

PREPARATORY COMMITTEE OF THE INTERNATIONAL CONFERENCE  
ON TRADE AND EMPLOYMENT

COMMITTEE II

SUGGESTED ADDITION TO REPORT OF THE  
SUB-COMMITTEE ON QUANTITATIVE RESTRICTIONS AND EXCHANGE CONTROL

Suggested for insertion as paragraph 14 in the Report on Article 19  
(E/FC/T/C.II/59, page 6):

"The Committee considered the question of the treatment of certain existing preferential arrangements which were established under international agreements but not effected by the normal method of a difference in rates of duty. In these special circumstances they recommend that any such arrangements remaining after the negotiations contemplated for April 1947, should be dealt with by a provision in a protocol to the Charter or (pending the conclusion of the Charter) to the General Agreement on Tariffs and Trade to the effect that the member applying these arrangements shall be entitled to continue them or equivalent measures, pending either:

- (a) an arrangement under Chapter VI, if the member countries concerned desire that the product should be made the subject of such arrangement, or,
- (b) some other arrangement regarding the matter between the member countries concerned.

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This document replaces that concerning a suggestion of an addition to the Draft Report of the Sub-Committee on Procedures made in Document E/FC/T/C.II/57/Add. 2 which was presented in Committee II by Mr. Helmore (United Kingdom); it resulted from consultation among the Delegates for Australia, Canada, New Zealand, the United Kingdom and the United States who, by decision of Committee II on 29 October 1946, had been asked to consider the question of the negotiability of preferences in the form of quotas (see Document E/FC/T/C.II/PV/4, page 26).

The Committee agreed further that only a very limited number of commodities fell under this heading and that the countries concerned should establish the facts about them so that this recommendation on the subject could be taken into account in the forthcoming negotiations.

It was further recognized that the concessions or lack of concessions in respect of the items concerned would, for purposes of assessing the results of the negotiations, stand on the same footing as concessions or lack of concessions in respect of particular tariff or preference items."

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