

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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OF BELGIUM

We have agreed to participate in this Ministerial conference of GATT because we are convinced that the maintenance and strengthening of free-trade constitutes one of the indispensable conditions for economic recovery and expansion. If we were to respond to the difficulties resulting from the present economic crisis by reduced observance of the rules of free trade established in GATT, we would tremendously aggravate this crisis, which is hurting us all. The past has given us a notorious example of that process.

Like its two BENELUX partners, Belgium is an open economy par excellence. With only 9 per cent of the population of the EEC, the BENELUX countries account for some 21 per cent of European Community imports and exports.

Recently their Heads of Government and their Foreign Ministers have emphatically stated that a continuation and intensification of present protectionist trends would constitute a very special danger to the BENELUX countries, which more than any others depend on the freedom of world trade.

Consequently, it is with concern that we have watched trade-restricting measures and protectionist pressures grow in recent years. To be sure, such a tendency may seem natural in a period of recession; what is more, there are certain measures which are objectively justifiable and not contrary to the General Agreement. I shall return to them later. But there are others which, despite seeming compliance with GATT rules, Tokyo Round agreements and national legislation, actually aim, by straining the meaning of texts and applying them in a mechanical and rigid manner, at unjustified interference with imports. Or - and this is an equally worrying practice, again apparently consistent with the GATT - economic activity is organized in a way that results in considerable interference with imports.

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In many countries, and certainly in mine, the recession is seriously affecting the survival of enterprises, employment, the standard of living and, in general, the country's economic and financial equilibrium. In such difficult circumstances excess import pressure may, more than in normal times, pose a threat or cause considerable injury to enterprises.

It is in such cases that use is justified - and this is provided for by the GATT - of temporarily protective measures while the necessary adjustments are made.

In recent years, with the aim of reducing trade tensions, recourse has also been had to arrangements not covered by the provisions of the General Agreement. I am referring to voluntary limitations of exports and orderly marketing agreements.

It is in the interests of all the States present here to prevent an anarchic proliferation of such agreements from smothering international trade by partitioning it and engaging in the rigid and arbitrary apportionment of market shares. Recourse to such arrangements should remain exceptional and be a transparent process.

On the other hand, in present circumstances, international trade needs the safety valve represented by such arrangements. They have helped to reduce trade tensions which otherwise would have erupted in measures affecting all countries and consequently much more restrictive of trade. Categorical prohibition of such bilateral arrangements would thus not serve the interests of world trade expansion and would no doubt have a limited effect, for to us such a measure seems far removed from current economic realities.

I now come to agriculture.

It must be recognized that the economic trend of this sector at the world level presents some very serious problems, in particular as regards farming income, which has been hit hard by rising interest rates, energy prices and costs, and in general by the economic recession.

My Government, desiring to utilize the results of the Tokyo Round negotiations, does not want to start new negotiations. Nevertheless, to meet certain wishes, we and our Community partners are prepared to submit to consideration in a specific body all of the problems affecting the production of and trade in agricultural products, in other words, all measures and policies of any kind affecting trade in this field.

In so doing, it is not by any means our intention to establish a sort of organ of indictment, but a body of reflection, registering all measures and policies of the contracting parties - pre-existing or recently adopted - which can influence trade in agricultural products.

Mention is often made of transparency. That is precisely what my Government wants as regards measures and policies affecting activities connected with the agricultural sector, and their analysis in the light of the rights and obligations deriving from the General Agreement, with respect for the specificity of agriculture as we perceive it in GATT.

Just as the General Agreement contains provisions enabling any contracting party to protect its enterprises temporarily so that they can adapt to international competition, it also contains preferential provisions enabling the developing countries to build up competitive economic activities. In this way GATT contributes to the development of the Third World. My country intends to co-operate actively in any efforts pursuing that objective and, more particularly, for the benefit of the least-developed countries.

While it is true that the industrial countries must try further to improve access to their markets for products of the developing countries, it is also necessary for that effort to be matched by a more open market in those developing countries which have already reached an advanced stage of development in various fields. Here, as in all other chapters of GATT, it is important to balance the obligations of the contracting parties.

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In order to be brief, I have confined myself to a few points which I considered particularly important. In conclusion, let me say that I wish our conference to contribute to the revival of economic activity and international trade for the good of all the contracting parties.