

the so-called manufacturing clause in U.S. copyright legislation. Many of these issues are highly specialized and of interest primarily to the producers of the products affected. Accordingly, I will not try to comment here on the detailed work going forward.

As for the question of valuation, I have discussed this in earlier public statements, and at this stage all I want to do is to reiterate my personal view that the Brussels Definition of Value which is roughly based on the concept that the stated export price is to be taken as being the value of the goods is not, on technical grounds alone, a suitable basis for new and more detailed rules regarding valuation.

To turn to what may be the most difficult issue in the negotiations: the attempt to try to refine the rules regarding subsidies which affect international trade and to try to deal with the related issue: - the use by the U.S.A. of its countervailing duty to counter or offset what are thought in Washington to be export subsidies. This whole issue is vital to Canada, The Federal and the Provincial Governments do subsidize economic development - e.g. the DREE grants - and these subsidies have been countervailed against by the U.S.A., e.g. the countervailing duties now applied by the U.S.A. on certain tires exported to the U.S.A. from Canada. On the export side many of our exports have