

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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RELATIONS BETWEEN THE GATT AND THE I.M.F.

Statement by the German Representative on 30 November 1954

The German delegation believes that most of the other delegations will concur with its proposal that a closer co-operation between the IMF and the CONTRACTING PARTIES be established. The aim of such closer co-operation should be to co-ordinate the activities of the two organizations to the greatest possible extent.

In this connection, one of the problems of primary importance is the division of competence between the two organizations in the field of restrictions for balance-of-payments purposes. The German delegation concurs with the proposals made by the United States delegation on 19 November 1954 (cf. GATT document W.9/23, items 3 and 4, of 19 November 1954) to the effect that the judgment of the IMF should be accepted in the question whether the balance-of-payments situation of a country, in view of its usable monetary reserves, justifies the imposition or maintenance of quantitative restrictions and, if so, what the order of magnitude of such restrictions should be; on the other hand, the CONTRACTING PARTIES should be entitled to scrutinize any proposed or actual quantitative import restrictions for the purpose of determining their actual commercial effects and of determining whether or not the restrictions, found by the IMF to be appropriate, have been administered in a protectionist manner.

We further believe that it would be useful for each of the two organizations to advise, and seek to obtain the views of, the other organization prior to taking decisions in which that other organization has a substantial interest. Of course, that procedure could only be applied in cases where it would be practicable and expedient.

The extent to which consultations between the two organizations will be possible will largely depend on the shape which the organizational set-up of the GATT will take. Under the present co-operation arrangement, the CONTRACTING PARTIES have repeatedly consulted with the Fund, but we understand that, conversely, the Fund has never consulted with the CONTRACTING PARTIES. We suppose that the reason therefor was that the GATT lacked the necessary organizational facilities for such consultations. In order to ensure the possibility of an immediate exchange of views and opinions at any time, organizational facilities will have to be provided by means of a reorganization of the GATT set-up. This purpose might perhaps be served by providing for permanent representatives of one organization with the other. As long as there are no organizational facilities for such consultations, an examination of the problem of the extent to which such consultations - over and above consultations at the discretion of the requesting organization - are to be compulsory in particular cases, should, in the opinion of the German delegation, be deferred pending an appropriate clarification of the organizational problems.