The Working Party discussed the following proposal set forth by the Governments of Denmark, Norway and Sweden for adding an interpretative note to Article XXIII:

"It is understood that the recommendation referred to in paragraph 2 should aim at a positive solution of the matter during the removal of measures in question or the provision of compensation for the damage suffered. As a rule retaliatory measures should not be authorized unless such recommendation has failed to lead to a solution within a reasonable period of time."

The representative of the Scandinavian countries, when introducing the proposal, underlined the preferability to maintain a general level of reciprocal, mutual and advantageous concessions, not less favourable to trade than that provided for in the original situation and that therefore retaliatory action only should be resorted to when all other possibilities had been explored.

It was generally agreed during the discussion of the proposal in the Working Party that the practice of the CONTRACTING PARTIES in applying the provisions of Article XXIII up to now had followed the procedures set forth in the proposed interpretative note. The members of the Working Party were further of the opinion that the procedures proposed in the interpretative note were already laid down in Article XXIII itself. They understood the special circumstances referred to in paragraph 2 of that Article to cover only such situations where the suspension of the application to any other contracting party or parties of obligations or concessions of the Agreement were either absolutely necessary to prevent serious economic consequences for the country to which a benefit had been nullified or impaired or considered necessary as an ultimate means to restore the original situation, where endeavours to solve the problem through agreement or substitution of concessions or other positive action had proved not to be possible.