Draft Resolution for adoption by the CONTRACTING PARTIES

HAVING REVIEWED, pursuant to the final paragraph of the Decision of 17 January 1955, the present position regarding the French Special Temporary Compensation Tax on imports;

The CONTRACTING PARTIES

TAKE NOTE with satisfaction of the reductions and eliminations of the tax effected since the Ninth Session of the CONTRACTING PARTIES;

EXPRESS disappointment that progress towards the reduction and elimination of the tax has not been more rapid and that no steps have been taken to improve the position of contracting parties whose exports are subject to the tax, but to which the liberalization measures taken by the French Government do not apply;

INVITE the attention of the French Government to the danger that, if the tax is maintained at any given rate on any products for too long a period, instead of being progressively reduced with a view to its early elimination, it may come to have a protective character, contrary to the intention of the French Government when imposing the tax;

REAFFIRM the Decision of 17 January 1955;

REQUEST the French Government to accelerate the process of reduction and elimination of the tax and of reducing its discriminatory effects;

CALL UPON the French Government to report to the Intersessional Committee on the further measures taken by it to implement the undertakings and recommendations contained in the aforesaid Decision, the first report to be communicated to the Executive Secretary by 1 June 1956 and circulated forthwith to all contracting parties, and to participate in any consultations which the Intersessional Committee may initiate at the request of any contracting party or contracting parties; and

DECIDE to review this matter again at the Eleventh Session in the light of progress achieved in carrying out the undertakings and recommendations referred to above.