

frequently used mode of payment from the sphere of application of the Convention. Perhaps it would be possible to devise a more precise formulation.

Mr. HONNOLD (Secretary of the Commission) drew attention to the words "claims based upon" in the opening line of article 6. If a bank issued a letter of credit and the claim was directed to the bank "based upon" the letter of credit, that claim would be excluded. On the other hand, if the buyer had failed to establish a letter of credit, a claim against the buyer for that failure, based upon breach of contract, would not be excluded by this provision.

The CHAIRMAN suggested that a more precise formulation should be evolved by the Working Group.

Mr. BURGUCHEV (Union of Soviet Socialist Republics) agreed that the Working Group should be asked to study article 6 (g) again. Since the draft Convention was intended to regulate relations between seller and buyer, without involving banks, he wondered what direct claims could arise from a documentary letter of credit to which article 6 (g) referred. Perhaps it might be deleted altogether as it was not directly pertinent to the draft Convention.

Mr. OGUNDERE (Nigeria) agreed that the Working Group should reconsider article 6 (g), although he found the explanation given in the commentary by the Secretariat (A/CN.9/70/Add.1) quite adequate.

The CHAIRMAN noted that article 6 (g) would be referred back to the Working Group.

Article 7

Mr. HONNOLD (Secretary of the Commission) explained that the text of article 7 had originally been drafted in August 1970 at the second session of the Working Group on Prescription and had been adopted by the Working Group on Sales in December 1970. There was only a stylistic difference between the text adopted by the two Working Groups. The Working Group on Sales had placed square brackets around the last five words in the article ("in its interpretation and application") because of a question of style as to whether the language was repetitious.

Mr. ROGNLIEN (Norway) said that many delegations in the Working Group on Prescription had also considered the last five words in article 7 repetitive but had concluded that no real purpose would be served by deleting them.

Mr. WARIOBA (United Republic of Tanzania) said that article 7 in its existing formulation was somewhat redundant, since uniformity of application and interpretation was the whole purpose of all laws. In national legal systems a body of case law usually evolved, which could be drawn upon for interpretation of laws. However, the framework of definitions within the draft Convention was very limited, since most paragraphs represented a compromise between the concepts in different legal systems. A domestic lawyer who had no access to those different systems would be unable to draw on the experience of other countries if the Uniform Law itself did not contain any guidelines similar to the article on interpretation in the Vienna Convention on the Law of Treaties.

Mr. POLLARD (Guyana) said that, in the absence of an integrated judicial system, it was impossible to have uniform interpretation and application of a Convention such as the one on prescription. There did, however, exist similar conventions on international transactions, such as the Warsaw Convention for the Unification of Certain Rules relating to International Carriage by Air. A practice had evolved of drawing upon the judgements pronounced in other legal systems in interpreting and applying such conventions. That practice had been quite successful to date. He therefore supported the text of article 7 as it stood.

Article 8

Mr. HONNOLD (Secretary of the Commission) said that the question of the limitation period had been thoroughly investigated by the Working Group on Prescription and a questionnaire on the matter had been sent to Governments and interested international organizations. The suggested periods of limitation had ranged from five years to two years. The majority of Governments had expressed a preference for a limitation period of five years or three years and the Working Group had decided that four years would be an acceptable compromise. In deciding upon a limitation period, the Working Group had not only attempted to find a