

RESTRICTED
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English only

GENERAL AGREEMENT ON TARIFFS AND TRADE

COMMITTEE OF CONTRACTING PARTIES ON SPECIAL
EXCHANGE AGREEMENTS

Heads of Draft Special Exchange Agreement
between G.A.T.T. Contracting Party X and the CONTRACTING
PARTIES

Proposal of the Representative of New Zealand

1. The objectives of this Agreement comprise so much of the objectives of the G.A.T.T. as relate to -
 - (a) Prevention of unnecessary damage to trade between the contracting parties resulting from exchange instability;
 - (b) Avoidance of damage to trade arising from competitive exchange depreciation among the contracting parties;
 - (c) Assistance in the establishment of a multilateral system of trade between the contracting parties;
 - (d) Elimination of foreign exchange restrictions which hamper the growth of mutual trade between the contracting parties.
2. Country X undertakes not to frustrate by exchange action the objectives of this Agreement or the intent of the provisions of the G.A.T.T.
3. Country X undertakes not to seek to derive from the fact that it is not a member of the I.M.F. any unfair advantage, as against other contracting parties, in trade matters covered by the G.A.T.T. In particular it will not seek by exchange action to achieve any measure either of protection for its domestic industry or production, or of discrimination between the commerce of other contracting parties, which would not be permitted to it if it were a member of I.M.F.
4. An exchange measure shall not be deemed to be incompatible with the undertakings in paragraphs 3 and 4 if such measure could be taken in comparable circumstances by a contracting party which is also a member of the I.M.F. or if the purpose of the measure is to make effective trade action permitted under G.A.T.T.
5. Whenever the contracting parties shall submit any question arising from this agreement for determination by the Fund in terms of Article XV (2) of G.A.T.T. the contracting parties will request the Fund to admit representations both oral and in writing by country X as a prerequisite to such determination.
6. This Agreement shall not in all respects to the relevant provisions of the G.A.T.T.
7. This Agreement shall be terminable under the same conditions as are, for the time being, applicable to country X in respect of the G.A.T.T.