1. As the members of the Sub-Committee are aware, at the ministerial meeting in May 1963, the Ministers of the member States of the European Economic Community expressed doubt as to the value and effectiveness of measures aimed solely at the elimination of barriers to trade with a view to achieving the fundamental objective which is the marked and rapid increase in the export earnings of the developing countries as a whole. At the same time, those Ministers recognized that some of the points contained in the Action Programme could be regarded as objectives which, to the fullest extent possible, concrete policies should be adapted. Reference should be made to that opinion and it is in this perspective that the Sub-Committee should examine the information given below.

2. In the course of 1963 the French Government has promulgated a number of texts relating to trade liberalization. The members of Committee III have already been notified of some of them. Since the meetings of that Committee last spring, three Notices to Importers concerning some of the products included in Lists I, II and III have been published in the Journal Officiel of the French Republic.
(1) By the Notice of 2 July 1963, the following tariff items or sub-items were liberalized:

- 55-05 Cotton yarn, not put up for retail sale
- 55-06 Cotton yarn, put up for retail sale
- 55-07 Cotton gauze
- 58-08 Tulle and other net fabrics (but not including woven, knitted or crocheted fabric), plain
- 62-04 Tarpaulins, sails, awnings, sunblinds, tents and camping goods
- 57-06 Yarn of jute
- ex 85-01 A Generators, motors, excluding electro-magnetic machines weighing each more than 50 kg. and electro-static machines
- 85-01 B I Transformers other than instrument transformers, weighing 500 grs. or less
- b 2
- 85-01 ex I Converters (glass - bulb mercury arc, hot cathode, vibrating contact, germanium)
- and ex II
- 25-23 Cement
- 59-04 Twine, cordage, ropes and cables, plaited or not.

(ii) Under the Notice to Importers of 27 July 1963, the trade liberalization régime hitherto applicable to metropolitan France was extended to the French overseas departments (Martinique, Guadeloupe, Reunion and French Guiana).

(iii) Under the Notice to Importers of 5 November 1963, the following item was liberalized on an experimental basis:

- 15-07 B I a Castor oil.

3. Following these various measures, the status of the products listed in document AC/SC1/3 is as follows:

**Vegetable oils; coffee, unroasted or roasted**

These products were extensively discussed in the Special Group on Trade in Tropical Products. The reasons for the maintenance of quantitative control over the admission of these products into France were expounded at that time. There have been no new developments worth reporting in this regard.
Carpeting of coconut fibre

Quantitative restrictions have been maintained on these articles because of the situation of the domestic industry, which is located in areas of low economic activity in Western France, and constitutes an important factor for regional equilibrium. Despite the risk of market disturbance which exists with respect to these articles, quotas are opened for India, the only one among the "third countries" with a practical interest in such exports. The quotas are substantially increased each year under the arrangements for developing bilateral relations between France and India. At present they are equivalent to 4 per cent of domestic output.

Articles of jute

Since the liberalization of jute yarn (item 57-06) on 2 July last, only jute fabric and jute bags have remained subject to restriction.

The maintenance of these restrictions is due partly to the difficulties encountered by the domestic industry which is very localized (25 per cent drop in production from 1955 to 1962, problems of reconversion within the framework of the Fourth Modernization and Equipment Plan) and partly to the disadvantage at which it is placed as compared to Asian competitors, with respect both to labour costs of manpower and to supply conditions for raw materials.

The less-developed countries affected appear to be India and Pakistan. Under the Franco-Indian trade agreement, France grants rapidly expanding quotas to India (the quotas doubled from 1961 to 1963). To date, France has not received any request from Pakistan on the bilateral level with respect to jute articles.

Sewing machines

Among the articles under item 84-41 still subject to quota, only domestic sewing machines are of interest to exporters of developing countries, in fact essentially India. In this domain, restrictions have been maintained primarily because of keen competition from certain industrialized countries which are contracting parties to the General Agreement.

With respect to India, France opens bilateral quotas which are substantially expanded each year (they rose nearly four-fold between 1961 and 1963) and at present represent 3.5 per cent of France's output. These quotas are in fact very large in relation to India's export capacity and, in the past few years they have only been partially taken up:
Sports requisites

The restrictions mainly relate to leather balls, rackets and nets. Under the bilateral agreements, France opens quotas for India and Pakistan. Such quotas may be adjusted each year during negotiations with those two countries. With demand as it is at present, i.e. particularly weak as regards India, the level of the quotas does not constitute an obstacle to imports.

Ferro-alloys (ferrochromium and ferromanganese)

The maintenance of restrictions is principally due to the existence of price disparities (mainly South Africa). Generally speaking, to the limited extent that the developing countries are exporters of such products, they do not try to enter European markets. India in particular, has never made any request in this regard during bilateral negotiations with France.

Tinned fish

The only products subject to quota are tinned sardines, tunny-fish and bonito.

A distinction should be made between problems connected with tinned sardines and those relating to tinned tunny-fish and bonito.

1. Sardines

The serious social difficulties which have arisen on the Atlantic coast in the past few years are due to a considerable extent to transformation of the economic conditions relating to sardine fishing. The traditional, artisanal and seasonal industry of the Atlantic fishermen has been confronted with the more regular and more modern methods of the Mediterranean fishermen.

Despite these structural changes, there has been no slowing down in French imports which take place in competitive conditions highly detrimental to any improvement in the standard of living of fishermen.

Consequently, there have been spectacular falls in fish prices, particularly in the Atlantic ports during the summer season.

The French market for tinned sardines amounts to some 40,000 tons. But to the French output, amounting to about 20,000 tons, one must add:
(a) imports from Morocco in the form of a tariff quota of 12,000 tons and in the form of frozen sardines (7,500 tons);

(b) traditional imports from Portugal (¼,000 tons approximately);

(c) traditional imports, of lesser quantities, from Algeria and Tunisia.

2. **Tunny-fish and bonito**

These products are subject to market organization in the French franc area. Apart from the blue-fin tunny-fish, which is caught in the Mediterranean and for which the market is comparatively limited, there are two main fishing seasons for white tunny-fish which is mostly caught in the Atlantic: the white tunny-fish (germon) is mainly found in the north Atlantic, while the pink tunny-fish (albacore) is principally caught off the West African coast.

The canning industry has been extensively developed in the Associated African States and new canneries are being established. Already, with a market of approximately 40,000 tons, 14,000 tons are produced and shipped to France by Senegal, Ivory Coast, Congo, Gabon and also Morocco.

To this figure should also be added imports from Morocco (approximately 1,000 tons of fresh tunny-fish and 2,500 tons of the tinned product) imports from Tunisia and traditional imports from Yugoslavia (approximately 1,200 tons).

In the opinion of the French Government services, the liberalization of tunny-fish would be much more beneficial to industrialized countries than to less-developed ones, and particularly to those which are members of the French franc area.