GENERAL AGREEMENT ON TARIFFS AND TRADE
Sixth Session of the Contracting Parties

Restriction on Imports of Dairy Products into the United States

Statement by the Netherlands Delegate,
Dr. H. van Blankenstein

In their memorandum submitted to the Contracting Parties the Netherlands delegation have set out the reasons for which they have asked for inclusion of a discussion of the restriction on imports of dairy products into the United States in the agenda of the Sixth Session. I therefore shall not speak in great detail about those reasons but I shall try to explain briefly how the Netherlands Government and public opinion view the situation.

This delegation has been instructed to submit a complaint of nullification and impairment, according to the procedure foreseen in Article XXIII. Nullification and impairment, not only of actual concessions received as an outcome of negotiations with the United States, but also nullification and impairment of Article XI and worse even, of the whole spirit of GATT. And finally, and that is perhaps the main feature of the present case, nullification and impairment of the vigorous efforts undertaken, in accordance with the Marshall Plan, by the people of the Netherlands and by their Government to become independent from outside assistance as soon as possible. In this connection, Mr. Chairman, I must stress the fact that by far the worst result of the United States' measure will be its psychological effect on the eagerness of exporters of any goods to the United States further to invest money and energy in the development of their markets in the United States.

Mr. Chairman, it is easily understood that the measures I am referring to had to have such serious psychological effects, if we remember that it was the United States who, although having a largely protectionist tariff, always opposed on principle protectionist quantitative restrictions on imports. As such the United States upheld hope and a guiding principle for all countries like my own who, although forced by the results of war and enemy occupation, to limit their imports, still believe in free and equal international competition.

I am therefore not saying too much, Mr. Chairman, if I state that the measures taken by the United States Government as a result of Section 104 of the Defence Production Act of 1950 have caused great uneasiness in my country. It would be dishonest if I did not say here and now that my government is seriously considering asking the Contracting Parties to authorize the suspension of the application to the United States of certain concessions accorded to the United States as the outcome of previous negotiations. But quite apart from such authorization the reduced income of dollars resulting from the restriction of Netherlands exports to the U.S. and Porto Rico must of necessity reduce our potential to buy oranges, prunes, wheat flour etc., which we now import from the U.S. in great quantities. The measures taken by the U.S. can therefore only lead to a reduction of the volume of trade, a very regrettable result.

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