

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

C/137

4 April 1986

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COUNCIL

UNITED STATES - TRADE MEASURES AFFECTING NICARAGUA

Recourse to Article XXIII:2 by Nicaragua

Note by the Chairman

1. At its meeting on 10 October 1985 the Council agreed to establish a Panel to examine, under Article XXIII:2, the complaint by Nicaragua. The Council authorized me, in consultation with the parties concerned, to draw up appropriate terms of reference and to designate the Panel's members (C/M/192).

2. At its meeting on 12 March 1986, the Council took note of the following terms of reference of the Panel.

"To examine, in the light of the relevant GATT provisions, of the understanding reached at the Council on 10 October 1985 that the Panel cannot examine or judge the validity of or motivation for the invocation of Article XXI:(b)(3) by the United States, of the relevant provisions of the Understanding Regarding Notification, Consultation, Dispute Settlement and Surveillance (BISD 26S/211-218), and of the agreed Dispute Settlement Procedures contained in the 1982 Ministerial Declaration (BISD 29S/13-16), the measures taken by the United States on 7 May 1985 and their trade effects in order to establish to what extent benefits accruing to Nicaragua under the General Agreement have been nullified or impaired, and to make such findings as will assist the CONTRACTING PARTIES in further action in this matter."

I indicated at that meeting that consultations on the composition of the Panel were still going on.

3. Agreement has now been reached on the following composition of the Panel:

Chairman: Mr. M. Huslid

Members: Mr. D. Salim  
Mr. H. Villar