

UNITED NATIONS
ECONOMIC AND SOCIAL COUNCIL.

PREPARATORY COMMITTEE
of the
INTERNATIONAL CONFERENCE ON TRADE AND EMPLOYMENT.

Verbatim Report
of the
FIFTH MEETING
of
COMMITTEE III
held in
The Convocation Hall
Church House, Westminster
on
Tuesday, 5th November, 1946,
at
5.0 P.M.

CHAIRMAN: M. PIERRE DIETERLIN (France)

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

THE CHAIRMAN (interpretation): Gentlemen, the meeting is called to order.

First of all, I must give you some information concerning the decisions that were taken by the Heads of Delegations in the course of their last meeting on Friday last. It was decided then that all Committees should complete their work, except Committee II, at the end of this week. Therefore, we have only four days ahead of us now. Moreover, it was decided that the Report of the Conference should be divided into three parts: first, descriptive and chronological expose so to speak of the work of each committee; second, the instructions to the drafting committee which will meet again some time at the beginning of next year; and, third - which would be of a confidential nature - the draft Charter. You realize that we are both limited in time and are also overburdened, as our Report is going to be very complete and complex, so that I must insist on the necessity of economizing in time and not wasting a single minute. These preliminary remarks once made, I must now give you some kind of information regarding the work of the working sub-committee. We met on Thursday afternoon, Friday afternoon, Saturday afternoon, yesterday morning and yesterday afternoon, and in the course of our meetings we considered not only the United States proposals, but also the other texts which were proposed, such as the United Kingdom proposals, and also a certain number of amendments which were submitted by other delegations. Now, I am very anxious here to correct a mistake which was made when the text was circulated. The text which was circulated this morning bears a wrong title. The title is: "Tentative Revision by sub-Committee of Articles 34 and 39 of the United States Draft Charter." As the draft Charter was not agreeable to delegates it could not be taken, and was not taken, as a basis for discussion, so that the sub-committee worked on the United States draft Charter, on the United Kingdom proposals and on other proposed amendments. Therefore, the text which is now being submitted to you is not the United States draft Charter as amended but a completely new one. Moreover, the text was presented as a working document of the sub-

committee. In reality, it is a draft presented by Mr McGregor in the light of the remarks which were made at the sub-committee's meeting. As on some points some members of the committee could not reach agreement, or at any rate, could not give their full support to the text, or, rather, to a text on which everyone could agree, it cannot be regarded as a working document; it is, indeed, a text, as I have said, submitted by Mr McGregor in his personal capacity, and amendments may be proposed by different members to Articles 34 to 39 of the Draft Charter. Nevertheless, and with due consideration for these reservations, Mr McGregor's text is an attempt at reconciling the different points of view which were expressed on the problem with which we are faced and in which we are interested.

Now I must give you some information concerning Article 40 of the United States draft Charter in regard to the question of Services. As expressed in (a) of the third paragraph of Article 34 of the American draft Charter, the sub-committee thought that the terms of reference of this Preparatory Committee as expressed in the resolution of the Economic and Social Council did by no means empower this Conference, and certainly not this Committee, unless otherwise decided by the Heads of Delegations, to study the problem of Services. The document which comes from the Economic and Social Council speaks of "goods." Theoretically, you may say that the term "goods" includes both goods and services, generally speaking, but may I here interrupt to say that the French text is unequivocal in this respect, because it speaks of "Echange de Marchandise," "Exchange of Merchandise," and "marchandise" in French can in no way refer to services. Yet in practice the Economic and Social Council did not intend to include a study of services in the work which was to be entrusted to this Committee for studying the question of cartels. I therefore thought that a study of services should be left on one side, and that is the reason why Mr McGregor's document will present the word "Services" in brackets. The presence of these brackets is accounted for by the points which I have just expressed. To sum up,

the meeting of the Heads of Delegations and then of the Full Conference must decide, but until this question has been decided upon services as implied, if we are going to refer to the document from the Economic and Social Council, services should be left out.

With these few preliminary remarks, I am now going to call upon Mr McGregor to take a seat at my side and speak on the text which is his text and introduce it with suitable comments.

MR WILCOX (USA): Mr Chairman, would it be appropriate to speak now on this question of the jurisdiction of the Preparatory Committee with respect to goods and services?

THE CHAIRMAN (Interpretation): Certainly, it will be opportune now.

I have just expressed a few personal views concerning the question of services. All members enjoy the full privilege of speaking on other points, and we can very well open the discussion now.

MR WILCOX (USA): The only point I wanted to make was that a further examination of the report of the Economic and Social Council which established the Preparatory Committee would reveal that the items listed there were presented only as suggestions to the Preparatory Committee, and that the phraseology that may have been included there need not therefore be taken as legally limiting the scope of our discussions here.

THE CHAIRMAN (Interpretation): It is true that the work of our present Preparatory Committee is only of a temporary and preparatory character, yet it seems to me that we must endeavour not to go beyond the terms of the decision which was reached by the Economic and Social Council. I should not like to see any delegation in the position of objecting to our conclusions because they do not fall within the purview of the present Preparatory Committee as defined by the Economic and Social Council. Though there is no ambiguity in this respect, particularly if we consider the French text, I think we must remain within our province as it was defined by the Economic and Social Council. Moreover, I think it is wide enough and gives ample opportunity for full and free discussion. In this respect, however, I should very much like to have the feelings of the other members here and to know whether they agree to my point of view or would wish to widen the province of our discussions.

MR LECUYER (France): May I say that this point was raised in other committees, where it was noticed that if we did not limit ourselves to the study of merchandise or goods we could go very far indeed. For instance, the Technical Sub-Committee of Committee II decided to suppress the mention of persons regarding the question of freedom of transit; and regarding the most favoured nation clause we said if we did not limit ourselves to the question of goods we might very well consider the question of establishment treaties. On both sides we decided we should stick to goods only. May I say again that if we go beyond that there is a great danger.

THE CHAIRMAN (Interpretation): I think the remark made by M. Lecuyer is justified. I myself made it in our Sub-Committee when we had an exchange of views on this question. I think it is necessary that we should not adopt a different line from

that adopted by the other committees, and particularly the Technical Sub-Committee of Committee II. The question is indeed beyond the competence of this Committee. It should be decided upon by either the full Committee or a meeting of the heads of delegations and the Chairmen. If I may refer to Mr Wilcox's suggestion, I would like to ask him a question in order to shorten the present discussion. Must I take it that the reason why the United States wishes to insert the term "services" in "a" of paragraph 2 of Article 34 is that they want to see engineering services included under Chapter V? If I am right in this assumption I think then the question should not be raised, because there is indeed no question at all then and it is useless to mention it; it goes without saying that it should be introduced in that case.

MR MUHBERKAR (India): Mr Chairman, I still maintain the stand which I took before you in the Sub-Committee stage, that the terms of reference would allow this Committee to take into consideration the question of services. In para. 2 of the resolution of the Economic and Social Council it is decided to call an international conference on Trade and Employment for the purpose of promoting the expansion of production, exchange, and consumption of goods. Certainly it is within the competence of this conference to discuss all the instruments which go to the promotion of exchange of goods. Goods cannot be moved from one country to another without the use of certain services, such as shipping and so on, to which I made reference at one of the previous meetings; so I maintain that even though the terms of reference are apparently restricted, we cannot think fully of these questions without any reference to these services which are essential for the purpose of the movement of goods. Later on in the resolution it states that the conference is to elaborate an annotated draft agenda for the consideration of

the Conference, taking into account not only suggestions made by the Economic and Social Council but also suggestions made by any member of the United Nations; and some of the members of the United Nations may feel very strongly on this point, that the services connected with the movement of goods should be considered by the conference and have a place in our deliberations.

MR WILCOX (USA): Mr Chairman, the Economic and Social Council gave us terms of reference which it plainly labelled as "suggested", and they were therefore not mandatory or binding. The Preparatory Committee, in the first meetings of its plenary and executive sessions, adopted a definitive agenda, and that agenda in Article 10, points (a) to (f) inclusive, covers the points that are to be considered by this Committee; and there is no wording in any of those points that limits us to the consideration of goods alone and not services. The point that refers to this Committee is called "International Agreement relating to restrictive business practices". It does not say "only when those practices involve the transfer of merchandise". I should therefore be inclined to oppose a discussion in the meetings of heads of delegations of whether this agenda should be amended so as to limit it to the point of excluding services. It seems to me this is the place where the problem arises, and that we should face the problem here and discuss it on its merits and decide it on its merits. I do not think we need to make the same decision here that was made in the Technical Sub-Committee with respect to movements of persons, and I say all this without prejudice as to what our final decision should be. But it seems to me that this is our job and that we should not pass it off on the meeting of heads of delegations, which usually has an agenda which it is unable to complete in the course of an hour or so in each week.

THE CHAIRMAN (Interpretation): I call the attention of the Committee to this question of procedure only because I was very anxious to assume here an orthodox position. I think my position, however orthodox, implies a straight and narrow interpretation of the terms of ^{ref}ference as defined by the Economic and Social Council. I feel, however, that the interpretations of Mr. Wilcox and Mr. Muhlerkar are much more liberal than my own and they may well be justified. If, therefore, there is no objection to their proposal, I shall take it that we all agree, and I have no personal objection here to including the question of services in the study of this Committee, subject to the reservations expressed in the draft American document, Article 40. Would anyone wish to speak on the proposal made by Mr. Wilcox and Mr. Muhlerkar?

Mr. FLETCHER (Australia): Might I make the suggestion that if we confine our attention to goods, we have a very very wide problem to get through, and I think if we confine ourselves to the consideration of goods, we shall have laid the foundation and then we can go on to the consideration of services. Initially I would suggest that we try to sort ourselves out as to the lines on which we are thinking in relation to goods, and without prejudice to the desire of those people who wish to bring services in. When we have got through the goods part of the thing, we can raise the question of bringing services in. I feel that once we introduce services, there is just no limit to the scope of our subject. I am sure I can speak for our own delegation when I say that if it is the desire to bring shipping, banking and insurance services into this question, well, we have just not brought the people who are familiar with those subjects and are capable of dealing with them in the way that they deserve to be dealt with. They are highly technical subjects, and I think any people who have not lived in those subjects and pretend to be capable of dealing with them in a rational way are just misleading themselves, to put it frankly. For the time being I think we ought to confine ourselves to a consideration of goods, and when we have

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got through that subject, well, let us bring in shipping services, if we so desire and feel confident of handling them; and then, if there are others wishing to extend it to a wider field, I think they should be heard.

THE CHAIRMAN (Interpretation): I wish to express my gratitude to Mr Fletcher for the remarks which he made. Those remarks have led me to realise that there is no agreement in this Committee on the question of whether we should or should not include the question of services in the field of our present study. Mr Fletcher was kind enough to suggest that we could include it at a later stage; but I want to ask a question: I am not sure whether he referred to the work of this Committee III or whether he spoke of the later work of the Drafting Committee, or again of the future conference which will be held in Washington in September 1947. If we limit ourselves within the present frame of our work and if we include the question of services, then we shall have no time to consider the infinity of problems which on this question of services are included under Chapter 5. That I think would lead us very far. I would not like myself to seem to exert any pressure in any direction whatever. It seems to me to be difficult to weigh the arguments of Mr Wilcox and Mr. Muhlerkar against those of Mr Fletcher at the present stage. That is the reason why I call upon the other members of this Committee who wish to express their feelings upon the question.

Mr HOLMES (UK): Mr Chairman, as I think we have made clear, we of the United Kingdom delegation see certain difficulties and objections to including in the studies to be undertaken by this Committee or at this Session of the Preparatory Committee services as well as goods under this head. I would not, however, take any stand on the terms of reference to us from the Economic and Social Council. We have I think already made our point of view clear, that as a practical measure we think it would be perhaps inadvisable to extend our studies to services as well as

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goods, and we should be prepared I think to develop in even greater detail the difficulties that we see, though we do not wish to appear in the least unsympathetic to those who feel that in certain cases services would justify examination as well as other aspects of the international restrictive business practices. I wonder, Sir, whether we should not save time if we asked Mr McGregor to explain his draft, leaving aside for the moment as one probably of many points in which he may have differences to reconcile, the question whether services or not should be included; but I do not think it had been your intention that we should go on to the question of detail on this question. I think we are all very anxious to hear Mr McGregor explain the draft. Let us leave this particular question, perhaps with other questions, aside for the moment. The only other point that I would like to make at the moment is that I did not hear you myself refer to a Washington Conference, but it came out in the interpretation. The question where any future meeting of the Preparatory Committee should be held I think is still quite an open one, is not it?

THE CHAIRMAN (interpretation): I apologise for this mistake which I made on the last point. The statement which Mr Holmes has just made confirms my feeling that there is no agreement in this Committee as to the inclusion of the question of Services in our study. Mr Holmes has presented practical arguments which I refrained from commenting on because I did not wish to pass to the substance of the question, and I did not want to be partial, because the Chair should always try to be impartial. Yet I shall take these remarks into account, and I think it might be useful to mention this particular discussion which we have had here in the first part of our report to the full Committee. Now I have the feeling that we should be wasting time if we attempted to reach agreement on this question. I think the best thing is to pass on to Mr McGregor's text. I take it that the debate is closed, it being understood that Delegates, and particularly Mr Wilcox in his capacity as the United States Delegate in this Committee and the United States chief Delegate at the full Committee, may take it up again in the frame of the full Committee. I now call on Mr McGregor, who is going to give you a full explanation concerning his new draft.

MR MULHERKAR (India): I want to point out one mistake in the draft which has been circulated. All references to Services are deleted from the draft, and I was under the impression that these references were to be bracketed. In Working Paper 12 certain suggestions made in the Sub-Committee have not been referred to at all.

THE CHAIRMAN (interpretation): I think that any mistake which may appear in the document which we are now going to consider results from the lack of time which the Secretariat has had in duplicating this document. For instance, you can see that paragraph 3(a) mentions "Services" between brackets, but in paragraph 3(f) you will notice that the word "Services" is not bracketed. Moreover, Article 40 is not included in the present document. This is not a working document; it is only a mere text proposed by Mr McGregor, and any mistake which may appear in this document is not material in any way; any mistake may be corrected in the light of the discussion which we are now going to

have here. As I said to Mr McGregor in our Sub-Committee, and as I have said before, the question remains open and is left to the appreciation of the Heads of Delegations and our Full Committee meeting. It is therefore useless to dwell at great length on this question. I call on Mr McGregor to make his statement here.

Before I call on Mr McGregor, Mr Koriwan is going to give you a few explanations regarding the work of the Secretariat.

THE SECRETARY: I want to state for the record that the exclusion of the word "Services" in this working paper 12 is by no means a mistake on the part of the Secretariat which, despite the enormous burden of work it has, I think has borne up fairly well. Actually this draft, as has been explained before, is a heroic attempt on the part of Mr McGregor to fuse a great number of widely divergent opinions into one (as it is expressed here) "very tentative draft". I want to remind Delegates that the Sub-Committee, which has been meeting until today, was never intended as a drafting sub-committee, and that this consequently represents an excess on the part of the sub-committee in the amount of their work. It is nothing but a very very tentative draft about which you will now hear from Mr McGregor.

THE CHAIRMAN (interpretation): In the light of this explanation which has been given by Mr Koriwan, I wish to say that I never intended to cast any reflection on the Secretariat, which has discharged its task in the most wonderful manner. I did not intend, either, to make a charge against the Sub-Committee, which has indeed made a very great effort to get this work through. Any omission which may be in this document is indeed quite immaterial. I am anxious, on behalf of the Sub-Committee, in my own name, and on behalf also of the full Committee, to express my profound gratitude for the tremendous amount of work which the Secretariat have carried out with their limited means. This has prevented us from enjoying the pleasures of the English week-end, but I do hope, as we expedite our work, that we shall have more leisure to enjoy that in the future.

MR MCGREGOR (Canada): There is no charge against the Sub-Committee, no charge against Mr Koriwan or the Secretariat. I wonder if this is a charge

against this unmentionable person, because I must accept responsibility for the words that appear there: "Sub-Committee's tentative revision". I discussed it with two or three members of the Committee before we dispersed last night (and, incidentally I might mention that two ladies of the Secretariat worked right through on this until 10.30 without the benefit of tea or dinner) and it was not a matter of trying to have the report put before this Committee, with the prestige of the good name of the Sub-Committee. Some of you may say that it was a bit of modesty, but I consider that it was not a one-man draft. I just want to insist that I am not the father of all these children that have been appearing in my name, and I hope you will realise the embarrassment I feel at finding my name used as frequently as it has been used in discussions, and attached as it has been to things which I only assisted in producing -- no, not really, only helped to work out. It has been more an assembly job, or rather a re-assembly job. I suppose if there is any blame attached, it is mine, but I would like to give due credit to those who have produced the paragraphs and sentences I have been tampering with in the last few days.

Well, that is wasting one of these two precious minutes that we

said we must not waste.

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I am assuming that everyone has this anonymous draft in front of him. Article 34 as it appears in this draft is, on the whole, the same as the draft that we considered on October 29th - that is E/C.III/6, working paper dated November 2nd; but there are some changes even there. However, you will see that it is basically the United States draft. I would like to call attention to the changes that have been made since the draft was before you on October 29th. You will see that in the fourth line (my copy is not the same as yours: I have not got the mimeographed copy) you will see the words "have harmful effects." You will recall that at our meeting on the 29th October the Delegate from Norway, and some others, suggested other words, "have, or likely to have, harmful effects." I indicated at that time that in my draft I had included that, but in view of the strong opinions of others with whom I discussed the matter, it was decided that it was not appropriate there. This draft, then, still keeps the words "have harmful effects." You will see that in the latter part of paragraph 2, the very last lines almost of the paragraph, the words appear, "if they appear to have or to be likely to have such harmful effects." The sub-committee considered that and it was the general view that it should appear in paragraph 2 and not in paragraph 1. In the last two or three lines of paragraph 1 you will see the words "or on any of the purposes of the organization as set forth in article 1." That is an addition. You will recall that Australia suggested a change substantially in this form, but eliminating the words "expansion and production of trade in the maintenance in all countries of high levels of real income." The Committee considered that it was desirable to keep that in, but that Australia's point would be met and some other delegates' point would be met, too, if we referred back to "or on any of the purposes of the organization as set forth in article 1." It would meet India's and some other countries' suggestion about the protection of countries in an early stage of industrial development. Brazil raised the question of "dumping" and considered that it might be covered by

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referring to any of the purposes listed in Article 1. May I now refer to (a) "an international combination, agreement or other arrangement among commercial enterprises, including such an arrangement among private commercial enterprises and public commercial enterprises (i.e., trading agencies of government or enterprises in which there is a government interest)." The United Kingdom suggested the scope should be limited to private commercial enterprises. There was some discussion in the sub-committee, which may be continued in this Committee, I am assuming, if there are others who think strongly that it should not be extended to anything other than private commercial international combinations, on this point.

Then in (b) we have "one or more commercial enterprises." In the earlier draft that was followed by the words, "when they possess substantial control of international trade in a particular area or generally in one or more commodities." The Belgian delegate suggested, and we thought with some force, that that should apply to (a) as well as to (b), but instead of repeating the words in (a) and (b) we put it in the next clause: "when such commercial enterprises, individually or collectively, possess effective control of international trade." That was the word that was inserted in the draft which we had before the sub-committee. The words "substantial control" were considered to be just too indefinite and incapable of any kind of definition, and so the words "effective control" were suggested. Another word was suggested, and perhaps some members of the sub-committee might recall what other word was suggested instead of "substantial." However, the suggestion I think was made that they controlled a major part of international trade. Then it goes on, "shall be ~~the~~ subject to investigation." In an earlier draft the words "on complaint or otherwise" appeared. You will recall that is where the Canadian delegation lost its initiative, and it was decided by the Committee that it would be desirable to insert the words, "in accordance with the procedure provided by the subsequent Articles of this Chapter." It is understood that all steps would be

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taken, and I think in a subsequent Article it is made clear, but just to make it doubly clear as to what is intended we have added those words, "in accordance with the procedure provided by the subsequent Articles of this Chapter." Then you will see the words, "if they appear to have or to be likely to have such harmful effects as are described in paragraph 1 of this Article." That covers paragraph 2 and it would cover paragraph 3.

(The French interpretation of the above remarks by the Canadian Delegate (Mr McGregor) was then given)

THE CHAIRMAN (Interpretation): I call on Mr McGregor to go on with his comments on draft Article 34.

MR MCGREGOR (Canada): There is hardly any comment to be made on paragraph 3. It is virtually the same as the United States draft, and the only difference, I think, there is between this and the United Kingdom draft is the inclusion in this, in sub-paragraph (a), of the words "or service", which appear in brackets. I think I am right in saying that is the only change. The word "services" has been retained, though, in sub-paragraph (f). That appears in each one of the several drafts.

THE CHAIRMAN: I wish to thank Mr McGregor for the explanations which he was so kind as to give us, but before I open the discussion it occurs to me that in this country there is a time-honoured custom, which is known as tea-time, and it is a mere act of courtesy, when one is in Rome, to do as Rome does; and I think we should conform to this custom, all the more so as it is quite pleasant. We shall therefore have a short adjournment and re-convene at ten minutes to five, and proceed then to the discussion of Article 34 in the light of the comments made by Mr McGregor.

(The Committee adjourned for 15 minutes.)

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After a short adjournment:

THE CHAIRMAN (interpretation): The meeting is called to order.

Mr McGregor has given you a detailed explanation of the text which has been submitted for Article 34. As Chairman, I can assure you that all amendments which we have proposed regarding Article 34 (and Delegates have had ample opportunity of submitting any amendments) have been examined carefully. If some of them have not been incorporated in the new draft, it is because the new draft takes them into account; the Sub-Committee thought it would be better to have a new wording, and they promised to make it as short as possible. Now I am going to open the discussion on Article 34. Given the explanation which I have given you, I think it is useless to come back again to the substance of the problem. Ample opportunity was given to all Delegates to make a general statement if they wished to do so, in the earlier stages of this committee. Now we must bring to the work conciliation, so as to be in a position of common agreement. I shall therefore ask Delegates to be brief. I shall also ask them to come to substantive questions only if they think that the provisions suggested here cannot be accepted by their Governments. In this regard, I would say that the only important points are the reservation made by the United Kingdom Delegate regarding the possible insertion of "public enterprises" in paragraph 2 of Article 34. If we are to have objections of a similar character, I would call on Delegates to be as brief as possible in any statement they may wish to make. It is past five o'clock and it is desirable that we complete the consideration of our text and then pass on to the rest of our work. Does anyone wish to speak?

MR NAUDE (South Africa): Mr Chairman, I merely wanted to enter a reservation in respect of Article 34.2.a., not because I consider the draft is inadequate or unsatisfactory or objectionable, but merely on the ground that I have not been able to consult my Government on the draft as it stands now. If I need go any further in explanation of my reservation,

it is that there is one article of trade which is entirely unique -- I refer to diamonds -- and my Government, therefore, will have to give very careful thought to that point. I repeat that it is not because I object to it; it is merely a question of being given time to consult with my Government.

MR DAO (China): Mr Chairman, I wish to make a similar reservation for my government with regard to Article 34 paragraph 2.a.: "Public Commercial Enterprises". As I said at our meeting before, our government may find it necessary, in the process of investigation and development of internal economy, to take active part in international trade. Therefore, it may find itself in a position to regulate trade and to form trade agencies which will have substantial control of the trade in certain commodities. Therefore I wish to make a reservation on this point.

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MR LAURENCE (New Zealand): Mr Chairman, the inclusion of public commercial enterprises in paragraph 2 (a) is I think open to objection other than those mentioned by the Delegates for South Africa and for China. It is open to the objection that it introduced a conflict between this Chapter on restrictive business practices and Section F of Chapter IV dealing with State Trading. As we have envisaged the section on restrictive business practices, it relates to the practices indulged in by organisations other than those in which the government has a say or control. I would suggest that it is inappropriate to attempt to introduce questions relating to public commercial enterprises in that section, when you have already got a special section in Chapter IV. In connection with the last three lines of paragraph 2, we have the words, "if they appear to have or to be likely to have such harmful effects." I am not sure whether it is in this Committee or in another Committee, but the question has arisen before of "appear to whom"? Who is to have the decision? To whom is the appearance to be given? Is it to the person or to the organisation who thinks he or it is aggrieved, or is it to be to the International Trade Organization?

THE CHAIRMAN (Interpretation): The remarks which Mr Laurence has made consist of two different points: first, he wishes to make a reservation concerning the insertion of public enterprises, which phrase has to be taken here in connection with Article 26 of the Charter. The second point is in respect of the interpretation of Article 34, paragraph 2. Here I can say that this Article is to be construed in connection with the passage which reads, "in accordance with the procedure provided by the subsequent Articles of this Chapter," which is stated in Articles 35 to 39. Then you have Articles 35 to 39 which say that the complaint shall be lodged by a member or by an agency of the member-country, but that it has to be based on a minimum of information as required by the Organization; and it is only in the light of this information or of any subsequent investigation to be carried out by the I.T.O. that it will appear whether these practices are harmful or not. If we refer, as is

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mentioned in paragraph 2 of Article 34 and the subsequent Articles, to the words that are used, there is no doubt whatsoever; so that I think it is difficult and perhaps inopportune to mix the interpretation of Article 34 which is a question of principle, with the subsequent Articles touching on Procedure, because these are two different matters.

MR LECUYER (France) (Interpretation): I wish to refer to paragraph 2 (b) of Article 34, and I wish to ask for an explanation; it is perhaps more a question of translation, but I think it is important and well worth while dwelling upon for a moment. It is envisaged that action will be taken if these practices "appear to have or to be" "capable" (in the French text) or "likely" (in the English text) "to have such harmful effects." If they are indeed capable of having any harmful effects, we can say that any enterprise is capable of having harmful effects. Therefore, that would be casting a reflection on the mere intention, and I wish to clarify this point.

THE CHAIRMAN (Interpretation): In answer to Mr Lecuyer, I wish to say that in the discussion in the sub-committee the French equivalent which was envisaged to this term "likely" was "susceptible," and therefore your remarks can apply just as well to the French term "susceptible." I think I am voicing the intention of the sub-committee if I say that the sub-committee wished to leave this question to the I.T.O, so as to put it in a position to take preventive action, if necessary, by examining the harm caused or likely to be caused. I do know that those powers given to the I.T.O. can give rise to legitimate fears. However, and here again I hope that I am expressing the feeling of the sub-committee, the guarantee provided in Articles 35 to 39 must give to any country concerned the assurance that no excess will be committed by the I.T.O.

MR LECUYER (France) (Interpretation): Your explanations naturally satisfy me; nevertheless, I think that even the word "susceptible" can give rise to confusion; and I am wondering whether it would not be better to reinsert the idea of presumption which was included - or implied - in the

American draft Charter.

THE CHAIRMAN (Interpretation): Your remark is of the same character as one made by a previous speaker. The sentence should be construed in connection with the words "in accordance with the procedure provided by the subsequent Articles of this Chapter." It is only if this procedure gives inadequate guarantees that the question arises, really, and therefore it should be discussed under Procedure.

MR LECUYER (France) (Interpretation): I apologize; yet what I say is quite in keeping with what you say, Mr Chairman. I therefore ask permission to give consideration to this question and if I can find a new term I will propose it to you.

THE CHAIRMAN (Interpretation): Thank you, Mr Lecuyer; but may I point out that your remarks would apply quite as much to the merits of the word "likely" in the English text?

MR LECUYER (France) (Interpretation): I am not competent in that case.

MR MONTEIRO DE BARROS (Brazil)(Interpretation): Mr Chairman, my country is very remote and I am in a very difficult position as regards communicating with my Government now, so I wish to make a reservation concerning the mention of public commercial enterprises, that is, trading agencies of governments or enterprises in which there is a government interest. It is quite possible that the Brazilian Government may wish to give thoughtful consideration to this matter.

THE CHAIRMAN: Your observation will be recorded.

MR MONTEIRO DE BARROS (Brazil)(Interpretation): Mr Chairman, I had the honour to propose at our meeting of 30th October an amendment to the agenda with a view to including in Article 34, under a sub-paragraph (g) of paragraph 3, the words "having direct or indirect consequences which might prevent or hamper the industrial development of under-developed countries."

THE CHAIRMAN: On this point I might say that Mr McGregor's explanations given some time ago answered your question in advance. If your amendment was not kept it was because the Sub-Committee thought that your point was met by the mention at the end of paragraph 1 of Article 34 of "or on any of the purposes of the organisation as set forth in Article 1." We thought that if under chapter V we included an amendment like the one you proposed, that is, if we wanted to say that we should try to maintain full employment or a high level of demand, we were only repeating what is naturally the preoccupation of I.T.O., and we thought it desirable, in order to avoid the constant repetition of such terms, to refer to the purposes of the Organisation as they are defined in paragraph 1, so this mere reference at the end of paragraph 1 of Article 34 meets your point.

MR HALIM (Lebanon): Mr Chairman, with regard to paragraph 2(a), I think there is some objection that can be made to the

definition contained in parenthesis of "public commercial enterprises". I believe that if an enterprise contains in it a government interest that does not necessarily make a public commercial enterprise of it. A government may own 30 per cent of the shares, for example, and if the majority of the shares are in private hands the control remains in private hands, and the enterprise remains a private enterprise. I suggest, therefore, that we add the words "in which there is a controlling government interest". I make those suggestions because if we decide to remove reference to public commercial enterprises I should want this paragraph to apply still to those private enterprises in which there is a government interest but which is not a controlling interest.

THE CHAIRMAN (Interpretation): I understand the preoccupations of Mr Hakim, but even if the Committee deletes the two lines between brackets his point is met, for he is speaking in fact of private enterprises and these then would be covered by the first paragraph, (a).

MR HAKIM (Lebanon): Mr Chairman, nevertheless if we maintain this phrase in brackets why should we not make the proper definition, and I believe it is necessary to add the words "controlling government interest", if we want to have a correct definition of public commercial enterprises.

THE CHAIRMAN: I do not wish to anticipate as to whether these two lines should be deleted or not. In any case, I can say they have already given rise to a great number of reservations. I wish to say - and this is a remark of a general character - that our text is only a preliminary text which will be appended in a third part of our report, and in any case it will be taken up again and considerably amended later on by the Drafting Committee which will meet at a later stage. Without under-estimating the importance and

interest of Mr Hakim's remark (and there are perhaps several remarks of that kind which might be made at a later stage) I wish the Committee could limit themselves to a study of the general lines of the draft charter. Moreover, as our discussions in the Sub-Committee have shown, we are now facing new problems for which the words which are in use are not precise enough, so if we try to define them more carefully I think we shall over-burden every single line of the text so as to make it illegible. So I would ask the Committee to be kind enough to limit themselves to the general lines of this draft charter.

DR LEENDERTZ (Netherlands): Mr Chairman, in our suggestions in the Sub-Committee we raised a question, which was not further discussed, as regards paragraph 2(a), as to whether perhaps international commodity arrangements could be considered to be included in this Article or not. I think I was the only one who took the view that they could not be included there, because they are visualised as existing between government organisations exclusively and do not come under this definition. It might perhaps be a good thing to have that point clarified, if only by being recorded in the proceedings of the Committee.

THE CHAIRMAN: The question which you raised (and I thought we had clarified the question yesterday afternoon at the end of our meeting) bears in reality on Article 4C. When we come back to it I hope that mention will be made then of international commodity arrangements and whether they are to be included in it or not.

THE CHAIRMAN (Interpretation): To come back to the question of substance, several reservations have been expressed regarding 2.a of Article 34. I therefore wish to ask the Committee whether there are any delegates who insist on the insertion of the bracketed passage. It is important indeed that we should give precise instructions to the drafting-committee with a view to its future work, and I wish that the attitude of the Committee might be recorded officially. So far we have only heard reservations, but I wish to know if any delegations insist on the inclusion of the bracketed passage.

Mr TERRILL (USA): Mr Chairman, may I get that question clear: do I understand that your question relates only to the material within the parenthesis and does not relate to the preceding phrase "public commercial enterprises"?

(Interpretation)
THE CHAIRMAN: Thank you for raising this question. I am very much afraid I myself was ambiguous because I was not precise enough. I had a feeling that the reservations expressed refer to the bracketed passage and to the previous phrase as well.

Mr TERRILL (USA): Would it be in order to state views on that point at this time? Mr Chairman, I would only like to point out that the exemption of public commercial enterprises would in our view be most unfortunate and perhaps might be tantamount to the complete wrecking of this Chapter, with its consequent effects which Mr Wilcox has pointed out before on the entire Charter. I say this for two reasons: one, that to make such an exemption would set up two standards of commercial conduct for the world and for international trade; and two, it would give carte blanche to the evasion of other obligations contained in the Charter under Articles 4, 5 and 6. It would be our view that if Governments are to engage in commercial operations, they should be held in this capacity to the same standards of conduct as any private firms or mixed public and private firms; that is, they should not engage in harmful commercial practices in international trade which would frustrate the objectives of the International

Trade Organisation, and Members of the Organisation should have, at the minimum, the right to complain if they feel such a complaint is warranted. Referring now for the moment to the previous remark of the delegate from New Zealand, (I believe he was the person who made the remark) as to the State trading provisions to be found under Article 26 of Chapter 4, I would like to point out that the only relevant provision concerns purchases and sales by governmentally-owned firms. The Article specifies that these should be made on the basis of commercial considerations, that is, commercial considerations as opposed to other kinds of considerations. Therefore it would be our view that there is no overlapping or conflict between the present Article 34 and Article 26, and that the problem of restrictive commercial practices is not taken care of under the first mentioned Article.

THE CHAIRMAN (Interpretation): I wish to thank Mr Terrill for his statement, but I cannot answer it now without stating a personal view which would not be in harmony with the impartial attitude of the Chair. I only wish to record the fact that there are here two different positions and that the Drafting Committee will take this into account. Are there any further questions regarding Article 34 now?

Mr ANDREW (UK): Mr Chairman, I am not sure whether Mr McGregor in introducing this draft referred to another reservation which the United Kingdom Government makes at this stage, and that is the inclusion in paragraph 2.b of a single commercial enterprise. We had some discussion on that in the Subcommittee and I do not wish to develop the point now, but only to say that for the moment, at any rate, the United Kingdom position on the words "one or more", or on the single commercial enterprise, is reserved.

THE CHAIRMAN (Interpretation): The reservation made by the United Kingdom delegate will go on record. I now call on Mr McGregor for further explanations.

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Mr McGREGOR (Canada): Not on the last point made by Mr Andrew, but on the one point whether this is to include Government agencies; and I should like to express our view very very strongly in favour of the retention of this kind of reference to Government agencies. If we are going to eliminate from this provision all reference to Government agencies, certain Governments who favour the operation of the cartel say in their own country — one that may be having harmful effects not to the country itself but some other country — might very well do something to put a private combination beyond the scope of the I.T.O. by taking an interest in it, by accepting a proposal that Government should have a substantial interest in that Company; or if one country operating pretty much on a State-trading basis did engage in practices that had a harmful effect either in combination with other private combinations or alone, I think it is part of our responsibility to see that that kind of operation is checked. I am not representing the Government of Canada. None of you are representing your Government, presumably. But the attitude we would take very strongly I am satisfied would be that it should include the Government-sponsored or even the Government-owned enterprise. Germany in years before the war did have a very large part in the control of international combinations. I think it is important that we have that in mind and do not permit the recurrence of that kind of control.

THE CHAIRMAN (interpretation): This remark will go on record. I notice that Mr McGregor takes up an attitude which is akin to that of Mr Terrill. However, I wish to clarify a point of procedure: Mr McGregor has told you that you do not represent your governments here. That is true of the Sub-Committee where we were all nominated in our personal capacity and therefore did not commit our several governments. On the contrary, here in this full Committee it is beyond any doubt that we all represent our governments, including, of course, Mr McGregor, ^{except} insofar as he wishes to express personal views so as to enlighten the proceedings of the Committee. +I myself, as Chairman, do not represent my government.

MR MCGREGOR (Canada): May I add a word to that: I cannot commit the Government of Canada to any programme. My understanding is that we have come here to discuss something that we will put before our governments, as a programme that the Government of Canada, for example, would consider, but there is no commitment on my part of the Government of Canada. Let me put it in this way: Ours is a democratic country. The Parliament of Canada decides what policy will be and not some civil servant that they send over to assist in the deliberations and do what he can to come to some tentative arrangements that will have to be considered by the Government.

THE CHAIRMAN (interpretation): The scruples which Mr McGregor expressed surely are in his honour. I wish to give him full assurance, and on the other hand I wish to dispel any ambiguity. I therefore say that, even though the Delegates here (with due exception made for the Chair) represent their governments, it does not follow that their governments are committed. The terms of reference, as I said, already envisage that we are only drafting a preliminary text which will be taken up again later on and considerably amended.

MR THILIGES (Belgium)(interpretation): Mr Chairman, I do not see in Mr McGregor's draft any reference to a Belgian amendment in which we said that the word "harmful" should come after "unjustified". This amendment was

withdrawn because we were given an assurance that the possibility of introducing "justification" would be included in the articles concerning procedure.

Now, as regards c.3., the Belgian Delegation proposed to replace "boycotting or discriminating against particular enterprises" by "any discrimination against private enterprises, even if these did not go so far as boycotting", etc., because it appeared to us that boycotting was reprehensible a fortiori.

THE CHAIRMAN (interpretation): Regarding the first point, Mr Thiltges said that his amendment was not included by the Drafting Committee as it was possible for the Belgian Delegation to have a full guarantee within the frame of the rules of procedure in the subsequent Articles.

Regarding the second point, his amendment seemed to have been taken into account, but in any case it will be duly considered by the Drafting Committee.

I am now going to call on Mr McGregor and ask him to make a very brief statement concerning the general ideas underlying the new draft of Articles 35 to 39.

MR MCGREGOR (Canada): As in connection with the other Article, No. 34, I shall just refer briefly to the changes which are recorded in this draft from the other drafts.

"Members agree that the Organization shall". The United Kingdom draft suggested that it should not be "shall", but "should be empowered". The Sub-Committee considered that, and the opinion was held that it should be continued to be "shall".

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In connection with the first provision, Mr ~~Mihlher~~ made a valuable suggestion that it was desirable, instead of having complaints made and action taken in a formal way by the Organisation, that there should be some provision made for a preliminary consultation between the complaining government and those in which the practices were alleged to be carried on. You were all impressed with that and a drafting job was done, and you will find the results of it in No.1. I think you will find in all these sections a logical order. The first is that the Organization shall "Arrange, if it considers

such action to be justified, for particular members to take part in a conference requested by any member who considers that any specific practices exist which have or are likely to have the effect described in paragraph 1 of Article 34". That may result in a conclusion of that case, but if a member country is not satisfied with the results, then it can take advantage of paragraph 2, and under that paragraph the Organization is required to "Consider each written complaint which any member may submit, or which" -- and this is important -- "any persons or business entities or other organizations within the member's jurisdiction may submit with the permission of such member". The United Kingdom Delegation suggested that instead of saying "any persons or business entities or other organizations", we should merely say "commercial enterprises within a member's jurisdiction which allege that any business interests are affected". Exception was taken to that by some members in the Sub-Committee in that it would restrain any organizations other than purely commercial organizations; possibly some consumers' organisation might wish to make representations, and the member might be willing to give that body permission to file its complaint with the Organization.

There is another change to "with the permission of such member": you will see in the United States Article 35.2. that they suggest a different type of procedure. The proposal to change that "with the permission of such member" appears in the United Kingdom draft and in several others as an alternative. Then further on, in paragraph 2, you will see "The organization shall prescribe the minimum information which should be included in each such complaint". That was not included in the original drafts that we made in our Sub-Committee, but at yesterday's meeting it was decided that it was rather important to put that in. It is designed in part to eliminate what might be frivolous or vexacious complaints; it must be serious cases that come before the I.T.O., and by that last sentence in paragraph 2 the Organisation is authorized to say what minimum information must be furnished with the complaint.

In paragraph 3 you will see that the Organization will "Call upon

each member concerned" -- that is after the complaint has been filed.

The next step is that the Organization "shall call upon each member concerned to obtain statements in reply from the commercial enterprises within its jurisdiction which are affected". "It shall call upon each member concerned" -- that is, of the country, who will communicate with the ~~xx~~ enterprises that are concerned. Up to this point all Members are not informed of a preliminary enquiry. This is merely a preliminary enquiry up to this stage, and only those members that are concerned are informed. The paragraph says: "such information as the Organization may deem necessary", "from any Member;" that is, they do not have to confine themselves only ^{to} those in which the commercial enterprise is located -- but "from any member." Then it goes on "then" -- we had a longer phrase there, "on the basis of such information" -- "determine whether further investigation is justified". That is the end of what we would regard as a primary investigation, and it may be disposed of at this stage. Then paragraph 4 follows logically: "If it is considered that further investigation is justified, notify all members of each such complaint"; it shall "call upon the complainant or any member to provide such information relevant to the complaint as it may deem necessary; and conduct or arrange for hearings at which any member, and the parties alleged to have engaged in the practice" -- and here is a divergence from the principle of no direct contact with the commercial enterprise. We think it is exceedingly important that the commercial enterprise shall be given opportunity to be heard. This is not a subpoena from the Organization on the enterprise; but we must see, I think, that any person charged with that offence shall have an opportunity to be heard before any report is made against that firm.

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In paragraph 5 is the next step, which is just an instruction to the Organization that "it shall review all information and come to its findings whether the practices in question have the effect described in paragraph 1 of Article 34," that is to say the harmful effects. Paragraph 6 goes on quite logically again. That is done when the Organization has reached its findings - that it shall report to all members the findings reached and the information on which such findings are based; and if it finds that the practices have had harmful effects it "shall call upon each member to take, in accordance with the member's laws and procedures," and that was inserted again to make quite clear that they are going to do it in their own way, "every possible action to prevent the continuance or recurrence of the practices". The words "every possible action" come from the United Kingdom draft; there was a lot of discussion as to what the phrase should be: every action that is possible to the country to prevent the continuance or the recurrence of the practices. We felt that that was surely not an obligation that is too heavy to impose upon any country - to do what it can to prevent the recurrence of harmful practices - and it goes on, "and to effect the abrogation and termination of agreements or arrangements which provide for such practices." Now that last phrase is a modification of something that you will find in the United States draft, that is Article 35 (5), and in that Article you will see the phrase, "including, but not limited to abrogation and termination of agreements and arrangements, dissolutions, reorganizations, business divestitures, and licensing of patents, to be implemented in accordance with their respective laws and procedures." The question is: Is not that just a little bit too specific, calling upon other countries to do all these things, because in some cases they cannot do it. For instance, we in Canada, cannot compel dissolutions, reorganizations, or business divestitures. But there is something that can be done to abrogate and to terminate agreements and arrangements. There you are getting right at the core of the trouble. It was suggested at yesterday's

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meeting that some countries might be quite satisfied merely to toll the combination that they had gone too far, that their prices were monopolistic prices and that they were too high: therefore, reduce them. But if you do that, then you are really putting the I.T.O. into the price-fixing business and giving it responsibility to determine what prices should be. Our position - and I am speaking now of our Canadian position - is that international agreements which produced harmful effects are really at the basis of all the trouble, and merely to get them to reduce prices is only treating the symptoms and not going right to the root of the disease. Going on to paragraph 7, I think there will be no question about that: "Call upon all members concerned to report fully the action they have taken to achieve these results." Then paragraph 8: "Prepare and publish, as expeditiously as possible after inquiries have been completed, reports" and so on. I think that perhaps we can say that much to the organizations that have not yet been born, that they are to do these things as expeditiously as possible, and not let them ride to suit the convenience of the international civil servants who are going to take this on. "Prepare and publish" in regard to the publishing of reports, that is an exceedingly important remedial factor, the publishing of reports - publicity - does much more than many other device to prevent the continuance or the recurrence of such practices: "showing fully the findings reached, the information on which such findings are based, and the action which members concerned have been called upon to take." Now, you will note there that it does not include a reference to what action they have taken, and I think the report should be made at this stage, because some country might very well delay action for a year or two or three and the organization would not be in a position to make a report until they had the report from the country in which the offence was committed. Then we make a proviso, and that was suggested I think by a Delegate who said that there are instances in which publication of a report is not desirable, though I think that in normal circumstances there should

be publication, and that is what we have included. We have made a proviso that "publication of such reports may be withheld if it deems this course justified." If the Executive Board concurs I take it that all our references here are to the work of the organization, that the organization itself may delegate later on to an executive board or to a commission on business practices, certain responsibilities; and the last section in the Article is that the organization shall "report to all members, and make public if it is deemed desirable, the action which has been taken by the members concerned to achieve the results described in paragraph 6 of this Article." That is a very brief statement of what is intended and of what changes have been made in Article 35.

MR MCGREGOR (Canada): I would like to make one general comment on the whole section. In reading this it is quite obvious that it is not a one-man draft; it represents in many respects compromises that have been arrived at within the Sub-Committee itself. For example, the United States delegation are not at all ready to accept the modified form that is suggested in the last phrase in paragraph 6 in substitution for the more detailed phrasing that they had in their Article. Other compromises have been made in this as in Article 34. I do want to emphasise that it is not a one-man draft; it was drawn up after discussion, and not with the approval of the whole group, because reservations were made. In many respects they were compromises which were accepted tentatively, and I am afraid that the United States will explode on the one I mentioned just now, and there is a similar one on which the U.K. may feel the same way. They may feel that I am letting them down on some positions that I had discussed with them earlier. However, it was an attempt to put down what the Committee thought - the consensus of opinion within that Sub-Committee.

THE CHAIRMAN: Gentlemen, sometimes one sins because one is unduly optimistic. I had hoped we should complete the study of our text today, and even much earlier than now, but I am informed that some delegates have engagements and cannot therefore go on now. I feel, too, that I am making undue use of the strength of the Committee and my own, so I propose to you that we meet again tomorrow morning at 10.30, and adjourn at this time. I must apologise for this accelerated rhythm of our discussions, but it is imposed by the lead-line which has been fixed for us. Tomorrow morning I will ask Mr McGregor to give us a further explanation concerning the other articles of his draft. Then we shall have a general discussion in the light of which our rapporteur will be able to take up his work. As time is short I propose that we

elect the rapporteur at this time so as to enable him to consider what his work is going to be. Are there any nominations?

MR NAUDE (South Africa): Mr Chairman, I find myself again in agreement with you. This seems a most appropriate time to select our rapporteur. It seems we have progressed far enough to find out who is the man and what is the group that should carry out this task of writing our report. I have in mind a man who has obviously given a great deal of thought to the subject we are here to discuss, a man who will be able to embody in his report the various nuances of opinion on the subject. He is furthermore a man who comes from a country that traditionally plays the role of bridge between the old world and the new. Moreover, he is a man who has taken the initiative in helping us to find some formula on which we can agree. I am sure you will know of whom I am talking at this point. Mr Chairman, I am very good at giving work to other people, and I will therefore propose the Canadian Commissioner of Combines as our rapporteur. I hope you will notice that I have not mentioned any names! I wanted to suggest that perhaps it would be appropriate that we should also nominate say three consultants to assist the Canadian Combines Commissioner, our rapporteur. I suggest the representatives of the U.S., the U.K. and France.

Mr ALANILLA (Cuba): I would like to second the nomination proposed by the South African delegation of Mr McGregor and the other delegates whom he proposed to help Mr McGregor in this very very difficult work.

THE CHAIRMAN (Interpretation): Does anyone wish to speak on the proposal of the South African delegation as supported by the Cuban delegation?

Mr MCGREGOR (Canada): I would like to speak, if I may. I am overcome by the suggestion. I may be overcome by the work. But I do not know what a Rapporteur is. If I am going to be the obedient servant of everyone of you, I decline right away. If it is going to prevent me from saying what I want to say, again I decline. But, frankly, this whole thing sounds very much to me as if it had been cooked. I would like to know more of what is expected of a rapporteur.

Mr NAUDE (South Africa): May I suggest that the rapporteur should be given guidance tomorrow morning as to how he might do his work. I would just like to add this bit of advice to him: in my experience I have always found that the Secretary of a Committee is a most useful man to help one write the report.

Mr MCGREGOR (Canada): May I ask if this kind of work will keep one in England longer than I intend to stay? I have enjoyed my stay in England very much, but I am interested in being elsewhere. Is there any indication at all that this will be a long assignment? Mr. Koriwan shakes his head to indicate that it will not be a long assignment. I therefore assume that he will have the draft work done within a few days, and then this Committee which will be appointed will just review what he has drafted.

THE CHAIRMAN (Interpretation): I wish to pay homage to the modesty of Mr McGregor, and at the same time charge him with lack of discipline because when he spoke I had not called on him. I wish, however, to give him all assurances: he is certainly apt for the mission with which he is being entrusted, and he will also find

Mr Koriwan the best and most enlightened of all helps. I have experienced myself how useful his help has been, and I can give Mr McGregor all assurances in that respect; but Mr Koriwan is over-burdened with work and our Rapporteur must not expect Mr Koriwan to do the work of the Rapporteur. He will only help him on questions of form and procedure, and I hope that I myself will be in a position to help him, if necessary. I record Mr. Naude's proposal and the support given it by the Cuban delegate, and I take it that Mr McGregor is now our Rapporteur with Mr Holmes, Mr Wilcox and M. Lecuyer on the same committee. I confirm that we shall have a meeting tomorrow morning at 10.30 in order to hear the rest of our Rapporteur's expose, because I think we can now call him our Rapporteur. This expose will bear on Articles 35 to 40. Are there any questions now? (After a pause:--)

The meeting stands adjourned.

(The meeting rose at 6.53 p.m.)