The Chairman has discussed with the delegate of Japan the final disposal of Item 25 at the present Session. The delegate of Japan, whilst agreeing that it is unnecessary for further discussion to take place at the present Session, feels that the matter is of such importance that the results of the discussion should be embodied in a formal resolution of the CONTRACTING PARTIES instead of merely being summarized in the Summary Record. The following Draft Resolution has therefore been drawn up embodying the substance of the summing-up by the Chairman of the discussion at the twelfth meeting (SR.10/12, page 133).

HAVING EXAMINED at the request of the Japanese Government, and pursuant to paragraph 2 of Article XXXV of the General Agreement, the operation of that Article in the case of Japan,

The CONTRACTING PARTIES

RECOGNIZE that any contracting party which satisfies the conditions of paragraph 1 of the Article has the undoubted right to invoke its provisions,

RECOGNIZE HOWEVER that the widespread invocation of the provisions of Article XXXV on the occasion of the accession of Japan created a situation which was of concern not only to other contracting parties which accepted the full obligations of the Agreement towards Japan, but also to the CONTRACTING PARTIES as a whole,

NOTE that it was not practicable at the present Session to find a general solution which would command a sufficiently wide acceptance by contracting parties,

NOTE FURTHER that the problems which had led a number of contracting parties to invoke Article XXXV were of a marginal nature and that therefore the complete exclusion of the application of the General Agreement to the trading relations of these countries with Japan appeared an unnecessarily broad measure to deal with a narrow problem,
DECIDE that at the present time it would not be possible to make any specific recommendations under paragraph 2 of Article XXXV, and

RECOMMEND that the contracting parties concerned should continue the consultations begun at the present Session with the delegation of Japan with a view to seeking a solution to the problem which might enable them at an early date to withdraw the application of Article XXXV,

DECIDE FURTHER that the matter be kept under continuous review and for this purpose,

CHARGE the Intersessional Committee to follow this question closely and to undertake further discussion of it at the request of any contracting party or contracting parties, and

DECIDE finally to review this matter again at the Eleventh Session.