SUPPLEMENTARY QUESTIONS SUBMITTED BY CANADA ON THE REPLIES
BY CHILE ON THE CHILEAN LEGISLATION OF SUBSIDIES

The following communication, dated 2 November 1992, has been received from the Permanent Delegation of Canada.

The Canadian Mission requests further clarification on Chile's response to Canada's first question regarding the legislation of Chile which had been examined by the Committee on Subsidies and Countervailing Measures (SCM/1/Add.16/Rev.2). We would appreciate clarification of the following issues regarding Reply No.1:

- It is Canada's understanding, based on the Chilean responses, that surtaxes may be imposed on imports causing material injury (actual or future), and that this surtax is independent from a countervailing duty.

- Would there ever be a case where both a surtax and a countervailing duty would be imposed on an import? If so, what are the circumstances surrounding these cases?

- Would a surtax be imposed in any case where a countervailing duty is not? If so, is the surtax the preferred instrument over the countervailing duty?

- When would a countervailing duty be preferred over the surtax?