

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

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JAPAN - QUANTITATIVE RESTRICTIONS ON
IMPORTS OF LEATHER FOOTWEAR

Recourse to Article XXIII:2 by the United States

The following communication, dated 3 July 1985, has been received from the United States with the request that it be circulated to contracting parties and that this matter be placed on the Agenda for the Council meeting on 17-18 July 1985.

The United States has consulted with the Government of Japan under Articles XXII and XXIII:1 with regard to the quantitative restrictions imposed by the Government of Japan on imports of leather footwear. The United States requested the consultations because it believed that the Japanese quantitative restrictions on leather footwear infringe Japan's obligations under the General Agreement and therefore create a prima facie case of nullification or impairment of benefits accruing to the United States. The United States has now decided to refer the matter to the CONTRACTING PARTIES under Article XXIII:2.

During its consultations with Japan the United States learned that the same administrative and legal scheme is used to impose quotas on leather footwear as is used to impose quotas on leather. This point was also noted by Japan in its submission to the panel considering the Japanese restrictions on leather imports (L/5623). In paragraph 17 of that panel report Japan stated that leather and leather footwear were the only items which remained subject to global quotas.

Because the quota scheme for leather footwear is identical to the quantitative restrictions on leather which a GATT panel has previously found to be inconsistent with Article XI, constituting a prima facie case of nullification or impairment of benefits, the United States requests that, pursuant to Article XXIII:2, the CONTRACTING PARTIES apply the conclusions reached in paragraphs 44 and 46 of the leather panel decision (L/5623) to the Japanese leather footwear quota, and recommend that Japan eliminate its quantitative restrictions on imports of leather footwear.