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GENERAL AGREEMENT ON TARIFFS AND TRADE
Eighth Session of the Contracting Parties
Settlement of Complaints

The Contracting Parties have approved the satisfactory settlement of three complaints and have decided to revert later this Session to a fourth complaint which has not been settled. The complaints that have been settled concern Greek Import Taxes, Greek Import Duty Coefficients and a French Tax on Imports and Exports. The complaint that has not been settled concerns Belgian Family Allowances.

Greek Import Taxes and Greek Import Duty Coefficients. At the Seventh Session in October 1952 the Contracting Parties heard a complaint against a "contribution" or tax imposed on certain imports by the Greek Government. They decided, in view of many complicated issues involved, to resume examination of the complaint at the Eighth Session. On 9 April 1953 the Greek Government devalued the drachma by fifty per cent and unified its exchange system by eliminating all multiple currency practices. At the same time the "contribution" was abolished.

A second complaint which was made at the Seventh Session concerned a Greek measure which raised the pre-war tariff coefficients which had been bound under the GATT. The Greek Government in July 1953 informed the Contracting Parties that the pre-war coefficients had been re-established, thereby fulfilling the commitment taken by the Greek Delegation at the Seventh Session.

At the Session the Greek delegate Mr. P. Papatzonis said that the Greek Parliament, by a recent order, had ratified the re-establishment of the pre-war import duty coefficients and the Chairman noted that the measures taken were quite acceptable to all contracting parties and thanked Mr. Papatzonis for his personal contribution towards this satisfactory solution.

Referring to the tax imposed on certain imports, Mr. Simon Reisman, Canada, said that the Greek Government had rectified the matter most satisfactorily and added that the speed with which this complaint had been resolved might well serve as an example to other governments concerning which complaints were long outstanding.

French Tax on Imports and Exports. Before the opening of this Session the United States drew attention to a tax by France on all imports and exports and questioned whether it was consistent with GATT provisions. When this matter was discussed in plenary session M. Frederic Donne, France, said that the tax, which was levied at the rate 0.4 per cent ad valorem on all imports and exports on a world-wide basis (including French territories), was a purely fiscal measure and was of a provisional nature. The object of the tax was to provide a fund for social assurance for agricultural workers. While the very low incidence of the tax could scarcely have an appreciable influence on the flow of international

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trade, M. Donne said that in the view of his government it did infringe the provisions of GATT. He was glad, therefore, to give the Contracting Parties an assurance that, while the tax could not be abolished immediately since it was included in the budget for the current year, it would be removed from the national budget for 1954. By this means France showed her intention to conform strictly to GATT obligations.

Mr. Winthrop Brown, United States, thanked the French representative for the prompt action taken by his government to suppress the tax and the Chairman said that the willingness of France to abide by the rules of GATT was most satisfactory.

Belgian Family Allowances. A system providing for family allowances to workers is in force in Belgium by virtue of an Act of 4 August 1930. The system is financed by contributions imposed upon the Belgian employers, and in order to countervail these contributions a special tax of 7.5 per cent ad valorem is levied on products imported by the Belgian governmental, provincial and municipal authorities. Exemption from this import tax can be granted in the case of importation from countries where similar contributions are imposed upon the employers either by law or by collective agreements.

At this Session the Norwegian delegate, Mr. Erik Ribu, pointed out that his government, supported by Denmark, had originally brought this complaint before the Contracting Parties in 1951 at the Sixth Session and that at the Seventh Session the Contracting Parties strongly recommended the Belgian Government to remove the element of discrimination without delay. He said his government was not prepared to delay the matter much longer. Mr. Gunnar Seidenfaden, Denmark, said he was beginning to doubt the sincerity of the Belgian government when they said they were taking steps to remedy this matter. When, he asked, can a legislative decision be expected; and what provisional remedies does Belgium have in mind? He also asked how Belgium had found it possible, since the last Session, to grant exemption from the special tax to Switzerland in return, he understood, for a loan. Mr. Werner Hagemann, Germany, said that the Federal Government at the Seventh Session had joined with other complaining governments and had put forward an official complaint in advance of the Eighth Session; for two years bilateral negotiations had remained fruitless and he hoped that Belgian proposals would shortly be forthcoming to obviate the need for invoking Article XXIII. Mr. Kurt Enderl, Austria, said that his government had also lodged a complaint at the Seventh Session. As far as Austria was concerned bilateral talks had produced no results and he hoped that satisfactory Belgian legislation would be forthcoming very soon. M. Tommaso Notarangeli, Italy, associated himself with previous speakers and asked for a speedy solution. Mr. Olli J. Vallila, Finland, said that although his government had reported to Belgium upon its social legislation, no steps had been taken by Belgium to remove the discrimination. He supported the Danish delegates view. The delegates of Canada and Czechoslovakia also associated themselves with the group of complaining countries whose trade was adversely affected by the discriminatory application of the Belgian tax.
In reply M. Jean Querton, Belgium, said that the Belgian Government had been deeply concerned with the matter for some time. Seen from inside the Belgian administration the matter was much more complex than might appear from the outside. The Belgian Government maintained that the Decree Law of 19 December 1939, which imposed this special tax on foreign products purchased by the Belgian authorities was of a mandatory nature and could only be amended by an Act of Parliament, not by Ministerial Decree. This Government had therefore decided to table a Bill, but this would take time. In answer to a question by the Chairman regarding the exemption of the tax for Switzerland, M. Querton said he was not instructed to discuss the matter. In conclusion the Chairman said that it was most unfortunate that there was no solution in sight yet for this long-standing complaint. He therefore would postpone further discussion until later in the Session, when the delegate of Belgium might be in a position to give a more definite reply and when, if necessary, the application of retaliatory measures could be discussed.