STATEMENT MADE BY THE RT. HON. FREDERICK ERROLL,
PRESIDENT OF THE BOARD OF TRADE, UNITED KINGDOM
ON TROPICAL PRODUCTS
ON 17 MAY 1963

We welcome and endorse the general recommendations about tropical products which are set out on page 5 of the agenda. But there is one point on this subject about which I should like to say a few words of explanation.

A very large proportion of our imports of these tropical products enter Britain free of duties from Commonwealth countries and, in so far as we charge duties on imports from other countries, we do this in order to protect the interests of the Commonwealth producers. If therefore it were only a matter of our own interest, we would readily remove these duties. But, as things are, we are naturally concerned that Commonwealth producers should get some recompense by way of new opportunities in other markets at the same time as we expose them to freer competition in our own market.

This is why we ask that other countries move in step with us. We are not holding back. We will move as fast as others in freeing world trade. But our responsibilities towards countries which have a long association with us compel us to look for co-operation from the other industrialized countries, and, of course, as explained at the top of page 4 of the agenda, we can only move with the consent of the countries for whose sake these preferential arrangements are applied.

MORE
What I have said applies particularly to cocoa, coffee, tropical oils and oilseeds. On all these items we agree with the recommendations of the Group. I hope that while the complex problems of international trade in these products are being solved we shall all be able to avoid any action which might aggravate these problems.

While I am still on the subject of cocoa I would like to say a word in reply to my colleague from Ghana, who had a crack at me last night. He suggested that we took off the import duty on imports with one hand, only to bring it back in the form of purchase tax with the other. In fact, there is no purchase tax on raw or processed cocoa. What we have is a general purchase tax on nearly all consumer goods including confectionery, and this tax, of course, applies whether or not the confectionery happens to contain some chocolate. This is no more an internal tax on cocoa than our purchase tax on furniture is a tax on imported timber.

When it comes to tea and tropical timber, we are already nearer a solution and concrete action. We welcome the proposal which we have received from the European Economic Community that we and they should suspend our duties on these products. We are ready to move ahead with the European Economic Community as soon as these proposals can be given precise form.

At the same time we shall of course look to the United States with the powers afforded them by the Trade Expansion Act to join us in removing their duties on tropical timber. In this context I very much welcome what Governor Herter said yesterday.

I spoke in general terms about the action programme yesterday, and also addressed myself in more detail to point (i). I said then that I might return later to the other points in the action programme. In order to save time, however, I will set out our views on these points in a brief note for the secretariat to circulate.