GENERAL AGREEMENT ON TARIFFS AND TRADE

Committee III - Expansion of Trade

COMMENTS BY THE FRENCH DELEGATION ON DOCUMENT COM.III/12

1. The product-by-product examination made by the Working Party was necessarily rapid and consisted merely of listing some of the measures likely to hinder the expansion of exports from the under-developed countries; at the present stage of the documentation, it was not and could not be systematic or complete.

2. Furthermore, the studies were made in abstracto, for the Working Party decided not to take account either of recent trends, or of the prospects for trade in each of the products considered. In those circumstances, the Working Party could not but arrive at the conclusion that duties are too high, quantitative restrictions too numerous, etc.

3. As regards exports of primary products, it seems essential to the French delegation to take account, in any objective examination of the problem, of the supply and demand situation as well as of any efforts which may have been made towards achieving stabilization, particularly through intergovernmental agreements. France has recently signed the International Coffee Agreement and this means that the French Community - which, taken as a whole, is the third largest producer in the world - has undertaken to limit its exports. This seems to us to be of far greater significance for the Latin American countries than any reduction or even any suppression of fiscal duties on this commodity. In a more general vein, I should like to warn the countries in the process of development - or at least those which are coffee or tea producers - against the illusion which they might be tempted to harbour as regards the economic effects of any reduction in fiscal levies on these products. In attaching undue importance to this question, they run the risk of overlooking other and more important obstacles to trade.

4. With regard to manufactured products, the Working Party was not able to consider the problems which we are required to study under Section II 3 of our work programme; I refer in particular to the effects of the policies of countries in the process of development as regards prices of primary commodities supplied to their own processing industries and, more generally, to the influence of their production costs on the conditions of international competition in the field of manufactured products.
The Working Party also indicated that the traditional customs policy consisting of taxing a finished product at a higher rate than a primary commodity constitutes an obstacle to exports for countries in the process of developing their manufacturing industries. This morning, the Ceylon delegate recognized that that was not a discriminatory measure. It is, however, difficult if not impossible to avoid this tariff progression in the industrialized countries, where primary commodities are admitted either duty-free or at very low rates of duty. Furthermore, any reduction of duty on manufactured products would mainly be of advantage to the industrialized countries.

5. In concluding this lengthy statement, I should like to express the hope that our Committee will not divide itself into two camps: the industrialized countries, on the one hand, and the countries in the process of development, on the other. When we discuss and even criticize some of the contentions made by the latter, it is obviously not out of any feeling of ill-will towards them, but in order, after a thorough exchange of views, to find solutions which are reasonable and likely to be accepted by Parliament and by public opinion in our respective countries.