

Statement by Michel Jobert (15 May 1973)

Caption: On 15 May 1973, during a European Communities' Council of Ministers meeting, the French Foreign Minister, Michel Jobert, criticises a document submitted by the Commission on the general guidelines the Europe of the Nine should adopt with a view to future GATT trade negotiations.

Source: Western European Union Assembly-General Affairs Committee: A retrospective view of the political year in Europe 1973. April 1974. Paris: Western European Union Assembly-General Affairs Committee.

Copyright: (c) WEU Secretariat General - Secrétariat Général UEO

URL: http://www.cvce.eu/obj/statement_by_michel_jobert_15_may_1973-en-50f18039-d346-4ba5-b21b-1f83e05003b0.html

Publication date: 22/10/2012

Statement by Mr. Jobert, French Minister for Foreign Affairs, to the Council of the European Communities, Brussels (15th May 1973)

Mr. President, a few weeks ago — on 4th April — the Commission sent us the text we now have before us, containing its suggestions and recommendations concerning the “overall concept” which the Community should adopt between now and 1st July for the coming trade negotiations.

This document reached us at a time when our own ideas on the subject were relatively little advanced, and we were actually waiting for the Commission to assist and clarify our studies by proposing guidelines. General guidelines, doubtless — since at this stage it is only a matter of drawing up an “overall concept” — but definite guidelines nevertheless. The Commission, may I remind you, is there to uphold treaties; it must necessarily see to it that what the Community has achieved is upheld, indeed strengthened. In a few months the Commission will be our spokesman in negotiations which will involve obvious risks for the Community in this respect. Its role is also to tell us, above all else, where the Community’s interests lie and how they can be defended.

I must say that the document submitted to us does not come up to our expectations in this respect. In reading it we have even at times wondered whether this text was not aiming to be a sketch for compromise on points which we know not to be negotiable rather than a Community position. I am convinced that the effect thus produced does not correspond in essence to the Commission’s intentions. It is no less regrettable insofar as it might give the impression that the Community has doubts about the correctness of its position and that it is approaching these negotiations from the start with the feeling that it owes concessions to its partners. The Community cannot allow there to be any misunderstanding on this point.

On the contrary, it must give its “overall concept” form and content which clearly show in what way the Community approach to the negotiations is different, even opposite, on basic points from that of its future interlocutors and in particular from that of the United States.

In this respect, the text submitted to us lacks an introduction, a sort of explanation of intent, in which the Community specifies or states, in a form which we think should be rather formal, the conditions under which it has agreed in principle to these negotiations and the spirit in which it is prepared to begin them.

In the explanation of intent, the Community should first stress that it has not requested these negotiations and that it is entering them not with any kind of debit but with a sort of credit vis-à-vis our partners. To a far greater extent than the Commission proposes, the Community should point out that it is not only the first-ranking but also the most liberal trading power in the world. It should also point out the role it has played in the trend toward more liberal and expanded world trade over the past fifteen years. Only just recently, circumstances have confirmed this mission of liberalism: it is in fact remarkable that despite the reappearance of protectionism in the world, and even after two devaluations of the dollar, very few voices speak out in the Community to request that we go back on the liberalising measures taken in the last 15 years. These are facts that we must not only keep in mind but make use of to show right from the start that the Community has rights in this area which it intends to have respected.

The explanation of intent should also recall the prerequisite in the monetary field — and recent events show the importance of my remark. This prerequisite is only briefly mentioned in the document submitted to us. The Commission suggests that the Community “begin with the supposition that” on the monetary level “appropriate machinery should be developed in order to ensure in the long run the necessary equilibrium and stability”. The Community cannot be satisfied with such vague formulas. In our opinion it must, in the clearest possible way, state that the trade negotiations are only meaningful if there is the prospect of a return to the convertibility of the dollar into other currencies and of resuming progress toward economic and monetary union.

In this general review of the principles of the negotiations the Community should also refute, much more vigorously than in the document from the Commission, the idea that the negotiations could have as their goal a restoration of the American trade balance. We all know that such an idea is widespread on the

American side, both among the general public and in Congress. And the representatives of the Administration, who until recently explicitly avoided supporting such an idea, recognise today that it is one of the goals they will pursue in the negotiations. The United States must get more than it gives: Mr. Shultz said so on 9th May before a congressional committee and he added, to clarify things for people who really wish to understand them, that the word “reciprocity” was not part of his vocabulary.

How else can the Community react to such stands than by again stating, in essence, in the very introduction to the text of its “overall concept”, that negotiation is only possible on the bases defined in February 1972: reciprocity of concessions, mutual advantages. These are things we have already said, but we must not be afraid to repeat ourselves.

Our text must be clear and irrefutable, not only in the principles and conditions it states, but also in the details of the “subject headings” in the negotiations, which I will discuss now by referring, here again, to the suggestions the Commission has made.

First of all, in the area of tariffs, we are happy to note that the Commission rules out the idea of totally abolishing customs duties, which would deprive the Community of all protection and would in fact cause it to dissolve into an Atlantic free trade zone or an even larger free trade zone. We must show our solemn commitment to a common tariff, which not only has an economic meaning but a political one as well. The sole objective that we can seek in these negotiations as far as tariffs are concerned is the harmonisation of tariffs. And even then we must be sure — and the text of the Commission is not precise enough in this regard — that we have the same views on the methods which will enable us to attain this goal. It is possible to envision means of harmonisation which in fact would come down to an elimination of tariffs — and these we would of course reject. On the contrary, we must authorise our experts — who will also have to decide on the delicate question of evaluating “effective protection” — to define a method of achieving harmonised tariffs that would allow the common external tariff to remain sufficiently high. It seems to me that the Community should moreover reserve the option — and the American Administration provided for this in the bill submitted to Congress — to raise certain tariffs as necessary in order to achieve the harmonisation we desire. What is possible for some must be possible for others.

To conclude my remarks on tariffs, I would like to point out that the Commission was right to mention the case of certain products which could be dealt with individually, certain reductions compensating for certain exceptions. I think it would be pertinent to add that the textile problem is dealt with in a separate framework. We hope, besides, that this problem will be solved within the framework of the General Agreement on Tariffs and Trade (GATT) before the beginning of the major negotiations.

I will be more brief concerning the non-tariff subject heading. We do not yet know what kinds of solutions we must envision in this area, nor to what types of obstacles it would be in our best interest to give priority. We feel that the text of the Commission is more ambitious in this regard than one can be at this stage, and at times even lacks caution; it proposes a list mentioning such measures as quantitative restrictions, which the Community should not bring up without careful reflection. Here again we expect the Commission to first define the areas in which it would be advantageous for it to take the initiative.

Finally, I note that the Commission would appear not to favour a tie between the non-tariff negotiations and those concerning tariffs. It seems clear to us, however, that these two subject headings cannot be entirely separated, and I am even convinced that it is in our interest, for many products, to establish a link between the measures to be provided for in the two areas. Even if the negotiations are conducted across the board, we must, before beginning them, make an overall analysis by sector of our interests.

I am coming around to the subject of agriculture. Of the Commission’s entire text, this is perhaps the part that impressed us least favourably.

In the Community’s “overall concept”, the developments that it will devote to the “agricultural section” will certainly be among the most attentively read. Here is an area in which it is important not to let ambiguity cloud our intentions, not to allow anyone to believe, because of over-cautious wording or even because of

silence, that we are prepared to compromise by allowing the common agricultural policy to be jeopardised.

The Community must on the contrary say loudly and clearly what it thinks of certain criticism from abroad.

In a time of world food shortages, the accusations against European agriculture — which is actually among the most efficient — are absurd. The Community can and must claim the right not to depend on any but itself for self-sufficiency. For the Community, this is a principle that it intends to uphold for economic, social and political reasons.

We did not find the development we expected on this point in the Commission's document. The actual words "common agricultural policy" are not mentioned; on the other hand, reference is occasionally made, in ambiguous terms, to a reform of it — the Commission speaks, for example, of changing certain elements of the regulations on imports. It would not be necessary to examine these texts very closely to deduce that such a reform is to all intents written into the time-table of the talks and that it will tend first of all to satisfy outside concerns.

Consequently we cannot accept a document of this nature. It should be said quite unequivocally that in our "overall concept" the basic elements of the common agricultural policy, which are an essential factor in what the Community has already achieved, are not negotiable and that the Community must keep its autonomy of decision in agricultural matters and in the implementation of other common policies.

What I have just said about the common agricultural policy is of course also applicable to the Community's association policy which is mentioned by the Commission in Chapter V on developing countries. The document submitted to us is once again imprecise, a situation we find disturbing. It should be said and said again — and this has to figure in our "overall concept" — that the association policy is an integral part of what the Community has done and it is fitting to review all those things which justify it.

Lastly a few words in conclusion on the problem of "escape" clause or clauses. The question is raised in the Commission's document in reference to the clause on branches of activity — that of Article XIX of the GATT treaty — which the Commission proposes to adapt by adding to it a new clause which is more flexible and selective. The Commission does not speak however of the general safeguard measures that the United States proposes to set up when the payments balance lacks equilibrium. We know that since the Commission submitted its document the United States has confirmed its intentions in this respect. President Nixon's message to Congress on 30th April 1973 is quite detailed and I quote:

"We will seek rule changes to permit nations in those exceptional cases where such measures are necessary, to increase ... trade barriers across the board as one means of helping to correct their payments imbalances. We will also seek a new rule allowing nations to impose import restrictions against individual countries which fail to take effective action to correct an excessive surplus in their balance of payments ... It is also important that new arrangements be developed at the international level to cope with disruptions caused by the accelerating pace of change in world trade."

From now on the American position will have to be taken into account. It comprises an explicit request — I emphasise the word explicit — for a reform in GATT's rulings without any other contracting party having been consulted. We are therefore obliged to answer the United States in our "overall concept" by underlining that the Community is not prepared to subscribe to measures which openly contradict the goal of liberalised trade.

Those are the few preliminary remarks I wanted to make at this stage in the discussion on the Commission's proposals regarding the future "overall concept" of the Community in the coming negotiations.

I think that it is clear from what I have just said that this future "overall concept" can only be a general

outline, a framework, and in no way a mandate for the Commission to negotiate. The Commission will negotiate on the basis of specific and detailed directives from the Council, directives which will be discussed and decided on at a later date.

Source: French Embassy, New York.