

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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## ACCESSION OF JAPAN

### Statements submitted by the Japanese Observers to the Seventh Session

#### Price Levels of Japanese Commodities

The official price system which existed during the war and post-war periods has now been abolished except for a few items, such as rice, gas and electric power. The government subsidy to industry and trade does not exist today. In addition to that, the fixing of commodity prices by means of mutual arrangement or agreement by the Traders' or Manufacturers' Organization is also prohibited by an "Anti-Trust Law". Consequently the domestic and export prices are determined by the prevailing market conditions at home and overseas. In other words, prices of Japanese commodities, whether for domestic supply or export, are settled without any kind of control. This means also that the prices of Japanese commodities are susceptible to rise or fall sharply, reflecting the market conditions. Such tendency of price levels is seen from the attached tables A and B, showing the export and home prices of cotton yarns and steel and iron products.

In Table A, which shows the export and domestic prices of cotton yarns in Japan, United Kingdom and the United States of America, it will be noted that domestic prices of Japanese yarns were higher than the export prices in 1951. This is due to the fact that the overseas demand for Japanese cotton yarns expanded, reflecting the Korean war boom, so the supply for domestic use ran short. This tendency became less gradual and since the beginning of 1952, domestic prices of cotton yarns became lower than the export prices. This is attributed to the increase in domestic supply by the increasing capacity of production and the stagnation of export. It will be noted also from the same table that export prices of Japanese cotton goods are higher than those of British export prices and the fluctuation of prices of Japanese cotton yarns is greater than those of the British.

As observed above, the export prices of Japanese commodities are determined freely by the traders. Consequently there is a fear that they may export goods with unduly low prices. Therefore the Government examines the export prices before granting export licences, in connection with approximately 930 items of textiles and a few other goods. In case the export prices of the above are found to be below the level of prices which is fixed by the Government on the basis of the international market prices and other factors, the export of such commodities will be prohibited.

TABLE A

Quotation of Cotton Yarn in Japan, United Kingdom and United States

Type: Cotton Yarn No. 20's  
Unit: United States cent per pound  
Conversion rate: 1 penny = 1.1666 cent

		Japan		United Kingdom		United States
		Domestic Market	Export	Domestic Market	Export	New York Quotation
January	1951	158.7	99.1	81.32	89.83	88
February	"	158.7	108.8	81.32	89.83	88
March	"	156.2	116.8	81.52	93.33	88
April	"	123.4	115.2	88.90	99.17	88
May	"	113.2	105.6	92.52	99.17	88
June	"	99.9	99.1	92.52	99.17	88
July	"	91.7	91.2	87.10	93.56	85 3/32
August	"	76.0	82.8	79.70	84.29	82 1/8
September	"	93.5	84.6	76.55	82.84	76 1/32
October	"	93.8	88.5	76.55	82.84	75
November	"	85.4	89.0	83.70	89.83	55 5/8
December	"	76.7	88.1	86.74	95.32	77 13/32
Average of 1951		110.5	97.4	84.00	91.59	83.25
January	1952	75.3	87.0	83.80	93.92	78 7/8
February	2 "	72.4	81.3	70.94	84.00	77
March	3 "	62.4	77.3	69.65	80.50	75
April	4 "	62.4	68.4	69.65	74.67	72
May	5 "	65.9	68.2	68.32	70.94	71
June	6 "	66.6	67.5	67.90	69.30	71
July	7 "	69.0	70.0	66.99	69.44	72

Remark: 1. Source: Cotton yarn and cotton textile Exporter's Association of Japan.

2. Figures of "for domestic use" in the column of "United Kingdom" are quoted from Manchester "cotton" and figures of "for export" in the same column are computed on the basis of the price-list published by "Windel".

TABLE B

Prices of Iron and Steel Products in Various Countries

Type: Iron bar  
Unit: United States dollar per metric ton

Domestic Price	Country	March 1952	April 1952	May 1952	Remarks
	Japan	115	111	103	19 m/m
	United States	81.5	81.5	81.5	
	United Kingdom	78	78	78	
	Belgium	84	84	84	Thomas Steel
	France	86	86	86	"
	Germany	80	91.3	91.3	"
Export Price	Country	March 1952	April 1952	May 1952	Remarks
	Japan	129	139	-	
	Belgium	140	140 - 130	130 - 125	16 m/m merchant bar for EPU countries
	Belgium	120	120 - 115	120 - 115	Paid in U.S. dollars
	United Kingdom	139	139	139	Concrete bar
	France	120	120	120 - 110	Paid in U.S. dollars
	Germany	-	-	120 - 125	Merchant bar

Source: Annual Report on Foreign Trade of Japan by the Ministry of International Trade and Industry (1952 Edition)

