The following communication, dated 20 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 in the matter of the United States' countervailing duty procedures on pure and alloy magnesium from Canada, Canada consulted with the United States on 23 September 1991. On 4 November 1991, Canada referred the matter to the Committee on Subsidies and Countervailing Measures ("the Committee") which undertook conciliation between the two parties in a special session on 16 December 1991.

As the matter remains unresolved, by 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 17:3 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/130 of 7 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.