Belgian Dollar Import Restrictions: Views of Canadian and United States delegations

The complaint by Canada and the United States concerning Belgian import restrictions on goods from the dollar area was made originally at the Sixth Session, when an assurance was given that the duration of these restrictions would be reduced to the strictest minimum. At the Seventh Session the Belgian Government stated that it felt it was justified in proceeding cautiously towards a régime of freedom from quantitative restrictions on imports and that significant measures of relaxation would shortly be announced. These relaxations, which constituted a list representing 68-70 per cent of the value of dollar imports into the Belgium-Luxemburg Customs Union (B.L.E.U.), were announced in February 1953.

At this Session the Belgian delegation has reported on the present situation concerning the restrictions placed by the B.L.E.U. on dollar imports. M. Max Suetens, Belgium, presenting the report, stressed four points. First, the present régime in force gave practically complete freedom to import dollar goods: there were very few exceptions and these were not rigidly applied. Secondly, the fact that Belgian imports from the dollar zone appeared to have diminished, when comparing February-June 1953 with the same period in 1951, was the result of a general diminution of the global imports of the B.L.E.U.; it was not due to government restrictions. Thirdly, the reduction of imports of goods which are subject to restrictions arose entirely from the diminution in demand for consumer goods, which is a phenomenon affecting particularly this type of product for the time being. Fourthly, new measures of relaxation were decided upon after the relaxations of February 1953 had been put into effect.

M. Suetens said that the measures that had been taken fully conformed with the promises made in 1952 and had been carried out within the prescribed period; nevertheless, his delegation was ready to supply any further relevant information. He felt that any further measures of relaxation which the Belgian Government might introduce would not have any great effect on trade between the B.L.E.U. and the dollar area because the volume of Belgian imports was limited by economic factors and not by the administrative measures of the B.L.E.U. Nevertheless, his Government had extended the relaxations; this was, he said, proof of their willingness to take a further step on the road to freedom of trade whenever possible.

The Chairman of the Belgian delegation took the occasion to recall the well-known fact that the commercial policy of Belgium had always been guided by very liberal principles. He said that the Belgian balance of payments MORE
situation had greatly improved and the dollar deficit of the B.L.E.U. had become practically negligible. This situation was due to the fact that imports from the dollar zone in the first half of 1953 were much below the imports for the first half of 1952; 9,100 million Belgian francs in place of 15,500 million. On the other hand exports in the first half of 1953 had exceeded those for the first half of 1952: 10,200 million Belgian francs in place of 6,250 million. For example, imports of wheat and cotton from the dollar area had fallen considerably while, inversely, exports of steel to the dollar area had increased (for fortuitous reasons, such as the United States steel industry strikes). Thus, the Belgian Government could not consider that the payments structure between the B.L.E.U. and the dollar area had achieved sufficient stability to allow the relative security of the import control system to be abandoned, and it was felt that a policy of prudence must be continued, particularly during the period of uncertainty during which the United States was reviewing its commercial policy. At the same time, M. Suetens said, the Netherlands Government had just taken a series of measures towards liberalizing its dollar imports and time would be needed to coordinate the policies of the Benelux countries.

Finally, M. Suetens drew attention to the need to review the GATT, which many delegations had referred to at this Session, and said that the Belgian Government agreed that a revision of the GATT was needed. The Belgian Government was struck with the inequalities under GATT of the rights and obligations of the deficit countries, on the one hand, and of the countries in equilibrium on the other. The deficit countries had the right to introduce in different fields severe measures of restrictions, alleging the necessity to protect their balance of payments, while creditor countries had no right at all to take measures with a view to safeguarding their external financial position. His Government intended to present concrete proposals on this matter when the problem of revising the GATT was put forward.

Mr. Claude Isbister, Canada, thanked the Belgian delegate for the information which had been provided and welcomed the reaffirmation of the Belgian Government's intention to pursue a more liberal trading policy. A year ago, he said, the Belgian Government informed the Contracting Parties of its intention to relax substantially its dollar import restrictions, as a first step in the direction of returning to a régime of freedom from quantitative import restrictions. The Belgian Government subsequently announced certain measures of relaxation to take effect on 1 February 1953. At the present Session of the Contracting Parties, the Canadian delegation had expressed interest in knowing how soon it would be possible for the Belgian Government to take further steps to relax its import restrictions, which still remain in effect. In this connection it had also requested the Belgian delegation for a report on the present status of restrictions, including information on regulations in force and the policies pursued in administering these regulations.

Mr. Isbister said he was glad to note that Belgian policy is clearly in the direction of relaxing restrictions. He expressed disappointment, however, that so little of a concrete nature had been said of Belgium's future intentions.
in this matter. He was disappointed, also, at the continued failure of the
Belgian Government to provide detailed factual information of its measures, as
a result of which other governments and the trading community as a whole are
always uncertain of how particular cases will be treated. He requested the
Belgian Government, therefore, to publish promptly, and in detail, information
regarding its administration of import restrictions. He proposed that informal
discussions should be continued during this Session and that the item be
included in the agenda of the Ninth Session, in the hope that by that time there
will be no further problems to review.

Mr. Winthrop Brown, United States, said he appreciated the action taken by
the Belgian Government toward a more liberal policy of imports from the dollar
area, although, like the Canadian delegate, he was disappointed that apparently
there were no immediate plans for further liberalization. He noted that, while
the Belgian Government had proceeded with caution, there had been no harmful
devlopments and the Belgian balance of payments situation continued to improve.
It was disappointing, in these circumstances, that the Belgian Government had
not made more progress in removing restrictions on dollar imports. The United
States trading community, like the Canadian, was at a disadvantage in not
knowing clearly the problems they faced in trying to enter the Belgian market;
in particular it was not clear which products were on the prohibited list.

It was agreed that further informal consultations should be held and that
the matter be retained on the agenda.