

Common Market Malpractices

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AN EXAMINATION of the agricultural policies of the E.E.C. reveals the extent of the restriction and distortion of trade that abounds. Not only is it economically unsound to interfere with men's rights to trade with each other, but it is also morally wrong. Arranged ostensibly in the interests of the Community, this protectionism is in fact in the interests of privileged groups within the Community. It is therefore not surprising that, given such an excellent lead in how to fleece the consumer wholesale, "get rich quick" entrepreneurs are joining the racket with their own private though not more reprehensible schemes. How a number of these schemes work was shown in an article in the *Financial Times*, February 24.

An Italian importer, with a good eye for regulations, found a loophole, and was able to make easy money without breaking the law. He discovered that the import duty on fresh cream was lower than that levied on butter, so he imported large quantities of cream and converted it to butter. He could then either re-export it out of the Common Market, collecting a generous export rebate, or sell it to the community's farm

support organisations at a handsome profit.

Another, but illegal, way of getting money for nothing is to claim an export rebate on non-existent exports. An example was discovered by Belgian customs officials who, on investigating a twenty-ton consignment of beef bound for Britain, found fifteen tons of railway lines hidden under five tons of beef. The exporters would have received 6,000 dollars in export rebates on the twenty tons of "beef"—1,500 dollars for legitimate beef exports and 4,500 dollars for nothing.

Variations on the same theme include collecting rebates for exporting sausages labelled pork and veal but filled with sawdust, and labelling one type of feed grain entitled to only a small rebate as another type entitled to a much greater rebate. The possibilities are virtually limitless, and one syndicate made eight million dollars by exporting, re-importing and re-exporting!

Finally there is money to be made by forging the certificates of origin of goods, or sending them to a phoney destination. You can import goods free of duty if they are labelled for re-export, and then change the certificate of origin to make it show that they were produced within the community. They can then be sold

at home for a high price, or exported to bring you a fat export rebate.

The favourite phoney destination, used to be Switzerland until the authorities got wise to the ruse. Butter from Belgium labelled for the Swiss market would bring its "exporter" an export rebate. It would then travel by train from Belgium, through Switzerland without stopping, to Italy. At the Italian frontier a Belgian certificate of origin would exempt it from import levy and it would be profitably sold in Italy.

Officials in Brussels say they have found the "ideal method" of preventing these frauds. A mobile plain-clothes "flying squad" is to be introduced, with authority to make spot checks on export consignments already cleared by the customs.

But interferences with trade are self-perpetuating, one form of control making many more necessary. The really ideal solution is to scrap the whole silly business, for a corrupt government always corrupts the people. Anyone for the Common Market?