

More specifically, Canada proposes countries collectively adopt a comprehensive approach which would result in:

- ° the provision of a more equitable balance of rights and obligations among GATT members, such that all measures affecting access to markets would be brought under more effective and enforceable GATT disciplines; and
- ° a major reduction in all trade-distorting subsidies and a major improvement in market access to be phased-in over approximately five years, with the ultimate goal of eliminating all subsidies which distort trade and all access barriers, over a period to be negotiated.

Canada proposes that agreement first be sought on the negotiating technique to be used to achieve trade liberalization. What is required is a simple yardstick which converts all access barriers and trade distorting subsidies into a single aggregate measure. This is necessary to enable the measurement of trade distortion reductions within and between countries. Such a measure would omit those elements of government support to agriculture which do not distort trade. This should assist in encouraging the development of national agricultural policies which are more market oriented. In calculating the trade distortion measure, "credit" could be given to those countries which effectively limit the output which is eligible for support.

Elements of a first stage would include agreement on:

- ° measures to be included in the trade distortion yardstick;
- ° the base period against which to measure reductions;
- ° the depth of cut and the length of the phase-in period; and, most importantly,
- ° a binding commitment not to introduce any new import barriers or trade distorting measures.