GENERAL AGREEMENT ON TARIFFS AND TRADE

GATT Intersessional Committee

Seventh Session of the Contracting Parties to open in October

The GATT Intersessional Committee, which met on 25 and 26 February under the chairmanship of Mr. Johan Melander, Norway, decided that the Seventh Session of the Contracting Parties to the GATT will be held at Geneva and will be open on Thursday, 2 October 1952.

This date was chosen in order that the consultations which the International Monetary Fund is undertaking with a number of countries regarding their exchange restrictions may be completed and that the information so obtained may be available for the Contracting Parties in connection with the consultations which they are required to hold under the terms of the GATT. These consultations will be held during the Seventh Session.

Arrangements for a Special Session to be held in July

The Intersessional Committee recognized that, in certain circumstances, it will be necessary to call a Special Session in the second half of July, for the following reasons:

(a) U.S. restrictions on imports of dairy products. The United States representative on the Intersessional Committee, Mr. Ben Moore, made it clear that the U.S. Administration was continuing its efforts to secure the repeal of Section 104 of the Defense Production Act, under which these restrictions are imposed. The Act, currently in force, will expire on 30 June 1952 but the decision of the U.S. Congress on the renewal of the Act - and on the intended repeal of Section 104 - might not take place until the end of June, the U.S. representative said.

If it should turn out at the end of June that the U.S. is unable to withdraw the import restrictions, and if certain contracting parties ask for sanction to take counter measures, a Special Session would be convened in the second half of July, assuming that a working party would be set up early in July to examine the requests to sanction counter measures. This working party will be convened by the Executive Secretary if so requested by one of the complaining contracting parties.

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(b) The Schuman Plan. It is now thought that the governments which have signed the Schuman Plan - the Treaty instituting a European Coal and Steel Community, may be ready to bring the plan into operation at an early date. At their Sixth Session the Contracting Parties set up a working party to undertake the necessary examination of the Treaty. This working party may find it possible, to make its report to the proposed Special Session in July if the governments concerned so wish.

New Measures of Import Restrictions

The Intersessional Committee, at its meeting in January 1952, recommended that any contracting party intensifying its import restrictions should furnish detailed information promptly to the GATT Secretariat so as to enable the Chairman and the Executive Secretary to determine whether there is a prima facie case for initiating consultations under Article XII:4 (b). Since the January meeting, three governments have supplied information - and made public announcements - about modifications in their import programmes and import restrictions, namely France, Southern Rhodesia and the United Kingdom. The Intersessional Committee, at its meeting just completed, took note of the information received and decided that these measures will be considered at the Seventh Session.

Belgian Restrictions on Imports from the Dollar Area

At the Sixth Session certain governments, notably the United States, Canada and Cuba, drew attention to the Belgian import restrictions which had at that time been recently imposed against dollar goods. At the Intersessional Committee's meeting the U.S. representative, Mr. Ben More, again drew attention to these restrictions and stated that in the view of the U.S. government the Belgian action was inconsistent with Belgian obligations under GATT. The U.S. Government, he said, saw no basis for justifying these restrictions either in terms of the provisions of the GATT or in terms of devising an effective solution to the problems facing Belgium. In accordance with GATT rules, the U.S. had sought consultations with Belgium in January 1952, but no satisfactory adjustment had been effected. Accordingly the U.S. Government referred the matter to the Contracting Parties, under the provisions of Article XXIII, and requested that a working party be established to consider the problem and report back to the next Session.

The representative of Belgium, M. George Cassiers, accepted the proposal to establish a working party to ascertain the facts, and suggested that the report of the working party should not be completed until the working party had received from the International Monetary Fund the results of the consultation between the Fund and Belgium which are being undertaken this year under Article XIV of the Fund's Articles of Agreement.

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The working party will, under its terms of reference, consider, in the light of the provisions of Article XXIII, the contention of the United States that the imposition by Belgium of discriminatory restrictions against dollar imports is inconsistent with Belgium's obligations under the General Agreement, that the benefits accruing to the United States directly and indirectly under the General Agreement in its trade with Belgium are being nullified and impaired, and that the attainment of the objectives of the General Agreement is being impeded. The working party will consult as necessary with the International Monetary Fund, in accordance with Article XV of GATT.