GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED
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Limited Distribution

ACCESSION OF JAPAN

Note by the Executive Secretary on the Communication
from the Japanese Government of 4 August 1953

In paragraph 5 of the communication from the Japanese Government it is suggested that "the CONTRACTING PARTIES might agree to an arrangement or formula whereby during the period before tariff negotiations can be arranged, Japan's commercial relations with contracting parties would be regulated by the General Agreement". If such a proposal should commend itself to the CONTRACTING PARTIES, various methods could be used to achieve that result.

It appears from the statement made to the Intersessional Committee by the representative of Japan, in explaining the memorandum submitted by his Government, that the Japanese Government has in mind that Japan could provisionally accede to the Agreement through an arrangement analogous to that followed in the past for accession under Article XXXIII. This method would involve a decision to be adopted by two-thirds of the contracting parties, agreeing to such provisional accession on the terms embodied in a formal protocol. The decision and protocol would contain provisions similar to those of the instruments drawn up at Annecy and Torquay.

The Japanese memorandum, however, does not specify any particular formula and it would appear that the same practical result could be achieved by a collateral arrangement between the CONTRACTING PARTIES and the Government of Japan, which would be less elaborate. The following draft of such an arrangement has been prepared in the form of a decision by the CONTRACTING PARTIES, and this is followed by an alternative arrangement which would require the signatures of contracting parties as well as of Japan.

REVISED

DRAFT DECISION FOR THE PROVISIONAL PARTICIPATION
OF JAPAN IN THE GENERAL AGREEMENT

CONSIDERING that

(1) the Government of Japan on 18 July 1952 made a formal request to accede to the General Agreement in accordance with the provisions of Article XXXIII,

(2) a condition precedent to proceeding with this application would be the holding of satisfactory tariff negotiations between the contracting parties and Japan,
(3) it is not at present possible for arrangements to be made for such negotiations in the near future,

(4) accordingly it is not possible for the CONTRACTING PARTIES to proceed at this time with Japan's application to accede,

(5) at the Seventh Session it had been recognized that Japan should take her rightful place in the community of trading nations,

(6) the Japanese Government being committed by the Peace Treaty of September 1951 to accord to each of the Allied Powers most-favoured-nation treatment on the basis of reciprocity and has in fact been voluntarily complying with the principles of the General Agreement in its relations with contracting parties whether or not such treatment was reciprocal,

THE CONTRACTING PARTIES DECIDE that

(a) pending the conclusion of tariff negotiations with Japan with a view to the accession of that country under the provisions of Article XXXIII, and without prejudice to the freedom of individual contracting parties on the question of such later accession, the commercial relations between contracting parties and Japan shall be based upon the provisions of the General Agreement in the manner as if the provisions of the arrangement for the application of the General Agreement to new countries approved by the CONTRACTING PARTIES on 23 October 1951 (Basic Documents, Vol. I, pp. 111 to 115) were embodied in this Decision;

(b) in view of the provisional nature of the status of the islands referred to in Article III of the Treaty of Peace with Japan, this Decision shall not require any modification in the present arrangements for trade between Japan and such islands;

(c) Japan shall have the right to participate in sessions of the CONTRACTING PARTIES and of subsidiary bodies established by the CONTRACTING PARTIES;

(d) the arrangements embodied in this Decision shall not be applied after the accession of Japan to the General Agreement following tariff negotiations with contracting parties, or after 30 June 1955, or such later date as may subsequently be agreed upon;

(e) this Decision shall enter into force upon the favourable vote of two-thirds of the contracting parties and signature by the Japanese Government; it shall be effective between Japan and any contracting party, which has recorded a favourable vote at the time of its adoption or thereafter, on the date of signature by Japan or the date on which the favourable vote of that contracting party is recorded, whichever is the later.
Alternative Formula:

REvised
DRAFT ARRANGEMENT FOR THE PROVISIONAL PARTICIPATION
OF JAPAN IN THE GENERAL AGREEMENT

The Governments which are contracting parties to the General Agreement on
Tariffs and Trade on the date of this Arrangement and the Government of Japan

CONSIDERING that

(1) the Government of Japan ..., )
(2) a condition precedent to ..., )
(3) it is not at present possible ..., )
(4) accordingly it is ..., )
(5) at the Seventh Session ..., )
(6) the Japanese Government ..., )

HAVE through their representatives agreed as follows:

1. pending the conclusion ...; )

2. in view of the provisional nature ...; )

3. Japan shall have the right ...; )

4. the arrangements embodied in ...; )

5. This arrangement shall enter into force when it has been signed by two-
thirds of the contracting parties and by Japan; it shall be effective
between Japan and any contracting party, which has signed it at the time
of its entry into force or thereafter, on the day of signing by Japan or
of that contracting party, whichever is the later.