

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/1903

9 November 1962

Limited Distribution

CONTRACTING PARTIES
Twentieth Session

Original: French

BELGIAN IMPORT RESTRICTIONS

Statement by the Belgian Representative

A year ago, when the Belgian Government had the honour of submitting to the CONTRACTING PARTIES its sixth and last annual report under the Decision of 5 December 1955 granting Belgium a waiver in respect of import restrictions applied to certain agricultural products, it was convinced that the last year of validity of the waiver granted to it by the CONTRACTING PARTIES could be used for removing the last remaining quantitative restrictions still in force at that time.

Although some relaxation has been achieved during this period, a combination of circumstances has prevented the Belgian Government from liberalizing products which may still be subject to restriction.

These circumstances are as follows:

1. A deep-seated agricultural crisis has become apparent in Belgium in the course of 1962 and it is becoming more serious each day. This crisis derives firstly from the social situation of agricultural workers as compared with other sectors of the economy, and secondly from the economic situation of a large number of Belgian agricultural undertakings.
2. Far from improving, the world market situation for the agricultural products still subject to quantitative restriction in Belgium deteriorated still further in 1962.
3. At the time when the CONTRACTING PARTIES consented to grant the waiver to Belgium, they recognized that it was not possible for that country to resort in the immediate future to other measures consistent with the provisions of the General Agreement. They found that recourse to subsidies would represent too heavy a charge on the budget, while the adjustment of customs duties was made difficult by the fact that, under existing arrangements with its Benelux partners, the Belgian Government could not autonomously modify its customs duties. The CONTRACTING PARTIES considered therefore, that a waiver should be granted to Belgium for a period (seven years) coinciding with that set for the harmonization of agricultural policies within Benelux.

Now, all contracting parties which have had to deal with agricultural problems will readily understand that the solution consisting of the general granting of subsidies to producers would be increasingly difficult to carry out on the national level, while in the field of international trade one may ask oneself whether the remedy would not be worse than the ill which we are trying to overcome.

As regards the problem arising from the existence of Benelux, it should be noted that the Benelux Treaty did not enter into force definitively until 1 November 1959 and that, consequently, the period set for the harmonization of agricultural policies only officially commenced on that date.

4. After having been ratified by the national Parliaments of the member States, the Rome Treaty came into force and became law on 1 January 1958. This Treaty contains not only provisions similar to those in the Benelux Treaty forbidding the member States to take any autonomous action in regard to customs duties, but also certain provisions concerning national marketing organizations.

Because certain clauses of the Rome Treaty relating to national marketing organizations have given rise to divergent interpretations, this problem has been submitted to the Court of Justice in Luxemburg, whose decisions are binding. It would therefore seem to be a delicate matter for the Belgian Government to take measures on whose legality the Court still has to give a finding.

5. A number of regulations of the European Economic Community were approved on 14 January and put into effect on 30 July last. Most of these regulations relate to products which had already been liberalized by Belgium and consequently no modifications were entailed for the existing import system.

As regards the regulation on fruit and vegetables, however, it should be noted that at present this does not include any concrete provisions regarding the system for imports from third countries. Nevertheless, Article 11, paragraph 1 of the regulation provides that the Council, on a proposal of the Commission, must take the necessary measures to co-ordinate and standardize the import system vis-à-vis third countries, in pace with the common organization of markets.

Conclusions

1. The foregoing considerations might have led the Belgian Government to propose that the CONTRACTING PARTIES should grant it a further waiver for a limited number of agricultural products which might still be subject to quantitative import restrictions in Belgium.

2. Nevertheless, the Belgian Government considered it preferable not to take such action, in particular because of the probably short time which it will need in order to abolish the quantitative restrictions still remaining and which in many cases, moreover, relate to products in which world trade is particularly low, and in some cases even non-existent.

3. Consequently, the waiver granted to Belgium will expire on 31 December 1962.

The Belgian Government wishes to assure the CONTRACTING PARTIES that it will make every endeavour to abolish as soon as possible the quantitative restrictions still remaining.