

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

W.7/29/Add.5
31 October 1952

Special Distribution

Original: French

ACCESSION OF JAPAN

Statements submitted by the Japanese Observers to the Seventh Session

Negotiations within the framework of GATT and the Peace Treaty

At the plenary meeting, I referred to Article 12 of the San Francisco Peace Treaty. In that Article, Japan declared itself prepared to initiate negotiations in the near future with each Allied Power with a view to concluding treaties or conventions aimed at establishing their commercial maritime and other relations on a stable and friendly basis.

Furthermore, the same Article stipulates that for a period of four years from the date of entry into force of the Treaty, Japan shall accord each Allied Power either national or most-favoured-nation treatment, as the case may be, in certain matters. As regards customs duties, dues, restrictions and other regulations applying to the import and export of goods, the treatment we must accord is that of the most-favoured-nation.

The Article specifies, however, that Japan shall be bound to accord this treatment to an Allied Power only in so far as the latter itself grants Japan most-favoured-nation treatment in the field in question.

The application of Article 12 raises certain problems for us:

1. Since the entry into force of the Treaty, i.e. since April of this year, we have been trying to obtain official confirmation by each of the Allied Powers of the type of treatment it proposes to accord to Japanese nationals, products and ships. This confirmation is, of course, required to enable us to fulfil our obligation to ensure reciprocity for four years or until a commercial treaty is concluded. The measures in question are thus transitional ones.

2. We are endeavouring to initiate negotiations with the Allied Powers with a view to concluding treaties or conventions of a definitive nature, not only in the matter of customs tariffs but on other questions, such as the establishment of maritime relations, as well.

The first question raises a rather thorny problem. When a Power discriminates against Japan, we are entitled to take reciprocal action. As I have already pointed out, however, we have not yet exercised this right. Thus, on the matter of customs tariffs, we treat countries which put discriminatory duties on our products on an equal footing with those which accord us, either de facto or de jure most-favoured-nation treatment. To

act in this way towards the latter is, however, neither just nor very courteous and we cannot long remain indifferent to the favourable treatment they accord us and continue to apply the present system to countries which persist in discriminating against us.

With regard to the second question, i.e. that of definitive arrangements, we have four years in which to complete negotiations to that end with some fifty countries. We are, therefore, anxious to open negotiations as soon as possible and have, in fact, already begun to negotiate with a certain number of countries. If, in the course of these negotiations, we find that a country is prepared to treat with us not only on questions concerning the establishment of maritime relations, but on tariff matters as well, we should see no reason for refusing to negotiate.

As a matter of fact, I understand that a fairly large number of contracting States to the General Agreement have, in their reply to our request for admission by the simplified procedure, expressed their willingness to negotiate forthwith with Japan. Supposing, then, that one of the contracting parties agrees to grant Japan certain tariff concessions on condition that we make similar concessions, we should have every reason to do so immediately.

If, however, some six months or a year from now, tariff negotiations are initiated within the framework of GATT, would the concessions granted at the present time through bilateral negotiations be regarded as part of the concessions made within the framework of GATT or should we have to make further concessions over and above these? Or, to put it in another way, must we refrain from any bilateral tariff negotiations from now until the time when the GATT tariff negotiations start? In that connexion, I noted with satisfaction the Executive Secretary's circular note holding out the possibility of incorporating in the GATT tariff concessions the results of any bilateral negotiations we might undertake with some of the contracting States to the General Agreement.

I am convinced that the Executive Secretary's note reflects the general consensus of opinion of the representatives here today and hope that reference will be made to it in the report of this Committee to the CONTRACTING PARTIES.

