

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/384

5 August 1955

Limited Distribution

RESTRICTIVE BUSINESS PRACTICES

Note by the Executive Secretary

1. At the Ninth Session, in connexion with the Review of the Agreement, the CONTRACTING PARTIES discussed the question of the appropriateness of the CONTRACTING PARTIES (or the proposed Organization) undertaking the administration of an international agreement dealing with restrictive business practices. As action on this matter was at that time still under consideration by the United Nations Economic and Social Council, the CONTRACTING PARTIES decided to postpone consideration of it pending receipt at the Tenth Session of a report by the Executive Secretary on discussions in this field by the Council (BISD, Third Supplement, page 239).
2. Under the terms of the relevant resolutions of the Council, the Secretary-General of the United Nations was to make a report and recommendation as to the organization which could most appropriately implement the proposals formulated by the Ad Hoc Committee on Restrictive Business Practices; such report and recommendation were to be made in the light of views to be obtained from appropriate intergovernmental bodies when a sufficient number of governments had commented on that Committee's report to provide some indication of attitudes towards it. In the absence of a sufficient number of comments, the Secretary-General was precluded from proceeding to obtain the views of intergovernmental organizations, and consequently was not in a position to report on this question to the Nineteenth Session when it was resumed in May 1955.
3. At the resumed Nineteenth Session of the Council the Norwegian delegation presented a draft resolution which was referred to a Working Group. Upon the recommendation of the Group, the Council adopted Resolution 568 (XIX) (E/2730/Add.1), the text of which is reproduced below. The chief objective of the resolution, as noted by the President of the Council, was to enable the study of restrictive business practices to be continued, allowing for the fact that it was impossible to establish uniform rules in view of the difference in the practices and laws of various countries. (E/SR.860)
4. As the Secretary-General has not issued the report referred to in paragraph 2 and is not required to do so under Resolution 568 (XIX) and as the Council has not proceeded with the promotion of an international agreement on restrictive business practices, the question of the appropriate body to administer such an agreement does not arise at the present time. In these circumstances, the CONTRACTING PARTIES may wish to delete this item from their agenda.

Resolution 568 (XIX):

RESTRICTIVE BUSINESS PRACTICES

(adopted by the Economic and Social Council on 26 May 1955)

"THE ECONOMIC AND SOCIAL COUNCIL,

"HAVING CONSIDERED the reports prepared by the Secretary General¹ and the Ad Hoc Committee on Restrictive Business Practices², and the comments transmitted by Governments, specialized agencies, intergovernmental organizations and non-governmental organizations pursuant to Council resolutions 375 (XIII) and 478 (XVI)³,

"NOTING WITH SATISFACTION that these reports indicate that a number of Governments have undertaken new measures, or strengthened existing measures, to prevent or control restrictive business practices or their harmful effects; and that there is a growing awareness of the fact that, even though the precise form or effect of restrictive business practices differs throughout the world, these practices may have harmful effects upon economic development, employment and international trade,

"RECOGNIZING that national action and international cooperation are needed in order to deal effectively with restrictive business practices affecting international trade, but taking into account the fact that international action in this field would not be effective without sufficient support from States Members of the United Nations,

"1. REAFFIRMS its continuing concern with the existence in international trade of restrictive business practices which have harmful effects on the attainment of higher standards of living, full employment and conditions of economic and social progress and development;

¹ Official Records of the Economic and Social Council, Nineteenth Session, Supplements Nos. 3 (E/2671) and 3A (E/2675).

² Ibid., Sixteenth Session, Supplement No. 11 (E/2380).

³ E/2612 and Add.1 to 3.

"2. URGES Governments to continue the examination of restrictive business practices with a view to the adoption of laws, measures and policies which will counteract such effects;

"3. RECOMMENDS Member States to continue to communicate to the Secretary-General information concerning laws, measures and policies adopted by them in respect of such restrictive business practices;

"4. REQUESTS the Secretary-General:

"(a) To circulate to Member States any further information received from Governments;

"(b) To circulate to Member States the views of appropriate inter-governmental bodies and agencies in respect of this question;

"(c) To assist in making such arrangements - at the request of interested Governments - as may be appropriate to enable them to avail themselves of any opportunities to share the experience gained in countries having an established body of law and practices in this field;

"(d) For this purpose, to continue to summarize information concerning restrictive practices in international trade and to prepare a bibliography on the nature of restrictive business practices and their effect on economic development, employment and international trade."