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DER BOTSCHAFTER
DER BUNDESREPUBLIK DEUTSCHLAND

London, 22 June 1981

Her Prime Minister

I have the honour to transmit to you the enclosed letter from Count Lambsdorff, Minister of Economics of the Federal Republic of Germany.

Yours sincerely

Jürgen Ruhfus

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The Rt. Hon. Margaret Thatcher, MP
Her Majesty's Prime Minister and
First Lord of the Treasury
L o n d o n

The Right Honourable
Margaret Thatcher MP
No 10 Downing Street
London SW1
United Kingdom

Dear Prime Minister,

Supplementary to our exchange of opinions on obligatory origin markings at the plenary session of the Anglo-German Consultations on May 11th, 1981, and as the Minister responsible within the Federal Government for consumer policy and trade policy, I wish to return to my remarks on the British provisions and enclose the attached Memorandum for your information.

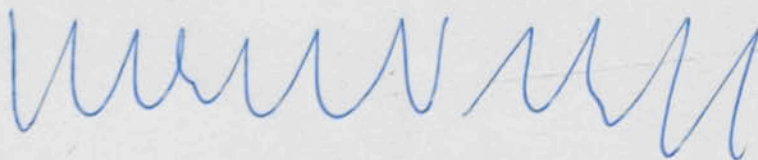
I am very concerned that the reduction of barriers to trade within the EEC, whose continuous expansion is the common object of substantial efforts on the part of Great Britain and the Federal Republic, will experience serious setbacks by such measures, especially in view of the fact that they could trigger a chain reaction by other partner countries.

I would be very grateful if the British Government reassessed its attitude toward the question of origin marking and discontinued the provisions in the light also of the opinions voiced by the European institutions and in the interest of the Common Market.

With the expression of my highest esteem,

I am,

Yours faithfully,



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Memorandum

In the opinion of the Federal Government, obligatory origin markings cannot be supported by arguments based on consumer protection. Of decisive interest to the consumer are quality and price, as well as the manufacturer's or merchant's trademark. These guarantee a continuous and thus reliable production and supply standard of meaning for the consumer. By contrast, indication of the country of origin does not contribute to providing objective consumer information; rather, it more likely adds an emotional note to the purchaser's decision. For the purchaser possibly gains the impression that foreign products are inferior in quality. This opinion is shared by our consumer groups.

Consumer interests are, then, not served by introducing obligatory origin markings; in no case do they justify creating such a new and serious trade barrier. There can naturally be no objections to the voluntary indication of the country of origin by the manufacturer or merchant as is often done.

For this reason the European Parliament rightly rejected on April 9th, 1981 obligatory origin markings for textiles, arguing that they fail to meet the consumer's genuine need for information. The suspicion was openly voiced that the provisions for obligatory origin markings served protectionist ends. On April 29th, 1981, the EEC Economic and Social Committee, in which consumers are also represented, voted unanimous agreement to this negative opinion and added rather convincing remarks.

The German companies which in keeping with a desirable international division of labour make great use of the advantages of outward processing and their own manufacturing plants abroad would be particularly affected by the British approach. But in other EEC Member States as well, businesses make use of this method of production based on the division of labour. The consumer has welcomed this development since it has contributed to attractive prices.

It is to be feared that British regulations will be used as a further precedent for measures concerning other products and in other Member States, thus unleashing an insurmountable flood of new trade barriers. This would be to the detriment of free trade within the Common Market. The Federal Government has thus deemed it to be necessary to inform the Commission of this infringement against Article 30 of the EEC Treaty.

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MAILPOST



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