

RESTRICTED

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GENERAL AGREEMENT ON
TARIFFS AND TRADE

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JAPAN - RESTRAINTS ON IMPORTS OF LEATHER

Recourse to Article XXIII:2 by the United States

The following communication, dated 19 July 1978, has been received from the United States mission with the request that it be circulated to the contracting parties.

Since the late 1940s, Japan has maintained quantitative restrictions on certain leather. These restrictions were justified until the early 1960s as a balance-of-payments measure. However, since that time there has been no justification for them under the General Agreement. The effect of the restrictions has been to virtually exclude United States exports of leather to Japan and adversely affect the United States tanning industry.

The quantitative restrictions and administrative obstacles to trade accompanying them have been the subject of discussions between the Government of the United States and the Government of Japan held over a period of several years. Since late 1977 these discussions have intensified, with the most recent meeting held in May of this year in response to a United States request for consultations pursuant to GATT Article XXIII:1. Unfortunately, there was no satisfactory solution found with respect to this problem.

The United States considers that the Japanese restrictions are unjustifiable and inconsistent with Japan's obligations under the General Agreement and that they constitute a nullification or impairment of United States rights under the General Agreement. Since consultations between the United States and Japan have yielded no result, the United States requests the CONTRACTING PARTIES to institute the procedures of Article XXIII:2.

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