Draft Communiqué No. 2 (Rome Treaty)

The Intersessional Committee of the General Agreement on Tariffs and Trade met at Geneva from 14 April to 2 May 1958. The Committee was composed of the full GATT membership of thirty-seven countries. The Chairman was Mr. J.K. Jha, India, who is Chairman of the Contracting Parties to the General Agreement.

German Import Restrictions

In 1957 the Contracting Parties held a series of consultations with a number of countries which maintained import restrictions for the purpose of protecting their foreign exchange reserves. The Federal Republic of Germany took part in these consultations. It was noted that the strong foreign exchange position of the Federal Republic no longer justified the maintenance of restrictions for balance-of-payments reasons under the General Agreement. At the Twelfth Session of the Contracting Parties in October 1957 the delegation of the Federal Republic presented a new liberalization programme which the Federal Government proposed to adopt. There was a preliminary discussion of the proposed German programme during which many delegates expressed the view that the programme was insufficient to meet Germany's obligations under the GATT and it was agreed that the matter should be taken up by the Intersessional Committee.

The Intersessional Committee considered the contention of the Federal Government that, in accordance with the Torquay Protocol (by which the Federal Republic acceded to GATT), it is entitled to restrict imports of certain agricultural products specified in the German Agricultural Marketing Laws.

After the matter had been considered by a working party, the Intersessional Committee came to the conclusion that the contention of the Federal Government could not be accepted by most contracting parties and expressed its regret that the Federal Government had not considered it possible so far to eliminate its remaining import restrictions. The Committee requested the Federal Government to report to the Thirteenth Session on action taken to remove these restrictions.
Other Business

(a) The Committee decided to refer to a Panel on Conciliation a complaint by the United Kingdom that the quantity of loans by the Italian Government to Italian farmers for the purchase of tractors and other machinery of domestic, but not foreign, origin involves an element of discrimination contrary to Article III of the GATT.

(b) The Committee decided to refer to a Panel on Conciliation a complaint by Australia that since 1953 France has applied export subsidies on wheat and flour in such a manner as to secure, inconsistent with the provisions of Article XVI, more than an equitable share of world trade in these products.

(c) On 10 February 1958 the five-year transitional period of the European Coal and Steel Community was completed. The Six countries which comprise the Community have the benefit of a waiver from certain GATT obligations and have submitted annual reports during the transitional period. At this meeting of the Intersessional Committee the Member States submitted a final report describing the situation at the end of the transitional period.

The Committee paid tribute to the accomplishments of the Community during the past five years and expressed its confidence that the spirit of co-operation that had prevailed between the Member States and the Contracting Parties would be maintained in the future.