The Sub-Committee, at its third meeting on 17 December, adopted unanimously the following text of proposed new paragraph 4, Article 16, based on the report of an ad hoc drafting group composed of Cuba, France and the United States:

**Article 16**

4. The imposition of a margin of tariff preference not in excess of the amount necessary to compensate for the elimination of a margin of preference in an internal tax existing on 10 April 1947 exclusively between two or more of the territories in respect of which preferential import duties or charges are permitted under paragraph 2 of this Article shall not be deemed to be contrary to the provisions of this Article, it being understood that any such margin of tariff preference shall be subject to the provisions of Article 17.