

to international competition such as urban transit, telecommunications power-generating and transmission equipment, as well as services contracts. Canada would be interested in exploring the possibility of an early conclusion of the ongoing negotiations aimed at substantially enlarging the coverage of the Government Procurement Agreement.

11. Canada will be prepared to join with others in an examination of possible co-ordinated actions aimed at limiting special measures of protection which have been introduced in sectors facing particular international competitive difficulties.

B. Developing New Rules for Agricultural Trade

12. In the area of agriculture, Canada will seek to bring substantially all this large area of international trade more effectively under the discipline of contractual rights and obligations and to obtain an improved balance within the framework governing agricultural trade as between all major participants. Canada will be working for the development of new, fair, predictable and effective rules on export and domestic subsidies as well as on measures such as variable levies, quantitative restrictions and export restraints.

13. These new trading rules should apply equally to all major importers and exporters and relate to third country export markets as well as import markets. They should, of course, take account of production and trade characteristics in agriculture, including the desirability of limiting the overall costs of various support programs for national treasuries. The new rules should be accompanied by the acceptance of a degree of tariff bindings more comparable to what has been achieved in respect of industrial products.

C. Tighter Discipline on Contingency Protection Measures and Subsidies

14. The benefits of trade liberalization and of tariff bindings achieved in previous negotiations risk being seriously undermined by the uncertainties associated with the use of various contingency protection measures, concerning both fair and unfair trade. There is a need to enhance the predictability of access to major world markets for producers who have sought to adjust to the substantial reduction in their protection, brought about by previous negotiations, by introducing major changes to their production facilities so as to achieve the benefits of greater specialization and economies of scale. More secure and predictable access to markets is a crucial element in order to create a reasonable degree of confidence in the business community to justify major new investments oriented to international markets.

15. The new MTN should seek to develop an integrated international understanding to bring greater discipline to the use of all forms of safeguards actions, whether emergency import relief action under GATT Article XIX, or other measures such as voluntary export restraints and