At the Ninth Session the CONTRACTING PARTIES examined the special import tax imposed by the French Government in April 1954 and reached the conclusion that it had the effect of increasing the incidence of customs charges in excess of maximum rates bound under Article II and increasing the incidence of preferences in excess of the maximum margins permissible under Article I. The French Government in accepting this ruling undertook to remove the tax as soon as possible, and the CONTRACTING PARTIES instructed the Intersessional Committee to follow closely the measures taken by the French Government to implement this undertaking. The French Government was called upon to submit reports to the Committee on action taken by it. The first report was received by the Committee at the end of its meeting in June (IC/SR.19) and it called upon the French Government to submit a second report by 1 September so that the latest developments could be reviewed at the meeting convened for 22 September.

The second report by the Government of France (L/406) dated 13 September was not received by members of the Committee in time for a full discussion on 22 September. Moreover, some of the annexes to the report were not received by the secretariat until that same day and hence copies of these annexes were not available during the meeting. In these circumstances the Committee decided that they could do no more than have a brief discussion of the facts as presented by the French Government, and afford Committee members an opportunity to express preliminary views or put questions to the French representative. It was agreed that the report itself together with all its annexes would have to be referred to the CONTRACTING PARTIES for such action as they might decide to take at the Tenth Session. Hence the Committee is not in a position to do more than report briefly on the facts of the situation.

Since 17 January 1955 - the date of the Decision referred to above - the Government of France has on two occasions withdrawn the application of the tax from some items. In addition the rate of tax has been reduced on a number of items.
In the Decision of 17 January the contracting parties recommended that the French Government should take steps to reduce the present degree of discrimination against the trade of contracting parties whose exports are subject to the tax but to which the liberalization measures taken by the French Government do not apply. The report does not indicate that any steps have been taken to carry out this recommendation.

In its second report the French Government confirms its intention to achieve the complete removal of the tax. It states that this elimination will be gradually effected but it is not possible to establish a precise time-table in advance.