GENERAL AGREEMENT ON TARIFFS AND TRADE
Seventh Session of the CONTRACTING PARTIES

Balance-of-Payments Import Restrictions: Working Party Constituted

The CONTRACTING PARTIES have set up a working party to deal with the agenda item concerning balance-of-payments import restrictions.

The working party will conduct consultations with Australia, Ceylon, Italy, Netherlands, New Zealand, Southern Rhodesia, South Africa and the United Kingdom under Article XIV:1(g). The working party will also prepare the Third Annual Report on the discriminatory application of restrictions, as required under this Article.

The working party will consult with Australia, France, Southern Rhodesia and the United Kingdom and perhaps other countries concerning the intensification of their balance-of-payment import restrictions since the Sixth Session.

Following a general discussion by the representatives of the CONTRACTING PARTIES, the Chairman said that these consultations would be conducted in the light of the balance-of-payments positions of the various countries: on this aspect there would be full consultation with the International Monetary Fund. It was generally agreed, he said, that whereas in the past the consultations had concentrated more on the financial aspect, there should this time be rather greater emphasis on practical trade aspects.

The Chairman said he felt that there was agreement that they should avoid any suggestion or feeling that the countries with whom consultations are taking place are defendants in a cause and other contracting parties are plaintiffs; a consultation under the GATT is a discussion of mutual problems undertaken in the common interest, he said. He would appreciate, he added, the wish of those countries which largely relied on exports to see import restrictions disappear as soon as possible; but at the same time the financial position of some countries was such as to require restrictions to safeguard their balance-of-payments position.