

**MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND**

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TWENTY-THIRD SESSION OF THE NEGOTIATING  
GROUP ON AGRICULTURE: JULY 1990

Statement by the United States (23 July 1990)

It is appropriate at this point to recall that at the Mid-Term Review the participants in the agriculture negotiations agreed to make "substantial and progressive reductions in support and protection sustained over an agreed period of time, resulting in correcting and preventing restrictions and distortions in world agricultural markets". Substantial means all participants have committed themselves to making cuts in support and protection that result in fundamental reform of trade-distorting policies. The minimal price reductions that some participants seem to be contemplating will not accomplish the trade reform we agreed to undertake. Progressive means that all participants commit to make these cuts on a continuing basis and not just when market conditions make them tolerable. Furthermore, the substantial and progressive reductions in support and protection must apply to all trade-distorting policies for all agricultural products.

Reduction commitments must be achieved through specific commitments for each of the three areas - internal support, import access, and export subsidies. The aggregate measure of support cannot be the single instrument for reducing support and protection. It is imperative that we have distinct, specific disciplines on import access and export subsidies as well as internal support. Let me be clear - anything less than specific commitments in each of the three areas is unacceptable.

Export subsidies are the most egregious of all trade-distorting measures and require special attention. It is not acceptable that they will only be reduced as a result of a reduction in overall support. They must be subject to specific commitments.

The United States cannot accept the conditions for tariffication that some participants have proposed. The objective of these negotiations is the reduction of support and protection for all products. Rebalancing is not consistent with this objective and is therefore unacceptable to the United States. A variable component for import protection within a tariffication scheme is tantamount to a codification of the variable levy. Such a scheme is inconsistent with the overall reform objective.

The United States has said repeatedly that all our trade-distorting programmes are on the table if others do the same. However, we cannot accept that deficiency payments be treated under each of the three areas of the negotiations.

The United States recognizes that in order to reach a successful conclusion to the negotiations for reform of agricultural trade, it is necessary for the Negotiating Group on Agriculture to reach an agreement on a framework for the negotiations by the time of the TNC. It is the view of the United States that the draft text by the Chairman should provide the structure and direction for the future work of the Negotiating Group on Agriculture.

The structure and direction that the United States is prepared to accept is very clearly defined in the Chairman's draft text - internal support measures will be reduced using an Aggregate Measure of Support; all non-tariff barriers will be converted to tariff equivalents and both tariff equivalents and tariffs will be reduced; export subsidies will be reduced effectively more than other forms of support through commitments on aggregate budgetary outlays on export assistance, per unit export assistance, the total quantity of a product in respect of which export assistance may be provided, or some combination of these; and negotiations on sanitary and phytosanitary measures will be conducted on the basis of the text to be submitted to the TNC. The United States also accepts that new or improved rules and disciplines should be negotiated in all four areas.

Special and differential treatment for developing countries as called for in the Punta del Este Declaration and the Mid-Term Review Agreement and concerns of net food-importing developing countries can be provided within this framework. The non-trade concerns that have been expressed by some participants in the Negotiating Group on Agriculture can also be negotiated within this framework.

The United States is prepared to enter into immediate negotiations proceeding from the Chairman's text and to submit the information requested in paragraphs 6, 12 and 20 of the Chairman's text. We expect all other participants in the negotiations to do the same.