The aim behind the rules on subsidies and countervailing measures in the GATT and the Uruguay Round Agreement – The Agreement on Subsidies and Countervailing Measures (SCM Agreement) – is to balance potentially conflicting concerns: the concern that domestic industry should not be put at an unfair disadvantage by competition from goods that benefit from government subsidies, and the concern that countervailing measures to offset those subsidies should not themselves be obstacles to fair trade. Because subsidies result from the decisions of governments, the rules established by international agreements not only regulate the unilateral action (countervailing duties) that may be taken against subsidised imports, but also establish multilateral disciplines to control the use of subsidies themselves.

Two Articles of the GATT deal with this subject. Article VI, which contains the original rules on antidumping action, also regulates the use of countervailing duties. The injury requirement is stated in a single paragraph that applies to both forms of action. Article XVI is directly concerned with the use of subsidies. The Article has two main elements: Section A, which already applied fully to all GATT contracting parties before the World Trade Organization (WTO) came into existence, is a requirement that each government notify all subsidies it gives that would have the effect of increasing exports or reducing imports, and that it be ready to discuss limiting a subsidy that causes serious prejudice to the interests of another member. Section B, the second element, concerns export subsidies. Added to Article XVI in 1955, it required all GATT signatories not to subsidise exports of a primary product in a way that would give the subsidising country ‘more than an equitable share of world export trade in that product’. In addition, certain countries – mostly developed – accepted a requirement not to give subsidies to exports of non-primary products that would result in their export prices being lower than the domestic price. The 1979 Tokyo Round negotiations resulted in a code – Agreement on Interpretation and Application of Articles VI, XVI and XXIII of the General Agreement on Tariffs and Trade – which build on these provisions but not substantially depart from them.

Uruguay Round Agreement on Subsidies and Countervailing Measures represents a radical change of approach from that of Article XVI, and from the Tokyo Round code. In part, the difference consists in its application to all WTO members, developed and developing alike. More fundamentally, the new agreement goes well beyond Article XVI and the code, which imposed disciplines only with respect to export subsidies. Unlike its predecessor, the present agreement contains a definition of subsidy. It also introduces the concept of a ‘specific’ subsidy – i.e. a subsidy available only to an enterprise, industry, group of enterprises, or group of industries in the country (or state, etc.) that gives the subsidy. The disciplines set out in the agreement only apply to specific subsidies. They can be domestic or export subsidies. Under the Agreement, binding disciplines are imposed for the first time on the provisions of subsidies related to the production and other non-trade factors. The Agreement defines three categories of subsidies: prohibited, actionable and non-
actionable. It applies to agricultural goods as well as industrial products, except when the subsidies conform to the Agriculture Agreement.

Everybody will probably agree that analysis of subsidies urgently needed a consistent and powerful analytical tool, which now has been offered by Professor Benitah's book *The Law of Subsidies under the GATT/WTO System*.

A number of books and articles are published on the subject. However, using the innovative approach of 'attenuation of entitlements' this book is the first of its kind which provides a comprehensive methodology helping not just to understand what the law is, but also why it is the way it is. The strength of *The Law of Subsidies under the GATT/WTO System* rests with the new outlook to the subject. Complexity of subsidies law quickly becomes intelligible through the author's analysis.

Professor Benitah organises his book in three parts. He introduces approach of 'attenuation of entitlements'. By that he suggests to the reader that entitlements granted to a party seeking to defend itself against the 'adverse effects' of subsidies must be 'attenuated' in order to avoid undesirable economic and social consequences for the subsidising country. He then tests this approach on the substance of the subsidy rules contained, *inter alia*, in GATT 1947, the Tokyo Round Subsidies Code, the Uruguay Round SCM Agreement, as well as the relevant provisions of the Agreement on Agriculture. The approach of 'attenuation of entitlements' runs throughout this book as a kind of explanatory tool which helps the reader to make sense of substantive as well as procedural rules applicable to the subject of subsidies, as well as, it helps to understand how trade negotiators have tried to reconcile competing interests in the area.

The beginning of first part, titled 'Legal Techniques for Attenuating Entitlements Granted to the Party Allegedly Affected by a Subsidy', starts by the author's ask to the reader to use the way pollution is treated under domestic law as a model to understand how the issue of subsidies is (and should be) treated under international law. He argues that domestic law does not provide complete protection against pollution because of the social utility of the polluting activity. This same logic guides readers in the analysis of the legal approach to subsidies in the GATT and WTO systems. Through this part the author aims to identify the legal techniques for attenuating entitlements granted to affected country. The author presents a set of explicit techniques of attenuation, such as, attenuations favouring developing countries and countries in economic transition, as well as, implicit techniques of attenuation, such as, ambiguous or poorly defined concept; ambiguous silence as to the link between two legal texts; interpretation techniques; intensification of the burden of proof. He asserts that the implicit character of these techniques comes from the fact that they function as attenuations even if such a role was not consciously envisaged by the negotiators of international agreements. During the analysis of implicit techniques of attenuation no attempt is made to trace the negotiating history of the multilateral disciplines. Therefore, speaking about one of the implicit techniques of attenuation, e.g. poorly defined concept, the author admits that the principal function of this technique is to permit diplomats to agree on words, failing an agreement on their content, especially in the content of extremely delicate