GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED
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Special Distribution

AUSTRALIAN TREATMENT OF PRODUCTS OF
PAPUA - NEW GUINEA

Proposed Draft Decision submitted by the Australian Delegation

TAKING NOTE of the request of the Government of Australia to be authorized
to provide advantages to the primary products of the Territory of Papua-
New Guinea upon their importation into Australia for the purpose of promoting
the economic development of that territory;

TAKING NOTE further that due to the absence of a home market in that
territory for the products thereof a prerequisite for the inducement of the
investment of capital in projects of development in the Territory of Papua-
New Guinea is the reasonable assurance of a market in Australia for the products
of that territory;

TAKING NOTE of the undertaking of the Government of the Commonwealth of
Australia that, in the exercise of the powers granted by this Decision of the
CONTRACTING PARTIES, it will

give due consideration to the interests of the other
contracting parties,

inform the CONTRACTING PARTIES before raising the rate of
duty on a primary product in order to provide a market in
Australia for such product originating in the Territory
of Papua-New Guinea,

consult with any contracting party which considers that an
increase in such rate of duty would result, or threaten to
result, in substantial injury to its export trade in that
product;

The CONTRACTING PARTIES

DECIDE, in accordance with paragraph 5(a) of Article XXV of the
General Agreement on Tariffs and Trade:

1. that the provisions of Article I of the General Agreement on
Tariffs and Trade shall be waived to the extent necessary to
permit the Government of the Commonwealth of Australia

(a) to grant duty-free treatment of any primary product originating in the Territory of Papua-New Guinea which does not at present receive such treatment;

(b) to increase margins of preference with respect to such products;

(b) To accord protection in the Australian market to any primary product originating in Papua-New Guinea in the same manner as if such products were the products of the Australian customs area, provided that the rate or rates of duty on such product are not at that time bound in Schedule I of the General Agreement.

(b) to alter the rate of duty on a primary product in order to provide a market in Australia for the like product originating in Papua-New Guinea - provided that the rate or rates of duty on such product are not at that time bound in Schedule I of the General Agreement.

(c) to grant bounties upon the importation of any primary products originating in Papua-New Guinea and imported into Australia:

2. that, in the event that the underlying economic factors affecting the production and trade of the territory should change so that the special treatment authorized by this Decision should result or threaten to result in substantial injury to the competitive trade of any contracting party, the CONTRACTING PARTIES, upon request of any affected contracting party, shall review this Decision in the light of all relevant circumstances.