

**Mexico-**

Mexican officials are concerned that snap-back provisions, such as those as present in the FTA, if present in NAFTA, would be implemented frequently given the volatility of Mexican prices.

**United States-**

The United States may seek an even stronger safeguard provision than the FTA snapback which is limited to fresh fruits and vegetables. Of particular interest to the U.S. is the inclusion of orange juice under such a provision.

**RESPONSE:**

- THE SENSITIVITIES OF THE AGRICULTURAL COMMUNITIES ARE OF THE UTMOST IMPORTANCE TO OF THE GOVERNMENT. AT THE PRESENT TIME IT IS TOO EARLY TO DETERMINE THE FINAL OUTCOME OF THE NEGOTIATIONS. OUR GOAL IS ENSURE THAT CANADIAN PRODUCERS HAVE BOTH UNRESTRICTED EXPORT MARKETS AND PROTECTION FROM UNFAIR IMPORT PRACTICES.

**AGRICULTURAL SECTOR : QUESTION #5**

How would a NAFTA mesh with an agreement on subsidies in agriculture through the GATT?

**Background:**

If there is a MTN conclusion on agricultural subsidies, then the NAFTA would simply build on the GATT rules. However, if there is no MTN conclusion, the NAFTA will, with respect to practices among our three countries, have to address all of the issues of both internal and export subsidies.

**RESPONSE:**

- THE NAFTA NEGOTIATIONS ARE CLOSELY LINKED TO THE MULTILATERAL TRADE NEGOTIATIONS IN THE GATT, AND THERE IS NO CONFLICT AMONG THE CANADIAN OBJECTIVES THAT ARE BEING PURSUED IN THESE TWO SETS OF NEGOTIATIONS. IT IS ANTICIPATED THAT MANY AREAS OF THE NAFTA NEGOTIATIONS WILL BE BASED OF DECISIONS MADE AT THE GATT.