54. The German Democratic Republic was very much concerned by the problem of multinational enterprises, since they intervened in the internal affairs of States where they operated. For that reason his country strongly supported the decision of UNCITRAL to maintain the item concerning multinational enterprises on its agenda. In view of the current stage of the preliminary work in that field, he felt it would be appropriate to defer a decision concerning UNCITRAL's programme of work pending the identification by the Commission on Transnational Corporations of specific legal issues relating to that problem. He therefore welcomed UNCITRAL's intention to co-operate closely with that Commission and the Information and Research Centre on Transnational Corporations. The question of multinational enterprises should not, however, be postponed indefinitely and UNCITRAL should deal with all the political and juridical aspects of the question in concrete form as soon as possible.

55. The CHAIRMAN announced that the list of speakers on the item would be closed on Friday, 3 October at 6 p.m.

The meeting rose at 4.45 p.m.

1530th meeting

Friday, 3 October 1975, at 10.50 a.m.

Chairman: Mr. Frank X. J. C. NJENGA (Kenya).

A/C.6/SR.1530

AGENDA ITEM 110

Report of the United Nations Commission on International Trade Law on the work of its eighth session *(continued)* (A/10017, A/C.6/L.1016, A/C.6/L.1017)

1. Mr. STEEL (United Kingdom) congratulated the United Nations Commission on International Trade Law (UNCITRAL) on the useful and constructive work reflected in the report on its eighth session (A/10017). Characteristically, it had taken a practical approach to its work, thus paving the way to very real achievements in international trade law.

2. He thanked the Chairman of UNCITRAL for his thorough and lucid introductory statement and expressed the hope that he would convey his delegation's thanks and appreciation to his colleagues on UNCITRAL, as well as to its dedicated and knowledgeable secretariat under the leadership of Mr. Vis.

3. It was commendable that the eighth session of UNCITRAL had been, in general, well attended. For its part, the United Kingdom had always been a strong supporter of the Commission's work and taken an active part in all its deliberations. Like other members of UNCITRAL, his Government prided itself on ensuring that the experts who attended its meetings and its working groups as representatives of the United Kingdom were persons of the highest standing and authority in their respective fields. He was pleased to note the continuing and valuable role being played in the work of UNCITRAL by observers from the specialized agencies and from intergovernmental and non-governmental organizations. UNCITRAL had made valuable use of some of the work done by the International Chamber of Commerce, especially in the field of banking law: for example, on the topic of bankers' commercial credits and the review of "Uniform Customs and Practice for Documentary Credits". The utility to UNCITRAL of the work being carried out by such bodies as the International Chamber of Commerce was also well illustrated in paragraphs 42-46 of the report of UNCITRAL, which dealt with bank guarantees.

4. His delegation was pleased to note the solid progress achieved in the very important field of international legislation on shipping. That field was of particular interest to the United Kingdom as one of the major shipping countries of the world, but was also of great interest to the international community as a whole, since it could have a tremendous influence on international trade and consequently on the prosperity and rate of development of many countries. In that connexion, his delegation echoed the hope recorded in paragraph 75 of the report of UNCITRAL that many Governments would submit comments on the draft convention prepared by the Working Group.

5. The work of UNCITRAL was being pursued substantially on the right lines and was producing substantially the right results. It was to be commended for maintaining its steady progress in the multitude of tasks assigned to it.

6. With regard to the new topics entrusted to UNCITRAL, his delegation approved of the careful preparation of the ground for its consideration of the problem of liability for damage caused by products intended for or involved in international trade, and considered that UNCITRAL had acted wisely in deciding to defer its work on multinational enterprises pending the identification by the Commission on Transnational Corporations of specific legal issues that would be appropriate for action by UNCITRAL.

7. Criticism sometimes had been expressed of the pace at which UNCITRAL carried out its work. However, the complicated and detailed nature of the problems under consideration did not allow for speedy or spectacular results. Furthermore, the high calibre of the experts attending the working groups and the necessity for views to be obtained from Governments did not make it possible for meetings to be held more frequently or for longer periods. In his delegation's view UNCITRAL continued to be one of the most effective, efficient and valuable instruments that

the United Nations had at its disposal for increasing prosperity and accelerating development. His delegation looked forward to receiving the report on its ninth session in the confident hope that the record of achievement attested in the present report would be equalled.

8. Mr. LAMPTEY (Ghana) recalled that his delegation had served on both the Working Group on the International Sale of Goods and the Working Group on International Legislation on Shipping. He expressed his delegation's satisfaction with the work done thus far by UNCITRAL and hoped that further progress would be made.

9. He recalled that at the twenty-ninth session, his delegation had expressed (1500th meeting) its dissatisfaction with article 59 of the text of the Uniform Law on the International Sale of Goods (ULIS) annexed to the Hague Convention of 1964,[1] which, in its view, would tend to curtail the freedom of countries with balance-of-payments problems to regulate the outflow of scarce foreign exchange reserves to the industrialized countries. Regrettably, the Working Group on the International Sale of Goods had still not found it possible to accept the amendment his delegation had proposed to meet that concern and his delegation intended to press that amendment at the next session of the Working Group. His delegation had similarly objected to the formulation of article 73 (1) on the ground that it gave the seller unlimited discretion to determine unilaterally when the buyer's economic circumstances warranted a suspension of the seller's lawfully assumed obligations. His delegation was quite pleased with the new formulation of article 73 (1),[2] which laid down more objective criteria for determining the obligations of the seller. In choosing the criterion of deterioration of credit-worthiness, the new formulation had come as close as a uniform law could be expected to come to accepting the criterion of bankruptcy or general insolvency, which was familiar enough to provide a safe working criterion. His delegation endorsed the decision of the Working Group to refer to the instrument under preparation as a "Uniform Law".

10. Turning to international legislation on shipping, he congratulated the UNCITRAL on its formulation of the draft Convention on the Carriage of Goods by Sea. His delegation looked forward to the diplomatic conference which would finalize that work. In that connexion, his delegation would appreciate information on the status of the Convention on a Code of Conduct for Liner Conferences adopted under the auspices of the United Nations Conference on Trade and Development and opened for ratification in July 1974. The current inequitable system prevailing in the carrying trade clearly served the interests of some developed countries. However, it would be most regrettable if that important Convention failed to receive the number of ratifications needed for it to enter into force.

11. His delegation supported the continuation of the work by UNCITRAL on international payments, international commercial arbitration, the legal problems presented by the different kinds of multinational enterprises and training and assistance in the field of international trade law.

12. Mr. AL-OTHMAN (Kuwait) said that his delegation had carefully studied the report of UNCITRAL on the work of its eighth session. Being a trading country, Kuwait was sensitive to problems relating to maritime trade, such as the liability of shippers and owners of goods and liability for damage caused by products intended for or involved in international trade. The settlement of international payments between Kuwait and its foreign trading partners, whether individuals or corporations, was also an important subject which deserved careful examination. His delegation wished to emphasize the importance of the rules governing the international sale of goods, which it hoped would narrow the vast gap between the different legal, social and economic systems of various States. His delegation supported the formulation of an international definition of bills of lading, as recommended in the report of UNCITRAL, and also favoured co-operation between UNCITRAL and the Commission on Transnational Corporations in establishing a code of conduct to protect the developing countries from the activities of corporations, which often were inconsistent with the economic and social development goals of those countries. In that connexion, he hoped that UNCITRAL would take up the topic of the laws governing corporations and investments. His delegation requested the Secretary-General to prepare a study on the subject of liability for damage caused by products in relation to insurance, since insurance often failed to provide comprehensive compensation.

Mr. Klafkowski (Poland), Vice-Chairman, took the Chair.

13. Mr. LOEWE (Chairman, United Nations Commission on International Trade Law) expressed regret that it would not be possible for him to attend the remainder of the Committee's debate on the report of UNCITRAL. Before leaving New York, he wished to thank the Chairman and all the members of the Committee for the interest they had shown in the work of UNCITRAL and the warm welcome he had personally received. Having listened carefully to the statements made thus far—and he hoped that further comments would be made the following week—he was convinced that the Committee approved in large part of the decisions taken by UNCITRAL at its eighth session. Some delegations had referred to questions of detail, such as arbitration, which would undoubtedly be taken up by the working groups at their forthcoming meetings and further considered at the ninth session of UNCITRAL. As the ninth session's programme of work was a very heavy one, he fully supported the view expressed by several delegations that, in so far as possible, UNCITRAL should work expeditiously and keep its sessions as short as possible. In the matter of financial implications, he pointed out that it posed great difficulties for professors and high Government officials to leave their duties for any extensive period of time. However, in his personal estimation, the results which UNCITRAL was expected to achieve at its ninth session would not be possible if the session was to be less than four weeks in duration. He appreciated the difficulty that simultaneous meetings of two different working groups would pose for some smaller delegations, but did not see any lightening of the burden of the programme of work at

1 See *Register of Texts of Conventions and Other Instruments concerning International Trade Law*, vol. I (United Nations publication, Sales No. E.71.V.3), p. 39.

2 See A/CN.9/87, annex I.

the tenth session, which would be expected to prepare the final draft of the convention on the international sale of goods. Given the time necessary to complete its work, he was confident that UNCITRAL would be able to produce the results expected of it. He would certainly convey to UNCITRAL all of the comments and observations made by delegations in the Sixth Committee, which would be of great help to it in its work.

14. Being himself of Austrian nationality, he was very pleased to note the invitation extended by the representative of Austria that UNCITRAL should hold its next session in Vienna. He hoped that at least some members of the Sixth Committee would be able to attend that session and that the Sixth Committee would continue its work in the same fruitful manner as it had done thus far and would achieve the results desired by all.

15. The CHAIRMAN thanked the Chairman of UNCITRAL for his remarkable introductory statement, which was before the Committee in document A/C.6/L.1017, and for the summing up he had just made.

AGENDA ITEM 109

Succession of States in respect of treaties: report of the Secretary-General *(continued) (A/10198 and Add.1-3, A/9610/Rev.1**)**

16. Mr. PEDAUYE (Spain) agreed with the view expressed by the representative of Brazil (1526th meeting) that, since the International Law Commission (ILC) had prepared a final draft, it would be inappropriate to refer it back for reconsideration. Such a step was unprecedented and could hinder the work of ILC, the programme of work of which was currently very heavy. The proposals made by two of its members on multilateral treaties of a universal character and the settlement of disputes (see A/9610/Rev.1, footnotes 57 and 58) should be discussed at a diplomatic conference. Furthermore, there appeared to be no reason to bring the codification process on that topic to a rapid conclusion. The draft related to only one aspect of the succession of States, and it was doubtful whether it would be desirable to establish rules in that sector while leaving aside the rest. For example, since ILC was continuing its consideration of the succession of States in respect of matters other than treaties, it would be better to wait until it had completed its work on that topic, so that States would have before them two complementary drafts that should form a harmonious whole. In view of the importance of the topic and the advantage of having as many views as possible, it might be advisable to ask Governments once again for comments on the completed draft.

17. His delegation believed that the convening of a conference of plenipotentiaries would enable the draft to be considered in greater detail. Furthermore, the difficulties anticipated by some countries in sending representatives to such a conference could be overcome if it were not convened in the immediate future. The question of the legal form to be given to the draft could also be discussed at that conference.

18. Mr. FUENTES IBAÑEZ (Bolivia) felt that the item was of great relevance because it was linked to the decolonization process, which was currently approaching its end. The body of juridical rules proposed by ILC for the succession of States in respect of treaties applied mainly to the newly independent States, which ought to have the greatest possible freedom of choice with regard to duties and should not have to assume any duties which might limit the exercise of their sovereignty, hinder the protection of their natural resources or hamper their speedy and legitimate development. Certain economic agreements, for instance, could be harmful to the interests of a new State, and for that reason many Governments, including his own, had requested that the draft include provisions relating to procedures for the settlement of disputes. A valuable precedent could be found in the existing provisions of the Vienna Convention on the Law of Treaties.[3]

19. He approved of the choice by ILC of the "clean-slate" principle with regard to succession and the establishment of exceptions with regard to territorial régimes as contained in articles 11 and 12 of the draft (*ibid.*, chap. II, sect. D). Such exceptions should also include free navigation and access to the sea for land-locked countries.

20. He agreed with those representatives who favoured embodying the articles in an additional protocol to the Vienna Convention.

21. The application of the "clean-slate" principle as an unrestricted attribution of a new State should be studied more carefully by ILC, since the principle could not apply in all cases. The so-called universal conventions, such as the Geneva Conventions of 1949 for the protection of war victims, should remain outside the scope of the "clean-slate" principle, as they represented the most cherished and permanent aspirations of the international community. It should be possible to establish a body of rules which would permit the gradual acceptance of existing conventions by new States without detriment to the "clean-slate" principle. The revised draft articles should be discussed at a conference of plenipotentiaries.

22. Mr. GARCIA ORTIZ (Ecuador) reaffirmed the views on the succession of States in respect of treaties expressed by his delegation at the twenty-ninth session (1494th meeting).

23. His delegation had studied with interest the observations of Member States contained in documents A/10198 and Add.1-3 and agreed with some of them. The Government of Ecuador was currently considering its own comments but had not yet formulated them in writing. He suggested that, since many other States appeared to be in the same position, the Secretary-General might be requested to ask Governments once again to submit their observations as soon as possible. Since that could be done in 1976, no decision should be taken on the final form of

* Resumed from the 1526th meeting.

** *Official Records of the General Assembly, Twenty-ninth Session, Supplement No. 10.*

3 See *Official Records of the United Nations Conference on the Law of Treaties, Documents of the Conference* (United Nations publication, Sales No. E.70.V.5), document A/CONF.39/27, p. 287.

the draft articles before the thirty-first session of the General Assembly.

24. One very interesting point raised in the observations of Member States was whether the text finally adopted should be given the form of a convention, a resolution or a declaration of principles. The succession of States had remained thus far subject to customary law and it was therefore quite legitimate to wonder whether it was worth making it the subject of a convention or whether it would be sufficient to formulate a set of general principles which would govern the subject. It should also be borne in mind that regulations of that type would be applied less and less since the cases of succession of States would inevitably diminish with the passage of time, as the process of decolonization and the formation of new States came to an end.

25. His delegation favoured the deletion of articles 38 and 39 of the draft. His Government would give careful consideration to the remaining articles and would make known its views on them.

26. The question of the settlement of disputes depended on whether the final document took the form of a convention or some other form, since only a convention would contain provisions on that question. Moreover, such provisions should be the same as those contained in the Vienna Convention on the Law of Treaties concerning the settlement of disputes. The form to be given to the document could not be decided until the thirty-first session of the General Assembly; if it was decided to give it the form of a convention, such a convention should be considered by a conference of plenipotentiaries, which therefore could not be held until 1977.

27. His delegation shared the concern expressed by a number of Governments at the suggestion that it might be advisable for ILC to adopt a position immediately with regard to the succession of States in respect of matters other than treaties so that work could begin on the whole task of regulating all aspects relating to succession. However, that question, too, should be given more detailed consideration in the forthcoming observations.

28. Mr. GODOY (Paraguay) observed that the principle of *pacta sunt servanda* had currently given way largely to the concept of *rebus sic stantibus*. The "clean-slate" principle, which constituted the corner-stone of the draft articles, reflected that trend perfectly. Article 15 of the draft left no doubt in that regard. Quite rightly, ILC had accorded priority to the inherent right of a newly independent State to genuine self-determination rather than to the principle of continuity and legal stability in international relations. That step represented a *de jure* application of the principle of the sovereign equality of all States to decide for themselves which conventional obligations undertaken on their behalf by their predecessors should be continued and which should be renounced. However, in view of the increasing interdependence of relations between States regardless of their level of development and their economic, social and political systems, it was also in the interest of the newly independent State, as a member of the international community, to ensure that the succession had the minimum effect on existing conventional relations established in accordance with international law, and to contribute to the equilibrium essential for the maintenance of a harmonious international order. At the same time, it was absolutely necessary that new States, regardless of the measures that they might adopt with regard to the conventional relations of the predecessor States, should recognize the general principles of international law emanating, for example, from the geographical position of their territories. Such was the situation for the transit States whose territory was used for international river navigation or other forms of transit recognized under customary international law. Those territories had the character of rights of way and the resulting obligations must, in normal circumstances, pass to the new State. In that regard, his delegation felt that article 5 afforded sufficient safeguards for the principle in question. The same was true for the so-called "multilateral treaties of a universal character".

29. His delegation agreed in general with the substance of the draft submitted by ILC. However, he felt that, in article 2, paragraph 1 *(b)*, the words "of territory" should be replaced by "of the territory to which the succession of States relates". That amendment would render the article less vague and at the same time conform with the terminology used elsewhere in the paragraph. In subparagraph *(h)* it would be clearer and more concise to replace the words "of a State" and "the State" by "of the successor State" and "that State" respectively. Similar changes should be made in subparagraphs *(i)* and *(j)*. Furthermore, the wording of the last part of subparagraph *(h)* was defective because of the repetition of the word "notification".

30. In the light of current political geography, his delegation viewed with concern the possible delay in the convening of a conference of plenipotentiaries to adopt the final text of the convention on the succession of States in respect of treaties and of the conference to adopt the convention on the succession of States in respect of matters other than treaties, particularly in view of the provisions of draft article 7 and the fact that a multilateral international instrument normally did not enter into effect for several years after its adoption. Nor should it be forgotten that ILC was to renew the whole of its membership at the end of the following year and that the new members would require a certain amount of time to familiarize themselves with working procedures and with the substance of any item under consideration. An undertaking which had consumed so many years of effort should be made use of while there was still a need for it. He therefore shared the view that there was no time to refer the draft back to ILC for further amendments, additions or deletions of a substantive nature. To do so would be to risk undoing the progress made. In any event, any necessary changes of a political nature and any finishing touches should be left to the conference of plenipotentiaries. Meanwhile, to save time and to facilitate the work of the conference, the Special Rapporteur, in co-operation with the Drafting Committee of ILC, could incorporate, where appropriate, the observations and suggestions submitted by Governments and delegations during the last two sessions of the General Assembly. In addition, any ambiguous wording must be deleted.

31. His delegation also supported the concept of making maximum use of the terminology used for the Vienna

Convention on the Law of Treaties and other similar multilateral instruments. That procedure would undoubtedly contribute to the development and codification of international law.

32. His delegation was also doubtful about the current wording of article 12, in particular the use of the words "does not as such affect" in connexion with the obligations and rights applying to territories by virtue of treaties. It was not clear whether those obligations and rights would continue in effect as a result of a succession of States or whether that succession would nullify the effects of an existing treaty, as far as the rights and obligations considered as attaching to the territories were concerned. The same observation applied to article 11.

33. It would also be preferable if the reservations referred to in article 19 were limited to a minimum to avoid weakening the effectiveness of that or any other convention. Such reservations should not be used to nullify or weaken the principle of continuity and stability of relations between States.

34. He expressed regret that no provision was made in the draft for any machinery for the peaceful settlement of disputes arising as a result of the interpretation or application of the rules governing the succession of States in respect of treaties. Such machinery could be provided for in the text of the draft, or an additional protocol drawn up to rectify that deficiency. The procedures involved should be based on the Vienna Convention on the Law of Treaties.

35. His delegation was firmly convinced that the future convention would meet a widely felt need in the field of international legislation since there was currently a lack of uniform practice by States in that field.

Mr. Njenga (Kenya) resumed the Chair.

36. Mr. CEAUSU (Romania) said that the topic of the succession of States in respect of treaties was very important and the Committee should therefore further discuss the draft articles prepared by ILC, with a view to finding generally acceptable solutions to matters of principle mentioned in the report of ILC, such as the holding of a conference of plenipotentiaries and the formulation of a convention or code, as well as certain concrete questions such as multilateral treaties of universal character and the settlement of disputes. The most appropriate way of completing the work of ILC would be for the Committee itself to consider and adopt the draft articles, as had been done, for example, in the case of the draft articles on special missions. As to the juridical form which the draft articles currently under consideration might take, the Committee might consider, in addition to a convention or a code, a document similar to that on the Definition of Aggression and the Charter of Economic Rights and Duties of States, which would be adopted by a declaration or resolution of the General Assembly. The matter of multilateral treaties of universal character was particularly important and timely and should be studied more deeply than provided for in paragraph 76 of the report of ILC. The presumption of continuity and the juridical qualification of express consent as accession and not as succession should not be based on the normative character of such treaties but rather on their general interest to all States.

37. Commenting on specific articles of the draft, he said, with reference to article 4, that no rules other than the rules concerning acquisition of membership in an international organization should affect the application or acceptance of certain conventional instruments adopted within international organizations.

38. With reference to article 5, he said that the use of article 43 of the Vienna Convention on the Law of Treaties as a source was not completely appropriate. Article 5 dealt with the application or accession in the future to certain treaties as a whole and not to separate rules which had already become or would become customary rules.

39. With reference to article 6, he said that the question whether a succession conformed to the principles of international law was too complex to be treated in such a concise manner with reference to succession to treaties. If the article was retained, it would be necessary to establish basic criteria for defining a succession of States.

40. With reference to article 9, he said that unilateral declarations concerning the application of a treaty by a newly independent State ought to be considered at least as offers to continue to exercise certain rights and obligations. However, such declarations could not be considered as general declarations of intent which awaited confirmation. If they were sufficiently exact they could be considered as notification of the acceptance of certain treaties.

41. With reference to article 10, he said that if a treaty provided for the possibility of a newly independent State's considering itself a party to a treaty, it was not clear why that State should have to announce its succession to the treaty instead of making the usual notification. The new State should be considered a party from the date on which it gave its consent.

42. The provisions of article 12 were debatable and the commentary of the Commission lacked conviction. It contained many references to practice and the writings of jurists of certain metropolitan countries and not to the practice and views of the new States. He could not support the proposal of ILC to exclude territorial treaties from the application of the "clean-slate" principle. Article 12 would impose on the newly independent State the obligation to respect conditions conceded by the metropolitan State towards other States. The article should instead provide that the successor State might, with a view towards good relations with its neighbours, maintain such facilities as transit, for example, but only to the extent that it felt the continuance of those facilities would not impinge on its sovereignty or its right to use its resources as it saw fit. If article 12 could not be improved, it should be deleted.

43. With reference to article 17, he felt that some of the terms used were vague and that the participation of newly independent States in treaties not in force at the date of their succession should be covered by the general rules concerning treaties.

44. Article 18 should be deleted, since the nexus between the predecessor State and the treaty was very weak. A State could not ratify or approve the signature of another State. It would be more useful to study the situation in which the predecessor State had had the right to accede to a treaty, particularly a restricted treaty, but had not exercised that right.

45. With reference to article 19, he felt that it would be useful to study the question of objection by the predecessor State to reservations by third States, as well as the objection of the newly independent State.

The meeting rose at 12.15 p.m.

1531st meeting

Monday, 6 October 1975, at 3.15 p.m.

Chairman: Mr. Frank X. J. C. NJENGA (Kenya).

A/C.6/SR.1531

AGENDA ITEM 110

Report of the United Nations Commission on International Trade Law on the work of its eighth session *(continued)* (A/10017, A/C.6/L.1016, A/C.6/L.1017)

1. Mr. NORDTØMME (Norway) congratulated the United Nations Commission on International Trade Law (UNCITRAL) on the progress made at its eighth session and expressed his appreciation to the Chairman of UNCITRAL for his excellent introduction of its report (A/10017).

2. Norway was a carrier of goods between most countries, and had one of the world's highest levels of foreign trade activity *per capita*, and the harmonization and unification of international trade law were consequently of special importance to his country, which was a member of UNCITRAL and an active participant in its deliberations.

3. His Government favoured the established working methods of UNCITRAL, which seemed able to accomplish its tasks in a constructive atmosphere through the time-saving use of working groups, which enabled UNCITRAL to reach all of its decisions by consensus.

4. His Government intended soon to sign the 1974 Convention on the Limitation Period in the International Sale of Goods,[1] the only Convention produced thus far by UNCITRAL. His Government wished to draw attention to the Secretary-General's invitation to all States to submit comments on the draft Convention on the Carriage of Goods by Sea by October 1975, so that UNCITRAL could take into account the remarks of as many States as possible and realistically finalize the text, which would be of great importance as the basis for a future diplomatic conference.

5. In most countries the national law relating to the important matter of liability for damage caused by products intended for or involved in international trade was often ambiguous or even undeveloped and he therefore hoped that UNCITRAL at its tenth session would prepare a new set of rules which might have the effect of developing national law, thus benefiting both the international community and the consumers.

6. With regard to the inclusion of new items in the agenda of UNCITRAL, his Government shared the view that it seemed premature to entrust UNCITRAL with more tasks at the present stage and suggested that the Committee revert to the question when UNCITRAL had completed more of its current tasks. He expressed the hope that the Committee would, during the current session of the General Assembly, reach by consensus a resolution reflecting the various recommendations of UNCITRAL.

7. Mr. ESGUERRA (Philippines) commended the Chairman of UNCITRAL for his very comprehensive and useful introduction of the report.

8. With regard to the international sale of goods, his delegation believed that the revised text of the Uniform Law on the International Sale of Goods (ULIS) annexed to the 1964 Hague Convention should be drafted in the form of a convention rather than as a uniform law annexed to a convention. That arrangement would avoid numerous reservations which might tend to minimize the value of the convention and unduly limit its field of application. The new convention should only adopt existing provisions of other conventions, such as the Convention on the Limitation Period in the International Sale of Goods, where such adoption would not lead to an inappropriate result. It would be desirable for the new convention and any codification relating to the formation and validity of contracts of sale to be considered at the same conference, provided both texts were ready, and embodied in the same convention.

9. With regard to general conditions of sale and standard contracts, his delegation welcomed the establishment of a study group composed of representatives of various concerned regional organizations. The practical need for a draft set of general conditions proceeded from the idea that the general conditions applicable to a wide range of commodities might also be applicable to a law of sales. Such general conditions for use in specific trades or for specific commodities could, however, correspond to commercial needs only if a desire for such conditions had been

1 See *Official Records of the United Nations Conference on Prescription (Limitation) in the International Sale of Goods* (United Nations publication, Sales No. E.74.V.8), document A/CONF.63/15.