At the outset of yesterday’s meeting of the Contracting Parties the Chairman, L. Dana Wilgress, welcomed the representative of Greece, M. Dimitri A. Naoum, whose country was admitted as a Contracting Party on 8 March.

Item 10 of the agenda - Communication from South Africa on the Application of Import Restrictions - was referred to the Working Party dealing with Balance of Payments Questions. The Chairman pointed out that since the International Monetary Fund is currently considering the financial aspects of South Africa’s import restrictions, the representatives of the IMF would be closely associated with the Working Party’s task.

Commenting on the South African import restrictions, imposed for balance of payments reasons, Mr. H. van Blankenstein said that to a certain extent they had been applied on a non-discriminatory basis, simply by using a prohibited list. This, he said, had had serious effects on South African imports from the Netherlands. Mr. van Blankenstein gave the following figures: in the four pre-war years Netherlands exports to South Africa were valued at a yearly average of 12.4 million guilders; in 1947/48, 23 million guilders; in 1949, 8.5 million guilders. Netherlands imports from South Africa were valued at 3 million guilders average in the four pre-war years; at 13 million guilders in 1947/48; and at 25 million guilders in 1949.

Mr. van Blankenstein pointed out the possibility that, although the South African prohibited list was intended to affect mainly non-essential or luxury goods, it might be having a secondary effect of protecting home industries. He asked whether such items as yeast, butter, casein, matches or starch were luxuries. He argued that a “prohibited list” of imports must always have a greater protective effect than quantitative restrictions instigated by bilateral agreements. Such agreements as these, he said, had allowed European industries producing non-essential items to survive.

It was agreed that this was a matter which the working party might consider.

The Contracting Parties also heard statements from contracting parties and acceding governments which are not members of the International Monetary Fund, arising out of agenda item 15, on Special Exchange Agreements.

At the Third Session, a draft of a Special Exchange Agreement to be concluded by the Contracting Parties as a whole with any contracting party not a member of the IMF was adopted. It was agreed that at the Fourth Session the Contracting Parties should consider the procedural arrangements that will be necessary to implement the provisions of the Special Exchange Agreements. At yesterday’s meeting the following contracting parties and acceding governments, not members of IMF, stated their positions: Ceylon, Burma, Indonesia, New Zealand, Pakistan and Sweden.
A working party was set up under the chairmanship of Mr. C.J.F. Steyn, South Africa, to consider in close consultation with the representatives of the International Monetary Fund, questions arising out of the conclusion of Special Exchange Agreements, including arrangements for their implementation.

The Contracting Parties opened their discussion on agenda item 8, Australian Subsidy on Ammonium Sulphate. This will be continued today and summarized in a later press release.