1. The Japanese Government, recognizing that the activities of international cartels and trusts may hamper the expansion of world trade and economic development in individual countries and thereby nullify the benefits of tariff reductions and removal of quantitative restrictions and defeat the principles and objectives of the General Agreement on Tariffs and Trade, believes that effective and appropriate measures should be taken to eliminate the harmful effects of particular restrictive business practices, and considers that the CONTRACTING PARTIES are the appropriate and competent body to take action in this field.

However, in view of the progress of discussions on this subject at the sessions of the ECOSOC and the GATT in the past, it must be admitted that considerable differences of opinion still exist among various countries with respect to concrete measures of how to deal with restrictive business practices, and several problems requiring further consideration still remain.

The Japanese Government considers that the measures which the CONTRACTING PARTIES should adopt in dealing with restrictive business practices should be taken gradually and by degrees, and therefore, wishes to support, in principle, the majority opinion of the Group of Experts as set out in the report (L/1015), namely that consultations between governments should be encouraged and a group of experts on restrictive business practices should be appointed to study further measures to be adopted in the future by the CONTRACTING PARTIES.

2. Since so many years have already been spent in discussing these matters, the Japanese Government believes that what is important at the present stage for the disposition of this problem is the early and immediate action by, and the cooperation among, the contracting parties.

Therefore, in the event that the consensus of opinion of all contracting parties in all respects could not be obtained at the session, the Japanese Government proposes to start by putting into action those matters on which agreement has been reached. In this connexion, since all the experts agreed as stated in
their report on the point that some bilateral or multilateral consultations should be employed at the first stage, the Japanese Government considers that such consultations on particular restrictive business practices should be started at once. Such action will be of great significance not only as the first concrete step in international co-operation in this varied and greatly discussed field, but also the experiences which will be gained from such consultations will provide a useful and significant guide for the settlement of several issues now being discussed.

In such consultation, taking into consideration the fact that the opinions of countries are not necessarily the same with respect to the scope and so forth of restrictive business practices to be dealt with, the Japanese Government believes that due consideration should be paid to economic, social as well as legislative conditions of each country and that such consideration is a prerequisite in securing international co-operation in dealing with this problem.

3. For effective disposition of the issues concerning restrictive business practices the Japanese Government considers that further measures should be taken, and is of the opinion that participation of experts as observers with the consent of all the contracting parties concerned in the consultation between governments which is to be taken at the present stage should be allowed. Such observation participation of experts as long as it is done with consent of the contracting parties concerned will avoid many difficulties which accompany participation of a third party, and will help to increase the knowledge and experience necessary for the disposition of this problem and will be useful for the future progress and development in dealing with this problem.