1. In the course of reviewing the Agreement at the Ninth Session, the Working Party appointed by the CONTRACTING PARTIES to review those provisions relating to import restrictions set up a Sub-Group to study relations between the CONTRACTING PARTIES (and the future Organization) and the International Monetary Fund. The Sub-Group's report (Basic Instruments and Selected Documents, 3rd Supplement, pp. 195-205) was examined by the Working Party and submitted to the CONTRACTING PARTIES with the recommendation that it be circulated to governments for consideration and that the CONTRACTING PARTIES resume discussion of this problem at their Tenth Session. The recommendations contained in paragraph 14 of the Sub-Group's report were, however, accepted by the CONTRACTING PARTIES.

2. Acting on sub-paragraph (a) of these recommendations the Executive Secretary informed the Managing Director of the International Monetary Fund of the intention of the CONTRACTING PARTIES to have the GATT staff, in appropriate cases and where practicable, discuss with the Fund staff trade matters which had implications for exchange policy and ... that the GATT staff would be prepared, at the request of the Fund, to enter into similar discussion, where practicable, on the trade effects of exchange matters under Fund consideration.

3. In acknowledging this communication, the Managing Director of the Fund indicated that the Fund was studying the recommendations contained in paragraph 14 of the Sub-Group's report, that he would communicate with the Executive Secretary on this subject and would welcome any further suggestions. Both the Fund staff and the GATT secretariat are giving further consideration to the matter, but it appears that more time is needed for consultation before the Executive Secretary can report to the CONTRACTING PARTIES either on arrangements necessary to give effect to recommendation (a), referred to above, or to the recommendation in sub-paragraph (b) which is consequential upon the former and reads as follows:

"Pursuant to this intention, the Executive Secretary should be authorized to work out with the Fund procedures for ensuring the maximum practicable degree of co-operation between the two staffs on matters of mutual concern to the CONTRACTING PARTIES and the Fund."
4. Paragraph (e) of the recommendations requested the Executive Secretary to pursue consultations with representatives of the Fund with a view to preparing a joint draft of a formal agreement between the Fund and the proposed Organization for consideration by both parties at a suitable future date. It is the view of the Executive Secretary that such consultations cannot usefully take place until the entry into force of the Agreement establishing the Organization for Trade Cooperation can be foreseen with a reasonable degree of certainty. In the circumstances, therefore, the Executive Secretary has not judged it opportune to pursue these consultations at the present time.

5. In view of the circumstances described above, the CONTRACTING PARTIES may wish to defer further substantive discussion of GATT/Fund relations until the Eleventh Session.