

GENERAL AGREEMENT  
ON TARIFFS AND  
TRADE

RESTRICTED

L/275

8 November 1954

Limited Distribution

Original: English

REVIEW OF THE GENERAL AGREEMENT

Proposals by the Swedish Government

General Notes

1. In conformity with the views of the Secretariat (L/189 Add.1) as to the definitive application of the Agreement an amendment to Article XXVI establishing a transitional period has been proposed.
2. The Swedish Government takes it that it will be left to a drafting group to undertake such formal alterations as will be necessitated through possible changes in the organizational set-up (such as "member" for "contracting party" or "organization" for "CONTRACTING PARTIES" etc.).

As to the numbering of the Articles, Arabic figures would be preferred to Roman Ones.

3. The Swedish Government propose the deletion of Article XXIX. Consequential amendments to other articles are suggested to be left to the drafting groups and accordingly not included in the present list of proposed amendments.
4. The Swedish Government propose the insertion of an interpretative note to Articles containing the term "primary commodity" as follows:

For the purposes of this Agreement, the term "primary commodity" means any product of farm, forest or fishery or any mineral, in its natural form or which has undergone such processing as is customarily required to prepare it for marketing in substantial volume in international trade.

Article I

Add as a new Interpretative Note to para. 1:

Differentiation by nomenclature or practice should only be based on the intrinsic qualities of the product.

Article I (B)

1. Add as a new article to be inserted between the present Article I and Article II:

1. Each Member shall, subject to procedural arrangements established by the Organization, enter into and carry out negotiations directed to the substantial reduction of the general levels of tariffs and other charges on imports and exports and to the elimination of the preferences referred to in paragraph 2 of Article I.

2. The binding against increase of low duties or of duty-free treatment shall in principle be recognized as a concession equivalent in value to the substantial reduction of high duties or the elimination of tariff preferences.

Note: Art. XXV para. 5 (b) and (c) should be deleted.

Article V

1. Add as a new paragraph:

The Organization may undertake studies, make recommendations and promote international agreement relating to the simplification of customs regulations concerning traffic in transit, the equitable use of facilities required for such transit and other measures designed to promote the objectives of this Article. Members shall co-operate with each other directly and through the Organization to this end.

Article VI

1. Para. 4. Amend as follows:

No product of the territory of a Member imported into the territory of any other Member shall be subject to anti-dumping or countervailing duty by reason of the exemption of such product from customs duties or indirect taxes actually borne by the like product, or actually borne by the material going into the manufacturing of the like product when destined for consumption in the country of origin or exportation, or by reason of the refund of such customs duties and indirect taxes.

2. Add as new paragraphs:

8. The Organization shall work toward the standardization, as far as practicable, of rules for the imposition of dumping and subsidization as well as of procedures for determining and levying of anti-dumping and countervailing duties.

9. The Members shall inform the Organization of any national law or regulation regarding anti-dumping and countervailing duties and of any change in such laws and regulations. They shall report annually to the Organization on any measure or action taken under this Article.

#### Article VII

1. Add as a new para. 2:

2. The Members shall work toward the standardization, as far as practicable, of definitions of value and of procedures for determining the value of products subject to customs duties or other charges or restrictions based upon or regulated in any matter by value. With a view to furthering co-operation to this end, the Organization may study and recommend to Members such bases and methods for determining value for customs purposes as would appear best suited to the needs of commerce and most capable of general adoption.

2. Para. 3. Amend as follows:

The value for customs purposes of any imported products should not include the amount of customs duties or any ~~internal~~ indirect taxes actually borne by the finished product or actually borne by the material going into the manufacturing of such product .....

3. Para. 4. Add the following sentence:

.....pursuant to Article XV of this Agreement. It shall not differ from such par values by more than one percent.

#### Article VIII

1. Add as a new paragraph:

5. The Members shall abolish, not later than 31 December 1956, consular invoices and consular visas for commercial invoices, certificates of origin, manifests, etc.

2. In accordance with instructions from the Contracting Parties, the Executive Secretary is at present studying the question of discrimination in connection with transport insurance. If it is found that such discrimination exists to any measurable extent, the Swedish Government feel that rules should be introduced into the Agreement to prevent such practices. The right place for such rules might be Article VIII.

Article IX

1. Add as a new paragraph, presumably to be placed between the present paragraphs 4 and 5:

The Members agree to co-operate through the Organization towards the early elimination of unnecessary marking requirements. The Organization may study and recommend to Members measures directed to this end, including the adoption of schedules of general categories of products, in respect of which marking requirements operate to restrict trade to an extent disproportionate to any proper purpose to be served.

Article XIX

1. Amend para. 1 (a) as follows:

.....in respect of such product, and to the extent and for such reasonable period of time to be fixed by the Organization in order to prevent or remedy such injury, to suspend the obligation in whole or in part or to withdraw or modify the concession.

The provisions of this Article shall not apply unless the quantity of the product imported is equivalent to a considerable part of the domestic production of like or directly competitive products.

2. Add a new para. 2(b):

The obligation suspended or the concession withdrawn or modified should be wholly or partially restored as soon as possible. Accordingly the Organization may during the consultation foreseen under 2 (a) above recommend a fixed period of time within which such restoration should take place.

3. Add as a new para. 3(c):

Any suspension, withdrawal or modification under paras 1(a), and 1(b) must not discriminate against imports from any Member country, and such action should avoid, to the fullest extent possible, injury to other supplying Member countries.

Article XX

1. Delete part II of Article XX.

Article XXIII

1. Add as an interpretative note to para. 2:

It is understood that the recommendations referred to in para. 2 should aim at a positive solution of the matter through the removal of the measure or measures in question or the provision of compensation for the damage suffered. As a rule retaliatory measures should not be authorized unless such recommendations have failed to lead to a solution within a reasonable period of time.

Article XXVI

1. Add as a new para. 6:
  - a. No Member shall be obliged to apply before 1 January 1958 such provisions of (Part II) of this Agreement which are inconsistent with its internal mandatory legislation on 1 October 1954.
  - b. The Members shall as soon as possible but in any case within twelve months from the date of the revised Agreement notify the Organization of their internal mandatory legislation which is inconsistent with the revised Agreement.
  - c. In exceptional circumstances where a Member has not been able to comply with the provisions of sub-paragraph a. above the Member shall consult with the Organization with a view to abolishing such internal legislation at the earliest possible date. It shall report annually on the measures taken to this effect.

Article XXVII

1. Amend the last sentence as follows:

The contracting party member taking such action shall give notice to all other contracting parties the Organization and upon request consult with the contracting parties Members which have a substantial interest in the product concerned.

### Article XXX

1. Add as a new para. 2:

Notwithstanding the provisions of para. 1, a rectification of an entirely non-substantive character in the schedule of a Member shall take effect upon the expiration of ninety days from the day on which a written proposal for the rectification is received by the Organization for transmission to the Members, provided that within that period of time no objection is lodged to the proposed rectification.

### ANNEX

#### Interpretative Notes

#### A R T I C L E    I I I

ad para 5 Under the provisions of Article III regulations and taxes would be permitted which, while perhaps having the effect of assisting the production of a particular domestic product (say, butter) are directed as much against the domestic production of another product (say, domestic oleomargarine) of which there is a substantial domestic production as they are against imports (say, imported oleomargarine).

ad para 6 The exception permitting the continuance of existing mixing regulations has been drafted so as to bring out more clearly that a Member would be free to alter the details of an existing regulation provided that such alterations do not result in changing the overall effect of the regulation to the detriment of imports.

#### A R T I C L E    X I

ad para 2(a) The terms of paragraph 2(a) of Article XI are adequate to allow a country to impose temporary export restrictions to meet a considerable rise in domestic prices of foodstuffs due to a rise in prices in other countries.

ad para 2(cii) The provisions of paragraph 2(cii) will cover arrangements under which the government concerned makes temporary surpluses of grain available as animal feeding-stuffs to small holders and similar categories with a low standard of living, free of charge or at prices below the current market level.

