

United Nations

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**ECONOMIC
AND
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RESTRICTED

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ORIGINAL: ENGLISH

AMENDMENT PROPOSED BY THE DELEGATION OF INDIA
QUANTITATIVE RESTRICTIONS FOR PROTECTIVE PURPOSES

With reference to Chapter II, Section I, paragraph 4, and Chapter III, Section C, paragraph 1, sub-paragraph (m) of Part II of the Report of the First Session of the Preparatory Committee on Trade and Employment, the Delegation of India suggests the insertion of the following provisions at a suitable place in either Chapter IV (Economic Development) or Chapter V, Section C (General Commercial Policy - Quantitative Restrictions and Exchange Control) of the Charter:

"1. Members agree that they will not impose new or intensify existing quantitative restrictions on imports for protective purposes except when such restrictions are no more restrictive in their effect than other forms of protection.

"2. The Organization may at any time invite any Member which is imposing quantitative restrictions on imports under paragraph 1 to consult with it about the form and extent of the restrictions and shall invite the Member substantially intensifying such restrictions to consult accordingly within thirty days. Members agree to participate in such discussions when so invited. The Organization shall within two years of its institution review all restrictions existing at its institution and subsequently maintained under paragraph 1.

"3. Any Member applying or intending to apply quantitative restrictions on imports under paragraph 1 may if it so desires consult with the Organization with a view to obtaining the previous approval of the Organization for restrictions which it intends to maintain or to impose or for the maintenance or imposition in the future of restrictions under specified conditions. As a result of such consultation the

Organization may approve in advance the maintenance, imposition, or intensification of import restrictions by the Member in question insofar as the general extent, degree and duration of the restrictions are concerned. To the extent to which such approval has been given, the action of the Member imposing restrictions shall not be open to challenge under paragraph 4 insofar as it relates to action taken in conformity with paragraph 1.

"4. Any Member, which considers that any other Member is applying import restrictions under paragraph 1 in a manner inconsistent with the terms of that paragraph, may bring the matter for discussion to the Organization. The Member imposing restrictions shall then participate in the discussions of the reasons for its action. The Organization shall, if it is satisfied that there is prima facie case that the complaining Member's interests are adversely affected, consider the complaint. It may then recommend the withdrawal or modification of restrictions which it determines are being applied in a manner inconsistent with the terms of paragraph 1. If restrictions are not withdrawn or modified in accordance with the recommendations of the Organization within sixty days, such other Members shall be released from such obligations incurred under this Charter towards the Member applying the restrictions as the Organization may specify."

The effect of this amendment is to make applicable to quantitative restrictions for protective purposes substantially the same procedure as has been provided in Article 26 for quantitative restrictions to safeguard the balance of payments.