

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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RESTRICTIVE BUSINESS PRACTICES

Additional Note to the Proposal by the Delegation of Norway

The Norwegian delegation wishes to clarify one point as regards the relation between legislation aiming at the control of restrictive business practices in the domestic field and legislation which applies to the control of international trusts and cartels.

In the first place there is the question of legislation relating to control of trusts and cartels which operate on the domestic market without in any way affecting international trade. In the view of the Norwegian delegation the countries whose economy is based mostly on private enterprise should maintain close control of restrictive business practices on the domestic market. This is a question of internal policy and it is up to the different states themselves to decide whether and to what extent they should introduce control in this field. In this connexion attention should be drawn to the fact that very few domestic trusts and cartels exist in most of the under-developed countries.

As to the control of restrictive business practices in international trade it is generally recognized that both national action and international co-operation are needed in order to deal effectively with harmful restrictive business practices. The proposal set forth by the ad hoc committee of the ECOSOC contains provisions not only with regard to the activities of the international organization to be charged with the task of carrying out the control, but also with respect to the obligation of the members to co-operate with this organization. Reference is made to article 5 of the Committee's proposal and to article 50 in the Havana Charter.

The extent to which obligations should be imposed on the members would depend on what sort of international control the CONTRACTING PARTIES might agree upon. If the control were to be more limited than that proposed by the ad hoc committee, the obligations of the members would also be less extensive. As there may be many alternatives here, it does not seem appropriate at present to require that the different states should legislate on this matter. As far as it is known to the Norwegian delegation no state, with the exception of Norway, has legislation giving the authorities power to counteract restrictive business practices which are harmful to other countries but not to the country itself.

The first thing to do, in order to promote international co-operation in this field is to draw up an international agreement specifying the obligations which the participating countries should undertake to make international co-operation effective. These countries should be left sufficient time to take necessary legal steps before the international control became effective.