REQUEST BY BELGIUM FOR WAIVER ON ARTICLE XI

Declaration by the Belgian Delegation
at the Plenary Meeting on 31 October 1955

Mr. Chairman,

The Belgian request for a waiver from the provisions of Article XI has been elaborated in a considerable number of documents. The documentation submitted gives detailed information requested by the CONTRACTING PARTIES, including the additional information which the Working Party proposed to request within the framework of the model questionnaire which it recommended to be used for the examination of any request for a waiver. In particular, the basic circumstances which motivated the Belgian Government's decision to request a waiver are expounded in document L/357/Add.1. On the other hand, the Working Party has drawn up a very remarkable and very judicious report.

The documentation supplied has certainly been carefully examined by the various delegations. They are also familiar with the statements made by the Belgian delegation in the course of the Intersessional Committee's meeting in June. It might therefore be expected that the Belgian delegation has little further clarification to offer.

However, account has to be taken of the fact that the Intersessional Committee on the basis of the Working Party's report was of the opinion that the Belgian request was of importance per se, and was of the nature of a precedent, and that therefore a decision should be taken by the CONTRACTING PARTIES at a regular session. It is for that reason that it seems desirable that the Belgian delegation should express its views in the light of the work already accomplished, and of the considerations that were adduced on that occasion.

The specifically Belgian aspects of the problem, and those which concern the full establishment of the Benelux Union are dealt with in a detailed manner in the documentation submitted.
This documentation indicates that the difficulties of our agriculture and fisheries are attributable in part to structural factors and in part to the special conditions obtaining in agricultural production and sea fisheries. These conditions do not affect Belgium alone. They exist for all countries. It is not only in Belgium that the size of harvests is difficult to control. Variations in climate are determining factors everywhere; likewise inelasticity of consumption is a general phenomenon, the corollary to which is catastrophic collapse in prices when there is a glut of goods offered on the market. Lastly, it is a well-known fact that agricultural undertakings, in particular those of the family type, normally tend to compensate a decline in prices by an increase in production in order to maintain income at the necessary level.

In the course of the work done previously, the Belgian Delegation was happy to note that the CONTRACTING PARTIES fully appreciated the seriousness of the agricultural problem for the Belgian Government. They were also aware of the tremendous difficulty for the Belgian Government to achieve a solution which can only be a mixture of structural reforms, of paliatives and of a residual protection in conformity with the provisions of the General Agreement. The CONTRACTING PARTIES also correctly assessed the determination of the Belgian Government not to allow the weakness inherent in its agricultural system to be indefinitely prolonged through the application of artificial measures.

The importance of the time factor in the achievement of our objectives has not been overlooked. The attention of the CONTRACTING PARTIES has been particularly concentrated on that point.

The sympathy which the CONTRACTING PARTIES have shown has not turned them from their obligation to examine whether the assistance which the Belgian Government hopes to receive from its trade partners could be accorded without impairing the objectives or the spirit of the General Agreement. The Belgian Government approves of this concern all the more, as it was one to which they themselves gave much attention when they formed their policy in agreement with their Benelux partners.

What was in fact the aim pursued by the Belgian Government?

The Belgian Government has three main objectives, setting aside the purely internal objective of stability in its agriculture and fisheries, which is not a relevant consideration for the moment.

First, the Belgian Government is attempting to complete the Benelux economic union. While such an achievement does not have a direct influence on the General Agreement, it is nevertheless recognized as being along the lines of the Agreement and in its spirit.

The other two objectives of the Belgian Government are in direct relationship with the application of the General Agreement.
On the one hand the Belgian Government envisages the elimination within a given period of those forms of protection which are not in conformity with the provisions of the General Agreement. Such a determination is favourable to the strengthening of the Agreement.

One can wonder, however, and some have already done so, whether the proposals put forward to this end are the best that could have been put forward. The Belgian delegation is convinced that that is the case and that the CONTRACTING PARTIES will conclude that the Belgian Government has deviated as little as possible from the rules of the Agreement and from the decisions of the CONTRACTING PARTIES. They will recognize that the only reason why we have had recourse to Article XXV:5(a) - a way open to all contracting parties - is that the magnitude of our problem compels us to do so.

Indeed the purpose of the waiver requested is not solely to secure the transitional time-lag necessary to remove our restrictions without causing irreparable injury to our agriculture and fisheries. The waiver is also essential if the Belgian Government is to set in train the parliamentary procedure for the achievement of our third objective, which is the ratification of the basic instruments of the General Agreement and of the Organization for Trade Cooperation.

The importance to the CONTRACTING PARTIES of the achievement of the third objective need not be stressed.

The CONTRACTING PARTIES know that each Government can only act within the framework of the social structure and political climate of the country. They know too that the action that a government may take is limited by the present status of the General Agreement in relation with national legislation.

We have had an example of the understanding already shown by the CONTRACTING PARTIES. They had occasion to examine the situation resulting for one government from legislative decisions to which that government could not oppose the commitments undertaken under the Agreement. As a consequence that government was obliged to apply for a waiver which included no time-limit for the expiration of existing measures, nor any commitment regarding the removal of the underlying circumstances which necessitated recourse to special restrictions. On account of the overriding interest of maintaining the General Agreement, the request for a waiver was granted. When granting this waiver the CONTRACTING PARTIES took account both of the limits to that government's powers and of its intention to use the facilities granted with moderation.

Fortunately the Belgian request exceeds by very little the framework of the General Agreement and of the decision of 5 March 1955. That is the reason why our delegation was in a position to agree that the Working Party take advantage of the examination of the Belgian case to lay down a model procedure for the examination of any request for a waiver.
Our request is indeed the first to be submitted. We have taken this initiative for the purpose of regularizing our situation and to open the way to a stronger application of the General Agreement.

The goodwill that we have shown has been acknowledged. We hope the fact that we have considerable difficulties to overcome in order to maintain our co-operative attitude will also be recognized.

The Belgian Government is tackling the particularly arduous problems which confront a small country with a limited market and a high level of productivity at a time when that country attempts to keep its commercial policy conforming to liberal rules that many countries have not hitherto been able to apply. By this action, the Belgian Government hopes to show that no problem concerning the adjustment of any economic activity to the conditions laid down in the General Agreement is insoluble, provided it is tackled with adequate means and given the time necessary.

It is for this reason that the Belgian Government has weighed the terms in which it has submitted its request for a waiver. The period for which the waiver is requested is based on the circumstances of the case. Certain re-adjustment factors must be given the time necessary to exert their full influence. Whatever measures may be taken by the government, the rhythm of nature cannot be upset, anymore than that of the maturing of opinions.

This latter consideration is of the highest importance because the Belgian Government can neither promise or adopt measures which would not have the indispensable support of the country, nor accept a time-table which it knows would be unacceptable to public opinion.

As far as other matters are concerned, the Belgian proposals do not seem to run counter to the principles laid down by the CONTRACTING PARTIES.

In the immediate future the waiver will not have the effect of rendering the present position of other contracting parties less favourable. As time goes by and until the requested time-limit expires, their position will improve as a result of the gradual elimination of restrictions.

The commitments undertaken by the Belgian Government toward their Netherlands partners, its desire to complete the Benelux economic union, and the re-orientation of its agricultural policy which has been decided as a consequence of those commitments and that desire, constitute safeguards for the CONTRACTING PARTIES that there are reasonable prospects of removing the existing restrictions within the time requested.

Mr. Chairman, for all the above mentioned reasons the Belgian delegation is convinced that, as a result of their examination of the Belgian request for a waiver, the CONTRACTING PARTIES will decide that the application is justified and reasonable and that it should be granted.