

No. 20826

**UNITED STATES OF AMERICA
and
JAPAN**

Exchange of letters constituting a trade agreement concerning agriculture and wood products, reached on the Tokyo Round of the Multilateral Trade Negotiations (with annex). Geneva, 11 July 1979

Authentic text: English.

Registered by the United States of America on 1 March 1982.

**ÉTATS-UNIS D'AMÉRIQUE
et
JAPON**

Échange de lettres constituant un accord commercial concernant les produits agricoles et sylvicoles convenu lors des négociations commerciales multilatérales dites de Tokyo (avec annexe). Genève, 11 juillet 1979

Texte authentique : anglais.

Enregistré par les États-Unis d'Amérique le 1^{er} mars 1982.

EXCHANGE OF LETTERS CONSTITUTING A TRADE AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND JAPAN CONCERNING AGRICULTURAL AND WOOD PRODUCTS, REACHED ON THE TOKYO ROUND OF THE MULTILATERAL TRADE NEGOTIATIONS

I

DÉLÉGATION PERMANENTE DU JAPON
AUPRÈS DES ORGANISATIONS INTERNATIONALES
GENÈVE (SUISSE)²

Geneva, July 11, 1979

Sir,

I have the honour to refer to the discussions held within the framework of the Tokyo Round of Negotiations under the auspices of the Contracting Parties to the General Agreement on Tariffs and Trade³ and to confirm, on behalf of the Government of Japan, the offers made by the Delegation of Japan, as indicated in the annex hereto, which will be implemented in accordance with the relevant laws and regulations in Japan, provided that the Geneva (1979) Protocol⁴ will have come into force between the two Parties.

Accept, Sir, the assurances of my high consideration.

[Signed]

HIDETOSHI UKAWA
Minister
Permanent Delegation of Japan

Annex:

As stated

Mr. William E. Culbert
Acting Head of Delegation
United States Delegation to the MTN
Geneva

¹ Came into force on 25 April 1980, the date on which the Geneva (1979) Protocol* to the General Agreement on Tariffs and Trade** came into force between the two Parties, in accordance with the provisions of the said letters.

* United Nations, *Treaty Series*, vols. 1187 to 1193, No. A-814XC.

** *Ibid.*, vol. 55, p. 187.

² Permanent Delegation of Japan to the International Organizations, Geneva, Switzerland.

³ United Nations, *Treaty Series*, vol. 55, p. 187.

⁴ *Ibid.*, vols. 1187 to 1193, No. A-814XC.

ANNEX

1. *Citrus, orange juice and grapefruit juice*

(1) Citrus

(a) With the objective of providing an open market situation in the off-season, and expanding trade opportunities for citrus, the Government of Japan will increase its import quotas on fresh oranges according to the following schedule:

	<i>Metric Tons</i>		
	<i>Off-season</i>	<i>Annual</i>	<i>Total</i>
JFY 1980	35,000	33,000	68,000
JFY 1981	38,500	34,000	72,500
JFY 1982	42,000	35,000	77,000
JFY 1983	45,500	36,500	82,000

(b) The Government of Japan will be prepared to consult with the Government of the U.S.A. at a mutually convenient time near the last half of JFY 1982 on ways to achieve this objective to their mutual best interest, including a review of the duration of the off-season period.

(c) Further such consultations will be scheduled during the course of the Tokyo Round implementation period on a biennial basis.

(d) The increased portions of import quota over the JFY 1978 levels will be excluded from the present import quota system and will be administered under a new system that will provide import opportunities on a fair and equitable basis for participation of new traders in a manner that will assure full utilization of available licenses.

(2) Orange juice

Japan's import quotas for orange juice will be as follows:

	<i>Annual (metric tons)</i>
JFY 1980	5,000
JFY 1981	5,500
JFY 1982	6,000
JFY 1983	6,500

Orange juice means 5 to 1 concentrate or equivalent.

(3) Grapefruit juice

(a) With objective of providing an open market situation for grapefruit juice, the Government of Japan will increase its import quotas on grapefruit juice according to the following schedule:

	<i>Annual (metric tons)</i>
JFY 1980	3,000
JFY 1981	4,000
JFY 1982	5,000
JFY 1983	6,000

(b) The Government of Japan will be prepared to consult with the Government of the U.S.A. at a mutually convenient time near the last half of JFY 1982 on ways to achieve this objective to their mutual best interest.

(c) Further such consultations will be scheduled during the course of the Tokyo Round implementation period on a biennial basis.

(d) For these purposes, "grapefruit juice" is construed to refer to 5 to 1 concentrate or equivalent.

2. *Beef*

(1) The two Governments will exert mutual efforts to exploit the demand for high-quality beef with a view to realizing by JFY 1983, within the hotel and general quotas, an increase in import by 14,000 tons on a global basis in accordance with the following schedule:

JFY 1980	4,000	
JFY 1981	}	10,000 (to be distributed approximately equally each year)
JFY 1982			
JFY 1983			
Total increase		14,000	

The Japanese Government will endeavor, on its part, for the realization of the said increase in import, to facilitate the import of high-quality beef, based on the definition of high-quality beef and import facilitation measures as agreed on in April 1978.

(2) In case a demand is created, over the levels mentioned above through the efforts of export dealers for the exploitation and expansion of demand for high-quality beef, the import of high-quality beef over the said levels shall not be hindered.

(3) The two Governments will evaluate near the end of JFY 1982 the patterns of importation and demand for high-quality beef as defined above. Based on this evaluation and the prospects for the future demand-supply relationship for beef, the Japanese Government will consult with the United States Government on ways to further expand the importation of high-quality beef in 1984 and thereafter to the mutual benefit of both countries. Further such consultations will be scheduled during the course of Tokyo Round implementation period on a biennial basis.

3. *Sawn wood*

The Japanese standards regarding "knot" and "wane" were revised in June 1978 and these revised standards will be maintained hereafter by the Japanese Government. As regards "decay", the Japanese Government is prepared to continue further technical study at the expert level.

4. *Plywood*

In-depth discussions will be initiated expeditiously and actively pursued for the purpose of developing mutually acceptable performance standards for structural plywood by 1980.

NOTES: As a basis of the above understanding, the following explanations were given by the Japanese side during the course of the discussions:

(a) The Japanese side considers that technical examination on the problems within the competence of the Ministry of Agriculture, Forestry and Fisheries could be completed with certain exceptions (such as white speck problem) by 1980 with the positive cooperation of the U.S. side.

(b) The Japanese side is ready to amend expeditiously the relevant provisions of Japan Agricultural Standard (JAS), if this proved to be necessary as a result of the above-mentioned examination.

(c) In cases where, in addition to the amendments of the provisions of JAS, amendments of the relevant regulations under the Building Standard Law are required, it will take a certain period of time to complete the necessary procedures.

5. *Meat of pig*

(1) The Government of Japan will make its best efforts to obtain approval of the Diet of a bill, which will ensure that the fixed part of duty on meat of pigs (Statistical Code No. 0201-210, 291, 293) will be reduced from 10% to 5%, following, in principle, general staging rules applicable to the MTN concessions.

(2) In the event that a situation makes it impossible to implement or maintain the above reduction of customs duty on meat of pigs, the Government of Japan will notify the U.S. Gov-

ernment of such developments in advance where possible and be prepared to enter into consultations with a view to reaching a mutually acceptable solution, which may include the possibility of appropriate adjustments of the MTN concessions.

6. *Beef (customs duty)*

(1) The Government of Japan has no intention to initiate any increase in the customs duty on beef (Statistical Code No. 0201-111, 119, 121, 129, 139) (the rate of 25% is applied presently) under the present price stabilization system of beef.

(2) In the event that a situation makes it impossible to maintain the customs duty on beef at the above-mentioned level, the Government of Japan will notify the U.S. Government of such developments in advance where possible and be prepared to enter into consultations with a view to reaching a mutually acceptable solution, which may include the possibility of appropriate adjustments of the MTN concessions.

II

UNITED STATES DELEGATION TO THE MULTILATERAL TRADE NEGOTIATIONS
GENEVA, SWITZERLAND

Geneva, July 11, 1979

Sir,

I have the honor to acknowledge the receipt of your note of today's date which reads as follows:

[*See letter I*]

Accept, Sir, the assurances of my high consideration.

[*Signed*]

WILLIAM E. CULBERT
Acting Head of Delegation
United States Delegation to the MTN

[*Annex as under letter I*]

Mr. Hidetoshi Ukawa
Minister
Permanent Delegation of Japan
Geneva
