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President: Sir Douglas COPLAND (Australia).

Present:

The representatives of the following countries: Argentina, Australia, China, Czechoslovakia, Dominican Republic, Ecuador, Egypt, France, India, Netherlands, Norway, Pakistan, Turkey, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, Venezuela, Yugoslavia.

Observers from the following countries: Brazil, Chile, Cuba, Haiti, Iran.

The representatives of the following specialized agencies: International Labour Organisation, Food and Agriculture Organization of the United Nations, International Civil Aviation Organization, International Bank for Reconstruction and Development.

AGENDA ITEM 12

Restrictive business practices (E/2380, E/2612 and Add.1 to 3, E/2671, E/2675, E/2716, E/L.667)

1. Mr. THAGAARD (Norway) said that his delegation favoured the control measures which the *Ad Hoc* Committee on Restrictive Business Practices proposed, in its report (E/2380), to apply to international trusts and cartels. It was obvious that such powerful organizations might have harmful effects on international trade; they might, for instance, stifle competition by means of dumping, conclude exclusive agreements, impose unfair prices and make excessive profits, discriminate between countries in the fixing of prices or conditions of sale, or limit production. International trusts and cartels had no monopoly of such undesirable practices but there was no doubt that trusts and cartels might seriously hinder, as they had done in the past, the economic development of many countries and the expansion of international trade. Their activities must therefore be controlled.

2. In his delegation's opinion it would be inadvisable to apply such control without the support of an adequate number of Member States, but far too many Members had hitherto taken scant interest in the problem. It was unlikely that the members of the Council would be able to agree, at the present session, on the preparation of an international agreement. Nevertheless, States must be urged to take more interest in a thoroughgoing reform of international trade. To that end, his delegation had proposed an extremely moderate draft resolution (E/L.667) which was broadly based on Council resolutions 375 (XIII) and 487 (XVI).

3. A distinction must be made between the control of restrictive business practices in international trade and the question of national trusts and cartels. In his delegation's view it was for Member States themselves to decide how they should deal with national trusts and cartels. The measures already taken in that connexion varied according to States and it was to be hoped that countries would find some suitable means of combating the harmful effects of their trusts and cartels; that problem, however, was a national one and was therefore not amenable to solution by an international agreement.

4. Restrictive business practices in international trade, on the other hand, were obviously an international problem. It would be seen from the second paragraph of the preamble of resolution 375 (XIII) that co-operative international action was needed in order to deal effectively with the harmful effects of international trusts and cartels; it should be noted that the control measures proposed in the Council resolutions and in the *Ad Hoc* Committee's report applied only to practices affecting international trade. Similarly, although the conclusion of an international agreement would necessarily impose on the contracting States obligations such as those set out in articles 1 to 5 of the *Ad Hoc* Committee's draft articles of agreement (E/2380, annex II), the obligations referred only to the control of restrictive practices in international trade.

5. Mr. OZGUREL (Turkey) noted that the Secretary-General had been unable to submit to the present session his report on the organization referred to in paragraph 6 of Council resolution 375 (XIII), since so few Governments had communicated their observations on the *Ad Hoc* Committee's report (E/2380). The Council could therefore usefully discuss the question in order to determine clearly what information was available and to crystallize its ideas and thereby come closer to its goal. His delegation realized that it would take some time to conclude the agreement proposed by the *Ad Hoc* Committee but was sure that discussion in the Council would assist in solving the problem.

6. The *Ad Hoc* Committee's report showed that it considered an international agreement necessary for controlling the activities of trusts and cartels whose restrictive business practices had had harmful effects in the international economic field. His delegation was not convinced that that view was the only possible one but it did recognize the desirability of some such international control, and therefore considered it appropriate and desirable to take joint action, including the conclusion of an international agreement.

7. The *Ad Hoc* Committee had defined restrictive business practices in its draft agreement and had shown that in certain circumstances, trusts and cartels might be useful institutions, as had been stated in the Havana Charter for an International Trade Organization. As Turkey was a consumer of many imported

commodities the trade in which was regulated by trusts and cartels, the Turkish Government agreed that the activities of such organizations should be controlled in so far as they were detrimental to international trade.

8. His delegation noted with satisfaction that the control proposed in the draft agreement was to be world-wide; since trusts and cartels regulated the trade in certain commodities in international markets, the measures proposed for controlling the harmful activities of such organizations must also of necessity be international in character.

9. His Government also agreed with the *Ad Hoc* Committee's statement on the interrelation between restrictive business practices and the other main forms of restriction and control of foreign trade, such as tariff barriers, quotas and exchange control.

10. The Turkish Government did not, however, agree with the *Ad Hoc* Committee on the establishment of a new control organization; in its view, GATT should be regarded as the most appropriate international body for such action. It was already concerned with tariff barriers and quota limitations; it co-operated with the International Monetary Fund on exchange control and at its ninth session had spent much time examining the forms which such co-operation might take in the future. In view of the relationship between those three forms of restrictions and restrictive business practices themselves, the latter were a proper subject for GATT action. He pointed out that the signatories of GATT had recently prepared an agreement for the establishment of a new international co-operative organization to replace the International Trade Organization proposed under the Havana Charter. It was therefore logical that the question of restrictive business practices should be given to an international organization which would at the same time deal with international trade.

11. The Turkish delegation fully supported the first nine articles of the draft agreement proposed by the *Ad Hoc* Committee which were couched in virtually the same terms as the corresponding articles of the Havana Charter.

12. In general, the lifting of restrictions on international trade would make it easier for Turkey to export its tobacco, the country's chief export item, trading in which was regulated by trusts and cartels. Moreover, it would protect Turkish industry which was still in the process of development and would normalize trading in a large number of import products.

13. Mr. STIKKER (Netherlands) said that in his Government's view there were three different approaches to the problem of the measures to be taken to prevent the harmful effects of restrictive business practices.

14. The first was to consider the problem entirely from the point of view of civil law. Thus, a person who had suffered a loss as the result of a restrictive practice could bring an action for damages based on provisions embodied in the civil code for that purpose. That method was nevertheless open to various objections. In the first place, action could be taken only where the practice complained of constituted a tort. It was by no means an easy matter to indicate exactly where the dividing line between lawful and unlawful restrictive practices was to be drawn. Moreover, the method would take the matter out of the hands of the

Government and place it entirely in those of the judiciary which could apply only the existing law and not take preventive measures where necessary. Finally, the State would be precluded from applying price control measures where required.

15. The second method was to resort to penal law. The legislator might lay down certain rules to be observed in economic competition under penalty of prosecution and punishment. For instance, the establishment of any type of cartel might be prohibited. However, the method would be too generalized. In the case of absolute prohibition, account could not be taken of the special conditions obtaining in certain branches of business. Where the prohibition took those conditions into account, the rules would become so vague that neither the businessman nor the judge would know exactly what was permissible and what was not.

16. The third method was for the Government to adopt such regulations as it deemed necessary on the premise that conditions of competition differed. A restrictive agreement between producers or wholesalers might be indispensable in a certain branch of trade or at a certain time but harmful in another branch or at a different time. Under that method the Government would have to maintain a constant watch over all branches of trade to ensure that their development was consistent with the general economic policy. In the Netherlands Government's view the benefits derived from the national application of the third method could also be achieved on the international level where differences in trade conditions were even greater. The method should therefore be seriously considered when the time came to conclude an international arrangement on restrictive business practices. In that connexion, the Netherlands delegation would in due course propose certain amendments along those lines to the proposals in the *Ad Hoc* Committee's report (E/2380).

17. In the meantime the Council should remember that other inter-governmental bodies and agencies were also actively considering the problem of restrictive business practices. Secondly, the Council might find some delicate problems easier to solve if approached on a regional rather than on a world scale. It might be desirable, for instance, to persuade the European States to co-operate with one another. In the circumstances, the Secretary-General might be requested to invite GATT and the Council of Europe to express their views on the subject before the Council took final action. Thirdly, the application of legislative and administrative measures in some countries was so wide that their effects were felt far beyond the national boundaries of the States concerned. The Netherlands delegation considered that to be undesirable and hoped that when an international arrangement was arrived at the participating States would refrain from such measures. Finally, while national legislation should obviously not go beyond its usual field of competence, it should at the same time meet certain minimum conditions to ensure the functioning of the international arrangement; participating Governments would have to adapt their national legislation so as to be able to comply with the obligations they would assume under the international convention.

18. Mr. JALIL (Ecuador) observed that when the Council, at the beginning of its nineteenth session, had considered the question of the economic development of under-developed countries the Ecuadorian delega-

tion had expressed the hope that restrictive business practices would be eliminated as far as possible. If that were done the economic development of under-developed countries would be promoted, as they would acquire more foreign exchange and would thereby improve their position with respect to investment capital. The benefits of the new situation would be confined to those countries alone, for the industrialized countries would be in a position to export their products to new markets where they would find millions of consumers.

19. The problem of restrictive business practices, closely related as it was to the economic development of all countries, particularly the under-developed countries, deserved the most careful consideration. While specific measures should be adopted to ensure successful action in that field, many theoretical and practical difficulties would have to be overcome, among them the psychological reactions of the various populations concerned and the differences in national legislations.

20. He congratulated the Secretariat on its work. With respect to its report containing information on restrictive business practices in international trade in a number of countries (E/2675), he mentioned by way of example the situation with respect to chemical products which provided conclusive evidence of the harmful effects those practices could have. In 1949, the exports to the United States of the British Imperial Chemical Industries, Ltd., which had concluded an agreement with the firm of E. I. du Pont de Nemours, had amounted to a little over \$500,000. The very next year, following the devaluation of the pound sterling and the termination of the agreement with du Pont de Nemours, the British firm's exports had increased by more than 1,000 per cent. The courts in the United States and in the United Kingdom failed to take the same view of that type of case.

21. Restrictive business practices were not invariably the result of agreements between firms. Quoting a passage of the annual report of the International Monetary Fund (E/2661 and Add.1), in which the coffee shortage was referred to, he observed that the drop in coffee prices despite favourable conditions could be attributed chiefly to the effect of discriminatory publicity. For many of the producing countries, coffee represented more than half of the total exports. Consequently, the price drop of as much as 40 per cent had had a particularly unfavourable effect on their balance of payments. Faced with that situation, some Latin-American countries had been compelled to impose import restrictions. Those restrictions had been purely defensive measures and in no way discriminatory.

22. The elimination of restrictive business practices presupposed a series of measures. Careful consideration should be given to the exchange control system in some countries, to customs regulations, and to trade agreements between governments and private companies. Account should be taken of the effect of the proposed measures on production. Fluctuations in currency values, concealed monopolies, the effect of restrictive practices on employment, production costs and the position of the consumers should also be carefully considered. In view of the difficulties which might arise in the absence of an applicable international law, measures should be adopted on the national and regional levels in that order before proceeding to international action. The countries concerned should enact equitable legislation designed to abolish all discriminatory re-

strictions and practices. Such action would attract private capital from abroad and encourage its participation in the economic development of under-developed countries and areas.

23. Mr. STANOVNIK (Yugoslavia) observed that there seemed to have been some slackening in restrictions on international trade and payments, but cartels showed an ever-increasing tendency to spread. Thus progress in some fields might be paralysed by trends in another. The situation was the more disturbing in that some countries with a large stake in world trade seemed to be less and less interested in curbing that trend.

24. The Yugoslav delegation's stand on the matter was based on predominantly economic considerations. It considered how international cartels affected world production and trade and the national and world income. It was concerned with the question whether international cartels would lead to an increase in the world income and whether restrictive business practices could ensure a fairer distribution of the world income among countries. Obviously, restrictive business practices of whatever kind were a serious handicap to the new countries' industrial development.

25. There were five kinds of barrier to international trade: customs duties, quotas, exchange controls, restrictive practices based on bilateral or multilateral agreements and international cartels set up by private undertakings. All of them raised interrelated problems linked to a greater or lesser extent to the more general problem of international trade, so that the idea of a piecemeal solution must be discarded. The Council had therefore probably been right in taking the problem up again as it had been put in the Havana Charter and in considering it afresh.

26. As things were, the only organization which could be made responsible for executing an agreement on restrictive business practices was GATT. But that organization was in the formative stage, its relationship to the United Nations had not yet been adequately defined and its membership was too restricted for it to be made responsible for work on such a large scale. The Council might deem it necessary to convene in the near future another conference on international trade to consider the problems he had mentioned as a whole; their importance for the execution of the *Ad Hoc* Committee's draft agreement (E/2380, annex II) could not be exaggerated.

27. Seven countries and a few organizations had so far replied to the letter circulated by the Secretary-General in compliance with Council resolution 487 (XVI). Some observations in those replies (E/2612 and Add.1 to 3) warranted comment.

28. In several replies, for instance, the comment was made that no international agreement could be drawn up, because national anti-trust laws varied greatly from country to country and all countries could not enter into the same commitments. It had also been stated that under the agreement the position of free enterprise countries would be appreciably weakened in relation to that of countries applying stricter restrictions. But nowadays all free enterprise countries protected themselves by high customs tariffs. Moreover, the system of international cartels was incompatible with the free enterprise system. So, when a country was convinced that international cartels were harmful, the best it could do was to advocate the implementation of the draft agreement prepared by the *Ad Hoc* Committee.

29. It had also been stated that judicial powers could not be conferred on an international administrative body. But the Council had just dealt with the problem of the enforcement of international arbitral awards and had found that even matters of that kind could be settled by judicial methods at the international level provided that the competent international bodies were given the requisite powers.

30. Some replies criticized the provisions vesting the proposed body with powers to decide whether a cartel agreement might be regarded as having harmful effects on the expansion of production or trade. It should be noted that the draft agreement provided for a right of appeal and other democratic procedures.

31. Although it did not agree with the objections he had cited, the Yugoslav delegation believed that the time was not ripe to submit the draft agreement to Governments for signature, as probably not enough countries would sign it. Governments should therefore be afforded the opportunity to consider the matter again. A broader approach should be made to the problem and a body which would operate under the United Nations, and would cover the whole field of international trade should be made responsible for putting the agreement into effect.

32. The Council should not, however, remain inactive. It should at once take practical action which would enable the proposed agreement to be put into effect in the future and would in the meantime prevent to some extent the spread of international cartels harmful to economic development and the expansion of international trade.

33. The Yugoslav delegation had, at the Council's sixteenth session (742nd meeting), stressed the need for greater publicity for the question of restrictive business practices. Governments should be asked to supply the Secretariat with more detailed information on such practices. The Secretariat would thus be able to continue its studies on the basis of official information. The regional commissions might also give the Secretariat useful help.

34. Governments might well again be invited to send their observations on the draft agreement on restrictive business practices pursuant to Council resolution 487 (XVI), so that the Council would have before it at its twenty-first session a number of observations enabling it to continue its discussion of points raised in the draft agreement. The Council's discussions would be made easier if the Secretariat prepared a study of the relationships between the restrictive practices constituted by international cartels and other restrictive practices applied in international trade. The Secretariat could take account of restrictive practices affecting not only trade but also services, and particularly maritime transport rates. Such a study could be particularly valuable to the Council if it proposed to examine the effects of international cartels on policies concerning economic development, inflation and employment as well as the effects on the more general problem of economic stability which was always before the Council.

35. Mr. ZAHIRUDDIN (Pakistan) said that as his delegation had not had time to examine in detail the Norwegian draft resolution (E/L.667), it reserved the right to comment on the draft at a later meeting.

36. The Economic and Social Council had been dealing with the question of restrictive business practices for several years. The time and effort devoted to the problem should not be regretted. In 1953 the *Ad Hoc* Committee on Restrictive Business Practices had submitted a report (E/2380) which represented the work of more than a year. Extensive material had been prepared by the Secretariat, and comments on the *Ad Hoc* Committee's report had been submitted by various Governments, specialized agencies and inter-governmental and non-governmental organizations (E/2612 and Add.1 to 3). However, before the report was discussed at length, the important inter-governmental organizations, the Contracting Parties to the General Agreement on Tariffs and Trade and those Governments which had not yet submitted comments should be asked for their observations.

37. Before any international action was taken, efforts should be made to discover what practical results could be anticipated. Although no Government questioned the value of measures to prevent restrictive business practices, not all restrictive practices should be indiscriminately condemned. Some countries occasionally found it necessary to adopt measures aimed not at reducing production or restricting trade but at raising the level of living. The freedom of action of such Governments should not be limited by international measures, the utility of which would in such circumstances be seriously impaired. It was heartening to note that the *Ad Hoc* Committee also shared that view.

38. The same attitude should be adopted with regard to restrictive business practices specifically required by governmental measures. In article 3 of the draft articles of agreement, the *Ad Hoc* Committee endorsed that principle to a large extent but limited its scope by stating that any practice found to exist in more than one country might be investigated if such practice was not so specifically required in all countries in which it was found to exist. That provision was obviously intended to reconcile divergent points of view, but as conditions might vary from one country to another, it should be recognized that if the Government of any one country deemed it necessary to adopt measures requiring the application of restrictive business practices, no investigation should be undertaken.

39. He emphasized that the economy of the under-developed countries depended on commodity trade. Since 1870, the prices of commodities had steadily worsened in relation to the prices of manufactured goods, and as a result countries producing primary commodities had become impoverished in comparison with the industrialized countries. The situation had recently become even more serious due to the fact that textiles made of artificial or synthetic fibres had to some extent replaced cotton fabrics. As the prices and the consumption of raw materials produced in the under-developed countries had to be stabilized at a reasonable level, there was no reason to be surprised if those countries endeavoured to conclude agreements for the purpose of selling their primary commodities under the best possible conditions. Those agreements were sometimes said to embody restrictive business practices; that at least was the opinion of the National Association of Manufacturers in the United States. He did not, however, agree with that argument and felt that pending the establishment of an organization

capable of stabilizing the prices of primary commodities, the prohibition of agreements relating to those commodities would leave the under-developed countries defenceless. Accordingly, his delegation asked that such agreements should not be covered by the measures which might be adopted in implementation of the *Ad Hoc* Committee's recommendations.

40. Before the practical results of an international programme of action were examined, the present feasibility of such action must be determined. He did not share the pessimism of those who considered that international action, directed for example against powerful international cartels, was impossible, and he recalled that international measures should go hand in hand with national programmes. The regional solution proposed by the Netherlands representative did not at first glance appear to be satisfactory, but it did offer possibilities which Governments would undoubtedly wish to study more thoroughly.

41. With respect to the establishment of an organization to implement the decisions taken, his Government, desiring to avoid a proliferation of international organizations, felt that consideration should be given to GATT or the proposed Permanent Advisory Commission on International Commodity Trade.

42. He congratulated the *Ad Hoc* Committee, the Secretary-General and the Secretariat on the valuable work that had been accomplished.

43. Mr. CHA (China) noted that there were no differences of opinion as to the harmful effects of international cartels and the need to eliminate them. What had to be done therefore was to agree on the methods to be used.

44. Too few countries had submitted observations on the *Ad Hoc* Committee's report (E/2380) to allow of any generalizations. Some, which played an important part in world trade, such as Canada, the Federal Republic of Germany, the Netherlands and the United Kingdom, had not yet replied. That, however, did not justify the conclusion that Governments were not interested in the question. It was more likely that they had not had sufficient time to study in detail the various aspects of that complex problem. Before replying, Governments had to examine their legislation and the decisions of their courts; they had to decide whether the establishment of an international organization was desirable and the extent to which they could co-operate with other Governments. They would also wish to re-examine chapter V of the Havana Charter.

45. As it was clear that the agreement of all States to the implementation of international control measures could not yet be obtained, his delegation felt that the Secretary-General should again request those Governments which had not replied to submit their comments as soon as possible in order that the Council might be able to study the question at a future session.

46. His delegation fully supported the draft resolution proposed by the Norwegian delegation (E/L.667); the reference in paragraph 3 c to the technical assistance which interested Governments could share was particularly commendable.

47. Mr. CAFIERO (Argentina) said that although the problem of restrictive business practices had already been considered at the international level, agreement on all aspects of the question was still far from

having been reached. He felt that restrictive business practices concerned not only the establishment and activities of monopolies and cartels but also all tariff measures aimed at restricting trade.

48. Restrictive business practices had already been dealt with in chapter V of the Havana Charter, which provided that the signatory States should take steps against practices which could have harmful effects on the expansion of production or trade. Article 46 emphasized the general nature of the problem by condemning trade practices that were contrary to the creation of conditions of stability and well-being which were necessary for peaceful and friendly relations among nations. All measures which were contrary to the objectives set out in article 1 of the Havana Charter should be regarded as restrictive business practices.

49. Although the Argentine Republic had accepted the general principles set forth in the Charter, it had been unable to subscribe to the Final Act of the United Nations Conference on Trade and Employment because the specific provisions adopted at Havana had diverged from those principles, had constituted intervention in the affairs of States and had paid insufficient regard to the essential problem, namely, the consequences of the increasing tempo of economic development in the under-developed countries.

50. Later, the *Ad Hoc* Committee on Restrictive Business Practices had submitted a set of draft articles of agreement (E/2380, annex II) based on chapter V of the Havana Charter. The Argentine Government recognized the general value of the principles embodied in the draft agreement but regarded it as too limited in scope. Consideration should have been given to the general problem of economic development and to the questions raised by the Ecuadorian representative. Furthermore, in view of the considerable differences between the laws of the various countries, it did not appear appropriate to consider the establishment of a new international control agency at the present time. The question of restrictive business practices which adversely affected economic development, productivity, international trade and the balance of payments should nevertheless continue to receive attention, and the Argentine delegation had no wish to postpone consideration of the matter.

51. There were two agencies in existence which were concerned directly or indirectly with restrictive business practices. The General Agreement on Tariffs and Trade was based on the principles of the Havana Charter, for its present article XXIX provided that the contracting parties undertook to observe the principles of chapters I to VI of the Havana Charter, including of course the provisions concerning restrictive business practices contained in chapter V. Thus the article in question preserved the spirit of the Havana Charter and merely omitted any reference to the International Trade Organization. In other respects it reiterated the provisions of the Agreement already signed. It was still uncertain, however, whether the contracting parties intended to establish a control agency to supervise the application of decisions taken concerning restrictive business practices.

52. The matter might, moreover, be dealt with indirectly by the Commission on International Commodity Trade, which under paragraph 3 a of Economic and Social Council resolution 557 F (XVIII) was em-

powered to consider any problem connected with international commodity trade within its terms of reference, which was of special importance. The matter of restrictive business practices affecting primary commodities might well find a place among such problems.

53. In view of the existence of those two agencies and their possible functions, it would for the time being be inappropriate to establish a new international agency. The problem was also being dealt with by non-United Nations agencies on their own initiative, and the results and conclusions arrived at by them might be of some value to the Council. The work of the International Law Association was an example, and such studies of restrictive business practices should be continued. Although the Norwegian draft resolution (E/L.667) was generally acceptable, he reserved the right to refer to it again when he had had time to study it in detail.

54. Mr. TURPIN (France) recalled that his country had favoured international control of restrictive business practices and that the French representative had taken an active part in the *Ad Hoc* Committee's work. The Committee's report (E/2380) had dealt very clearly and fully with the question. It suffered from certain defects to which its authors themselves had drawn attention, and it showed the juridical and economic limitations which might now paralyse an international programme of action.

55. Although the procedure should provide Governments with the guarantees necessary to induce them to become parties to the agreement, there was no precise definition of what constituted an offence, and the powers of the various tribunals were neither well-defined nor effective. While there was no uncertainty concerning what constituted "restrictive practices", nothing was said about the manner in which the existence of harmful effects was to be ascertained or to be traced to a restrictive business practice. There was no way of making a balance between certain harmful effects and others which might be to the advantage of not merely one country but a group of countries.

56. It was pointed out in the report, on the other hand, that conflict of laws might arise between the laws of various countries and between such laws and international law. That raised the important problem of the application of domestic law to undertakings situated abroad whose operations affected the domestic market of the States concerned. In that connexion the rights of signatory States should be clearly delimited. Finally, it would appear that except by concerted unanimous action no effective sanction could be applied. The international organization's recommendations would be entirely dependent for their effectiveness on the goodwill of the parties. That goodwill would

not be greatly in evidence, for every party would hesitate to impose controls or limitations which others would not apply to their own undertakings.

57. In the economic field, as several representatives had pointed out, it was difficult to dissociate restrictive business practices from other impediments to international trade. Customs barriers, quotas and exchange restrictions were often similar to such practices in their effects; those might be either a defence against those limitations or the result of their abandonment. Restrictive business practices might also be required to meet the demands of economic advancement or to ensure greater production or improved levels of living: establishment of research bodies and common laboratories, monopolistic exploitation of patents, trading-posts, control of the quality of export products.

58. The recognition by the French delegation that the legal basis of the draft articles was inadequate and the consequences of restrictive business practices uncertain did not imply a judgment of the advantages and disadvantages of cartels and agreements but merely of the practical effectiveness of immediate action. There appeared little hope that under present conditions practical measures could be adopted at the international level, regardless of the organization that might be responsible for them. Even at the regional level some countries would probably be unwilling to forego reprehensible business methods, for that would mean placing their economy in an unfavourable position with regard to countries not parties to such regional agreements.

59. Although inter-governmental action of any kind could not likely be undertaken without the effective support of all countries, Governments could in any case take effective measures within their own borders to combat or at least strictly control restrictive business practices. Very few countries had anti-cartel legislation, and it would be to the advantage of those which had made some effort in that direction to learn from the experience of those Governments which had already established a fairly complete system of regulation. France, whose national legislation in that regard was still rudimentary but which was, nevertheless, not one of the most retarded, was ready and willing to co-operate with other countries.

60. In conclusion, the French delegation thought that the Norwegian draft resolution (E/L.667) was in general reasonable; it did not go too far and would indicate the Council's desire to keep the matter under consideration. The French delegation might, however, wish to introduce some amendments.

The meeting rose at 12.45 p.m.