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SUB-GROUP C ON TRADE IN AGRICULTURAL PRODUCTS

Statement made by the Delegate of the Kingdom
of the Netherlands in the meeting of
the sub-group on 11 November 1957

We have listened with the greatest interest to the statements of various delegates, when we were discussing trade in agricultural products in the Committee as a whole. We have noted with great satisfaction that the answers given by Mr. Klein on behalf of the six countries have been received with a considerable amount of sympathy and understanding.

At the beginning of discussions in this Sub-group, Mr. Chairman, I think it would be convenient to limit myself to a few general remarks.

Attention has been drawn by our Ministers, and in a later stage by our representatives, to the fact, that the Treaty of Rome states in article 234 - a very important article indeed - that the provisions of the Rome treaty cannot constitute prejudice to obligations of the Member-States contracted by agreements concluded prior to the entry into force of that Treaty; clearly, the General Agreement comes under the scope of this article. Consequently, Mr. Chairman, in this article CONTRACTING PARTIES can find the reassurances for their concern expressed in the course of previous discussions. What, now is the underlying cause for this concern?

We feel, Mr Chairman, very much attention has been paid to all interpretations to which the wording of the provisions in the agricultural chapter might possibly give rise.

What has happened in reality is that the six countries agreed to handle agricultural policy as a matter of common interest and, consequently, to entrust the institutions with the task of establishing and carrying out a common policy in this field.

It is obvious that Member-States had to transfer existing national powers, to the new common institutions. The powers of the institutions are considerable indeed, but nowhere in the Treaty it is said that these powers will be used

in a way inconsistent with international obligations. Besides, Mr. Chairman, I may refer once more to article 234. The powers to confer upon the institutions have, by the way, not been chosen more or less at random, but constitute a set of powers sufficiently balanced as to secure adequate flexibility in order to cope with situations which might arise in the future. But, let us, for a moment, presume that in the future the Community considers to take a decision which would be looked upon by the CONTRACTING PARTIES as to be not in conformity with obligations under the General Agreement. In that case the Six will find themselves in the situation to apply for a waiver if they would still want to carry out such decision.

This, Mr. Chairman, is by no means a new situation, for, if in one of the GATT countries existing legislation or rather new legislation would give powers to the government concerned, which would enable this government to follow a policy contrary to the obligations which this country undertook under the General Agreement, CONTRACTING PARTIES would not be in a position to undo such laws; CONTRACTING PARTIES have no powers for that but they do have possibilities to rule out such legislative measures or oblige such country to ask for a waiver. It seems to us, Mr. Chairman, that this procedure proves one of the wise principles of the General Agreement insofar as a country is not judged upon its possible intentions but upon its actual deeds.

Mr. Chairman, with your permission I would like to make a second remark of a general character. When listening to the discussions in Mr. Wilgress's committee I came to the conclusion that various delegates are not in the first place opposed against certain provisions in the Rome Treaty, since it is clear as I pointed out that the application of these provisions is limited by the obligations under the General Agreement, but Mr. Chairman, we felt that various delegates were fearing that the six countries might follow an agricultural policy which would harm the legitimate interests of other contracting parties. Mr. Chairman, it is true that in many countries agricultural policies are followed which harm in one way or another interests and sometimes vital interest of other participating countries, and it is also true that this has been the case notwithstanding the fact that we are bound by the provisions of the General Agreement. In all frankness, Mr. Chairman, I will continue by stating that it is not excluded that in the six countries measures might be considered in the future which by one or several contracting parties would be looked upon as interfering with their interests; I do not know the future policy of our institutions. I am sure that they will feel a great deal of responsibility not only for the six countries but also for other countries with which they trade. But again, Mr. Chairman, I repeat, I do not know details of the future policy of the institutions. I can only say that they will take fully into account our obligations within the General Agreement.

But, Mr. Chairman, it would be unfair if suddenly CONTRACTING PARTIES would start now by attacking the six countries for something which, as of now, is not even a matter of fact and which, moreover, is normally done by other contracting parties under the General Agreement. If we are to find a

solution for the problems arising out of the fact that the GATT rules governing trade and agricultural problems are in some instances not strict enough, we should not discuss this here but in a plenary meeting of the CONTRACTING PARTIES.

We should therefore not limit this case to future agricultural policies of the Six but generalize discussions there to the present policies of all contracting parties. Mr. Chairman, I have been grateful to you for having given me the opportunity to make these remarks at the beginning of our meeting. I thought it a good thing to leave from the outset no doubts about the position of the six countries and it is my sincere hope that in doing so I have made a contribution to constructive work of this committee.