

Federation in 1880, and the Spinning Federation in 1882. In 1907, affected by recession after the Russia-Japan War (1904-5), more cartels were formed and more obvious *Zaibatsu* concerns emerged. Businesses in Japan began calling for pro-cartel laws and their enforcement by the courts. Pro-cartel legislation of 1925 included the Export Association Act and the Important Export Commodities Industrial Association Act.⁶⁹

Consumers and competitors in Japan did complain about monopoly prices that resulted, but did not trace their harm to its root nor suggest that the government enact a competition law. Nor did the courts find price cartels illegal. In decisions from 1907 to 1935, Japanese courts repeatedly decided that a price agreement among competitors was lawful, much in contrast to U.S. legal opinions which held that cartels were *per se* illegal.⁷⁰

● Cartelization by imperialists

In Japan, cartels were perceived as a necessary economic bulwark against recessions and international competition, as well as an essential support of the Japanese government's military and political drives to build an empire in Asia. The great trading groups that developed between 1868 and 1945, the *zaibatsu*, were involved in Japan's military undertakings. The grandest of Japan's empire-building schemes was the pre Second World War drive of acquisition, colonization and imposition of imperialism to create a Great Asia Co-Prosperity Sphere.⁷¹

⁶⁹Similarly, in 1933, the U.S. enacted the National Industrial Recovery Act, which allowed cartel agreements to a certain extent; in Germany, the Act Concerning the Establishment of Compulsory Cartels was enacted to promote cartels and their use by government for economic control. See Iyori, *op.cit.*, pp. 228, 232; Iyori and Uesugi, *The Antimonopoly Laws of Japan*, Milwaukee: 1983, p. 2; and Angelo, *op.cit.*, p. 118.

⁷⁰See, for example: *Nakaguchi et al. v. T Hata*, Osaka High Court., Feb. 15, 1907; *H. Yokoi v. Osaka Shuruisho Dogyokumiai*, Supreme Court., July 19, 1920; *G. Nagai v. Tokyo Yakugyo Dogyokumiai*, Supreme Court., Nov. 26, 1935.

⁷¹Angelo, *op.cit.*, p. 119.