At its ninth meeting on 3 September 1947 the Tariff Agreement Committee appointed a Sub-Committee to consider the draft text of Paragraph 3 of Article I as contained in document E/PC/T/189 taking account of the amendments submitted.

Representatives of the Delegations for Australia, Czechoslovakia, France, Lebanon-Syria, the United Kingdom and the United States were appointed members of the Sub-Committee.

Dr. COOMBS (Australia) was elected chairman.

The Sub-Committee held two meetings and reached unanimous agreement on the attached text which it recommends in substitution for the present text of Paragraph 3 of Article I.

 Paragraph 3 of Article I.

3. The margin of preference on any product in respect of which a preference is permitted under paragraph 2 of this Article and is not specifically scheduled as a maximum margin of preference shall not exceed -

(a) in respect of any product described in a Schedule to this Agreement, the difference between the most-favoured-nation and preferential rates provided for in such Schedule; provided that where no preferential
rate is provided for, the preferential rate shall for the purposes of this paragraph be taken to be that in force on 10th April 1947, and that where no most-favoured-nation rate is provided for, the margin shall not exceed the difference between the most-favoured-nation and preferential rates existing on 10th April 1947;

(b) in respect of any product not described in the Schedules, the difference between the most-favoured-nation and preferential rates existing on 10th April 1947, in the case of the contracting parties named in Annex G, the date of 10th April 1947 referred to in (a) and (b) above shall be replaced by the respective dates indicated in the said Annex.