

26 February 1955

REPORT OF REVIEW WORKING PARTY II

(L/329 paragraph 42)

Proposal by the Netherlands Delegation

It is proposed that a vote be taken on the following text to be inserted in the Summary Records of the present meeting.

"It is recognized that when quantitative restrictions imposed for balance-of-payments purposes are removed an increase of customs duties or of other charges on imports, having the effect of impairing the benefits which might reasonably be expected from removal of the restrictions, could be referred to the CONTRACTING PARTIES by a contracting party having a substantial interest in the export of the products affected. The CONTRACTING PARTIES when considering any such reference, should take account of all relevant considerations including the fiscal, developmental, strategic and other needs of the contracting party concerned, and also the relative progress of both parties in the reduction of tariffs and other obstacles to trade."

In order to avoid any misunderstandings the Netherlands delegation emphasizes that the above statement stands quite independent from the new article on tariff negotiations and does not impose any new obligations on the contracting parties.