THIRD COMMITTEE: COMMERCIAL POLICY

SUB-COMMITTEE F (ARTICLES 21, 23 AND 24)

REPORT OF INFORMAL WORKING PARTY ON ARTICLE 21

1. At its Ninth Meeting Sub-Committee F agreed to the principles contained in the new paragraph 1 of Article 21 proposed in the report of the Working Party on Article 21 (document E/CONF.2/C.3/F/W.19). However, the text of sub-paragraph (a) of this paragraph was referred to an informal Working Party to suggest such drafting changes as might be necessary to bring out clearly the intention of the provisions of the new paragraph. The members of this informal Working Party were the delegates of Belgium, Cuba, Czechoslovakia, Norway, the United Kingdom, and the United States of America, with Mr. J. A. GUERRA (Cuba) as Chairman.

2. After consideration of the issues involved, the informal Working Party unanimously recommends the following draft of sub-paragraph (a) of the proposed new paragraph 1 of Article 21:

"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) an 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 or may lead to 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 balance of payments;

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

Note: Brackets indicate deletions and underlining indicates additions.