de l'Express. 1957-1992 Europe. La longue marche. dir. de publ. Stricker, Willy. Janvier 1992, n° 13. Paris: Groupe Express SA. "Douanes au rebut", auteur:Bonazza, Patrick , p. 82.

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http://www.cvce.eu/obj/demolishing_customs_from_l_express_6_december_1985-en-fa4411f8-5df8-446a-a670-c0ffa15db42b.html

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Demolishing customs

The free movement of goods will become a reality by 1992 … thirty years after the ‘Common’ Market was created

Almost thirty years ago, six European countries, including France and Germany, signed the Treaty of Rome. Now, with due pomp and circumstance, the 12 Heads of State (the Community has added new Member States in the meantime), after meeting for two days on 2 and 3 December, have decided to … create a common market. This ambitious undertaking has a whole new vocabulary. The technocrats in Brussels call it ‘the single internal market’, and the iconoclastic British ‘an area without frontiers’. In actual fact, this common market is still a ‘work in progress’, and the Heads of State of the EEC have given themselves six years in which to complete it.

So, customs officials beware! The Commission in Brussels has you in its sights. By 1992, customs posts have to be dismantled. There will be no more controls, simply freedom, except for the limits imposed by the fight against terrorism and drug trafficking. But why do we still have customs officers on the border between France and Belgium or between Germany and Denmark? Community Member States abolished customs duties between themselves a long time ago. It is not just a free-trade area; it is a customs union, where each country imposes the same tariffs on goods imported from outside the Community.

However, it is not enough simply to abolish customs tariffs in order to achieve complete freedom of trade. Many trade barriers still exist in Europe. The Heads of State began to tackle them in Luxembourg. These are invisible, but no less real, obstacles to trade.

Cars in France are fitted with yellow headlights; in other countries they are white. This obliges car manufacturers to produce two different sets of lights. This is a low-cost example of how differing standards exist across Europe. However, for manufacturers of television sets, white goods and electrical goods, differing standards entail additional production and inventory costs that they could well do without. And what about sectors such as computers and telecommunications, where the adoption of common standards is the only way to stimulate genuine industrial cooperation in order to resist the Japanese and American onslaught? Citing health and security imperatives, the Member States have compiled an entire catalogue of differing standards as a means of protecting their industries. Then there is the agricultural sector. Have not the British cited health standards in order to reject French turkeys and UHT milk, while the Germans have invoked a law dating from the Middle Ages in order to repel the invasion by French beer? This is nothing more or less than protectionism.

When the day comes that the French Post Office allows Thomson and Siemens, Bull and Plessey to tender for a public works contract, then economic Europe will exist. Meanwhile, the four hundred or so billion dollars of supply contracts signed each year by governments will, for the most part, be restricted to domestic manufacturers. Once again, this is simple protectionism.

The free movement of goods within the Community also comes up against tax barriers. Countries do not apply identical VAT rates. The standard rate ranges from 12 % in Luxembourg to 23 % in Ireland. Some countries have actually introduced higher rates: 25 % (Belgium), 33 % (France) and even 38 % (Italy). The differences in rates are even more glaring when it comes to petrol, wine and spirits. If border controls were to be abolished overnight, an enormous contraband trade would come into being. To prevent this, the Twelve have agreed to harmonise taxation.

Creating a genuine European internal market also means removing a whole range of obstacles that are still in place and that prevent free trade in services, not to mention the free movement of capital. France, Italy, Ireland and Greece still have currency exchange controls in place.

In 1992, at least in the major countries, all these bonds should be snapped. A new Treaty of Rome will be signed in order to finally reach the objectives set out in the Treaty of Rome and to exploit as far as possible the potential of an internal market of 320 million people. It is an ambitious objective, because a border-free

Europe can come about only if there is an even greater degree of harmonisation of economic policies and monetary cooperation. This will entail a new re-distribution of sovereignty that the Heads of State only timidly approved.

Above all, by giving free rein to competition, the Twelve might jeopardise some of their own companies. So, when it comes to turning fine words into deeds, some of the Member States will be tempted to prevaricate. The Luxembourg Agreement clearly sets out the objectives. But the obstacles will be removed on a case-by-case basis, following talks. Will the Twelve be able to achieve in six years what they were incapable of achieving in thirty?

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