1. The Committee on Subsidies and Countervailing Measures held a special meeting on 19 March 1985 (GATT/AIR/2113) in pursuance of the decision of the CONTRACTING PARTIES of 30 November 1984 (L/5756).

2. The Chairman recalled that the CONTRACTING PARTIES had invited, by this decision (L/5756) inter alia, the Committee on Subsidies and Countervailing Measures to hold a special meeting to examine the adequacy and effectiveness of the Agreement on Interpretation and Application of Articles VI, XVI and XXIII of the GATT and the obstacles to acceptance which contracting parties may have faced. It had been his intention to hold such a meeting in conjunction with the regular session of the Committee on 25-26 April 1985. However, as the invitation made by the CONTRACTING PARTIES had coincided with certain efforts which had been taking place within the Committee for about one year and as the matter of accession to the Code had become urgent to some contracting parties, he had decided to hold this special meeting in two parts. During the first part the Committee should examine, as a matter of urgency, the proposal which had been circulated in SCM/W/86/Rev.2 (Draft Procedures concerning commitments under Article 14:5) and give an opportunity to all members of the Committee and to observers to speak on the matter of obstacles to accession and make any other concrete proposals they might have. If the Committee could resolve this issue at this session then during the second part of this meeting, which should be held in conjunction with the regular session in April, the Committee should discuss the question of adequacy and effectiveness of the Agreement.

3. The Chairman also noted that as the outlined procedure was agreeable to all, he would make some general comments on the question of "obstacles to acceptance". First, from the legal point of view there were no obstacles, as such, to acceptance of the Code by any contracting party. The only requirement was a procedural one, i.e. to deposit an appropriate instrument of acceptance with the Director-General of the GATT and following thirty days after, the Code would enter into force for any such contracting party. To say that there were obstacles to acceptance, inherent in the Code, was therefore not correct. The general term of "obstacles" had been used to cover bilateral problems which might arise between certain contracting parties, in particular the fact that one major signatory was extending benefits of the Code only to those developing countries which had made commitments under Article 14:5. In view of this legal situation he wished to stress that what the Committee had to do here had not so much to deal with
legal problems or with general GATT problems but with a practical problem which could hardly be defined in Code terms. This was why a practical solution had been sought. One should therefore look at this solution from a practical point of view and be aware that any attempt to place this solution strictly within the legal framework of the Code may prove unsuccessful. The proposed procedures in SCM/W/86/Rev.2 were voluntary and optional and nobody was obliged to use them and they could not affect, in any way, the existing rights and obligations of Code signatories. In order to make this as clear as possible he would make an explanatory statement. If there were no comments on this statement the Committee would take note of it and this fact would be recorded in the minutes of this meeting. Needless to say that it would provide, if the need arose, a decisive guidance on the interpretation of SCM/W/86/Rev.2. On the other hand, if some signatories felt obliged to make comments on this statement, all comments including his statement would be recorded in the minutes of this meeting.

4. The text of the Chairman's explanatory statement read as follows:

"(i) At the November 1983 meeting of the Committee several observers raised some problems related to the difficulties developing countries had been facing in their efforts to accede to the Code. Following a suggestion by one delegation the Committee had requested the Chairman to hold informal consultations with a view to examining these problems in detail. At the December 1984 meeting the Chairman submitted to the Committee draft procedures concerning commitments under Article 14:5 (SCM/W/86) which, in his view, constituted a good basis for a solution to most of the difficulties in that area. The Committee examined these procedures and agreed that the Chairman should continue informal consultations and submit the final text as soon as possible. The text in SCM/W/86/Rev.2 has been prepared in pursuance to this Committee mandate.

(ii) The proposal in SCM/W/86/Rev.2 does not purport to change the basic nature of commitments under Article 14:5 which provides for voluntary commitments. Furthermore the proposed procedures are optional. It is therefore up to the acceding country to decide whether it wishes to follow them or it prefers to follow a bilateral procedure or to sign the Code without any commitment.

(iii) These procedures are limited to Article 14:5 of the Code and shall apply only to those countries which elect to follow them. These procedures will not affect, in any way, the rights and obligations of existing signatories, including those which have chosen any other procedure, nor can they be used to interpret their rights and obligations. The rights and obligations of signatories under other provisions of the Subsidies Code, including other paragraphs of Article 14, remain unaffected.

(iv) It is understood that the procedures should be initiated at the moment when the developing country which elected to follow these procedures accepts the Code. Such an acceptance should therefore be accompanied by a declaration along the lines of paragraph 2 of SCM/W/86/Rev.2. The secretariat will immediately inform all signatories about the acceptance and the declaration.
(v) There will be no follow-up to this declaration and it will be considered as a general commitment in itself unless a signatory makes a request under paragraph 3, substantiated by positive evidence as provided for in paragraph 4.

(vi) Paragraph 4 constitutes a guidance for the requesting country but it does not impose any automaticity on the decision-making process in the Committee. This paragraph deals with the effects of an export subsidy granted on a specific product exported to a specific market. It should not be construed as establishing guidelines as to the nature, purpose or extent of export subsidy policies of any country.

(vii) The Committee will meet promptly to examine the request and to decide whether it should recommend a commitment. The acceding country will normally not participate in the decision-making process (unless, in the meantime the Code enters into force for it) but it will participate in the discussion in the Committee and will be given ample opportunity to rebut, if necessary, evidence submitted by the requesting country under paragraph 4.

(viii) It is understood that once a commitment has been entered into and the time-periods provided for in paragraphs 6-7 (including footnotes thereto) have elapsed, any dispute as to its implementation or modification (as provided for in paragraph 8) may be a cause for dispute settlement procedure. It will not, however, permit invocation of the non-application clause under Article 19:9 of the Code.

(ix) If the country under these procedures invokes the second part of paragraph 8, the only issue before the Committee will be the appropriate modification of that country's commitment. The Committee should examine the situation referred to by that country but will not, in this context, address any recommendation to the signatory whose export subsidy practices are alleged to adversely affect the trade of the country invoking this provision or to review or examine these practices in the sense of Article 14:8."

5. The representative of the United States expressed concern about the Chairman's preliminary remarks on his statement providing "decisive guidance" to the Committee. While he had no problem with what was said in the Chairman's statement, he found it deficient in that it did not say anything about certain other areas discussed in SCM/W/86/Rev.2. Before he could agree that the Chairman's statement could serve as "decisive guidance" he would like to see in it some reference, for example, to the effect of a Committee's recommendation under these procedures and the consequences for an acceding developing country which did not adhere to the Committee's recommendation. He would also welcome some reference to the implementation of the first part of paragraph 8 of SCM/W/86/Rev.2 (modification of commitments).

6. The representative of Pakistan, referring to the Chairman's statement, indicated that there were several elements in it he found difficult to agree with. While recognizing that the Chairman's proposal reflected an evolutionary process and therefore the present Chairman was not entirely responsible for it, he made it clear that he had to disagree with the proposition of the Chairman's predecessor which suggested that the "draft
procedures concerning commitments under Article 14:5 constituted a good basis for a solution to most of the difficulties in that area. The Committee might have to follow a completely different route to properly address the decision of the CONTRACTING PARTIES pertaining to MTN Agreements. He further noted that the Chairman had stated that Article 14:5 provided for voluntary commitments. This was not clear to him, particularly since commitments had been requested under Article 14:5 on a bilateral basis, which some countries had found difficult to undertake. In his view an integral approach to the Code was needed in the sense that obligations and commitments in the Code were to be respected; anybody wishing to adhere to the Code had to fulfill these commitments.

7. The Chairman told the Committee that all efforts had been made to involve as many observers and signatories as possible in the preparation of the "Draft Procedures". A small drafting group had been formed in which developing countries had played an important rôle. At the informal meeting of 5 March 1985 representatives of several developing countries had expressed some concern regarding the draft procedures and made some suggestions for the improvement of the Chairman's statement. The statement just read out to the Committee had been prepared in order to meet these concerns.

8. The representative of India referred to the Chairman's preliminary remarks regarding the nature of his introductory statement. He noted that it had just been suggested by the Chairman that in case there were no comments on the statement it could serve as "decisive guidance". He further recalled that at the 5 March 1985 informal meeting the Chairman had mentioned that the statement could serve as "an agreed interpretation" of the proposed procedures. The legal status of "decisive guidance" was, however, not clear to him, nor was the distinction between decisive guidance and agreed interpretation.

9. The Chairman recalled that at the 5 March 1985 meeting several delegations had expressed concern about agreeing, in the short time available, to a statement by the Chairman which would constitute an agreed Committee interpretation of the proposed procedures. Therefore, he had abandoned the idea of reaching consensus on the nature of his statement. Furthermore, in view of comments just made, it was clear that the statement by itself would not stand as "decisive guidance" but rather would reflect the views of the Chairman among the views of other participants.

10. According to the representative of Chile, the Chairman's statement adequately dealt with certain issues which should have appeared in the "Draft Procedures". Had there been consensus on these issues in the "Draft Procedures", it would not have been necessary for the Chairman to make such a statement. Moreover, paragraph 3 of the statement just read by the Chairman contained a reference to Article 14:5 which raised some concern. Article 14:5 of the Code talked of "a developing country signatory" and not of "an acceding developing country" while the "Draft Procedures" only referred to "an acceding developing country". However, his delegation was in favour of the "Draft Procedures" and his Government had always encouraged the accession of other developing countries.

11. The representative of Pakistan was against developing a more elaborate or substantive interpretation of just one article of the Code. He wondered
whether a similar approach could be applied to the GATT articles as well; he was sure nobody would agree if he suggested Article XIX of the GATT for a joint interpretation. His delegation could not go along with the notion of "decisive guidance" on certain procedures which countries could follow. Article 14:5 was a sufficient basis for signatories to resolve a problem which had arisen; furthermore, the Code was sufficiently clear on most of the issues and signatories could sort things out on a bilateral basis.

12. The representative of Egypt indicated that he had some difficulty in understanding the difference between the "Draft Procedures" (SCM/W/86/Rev.2) and the Chairman's statement as both of them seemed to provide certain procedures and rules. He also wondered whether the obligations in paragraph (v) of the statement were comparable to those in the "Draft Procedures", i.e. whether the Committee was being confronted with two different kinds of obligations. He further suggested to insert some of the remarks from the statement in the "Draft Procedures" with a view to producing a single document. Finally, he requested some further clarification on the concept "decisive guidance" and its relation to the "Draft Procedures".

13. The Chairman said that the "Draft Procedures" (SCM/W/86/Rev.2) had been designed to be self-contained and did not require any interpretation. However, in view of certain concerns raised, some delegations had suggested to the Chairman that such a statement could clarify matters and dispel the worries of certain signatories. Had the statement found general acceptance it would have served as "decisive guidance". However, given the comments just made by some delegations, his statement represented his own view only. The views expressed by other signatories would also be recorded.

14. The representative of India referred to the draft procedures and the Chairman's statement and said that there was no special reason to draw a distinction between the nature of these two documents. He recalled that his delegation had suggested that the statement might need to be the subject of further time and reflection. Furthermore, delegations should have examined the option of considering that statement as "an agreed interpretation". He expressed strong reservations on the view that the statement by the Chairman could no longer constitute "decisive guidance" or "an agreed interpretation".

15. The representative of Uruguay indicated that his delegation was in favour of facilitating the accession of developing countries to the Code. The "Draft Procedures" constituted a pragmatic solution to a practical problem and were the result of extensive negotiations aiming at a mutually satisfactory solution. As to the Chairman's statement he had to agree with the views of the Indian delegation regarding the importance of defining the status it should be given. He would support the suggestion of incorporating paragraph (iii) of the Chairman's statement in the "Draft Procedures".

16. The representative of the EEC recalled the objective of the exercise in the Committee, i.e. to address a generally perceived problem that accession to the Code was difficult for developing countries because of the position taken by one major signatory in the context of possible commitments. The question now was whether non-signatories still perceived that there was a real problem or whether recent experience had shown that a problem no longer existed because developing countries could sign bilaterally negotiated commitments of a fairly substantive nature. If the latter was the case, there was no need to continue the debate. If, however, there was a feeling
that there was still a problem, the question was whether the "Draft Procedures" made a reasonable attempt to meet that problem. The EEC perception was that this was the case. It should not be interpreted from what he had said that the EEC was trying to force other unwilling signatories or non-signatories to accept this paper. The EEC was not creating problems for accession of developing countries but, on the other hand, was not against some form of commitments. His delegation would however prefer that entering into a commitment be a transparent process. In short, the discussion about different levels of commitments in GATT, the Code, the "Draft Procedures", and the Chairman's statement was unnecessary and complicated. The real fact was that the Committee was confronted with a practical attempt to resolve a practical problem in a transparent and generally acceptable manner. The Chairman's introductory statement constituted a report by the Chairman on the consultations which he had held. SCM/W/86/Rev.2 was a proposal for adoption by the Committee and in presenting this text the Chairman was explaining some of the background in which the paper had been developed. It would be his understanding that if a dispute ever arose as to what SCM/W/86/Rev.2 meant, interested participants would go back to the drafting history of the document and look at the minutes of the meeting to see what had been said. The Chairman was consequently presenting a synthesis of what was behind certain particular portions of this text. He did not think there was a need for the Chairman's statement to cover necessarily every point in SCM/W/86/Rev.2; it was the Chairman's decision as to which were the important parts of the text which needed some clarification. The comments he had heard had not, in any way, reduced the value of the Chairman's statement which was an explanation of the drafting history of SCM/W/86/Rev.2. It was, however, somewhat regrettable that some signatories were actually questioning the whole intent of the exercise and that the comments had not been made at an earlier stage.

17. The representative of Pakistan said that had the EEC representative suggested terminating this exercise, he would have fully endorsed that proposition. In his view the present exercise was being undertaken to accommodate the situation of only one non-signatory. It was his impression that the procedures before the Committee were a legally messy way of going about whatever problem might exist. He considered the concept in paragraph (iii) of the Chairman's statement as the classical legal way of saying the contrary, i.e. that rights and obligations would in fact be affected by these procedures. He wished to make it absolutely clear that if that was the outcome of the consultations, many delegations, and in particular his own, would not be able to go along with this. As to other parts in the Chairman's statement, paragraph (v) raised the question whether a commitment was or was not an obligation; there was the notion that there would not be a follow-up to a declaration containing a commitment, but it was subsequently contradicted by other paragraphs which gave the opposite impression. He was also against the notion in paragraph (vi) that certain parts of the Draft Procedures "should not be construed as establishing guidelines as to the nature, purpose or extent of export subsidy policies of any country". The fact was that the opposite was true. The penultimate paragraph's reference to the modification of a commitment was a legally messy approach to this problem; there were practical ways to solve an impractical problem of any non-signatory. Discretion was a far better approach, particularly if it was just the problem of one non-signatory country. If there were any bilateral problems, these could be addressed in the Committee pursuant to the dispute settlement procedure.
18. The representative of Brazil made it clear that his delegation remained committed to facilitating the accession of developing countries. As to the procedure followed, he found it cumbersome to have to examine the interpretation of an interpretation of a legal text. He, as the EEC representative, was of the view that the "Draft Procedures" went a long way to meet the existing problems. However, these alternative procedures raised certain questions of uncertainty as to the rights and obligations of the existing developing country signatories. He wondered whether old commitments of existing signatories could be re-examined and discussed again every time a developing country wished to join the Code. He agreed with the delegations of Uruguay and Chile in that paragraph (iii) of the Chairman's statement was crucial and that it should be incorporated in the "Draft Procedures". As it was not clear how the rights and obligations of Brazil would be affected, it was quite difficult for his delegation to adopt a final position on the draft procedures before their examination by his authorities was completed.

19. The observer for Colombia recalled that the purpose of the meeting was to discuss the question of obstacles to acceptance of the Code which certain contracting parties may have faced. The position of certain delegations would seem to suggest opposition to the Chairman's initiative and the fact that these delegations seemed to be concerned about their rights and obligations supported his fear that the purpose of the meeting was rather to prevent the accession of developing countries. As to some of the points raised by the EEC, he had to reiterate that Colombia continued to have some problems with the bilateral approach. His country therefore strongly supported the "Draft Procedures" and was of the view that the Chairman's statement was a truthful description of previous consultations. He finally made it clear that the position of existing developing country signatories was safeguarded because the "Draft Procedures" constituted only an alternative and optional avenue. In this context he recalled that three contracting parties had recently joined the Code following existing procedures.

20. The observer for Singapore said that Article 14:5 continued to pose problems to his delegation and the number of delegations attending the meeting was a testimony of the importance of the subject matter before the Committee. Singapore would encourage signatories to support the adoption of the "Draft Procedures" since they represented a viable approach. He further appealed to members of the Committee not to get involved in a procedural legal debate of the Chairman's statement. He finally asked whether, without the "Draft Procedures", there existed an alternative approach to the bilateral route.

21. The representative of Chile reiterated his delegation's support of the efforts of developing countries in acceding to the Code and his agreement with the "Draft Procedures". This position, however, did not prevent him from expressing concern about the impairment of certain existing rights. It was therefore his understanding that the "Draft Procedures" were applicable exclusively to those developing countries wishing to use them when adhering to the Code.

22. The observer for Peru said that his delegation was in favour of facilitating the accession of developing countries. Peru would have preferred to see the Chairman's statement as an integral part of the procedures. He hoped that the misgivings and fears of certain delegations
should not be interpreted as opposition to the procedures but rather as doubts regarding their own rights and obligations. These fears were adequately covered by paragraphs (ii) and (viii) of the Chairman's statement and would certainly be alleviated even more if paragraph (iii) were included in the text of the "Draft Procedures". His delegation interpreted the Chairman's statement as a report on the consultations held.

23. The observer for Israel said that the doubts placed on the exercise by certain delegations had changed into uncertainty and then into fears, thus eroding the importance and relevance of the "Draft Procedures". It was still uncertain if the most concerned delegation which had negotiated the procedures would accept the new approach. On the other hand certain delegations were somewhat confused about the nature and status of the Chairman's statement. For Israel the existence of an alternative route to accession was important, even if his country's interests were to be discussed in a different framework. A pragmatic decision was in order and the new procedures constituted an alternative for acceding countries which they could follow if they so wished. He endorsed the proposal of Uruguay and invited the Committee to pass on to examining the "Draft Procedures" proper.

24. The representative of India said that his delegation had been following with keen interest the progress in the consultations on the proposal which had emerged out of a concern expressed by the Colombian delegation over one signatory's unilateral interpretation and use of Article 14:5 to obtain commitments through the invocation of the non-application clause (Article 19:9). His delegation had consistently been opposed to the former interpretation and use of Article 19:9 and it was in this context that India had proposed in November 1983 that it might be useful for the Committee to examine the matter with a view to providing a multilateral approach within the Committee, which would avoid bilateral pressures. In this vein, his delegation had always been fully sympathetic to the aspirations of developing countries wishing to accede to the Code. Furthermore, the autonomous nature of commitments under Article 14:5 was upheld not only by developing countries themselves to whom these provisions related but was also shared by a number of developed country signatories. The Indian representative further stressed the consistent opposition of his delegation to the linkage of the procedures under Article 14:5 to Article 19:9 of the Code and said that any decision on these procedures should not prejudice that position.

25. More specifically, it was the concern of the Indian delegation that any new procedures under the existing provisions of the Code should not create new obligations above those which already existed under the Code and GATT. While it might be true that the "Draft Procedures" remained optional in nature, there had been a considerable departure in a number of substantive aspects from the original proposal outlined in document SCM/W/86 which had been presented to the Committee in December last year. Those delegations which had participated in the informal consultations were familiar with the background of the specific market-related criteria for determining whether a commitment from an acceding developing country would be appropriate (paragraph 4 of SCM/W/86/Rev.2). For other signatories of the Code, however, it might be difficult to see how these criteria had been evolved since they did not find mention in the provisions of the Code. It should then be clear that certain criteria which did not exist in the Code had now been consciously introduced.
26. Similarly, there had been significant departures from the original proposal by introducing, in paragraph 8 of SCM/W/86/Rev.2, provisions for a review of not only the commitment, but also of any other specific export subsidy practices of another signatory. It was clear that these procedures were only optional and it was up to the acceding country to decide whether it wished to follow them or to accede to the Code in any other manner. However, this exercise was intended to reduce the bilateral pressures on acceding developing countries to make a commitment, irrespective of whether their subsidy practices conformed to their competitive and development needs or not. In the present situation, therefore, all that was said in effect was that acceding countries which might have reservations over these procedures, were still free to subject themselves to bilateral pressure.

27. As to the concerns of delegations such as India which were already signatories to the Code, there was a fear whether the provision of paragraph 8 might not have an adverse impact on the overall working of the Code. Delegations had been assured by the Chairman of the Committee that these procedures would apply only to countries which elected to follow them and would not affect, in any way, the rights and obligations of existing signatories, nor could they be used to interpret their rights and obligations. His delegation was concerned over the two-tier system which would henceforth prevail in determining the rights and obligations of signatories under the Code, if these procedures were adopted. Despite the disclaimer by the Chairman that these procedures did not purport to alter the rights and obligations of other signatories, India was also concerned over the provisions of paragraph 8 which provided for a review by the Committee of the facts involved in a situation where a developing country signatory, which had entered into a commitment, found that compliance with this commitment had resulted in its trade being adversely affected by the export subsidy practices of another signatory. By providing that the Committee should review the facts involved, it was implicitly recognized that the Committee would have to examine and review those export subsidy practices of other signatories on account of which the signatory with a commitment had been adversely affected. Although the procedures stated that this review should be conducted with a view to providing relief through an appropriate modification of the commitment, the Committee should nonetheless be called upon to review the facts of the case.

28. His delegation would also like to reiterate the question raised originally in the informal consultations regarding the necessity, under these procedures, to provide for a hypothetical situation in the future in which a signatory might find itself placed at a disadvantage on account of its commitment. After all, there were already existing provisions in the Subsidies Code which provided that whenever a signatory had reason to believe that any subsidy had been granted or was maintained by another signatory which causes serious prejudice to its interests, such a signatory may request consultations. Therefore, his authorities did not see the need to provide for a specific review of such a situation by the Committee under these procedures, especially when the precise nature of the review by the Committee was not clear. These provisions would thus appear to be at variance with the Chairman's disclaimer that these procedures should not, in any way, affect the rights and obligations of existing signatories. He said that the Indian delegation would be grateful for an elucidation of this aspect of the text.
29. This sense of unease on the part of the Indian delegation had been heightened further because the draft explanatory statement by the Chairman had been revised since the last informal meeting of the Committee to omit the statement in paragraph (ix) that "the Committee will not examine or review the export subsidy practices of another signatory which may affect the trade of the country, invoking this provision". Since there was a possibility that the Chairman's statement, as suggested by the EEC representative, might only serve as part of the drafting history, these misgivings of his delegation remained to be allayed.

30. Finally, the Indian representative drew attention to the proposal previously made by his delegation providing for the addition of a new paragraph 10 to the text of SCM/W/86/Rev.1. His delegation's proposal would have helped to make the draft procedures self-explanatory and self-evident in respect of the rights and obligations of the other signatories to the Code. He endorsed the suggestion made by the delegation of Brazil to incorporate paragraph (iii) of the Chairman's explanatory statement into the text.

31. The representative of Yugoslavia stated that her delegation did not yet have a final view on the two documents before the Committee. However, her impression was that some proposals in the "Draft Procedures" (paragraphs 2-4) were not in conformity with the Code as they created additional obligations, and that the nature of the Chairman's statement raised some doubts. Her delegation was very much interested in improving the accession of developing countries but there was still a long way to go; the "Draft Procedures" certainly would not ease the pressures of one signatory on developing countries wishing to accede. She was more concerned with Article 14:4 than with Article 14:5 as the former deserved more attention and discussion. She recalled that observations made at the last informal meeting had not been accepted and that it might be argued in the future that developing countries themselves were blocking the adoption of the "Draft Procedures". She had to disagree with the latter view as certain developing countries were simply cautioning and alerting prospective signatories.

32. The representative of Egypt said that in the first line of paragraph (iii) of the Chairman's statement it would be preferable to use a stronger expression because the present text was equivalent only to a "declaration of intent" without a binding character. Comparing Article 14:8 and paragraph 8 of the "Draft Procedures" it was evident that the latter was in contradiction to the Code because Article 14:8 explicitly provided that "If a developing country has entered into a commitment pursuant to paragraph 5 of this Article, it shall not be subject to such a review for the period of that commitment". The provisions in paragraph 8 had therefore gone too far.

33. The Chairman in his summation recalled that the purpose of this meeting was to discuss the "Draft Procedures" contained in SCM/W/86/Rev.2 with a view to alleviating perceived obstacles to accession to the Code. Discussions and consultations had been going on for over one year, and as it was well known, the ultimate objective was to provide an alternative avenue for accession to the Code. As to the discussion itself, he noted that at least one developing country signatory had objected in very clear terms to the adoption of the "Draft Procedures". Other developing country signatories had expressed grave concerns as, in their view, the proposals did not adequately meet the perceived difficulties and would create further problems. He also recalled comments on the nature of his statement, as well as reservations and doubts
as to its substance. This had left him doubtful as to the continued utility of his statement and its association with the "Draft Procedures". The Chairman also noted the strong support for the proposal from observers interested in joining the Code and their requests that the Committee accept these proposals. Certain signatories had expressed their support for the proposals and the silence of others could be interpreted as indication that they did not have any special problem with the "Draft Procedures". It was evident that the Committee could not, at this meeting, adopt the "Draft Procedures". Further informal consultations may be necessary and the matter would again be on the agenda of the April meeting.

34. The observer for Colombia reiterated his delegation's interest in participating in future consultations and suggested that the Chairman invite to such consultations those signatories which had expressed difficulties with the proposals or which had not attended the previous consultations.

35. The representative of the EEC wondered whether it was in fact correct, as some speakers had suggested, that the problem of accession in relation to Article 14:5 was only applicable to one or perhaps two countries. In his view the Committee needed to reflect on this and also to examine at the April meeting if there were any other obstacles to accession. The Committee's answer to this question would be useful in replying to the CONTRACTING PARTIES' request.

36. The representative of Japan noted that his country recognized the importance of facilitating accession to the Code. The multilateral procedure was adequate and more transparent and consequently Japan supported the Chairman's proposals.

37. The representative of Switzerland said his delegation was very much interested in the proposals and had a number of questions to raise about the "Draft Procedures". However, since these questions were of a minor character he would prefer to revert to them during future consultations.

38. The representative of Korea stated that his delegation had no difficulty in endorsing the "Draft Procedures".

39. The observer for Israel supported the suggestion made by the observer from Colombia. The proposed procedures would certainly help delegations in their assessment of the obligations they would have to assume.

40. The representative of Turkey noted that his delegation had not felt the need to ask for the floor since there was no consensus in the Committee. However, his silence should not be interpreted as lack of interest in the subject matter. Turkey sympathized with the concerns expressed by certain delegations but in view of the urgings of the observers and the reassurances of the Chairman his delegation would not object to the adoption of the "Draft Procedures".

41. The observer for Peru indicated that although the "Draft Procedures" were not optimal, they constituted an improvement in relation to the present situation and a practical solution. His delegation therefore considered them as a viable approach, and suggested that the Committee adopt the "draft procedures".