Mr. Rey, who is in charge of the relations between the CONTRACTING PARTIES and the European Economic Community, is not, owing to ill health, in a position to participate in this Ministerial meeting as he did on the occasion of the thirteenth session. At the last moment he has had to give up his trip to Tokyo and before I left Brussels he has asked me to read to you a message which I ask you now, Mr. Chairman, to be allowed to read.

Mr. Chairman, gentlemen, it had been agreed for quite some time that I would attend the first part of the fifteenth session of the CONTRACTING PARTIES in Tokyo and in particular the Ministerial meeting which is starting today.

Unfortunately I have been in bed in a clinic here and unable to do any work for a fortnight and at the last moment I have had to cancel my plans and to give up this trip.

I should like, however, to tell you briefly what I would have liked to say at greater length if I could have been in the midst of you.

First of all I wish to thank the Imperial Government of Japan for their kind invitation to the CONTRACTING PARTIES to meet in Tokyo and for the welcome which has been extended to them in the capital of Japan.

I would have been very glad not only to participate in your discussions but also to take part in the visits of Japan which have been organized by the Japanese Government in the coming days. I deeply regret that I have to miss all this.

The very first thing that this session will have to do is to take note of the changes which have occurred in the world as a result of the return to convertibility of a number of major currencies.

No one is more acutely aware of the significance of these developments than the Western European countries which over the past ten years have benefited from the wide, generous and efficient support provided by the United States to ensure the recovery of Europe which had been devastated by the Second World War.
At a time when we are so deeply bereaved in the loss of the great American statesman whose name will forever be associated with the plan for European recovery, it behooves us to express our profound gratitude for the assistance that we have received and our awareness that our countries, which have now been restored to economic health, should no longer maintain a situation which has ceased to be justified.

In a memorandum dated 1 March 1959 - a document which was intended for the governments of our Member States but which dealt generally with current European and world economic problems - the Commission of the European Economic Community stated already that in its opinion quantitative restrictions upon imports should be gradually eliminated. This was again restated in our memorandum of 22 September and it is our opinion that, except in exceptional cases which have to be strictly defined and limited, those obstacles to international trade should now be eliminated.

The European Economic Community is determined to make its own contribution to the efforts which the attainment of this objective calls for.

We took part with considerable interest in the work of the three Committees which were set up at the thirteenth session of the CONTRACTING PARTIES.

We are particularly happy with the results of the work of Committee I which will make it possible for the multilateral round of tariff negotiations proposed by the Under-Secretary of State, Douglas Dillon, to yield the positive results that we can expect.

The technical arrangements for this new round of negotiations appear to be very adequate indeed and the Community earnestly hopes that the establishment of the common external tariff will have been completed by the end of the year so that we can participate actively in the forthcoming negotiations according to the agreed schedule.

As far as the work of Committee II is concerned, I take it that the CONTRACTING PARTIES are not at this stage in a position to deal with the substance of the matter. In any case it would not be possible for the Community to do so because the present state of its internal procedures concerning the establishment of a common agricultural policy would not enable it to take part.

As you are aware, the Commission is to submit proposals for the common agricultural policy by the end of this year. Before completing its work the Commission will consult ECOSOC and then will submit its proposals to the Council of Ministers which will have to consider them and to determine the agricultural policy of the Community. I should also say that the Assembly will have to be consulted.

I am sure that I shall not anticipate the work of the Commission if I say that the Commission has been fully aware that the common agricultural policy must be such as to allow for co-operation and increased trade between the Community and third countries.
As regards the work of Committee III, I would like to make a few comments on present trends in the Community in this particular field.

(a) First we note that the political leaders of nearly all industrialized countries, have been stressing the need to establish a programme for assistance to the less-developed countries.

The Community already expressed its views on this point last spring. It feels in particular that it will be necessary to have contacts at the highest level between the leaders of the great economic powers of the Free world and of specialized international bodies. It also believes that the time has now come to emerge from the philosophical or sentimental stage and to make for concrete achievements and efficient planning. The time has come to cease talking of the less-developed countries and to do something for them.

(b) The Community has already made a substantial move to deal with this problem in providing, under the Rome Treaty, for association with developing countries. I am of course not unaware of the criticism which has been expressed within GATT as to this particular form of association and of the reserves which have been made by a number of contracting parties.

It is to be noted, however, that, in any case, the Community's efforts fully conform to other broader objectives, and we have established with those less-developed countries associated with us a tariff mechanism which will bring substantial benefits to them and a machinery for financial assistance, which is already working.

We do not consider that these efforts by the Community exhaust all the possibilities but they bear witness to our approach.

(c) We doubt that it is yet possible, in the present political and psychological state of the world, for industrial countries to form an association among themselves without providing in their plans for the promotion of the economies of the less-developed countries.

If the work done by Committee III in pursuance of the Haberler Report could lead to a series of concrete and realistic proposals, our Commission would be highly satisfied and I am convinced that the Member States would contribute to any general endeavour which might be proposed.

You will not be surprised if the Community follows with particular interest the efforts which are being pursued throughout the world to establish new regional agreements.

The evolution which is beginning to take place has certain advantages but it can also have certain disadvantages.

The European Economic Community does not claim special privileges for itself. It can therefore show the greatest sympathy for the efforts of all those who imitate its own example and attempt to integrate into vast entities national economies which are too limited and too isolated.
But it believes such endeavours must be prompted by and lead to economic expansion.

Economic expansion was the objective which inspired the drafters of the Rome Treaty.

It is only to the extent that regional agreements are directed towards economic expansion, trade development and increases in the standards of living that they can meet local interests and the interests of the world economy.

We would be glad if the work which will be pursued by contracting parties was to highlight this truth. A regional agreement which generates expansion is no selfish undertaking on the part of its members. It can further the economic and social progress of third countries also, and is therefore beneficial to all.

It does not behove us to pass on current undertakings in Europe or in other parts of the world, nor is it for us to say that they meet the requirements of such an objective. But we think that it is very important that the objective should not be lost sight of. It should even be asserted very clearly from the outset.

Finally, I wish to address myself to those problems which are of special interest to the great country which offers us their generous hospitality.

Everyone knows that economic relations between Japan and the Member States of the European Economic Community come up against a number of difficulties and have not yet been fully resolved.

Four members of the EEC are still invoking the provisions of Article XXXV of the General Agreement, while another two have ceased to apply Article XXXV to their trade with Japan. On the other hand, all the Member States and the majority of the contracting parties conduct their trade relations with Japan on a restrictive basis although in varying conditions and this, naturally, has caused the Japanese Government to enter serious reservations.

The Commission believes that the creation of the Community and its progressive development will bring about the harmonization of these diverse relationships.

As you know the trade policy of the Community will be a common policy at the end of the transitional period only. In the meantime, the Member States remain fully independent as far as their commercial policy is concerned. The Commission has been entrusted with the task of making proposals, first for co-ordination and subsequently for the determination of a common policy.
This we have already been doing in our relations with countries in the Far East. A working party is studying proposals to harmonize the various policies of our Member States.

While I do not wish to presume too much upon the conclusions of this study, I would like to say, however, that it has been undertaken in such a way that we are confident as to its results and that the national administrations of the Six have shown a considerable amount of goodwill.

Naturally, we will have to keep in touch with the Government of Japan on these problems, and I am particularly happy to see that the Government of Japan has been kind enough to send a distinguished and highly experienced diplomat to the Community. I refer to Mr. Eiji Wajima, the Ambassador of Japan in Brussels, whom I have known for a number of years.

I have no doubt that a confrontation of the economic policies of the Community and of Japan will be made easier and fruitful. While I am not blind to the difficulties which are still ahead, I believe that we are moving in the right direction.

I would not like to conclude without paying tribute to the GATT authorities and more particularly the Chairman of the CONTRACTING PARTIES, H.E. Ambassador Garcia Oldini, the Executive Secretary, Mr. Wyndham White, the Deputy Executive Secretary, Mr. Royer, and their staff.

We, in the Community, have had much pleasure in working with them over the last two years. They have always understood our problems. We do not regard them as policemen who have to enforce the severe rules of GATT. On the contrary, we have always found that they were forward looking and that their minds were quite open to the changes which their own house would eventually have to undergo in order to meet new requirements.

All this contributes to a better organization of the free world, to greater solidarity and greater welfare of the less fortunate peoples.

I would therefore wish to assure them of the firm intention of the Community to contribute to mutual understanding, unity and progress.

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