

GENERAL AGREEMENT ON TARIFFS AND TRADE

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GERMAN IMPORT DUTIES ON STARCH AND POTATO FLOUR

Communication received from the Benelux Governments on 26 October 1954 with the request that this subject be included in the Agenda for the Ninth Session:

In a letter dated 30 March 1951 by the Chairman of the German Delegation to the Chairmen of the Benelux Delegations, the German Delegation at Torquay agreed to reduce as soon as possible German import duties on potato flour, starch and their derivatives to the level of the duties applied by the Benelux.

To that end, the German Delegation, being unable to accept the immediate application of these reductions, declared they were prepared to open new negotiations in the autumn of 1952.

Negotiations therefore took place at Bonn on 12 and 13 March 1953, and on that occasion it became apparent that the implementation by Germany of the undertakings given at Torquay would meet with obstacles, as a result of the difficulties which had still to be overcome by the German industry.

The Benelux countries showed understanding for the difficulties invoked by Germany, and agreed to a time limit until October 1953, in order to afford the parties concerned in the related private sectors an opportunity for consultations on the determination of appropriate means for ensuring implementation of the undertakings given.

Those consultations were, however, unsuccessful; therefore in February 1954 new government negotiations were held at Bonn at the request of the Benelux Governments.

This time the German Delegation stated that they were not adequately prepared to enter into negotiations on starch and starch derivatives, and the German Delegation only submitted the following alternative on import duties on potato flour.

1. A "gleitender Mischzollsatz" which in the event of a slight reduction in prices would have brought about a considerable increase in the existing rate of duty.
2. The establishment of a small tariff quota, provided the Benelux countries ceased all exports in excess of the quota relating to that item, the importation of which into the Federal Republic had been liberalized within the framework of the OEEC.

The above proposals could obviously not prove acceptable to the Benelux countries. The Benelux Delegation, however, suggested that the German Delegation shortly submit new written proposals to it.

No proposal has been formulated by the Germans on derivatives of potato flour, and other starches and their derivatives.

Having received a letter from the Chairman of the German Delegation, who - while suggesting again that time be allowed for an agreement to be concluded between the industrialists - held out no hope of a solution, the Benelux Governments sent an urgent appeal to the Federal Government in July 1954, to carry out implementation of the undertakings given at Torquay. The latter are, in fact, merely the counterpart of the concessions granted by the Benelux countries to Germany within the framework of the tariff agreement entered into at that time, and which the Federal Republic has enjoyed for over three years.

The Benelux Governments have to submit this question to the contracting parties to the General Agreement on Tariffs and Trade, in the event of failure by the Federal Government to take favourable action in the matter of the above-mentioned appeal before 28 October 1954.