SPEECH BY H.E. MR. HENRI PAYAT, MINISTER FOR FOREIGN TRADE OF BELGIUM

AT THE PLENARY MEETING OF THE CONTRACTING PARTIES HELD ON

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It is the first time I have the pleasure of attending a meeting of the Contracting Parties to the General Agreement on Tariffs and Trade.

Ten years ago I was privileged in being one of the delegates to the United Nations Conference on Trade and Employment at Havana.

Quite a number of those pioneers seem to have disappeared, one way or the other. I only recognize a few of them around this table. Among them I would like especially to greet Ambassador Wilgress, M. Royer, and of course our Executive Secretary, who is still going strong and who has produced this very remarkable report about International Trade 1956.

I wish to congratulate Mr. Wyndham White on his survival and on his fine work.

The first casualty of all – as you may recollect – was the Havana Charter itself.

It was a comprehensive document on many aspects and problems of international trade relations, including commodity policies.

We may now hope to get a new International Trade Organization as a result of the 1955 revision of our General Agreement. But even with this and also taking into account the valuable work done by the Food and Agriculture Organization, we shall still be confronted – as regards agriculture for instance – with a plentiful lack of suitable arrangements in that field.

I can fully agree with our Australian and New Zealand colleagues when they stress this unsatisfactory state of affairs.

It is an unfortunate situation which can be, which ought to be, improved upon.

Meanwhile, however, all countries with agricultural interests are left to devise their own agricultural policies.

But if I may now turn to the capital item of our agenda – this is not the fault of the Six Countries of the European Common Market.

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They are severally confronted with their own agricultural problems, just as other countries are.

The only new feature is that the Six intend to devise jointly a common agricultural policy.

They intend to do jointly what they - as sovereign States - are entitled to do separately.

This fact - by itself - is certainly not incompatible with their obligations under the GATT. They cannot be singled out for that and subjected to a kind of discriminatory treatment which, as I understand it - is the very thing the GATT has been set up to avoid.

If, in any aspect of their actual policy under the new Treaty when they start evolving it, they should jointly do something for which they would also be accountable to the GATT had they done it separately, then, of course the normal procedures would have to be applied to them.

But before some such decision as would render them accountable has - in point of fact - been taken by them, there is no valid basis on which to call them jointly to account. It is within the power of a single country, exercising its sovereign competence, to devise a good or a bad agricultural policy.

That competence in itself cannot be questioned, only the effective exercise of it can be scrutinized if the results are contrary to the obligations under the GATT.

The same appears to be the case when it comes to the joint exercise of this competence as provided under the Rome Treaty.

The Six Common Market Countries are grateful for the encouraging remarks made by some distinguished delegates in this debate.

The widespread interest our enterprise has aroused - even when it is expressed in critical terms - points to the very great impact the Common Market is bound to have on world trade.

With the magnitude of the consequences in mind, it is quite normal that certain delegations feel apprehension, that they ask whether all the consequences are going to be uniformly good.

This is normal.

But sometimes we had the impression that it was feared the Six might be a Group of bad boys trying to throw a big stone at GATT's front window.

When I look down the list of these bad boys I discover that my Government, the Government of Belgium is one of them.
Now, Mr. Chairman, taking them individually, I could not pretend there are no bad boys among my countrymen, for instance when it comes to making fun by throwing a stone at someone's window.

But as a nation, as a Government and concerning treaty obligations, I feel we are quite strict: we do not make new treaties in order to violate previous ones.

Nor have we been aware that this was the intention of our associates in the Rome Treaties.

And with regard to trade expansion and the bringing down of trade barriers with our neighbours and the world at large we have consistently tried to facilitate trade relations with one and all.

Shall I recall the Belgium-Luxemburg Union, the tentative conventions of Oslo and Ouchy, the Benelux Union, OEEC, the European Coal and Steel Community: we are proud to have been participants in all these endeavours.

Maybe it is not because we are particularly virtuous that we have acted in this way.

After all we, in Belgium, have to export two-fifths of our national production; 45 per cent of these exports go to our partners in the Common Market, which means that 55 per cent of our export trade is carried on with the outer world. This is as much as 22 per cent of our total production.

We certainly do not want, nor do our partners in the Rome Treaties want, to establish a Common Market that would, to quote paragraph 4 of Article XXIV "raise barriers to the trade of other contracting parties".

May I refer to the several provisions of the Rome Treaties, already cited by Professor Hallstein, which explicitly point towards the determination of the Six Common Market Countries to make this Market a contribution to the expansion of world trade and to enlarge rather than restrict the possibilities of trade with all countries.

May I also draw attention to the willingness of the Six Rome Countries to start negotiations - and even to their joint decision within OEEC to speed up negotiations for the establishment of a Free Trade Area with a view to extending the benefits of an open market to the Seventeen Member Countries of OEEC.

Surely, this is not the attitude of a group of bad boys wanting to behave contrary to the objectives of GATT and its express provisions under Article XXIV.

Moreover, let us bear in mind the way the Rome Treaty is going to work.

Its full legal existence will start on 1 January 1958, but only by 1 January 1959, will a first modest step be taken to bring down internal tariffs by reducing customs duties, on average, by one-tenth of their amount.
The first step towards the common external tariff will not be taken before the end of the fourth year of the coming into force of the Rome Treaties, i.e. by 31 December 1961.

The whole system will be fully established only by the end of the transitional period, that is within twelve or fifteen years.

The least that can be said is that nobody is going to be taken by surprise.

There will be ample scope for full consultation, always bearing in mind, of course that the institutions of the European Economic Community will be competent to exercise the powers which have been given them by the Common Market Treaty, and that they cannot be limited in their capacity to take decisions - through a discriminatory interpretation of the General Agreement - in any other way than could be contemplated or accepted by any contracting party acting under its sovereign powers.

I feel confident this consultation will give us the opportunity of removing many misunderstandings.

The decision taken at Rome by the Six Common Market Countries was a "momentous" one, to quote the distinguished delegate of South Africa.

These countries are conscious of their responsibilities towards world trade.

That is why they have signed, along with the Rome Treaty itself, their "Common Declaration relating to co-operation with States Members of International Organizations".

From this text I quote:

"Recognizing that the establishment between themselves of a customs union and of a close collaboration in the peaceful development of nuclear energy, these being effective instruments of economies and social progress, shall contribute not only to their own prosperity but also to that of other countries.

"Anxious to associate such countries with the prospects of expansion offered by the establishment of these Communities,

"Hereby declare their willingness to conclude, upon the entry into force of these Treaties, with other countries, in particular within the framework of the international organizations in which they participate, agreements permitting the achievement of these objectives of common interest and ensuring the harmonious development of international exchanges in general."

This ends my quotation.
I have noticed among other constructive remarks by different speakers, the speech made by the head of the Canadian delegation especially with regard to the much debated association of overseas territories under the Rome Treaty. I here refer to the passage where Mr. Gordon Churchill declared the willingness of his delegation - I quote - "to participate constructively and helpfully to attempt to discover acceptable solutions to these issues which are of major importance to so many countries".

I shall now conclude.

We have been privileged, Mr. Chairman, in being given the opportunity of discussing these problems under your presidency.

As this debate draws to its end, we feel increasingly grateful to you for the way you have conducted our discussions.

In your opening remarks, Mr. Chairman, you reminded us of the spirit of goodwill and mutual understanding which is the hallmark of these meetings under our General Agreement.

It was Immanuel Kant - I think - who observed that in the field of human affairs there is one thing which is essentially good and that is "goodwill".

The Six Countries of the Common Market will certainly not want to lag behind in this respect.

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