Representing the Republic of Indonesia in this fifteenth session of the GATT, I have much pleasure to extend my congratulations to our generous host country Japan which by a wise decision of the CONTRACTING PARTIES has been chosen as the site for the present session. My delegation attach a special significance to this decision, as it can be seen as an evidence of the awareness among the participating countries of the increasing importance of the economic progress of the Asian-African nations for an expansion of harmoniously developing international trade.

The hospitality of the Government of Japan provides ample opportunities for the Trade Members of the CONTRACTING PARTIES to acquire first-hand knowledge of Asian problems and conditions.

An analysis of the world economic situation today confronts us with the serious problems of an unbalanced economic development of the industrial countries at one side and the less-developed countries at the other side. A situation which we all consider as a source of many problems, for which the CONTRACTING PARTIES have to find a solution if we do not like to see this body as merely dealing with elimination of discriminatory treatment, quantitative import restrictions and the like as between the industrial countries only, but really as an organization with a lofty mission to contribute in creating the conditions by which substantial interchange of products can be realized to the interest of all the countries concerned, the industrial as well as the less-developed countries.

It has become a matter of the most basic self-interest of each country to strive for a world in which substantial economic relations are able to flourish. It seems to me therefore as imminent, that, convinced as we all are that something has to be done, frequent mutual consultations be undertaken with a view to considering frankly and thoroughly ways and means which might open avenues for expanding economic activities in order to increase the low level of incomes of less-developed countries, which is the main obstacle for a substantial expansion of world trade.

We all know the factors and causes which are playing a hampering role. Many among us have their ideas about the measures desirable to be taken for creating more favourable conditions. It seems to me, viewing the present economic situation in the world, that it is becoming more and more imperative to take some major policy measures able to deal with the problem of creating substantial marketing possibilities for our respective products.
It is evident that only by a notably integral economic development in the world, we may expect a substantial increase in international trade. Nobody can expect a continuous progress of its own economy, if the others continue to lag behind in growth. We know also by experience that a little setback in the economic activities in the industrial countries will cause more damages to the economy of the less-developed countries than to the countries where the setback occurred. The actions taken by the CONTRACTING PARTIES will never give us complete satisfaction, if we are not able to prevent setbacks resulting from lack of marketing possibilities. A combined and concerted action to realize and secure a more rapid growth of the economic development of countries still lagging behind in the process of world economic growth, seems desirable for making their resources and potentialities available for the other countries as well. The less-developed countries will only be able to contribute to balance world economic conditions if they are successful in their efforts for achieving substantial economic development and progress. Of course, it is true that the fulfilment of such aspirations of the less-developed countries can be considered as a matter of concern of their respective governments. But we all agree that a rapid economic progress of the under-developed countries will do more than only benefit these countries directly concerned. The well-being of all other nations depends substantially on such economic growth. This is particularly true for countries which for their industrial expansion need raw materials produced by the less-developed countries. It is a matter of enlightened self-interest for the highly-developed countries to contribute within their own abilities, to those efforts of the less-developed countries in order to get more prospective blueprints for their own progress. Rapid economic progress of the under-developed countries politically speaking, might even do more than securing stabilized world economic conditions. It might be even decisive for the future of the world in general.

One of the principal factors preventing the expansion of trade between countries with a different level of economic development is the lack of capital and the low level of income. If capital, technical knowhow and incomes are not raised to a certain level, the potentialities of the vast markets of now still under-developed countries, with its hundreds and hundreds of millions of consumers can never be made use of. The needs of those countries for both industrial equipment and consumer goods is enormous and almost unlimited. If their economies expand and flourish then a healthy growth of international trade will inevitably follow, which is of benefit for all of us. For the sake of the economic stability of the world as well as of the individual countries, every country should have the economic development of the less-fortunate countries as a major policy objective. Let us understand to be sure, that no policy can be based upon sentiments only, sentiments can change easily as my country Indonesia experienced recently. Remnants of colonialism, changes in a country's internal structure and the like can change sentiments, can even create international
tensions. I have a feeling Mr. Chairman, that we all will profit more by a realistic approach of current world economic conditions. Let us therefore explore carefully along the lines of enlightened self-interest the ways and means which might lead to a harmoniously developing prosperous world of the future.

In this connexion I like to refer to the valuable assistance rendered to Indonesia under the existing economic and technical co-operation agreements, the historical step recently taken with regard to the beginning of the realization of the economic co-operation with our esteemed host country Japan. It seems to me a matter of the utmost importance as in how far we are able to obtain a more flexible pattern under which we can bring scientific technological, managerial knowhow and insufficient capital, together with additional loans from international agencies or individual countries so as to put sound economic development projects and programmes into operation.

Although generally speaking progress has been made in the development of the less-developed countries, there is still a tremendous job remaining to be done. In the implementation of the principles of the General Agreement it seems to me therefore, a necessity to keep the interest and awareness alive how urgent the problem of economic development of less-developed countries is for the expansion of international trade.

Mr. Chairman, due to some internal and external factors, my country's economic progress could not be so favourable as reported for the economic growth enjoyed by participating countries during the year under review. Indonesia as a primary commodities producing country, which depends for its economic development largely on the export earnings, felt the full impact of the slight recession in the United States and some West European countries being good customers of our products. This recession resulted in a decrease in our foreign exchange earnings of about 25 per cent in comparison with those of the previous year, whereas the export volume decreased with about 15 per cent. This situation created a serious deterioration in the terms of trade of Indonesia, which inevitably necessitated the Government of Indonesia to curb vigorously the imports for balance-of-payments reasons to prevent a complete drainage of our foreign exchange reserves. My Government therefore attached great significance to efforts made by the industrialized countries to prevent as much as possible setbacks in the economic cycle. In this respect international consultation on a large scale seems to be very desirable.
For the same reason my delegation is attaching the utmost importance to the suggestion made by the Honourable Minister of Economic Affairs of the Union of South Africa with a view that the CONTRACTING PARTIES should examine on a commodity-to-commodity basis and in co-operation with other interested international organizations the feasibility and practicability of international price stabilization arrangements as a means of moderating excessive movements in the prices of individual primary commodities. It is evident that unpredictable fluctuations in primary commodity prices make it impossible for countries with an agricultural economic structure like my country to maintain not to say increase its purchases from industrialized countries of goods indispensable for the economic development.

As regards regional economic integration plans, such as envisaged by the participants to the European Free Trade Association and Latin American Economic Integration, my delegation could understand the underlying motive of the countries concerned. At this juncture I refrain from commenting; I would only like to express my sincere hope that they will be of a trade-creating and not a trade-diverting character, or in other words that they will be basically established in consistence with the principles and the spirit of the General Agreement.

I cannot help to express again my sincere concern about the feasibility of discriminatory tariff barriers entertained by the European Common Market as the consultations we had with this organization so far on four commodities have hitherto achieved no concrete results for eliminating such undesirable measures.

Mr. Chairman, we therefore sincerely hope that with the creation of regional integrated economies this organization of the GATT will not fall apart in controversial economic communities and that the objectives of the General Agreement will still have its full advantages to its Member States belonging to as well as remaining outside those communities.

When the CONTRACTING PARTIES last year established the three Committees on Expansion of International Trade, my Government fully supports this co-ordinated programme of action to promote the expansion of international trade with the expectation of securing substantial increase of our exports. Our capacity however to participate in tariff negotiations on the orthodox pattern is almost absent, due to the fact that our present tariff rate is low and negligible. May I therefore repeat, Mr. Chairman, the standpoint of the less-developed countries on this issue jointly stated in document W.14/15, that if the industrialized countries are willing to make a positive contribution to the trade of the less-developed countries in many cases they would have to be prepared to give tariff concessions unilaterally on products in which less-developed countries have a special interest.

Mr. Chairman, under certain prevailing conditions in the economy of a country, it might become necessary to secure an effective distribution of essential goods in the interest of the people and the economic development
of the country. One of the means to achieve this objective entertained by my Government is the regulation of the trade through government controlled trading agencies. In case this government controlled agency might be considered as a State-trading enterprise, then it is the opinion of my delegation that State-trading could be accepted if it contributes to an expansion of international trade in accordance with the objectives and principles of the GATT and if all trade activities be executed in the full spirit of the General Agreement. As then State-trading might play an even more important role as trade on a private basis. In order to make the best use of the accrued export earnings for the economic development of the country. Indonesia has always shown keen interest in how far free international trade can be furthered through more convertibility of the currency of the major trading nations. The progress in this respect made by West European countries has contributed significantly in freeing trade from bilateral necessities for balance-of-payments reasons. In this respect I should like to request the special attention of the CONTRACTING PARTIES for the position of Japan which by its geographical position its potentialities and skills is destined to play an important role in the deliberations for expanding beneficial international trade. Gradual convertibility of the Yen will undoubtedly increase trade activities - especially in this region. But it seems doubtful if Japan will be able to take those desirable steps if not at the same time the marketing possibilities for its export goods will give sufficient reasons for justified optimism. It is to be hoped that Japan might soon enjoy the full equal treatment as the other Members of the GATT and that problems it meets in the effort to give full employment to its ever-increasing population through expansion of its exports be solved to the satisfaction of the countries concerned, in order to give this country too the possibility to play an important role in achieving the objectives of the GATT for expanding international trade.

Mr. Chairman, I will not fail to pay tribute to the Executive Secretary and the secretariat of the GATT for the excellent report on International Trade 1957/58, which is of imminent importance for the governments in obtaining a thorough inside information of prevailing economic conditions and development during the period under review.

In conclusion, Mr. Chairman, my delegation would like to express its appreciation for the manner the United States and the United Kingdom adhere to so far in disposing their stockpile surplus of natural rubber by paying thoughtful attention to the interest of the producing countries.

Thank you, Mr. Chairman.