

supplier. He wondered whether it might not be worth while to negotiate at this stage on even these few miscellaneous commodities. Any concessions emerging from such limited negotiations might represent little more than a gesture, but even a mere gesture was important to Japan.

4. We told Mr. Inagaki that our reply to the proposal for bilateral negotiations in advance of Japanese accession to GATT was still being studied interdepartmentally but that we expected it would be more or less along the lines of what had been said to him during his previous visit.

5. With regard to his request that our reply should be framed in a positive manner accompanied by any necessary provisos, we said that we would consider this request but there might be some difficulty in meeting it precisely in the way in which he had suggested.

6. Regarding the possible utility of limited bilateral negotiations on the few commodities of which each country was the other's principal supplier, we were skeptical but we undertook to look into the question further.

7. Finally, Mr. Inagaki said that, although he was now again visiting this Department concerning the proposal for tariff negotiations, nevertheless the most-favoured-nation trade agreement was considered by his Government to be of much higher priority and, therefore, he did not wish us to obtain the impression that the attention of the Japanese Government now was focused on tariff negotiations. We said that we appreciated that this was the Japanese attitude and we hoped our reply to the Japanese draft Agreement would be transmitted to his Embassy during the first two or three weeks in January.

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