CONSULTATIONS HELD WITH CERTAIN GOVERNMENTS UNDER
ARTICLE XII:4(b) OF THE GENERAL AGREEMENT

Under Item 8 of the Agenda, consultations were held with the Governments of Australia, Ceylon, Chile, India, New Zealand, Pakistan, Southern Rhodesia and the United Kingdom with respect to their import restrictions in accordance with Article XII:4(b) of the General Agreement. In accordance with Article XV:2 of the Agreement, the Contracting Parties also consulted with the International Monetary Fund.

There was a full and frank discussion between the Contracting Parties, the consulting countries and the Fund, in which full information was presented and views and opinions were freely expressed.

During the course of the consultations, the representatives of Belgium, Cuba, Canada and the United States expressed the view that the time had come when, with all due caution in the light of the uncertainties of the present situation, a progressive relaxation of the hard currency import restrictions of Australia, Ceylon, New Zealand, Southern Rhodesia and the United Kingdom might begin. This view was based upon their analysis of the favourable current situation of these countries and the prospects for the coming year. Based on its analysis made available to the Contracting Parties the Fund expressed the opinion that such relaxation would be feasible in these cases, but should be undertaken with due caution having regard to present uncertainties.

The representatives of Australia, Ceylon, New Zealand and the United Kingdom expressed the opinion that although the gold and dollar reserves of the sterling area had markedly improved, these views gave undue weight to the favourable factors in the developments of the past 12 months and that insufficient attention had been paid to the adverse factors operating in the present situation, the full force of which would not be felt until 1951. The representatives of Australia, New Zealand and the United Kingdom referred in particular to the new responsibilities which would be undertaken under the current rearmament programme.

No suggestion was made during the consultations that it would be appropriate for Chile, India or Pakistan to engage in any further general relaxation of their restrictions on imports from the dollar area, and the Fund was also of the opinion that no further relaxations in the cases of these countries were feasible in the present circumstances.

The consultations accomplished a useful interchange of information and opinion, and the representatives of the governments whose restrictions were the subject of the consultations said that they had taken full note of the views expressed by other Contracting Parties and that these views would be conveyed to their governments for their consideration.