

on request, to conclude such negotiations, provided that the Organization may require the continued application of such concessions if it is satisfied that the Member was unreasonably prevented from becoming a party to the General Agreement.

A contracting party to the General Agreement proposing to withhold concessions from a Member which is not a contracting party must notify that Member, and the Organization, which, upon the request of that Member, may require their continuance pending its decision.

In reaching a determination regarding failure of a Member to fulfil its obligations to negotiate, the Organization must take into account all relevant circumstances, including developmental, reconstruction, and other needs, and the general fiscal structures of the countries concerned as well as the provisions of the Charter as a whole.

If the concessions are withheld, the Member affected has the right to withdraw, if it so desires, from the Organization.

Paragraph 4 (a) of Article 17 also provides that the provisions of Article 16 shall not affect the operation of paragraph 5 (b) (as amended) of Article XXV of the General Agreement on Tariffs and Trade under which the CONTRACTING PARTIES may authorize one contracting party to withhold concessions from another contracting party which unjustifiably fails to conclude negotiations with it.

Article 18: National Treatment on Internal Taxation and Regulation

As its title implies, Article 18 involves a recognition by Members that protection for domestic production should not be afforded through internal taxes or regulations affecting the internal sale, purchase, transportation, distribution, or use of products nor through internal quantitative regulations requiring the mixture, processing, or use of products in specified amounts or proportions. The principal objection to the use of such procedures is that, by their nature, they are not susceptible to public scrutiny in the same manner as a published import duty, and overseas traders may have no knowledge of their existence. From that point of view preference is given to the use of import duties as a more satisfactory and recognized method for affording protection.

The Article therefore stipulates that imported products shall not be subject to higher internal taxes or charges than those applied to like domestic products. Unless the import duty for the product concerned is bound against increase as a result of tariff negotiations, there is nothing to prevent the protection accorded through the internal tax being converted to an import duty. In cases where the duty has been bound against increase the tax may be retained until such time as a release from the tariff binding can be obtained from the other party to the trade agreement.