

# GENERAL AGREEMENT ON

RESTRICTED

## TARIFFS AND TRADE

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COUNCIL  
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### STATUS OF WORK IN PANELS AND IMPLEMENTATION OF PANEL REPORTS

#### Report by the Director-General<sup>1</sup>

#### A. STATUS OF WORK IN PANELS ESTABLISHED BY THE COUNCIL

##### 1. Canada - Measures affecting the sale of gold coins

The Panel, established in November 1984 at the request of South Africa, submitted its report in September 1985 (L/5863). At issue in this case was the differential fiscal treatment in Ontario between Maple Leaf gold coins and other gold investment coins. This differential treatment was removed on 7 January 1986. The report was discussed at five Council meetings. At the May 1986 meeting Canada stated that it was not in a position to indicate whether it could support the adoption of the report (C/M/198).

##### 2. Canada - Import, distribution and sale of alcoholic drinks by provincial marketing agencies

The Panel was established in March 1985 at the request of the European Economic Community (C/M/186). The Council was informed of the terms of reference in February 1986 (C/M/195) and of the composition of the Panel in December 1986 (C/143). The Panel began its work in December 1986.

##### 3. United States - Restrictions on imports of certain sugar-containing products

The Panel was established in March 1985 at the request of Canada (C/M/186). The Chairman of the Council was authorized to draw up the terms of reference of the Panel and to designate its Chairman and members in consultation with the parties concerned. These consultations have been deferred since the two parties are having bilateral discussions on the matter of the dispute.

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<sup>1</sup>Previous reports were circulated as documents C/124, C/136, C/139 and C/146.

4. United States - Trade measures affecting Nicaragua

The Panel was established in October 1985 at the request of Nicaragua and submitted its report in October 1986 (L/6053). The report was considered at the Council meeting in November 1986 (C/M/204) and April 1987 (C/M/208).

5. Japan - Restrictions on imports of certain agricultural products

The Panel was established in October 1986 at the request of the United States (C/M/202). The terms of reference and the composition of the Panel were agreed in February 1987 (C/145). The Panel began its work in March 1987.

6. Japan - Customs duties, taxes and labelling practices on imported wines and alcoholic beverages

The Council established this Panel and determined its terms of reference and composition in February 1987 at the request of the EEC (C/M/206). The Panel began its work in February 1987.

7. United States - Taxes on petroleum and certain imported substances

The Council established this Panel and determined its terms of reference in February 1987 in response to complaints by Canada, the EEC and Mexico (C/M/206). The composition of the Panel was agreed in February 1987 (C/146). The Panel submitted its report in June 1987 (L/6175).

8. United States - Customs user fee

The Panel was established in March 1987 at the request of Canada and the EEC (C/M/207). The terms of reference and composition of the Panel were agreed in May 1987 (C/147). The thirty-day time limit for the establishment of panels (BISD 29S/14) was not met in this case.

9. Canada - Restrictions on exports of unprocessed salmon and herring

The Panel was established in March 1987 at the request of the United States (C/M/207). The Council was informed of the terms of reference and composition of the Panel in April 1987 (C/M/208). The Panel began its work in April 1987.

10. Japan - Trade in semi-conductors

The Panel was established in April 1987 at the request of the EEC. The Council determined the terms of reference and authorized its Chairman to designate the Chairman and members of the Panel in consultation with the two parties concerned (C/M/208). The thirty-day time limit for the establishment of panels (BISD 29S/14) was not met in this case.

B. STATUS OF WORK OF PANELS ESTABLISHED BY MTN COMMITTEES

1. European Economic Community - Subsidies on exports of wheat flour
2. European Economic Community - Subsidies on exports of pasta products

The reports of these two Panels, established by the Committee on Subsidies and Countervailing Measures at the request of the United States (SCM/42 and SCM/43), were submitted to the Committee in March and May 1983, respectively. They deal with fundamental issues, bearing on the interpretation of Article 10 in the wheat flour case and on the application of Article 9 in the pasta products case. As there have been divergent perceptions in the Committee in this respect, it has not been possible, so far, to adopt these reports.

3. United States - Definition of "industry" for wine and grape products

The Panel was established by the Committee on Subsidies and Countervailing Measures in February 1985 at the request of the EEC and submitted its report to the Committee in March 1986 (SCM/71). The Committee discussed the report at meetings in April and October 1986 but no agreement on its adoption could be reached (SCM/M/31 and 32).

4. United States - Initiation of a countervailing duty investigation into softwood lumber products from Canada

The Panel was established by the Committee on Subsidies and Countervailing Measures in August 1986 at the request of Canada (SCM/M/Spec/12). The Committee was informed of the terms of reference and the composition of the Panel in October 1986 (SCM/M/32). The Panel began its work in October 1986. It was informed in January 1987 that a mutually satisfactory settlement of the dispute had been reached. It submitted its report in May 1987 (SCM/83).

5. Canada - Countervailing duty investigation into manufacturing beef from the EEC

The Panel was established by the Committee on Subsidies and Countervailing Measures in October 1986 at the request of the EEC (SCM/M/32). The terms of reference of the Panel were agreed in December 1986 and its composition in March 1987. The Panel began its work in May 1987.

C. IMPLEMENTATION OF PANEL REPORTS ADOPTED BY THE COUNCIL

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

The report of this Panel, established at the request of Hong Kong, was adopted in July 1983 (BISD 30S/129). At the meeting of the Council in May 1986 the representative of Hong Kong pointed out that, although nearly three years had elapsed since the adoption of that report, the Panel's recommendation that the measures be eliminated had still not been fully complied with (C/M/198, item 8). At the November 1986 Council meeting the EEC reported that imports of toys had been liberalized, that there had already been a substantial increase in the quota for imports of radios and that further moves were being examined (C/M/203).

D. IMPLEMENTATION OF PANEL REPORTS ADOPTED BY MTN COMMITTEES

European Economic Community - Value-added tax and threshold

The report of this Panel, established at the request of the United States, was adopted by the Committee on Government Procurement in May 1984 (BISD 31S/247). The Panel found that the value-added tax is to be included when determining whether a contract falls above or below the threshold value of SDR 150,000. A proposal by the EEC for a solution to the dispute was accepted by the Committee in February 1987 (L/6128).