

Subject: Modification of Quantitative Import Restrictions maintained by the Governments of France and the United Kingdom under Article XII of the General Agreement.

On 7 November 1951 the Government of the United Kingdom and on 16 November 1951 the Government of France announced their intention, because of a deterioration in their external financial position, to modify their import programmes in a way which affects the import restrictions which they apply pursuant to the provisions of Article XII. On 19 November, the Executive Secretary on behalf of the Chairman entered into informal discussions with French and United Kingdom representatives regarding the possibility of action by the Contracting Parties being required under the second part of the first sentence of Article XII:4 (b).

In response to this approach the French authorities indicated that, so far, no final decision regarding the French import plan has been reached and only provisional measures have been applied. They have advised, however, that they will be pleased to furnish any information that may be required and, if it is so desired, to enter into consultations with the Contracting Parties.

In reply to inquiries from the Executive Secretary, the United Kingdom authorities stated that they did not consider that the modifications in the United Kingdom import programme announced on November 7th should involve the initiation of consultations under the provisions of Article XII referred to above and that therefore, in their view, action was not called for under the intersessional procedure of GATT/CP.6/52. They also informed the Executive Secretary that they had in preparation an explanatory memorandum about the United Kingdom reduction in external expenditure which they proposed to submit to the Contracting Parties in pursuance of their obligation under paragraph 2 of Annex J to keep the Contracting Parties regularly informed regarding action taken under the provisions of that Annex. This memorandum has since been received and copies are being distributed (GATT/CP/134).

The Chairman and the Executive Secretary have now decided to convene the Ad Hoc Committee on Agenda and Intersessional Business, in accordance with the procedures laid down at the Sixth Session, to consider whether a consultation should be initiated with the United Kingdom under Article XII:4 (b) and, if so, the procedure to be adopted for carrying out such consultation. It is proposed that the Intersessional Committee should also consider any information that may then be available concerning action by the French Government to determine whether consultations under Article XII are required and, if so, to consider the procedure to carry out such consultations. It is understood that the French Government are submitting a memorandum on the action they are taking, and copies will be distributed as soon as available.

The meeting of the Intersessional Committee will be held at the Palais des Nations, Geneva, commencing at 3 p.m. on 14 January 1952. It would be appreciated if members of the Committee would notify the names of their representatives. Other contracting parties are entitled to be represented and are asked to notify the names of the observers whom they propose to send to the meeting.

Sent to contracting parties
(Foreign Ministers)

E. WYNDHAM WHITE,
Executive Secretary.