GENERAL AGREEMENT ON

TARIFFS AND TRADE

RESTRICTED

SCM/M/42
31 January 1989
Special Distribution

Committee on Subsidies and
Countervailing Measures

MINUTES OF THE MEETING HELD ON 26 AND 28 OCTOBER 1988

Chairman: Mr. K. Y. Jhung (Korea)

1. The Committee held a regular meeting on 26 and 28 October 1988.

2. The Committee adopted the following agenda:

A. Adherence of further countries to the Agreement.[1]

B. Examination of countervailing duty laws and/or regulations of signatories of the Agreement (SCM/1 and Addenda)

(i) The Philippines (SCM/1/Add.23)

(ii) New Zealand (SCM/1/Add.15/Rev.2)

(iii) Australia (SCM/1/Add.18/Rev.1/Suppl.2)

(iv) EEC (SCM/1/Add.1/Rev.1)

(v) Laws and/or regulations of other signatories

C. Notification of subsidies under Article XVI:1 of the General Agreement (L/6111 and Addenda, L/6297 and Addenda)

D. Semi-annual reports of countervailing duty actions taken within the period 1 January-30 June 1988 (SCM/88 and Addenda)

E. Reports on all preliminary or final countervailing actions (SCM/W/156 and 158)

F. Canada - Imposition of countervailing duties on imports of boneless manufacturing beef from the EEC - Report by the Panel (SCM/85)

---

[1]The term "Agreement" refers to the Agreement on Interpretation and Application of Articles VI, XVI and XXIII of the General Agreement on Tariffs and Trade.

G. EEC subsidies on export of wheat flour (SCM/42) and EEC subsidies on export of pasta products (SCM/43) - Follow-up on consideration of Panel Reports

H. United States - Definition of industry concerning wine and grape products - Follow-up on consideration of the Panel's Report (SCM/71)

I. Draft Guidelines on the Application of the Concept of Specificity (SCM/89)

J. United States - Countervailing duty investigation of imports of fresh cut flowers from various countries

K. Canada - Countervailing duty investigation of imports of drywall screws from France

L. Annual review and report to the CONTRACTING PARTIES

A. Adherence to or acceptance of the Agreement by further countries

3. The Chairman informed the Committee that since its regular meeting held on 31 May 1988, no further countries had accepted or adhered to the Agreement.

B. Examination of countervailing duty laws and/or regulations of signatories of the Agreement (SCM/1 and addenda)

(i) The Philippines (Section 302 of Presidential Decree No. 1464, as amended, and Department of Finance Order No.300, documents SCM/1/Add.23 and SCM/1/Add.23/Suppl.1)

4. The Chairman recalled that at its meeting held on 31 May 1988 the Committee had decided to revert to the countervailing duty legislation of the Philippines at the request of the delegation of the EEC.

5. The representative of the EEC said that his delegation was not satisfied with the reply given by the delegation of the Philippines in document SCM/W/157 to the question raised by the EEC delegation in document SCM/W/114/Add.1. It remained unclear how the countervailing duty legislation of the Philippines distinguished between the evidence necessary to justify the initiation of an investigation and the evidence required for the application of provisional measures. His delegation invited the Committee to take note of this point but it would not insist that the legislation of the Philippines remain on the agenda of the Committee.

6. The Committee took note of the statement made by the representative of the EEC. The Chairman said that the Committee had concluded its examination of the countervailing duty legislation of the Philippines.

(ii) New Zealand (Part VA of the Customs Act 1965, as amended, document SCM/1/Add.15/Rev.2)

7. The Committee had before it in document SCM/1/Add.15/Rev.2 the amended anti-dumping and countervailing duty legislation of New Zealand, laid down in Part VA of the Customs Act 1966. The representative of New Zealand said that the amended law reflected more precisely the provisions of the Agreement than the previously existing law. His delegation had received written questions from the delegation of the United States[1] to which it would reply in the near future.

8. The representative of the EEC said that his delegation had not yet had the time to study in detail the countervailing duty law of New Zealand. Nevertheless, he had some questions on this law in light of a recent countervailing duty investigation by New Zealand of imports of edible rape seed oil from EEC member States. This investigation had been initiated in April 1988 and terminated in July 1988 because of a finding that there was no causal link between the allegedly subsidized imports from the EEC and the injury to the domestic industry in New Zealand. His delegation had its doubts regarding certain procedural aspects of this investigation. In this respect he mentioned in particular the fact that the countervailing duty legislation of New Zealand provided for a period of not more than twenty days for the conduct of consultations under Article 3 of the Agreement. While the authorities of New Zealand had offered the EEC an opportunity for consultations before initiating the investigation of edible rape seed oil, the EEC considered that a period of twenty days was insufficient for meaningful consultations. This short period allowed for consultations had to be considered against the background of a rather low standard of evidence required by the New Zealand authorities for the opening of investigations. For example, in the case of the investigation of imports of edible rape seed oil, the allegations of the existence of subsidization had been very vague and concerned EEC member States other than those from which the product were imported into New Zealand. The evidence in the complaint of the existence of injury had been treated by the authorities of New Zealand as confidential to an extent hardly compatible with the procedural rights of interested parties under Article 2 of the Agreement. Furthermore, there had been no evidence of a causal relationship between the allegedly subsidized imports and injury to the domestic industry, as demonstrated by the final outcome of the case. His delegation requested the authorities of New Zealand to give assurances that the implementation of their countervailing duty law would be in conformity with the letter and the spirit of the Agreement. He reserved his delegation's right to revert to the legislation of New Zealand at a future meeting of the Committee.

9. The representative of Canada said that his delegation would in the near future submit written questions on the countervailing duty law of New Zealand.

---

[1]See document SCM/W/163

10. The representative of New Zealand said that while, as a rule, a period of twenty days was provided for in the countervailing duty law of New Zealand for consultations under Article 3 of the Agreement, in the case referred to by the representative of the EEC his authorities had waited thirty-three days before initiating the investigation. This showed their flexibility and readiness to offer sufficient opportunities for consultations. On the other points raised by the representative of the EEC, he said that his delegation would give written replies when it had received questions in writing from the EEC.

11. The Committee took note of the statements made and agreed to revert to the countervailing duty legislation of New Zealand at its next regular meeting. The Chairman invited signatories who wished to raise questions on this legislation to do so in writing by 16 January 1989 and invited the delegation of New Zealand to respond to such written questions by 16 March 1989.

(iii) Australia (Anti-Dumping Authority Act 1988, Customs Legislation (Anti-Dumping) Amendment Act 1988, Customs Tariff (Anti-Dumping) Amendment Act 1988, document SCM/1/Add.18/Rev.1/Suppl.2)

12. The Committee had before it, in document SCM/1/Add.18/Rev.1/Suppl.2, the text of three recently adopted laws amending the Australian anti-dumping and countervailing duty legislation. The representative of Australia said that these laws had entered into force on 1 September 1988 and that, so far, no countervailing duty investigations had taken place under the new legislation. The laws were to a large extent a codification of existing administrative practice and had rendered the Australian countervailing duty procedures more transparent and comparable with the provisions of the Agreement. Time limits had been introduced for each phase of the countervailing duty investigation; the amended legislation allowed for a period of 55 days for the examination of a complaint, 120 days for the preliminary investigation and 120 days for the final stage of the investigation which would be carried out by the recently established Anti-Dumping Authority. Another important aspect of the amended legislation was the introduction of a clause providing for the revocation of countervailing measures after three years from the date on which they entered into force. This clause would be applied for the first time on 1 March 1989.

13. The representative of the EEC reserved his delegation's right to submit questions on the amended countervailing duty legislation of Australia.

14. The Committee took note of the statements made and agreed to revert to the amended countervailing duty legislation of Australia at its next regular meeting. The Chairman invited signatories who wished to raise questions on this legislation to do so in writing through the secretariat by 16 January 1989 and requested the delegation of Australia to respond in writing to such questions by 6 March 1989.

(iv) EEC (Council Regulation (EEC) No.2423/88 of 11 July 1988 on protection against dumped or subsidized imports from countries not members of the European Economic Community, (document SCM/1/Add.1/Rev.1)

15. The Committee had before it Council Regulation (EEC) No.2423/88 of 11 July 1988 on protection against dumped or subsidized imports from countries not members of the European Economic Community (document SCM/1/Add.1/Rev.1). The representative of the EEC said that the amendments effected by this Regulation applied only to the EEC's anti-dumping law and had not changed the EEC's countervailing duty law.

16. The representative of the United States asked whether Article 13:11 of Council Regulation (EEC) No. 2423/88 was also applicable to countervailing duty cases.

17. The representative of the EEC replied that this provision applied solely to anti-dumping proceedings.

18. The Committee took note of the statements made. The Chairman said that the Committee had concluded its examination of Council Regulation (EEC) No.2423/88.

(v) Laws and/or regulations of other signatories

19. The Chairman said that the secretariat had informed him that the Committee would in the near future receive a notification from the United States of the countervailing duty provisions in the Omnibus Trade and Competitiveness Act of 1988.

20. The representative of Korea said that the United States Omnibus Trade and Competitiveness Act of 1988 raised serious questions regarding its consistency with the General Agreement and with the provisions of the Agreement. He hoped that the United States would promptly notify the Committee of the amendments to its countervailing duty law resulting from this Act so as to enable the Committee to start its examination of these amendments at its next regular meeting.

21. The representative of the EEC said that his authorities needed more time to study the provisions of the Act. At this stage, however, his delegation wished to make some preliminary comments and express its concerns regarding Section 1326 of the Act which contained an amended definition of the term "domestic industry" in countervailing duty investigations involving processed agricultural products. This provision seemed to codify the recent practice of the United States International Trade Commission (USITC). While his delegation appreciated the fact that this codification had resulted in greater legal certainty, it was of the view that the approach laid down in Section 1326 was in sharp conflict with the reports of two panels established by the Committee in disputes concerning the interpretation of the term "domestic industry". This term

was defined in a precise manner in the Agreement and it was clear that Section 1326 conflicted with the definition of this term in the Agreement. He noted that Section 1326 of the Act included a provision stating that "This subparagraph shall cease to have effect if the United States Trade Representative notifies the administering authority and the Commission that the application of this subparagraph is inconsistent with the international obligations of the United States." The relevant international obligations of the United States were the provisions of the Agreement regarding the definition of "domestic industry"; two panel reports provided clear guidance as to how these provisions had to be interpreted. His delegation, therefore, wondered when the USTR would notify the Department of Commerce and the USITC that Section 1326 was inconsistent with the international obligations of the United States. He concluded by saying that his delegation might wish to make further comments on the Act at a later stage.

22. The representative of the United States asked which were the reports adopted by the Committee and thus constituting international obligations of the United States, to which the representative of the EEC had referred.

23. The representative of the EEC said he had not referred to reports which had been adopted by the Committee; indeed, his delegation was still awaiting the adoption of the two panel reports dealing with the issue of the definition of "domestic industry" and it was difficult to understand why these reports, which contained clear interpretations of existing provisions of the Agreement, had not yet been adopted.

24. The representative of Hong Kong said that his delegation was looking forward to a thorough discussion in the Committee of the countervailing duty provisions of the United States Omnibus Trade and Competitiveness Act of 1988 and he hoped that the delegation of the United States would notify these provisions as soon as possible.

25. The Committee took note of the statements made. The Chairman said that the Committee would keep on its agenda the item "laws and regulations of other signatories" in order to give signatories the opportunity to revert to particular aspects of the countervailing duty legislation of other signatories.

C. Notification of Subsidies under Article XVI: of the General Agreement (L/6111 and addenda and L/6297 and addenda)

26. The Chairman said that a special meeting would take place on 27 October to examine notifications of subsidies by the signatories of the Agreement. The notifications which would be discussed at that meeting were the full notifications due in 1987 and the updating notifications for 1988. Annex II in document SCM/W/60 listed the notifications received from signatories. He pointed to the fact that many signatories had not yet provided updating notifications.

27. The Committee took note of the statement by the Chairman.

D. Semi-Annual Reports of Countervailing Duty Actions Taken Within the Period 1 January-30 June 1988

28. The Chairman said that an invitation to submit semi-annual reports under Article 2:16 of the Agreement for the period 1 January-30 June 1988 had been circulated in document SCM/88. The following signatories had informed the secretariat that they had not taken any countervailing duty actions during this period: Austria, Brazil, Canada, Chile, the EEC, Egypt, Finland, Hong Kong, Israel, Japan, Korea, Norway, Sweden and Switzerland (SCM/88/Add.1). Countervailing duty actions had been notified by New Zealand (SCM/88/Add.2), Australia (SCM/88/Add.3) and the United States (SCM/88/Add.4). No reports had been received from India, Indonesia, Pakistan, Turkey and Uruguay.[1]

29. The Committee took note of the statement by the Chairman.

E. Reports on all preliminary or final countervailing duty actions (SCM/W/155,156,158 and 159)

30. The Chairman informed the Committee that notifications under these procedures had been received from the delegations of New Zealand and the United States. He emphasized the importance of prompt notifications under these procedures.

31. The Committee took note of the statement by the Chairman.

F. Canada - Imposition of Countervailing Duties on Imports of Boneless Manufacturing Beef from the EEC - Report by the Panel (SCM/85)

32. The Chairman recalled that since October 1987 the Committee had discussed this Report at two regular and three special meetings. After the special meeting held on 14 July 1988, he had consulted informally with the two parties to the dispute but his consultations had not led to any progress.

33. The representative of the EEC expressed his delegation's disappointment about the fact that the Canadian authorities had still not formulated a definitive response to the findings and conclusions contained in the Report. This delay raised serious questions regarding the credibility of the commitment of the Canadian authorities to the dispute settlement process under the Agreement. At the special meeting held on 14 July 1988 his delegation had already pointed to the discrepancy between the attitude of the Canadian delegation in discussions in other fora on the strengthening of the GATT dispute settlement mechanism and the position of

---

[1] Subsequent to the meeting, the delegations of India and Uruguay informed the secretariat that their authorities had not taken any countervailing duty action during the period under review.

that delegation in this particular case. It seemed that in this case considerations of economic opportuneness prevailed over the principles advocated by the Canadian delegation in other bodies. He emphasized that the economic problems caused by the Canadian attitude had not yet been addressed and urged the Canadian authorities to promptly respond to the findings and conclusions of the Panel in a manner consistent with their general position on the issue of dispute settlement in GATT.

34. The representative of Canada said that the Canadian Ministers continued to be concerned about the implications of the Report and had not yet come to a final conclusion on it. As was well known, they were also in a federal election campaign. He reiterated the view of his delegation that adoption of the Report would result in a precedent which would deny protection in the form of countervailing measures to certain producers suffering injury from subsidized imports. This was certainly not what was intended by the drafters of the Agreement. He recalled that on previous occasions his delegation had pointed out that, if one used the logic underlying the reasoning of the Panel, beef had to be considered a non-primary product and the subsidies granted by the EEC on the export of beef had to be considered prohibited export subsidies. Although his delegation had raised these points at previous meetings of the Committee, he felt that the Committee had not yet addressed the full implications of the Report. He, therefore, invited other signatories to state their views on the various points made by his delegation on the Panel Report.

35. The representative of Hong Kong said that on previous occasions his delegation had expressed its concerns regarding the lack of effectiveness of the dispute settlement mechanism of the Agreement. While there were perhaps issues which were not adequately addressed by the existing provisions of the Agreement, such issues should be dealt with in another forum. The task of the Committee was confined to ensuring observance of the existing rules of the Agreement.

36. The representative of Finland said that the Agreement provided for the right to take countervailing measures under strictly defined conditions. In particular, it defined in a narrow manner the domestic parties entitled to protection in the form of countervailing measures. The fact that in this case the Panel had come to the conclusion that cattlemen were not entitled to this type of protection did not preclude import relief measures under other provisions of the General Agreement. During previous discussions in the Committee on the question of the definition of the term "domestic industry", his delegation had pointed to the dangerous implications of the approach advocated by the delegations of Canada and the United States. This approach could result in a situation in which, for example, domestic producers of steel could file a petition for countervailing duty relief with respect to imports of cars or refrigerators.

37. The representative of Israel said that the views of his delegation on this matter were reflected in SCM/M/38, paragraph 78 and SCM/M/39,

paragraph 26. He supported the adoption of the Report and said that while important issues had been raised by a number of delegations in the course of the discussion of the Report, these issues should be examined in other fora.

38. The representative of the United States made the following comments on the matters before the Committee under items F, G and H of its agenda. His delegation found it very difficult to accept the view that in the case of certain reports before the Committee, problems existed as a result of sharp conflicts between practices of certain signatories and existing, clear definitions in the Agreement, whereas in the case of other reports the problems were caused by serious problems of interpretation of unclear provisions of the Agreement. Surprisingly, where the EEC was the complainant, the Agreement was said to be clear and where the EEC was the defendant, it was alleged that the provisions of the Agreement were unclear and raised interpretative difficulties which had not been addressed by the Committee. His delegation considered that the Agreement was not working well due to a number of basic factors. In some instances, problems had been caused by the fact that the drafters of the Agreement had had widely divergent interpretations of certain provisions of the Agreement. In other cases the provisions of the Agreement were perhaps not controversial but it had become difficult for certain signatories to accept Panel Reports dealing with these provisions as a result of the attitude taken by other signatories in previous disputes. This explained to a large extent the position of the United States in the dispute concerning the definition of "domestic industry" for wine producers. Thus, there were both legal and political factors which explained the situation in which the Committee found itself at present. Rather than trying to determine who was responsible for this situation, the Committee should focus its efforts on improvements which would avoid similar problems in the future. This should be done in the context of the Uruguay Round.

39. The representative of Australia said that his views on the Panel Report before the Committee under item F had not changed. His delegation considered that the adoption of this Report would change the rights and obligation of Australia under the Agreement. On many occasions his delegation had indicated that it understood the difficulties faced by the Canadian Government in responding to this Report. The Report was fundamentally flawed and the implications of the Report for a wide range of commodities underlined the weakness of the logic underlying the Panel's conclusions. The delegation of Canada had made the point that, if one followed the reasoning of the panel, beef should be regarded as a non-primary product the export of which was subsidized by the EEC in conflict with Article 9 of the Agreement. However, the Committee had failed to respond to this point. In this respect he emphasized that under the dispute settlement mechanism of the Agreement it was the responsibility of the Committee to take decisions on panel reports and he wondered how the Committee could assume this responsibility if signatories were not prepared to discuss points made in respect of panel reports. His delegation continued to be seriously concerned about the lack of attention given to the question as to whether boneless manufacturing beef should be considered

a primary product. There was a dichotomy in the approach of the Panel which was difficult to comprehend. On the one hand, the Panel had considered that the product in question was divorced from the cattlemen, but on the other hand this product apparently remained a primary product so that subsidies on exports of this product were not prohibited. This implied that the product was a primary product in its natural form or which had undergone such processing as was customarily required to prepare it for marketing in substantial volume in international trade. While it was true that the Uruguay Round provided the opportunity to remedy defects in the Agreement, this did not detract from the fact that signatories of the Agreement considered that they had certain rights and obligations under the existing provisions of the Agreement. Nor did the Uruguay Round affect the responsibilities of the Committee under the Agreement.

40. The representative of New Zealand said that the views of his delegation on the Panel Report had not changed. Regarding the points raised by the delegation of Canada, he said that his delegation was prepared to discuss these points in the Committee. In this connection he noted that the negotiations in the Uruguay Round did not affect the competence of the Committee to interpret the provisions of the Agreement. His delegation understood the difficulties of the Canadian Government in trying to determine its position with respect to this Panel Report. He noted that another Panel Report, not adopted by the Committee, contained very important conclusions regarding the coverage and implications of Article 9 of the Agreement. Given that this Report had not been adopted, one could understand that a signatory who wished to maintain a balance of rights and obligations under the Agreement found it difficult to adopt the Report of the Panel on boneless manufacturing beef from the EEC.

41. The representative of the EEC said that several delegations had tried to justify the attitude of the Canadian delegation by raising issues which had not even been mentioned by the Canadian delegation itself. The rules governing the settlement of disputes in GATT provided that there should be no linkages between distinct disputes; however, in this case some delegations had explicitly established such linkages. This was an indication of the discrepancy between the attitude of these delegations in this case and their attitude in discussions on GATT dispute settlement procedures in other fora. The EEC had not established linkages between the different unresolved disputes and it was prepared to examine all these disputes on a case-by-case basis. On the remarks made by the representative of Australia, he said that if signatories did not want to accept conclusions of panels which deviated from their own interpretations of their rights and obligations under the Agreement, it was difficult to see the rôle of panels. The attitude of the Canadian delegation constituted a dangerous precedent which undermined the credibility of the dispute settlement process of the Agreement.

42. The representative of Chile supported the views expressed by the delegations of the EEC and Hong Kong. His delegation was of the view that it was necessary that there be strict compliance with the dispute settlement procedures of the Agreement.

43. The Committee took note of the statements made and agreed to revert to this matter at its next regular meeting.

G. EEC - Subsidies on Export of Wheat Flour - Follow-up on consideration of the Panel's Report (SCM/42)

EEC - Subsidies on Export of Pasta Products - Follow-up on consideration of the Panel's Report (SCM/43)

44. The Chairman recalled that, at the meeting of the Committee held on 31 May 1988, his predecessor had made certain suggestions on possible action by the Committee with respect to these two Panel Reports and other Panel Reports which had not been adopted by the Committee. However, no action had been taken on the basis of these suggestions.

45. The representative of the EEC said that his delegation was prepared to agree to the adoption of the Report by the Panel on EEC export subsidies on wheat flour. Regarding the Report by the Panel on EEC export subsidies of pasta products, he said that the EEC and the United States had concluded a settlement concerning exports of pasta products from the EEC to the United States. Under this settlement both parties to the dispute had recognized that the substantive legal issues considered by the Panel should be addressed in the context of the Uruguay Round. Since the settlement had resolved the immediate economic problem and provided that the legally controversial issues should be dealt with in the Uruguay Round, his delegation considered that it was no longer necessary for the Committee to keep the Panel Report on its agenda.

46. The representative of Canada said that the fact that the EEC and the United States had reached a bilateral understanding regarding exports of pasta products from the EEC to the United States was no reason for the Committee to remove the Panel Report from its agenda. The facts were that this Report was still pending before the Committee. He requested that it remain on the agenda for future meetings of the Committee.

47. The representative of Hong Kong said that it was a positive development that the EEC was prepared to agree to the adoption of the Report on wheat flour. Regarding the bilateral understanding between the EEC and the United States on pasta products, he requested the signatories concerned to provide information to the Committee on the contents of this understanding.

48. The representative of New Zealand asked whether the EEC was of the view that, in light of the settlement between the EEC and the United States on pasta products, the Committee was no longer competent to address the issues involved in the dispute on EEC export subsidies on pasta products.

49. The representative of the EEC said that his earlier remarks were not intended to call into question the competence of the Committee over this

dispute. What he had proposed was that the Committee take into consideration the existence of a bilateral understanding between the parties to the dispute. In this context he noted that the only case in which a Panel Report had been adopted by the Committee involved a situation in which the parties to the dispute had reached a mutually satisfactory solution. The Panel established in that dispute had limited itself to reporting to the Committee that a bilateral solution had been found by the two parties and the Committee had taken note of that solution. A similar situation existed in the dispute concerning EEC export subsidies on pasta products; a bilateral solution had been found and this should be taken into account by the Committee.

50. The representative of the United States said that the Panel Report referred to by the representative of the EEC was the Report by the Panel established in 1986 in the dispute between Canada and the United States concerning a countervailing duty investigation by the United States of imports of softwood lumber from Canada.[1] In that dispute a mutually satisfactory solution had been reached by the two parties before the Panel had concluded its work. The parties had notified the Panel of this bilateral arrangement and, in accordance with standard dispute settlement procedures, the Panel had merely noted the conclusion of this arrangement in its Report to the Committee. The facts of the case which was now before the Committee were completely different. The settlement referred to by the representative of the EEC had been concluded several years after the submission of the Panel Report to the Committee; in the view of the United States authorities this settlement only constituted an economic accommodation and was without any implications for the competence of the Committee to deal with this dispute.

51. The representative of New Zealand said that the adoption of the Report on wheat flour would, in itself, be meaningless. The essential question was whether this Report constituted a sufficient basis for the Committee to make the recommendations provided for in the dispute settlement provisions of the Agreement.

52. The representative of the EEC said that he would be interested in hearing the views of other signatories on the Report on wheat flour and reiterated that his delegation was prepared to agree to the adoption of the Report.

53. The Committee took note of the statements made and agreed to revert to these two Panel Reports at its next meeting.

H. United States - Definition of Industry concerning Wine and Grape Products - Report by the Panel (SCM/71)

54. The representative of the EEC proposed that the Committee adopt this Report.

---

[1]See document SCM/83.

55. The representative of the United States said the views of his delegation had not changed.

56. The Committee took note of the statements made and agreed to revert to this Report at its next meeting.

I. Draft Guidelines on the Application of the Concept of Specificity (SCM/W/89)

57. The Chairman said that, while the Committee had not yet adopted the Draft Guidelines on the Application of the Concept of Specificity (SCM/W/89), it had expressed its desire that the principles laid down in these Draft Guidelines continue to be applied by all signatories (SCM/M/38, paragraphs 88-89).

58. The representative of the United States said that his authorities were reflecting upon the Draft Guidelines in light of the recently enacted Omnibus Trade and Competitiveness Act of 1988.

59. The Committee took note of the statement made by the representative of the United states and agreed to revert to this matter at its next regular meeting.

J. United States - Countervailing duty investigation of imports of fresh cut flowers from various countries

60. The Chairman recalled that at its regular meeting held on 31 May 1988 the Committee had continued its discussion of this matter and agreed to revert to it at its next regular meeting (SCM/M/38, paragraphs 90-94).

61. The representative of the EEC said that the United States authorities were conducting an administrative review of the countervailing duty order on fresh cut flowers; pending the conclusion of this review, his delegation would like to see this matter be kept on the agenda of the Committee.

62. The representative of the United States confirmed that his authorities had initiated an administrative review of the countervailing duty order on fresh cut flowers; at the next regular meeting of the Committee his delegation would provide information on the status of this review.

63. The Committee took note of the statements made and agreed to revert to this matter at its next regular meeting.

K. Canada - Countervailing duty investigation of imports of drywall screws from France

64. The Chairman said that the Committee had discussed this case at its last regular meeting and had agreed to revert to it at its next regular meeting (SCM/M/38, paragraphs 104-107).

65. The representative of the EEC recalled that on several occasions his delegation had expressed its doubts regarding the principles applied by the Canadian authorities in this investigation. However, since the issues involved in this case were also the subject of discussions in the Uruguay Round, his delegation did not consider it necessary that this matter remain on the agenda of the Committee.

66. The Committee took note of the statement made by the representative of the EEC.

L. Annual review and report to the CONTRACTING PARTIES

67. The Committee adopted its Report (1988) to the CONTRACTING PARTIES (L/6422).

Date of the next regular meeting of the Committee

68. The Chairman announced that, in accordance with the decision of the Committee taken in April 1981 (SCM/M/6, paragraph 36), the next regular meeting of the Committee would take place in the week of 26 April 1989.