

positions have to be reconciled in the course of negotiations.

For example, when discussions turned to an issue as crucial and sensitive as government subsidies to national producers and countervailing duties, the main goal was to define, in the light and within the restrictions of existing GATT rules, the specific circumstances in which a government can reasonably and equitably protect the interests of its own exporters and producers affected by foreign subsidies. In order to resolve problems such as these, a rather complex set of provisions were drawn up respecting (a) inter-governmental consultation, (b) the establishment of an injury test demonstrating serious adverse effects on national producers and (c) the international settlement of disputes. The object of these provisions is to enable governments to take effective countervail action against injurious subsidized imports while, at the same time, safeguarding non injurious exports against arbitrary and unwarranted protectionist action.

Canada played a creative role in this area of the negotiations, which illustrates well the complexity of the interplay of forces in a multilateral non-tariff