

SECOND SESSION OF THE EXECUTIVE COMMITTEE

**Draft of Provisional Working Arrangements between the International Trade
Organization and the International Monetary Fund**

(Item 4 (b) of the Provisional Agenda)

I. The International Monetary Fund accepts the objective of paragraph 1 of Article 24 of the Havana Charter that the International Trade Organization and the Fund shall pursue a co-ordinated policy with regard to exchange questions within the jurisdiction of the Fund and questions of quantitative restrictions and other trade measures within the jurisdiction of the Organization, and agrees to co-operate with the Organization to this end.

II. The Fund and the Organization therefore agree to bring into effect the following working arrangements as soon as the Organization is established and commences operations.

1. The two organizations will afford to each other every facility for reciprocal representation at the conferences of the Organization and the meetings of the Board of Governors of the Fund and at any other international meeting called or sponsored by either body.

2. The Executive Board of the Organization may invite a representative of the Fund to attend meetings of the Board at which questions of interest to the Fund are to be discussed; and similarly, the Executive Directors of the Fund may invite a representative of the Organization to attend meetings of the Executive Directors at which questions of interest to the Organization are to be discussed.

3. The Director-General of the Organization and the Managing Director of the Fund shall make administrative arrangements to ensure the closest possible collaboration and liaison between the staffs of the two organizations.*

* Depending upon the decision of the Organization as to the site of its headquarters, it may be desirable to provide that the Director-General and the Managing Director should consider the desirability of appointing a permanent representative of each organization at the headquarters of the other, and if, in their judgment, such appointments would facilitate collaboration and liaison between the staffs of the two organizations, they should proceed to appoint such representatives.

4. Subject to the need for the preservation of secrecy in special circumstances, there shall be the fullest possible exchange of information between the Organization and the Fund relating to foreign exchange, quantitative restrictions, monetary reserves and balance of payments.

The Organization shall furnish as required to the Fund trade statistics collected by the Organization in accordance with Article 39 of the Havana Charter. The Organization shall determine how much of, and when, this information shall be published, but if the Fund so requests any part of this information shall be supplied to the Fund confidentially prior to publication.

The Fund shall furnish as required to the ITO statistics collected by the Fund within its special sphere. The Fund shall determine how much of, and when, this information shall be published, but if the Organization so requests any part of this information shall be supplied to the Organization confidentially prior to publication.*

5. The Organization and the Fund shall co-operate in the preparation of a report, not later than 1 March 1950, and in each year thereafter, on action still being taken by Members of the Organization under sub-paragraphs (b) and (c) of paragraph 1 of Article 23 and under Annex K of the Havana Charter. This co-operation shall be intended to ensure that the preparation of the above-mentioned reports, under paragraph 1 (g) of Article 23 of the Havana Charter, and of the reports required under Article XIV, Section 4, of the Articles of Agreement of the Fund shall be co-ordinated.

6. In respect of any Member of the Organization which is not a member of the Fund, the Organization shall consult the Fund on the preparation and conclusion of a special exchange agreement between that Member and the Organization, in pursuance of Article 24 of the Havana Charter.

7. In the event that a Member of the Organization maintains multiple rates of exchange in respect of its currency, consistently with the Articles of Agreement of the Fund, the Fund shall co-operate with the Organization, under Article 35 of the Havana Charter, in the formulation

* The provisions of paragraph 4 have been drafted in general terms since the determination of the statistical responsibilities of the Organization under Article 39 is a matter which requires separate consideration and consultation with a number of specialized Agencies and the United Nations. Similarly, the statistical responsibilities of the Fund depend upon general arrangements regarding the international collection of statistics to which in due course the Organization will be a party.

of rules to govern the conversion of the currency of that Member by other Members of the Organization in determining the value of products subject to customs duties or other charges or restrictions based upon or regulated in any manner by value.

8. The Director-General of the Organization and the Managing Director of the Fund shall consult for the purpose of formulating recommendations for an agreement between the two organizations regarding procedures for consultation under paragraph 2 of Article 24. Such recommendations shall be submitted for approval by the Executive Board of the Organization and the Executive Directors of the Fund. As regards the Organization, the recommendations shall subsequently be submitted to the Conference for confirmation as required by paragraph 3 of Article 24. Pending the conclusion of a formal agreement on procedures, the Director-General and the Managing Director shall make such informal administrative arrangements as may be required for such consultations.*

* This wording leaves entirely to the discretion of the Director-General and the Managing Director the informal arrangements pending an agreement although they would no doubt seek guidance from their Executive Board and Executive Directors respectively. The Executive Committee may, however, wish to consider whether it would be desirable to give some guidance in this paragraph as to the type of arrangement which should be considered; for example, the paragraph might ask the Director General and the Managing Director to consider as part of these arrangements the establishment of a Joint Committee consisting of three members appointed by the Organization and three members appointed by the Fund, to which would be referred all questions concerning monetary reserves, balance of payments and foreign exchange arrangements which the ITO is called upon to consider; any such Joint Committee to be required to work to a timetable and to report within a specified period; the Fund meanwhile being required to communicate to the Joint Committee and to the Organization its findings on all matters in respect of which the determination of the Fund has to be accepted in accordance with paragraph 2 of Article 24.