At its thirty-fifth meeting on 13 February 1988, Committee III established Working Party No. 5 to examine and make recommendations concerning the texts proposed for the new Article 31A by Sub-Committee J on State Trading (E/CONF.2/C.3/A.3) and by the delegation of Cuba (E/CONF.2/C.3/9/Add.2) in the light of the proposals put forward during the discussion in Committee. The representatives of Belgium, Bolivia, Chile, Cuba, New Zealand, Philippines, United Kingdom and United States were appointed members and the Right Hon. Walter Nash (New Zealand) was nominated Chairman of the Working Party which held one meeting.

After full examination of both proposals and of the points raised in Committee, unanimous agreement was reached, subject only to provisional reservations, pending instructions, by the delegates of Chile and the United States.

In making its recommendation, the Working Party understood that the term "liquidation" would not apply to disposal of a national security stockpile for the purposes for which it was accumulated.

It is accordingly recommended that Article 31A should read as follows:

**Article 31A**

**Liquidation of Non-Commercial Stocks**

1. If a Member holding stocks of any primary commodity accumulated for non-commercial purposes should liquidate such stocks, it shall carry out such liquidation, as far as practicable, in a manner that will avoid serious disturbance to world markets for the commodity concerned.

2. Any such Member shall:
   (a) give not less than four months public notice of its intention to liquidate such stocks; or
   (b) give not less than four months prior notice to the Organization of such intention.

3. The Member concerned shall, at the request of any Member which considers itself substantially interested, consult as to the best means of avoiding substantial injury to the economic interests of producers and consumers of the primary
the primary commodity in question. In cases where the interests of several Members might be substantially affected, the Organization may participate in such consultation, and the Member holding these stocks shall give due consideration to its recommendations.

4. The provisions of paragraphs 1, 2 and 3 shall not apply to routine disposal of supplies necessary for the rotation of stocks to avoid deterioration.