

**MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND**

RESTRICTED

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Negotiating Group on GATT Articles

ARTICLE XXI

PROPOSAL BY NICARAGUA

The following proposal, dated 28 June 1988, has been received from the delegation of Nicaragua with the request that it be circulated to members of the Group.

1. As an interpretative note to the "which it considers" language in Article XXI, paragraph (b):

"Any invocation of this provision must be in good faith, that is, it must be consistent with international law and must come after the invoking party has first tried to protect its interest through bilateral negotiations, and, if such negotiations prove unsuccessful, has tried to protect its interests by appealing to the appropriate body of the United Nations or other appropriate inter-governmental organisation that deals with war or other emergencies in international relations. Any invocation of this provision must also be consistent with any resolution or determination reached by a body of the United Nations or other such inter-governmental organisation."

2. As an interpretative note to define the term "emergency in international relations" as used in Article XXI, paragraph (b) (iii):

"For purposes of this Article, "emergency in international relations" shall be understood to refer only to situations which in the opinion of the CONTRACTING PARTIES threaten international peace and security and which the party invoking the Article has first sought to resolve by appealing to the appropriate body of the United Nations or other appropriate inter-governmental organisation that deals with peace and security issues."

3. Finally, to make certain that some avenue of redress is available for a developing country when a developed country invokes Article XXI, Nicaragua urges that a provision along the following lines be adopted:

"The CONTRACTING PARTIES shall make recommendations, which shall be obligatory, with a view to compensating in full any developing country whose rights or benefits under the General Agreement have been nullified or impaired by the actions taken by another contracting party under Article XXI, provided that in the opinion of the CONTRACTING PARTIES the acts cited by the contracting party invoking Article XXI as the basis for such invocation do not constitute acts taken in time of war or other emergency in international relations or a violation of international law."