

COMMITTEE ON LIAISON WITH THE CONTRACTING
PARTIES TO THE GATT

Meeting No. 34

11:00 a.m., March 15, 1951

Present: Mr. Saad, Chairman

Mr. Blomeyer
Mr. Bury
Mr. Crick
Mr. Godeaux
Mr. Hooker
Mr. Martinez-Ostos
Mr. Melville
Mr. Popovic
Mr. Southard

Also

Present: Mr. A. M. Stamp

Mr. Friedman, Deputy Director, ER Dept.
Mr. Hexner, Legal Dept.
Mr. Monteleagre, FML Dept.
Mr. Perry, ER Dept.
Mr. Shannon, ENA Dept.

F. Hodel, Secretary

1. Special Exchange Agreements - Haiti and Indonesia

The Committee took up the letters dated February 9 and February 26, 1951, from the Contracting Parties (Committee Document No. 71 and Supplement 1) relating to the implementation of the special exchange agreements which came into force with respect to Haiti on February 23 and with respect to Indonesia on February 25, 1951. The Fund was informed that the Chairman of the Contracting Parties, unless the Fund advised otherwise, would propose that the question of the communication of a par value by Indonesia and Haiti be left for consideration at the Sixth Session in September, since Indonesia was likely to become a member of the Fund soon and Haiti was again considering joining the Fund. The staff's views were before the Committee in Document No. 71, Supplement 2.

In view of the status of Indonesia's pending application for Fund membership, the Committee members believed that the request by the Contracting Parties for communication of a par value should be postponed until further advice from the Fund. It was noted that this had been the Fund's position with respect to the special exchange agreement of Ceylon. As for Haiti, the Committee reviewed the status of its application for Fund membership and noted that no

formal steps had been taken by Haiti to renew the application. The Committee was advised by the staff that from its examination of the situation in Haiti there probably would be little difficulty in reaching agreement on the present exchange rate as the par value. In the light of these factors the Committee was of the opinion that there appeared to be no reason for deferment of a request by the Contracting Parties for the communication of a par value for Haiti's currency and that the Fund should so advise the Contracting Parties. It was agreed to recommend Executive Board approval of the draft reply attached to Committee Document No. 71, Supplement 2, incorporating these views and replying to two minor questions regarding margins for gold transactions and the present schedule of par values of Fund members.

2. Avoidance of Duplication in the Collection of Statistics

The Committee also considered the proposal submitted in the letter of February 9 from the Contracting Parties (Committee Document No. 70) concerning working arrangements of an administrative nature aimed at the effective application of Article XV, paragraph 8, of the GATT and the avoidance of duplication in the collection of statistics by the Fund and the Contracting Parties. It was noted that Article XV, paragraph 8 of GATT requires a contracting party which is not a Fund member to furnish information within the general scope of Article VIII, Section 5 of the Fund Agreement.

The staff observed that as a matter of practice the Fund now receives from non-members information within the scope of Article VIII, Section 5 of the Fund Agreement. Accordingly, the proposal of the Chairman of the Contracting Parties whereby the Fund would continue this practice corresponded with the present situation. It was also proposed that upon request of the Contracting Parties the Fund would furnish the latter copies of the information received. If such information were not furnished the Fund by the non-member contracting party, the Fund could call this to the attention of the Contracting Parties who would then request the information and copies would be furnished the Fund. After hearing the views of the staff, the Committee decided that the proposal appeared satisfactory from the standpoint of the Fund and the Contracting Parties should be so advised. It was agreed to recommend Executive Board approval of the draft letter attached to Committee Document No. 70, Supplement 1.

3. Report to the Executive Board

The Chairman was asked to send a report to the Executive Board on the foregoing items.

4. Fund-GATT Relations

One member of the Committee raised the question of the Fund's part in the annual review of restrictions required of the Contracting Parties. Mr. Saad recalled the provisions of Article XI of the draft agreement between the Fund and the ITO in which it was envisioned that the Fund would assist and advise the ITO in the preparation of its reports on import restrictions and their discriminatory application and that these reports would be coordinated with the reports required under Article XIV, Section 4 of the Fund Articles of Agreement. He reminded the Committee that he had called this to the attention of the Executive Secretary of the Contracting Parties during the Torquay meeting (see page 43 of the Report of the Fund Mission to the Fifth Session of the Contracting Parties, EBS 181). He noted that Mr. Wyndham White had indicated a

desire to discuss the matter in due course but apparently it was deemed untimely to press the matter at that time. He pointed out that the draft agreement between the Fund and the ITO was drawn up when it seemed likely that a permanent ITO would come into being. Recent developments indicated this would not be so and efforts had been commenced to bring more permanence and continuity to the Contracting Parties to the GATT. Meanwhile, he noted several contracting parties had suggested a review of the existing working arrangements between the Fund and the Contracting Parties (EB Decision No. 363-1). He believed this should be reviewed since that agreement was made when it was expected the Contracting Parties would merely be a transitional arrangement pending establishment of the ITO. The question of the Fund's part in relation to the review by the Contracting Parties of import restrictions and their discriminatory application would be considered in connection with any study of the working arrangements between the Fund and the Contracting Parties.

The Committee continued an off-the-record discussion of the present status of the GATT and the position of some of the contracting parties.

Approved: April 13, 1951