

**MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND**

RESTRICTED

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Group of Negotiations on Goods (GATT)

Negotiating Group on GATT Articles

COMMUNICATION FROM NICARAGUA

The following communication, dated 10 November 1987, has been received from the delegation of Nicaragua with the request that it be circulated to members of the Group.

Nicaragua requests that Article XXI of the General Agreement be reviewed by the Negotiating Group on GATT Articles.

This request is based on the Declaration of Punta del Este, which provides that the participants in the negotiations "shall review existing GATT Articles, provisions and disciplines as requested by interested contracting parties, and, as appropriate, undertake negotiations".

Article XXI of the General Agreement constitutes a general exception to the rules and principles of the Agreement, the application of which may have extremely serious consequences for international trade and severely affect benefits accruing to contracting parties under the General Agreement.

This was recognized by the CONTRACTING PARTIES when adopting the decision concerning Article XXI in November 1982. On that occasion, the CONTRACTING PARTIES also recognized the need to make a formal interpretation of the Article. In the view of Nicaragua, the Uruguay Round represents the best opportunity for undertaking a comprehensive assessment of the application of Article XXI and a thorough revision of its provisions.

In light of the foregoing, the fundamental issues which the Negotiating Group on GATT Articles should consider include:

- (a) the competence of GATT in questions relating to security matters and the relationship between GATT and the United Nations in political or national-security affairs;
- (b) the conditions for the application of sub-paragraph (b)(iii);
- (c) the maintenance of all the rights accruing under the General Agreement for parties affected by measures taken under Article XXI.