It is a great honour for me to be enabled for the first time to attend this meeting of qualified representatives who are responsible for the shaping of the economic and trading policies of their countries. In following the debates as they have taken place recently, I was struck with the importance of the questions raised at the session and the frankness prevailing throughout the debates. I am therefore all the more encouraged to plead the case of my country before you and to solicit your very competent assessment of the situation.

Since the signature of the General Agreement in 1947, our attention has been drawn to this important instrument which was to establish a charter for the "Community of Trading Nations". Accession to the GATT therefore became the desire of the Japanese Government. This explains why my Government was guided by the principles of that Agreement in framing their trade and customs policy. But despite our keen desire, we were not able to be invited to attend the Torquay Conference.

Immediately upon the entry into force of the Peace Treaty, the Japanese Government, consistent with its policy of international co-operation, decided to apply officially for accession to the GATT. It proved impossible to examine its application of 18 July 1952 by the simplified procedure and it had therefore to be referred to the Seventh Session of the Contracting Parties. The question had then once more to be referred to the Intersessional Committee.

Last February the Intersessional Committee was able to come to an Agreement; after careful consideration, on certain conclusions: while accepting our accession in principle, they would recommend a formula which would dispel the fears of certain governments with regard to the possible consequences of our accession.

My Government was gratified to note that in this way the first obstacle to our accession had been overcome. It remained therefore for it to await and prepare the opening of tariff negotiations, the nature and date of which were to be fixed at a special session of the Contracting Parties. We therefore were deeply disappointed when that special session did not take place. Therefore the question of our accession still remains in abeyance at this Eighth Session of the Contracting Parties.

The Intersessional Committee of February had in fact suggested linking the question of our accession with a new round of general tariff negotiations. It now appears that such a general negotiation could not be contemplated before at least one year as from the present date.
Briefly, therefore, this is the explanation why the question of our accession is in an impasse.

It is a fact that accession of a country to the General Agreement is normally preceded by tariff negotiations. My Government has often expressed its desire to enter upon such negotiations. If it has been found impossible to initiate the latter, Japan should not be held responsible for the circumstances, nor should she alone suffer the consequences.

Furthermore, if our accession were postponed to an indefinite date, my Government would be in an extremely difficult position vis-à-vis our own public opinion which is already showing signs of impatience. Our admission or non-admission to the GATT signifies in its view the admission or non-admission of Japan to the community of trading nations. Rightly or wrongly, public opinion is asking why Japan, herself a trading nation of some magnitude, should indefinitely be excluded from that community, despite her full acceptance of the principles of the GATT. It is also asking why Japan is debarred from participating in the general consultation and in concerted action in the particular sphere of trade, which is the most important for Japan, whereas in other spheres, Japan had been more or less speedily admitted to a place in the various international agencies. It is not easy for our public opinion to gain a clear picture of the technical aspect of the complicated procedure of the General Agreement, nor the vicissitudes of international conditions which stand in the way of an easy realisation of its aspirations. In the eyes of public opinion, therefore, it is the policy of the government itself which will be questioned—that policy of collaboration with the free world which my Government has consistently pursued since the entry into force of the Peace Treaty. My Government feels therefore bound to undertake a supreme effort to find a way out of the impasse. Therefore, Mr. Chairman, my Government was led to submit the new suggestion which is before you. That suggestion is designed to confer provisionally on Japan a status similar to that of a member of the General Agreement. Moreover, it is agreed that in turn, Japan will offer in compensation for the tariff advantages resulting for her, tariff advantages in the form of the binding of a considerable number of items of her customs tariff. Regarding the scope of this compensation, we have submitted for your consideration a concrete proposal by my Government under the title: "Schedule of Most-favoured-nation Tariff".

That proposal consists of binding 854 items out of a total of 930 items, i.e., 91.5 per cent of our customs tariff. Imports in 1952 of the goods corresponding to those items aggregated 626 billion 49 million yen, or 85 per cent of the total value of imports. I consider that such a measure represents a substantial contribution consistent with the principle of the General Agreement, and I must confess that it was not easy for my Government to agree to a concession of such magnitude. I must add that this proposal is submitted in the hope that it will meet with the approval of all the Contracting Parties, that is to say, if certain contracting parties were not inclined to become a party to the proposed arrangement, we should be compelled to delete from the schedule certain articles which interested them.
It is therefore a matter of discovering a formula which will enable Japan to take part provisionally in the GATT. We are most grateful to the secretariat for having drafted a precise formula. It may be that the wording of the scheme will still have to be carefully scrutinised, but you will note that the arrangement proposed is a short-term provisional one. At all events we hope this will be so. We trust that the new tariff negotiations will take place in a year or at latest two years' time. Our proposal therefore relates only to that short period. And I would ask you to realise the exact scope of this very provisional arrangement. Firstly, the arrangement would enable Japan to take an active part in the work of the sessions of the Contracting Parties.

In following the debates of this Session, I have fully realised that the General Agreement will be revised in one sense or another. The years to come are of decisive importance for the GATT, indeed for the future of world economy. Therefore if the GATT had to undergo revision, we should wish to be in a position to take part in that important task, in order the better to follow its development and to make our contribution to it. At present Japan occupies only the twelfth or thirteenth place in world trade, but would it not be advisable, not only for the interests of Japan, but for those of other nations, that a fairly important trading nation take part in the concerted action for the liberalisation of trade?

Secondly, under this arrangement we would undertake to accept all the commitments of the General Agreement and to abide by the stipulations of that Agreement. It is a fact that since the end of the war, Japan has always taken account of the GATT provisions in establishing its own trade policy. But on the present occasion we would make a formal commitment in this respect. In exchange, we would hope to benefit by the provisions of the GATT in the matter of consultations, collective action, etc.

And now, apart from those two essential points which are rather of a moral order, what are the immediate practical consequences of the arrangement?

For the greater number of the members of the GATT, even if they accept the arrangement, that would only confirm the present customs treatment applied by them to Japanese products. It is true, in addition, that the acceptance of the arrangement might involve the application of a more reduced customs tariff for a certain number of countries. But apart from the fact that in many countries, the customs tariff plays only a reduced role in the present regime of imports, the conditions in which our industries are operating today, their considerably increased cost prices and the measures taken by my Government to combat unfair competition are such that no sizeable increase of our exports may be expected within such a short space of time as one year or eighteen months. At all events, I am convinced that there should be no fear of disruption in the present trade movements.

Furthermore, the formula recommended by the Intersessional Committee in regard to the escape clause, if adopted, would supply an additional safeguard against any possible disruption in trade movements. In this connection I wish to declare that my Government accepts that formula.
Lastly, it would only be in one year or eighteen months when the General Agreement is revised, and a further effort is made towards a general lowering of tariffs, that the question of the official admission of Japan would be raised. Only then would you be called upon to make a definite decision. Your present decision would in no way affect the final position you would be called upon to adopt. It would in a sense be only a test of your future decision.

To sum up, we are prepared to agree to the binding of most of our tariff positions. We are prepared to agree to all the undertakings stipulated under the GATT. We are not necessarily seeking results which might alter trade movements, but we hope to take an active part in the work of the GATT with a view to increasing the liberalisation of trade. This idea of taking part in large-scale enterprises on a lofty level appeals greatly to us, for Japan can live only by her foreign trade and by the assurance of freer exchange of goods produced by human labour.

It is along these lines, Mr. Chairman, that my Government submitted the present suggestion for consideration by the Contracting Parties. But I would add that my Government still desires to accede to the General Agreement through the normal procedure, if that were possible at the present time. I would therefore ask the Contracting Parties to consider our problem in the spirit of understanding which they have habitually shown towards a country in difficulties.