

orderly marketing arrangements. This should include the question of how safeguards measures could possibly relate to undertakings on structural adjustment by the protected industries.

16. There must also be a review of existing rules concerning subsidies and countervailing measures with an aim to increase the discipline on those subsidies which are harmful to the trade interests of contracting parties including subsidized export credits and subsidies affecting trade in agricultural products, as well as an attempt to broaden international agreement on the definition and measurement of subsidies and to improve the rules, procedures and conditions governing recourse to countervailing measures.

D. A Framework for Trade in Services

17. Given the increasing significance of services in international trade Canada attaches considerable importance to the development of a new trading framework to provide a mutually beneficial set of rules and principles to govern trade relations in services, - much as the GATT has done over the last decades in respect of trade in goods for the benefit of all contracting parties. This is an area where the international trading community has an opportunity to influence the elaboration of the basic rules of the road before trade in services either becomes a subject of confrontation in bilateral trade relations or the ground rules are in effect determined unilaterally by national legislation and practice.

18. The development of a new trading framework for services should, to the extent feasible and appropriate, explore the possible application of such basic principles as non-discrimination, national treatment and transparency in national regulations. The eventual status of a new instrument to govern trade in services should not be prejudged at this time.

19. Canada does not have any firm view, at this stage, as to whether the development of a new international framework for trade in services should eventually be of a comprehensive nature, whether its scope and coverage should be applicable to a selected number of sectors or whether it should be applied differently to particular sectors. Canada is flexible as to most appropriate and practical arrangements for eventually conducting negotiations in respect of trade in services. It can accept the notion that negotiations on trade in services be conducted in parallel with negotiations on trade in goods, provided they are conducive to achieving reasonable mutual balance of overall benefits in the global MTN context, they can be properly coordinated and the negotiation process can be appropriately serviced by the GATT secretariat.

E. Strengthening the Effectiveness of the Rule of Law and Non-discrimination

20. The cumulative impact of the proliferation of exceptions and deviations to the basic GATT rules over the years, and the stresses cre