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UNITED NATIONS
ECONOMIC AND SOCIAL COUNCIL.

PREPARATORY COMMITTEE
of the
INTERNATIONAL CONFERENCE ON TRADE AND EMPLOYMENT.

Verbatim Report
of the
SEVENTH MEETING
of
COMMITTEE III
held in
The Hoare Memorial Hall
Church House, Westminster
on
Friday, 8th November, 1946
at
3.0 p.m.

CHAIRMAN: M. PIERRE DIETERLIN (France)

(From the Shorthand Notes of
W.B.GURNEY, SONS & FUNNELL,
58, Victoria Street,
Westminster, S.W. 1)

THE CHAIRMAN (Interpretation): The meeting is open. I would like to begin by giving Delegates some information regarding the simultaneous interpretation system. In order to avoid too great speed in the delivery of speeches which would prevent the interpreters from following the speech and translating it properly, a red light has been placed at the central table. When the light goes on, it will go on twice in quick succession, one long and one short light. If that happens, it means that the speaker is asked to speak more slowly. It has been demonstrated so far that the interpreters are able to follow the speeches and that the system is satisfactory. However, in the name of the Secretariat I once more inform you how important it is for speakers to watch the red light.

I shall now pass to the agenda. I owe the Committee some explanations and apologies. Twice the Committee has been called together and has not been able to discuss matters as I had hoped. Once more I apologise. I have sinned by being too optimistic.

Before submitting to you a proposed draft of Chapter V, Mr. McGregor has found it necessary to get not only the advice of the experts who had been named to assist him during our last meeting, but also to have more contact with the Delegations. Therefore, the final preparation of the text in the light of the explanations given at our last meeting took longer than I had thought it would. That is why we have not been able to hold the meetings which had been planned for Wednesday morning and yesterday afternoon.

Nevertheless, a plan of work has been circulated to you this morning. This basis of work is a new text of Chapter V, which is submitted for your approval. As you will have seen, this draft is submitted for your approval by our rapporteur and by the experts who had been named to assist him. I would have liked this text to be distributed to you earlier so as to give you more time to examine it at

your leisure. I hope that you have had time to read the text through rapidly and to form some impression on it, an impression which might allow you to make such remarks as you judge useful.

As regards the French text, this text could not be finally prepared until very late yesterday evening and has not yet been translated. I hope that it will be circulated before the end of the meeting. I should like to inform the Committee that certain final wording of the French text still seems to me to be necessary. The English language and the French language have very often very different syntax, and it is not easy to express in French, both accurately and eloquently, an idea which was originally put in English. That is why I think that the French text which will be distributed to you still may contain certain imperfections as far as the form is concerned.

Finally, I would like to remind you that the draft of Chapter V which we are to examine here and which is a basic element of the report which we ought to submit to the Plenary Committee is not in any way an undertaking on the part of the Governments represented here. It is only a preliminary text, and therefore, your approval, which we request here, is approval in the light of instructions received from your respective Governments and the knowledge which you have of the position of your Governments. However, this will not in any way represent any undertaking of your Governments. You can therefore give your approval without undue precautions.

Before opening the general discussion on the subject of this draft, I should like to ask the Rapporteur and the experts if they would be so kind as to give us short statements concerning this text, telling us at the same time their opinions as experts and their opinions as representatives of their respective Governments.

I call on Mr. Wilcox, representative of the USA.

MR. WILCOX (USA): I wonder whether it would not be wise to have an exposition of the text presented by the rapporteur before we express any opinion on it.

THE CHAIRMAN: I think it would be as well to have that explanation after the statements of the three advisers. I think that would be the best method.

MR. WILCOX (USA): We have before us two draft documents, one dated 4th November and the other dated 7th November. It became apparent in the discussions in the Committee, that were based on the document dated 4th November, which was presented to us by a gentleman whose name I do not recall at the moment, that there were rather sharp differences of opinion and position between different delegations on some of the provisions of this document. The document dated 7th November, I think, succeeds almost completely, if not completely, in bringing these divergent views together, resulting in a draft that is, or should be, generally acceptable.

In certain important respects this draft is not as strong as we would wish it to be. I shall not attempt to enumerate those points now, but leave that to the statement by the rapporteur. It is, however, our view that it is highly desirable that this Committee in particular and the Preparatory Committee in general should be able to report a programme which is generally acceptable to all Delegations rather than be enforced to report two or more separate and distinct chapters with different approaches to the problem. I think that the draft of Chapter V as now submitted follows, in general outline, the approach towards the problem that this Committee has been discussing all along. I think it is a practical and a workable approach towards the problem, that the principles as laid down are sound, and the procedures as outlined workable, and in general, from our point of view, we would regard it as acceptable.

THE CHAIRMAN: I thank Mr. Wilcox for his statement, and I call on Mr. Holmes, representative of the UK.

MR. HOLMES (UK): I agree with almost every word which the Delegate of the United States has just said. We feel that the new document should be very helpful in enabling this Committee to reach a successful termination of its labours.

I think there is only one thing which I should say in amplification of what has been said by Mr. Wilcox. I want to refer to an unfortunate mistake for which I do not think anybody is really to blame. It derives from the speed at which, among many other preoccupations, Members of this Committee have had to work.

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The mistake is that Article 36 in the new document W/2 has been incorrectly copied from some earlier version and that the intention of those who had been working on this new document had been otherwise; the intention had been to include as Article 36 in the new draft W/2 the text of the draft by the gentleman who shall remain anonymous, 3/12, subject to certain very minor alterations, but I imagine that the Secretariat would have very little difficulty in circulating the correct version of Article 36 within a very few minutes possibly in both languages. For the rest, I think I need only say that the new version does represent a most honest and laborious attempt to give the Committee a document to work on from which a number at any rate of the more important points of difference have been excluded and a document which represents, I think, a certain amount of give and take, though all the time I bear in mind very closely the fact that this is a Preparatory Committee on which we are attempting to obtain the maximum amount of agreement, naturally, but in the deliberations of which it has always been I think our hope that people would make their own views known as freely as possible.

That I think, Mr Chairman, is all I need say, except that there may be one or two very minor drafting points which even we might wish to raise owing solely to the speed at which the work has been done. Those are not, however, points which I need mention at the moment, and indeed it was not until just before this meeting that I saw this document in its present form at all.

THE CHAIRMAN (Interpretation): I thank Mr Holmes for his statement and more particularly for having pointed out to the Committee the mistakes which are to be found in the redraft of Article 36. These mistakes have also been noticed by our Rapporteur, and he had already brought them to my attention. I would like you to take note of the explanations given by Mr Holmes concerning this subject, and I hope that we shall really be able to have the proper and correct text of Article 36. I now call upon Mr Lecuyer, the Delegate of France.

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MR LECUYER (France) (interpretation): Mr Chairman, you have asked us to speak as rapporteurs and at the same time as delegates of our governments. On the second point, and in the second character, I shall not conceal that the draft as it is proposed to us does not conform exactly to the opinions and views of the French Government and that it in all probability does not represent the doctrine which we would wish to see triumphant here. Nevertheless, in the text as it is here, it is perfectly acceptable to the French delegation and I myself would support it entirely with a few reservations concerning either details or wording, which one might bring up as the discussion goes along. Now, in my character as rapporteur I should like to say that, before anything else, I shall accept entirely the statement of Mr McGregor, who I believe is much more highly qualified than any of us to expound here, either in detail or from a general point of view or perhaps the answers which he may give to the different questions asked by the Committee, on how this text has been conceived. Nevertheless, I also would like to say that, at least for my part, I agree rather with Mr Wilcox and I believe that it perhaps is not quite efficacious enough, but it has also one very great advantage which might compensate for other shortcomings. That advantage is that it has put out of the way everything that might seem to be in opposition to the existing legislative systems, not only the present legislative system, but also the legislative systems which we know different countries are in course of preparing at the moment. Therefore, I believe that this is a text upon which we should be able to reach agreement. It has other advantages besides this one. In the first place, it gives much clearer references to the existing national legislatures; it draws closer to the existing possibilities, possibilities of putting into force provisions concerning restrictive business practices, and that, naturally, is an enormous advantage. On the other hand, it gives more strength, as far as I have been able to see from a first reading, to the interventions of the Organization, or at any rate, it describes them with

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greater precision, which will certainly, by itself, improve the whole procedure. With respect to that, this text has one other advantage, and that is that it, let us say, brings the members into line in order to establish, if they have not already done so, a form of legislature which will permit of useful and efficient intervention on the part of the Organization. One could perhaps say that the text we have before us is complex and complicated - it most certainly is - but the question itself is so complicated that I do not believe that one could, at this stage, prepare a text or provisions which would be more concise or more precise. We should then run the danger, in looking for greater precision, of encountering a certain amount of hesitation and possibility of misunderstanding. Therefore, I believe that, complex as it may be, this text should be accepted.

THE CHAIRMAN (Interpretation): I wish to thank Mr Lecuyer for his statement, and I shall now ask our Rapporteur, Mr McGregor, in the first place, if he will kindly give us certain explanations concerning this text in order to open the general discussion which will follow his statement. I call upon Mr McGregor.

THE RAPPORTEUR (Mr McGregor, Canada): Mr Chairman, before I speak as a member of the group that has been meeting in the past two or three days, may I say one word about what happened on last Tuesday afternoon? I confess that I did not express adequately at that meeting the appreciation I would have expressed if I had realized how great was the honour that was being conferred. I appreciate very much the honour and also the opportunity to do a little more work. I think I mentioned that I did not propose to be the obedient servant of any one of you; I hope that was not misunderstood; but as Rapporteur of the whole Committee I cannot express my attitude better than to use the old-fashioned ending to letters in England and in Canada: "I have the honour to be, Gentlemen, your obedient servant," but that it is understood that I am not going to do what any individual here says I am to do, or to say what any individual says I must say. I think you understand.

Of course, the document before us is not exactly the way Canada would write it or the way Czechoslovakia or Chile or any other country would write it. It is not the way the United States drafted it; it is not the way the United Kingdom has put it in their draft; but if we are going to get agreement we cannot hope to have it from different drafts; and, frankly, I think a marvellous job has been done in the last two or three days by those you referred to as experts. You referred to the Rapporteur and the experts. A marvellous job has been done in putting together what we think is the consensus of opinion of the whole group and the concessions that have been made now here, now there. I think a great tribute should be paid to the United States for its willingness in the interests of getting a common agreement and a document that will work, to permit of changes, or not to protest too violently about changes that have been made. Similarly, the United Kingdom has had very strong feelings upon certain points, and it is to their everlasting credit that they have made concessions here that I think all of us will concur in.

Now the Chairman has suggested that the Rapporteur might answer all questions. May I suggest that the Rapporteur will answer some of the questions to which he knows the answers or thinks he does, and that other members of the expert group and other members of the whole Committee will assist in the answering of questions, some of which are particularly difficult. I understand that it is the Chairman's wish that we run through the whole of the section quickly and that I should just indicate how the wording differs from the document that was before us on the 7th November. I shall not bother about small words struck out - the word "restrictive" for example - where it does not mean anything; but may I confine myself to the important things? In paragraph 2 of Article 34 you will see that an attempt has been made to clarify the words, and I will read from the draft of November 4th, which says in 2 (a) "an international combination, agreement or other arrangement, including such an arrangement among private commercial enterprises." Then (b) refers to public commercial enterprises, and then a definition

is given: "trading agencies of government or enterprises in which there is effective government control." That latter phrase is changed from "government interest." Then the third group is a mixed one between private and public commercial enterprises. You will recall that the United Kingdom pressed strongly in our earlier sessions for the elimination of the public enterprise aspect of that particular sub-section. I believe the United Kingdom is prepared to acquiesce in clause (a) as we have it now. In (b) you will notice that the word "private" has been inserted. We had "one or more commercial enterprise." Now the word "private" is inserted; but we excluded public enterprises from this particular section, assuming that the state trading section in Article 26 is more appropriate and will make adequate provision. You will observe that in the typescript the words "when such" follow under (b); that should come out right to the end of the line, to the other margin, since it applies to both (a) and (b). But there is one slight change. We had in the earlier draft "in a particular area, or generally." That is part of the Canadian draft. The United Kingdom, and some others, have pointed out the inadequacy - and we admit the inadequacy - of that expression. It has been changed, then, to "among a number of countries." If it should apply to a particular small area, I do not think that it is the kind of thing that the I.T.O. should be concerned about. Then you go on, three lines further down: "if they appear to have or to be likely to have such harmful effects." The words "or to be likely to have" are retained there, and there may be some argument upon that; but I just call your attention to the fact that it is still there. In paragraph 3 of Article 34, at the end of the third line, the words "or services" have been eliminated, and that point will come up also in the discussion on Article 40. The word "services" appeared also in (f) of that paragraph 3, where we said, "or to products or services which are not the immediate subjects of the authorized grant." It was thought that if we were going to eliminate "services" from the whole Chapter it would be necessary to change the paragraph, and so it

has been changed, "or to products or conditions of production or use which are not the immediate subjects of the authorized grant." That in our opinion is an adequate synonym for the word "services." In Article 35 there is no change in the first paragraph, but in the second paragraph there is a very considerable change, and perhaps if I read the old draft then you will be able to follow it in the new; that might be the best way of recognizing the changes that have been made: "Consider each written complaint submitted by any member or, with the permission of such member, submitted by any other" - I think the "other" should be omitted - it is a clerical error there - "by any affected persons, business entities, or other organizations within that member's jurisdiction claiming that any practices have or are likely to have" - that is omitted again by mistake and it should be in your draft - "the effect described in paragraph 1 of Article 34." There is therefore no change in substance in that paragraph of the Article, nor I think in the next "and prescribe the minimum information to be included in such complaints." There is no change there, except in the wording of paragraph 3: "Request each member concerned" (it was "call upon") "to obtain such information as the organization may deem necessary, including, for example, and so on. Perhaps I need not bother with that. The order of the wording has been changed round there; there is no real change in effect; but it is an improvement from the drafting point of view. There is no change in paragraphs 4 or 5. In paragraph 6, which was the subject of a great deal of discussion, you will see that a compromise has been reached there, which I think will prove satisfactory to all of us. Canada accepted, although it is not what Canada wanted; the United States yields, perhaps grudgingly, because it is not what the United States wanted. It does not go as far as I think the United Kingdom wanted, but I think that we have something when we say that the Organization shall "request each member concerned to obtain such information as the organization may deem necessary, including, for example, statements from commercial enterprises within its jurisdiction; and then determine whether further investigation is justified."

Then it is: "request each member concerned to take every possible action to prevent the continuance or the recurrence of the practices and, at its discretion, recommend to the members concerned remedial measures to be carried out in accordance with their respective laws and procedures." All that we have before us. We did make provision for recommendation as to the abrogation or termination of agreements, and in the original United States draft it went considerably further than that in giving a number of other illustrations. What we have done here is to eliminate the illustrations, and to insert the paragraph I have just read. That, of course, was in the earlier part of that paragraph.

In 8 there is no change. The Rapporteur accepts responsibility for the unfortunate error that has appeared in submitting 36 in the form in which you see it now. As Mr Holmes has already indicated, this work was done at top speed last evening in the hope of getting it into the hands of the mimeographers so that you could have copies of this document to-day. The typist apparently secured the wrong copy of 36. There is no change in 36 in our recommendation with the exception of the addition of the words after "request of any member", "or of the United Nations Organisation or specialised agency under the United Nations". That is the only significant change. A correction will have to be made by the corrigenda technique, I understand. May I suggest to you, Mr Chairman, that you might say a word of reproof to the Rapporteur for his carelessness in permitting that to go through in this fashion, and a little stiff talk with him I think would be very appropriate.

In 37 delegations and members will see that a substantial change has been made in 37 (1). 35 (6) and 37 (1) will probably be the subject of more heated discussions than any other paragraphs except perhaps those in 34, but I think we have achieved a solution here that is reasonably satisfactory to all of us. The principal change is in (b). The old (b) ran in this way: "to prevent the continuance or recurrence within its jurisdiction of any practices which the Organisation finds to have had such effect". Now all those words are retained, but it is to be prefaced by the words you see there: "to take the fullest account of the recommendations of the organisation, in the light of its obligations under article 34, in considering the initiation of action in accordance with its system of law and economic organisation"-.

I was told yesterday that I should probably see the light if I had a night's sleep; and I confess that I find the section as re-drafted now more reasonable than I thought late last night.

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the United Kingdom delegate, the French delegate, as our Rapporteur who was at the same time behaving in his capacity as Canadian delegate. In view of all these remarks, this text which he has submitted to us may not perhaps answer completely to the desires and views of every delegate round this table. I have a feeling also that this text presents the most reasonable compromise which could be arrived at between the different remarks and opinions presented here since the beginning of our discussion; and so it seems to me that the debate which is about to open should not have as its aim to re-open again discussion of the items discussed in this draft. I would rather suggest to the delegates who will speak that they might not expound once more the position of their Governments, but rather to try to bring out certain suggestions which might constitute an improvement of the text. These suggestions, if they are really inspired by the motive I have just mentioned certainly will meet with the approval of the Committee as a whole, and might allow us at least in certain respects to achieve a better draft. I shall consider also and on the other hand that all opinions which might be expressed here in too negative a sense must be presented as reservations which naturally every delegation may express at any time, and will be so placed in our Report. In the light of this information I open the discussion now. Who wishes the floor?

Mr NAUDE (South Africa): Mr Chairman, I should like to be the first of those who are sitting at the feet of the Rapporteurs to thank them for their work and to pay a compliment to Mr McGregor in particular. I would only like to ask this question: Could Mr McGregor, merely for the record, explain why (c) of Article 40 (1) is eliminated?

THE CHAIRMAN: I think I shall be able to answer you myself.

All this is the logical outcome of the position which was taken in this respect during our last meeting. At the last meeting

I did not spend a sleepless night, but I can see where it is not desirable for us to expect on every occasion that they will do what ITO tells them to do regardless. At the same time, there is an undertaking in the first part of paragraph (b) to take the fullest account of the recommendations and in the light of solemn obligations that are taken under Article 34. Of course, if nations are not going to go ahead in a reasonable way make this effective, no obligations that they will have to do what ITO tells them will ever have that result. It may be asking the to do something that will make it pretty difficult later on to keep us all together.

To go on from paragraph 1: in 2 there is no change from the earlier draft; nor in 3; nor in 4; but there is in 5. 5 is as it was down to the words "paragraph 6 of Article 35"; but this addition is made: "and, in cases in which no action is taken, to explain to the organisation the reasons therefor and to discuss the matter further with the organisation if requested to do so." That you will find in a recommendation that is made by the United Kingdom in one of the papers that was submitted after they had filed their whole draft. In Article 38 there is no change. Nor is there any change in 39. In Article 40 the only change is to delete the whole of sub-paragraph (c) of paragraph 1. That refers to agreements or understandings concerning railway transportation, aviation, shipping and telecommunications service.

THE CHAIRMAN (Interpretation): I thank Mr McGregor for the very precise, clear and complete explanation that he has just given to this Committee concerning the work done in the course of the last three days under his direction; and I should like at the same time to thank him once more and to thank the experts who have been named to assist him for the useful effort which they have accomplished. Now I shall open discussion on the draft which you have in front of you, in the light of the remarks which have been offered here as much by the United States delegation as by

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the United Kingdom delegate, the French delegate, as our Rapporteur who was at the same time behaving in his capacity as Canadian delegate. In view of all these remarks, this text which he has submitted to us may not perhaps answer completely to the desires and views of every delegate round this table. I have a feeling also that this text presents the most reasonable compromise which could be arrived at between the different remarks and opinions presented here since the beginning of our discussion; and so it seems to me that the debate which is about to open should not have as its aim to re-open again discussion of the items discussed in this draft. I would rather suggest to the delegates who will speak that they might not expound once more the position of their Governments, but rather to try to bring out certain suggestions which might constitute an improvement of the text. These suggestions, if they are really inspired by the motive I have just mentioned certainly will meet with the approval of the Committee as a whole, and might allow us at least in certain respects to achieve a better draft. I shall consider also and on the other hand that all opinions which might be expressed here in too negative a sense must be presented as reservations which naturally every delegation may express at any time, and will be so placed in our Report. In the light of this information I open the discussion now. Who wishes the floor?

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I was able to point out to you that it did not seem to me to be within the competence of our Committee to discuss the question. It is outside our competence and too vast for our competence. I repeat that the question of services was in the general terms of reference of the Committee and will certainly be discussed, but I think it will be better that such a discussion should take place in the course of a Plenary Meeting, or may perhaps be made in two suggestions or proposals offered by the Heads of Delegations. It is worth bearing in mind that the word "service", as Mr McGregor said, has been deleted from Article 34, and that is also why, having deleted the word "services" from Article 34, (c) of Article 34 no longer had any reason. Now I shall call upon M. Arundt, representative of the Belgo-Luxembourg delegation.

M. ARUNDT (Belgium) (Interpretation): Mr President, I should like in the first place to welcome the effort which was made by the Drafting Committee in order to reconcile our views. I should like to welcome above all and before all this effort to reconcile us which has formed the basis of all discussions, and above all the concessions which have been granted by the delegation of the United States where this matter is concerned. I also want to express my appreciation of the effort in the direction of understanding which has been made by the United States delegate, who is the author of the basis of this Charter. I believe also that the draft which he has submitted to us may be considered by my Government as an acceptable draft as far as principle is concerned. However, there are certain points to which I should like to draw your attention. I should like to draw the particular attention of the Drafting Committee which will have to prepare the final draft. Before going into detail on these one or two that interest me, I should like to ask one question of the Rapporteur. I do not know whether I understood the Rapporteur very well, but he seems to have mentioned one

point in Article 35 (2). . I have here only the English text, but if I have understood the Rapporteur well, it seems that Mr. McGregor has said that the word "likely" should be retained in paragraph 2 of Article 35. I do not know if I have understood him well as far as that is concerned.

MR. MCGREGOR (rapporteur): The words "or likely to have" did appear in paragraph 2 of Article 35. It was a typographical error last night, and was responsible for the elimination of it. It has been discussed by the Committee back and forward, and the final conclusion reached was that it should be retained. You will see that the phrase is retained in Article 34, paragraph 2 in the latter part. If it is retained in paragraph 2, it should be in the other articles, wherever the phrase appears. Did you want to discuss the argument for the retention of it? I discussed that with you, Mr. Arendt, and with Mr. Jussiant, for an hour, and put up a very brilliant argument for it.

THE CHAIRMAN (Interpretation): I should like to draw Mr. Arendt's attention to the French text, where the phrase is not literally translated, but where it has exactly the same meaning. I think it carries out the spirit of the authors of the draft, which might have been modified in using the English expression "likely to have".

MR. ARENDT (Belgium) (Interpretation): I thank you for your explanation, Mr. Chairman. However, I should like to reserve the opinion of my Government on this particular subject, as it seems to me that the mere possibility or likelihood of being the cause of a detrimental influence should not be sufficient to start an investigation.

THE CHAIRMAN (Interpretation): I am sorry to interrupt you, Mr. Arendt, but your Government has been able to express, through your predecessor, its opinion, and that opinion has been noted.

MR. ARENDT (Belgium) (Interpretation): The second point on which I would like to speak to the Drafting Committee is the word "private" which has been added to Article 35. It would seem that state monopolies are excluded from Article 34. The Rapporteur has shown us that it was foreseen that state monopolies would be provided for under Article 26. I hope it is clear that Article 26 will give full satisfaction in that regard and will not constitute the possibility of being an escape clause for a state monopoly. I hope

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it will not make it possible for a state monopoly to find some way of being free of those regulations, and that it will subject state monopolies to the same obligations under the Charter.

Thirdly, I would like to bring up the possibility of justifying the existence of an enterprise and the activities of an enterprise which is being investigated. Lastly -- and this is a pure detail of wording, on which Mr. McGregor has already spoken -- it seems necessary to clear up the drafting of paragraph 2, in regard to the paragraph which seems to be lacking after "to be", as applied to paragraphs (a), (f) and (b) of paragraph 2.

THE CHAIRMAN (Interpretation): As far as your second point is concerned, Mr. Arendt, this is a question of procedure, and I shall be able to answer you directly. Article 26 comes under the terms of reference of another Committee, and therefore, I can form no opinion on the decision of that Committee. The representative of your Government within that Committee will have the duty of taking up the position he may deem useful when article 26 is discussed and to make such reservations as he considers necessary. I do not think that in this Committee we are called upon to express an opinion on this subject.

I would ask you, Mr. Arendt, whether the remarks you have just made were made jointly in the name of the Belgium-Luxembourg Delegation, or should I call on your colleague. I should also like to ask whether the reservation you have just made means that you do agree on the text as such, or whether you want to change it.

MR. ARENDT (Belgium) (Interpretation): Except for the remarks I have just made, I agree to the acceptance of the text submitted. I was speaking as the representative of Belgium-Luxembourg.

THE CHAIRMAN (Interpretation): I now call on Dr. Leendertz, Delegate of the Netherlands.

MR. LEENDERTZ (Netherlands): I want also to express my admiration for the text which has been put before us, and I must say that I appreciate very

much the spirit of reconciliation which is evident from this document and also the very thorough work which has been done in connection with it. It is a pity, from the point of view of the author of the draft, that we have such a short time to work through it, because there are very many subtle points that ought to be appreciated better than we have time to do now.

I am very glad to be able to say that many of the difficulties we had have now disappeared either wholly or in part, and at any rate to a large degree. I want to put a few points very briefly.

I am directed to make one small reservation, which is not a very serious one, and is only for the time being, as to Article 34, 2, (a), about public commercial enterprises. In Committee II these matters of state trading and so on have been considered, and it was resolved to leave them for the moment in order that they might be discussed at a later conference. Therefore, the Netherlands Delegation do not want now to take up any position on that matter. That, however, does not mean that we shall make any difficulty about it. We want only to make that reservation.

As to the word "likely", we also feel the same apprehension as has already been expressed. I should think that if we went further into that matter, it might be possible after all to come to an understanding about it, but it does not seem possible to do it now, and therefore, now I make the same reservation as has been made by the Delegate of Belgium-Luxembourg, expressing the hope, however, that it might be possible to come to an understanding on it.

As to Article 34(E), extending the use of the rights of patents, and so forth, this matter has so many technical sides to it which ought to be gone into further and for the moment, I must almost make some reservation, but not in the spirit that we would make any difficulties about it. We have some experts who have to be consulted on it.

It is, of course, especially for Article 37, 1(b), that I am very grateful. I note with satisfaction the alterations that have been introduced. On this Article, I want only to raise once more the question whether it would be in the interests of the ITO, if some difficulties might arise after the Organisation had done everything possible to come to an agreement between the different parties and members, to have some body which could decide on the matter in an impartial and consultative manner. I am thinking of the International Court of Justice. That point, however, is to be brought forward in the Fifth Committee, and I mention it now only to have it on record.

Lastly, at one of our former meetings I inquired as to Article 34 whether the commodity arrangements could be considered to be included under Article 34, and you told me that the point would be discussed on Article 40. As Article 40 stands now, it is clear that they do not come into the matter at all. That is so much the case that really the question arises as to how the point ever became a point of discussion here. I will not go further into the matter now, but if Article 40 is left as it is, I shall be fully content.

THE CHAIRMAN (Interpretation): I will answer the various points raised by the Delegate of the Netherlands and which raise problems of procedure or of powers. As regards the point about Article 34, 2(a), I repeat that the report which we are now discussing is of a preliminary nature, and the question raised by the Delegate of the Netherlands could, of course, be taken up again in the course of a later meeting or conference. It does not seem necessary at the moment to open discussion of this point again. As regards the word "likely", I will note the Netherlands Delegate's reservation. Likewise, with Article 34, 3(f). With regard to the suggestion about the part which the International Court might play, we have already had cause to examine, in the course of our discussions, the reasons for which this suggestion did not seem to be one that could be

discussed within this Committee. Therefore, I ask whether the Netherlands Delegate wishes that this should be mentioned in the report as coming from his Delegation in the course of this session, or would he prefer that the matter should be brought up again in the course of a later conference?

MR. LEENDERTZ (Netherlands): The latter, Mr. Chairman.

THE CHAIRMAN (Interpretation): Concerning Article 40 and especially the matter raised by the Netherlands Delegate concerning commodity agreements, in view of the fact that this matter comes within the scope of another Committee, I do not think we can discuss it here. It might be necessary to have some liaison organism between the two Committees, and I will discuss that later in this meeting. It might be necessary to establish contacts with Committee IV on this matter, but I do not think it would be in conformity with the procedure and powers given to Committee III to discuss this matter directly, except in a joint Committee with Committee IV.

May I ask you, Mr. Leendertz, concerning your last question but one, what is your suggestion regarding the International Court. Would you like to see that suggestion brought into our report, or do you think it preferable to raise the matter again at a later conference.

MR. LEENDERTZ (Netherlands): I do not want to discuss it any further here. It can be discussed in Committee V.

MR. MCGREGOR (Rapporteur): I am a little puzzled about the meaning of the reservations. I have certain reservations in my own mind about certain sections in the document. By that I mean that I would prefer them to be worded in some different way. But that would not interfere with my expressing approval of the whole document as it is shaped now. It is a good, workable document, and one on which I think we might very well agree. I would like to ask Delegates whether in expressing reservations they mean that they are not willing to let things go in the document and that they are not ready to take part in any unanimous approval of the document as a whole.

MR. LEENDERTZ (Netherlands): May I answer that question? The question put by Mr. McGregor is really one that puzzled me a little bit. We are not committing our Governments at all. It seems perhaps rather superfluous to make any reservation, because our Governments are not bound by anything we express, but since reservations have been made by many Delegates, I only mean by my remarks that I think these points might be brought forward at another time. It is really an announcement that we have these things in mind in order to discuss them again. I thought I had already made it clear that, as a whole, I am very content with the document which has been drawn up, and I think that on the whole it is a very satisfactory document, except that there are some points which I should like to be discussed further.

THE CHAIRMAN (Interpretation): I think I can interpret your thought, Mr. Leendertz, and there might be a general conclusion which could be drawn from it by saying that the reservations which have been expressed in the course of this discussion -- and which still may be expressed by Delegates who will speak -- unless the Delegate says so specifically, will have the value of a desire that a position stated in these discussions should be put in the report which will be submitted to the Plenary Committee. At the same time, they do not reject the document which has been submitted to the Committee. It is in this way that I interpret the reservations. The word "reservation" is perhaps too strong a term, but I use it in the weaker sense I have just indicated.

MR. WILCOX (USA): On two of the points that have been raised I should like to say a word in explanation. With respect to state monopolies, I think that question is largely academic. The expression as it is used here does not mean a monopoly within an individual state, but a state-owned monopoly which has a complete world monopoly of the trade.

I do not know of any instance of that at the moment. With respect to the related question of whether agreements among state-owned enterprises in different countries, agreements which do not include in their participants private enterprises at all, the question was raised as to whether they belong in this Chapter or in Chapter II of Article 26 on State Trading. I do not believe that that Article will relate to this problem in any way, that is, that the Article, however it finally emerges from the Committee, will deal with the conduct of a state enterprise in one country in its purchases or sales abroad, and what is involved here is an agreement between two or more state enterprises which would fix minimum prices or allocate markets and so on; and it does seem to me that that problem is properly to be included here; that is to say, as the document is now drafted it applies to any conspiracies among commercial enterprises, whether they are entirely private or entirely public or mixed, and the mechanism here is merely one of complaint, hearing, discussion and recommendation. The other point which I would like to mention concerns the significance of the phrase "likely to have." In all cases where there exists an agreement among a number of enterprises against which the complaint would be brought, I do not think there is necessity for the phrase, "likely to have." That is, if such agreement has injurious effects, it will be possible to point to those effects. But the one thing that is added by the phrase "likely to have," I should think is the possibility that a complaint might be brought when a cartel arrangement is set up, that is, if a cartel arrangement were to be set up on a certain day, instead of waiting for injurious consequences to develop it would be possible under the phrase "likely to have" for someone to lodge a complaint and say: "If this particular arrangement persists it will have injurious effects, because by its nature it is likely to have such effects." That is the case that is covered by the phrase "likely to have"; and if the phrase were to be dropped it would then be necessary to wait for the injury before bringing a complaint, and

if the phrase is retained it is not necessary to wait for the injury before lodging a complaint.

THE CHAIRMAN (interpretation): I thank Mr Wilcox, and I will now call upon our Rapporteur to speak, as he has a suggestion to make to the Committee.

THE RAPPORTEUR (Mr McGregor): Mr Chairman, I hope no one will accuse Canada of trying to drag the United States around; but Mr Wilcox, unfortunately, did not have an opportunity to hear the speech that I made yesterday to Mr Arendt and Mr Thiltges; but the point I was making I think was that this is an opportunity for preventive work. The other is that "harmful effects" had already appeared, and I used the illustration of a cartel that might meet next week in London in the Dorchester Hotel, shape up an agreement that had the effect of fixing prices, allocating territory, boycotting, and all the things that are listed there, and nothing could be done about it under this, not even an investigation; it would not be subject to investigation; and we would have to wait until some harmful effects were proveable, for which we might very well have to wait for two or three years before we could prove that they had had harmful effects. I suggest that we all should be favourable to a programme that will prevent harmful effects instead of making it necessary to put people in jeopardy of taking harsher treatment at a later stage. I also used the illustration of a car with defective brakes. A car with defective brakes in our country is not permitted on the road and in that way we prevent accidents. What I suggest here is that the cartel or the group of commercial enterprises that will enter into the kind of arrangements that are described in Article 34 are not only capable of doing harmful things, but they are likely to do it, and it is, of course, going to be a difficult matter to prove that they are likely to do it. But we can at least make an investigation and perhaps provide some deterrent to the operation of the combinations, and provide something that will prevent the harmful effects. That is all a footnote

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to the comment that Mr Wilcox has just made. I was speaking then as Canadian delegate. Now I am speaking as Rapporteur. In Article 36, paragraph 2, I suggest that there should be a change made, and that the word "convention" should become the word "charter." There have been references made to this document that we are producing as the Charter - the word "charter" rather than "convention" or "treaty." There are some pretty sound reasons that I think most of you know why it would be more desirable to refer to this document as a Charter and therefore I suggest that we might get the Committee's approval to that change in Article 36 (2), and that the last word in it "convention" should be changed to "charter."

MR WILCOX (USA): On that last point made by Mr McGregor, I should think that the interim drafting committee will have to go through the whole document and make the terminology consistent in that respect after a final decision in the matter is taken presumably by the Committee as a whole.

THE CHAIRMAN (interpretation): I thank Mr Wilcox and Mr McGregor for the explanations which they have just given us concerning the insertion of the word "likely" in the draft which is submitted to you. I do not think that it would be useful to begin a discussion on this point now as it would be very difficult to reach agreement, but the Belgium-Luxembourg delegate has expressed some reservations on this, as has also the Netherlands delegate, and I think that other delegations will perhaps wish to associate themselves with those reservations. In those circumstances, as it seems to be difficult for us to come to agreement of a reasonable nature in the little time that we have left to us, I propose to come back to this point in our discussion.

MR MULHERKAR (India): Mr Chairman, I have already recorded my reservation on a previous occasion with regard to the whole of Chapter V of the draft Charter relating to the terms of reference of the resolution passed by the United Nations Economic and Social Council, and I would record that reservation, that this chapter will have no meaning for

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India if the question of restrictive business practices relating to services such as shipping, insurance and banking is excluded from the examination under this chapter. I hope due note will be taken of this reservation on behalf of India. With regard to the other clause, I would rather not hazard any comments, particularly when the representatives of the U.S.A. and of Canada have expressed entire agreement with the revised draft that is before us. Mr Wilcox has called this a practical and workable draft, while our friend Mr McGregor has paid tribute to the U.S.A. in getting common agreement in putting forward a document that would work; so that I have nothing to say against the various clauses which are before us. As regards the revised draft I have, however, one small suggestion to make. I do not know whether it is already covered by the phraseology of sub-clause (4) or Article 35, where it says, ". . . notify all members of each such complaint; call upon the complainant or any member to provide such information relevant to the complaint as it may deem necessary." Does this particular phrase cover the right of any member to submit any information on his own initiative or does it mean that unless it is called upon by the I.T.O. no member will be in order if it submits any information relevant to the complaint?

THE RAPPOREUR (Mr McGregor): I think that any member can do that; I do not think you would have to indicate specifically that it may. India may write into the Organization at any time.

MR MULHERKAR (India): The phrase that is used here is "call upon"; so that unless the particular member-government is called upon by the I.T.O. to submit information the member may not be in order in doing so.

THE RAPPOREUR (Mr McGregor): I think that a nation would be just as free to do that as is any representative to speak in this meeting without the Chairman calling upon him to speak.

MR MULHERKAR (India): I am waiting for the Chairman's instructions in the matter.

THE CHAIRMAN: Does Mr Mulherkar have any further observations to make?

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MR MULHERKAR (India): No. With regard to the other clause I have no other observations to make.

THE CHAIRMAN (interpretation): Note is being taken of the reservations expressed by you concerning this document, which are prompted by the fact that "services" are not included; but I have not followed very clearly the exchange of ideas which took place between you and Mr McGregor concerning the second sentence of paragraph 4 of Article 35. Must I consider the incident closed, or do you have any further observations to make upon this topic?

MR MULHERKAR (India): I merely wanted to have an explanation as to what that phrase would mean.

THE CHAIRMAN (interpretation): I consider therefore that you are satisfied with the explanation that Mr McGregor gave you.

MR LECUYER (France) (interpretation): Mr Chairman, I had asked permission to speak before you had invited us not to prolong the discussion on the last part of Article 35 (1) concerning the words "likely to produce." Now I do not wish to reopen this discussion, but I should like to say that in the opinion of the French delegation the word in the French text is not simply synonymous with intention - there must be something else in order to constitute a likelihood, and it should be more of a definite manifestation, whether this comes from the Statutes themselves or from circulars. It is not necessary that there should be a beginning, but there must be some manifest tendency. That is how the French delegation had understood the word "likely."

THE CHAIRMAN (interpretation): If I understand correctly, the example which Mr McGregor gave to illustrate his thought, the fact that members of a cartel have reserved a table at the Dorchester, might express a tendency or intention.

MR THILTGES (Belgium) (interpretation): Mr Chairman, I do not want to prolong the discussion, but as Mr Mulherkar wanted to give us one example, I would like to say that we make our reservations simply because it re-establishes the supposition which the United States

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delegate a few days ago said that he was willing to abandon in order to come to an agreement. I am capable of killing. If I am a very restless man and I am quite prepared that a policeman should be put there and I agree to be arrested if I kill or if I attempt to kill, I do not want anybody else to come to my home and say to me, "You are capable of killing and we are taking you off to prison."

THE CHAIRMAN (interpretation): I do not want to continue the debate, but the illustration which you have just given is an example of the point brought up here by Mr Wilcox and Mr McGregor, but even if it is not so, your reservations have been noted. But I think this debate has no object and so I call upon other delegates to put any other questions they wish to raise. Does anyone else wish to speak?

MR PORRAS (Cuba): Mr Chairman, the Cuban delegation agrees with the suggestions contained in the draft clause, but wishes to make a reservation with regard to the treatment of "services" in this Chapter. That is all I want to say. Thank you.

THE CHAIRMAN (interpretation): Thank you. If I understood you correctly, you expressed agreement with the whole of the Chapter, with a reservation concerning the non-inclusion of "services" in this Chapter, and differ from Mr Mulherkar who does not agree to the Chapter because "services" are not included. I therefore conclude that all the delegates who have spoken so far, with the exception of the delegate of India, have expressed their approval of the draft submitted to us, with some reservations, however, concerning some details, such as those which the delegate of Cuba has just mentioned. I call upon the delegate of Brazil.

MR DE BARROS (Brazil) (interpretation): Mr Chairman, in a general manner, I, too, would like to say that I agree to the text which has been submitted. I would ask you, however, to allow me to make a suggestion submitted for the consideration of the sub-committee, which is to add at some point or other of the text to the various criteria of the sub-committee a phrase whereby it would be established that cartels

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should be registered previously in some section of the I.T.O. in order that there should be proper publicity and that this formality should be foreseen. Before ending my speech, Mr Chairman, I would like to express some reservations which I would like to see in the report of the Committee concerning the text of Article 34 (2) (a), in regard to commercial enterprises and the exclusion of "services."

(Interpretation)

THE CHAIRMAN: Mr Monteiro de Barros, your reservations are noted, but I think your suggestion conflicts with a juridical principle. One cannot see how the obligation to register cartels can be demanded of countries which at the time have no legislation which foresees such registration. It seems to me that the point which you raise is covered by the passage in Article 35 and another passage in Article 37, where adoption in all member countries is recommended of some legislation which would allow the Organisation to have its full effect.

Mr MONTEIRO DE BARROS (Brazil) (Interpretation): I would propose that the Organisation itself should register them.

THE CHAIRMAN (Interpretation): But I think from the point of view of legislation it is impossible because this is a national problem.

(Interpretation)

Mr. MONTEIRO DE BARROS (Brazil): Well, I think some international publicity for cartels should be assured.

THE CHAIRMAN (Interpretation): But this publicity can only be possible if each national legislature sees to it; it seems to me that this is legally evident, and that is why, in spite of my being Chairman, I allow myself to point it out to you. But if the Committee does not share my point of view, it is free, of course, to adopt the suggestion which Mr. Monteiro de Barros has just made. Does any Member of the Committee wish to second this suggestion? I consider, therefore, that the Committee has approved the legal point of view, which is not mine, because law does not belong to anyone. I have simply reminded you of it. I ask Mr. Monteiro de Barros if he wants his suggestion to be ^{re}ported as coming from his delegation. It will be noted in the Report, but I think it will be necessary to say why the Committee did not think it possible to retain the suggestion.

Mr NAUDE (South Africa): I had not intended to make any reservation here this afternoon, but I notice that several delegations

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have done so. I had thought that reservations previously made still applied. So that I should just like to repeat that the South African Government have no deep knowledge of cartels; they have made no investigations; and accordingly they have not given any instructions as to what one can commit oneself to. I should have thought in any event we were officials and therefore were not committing ourselves to anything. I am sure they will note the certain things provided for with considerable interest and especially the exclusion of shipping. I understand the reason perfectly well for the exclusion of shipping; but it is a matter on which my Government is considerably interested.

THE CHAIRMAN: ^(Inter retation) I thank you and your remarks will be taken note of. Gentlemen, it is pointed out to me that it is the time of the afternoon when it is customary to partake of tea. In view of the importance of today's meeting, I think we should try to exhaust the subject of this debate as far as possible, and I see no possibility of ending our discussion in so short a time as to permit you to have tea afterwards. Therefore I suggest we might suspend our meeting for 15 minutes.

(After a short adjournment)

THE CHAIRMAN (Interpretation): The meeting is reopened. I should like first to call upon Mr. McGregor, who wishes to give certain additional explanations concerning one of the questions which has been brought up by Mr. Mulherkar, and it seems that the example that was given might have been misunderstood.

MR. MCGREGOR (Rapporteur): I am glad that you called on me, Mr. Chairman, because I would not dream of speaking without consent. That points up the unfortunate analogy I gave in my answer to Mr. Mulherkar. He asked if any Member of the Organisation could address himself to the ITO under one paragraph of Article 35. I told him I thought he was as free to do that as any member of this Committee was to rise and address this meeting. The analogy I should have given was that you are just as free as any Canadian citizen is to address himself to the Prime Minister of Canada. Any citizen is free to send any representations that may be made to him, and I should hope that the ITO would give the kind of consideration to such requests that the Prime Minister of Canada would give to a request coming to him.

THE CHAIRMAN (Interpretation): We have now come to the second part of our discussions. I should like to ask those of the Delegates who have not yet spoken if they have any reservations to formulate concerning the text submitted to us, either as Mr. Mulherkar has done it on the whole of the text, or as other Delegates have done on certain parts of the text. In the latter case they would be giving their agreement to the text as a whole. I shall consider that those Delegates who do not ask for the floor are thereby expressing their agreement with the whole of the text.

MR. GONZALEZ (Chile) (Interpretation): I am sorry to have to come back to the question of services, but I agree with the Indian and Cuban Delegations on this subject. One cannot deny the really close relations existing between those two subjects, and I believe that

this Committee and the Conference will have to deal with trade as such, and services are in reality something which certainly is part of this problem. I wanted simply to make this remark, and I do not do so as a reservation on my part concerning the text. As far as the registration of cartels is concerned, such as was proposed by the Delegate of Brazil, I believe that is a measure to be recommended. One might try to find a formula which would allow one to arrive at such a registration. That is all I have to say, and I consider that the remainder of the proposal which has been submitted to us is perfectly well presented, and I agree with it.

THE CHAIRMAN (Interpretation): The remarks of the Delegate of Chile will be noted as far as the word "services" is concerned. As far as the suggestion of the Delegate of Brazil is concerned, I think this will be one of the tasks of the Organisation -- to try to find a formula -- but unhappily we do not have time to begin working on this question, which is a very complicated one.

MR. ELSLAD (Norway): I have no objection to make to the new text, but in the same way as already mentioned by the Delegate of Brazil, I would have preferred that it should have contained a short paragraph about the registration of such agreements, combinations and enterprises as are mentioned in Article 34, 2(a) and (b). Provisionally, I have to make a reservation on this point.

(Interpretation):

THE CHAIRMAN: I understand that the suggestion of the Delegate of Norway is similar to that of Mr. Monteiro de Barros, and note will be taken of it.

MR. FLETCHER (Australia): In the sense that we are accepting this text as one that we feel we could commend to our Governments for further study and possible acceptance, I think that I can say, on behalf of the Australian Delegation, that we think it is a big improvement on the original text, and comes much closer towards what we may be able to

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accept and work to. I think you will understand me when I say that, with a subject of this kind, it is quite impossible to make any considered appreciation of its practical implications within an hour or two. It is a very wide field. But this document is an improvement.

There is one question I would like to raise just by way of clearing my own mind before I leave the Conference. If I interpret the new proposals correctly, I think the emphasis is now to bring the document back to what we commonly have in mind when we speak about international cartels, as distinct from the hundreds of practices that are engaged in by little groups, which do many of the things which are listed here. I would like to know, possibly from Mr. McGregor, whether that is his interpretation of the new document.

THE RAPPOREUR (Mr McGregor): So long as you include within cartels all private combinations in international trade that have harmful effects, together with all state-owned combinations and all the mixed variety. I think that your interpretation is right. It is not proposed to work the small things; it deals with matters of international trade.

MR FLETCHER (Australia): Yes - international groupings by and large.

THE RAPPOREUR (Mr McGregor): There may be small international groupings that would have to be considered; but it is international; it is not affecting at all your domestic combinations.

MR BANG HOW (China): Mr Chairman, I would like first of all to place on record that the draft on the whole as it is presented to us is acceptable to the Chinese delegation and we are ready to transmit it to our Government for consideration and then for final acceptance. Perhaps I may also avail myself of this opportunity to say that Mr McGregor has a great repertory of excellence and I think that at the same time he is a very good melting-pot because he has succeeded in putting all these divergent ideas that have been put forward during the last couple of meetings in to a workable revised draft, and I would like to take this opportunity of thanking him on behalf of the members who served under him and with him for turning out this draft.

THE CHAIRMAN (interpretation): I thank Mr Bang How for his statement.

I now call upon Mr Hakim of the Lebanon.

MR HAKIM (Lebanon): Mr Chairman, since all the delegates have spoken and given their attitude to the present draft, I think that I should say that the draft is generally acceptable to the Lebanese delegation, although we would have preferred to have stronger provisions and more effective regulations for the control of cartels, and in this we rather agree with the United States' attitude on the subject.

THE CHAIRMAN (interpretation): Thank you, Mr Hakim. Does anyone else ask for the floor?

MR SOBOL (Czechoslovakia): Mr Chairman, the Czechoslovak delegation, in

general, agrees with the document that has been submitted to us, and from this point of view it represents a suggestion for the general drafting committee in New York.

MR LAURENCE (New Zealand): Mr Chairman, the draft we have before us this afternoon is in the view of the New Zealand delegation an improvement on the text of the United States draft Charter, but there are one or two points on which we have not yet resolved our thoughts; they are, however, points that can be taken by the drafting sub-committee or in the subsequent proceedings of the Preparatory Committee. One relates to the possible conflict between the provisions of Section (f) of Chapter IV. and certain of the provisions in Article 30, those provisions about state trading on the one hand and the complaints which can be made and, on the other hand, the provisions of paragraph 2 (a) of Article 34. Another point to which I think attention might be given is the use of the word "possible" in paragraph 1 (a) of Article 37. It is a question of: In whose view and where or in just what sense a thing is "possible." But these are points of detail. As I mentioned earlier, I think there may be questions arising in respect of state trading aspects that have some wider significance than points of detail. But in the main we agree with the new text and think that it provides a valuable basis for further consideration.

THE CHAIRMAN: I thank you, Mr Laurence. Gentlemen, dealing with the text as it is proposed to you, certain remarks have been made and in certain cases delegates have presented reservations concerning important points. Nevertheless, on a point of detail all these remarks concern mostly the use of the word "likely" or the words "showing a tendency" in the French text, and I believe the Rapporteur and the experts who assist him will make every effort, before our final meeting, the date of which I cannot give at the moment, to put forward perhaps better wording concerning this one sentence, a wording which will make it possible for us to agree. On the second point, certain remarks were made by a number of delegates. Some of them said that "services" are not

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included in the draft that you have before you. On this subject we must once more try to find, before our final meeting, some solution which might possibly allow all of us to agree on the proposal in hand and arrive at a solution of the problem which might also satisfy the Indian delegate. I think that Mr Wilcox, who is, like all of us, anxious to arrive at such general agreement, might have a suggestion to make to the Committee concerning this one point. It is not here a problem of resolving those points, which are somewhat delicate; but I believe that between now and our final meeting delegates will have time to reflect upon the suggestions that will be presented to them by Mr Wilcox and perhaps we shall be able to arrive at a general agreement. I call upon Mr Wilcox.

MR WILCOX (USA): Mr Chairman, I can only endorse what you have said.

I am afraid that I have not any practical suggestion to make at the moment. I only hope that it may be possible for delegates to consider, before our final meeting, the possibility of arriving at unanimity, since we are now so very close to it.

THE CHAIRMAN (interpretation): I thank Mr Wilcox for the promise he has just given us, a promise to bring us later a proposal for a solution, and knowing his efficiency and the important part he has played in our work so far, I have no doubt that, thanks to him and thanks to the co-operation of the rest of the delegates, we shall be able to solve this problem. We still have on our Agenda one other problem to discuss. It has appeared in the course of our discussions that there are certain common problems between our committee and some other committees. I am not here thinking only of the question of "services" which has been mentioned so often, but also of certain questions of procedure which are spoken of in Article 35 of the proposed Charter. Those questions might be worked upon in connection with the other committees, the task of which it is to examine them, and therefore I suggest to the Committee that we might set up a very small sub-committee which might be composed of three or four members, with the task of establishing liaison between our committee and the others.

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Gentlemen, M. Thiltges has asked to make a proposal, and therefore I call upon him.

M. THILTGES (Belgium) (Interpretation): Mr Chairman, I should like to indicate the names of the persons I suggest for this Committee. I should like to propose once more Mr McGregor. I should not like to see Scotland taken from out of our hands. I should then suggest the Delegates of Great Britain, of China and our Vice President, the Chilean delegate.

THE CHAIRMAN (Interpretation): Does anyone wish to speak upon the proposal that M. Thiltges has just formulated?

M. LECUYER (France) (Interpretation): It seems to me that it would be very wise to add to this Committee M. Thiltges, who would be prepared to represent French-speaking countries under the circumstances.

THE CHAIRMAN (Interpretation): I submit to the Committee the suggestion of M. Lecuyer.

THE RAPPOREUR: May I suggest that the name of M. Thiltges should replace the name of the first nominee: that the name of M. Thiltges should replace mine as a Member of the Committee.

THE CHAIRMAN (Interpretation): If I have correctly understood the proposal of M. Thiltges, he said something about Mr McGregor having to go back to Scotland. Your proposal therefore would eliminate the name of the United Kingdom delegate or perhaps of the United States delegate; I do not know which. It is up to you. I do not think that is what you meant to say. Does anybody else wish to speak about this joint proposal of M. Thiltges and M. Lecuyer? (After a pause:-) Therefore I take it for granted that we have named a liaison Subcommittee to work with other Committees composed of Mr. Wilcox, Mr. Holmes, Mr. Gonzales, Mr. How and Mr. Thiltges, and I ask the secretariat to have it recorded in the Report. Gentlemen, it is 10 to 6 and we have finished all the work on the questions

we have to examine in the course of this day. The only thing that remains is for Mr McGregor and the experts to put the final touches to the proposal you have on hand and also to draft the two first parts of the Report in agreement with the directives we have received from the Committee of Heads of Delegations. We shall meet again in a session which I believe will be considered as a final plenary meeting and which I hope to see convened as soon as possible. Nevertheless, as this work of final preparation must be done with great care, and in order not to sin again by too great optimism, as I have done before by calling you together too early, I think it would be better not to give you at this moment the date of our next meeting. You will be notified of this meeting through the Journal and notices which will be posted in the entrance hall. Nevertheless I think I can tell you that this meeting will take place some time at the beginning of next week. Has anybody any question to ask or any remark to make? (After a pause: Gentlemen, the meeting is closed.

(The meeting rose at 5.51 p.m.)