ITEM 31 - OTHER BUSINESS

Request by the Government of Liberia for authorization to renegotiate certain items with France and the United States

The following letter has been received from the Chairman of the Liberian Delegation:

"The Liberian delegation has the honour to request that the following item be placed on the agenda of the present session of the Contracting Parties:

Application by the Liberian Government for authorization to renegotiate with the Governments of the Republic of France and the United States in regard to certain concessions granted to these two governments by the Liberian Government at Annecy and report to the next meeting of the Contracting Parties in the event the latter two Governments feel it necessary in the interim.

I am enclosing herewith, a Memorandum setting forth the reasons for the application.

As this matter is of the greatest urgency to my Government, it is earnestly hoped that the Contracting Parties will take some decision before the end of the present session."
MEMORANDUM

In 1946, the Legislature of Liberia passed an act providing for a Five Year Development Programme for the overall advancement of the Republic in the fields of health, education, agriculture and public improvements generally. This programme, in conjunction with Technical Aid Agreement concluded with the United States of America in 1950, under the Point Four Programme, is now moving forward successfully.

In order that she might meet her commitments under the Programme, the Government of Liberia found it necessary, in 1949, to enact legislation providing for additional revenues. In that year, an Internal Revenue Tax of general and equal application on certain domestic as well as imported articles not absolutely necessary to sustain life was passed. It was discovered that this Luxury Tax included some items negotiated with the French and United States Governments at Annecy.

The Executive Government therefore, in May of 1950, suspended the "Act to amend the Internal Revenue Code of 1937 and to provide for a Luxury Tax" relating to the items negotiated at Annecy so as not to appear to vitiate the provisions of the General Agreement on Tariffs and Trade and of the reciprocal trade agreements negotiated thereunder.

Upon reconsideration of this action, the Government of Liberia finds it necessary to lift the suspension of these levies. However, formal application is hereby made for permission to renegotiate with the Governments of the Republic of France and the United States in regard to the concessions granted to these two Governments at Annecy and report to the next meeting of the Contracting Parties, in the event that they determine the application of such internal revenue taxes to warrant renegotiation.

This action is taken in order that the Government of Liberia might not be compelled to delay execution of its development programme for another year and perhaps precipitate its failure should the negotiating parties consider these internal revenue taxes to make negotiation desirable and necessary.