TEMPORARY CHARGES ON IMPORTS INTO THE UNITED KINGDOM
TO BE CONSIDERED BY GATT COUNCIL

The Executive Secretary, General Agreement on Tariffs and Trade, has received the following communication, dated 27 October 1964, from the Permanent Representative in Geneva of the United Kingdom Government:

1. "I have to inform you that in order to safeguard the external financial position of the United Kingdom and to correct its balance of payments and as part of their wider policies directed to the short term and longer term problems of the country's underlying economic situation, Her Majesty's Government have decided that it is necessary to restrict promptly, but temporarily, the quantity of imports coming into the United Kingdom. They are therefore invoking the provisions of Article XII of the General Agreement.

2. To this end a charge of 15 per cent ad valorem has been placed on all imports from all sources except those items listed in the annex to this note. The charge became operative on 27 October 1964. It is essentially temporary. It will be reduced as soon as the balance-of-payments situation permits and abolished at the earliest opportunity.

3. The United Kingdom authorities are aware that Article XII assumes that any necessary restraint on imports will be imposed by means of quantitative restrictions. However reduction in the country's balance-of-payments deficit required urgent action which could only have been delayed while the elaborate administrative machinery of import licensing was re-established and licences were allocated to importers. During such a period the flow of trade might well have been unnecessarily disrupted. It has been the conclusion of the United Kingdom authorities that in so far as such charges avoid the dangers of freezing the existing pattern of trade and allow it to find its own level according to the need of importers and to consumers' preferences and in so far as traders both at home and overseas would be free to make their own arrangements such import charges are to be preferred.

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The annex is not included in this release.
4. Her Majesty's Government stand ready to consult with the CONTRACTING PARTIES under paragraph 4(a) of Article XII of the General Agreement at an early date. At that time, they will be prepared to answer all relevant questions concerning the nature of the United Kingdom's balance of payments difficulties and the policies which they intend to pursue with a view to their earliest possible solution."

This matter will be placed on the agenda of the GATT Council of Representatives at its meeting this week, which starts on 28 October.