

agreement. It would appear that the present draft includes not only extracts from our agreements with Venezuela, Mexico and Argentina, but also from the General Agreement on Tariffs and Trade and a model draft agreement drawn up in 1929 by the Economic Committee of the League of Nations.

3. Mr. Inagaki agreed that it was premature, at this stage, to enter into a substantive discussion of the Japanese draft. He was fully aware of the need on our part for careful consideration of the proposals his Government had presented. At the same time, he suggested that his Government was most anxious to proceed with the conclusion of commercial agreements on a most-favoured-nation basis and added, in confidence, that the Japanese attached particular importance to the negotiations with Canada and those which they expected to initiate with France. It was for this reason that the Japanese authorities had taken so long in drawing up a draft agreement to govern Japanese-Canadian commercial relations; this draft, if generally acceptable, was intended to serve as a model for agreements with countries in a position similar to that of Canada.

4. We undertook to expedite our preliminary consideration of the Japanese proposals as much as possible. In the meantime Mr. Inagaki will be submitting to us in writing certain questions of interpretation which his authorities in Tokyo had raised and which we agreed to answer without delay. It is our understanding that Mr. Inagaki will himself be in charge of the conduct of the negotiations on the Japanese side.

5. We shall endeavour to keep you as fully informed as possible of any significant developments as our discussions with the Japanese move forward. You will already have received a copy of my letter to Mr. Pickersgill setting out the general line which our own negotiating team would expect to follow. This line of policy is likely to be submitted to Ministers for approval some time during the coming week.

A.E. RITCHIE
for Under-Secretary of State
for External Affairs

1029.

PCO

Extrait des conclusions du Cabinet
Extract from Cabinet Conclusions

TOP SECRET

[Ottawa,] November 19, 1952

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TRADE NEGOTIATIONS WITH JAPAN;
LINE TO BE FOLLOWED BY CANADIAN NEGOTIATORS

24. *The Minister of Trade and Commerce*, referring to discussion at the meeting of June 26th, said the Interdepartmental Committee on External Trade Policy now recommended that, rather than attempt to secure a list of products on which Canada would have the right to fix values for duty in the