

The CHAIRMAN: Can the individual make a complaint?

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Mr. DEUTSCH: Yes. In that connection, the General Agreement does set up an informal committee which will start functioning in March of this year and begin to deal with some of the problems which arise. In other words, they will begin to accumulate experience very shortly, and it is hoped that the experience gained by the few countries that have signed this General Agreement will help when they come to set up this larger organization.

To move on. The charter then has chapters on what is called restrictive business practices and intergovernmental commodity arrangements. The chapter on restrictive business practices deals with what are commonly called international cartels. It was argued by some that international cartels are a device for controlling international trade, and that in these cartel agreements which are made between private business organizations, sometimes matters are decided affecting the movement of goods and exports and imports and so forth.

Hon. Mr. McLEAN: I would say, very often.

Mr. DEUTSCH: Very often, probably, senator. And if that is the case, there ought to be some machinery set up for avoiding the harmful results of those practices, either forbidding them or controlling them or supervising them or something. What is the use of governments adopting rules for the conduct of external trade if private organizations can come along and make agreements which nullify those rules? So the argument was that you must have something in the charter dealing with this matter, otherwise you are just breaking the rules by the back door. The charter does contain a section in some detail about the sort of practices which will no longer be permitted if this charter comes into effect. It provides for examining and dealing with complaints that are made regarding the practices of international cartels. A country which feels that it is hurt by some particular cartel can come to the organization, make its complaint, and the organization then will investigate that complaint. If it finds that the complaint is justified then the countries in which the cartel is located must take action to stop those offences. That, very briefly, is the structure.

Hon. Mr. TURGEON: Is there a penalty if a country does not take action?

Mr. DEUTSCH: Yes, there is a general penalty clause which applies throughout this charter. If the organization asks a country to carry out a certain obligation, and it does not carry it out, then the organization may allow other members to withdraw concessions. That sanction applies throughout the whole charter.

Hon. A. L. BEAUBIEN: When will the Geneva agreement come into effect? After the conference in Havana?

Mr. DEUTSCH: May I leave that question for a minute? Then there is the other section, on intergovernmental commodity agreements. In the past we have had a number of international agreements on commodities like wheat, rubber, sugar, tin and so forth.

Hon. Mr. HAIG: Oils?

Mr. DEUTSCH: Oils, and some others. There is a long list of them. Now it is quite clear that in these agreements it is possible to do things which are harmful to other countries. I mean that certain countries which control the production of a certain item can get together and say, "Let us control the exports of this item, and we will put the price high, and we will make a good thing out of it". That would be harmful to a lot of other countries, and it would indeed nullify many of the purposes which this organization is designed to achieve. So it was felt that there must be certain rules laid down regarding the nature of these agreements. The rules are laid down in considerable detail here, the purpose