

earlier, few Asian governments invoked the panel process provided for under the GATT. Proponents of an APEC DMS argued that an emphasis on mediation rather than litigation would be culturally and politically preferable as a means to resolve trade disputes within the APEC region.

In November, 1994, APEC heads of government, meeting in Indonesia, agreed to examine the possibility of a DMS. APEC leaders made clear that any DMS would supplement, and not compete with, the WTO dispute settlement mechanism, which they affirmed would remain the primary channel for resolving disputes.

In June 1995, Canada hosted a meeting of experts here in Vancouver to consider whether a DMS might serve a useful purpose within APEC, and if so, to what extent. Under Canadian chairmanship, the Experts' Group examined a wide range of issues related to dispute mediation within APEC, including:

- disputes between APEC governments;
- disputes between private entities and APEC governments;
- disputes between private entities; and
- the reduction of trade disputes through increased transparency in the publication, notification and administration of laws affecting trade and investment in the region.

This meeting brought together experts on dispute mediation and arbitration from around the Asia-Pacific region. The Experts' Group made an initial examination of how a DMS could supplement the WTO, and asked APEC governments to provide considerably more information on domestic laws on arbitration, mediation and conciliation. Once this information has been received, the Experts' Group will reconvene to examine the material and, ultimately, to prepare recommendations for consideration by APEC leaders. Although the next meeting will likely be held in Thailand, Canada will continue to lead the process by serving as co-chair of the Experts' Group.

I want to stress that the work of the Experts' Group is rooted strongly in the practical, real needs of businesses. The Group is searching for ways to promote the resolution of disputes within APEC through mediation, arbitration and other types of alternative dispute resolution. Canadian and U.S. businesses are only too familiar with the great limitations of having to resolve commercial disputes through the expensive and cumbersome court systems in their own countries, let alone five thousand miles from home. Canada is thus contributing in a tangible way to a process intended to promote the resolution of disputes in the