

THIRD COMMITTEE: COMMERCIAL POLICY

ARTICLE 21: RESTRICTIONS TO SAFEGUARD THE BALANCE
OF PAYMENTS

NOTE FROM THE DELEGATION OF CHILE

The Working Party of Sub-Committee E of the Third Committee, composed of representatives of Ceylon, Chile, France, New Zealand, the United Kingdom and the United States of America, which examined the Chilean amendment to Article 20, unanimously agreed on the following solution which was provisionally accepted by Chile. Chile was to withdraw its amendment to Article 20 provided that certain changes were made in Article 21, and pending the definitive text of other Articles in the Charter.

It should be noted that the Third Committee, during its meeting held on 17 February 1948 (document E/CONF.2/C.3/SR.38) decided to discuss Article 21 on the basis of the text submitted by the Sub-Committee on the understanding that the question of a further amendment to Article 21 could be re-opened at a later stage by the Members of the Working Party referred to above.

The delegation of Chile has received the necessary instructions from its government and would be ready to withdraw its amendment to Article 20 provided that, in accordance with the agreement reached by the Working Party and given above, the sentence at the end of sub-paragraph 4 (b), preceding sub-paragraph (i), and ending "such a Member may experience such pressure on its monetary reserves as to justify restrictions under sub-paragraph 3 (a) of this Article", be replaced by the following:

"such a Member may find that demands for foreign exchange on account of imports and other current payments are absorbing the foreign exchange resources currently available to it in such a manner as to exercise pressure on its monetary reserves which would justify the institution or maintenance of restrictions under paragraph 3 of this Article".

/The delegation

The delegation of Chile therefore requests that the Third Committee re-open its examination of Article 21 in order to consider the proposal quoted above.

(sgd) Walter Miller

Head of Delegation