Report to Commission A
by
Special Sub-Committee on Films of the
Sub-Committee on Articles 14, 15 and 24.

PART I

1. At its meeting on Wednesday, July 16 the Sub-Committee on Articles 14, 15 and 24 appointed a Sub-Committee to draft and submit to Commission A a new Article containing "Special Provisions relating to Films".

2. The Sub-Committee consisted of the representatives of the following countries: Czechoslovakia, New Zealand, Norway, United Kingdom and United States.

3. The Sub-Committee held two meetings and a considerable number of informal discussions were arranged to effect a reconciliation of views.

4. The Sub-Committee considered the draft text of a proposed Article 15-B submitted by the Delegation of the United States of America, together with proposed amendments to Article 15 necessary to make effective the principles established by Article 15-B.

5. The Sub-Committee took into account the fact that in New Zealand a renters' quota is maintained and that legislation establishing a screen quota has not been brought into force. The Sub-Committee agreed that the New Zealand renters' quota is in purpose and effect the equivalent of a screen quota, and
that control of film distribution in New Zealand is maintained in this manner for purposes of administrative convenience only.

This particular quota is in fact a preferential quota of the type referred to in paragraph (d) of the United States draft of Article 15-B (paragraph (c) of the Sub-Committee draft), which may be maintained on condition that its incidence is not increased above the level in effect on April 10, 1947. In these circumstances the Sub-Committee agreed that an appropriate definition be included in Annex A of "Annexes in terms of Article 14.2" to establish the New Zealand renters' quota as in effect a preferential screen quota to which the provisions of Article 15-B shall apply.

6. The Sub-Committee has made only one change of substance in the text of Article 15-B as proposed by the United States Delegation by agreeing to omit from paragraph (b) everything following the words "equivalent thereof", as a result of which it seems appropriate to include the first clause of paragraph (b) with the text of paragraph (a). It is the purpose of this revision to keep the text of the Article as clear and simple as possible, without endeavouring to limit too precisely the manner in which Members may apply the established principle of the screen quota.

7. The United Kingdom representative indicated that his Delegation wishes to give further consideration to the proposed text before final agreement thereto.

8. The Norwegian representative reserved his position.
PART II
Text of Article 15-B and Amendments to other Articles of the Charter

Amendments to text in Working Paper M 34/47

ARTICLE 15: National Treatment on Internal Taxation and Regulation.

A. Modify paragraph 4 of Article 15 as follows:

"The provisions of paragraph 3 of this Article shall not apply to:

a. Any internal quantitative regulation relating to cinematograph films and meeting the requirements of Article 15-B.

(a) b. Any other measure of internal quantitative control, etc.

c. ...

B. Delete present paragraph 5, with consequential renumbering of paragraph 6.

Amendment to "Annexes in terms of Article 14.2"

A. Include in Annex A the following:

The renters' film quota in force in New Zealand on 10 April, 1947 shall for the purposes of this Charter be treated as a screen quota falling within Article 15-B.

New text.

Article 15-B

Special Provisions Relating to Cinematograph Films

1. If any Member establishes or maintains internal quantitative regulations relating to cinematograph films,
such regulations shall take the form of screen quotas which shall conform to the following conditions and requirements:

(a) Screen quotas may require the exhibition of cinematograph films of national origin during a specified minimum proportion of the total screen time actually utilized over a specified period of not less than one year in the commercial exhibition of all films of whatever origin, and shall be computed on the basis of screen time per theater per year or the equivalent thereof.

(b) With the exception of screen time reserved for films of national origin under a screen quota, no screen time, including screen time released by administrative action from minimum time reserved for films of national origin, shall formally or in effect be allocated among sources of supply.

(c) Notwithstanding the provisions of sub-paragraph (b) above, Members may maintain screen quotas conforming to the conditions of sub-paragraph (a) which reserve a minimum proportion of screen time for films of a national origin other than that of the Member imposing such screen quotas; Provided, that no such minimum proportion of screen time shall be increased above the level in effect on April 10, 1947.

(d) Screen quotas shall be subject to negotiation for their limitation, liberalization or elimination in the manner provided for in respect of tariffs and preferences under Article 24.