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ORIGINAL: ENGLISH

DRAFTING COMMITTEE OF THE PREPARATORY COMMITTEE OF THE
UNITED NATIONS CONFERENCE ON TRADE AND EMPLOYMENT

TEXT OF ARTICLE TENTATIVELY AGREED AT THE FIFTE MEETING

CHAPTER V

GENERAL COMMERCIAL POLICY

Section C - Quantitative Restrictions and Exchange Control

Article 25

General Elimination of Quantitative Restrictions

1. Except as otherwise provided in this Charter, no prohibitions or restrictions other than duties, taxes or other charges, whether made effective through quotas, import licences or other measures, shall be imposed or maintained by any Member on the importation of any product of any other Member country or on the exportation or sale for export, of any product destined for any other Member country.
2. The provisions of paragraph 1 shall not extend to the following:
 - (a) Prohibitions or restrictions on imports or exports imposed or maintained during the early post-war transitional period, which are essential to
 - (i) the equitable distribution among the several consuming countries of products in short supply, where such products are owned by private interests or by the government of any Member;
 - (ii) the maintenance of wartime price control by a country undergoing shortages subsequent to the war;
 - (iii) the orderly liquidation of temporary surpluses of stocks owned or controlled by the government of any Member or of
/industries

industries developed in the territory of any Member
owing to the exigencies of the war, which it would be
uneconomic to maintain in normal conditions

PROVIDED THAT restrictions under (iii) of this sub-paragraph may
be imposed by any Member only after consultation with other interested
Members with a view to appropriate international action. Import and
export prohibitions and restrictions imposed or maintained under this
sub-paragraph shall be removed as soon as the conditions giving rise
to them have ceased, and in any event, not later than 1 July 1949

PROVIDED THAT this period may, with the concurrence of the
Organization, be extended in respect of any product for further
periods not to exceed six months each.

(b) Export prohibitions or restrictions temporarily imposed to
relieve critical shortages of foodstuffs or other essential products
in the exporting country.

(c) Import and export prohibitions or restrictions necessary to the
application of standards for the classification and grading of
commodities in international commerce. If, in the opinion of the
Organization, the standards adopted by a Member under this
sub-paragraph are likely to have an unduly restrictive effect on
trade, the Organization may request the Member to revise the standards

PROVIDED THAT it shall not request the revision of standards
internationally agreed under paragraph (6) of Article 22.

(d) Export or import quotas imposed under inter-governmental
commodity agreements concluded in accordance with the provisions of
Chapter VII.

(e) Import restrictions on any agricultural or fisheries product,
imported in any form, necessary to the enforcement of governmental
measures which operate

/(i) to restrict

- (i) to restrict the quantities of the like domestic product permitted to be marketed or produced; or
- (ii) to remove a temporary surplus of the like domestic product by making the surplus available to certain groups of domestic consumers free of charge or at prices below the current market level.
- (f) Any Member imposing restrictions on the importation of any product pursuant to sub-paragraph (e) shall give public notice of the total quantity or value of the product permitted to be imported during a specified period and of any change in such quantity or value. PROVIDED that any supplies of the product in question, which were enroute at the time at which public notice was given, shall not be excluded but may be counted, so far as practicable, against the quantity permitted to be imported in the period in question. 7 Moreover, any restrictions imposed under (i) of sub-paragraph (e) shall not be such as will reduce the total of imports relative to the total of domestic production, as compared with the proportion which might reasonably be expected to rule between the two in the absence of the restrictions. In determining this proportion the Member shall pay due regard to the proportion prevailing during a previous representative period and to any special factors which may have affected or may be affecting the trade in the product concerned. The Member shall consult with any other Members which are interested in the trade in question and which wish to initiate such consultations.
- (g) Import and export prohibitions or restrictions imposed on private trade for the purpose of establishing a new or maintaining an existing monopoly of trade for a state-trading enterprise operated under Articles 31, 32 and 33.

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Note: At the meeting of 24 January, the Delegates for Australia and the United States undertook to supply a new draft of the proviso following immediately after Article 25, 2 (iii) (which would render it clear that the procedure of consultation would apply to restrictions applied when the provision enters into force). The new draft was not available to the Secretariat when the present document was prepared.
