

EC come, EC go in European Eldorado

AFTER READING about skulduggery in the Common Market (*Wall Street Journal*, 28 July, 1987), I ask: Why do I have to buy an American newspaper in order to learn of these goings on? The question is rhetorical. It is meant to convey my concern about the apparent apathy and indifference to these matters this side of the Mill Pond.

In these articles the EEC is referred to as EC. I like this idea. My dictionary defines economic as the condition of a country as regards material prosperity. As there would not seem to be much doubt as to who is enjoying, or is supposed to be enjoying this prosperity, the middle word can be considered undesirable or superfluous.

But first I quote a few words from the UK government's White Paper on the Common Market published in July 1971. After setting out how surpluses are to be bought up by the agricultural fund (but somehow omitting to mention that they are to be wilfully destroyed or left to rot in expensive storehouses) and how exporters are compensated when their sales to third countries are made at prices below Community levels, it says:

"In the enlarged Community British farmers generally can expect better overall returns for their produce despite higher feed costs. There will also be better prospects for our exports of agricultural and food products in the markets of the enlarged Community at higher prices. Our efficient agricultural and food industries are well placed to take advantage of these opportunities." (They can say that again). "Thus, as a result of our entry, home agricultural output can be expected to expand more quickly."

Is that why I can no longer find the best and tenderest English beef I used to enjoy?

The CAP is riddled with fraud — it is set up in such a way that it encourages it. Quoting the WSJ: "The European Parliament held hearings earlier this year and published an estimate that fraud and 'irregularities' eat up about four billion European currency units (\$4.47 billion) from the EC's agricultural budget each year."

The export subsidy racket provides a quick and easy fortune for the truly enterprising, and for the artistic, rich rewards for producing nicely forged export documents.

- Five years ago in the port of Genoa part of a shipment of tomato concentrate being exported fell and smashed, revealing that most of the broken casks contained only water. The shipment had received a large EC export subsidy. And recently compiled statistics suggest that Italy received subsidies for canning a million metric tons more of tomatoes from 1982 to 1987 than it actually had on hand.

- In Belgium they are looking into an alleged import of butter from Italy that contained 45% of pig lard, and another of frozen surplus butter that had received EC subsidy, being mixed with an inferior product and marketing it in Belgium as fresh dairy butter.

- "A Dutch company is suspected of buying Austrian Emmenthal, then changing the markings to resemble West German hard cheese to avoid the EC's high import tariff. Authorities say the company then obtained EC export subsidies to re-export the cheese, ostensibly to Venezuela ... authorities think ... customs documents were forged ..."

- In Ireland the Community paid £3 million Irish to subsidize a private beef shipment to a non-EC country. The meat never left Ireland.

- "Fraud also occurs in the hilly border area between the Irish Republic and Northern Ireland, where farmers sometimes drive the same herds back and forth across the border several times, evading customs authorities on the return and collecting EC 'monetary compensatory amounts' on each trip north."

The most outrageous examples of the subsidised export racket surely must concern the Vatican and Andorra.

Each week a truck apparently leaves a Netherlands based meat trader with a shipment of milk-fed veal for Holy See. In 1986 the shipments totalled 563 metric tons. The Vatican has only 342 residents. An EC Commission official says the shipment received an EC export subsidy of about \$1.6 million.

In 1986 the Vatican imported from the 12 Community countries many hundreds of tons of other produce most of which received liberal export subsidies ...

Since the tiny population of the Vatican could not possibly have appetites that big, much of the stuff apparently "carried back into Rome by several thousand Vatican employees, members of their families, and members of religious orders. The Vatican has a supermarket, with a butcher's next door, for use by Vatican employees and their families. In part, because of EC subsidies, shopping in the Vatican is cheaper than shopping next door in Rome. The Vatican press office says there are 2,793 employees who have shopping cards, used by an estimated 5,000 people including family members ..."

The same sort of thing is happening in Andorra, where the population of 34,000 could not possibly consume anything like the thousands of tons of dairy products which find their way there by the same means. So tourists, mainly from Spain, are buying up the cheap dairy products and driving home with them.

"Under EC law, when export subsidies are paid the products must be consumed entirely within the country to which they are shipped. The Vatican and Andorra are cheating!"

A top investigator says the amount spent on subsidising exports to the Vatican is "peanuts" compared with the £27 billion ECU agricultural budget, and says they have better things to do than spend time on that. That is a deplorable way of admitting that the whole thing has got completely out of hand, and no one is making much effort to put it right.

Klaus Tiedemann, a West German professor of criminology, says there are numerous irregularities in EC spending because there are large amounts of money to be made, the chances of being caught are small, and the penalties imposed often are insignificant compared to the profits gained by cheating. And that applies to many other fiscal frauds.

Economical, a word derived from economic meaning saving, thrifty, avoiding waste, would be even less appropriate to the Common Agricultural Policy, which must be the most expensive scheme for saving money ever devised by so-called economists.

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