

GENERAL AGREEMENT ON TARIFFS AND TRADE

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STATEMENT BY THE FRENCH DELEGATION AT THE SEVENTEENTH MEETING OF THE CONTRACTING PARTIES CONCERNING THE FRANCO-ITALIEN CUSTOMS UNION

In the course of the Third Session, the French delegation informed the Contracting Parties that a Treaty for a Customs Union had been signed on 26 March 1949 by the French and Italian governments. The French Delegation made it clear at that time that this information was not being given in accordance with the procedure laid down in Article XXIV of the General Agreement, since the treaty could not be considered as binding the French Government until it had been ratified by the French Parliament, but simply for the information of the Contracting Parties.

Since that time the legal position has not changed. New measures, however, have been recently taken by the two governments, and the French Delegation feels it necessary to bring the matter completely up to date.

It will be remembered that the treaty of 26 March 1949 provided, as a first stage, for the elimination of customs duties between the two countries and the establishment of a common tariff. As a second stage, provision was to be made for the elimination of quotas. However, with the decision by the OEEC for liberation of trade, the development provided by the French-Italian treaty was altered, since these measures gave general precedence to the progressive elimination of quotas over elimination of customs duties. The French and Italian governments had, therefore, to harmonize the procedure of their Customs Union with the more general decisions of the OEEC; this was the object of the Additional Protocol of 22 July 1949.

The period of one year provided for the elimination of customs duties was not maintained, and it has not yet been possible to fix a new one.

Despite the fact that the realisation of the plan for a Customs Union has thus been delayed, the two governments have done everything in their power to facilitate its eventual entry into force by the adoption in the meantime of several administrative measures. These measures were the object of Agreements which were signed in Rome on 7 March last. Their essential provisions are analysed below:

1. In the spirit of the decisions taken by the OEEC, the two governments decided to proceed in accelerated stages toward the elimination of all quantitative restrictions in Franco-Italian trade.
2. With a view to the establishment of a common customs tariff for the two countries, comparison of the French and Italian tariffs is being already started. The two governments will soon decide upon the programme by which customs duties will be progressively reduced between France and Italy once the Customs Union treaty is ratified.
3. Certain customs duties which particularly affect the reciprocal trade of the two countries will be lowered in the near future. This will concern only about twenty items on

both sides, and of course any reductions in duties so agreed upon will be extended to all the parties to the General Agreement according to the terms of Article I of the Agreement. Such notification will be made jointly by the two governments to the Chairman of the Contracting Parties.

4. Other measures will be taken or provided for, and studies will be undertaken in areas somewhat outside the scope of the General Agreement - postal communications, telecommunications, railways, aviation, emigration and labor, etc. Apart from the reduction of certain customs duties, the provisions are of a purely administrative and practical nature. In any case, they are in conformity with the terms of international agreements to which the two countries are parties and, in particular, with the General Agreement, the principles of the Havana Charter and the resolutions taken by the OEEC.

They prejudice in no way the realisation of the proposed Customs Union which, as the Contracting Parties are aware, remains subject, on the French side, to the prior approval of the Parliament.