

EB/CGATT/53/1

January 26, 1953

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

FROM: A. Z. Saad, Chairman

SUBJECT: Relations with the CONTRACTING PARTIES to the GATT

The staff has submitted the attached memorandum containing its recommendations regarding the Fund's replies to several letters recently received from the CONTRACTING PARTIES. I suggest that the Committee agree to the staff's recommendations and draft letters.

If no member of the Committee objects before 9:00 a.m. February 2, 1953, I will assume that the Committee approves recommending the staff's proposals to the Executive Board. Otherwise, a meeting will be called as soon as possible to discuss these matters.

Att: (1)

ES/
~~EE~~ *[Signature]*

Legal Department
Central Files

January 26, 1953

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

From: Director, Exchange Restrictions Department

Subject: Relations with the CONTRACTING PARTIES to the GATT

The Fund has received a number of communications from the Executive Secretary of the CONTRACTING PARTIES to the GATT. The staff's recommendations with respect to these matters are set forth below.

1. Consultations under Articles XII:4(b) and XIV:1(g) of the GATT

In a letter of November 24, 1952 (EBD/52/196), the Executive Secretary outlined the status of consultations to be conducted under Articles XII:4(b) and XIV:1(g) of the General Agreement and indicated the desire of the CONTRACTING PARTIES to consult with the Fund with respect to these consultations. The staff recommends that the letter appearing as Attachment I to this memorandum be sent in reply to this letter from the Executive Secretary.

2. Reports and Consultations Under Special Exchange Agreements

Certain matters in connection with the operation of the special exchange agreements are dealt with by the Executive Secretary in a letter dated November 25, 1952 (EBD/52/198). In that letter the Fund is asked to confirm its willingness to submit reports on restrictions maintained by any governments which may be governed by special exchange agreements with the CONTRACTING PARTIES and its agreement to the continuation for 1953 of the 1952 arrangements with respect to any consultation under Article XI of a special exchange agreement. The staff recommends that the letter appearing as Attachment II be sent in reply to this letter.

3. Enquiry concerning Greek Tax

By a letter of December 10, 1952 (EBD/53/7) the Executive Secretary has advised the Fund of the status of the CONTRACTING PARTIES' consideration of a complaint laid against a tax imposed by the Government of Greece and stated that the CONTRACTING PARTIES wish to know whether, in the opinion of the Fund, the tax imposed constitutes a multiple currency practice and, if so, whether it is in conformity with the Fund Agreement. The staff is preparing a memorandum for the Executive Board on the Greek restrictive practices. The settlement of the problems involved will enable the questions raised by the CONTRACTING PARTIES to be answered. Meanwhile the staff recommends that the letter appearing as Attachment III be sent in this connection.

4. Derestriction of GATT Documents

The Fund has been informed by the Deputy Executive Secretary of the CONTRACTING PARTIES (EBD/53/15) that in accordance with the existing procedure for the derestriction of GATT documents certain documents, including those listed below, will be derestricted on February 10, 1953, unless the withholding of them from derestriction is requested.

- L/23/Add.1 - Results of the Fund's Article XIV consultation with Australia, Italy, The Netherlands and the United Kingdom as set forth in the Fund's letters of October 2, 1952 to the Chairman of the CONTRACTING PARTIES.
- L/24/Add.1 - Results of the Fund's Article XIV consultation with France, as contained in the Fund's letter of October 2, 1952 to the Chairman of the CONTRACTING PARTIES.
- L/31/Add.1 - Results of the Fund's Article XIV consultations with Belgium-Luxembourg as set forth in the Fund's letter of October 2, 1952 to the Chairman of the CONTRACTING PARTIES.
- L/32 - Report of the Executive Secretary, to which is attached as Annex A, the report of the Chairman of the CONTRACTING PARTIES, which deals with various matters of Fund-GATT relations with respect to the special exchange agreements with Haiti, Indonesia and the Federal Republic of Germany, and includes the text of the Fund's letter of October 2, 1952, suggesting postponement of the Article XI consultation with Indonesia (see Attachment 5 of EBD/53/8). The Executive Secretary's report also contains, as Annexes B and C, the reports prepared by the Fund on restrictions on payments and transfers in Haiti and Indonesia for the use of the CONTRACTING PARTIES in preparing their 1952 reports required by the special exchange agreements.
- L/51 - First Report of the Working Party on Balance of Payments Import Restrictions on the consultations conducted at the Seventh Session. The report quotes the results of the Fund's Article XIV consultation with each of the seven countries consulting and the Fund's determinations on monetary reserves in connection with the consultations with Australia, Ceylon, France, Pakistan and the United Kingdom on the intensification or modification of their import restrictions. (See pp. 13-27 and Attachment F of EBD/53/8).

The staff recommends that the Fund request continued restriction of all the above documents except the Executive Secretary's report in L/32 and Annexes B and C thereof. In connection with Annexes B and C of L/32, it is recalled that the Fund did not object to the derestriction of similar reports on Haiti and Indonesia prepared for the CONTRACTING PARTIES in 1951 (EBM/52/15). It is recommended that the letter appearing as Attachment IV be sent to the Executive Secretary.

DRAFT LETTER

Dear Sir:

In your letter of December 10, 1952, you ask on behalf of the CONTRACTING PARTIES whether, in the opinion of the Fund, the tax imposed by Greece under the Decree of October 7, 1952, constitutes a multiple currency practice and, if so, whether it is in conformity with the Fund's Articles of Agreement. The Fund is pleased to be of assistance to the CONTRACTING PARTIES in this matter and is therefore giving consideration to these questions. I shall advise you further in due course.

We appreciate your sending us the documents relevant to this matter and we should be grateful if you could send us copies of any further material which you may receive and which may have a bearing on the consideration of the matter by the CONTRACTING PARTIES or by the Fund.

Yours sincerely,

Ivar Rooth
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 Chene
Geneva 10, Nations Unies
Switzerland

DRAFT LETTER

Dear Sir:

This is in reply to Mr. Royer's letter of January 6, 1953, concerning the derestriction of documents of the CONTRACTING PARTIES as set forth in your Document INF/18.

The Fund has no objection to the derestriction of the Executive Secretary's report in L/32 and Annexes B and C thereof, provided this is agreeable to the governments concerned. The Fund requests, however, that the following documents be withheld from derestriction: L/23/Add.1, L/24/Add.1, L/31/Add.1, Annex A of L/32 and L/51.

Sincerely yours,

Ivar Rooth
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 Chene
Geneva 10, Nations Unies
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