1. This paper endeavours to draw up for the convenience of members of the Panel a list of the tasks to which they may wish to address themselves. This list is based mainly on recommendations made and questions raised in the Panel's first Report (L/970) and on the views expressed when the Report was examined at the fourteenth session (SR.14/2).

2. **Examination of new notifications**

   A number of contracting parties were asked to bring up to date, re-arrange or complete in detail their earlier notifications so as to take account of the recommendations of the Panel. The submissions of contracting parties made in compliance with these requests are listed in Spec(60)24. The Panel will no doubt wish to examine these notifications.

3. **Coverage of notifications**

   The following are the principal points made by the Panel with respect to the coverage of the notifications:

   (i) (paragraph 2 of the Report)

   "contracting parties should supply information on all subsidy arrangements whether or not, in the view of the country concerned, these were likely to increase exports or decrease imports."

Spec(60)26
(ii) (paragraph 7 of the Report)
"The Panel wished to record its view that even if there were no exports, the subsidy must have the effect of increasing production and, therefore, reducing imports, and such effects were clearly contemplated by Article XVI."

(iii) (paragraph 3 of the Report)
"contracting parties operating subsidy schemes which involve the collection of sums by levy should, in their notifications, state precisely the sources from which the levy is raised (i.e. whether on producers, importers, exporters, etc.)."

(iv) (paragraph 8 of the Report)
"The Panel wished to record its view that .......... there was a clear obligation to notify to the CONTRACTING PARTIES multiple exchange rates which have the effect of a subsidy."

- With respect to point (i), while a number of representatives expressed their agreement, the representatives of the United States and Austria considered that the recommendation went beyond the existing provisions of paragraph 1 of Article XVI.

- With respect to point (ii), the United States representative disagreed with the view that a subsidy must necessarily have the effect of increasing production and, therefore, of reducing imports.

- With respect to point (iv), the United States representative doubted whether any useful purpose would be served by the notification of multiple exchange rates.

4. Form of questionnaire (BISD, Third Supplement, page 225)

The views of the Panel as to the form of the questionnaire which should be answered by contracting parties in preparing their notifications are set out hereunder:

(i) (paragraph 4)
"The Panel agreed that the type of information requested (as set out in BISD, Third Supplement, page 223) would in general meet the requirements of the CONTRACTING PARTIES, but that in certain
respects it would be advisable to specify more clearly the type of information required on specific points in order to meet more fully the intentions of the CONTRACTING PARTIES when they drew up the form of notification at their ninth session."

(ii) (paragraph 4)
"the Panel recommended that countries conform so far as possible to the headings and sequence in the agreed form of notification."

5. Effect of subsidies

The questionnaire as drafted by the CONTRACTING PARTIES at their ninth session (BISD, Third Supplement, page 225) requires contracting parties to notify the effects of subsidies. The Panel noted that little or no attempt had been made by countries to give information on this section. The following points were made:

(i) (paragraph 5)
"the advice of the CONTRACTING PARTIES should be sought as to whether enquiries as to the effects of subsidies should be pursued by the Panel or whether such enquiries should be the task of another body;"

(ii) (paragraph 7)
"The Panel considered whether it was appropriate or possible for it to consider the problem of whether subsidies had been granted to such an extent as to give more than an equitable share of world trade, but concluded that the CONTRACTING PARTIES should determine whether the study of this problem should be dealt with by the Panel, by Committee II on Expansion of Trade or by some other body."

At the fourteenth session opinion was divided as to who should deal with this problem. A number of representatives felt that in so far as agricultural subsidies were concerned Committee II would be the more appropriate body.
Others disagreed with this view. Committee II has collected and examined a certain amount of material, but has not so far discussed effects or, in particular, the question of "shares of world trade" and is not likely to do so. The attention of the Panel is also called to the opinion it expressed (L/970, paragraph 5) that "the question on the effect of subsidies as drawn up in 1955 was not framed in a sufficiently precise fashion to reflect fully the intentions of the CONTRACTING PARTIES". Depending on the decision it takes on the above matters the Panel may wish to re-draft the question.