One of the basic tenets of the General Agreement is the obligation laid down in Article XI for member countries to refrain from using quantitative restrictions on imports as a means to protect domestic industries. This principle has been upheld in the course of the review of the Agreement at the Ninth Session. The Contracting Parties recognized, however, at that time, that when industries had enjoyed for a long time incidental protection from restrictions maintained during a period of balance of payments difficulties, those industries may need some breathing space before they adjust themselves to the normal conditions of competition. In order to meet these difficulties and to preserve at the same time the interests of third parties, the Contracting Parties adopted on 5 March 1955 the so-called "hard core Decision" which would assist the governments in eliminating within a comparatively short period of time the vestiges of quantitative restrictions, under the control of the Contracting Parties.

The first request submitted under this new procedure was that of the Government of Belgium, with respect to a number of agricultural products. Within the framework of the policy of liberalising trade which it has pursued for a number of years, the Government of Belgium has ceased to claim the benefit of the provisions of the Agreement permitting resort to quantitative restrictions for balance of payments reasons. It has also established with the Netherlands and Luxemburg a common market in the Benelux Customs Union which covers the major part of the trade amongst the three partners. The Belgian Government has to complete the liberation of trade within the Benelux and generally with the other GATT countries. To that effect, it needs some time to adjust the support granted to the Belgian agriculture so as to make it prosperous within the normal regime of protection authorized by the General Agreement. The object of the Belgian request, therefore, was to obtain from the Contracting Parties the necessary facilities to implement this constructive programme.

That request was subjected to a detailed examination with a view to satisfying the Contracting Parties that the request was consistent with the definite terms of the Decision of 5 March 1955 and, as a result of that examination, the Government of Belgium agreed to withdraw a number of products from its original request.

The points on which the Contracting Parties had to be satisfied were, inter alia, that the sudden withdrawal of the restrictions would result in a serious injury to the industries concerned, that it would not be practicable at this time to resort to alternative measures consistent with the General Agreement, and that there was a reasonable prospect of eliminating the restrictions over a comparatively short period of time. The Contracting Parties were satisfied that these requirements were met.
Having received the necessary undertakings from the Government of Belgium that the necessary measures would be taken to ensure the elimination of the restrictions within the terms of the Decision, as well as regarding the other conditions laid down for the administration of the restrictions pending their elimination, the Contracting Parties decided to allow Belgium to maintain the restrictions for a period of five years. However, taking principally into account the difficulties which result from the existence of the Benelux Customs Union, and more particularly from the harmonization of the agricultural policies of the third countries concerned, they agreed to permit the retention of the restrictions, which would not have been eliminated by 1960 by reason of the above exceptional circumstances, for a period not exceeding two years. This means that all the restrictions will have to be eliminated before 31 December 1962.

In accordance with the terms of the Decision the Government of Belgium will keep the Contracting Parties informed of the administration of the restrictions and submit to them a detailed report each year. The Contracting Parties will review annually the operation of these restrictions as well as the progress made towards eliminating them progressively.