

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

MTN/FR/W/20/Add.2

18 December 1978

Special Distribution

Multilateral Trade Negotiations

Original: French

Group "Framework"

GROUP "FRAMEWORK"

Note by the Acting President of the Group

Addendum

The following statements, made by the European Economic Community at the meeting of Group "Framework" on 15 December 1978 concerning the "Draft understanding regarding notification, consultation, dispute settlement and surveillance" (point 3 of document MTN/FR/W/20), are being circulated at the request of the EEC.

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With regard to the section concerning notification, which provides that contracting parties undertake, to the maximum extent possible, to notify the CONTRACTING PARTIES of their adoption of trade measures affecting the operation of the General Agreement, the EEC remains of the opinion that this proposal is neither practicable nor realistic, because either all the contracting parties will conform to this undertaking and there will be a deluge of notifications whenever changes occur in trade measures, with resulting confusion; or, alternatively and much more probably, each contracting party will interpret the phrase "to the maximum extent possible" in its own way, in which case the provision in question will not be observed. The EEC is prepared to lend itself to the test of events, on the understanding that if this new undertaking is not generally accepted and observed by all the contracting parties, the Community, for its part, will consider this undertaking null and void.

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The submission of the descriptive part and of the conclusions of the panel's report to the parties concerned with a view to obtaining their comments is based on experience. Some panel reports in 1976 led to misunderstandings because this procedure was not followed. Several panel members subsequently admitted as much. On the other hand, there have been several recent cases of panels in which the conclusions were brought to the notice of the parties concerned and thereafter - and this is the correct practice - the panels in question either disregarded or took account of these comments, while sovereignly maintaining their position.

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We believe that it is important for the panels to retain the right to reach their conclusions quite independently. That right must be maintained. The view of the EEC is that this provision of the text should not require a specific process of negotiation between the panel and the parties concerned. This phase of the settlement process is important: the panel should inform the parties concerned of its conclusions, then hear the comments and thereafter rule quite independently. It is wrong to view this text as requiring a specific process of negotiation. In this respect, the EEC is of the opinion that it is important that the panel should comprise, to the greatest extent possible, a sufficient number of independent government experts, for the larger the number, the easier it will be to ensure the representation of a broad range of views and to further the independence of individual members.