

on a substitute system of rules to regulate trade.³⁴ This issue re-emerged, therefore, after the election of a Liberal government that was eager to put the agreement on a new footing. At the Asia-Pacific Economic Co-operation (APEC) summit in Seattle in November 1993, Canada obtained the "re-establishment" of a working group to make improvements in the existing domestic provisions on trade remedies by December 1995.³⁵ The tenor of this commitment, in the Seattle Declaration,³⁶ remained unchanged, however, in that the parties still have not undertaken any formal obligation to agree on a substitute system for subsidies and countervailing duties. On the other hand, the Declaration no longer speaks of relying on a "substitute system of rules" but of "seeking solutions calculated to reduce the likelihood of disputes over subsidies . . . and the operation of trade remedy legislation in these areas."

We should not dwell too much on the language of the Declaration since what matters are the proposals submitted by the parties. A formal obligation to reach a conclusion does not necessarily facilitate the negotiations or improve their chances of success. There is still a need, insofar as Canada is concerned, to agree on a subsidies code or else to review the rules governing subsidies.³⁷

5. Results of the Multilateral Negotiations

Despite many delays, the multilateral GATT negotiations finally came to a successful conclusion in December 1993. These negotiations, as one might expect, proved particularly difficult in regard to subsidies and countervailing duties. The issue of agricultural subsidies was primarily responsible for prolonging the Uruguay Round,

³⁴ See in particular the editorial "It Ain't Broke," *The Globe and Mail*, October 5, 1993, p. A18 and the response of Gordon Ritchie, "Hold U.S. to Agreement," *The Globe and Mail*, October 12, 1993, p. A18, in addition to an article by the Liberal Party trade critic, Roy MacLaren, who has since become Minister of International Trade, "Setting New Rules for NAFTA," *The Globe and Mail*, October 12, 1993, p. A12.

³⁵ More precisely, this time there were two working groups, one on dumping and antidumping duties and the other on subsidies and countervailing duties. In addition, the negotiations were to be trilateral this time, including Mexico.

³⁶ See "Declaration by the governments of Canada, Mexico and the United States. Works to appear on antidumping duties, subsidies and countervailing duties," available from the Department of Foreign Affairs and International Trade.

³⁷ See the Canadian Press bulletin of February 9, 1994 quoting Minister MacLaren as well as "Le point sur le contentieux commercial Canada-Etats-Unis, 15 décembre 1993," written by the United States Trade Relations Division, Department of Foreign Affairs and International Trade, p. 6.