UNITED NATIONS
ECONOMIC AND SOCIAL COUNCIL.

PREPARATORY COMMITTEE
of the
INTERNATIONAL CONFERENCE ON TRADE AND EMPLOYMENT.

Verbatim Report
of the
SIXTH MEETING
of
COMMITTEE III
held in
The Hoare Memorial Hall,
Church House, Westminster
on
Wednesday, 6th November, 1946.
at
10.30 a.m.

ACTING CHAIRMAN: Senor don Higinio Gonzalez (Chile)

(From the Shorthand Notes of
W.B. GURNEY, SONS & FUNNELL,
58, Victoria Street,
Westminster, S.W.I.)
THE ACTING CHAIRMAN (interpretation): The meeting is open. What do we have in today's agenda? The Delegate of Australia,

MR FLETCHER (Australia): There is to be a meeting of the Heads of Delegations later on in the evening and I understand that that precludes the attendance of a number of Delegates who have occupied rather prominent positions in these discussions, and there are a number of others amongst us who have other engagements this morning, and I think it would assist us if we could come to some arrangement under which we could leave this meeting to stand over until some later time. I think it would be a help to us all if we had more time to study this document, too, before we get into a deeper discussion on it. I just make that suggestion to the Chairman.

THE ACTING CHAIRMAN (interpretation): I take note of the motion submitted by the hon. delegate for Australia, and I leave it to the Committee to come to a decision on this subject - whether we should adjourn or not. I request the opinion of the Committee on that subject.

MR McGREGOR (Canada): Mr Chairman, before the motion is put, I would like to make a few remarks. Do I understand that it will have to be translated, or are we using the simultaneous translation service?

THE CHAIRMAN (interpretation): We are at the moment using the simultaneous method, and from now onward the simultaneous interpretation service will be in action.

MR McGREGOR (Canada): I must confess that I spent a more or less sleepless night, gravely concerned about the attitudes expressed yesterday, which seemed to indicate a desire or a willingness to whittle away some of the essential requirements of any convention which can be expected to produce even moderately effective results in preventing harmful effects and practices in international trade. I happen to be exceedingly keen to have something produced by this Committee which will enable the I.T.O. to to effect results; I believe that, in the form of this draft the I.T.O. would have an instrument that could be effective. I think the members of this Committee share that keenness and that faith.
But I am exceedingly alarmed that when it comes to the point of approving something that is essentially reasonable, there appears to be a holding back, because it may make it necessary for one country to prevent commercial enterprises within its jurisdiction from engaging in practices which, while they may be harmful to others, are profitable to those commercial enterprises. I am reminded of the Scriptural story of the invitation which was extended to a number of people to participate in a feast. One by one, as the record goes, they began to make excuses or to make reservations. The actual words are: "They all with one consent began to make excuse." We have been invited to the task of drafting an international agreement to prevent combinations and monopolies from engaging in practices which have harmful effects. I earnestly hope that we have seen the end of the beginning. We all recognize that not all by any means have made excuses; but I should earnestly hope that only the strongest reasons, not illegitimate excuses, will prevent us from getting ahead. If we were drawing up an international convention that was to result in the reduction in the number of traffic accidents we could hardly expect European countries to adopt the suggestion that Canada might make (but would not make) that they change their laws and procedures and require cars to drive on the left side, or, as we should say, the wrong side of the road. It would surely be reasonable, though, for us to urge that each country should do its utmost to prevent the continuance or the recurrence of traffic accidents and should do its utmost to implement such measures to this end as the countries jointly agreed were necessary to prevent such accidents. Surely it would be unreasonable for any country to disagree, if it was really keen - and what country would not be keen - to reduce traffic accidents? A better illustration would be the control of traffic on the high seas, and that would correspond more closely with our problem in the field of international trade. If one country agreed that it would do its utmost to prevent accidents on the high seas, but insisted that its own ships should be permitted to run according to its own whims or according to the country's laws and
procedures, even if such procedures were to run counter to those of other countries, the results would be fantastic—certainly the harmful effects would not disappear. Surely it would be reasonable to have international agreements, which fortunately are in existence as far as shipping is concerned, under which each country would undertake not only to act vigorously but to prevent certain practices which all countries agreed were basically responsible for many of the harmful effects. It would not be sufficient, surely, for any country merely to apply the chastening rod to some shipowner whose vessel had run amok and suggest to him that in future he must exercise more care.

If we want to carry on an academic debate in this Committee, you can no doubt point to defects in this analogy; analogies are always defective in some respects; but all I am trying to suggest is that if we are in earnest in this matter we, as individuals, as delegates if you like, will put it down as our own individual opinions that each member country should undertake to do its utmost to prevent harmful practices and to eradicate as far as possible the conditions which are responsible for those harmful effects. I am referring, of course, to the specific suggestion in Article 35 (6) of the draft before us, that the Organization should call upon each member to take every possible action (perhaps it should be "all possible steps" as in the draft of Article 37) not only to prevent specific harmful practices which have happened, but to terminate agreements which are responsible for most of the harmful effects that we are all agreed should be prevented.

The corresponding provision is found in Article 37 (1). In it all that a member undertakes to do is to take all possible steps to prevent harmful practices (surely no one will balk at that), and in particular to take all possible steps to prevent practices which the I.T.O., after inquiries and hearings and all the rest, find have had harmful effects. Surely no one will balk at that. Even if that is accepted, you can bank on it that different countries will act on
it differently. Some will act, in accordance with their own laws and procedures and in keeping with their obligations, in an exceedingly vigorous way; others may merely go through the motions and implement their obligations in a very lackadaisical way; some will do it in a meddlesome muddling way; others will take the model way of reasonable but firm action, such as you would naturally expect Canada to take. But by "firm" I do not mean unyielding insistence on meticulous observance of the letter of the agreement; and by "reasonable" I do not mean flexible to the point of flabbiness.

Even the words we have used "all possible steps" are capable of very different interpretations by different countries. It is the way you say it. Some will read it, emphasizing the word "possible" - "all possible steps" - and, of course, they cannot be expected to take impossible steps. Others will read it, as I think it should be read, to mean that each member country will do everything that it possibly can to prevent practices that are harmful and to get at the core of the disease and eradicate if necessary the agreement, or the parts of the agreement, which are responsible for the harmful effects. Surely that is not asking too much of any member if they really intend to assist in preventing harmful practices. If any country - and I am thinking of the countries that will consider subscribing to this perhaps a year hence - is not serious in such intentions, then, surely, they should not subscribe to the convention at all. I hope you will not take what I have said with any feeling that here is "self-righteous Canadian who is saying his piece. I am not making any charge of lack of good faith; in fact, I have been immensely impressed by the feeling of earnestness in connection with this problem that has been shown by every member, not only of the sub-committee, but of the Committee as a whole. I am only calling attention to what, in yesterday's meeting, seemed to be something like indifference or lukewarmness. Mr Laurence will understand when I say that it seemed to me - it may not have seemed to others - but it seemed to me that there were some
indications of a readiness to tone down things to a point that I think would be fatal if the whole project is going to be effective. Certainly, if anything like apathy were to creep in at this stage, it would develop apathy at the next stage and the next, until, in the end, you would have an apathetic document to administer and you would have also an apathetic organization to administer it. I used the word "lukewarmness." I do not want it too hot or too cold, but I do think that we should be exceedingly careful not to let this draft Chapter become a document that will be ineffective. I spoke yesterday of the inability of the Canadian delegate to commit the Canadian Government or the Canadian Parliament.
I think on this point all we are doing is committing ourselves to the belief that such and such a thing should be considered by our Governments and the decision will be taken then as to whether we were right or wrong in the tentative opinions that we expressed in these meetings.

THE ACTING CHAIRMAN (Interpretation): I consider that we should take very much to heart the interesting remarks of Mr McGregor on the task of this Committee, but I hope that all the honourable members of this Committee will take his recommendations into account, in order that we may attain our real aim and not, as he said, produce a merely lukewarm document which would not have any practical effect, and so that we may be able to present to the Drafting Committee a really useful proposal.

In view of the fact that it is already 11 o'clock and as the honourable delegate of Australia has also said that we might adjourn, I therefore propose to the Committee that we should adjourn until tomorrow, at 3 p.m. I declare the meeting adjourned.

The meeting rose at 11.05 a.m.