

The three major elements of agricultural trade which the Punta del Este Declaration identifies (access to markets, subsidies and technical regulations) are inseparable; failure to deal with one element could prejudice any gains negotiated in the other areas. The value of access concessions can be impaired by domestic subsidies or by technical regulations used as disguised barriers to trade.

The links between the different instruments of national agricultural policies, the links between commodities, the diverse nature of the policy instruments and the disparate range of commodity interests of GATT members, all argue in favour of a comprehensive approach to the negotiations. Moreover, past GATT negotiations have revealed clearly the limitations of an item-by-item, request and offer approach.

The current credibility of the GATT's applicability to agricultural trade is severely strained by the large number of exceptions and waivers and by the absence of rules to deal with such important agricultural trade measures as: variable import levies, "voluntary" export restraints, minimum import price systems, and "unbound" tariffs. In addition, the effectiveness of the GATT's dispute settlement machinery has been severely jeopardized by the vague, unpredictable rules affecting both domestic and export subsidies for agricultural products.

PROPOSAL:

The conclusion Canada draws from the foregoing is that the political will necessary to fulfill the objectives set out in the Punta del Este Declaration is beginning to emerge. These objectives are "to achieve greater liberalization of trade in agriculture and bring all measures affecting import access and export competition under strengthened and more operationally effective GATT rules and disciplines". The only negotiating approach which holds any real prospect for success is one which encompasses all GATT members, all agricultural commodities and all trade distorting measures--in short, a comprehensive approach.

In Canada's view such a comprehensive approach must deal with two interrelated issues: (1) to improve and secure access to markets and reduce trade distorting subsidies, and (2) to provide national policy makers with equitable, predictable and enforceable international rules under which national agricultural policy decisions could be taken.