

RESTRICTED

GENERAL AGREEMENT ON TARIFFS AND TRADE

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MODIFICATIONS IN FRENCH IMPORT RESTRICTIONS

Note by the Government of France dated 24 May 1952

Immediately after the entry into force of the emergency measures which were the subject of the communications of 13 February and 10 March 1952 (GATT/CP/144 and Add.1), the French Government proceeded to draw up an import programme with a view to enabling the resumption of trade with the OEEC countries under conditions within the means of France. This programme applied to the three months, April, May and June 1952 and was set out in a memorandum submitted to the Secretary-General of OEEC in March.

The general principle underlying the programme is that the whole of the imports from the EPU area should be covered by the proceeds from exports to that area. The monthly ceiling was therefore fixed at 140 million dollars (EPU units). The resources thus made available were allotted under three headings:

- 100 million EPU units were earmarked for irreducible requirements;
- 28.3 million EPU units were allocated for the maintenance of the traditional structure of trade (quota sector and ex-liberalised sector);
- a reserve of 11.5 million EPU units was provided because of the uncertainties in various elements of the overall balance of payments of France and in order to meet certain unforeseeable contingencies.

The draft allocation by products and an estimate of imports from each country which may be effected under the scheme were also communicated to the OEEC.

The whole of the problem raised by the action taken by the French Government was thoroughly examined by the OEEC. By a decision of 10 April 1952, the Council of OEEC recognised that France was justified, by invoking the Code of Liberalisation, to suspend the liberalisation measures previously taken. Subsequently, the French import programme was dealt with, on 10 May 1952, in a "Recommendation" by the Council which, in approving the programme, recommended to the Government various measures designed to facilitate its application.

In the meantime, the French Government have been in contact with the various governments concerned with a view to regulating the conditions for implementing the existing bilateral agreements. The negotiations entered into have in most cases been successfully completed and have made it possible for the Government, without contravening standing commitments, to reduce considerably the amount of EPU currencies to be expended on French imports of non-essential products under quotas. It appears that the negotiations still pending may also arrive at satisfactory solutions.

A new import programme will shortly be drawn up by the French Government for the period beginning 1 July 1952.