ESTABLISHMENT OF A STREAMLINED MECHANISM FOR RECONCILING THE INTERESTS
OF CONTRACTING PARTIES IN THE EVENT OF TRADE-DAMAGING ACTS

Convening by the Council Chairman of Informal Consultations
among Interested Contracting Parties

Draft Decision Submitted by the Delegation of Chile

Recalling the statement made by the delegation of Chile at the meeting
of the Council on 12 April 1989 concerning the establishment of a
streamlined mechanism for reconciling the interests of contracting parties
in the event of trade-damaging acts.

Bearing in mind that there is a need for GATT to take a decision with
respect to how contracting parties may reconcile, on the one hand, the
right of every contracting party to protect the health of its consumers
and, on the other, the legitimate right of exporters to be able to rely on
unrestricted and stable international trade, by endeavouring to avoid
unilateral measures which, being ill-considered and/or hasty, run the risk
of being disproportionate, and furthermore that there is a need for
machinery to ensure that any decisions adopted include provisions securing
a prompt return to the normal state of unhindered trade.

Considering that it is essential to have a permanent and expeditious
system of consultations to enable contracting parties with the requisite
speed to exchange information and prepare the decisions to be made on both
sides in a concerted manner.

Considering, in short, that to ensure that the management of crises
arising in such circumstances aims at balancing the interests of the
affected contracting parties, in particular by seeking to ensure that the
measures adopted are proportional to the threat, and by securing a prompt
return to normal trade conditions,

The Council decides, to invite its Chairman to convene informal
consultations among interested contracting parties to study possible forms
of international co-operation with a view to the establishment of a
mechanism which, while guaranteeing the rights of contracting parties,
minimizes the injury resulting from trade-damaging acts.

To invite the participants in the above-mentioned consultations to
carry out their analysis in such a way as to enable the Chairman to report
to the Council in good time, if possible at its next meeting.