

GENERAL AGREEMENT ON TARIFFS AND TRADE

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ITALIAN DISCRIMINATION AGAINST IMPORTED AGRICULTURAL MACHINERY

Complaint by the United Kingdom

The following communication, dated 8 September, has been received by the Executive Secretary from the Government of the United Kingdom:

"In 1957 the United Kingdom made a complaint¹ to the CONTRACTING PARTIES against Italy about the operation of the rotating fund under which loans were offered to farmers for the purchase of agricultural machinery only of domestic manufacture. The United Kingdom complained that this constituted a breach of Article III:4 by Italy, and a Panel of Conciliation² acting in accordance with Article XXIII found in favour of the United Kingdom in 1958 and made a draft recommendation which was approved by the CONTRACTING PARTIES.³ Agreement was reached on the matter between the United Kingdom and Italy in November 1958; the United Kingdom withdrew her complaint but reserved the right to raise the matter again if there were any question of the discriminatory provisions of the law being renewed for a further period after their expiry in 1964.

¹The complaint by the United Kingdom in 1957 was set out in document L/649.

²The Panel of Conciliation was appointed by the Intersessional Committee in April 1958 (IC/SR.38) and the Panel's report is contained in the BISD, Seventh Supplement, page 60.

³The Recommendation approved by the CONTRACTING PARTIES is contained in the BISD, Seventh Supplement, page 23. The CONTRACTING PARTIES' discussion on this question is recorded in SR.13/8 and SR.13/18.

"Since 1958, however, the Italian Government have tabled a Bill extending the discriminatory administration of the rotating fund for five years beyond 1964. The United Kingdom Government have made representations to the Italian Government that this action runs counter to the recommendation of the CONTRACTING PARTIES and have requested the Italian Government not to proceed with the Bill in its present form but to take the present legislative opportunity to put into effect the recommendation of the CONTRACTING PARTIES by taking steps to revise the current Law in a way which would remove the present discrimination. The United Kingdom Government have further pointed out that, if the Italian Government felt unable to comply with this request, the United Kingdom Government would feel obliged to reinstate their complaint before the CONTRACTING PARTIES.

"The United Kingdom Government have been in consultation with the Italian Government on this matter but have reached no satisfactory conclusion. Accordingly, the United Kingdom Government wish to reinstate their complaint before the CONTRACTING PARTIES, and I am instructed to ask you to add this matter to the agenda for the seventeenth session of the GATT."