

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

W.9/48

29 November 1954

Special Distribution

CONTRACTING PARTIES
Ninth Session

Original: English

Review Working Party II on
Tariffs, Schedules and
Customs Administration

ARTICLE XXIV

Proposals by the Delegation of Australia

1. Paragraph 4 be deleted and a new paragraph 4 be inserted as follows:-

"The CONTRACTING PARTIES recognize the desirability of increasing freedom of trade by the development, through voluntary agreements, of closer integration between the economies of the countries parties to such agreements. Accordingly the provisions of this agreement shall not prevent -

- (a) the formation of a customs union or a free-trade area subject to conditions set out in paragraphs 5 to 9 of this Article, provided the purpose of the customs union or free-trade area is to facilitate trade between the parties and not to raise barriers to the trade of other contracting parties with such parties;
- (b) an adjustment in respect of the particular margins of preference included in the preferential arrangements referred to in paragraph 4 of Article I subject to the conditions set out in paragraph 11 of this article."

2. A new paragraph 11 be inserted as follows:-

"Any contracting party desiring to enter into tariff negotiations which involve an increase or change in form in respect of particular margins of preference may consult and negotiate with those contracting parties concerned. If and when they have reached agreement the contracting party initiating the adjustment shall make available to CONTRACTING PARTIES such information as may be deemed appropriate. The agreement shall not operate without the approval of the CONTRACTING PARTIES. In reaching their decision the CONTRACTING PARTIES shall take into account any special circumstances such as deterioration in

the ad valorem equivalence of specific preferential margins, the threat of serious damage to industries established under the shelter of the original preferences extended before (1947) and the adequacy the compensation offered for changes in the margins proposed, together with the attitude of those contracting parties most directly affected."

3. Paragraphs 11 and 12 to be renumbered 12 and 13.