



AGRICULTURE

Recommendation 17

"That the federal government seek WTO consensus to have the WTO Agreement on Agriculture stipulate that export subsidies in agriculture be immediately eliminated. The government should encourage the WTO to examine countries' use of export credits, export promotion activity and food aid to ensure that these do not embody any subsidy component."

The Government agrees in principle with this recommendation. Canada's WTO agriculture negotiating objectives, announced in August 1999, call for the elimination of all export subsidies in agriculture as quickly as possible, as well as the creation of rules to ensure that government-funded export credit and export credit guarantee programs, export market promotion and development activities, certain types of food aid, or other forms of export assistance do not become a substitute for export subsidies. Canada has aggressively pursued these objectives in the negotiations to date and will continue to do so.

Recommendation 18

"That the WTO Agreement on Agriculture be altered to dramatically restrict the provision by Members of production- or trade-distorting domestic support. In this reform effort, serious consideration should be given to establishing maximum limits on support that distorts production or trade; eliminating the blue box category of domestic subsidies and clarifying green box support programs to ensure that they have no production- or trade-distorting effects."

The Government agrees in principle with this recommendation. Canada's negotiating objectives include seeking the maximum possible reduction or elimination of production and trade-distorting support (amber support), including support under so-called "production-limiting" or "blue-box" programs; an overall limit on the amount of all types of domestic support which would include green (little or no production and trade effects), blue and amber support; a review of the criteria of the green category to ensure that green support does not distort production and trade, and the permanent recognition that such support should not be subject to countervailing measures.

