IMPORT RESTRICTIONS IMPPOSED BY THE UNION OF SOUTH AFRICA

Addendum

The Chairman of the Contracting Parties has received the following communication dated 22nd March, 1949, from the Managing Director of the International Monetary Fund:

"Reference is made to my letter of January 18 and your reply of January 28, 1949. Your letter of January 28 provides: "... I should be grateful if you would treat my earlier communication as the initiation of a consultation under the provisions of Article XV of the General Agreement on Tariffs and Trade, and communicate and make available to the Contracting Parties such information and advice additional to that contained in your letter of 18 January 1949 as might be of assistance to them in their consultations with the Government of South Africa in accordance with Article XII (4)(a) of the General Agreement."

"In accordance with your request the Fund considers your communication of November 26, 1948, as the initiation of consultation with regard to the import prohibitions imposed by South Africa on November 5, 1948. As you know, these import prohibitions were introduced by South Africa simultaneously with exchange restrictions, and the Fund has had to deal with the latter at an earlier stage. From the standpoint of their effect on the future volume of South African imports, these prohibitions are of relatively minor importance as compared with the exchange restrictions.

"Attached hereto is a report containing data on the monetary reserves and balance of payments of the Union of South Africa as well as a statement of developments bearing on the external payments position of the Union. This information, it is believed, may serve to elucidate and support the comments and conclusions contained in the Fund's letter to you of January 18, 1949, and may thus be useful in your consultation with the Government of South Africa. The data used in the attached paper are intended for the internal use of the CONTRACTING PARTIES only, since not all of them have been published."

"The South African Government has recently announced that it is about to introduce a new system of import controls applying to both sterling area and non-sterling area imports. The prohibition list, moreover, will be extended shortly. These new measures have been briefly mentioned in the report, but no detailed information is available."

A copy of the report mentioned in the third paragraph of the above letter is distributed with this document to each of the Contracting Parties. The report is to be treated as strictly confidential."