UNITED KINGDOM WAIVER — ARTICLE I

Increase in Duties on Cut Flowers and Communication from the Netherlands

1. The following communication dated 17 February 1959 was received from the Government of the United Kingdom and was distributed to the contracting parties in GATT/AIR/151:

"On the instructions of Her Majesty's Principal Secretary of State for Foreign Affairs I have the honour to inform you that Her Majesty's Government are today, in accordance with (a) of the procedures of the Waiver Decision of 24 October 1953, informing French and the Netherlands Governments, through their representatives in London, of their decision to increase the protective tariffs on narcissus (polyanthus types) included in heading 06.03(B) and on the flowers covered by the heading 06.03(F) in the Brussels Nomenclature.

"None of these tariffs is bound under GATT, and the representatives of the French and Netherlands Governments are being given copies of a memorandum and statistics showing that imports from sources enjoying duty-free entry of cut flowers of the kinds in which foreign countries are interested are negligible and that there can, in the view of Her Majesty's Government, be no risk of diversion arising as a result of the increase in the duties on imports from foreign sources. I expect to be able to transmit copies of this memorandum and the statistics to you tomorrow.

"Since it is currently the season for imports of a number of the cut flowers covered by this Decision, Her Majesty's Government feel, having satisfied themselves of the need to increase the protective duty, that the increased duty should be put into force at an early date. It is accordingly their intention to make an Order on 16 March bringing the increased duties into immediate effect. While regretting the need thus to bring the duty into effect earlier than full operation of the waiver procedure might normally permit, Her Majesty's Government are expressing to the Governments of the Netherlands and France their hope that the interval before the introduction of the Order will give them time to satisfy themselves that Her Majesty's Government are justified in their conviction that no risk of diversion can be involved."
"France and the Netherlands are, on figures of past trade, the only contracting parties which appear to Her Majesty’s Government likely to have a substantial interest in the trade in the items in question for the purposes of the waiver procedures. Germany, Italy, Belgium and Denmark have only a very small trade in certain items. While Her Majesty’s Government would not regard these countries as having any basis for claiming a substantial interest, Her Majesty’s Government are also informing these Governments, through their representatives in London, of the decisions referred to above.

"Her Majesty’s Government request that this communication should be regarded as formal notification to the GATT secretariat in accordance with (a) of the waiver procedures. They desire also to stress the need for strict secrecy regarding this communication in accordance with (i) of the waiver procedures."

2. In connection with the above, the following communication has been received from the Government of the Netherlands with a request that this item be included in the Provisional Agenda for the fourteenth session:

"In conformity with paragraph (a) of the procedure of the waiver of 24 October 1953, the Government of the Kingdom of the Netherlands on 16 February 1959, via its Embassy in London, was informed of the intention of the Government of the United Kingdom to increase import duties on certain varieties of cut flowers. Also, the Executive Secretary, by Airgram GATT/AIR/151 Secret, informed the contracting parties of this intention.

"In view of the interest in the trade concerned and the danger of diversion of trade, the Netherlands Government, in accordance with paragraph (b) of the procedure of the above-mentioned waiver, requested, by Aide Memoire of 6 March 1959 to the Board of Trade, that consultations be held. This request for consultation was refused by letter of 16 March from the Board of Trade to the Netherlands Embassy and the increased duties were put into effect the next day; that is on 17 March.

"The Netherlands Government is of the opinion that the action taken by the Government of the United Kingdom does not fulfil the requirements of the waiver for the following reasons:

(a) if the Government of the United Kingdom was of the opinion that there was no grounds for consultation, the issue should have been put before the CONTRACTING PARTIES for a speedy determination according to paragraph (d) of the procedure;

(b) the increased import duties should not have been put into effect inasmuch as a request for consultation was pending."