The Contracting Parties today adopted the report of the Working Party which dealt with Import Restrictions employed for Balance of Payments reasons, under the chairmanship of Mr. John J. Deutsch, Canada. The task of the Working Party was to examine the documentation submitted on the discriminatory application of import restrictions under the arrangements set out in Article XIV and Annex J of the General Agreement and to prepare a draft report. The Working Party also had to recommend arrangements for keeping the Contracting Parties regularly informed about action taken to deal with balance of payments difficulties by means of discriminatory import restrictions; and to determine which Contracting parties are substantially changing their import programmes and should therefore be invited to consult with the Contracting Parties in accordance with Article XII: 4(b).

In the course of examining the documentation submitted by contracting parties on the discriminatory application of import restrictions under Article XIV and Annex J, the Working Party also obtained information regarding changes in their import programmes made by contracting parties since the date on which the respective governments became contracting parties. The following are the contracting parties whose import restrictions imposed for balance of payments purposes were examined in this connection: Australia, Canada, Ceylon, Chile, Czechoslovakia, France, Greece, India, Netherlands, New Zealand, Norway, Pakistan, Southern Rhodesia, South Africa and the United Kingdom. In addition, the Working Party understood that Brazil and Burma are applying restrictions under Article XII, but Burma did not reply to the Secretariat's enquiry of 7 October, 1949, and the reply of Brazil was received too late for consideration at the Fourth Session.

The information presented to the Working Party indicated that there had been changes in the import programmes in the case of Australia, Ceylon, India, New Zealand, Pakistan, Southern Rhodesia, the United Kingdom and Chile.

The representatives of Australia, Ceylon, India, New Zealand, Pakistan, Southern Rhodesia and the United Kingdom informed the Working Party of the agreement reached in July, 1949, by these countries to endeavour to reduce dollar imports by 25% below the level of 1948 in order to halt a severe drain on their central reserves. The representatives of Australia, Ceylon, Chile, India, New Zealand, Pakistan, Southern Rhodesia and the United Kingdom stated that they were willing to enter into consultation with the Contracting Parties regarding the recent changes in their import programme. The Contracting Parties accepted the recommendation of the Working Party that consultations under Article XII: 4(b) be undertaken with these eight countries regarding the recent changes in their import programmes, at the Fifth Session of the Contracting Parties.
The Working Party also examined the communications from the Government of South Africa describing the system of import restrictions introduced on 1 January, 1950, on which South Africa had consulted with the Contracting Parties during the Third Session at Annecy. The Working Party recommended and the Contracting Parties agreed that the consultation undertaken by South Africa under Article XII: 4(a) be considered by the Contracting Parties as having been satisfactorily concluded. Further consideration of the discriminatory aspects of the South African programme will be deferred pending the receipt of a further report of the International Monetary Fund on the financial aspects of the South African import restrictions.

A summary of the Report by the Contracting Parties on the Discriminatory Application of Import Restrictions is given in the release which follows: GATT No. 22