

Restrictive Business Practices

An *Ad Hoc* Committee on Restrictive Business Practices, composed of representatives of Belgium, Canada, France, India, Mexico, Pakistan, Sweden, the United Kingdom, the United States, and Uruguay, was established by a resolution of the Economic and Social Council (ECOSOC) in September 1951. Its function was to collect and analyze information on restrictive business practices in international trade, to study measures taken by governments to deal with such practices, and to prepare for the Council's consideration proposals for an international convention on restrictive business practices.

The Canadian Delegate, in supporting the resolution by which the Committee was set up, referred to the Havana Charter for an International Trade Organization (not yet in force) and drew attention to a committee which had been appointed in Canada in 1944 to study international cartel practices. In its report, published in 1945 under the title "Canada and International Cartels", that committee had recommended international action to curb the harmful effects of restrictive practices.

The *Ad Hoc* Committee held three sessions in 1952 and a final session from January 12 to February 21 of 1953. In accordance with the usual practice, its members took part in its work on an *ad referendum* basis, and no government is committed by participation in the work of the Committee to sign any agreement or take part in any agency that may be established.

The report of the Committee, which was published on April 6, 1953, embodied its findings and recommendations. It contains a set of twenty draft articles of agreement for international co-operation in the prevention of restrictive business practices. They form the basis of a proposed plan which would provide that, on the complaint of any country, a practice alleged to have harmful effects on the expansion of production or trade would be subject to investigation in order to determine whether, in the light of stated objectives, such harmful effects actually exist. These objectives, set forth in the preamble to the draft agreement, include the reduction of barriers to trade, governmental and private; the promotion on equitable terms of access to markets, production, and productive facilities; the encouragement of economic development, industrial and agricultural, particularly in under-developed areas; and the achievement of a balanced and expanding world economy through greater and more efficient production, increased income and greater consumption, and the elimination of discriminatory treatment in international trade.

The investigation of complaints would be made in the light of facts submitted by governments. These facts would be obtained by each government in accordance with its own procedures and would be assembled for analysis by a proposed agency which would be set up under the agreement. Representatives of governments participating in the agreement would determine, on the basis of such analysis, whether the practices complained of had harmful effects considered in terms of the objectives of the agreement. If they so found, the governments concerned would be requested to take remedial action.

The report of the *Ad Hoc* Committee is under consideration by the sixteenth session of ECOSOC at Geneva.