General Agreement on Tariffs and Trade
Eighth Session of the Contracting Parties

General Debate on the Japanese Proposal for Accession

The Contracting Parties on 23 September considered the proposal of Japan for provisional association with the GATT pending the time when tariff negotiations can be held.

The opening statement of Mr. Shin-ichi Matsumoto, Japan, is set out in press release GATT/129, and the subsequent statements by Mr. Samuel Waugh, United States, and Mr. Peter Thorneycroft, United Kingdom, are set out in press releases GATT/130 and GATT/131 respectively.

Mr. Gunnar Seidenfaden, Denmark, said his government welcomed Japan's request to accede since GATT objectives could best be furthered if all nations of importance to international trade were associated with GATT. He recognized that in the interim period, before tariff negotiations could be held, Japan should pay a "club fee" in the form of binding a large part of their tariff. He was not, however, in favour of the interpretation of Article XXIII, which had been put forward by the Intersessional Committee, regarding suggested safeguards since this would tend to weaken the barriers in the GATT against discrimination and unilateral action.

Mr. Charpentier, France, said that he agreed with the United Kingdom representative that the timing of the proposed accession was unfortunate and that Japan's accession should await the general review of GATT which would take place in a year or so. In these circumstances, France would abstain from voting and could not associate herself with a resolution allowing Japan to enter provisionally into the GATT.

Mr. Werner Hagemann, Germany, pointed out that the Federal Republic's trade relations with Japan rest on a treaty which was revived in 1952 providing for most-favoured-nation treatment. Japan's proposal would, therefore, make no great change for his Government and he would support it in principle. Nevertheless, the examination of the tariff bindings proposed by Japan for the provisional period was not yet finished. He stressed the need for opening tariff negotiations with Japan to obtain reciprocal benefits as soon as possible.

Shri D. P. Karmerkar, India, pointed out that his country was all along in favour of Japan's accession to the GATT, and on this occasion also was prepared to support Japan's application for provisional accession. Although certain countries had expressed their inability to concur in the proposal, it was his hope that as the Contracting Parties had always endeavoured to obtain
Dr. A.Y. Helmi, Indonesia, said that while he appreciated the fears of some countries concerning Japan's former trading practices, it was only fair to agree to Japan's proposal in view of their willingness to negotiate. He would, however, agree to the proposed safeguards. He said that conditions in Japan were very different to-day and that Japanese workers will no longer accept pre-war wage rates; in fact, in many markets, it was becoming difficult for Japan to compete.

Mr. S. Sahlin, Sweden, said that the Swedish attitude towards the Japanese application was affirmative. There were two reasons for this: first, there is still a valid most-favoured-nation treaty between Sweden and Japan dating from 1911, and secondly, the Swedish Government considered that any country wishing to associate itself with GATT and to co-operate with its member states in accordance with its principles, should be given the opportunity to do so. They had taken this view in the conviction that, as a provisional member of the GATT, Japan would be ready to pursue a policy of applying moderate import duties and thus, also, contribute to the maintenance of stability during this delicate period of transition.

Mr. Kurt Enderl, Austria, said that broadening the membership of GATT was a welcome development, and his Government was giving sympathetic consideration to Japan's proposal for temporary membership, with the reservation as to all the safeguards under GATT and under the assumption of the suggested interpretation of Article XXIII. Meanwhile, Austria was reserving her attitude concerning the tariff bindings now proposed by Japan.

Mr. Garcia Oldini, Chile, said that, based on the principle that GATT has a world-wide scope (as was the intention of the proposed International Trade Organization), the Chilean government was entirely favourable towards Japan's application. Japan to-day is an important trading country, he said, and to exclude Japan would be unrealistic. He appreciated the fears of the United Kingdom and France, based on past experience, but asked whether the best method of self-protection was to exclude a country from GATT. Mr. Oldini stressed that it was the task of the Working Party to find a way to include Japan and, at the same time, to meet the objections of certain countries by finding a formula that would give these countries the guarantees that would enable them to refrain from abstaining.
Mr. Hasan Isik, Turkey, said that it was not Japan's fault that no tariff
negotiations could be held at present, and his Government would agree to Japan's
proposal for temporary accession. Mr. Olyntho Machado, Brazil, said he
accepted Japan's proposal in principle because, first, GATT should be universal
in principle and in application, and secondly, there were better guarantees of
protection if Japan came in than if she stayed out. But, at the same time, he
considered that before Japan became a full member of GATT, the whole question of
GATT principles should be restudied, and on this point his Government reserved
its position. Mr. Tommaso Notarangeli, Italy, said that his Government was in
principle in favour of provisional membership for Japan. He also emphasized,
however, that also in the interest of Japan's admission it was necessary to give
an attentive examination on the basis of the conclusions reached by the Inter-
essional Committee and expressed his hope that in such a way it might be pos-
sible also to reach unanimity on the whole problem.

Mr. Aziz Ahmad, Pakistan, said that from the beginning of the last Session
when Japan's request for accession came before the Contracting Parties their
delegation on the one hand were of the opinion that this application should
receive a sympathetic consideration and on the other hand felt that everything
possible should be done to allay the fears of certain contracting parties who
were perturbed with regard to the application of Japan. Their delegation were
connected with this problem throughout in various Committees and they had con-
sistently endeavoured to bring about a situation which would make it possible
for all contracting parties to agree to the accession of Japan. About February
last it almost seemed that such a result could be achieved. This hope, however,
was frustrated through the fact that general negotiations which, in accordance
with the proposals then formulated were a prerequisite of such an accession,
could not take place. It was most unfortunate, but it must be clearly recog-
nised that this was not the fault of Japan. He therefore hoped that even at
this late stage a way might be found in the Working Party to overcome the various
difficulties in the way of certain contracting parties. In any case the Pakistan
delegation would maintain their support for Japan's application, and he sincerely
hoped that it will be possible for certain contracting parties who were faced with
difficulties in regard to Japan's accession to associate themselves with the
deliberations of the working party which would be set up.

Mr. P. Papatsonis, Greece, said that the Japanese delegate had given con-
vincing arguments as to why Japan should be allowed provisional accession, and
his Government would support the Japanese application although their experience
of the past was not very encouraging. Mr. M. F. de S. Jayaratne, Ceylon, in
supporting the Japanese proposal, said that Ceylon has a most-favoured-nation
agreement with Japan. He pointed out that while the principle of admitting
Japan had been agreed, it was clear that the recommendation for safeguards (made
by the Intersessional Committee) did not meet the requirements of some contracting
parties. It would have been better if tariff negotiations could be held; but
this was not possible and Japan should not be prevented from having provisional
membership. Mr. V.A. Clark, Australia, said that while his Government was
sympathetic towards Japan's desire to revive her economy and re-enter international
trade, they could not accept GATT commitments which would preclude action if certain circumstances arose. For this reason, if the issue came to a vote, Australia would abstain. Mr. K.L. Press, New Zealand, pointed out that Japan’s proposal was tantamount to accession on a basis which had no precedent. As a matter of principle and regardless of the identity of the applicant country this was not a method of accession with which New Zealand could agree.

At the close of the discussion a working party was set up with the following membership:

Chairman: Mr. Garcia Oldini (Chile)

Belgium
Canada
Chile

Denmark
France
Germany

India
Pakistan
United Kingdom
United States

The terms of reference are:

In the light of the discussion in Plenary Session:

(a) to consider the problem presented by the impracticability of proceeding at the present time with Japan’s application to accede to the General Agreement in accordance with the normal procedures for accession;

(b) to examine the suggestion made in the communication from the Japanese Government of 4 August 1953 (which suggested temporary associate membership) as well as any other proposals which might be formulated with a view to providing for Japanese participation in a form and on terms likely to make it acceptable as widely as possible among the Contracting Parties;

(c) to submit recommendations to the Contracting Parties.

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