

**GENERAL AGREEMENT ON  
TARIFFS AND TRADE**RESTRICTED

L/1184

6 May 1960

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CONTRACTING PARTIES  
Sixteenth SessionOriginal: English/  
FrenchCO-OPERATION WITH THE ORGANIZATION FOR EUROPEAN ECONOMIC CO-OPERATIONReport by the Executive Secretary on Developments  
since the Fifteenth Session

In a Resolution, adopted on 16 October 1959, the Council of the OEEC reaffirmed the objective of Member countries to arrive as rapidly as possible at the total freeing of their imports on a world-wide basis and instructed the Secretary-General to contact the Executive Secretary of GATT with a view to the establishment of co-operation between the Organization and the CONTRACTING PARTIES in order to facilitate the achievement of this objective. The communication which was accordingly addressed to the Executive Secretary was brought to the notice of the CONTRACTING PARTIES at the fifteenth session in document L/1098 which contained also a draft reply suggested by the Executive Secretary. The reply was approved (SR.15/14) and was communicated to the Secretary-General on 16 November 1959.

Following this exchange of letters, the Executive Secretary, on the invitation of the Steering Board for Trade, participated in the drafting of a recommendation to Members of the Organization which was intended to encourage and facilitate their individual efforts in the elimination of discrimination and in the removal of quantitative restrictions on imports. The text of the recommendation is reproduced below.

Concurrently with this co-operation in action to follow up the Resolution of 16 October 1959, the Executive Secretary entered into talks with the appropriate Officers of the OEEC with a view to implementing the collaboration envisaged in the exchange of letters of November 1959. Following these talks, the Executive Secretary was invited by the Council of the Organization to participate in its work, as well as in that of other bodies of the Organization, on matters relating to the Resolution of 16 October 1959. The Executive Secretary will attend the meetings of the Council and of the Executive Committee and will be represented by the Deputy Executive Secretary at meetings of the Steering Board for Trade.

RECOMMENDATION ADOPTED BY THE OEEC COUNCIL  
ON 2 FEBRUARY 1960

The Council

Having regard to Articles 6 and 13(c) of the Convention for European Economic Co-operation of 16th April, 1948;

Considering it necessary to encourage and facilitate Member countries' individual efforts to eliminate discrimination and remove quantitative restrictions on imports, in accordance with existing international obligations, and that the realization of these aims might be facilitated by co-operative action and by making use of the knowledge and experience of the Organization;

Believing, moreover, that the more industrialized Members should, so far as possible, take additional measures in order to obtain a better equilibrium in their balance of payments on a world-wide basis;

Having regard to the Resolution of the Council of 16th October, 1959, on New Aspects of the Organization's Contribution Towards Freeing Trade /C(59)241/;

Having regard to the Letters of 9th and 16th November, 1959, exchanged by the Secretary-General and the Executive Secretary of the GATT on the co-operation between the Organization and the GATT /C(59)274/;

Having regard to the Note by the Secretary-General of 11th January, 1960, on Future Work of the Organization concerning Liberalization of Trade and Payments and, in particular, paragraphs 6 and 10 of that Note, which it has considered at its meeting on 14th January, 1960 /C(60)10/;

I. RECOMMENDS Members whose export earnings are largely convertible:

1. to extend rapidly their existing liberalization measures to all Contracting Parties of the GATT (hereinafter called the "contracting parties");

2. to remove as rapidly as circumstances allow their remaining quantitative restrictions on imports from other Member countries and all contracting parties; and

3. to remove rapidly any discrimination between Members, and between Members and contracting parties, in the administration of all remaining restrictions.

II. RECOGNIZES that:

- (i) those Members which are contracting parties to the GATT have certain rights and obligations under that Agreement which will have to be taken into consideration in the implementation of the recommendations contained in Part I; and that

- (ii) for Members which are not contracting parties to the GATT, special problems may arise in the implementation of these recommendations.

III. RECOMMENDS co-operative action between Members, conducted in close liaison with GATT, as one of the methods which could effectively contribute to the solution of the problems which hamper a further liberalization of trade. Among such problems are those which could arise from sharp increases in imports over a brief period of time and in a narrow range of commodities; those facing countries which are largely dependent on exports of agricultural products, and those of developing countries.

IV. DECIDES:

1. Members shall provide the Organization by 31st March, 1960 with information:

(a) relating to measures taken or expected to be taken before 30th June, 1960, in compliance with the recommendations contained in Part I; and

(b) needed for the examination, provided for in paragraph 2 below concerning any important quantitative import restrictions they propose to maintain after 30th June, 1960.

2. The Steering Board for Trade shall, in close liaison with the Executive Secretary of the GATT - such as is envisaged by the exchange of letters referred to above - examine, on the basis of information provided under paragraph 1, the practical measures, founded on co-operation between Members, that might help to overcome any difficulties in the effective implementation of the recommendations contained in Part I and submit their first report in time for the Council to consider it before 1st May, 1960.

V. DECIDES that the recommendations provided for in Part I shall apply until 31st December, 1960, and shall continue, by implicit agreement, to apply after that date unless a Member is opposed to this.

VI. AGREES that liberalization of current invisible transactions should be extended on a world-wide basis and the study of possibilities for a further liberalization of capital movements on a world-wide basis should be made, taking into account the balance of payments and reserve position of Member countries.

VII. INSTRUMENTS:

1. the Board of Management of the European Monetary Agreement, in connexion with its periodic review of the overall balances of payments of individual Member countries, to make, if necessary, appropriate proposals to the Economic Policy Committee.

2. the Committee for Invisible Transactions:

(a) to submit to it before 1st May, 1960, proposals aimed at the extension of liberalization of current invisible transactions on a world-wide basis; and

(b) to study the possibilities of additional liberalization measures on a world-wide basis in the field of capital movements and to submit a first report to it thereon before 1st June, 1960.

VIII. DECIDES that this Recommendation shall not apply to Greece and Turkey as long as the Decisions specially concerning those countries remain in force.