

For Immediate Attention

EBD/60/155

December 21, 1960

To: Members of the Executive Board

From: The Secretary

Subject: Invitation to Consult with the CONTRACTING PARTIES to the GATT

The attached letter of December 1, 1960, from the Executive Secretary of the CONTRACTING PARTIES to the GATT, invites the Fund to consult with the CONTRACTING PARTIES in connection with their regular balance of payments consultations to be conducted during 1961. Also attached are GATT documents L/1376/Rev.1 and L/1393, which cover arrangements and procedures for these GATT consultations and indicate the timetable for the 12 consultations scheduled for 1961.

The staff recommends acceptance of this invitation to consult with the CONTRACTING PARTIES and the despatch of the letter appearing as Attachment IV to this document. Unless an Executive Director requests discussion of this matter by the close of business on Friday, December 23, 1960, the acceptance of the invitation and the despatch of the attached letter will be deemed approved and so recorded in the minutes of the next meeting.

Att: (4)

Other Distribution:
Department Heads
Division Chiefs

GENERAL AGREEMENT ON TARIFFS AND TRADE
Genève

REFERENCE: X-XII-H

1 DEC 1960

Dear Mr. Jacobsson,

I wish to refer to the arrangements made by the CONTRACTING PARTIES at their seventeenth session for carrying out consultations under Article XII:4(b) and Article XVIII:12(b) of the General Agreement in 1961, as described in documents L/1376/Rev. 1 and L/1393 (copies attached). From these you will see that the Committee on Balance-of-Payments Restrictions has been scheduled to meet from 17 April and 16 October to carry out the two groups of consultations respectively.

In accordance with paragraph 2 of Article XV the CONTRACTING PARTIES will wish to consult with the Fund in connection with these consultations. I shall be grateful if you will please confirm the Fund's acceptance of this invitation to consult with them.

Yours sincerely,

/s/

E. Wyndham White
Executive Secretary

Mr. Per Jacobsson
Managing Director
International Monetary Fund
19th and H Street N.W.
Washington 25, D.C.

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED
L/1376/Rev.1
18 November 1960
Limited Distribution

CONTRACTING PARTIES
Seventeenth Session

ARRANGEMENTS AND PROCEDURES FOR CONSULTATIONS ON
BALANCE-OF-PAYMENTS RESTRICTIONS IN 1961

Report of the Committee on
Balance-of-Payments Restrictions

1. The Committee has considered arrangements and procedures for carrying out consultations required under Article XII:4(b) and Article XVIII:12(b) in 1961. For this purpose it reviewed the procedures and arrangements made for the consultations held in 1959 and 1960^{1/}, and found these to be generally effective and satisfactory. The Committee therefore recommends that the same procedures and arrangements be adopted for the 1961 consultations.
2. At present, seven contracting parties, namely Austria, Denmark, Finland, Japan, New Zealand, Norway and South Africa, apply import restrictions under Article XII and are required to consult each year. The following contracting parties maintain restrictions under Article XVIII:B: Burma, Ceylon, Greece, India, Indonesia, Pakistan and Turkey. Among these contracting parties, which were required to consult this year, Burma, Indonesia and Turkey have agreed that their consultations be postponed until 1961. The Governments of Brazil, Chile and Uruguay, whose import restrictions are governed by the unrevised provisions of Article XII, were invited to consult this year under paragraph 4(b) of that Article, but it was agreed that the consultation with Chile should be completed in 1961. In addition, the CONTRACTING PARTIES may wish to hold in 1961 a consultations with Israel on its import restrictions applied for balance-of-payments reasons. Present indications are, therefore, that twelve consultation will be held in 1961.
3. The Committee recommends that the consultations be divided into two groups, to be carried out at two sessions of the Committee each lasting three weeks, as follows:

April - May

Austria
Burma
Chile
Indonesia
Turkey
South Africa

October - November

Denmark
Finland
Japan
New Zealand
Norway
Israel

^{1/} These are set out in BISD, Seventh Supplement, pages 90-98, and Eighth Supplement, pages 73-76.

The Executive Secretary shall be authorized to revise the above schedule as required in consultation with the International Monetary Fund, the Chairman of the Balance-of-Payments Committee and the countries concerned.

4. As has been the case this year, meetings of the Committee should precede the sessions of the CONTRACTING PARTIES. If there should be only one session of the CONTRACTING PARTIES in 1961, one of the sessions of the Committee should be so scheduled as to precede or follow a meeting of the Council. The Executive Secretary should be authorized to determine the precise date of the meetings of the Committee in the light of the general programme of the CONTRACTING PARTIES.^{1/}

5. The Committee recommends that the Committee on Balance-of-Payments Restrictions be re-appointed with a slight modification of its composition, as follows:

Chairman: Mr. L. V. Castle (New Zealand)

Australia	France	Norway
Belgium	Federal Republic of Germany	Uruguay
Brazil	Ghana	United Kingdom
Canada	India	United States
Denmark	Japan	

6. 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.

7. The Committee considers that the provision that has been made for the supply of "basic documents" has been invaluable. It notes that the quality of such documents depends predominantly on the co-operation that the governments concerned are prepared to give in their preparation. The Committee therefore urges once again that all contracting parties applying import controls and restrictions should keep the secretariat fully and regularly informed of changes in their control systems and transmit to it all relevant documentation. For many of the consultations held in 1960, the governments concerned supplied "negative lists" of products subject to restrictions. The Committee has found such lists to be most useful and almost indispensable in conducting the consultations. It is therefore urged that the governments consulting next year make such a list available to the Committee. This list should preferably be divided into sections classifying items under the various categories of restriction.

^{1/} Cf. the proposed programme in W.17/39, which has been circulated after this report was drawn up.

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED
L/1393
25 November 1960
Limited Distribution

COMMITTEE ON BALANCE-OF-PAYMENTS RESTRICTIONS

Membership and Meetings in 1961

Chairman: Mr. L. V. CASTLE (New Zealand)

Membership:

Australia	France	Norway
Belgium	Federal Republic of Germany	Uruguay
Brazil	Ghana	United Kingdom
Canada	India	United States
Denmark	Japan	

The Committee will meet in April and October to carry out consultations under Articles XII:4(b) and XVIII:12(b), as follows:

17 to 29 April*

Austria
Burma
Chile
Indonesia
Turkey
South Africa

16 to 28 October*

Denmark
Finland
Japan
New Zealand
Norway
Israel

* To continue, if necessary, into the sessions of the CONTRACTING PARTIES which follow these meetings.

DRAFT LETTER

Dear Sir:

I wish to acknowledge and to thank you for your letter of December 1, 1960, and the attachments thereto, which deal with arrangements for the consultations under Article XII:4(b) and Article XVIII:12(b) of the General Agreement in 1961. The Fund is pleased to accept the invitation to consult with the CONTRACTING PARTIES in connection with these consultations.

Very truly yours,

Per Jacobsson
Chairman of the Executive Board
and
Managing Director

Mr. Eric Wyndham White
Executive Secretary
CONTRACTING PARTIES to the General
Agreement on Tariffs and Trade
Villa le Bocage
Palais des Nations
Geneva 10, Switzerland