Quantitative Restrictions
Consultations Committee

OPENING STATEMENT BY THE CHAIRMAN

This Committee, as you know, was appointed at the last session of the CONTRACTING PARTIES to conduct the consultations initiated under paragraph 4(b) of Article XII of the General Agreement. I believe I am right in saying that it is one of the most important committees which the CONTRACTING PARTIES have appointed, and that the deliberations which we are about to begin, and the results which we hope will ensue from them, will be of some considerable significance both for international trade co-operation and for the future of GATT.

Looking around this room I can say this with even greater confidence. That great importance is attached by the CONTRACTING PARTIES to the work of this Committee is demonstrated by the very high level of representation at this gathering. We are very happy to see the return of the representatives of the International Monetary Fund, which has kindly accepted to consult with the CONTRACTING PARTIES in accordance with paragraph 2 of Article XV of the General Agreement. I am confident that we can expect most valuable contributions from that delegation.

Because of the importance of this meeting, I feel particularly honoured and privileged in being associated with it in my present capacity. I should like to take this opportunity of thanking the Chairman of the CONTRACTING PARTIES for entrusting me with this responsibility; I feel sure I shall have the full support and co-operation of all participating delegations in a way which will ensure that the consultations will be as fruitful as possible and that the objectives of this programme will be fully achieved.

Before we embark on the actual consultations I should like briefly to re-state the background and purposes of the programme. I understand that since the General Agreement came into force in 1948 no full-scale discussion of the nature and effects of import restrictions has taken place. Only a few countries have been consulting annually under a special provision in Article XIV; a few countries have been called upon to consult under Article XII; and the annual reports which have been drawn up since 1950 have dealt only with the discriminatory aspect of the restrictions. A somewhat general examination of the restrictions was indeed made in 1951, but since then many changes have taken place in the international balance-of-payments situation and in the productive capacity, economic development, internal financial and economic stability and trade.
interests of the various contracting parties; the changes have in turn brought about important changes in commercial policy and in the administration of import controls. With all these changes in mind, the CONTRACTING PARTIES at their Eleventh Session considered that a free exchange of views, such as would take place in consultations under Article XII:4(b) of the agreement, would be useful at this stage.

In the discussions during the Eleventh Session it was brought out that the programme would be of interest to non-dollar countries as well as to dollar countries. This was not only because more and more non-dollar countries were interested in examining the effects of restrictions on their exports; it was generally realized that consultations, as they are conceived under the GATT and as they have been carried out in the past, are not intended to be investigations, purely inquiring from the exporting countries' standpoint into the necessity for a country to apply restrictions. They provide, in fact, a useful opportunity for the countries applying restrictions to draw attention to their special problems and the causes of the difficulties with which they are faced. Such consultations can be expected to contribute to a better appreciation of the various kinds of measures taken by contracting parties to deal with their problems, and to a general understanding of the possibility of further progress in the direction of freer, multilateral trade. Consultations under GATT are therefore of value not only to the countries whose exports are affected but also to the contracting parties applying restrictions. This is a view which has been fully borne out by the attitude of the few contracting parties which have had in the past the experience of consulting with the CONTRACTING PARTIES at frequent intervals. In particular it may be recalled that the United Kingdom, which has consulted annually since 1950, has given its wholehearted support to the programme.

The programme as agreed at the Eleventh Session is set out in the report of the Working Party on Balance-of-Payments Restrictions of that session, which will be found on pages 48 to 56 of the Fifth Supplement to the Basic Instruments and Selected Documents. Since the Eleventh Session very thorough preparations have been made by the Executive Secretary and his staff. A special consultant and an assistant have visited the capitals of the first nine consulting countries and a "basic document" has been prepared for each of them, describing in some detail various aspects of the restrictive systems and methods. Each consulting party has submitted a special statement under Part II of the document concerning "The Effects on Trade". The Executive Secretary has asked me to thank the contracting parties concerned for their assistance and co-operation in the drawing up of these papers.

In addition, the International Monetary Fund has gone to a great deal of trouble in supplying us with valuable documentation. In some cases, as will be pointed out in due course, the Fund has specially prepared supplementary data to assist the CONTRACTING PARTIES in their consultations. I think I shall be reflecting the general sentiment of this meeting in saying that we are greatly indebted to the Fund for its co-operation and assistance.
It has been intended that in the next three or four weeks the Committee will conduct consultations with nine contracting parties, namely, Denmark, Norway, Sweden, France, Italy, Greece, the Netherlands, Germany and Austria. Representatives will have seen document QRC/5 in which the French Government has requested a postponement of their consultation. It will be recalled that in the Report on Plans for Consultations, adopted on 17 November 1956, the Working Party recommended that the Executive Secretary be authorized to determine the precise date for each consultation and that he be authorized to change a consultation from one part of the schedule to another. The Executive Secretary has informed me that he is of the opinion that in view of the request of the French Government, their consultation be postponed until later in the year.

So the Committee will have consultations with eight contracting parties at its present session. As far as possible, efforts will be made to conclude the meetings before the end of June; the meeting will continue in July only in the event that some consultations cannot be completed by that time or that some reports cannot be completed for approval earlier.

As for the actual procedure to be followed in the consultations, I should like to propose that we proceed in the following manner. At the opening of each consultation we invite the representative of the International Monetary Fund to address the meeting. After we have heard the views of the Fund, the representative of the consulting country will be invited to make a statement. As I have mentioned, ample documentation has been supplied by the secretariat and the Fund. Consequently, the representatives of the consulting countries may feel that at this point they need not make very extensive statements and may feel disposed to confine themselves to making supplementary observations.

Then we shall proceed according to the "Plan" for the consultations, which you will find in front of you and which is taken from Annex C to the Working Party report of the Eleventh Session; the Committee will discuss with the consulting delegation the topics one by one in the order in which they are listed. I am sure you are all aware of the agreed view of the CONTRACTING PARTIES that in consultations of this nature emphasis should be placed on the trade aspect rather than the financial aspect of the restrictions. After the close of the discussions, the secretariat will prepare a draft report on the consultation, which will be discussed by the Committee at a later stage.