

GENERAL AGREEMENT ON TARIFFS AND TRADE

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CONTRACTING PARTIES
Nineteenth Session

REPORT OF THE COMMITTEE ON BALANCE-OF-PAYMENTS RESTRICTIONS ON ARRANGEMENTS FOR CONSULTATIONS IN 1962

1. The Committee has conducted the consultations which it was instructed to undertake during 1961 except that with Burma which it will conduct during the nineteenth session, that with Israel which has been postponed until 1962 and those with Austria and Norway which were cancelled since these countries ceased invoking Article XII. In the light of experience it wishes to submit the following suggestions regarding the conduct of consultations in 1962, for consideration by the CONTRACTING PARTIES.

Number of consultations to be held

2. At present there remain five contracting parties invoking Article XII, namely Denmark, Finland, Japan, New Zealand and South Africa, with which consultations under Article XII:4(b) are to be held each year. Among the contracting parties maintaining restrictions under Article XVIII:B (Burma, Ceylon, Greece, India, Indonesia, Pakistan and Turkey), with which consultations under Article XVIII:12(b) are to be held at intervals of two years, such consultations have been held in 1961 with Burma, Indonesia and Turkey. Consequently, consultations in 1962 should be held under these provisions with Ceylon, Greece, India and Pakistan. In addition, three contracting parties, namely Brazil, Chile and Uruguay, apply import restrictions under the unrevised provisions of Article XII and the practice has been to invite these governments to consult under the provisions of the unrevised Article XII:4(b) at intervals of two years. Since such a consultation has been held this year with Chile, the CONTRACTING PARTIES may wish to invite the Governments of Brazil and Uruguay to consult with them in 1962. As mentioned above, the consultation with Israel has been postponed until 1962.

3. Consequently, the Committee will probably be called upon during 1962 to undertake consultations with the following twelve contracting parties:

Article XII

Denmark
Finland
Japan
New Zealand
South Africa
Israel

Article XVIII

Ceylon
Greece
India
Pakistan

Article XII (Unrevised)

Brazil
Uruguay

4. The Committee notes that the Budget Working Party in its report (L/1562) has recommended that arrangements be made to provide simultaneous interpretation in 1962 during all meetings of committees, working parties, etc. The Committee has had experience of conducting consultations both with consecutive and with simultaneous interpretation. Its experience has been that the provision of facilities for simultaneous interpretation materially reduces the time which is required for each individual consultation. In addition, many contracting parties have modified their restrictive systems to take account of the recommendations made by the Committee at previous consultations. These factors indicate that meetings in the future might be somewhat shortened.

5. The Committee also notes from its experience during 1961 that some of the contracting parties with which it enters into consultations find it convenient to do so only during, or immediately prior to, a session or a meeting of the Council.

6. In these circumstances, assuming that the CONTRACTING PARTIES decide that the Balance-of-Payments Committee should continue to conduct the consultations under Articles XII and XVIII:B on the basis of the present "plan" (BISD, Seventh Supplement, pages 97-98), the Committee recommends that:

- (i) Apart from any meetings that may be required in relation to a "substantial intensification" of restrictions, provision be made for the Committee to hold two meetings during 1962, one in the autumn and one in the spring;
- (ii) these meetings be held immediately prior to a session of the CONTRACTING PARTIES or meeting of the Council;
- (iii) the Executive Secretary be authorized to determine the dates of the meetings, taking into account the number of consultations to be held and the desirability of shortening the duration of the meetings as much as possible without endangering the effectiveness of the consultations;
- (iv) the exact time-table for the individual consultations be drawn up by the Executive Secretary in consultation with the International Monetary Fund and the contracting parties concerned.¹

7. Pursuant to Article XV:2 the CONTRACTING PARTIES should consult with the International Monetary Fund in connexion with these consultations. The Executive Secretary should, therefore, be authorized to extend the necessary invitation to the Fund.

¹It is understood that such a time-table will be drawn up before the end of the nineteenth session.