

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/31

30 September 1952

Limited Distribution

BELGIAN RESTRICTIONS ON IMPORTS FROM THE DOLLAR AREA

Résumé of Action between the Sixth and Seventh Sessions

1. At the Sixth Session the Contracting Parties discussed the measures recently imposed by Belgium on imports from the dollar area. The Belgian Government contended that these measures fell within the provisions of Article XV:9(b). Other delegations suggested that there should be consultations on these restrictions under Article XII:4(a), but eventually agreed that, in view of a Belgian statement to the effect that the Belgium-Luxemburg Economic Union was not in balance-of-payment difficulties, such consultations would not serve any useful purpose. In summing up the discussion the Chairman suggested that the Contracting Parties should not pursue the matter further at that Session, but that governments should give the matter most careful consideration while reserving all their rights to seek redress. This was agreed to by the Contracting Parties (GATT/CP.6/SR.20 and 26).
2. On 21 February 1952 the Government of the United States advised by cable that it considered that the benefits accruing to it directly and indirectly under the General Agreement in its trade with Belgium were being nullified and impaired and that the attainment of the objectives of the Agreement was being impeded as a result of the Belgian import restrictions. In accordance with the procedure envisaged in Article XXIII, the United States Government referred the matter to the Contracting Parties and requested that the Ad Hoc Committee on Agenda and Intersessional Business establish a working party to consider the problem and to report to the Contracting Parties (GATT/IC/7).
3. At its meeting on 25-26 February 1952 the Intersessional Committee considered this request and set up a working party with the following terms of reference and composition:

Terms of Reference

- (a) To 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; and to report to the Contracting Parties.

- (b) In its consideration of this matter, the Working Party should consult as necessary with the International Monetary Fund in accordance with Article XV of the General Agreement.

Composition

Chairman: Mr. J.F. Nimmo (Australia)

Belgium	Germany	Sweden
Canada	India	United Kingdom
Cuba	Netherlands	United States
France	South Africa	

In view of paragraph (b) of the Terms of Reference, the Committee directed that the date of the convening of the Working Party should depend upon the time at which the International Monetary Fund could make available information on its consultations with Belgium (GATT/IC/SR.3). The Executive Secretary communicated with the Fund accordingly.

4. Further attention was given to this question by the Intersessional Committee at its meeting on 4-5 September 1952 when it was reported that the Working Party had not been convened. The United States representative asserted the intention of his Government to press for an examination of the question at the Seventh Session. He suggested that an early submission of the required documentation be requested from the Fund, and the representative of the Fund stated that he expected the documentation would be available to the Contracting Parties before the Seventh Session.