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STATUS OF WORK IN PANELS AND IMPLEMENTATION OF PANEL REPORTS

Report by the Director-General¹

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. 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.

3. 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 and July 1987 (C/M/208, C/M/212). The Chairman of the Council has consulted with delegations on the Panel report on several occasions (C/M/212, 213, 215).

¹ Previous reports were circulated as documents C/124, C/136, C/139 C/146, C/148, C/152 and C/156.

4. United States - Section 337 of the Tariff Act of 1930

The Panel was established in October 1987 at the request of the EEC (C/M/213). The Council was informed of the terms of reference and the composition of the Panel in January 1988 (C/153). The Panel began its work in February 1988. It expects to submit its report in November 1988.

5. EEC - Third-country meat directive

The Panel was established by the CONTRACTING PARTIES at their Session in December 1987 (SR.43/5). 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 are presently suspended to permit discussions between the parties on the matter of the dispute.

6. Norway - Restrictions on imports of apples and pears

The Panel was established in March 1988 at the request of the United States (C/M/218). The Council was informed of the terms of reference and the composition of the Panel in June 1988 (C/M/222). The Panel began its work in July 1988.

7. Japan - Imports of spruce-pine-fir (SPF) dimension lumber

The Panel was established in March 1988 at the request of Canada (C/M/218). The Council was informed of the terms of reference and the composition of the Panel in June 1988 (C/M/222). The Panel began its work in July 1988.

8. (a) Japan - Restrictions on imports of beef and citrus products

The Panel was established in May 1988 at the request of the United States (C/M/220). The complaint was withdrawn in July 1988 (L/6322/Add.1) following market-opening measures by Japan (L/6370 and C/M/223).

(b) Japan - Restrictions on imports of beef

The Panel was established in May 1988 at the request of Australia (C/M/220). The complaint was withdrawn in July 1988 (L/6333/Add.1) following a bilateral settlement concerning market-opening arrangements for imports of beef into Japan (L/6370 and C/M/223).

9. (a) Korea - Restrictions on imports of beef
(complaint by the United States)
- (b) Korea - Restrictions on imports of beef
(complaint by Australia)
- (c) Korea - Restrictions on imports of beef
(complaint by New Zealand)

The Council established the first two Panels in May 1988 at the request of the United States and Australia, determined their terms of reference, authorized its Chairman to designate the Chairmen and members of the Panels in consultation with the parties concerned and agreed that the Council Chairman would consult with the parties and with the Secretariat concerning the appropriate administrative arrangements for the Panels (C/M/220). The Council was informed of the composition of the two Panels in September 1988 (C/M/224).

The Council established the third Panel and determined its terms of reference in September 1988 at the request of New Zealand (C/M/224). The Council authorized its Chairman to designate the Chairman and members of the Panel in consultation with the parties concerned.

10. (a) European Economic Community - Import licenses for dessert apples

The Panel was established in May 1988 at the request of Chile (C/M/220). The Council was informed of the terms of reference and the composition of the Panel in August 1988 (C/158). The Panel began its work in August 1988.

- (b) European Economic Community - Restrictions on imports of apples

The Panel was established in September 1988 at the request of the United States (C/M/224). The Chairman of the Council was authorized to draw up the terms of reference and designate the Chairman and members of the Panel in consultation with the parties concerned.

11. European Economic Community - Payments and subsidies paid to processors and producers of oilseeds and related animal-feed proteins

The Panel was established in June 1988 at the request of the United States (C/M/222). 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.

12. United States - Restrictions on imports of sugar

The Council established this Panel and determined its terms of reference in September 1988 at the request of Australia (C/M/224). The Council authorized its Chairman to designate the Chairman and members of the Panel in consultation with the parties concerned.

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. 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. It submitted its report to the parties to the dispute in September 1987 and to the Committee in October 1987 (SCM/85). The Committee considered the report at meetings in October and December 1987, and in February and May 1988 (SCM/M/35, 36, 37 and 38).

C. IMPLEMENTATION OF PANEL REPORTS ADOPTED BY THE COUNCIL

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

The report of the Panel, established at the request of Canada, the European Economic Community and Mexico, was adopted in June 1987 (L/6175 and C/M/211). At the meeting of the Council in October 1987 Canada, the EEC and Mexico asked for information on the implementation of the Panel's recommendations. The United States stated that the implementation of the Panel report required legislation and that the United States' authorities, while anxious to respond positively to the report, continued to reflect on how best to address it (C/M/213). The Council discussed the matter again in February 1988 (C/M/217). In March 1988 the European Economic Community submitted a request for authorization to suspend the application of concessions in accordance with Article XXIII:2 (C/W/540/Add.1). This request was considered by the Council in March, May, June, July and September 1988 (C/M/218, 220, 222, 223, 224).

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

The report of the Panel, established at the request of the European Economic Community, was adopted in November 1987 (C/M/215). At the meeting of the Council in February 1988 the representative of Japan said that his authorities had decided on the basic direction of the liquor tax reform but that the revision of the liquor tax, in the context of the overall tax reform, involved a decision by the Diet and therefore inevitably took time. The representative of the EEC expressed concern that a link had been made between the liquor tax reforms and a broader reform of indirect taxes and that this could lead to an unacceptable delay in the implementation of the Panel report (C/M/217). The matter was also briefly referred to at the meeting of the Council in March 1988 (C/M/218).

3. Japan - Restrictions on imports of certain agricultural products

The report of the Panel was adopted in February 1988 (C/M/217). Its implementation was discussed at the Council meetings in April, May, June and September 1988 (C/M/219, 220, 222 and 224). In September 1988 Japan notified market-opening measures concerning imports of certain agricultural products (L/6389).