SECOND SESSION OF THE PREPARATORY COMMITTEE OF THE UNITED NATIONS CONFERENCE ON TRADE AND EMPLOYMENT

Non-Negotiated Notes in Schedules

In accordance with the procedure laid down in Document E/PC/T/220, the Australian Delegation has circulated to delegations the following Statement regarding non-negotiated notes intended to appear in their Schedules:

"The Australian Delegation wishes to inform other Delegations as follows:—

(1) It is the intention of the Australian Delegation to include the following Note at the end of Part I of the Australian Schedule:

NOTE: A/. Wherever the symbol A/. appears opposite an Item in Part I of Schedule I in the column headed "Rate of Duty", the preferential rate of ordinary customs duty shall, for purposes of sub-paragraph (a) of paragraph 3 of Article I of this Agreement, be taken to be the preferential rate in force on 15th October, 1946.

This Note is regarded as an Interpretative Note necessitated firstly by the rule contained in Article I.3(a) that if no preferential rate is provided in the Schedule the preferential rate shall, for the purpose of determining the maximum margin of preference permissible in accordance with Article I, be taken to be the preferential rate in force on the base date; secondly by the fact that primage duty is being removed from practically all items scheduled in Part I
irrespective of whether the goods are dutiable at a preferential rate of the most-favoured-nation rate. In effect, the removal of primage duty means that the overall preferential rate is also being reduced. The Interpretative Note is designed to obviate the repetition of the same Item in Part II where the only change in the overall preferential rate is the removal of primage duty concurrently with the reduction or binding of a most-favoured-nation rate and removal of primage duty on the most-favoured-nation rate.

(2) It is intended to add a second Note at the end of Part I of the Australian Schedule, viz.:-

NOTE: B/ The products described in Part I of Schedule I of this Agreement shall on their importation into the Commonwealth of Australia be exempt from primage duty. In the case of products provided for under Items in Part I of this Schedule against which the symbol B/ appears in the column headed "Rate of Duty" and no rate of duty is shown in that column, the contractual obligation of the Commonwealth of Australia shall, subject to the general provisions of this Agreement, be deemed in each such case to be only the exemption of such products from primage duty.

This Note is designed to cover the Australian offer to remove primage duty on Scheduled Items. The Note appears to be necessitated by the language of Article I(b) which, as it reads, permits the retention of duties and charges (other than ordinary customs duties) which do not exceed those
imposed on the date of the Agreement. The second sentence of the Note aims to set forth clearly the position with respect to those items on which the concession made by Australia is limited solely to an undertaking to remove primage duty on the particular items.

(3) At the end of Part II of the Australian Schedule it is intended to add the following variant of Note B/.
already referred to -

NOTE: B/. The products described in Part II of Schedule I of this Agreement which are the products of territories entitled under Article I of this Agreement to receive preferential treatment upon importation into the Commonwealth of Australia shall, on their importation into the Commonwealth of Australia and subject to the provisions of Article I of this Agreement, be exempt from primage duty. In the case of products provided for under Items in Part II of this Schedule against which the symbol B/, appears in the column headed "Rate of Duty" and no rate of duty is shown in that column, the contractual obligation of the Commonwealth of Australia shall, subject to the general provisions of this Agreement, be deemed in each such case to be only the exemption of such products from primage duty.

See explanation under (2) above.
Unless the Australian Delegation receives written advice to the contrary effect from any Delegation before Thursday, 9th October, 1947, it is proposed to assume that Notes in the terms quoted have the concurrence of other Delegations."