The following communication dated 28 May 1985 has been received from the United States.

The United States requests pursuant to Article XXIII:2 and paragraph 22 of the 1979 Understanding Regarding Notification, Consultation, Dispute Settlement and Surveillance, that the Chairman of the Council schedule consultations to assist the CONTRACTING PARTIES in making suitable efforts with a view to finding an appropriate solution to the matter raised in the Report of the Panel on Japanese Measures on Imports of Leather (L/5623). The Council adopted the Leather report on 16 May 1984. Thus a considerable period of time has passed since the Council adopted the recommendations and findings of the Leather Panel Report; but no action has been taken by the Government of Japan to eliminate the quantitative restrictions found by the Panel to be inconsistent with the General Agreement. The tariff reduction on wet blue leather and other measures taken by the Government of Japan are insufficient to bring it into conformity with the recommendations of the CONTRACTING PARTIES and do not otherwise provide for a mutually satisfactory resolution of this matter. The United States believes that it is now appropriate to refer the matter back to the CONTRACTING PARTIES so that they may facilitate such a resolution. The United States has requested the consultations so that the CONTRACTING PARTIES can determine: (1) how and when the Government of Japan intends to bring itself into conformity with the recommendations of the Leather Panel Report; and (2) what compensatory adjustments by Japan or withdrawals of concessions by the United States would be justified pending actions by the Government of Japan. The United States asks that all interested contracting parties be invited to participate in the consultations.