WORKING PARTY ON ACCESSION OF JAPAN

Proposal for insertion in the report of the Working Party

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the Working Party recommends

(a) that the CONTRACTING PARTIES, by Declaration, place on record an agreed interpretation of paragraph 1 of Article XXIII, viz: that a situation in which goods are exported by a contracting party in such conditions as to produce violent disruption of normal competitive conditions affecting an important industry or branch of industry of another contracting party or of contracting parties would be deemed to be a "situation" which impedes the attainment of objectives of the Agreement in the sense of paragraph 1(c) of Article XXIII, and would justify recourse to the procedures of Article XXIII for the purpose of arriving at a satisfactory adjustment or, alternatively, appropriate relief in accordance with paragraph 2 of that Article;

(b) that the CONTRACTING PARTIES take the steps necessary to amend Article XXIII by adding a third paragraph providing that if a situation such as described in paragraph (a) above should arise in critical circumstances where delay would cause irreparable damage, contracting parties would be at liberty to take emergency measures pending decision and authorization of effective remedial measures by the CONTRACTING PARTIES in accordance with the procedures of paragraph 2 of Article XXIII.

Draft/...
Draft of the proposed paragraph 3 of Article XXIII

If, as a result of a situation of the type described in paragraph 1(c), serious injury is caused to an important industry or branch of industry in the territory of a contracting party by violent disruption of normal competitive conditions, and if no preventive measures consistent with this Agreement and with its objectives can be found which seem likely to prove effective, a contracting party may, in critical circumstances where delay would cause damage which it would be difficult to repair and after referring the matter to the CONTRACTING PARTIES in accordance with paragraph 2 above and when practicable consulting them, apply to such extent as may be necessary such provisional measures as the situation may require pending a decision by the CONTRACTING PARTIES in accordance with this Article on the situation under reference and as to the appropriateness of remedial measures proposed.