STATEMENT MADE BY H.E. MR. KIICHI MIYAZAWA, JAPAN,
MINISTER OF STATE, DIRECTOR GENERAL OF ECONOMIC PLANNING AGENCY
ON 17 MAY 1963

Item II. Arrangements for the Reduction or Elimination of Tariffs and
Other Barriers to Trade, and Related Matters

Item III. Measures for Access to Markets for Agricultural and Other
Primary Products

I have listened with great interest to the statements made by previous
speakers, particularly that of Mr. Herter.

To begin with, I should like to express my appreciation for the Chairman's
reference to the question of the application of Article XXXV vis-à-vis Japan
in his introductory statement on Thursday morning. Indeed, a number of Japan's
most important trade partners have recently seen their way clear to disinvoking
Article XXXV with respect to Japan.

This is truly a matter of gratitude, and we are confident that this was
by and large attributable to the basic spirit and concept of the General
Agreement.
I would like to indicate, however, that import restrictions solely applicable to certain Japanese products remain in several countries, including those which have disinvoked the application of Article XXXV. Again, Japan will have to continue to depend on the basic concept of the General Agreement for the elimination of such remaining discriminations.

The General Agreement is the principal world forum which has achieved a considerable success in promoting world trade on multilateral and non-discriminatory basis. This world body is about to embark on an ambitious programme for a further expansion of world trade based on a new and bold concept. I should like to state that the Japanese Government is keenly interested in the forthcoming negotiations on tariff reduction. We are interested not only because Japan relies greatly on foreign trade, but also because we are convinced that the success of the proposed trade negotiations will greatly contribute to the expansion of world trade.

We consider the proposed trade negotiations bear such a great importance that the prestige of the General Agreement itself is at stake. Should the General Agreement by any chance fail to achieve the desired end in the negotiations, we fear that it would jeopardize the foundation of the General Agreement, upon which so many contracting parties, including Japan, depend for the development of foreign trade on a non-discriminatory basis. Accordingly, we earnestly hope that the trade negotiations will be brought to a success and add to the authority of the General Agreement.

My Government carefully studied the reports of the Working Party on Procedures for Tariff Reductions. We fully endorse the conclusions and suggestions set out in section A of document L/2002.

Regarding the modality of tariff cuts, there still remain problems to be settled. Further, we are yet to tackle the problem of agricultural products in relation to the proposed tariff reductions. Certain difficulties may arise for Japan in proceeding with the drastic cuts in its tariff, due to the present situation of the Japanese economy. Besides, Japan is now on the way to further liberalizing its imports. Notwithstanding these difficulties, however, I would reassure you that it is the firm intention of my Government to participate in the task of expanding world trade through the proposed exercise. Against this background, my Government sincerely hopes that the Contracting Parties will be able to agree on a single formula satisfactory to them all at the earliest possible opportunity. Needless to say, the Japanese Government intends to play a meaningful part in co-operation with other contracting parties in arriving at a common formula.

Having said this, I would like to invite the attention of all the Trade Ministers here present to the fact that if the discrimination against Japan's products persists, the benefits that may be derived to Japan from tariff negotiation will be greatly impaired or even nullified. Such being the case, Japan will have to seek compensation in one form or the other in order to
secure reciprocity, to the extent that Japan's benefits are impaired or nullified. We believe that unless and until such discriminatory practices are eliminated we are entitled to demand compensation because such impairment or nullification of Japan's benefits stems from the practice on the part of Japan's trade partners.

Whatever the ultimate outcome of the trade negotiations may be, I wish at this juncture to urge that the Trade Ministers will agree on the creation of a special working group dealing with non-tariff trade barriers, including the one I referred to a moment ago. This special working group may also take up such other non-tariff barriers as the so-called voluntary export restraints, anti-dumping measures, methods of customs valuation and so forth.

I should like to make it clear, that I have not said what I have said in a destructive and negative spirit. On the contrary, I have said it in a constructive spirit, for in the event that the problem I have taken up has been duly recognized by the Contracting Parties, Japan will find itself in a better position to examine actively the proposals now on hand and co-operate for reaching a compromise on a formula acceptable to all participating countries.