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ON
TRADE AND EMPLOYMENT

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THIRD COMMITTEE: COMMERCIAL POLICY

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

NOTES ON THE THIRD MEETING

Held on Thursday, 8 January 1948 at 10.30 a.m.

Chairman: Mr. J. MELANDER (Norway)

(Reference: E/CONF.2/C.3/7)

ARTICLE 21 - RESTRICTIONS TO SAFEGUARD THE BALANCE OF PAYMENTS

1. Item 35

Some delegates expressed dissatisfaction with the revised wording of the delegation of Denmark to paragraph 3 (b) on the ground that it was misleading to insert in the sub-paragraph only one of the consequences of a full employment policy. The delegates of Liberia and the United Kingdom suggested that the entire phrase might be redrafted to read: "such a Member may experience disequilibrium in its balance of payments".

The delegate of the United States suggested another alternative to read as follows: "such a Member may experience such external financial conditions as to justify an imposition of restrictions under sub-paragraph 2 (a)".

It was agreed that a Working Party consisting of the delegates of Cuba, Liberia, the United Kingdom and the United States should consider the question and present a draft of the phrase to the sub-committee.

2. Item 37 (Ceylon)

The delegate of the United States pointed out the difficulty of defining the phrase "minimum commercial quantities". However, the paragraph left the individual Member to decide what constituted such minima and the Member instituting restrictions need have no fears on this question since the procedure under paragraph 4 (d) of Article 21 allowed a period of sixty days for the Member to act on any recommendations of the Organization in the event of a complaint being made. The deletion of the word "commercial" would not produce a clearer definition. Secondly, if the phrase "as far as is possible" were inserted in sub-paragraph (iii), it would weaken still further an already weak provision. In the light of these considerations the delegate of Ceylon withdrew his amendment.

/3. Item 39 (Ceylon)

3. Item 39 (Ceylon)

The delegate of Ceylon withdrew his proposal.

4. The delegate of Cuba suggested that the word "unreasonably" should be deleted from paragraph 3 (c) (ii). This proposal found no support.

ARTICLE 23 - EXCEPTIONS TO THE RULE OF NON-DISCRIMINATION

5. Item 63

The CHAIRMAN pointed out that this amendment had already been withdrawn in full Committee. (Reference: E/CONF.2/C.3/SR.22, p.4).

6. Item 64 (Norway) and Proposed Amendment of the Delegation of France to Paragraph 1 (b) (ii) (Reference: E/CONF.2/C.3/B/W.3).

A lengthy discussion took place on these amendments and also on the general principles of Article 23. It was agreed that no decisions could be taken until the redraft proposed by the delegation of Belgium had also been considered. The delegate of Norway agreed to redraft his amendment.

(Note by the Secretariat: This redraft has now been circulated as a working paper).