

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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Statement by Argentina

There is no doubt that the fourth meeting of the Negotiating Group on Agriculture is proceeding in a constructive atmosphere. In addition to the presentation of proposals and documents by Switzerland, the EEC, the Cairns Group and Canada, there has been discussion not only dealing with those presentations but also going into the economic fundamentals of certain objectives and elements of the negotiations on agriculture.

Ambassador Oxley, representing the countries of the Cairns Group, gave a detailed explanation of our proposal, clearly reflecting its objectives of the liberalization and reform needed to solve the structural crisis of agriculture.

In his statement to the contracting parties less than a week ago, the Prime Minister of Australia pointed out the comprehensive character of the Cairns proposal, which proceeds from the premise of gradual elimination of all non-tariff barriers and the binding of tariffs, ensuring fulfillment of the greater liberalization and improved market access objectives of the Ministerial Declaration.

Closely connected with the above process and designed to facilitate the efficient allocation of resources, the proposal provides for the gradual reduction and elimination of distortive measures, including income support linked to production and direct or indirect export subsidies.

The structuring of a long-term multilateral framework under strengthened GATT rules that would prevent recurrence of the existing situation constitutes the necessary foundation of all the elements of the proposal.

There is no doubt that its aims are ambitious. But is there another way of solving the crisis? How can it reasonably be argued that there is any possibility of doing so by maintaining the policies which everyone agrees are responsible for the serious imbalances in agriculture.

Yesterday, the delegation of Jamaica and other delegations that took the floor wondered about the position of those countries which had so far not clearly expressed their intentions in the negotiations.

That group of developing countries, like the developing countries of the Cairns Group, lost 11 per cent of their share of world agricultural trade between 1970 and 1984, whether by lower exports or higher imports.

And who was responsible for that loss? Precisely those who subsidize, who have reduced their share as net importers by 18 percentage points.

What has been the loss of the developing countries in value terms mentioned by Ambassador Hill? No less than some \$30 billion annually at 1984 prices. Can anyone still doubt where the interests of these countries lie? Obviously not in the present system. How much has their domestic production fallen on account of the decline in international prices caused by protection and subsidies?

How many farmers have been ruined by such policies of the major trading partners? To what extent are under-nutrition and poverty the consequence of this perverse system?

Obviously, provision must be made for differential and more-favourable treatment that would make possible diversification and agricultural growth in developing countries. This point of view, which I listened to with great attention, particularly from the Mexican delegation, is taken into account by, and is an integral part of, the Cairns proposal, which assumes that liberalization and the elimination of protectionism and distortions constitute the substance of the question for finally doing away with the paradox of enormous surpluses in a world suffering from hunger, and this is what the Argentine delegation calls realism. Or is it realism to try just to minimize the effects of present policies, as suggested in the document of Switzerland?

Can it really be thought that merely undertaking not to increase exports of subsidized products for which there is a surplus supply and maintaining access to markets at the current levels offer even a slight possibility of solution?

Does the continued export of subsidized products along with maintenance of some access to the subsidized market offer any long-term prospect? Is not that the present situation? Does not past experience mean anything?

We appreciate the effort to come into the negotiations with ideas. But it must be borne in mind that in serious times what are needed are valid ideas, and that is realism. How can we invoke the subject of security and agricultural self-sufficiency in today's world, in which our systems of transport, telecommunications, and the functioning of our hospitals depend on supplies from other countries? Although in other cases this argument may not be of importance, it is precisely security and peace that depend on growing independence. Or have we forgotten how isolation and exacerbated nationalism led the European countries to war?

We therefore believe, Mr. Chairman, that the Cairns proposal is marked by realism and, in view of the proposals that have been submitted and the statements we have heard, we see that we are not alone in this approach.

As regards the submission of the European Economic Community, we expressed a preliminary opinion yesterday which we wish to confirm.

It is a constructive step towards negotiations, comprising such aspects as reduction of support levels, adoption of immediate relief measures and a greater rôle for market signals in the orientation of production.

It should be noted, however, that these elements are not interrelated, in that they do not serve a common objective.

The absence of specific references to the objective of liberalization, to precise targets for reduction of support to production, to the opening-up of markets and to the elimination of distortions qualify the constructive aspects we mentioned.

In reality, continuation of the double-pricing system, mention of acquired rights, formal modification of multilateral rules, agreements on minimum export prices, maintenance of subsidies, questioning of existing GATT bindings for example on oilseeds and cereal substitutes are indicative of a defence of the existing system based on the Common Agricultural Policy. The emphasis placed on immediate relief measures and the lack of clarity concerning ultimate objectives and time-frames in the reform of agriculture seem to show that the intention is only to master a cyclical situation having serious internal budgetary implications.

The goals proposed look like indefinite quantitative changes dependent on certain counterparts (acquired rights, withdrawal of concessions, etc.), which while modifying the present framework are not realistic as a lasting solution to the crisis.

Mr. Chairman, "realism" in this case has two aspects: either it is a justification of the present situation and can then only be treated by cosmetic methods, or it reflects a desire to reverse the crisis. In the latter case, only the elimination of the policies which have brought us to this state of imbalance of supply and demand, to the accumulation of stocks and to an unprecedented decline in prices can be characterized as a sensible response.

We realize that the road is difficult, that replacing such policies by healthy economic principles is painful, but it is the only road possible for a world without the paradoxes pointed out by the Ambassador of Jamaica.

We are sure that our partners will understand this reality and will negotiate with us seriously.