MAINTENANCE OF QUANTITATIVE IMPORT RESTRICTIONS

Request by the Government of Belgium

Addendum

Information supplied by the Government of Belgium, in reply to the questionnaire of the Intersessional Committee - L/372:

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QUESTIONNAIRE IN ANNEX A TO THE REPORT
OF THE INTERSESSIONAL COMMITTEE (L/372)

1. Product.

2. Tariff item number.

3. Provisions of tariff:
   (i) Rate of duty;
   (ii) Whether duty bound under the General Agreement;
   (iii) Any special features relating to the administration of
         the tariff item, such as seasonal rates, tariff quotas, etc.

4. Nature of the quantitative import restriction, showing
   with appropriate detail:
   (i) Whether the restriction takes the form of a complete
       prohibition, a seasonal prohibition, a quota system or
       a licensing arrangement;
   (ii) If a seasonal prohibition, the periods during which
        imports are (a) admitted from all supplying countries,
        (b) admitted from some supplying countries only, and
        (c) prohibited entirely or admitted only under special
        permission;
   (iii) If quotas or import licences are not available for all
        supplying countries, the basis for establishing quotas
        and granting licences;
   (iv) The size and allocation of quotas;
   (v) Method of determining and administering quotas or
       licences, including the role of any advisory or other
       committees that may exist.

5. The reasons why it is considered necessary to maintain the re-
   striction and the considerations that cause the restriction to take
   its particular form.

6. The date of imposition of the restriction.
7. Statistics of imports (by sources of supply), exports and national production during each of the last three years.

8. The period required for the complete removal of the restriction.

9. The likely effect of the sudden and complete removal of the restriction.

10. Methods of adjustment to enable such effect to be avoided and prospective time-table for such adjustments.


12. Alternative measures compatible with the General Agreement and reasons why resort to them is considered impracticable. (The reply to this question should deal at least with the principal measures formally open to the contracting party).

13. Undertaking to grant other contracting parties a fair and reasonable share of the market: amount of market to be assured to these other parties and method of determining amount; method whereby administration of the restrictions will be adjusted if necessary to comply with this undertaking.

14. Undertaking of non-discrimination: method whereby administration of the restriction will be adjusted if necessary to comply with this undertaking.
REPLIES RELATING TO ALL ITEMS
IN THE WAIVER REQUEST

In view of the fact that the Belgian answer to a number of questions in Annex A is the same in respect of all the tariff items for which a waiver from Article XI is requested, it appears that it would be useless to repeat the same arguments in the notes relating to each item separately.

Unless otherwise specified the following answers are applicable to all the items in respect of which a waiver is requested.

Question 5

In the case of items subject to the minimum price system, the Netherlands give Belgium adequate guarantees to ensure that domestic production shall not be impaired. It would be impossible to secure similar assurances from every other country. That is the main reason why differential treatment is granted in the case of the Netherlands.

In most other cases where restrictions have not been made applicable to imports from the Netherlands the products concerned are products for which conditions of production are roughly the same in both countries or the Netherlands production does not leave such exportable surpluses as could seriously affect the Belgian market.

Question 8

The period required for the complete removal of the restrictions is seven years. The Benelux countries have undertaken to harmonize their agricultural policies before the end of the period, and this will enable them to eliminate quantitative restrictions. It will be possible to remove certain restrictions at an early date, but it is not possible at this stage to indicate what restrictions would be involved nor within what period of time they can be abolished. Under the arrangements concluded between the Benelux countries a program is to be established from year to year.

Question 9

Belgium maintains quantitative restrictions for the purpose of supporting prices in the interest of agricultural producers and fishermen. As indicated in Document L/357, this price support scheme is indispensable for social and full employment reasons.

The actual effect of the elimination of quantitative restrictions would be that Belgian prices would be aligned to the lowest foreign prices which would deprive producers of their normal returns in view of the fact that costs in Belgium are relatively high due to the high level of wages, social charges, rents, raw materials and on account of the structure of the Belgian agriculture in which small holdings have a predominant position.
Question 10

On a short-term basis, it is impossible to avoid the effects of the removal of quantitative restrictions indicated in question 9 above, unless the protective method concerned is substituted by another one. This would be the only solution open to Belgium if the necessary respite were not granted for the purpose of adapting production and costs through the methods for the rationalization and harmonization of agricultural policies which will be evolved by the Benelux special committee. No details can be furnished at present as regards the methods in question.

Question 11

In view of the method of restriction utilized it is often impossible to alleviate the restriction. That is the case in particular where products are subject to seasonal import prohibitions. In the case of items submitted to import quotas, quota increases from year to year could be envisaged.

However, Belgium would prefer to remove the restrictions one by one.

Question 12

Alternative measures compatible with the agreement would consist of an increase in import duties and in the establishment of seasonal duties and tariff quotas. If Belgium were in a position to adjust her customs tariff depending on the sole needs of the market, such a method of protection, which could be more restrictive of imports than quantitative restrictions proper, could probably be envisaged.

It should however be borne in mind that Belgium is a member of the Benelux Customs Union and that any increase in duty rates should in principle be applicable in the territory of the Union as a whole. Now, the Netherlands do not at present need protection to the same extent as Belgium. Increases in duty rates would therefore not solve the problem of the protection which Belgian production still needs to receive against imports from the Netherlands.

Special taxes would therefore have to be imposed on both Netherlands and third country products and this would seriously enfringe the very principle on which the Customs Union is based.

Question 13

In the case of many products under restriction Belgium is in a position to meet its needs fully, the import surplus necessary being generally supplied by the Netherlands. The need for imports results from current price levels. The moment prices exceed the level which is deemed to be desirable, imports are authorized until the necessary adjustment is effected.
The contracting parties therefore are given every opportunity to supply goods to Belgium up to the amount representing that part of the market which is available.

Question 14

The Belgian import system is entirely non-discriminatory. Where quotas are fixed under bilateral agreement, such quotas could be computed on the basis of a previous representative period.
INFORMATION RELATING TO INDIVIDUAL ITEMS

1. HORSES AND HORSE MEAT

1. Horses, except for slaughter.

2. Tariff item number: 1 a and 1 c.

3. Provisions of tariff:

   (i) Rate of duty:
   
   1 a: pure bred horses for breeding, free.
   
   1 c: other (foals, stallions, geldings, mares), 8%.

   (ii) 1 a: pure bred animals: bound under GATT.
   
   1 c: other horses: not bound under GATT.

1. Foals for slaughter.

2. Tariff item number: 1 b 1.

3. Provisions of tariff:

   (i) Rate of duty 6%.
   
   (ii) The rate of 6% is not bound under GATT.

1. Horse flesh, fresh or chilled.

2. Tariff item number: 13 d J.

3. Provisions of tariff:

   (i) Rate of duty: 12%.

   (ii) The rate of 12% is not bound under GATT.
4. Nature of the restriction (general answer regarding item Nos. 1 a, 1 c, 1 b 1, 13 d 1):

(i) (a) Horses, except for slaughter:

- Benelux: imports are unrestricted except in the case of foals imports of which are prohibited.

- Other countries:

  - Imports of race horses are unrestricted subject to certificates delivered by breeding associations.

  - Saddle horses; imports effected directly by users are unrestricted subject to certificates delivered by breeding associations. Imports by traders are under quota.

  - Ponies:
    maximum: 110 cm in height taken at the withers: unrestricted
    maximum: 145 cm in height taken at the withers: Belgium always reserves the right to place exports under quota.

  - Draught horses: imports are prohibited.

(b) Foals for slaughter: imports from all countries are prohibited (including Benelux).

(c) Horse flesh, fresh or chilled: imports are prohibited.

(ii) No seasonal prohibition.

(iii) Within the framework of established quotas saddle horses imported by traders and ponies of 145 cm in height at the withers can be admitted from all countries, imports from which are not prohibited on account of sanitary regulations.

(iv) (a) Quota for saddle horses: from 50 to 60 head a year.

(b) Ponies of 145 cm in height at the withers. At the end of each quarter the department establishes what the import situation is. If the rate of unrestricted imports is normal no quota is established. If the rate is abnormal, a six-monthly or annual quota representing normal import needs is established.

(v) Any global quota established is based on the normal requirements of the country. The allocation of quotas between traditional importers is based on the reference figures for the previous years.
5. Belgium breeds horses known as Belgian draught horses (Cheval de trait belge) and has to take the necessary steps to allow for the safeguarding of this particular breed. The selection effected for the purpose of safeguarding the breed has to be made over a high number of foals, and therefore adequate outlets have to be found for Belgian foals which are neither exported nor sold to trade or agriculture.

6. The existing system has been in force:
   - since 3 September 1955 in the case of horses;
   - since 1949 in the case of foals for slaughter;
   - since 1950 in the case of fresh or chilled horse flesh.

7. Statistics (see L/357/Add.4).

8. The removal of other restrictions will depend on the evolution of horse breeding throughout the world and on the possibilities for exportation of Belgian horses. The restriction however has to be removed within seven years.

9. The sudden and complete removal of existing restrictions might result in the emergence of a crisis in Belgian horse breeding.

10. The prohibitions in force are the only ones that can ensure minimum protection to Belgian horse breeding which already suffers considerably from the inevitable advances in the mechanization of agriculture in Belgium and abroad.

11. Relaxation of the restrictions can only be envisaged after the effects of the harmonization of policies have been felt.

13. Where imports are unrestricted, or under quota or prohibited, there is no discrimination as between countries which fulfil the sanitary requirements laid down.
2. CATTLE AND BEEF

1. Bovine cattle.

2. Tariff item number: 3.

3. Provisions of tariff:

   (i) Rate of duty:

       - pure bred animals for breeding: free.

       - other: (calves, yearling bulls, steers, heifers, bulls, cows, oxen): 9%.

   (ii) - pure bred animals for breeding: bound.

       - other: not bound.

1. Beef and veal, fresh or chilled.

2. Tariff item number: 13 a 1.

3. Provisions of tariff:

   (i) Rate of duty: 12%.

   (ii) Not bound under GATT.

4. Nature of the restriction (general answer in respect of items nos. 3 and 13 a 1).

   (i) (a) Bovine cattle: in principle imports are prohibited but waivers are granted in the case of:

       - farm removal;
       - wedding dowries;
       - replacement of live-stock lost as a result of epizootics;
(b) Beef and veal, fresh or chilled:

- Benelux: these products appear on list A amongst the items subject to the minimum price system. As no minimum price has been fixed until now, imports are not authorized.

- Other countries: imports are prohibited.

(ii) No seasonal prohibition.

(iii) Decreasing quotas are established for imports of special bovine animals for the manufacture of foot-and-mouth disease serum.

(iv) 1954 quota for special bovine animals: 7,200 head. Licences for the import of such animals are issued under the public tender procedure.

(v) The amount of the quota depends upon the need for serum and the number of animals available on the market.

5. Import restrictions as regards the bovine species are also justified by the breed policy followed. As far as beef and veal is concerned, domestic production fully supplies the needs of the domestic market.

6. The date of imposition of the restriction:

- imports of animals of the bovine species and of beef and veal: before the war.

7. Statistics (see L/357/Add.4).

Import needs can be covered by the Netherlands' exportable surplus.

8. The period required for the complete removal of the restriction.

A period of seven years will be necessary for the purpose of harmonizing the agricultural policies of the Benelux countries. At least an equivalent period will be required for Belgium successfully to face the policies of other countries in the field of cattle for slaughter and of meat. The question of levelling off the differences between Belgian and Netherlands' costs, which amounts to %, is of vital importance for the success of the policy of harmonization.

As regards animals for breeding, the removal of the restriction will depend essentially on the availability in other countries of those breeds imports of which are authorized in Belgium.

9. In view of the fact that domestic needs are fully met by domestic production, the complete and sudden removal of the restriction would result in a decline in prices which would be damaging to the economic soundness of
the breeding of bovine animals and which would have catastrophic results for the agricultural economy in particular and, generally speaking, for the national economy.

10. Nil

11. The policy followed for the qualitative and quantitative improvement of the productivity of bovine livestock will certainly make it possible gradually to alleviate the restrictions. However, the difference between the level of certain production costs (in particular wages and social charges) in Belgium and in other countries is a serious obstacle to the success of that policy.
3. SWINE, PORK AND PORK PRODUCTS

1. **Swine.**

2. Tariff item number: 6.

3. Provisions of tariff:

   (i) Rate of duty:

   (a) pure-bred animals for breeding: free.

   (b) other: 6%.

   (ii) Duty not bound under GATT, except in the case of pure-bred animals for breeding.

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1. **Pork, fresh or chilled.**

2. Tariff item number: 13 c 1.

3. Provisions of tariff:

   (i) Rate of duty: 12%.

   (ii) Duty not bound under GATT.

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1. **Bacon.**

2. Tariff item number: 17.

3. Provisions of tariff:

   (i) Rate of duty:

   (a) fresh: 12%.

   (b) salted, dried, smoked or otherwise simply prepared: 12%.

   (ii) Duty not bound under GATT.
1. **Lard.**

2. **Tariff item number:** 100.

3. **Provisions of tariff:**
   
   (i) **Rate of duty:** free.
   
   (ii) **Duty bound under GATT.**

4. **Nature of the restriction (general answer in respect of item Nos. 6, 13 c 1, 17 and 100):**

   (i) **(a) Swine:**

   - **Benelux:** Live pigs appear in list A of the Protocol amongst the items subject to the minimum price system. The parties concerned have, however, agreed not to lay down minimum prices. In principle, imports are not authorized in Belgium except where increases in Belgian prices are excessive.

   - **Other countries:** In principle imports are prohibited. Exceptional imports may be authorized depending on the evolution of domestic prices and in other cases where the Netherlands are not in a position to supply Belgian needs.

   (b) **Pork:**

   - **Benelux:** see above under "swine".

   - **Other countries:** see above under "swine".

   (c) **Bacon:** imports are prohibited.

   (d) **Lard:** In principle imports are prohibited except where the item concerned is intended to be used in manufactures of margarine, biscuits or soap. Imports under the temporary admission procedure for the purpose of re-exportation after refining, are also authorized.

   (ii) **Nil**

   (iii) Where the level of domestic prices is clearly above the basic price for partly fattened pigs, free imports or imports under quota of live pigs and/or pork can be authorized.

   (iv) The amount of any quota that may be established is determined on the basis of the needs felt on the market and taking account of the desirability of bringing some pressure to bear on domestic prices.
(v) As a general rule the quota is used up through a licensing procedure for a specific amount, licences having a limited validity which can be renewed after use.

5. The purpose of the restrictions imposed in respect of live pigs and pork, is to maintain pig breeding on a sound economic basis. The basic price which determines import prices is in fact considered to be the cost price in Belgium.

Bacon and pig fat play an important part in pork breeding. In view of the fact that domestic production exceeds domestic consumption, lard and pig fat are burdensome on the market.

6. The date of the imposition of the restriction:

- swine: September 1949;
- pork: September 1949;
- bacon: the end of the war;
- lard: the end of 1949.

7. Statistics (see L/357/Add.4).

Belgium has an exportable surplus in every case. Import needs which may develop can very adequately be covered by the Netherlands export surplus.

8. The period required for the complete removal of the restriction.

The harmonization of agricultural policies between Belgium and the Netherlands would take 7 years. The problem is therefore mainly one of levelling off production costs because the disparity between the respective costs still amounts to \( \% \).

9. The sudden and complete removal of the restriction in the case of live pigs and pork would result in a notable decrease in internal prices.

As regards bacon and lard the sudden and complete removal of the restriction would increase existing difficulties and would further impair the possibility of maintaining pork breeding on a sound economic basis, whereas pork breeding is an industry which plays a prominent part in the agricultural economy of a number of agricultural areas in Belgium.

10. A solution will have to be sought through the harmonization of the agricultural policies of the Benelux countries.

11. Belgium is in a position to pursue its policy aimed at raising productivity both in terms of quality and quantity, which would make it possible gradually to relax the restriction.

12. Resort to alternative measures of protection is difficult, having regard to the position of Belgium as a Benelux member.

13. Domestic production meets internal demand. Where quotas have been fixed there is free competition between the various exporting countries.

14. Where imports are authorized there is no discrimination.
4. MEAT, SALTED, DRIED, SMOKED

1. Meat, salted, dried, smoked or otherwise simply prepared.

2. Tariff item number: 18.

3. Provisions of tariff:
   (i) Rate of duty:
       (a) pig ham: 12%.
       (b) other: 12%.
   (ii) Duty not bound under GATT.

4. Nature of the restriction:
   (i) (a) Benelux:
       - Pig ham appears on the list of items subject to the minimum price system. However, no minimum price has been fixed. Imports of specialities are authorized.
       - Other: imports of specialities are authorized.
   (b) Other countries:
       - Imports of the specialities of the country concerned are authorized.
       - Imports of ham for re-exportation after canning are authorized.
   (ii) Nil.
   (iii) Nil.
   (iv) Nil.
   (v) Nil.

5. This item is subject to the same system as beef, veal and pork.

6. The present system has been in force since 1949.

7. Statistics (see L/357/Add.4).

8. The period required will depend on the system adopted for fresh meat.
9. The sudden and complete removal of the restriction would impair the possibility of maintaining the breeding of bovine cattle and swine on a sound economic basis. Unrestricted imports of products which are also produced in Belgium would make it more difficult to sell at remunerative prices fresh meat, production of which already exceeds domestic needs.

10. Licensing taxes depend upon the level of domestic prices.

11. Belgium intends to pursue her policy which consists in raising the quantitative and qualitative productivity of bovine livestock and swine breeding.

12. Nil.

13. As regards the specialities of the exporting countries, the necessary licences are issued without any restriction in order to make it possible to meet the domestic demand.

14. No discrimination.
5. HERRING, SPRATS AND SHRIMPS

1. Fresh herring.

2. Tariff item number: 19 b 1.

3. Provisions of tariff:
   (i) Rate of duty: free.
   (ii) Bound under GATT.

1. Fresh sprats.

2. Tariff item number: 19 b 2.

3. Provisions of tariff:
   (i) Rate of duty: free.
   (ii) Bound under GATT.

1. Other fresh fish, mackerel and fish other than herring and sprats.

2. Tariff item number: 19 b 3.

3. Provisions of tariff:
   (i) Rate of duty: free.
   (ii) Bound under GATT.

1. Herring, salted, dried or smoked.

2. Tariff item number: 20 a.

3. Provisions of tariff:
   (i) Rate of duty: free.
   (ii) Bound under GATT.
1. Sprats, salted, dried or smoked.

2. Tariff item number: 20 b 1.

3. Provisions of tariff:
   (i) Rate of duty: free.
   (ii) Bound under GATT.

4. Nature of the restrictions (general answer in respect of item numbers 19 b 1, 19 b 2, 19 b 3, 20 a, 20 b 1, 21 a 2):
   (i) (a) Benelux:
       - Fresh herring: unrestricted imports.
       - Fresh sprats: seasonal prohibition.
       - Fresh sea fish: more than 40 cm. in length: unrestricted imports;
         less than 40 cm. in length: imports under quota.
       - Shrimps: imports under quota.
   (b) Other countries:
       - Fresh herring: imports practically unrestricted, but subject to occasional restrictions.
       - Fresh sprats: imports prohibited from 1 October to 15 November, both inclusive, except in the case of sprats intended for preserving.
       - Fresh sea fish: imports under quota.
       - Herring, salted etc.: unrestricted imports from all countries (including Benelux), but subject to occasional restrictions.
- Sprats, salted etc.: unrestricted imports from all countries, (including Benelux), but subject to occasional restrictions.

- Shrimps: imports under quota.

(ii) Fresh sprats from the Netherlands are prohibited from 1 October to 15 November, both inclusive.

(iii) Trade agreements include a number of quotas. Quotas are established with countries with which Belgium has not entered into a trade agreement. The amount of the quota is determined on the basis of the price of Belgian fish.

(iv) Monthly or quarterly quotas are established taking account of the needs of the market and of the quantities supplied by Belgian sea fisheries.

(v) Quotas are allocated on the basis of a reference data. A consultative committee is requested to give an opinion as regards the amount and the allocation of the quotas.

5. Belgian sea fishing and shrimp fishing belong to an economic sector which is highly threatened and which has been undergoing serious difficulties since the end of the second world war. All North Sea countries fish on the same shoals and when the catches of a fleet are particularly plentiful, all fleets are in the same position; hence, the danger that the Belgian market may be swamped by low-priced products, while there is already a surplus of domestic availabilities.

In the case of certain categories of fish, Belgium is handicapped on account of geographic position.

It should be noted that fish imports are under quota in most countries and that efforts made under OEEC for the purpose of increasing liberalization of that particular product have not been very successful.

6. The date of the imposition of the restriction: 1948 (at a time when excessive imports resulted in a continuing look-out of the Belgian fishing fleet).

7. Statistics (see L/357/Add.4).

8. The period required for the complete removal of the restriction: 7 years.

9. The sudden and complete removal of the restrictions would impair the rationalization and modernization of the fishing fleet which has been undertaken for the purpose of placing it in a position where it can face foreign competition. Such a removal would deprive a category of producers, which is particularly worthy of interest from the social viewpoint, of their normal returns.
10. At present, and until the rationalization of the industry concerned
has given some result, the effect mentioned above could be avoided only if
one method of protection were substituted for the other.

11. The policy consists, for the time being, in awaiting the effects of the
free system of imports from the Netherlands and progressively relaxing
restrictions on imports from other countries.

12. In view of the fact that all those items are free from customs duties,
it might perhaps be possible to reach the objective aimed at if duties
were imposed so as to compensate for the price differences resulting from
the unfavourable geographic situation of Belgium. However, it is difficult
to envisage a solution of this kind in view of the Belgian position as a
member of Benelux.

13. The quotas established take account of the relative importance of
past imports. Where imports are unrestricted, any exporting country can
secure an equitable part of the Belgian market.

14. Discrimination could be eliminated if quotas were based on a previous
representative period.
6. DAIRY PRODUCTS

1. Fresh milk, whole or skimmed; buttermilk, curdled milk, fermented milk.
2. Tariff item number: 22.
3. Provisions of tariff:
   (i) Rate of duty: 10%.
   (ii) Not bound under GATT.

1. Milk cream.
2. Tariff item number: 23.
3. Provisions of tariff:
   (i) Rate of duty: 10%.
   (ii) Not bound under GATT.

1. Preserved milk and cream, condensed, without addition of sugar.
2. Tariff item number: 24a 1.
3. Provisions of tariff:
   (i) Rate of duty: 15%.
   (ii) Not bound under GATT.

1. Butter.
2. Tariff item number: 25.
3. Provisions of tariff:
   (i) Rate of duty: 15%.
   (ii) Not bound under GATT.
4. Nature of the restriction (general answer in respect of tariff item numbers 22, 24 a l, 23 and 25):

(i) (a) Benelux:

- Fresh milk: imports are subject to the minimum price system.
- Milk cream: imports are subject to the minimum price system.
- Condensed milk and cream: imports are subject to the minimum price system.
- Butter: imports are subject to the minimum price system.

(b) Other countries:

Imports are prohibited, so long as the Netherlands are in a position to supply the import needs of Belgium.

(ii) Nil.

(iii) Nil.

(iv) Nil.

(v) Nil.

5. The Belgian agricultural economy is based essentially on livestock production. The prosperity of dairy farming in particular is a determining factor for the maintenance on a sound economic basis of small holdings.

For the purpose of maintaining small holdings on a sound economic basis, in view of the fact that their economic and social importance cannot be underestimated, the Belgian policy in the field of dairy products is aimed at reserving the domestic market for domestic production.

The differential system between Benelux and other countries is to be accounted for by the fact that the general policy of our partners is aimed at gradually eliminating the differences between the conditions of production (economic and technical differences) for the purpose of reducing to an absolute minimum any possible abnormal competition. Similar agreements have not been entered into with other supplying countries.

6. The date of imposition of the restriction: end of the Second World War.

7. Statistics (see L/357/Add.4).

The Netherlands exportable surpluses far exceed the possible needs of Belgium.
7. **EGGS**

1. **Eggs** of poultry, in the shell.

2. Tariff item number: 27 a 1.

3. Provisions of tariff:
   (i) Rate of duty: 5%.
   (ii) Not bound under GATT.

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1. **Eggs**, shelled, yolks of eggs for use as food.

2. Tariff item number: 27 b 1.

3. Provisions of tariff:
   (i) Rate of duty: 5%.
   (ii) Bound under GATT.

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4. Nature of the restriction (general answer in respect of item numbers: 27 a 1 and 27 b 1):

   (i) (a) Benelux:
   
   - Eggs of poultry, in the shell: imports are subject to the minimum price system.
   - Eggs, shelled: this item appears in the list of imports subject to the minimum price system.

   (b) Other countries:

   - Eggs of poultry, in the shell: imports are prohibited so long as the Netherlands are in a position to meet the possible needs of the Belgian market.
   
   - Eggs, shelled: at present imports from all sources are unrestricted but in view of the fact that this item can be made subject to minimum prices, it must remain on the list of products which can be placed under restriction.
(ii) Nil.

(iii) Nil.

(iv) Nil.

(v) Nil.

5. There is a surplus of domestic production. Poultry is mostly concentrated in areas where industrial crops (hops, flax, tobacco, chicory for roasting) are on a better economic basis and where, therefore, the viability of holdings is already precarious. It is, therefore, necessary to reserve the domestic outlet for domestic production.

6. The date of imposition of the restriction: 1949.

7. Statistics (see L/357/Add.4).
8. CUT FLOWERS

1. Fresh cut flowers.

2. Tariff item number: 43 a.

3. Provisions of tariff:
   (i) Rate of duty: 20%.
   (ii) Bound under GATT.

4. Nature of the restriction:
   (i) Within the framework of Benelux, a special system involving the establishment of import quotas has been instituted.  
   (ii) Imports from other countries are under quota.
   (iii) and
   (iv) Commercial agreements include the following quotas:
       
       Italy: 5 million Belgian francs per year
       France: 400 tons per year
       Spain: 20 tons per year
       Other countries: 5 tons per year.
   (v) Monthly quotas are established according to the needs of the Belgian market.

5. To ensure that prices would be remunerative, special import measures are justified. Imports from the Netherlands are governed by the Benelux protocol, while quotas for imports from other countries are determined by supply and demand on the Belgian market.

6. The date of imposition of the restriction: restrictions were in force before the war.

7. Statistics (see L/357/Add.4).

8. The period required for the complete removal of the restrictions is seven years. The difference between Belgian and Dutch production costs is about 25%.

9. The only result of the removal of the restrictions would probably be a complete collapse of Belgian prices.
10. See Annex B.

11. A relaxation of the restrictions would not give any practical results in view of the fact that quotas, if established for imports from countries other than the Netherlands, are very rarely used up.

12. It is difficult to resort to other methods of protection in view of the special position of Belgium as a member of Benelux.

13. Quotas have been established after negotiations with the exporting countries interested in the Belgian market.

14. Imports are on a non-discriminatory basis. Quotas could be determined on the basis of a previous representative period.
9. POTATOES

1. Potatoes (except seed potatoes).

2. Tariff item number:
   49 a: new potatoes, imported from 1 January to 25 May inclusive.
   49 c: potatoes, not specially mentioned (i.e. new potatoes imported after 25 May).

3. Provisions of tariff:
   (i) Rate of duty: 49 a: 50%. 49 c: 10%.
   (ii) 49 a: bound under GATT. 49 c: not bound under GATT.

4. Nature of the restriction:
   (i) (a) Early potatoes. The horticultural calendar provides that imports shall be suspended from 16 May to 30 June, both inclusive. It should be mentioned that the application of the horticultural calendar is adapted to the specific conditions of the domestic crop every year.
   During trade negotiations with its traditional principal suppliers, Belgium has accepted to authorize imports until 1 June for the purpose of ensuring normal supplies to the domestic market.
   Imports of early potatoes are subject to the licensing system.
   (ii) (b) Other potatoes. Imports of potatoes included in tariff item number 49 c are also subject to the licensing system.
   Within the framework of Benelux, imports are subject to minimum price regulations. The minimum price is also the basic price in respect of imports from countries other than the Netherlands and the Grand Duchy. Where the minimum price level is reached, imports from all sources are freely authorized.

5. Potato growing is of primary importance for crop rotation in several agricultural areas of Belgium. Production therefore largely exceeds the needs of the country. Domestic human consumption being in an indirect ratio to the standard of living of the population, consumption figures rather tend to decline.
6. The restriction has been in force since 1947 when Belgium removed potato rationing and restored external trade to the private sector.

7. Statistics (see L/357/Add.4). As a general rule, domestic production of early potatoes does not meet internal demand before 15 May.

   Domestic production of semi-early and late potatoes clearly exceeds the needs of the country.

8. The Benelux agreements provide for a period of seven years for the harmonization of agricultural policies between contracting countries. A similar period at least is required for the removal of the restriction in respect of other countries.

9. The maintenance on a sound economic basis of early potato growing is of vital importance for certain areas of the country which have specialized in this sort of crop.

   The maintenance of the present area seeded to potatoes is a **sine qua non** for the agricultural economy of several agricultural areas of the country.

   The conditions of cultivation and the cost of production in several countries are such that free competition on the Belgian market would impair not only the economic soundness of this kind of cultivation, but also normal crop rotation in certain agricultural areas.

10. Nil.

11. Nil.

12. Nil.

13. As regards supplies of early potatoes to the Belgian market, free competition is permitted during the period when domestic production cannot meet the demand. As soon as the rate of domestic production reaches its maximum, the domestic market is reserved for domestic production.

   As soon as the level of domestic prices exceeds the basic price level Belgium makes it possible for any producing country to secure an equitable share of the market on the basis of free competition.
10. GENERAL NOTE RELATING TO FRUITS AND VEGETABLES
(Questions 5 - 14)

Imports of all fruits and vegetables under restriction are governed by
the same system:

- imports are unrestricted (subject to import minimum prices where
  necessary) from the Benelux countries and imports from other countries are
  subject to seasonal prohibition.

For the above reasons, the answers given are valid for each individual
commodity.

5. The reasons why it is considered necessary to maintain the restriction.

In view of the essentially perishable nature of most of the Belgian
horticultural products, and taking account of the important differences in
crop yields from year to year, sales at uncontrolled prices could result in
a complete collapse of the market which would be damaging to both domestic
producers and foreign suppliers to the extent that such supplies come in at
the same time as the domestic harvest. Belgium cannot possibly be exposed
to the risk of an influx of goods for which domestic production already covers
the greater part of domestic needs if such imports were to be at prices that
were not related in any way with the relevant costs of production.

This danger is all the more serious as most of those imports are on a
consignment basis and that, owing to inadequate knowledge of the conditions
obtaining on the market, products are often disposed of at considerable loss.

Most of the categories of fruits and vegetables are subject to a special
import system under which imports are suspended during certain periods of the
year which coincide with the time when the whole of the domestic harvest
reaches the market.

Before the war, imports of fruit and vegetables were, as a rule, under
quota restrictions.

The establishment of a quota is at present difficult because it is not
easy to compute in advance, with some degree of accuracy, what consumption
and production are going to be in view of the fact that many factors come
into play. Where the quota established is too high protection to the
corresponding branch of agriculture is not ensured, and where the quota is
too low prices reach a very high level and importers make excessive profits
at the expense of consumers.

In view of the adjustments made in the periods of prohibition subsequent
to negotiations with most of the exporting countries interested in the market
and taking account of the experience gained it can be stated that under such a
system the interests of importers and of producers could not be more fully
safeguarded. The system in question makes it possible to avoid any discrimination, and allows for the maximum of flexibility in trade, while eliminating the difficulties inherent in the allocation of licences between importers, such allocations being generally based on previous representative periods and leading to some kind of freezing in existing relative positions.

In fact the only restrictive effect of this system, as applied in Belgium, is to prevent imports which could not normally take place, because in conditions of free competition there could not be any imports considering that domestic production is absolutely capable of meeting all the needs of the domestic market at reasonable prices.

In fact, most European countries resort to the same system. Furthermore, a special Committee, where all interested circles are represented, (producers, importers and consumers) determines whether on the basis of crop estimates the periods of prohibition should be modified.

6. As indicated above, the quantitative restrictions were already in force before the war.

7. Statistics for imports, exports and production will be given for each item separately.

The figures relating to the Netherlands' import or export surpluses are also indicated.

8. Though it is not possible at this stage to indicate what period would be required for the complete removal of the restriction, account should be taken of the fact that a period of seven years is necessary as provided for the harmonization of the policies of the Benelux countries. The difference between production costs in Belgium and the Netherlands is at least 25 per cent. This difference is mostly due to the fact that labour and ground rent are less costly in the Netherlands. So long as this difference obtains some protection will be necessary. As regards the difference between the systems granted in respect of the Netherlands on the one hand and of other countries on the other, such differential treatment is justified by the particular guarantees afforded by the Netherlands; such guarantees could not be secured from all other supplying countries.

9. The sudden and complete removal of the restriction would result in a collapse of prices without a corresponding increase in imports; such a removal would deprive producers of their normal returns. Areas under cultivation would only be reduced in the long run.

Therefore the maintenance of such cultivation is fully justified from both the economic and social standpoints.
10. Unless the present method of protection is substituted by another one, it does not appear possible to avoid the consequences referred to under point 9 above, so long as the harmonization of production, which is being considered by the Benelux countries, has not brought about notable results.

An alleviation of the protection at present obtaining in other European countries would facilitate the elimination of quantitative restrictions in Belgium.

11. and 12. An increase in customs duties or the imposition of seasonal duties would not be easily practicable in view of the position of Belgium as a member of Benelux. If Belgium alone were to levy special taxes the very principle of the Customs Union might be brought into question.

It should, in fact, be noted that an increase in customs duties could be more restrictive of trade than quantitative restrictions because such a method of protection is extremely rigid.

13. The market is completely open to imports during the whole period when Belgian domestic production, possibly supplemented by the production of other Benelux countries, does not fully meet the needs of the domestic market.

14. There is no discrimination at present and Belgium does not propose to institute any.
11. FRESH VEGETABLES

1. Tomatoes.
2. Tariff item number: 47.
3. Provisions of tariff:
   (i) from 1 March to 15 April, both inclusive: 15%.
   from 16 April to the last day of February, both inclusive: 20%.
   (ii) from 1 March to 15 April, both inclusive: bound under GATT.
        from 16 April to the last day of February, both inclusive:
        not bound under GATT.
4. Nature of the restriction:
   (i) (a) Benelux: imports are unrestricted during the whole year
          subject to minimum prices being observed during the period
          when imports from other sources are prohibited.
   (ii) (b) Other countries: imports are under seasonal prohibition.
          Imports are unrestricted from 1 January to 15 May, both
          inclusive and prohibited from 16 May to 31 December, both
          inclusive.

1. Onions, shallots.
2. Tariff item number: ex 48.
3. Provisions of tariff:
   (i) Free.
   (ii) Not bound under GATT.

For the replies to questions 5, 6 and 8 to 14, see the General Note
(Section III:10) and for the statistics see L/357/Add.4.
4. Nature of the restriction:

(i) (a) Benelux:

- onions: imports are unrestricted during the whole year subject to minimum prices being observed during the period when imports from other sources are prohibited.

- shallots: imports are unrestricted.

(ii) (b) Other countries: imports are under seasonal prohibition. Imports are unrestricted from 1 February to 31 May, both inclusive, and prohibited from 1 June to 31 January, both inclusive.

1. Asparagus.

2. Tariff item number: 50 a.

3. Provisions of tariff:

(i) from 1 July to 20 April, both inclusive: 15%.
from 21 April to 30 June, both inclusive: 20%.

(ii) from 1 July to 20 April, both inclusive: bound under GATT.
from 21 April to 30 June, both inclusive: not bound under GATT.

4. Nature of the restriction:

(i) (a) Benelux: imports are unrestricted.

(ii) (b) Other countries: imports are subject to seasonal prohibition. Imports are unrestricted from 16 April to 15 February, both inclusive, and prohibited from 16 February to 15 April, both inclusive.
1. **Cauliflowers.**

2. Tariff item number: 50 b 1.

3. Provisions of Tariff:

   (i) from 1 December to 15 April, both inclusive: 10%.
   from 16 April to 30 November, both inclusive: 15%.

   (ii) from 1 December to 15 April, both inclusive: bound under GATT
   from 16 April to 30 November, both inclusive: not bound under GATT.

4. Nature of the restriction:

   (i) (a) Benelux: imports are unrestricted during the whole year subject to minimum prices being observed during the period when imports from other sources are prohibited.

   (ii) (b) Other countries: imports are subject to seasonal prohibition. Imports are free from 1 December to 15 April, both inclusive, and prohibited from 16 April to 30 November, both inclusive.

1. **Brussels Sprouts.**

2. Tariff item number: 50 b 2.

3. Provisions of Tariff:

   (i) Rate of duty: 10%.

   (ii) Not bound under GATT.

4. Nature of the restriction:

   (i) (a) Benelux: imports are unrestricted.

   (ii) (b) Other countries: imports are subject to seasonal prohibition. Imports are unrestricted from 1 March to 15 October, both inclusive, and prohibited from 16 October to the last day of February, both inclusive.
1. White and Red Cabbages.

2. Tariff item number: 50 c 1-2

3. Provisions of tariff:
   (i) Rate of duty: 5%.
   (ii) Not bound under GATT.

4. Nature of the restriction:
   (i) (a) Benelux: imports are unrestricted during the whole year subject to minimum prices being observed during the period when imports from other sources are prohibited.
   (ii) (b) Other countries: imports are subject to seasonal prohibition. Imports are unrestricted from 1 March to 15 June, both inclusive, and prohibited from 16 June to the last day of February, both inclusive.

1. Other Brassica of all kinds.

2. Tariff item number: 50 c 3.

3. Provisions of tariff:
   (i) Rate of duty: 5%.
   (ii) Not bound under GATT.

4. Nature of the restriction:
   (i) (a) Benelux: imports are unrestricted.
   (ii) (b) Other countries: imports are subject to seasonal prohibition. Imports are unrestricted from 1 July to 30 September, both inclusive, and from 1 January to 31 March, both inclusive, and prohibited from 1 April to 30 June, both inclusive, and from 1 October to 31 December, both inclusive.
1. Spinach and Endives.

2. Tariff item number: 50 d 1-2.

3. Provisions of tariff:
   (i) Rate of duty: 15%.
   (ii) Not bound under GATT in the case of spinach. Bound under GATT from 1 January to the last day of February, both inclusive, in the case of endives.

4. Nature of the restriction:
   (i) (a) Benelux: imports are unrestricted.
   (ii) (b) Other countries: imports are subject to seasonal prohibition.
      - Spinach: imports are unrestricted from 16 December to 15 February, both inclusive, and prohibited from 16 February to 15 December, both inclusive.
      - Endives: imports are unrestricted from 1 January to 31 March, both inclusive, and prohibited from 1 April to 31 December, both inclusive.

1. Various salads.

2. Tariff item number: 50 d 4.

3. Provisions of tariff:
   (i) Rate of duty 15%.
   (ii) Bound under GATT from 1 January to the last day of February, both inclusive.

4. Nature of the restriction:
   (i) (a) Benelux: imports are unrestricted during the whole year subject to minimum prices being observed during the period when imports from other sources are prohibited.
(ii) (b) Other countries: imports are subject to seasonal prohibition. Imports are under quota from 1 January to 31 March, both inclusive and prohibited from 1 April to 31 December, both inclusive.

Quotas:
- France: 1,300 tons.
- Italy: 1,250 tons.
- Spain: 300 tons.

1. Carrots.
2. Tariff item number: 50 c 1.
3. Provisions of tariff:
   (i) Rate of duty: 15%.
   (ii) Not bound under GATT.

4. Nature of the restriction:
   (i) (a) Benelux: imports are unrestricted during the whole year subject to minimum prices being observed during the period when imports from other sources are prohibited.
   (ii) (b) Other countries: imports are under seasonal prohibition. Imports are free from 1 August to 31 March, both inclusive, and prohibited from 1 April to 31 July, both inclusive.

1. Scorzonera.
2. Tariff item number: 50 e 4.
3. Provisions of tariff:
   (i) Rate of duty: 15%.
   (ii) Not bound under GATT.
4. Nature of the restriction:

(i) (a) Benelux: imports are unrestricted.

(ii) (b) Other countries: imports are subject to seasonal prohibition. Imports are unrestricted from 1 May to 30 September, both inclusive, and prohibited from 1 October to 30 April, both inclusive.

1. French Beans and Peas.

2. Tariff item number: 50 f 1.

3. Provisions of tariff:

(i) Rate of duty:
- from 15 April to 31 May, both inclusive: 10%.
- from 1 June to 14 April, both inclusive: 15%.

(ii) Bound under GATT from 15 April to 31 May, both inclusive.
Not bound under GATT from 1 June to 14 April, both inclusive.

4. Nature of the restriction:

(i) (a) Benelux: imports are unrestricted during the whole year subject to minimum prices being observed during the period when imports from other sources are prohibited.

(ii) (b) Other countries: imports are subject to seasonal prohibition.
- French beans: imports are unrestricted from 16 October to 15 June, both inclusive, and prohibited from 16 June to 15 October, both inclusive.
- Peas: imports are unrestricted from 1 September to 31 May, both inclusive, and prohibited from 1 June to 31 August, both inclusive.


2. Tariff item number: 50 f 2,
3. Provisions of tariff:
   (i) Rate of duty: 15%.
   (ii) Not bound under GATT.

4. Nature of the restriction:
   (i) (a) Benelux: unrestricted.
   (ii) (b) Other countries: seasonal prohibition.
   - Other leguminous vegetables: imports are unrestricted from 16 October to 15 May, both inclusive, and from 16 May to 15 October, both inclusive.
   - Broad beans: imports are unrestricted from 16 October to 31 May, both inclusive, and prohibited from 1 June to 15 October, both inclusive.

1. Gherkins.
2. Tariff item number: 50 g 2.
3. Provisions of tariff:
   (i) Rate of duty: 20%.
   (ii) Not bound under GATT.

4. Nature of the restriction:
   (i) (a) Benelux: unrestricted.
   (ii) (b) Other countries: seasonal prohibition. Imports are unrestricted from 1 October to 31 May, both inclusive, and prohibited from 1 June to 30 September, both inclusive.
1. Celery, Leeks, Rhubarb and other fresh vegetables.

2. Tariff item number: 50 h 3.

3. Provisions of tariff:
   (i) Rate of duty: 10%.
   (ii) Not bound under GATT.

   (i) (a) Benelux: imports are unrestricted.
   (ii) (b) Other countries: seasonal prohibition.
      - Celery: imports are prohibited during the whole year.
      - Leeks: imports are prohibited during the whole year.
      - Rhubarb: imports are unrestricted from 1 June to the last day of February, both inclusive, and prohibited from 1 March to 31 May, both inclusive.
      - Other fresh vegetables: imports are unrestricted from 16 April to 15 October, both inclusive, and prohibited from 16 October to 15 April, both inclusive.
12. **FRESH FRUIT**

1. **Fresh Grapes.**

2. Tariff item number: 57 a.

3. Provisions of tariff:
   
   (i) Rate of duty: 413 Belgian francs per 100 kg. gross.
   
   (ii) Not bound under GATT.

4. Nature of the restriction:
   
   (i) (a) Benelux: imports are unrestricted during the whole year subject to minimum prices being observed during the period when imports from other sources are prohibited.

   (ii) (b) Other countries: imports are prohibited during the whole year.

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1. **Apples and Pears.**

2. Tariff item number: 59 a and b.

3. Provisions of tariff:
   
   (i) from 1 February to 31 March, both inclusive: 6%.
   
   from 1 June to 31 January, both inclusive: 12%.

   (ii) from 1 February to 31 May, both inclusive: bound under GATT.

   from 1 June to 31 January, both inclusive: not bound under GATT.

4. Nature of the restriction:
   
   (i) (a) Benelux: imports are unrestricted during the whole year subject to minimum prices being observed during the period when imports from other sources are prohibited.

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For the replies to questions 5, 6 and 8 to 14, see the General Note (Section III:10) and for the statistics see L/357/Add.4.
(ii) (b) Other countries: seasonal prohibition.

- Apples: imports are unrestricted from 16 March to 15 July, both inclusive.

- Pears: imports are unrestricted from 16 February to 15 July, both inclusive, and prohibited from 16 July to 15 February, both inclusive.

1. Peaches, fresh.
2. Tariff item number: 60 a 2.
3. Provisions of tariff:

   (i) Rate of duty: 20%.

   (ii) Bound under GATT.

4. Nature of the restriction:

   (i) (a) Benelux: unrestricted.

   (ii) (b) Other countries: seasonal prohibition. Imports are unrestricted from 10 September to 31 July, both inclusive, and prohibited from 1 August to 9 September, both inclusive.

1. Cherries, fresh.
2. Tariff item number: 60 b.
3. Provisions of tariff:

   (i) Rate of duty:
       - imported in water: 15%.
       - other: 20%.

   (ii) Bound under GATT.
1. Plums.

2. Tariff item number: 60 c.

3. Provisions of tariff:

   (i) Rate of duty: 20%.

   (ii) Not bound under GATT.

4. Nature of the restriction:

   (i) (a) Benelux: unrestricted.

   (ii) (b) Other countries: seasonal prohibition. Imports are unrestricted from 16 July to 31 May, both inclusive, and prohibited from 1 June to 15 July.

1. Strawberries.

2. Tariff item number: 61 a 1.

3. Provisions of tariff:

   (i) Rate of duty: 20%.

   (ii) Bound under GATT.
4. Nature of the restriction:

(i) (a) Benelux: imports are unrestricted during the whole year subject to minimum prices being observed during the period when the imports from other sources are prohibited.

(ii) (b) Other countries: seasonal prohibitions. Imports are unrestricted from 1 July to 31 May, both inclusive, and prohibited from 1 June to 30 June, both inclusive.

1. Melons.

2. Tariff item number: 61 b.

3. Provisions of tariff:

   (i) Rate of duty: 15%.

   (ii) Bound under GATT.

4. Nature of the restriction:

   (i) (a) Benelux: unrestricted.

   (ii) (b) Other countries: seasonal prohibition. Imports are unrestricted from 1 October to 31 May, both inclusive, and prohibited from 1 June to 30 September, both inclusive.
13. GRAIN SEEDS

1. Wheat, barley and oats for sowing.

2. Tariff item number: ex 68, ex 71 and ex 72.

3. Provisions of tariff:
   (i) Rate of duty: free.
   (ii) Not bound under GATT.

   (i) Imports of selected seeds to be used to multiply, are unrestricted. As regards seeds sold to trade, (original seeds for first sowing, etc.) imported quantities depend upon the volume of domestic production and crop requirements. Where domestic production can adequately cover the normal requirements of the market, imports are prohibited; where domestic needs cannot be met out of domestic production, imports are either unrestricted or under quota. Imports are subject to the licensing procedure.
   (ii) Nil.
   (iii) Any quotas which may be established are global quotas. Where imports are authorized, supplying countries are solely countries which are in a position to supply those varieties which appear on the list of the species required.
   (iv) The importance of any quota which may be established depends upon the difference between estimated crop requirements and domestic production capacity.
   (v) Allocation as between importers is generally based upon imports for the last three years.

The O.C.L. informs each importer as to the amount of his individual quota so that the importer concerned can then submit an application for licence. Importers to whom a licence has been issued are free to enter into contractual arrangements with foreign correspondents taking account of internal demand and of the list of authorized varieties. A Consultative Committee has been entrusted with the task of advising the Minister of Agriculture as to the desirability of authorizing unrestricted imports or imports under quota. Each year a Technical Committee draws up a provisional or final list of those varieties which may be imported.
Furthermore, imported seeds cannot be sold to trade until they have been submitted to quality tests effected by the National Market Office, except in cases where quality tests in the country of origin afford adequate guarantees.

5. The restrictions in force are based on technical grounds. Belgium, as is the case with other Western European countries, is pursuing a policy aimed at increasing the yield of grain crops both in terms of quantity and quality. The selection of new seeds affording maximum guarantees is perhaps the most effective means in this respect.

Now, it is generally recognized that selection, which is a long-term scientific process, should rather take place in an environment where soil and weather conditions are best adapted to the conditions obtaining in the area where seeds are to be used. That is the reason why Belgium authorizes unrestricted imports of the varieties permitted either for the purpose of direct utilization or for the purpose of reproduction by producer seedsmen and reserves the right to prohibit imports of commercial seeds in order to secure preference in favour of acclimatized seeds.

Restrictions are also aimed at orientating the sale of seeds in order that they should be used in areas where they can give the best yields.

6. The restrictions have been in force since the second world war.

7. Statistics (see L/357/Add.4).

8. It seems difficult to indicate what period would be necessary for the removal of existing restrictions which are essentially technical and scientific in nature.

9. Mass imports of seeds that were not adequately acclimatized would seriously impair the necessary increase in production. Unlimited imports of grain seeds for sowing at prices well under the Belgian levels would incite producers to give up the more productive domestic qualities in favour of less costly but less efficient material. They would also impair the efforts made by seedsmen.

10. Nil.

11. A policy for progressive relaxation of the restriction does not seem to be consistent with the aim of the policy of seed selection.

12. Alternative measures compatible with the General Agreement do not afford a solution to the problems of seed selection.

13. Unrestricted imports of selected seeds make it possible for countries which can produce permissible varieties to secure an equitable share in the domestic market.

14. Existing discrimination is dictated purely by technical and scientific reasons.
14. SUGAR

1. Sugar Beet.

2. Tariff item number: 85.

3. Provisions of tariff:
   (i) Rate of duty: free.
   (ii) Not bound under GATT.

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1. Beet sugar and cane sugar.

2. Tariff item number: 122.

3. Provisions of tariff:
   (i) Rate of duty:
       - sugars intended for use in a sugar refinery: 250 frs. per 100 kg,
       - others: 300 frs. per 100 kgs.
   (ii) Not bound under GATT.

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4. Nature of the restriction—(general answer in respect of tariff items 85 and 122).

   (i) (a) Sugar beet:
       - Benelux: imports are subject to the minimum price system.
       - Other countries: imports are prohibited.

   (b) Beet sugar and cane sugar:
       - imports of sugar for domestic consumption are not at present subject to any quantitative restriction provided supplies are offered at normal prices;
       - imports under the duty-free temporary admission system for the purpose of re-exportation after refining are authorized outside price control regulations.

   (ii), (iii), (iv) and (v) Nil.
5. The maintenance of an optimum area planted to sugar beet is of vital importance for normal crop rotation in certain agricultural areas in the country.

Now the normal output of such areas exceeds the requirements of the sugar industry to supply the domestic market. Any exportable surpluses are exported either under the Sugar Agreement or on the free market. The Government establishes basic prices which make it possible for producers to secure normal returns for an output of sugar beet equivalent to domestic needs (250,000 tons of white sugar).

The private quota system which has been established by common agreement between beet growers and sugar manufacturers ensures that every beet grower can have an equitable share in the domestic market at full prices. The price paid for any supply over and above the quota in question depends upon export price levels.

The indirect quota system which exists in the case of domestic production adequately justifies the restrictions imposed on beet imports.

In the same line of thought, it is quite understandable that the Government should have taken measures to raise the prices of imported sugars to domestic levels, in view of the fact that any sugar imports automatically result in exports of corresponding quantities at world prices.

6. The present system has been in force since 1945.

7. Statistics (see L/357/Add.4).

8. The period required for the removal of the restrictions. Within the framework of Benelux, a period of seven years has been laid down for the harmonization of the national policies of the members.
15. CHICORY ROOTS


2. Tariff item number: 86.

3. Provisions of tariff:
   (i) Rate of duty: free.
   (ii) Not bound under GATT.

4. Nature of the restriction:
   (i) (a) Benelux: imports are free, subject to certification as to their Netherlands origin.
   (b) Other countries: imports depend upon the prices which dried chicory reaches on the domestic market. Where prices exceed 440 frs. per 100 kgs., import licences are issued. Issuance of licences is suspended when domestic prices fall below 415 frs. per 100 kgs. Temporary imports for re-exportation of roasted chicory are authorized from all sources.
   (ii) Nil.
   (iii) Nil.
   (iv) Nil.
   (v) Nil.

5. The differential system applied in the case of the Netherlands can be explained by the fact that chicory growing in the Netherlands meets only the Netherlands requirements and occasionally leaves a very small surplus. Belgium has always been one of the principal exporters of chicory. The decline in world consumption and, in some cases, unfair competition on the part of other exporting countries have substantially impaired the sound basis on which this kind of activity rested and the area under chicory growing has been limited to a minimum. In view of the sociological importance of this kind of crop, which involves considerable numbers of home-labourers, Belgium has deemed it useful to secure the maintenance of a minimum area which is necessary to cover the domestic requirements and normal export needs.
6. The present system has been in force since 1940.

7. Statistics (see L/357/Add.4).

8. The restriction would be required so long as eastern countries continue exporting at artificial prices.

9. The sudden and complete removal of the restriction would result in the disappearance of this agricultural activity in an area where the difficulties experienced by other industrial crops already raise serious problems for the domestic agricultural economy (cf. situation in 1952 and 1953). Furthermore, there is a serious employment problem in those areas.
16. HOPS

1. Hops.

2. Tariff item number: 87.

3. Provisions of tariff:
   (i) Rate of duty: 8 per cent.
   (ii) Not bound under GATT.

4. Nature of the restriction:
   (i) (a) Benelux: imports are unrestricted subject to certification of Netherlands origin.
   (b) Other countries: imports are under quota.
   (ii) Nil.
   (iii) A global quota for imports from all countries.
   (iv) The annual global quota is equivalent to the difference between brewers needs and estimated domestic production of the best quality.
   (v) The allocation of the quota between traditional importers is based on actual imports during the last three years.

The Consultative Committee on "hops" gives information to the Ministry of Agriculture, in particular concerning the importance of internal requirements, the domestic crop and import needs.

5. The cultivation of hops concentrates on two areas (Asse-Alost and Poperinghe) and involves high numbers of specialized labour. The purpose of the restriction is to ensure that this crop is maintained on an adequate productive basis for reasons of a social rather than economic character, while avoiding encouraging any economically unsound extension of this cultivation. However, protection is granted only in the case of hops of the first quality. In any case, the quality of this crop is being continually improved.

The differential treatment in favour of the Netherlands is attributable to the fact that Netherlands production is negligible.

6. The present system has been in force since 1945.

7. Statistics (see L/357/Add.4).
8. It is difficult to indicate the period required for the complete removal of the restriction. The improvement in quality which should make it possible for producers to face free competition from abroad is already under way.

9. The sudden and complete removal of the restriction would cause this sort of cultivation to disappear altogether. This would entail serious economic and social repercussions in areas which have been specializing in this particular crop and would further impair the re-adjustment of undertakings.

10. Nil.

11. Nil.

12. Nil.

13. In view of the fact that protection is granted only to first quality hops, the quota which represents between 50 and 60 per cent of the total domestic requirements is such that traditional exporters secure a part of the Belgian market.

14. The establishment of a global quota excludes any discrimination.
1. **Question**: Document L/357 refers to a review of the restrictions which will be maintained by the Belgian Government. Are there any quantitative restrictions on imports of any agricultural or fishery items other than those listed in L/357/Add.2? If so, what are they and what are the Belgian Government's intentions in regard to them? Does the Belgian Government propose to release immediately the items which were withdrawn from L/357/Add.2 during the discussions in the Working Party?

**Answer**: Apart from quantitative restrictions listed in document L/357/Add.2, there are at present no further limitations in Belgium to imports of agricultural and fishery products. Imports of some foodstuffs are limited to a certain extent, such as alimentary paste, groats and wheat. The question whether this restriction is to be maintained is being examined.

Items which have been withdrawn from document L/357/Add.2 have been released.

2. **Question**: What are the obligations Belgium has undertaken in Benelux as regards imposition of tariffs or quantitative restrictions against third parties and the granting of preferences to the Netherlands? The reply should be accompanied by relevant documents, including *L'Accord de Pré-Union* of 15 October 1949 (Annex 4 Chapter 1) referred to in Article 7 of the Protocol of 21 October 1950?

**Answer**: Under the Customs Union Convention, the Benelux countries apply the same customs duties on imports of goods into their territories. No customs duties are levied in the Netherlands in respect of BLEU goods and vice-versa.

In matters relating to customs duties the parties to the Union exchange preferential treatment. This is in fact the very essence of a customs union.

As regards quantitative restrictions, preference is automatically granted whenever one of the parties has to impose specific measures depending upon circumstances. The relevant principle is laid down in the Protocols of 9 May 1947 and of 21 October 1950 and in Annex V, Chapter I to the Pre-Union Agreement, the text of which is annexed hereto.

3. **Question**: The Protocol of 21 October 1950 requires Belgium so long as it retains products on List A to impose restrictions on imports of these products from third countries. Is not this requirement qualified by Belgium's obligations under the General Agreement?
Answer: The obligations laid down in the Protocol of 21 October 1950 in matters pertaining to quotas are part and parcel of action taken for the implementation of the Benelux Union in the field of agriculture. Such measures are taken under Article XXIV, paragraph 5.

Furthermore, the obligation assumed by the Benelux partners to exchange preferential treatment conforms to Article XXIV and is therefore compatible with the GATT provisions.

4. Question: Having regard to the statements by the Belgian representative referred to in paragraph 6 of the Report above, what would be the objections from the point of view of (a) Belgium and (b) the Netherlands to replacing Belgium's quantitative restrictions on imports from third countries by charges on imports from such countries into Belgium not chargeable on similar imports into the Netherlands? Would the objection be the same in the case of List A items and other items? Does the Customs Union provide for the imposition of such charges in any circumstances?

Answer: The application by Belgium of import duties that were not levied at the same time by the Netherlands would make such duties inoperative and would only result in a diversion of trade. All items subject to such charges would then enter Belgium through the Netherlands. The moment any agricultural product has been cleared through the Netherlands' customs, it is physically impossible for the Belgian customs to establish its actual origin and it would be impossible not to grant such a product the same treatment as any other products actually originating in the Netherlands.

Furthermore, such a solution would not resolve the problem of the protection which Belgian production still needs against Netherlands' production.

As regards items which appear on List A, the situation is slightly different. Products from the Netherlands are automatically subject to the minimum price system. There could be no diversion of trade in their case but foreign products could displace Netherlands' products. Unless the tax levied in Belgium on imports of items which appear on List A from third countries were prohibitive thereby preventing imports to the same extent as quantitative restrictions, the imposition of a Belgian tax alone would result in the Netherlands' products being placed in an unfavourable competitive situation as compared with items originating in third countries. The Netherlands would then not be in a position to compete either with Belgian products or products imported at lower prices.

5. Question: What is the history of the policy for establishing free exchange of agricultural products within Benelux? What progress in this policy has been achieved to date?

Answer: During the ministerial talks which were held in Brussels on 2 and 3 May 1947, the Ministers concerned laid down the basis for the preparation of the trade agreement which was to regulate trade between the Netherlands and BLEU for the period from 1 June 1947 to 1 July 1949.
It was also decided that the Ministers of Agriculture would meet for the purpose of determining how best to ensure the coordination of agricultural policies. The meeting resulted in the Agricultural Protocol of 9 May 1947 being drawn up; under this Protocol a more liberal system was instituted concerning the trade in agricultural and horticultural products which had been subject to quota and licensing measures, to the extent that import prices exceeded specified minimum prices.

During the talks which were held on 6, 7 and 8 June 1948, the Ministers laid down a number of conditions which, if fulfilled, were to make it possible for the governments to achieve the Economic Union by 1 January 1950.

In March 1949, the three governments held the view that the conditions laid down in June 1948 could be met by 1 July 1950 and that a Pre-Union system could be put into force as from 1 July 1949.

While the Pre-Union Agreement was signed on 15 October 1949, the Economic Union has not yet been fully achieved.

In the field of agriculture, the harmonization which had been provided for has not been carried through. On the contrary, an examination of the main production factors which determine the cost price of agricultural products shows that in the case of salaries and social charges the ratio between the Netherlands and Belgian total hourly earnings has been as follows:

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<tr>
<td>Belgium - 100</td>
<td>95.4</td>
<td>76</td>
<td>83</td>
<td>79</td>
<td>80</td>
<td>82</td>
<td>90 (provisional)</td>
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Other cost factors have followed a similar trend.

The significant gap between March 1949 and February 1950 is attributable to the September 1949 devaluation which reached 30 per cent in the Netherlands and 12 per cent only in Belgium.

A comparison between the above mentioned figures and production costs indicates that harmonization in the field of agriculture has not yet brought about adequate results. That is the reason why the Benelux Ministers believe that new methods should be sought and on 3 May 1955 they have established a time-table for the harmonization of the policies. They have instituted a committee which is to submit every year a plan and programme of specific measures harmonizing fully the agricultures of the three countries within a period of seven years.

The signature of the various protocols constitutes the principal milestones along the road which has been followed until now.
The first Protocol dated 9 May 1947 provides for the institution of a minimum price system applicable to all agricultural products;

The Protocol of 21 October 1950 limits the application of this system to items which appear on List A annexed thereto;

The Decision of 3 May 1955 provides that List A shall be gradually reduced and ultimately eliminated within a period of seven years.

6. Question: Will the Belgian Government describe the various means available to it and/or to the Netherlands Government for attaining a common level of agricultural prices and give as much indication as possible of the means which are likely to be adopted?

Answer: The Belgian authorities are not at present in a position to give information concerning the means which are likely to be adopted for the purpose of achieving a policy common to all the members of the Customs Union.

Under the Agreement concluded on 3 May 1955 the Belgian Minister of Agriculture is to finalize the new policy to be followed in this field within a period of one year.

This period will be used for taking stock of alternative means whereby the objective can be attained and for examining jointly with the committee for the harmonization of agricultural policies, whether the methods which appear to be adequate on the Belgian side are acceptable to the other members of the Union.

Furthermore, it should be noted that the nature and scope of the means to be adopted by Belgium will partly depend on external factors, in particular changes in the world agricultural situation, the actual extent to which other GATT countries will liberalize their imports of agricultural products and the measures which may be taken by the Netherlands towards a compromise solution.

7. Question: How is it expected that the policy of harmonization will affect the relation of Benelux costs to those of other countries?

Answer: The main purpose of the harmonization policy established under the arrangements of 3 May 1955 is to bring Belgian costs closer to Netherlands costs.

The Netherlands are already a net exporter of most of the items which are subject to Belgian quantitative restrictions. In the case of most of those items Belgium is self-sufficient and any import surplus is generally less than the corresponding Netherlands export surplus. Therefore, the Benelux Union is on the whole a net exporter of those same items.
The need to dispose of such surpluses outside the Union implies that the harmonization should result in maintaining the competitive position of the Netherlands and in placing the other members of the Union in a similar competitive position.

It is therefore essential that production costs or at least export prices should be maintained at a level which makes it possible to compete with foreign competition abroad.

8. Question: It is noted from statements of the Belgian delegation that Belgium intends to reduce the restrictions by eliminating them product by product rather than by a progressive relaxation of each restriction. Could the Belgian Government give a more precise indication than hitherto of the time by which it is hoped to remove the restrictions at any rate on some of the products?

Answer: Belgium is anxious to carry out the OEEC Decision of 14 January 1955 concerning the liberalization of agricultural items which is to be raised to 75 per cent of 1948 imports on private account, and has undertaken to withdraw some items from Schedule A as prerequisite for the removal of quantitative restrictions on imports of such items.

Over and above the withdrawal of oxen from Schedule A and liberalization thereof prior to 1 January 1956, no further decision has been made except the withdrawal and liberalization of another non-specified item.

It is not possible at present to indicate either when or in respect of which product the quantitative restrictions can be removed before the expiration of the seven year period.

The Belgian authorities are of the opinion that the work of the harmonization committee must be further advanced before a valid opinion can be expressed in this respect.

9. Question: It is noted that for a number of items, particularly fish and certain horticultural items, imports from the Netherlands are not regulated either by minimum prices or any other arrangements. In regard to certain of these items, the Belgian delegation has already indicated that it might be possible for restrictions to be abandoned comparatively soon. Could the Belgian Government give an indication of when and on what conditions they might hope to eliminate, or at what rate to start on substantial reduction of, the restrictions? What are the obstacles which stand in the way? Do they include the need for consultation or co-ordination of action with the Netherlands?

Answer: Some horticultural and fishery products are not in fact subject to any regulations within the framework of Benelux trade, though they have been submitted to quantitative restrictions when imported from third countries into Belgium.
It appears reasonable to believe that in the case of such items solutions can be found whereby the restrictions can be removed more rapidly than in the case of products subject to intra-Benelux regulations.

However it is not possible at this stage to give any further details in this respect.

To the extent that protection is necessary in this field, a solution must be found without causing any damage to the Netherlands interests.

In this respect talks should be held with the Netherlands; the members of the Union have decided under a Protocol dated 9 December 1953 to pursue a common foreign trade policy.

In conformity with the above-mentioned Decision a common liberalization list has been deposited with the OEEC. Further liberalization measures will have to be agreed.

10. Question: Would the Belgian Government provide further information concerning the Benelux Agreement of 3 May 1955, including information as to the extent to which action has been taken under that Agreement by the Belgian Government, the nature of the proposed Agricultural Fund, whether there is provision in the Agreement to deal with the situation, should it not be possible to harmonize agricultural policies completely within seven years and whether there is provision in the Agreement concerning the liberalization of imports of any particular products and, if so, the nature of such products.

Answer: Most of the relevant information concerning the Agreement of 3 May 1955 has been supplied under the above answers.

In conformity with the above-mentioned Agreement the Protocols of 9 May 1947 and 21 October 1950 have been approved by the Belgian Parliament.

The Belgian Parliament has also approved a Bill instituting an Agricultural Fund. This is an important instrument for the subsequent implementation of the harmonization of agricultural policies within the framework of Benelux.

The purposes of, and means available to, the Fund are clearly outlined in the relevant legislation.

The possibility that the harmonization might not succeed has not been envisaged. The eventuality of a serious agricultural crisis alone has been considered.

If such a crisis should come about the parties shall agree on action to be taken.

With the exception of the liberalization of oxen, the Decision of 3 May 1955 does not include any other provisions relating to the liberalization of any specific imports.