I should like to take this opportunity briefly to state the views of the Japanese Government on one of the most important subjects for discussion on the Agenda of the Thirteenth Session of the Contracting Parties: Trends and Development in International Trade.

The report which has been drawn up by four eminent experts, under the chairmanship of Professor Haberler, is a truly remarkable document, containing suggestions of great importance for the development of trade between the industrialized and the under-developed countries whose economies depend mainly on the export of primary products.

I should like to associate myself with the unanimous appreciation which has been expressed by the representatives of many other contracting parties regarding the contribution made by the authors of this excellent report. The Japanese Government sincerely hopes that this report will be given thorough study so that valid solutions may be found in order to stimulate the economic development of the less developed countries and consequently to bring about a steady expansion of international trade.

If this document is carefully studied in a working party, my Government believes that the following three points should be emphasized. In the first place, as regards the steps which should be taken at the international level in order to maintain a constant balance in the field of supply and demand, as well as stable prices for primary commodities, it is essential to uphold two principles which will make possible effective international co-operation in this field. The first of these principles is that one must study all the special conditions involved on a product-by-product basis; this procedure was followed during the meetings on primary commodities which have taken place this autumn under the aegis of the United Nations or which are about to be held. The other principle which must be upheld concerns the drawing up of an international agreement on a particular primary commodity. Any such agreement must take into account the interests not only of exporting countries but also of importing countries. In the past, importing countries have sometimes had to accept certain disadvantages, and this must not be allowed to happen again.
The second point which my Government would wish to stress concerns the reduction of the degree of protection accorded to agriculture. It is desirable that the highly industrialized countries which have no balance-of-payments difficulties should use their influence on international economy so as to play an active part and contribute to an increase in exports from the under-developed countries. As the report rightly points out, the highly industrialized countries can also help to expand world trade by increasing their imports of manufactured goods from the under-developed countries which are not rich in natural resources and have a dense population to support.

The third point relates to the European Economic Community, which has already come into being, and the proposed free trade area. These organizations, which comprise the very highly industrialized countries of Western Europe, should be so directed as to have trade creating rather than trade directing effects and not to grow into an instrument for increased protection. The report of the experts sounds a warning note in this respect.

Once these regional organizations are administered in a positive manner, they will help to increase the export earnings of the under-developed countries which are not included in these regional arrangements.

I have confined my remarks today to the matters which are dealt with in the Haberler Report. At a later stage, my delegation looks forward to the opportunity of stating its views on problems which are of particular concern to Japan, such as the question of Article XXXV.