

of which the provisions pertaining to the import relief laws would be one component.

- b. Instead of seeking specific modifications in standards or exemptions, we recommend that the Canadian Government seek agreement on procedures that will give Canada a special role and influence in U.S. import relief decisions. Such an approach may give Canada the predictability it seeks without generating strident political opposition in the United States.
- c. The U.S. countervailing duty law appears to pose the greatest threat to Canadian exports because there are substantial differences in the customs and practices of Canada and the United States concerning government assistance to industry and it is difficult to predict how the U.S. Government will rule on new subsidy issues. Ideally, the FTA would bring as many subsidy issues as possible under the "rule of law" by establishing guiding principles, specific rules, and objective procedures for applying the principles and rules to individual programs. To implement