General Debate on the Japanese Proposal for Accession

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BEFORE 6 p.m. THURSDAY, 24 September.
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 but would not refrain from taking part in the drafting of a resolution. Mr. Werner Hagemann, Germany, pointed out that the Federal Republic's trade relations with Japan rest on treaties which came into force in 1952 providing for most-favoured-nation treatment. Japan's proposal would therefore make no change for his government and he would support it. He stressed the need for opening tariff negotiations with Japan to obtain reciprocal benefits as soon as possible; meanwhile Germany would examine carefully the interim tariff bindings proposed by Japan.
Mr. D. P. Karmarkar, India, pointed out that it would be most un­
fortunate if important trading countries abstained because GATT had 
always functioned on the principle of unanimity. His delegation still 
had hopes that a formula might be found by which to obtain unanimity. 
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 willing­
ness to negotiate. He would, however, agree to the proposed safeguards. 
He said that conditions in Japan were very different today 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 consider­
ed that any country wishing to associate itself with GATT and to cooperate 
with its member states in accordance with its principles should be given 
the opportunity to do so.

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 that Japan should observe all the GATT rules and that the 
proposed safeguards under Article XXIII be adopted. 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 Organ­
ization), the Chilean government was entirely favourable towards Japan's 
application. Japan today 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, but that the proposed safeguards under Article XXIII should be re-examined so as to reach unanimity on the whole problem. Mr. Aziz Ahmad, Pakistan, said his government appreciated the fears of certain countries, and at every previous meeting on this subject the Pakistan delegation had done their utmost to help resolve these difficulties. The position today was that there could be no new tariff negotiations for eighteen months or more; this was not the fault of Japan. His government would maintain its support for Japan's application, and he sincerely hoped that a way could be found in the working party to meet the difficulties of certain countries.

Mr. P. Papatzonis, Greece, said that the Japanese delegate had given convincing arguments as to why Japan should be allowed provisional accession, and his government would support the Japanese application. Mr. M. F. 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:

The terms of reference are: