

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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COUNCIL  
5-6 June 1985

## STATUS OF WORK IN PANELS

### Statement by the Director-General

In my report on the status of work in panels, I will also include some remarks on the implementation of panel recommendations, as suggested at the meeting of the Council on 12 March 1985.

I will first deal with the status of work in panels established by the Council:

1. European Economic Community - Subsidies on production of canned peaches, canned pears and raisins

Chairman: Mr. MacNeil  
Members: Mr. Henrikson, Mr. Hyun  
Secretary: Mr. Pugh

The Panel was established by the Council on 31 March 1982 at the request of the United States. The Council was informed of the Panel's composition and terms of reference on 30 June 1982.

After a series of meetings, the Panel sent a draft report to the parties in December 1983. On 27 February 1984, the Panel met with the parties to discuss a communication submitted by the EEC containing some new legal arguments and additional factual evidence. A revised draft report was sent to the parties on 27 April. A further revised draft report was submitted to the parties in mid-July and the Chairman indicated that it was his intention to circulate the report to the contracting parties on 19 September 1984. The two parties requested the Panel to delay circulation of its report until completion of their bilateral consultations on a possible settlement of this matter.

No settlement having been reached, the report was submitted to the Council in document L/5778, dated 20 February 1985. The report was considered by the Council at its meetings in March, April and May 1985 and will be considered again at the regular Council meeting that will follow the present special meeting.

2. European Economic Community - Imports of citrus fruit and products

Chairman: Mr. Wurth  
Members: Mr. Eberhard, Mr. Goodman, Mr. Kuosmanen, Mr. Puri  
Secretary: Mrs. Plank

The Panel was established by the Council on 2 November 1982 at the request of the United States. The Council was informed of the Panel's terms of reference on 26 May 1983 and of its composition on 12 July.

The Panel held a large number of meetings. The parties and other interested delegations were present at some of them.

The report was transmitted to the Council in document L/5776, dated 7 February 1985. It was considered by the Council at its meetings in March and April 1985 and will be considered again at the forthcoming regular meeting of the Council.

3. New Zealand - Imports of electrical transformers from Finland

Chairman: Mr. van Tuinen  
Members: Mr. Kaczurba; Mr. Stoler  
Secretary: Mr. Woznowski

The Panel was established by the Council on 2 October 1984 at the request of Finland. The composition and terms of reference of the Panel were announced at the Council's meeting on 7 November. The Panel held a series of meetings beginning on 17 December 1984. Its draft report was given to the parties to the dispute on 13 May 1985 and they were informed that, unless they had developed a mutually satisfactory solution by 14 June 1985, the report would be transmitted to the Council.

4. Canada - Measures affecting the sale of gold coins

Chairman: Mr. Girard  
Members: Mr. Ikeda, Mr. Shaton  
Secretary: Mr. Tulloch

The Panel was established by the Council in November 1984 at the request of South Africa. The terms of reference were notified to the Council on 29 January 1985 and the composition was announced in document C/131, dated 19 February 1985. The Panel has held a series of meetings and expects to submit its report to the parties in mid-July.

5. Canada - Provincial liquor boards

The Panel was established by the Council at its meeting on 12 March 1985 at the request of the European Economic Community. The Chairman of the Council was authorized to draw up, in consultation with the parties concerned, the terms of reference of the Panel and to designate its chairman and members. It has not yet been possible to reach agreement on these points and the time-limit of thirty days for the constitution of the Panel has thus not been met in this case. I understand, however, that consultations between the two parties on the substantive issue are being held.

6. United States - Imports of sugar-containing products

The Panel was established by the Council at its meeting on 12 March 1985 at the request of Canada. The Chairman of the Council was authorized to draw up, in consultation with the parties concerned, the terms of reference of the Panel and to designate its chairman and members. These consultations have, however, been temporarily suspended - and the thirty-day deadline has passed - since the two parties are having bilateral discussions on the matter of the dispute.

I will continue by reporting on the status of work of Panels established by MTN Committees:

(a) European Economic Community - Subsidies on exports of wheat flour

Chairman: Mr. Suzuki  
Members: Mr. Hobson, Mr. Lempen  
Secretary: Mr. Woznowski

The Panel was established by the Committee on Subsidies and Countervailing Measures on 14 December 1981 at the request of the United States. After a number of meetings the Panel presented its report (SCM/42) on 22 April 1983 to the Committee, which has considered it several times. At its May 1984 meeting the Committee authorized its Chairman to carry out consultations with the parties and with other signatories. These consultations are continuing.

(b) European Economic Community - Subsidies on exports of pasta products

Chairman: Mr. McPhail  
Members: Mr. Laschinger, Mr. Pullinen, Mr. Puri  
Secretary: Mr. Woznowski

The Panel was established by the Committee on Subsidies and Countervailing Measures on 7 April 1982 at the request of the United States. After a number of meetings the Panel presented its report (SCM/43) on 9-10 June 1983 to the Committee, which has considered it several times. At its May 1984 meeting the Committee authorized its Chairman to carry out consultations with the parties and with other signatories. These consultations are continuing.

(c) United States - Definition of "industry" for wine and grape products

The Panel was established by the Committee on Subsidies and Countervailing Measures on 15 February 1985. The Chairman of the Committee was authorized to decide, in consultation with interested delegations, on its composition and terms of reference. I understand that agreement has been reached on the composition of the Panel but that the consultations are continuing in respect of the terms of reference.

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With regard to the implementation of panel recommendations endorsed by the Council or the competent Code Committee, I would like to draw the attention of the Council to the following cases:

Japan - Measures on imports of leather

At its meeting in May 1984, the Council adopted the Panel report (L/5623) on the complaint by the United States. At subsequent meetings in 1984 and 1985, the Council discussed the follow-up to the report, at the request of the United States; at its meeting on 30 April and 1 May, the Council agreed to revert to this item at the regular meeting beginning later today.

The United States has submitted a communication in this connection which has been circulated in document C/W/474.

United States - Tax legislation (DISC)

The European Communities and some other countries have expressed concern on various occasions regarding the taxes which had been deferred under the DISC legislation and which the new FSCA (Foreign Sales Corporation Act) has now forgiven and regarding the compatibility of the new legislation with the General Agreement and with the 1981 understanding under which the DISC and the related panel reports were adopted. Consultations under the procedures adopted in 1958 for consultations affecting the interests of a number of contracting parties are being held between the countries concerned.

There are a few other cases where the complaining contracting party has reserved the right to revert to the implementation of a particular panel report, if developments should make it necessary. This applies to the panels on

European Economic Community - Quantitative restrictions on imports of certain products from Hong Kong

United States - Imports of sugar from Nicaragua

In respect of the recommendations by the Panel on Value Added Taxes - a panel established by the Committee on Government Procurement - the United States has asked for a report on progress made by the European Economic Community towards a solution of the issue. The Commission has indicated that it expects to get from the Council of Ministers a negotiating mandate that would enable it to find a solution.

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In the context of this report on the status of work in panels, I wish to mention briefly a related matter.

In pursuance of the decision by the CONTRACTING PARTIES on 30 November 1984, a number of contracting parties have submitted names of persons they think qualified to serve as non-governmental panelists. It is my intention to circulate shortly a list of such persons to be considered by the Council at its July meeting in order that a roster of panelists might be established, as foreseen in the Decision by the CONTRACTING PARTIES.