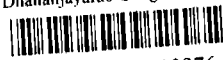
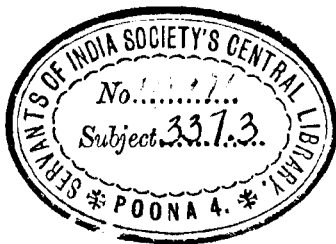


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No. 6. French Import Quotas

FRENCH IMPORT QUOTAS

A NEW INSTRUMENT OF
COMMERCIAL POLICY

BY

F. A. HAIGHT, M.Sc.(Econ.).

LONDON

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INTRODUCTION

THE economic depression, which has enveloped the world since 1929, will prove rich ground for the historian. Causes, effects and attempted cures will be submitted to his careful scrutiny and will assume their proper position in his scales of value and importance. At present such an analysis is more difficult but attempts are being made to examine and analyse the multifarious aspects of this period of economic deterioration. The purpose of this book is to assist in the task by examining one particular feature in the hope that it may throw some light upon an important problem.

Probably the most interesting problems are in the field of international trade and finance, for the economic difficulties of the world are essentially international in character. Governments in practically every country have been given extraordinary powers and the result has been general interference by the State in economic life, particularly in the realm of foreign dealings. Most of the methods used by various nations to improve their relative position fall into three categories: (1) control over international payments, (2) restrictions on the movement of goods and (3) currency depreciation. The experience of the last few years has shown that any short-run benefits, accruing to a particular country from such measures, are generally lost in their effects upon the world as a whole. The numerous restrictions upon trade and payments are largely responsible for the tragic decline in trade between countries, which is so familiar as to require no exposition, and it is possible (many would regard it as axiomatic) that these measures have, *in toto*, prolonged the depression.

It is intended to direct attention in this study to one particular form of restriction, viz. the quantitative limita-

tion of imports by means of quotas. A quota on the importation of a commodity limits the quantity which may be imported during a specified period. It is not entirely without precedent but was formerly applied only to a few commodities and then usually by agreement between the countries concerned. During the Great War it was used extensively but never until 1931 was it given a position of great importance in peace-time customs legislation. Quotas have been employed in recent years, under the pretext of extraordinary and abnormal circumstances, purely as a temporary expedient. Their importance at present arises from the appearance of permanence which they have assumed and from their influence on the commercial policy of many countries. The modern use of the import quota, as an instrument of trade policy, really began in France in 1931. It has been developed by that country to a high degree of perfection, covering a wide range of goods and leading to a variety of administrative methods. Being typical of quota systems, as they exist in Europe to-day, it will be profitable to study this French system particularly.

The depression has brought to an end the liberal era of 1925-30. In those years the outlook for international trade was comparatively bright, for most nations were willing to consolidate their minimum tariff rates in commercial agreements and were granting most-favoured-nation privileges and treatment. The situation has changed radically in the last four years and direct control of foreign trade is now a common policy. Whereas in 1927 many countries were prepared to sign the Convention for the Abolition of Import and Export Prohibitions and Restrictions, in 1935 nearly every country in Europe has more such restrictions than ever before in its history. The old controversy between free trade and protection is no longer topical and has given place to the more vital question of freedom to trade as opposed to the balancing of imports against exports under State supervision. In the formulation of this new trade policy the import quotas, as used by European countries since 1931, have played a rôle of

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paramount importance and thus, as part of a world problem, they are deserving of careful study.

My thanks are due to Dr. J. R. Hicks for his invaluable advice and counsel during the completion of this study.

LONDON

May, 1935.

APPENDIX

Details of French Quota Restrictions.

The decrees given on the following pages do not make a complete list, but they include all the important articles which have been subjected to quota restrictions. Although the list is divided into two parts called "Agricultural Goods" and "Industrial Goods" it will be noticed that each part includes certain raw materials. It must be remembered that not all the goods classified under the headings which appear, such as wood and glassware, are restricted in this way. Unless otherwise stated, the quotas are arranged on a quarterly basis.

The outstanding features of this list are the fact that licences are now required for most agricultural goods, but not for industrial goods, and the fact that most of the latter were not restricted until arrangements had been made with one or more foreign countries (usually Germany).

*Glossary of Symbols.*¹

- L. Licence required for importation.
- Q. Quota fixed, i.e. quantities importable are announced.
- C.Q. Customs Quota.
- D. Division of the quota among countries.
- pD. Partial Division, i.e. a part of the quota is reserved for one or more countries.
- C.H. The quota is divided into quantities importable through various Customs Houses.
- eA. The quota does not apply to Algeria.
- N.E. Arrangements have been made for the admission of goods in excess of the quota when considered to be in the interests of the National Economy.
- a. An annual quota.
- m. A monthly quota.
- 10d. A 10-daily quota.
- C.G. Arrangements have been made for distribution of export certificates to German exporters.
- C.G.B. Similar arrangements have been made in Great Britain.

¹ These terms have been discussed in Chapter I.

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AGRICULTURAL GOODS

Date of Decree.	Commodity.	Details of Original Announcement.	Subsequent Arrangements.
5 May 1931	Fertilisers	L.	
10 July "	Coal (and other fuel)	L., m.	D., Q.
17 " "	Flax	Q., a.	L.
27 Aug. "	Wood	Q., pD.	L., N.E., eA., D.
	Wine	Q., pD.	L., D.
30 Sept. "	Cattle	Q.	L., D.
	Meat	Q.	L., D.
	Butter	Q.	L., D.
8 Oct. "	Hops	C.Q., L.	
21 Oct. "	Fish	Q., D.	L. (for pre- served fish only)
10 Nov. "	Poultry	Q., pD.	L., D.
	Eggs	Q., pD.	L., D.
19 " "	Milk	Q.	L., D.
	Cheese	Q.	L., D.
20 " "	Flowers	Q., rod.	L., D.
5 Dec. "	Sugar	Q., L., a.	
4 Feb. 1932	Preserved Vegetables	Q., L.	D.
26 March "	Horses and sheep	Q., L.	D.
8 July "	Fresh potatoes	Q., D., C.H., m., L.	
	Fresh vegetables	Q., D., C.H., m.	L. *
	Fresh fruit	Q., D., C.H., m.	L. *
16 Sept. "	Barley and bran	Q., D., L.	
14 Oct. "	Shrubs and plants	Q., L.	
16 " "	Chestnuts	Q., L., rod.	
26 " "	Malt	Q., D., L.	
19 Nov. "	Coffee	Q., D., L.	
8 March 1933	Maize	Q., L.	
27 April "	Honey	Q., L.	
26 Aug. "	Oats, rye and buckwheat	Q., L.	
28 Dec. "	Animal and vegetable oils and fats	Q., L.	

* Arrangements were made with certain countries for the distribution of export certificates. Goods from other countries could be imported only under licence.

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INDUSTRIAL GOODS

Date of Decree.	Commodity.	Details of Original Announcement.	Subsequent Arrangements.*
7 Jan. 1932	Toys and games Sheet iron and steel Wireless apparatus	Q., pD., C.G. Q., D. Q., D.	D., N.E. L. (for U.S.A. only)
19 " "	Agricultural implements	Q., D., m.	N.E., C.
26 " "	Electrical material Household wares	Q., D., C.G. eA. Q., D., C.G. (and Czechoslovakia)	
8 Feb. "	Furniture	Q., D., C.G.	C., G.B.
15 " "	Leather goods	Q., D., C.G.	
16 March "	Machines	Q., D., C.G.	N.E., C.G.B.
	Tools	Q., D., C.G.	N.E.
17 " "	Glassware	Q., D., C.G.	N.E., eA.
	Electrical material	Q., D., C.G., eA.	N.E.
26 " "	Iron and steel	Q., D., C. (Belgium)	N.E.
	Cotton yarns and fabrics	Q., D.	
	Clothing	Q., D.	C.G.B.
	Paper	Q., D., C.G. (and Belgium)	
	Felt hats	Q., D.	
31 " "	Stoves	Q., D., C.G.	
1 April "	Stockings and socks	Q., D., C.G.	
23 " "	Photographic films	Q., D., C.G.	
	Scientific instruments	Q., D., C.G. eA.	N.E.
20 May "	Knitting machines	Q., D.	N.E.
27 " "	Glass	Q., D., C.G. (and Belgium and Czechoslovakia)	L.
30 " "	China Clay	Q., D.	N.E., C.G.B.
	Footwear	Q., D.	
	Jewellery	Q., D.	N.E.
30 Dec. 1933	Many additional goods of the above categories	Q., D., L.	
14 March 1934	Aluminium, copper, zinc, lead, nickel, silk socks and stockings, agricul- tural machinery, typewriters, electric cables, bicycles, rub- ber goods	Q., L.	—
29 Dec. 1934	Musical instruments	Q., L.	

* Arrangements for the distribution of export certificates were made with various countries, but only some of those with Great Britain are given here.

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