THIRD COMMITTEE: COMMERCIAL POLICY

SUB-COMMITTEE F ON ARTICLES 21, 23 AND 24

NOTES ON TENTH MEETING

Held on Friday, 6 February 1948 at 6.00 p.m.

Chairman: J. MELANDER (Norway)

CONSIDERATION OF THE REPORT OF THE INFORMAL WORKING PARTY ON ARTICLE 21
(E/CONF.2/C.3/F/W.21)

Mr. J. A. GUERRA (Cuba), Chairman of the Informal Working Party on Article 21 appointed at the ninth meeting, presented the Working Party's report.

The delegate for Czechoslovakia proposed that sub-paragraph (i) of the proposed paragraph 1 (a) should read "It is in the interests of each member..."

As an alternative to amending paragraph 1 (a), the representative of the United States suggested the deletion of the proposed paragraph 1 (b) of Article 21 (see document E/CONF.2/C.3/F/W.19).

The delegate for the Philippines suggested several drafting changes to paragraph 1 (a).

After discussion, it was agreed to drop sub-paragraph (b) of the proposed new paragraph 1 of Article 21, and to approve the text of paragraph 1 (a) as recommended by the Informal Working Party. The text of the proposed new paragraph 1, as agreed, included the drafting changes proposed by the delegate for the Philippines:

"1. (a) The 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, if it results in, or may lead to, the imposition by the Member of restrictions affecting international trade;

(iii) the balance of payments of each Member is of concern to other Members,"
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; and that

(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".

The delegate for Argentina stated that his Government maintained its reservation on Article 21.

The CHAIRMAN informed the Sub-Committee that he had received a communication from the delegation of New Zealand, proposing that an interpretative footnote be added to Article 21. It was agreed to consider this proposal at the next meeting after the text had been circulated.

The delegation of Brazil suggested that paragraphs (ii) and (iii) of paragraph 3 (c) of Article 21 should be transferred to paragraph 2 of the Article. It was agreed to consider this proposal at the next meeting after it had been circulated.

CONSIDERATION OF THE REPORT OF THE WORKING PARTY ON ARTICLE 24

Mr. J. A. GUERRA (Cuba), Chairman of the Working Party on Article 24 presented its report.

The Sub-Committee considered the report paragraph by paragraph.

Recommendation on paragraph 2 of Article 24 (paragraph 2 (a) of the Report)
The Sub-Committee approved the recommendation on paragraph 2 of Article 24.

The delegation of France stated that he had not had time to examine the French Text as revised by the Working Party, and reserved the right to revert to the French Text.

Amendments to paragraph 6 of Article 24 (paragraph 2 (b) of the Report)
The Sub-Committee considered the recommendations in paragraph 2 (b) of the Working Party's report, which proposed an additional paragraph to Article 6 and certain consequential drafting changes.

The delegate for the Philippines proposed that the following changes should be made in the suggested new paragraph 6 (d):

The word "Member" should replace "country" in line 2, and the word "has" should replace "have" in line 4.

After discussion, the Sub-Committee approved the recommendation contained in paragraph 2 (d) of the Working Party report, including the amendments proposed by the delegate of the Philippines.

Footnote to Article 24.
Footnote to Article 24 (paragraph 2 (c) of the Report)

The Sub-Committee approved the recommendation to retain the footnote to paragraph 4 of Article 24, referring to "frustration" (Item 81 of the Annotated Agenda).

Amendment of Mexico Item 82 of the Annotated Agenda (paragraph 2 (a) of the Report)

The Sub-Committee approved the Working Party's recommendation on Item 82 of the Annotated Agenda, contained in section 2 (a) of the Working Party's report. In this connection the delegation of Mexico was invited to make a statement by the Sub-Committee and said that his Government reserved its position in respect to Article 24.

Title of Article 24 - Section B of Chapter IV (paragraph 2 (e) of the Report)

The Sub-Committee approved the recommendation that changes be made in the titles of Article 24 of Section B of Chapter IV.

Reservations on Article 24.

The delegate for Czechoslovakia stated that his Government reserved its position on Article 24, pending the determination of the text of Article 23.

The delegate for Argentina stated that his Government reserved its position on Article 24.