

PREPARATORY COMMITTEE OF THE INTERNATIONAL CONFERENCE
ON TRADE AND EMPLOYMENT

COMMITTEE II

SUB-COMMITTEE ON PROCEDURE

ADDITION TO REPORT OF SUB-COMMITTEES PROCEDURES

article 29. Emergency action on Imports of Particular Products

1. If, as a result of unforeseen developments and of the effect of the obligations incurred under or pursuant to this Chapter, any product is being imported into the territory of any Member in such increased quantities and under such conditions as to cause or threaten serious injury to domestic producers of like or similar products (or, in the case of a product which is the subject of a concession with respect to the preference, to producers in a territory which receives or received such preference), the Member shall be free to withdraw the concession, or suspend the obligation, in respect of such product, in whole or in part, or to modify the concession to the extent and for such time as may be necessary to prevent such injury.

2. Before any Member shall take action pursuant to the provisions of paragraph 1 of this Article, it shall give notice in writing to the Organization as far in advance as may be practicable and shall afford the Organization, and the other Members having a substantial interest as exporters of the product concerned, an opportunity to consult with it in respect of the proposed action. In critical and exceptional circumstances such action may be taken provisionally without prior consultation:

Provided, That consultation shall be effected immediately following upon the taking of such action. If agreement among the interested Members with respect to the action is not reached, the Member which proposes to take or continue the action shall, nevertheless, be free to do so, and if such action is taken or continued the other affected Members shall then be free, not later than sixty days after such action is taken, to suspend, upon the expiration of sixty days from the date on which written notice of such suspension is received by the Organization, the application to the trade of the Member taking such action, of such substantially equivalent obligations or concessions under this Chapter the suspension of which the Organization does not recommend against. In serious cases the Organization may authorize an affected Member to suspend concessions or obligations in addition to those which may be substantially equivalent to the action originally taken.

Article 30 Consultation - Nullification or Impairment.

1. Each Member will accord sympathetic consideration to, and will afford adequate opportunity for consultation regarding, such representations as may be made by any other Member with respect to the operation of customs regulations and formalities, quantitative and exchange regulations, state-trading operations, sanitary laws and regulations for the protection of human, animal or plant life or health, and generally all matters affecting the operation of this Chapter.
2. If any Member should consider that any other Member has adopted any measure, whether or not it conflicts with the terms of this Charter, or that any situation has arisen, which has the effect of nullifying or impairing any object of this Charter, the Members concerned shall give sympathetic consideration to such written representations or proposals as may be made with a view to effecting a satisfactory adjustment of the

matter. If no such adjustment can be effected the matter may be referred to the Organization, which shall, after investigation, and if necessary after consultation with the Economic and Social Council of the United Nations and any other appropriate international specialized agencies, make appropriate recommendations to the Members concerned. The Organization, if it considers the case serious enough to justify such action, may authorize a Member or Members to suspend the application to any other Member or Members of such specified obligations or concessions under this Charter as may be appropriate in the circumstances. If such obligations or concessions are in fact suspended, any affected Member shall then be free, not later than sixty days after such action is taken, to withdraw from the Organization upon the expiration of sixty days from the date on which written notice by the Organization of such withdrawal is received.

Article 8. -- General Most-Favoured-Nation Treatment

1. With respect to customs duties and charges of any kind imposed on or in connection with importation or exportation or imposed on the international transfer of payments for imports or exports, and with respect to the method of levying such duties and charges, and with respect to all rules and formalities in connection with importation or exportation, and with respect to all matters affected by the provisions relating to national treatment in Article 9, any advantage, favour, privilege or immunity granted by any Member country to any product originating in or destined for any other country, shall be accorded immediately and unconditionally to the like product originating in or destined for all other Member countries.
2. The provisions of paragraph 1 of this Article shall not be construed to require the elimination of any preferences in respect of customs duties and other charges imposed on importation which do not exceed the preferences remaining after the negotiations contemplated in Article 18, and which fall within the descriptions set forth in (a), (b) or (c), below:

(a) Preferences in force exclusively between territories comprising on 1 July 1939 a commonwealth of nations or in respect of which there existed on that date common sovereignty or relations of protection or suzerainty. Each Member to which this provision applies shall provide a list of such territories, which lists shall be incorporated in an annex to this Charter.

(b) Preferences in force exclusively between the United States of America and the Republic of Cuba.

(c) Preferences in force on 1 July 1946 exclusively between neighbouring countries.

Article 18. Reduction on Tariffs and Elimination of Preferences.

1. Each Member, other than a Member subject to the provisions of Article 28, shall, upon the request of any other Member or Members, enter into reciprocal and mutually advantageous negotiations with such other Member or Members directed to the substantial reduction of tariffs and other charges on imports and exports, and to the elimination of import tariff preferences. These negotiations shall proceed in accordance with the following rules:

(a) Prior international commitments shall not be permitted to stand in the way of negotiations with respect to tariff preferences, it being understood that action resulting from such negotiations shall not require the modification of existing international obligations, except by agreement between the contracting parties or, failing that, by termination of such obligations in accordance with their terms.

(b) All negotiated reductions in most-favoured-nation import tariffs shall operate automatically to reduce or eliminate margins of preference.

(c) The binding or consolidation of low tariffs or of tariff-free treatment shall in principle be recognized as a concession equivalent in value to the substantial reduction of high tariffs or the elimination of tariff preferences.

2. Each Member participating in negotiations pursuant to paragraph 1 of this Article shall keep the Organization informed of the progress thereof and shall transmit to the Organization a copy of the agreement or agreements incorporating the results of such negotiations.
3. If any Member considers that any other Member has failed, within a reasonable period of time, to fulfill its obligations under paragraph 1 of this Article, such Member may refer the matter to the Organization, which shall investigate the matter and make appropriate recommendations to the Members concerned. The Organization, if it finds that a Member has, without sufficient justification, having regard to the provisions of the Charter as a whole, failed to negotiate with such complaining Member in accordance with the requirements of paragraph 1 of this Article, may determine that the complaining Member, or in exceptional cases the Members of the Organization generally, shall, notwithstanding the provisions of Article 6, be entitled to withhold from the trade of the other Member any of the tariff benefits which the complaining Member, or the Members of the Organization generally, as the case may be, may have negotiated pursuant to paragraph 1 of this Article. If such benefits are in fact withheld so as to result in the application to the trade of the other Member of tariffs higher than would otherwise have been applicable, such other Member shall then be free, within sixty days after such action is taken, to withdraw from the Organization upon the expiration of sixty days from the date on which written notice of such withdrawal is received by the Organization. The provisions of this paragraph shall in accordance with the provisions of Article 56.

Article 35 Territorial Application of Chapter IV - Customs Unions
Frontier Traffic

1. The provisions of Chapter IV shall apply to the customs territories of the Member countries. If there are two or more customs territories under the jurisdiction of any Member, each such customs territory shall

be considered as a separate Member country for the purpose of interpreting the provisions of Chapter IV.

2. The provisions of Chapter IV shall not be construed to prevent
 - (a) advantages accorded by any Member country to adjacent countries in order to facilitate frontier traffic; or
 - (b) the formation of a union for customs purposes of any customs territory of any Member country and any other customs territory: Provided, that the duties and other regulations of commerce imposed by any such union in respect of trade with other Member countries shall not on the whole be higher or more stringent than the average level of the duties and regulations of commerce applicable in the constituent territories prior to the formation of such union.
3. Any Member proposing to enter into any union described in paragraph 2 (b) of this Article shall consult with the Organization and shall make available to the Organization such information regarding the proposed union as will enable the Organization to make such reports and recommendations to Members as it may deem appropriate.
4. The Members recognize that there may in exceptional circumstances be justification for new preferential arrangements requiring an exception to the provisions of Chapter IV. Any such exception shall be subject to approval by the Organization pursuant to paragraph 2 of Article 55.
5. For the purpose of this Article a customs territory shall be understood to mean any area within which separate tariffs or other regulations of commerce are maintained with respect to a substantial part of the trade of such area. A union of customs territories for customs purposes shall be understood to mean the substitution of a single customs territory for two or more customs territories, so that all tariffs and other restrictive regulations of commerce as between the territories of

Members of the union are substantially eliminated and substantially the same tariffs and other regulations of commerce are applied by each of the Members of the Union to the trade of territories not included in the union.
