Australia desires to refer for further consideration by the Plenary Committee the proposition that the provisions of Paragraph 1 of Article 9 shall be "understood to preclude the application of internal requirements restricting the amount or proportion of an imported product permitted to be mixed, processed, exhibited or used," without a further qualification.

It is considered that in regard to certain types of production the only form of protection which may in some instances be effective is by means of regulating the proportion of the imported product which may be "mixed, processed, exhibited or used."

Provided such regulation imposes no undue hardship or restraint on the flow of world trade, and that it can be established that the regulation is less restrictive and onerous in its incidence on the domestic economy than other forms of protection which might legitimately be afforded, it is considered that such regulation is not opposed to the general objectives of the Charter.

It is agreed that any such regulation should be subject to discussion with any interested member and liable for reference to the ITO in the final resort. It is further considered that where such regulation already exists as a means of protection to a local industry, it should be eligible for bargaining in the same manner as a tariff rate of duty.