

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED
LIMITED C
GATT/CP. 5/24
8 November 1950
ORIGINAL: ENGLISH

CONTRACTING PARTIES
Fifth Session

CONSULTATIONS ON RECENT CHANGES IN IMPORT PROGRAMMES

Letter to the International Monetary Fund
Initiating Consultation

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The Chairman of the Contracting Parties informed the International Monetary Fund on 2 June 1950 that consultations would take place with Australia, Ceylon, Chile, India, New Zealand, Pakistan, Southern Rhodesia, and the United Kingdom at the Fifth Session and initiated a consultation with the Fund in accordance with the procedure agreed to between the Contracting Parties and the International Monetary Fund. These arrangements for consultation are set forth in a letter to the International Monetary Fund of 9 September 1948 (Document GATT/CP. 2/44), as follows:

"In view of the fact that the General Agreement on Tariffs and Trade has been given only provisional rather than definitive application, it is the view of the CONTRACTING PARTIES that an elaborate agreement to implement paragraph 3 quoted above is not necessary at this time. However, questions may arise in the interim which would require the CONTRACTING PARTIES to seek the cooperation of the Fund.

"Under such circumstances it is proposed by the CONTRACTING PARTIES that the Fund agree to cooperate with the CONTRACTING PARTIES in carrying out the provisions of the General Agreement in accordance with the terms thereof and, in particular, to consult, at the request of the CONTRACTING PARTIES, on matters as contemplated by the General Agreement. If such cases arise, the Chairman of the CONTRACTING PARTIES will notify the Managing Director of the Fund of each particular instance in which CONTRACTING PARTIES desire consultation and will furnish the Fund with all information available which may assist the Fund in considering the question. Since various provisions of the General Agreement call for consultation between the CONTRACTING PARTIES and the Fund, it might be necessary in particular cases to await a meeting of the contracting parties before formal consultation could be undertaken. However, the CONTRACTING PARTIES have authorised their Chairman to initiate requests, either at the direction of the CONTRACTING PARTIES or on the Chairman's own initiative if the contracting parties are not in session, for the Fund to consult with the CONTRACTING PARTIES in accordance with the provisions of the General Agreement. This arrangement should make it possible for the Fund to undertake with a minimum of delay such studies as may be necessary and should afford the Fund opportunity to become familiar with the subject matter involved in advance of consultation with the CONTRACTING PARTIES in particular cases."

The Chairman's letter to the International Monetary Fund
initiating the consultation is reproduced below:

"I have the honour to inform you that, at their Fourth Session, the Contracting Parties decided to invite Australia, Ceylon, Chile, India, New Zealand, Pakistan, Southern Rhodesia and the United Kingdom to enter into consultation with them in accordance with the provisions of paragraph 4 (b) of Article XII of the General Agreement on Tariffs and Trade. These consultations will take place at the Fifth Session of the Contracting Parties which opens in Torquay, England, on 2 November 1950.

"In order to secure the full consultation with the International Monetary Fund which is contemplated in paragraph 2 of Article XV of the General Agreement in all cases in which the Contracting Parties are called upon to consider and deal with problems concerning monetary reserves, balance of payments or foreign exchange arrangements, I should be grateful if you would treat this communication as the initiation of the consultation under the provisions of the General Agreement, and if you would communicate and make available to the Contracting Parties such information and advice as would enable them to carry out the consultations contemplated with Australia, Ceylon, Chile, India, New Zealand, Pakistan, Southern Rhodesia and the United Kingdom under paragraph 4 (b) of Article XII of the General Agreement.

"I enclose a copy of the statement submitted by the United Kingdom delegation on the new import restrictions applied by the United Kingdom, as well as a copy of the report of the Working Party on Balance of Payments Questions set up at the Fourth Session. The information received by the Contracting Parties on the import controls applied by Australia, Ceylon, Chile, India, New Zealand, Pakistan and Southern Rhodesia is contained in documents SECRET/CP/8 and Addenda 1 and 2, which have been communicated to you. The consolidated text of these statements will be sent to you under the symbol GATT/CP/62.

"I shall forward to you any additional information which I may receive from these countries before the Fifth Session of the Contracting Parties".