At the recent meeting of the Intersessional Committee the question was raised as to what the CONTRACTING PARTIES should do if, as is highly probable, they receive a request from the Secretary-General of the United Nations to give their opinion on the organizational arrangements for the administration of the convention on Restrictive Business Practices which has been drafted by the Ad Hoc Committee on Restrictive Business Practices of the Economic and Social Council. At its last meeting the Intersessional Committee found that it would not be practicable at that time to formulate recommendations as to the nature of the opinion to be expressed by the CONTRACTING PARTIES inasmuch as the question was still a matter of discussion between certain parties concerned. However, the Intersessional Committee did adopt a formula which will permit that body to convene in the near future to assist in formulating an opinion by the CONTRACTING PARTIES which would then be submitted to the latter for their approval by postal ballot.

In the information circulated to the members of the Intersessional Committee at their last meeting the secretariat made no suggestions as to the lines which might be followed by the CONTRACTING PARTIES in giving their views to the Secretary-General. However, the secretariat has given some thought to the issues which have arisen regarding the administration of the convention. A major divergence of views appears to have emerged during the course of the Ad Hoc Committee's discussion. Some countries feel that the administration of any convention dealing with business practices affecting international trade should be closely linked with the work of the international organization concerned with governmental controls on trade, i.e., at present the General Agreement on Tariffs and Trade. Others feel, however, that the question of restrictive business practices should be kept completely separate from any other question since the linking of the two would, in their view, hamper the effective operation of the organization on business practices. Those holding this view have pointed out the complications of the difference in composition of the signatories to the convention and those of the General Agreement.

The secretariat feels that it would be possible to develop a compromise whereby the governing body of the convention, hereafter referred to as the Representative Body, would be distinct from the CONTRACTING PARTIES but linked to them by a consultation procedure somewhat similar to that existing between the CONTRACTING PARTIES and the International Monetary Fund. The two bodies might be serviced by a common secretariat under an analogous arrangement to that whereby the General Agreement is serviced by the secretariat of the Interim Commission of the International Trade Organization. This would allow two independent bodies to be serviced by a joint secretariat and permit the economies of a single administration yet at the same time giving an independence of action to each body with respect to policy. This set-up would not exclude the Representative Body being served by an independent advisory service if that were felt desirable. This arrangement might be arrived at as follows:

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The Representative Body of the convention would request the CONTRACTING PARTIES to provide secretariat services on a reimbursable basis. If this were acceded to, the Representative Body would appoint the Executive Secretary of the General Agreement as Chief Executive Officer to the Representative Body. The usual duties of a secretariat would be performed by the Chief Executive Officer. There would necessarily have to be consultation between the Representative Body and the CONTRACTING PARTIES on the budget and as to the apportionment of the budget between the two bodies. The Representative Body should be free to appoint an independent advisory service which would report directly to it and would be independent of the joint secretariat except that it would look to the latter for administrative and other common services. The Representative Body would be fully independent of the CONTRACTING PARTIES in administering the convention. However, there should be established between the Representative Body and the CONTRACTING PARTIES a consultative relationship which would provide that whenever the Representative Body was called upon to determine whether a particular restrictive practice has harmful effects on international trade, it should enter into consultation with the CONTRACTING PARTIES, and in its determination give due weight to any views expressed by the CONTRACTING PARTIES in such consultation.