GENERAL AGREEMENT ON TARIFFS AND TRADE

Intersessional Committee

MODIFICATION OF FRENCH IMPORT PROGRAMME

Statement by the French Representative

Despite the serious economic and financial difficulties with which France is confronted, the Government has not substantially altered the general import policy which has been followed in the last few years. On the one hand, the French Government has maintained the trade liberalization measures initiated under the C.E.E.C. programme; it has as well provided for a dollar import programme the effect of which should be to maintain a constant influx of dollar imports.

The French Government holds the view that effective implementation of the import programme of dollar goods is essential if the national output and consumption are not to suffer a setback as compared with previous years. Any reduction in the programme of imports would result in restrictions on consumption and/or a decline in production. The programme which has been established is the result of strict estimates of current needs and does not provide, for instance, for the reconstitution of stocks, the level of which is, however, very low.

While pursuing its efforts in carrying out its dollar import programme the French Government, however, has to adapt the rate at which the programme will be implemented to its currency availabilities. The currency reserves of France are, in fact, too low to provide adequate flexibility in this regard. The rate at which the dollar import programme will be implemented depends therefore on the rate at which the expected amounts of foreign currency will be earned.

Therefore, in view of the rapid decline in the hard-currency reserves of France before the conclusion of arrangements with the United States Government whereby France would secure the necessary resources in U.S. dollars, the rate of dollar imports by France had to be temporarily slowed down a few weeks ago, both as compared with imports in the previous year and with the figures originally envisaged by the French Government for the current year. Dollar imports by France will be restored to the rate originally envisaged as soon as currency availabilities permit.