PRESENT STATUS OF THE MINISTERIAL WORK PROGRAMME

1. This note describes developments in the implementation of the Ministerial Work Programme which have taken place since 30 September. The state of work at that date was set out in a "non-paper" dated 4 October, a copy of which is attached for easy reference. The present note refers only to subjects on which there are significant developments to report; on subjects not mentioned, the position remains as described on 4 October.

Paragraph 7(i) of the Ministerial Declaration

2. The latest secretariat review of developments in the trading system, covering the period April-September 1984 has recently been issued as C/W/448. It will be the basic document for the Special Council meeting on 6 November.

Safeguards

3. On 15 October the secretariat circulated on its own responsibility a new draft paper which examines two approaches to the safeguards problem. The first (sometimes referred to as the "building blocks" approach) is directed towards a broader agreement on certain of the elements listed in the Ministerial Declaration. The second is directed towards a broader agreement on a comprehensive understanding, which would take into account the progress made in discussion of the "building blocks". The paper outlines what might be, in the secretariat's view, the content of such an understanding and is based on the thesis that Article XIX should be implemented in a non-discriminatory manner and that so-called "grey area" measures should be progressively phased out.

Agriculture

4. The Committee on Trade in Agriculture was established to carry out a comprehensive examination of measures affecting trade in agriculture and to make recommendations with a view to achieving greater liberalization of trade in agricultural products. Under its mandate the Committee is required to make appropriate recommendations to the Council and the CONTRACTING PARTIES for consideration not later than their 1984 Session. The meeting of the Committee which had been arranged for 30-31 October has been postponed to November.

5. The examination phase of the Committee's work was completed in early 1984. The Committee then proceeded to the consideration of conclusions to be drawn from this exercise, which had involved the examination of the trade measures of 51 participating countries and an examination of the operation of the General Agreement as regards subsidies affecting agriculture, especially export subsidies.
6. Following a meeting of the Committee at senior policy level in April, the secretariat, in consultation with the Chairman, was commissioned to prepare the text of a set of draft recommendations. This text was the subject of initial consideration at a meeting of the Committee in June. In the light of the discussions at that meeting and of subsequent informal discussions, a revised version of the draft recommendations (AG/W/8/Rev.1), which purported to encompass the main concerns expressed, was presented for further consideration, together with an explanatory note by the secretariat on the general approach embodied in the draft recommendations (AG/W/9).

7. At the meeting of the Committee on 26-27 September, divergent views emerged on several aspects of the revised draft recommendations, particularly on the approach proposed for elaboration on export subsidies and other forms of export assistance, and on certain matters relating to the overall balance of the draft text. The amendments proposed by certain delegations were subsequently presented in the form of an alternative revised version of the draft recommendations (Spec(84)53). The main issues on which views have diverged within the Committee may be summarized as follows:

8. On export subsidies and other forms of export assistance, AG/W/8/Rev.1 provides that the approach to be elaborated should be developed within the framework of a general prohibition, subject to carefully defined exceptions, in conjunction with the parallel elaboration of improvements in the existing framework of rules and disciplines.

9. In the view of certain delegations, this formulation is now considered to be unacceptable insofar as it confines the approach to be elaborated to only one track (viz., a general prohibition with exceptions), and one necessarily involving changes in the existing GATT rules. These delegations consider that all options for avoiding the prejudicial effects of export subsidies and other forms of export assistance should remain open, particularly an approach based on improving the operation of the existing rules and disciplines. As a matter of balance between the operative sections of the draft it is also argued that, as no particular approach had been specified on access matters or on technical and other barriers, there was no need to provide anything more than a general orientation for the work on export subsidies. It has also been suggested that certain export subsidy practices would not necessarily be covered by the proposed general prohibition and that accordingly there was an element of imbalance in the proposed text of paragraph 1(b) itself.

10. Other delegations have argued in support of the AG/W/8/Rev.1 text, that while the general prohibition approach is given priority, the text of the draft recommendations as a whole does not exclude the elaboration of other approaches, including the elaboration of improvements in the existing rules and disciplines. These delegations have indicated that if, as prescribed by the Ministerial Declaration, the approach to be elaborated is to
succeed in bringing export competition under greater discipline, it would be necessary to limit the use of export subsidies as well as their prejudicial effects. It has also been urged that the draft recommendations as a whole adequately safeguard individual positions and that many of the objections raised could only be properly addressed in the context of the elaboration process itself.

11. With regard to access (paragraph 1(c) of AG/W/8/Rev.1), there is a divergence of views regarding a number of measures (voluntary restraint agreements, variable levies and charges, unbound tariffs and minimum import price arrangements) for which the draft recommendations propose that appropriate rules and disciplines should be elaborated. Several delegations have proposed that having regard, inter alia, to the nature of some of the measures and to the broader implications involved, the elaboration of "negotiating rules" would be more appropriate. The counter arguments have generally been that an approach should be elaborated which is as comprehensive and as comparable as possible for all categories of measures affecting access to markets.

12. With regard to the overall balance of the draft recommendations, it has been proposed by a number of delegations that the references to "specific characteristics and problems in agriculture" and to "the need for a balance of rights and obligations" should appear in the chapeau rather than in paragraph 3 as is presently the case. These delegations consider that, with greater prominence having been given in the revised text to "liberalization", this proposal is justified. On the other hand, some other delegations consider that if a higher presentational profile is to be given to the specific characteristics of agriculture, it may be necessary to also include a reference to "comparative advantage".

13. At the conclusion of the September meeting, the Chairman indicated that he and the secretariat would undertake consultations with a view to achieving a substantive compromise on these and the other points on which divergent views have emerged.

Quantitative Restrictions and other Non-Tariff Measures

14. The Group met on 15 and 16 October for a second reading of its report to the Council and the CONTRACTING PARTIES. Most of the report is now agreed. There is agreement that further work must be done in this area, but differences of opinion remain on a few important points, in particular on the procedures that should be adopted for securing further progress towards the elimination or liberalization of quantitative restrictions and non-tariff measures. There is also a difference of view on the institutional arrangements needed for carrying out further work. The Group will meet again on 24 October with the objective of adopting the report.
Rules and Activities Relating to Developing Countries

15. (i) Part IV Consultations. Between 9 and 12 October the Committee on Trade and Development held consultations on Part IV with the EEC, the United States, Japan and a group of developing countries members of ALADI (Argentina, Brazil, Chile, Colombia, Peru, Uruguay). It was generally felt that consultations have been useful and helped to focus on specific problems and issues in the light of Part IV. It was agreed that further consultations should be held in 1985. Australia, Canada, New Zealand and Switzerland have declared their willingness to carry out such consultations next year.

16. (v) Trade of Least Developed Countries. The Sub-Committee of Trade of Least Developed Countries held an ad hoc consultation with Tanzania on 18 October. This was generally felt to be a useful opportunity to examine the trade, and the wider economic, problems of Tanzania. A further discussion was also held with Bangladesh as a follow-up to last year's ad hoc consultation with that country. Delegations were also able to report on specific measures taken recently to benefit the trade of least developed countries in general.

Trade in Counterfeit Goods

17. Informal consultations have been held on procedural and substantive questions relating to this subject. Many delegations are of the view that further consideration should be given to the subject in the GATT. There is a difference of view on how this should be done, some delegations advocating the establishment by the Council of a formal body for the purpose of examining the possibility of joint action in the GATT. Some others consider that the Council should agree to continuation of the process of informal consultations.

Textiles and Clothing

18. The Working Party on Textiles and Clothing continued on 3-4 October its examination of the possibilities of bringing about the full application of GATT provisions, involving a movement towards liberalization, in this sector and took note of suggestions for other work. On 23 October the Working Party adopted its report to the Council. The report notes that the Working Party was unable to complete its work in time for consideration at the 1984 Session of CONTRACTING PARTIES. At its meeting of 6-8 November, the Council may wish to consider an extension of the mandate of the Working Party for such further period as would permit it to make a more complete report to the Council and the CONTRACTING PARTIES.

Exchange Rate Fluctuations

19. Informal consultations are continuing in an effort to agree the terms in which the Chairman of the Council will report to the Council meeting of 6 November.
Services

20. Since 30 September a national study has been received from Finland and transmitted to all contracting parties. Additional informal meetings have been held and the Chairman of the Council convened a further meeting on 23 October to assess how to proceed in order to enable the Council to assist the CONTRACTING PARTIES in the implementation of the 1982 ministerial decision concerning services. Differing views were expressed and it was decided that further reflection was needed. The Chairman of the Council will convene another meeting before the next Session of the Council.

Dispute Settlement Procedures

21. Informal consultations have taken place among delegations on the question whether a roster of non-governmental panelists should be created, from which the Director-General would be authorized to appoint panel members in order to prevent delay in the establishment of panels due to disagreement over membership.
PRESENT STATUS OF THE MINISTERIAL WORK PROGRAMME

Introduction

The state of work on the Ministerial Work Programme has been described in two earlier documents: CG.18/W/81 of 9 May 1984 and an informal paper dated 5 July which was submitted to the CG.18 at its meeting of 5-6 July. The present paper brings the earlier reports up to date as of 30 September. A further update will be issued shortly before the CG.18 meeting of 25-26 October.

Paragraph 7(i) of the Ministerial Declaration

Since 1980 the Council has held periodic special meetings to review developments in the trading system. In July 1983 it agreed to extend the scope of these meetings to include monitoring of paragraph 7(i) of the Ministerial Declaration, and to hold such meetings twice a year.

The Trade Policies Division presented to the Special Council meeting of 15 May a document on trade policy developments which was considerably more comprehensive than earlier documentation for Special Council meetings, notably in that it contained more information on trade policy measures known to exist but which had not been notified to the secretariat. There will be a further improvement in the documentation prepared for the Special Council meeting of 6 November.

Monitoring and appraisal of the implementation of the commitments in paragraph 7(i) of the Ministerial Declaration, and of trade policy developments generally, is intended to be a continuing process and it is not subject to a deadline. However, it may be that the Council in its annual report to the CONTRACTING PARTIES will wish to comment on the way in which the monitoring function has been carried out in its special meetings.

Given the importance attached to this subject by Ministers and by delegations, the nature of the debate in the Special Council meetings, notwithstanding the improvement in the quality of the documentation provided, has been disappointing. There has been little substantive discussion of the extent to which the commitments in paragraph 7(i) have been respected.
At the request of delegations, informal consultations have taken place to discuss the work of the special Council meetings, including ways of improving the documentation for them. It has been agreed that, experimentally, further consultations should be held just before the next such meeting on 6 November, in order to permit a preliminary exchange of views on the documentation and to help define the issues on which the Council's debate might most usefully focus.

It is to be hoped that these consultations will pave the way for a more substantive debate which would enable the Council to form an overall view of present trends in trade policy.

Safeguards

The Chairman of the Council, in consultation with the Chairman of the CONTRACTING PARTIES and the Director-General, intends to open a new series of informal consultations in the near future. The secretariat is aware of a number of recent informal consultations between interested delegations, and of some of their results. It appears that what is now needed is the submission of concrete proposals on the principal elements that would have to be covered in a comprehensive agreement on safeguards. The secretariat is preparing a draft as a basis for further consultations.

Agriculture

Having examined the trade measures of fifty-one countries, the principal objective of the Committee on Trade in Agriculture has been to develop the framework and content of recommendations to the Council and the CONTRACTING PARTIES as stipulated in the Ministerial Declaration. The text of draft recommendations was prepared by the secretariat in consultation with the Chairman of the Committee in May and was the subject of preliminary consideration at a meeting of the Committee in June. A revised version of this text, together with an explanatory note on the approach embodied in the draft recommendations, formed the basis of the Committee's further consideration of recommendations at the meeting of the Committee on 26 and 27 September. At this meeting divergent views were expressed on a number of substantive and presentational aspects of the revised recommendations. Delegations have been urged to reflect on the important issues involved and to consult with a view to achieving agreement. The Chairman also intends to undertake consultations in advance of the next meeting which is to be held, at senior policy level, on 30 and 31 October.
While a large measure of agreement has been achieved and maintained on the broad framework of the draft recommendations, the approach or approaches proposed for elaboration in 1985 in respect of export subsidies is the principal point of substance on which efforts to achieve a consensus will need to be focused. In some of the other areas where differences have emerged, the issues involved relate more to questions of balance and presentation.

Quantitative Restrictions and other Non-Tariff Measures

The Group has adopted the programme of work in three phases. In phase I it compiled an information base on both quantitative restrictions and other non-tariff measures. The secretariat has produced an analysis of this information. In phase II the Group has reviewed existing quantitative restrictions and other non-tariff measures, the grounds on which these are maintained and their conformity with the GATT. During this phase it has also examined techniques for the elimination of quantitative restrictions which are not in conformity with the GATT and for the liberalization of other quantitative restrictions and non-tariff measures. It is now examining suggestions from delegations on these points. At each phase of its work adequate attention is being given to problems affecting products of particular export interest to developing countries. Phase III of the Group's work, consideration of the Group's findings and conclusions, is now proceeding on the basis of a draft report prepared by the secretariat. This final report of the Group is due to be adopted at a meeting on 15-16 October 1984.

It is already clear that further work will be required after the presentation of the final report. Further discussion is needed on a number of points in the draft report. Among the main outstanding points are the recommendations relating to the elimination of measures which are not in conformity with the GATT and to institutional arrangements for further work.

Rules and Activities Relating to Developing Countries

1) Part IV Consultations

Consultations were held with the Nordic countries, Austria and Hungary last year, and are scheduled to be held with the European Economic Community, United States, Japan and a group of Latin American developing countries this year. The Committee on Trade and Development may be expected to make a recommendation to the CPs about the continuation of the programme of consultations with individual (and groups of) countries, possibly as a regular periodic cycle.
Consultations with the EEC, United States, Japan and a group of developing countries will be held in October. Experience so far seems to establish the value of this approach in reviewing the implementation of measures under Part IV.

ii) Tropical Products: "Consultations and Appropriate Negotiations"

The first round of consultations between the developing exporting countries and developed importing countries was held in November 1983, and a second round in May this year. The consultations have served the very useful purpose of precise identification of remaining problems and difficulties, and the direction of possible further negotiations in this sector.

The secretariat is not aware of any negotiation taking place between importing and exporting countries with a view to reaching agreement on concessions and contributions in this area.

Though these consultations have permitted an examination in depth of the trade situation in each tropical product sector, results so far are disappointing for the reason that this exercise has still to move to the stage of negotiation. The position has not changed over the past four months.

iii) Para 5: Prospects for Increasing Trade Between Developed and Developing Countries

A secretariat note on the prospects for increasing trade between developed and developing countries, prepared in accordance with an outline approved by the Committee on Trade and Development in November 1983, was distributed on 8 May (Spec(84)21) and was considered by the Committee at its session in June 1984.

The debate so far has remained largely on the plane of principle. What is required is that the Committee's discussions provide an appreciation of the possibilities open to both developed and developing countries to contribute to a process of multilateral trade liberalization.
iv) **Technical Cooperation**

The technical cooperation programme of the secretariat has been strengthened and reoriented to meet effectively the increasing number of requests for assistance from developing countries. Particular effort has been made to respond to the technical assistance needs and requirements of the least-developed countries. A Commercial Policy Training Course for Spanish-speaking countries has been introduced on a regular basis.

Furthermore, in consultation with delegations from developing countries, short briefing sessions are being organized to inform officials — whether new-comers to Geneva or those already established in Geneva — of the current activities of GATT. These sessions would be open to delegations of all contracting parties.

At the suggestion of some delegations, the possibility is being explored of holding regional seminars, particularly for African countries, with the help of financial contributions and support from developed contracting parties.

Any significant expansion of the secretariat’s activities in this area, in line with the growing demand for technical assistance, would entail some reinforcement of its human and financial resources.

v) **Trade of Least Developed Countries**

To supplement the regular and continuing review functions of the Sub-Committee on Trade of the Least Developed Countries, a programme of periodic in-depth consultations between individual least developed countries and their leading trading partners has been initiated. Consultations were held between Bangladesh and its trading partners last year. This year the Committee expects to organize further consultations between certain of the least developed countries and their trading partners. The programme has generated considerable interest among least developed countries.

Consultations with Tanzania and the Central African Republic will be held in October. This exercise seems likely to be positive in terms of the possible contribution of GATT in helping to identify and solve trade problems of the least-developed countries.
Tariffs

i) Tariff Escalation

Work on this question has not been pursued further, as a separate issue, since the Ministerial Meeting. It is however expected to be one of the principal questions to be dealt with in the context of the work on natural resource products that is in hand.

So far no proposals for the examination of tariff escalation as a problem in itself have been submitted by delegations, and its discussion in the February 1983 meeting of the Tariff Committee was purely procedural.

ii) Introduction of the Harmonized System

The Harmonized System was completed and approved by the Customs Cooperation Council in June 1983. Individual contracting parties have already initiated informal consultations and preparations for Article XXVIII negotiations that will be necessary for the purpose of transposition of their tariff schedules to the new system. Negotiations are expected to be carried out in the course of 1985. The parties concerned are aiming at 1 January 1987 for the implementation of the Harmonized System.

Activities on this subject are now clearly behind schedule. Bearing in mind the envisaged entry into force of the Harmonized System on 1 January 1987, it was originally estimated that the time between mid-1984 and end-1985 would be required to carry out the Article XXVIII renegotiations, leaving 1986 for internal procedures (such as ratification of the Harmonized System by national parliaments, new legislation, etc.). So far, only eight delegations have submitted a first instalment of their transposition tables, i.e. the parts relating to agricultural products, and it is now intended to start the bilateral and plurilateral consultations which must precede the negotiations proper in the first half of December. It seems unlikely, therefore, that the original timetable for the entry into force of the Harmonized System can be respected, despite the importance which most countries appear to attach to it. The preparatory work incumbent on the secretariat (preparation of the statistical database and other technical inputs) was completed some time ago.

MTN Agreements and Arrangements

Annual reports of the MTN Committees and Councils for 1983 were considered by the GATT Council and by the CONTRACTING PARTIES at their 1983 Session for the purpose of the review called for in the Ministerial
Decision. The consideration did not lead to any conclusions or recommendations. Consultations on the points raised in the Ministerial Decision are continuing in certain MTN Committees.

In the past two years the MTN Committees and Councils have made special efforts to consult non-member countries with a view to increasing participation in the Codes. Such consultations have revealed, inter alia, the need for better information on MTN Agreements and, in some cases, for assistance in bringing national laws, regulations and practices into conformity with the provisions of the agreements. There remains therefore a need for further examination of the problems inhibiting possibilities of securing wider participation. This might take place in the MTN Committees and Councils or in the context of future work on Non-Tariff Measures.

**Structural Adjustment**

The report of the Working Party on Structural Adjustment and Trade Policy was considered by the Council in November 1983 and February 1984. It was also considered by the Committee on Trade and Development and the Consultative Group of 18. The Council is now to revert to the question in order to adopt the report and to decide on further work in this area in the GATT. Informal consultations between delegations have been continuing in order to prepare for the Council's consideration of the matter.

The Council may be expected to adopt the report of the Working Party and "ask relevant GATT bodies to take into account the insights gained and conclusions reached in the Working Party" as suggested in the report. A further question is whether the Council would establish a body specifically dedicated to the question of structural adjustment and trade policy, and, if so, what should be its terms of reference.

**Counterfeit Goods**

The Director-General of GATT held consultations with the Director-General of WIPO in accordance with his mandate and submitted his report to the Council. The next step is for the Council to examine, in the light of this report, the question of the "appropriateness of joint action in the GATT framework on the trade aspect of commercial counterfeiting." The progress of work to date has been affected by differences of view on legal and institutional questions, procedures for the work and priorities in the Ministerial work programme. The secretariat has prepared a background paper (based upon information supplied by interested delegations and information
available from relevant international organizations) to facilitate the further work. This note, which has been circulated in draft form, has been used as a basis for informal consultations on the substantive issues involved in GATT action on this subject. The Council was informed of these consultations by its Chairman on 20 October and is to revert to the matter at its meeting of 7-8 November with a view to considering what action it should take pursuant to the Ministerial Declaration.

The background note referred to above has been circulated in draft form and it is hoped that this will provoke discussion of the substantive issues involved in GATT action on this subject.

Exports of Domestically Prohibited Goods

Notifications have been made by twenty-three contracting parties. All such notifications report that domestically prohibited goods are not exported. The notifications received will form the basis for the consideration by the CONTRACTING PARTIES, at their 1984 Session, of the need for a study of GATT-related problems in this area and for any appropriate action to deal with them.

The apparent reluctance of contracting parties to engage in substantive work may be due to duplication with work in other institutions, such as the UN, UNEP, etc.

Export Credits for Capital Goods

At their 1983 session, CONTRACTING PARTIES were informed that the OECD Arrangement on Guidelines for Officially Supported Export Credits had recently undergone modifications. These provide for lowering of minimum interest rates and a mechanism for automatic adjustment of the minimum rates every six months, depending on the movement of interest rates in certain key currencies. Relevant parts of the modified Guidelines were circulated to contracting parties in January last.

As requested by Ministers, the Director-General has consulted with the contracting parties concerned. He submitted a report to the 39th Session. There have been no other developments or requests by delegations for further action. It would seem possible to report to the 40th Session that the Ministerial mandate had been fulfilled.
The secretariat study on Textiles and Clothing in the World Economy was distributed on 4 May (Spec(84)24). The Council meeting on 15/16 May set up a working group to consider the secretariat paper and complete the work contemplated in the Ministerial Decision.

The Working Party on Textiles and Clothing met on 11 July and on 17-18 September. At its July meeting, the Working Party agreed to begin the examination envisaged in their terms of reference by looking at the possibilities for bringing about the full application of GATT provisions to this sector. It also asked the Chairman to invite interested participants to suggest modalities for liberalization and the ways they might be examined. In response to the Chairman's invitation, the Working Party had before its September meeting two contributions from delegations, circulated as MDF/W/6 and MDF/W/7. During the same meeting, the Working Party requested the secretariat to prepare: (a) a note which would permit a systematic examination of the possibility for bringing about the full application of GATT provisions to textiles and clothing, and (b) a technical note indicating the information available in the secretariat with respect to tariff and non-tariff measures affecting trade in textiles and clothing. The secretariat has issued these two notes in MDF/W/13 and MDF/W/12 respectively. The Working Party will discuss them at its meeting on 3-4 October. A further meeting of the Working Party is scheduled for 23 October, at which it will consider its report to the Council.

Secretariat background studies on Fish and Fisheries Products, Forestry Products, and on Lead and Zinc have been issued. Studies on other non-ferrous metals are in progress. A decision was taken by the Council to establish one Working Party to deal with all natural resource products to be covered under this work programme.

The Working Party has undertaken examinations of lead, zinc, fish and fisheries products and forestry products. More intensive work on forestry and fisheries products took place in September. There will be an examination of the copper sector in October. Work on other metals (tin, nickel and aluminium) will probably be carried out in 1985. Progress reports on all three areas will be submitted to the November Session of the CONTRACTING PARTIES.
Exchange Rate Fluctuations

The IMF prepared a study on Exchange Rate Volatility and World Trade which was discussed in the GATT Council on 13 March 1984.

Informal consultations with interested delegations were held by the Chairman of the Council on 16 July 1984 concerning this item. A draft report to the Council by the Chairman on his own responsibility has been distributed informally to all delegations invited to that meeting.

Dual Pricing and Rules of Origin

Delegations were invited by the Council, in January 1983, to send to the secretariat any comments or suggestions they may have on these subjects and on the manner in which these studies should be carried out.

No comments or proposals have been received from any delegation.

Services

A number of contracting parties have undertaken national examinations of issues in this area. Six of them (Canada, United States, United Kingdom, Netherlands, Sweden, Japan) and the European Economic Community have completed and made available their national studies which have been transmitted to all contracting parties. Other studies are expected to be made available soon (Finland, Belgium, Switzerland are among the first expected). Two informal meetings were held, in March and July 1984, in the context of the process of information exchange provided for in the Ministerial Decision. Further such meetings are expected to be held in this context before the meeting of the Council in November 1984.

Informal consultations will be necessary before the November 1984 meeting of the CONTRACTING PARTIES on how this item of the Work Programme should be implemented.
The conciliatory process foreseen in paragraph (i) of the Ministerial Decision on Dispute Settlement Procedures (BISD 29S/13-16) has not yet been used in any dispute case.

Paragraph (ii) requires the Director-General to report to the Council on cases where panels have not been established within the time-limits fixed in the 1979 Understanding. These time-limits have not been respected. The Director-General has given regular reports at Council meetings on the progress made in the panels and has made one specific report under paragraph (ii) in the newsprint case.

The secretariat resources for assisting panels, emphasized in paragraph (iv) have been strengthened through the regular participation of the Legal Office staff in panel meetings.

Paragraph (vi) foresees that panels should make interim reports to the Council if full reports cannot be made within the time-limits established in the 1979 Understanding. No panel has made an interim report in spite of considerable delays in panels' proceedings.

According to paragraph (vii), the Council may, after having received a report, allow a contracting party reasonable time to indicate what action it proposes to take to settle the dispute. This has in practice always been the case.

Paragraph (viii) foresees that the Council shall periodically review action taken in pursuance of recommendations made by the Council. In practice this has been done when the contracting party concerned has asked the Council to examine the action taken by the other side.

Paragraph (x) stipulates that "obstruction in the process of dispute settlement shall be avoided". There has been no clear case of obstruction (apart from unreasonable delays in the constitution of panels, cf. comments relating to (ii) above).