At their thirteenth session two years ago the CONTRACTING PARTIES, "recognizing that the activities of international cartels and trusts may hamper the expansion of world trade and the economic development in individual countries and thereby frustrate the benefits of tariff reductions and of the removal of quantitative restrictions or otherwise interfere with the objectives of the General Agreement" decided to set up a Group of Experts to study and make recommendations with regard to whether and, if so, how the CONTRACTING PARTIES should undertake to deal with restrictive business practices in international trade. Subsequently, twelve contracting parties responded to the invitation of the Executive Secretary to designate experts as members of the Group.

The Group met in June 1959 and submitted its report (L/1015). The Experts examined the questions involved and recommended unanimously that the CONTRACTING PARTIES should be regarded as an appropriate and competent body to initiate action in the field of restrictive business practices and that direct consultations between contracting parties with a view to the elimination of the harmful effects of restrictive practices should be encouraged. But the Experts could not agree as to the procedures which the CONTRACTING PARTIES should follow in this matter. The Experts' report records the views and recommendations of the majority of eight Experts and also the minority views and the proposals of the other four.

The Decision of the CONTRACTING PARTIES of 5 November 1958 also provides for consideration by the CONTRACTING PARTIES of the report of Experts at a session in 1960. It was agreed at the Tokyo session that this report should be an item on the agenda for the May session. The consideration of this item was, however, further postponed until the present session, since informal discussions among delegates at the sixteenth session revealed a fundamental divergence of opinion. It was felt that more time was needed for the study of the report of Experts and for further examination of the issues involved (W.16/12).

The Working Party was appointed on 2 June 1960 "to examine the report (L/1015) by the Group of Experts on action by the CONTRACTING PARTIES in dealing with restrictive business practices in international trade, taking into account any comments and proposals received from the contracting parties concerning the recommendations contained therein, and to report to the CONTRACTING PARTIES at the seventeenth session".
In response to the invitation to submit proposals, the Government of Norway put forward some new suggestions (L/1287) which were intended as modifications of the recommendations of the minority Group of Experts.

The Working Party has held two meetings during the present session. The representative of Norway put forward further modifications of the minority proposals (L/1287/Add.1). However, the discussions in the Working Party still reveal a divergence of opinion, with eleven members supporting the views and recommendations of the majority of Experts and nine members supporting the views and proposals of the minority group as modified by the Norwegian delegation.

The Working Party could agree only on confirming the view of the Experts that the GATT should initiate action in this field and should encourage consultations as to the effects on international trade of particular restrictive practices.

In view of the sharp difference of opinion on the question of machinery and procedures for the conduct of consultations, it has not been possible for the Working Party to submit a report to the CONTRACTING PARTIES at the present session and it was agreed that the Chairman of the Working Party should report accordingly.