

GENERAL AGREEMENT ON TARIFFS AND TRADE

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Group "Framework"

GROUP "FRAMEWORK"

Note by the Acting-Chairman of the Group

Addendum

The following statement was made by the Canadian delegation at the meeting of Group "Framework" on 15 December 1978 concerning the "Draft Understanding Regarding Notification, Consultation, Dispute Settlement and Surveillance", set out as point 3 in MTN/FR/W/20, and is circulated at the request of that delegation.

If the results of trade liberalization are to be preserved, particularly for the smaller countries, it is essential that the GATT dispute settlement system function effectively.

The draft does contain a number of positive features but there are a number of ways which, in our view, it could be improved. The Canadian authorities will study this text carefully.

My delegation has one comment to make regarding the second paragraph on page 3/6 dealing with the extent to which parties to a dispute should have an opportunity to comment on the panel's work. This text might be interpreted as indicating that panels should submit their conclusions, or an outline thereof, to the parties to the dispute, with a view to, inter alia, obtaining their comments. It is the view of the Canadian delegation that such a requirement, when taken together with a number of other elements, would be inappropriate because it could in practice weaken the dispute settlement system. It is our view that panels should make their conclusions, or an outline of them, available to the parties concerned, a reasonable period of time before they are circulated to the CONTRACTING PARTIES. However, we do not think that the parties to the dispute should have a new right to make comments to the panel on these conclusions; although individual panels might seek such comments if they considered it desirable in the specific circumstances. However, to create this new right might cast doubt on the impartiality of panels and open the door to the negotiation of their conclusions. It could further complicate the already difficult task faced by panel members.