

- (2) If the most-favoured-nation rate were 36 per cent. *ad valorem* and the preferential rate were expressed as two-thirds of the most-favoured-nation rate, the margin of preference would be 12 per cent. *ad valorem* :
- (3) If the most-favoured-nation rate were 2 francs per kilogram and the preferential rate were 1.50 francs per kilogram, the margin of preference would be 0.50 francs per kilogram.

The following kinds of Customs action, taken in accordance with established uniform procedures, would not be contrary to a general binding of margins of preference :—

- (i) The re-application to an imported product of a tariff classification or rate of duty, properly applicable to such product, in cases in which the application of such classification or rate to such product was temporarily suspended or inoperative on April 10, 1947 ; and
- (ii) The classification of a particular product under a tariff item other than that under which importations of that product were classified on April 10, 1947, in cases in which the tariff law clearly contemplates that such product may be classified under more than one tariff item.

ad Article II

Paragraph 2 (b)

See the note relating to paragraph 1 of Article I.

Paragraph 4

Except where otherwise specifically agreed between the contracting parties which initially negotiated the concession, the provisions of this paragraph will be applied in the light of the provisions of Article 31 of the Draft Charter referred to in Article XXIX of this Agreement.

ad Article V

Paragraph 5

With regard to transportation charges, the principle laid down in paragraph 5 refers to like products being transported on the same route under like conditions.

ad Article VI

Paragraph 1

Hidden dumping by associated houses (that is, a sale by an importer at a price below that corresponding to the price invoiced by an exporter with whom the importer is associated, and also below the price in the exporting country) constitutes a form of price dumping.

Paragraph 2

Multiple currency practices can in certain circumstances constitute a subsidy to exports which may be met by countervailing duties under paragraph 2 or can constitute a form of dumping by means of a partial depreciation of a country's currency which may be met by action under paragraph 1 of this Article. By "multiple currency practices" is meant practices by Governments or sanctioned by Governments.

Paragraph 7

The obligations set forth in paragraph 7, as in the case of other obligations under this Agreement, are subject to the provisions of Article XIX.