1. At its Fifth Meeting the Sub-Committee appointed a Working Party consisting of the delegates of Belgium, Brazil, Cuba, India, the United Kingdom and the United States of America to consider the amendments to Article 21 submitted by the delegation of Belgium (C.3/F/W.6). Items 28 and 33 (Australia) were also referred to this Working Party at the Sixth Meeting of the Sub-Committee. Mr. J. A. GUERRA (Cuba) was elected Chairman of the Working Party.

2. The Working Party has agreed on the following amendments to Article 21:

(a) The following paragraph 1 should be inserted before the present paragraph 1:

1. (a) Members recognize that

(i) It is primarily the responsibility of each Member to safeguard its external financial position and to achieve and maintain stable equilibrium in its balance of payments;

(ii) adverse balance of payments of one Member may have important effects on the trade and balance of payments of other Members, particularly if it results in the imposition by the Member, for the purpose of safeguarding its external financial position, of restrictions affecting international trade;

(iii) the balance of payments of each Member is of concern to other Members, and therefore it is desirable that the Organization should promote mutual consultations and, where possible, agreed action consistent with this Charter for the purpose of correcting a maladjustment in balances of payments;

(iv) action taken to restore stable equilibrium in the balance of payments should so far as possible employ methods which expand rather than contract international trade.

(b) The
(b) The principles set forth in sub-paragraph (a) of this paragraph shall guide the Organization in action taken under the relevant provisions of this Article and Articles 23 and 24.

(b) The present paragraphs 1, 2, 3, 4 and 5 of Article 21 should be numbered respectively 2, 3, 4, 5 and 6.

(c) The present paragraph 2 (b) should read as follows:

A Member applying restrictions under sub-paragraph (a) shall progressively relax and ultimately eliminate them as its external financial position improves, in accordance with the provisions of that sub-paragraph. This provision shall not be interpreted to mean that a Member is required to relax or remove such restrictions if that relaxation or removal would thereupon produce conditions justifying the intensification or institution respectively of restrictions under sub-paragraph (a).

(d) The following phrase should be added at the end of paragraph 3 (c) (iii) of the Geneva text: "including interests under Articles 3 and 9",

(e) The following sentence should be inserted as the first sentence of paragraph 4 (e) of the Geneva text:

In consultations between a Member and the Organization under this paragraph there shall be full and free discussion and expression of opinions as to the causes and nature of the Member's balance-of-payments difficulties.