

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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ACCESSION OF JAPAN

Discussion between Representatives of Japan and the Members of the Former Intersessional Committee

1. At the meeting on 10 October the CONTRACTING PARTIES discussed the request of the Government of Japan for an opportunity to enter into negotiations with a view to accession to the General Agreement. It was then agreed that the conditions and timing under which the Japanese application could be pursued should be referred to an intersessional committee. This arrangement was formalized by the Decision of 14 October to the effect that an intersessional committee should make a detailed examination of the matters involved in the Japanese application.
2. In order to take advantage of the presence of Japanese representatives at the Seventh Session, the members of the Ad Hoc Committee for Agenda and Intersessional Business which existed between the Sixth and Seventh Sessions were instructed to meet on an ad hoc basis during the present Session. Accordingly, the members of the former intersessional committee met the Japanese representatives on 20 and 27 October in order to obtain information which would be useful to any future committee considering the Japanese application.
3. Two statements made by the Japanese representative at these meetings have been distributed in Documents W.7/29 and Add.5. Four memoranda submitted after the first meeting have also been distributed, namely:
 - Import Tariff and Customs of Japan (W.7/29/Add.1)
 - Control of Foreign Exchange and Import Licences (W.7/29/Add.2)
 - Measures for Safeguarding Foreign Industrial Property (W.7/29/Add.3)
 - Price Levels of Japanese Commodities (W.7/29/Add.4)The Law for the Prevention of Unfair Competition will be distributed in Document W.7/29/Add.6.
4. In addition the representatives of Japan have distributed copies of several publications, issued by the Ministries of Foreign Affairs and Finance, dealing with the post-war development and trade of Japan, namely:
 - As aspect of Post-War Development of Foreign Trade and Industry in Japan (September 1952)

Some Aspects of Recent Economic and Financial
Conditions of Japan (September 1952)

Laws and Regulations concerning Foreign Exchange
and Foreign Trade (August 1952)

5. During the discussions, members of the former Intersessional Committee addressed questions to the Japanese representative who replied as follows:

- (i) All the provisions of the Labour Standards Law, except those pertaining to the minimum wage, are being applied in Japan at present. These include measures for rest hours and paid vacations. The minimum wage is fixed in agreements between the trade unions and the employers.
- (ii) At the moment no definite industrial development plan exists in Japan and only the state-owned industries are under government supervision.
- (iii) Efforts are being made, through various industrial and commercial missions and with the collaboration of foreign governments to check on the use of marks of origin, etc., on Japanese products being sold abroad.
- (iv) Japan enacted laws and issued Cabinet orders which give Allied nationals priority in acquiring industrial property rights for the inventions which could not be registered in Japan during the war or shortly thereafter. The legislation also extends the duration of protection in Japan of industrial property rights owned by Allied nationals for the period of the war.
- (v) There was a government subsidy on synthetic fertilizers to keep down domestic food prices. Ammonium sulphate is the only fertilizer exported, whereas all other products of this class are imported. At present there are no government subsidies for this industry.
- (vi) The minimum prices on certain export goods fixed by the Government are the only exceptions to the present free-price system in Japan. Due to the disparity of prices after the war, it was necessary to fix minimum prices in order to bring domestic prices into line with those of foreign products. However, for the most part, minimum prices have been removed except for certain commodities, e.g. textiles, some household articles, agricultural machinery, preserved mandarines, etc.

Other questions and answers will be distributed in the W.7/50 series.

6. The Committee considered whether, if contracting parties were to enter into bilateral tariff negotiations with Japan outside the scope of the Agreement, there would be any technical obstacles to the incorporation of the results into later multilateral negotiations directed towards accession to the General Agreement. (W.7/37) The members of the Committee were of the opinion that there would be no such obstacles provided the results of the bilateral negotiations were put into effect only on a provisional basis subject to any modifications which might be necessary in the light of the multilateral negotiations.

7. The Japanese representative enquired whether the date could be set for the meeting of the intersessional committee charged to examine the Japanese application for accession. In order to allow for adequate preparation, he suggested that the meeting should be held in January 1953. The members of the former Intersessional Committee agreed that it was desirable for the CONTRACTING PARTIES to take a decision on this point before the end of the Seventh Session; most of the members thought that January 1953 would be an appropriate date for the committee to meet.