GENERAL AGREEMENT ON TARIFFS AND TRADE

Meeting of Ministers

REMARKS MADE BY MR. AIICHIRO FUJIYAMA, MINISTER OF STATE OF JAPAN,
DIRECTOR GENERAL OF ECONOMIC PLANNING AGENCY,
AT THE MINISTERTIAL MEETING ON 27 NOVEMBER 1961

Taking the floor myself at the ministerial meeting in Tokyo, I referred to a series of major problems confronting world economy, namely the liberalization of trade, elimination of discriminatory treatment, economic development of less-developed countries, and regional economic integrations. I have to admit that these problems are still before us. These are nothing but a serious challenge to the GATT. It is quite timely, therefore, to hold this summit meeting in order to deal mainly with problems figured on the agenda.

Today, following the order of business of this meeting, I would like to say a few words on the question of the reduction of tariff barriers to trade.

The reduction of tariff barriers is, as clearly set forth in the Preamble of the General Agreement, the mainstay of the very existence of this organization. It would be highly significant in this meeting to review the methods and procedures of the past rounds of tariff negotiations as well as the progress of the "Dillon round", and also to explore the possible methods of approach to the future reduction of tariff barriers on a multilateral basis. I am happy to state that Japan is prepared to give due consideration to any concrete suggestions which might be made with regard to the methods of the future tariff reduction.

In this connexion, however, I should like to draw your attention to the fact that the multilateral expansion of world trade to be attained through the reduction of tariff barriers has been greatly hampered and nullified by the existing non-tariff measures. I say this because these non-tariff measures are in some cases applied in a discriminatory manner against Japan.

As the responsible Minister of the Japanese Government, I would like particularly to draw your attention to the problem of the invocation of Article XXXV against Japan. In the previous sessions of the Contracting Parties, we have repeatedly pointed out how this long-standing question has caused difficulties in framing our economic policies. I need not reiterate this here. What I would like to emphasize today, however, is that this should be considered as the problem not only of Japan but also of the GATT itself. It is in this context that Japan requested the Contracting Parties at the seventeenth session to review this problem. At the eighteenth session, a working party was set up to meet our request and, after thorough examination of every aspect involved in this issue, presented its report to this session of the Contracting Parties. The report is quite objective and comprehensive.
I would like to urge distinguished ministers to read through this report, so that they would fully realize the gravity of this issue. This problem is now not only a serious concern to Japan but also an urgent problem confronting the GATT itself.

Should this problem of Article XXXV remain unsolved, the scope of tariff negotiations will be reduced a great deal since the tariff negotiations could not take place between Japan and the countries invoking the Article.

A widespread invocation of Article XXXV against Japan with possibility of increase in the number of countries resorting to the said Article is clearly contrary to what has been understood by our people as the fundamental objectives of the GATT, particularly at a time when Japan is adhering to the programme of accelerated liberalization.

We are wholeheartedly co-operating in the IMF and other international organizations. However, the existence of this issue prevents us from playing a role we wish to play in the GATT. The importance of this meeting of ministers, I believe, lies in determining the course which the GATT should follow in dealing with various questions involved in each item of the agenda. But the problem of the invocation of Article XXXV is of no less importance and I wish the course to follow be indicated also for the solution of this issue. I would like to hear frank opinions on this matter of the distinguished ministers present here.