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GENERAL AGREEMENT ON TARIFFS AND TRADE

Original: French

BELGIAN FAMILY ALLOWANCES

Memorandum submitted by the German Federal Republic

Under an Act dated 4 August 1930, and its related modifications and amendments, a fee of 7½ per cent on the purchasing price is levied on products imported into Belgium, when they are purchased by the Belgian State, or a Belgian province or municipality. Exemption from this levy is granted only on products originating from countries with a system of family allowances to which the employers contribute, and which has a legal basis and is consistent with the provisions of the said Act. Imports of products from the German Federal Republic are subject to this levy.

In adopting the Report of the Panel on Complaints, dated 6 November 1952, at the Seventh Session, the CONTRACTING PARTIES, in deciding upon the complaints by Norway and Denmark in regard to the levying of this tax, gave as their view that the Belgian legislation on family allowances was not only inconsistent with the provisions of Article I (and perhaps of Article III, paragraph 2) of the General Agreement, but was based on a conception which it would be difficult to reconcile with the spirit of the General Agreement; consequently, the CONTRACTING PARTIES recommended to the Belgian Government that it abolish this discrimination by appropriate measures, notably by amending the legislation upon which it was founded (GATT-Document G/32).

Despite this recommendation by the CONTRACTING PARTIES, the fee in question continues to be levied on deliveries to the Belgian public authorities of products originating in the German Federal Republic, whereas imports from France, the Netherlands, Switzerland, the Saar, Sweden and the United Kingdom are exempt from that tax.

In December 1951, the Government of the German Federal Republic sent a detailed memorandum on the subject to the Belgian Government. Subsequent bilateral negotiations and repeated representations made through the diplomatic channel with a view to obtaining exemption for German deliveries from this tax have remained unsuccessful. The Government of the German Federal Republic are, therefore, constrained to submit a formal complaint with regard to the application of the said legislation to deliveries of German goods, and to place that complaint on the agenda of the Eighth Session. The Federal Government request the CONTRACTING PARTIES to examine this case and to make appropriate recommendations, or to give directives for the abolition of the measure in question which is causing considerable injury to the trade of the German Federal Republic and to other contracting parties. Reference is made to Article I of the General Agreement, as being relevant in the matter.