GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED
W.12/26
16 November 1957
Special Distribution

CONTRACTING PARTIES
Twelfth Session

FRANCO-GERMAN TREATY ON THE SAAR

Draft Decision

At the meeting of the CONTRACTING PARTIES on 13 November the Executive Secretary was asked to prepare the draft of a Decision granting the Governments of France and Germany a waiver from Article I in connexion with the Saar Treaty of 27 October 1956. The following draft is submitted for consideration by the CONTRACTING PARTIES:

DRAFT DECISION REGARDING SPECIAL MEASURES APPLIED BY FRANCE AND THE FEDERAL REPUBLIC OF GERMANY IN THEIR TRADE RELATIONS WITH THE SAAR

CONSIDERING that, since it became a contracting party, France has applied the General Agreement on Tariffs and Trade to the territory of the Saar which formed a customs union with French metropolitan territory;

CONSIDERING that, in accordance with the Treaty concluded on 27 October 1956 between France and the Federal Republic of Germany, which entered into force on 1 January 1957, although France has ceased to have international responsibility for the Saar in the sense of Article XXVI:5(a), the Saar nevertheless continues to form a customs union with French metropolitan territory during a transitional period which is to end on 31 December 1959 at the latest, and that after the end of this transitional period, the Saar will be part of the customs territory of the Federal Republic of Germany;

CONSIDERING further that in order to ensure steady progress by means of special measures towards the definitive system which will be established at the end of the transitional period and to maintain, in the interests of the countries concerned, the trade flows which had developed under the customs union which existed between France and the Saar, the French Government and the Government of the Federal Republic of Germany deem it essential to obtain certain waivers from the provisions of Article I of the General Agreement;

CONSIDERING that the measures proposed are likely to maintain at a high level the traditional trade flows between neighbouring countries in regard to which special arrangements have been in force for many years and that the Saar,

in order to ensure its economic prosperity, has to maintain close economic relations both with France and with the Federal Republic of Germany, and that, furthermore, the proposed measures will no longer be justified once the European Economic Community has brought about complete freedom of trade between France and the Federal Republic of Germany; and

CONSIDERING FINALLY that, in accordance with the procedure adopted by the CONTRACTING PARTIES on 1 November 1956, the Governments of France and the Federal Republic of Germany have agreed to engage in consultations with other contracting parties which may so desire, that no representations have been made by any contracting party and that the absence of any such representations appears to indicate that the arrangements proposed by the two Governments are not likely to damage the legitimate interests of other contracting parties;

the CONTRACTING PARTIES, acting pursuant to Article XXV:5 of the General Agreement,

DECIDE that for the Government of France and the Government of the Federal Republic of Germany the provisions of paragraph 1 of Article I of the General Agreement shall be waived to the extent necessary in order that:

1. during the transitional period, certain products originating in the Saar may, upon import into the territory of the Federal Republic of Germany, receive duty-free treatment, without the Government of the Federal Republic of Germany being obliged to accord the same treatment to like products of other contracting parties;

2. during the same transitional period, certain capital equipment originating in the Federal Republic of Germany may receive duty-free treatment upon import into the territory of the Saar;

3. after the end of the transitional period and until such time as the European Economic Community is fully achieved, certain products originating in the franc area and for delivery in the Saar may receive duty-free treatment upon import into the territory of the Federal Republic of Germany, without the Government of the Federal Republic of Germany being obliged to accord the same treatment to the like products of other contracting parties;

4. after the end of the transitional period and until such time as the European Economic Community is fully achieved, certain products originating in the Saar may receive duty-free treatment upon import into French territory, without the French Government being obliged to accord the same treatment to the like products of other contracting parties.

Recourse shall be had to the waivers granted by the present Decision only to the extent necessary for the implementation of the Treaty of 27 October 1956.