

European Communities

EUROPEAN PARLIAMENT

Working Documents

1982-1983

4 October 1982

DOCUMENT 1-642/82

Report

drawn up on behalf of the Committee on Economic and
Monetary Affairs

on the Communication from the Commission of the
European Communities to the Council on a 1982 programme
for the attainment of the customs union

Rapporteur: Mr K. von WOGAU



On 7 April 1982, the Bureau of the European Parliament authorized the Committee on Economic and Monetary Affairs to draw up a report on the 1982 programme for the attainment of the customs union.

On 3 October 1979, the Committee on Economic and Monetary Affairs appointed Mr von WOGAU rapporteur on the customs union.

The committee considered the 1982 programme at its meetings of 13 July and 21 September and adopted the motion for a resolution at the latter meeting by 14 votes to 1 with 2 abstentions.

The following took part in the vote: Mr J. Moreau, chairman; Mr Deleau, vice-chairman; Mr von Wogau, rapporteur; Mr von Bismarck, Mr Carrossino (deputizing for Mr Bonaccini), Mr Caborn, Mrs Desouches, Mr Fernandez, Mr de Goede, Mr Leonardi, Mr Mihr, Mr Nordmann, Mr Papantoniou, Sir Brandon Rhys-Williams, Mr Rogalla (deputizing for Mr Schinzel), Mr Beumer (deputizing for Mr Vergeer), Mr Albers (deputizing for Mr Walter).

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A.

The Committee on Economic and Monetary Affairs hereby submits to the European Parliament the following motion for a resolution together with explanatory statement:

MOTION FOR A RESOLUTION

on the Communication from the Commission of the European Communities to the Council on a 1982 programme for the attainment of the customs union

The European Parliament,

- having regard to the Communication from the Commission of the European Communities to the Council¹,
 - having regard to the report of the Committee on Economic and Monetary Affairs (Doc. 1-642/81),
- A. regretting the fact that since 1979 only very little progress has been made towards the attainment of the customs union,
- B. pointing out that 25 years after the conclusion of the Rome Treaties no fundamental difference can yet be seen in the frontier controls at the internal and external frontiers of the Community, which is incompatible with the concept of a customs union,
- C. aware that an efficient internal market is of crucial importance for the development of a European spirit and for the international competitiveness of European undertakings and is therefore also an important factor in employment policy,
- D. aware tht it will only be possible to open the internal frontiers of the Community permanently if at least comparable protection can be ensured on a joint basis at the external frontiers,
1. Requests the Commission and the Council to formulate a common policy so as to ensure at the external frontiers of the Community protection against

¹ COM(82) 50 final

crime, drug smuggling and illegal immigration, and points out in this connection that in particular a common policy towards foreigners and a common approach to the issue and control of visas are necessary;

2. Notes with satisfaction that the Council has finally been able to reach agreement on the issue of a Community passport and an increase in the duty-free allowances between the Member States, but deplores the fact that the Council was unable at the same time to reach agreement on an increase in the duty-free allowances in future years and that no relief was given in respect of the quantitative restriction on, for example, wine and coffee;

Notes also with satisfaction that the Commission is submitting a series of proposals which should lead to real relief for passenger and freight traffic between the Member States, and will discuss these proposals in detail later;

3. Emphasizes the need to establish as quickly as possible a common customs code and a common approach to products from third countries;
4. Takes the view that only a common customs authority can uniformly administer the customs union and requests that the customs authorities of the Member States be progressively united in a Community customs authority and that a clear distinction be made between the duties of the customs authorities at the external frontiers of the Community and the duties of the frontier authorities at the internal frontiers;
5. Requests the Commission and the Council to take specific steps within the next few years to abolish once and for all checks on passengers and goods at the internal frontiers of the Community;
6. Requests the Council, as a first step, to adopt at an early date the Commission's proposal on the deferred payment of import turnover tax and also the proposal on the authorization for the temporary importation of working equipment or tools; requests the Commission, in addition, to submit a proposal for the deferred collection of statistical data at frontier crossing-points;
7. Requests the Commission and Council to pay particular attention to certain provisions of national law which cause difficulties time and again at frontier crossing-points, especially in connection with fuel checks on lorries

and buses and coaches, provisions relating to the temporary importation of working equipment and tools, the transport tax on bus and coach transport and the untimely closure of smaller frontier crossing-points;

8. Points out that when common programmes are drawn up for selected branches of industry as for example in the electronics sector, proposals for the attainment of the internal market and a common approach to third countries in this sector should form an integral part of such policy;
9. Notes with regret that it was impossible in the first half of 1982 to hold a Council meeting on the internal market and requests the present and future Presidents of the Council to hold meetings of the Council to deal specifically with the attainment of the customs union and the internal market;
10. Requests its President to forward this resolution together with the written explanatory statement to the Commission and the Council.

EXPLANATORY STATEMENT

1. The Committee on Economic and Monetary Affairs is aware that a distinction must be made between the Customs Union, the common internal market and the free movement of persons both in the Treaties and in the allocation of responsibilities among the various Commission departments. This distinction is fully justified and is accepted by all those who deal with such problems in their daily work.

To the public, however, this distinction is less relevant and there is in fact a connection between the external functioning of the Customs Union and the possibility of abolishing internal controls. That is why the Committee on Economic and Monetary Affairs has drawn up various reports over the years on the Customs Union that have dealt with subjects not explicitly connected with its functioning. In the present report too, the committee has touched on subjects outside the scope of the 1982 programme for the attainment of a Customs Union.

2. The committee attaches so much importance to bringing about major improvements in the functioning of the Customs Union and the internal market because of the costs involved in crossing Community frontiers. In the case of the Community's internal frontiers, it has for instance been calculated that for lorries alone the cost of delays amounts to 1,000 million ECU and that the total cost to trade and industry of administration and delays amounts to 5% of turnover or 12,000 million ECU, the equivalent of Community expenditure under the common agricultural policy.

The problem of conforming to the different national provisions at administrative and technical level has become so pronounced that some business circles have openly called for the reintroduction of customs duty on goods traded between the Member States as the situation would be more transparent than it is at present. All the Community institutions should therefore feel it their duty to help remove the administrative and technical difficulties connected with the movement of goods within the Customs Union's external frontiers.

3. Failure to attain a common market is thus one reason why European industry is less competitive than American industry and why European companies in, for instance, the micro-electronics sector find it difficult to keep up with their foreign rivals.

In the medium term therefore the creation of a large domestic market is essential to economic growth and must be seen as an element of an employment policy.

4. As we said before, there is a direct connection between the external functioning of the Customs Union and the possibility of easing controls on the movement of both goods and persons at the Community's internal frontiers.

As regards identity checks at internal frontiers, some Member States feel that in view of the legal provisions regarding aliens (residence and work permits) and efforts to combat crime, terrorism and drugs, national controls have to be maintained as no common policy has been formulated towards third countries.

A similar problem, technical barriers to trade, exists in the case of the movement of goods. The fact that no agreement has yet been reached on a common attitude towards third-country products has meant that more than 20 proposals for directives on the removal of technical barriers to trade within the Community have been blocked in the Council.

Many other specific examples can be given of how a defective common industrial and trade policy directly affects the possibility of attaining a common market.

5. The Committee on Economic and Monetary Affairs has sought to draw attention to this problem in its motion for a resolution.

This does not however mean that the Committee on Economic and Monetary Affairs has abandoned its attempts immediately to ease the movement of goods and persons between the Member States, on the contrary. The committee has previously tabled various specific proposals in this

connection and draws attention to some of them in its present motion for a resolution (see paragraphs 6 and 7). Implementation of these proposals would considerably ease the movement of goods and persons across the Community's internal frontiers.

6. As regards the 1982 programme, the progress made since 1979 is quite unsatisfactory, not because the Commission has failed to submit proposals but because the Council has failed to reach decisions.

For instance, of the 9 proposals listed in Annex I, section C (proposals which have in fact been discussed by the Council but not adopted) one was submitted in 1972, two in 1978, four in 1979 and two during the first three months of 1981.

It is therefore gratifying that for the first time the Commission has explained in detail in the programme why the Council has not reached a decision. In two cases it is plainly stated that opposition from a single Member State has been the stumbling-block.

The detailed information given in Annex II is clear proof that, within the limits of the powers accorded it by the Council, the Commission has been particularly active. The question to what extent the Commission should be granted further responsibility for managing the Customs Union under Article 155 of the Treaty needs to be carefully examined.

In the 1983 programme the Commission should give more detailed information on the areas in which there is most likelihood of the Council handing further powers over to the Commission.