

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/59

6 November 1952

Limited Distribution

UNITED STATES IMPORT RESTRICTIONS ON DAIRY PRODUCTS

DRAFT RESOLUTION

The CONTRACTING PARTIES

NOTE with regret from the reports submitted to the Seventh Session that the United States Government has not succeeded in its efforts to effect the repeal of Section 104 of the United States Defense Production Act.

NOTE that, as a result of amendments made to that Act, and also of consequent administrative action, it has been possible for the United States Government to mitigate for some products the restrictions imposed in accordance with Section 104 of the United States Defense Production Act.

NOTE however that Section 104 in its present form, still requires the maintenance of restrictions inconsistent with the provisions of the General Agreement; and

RECOGNISE that, although the measures introduced by the United States Government have reduced or eliminated the damage caused to some contracting parties by these restrictions, many contracting parties have indicated that they are still suffering serious damage and that some contracting parties have indicated further that the recent partial relaxation of the restrictions has not improved the position with regard to products in which they are interested.

The CONTRACTING PARTIES

CONFIRM the findings made in their resolution of 26 October 1951,

- (a) that concessions granted by the United States Government to contracting parties under the General Agreement have been nullified or impaired within the meaning of Article XXIII of the General Agreement and that the import restrictions in question constitute an infringement of Article XI of the Agreement and
- (b) that the circumstances are serious enough to justify recourse to Article XXIII, paragraph 2, by the contracting parties affected.

RESOLVE notwithstanding any recourse that contracting parties may take to Article XXIII while these restrictions are in effect,

1. TO RECOMMEND that the United States Government have regard to the effects of its continued application of these restrictive measures in breach of the General Agreement and continue its efforts to secure the repeal of Section 104 of the Defense Production Act as the only satisfactory solution of this problem and

2. TO REQUEST the United States Government to report to the CONTRACTING PARTIES at as early a date as possible and, in any case, not later than the opening of the Eighth Session of the CONTRACTING PARTIES on the action which it has taken.

The foregoing Resolution supersedes the Resolution on the same subject, adopted by the CONTRACTING PARTIES on 26 October, 1951, during the Sixth Session.