

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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JAPANESE MEASURES ON IMPORTS OF LEATHER

United States Request for Article XXIII:1 Consultations

In a communication dated 16 December 1982, the delegation of the United States has requested that the following letter, dated 9 November 1982, from the United States representative to the representative of Japan in Geneva, be circulated for the information of contracting parties.

On instructions from my authorities, I wish to convey to you the request of the United States for consultations with Japan, under Article XXIII:1 of the General Agreement on Tariffs and Trade, concerning restrictions on the importation of certain leather from the United States.

As you know, a previous Article XXIII complaint by the United States concerning this matter was withdrawn in February 1979 following consultations between our two Governments. At that time, both parties reserved their rights under the GATT, and it was understood that Japan's restrictions on leather imports could be subject to further GATT proceedings. The bilateral understanding reached on 23 February 1979 between our two Governments on this matter terminated on 31 March 1982. In substance, there has been no improvement in the original situation that was the subject of our complaint in 1978-79. The United States therefore considers it necessary again to have further recourse to Article XXIII of the General Agreement with regard to this matter.

The United States believes that benefits accruing to the United States under the GATT are being nullified or impaired, within the meaning of GATT Article XXIII:1, by Japanese restrictions on the import of leather. As administered under the Foreign Exchange and Foreign Trade Control Law, we believe the Japanese restrictions are inconsistent with the obligations of Articles XI, XIII and X of the GATT.

We also believe that Japan's restrictions on the imports of leather nullify or impair benefits accruing to the United States under Article II with respect to Japanese concessions on leather categories classified under CCCN Items 41.03 and 41.04 and part of CCCN Item 41.02 in Japan's Schedule XXVII, appended to the General Agreement.

We would ask that the requested consultations be held at the earliest possible mutually convenient date.

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