

GENERAL AGREEMENT ON TARIFFS AND TRADE

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Statement by the Representative of the Commission of the EEC
at the Plenary Meeting of 16 November 1960

Revision

When as the Commission's spokesman I took the opportunity, at the two preceding sessions, of giving a general account of the activities of the European Economic Community, my feeling was that that voluntary initiative had been duly appreciated by the CONTRACTING PARTIES.

The Community for its part considers that such statements, delivered from time to time, can promote a better understanding both of the complexity and of the scope of the work carried out under the Rome Treaty.

However, very little time has passed since the sixteenth session, especially if we take into account the normal slowing down of activity in July and August. No one will therefore be surprised at the brevity of my statement on this occasion.

The information which I propose to give you will be confined to tariffs and to the general economic situation; I shall also have some information to give you on measures taken with a view to assistance to countries in the process of development.

Nevertheless, you should not infer that the Community's activities in other fields have slowed down. On the contrary, considerable progress has been achieved in such matters as transport, and manpower, and the Development Fund.

With regard to tariffs, on 1 July 1960 the member States gave effect among themselves to the second 10 per cent reduction of their customs duties which is provided for in Article 14 of the Treaty. All the member States have made this reduction, which applies to imports of products originating from the associated countries, in a strictly proportionate manner, although the Treaty allows for a more flexible method.

In the case of a number of tariff items, the internal reduction of duties was once again extended to third countries within the limits of the common external tariff. As regards the tariff items to which this measure applies there is accordingly equality of treatment between member States and third countries. The third 10 per cent reduction of customs duties on reciprocal trade will be effected on 31 December this year, instead of 31 December 1961; the date stipulated

* English only/Anglais seulement.

in the Treaty, in accordance with the decision to speed up the rate of achieving the objectives of the Treaty; the text of this decision has been circulated to the CONTRACTING PARTIES. Furthermore, the first alignment of national tariffs with the common customs tariff will be carried out by the end of this year instead of at the end of 1961. These measures do not, however, apply to the products listed in Annex II of the Treaty, for which a special procedure is envisaged.

An even more important fact than this acceleration is that, at the time of the first alignment at the end of 1960, the member States will take as their basis for calculation the common external tariff decreased by 20 per cent, subject to the proviso that the duties to be reduced must not be lower, in consequence of the alignment, than the external tariff originally established.

In this connexion, I should like to draw your attention to the statement made by Mr. Rey, on the occasion of the opening of the Tariff Conference, to the effect that the tariff reductions thus accorded to third countries will be granted on a provisional basis, but that the Community is prepared to consolidate them, on a reciprocal basis, during the Tariff Conference. This represents a substantial tariff reduction offered by the Community to all its partners, and this action is in keeping with one of the fundamental purposes of the General Agreement, viz. the progressive lowering of customs barriers.

The last point I wish to mention in connexion with tariffs is that the Decision of the Council of the European Economic Community of 20 July has led to the establishment of the entire common tariff, with the exception of only two items which remain to be settled.

The economic expansion which has been evident in all the countries of the Community since early 1959 has continued steadily. During the first half of 1960, intra-Community trading rose by approximately 34 per cent above the volume of the first half of 1959. Imports from third countries by the countries of the European Economic Community in the first half of 1960 confirmed the upward trend which had begun in the fourth quarter of 1959, in that during the first half of 1960 they exceeded those of the first half of 1959 in value by 23.8 per cent. However, since the replenishment of stocks of primary commodities was nearing the saturation point, the increase of purchases from third countries during recent months reflects mainly an expanded volume of finished products, especially capital goods. Exports from the EEC countries to other countries, which have been rising since early 1959, increased by 21.7 per cent in the first half of 1960 above the figure for the corresponding period of 1959.

As regards the establishment of a common agricultural policy, there is little to add to what I said at the sixteenth session. The Commission submitted the proposals provided for in Article 43, paragraph 2, of the Rome Treaty to the Council of Ministers at the end of June. In many cases, these proposals represent a fundamental change in the systems applied under national agricultural policies and in the machinery which was linked to these systems.

It is clear that the discussions on a project of this scope will be extremely complicated and will take considerable time.

For this reason, the Council thought it advisable to set up a special Committee, composed of senior officials from the six member States, with instructions to make a thorough study of these proposals in all their aspects, and to prepare the future discussions in the Council, the latter being responsible for making the final decisions.

The membership of the national delegations on this special Committee was not limited to agricultural experts, and as a consequence not only all the aspects but also all the interests to be considered in a comprehensive appraisal can be taken into account.

The special Committee began its work in September. In view of the considerable work with which the Committee is faced, and of the complexity of the problems to which I have just referred, it would be unrealistic to expect final results in the very near future.

As regards assistance to developing countries, certain decisions have been taken which may be of interest to the contracting parties.

At the fifteenth session at Tokyo, it was announced that an ad hoc group had been set up to study the problems of aid to the developing countries.

The Council of the EEC, on the proposal of this group, and considering among other things that the technical assistance placed at the disposal of developing countries ought to be intensified and that measures should be sought which would further this aim, decided, at its meeting on 17 October 1960, to set up a Technical Assistance Group, with the object of promoting active co-operation between the member States and the Commission and working out common solutions for the special problems posed by technical assistance to developing countries.

Already before then, at its meeting on 27 September 1960, the Council, considering among other things that credit plays a vital rôle in international trade and that credit facilities are one of the principal means of accelerating the process of equipping developing countries and of increasing trade between these countries and the member States, had decided, on the Commission's proposal, to set up a group to co-ordinate credit insurance policies, guarantees, and financial credits. The object of this step was to promote active co-operation within the Community and to work out common solutions for the special problems arising in connexion with export credit insurance and with the credit policy towards the developing countries, as well as to further their economic advancement.

Lastly, and still in the same context, the parliamentary Assembly of the EEC at its meeting on 17 October 1960 adopted a resolution concerning trade policy which, as far as relations between the Community and the developing countries are concerned, once again stresses the great importance which the Assembly attaches to activities to be undertaken in this field.