<u>Reserved for Separate Consideration</u> --Short form included in Section 14 of draft

Economic Provisions: Quotas, Sugar

. (a) Any quantitative restrictions Section imposed upon merchandise shipped from the United States to Puerto Rico, or from Puerto Rico to the United States must be part of a general law of the United States applicable to the States of the Union and no such quota applicable to Puerto Rico as part of such general law shall result in Puerto Rico receiving a less favorable quota than it would receive if it were a member State of the Union: Provided. however, that so long as any quantitative restrictions imposed upon direct consumption sugar manufactured in Puerto Rico and shipped to the United States for sale and consumption shall not be less than the percentage of Puerto Rico's maximum total quota of sugar alloted to Puerto Rico for shipment to the United States as of the last determination thereof prior to January 1, 1958, under the Sugar Act of 1946, as amended.

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Coastwise Shipping

Section . (a) Carriage of persons and goods by sea to Puerto Rico shall be considered essential foreign commerce, and United States citizens engaged or proposing to engage in such carriage shall be eligible for financial aid in the construction, financing, and operation of vessels engaged or to engage in service with Puerto Rico as provided by law with respect to essential foreign commerce.

(b) The coastwise laws of the United States shall not apply to Puerto Rico.*

* This simple formula is based upon the precedent in Section 21 of the Merchant Marine Act of 1920.

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