

Comments issued by the French Ministry of Finance (9 April 1968)

Caption: On 9 April 1968, the French Ministry of Finance comments on the decision taken during the 'Kennedy Round' to lower customs tariffs for international trade.

Source: La politique étrangère de la France. Textes et documents. dir. de publ. Ministère des Affaires étrangères. 1er semestre 1968. Paris: La Documentation Française. "Commentaire du Ministère français des Finances (9 avril 1968)", p. 107-108.

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Comments issued by the Ministry of Finance after the Luxembourg meeting (9 April 1968)

The lengthy negotiations on customs and trade conducted a few months ago in Geneva, sometimes referred to as the Kennedy Round, succeeded only after a number of countries, particularly France, agreed to make major efforts. In order to demonstrate both its confidence in the development of a progressively liberalised world economy and its solidarity with its partners, the French Government agreed to substantial cuts in the customs tariffs that protect its economy. These cuts come on top of the reduction in duties resulting from the introduction of the common customs tariff and the abolition of customs duties within the Common Market planned for 1 July, as well as the gradual freeing of our trade with the rest of the world resulting from the gradual removal of other import quotas. In other words, there can be no doubt about the consistency in our political will, and it is being implemented at a rate that tests the limits of our country's possibilities.

We recently received proposals from the German and British Governments that countries other than the United States should reduce their customs tariffs more rapidly, that is before the date set out in the Geneva accord which provides for a reduction spread evenly over five years. However, this would not apply to the United States. The reason behind this proposal was to assist the United States to bring its balance of payments back into line.

At the three meetings of the Council of Ministers of the European Community at which these proposals were discussed, the French Minister for Economic Affairs and Finance pointed out, first of all, that bringing balance of payments back into line was the American Administration's responsibility. It must apply internal measures in order to combat the causes of the imbalance. To put the blame for the American balance of payments' deficit on other countries with a favourable balance of payments or balance of trade would be to misunderstand the problem, and it would not work. He also noted that America had a trade surplus and that its industrial and technological advance gave it a considerable advantage that should not be increased by reducing Europe's competitive position. In the specific case of France, Mr Debré also noted its large and persistent trade deficit with the United States.

Given the position of a number of EEC countries, and also because the greater good requires that there should be no going back on the liberalisation of international trade, this morning, in Luxembourg, the French Minister upheld the position adopted two weeks ago in Brussels. Following in-depth discussions, the Council of Ministers took a decision that recognised this joint effort on the part of the Community.

The Common Market members declare that they are ready to bring forward, from 1 January 1970 to 1 January 1969, the application of the third tranche of the one-fifth reductions in tariffs.

We might also agree, in the event of an American request, to delay by one year the tariff cut that the United States should introduce next 1 January.

These measures are dependent upon reciprocal measures being taken. This condition applies to all the major members of GATT, particularly EFTA member states, Japan and Canada.

Furthermore, the Community's decision will clearly continue to apply only as long the hypothesis upon which the compromise put forward by the Community members 'remains valid'. The United States must not introduce any protectionist measures that would adversely affect imports or export subsidies, and the non-tariff barrier, referred to as 'the American selling price', must first be abolished.

During the meeting, Mr Debré once again assured his counterparts of the French Government's willingness to contribute to efforts aimed at improving the international economic climate, but he insisted that everyone had to assume their own responsibilities.