TABLE 27

JAPAN

Product	Type of Restriction	Estimated Impact on U.S. Trade	Trade Agreement Status	Remarks
Valuation and Taxes				
Whiskey	Internal tax of 150% on high-priced whiskies and brandies and tax.	Significant, not possible to estimate the increase. 1966 imports $56,000.	Legal and negotiable	This is a discriminatory tax in effect against imports though local production would be subject to the same rates if the value exceeded ceilings established. Competing Japanese whiskies are subject to lower rates of taxation due to lower prices.
Automobiles	Commodity (sales) tax of 15, 30 or 40%.	Significant 1966 approximately $4 million. Degree of impact difficult to estimate.	Legal and negotiable	Taxes levied according to cylinder capacity, wheel base, and width thereby subjecting most U.S. cars to highest rate. More equitable tax rate would improve level of exports.
Other Restrictions				
Cigarettes	State Trading	1966 imports from U.S. $2.2 million. Impossible to determine impact.	1/	Restrictions believed to be applied under legislation antedating the GATT.
Ethyl alcohol	State Trading	Not significant	1/	Restrictions believed to be applied under legislation antedating the GATT.
Salt	State Trading	Not significant	1/	Restriction believed to be applied under legislation antedating the GATT.

1/ State Trading is permitted under Article XVII of the GATT, but with some qualifications. In the case of cigarettes and ethyl alcohol, there is evidence that these qualifications are not being met. The case of salt is also suspect.