

request of either party the panel would hold another meeting with the parties. This review stage would take place quickly and be completed within a very short time from the presentation of the initial report.

As a result of the review the panel might modify all or part of its initial or interim report or it might decide to reject the additional arguments and maintain its initial report. If the panel were to modify its report to take account of a party's concerns, that modified report would be the one circulated to contracting parties (i.e. not the interim or initial report). If, however, the panel were to reject the arguments, then the initial or interim report would stand. In this latter case, in order to ensure that all contracting parties are fully aware of the reasoning that has led the panel to its conclusions, the final panel report that would be circulated to contracting parties would contain the arguments made by the parties in the review stage and the panel's response to those arguments.

The addition of a review stage to the current panel procedures would improve the quality of panel reports since it would ensure that all relevant arguments have been taken into account. It should help to dispel the qualms of those who fear "bad" or erroneous panel reports.

The Mid-Term Review improvements call for the period from the time the composition and terms of reference of the panel have been agreed upon to the time when the final report is provided to the parties not to exceed six months, as a general rule (three months in cases of urgency, including those involving perishable products). The experience of recent panels has been that the period between the setting up of the panel and the circulation of the final report to the parties has taken only four to five months. It could well be possible to add the review stage without lengthening the time required for the panel process.

C) Adoption

Currently, Governments may block adoption of a report which found against them, and then avoid the question of implementation by arguing the unadopted report is not an official GATT decision. It is in the interest of an effective system that a Panel report be responded to quickly. At the same time there are legitimate concerns of domestic constituents, and governments, regarding changes to measures as a result of a GATT ruling. Any Panel decision must be a reasonable interpretation of the rules. It is important, therefore, to ensure that a system exists which can safeguard against flawed Panel reports, while providing assurances that the disruption of benefits can be removed.