The Discriminatory Application of Import Restrictions
under the transitional period arrangements of
Article XIV

Amendments by the U.K. Delegation

Para.17: Delete last sentence and substitute:

The freedom of trade between countries of the sterling area is of course bound up closely with the fact that international payments by countries within the area are for the most part made in sterling and that no exchange control is maintained by the United Kingdom on transfers of sterling within the area even for capital transactions. Broadly speaking the sterling area countries also use sterling as their common external currency, and payments in respect of individual transactions between traders within the sterling area and those in other currency areas are conducted largely in sterling. Underlying the system, however, is the fact that the traditional pattern of trade and capital movements between the various countries of the area constitutes a fundamentally balanced system on a multilateral basis. It is this fundamental balance and the complementary nature of the sterling area countries' economies on the broadest basis that make possible the free transferability of payments and the freedom of mutual trade within the area.

Para.18: Delete last two sentences and substitute:

The severity of the control of imports and the degree of discrimination naturally vary greatly from product to product and from time to time. For example, in July 1949 the United Kingdom and the other sterling Commonwealth countries (excluding South Africa) agreed to endeavour to reduce demands on their central reserves in respect of dollar imports by 25% below the level of 1948 in order to halt the severe drain on those reserves.

Para.19: line 11, after "continuing" insert "in some cases",
delete last sentence and substitute:

This removal of restrictions had been facilitated by the alleviation of payments difficulties by means of the Intra-European Payments Scheme under which the currencies required by debtor countries on Intra-European account have in large part been provided by their creditors in connection with the European Recovery Programme.
Page 7: In the first of the additional paragraphs proposed by the United States, delete second sentence and substitute:

It is not clear in every case that these procedures provide for maximum competition between the various hard currency sources of supply.

Page 8: Second paragraph: Delete rest of paragraph after end of second sentence and substitute:

Where a quota system is based on a previous representative period it may of course be possible to allow each importer to bring in the same proportion of his imports from each country as in the base period, although the volume may be larger or smaller than in the base period. However, if the structure of domestic demand has substantially changed as compared with the representative period selected for the allocation of imports between supplying countries, some different principle of allocation between importers may have to be applied.

Page 8: Last paragraph: Delete second and third sentences and substitute:

In Canada, for example, soft currency supplies which might otherwise be imported are not licensed if the prices exceed those of hard currency supplies by more than a reasonable margin. The United Kingdom also exercise a general scrutiny and comparison of relative prices in the hard and soft currency areas and in a number of cases, commodities available in soft currency areas are still being procured in the hard currency area because of the unduly high prices of soft currency supplies.