THIRD COMMITTEE: COMMERCIAL POLICY

REPORT OF WORKING PARTY NO. 3 ON PARAGRAPHS 1 (a) OF ARTICLE 40

At its thirty-second meeting on 5 February 1948, Committee III established Working Party No. 3 consisting of the representatives of Mexico, Venezuela, the United Kingdom and the United States to consider a proposal to substitute the word "Charter" for "Chapter" in paragraph 1 (a) of Article 40.

The Working Party, electing Mr. R. J. Shackle (United Kingdom) Chairman, held three meetings.

The Working Party considered a proposal by the delegations of Venezuela and Mexico that the opening words of paragraph 1 (a) of Article 40 be amended to read:

"If, as a result of unforeseen developments and of the effect of the obligations incurred by a Member under this Charter.......

The delegations of Venezuela and Mexico explained that, in their view, action by a Member in pursuance of its obligations under Article 3 or under Article 9 might in certain circumstances result in an influx of imports such as would cause serious injury to domestic producers, while at the same time the situation might not be such as would justify resort to the provisions of Article 21.

The Working Party agreed that:

Situations deriving from the fulfillment by a Member of its obligations under Articles 3 or 9 might constitute an "unforeseen development" for the purpose of this paragraph.

It is recommended that the foregoing should form part of the record of Committee III.