

requesting that we give favourable consideration to commencing bilateral tariff negotiations prior to Japanese accession to GATT. He explained that such negotiations would be quite separate in scope and purpose from the discussions now taking place for reciprocal most-favoured-nation treatment and that if we should so desire the results of any such bilateral tariff negotiations could be held in abeyance until Japan was admitted into the GATT. (In the proposed negotiations, the procedures and methods adopted for the Torquay negotiations would apply.)

2. Inagaki declared that his Government was making this proposal to us and to other GATT countries for three reasons: First, if a favourable reaction could be obtained from the countries thus approached, this fact might tend to create a favourable climate at the Intersessional Committee meeting next February; secondly, if successful tariff negotiations could be completed, these, in their turn, might facilitate the entry of Japan into GATT; third, the Japanese Government was having great difficulty in satisfying the Diet with its explanations of why the Japanese application to negotiate with a view to accession to GATT was making slow progress. Accordingly his Government would like to have some tangible evidence that Japan was regaining her place in the commercial world.

3. In discussion Inagaki further elucidated that his Government, being aware of the problems of negotiating bilateral tariff agreements with GATT countries, was considering negotiating with several countries simultaneously and in one place. He mentioned two possible groups: on the one hand, Ceylon, India, Pakistan, Burma and Indonesia (or Indo-China) and on the other hand, Sweden, Germany and Italy. We asked Inagaki whether a similar approach was being made to the United States but he appeared to be uncertain.

4. We explained to Inagaki that, as we had already explained to Hagiwara at Geneva, our first reaction to such a proposal was that we were very doubtful whether any useful results could be obtained in bilateral tariff negotiations between Canada and Japan, because for many of the tariff items in which Japan would have an interest the United States or some other country was probably our principal supplier. It would therefore be difficult for us to negotiate any concessions beneficial to Japan unless we were negotiating with such other countries at the same time. We did not wish to appear unhelpful but we doubted whether bilateral negotiations now would prove to be of any great use or would save any time.

5. It was also suggested to Inagaki that to await multilateral negotiations might not necessarily mean that Japanese tariff negotiations would be postponed for very long. There is no provision at present for the GATT schedules to extend beyond the end of 1953⁹ and consideration would have to be given before many months — the point would likely come up at the Intersessional Committee meeting in early February — to the arrangements

⁹Note marginale :/Marginal note:

GATT schedules are only "bound firmly" until end 53.