

EB/CGATT/66/4

March 17, 1966

To: Members of the Committee on Liaison with the CONTRACTING
PARTIES to the GATT

From: The Committee Secretary

Subject: Preparation for Twenty-Third GATT Session

The attached paper contains the recommendations of the staff regarding preparation for the Twenty-Third GATT session and is on the agenda of the Committee meeting scheduled for three o'clock, Monday, March 21, 1966.

Att: (1)

Other Distribution:
Members of the Executive Board
Department Heads
Division Chiefs

March 17, 1966

To: Members of the Committee on Liaison with the CONTRACTING PARTIES to the GATT

From: Director, Exchange and Trade Relations Department

Subject: Preparation for Twenty-third GATT Session

The Fund has accepted an invitation to be represented at the twenty-third GATT session scheduled from March 24 to April 6, 1966 in Geneva (EBD/66/43). The annotated agenda for the session was circulated as an attachment to EBD/66/39. The following sections set forth recommendations with respect to the agenda items of chief interest to the Fund.

1. Balance of payments import restrictions

In addition to the consultations scheduled with Brazil and Spain during the session (on which recommendations are presented in EB/CGATT/66/3), the CONTRACTING PARTIES will have before them ten reports by the GATT Committee on Balance of Payments Restrictions on consultations carried out during 1965. These reports have been considered by the GATT Council which agreed to recommend their adoption by the CONTRACTING PARTIES. Fund missions reported upon these consultations in EBD/65/113 and SM/66/18; the texts of the reports of the Committee on Balance of Payments Restrictions were circulated as supplements to these documents. The staff has no information suggesting the need for Fund participation in the CONTRACTING PARTIES' consideration of the 1965 reports.

2. United Kingdom temporary import charges

Since the previous session of the CONTRACTING PARTIES, the GATT Working Party on United Kingdom Temporary Import Charges met in June and October 1965. (See EBD/65/113 and Supplement 2 thereto, and SM/66/18.) Reports on these discussions will be before the CONTRACTING PARTIES. It is not felt that the Fund representatives need be given further guidance in connection with the CONTRACTING PARTIES' consideration of the reports.

The annotated agenda notes that the GATT consultation with the United Kingdom is to be resumed and the staff has been informally advised that this resumption is not expected until after the session. It is recommended that, if it is appropriate during a discussion of the timing of the next meeting of the GATT Working Party, the Fund representative should state that the Fund expects soon to conduct an Article VIII consultation with the United Kingdom, in connection with which a staff mission is expected to visit the United Kingdom in May, and that the Fund would prefer to present its views on the balance of payments need for the temporary charges to the CONTRACTING PARTIES after the conclusion of that consultation, at which time it should also be able to transmit a full background paper.

3. Ceylon duty increases

The CONTRACTING PARTIES' decision of March 25 1965 authorized Ceylon to maintain until December 31, 1966 the temporary duty increases specified in their decision of November 15, 1962, subject to the terms and conditions of that decision, including the submission of a report in March 1966. (See EBD/65/113, page 4.) Under the 1962 decision, Ceylon was required both to report and to consult with the CONTRACTING PARTIES as to the nature of its balance of payments difficulties, alternative corrective measures which might be available, and the possible effects of the additional duty on the economies of other contracting parties. In connection with these consultations, the CONTRACTING PARTIES were to consult fully with the Fund to the extent provided in Article XV:2 of the General Agreement. (See EBD/63/35, page 13 and EBD/63/35 Supplement 1 Appendix H.) The annotated agenda for the twenty-third session refers to a report by Ceylon but not to consultation with the CONTRACTING PARTIES. If the question of consultation is raised, it is recommended that the Fund representative advise the CONTRACTING PARTIES that the Fund will shortly be consulting with Ceylon under Article XIV of the Fund Agreement (a staff mission is en route to Ceylon in this connection) and that the Fund would be prepared to consult with the CONTRACTING PARTIES when its consultation has been concluded. In accordance with previous practice, it seems likely that the CONTRACTING PARTIES would wish to schedule any consultation on the duty increases at the same time as the regular consultation with Ceylon under the balance of payments provisions of the General Agreement. As noted in EB/CGATT/66/2, this latter consultation is expected to take place later in the year.

4. Derestriction of documents

Under the procedures of the CONTRACTING PARTIES, GATT documents in the "L/" series (with the exception of reports on balance of payments consultations) are derestricted, or made publicly available, normally twice a year. The Fund, like contracting parties, has the opportunity to indicate if there are any documents included in a derestriction proposal which it wishes to remain restricted. Recommendations are submitted to the Executive Board and, after Board action, the CONTRACTING PARTIES are advised as to the Fund's views on the matter. The Fund has on occasion requested that certain documents or portions thereof remain restricted, as where a report on a GATT balance of payments consultation or a Fund decision transmitted in connection therewith was included, apparently by inadvertence, in the proposed derestriction (see EBD/58/157, EBD/59/15, and EBD/63/7); where a Fund statement to the GATT was incompletely quoted (EBD/61/76); where Fund communications regarding the operation of special exchange agreements with nonmembers of the Fund were quoted and referred to (EBD/61/115); where documents reproduced Fund statements and were similar to reports on balance of payments consultations (EBD/63/7 and EBD/65/80); and where an inaccurate reference had been made to the Fund in a document for which a revision had been issued (EBD/65/188). The Fund's wishes in these matters have been respected.

An item on the provisional agenda for the twenty-third session relates to a proposal by the Director-General of the GATT that a wider range of documents should be derestricted so that copies could be given or shown to those requesting them, particularly universities, libraries and the press. The Director-General's proposal, reproduced as Attachment B to EBD/66/39, lists a number of recommendations which might be submitted to the session. If these recommendations were approved by the CONTRACTING PARTIES, the GATT Committee on Trade and Development would be given authority to decide from time to time on the documents pertaining to its work which could be derestricted and, in addition, the following documents would be derestricted 60 days after the close of the twenty-third session, subject to any requests that might be made by contracting parties or international organizations that particular documents remain restricted:

- (i) documents of Committee I, which dealt with the 1960 tariff conference 1/
- (ii) documents of Committee II, which deals with agriculture
- (iii) documents of Committee III, which dealt with other barriers to the exports of developing countries 1/
- (iv) documents of the Action Committee 1/
- (v) documents of the Cotton Textiles Committee
- (vi) documents of the Council of Representatives
- (vii) minutes of the Council
- (viii) summary records of the sessions of the CONTRACTING PARTIES, up to the twenty-first session in February-March 1964
- (ix) documents in the "L/" series, issued between October 1, 1965 and the end of the twenty-third session

Assuming that the Director-General's proposals were agreed, formal notification regarding the derestriction of the above documents would presumably be received by the Fund after the end of a session. It would however, appear desirable that the Fund's representatives to the session be in a position to express a view on the proposal. While the staff has not yet been able to complete its review of the documents which would be involved, certain observations are possible. The documents listed in

1/ These Committees are no longer in existence.

items (i) to (vi) in the above tabulation contain few references to the Fund and it seems unlikely that they will be found to contain material the derestriction of which would cause difficulties for the Fund. Item (ix) covers "L/" series documents such as have in the past been derestricted, and it is assumed that a derestriction proposal with respect to these documents can be handled in the Fund in the same fashion as in the past. Items (vii) and (viii), the minutes of the Council and the summary records of the sessions of the CONTRACTING PARTIES, contain a large number of references to the Fund. These include (a) comments of various sorts made by delegates during the course of the discussions on various topics; (b) discussions of Fund-GATT working relations; and (c) fairly detailed paraphrases of Fund statements, e.g., on the need of individual countries for the use of restrictions or surcharges, where the statements provided in Fund-GATT consultations were made in meetings of the Council or the CONTRACTING PARTIES rather than to a working party.

It is recommended that, if appropriate in the consideration of the Director-General's derestriction proposal, the Fund representatives at the session should participate in the discussion, being guided by the position taken by the Fund in response to previous proposals for the derestriction of GATT documents; the Fund representatives should also indicate that the Fund assumes that it will be given adequate time for the examination of all derestriction proposals including proposals related to documents of the Committee on Trade and Development which contain references to Fund statements or material.

5. Other matters of interest

The agenda for the twenty-third session contains other items of interest to the Fund but on which specific guidance is not believed necessary. It is recommended that the Fund representatives to the session follow developments in connection with these matters and report thereon to the Fund.