At the Eighth Session in October 1953 the Contracting Parties took a
Decision on the request of the United Kingdom government for facilities to
relieve them of the need, under the rules of Article I regarding tariff
preferences, to impose duties on duty-free goods from the Commonwealth as and
when they may have occasion in the future to increase the unbound duties on
foreign goods. In asking for these facilities, the United Kingdom made it
clear that it was not their intention to use them for the purpose of diverting
trade away from foreign to Commonwealth countries. The Contracting Parties
granted the waiver, subject to procedures for consultation and, where necessary,
arbitration as to whether proposed tariff changes would be likely to cause
such a diversion of trade. In granting the waiver the Contracting Parties
requested the United Kingdom government to furnish an annual report of action
taken under the waiver.

The United Kingdom, in its report, indicated that the waiver had been
used in connexion with increases made in the unbound, most-favoured-nation
rates of duty on certain fresh and preserved fruit and vegetables and on certain
flowers, foliage and nursery stock. The United Kingdom government had on request
held discussions with governments of countries whose export trade seemed likely
to be affected by the operation of the waiver, but in all cases it was agreed
by the country concerned that the waiver should apply. There had been no
occasion to use the arbitration procedure provided in the waiver.