

The vulnerability of Canadian programs to countervail harassment would also be reduced by, for example, a tighter injury standard, the specification of the "net" subsidy requirement and a de minimus level of subsidization below which countervail would not apply.

The proposed submission would eliminate the artificial distinction in GATT between primary product export subsidies and industrial export subsidies and subject such practices to the same discipline. This would provide a framework for bringing agricultural export subsidies under increased discipline, as agreed to by GATT participants in April. The specific negotiations on rules to be developed in respect of agriculture subsidies will occur in the Agriculture Negotiating Group.

The MTN subsidy and countervail negotiations are scheduled to conclude in 1990. Progress in the MTN can have important implications for the activity of the Working Group on Subsidies under the FTA, which has a 5-7 year time horizon and which will want to take full account of and build on the MTN results.