

FTA which existing economic programs, or types of programs, would be countervailable and which would not; by modifying domestic countervailing duty law to incorporate the principles; and/or by establishing a respected and knowledgeable Joint Committee, with members from both countries, to apply the principles in an objective and reasoned fashion to future economic programs and new subsidy issues.

The elements of such a rule of law system are discussed briefly below. In our judgment, there is a reasonable possibility that U.S. officials would find the overall program acceptable. However, even if only some of the elements were accepted, they would provide a useful starting point for future improvements in the system. As indicated below, we feel that the process-oriented proposals (such as for establishment of guiding principles, development of a list of types of acceptable government programs, and creation of a Joint Committee to resolve subsidy issues) are more likely to be acceptable than proposals that expressly create a favored position for Canada in U.S. law.