

*Article 17.—Reduction of Tariffs and Elimination of Preferences*

Article 17 provides for negotiations among Members directed towards the substantial reduction of tariffs and other charges on imports and exports and to the elimination of preferences. Detailed rules are set out concerning such negotiations. In the case of the Members of the Preparatory Committee negotiations have already been entered into in accordance with the provisions of this Article, but it is necessary to retain the Article in the Charter to govern subsequent negotiations, including negotiations with new Members. Failure, without sufficient justification, to carry out negotiations in accordance with the provisions of this Article renders a Member liable to lose the benefits of tariff reductions made by other Members. If such benefits are in fact withheld by other Members, the offending Member is free to withdraw from the Organization within a defined period.

*Article 18.—National Treatment on Internal Taxation and Regulation*

Since it is considered that internal taxes can be operated in such a way as to be equivalent to a tariff or trade barrier, new internal taxes and other internal charges are not to be applied to goods imported from other Member countries in excess of those applied to similar domestic goods. Existing internal taxes of this kind are to be subject to negotiation for their reduction or elimination in the manner provided for in respect of tariffs and preferences.

Similar provisions apply regarding all laws, regulations, and requirements affecting the internal sale, offering for sale, purchase, transportation, distribution, or use of imported products.

A general rule is set out against regulations relating to the mixing, processing, or use of domestic and imported products in specified amounts or proportions. This rule does not prevent the continuation of existing measures of this nature, provided that they are not modified to the detriment of imports and that they are subject to negotiation in the manner provided for in respect of tariffs and preferences. New Zealand's practice requiring the use of a specified minimum proportion of domestically grown tobacco leaf in the manufacture of tobacco and cigarettes would be covered by this provision. The Article does not apply to the procurement by governmental agencies of products purchased for governmental purposes and not for resale or use in the production of goods for sale.

*Article 19.—Special Provisions relating to Cinematograph Films*

Conditions and requirements are stipulated regarding internal quantitative regulations relating to cinematograph films. The method of "screen quotas" is affirmed as the best method for such regulations to take. Minimum quotas for films of national origin may be established