Restriction on Imports of Dairy Products into the United States

Statement by the Danish Delegate, Mr. E. Sveinbjornsson

It is not my intention to repeat what is contained in our written statement, but I would like to make some remarks in order to underline the great importance we find is attached to this matter, not only from the point of view of the Danish cheese-producers, but also and perhaps even more when we and other Contracting Parties consider this matter on a more general background.

The Danish Government find it beyond doubt that the restrictions imposed upon the importation of cheese into the U.S. is clearly inconsistent with Article XI of the Agreement. The Agreement does not provide for the introduction of quantitative restrictions for the purpose of protecting fully developed and well established industries.

I am of course aware that the restrictions have been introduced under the Defense Production Act, but I agree in what was said by the Canadian Minister of Commerce, Mr. Howe, in his speech last Monday, when he said: "It is obvious that Defense Production and national security would seem to have very little connection with the import control of cheese".

If any such connection could be found, it should be that in my country, specially to the cheese producers, the new restrictions were felt as a bomb.

Since the end of the war we have been trying to find possibilities to raise our export to the U.S. In this we have been generously helped by the U.S. Marshall Aid, which has made it possible to build up our export industries, and also by the good advice of the Marshall authorities in our country. Add to this that in Annecy we have negotiated with the U.S. on the lowering of the import duties from 25% to 15%.

Thanks to all this, we have succeeded in our exports of cheese to the United States.

On this background it could easily be understood that we find the situation rather confusing - not to use stronger words.

We are not asking the Contracting Parties to make it possible for us to withdraw concessions we have made to the U.S. We prefer to put our case before the Contracting Parties so that they may express their opinion whether they agree or not, that the new restrictions are contrary to the GATT, the words and the spirit of the Agreement.

It has been pointed out that our export of cheese to the U.S., although important to us, is but a trifle compared with the production in the U.S. This is quite true, but I want to stress that we are not prepared to accept the idea that restrictions would be justified, if our export to the U.S. - and the export of other countries - exceeded a certain level.

The idea of GATT is to further free competition, and no other country has more than the U.S. stressed the importance of reducing all barriers to trade. I need not confine myself to mentioning the GATT, there are many other international conventions following similar lines.
This cheese case - important as it is for the industries and countries directly and particularly affected - has an overall interest as a test-case as regards economic policy of the U.S. in general, and therefore this question and the way in which it is solved, is of such tremendous interest.

We certainly hope that the restrictions will be fully and completely withdrawn. No other solution would restore belief in the future operation of the GATT.