The following communication, dated 2 December 1991, has been received by the Chairman of the Committee from the Permanent Mission of Canada.

In an effort to reach a mutually acceptable solution concerning the United States' ongoing countervailing duty investigation on softwood lumber products from Canada, Canada consulted with the United States on 16 October 1991. On 1 November 1991, Canada referred the matter to the Committee on Subsidies and Countervailing Measures ("the Committee") which met in a special session on 15 November 1991 to undertake conciliation between the two parties.

As the matter remains unresolved, my authorities have instructed me to request that you convene as soon as possible a special meeting of the Committee for the purpose of establishing a panel under Article 18.3 of the Agreement on Interpretation and Application of Articles VI, XVI and XXIII (the "Subsidies Code"). This panel should examine the facts and specific issues raised in document SCM/128 of 6 November 1991 as well as those presented by the Canadian delegation to the Committee under the conciliation procedures of Article 17 of the Subsidies Code.