GENERAL AGREEMENT ON TARIFFS AND TRADE

Relaxation of Import Restrictions announced at GATT Consultations

Through a specially appointed Committee, the Contracting Parties to the General Agreement on Tariffs and Trade (GATT) have held consultations with eight countries concerning the import restrictions which they are applying for the purpose of safeguarding their monetary reserves. These consultations, which have lasted for about three weeks and which have been completed today, were with Denmark, Norway, Sweden, Italy, Greece, the Netherlands, Austria and the Federal Republic of Germany. In conducting these consultations, the Contracting Parties to GATT sought advice from the International Monetary Fund.

To assist the Contracting Parties in their consultations, the Fund supplied certain documentation and its representatives participated in the discussions.

During the consultations, a number of the countries announced measures to reduce the incidence of their restrictions, including in some cases the complete freeing of a wide range of goods from import control. The Committee also took note of a number of measures of liberalization which had been announced by governments prior to, or during the course of, the consultations.

For example, Sweden announced at its consultation that as from 1 July, the import of seventeen important items, including wheat, flour and certain vegetables, from the dollar area would be exempt from licensing control. Italy is taking steps to extend the range of goods which might be freely imported from the dollar area, thus bringing its restrictions nearer to the level of
those applying on goods of non-dollar origin. Austria announced that a new
dollar free list, containing about 400 items, was being considered by the
Government and was likely to come into force about the middle of July. Norway
gave an indication of further measures of liberalization to be taken shortly.
In the case of the consultation with the Federal Republic of Germany, which
recently concluded its consultation with the International Monetary Fund, the
Committee noted that the strong foreign exchange position of that country did
not appear to justify any longer the maintenance of restrictions for balance-
of-payments reasons under Article XII of the Agreement. The Government of the
Federal Republic expressed its intention of reviewing its general import
policy and announced that further liberalization steps would be taken in the
near future and that, in particular, differences now existing between the three
free lists applicable to different currency areas would be gradually reduced.

A number of representations were made to the consulting countries con­
cerning possible improvements or simplification in the administration of their
restrictions in order to reduce any damage to the commercial interests of
other countries. The representatives of the consulting countries undertook
to bring the views expressed by other delegations to the attention of their res­
pective governments for sympathetic consideration or immediate action. More
importantly, it was brought out in the consultations that countries nowadays
are relying principally on internal fiscal and monetary measures to restore
equilibrium and to overcome any difficulties in their balance of payments,
rather than using quantitative restrictions on imports. The consulting
countries also took the opportunity during these consultations to re-affirm
that they were mindful of their international obligations and fully aware of
the desirability of achieving a freer multilateral international trade system.

The consultations also provided a useful opportunity for the countries
applying the restrictions to draw attention to the special problems and the
causes of the difficulties with which they were faced.

In October, the Contracting Parties to GATT will consult with another
eleven or twelve countries.