The following communication has been received from the delegation of Canada.

The dispute settlement procedures of the General Agreement and the Non-Tariff Measures Agreements developed during the Tokyo Round, provide the basis for preserving the balance of rights and obligations within the GATT system. Indeed, the very integrity and credibility of the GATT as the basic framework governing the conduct of international trade depends on the effective operation of these procedures.

In the Tokyo Round, efforts were made to strengthen the GATT mechanisms for the resolution of disputes. The understanding regarding notification, consultation, dispute settlement and surveillance, set down and elaborated on customary practice in the field of dispute settlement. Increased recourse to these procedures since the Tokyo Round attests positively to the contracting parties' confidence in the GATT Panel system. To be fully effective, however, the system must operate, and be seen to operate, in an impartial and timely manner. Recent experience suggests that further refinement and improvements in the dispute settlement system are necessary if the system is to continue to address the needs of all contracting parties by providing credible reinforcement, interpretation, and clarification of GATT provisions. While there may be scope for procedural changes to overcome certain problems which have become evident, there is a need to consider methods for strengthening the adjudicative aspect of the dispute settlement process so that "due process" results in the resolution of disputes brought before the CONTRACTING PARTIES.