

RESTRICTED

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Special Distribution

The Uruguay Round  
Surveillance Body

ROLLBACK

Note by the Secretariat

The secretariat has been asked to bring the attached communication to the attention of your delegation, as required by the first sentence in paragraph 4 of the agreed procedures for the surveillance mechanism (MTN.TNC/2).

Communication from the United States

The United States wishes to undertake rollback consultations with the Government of Japan concerning the numerous quantitative import restrictions which Japan applies through its import licensing system -- in particular on agricultural items. The United States believes these quantitative restrictions are inconsistent with the obligations assumed by the Government of Japan under the General Agreement.

The Government of Japan influences the demand, supply and price of various products through the use of import quotas. Under the Import Trade Control Order of 1949, the Ministry of International Trade and Industry designates which items will require import quota, determines the allocation of quotas, in consultation with the appropriate Ministry of jurisdiction, and issues import licenses.

The United States believes many of these quotas are inconsistent with the GATT. Although Japan's Import Trade Order predates the accession of Japan to the GATT, Japan stated to the Contracting Parties in January of 1955 that there existed no mandatory legislation which required Japan to take action inconsistent with the provisions of Part II of the GATT and the obligations therein. (GATT document L/309:19).

As a result of these quantitative restrictions, the Government of Japan virtually prohibits or ultimately restricts trade in several commodities and over 100 products. The United States is particularly concerned with the effects of these measures on agricultural items.

I would appreciate your bringing this matter to the attention of all participants in the Uruguay Round of Multilateral Trade Negotiations.