concerned U.N. agencies and commissions and regional conferences."

As regards the Government of Jordan, they notified as follows :

"I have the pleasure to intimate to your esteemable person that the Jordan Government are in accordance and would favour the idea (paragraphs 5, 6 of your aforementioned letter) of adopting standard or model contracts in international sale of goods."

These are some of the communications which I thought I should place before the Committee. Now, I should like to add and recall that the report of the Working Group was placed before the third session of the UNCITRAL held in New York from 6th to 30th April 1970. The Commission decided that the Working Group should proceed to consider Uniform Law on the International Sale of Goods systematically, chapter by chapter, giving priority to Articles 1 to 17. The Working Group was due to meet for its second session from 7th to 18th December 1970. Perhaps, in the course of the day we will hear a detailed statement from our distinguished rapporteur, Dr. Jagota, about the results of the deliberations of this working group. In these circumstances, the Secretary-General in his report rightly suggested—and I endorse the said suggestion—that the following matters may be taken up for discussion in the session of this Committee :—

1. To consider whether it would be desirable to adopt general or model contracts, specifically in relation to commodities which are of special interest to the buyers and sellers in the Asian-African region.

2. To consider the text of Articles 1 to 17 of the Convention on Uniform Law on International Sale, of 1964, with a view to determining as to how far these provisions should be acceptable to the countries of the Asian-African region.

3. To consider the questionnaire and preliminary draft on the uniform law of prescription, limitations in the field of International Sale of Goods, prepared by the Working Group appointed by the UNCITRAL.

In addition to these three topics, I would also commend to the delegates, while indicating their approach to the three questions mentioned therein, and to the procedure that will be adopted, to give the benefit of their views on the following other subjects :

1. International Payments ;
2. Shipping ;
3. Bills of Lading ; and
4. Arbitration.

PRESIDENT :

Distinguished delegates have now listened to the introduction of this subject by the Leader of the Delegation of Pakistan. I will now throw open the discussion to the Committee and invite any one who wishes to speak to kindly indicate to me now.

CEYLON :

Mr. President, the Law relating to International Sale of Goods is of particular interest to the Ceylon Delegation and I would, therefore, like to supplement, and, perhaps, elaborate on some of the material which had been placed before this Committee by the distinguished delegate of Pakistan.

Foreign trade, gentlemen, plays a very vital role in our economy. While this is true of most developing countries, Ceylon's dependence on foreign trade is particularly marked, with exports amounting to about a fifth of our national income, and imports more than a fourth. We thus depend on our earnings from our exports to pay for both the capital goods needed for our programme of industrial development, and also for essential foodstuffs and consumer goods.

So far as exports are concerned, we are heavily dependent on three traditional items, namely tea, rubber and coconut products. These earn for us between 90 to 95 per cent of our visible foreign exchange income. Since we have no control over the world market prices of our exports, our earnings depend upon the vicissitudes of the world market.

In an effort to combat the decline in world market prices for our export products, and to move increasingly towards self-reliance, the Ceylon Government has endeavoured to diversify our exports away from traditional ideas. This has meant a search for new customers for our products and particularly since 1956, a changing pattern of trade has emerged. There has been a slow but definite reduction in the percentage of our total exports destined for Commonwealth countries, and a similar reduction in imports from these countries. This has been balanced by a corresponding increase in the percentage of our exports destined for and imports derived from other foreign countries. In particular, there has been increased trade with the socialist countries. Prior to 1950, trade with socialist countries accounted for less than 1 per cent of our total export and import trade.

Today, the People's Republic of China purchases approximately half of our total exports of rubber. In the case of coconut products, about a fifth of our exports go to the U.S.S.R. which is the third largest buyer of this commodity from us. In 1969 the U.S.S.R. was the largest single buyer of our coconut oil, taking nearly a third, the next was the People's Republic of China with one-fourth.

The tendency towards diversification of our trade is expected to increase. We need in the immediate future to increase substantially our earnings from exports in order to maintain the import requirements of our economy necessary to maintain a reasonable rate of economic growth while

moving towards our goal of self-reliance. For this purpose it is necessary for us to enter into new markets in the continent of Europe and in Asia. We must also look to the countries of Africa and Latin America. A few months ago our Government established its first diplomatic mission in East Africa, in Kenya, and we hope to forge closer ties with the independent States of this region.

At the same time our Government is conscious of the need to turn to new products. It hopes to create new export oriented industries in Ceylon based on our natural resources, for instance, our fisheries and our timber. Certain locally manufactured goods are already exported by us, for example, shirts, shoes, and batteries. With the establishment of an oil refinery there is scope for the development of an export trade in petroleum products. Our nationalized passenger transport service plans to manufacture and export motor spares. These new exports are, as yet, only on a small scale, but they indicate a significant departure from the hitherto practically exclusive reliance on our traditional primary agricultural products of tea, rubber and coconut.

This change in our trading pattern has important consequences so far as our interest in the Law relating to the International Sale of Goods is concerned. So long as we followed the traditional pattern of colonial country, largely confining our trade to the nations of the Commonwealth whose domestic laws are based on the English legal system, few problems arise. Our own commercial laws are English in origin ; our Sale of Goods Ordinance is based on the English Sale of Goods Act of 1898 ; our lawyers are trained in English law—in the past often at the Inns of Court in London. The decisions of the English courts are cited practically every day in our courts, and are readily available in our law libraries. Once, however, we have increased dealings with a widening range of countries, with whose

internal laws and practices we are not conversant, the value of the adopting of a uniform law on international sales, and of internationally accepted standard or model contracts, becomes apparent. We, therefore, strongly commend the attention given to these questions by the Asian-African Legal Consultative Committee.

The work that has already been done on this subject by UNIDROIT, by UNCITRAL, by this Committee and by other bodies has been set out in considerable detail in the brief prepared by the Secretariat and need not be reiterated here. We now have before us a recommendation that at its twelfth session the Committee concentrate on certain specified questions. We agree that the time for general discussion should now be considered past, and we fully endorse this recommendation which is aimed at ensuring that we get down to work speedily.

The first topic which the Secretary of our Committee has suggested for discussion at this session is whether it would be desirable to adopt standard or model contracts specifically in relation to commodities which are of special interest to the buyers and sellers of the Afro-Asian region. This, in turn, is the result of a suggestion of the Secretary of the United Nations Commission on International Trade Law, that this Committee should consider whether it is desirable that the United Nations should sponsor and convene regional conferences on the pattern of those convened by the United Nations Economic Commission for Europe for the purpose of drafting such model contracts.

This suggestion was made at the Committee's last session at Accra, some preliminary discussion on it took place, and the conclusion of the Sub-Committee was that each country would have to consider the desirability of such a step and that the matter should be reviewed by the Committee at its next session. We have now had time to give thought to this proposal ourselves and we look forward

with interest to hearing the views of the other members of the Committee.

So far as our country is concerned, there is no uniform practice at present in the use of model contracts in relation to international sales transactions concerning Ceylon, and their use or non-use seems to be a result both of the historical development of trade in question, and the needs of the trade. In one very important area of trade, namely, the tea trade, model contracts are not used, nor is their introduction considered important. The trade rests on the personal confidence and understanding between buyer and seller. In other areas, such as the sale of rubber, coconut products and cocoa, model contracts are extensively used in trade with cretain countries. These are the countries which historically have been the traditional markets for these commodities and the model contracts would no doubt have embodied what was originally the custom of the trade. These model contracts are on the whole considered satisfactory, but are not without some unsatisfactory features. They have been drafted by Trade Associations of Overseas Buyers, who have naturally been more concerned in protecting the interests of the members of their Associations than those of the sellers, and there is a feeling that they are somewhat more favourable to the buyer than seller. For instance, they invariably lay down that arbitration in case of disputes is to be governed by the rules of the buyers' trade association, and that the arbitrators must also be members of that trade association. There is, therefore, perhaps room for the drafting of modified contracts in this sphere. Increased sales of these commodities have recently been made in non-traditional market where these standard contracts are not in use. In these cases, individual contracts have had to be negotiated and drafted, and these have sometimes proved to be less than perfect. In this area, there is, therefore, felt to be a real need for drafting of model general conditions of sale which may, if necessary, be adopted with modifications for individual transactions.

It is felt that many advantages and no disadvantages can accrue from the existence of model contracts and general conditions of sale drafted under the auspices of the United Nations after all interested parties have been consulted. It has often been found that sellers of commodity produce from Ceylon are economically in a weak bargaining position because of the imperative necessity to dispose of their goods, with the result that they are compelled to accept what may appear on the surface to be a model contract but is, in reality, a contract of adhesion or a "take it or leave it" contract. The possibility of recourse to a model contract or set of standard sales conditions, drafted in consultation with the trade interests of the purchasing country, may lessen the incidence of this phenomenon. Further, one could expect such model contracts to be clear and well drafted, to be in accordance with the needs of modern trade, and to incorporate the best features of all legal systems. The use of detailed and well drafted contracts can also reduce one of the sources of uncertainty in an international sale transaction, namely, the law or laws governing the various aspects of the transaction. If there has been no explicit selection of a law, the conflict of laws and rules of the different countries concerned in the transaction might indicate different systems as applicable. Even if there has been an explicit choice, difficulty is experienced in proving and applying one national system of law in the forum of a different country. Well drafted model contracts, however, tend in a large measure to be self-regulating and to provide within themselves the solutions to possible disputes.

In his speech at the session of the Committee held on 23rd January 1970, the Secretary of UNCITRAL referred to the wider dissemination of standard contracts as a hopeful avenue towards unification of international sales law. This is indeed so. It is probably true to say that the most far-reaching and drastic steps towards the creation of a unified world sales law can only be taken by means of an international conference drafting and adopting such a law. But experience has shown that the drafting of a complete code of an abstract level, and the securing of its ratification is a difficult feat. The Hague Convention of 1964 on International Sales was the result of over 30 years of deliberation, but the rules contained therein are still the subject of scrutiny not merely in relation to language and details, but even in relation to basic concepts.

Most of the value of uniform contracts is lost if they are not uniformly and impartially interpreted. Trade interests in Ceylon are generally in favour of arbitration in the solution of international trade disputes, and it is important that there should exist machinery for speedy and impartial arbitration. For this reason, it is to be welcomed that another of the topics to which UNCITRAL is giving attention is International Commercial Arbitration.

The second topic suggested for consideration is the text of Articles 1 to 17 of the Uniform Law of International Sales. There has already been a full general discussion on the Uniform Law at the last session of the Committee, and I do not think it desirable that we take up the time of today's plenary meeting in further debate of a general nature. In principle, Ceylon would welcome the formulation and adoption of a uniform law governing international sales which would take into account the needs of modern commerce. I believe there is a general consensus on this. There also appears to be a general consensus that the Uniform Law of the Hague Convention of 1964, by reason of the fact that the developing countries and less privileged countries played no part in its drafting, requires careful examination to see whether it is in all respects suitable for the needs of the nations of our region. Quite apart from this, improvements can be made on a technical and legal level. While keeping in mind the need to scrutinize the Uniform Law in this manner, we feel that we must also remember that this

law is the result of over 30 years' work by eminent jurists and organizations, especially UNIDROIT. We must also take cognizance of the fact that a number of European countries have either ratified or expressed their intention to ratify the convention. The United Kingdom has done so—albeit with an important reservation—and in 1967 passed the Uniform Law on International Sales Act which placed on the Statute Book of England this comprehensive code drafted by an international body. This does not mean that the Western countries, by presenting us with a *fait accompli* can overawe us into acceding to the Convention uncritically. At the same time we cannot totally ignore the fact that the Uniform Law has already achieved a certain measure of international acceptance. In our detailed consideration of the Uniform Law, Aritcle by Article, which is a task that must necessarily be undertaken in Sub-Comittee, I suggest that we keep all these factors in mind. We will also benefit from the examination of the Uniform Law conducted by UNCITRAL. The most recent meeting of the Working Group which proposed to consider Articles 1 to 17 systematically, took place only last month, and its report is therefore not in our brief. No doubt, this material will be made available to us by Professor Honnold who is expected to arrive to assist us in our work.

The third topic that has been recommended for consideration at this session is the questionnaire and preliminary draft of a uniform law on prescription prepared by the Working Group of UNCITRAL. The proposal to work towards the adoption of a uniform law on presciption or limitations in relation to international sales is, in our view, a good one. It might be thought that it would be more logical to include provisions regarding prescription in a comprehensive code governing the whole law of international sales. However, there are practical advantages in having a separte law dealing with this limited field. It is a subject on which uniformity is eminently desirable, and which readily lends itself to separate treatment. It should also prove easier to obtain general

acceptance of a uniform law confined to this topic than to a comprehensive code on international sales where the possibilities of divergencies of opinion and of prolonged debate are so much greater. Though the legal complexities that arise in drafting a uniform law on prescription are considerable, they should certainly not prove insurmountable. The questionnaire prepared by the Working Group has drawn attention to certain aspects of the draft law. These are the length of the prescriptive period, the point of time from which prescription should start to run, and whether the length of the prescriptive period should be capable of variation by agreement between the parties. The report of the Working Group and of the Third Session of UNCITRAL focus attention on certain further problems. These are all matters requiring detailed technical discussion and can best be dealt with in Sub-Committee.

In conclusion, I would like to say that in this short statement I have endeavoured to avoid general discussion on matters which have already been the subject of full debate at the Accra Session of the Committee. I have also avoided embarking upon analysis and comment on individual provisions of draft laws which, I feel, are more properly subjects for consideration in Sub-Committee. I have attempted to explain the importance attached by us to this topic of the law relating to the International Sale of Goods and to indicate our basic general position on these aspects which are to receive special attention at the Sub-Committee stage. I trust that, despite limitations of time, we will be able to achieve considerable progress on this important subject by the close of the present session.

KUWAIT :

Mr. President, the topic "International Sale of Goods" is on our agenda as an item for discussion, whilst we note that it is also the subject of careful study by the International Trade Law Commission of the United Nations. We do

realize that the purpose of the said Commission is to draw up rules that would eliminate all legal obstacles which would hinder the free flow of goods between member countries.

Our delegation believes that it will be extremely difficult to draw up a unified formula which could govern the provisions of uniform rules concerning economic contracts and agreements, as it is quite clear that there are differences in the economic systems of the various countries.

With regard to the State of Kuwait, our economic policy is founded on a system of rather complete freedom. In other words, customs duties are more nominal than real and the import system is not inter-related with barter agreements. The transfers of the value of imported goods are freely done in foreign currency, and are not subject to any restrictions. Thus, a Kuwaiti importer would have much more benefit under the present system than he would under any of the standard economic contracts suggested. For these reasons, we do not find ourselves in a position, from the economic point of view, to support such a project, for the time being at least. Thank you.

JAPAN :

Mr. President, I should like to thank the Chairman of the Sub-Committee for the information he has given me in the Brief of Documents presented to the last Session at Accra. Our able Secretary has pointed out that there are great similarities in the legal systems of contracts on the sale of goods in every country of the world. The necessity for unification of the law on contracts on the sale of goods arises not primarily from the existence of any major conceptual differences between the legal systems of every country, but from the existence of minor differences referred to at pages 94 and 95 of the Brief of Documents. I concur with this view that, in view of the rapid development of world trade, the necessity for a unification of the law and the legal systems concerning contracts, especially on the International Sale of Goods, is increasingly

felt by every nation. It is surely welcome, but it concerns the unification of the substantive laws which would require a great deal of time. So we must be patient and do our best to work towards that purpose. That is the general position of my delegation.

As to the manner in which the present Sub-Committee should take up this matter, as the previous speaker has pointed out, the Introductory Note of the Brief of Documents suggests three items for discussion, namely,

(1) the advisability of adopting a uniform or standard contract in regard to specific commodities, which is of the greatest interest to sellers and buyers ;

(2) to discuss Articles 1 to 17 of the Uniform Law Convention of 1964 ;

(3) to examine the preliminary draft on Uniform Law of Prescription concerning the Sale of Goods, and the questionnaire prepared by the Working Group of UNCITRAL.

On the first suggestion, we have no objection. I think the time is ripe for us to discuss and examine the advisability of establishing contracts for a certain limited number of commodities which are of common interest to the Asian and African nations. But on the remaining two items, I hesitate to say O. K., because so far as I know, at UNCITRAL there are two working groups, one of which, the Working Group on the International Sale of Goods, has drafted a new text of Articles 1 to 17 at its second meeting of December last. We have not yet distributed that text. There is also the question of Uniform Law of Prescription. The draft preliminary Articles and the questionnaire relevant to them have already been sent to our member governments and to interested international organizations. UNCITRAL is considering our reply on that. Under these circumstances, I think it is a little premature for our Sub-Committee to take up these two problems at this stage because we are required to express our views to UNCITRAL and what we must do at

this moment is that each member of our Committee who are members of UNCITRAL should express actively its own views, so that the views expressed by the Afro-Asian nations would be reflected in the work of UNCITRAL. I suppose our Committee could usefully take up these two items and exchange views, so that the thinking of the Asian-African Legal Consultative Committee could then be crystallized.

PRESIDENT :

Thank you, Sir. Your views will be given very serious consideration by all the delegates. May I now invite the Delegate of India to express his views.

INDIA :

I would have preferred to indicate the progress of UNCITRAL on the various items for our consideration in the Sub-Committee, but since some fundamental questions have been raised and as a result of comments made, I thought that it might be desirable to say a few words right here in this Committee for the consideration of our Committee as a whole.

The first point I like to make is that we have to remind ourselves of the manner in which this subject has come up before this Committee and the role it has to play in regard to the consideration of this subject.

I think the distinguished delegates are aware of the manner and the purpose for which this subject was suggested to be introduced in the items for consideration by this Committee. Since we are a consultative body of representatives or members representing governments, we should discuss matters which are of current interest in the world in the field of international law. That is why under our Statutes we always consider matters that are being discussed by the International Law Commission just to exchange views and to see how these views might help each other and our Governments particularly to take up positions or express themselves in international forums.

Apart from the International Law Commission, several developments have taken place in the world where codification or development of international law is being done. It is done not only by the International Law Commission, but by special commissions also established for the purpose. Sometimes committees are established such as the Committee on Friendly Relations established between 1964-1969-1970; there is the Committee on Sea-bed which deals with the subject of sea-bed items and the law relating to the sea-bed; and there is the Committee on Outer Space which deals with the legal aspects of outer space. But, when two or three years ago with the massive development in trade, the diversification in the direction of trade, and particularly as a result of economic growth of various countries it was considered desirable to consider the process of harmonising or unifying the substantive rules on international trade so that the rules so unified would be rules which would promote international trade in its proper sense, there was competition as to who should handle it. Ultimately it was decided that this matter should not be considered by the International Law Commission but by a separate commission.

That is why we have this Commission on International Trade Law. When this development took place and some Asian African countries also had to be represented on it, at that time it was considered, as a result of the exchange of views particularly by Ghana and India, that we should take the initiative in proposing that this subject should be taken up by the Asian-African Legal Consultative Committee also for the reason that primarily all members of the Asian-African Committee are not members of UNCITRAL. Therefore, before the Asian-African Committee members of UNCITRAL expressed views, not only of their Governments, they must also have an exchange of views from this region so that generally the point of view of the developing countries would be known to them and to their representatives. It was against this background that this subject came up. In other words,

we are looking into these developments not only from the point of view of its effect or its impact on our individual trade interests as a country-that will be obviously taken care of by our Governments; we have our own Legal Advisers to look into it-but also on a broader basis as to how far we can examine or exchange views in regard to developments that are taking place for the promotion of international trade as a whole and particularly of our region of Asia and Africa.

Now, it is in this context that subjects that come up in UNCITRAL are being examined. This subject was for the first time looked into last year. It was immediately observed that this was a new subject and therefore we had to go slowly into it. First of all, we must acquaint ourselves with what is happening in UNCITRAL. We will indicate the issues so that the issues will be discussed or examined and then reviewed to the extent where some common approach is possible, but even otherwise we could review the developments in UNCITRAL in our Committee. In other words, the idea of reviewing the developments in UNCITRAL in the Asian-African Committee is not to take another general position but to keep ourselves acquainted with the developments and to examine them in the light of our own special interests and to the extent the interests are common, to identify them for the benefit of those members of the Asian-African Committee who will be in the UNCITRAL, the intention being that we also in this process not only inform ourselves of the developments but also contribute in a proper manner to the development of the unification of the law.

Well, this is the broad manner of approach or the philosophy of this idea. I thought then we would take up the position of a rather liberal exchange of ideas and interests than that of an immediate national interest of our country. That is why I felt prompted to speak after listening to the very carefully thought of views expressed by the distinguished Delegates of Kuwait and Japan.

I am sorry that I do not have just now all the statistical data about trade interests of our own country, India, in regard to new pruducts in which we trade, the extent of diversification, the direction in which it has grown and is growing, the quantum of trade, and the issues or problems that are emerging from trade. Of course, we are collecting this data. This will be available in some Ministry, but the overall data is not yet in the possession of our delegates and therefore we would not be able to comment on the subject from the point of view of national interest. But, I thought that I could draw the attention of the Committee to the work of UNCITRAL in this field and the manner in which it is progressing. If we consider it necessary and proper, we can examine it in the Sub-Committee. It is in this context that the three questions that were referred to by the Secretary-General as well as the distinguished Chairman of the Sub-Committee, the Delegate of Pakistan, namely, whether we should limit ourselves only to those three questions or whether we should also look into other developments which for want of time we were not able to consider last year, that is, whether those should be looked into now or later on by the Sub-Committee and the Committee itself. These questions are related to international payments international transport and shipping, and settlement of disputes by commercial arbitration.

Now, these subjects that have been indicated by the Secretariat can be divided into two parts : (i) standard contracts or model contracts and (ii) the developments in UNCITRAL and our views relating thereto. In fact, their formulation is the same, in as much as the formulation of a standard contract or model contract was considered to be the method of unification of law relating to trade in specific commodities. In other words, whereas the adoption of a uniform law of international sales is bound to be time-consuming and the trade would not wait until that law is adopted, we particularly in the region-I am not aware of others in Africa and Asia-those

who were parts of the former British Empire, have a system of uniform law limited to International Sales of Goods.

They were all regulated by our local laws relating to the sale of goods as well as by the application of principles of international law. Therefore, we have, in a way, a common tradition. Nevertheless. the adoption of a uniform law, particularly resulting from the diversification of our trade, would be necessary. Now, that will take a long time, and pending that it was considered desirable for the countries concerned, with reference to special trade interests, to list out the commodities of special interest in the region, and in regard to those commodities, to examine the needs for a model contract with reference to each particular commodity. As was clearly pointed out a little while ago by the distinguished Delegate of Ceylon, in regard to some commodities, there is no model contract since they never felt the need for it. In regard to others, there had been a need for this, and for the reasons that had been indicated therein. We may, therefore, adopt in the region, on the pattern adopted in other regions, standard contracts formulated or adopted as the guiding concepts. They are not adherent contracts. They are not considered to be "take it or leave it" contracts, but a process of unification in respect of special commodities. Taken in that light, this was also a particular mode or procedure or manner, of unification or harmonization of the law. That is why, last year, Professor Honnold, the Secretary of the UNCITRAL, was emphasizing that, if uniform law would take so long as 10 to 15 years first to be adopted and then to be put in treaty from and another 10 to 15 years for countries to become parties thereof, obviously it would be too long a period for any country to wait. It can have two kinds of influence. One it can inspire or influence the formulation of model contracts because the basic principles, the basic rights and the obligations of buyers and sellers can be embodied in model contracts. At the same time, pending it, let us promote and develop model contracts with regard to

special commodities. That is why he was emphasizing that this move should also take place simultaneously with the adoption of uniform law. If this is so, we may also consider the question of these items as part of a whole and develop it in such a way that whereas one is ideal, the other is practical.

So far as the first question of model contracts is concerned, we brought this questionnaire and the reference from the Secretary-General towards the end of October. We have sent it to the trading organizations which are dealing with it. By the time we came here, the replies were still coming and they have not yet been consolidated. But by and large, our responses would also be positive. Now, I think the Committee should, and our countries should, also devise a procedure. Whether it should be under the sponosorship of the Committee or under the sponsorship of the United Nations is a matter for further consideration. We can come to it a little later. But in this process one or two things will have to be decided before we move in this direction, namely, whether we will examine our trade in the two regions separately-that is, separately under Asia and separately under Africa-or should we combine it to say, trade within the region of Asia and Africa ? The proposal is to have it within the region of Asia and Africa. If this is so, obviously then the United Nations would come in too, and also those regional organizations of the United Nations in this field which are also promoting this, because the UNCITRAL is also working through these special commissions. That is to say, the ECAFE as well as the Economic Commission for Africa will also have to be associated with this. In other words, last year in Accra,we had a representative of the ECA who had indicated that, broadly, these States were rather slow in responding to this questionnaire and to this request, and that he had received only four replies, while two of them had indicated positive responses, the others had indicated that the matter was under consideration. But a similar effort is being made by ECAFE. If we are to go

in this direction, obviously, we will have to, first of all, get the responses or reactions of ECAFE as well as the ECA. The second thing that will have to be done is this, and I think this should be done by the Secretariat : First, list all commodities sent by all member countries of Asia and Africa, particularly those that have a special interest in trade in the region of Asia and Africa. Then, list those commodities in which they would be interested in having a model contract; and if so, in what manner ? In other words, those which are already governed by model contracts should also be requested to supply to the Secretariat a copy of those particular trade contracts. So that, first of all, there is a compilation of commodities of interest to Asia and Africa; secondly of such of these commodities on which there are model contracts; and thirdly, where there are no model contracts and where the countries have already expressed the view that there should be no model contracts. After this information has been received by the Secretary-General, I would suggest that probably the proper thing to do would be to convene a meeting of a small informal group, may be a Committee, which should be participated, on the one hand, by members of the Sub-Committee representing the Committee; on the other hand, there should be representatives of the two Commissions, there should also be representatives of the Chambers of Commerce and Industry of the various countries as well as representatives of the major trading organizations and associations of the commodities with reference to which special contracts are to be framed. This is only to get initial reactions and depending upon the reactions, if they would appear to be positive, then we should certainly make a recommendation to the United Nations to convene a conference sponsored by them. We will not incur any expenditure on that account because the expenditure will be borne by the United Nations. Then we can proceed further, step by step. For that purpose, we could have the type of standard contracts that the ECAFE has framed with regard to plant and machinery, timber and

other commodities. In the case of tea, there may be differences of opinion. But with regard to timber and other special commodities such as rubber, tin and others which member countries may indicate, we could have the standard contracts. This is with regard to the first one. As regards the second and third questions, I should like to inform the members of the Committee the developments that have taken place in outline. We can discuss or examine the details in the Sub-Committee.

Since we met in Accra in January 1970, as the Chairman of the Sub-Committee has already explained, there was a third session of the UNCITRAL in New York in April. This session reviewed the report of the Working Group which had also met in New York in January a little before we met in Accra. That is why when Professor Honnold came there, he apprised us of what they had decided a few days before in January in New York. But I must say this, and this was my impression and also the impression shared by others, that much was achieved by the Working Group in its January Session in New York. When the matter came to UNCITRAL however whatever was achieved appeared to be lost, in as much as more doubts were expressed as to procedural intervention, for instance, what should be the approach, and soon there was a general dissatisfaction with the manner in which work was progressing.

In other words, formerly the approach was taking up of important items whatever they were in uniform law on international sales in the Convention of 1964, and that is why there was a reference back and forth on articles 1, 4, 2, 64, 17, 19 and so forth. They thought this would rather be confusing and as they were fundamental principles and there was so much difference of opinion that very little will in fact or in effect be achieved.

And again proposals were made of the type that had been made earlier by the distinguished Delegate of France,

and also by the Ambassador of Spain saying that we have to forget about the procedure that we have adopted and that we must establish a small Drafting Committee which should take time and which would spend two or three months on this, and that by the next session they must come up with the uniform law ; and then we can take it or leave it or discuss it ; that it is no use taking up a long time on the Convention as such, on which there were basic difference of opinion. Now, that also took time. Ultimately the consensus was, let us proceed systematically bit by bit and that is why they said, let us take up the scope of Uniform Law, the relation between Uniform Law and Private International Law, and the general provisions, namely, Articles 1 to 17 of the Uniform Law on International Sales.

Now, that is why it was considered that this Working Group should now be empowered to look at the ULIS and see whether this could be adopted as such, and if not, in what form it should be adopted as substantive Uniform Law on Intenational Sale of Goods. The Working Group met again under this new system from December 7 to 18 and I must say that they have now not only changed their own views of January 1970 but have also changed the views expressed by a number of working groups and drafting groups in the third session of UNCITRAL. That is way I thought that rather than leave them alone, as the distinguished Delegate of Japan has advised us today, to crystallise their own thinking and then take it up, it would probably be desirable in the view of our delegation if we also at least see the issues and the direction in which these matters are being now discussed, because these are matters which are still to be finalised.

They have kept it open and the procedure they adopted both at the third session as well as now is : let us elicit the views of governments with regard to the issues involved ; whenever there is an alternative, what is the general response of countries with regard to their trade experience or the pro-

blems that they had faced. That is why I find that the new draft of which we have the text here, and have it circulated at the Sub-Committee by the Secretariat for the information of everybody. They have gone through articles 1 to 17 and made a number of basic changes, and I would only list one or two to acquaint the delegates with the basic problems that we will have to consider under this second item.

The first big change that they have made is on the question that has troubled them and also in a way which consumed most of the time in Accra, namely, what is the idea of Uniform Law that we are developing and what will be its relation to the rules of Private International Law. If distinguished Delegates remember, the last time we had two experts-two representatives of two systems-one was Professor Honnold representing the United Nations and representing the philosophy of UNCITRAL that the Private International Law rules which we follow in India and Ceylon and other countries are not satisfactory. They only point out to the proper law. But the proper law's complexities both procedural and substantive are again too much in the hands of experts and this does not promote trade. And that is why our emphasis should be in building up and not the indication of proper law, that is, not only unifying rules of Private International Law but substantive law itself.

Now, the approach taken in the ULIS of 1964 was that the ULIS will be substantive law and whoever becomes the parties thereto will apply this law. Therefore, to the extent that this law applies, private rules of International Law will not apply. On the other hand, we had last year also a representative of The Hague Conference who was an upholder of the principle of unification of Private International Law for which there was a Convention in 1955, and therefore the conflict was there that you cannot just shut your eyes to Private International Law because whatever progress you are making towards Uniform Law will take 20 to 30 years to become acceptable. That is why some combination will have to be done. That