Remarks made by Mr. Hagiwara at the first meeting of the
Tariff Negotiations Committee on 21 February 1955

1. With regard to the date referred to in paragraph 5 of the Annex to
document L/225, we have no objection in selecting 1 August 1953, or any other
date thereafter, for the determination of the rates of duty which will be the
basis for the negotiations. I wish to call your attention to the fact that we
have bound more than 90 per cent of our total tariff items in the Declaration
of 24 October 1953 regulating trade relations between certain contracting parties
and Japan and that since then we have not raised any duties which were not
bound at that time either. In other words, we have not taken any measure which
may improve the bargaining position in the negotiations we are going to
undertake.

2. We have now some twenty tariff items temporarily exempted from duties for
various reasons, such as, for example, rice, wheat, heavy oil, etc. I wish to
make it clear that the negotiations on these items should not be based on these
exemptions, but on their respective rates of duty set forth in the Customs
Tariff Law.

3. As I have said, more than 90 per cent of our tariff items are currently
bound by virtue of the Declaration of 24 October 1953. I wish to recall that
it was then clearly understood that at the time of the tariff negotiations the
Japanese Government will be in the same position as an acceding government.
I quote the relevant passages from the Notes on the Declaration (page 31,
Second Supplement, Basic Instruments and Selected Documents):

"It was agreed that the Government of Japan when entering into tariff
negotiations would be in the same position as an acceding government.
Whereas the obligations of the contracting parties provided for in
their schedules annexed to the Agreement would remain valid, subject
to action under Article XXVIII, the bindings granted by Japan in the
schedule annexed to the Declaration would cease to be valid upon the
accession of Japan following tariff negotiations, and thereafter the
only tariff obligations of Japan would be those which result from the
negotiations".

I should like to confirm that there will be no misunderstanding among the
participants in the negotiations on this matter.
4. Subsequent to the negotiations, the Japanese Government may impose duties higher than the current duties against imports from those countries which do not grant us the most-favoured-nation treatment, either by amending the basic rates set forth in the Customs Tariff Law or by the application of the double tariffs system under which those countries which do not grant us the most-favoured-nation treatment are subject to rates higher than the basic rates. The margins of tariff concessions which will accrue from the coming tariff negotiations, therefore, could be larger than they would be in relation to the current rates of duties. I wish that the representatives of these governments will bear this possibility in mind.