

**MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND**

RESTRICTED

MTN.GNG/NG13/7

11 May 1988

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Group of Negotiations on Goods (GATT)

Negotiating Group on Dispute Settlement

MEETING OF 27 AND 28 APRIL 1988

Note by the Secretariat

1. The Group held its seventh meeting on 27 and 28 April 1988 under the Chairmanship of Ambassador Julio A. Lacarte-Muró (Uruguay). The Group adopted the agenda set out in GATT/AIR/2583.

Continuation of consideration of submissions by participants of their analyses of the functioning of the GATT dispute settlement process and of their views on the matters to be taken up in the negotiations, together with the "Check-List of Main Issues for Discussion" (Non-Paper) prepared by the secretariat

2. The Group had before it written submissions by Mexico (MTN.GNG/NG13/W/1), New Zealand (MTN.GNG/NG13/W/2), the United States (MTN.GNG/NG13/W/3 and 6), Jamaica (MTN.GNG/NG13/W/5), Japan (MTN.GNG/NG13/W/7, 9 and 21), Switzerland (MTN.GNG/NG13/W/8), the Nordic countries (MTN.GNG/NG13/W/10), Australia (MTN.GNG/NG13/W/11), the European Communities (MTN.GNG/NG13/W/12 and 22), Canada (MTN.GNG/NG13/W/13), Nicaragua (MTN.GNG/NG13/W/15), Argentina (MTN.GNG/NG13/W/17), Hungary (MTN.GNG/NG13/W/18), Korea (MTN.GNG/NG13/W/19), Peru (MTN.GNG/NG13/W/23), Brazil (MTN.GNG/NG13/W/24), Austria (MTN.GNG/NG13/W/25), a joint submission by Argentina, Canada, Hong Kong, Hungary, Mexico, and Uruguay (MTN.GNG/NG13/W/16), the notes on the previous meetings (MTN.GNG/NG13/1-6 and Addenda), three background notes by the secretariat (MTN.GNG/NG13/W/4, MTN.GNG/NG13/14/Rev.1, and MTN.GNG/NG13/W/20) as well as a "non-paper prepared by the secretariat.

3. The Group held informal meetings during which it examined and discussed the "Check-List of Main Issues for Discussion" (non-paper) prepared by the secretariat. The secretariat was requested to make available an unofficial summary of the comments made in these informal discussions without attribution of statements to any delegation.

4. The Group further requested the secretariat to prepare a background note on differential and more favourable treatment of developing countries in the GATT dispute settlement system. The Chairman invited all delegations to communicate to the secretariat their ideas for such a background note.

5. The representative of Mexico informed the Group that his country intended to submit to the Group a comprehensive proposal in the near future. Another delegation said that the deficiencies in, and increased

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disrespect for, substantive GATT rules were also responsible for the impairment of the efficacy of the dispute settlement machinery and that there could not be any procedural substitute for the improvement of these substantive GATT rules. This delegation supported the view expressed also by other contracting parties that the decision-making under Article XXIII:2 should be guided by the practice of consensus. Another delegation said that Article XXV continued to be applicable to the GATT dispute settlement process and that, accordingly, each contracting party could request the CONTRACTING PARTIES to take decisions under Article XXIII by a majority of the votes cast.

Other business, including arrangements for the next meeting of the Negotiating Group

6. The Group agreed to hold its next meeting on 23-24 June 1988 in order to avoid an overlap with the meeting of the Negotiating Group on the Functioning of the GATT System in that same week. The Group further agreed to decide at its next meeting on whether there is a need to have an additional meeting, before the summer recess, in the week beginning on 11 July 1988.