The following letter dated July 26 1950 has been received from the Government of Finland:-

"I have the honour to inform you that a proposal is being prepared in Finland according to which the whole customs tariff will be based on the ad valorem tariff system. The proposal would imply that the tariff concessions granted by Finland in Annecy and covering specific duties would be altered to concessions on an ad valorem basis. It is the intention of the Finnish Government to distribute this proposal to the other contracting parties not later than at the beginning of the Torquay tariff negotiations. May I therefore ask you to include this matter on the agenda for the fifth session of the CONTRACTING PARTIES to be held at Torquay.

"The proposed action does not imply any reduction or curtailment of the concessions included in the Finnish Schedule but only a change of the present tariff system to ad valorem tariffs on the level agreed upon at the Annecy negotiations. Therefore I presume that the matter will be settled with the other contracting parties without any compensatory concessions being requested from Finland for this reason. (GATT/TN. 2/10).

"Finally I wish to emphasize that the new tariff concessions which the Finnish Government may grant at Torquay will be made on the basis of ad valorem tariffs.

"May I ask you to be good enough to distribute this notification to the other contracting parties."