The following communication under date of 17 August has been received from the Government of Greece with a request that it be transmitted to the contracting parties:

"As has already been announced, the drachma, as a result of the official devaluation of 9 April 1953, which was decided by the Greek Government in agreement with the International Monetary Fund, has lost 50 per cent of its value. Consequently, import duties of all kinds payable in paper drachmas, have to be increased by 100 per cent if they are to be maintained at their pre-devaluation level.

"This increase by 100 per cent has automatically been effected as regards items for which the Greek customs tariff provides ad valorem duties; but such an increase has not been possible as regards those items for which the tariff provides specific duties.

"As regards those latter items, the necessary readjustment raises some difficulties in view of the complicated system for the conversion into paper drachmas of specific duties expressed in metallic drachmas. The Royal Greek Government would wish to submit to the CONTRACTING PARTIES certain clarifications in this respect in order to avoid any possible misinterpretation.

"The readjustment of import duties is authorised under Article II:6 of the General Agreement; but the Greek Government which is anxious to avoid any undue increase in prices on the domestic market, did not wish to effect any abrupt overall readjustment and rather preferred to proceed by gradual stages and to the extent that they thought is indispensable.

"To that end, the Greek Government as a first step of a general character involving, however, partial results only, has increased the conversion coefficient for the metallic drachma from 225 to 300, i.e. to
the figure which represents the average official par value of the gold pound after the devaluation of 9 April 1953. It is obvious that this arrangement, the extent of the post-devaluation readjustment, does not exceed 33 per cent. As regards the other 67 per cent, the Greek Government, following its policy which aims at preventing any sudden price increases, has been obliged to proceed by stages when instituting readjustment measures for certain categories of items, imports of which were limited, but for which it was indispensable to effect the readjustments in question either for purely fiscal reasons or for reasons of protection, in particular in cases where the previously existing incidence had suffered a dangerous decrease.

"The readjustment in question can be effected in two ways: either by raising the basic specific duty to a level which would correspond to 67 per cent or by the conversion of the specific duty into an ad valorem duty, both methods being authorised under Article II:6 of the General Agreement. The Greek Government has in fact used both methods. Thus, for certain items, they raised the basic duty by 50 per cent (a figure which is lower than the maximum of 67 per cent), and, in the case of some other items, they converted the specific duty into an ad valorem duty not exceeding 20 per cent while the specific duty was maintained in cases where the ad valorem duty was less than the specific duty. The list of items for which such modifications have been made appears below.

"The Greek Government are convinced that such steps are not incompatible with the provisions of the General Agreement governing the devaluation of national currencies and that the substance of the concessions granted by Greece under the General Agreement has in no way been impaired.

*(a) Basic duty increased by 50 per cent.*

Greek tariff item numbers: 46,a and b - 60,d - 134,g - 159,b 2 and 3 - 168,d and f 2 - and 176,b.

*(b) Existing specific duty, converted into 20 per cent ad valorem duty.*

Greek tariff item numbers: 208 (except sub-items c and d) - tariff item numbers 210 to 215 inclusive - 216,a - 221 to 231 inclusive - 235 to 242 inclusive - 245 to 255 - 255,a - 255,b - 12 per cent ad valorem duty tariff item numbers 219 and 220."