

- (iv) a commitment to reduce aggregate monetary levels of output based support by 10 percent in each of 1989 and 1990 to be formulated in terms of specific commitments, as a downpayment consistent with long-term multilateral agricultural reform.

4. The Cairns Group stands ready to negotiate the details of all of these elements by the end of 1988, including the achievement of the long-term target outcomes.

II LONG-TERM ELEMENTS

5. This proposal is based on the Cairns Group proposal to the Uruguay Round Negotiating Group on Agriculture (MTN.GNG/NG5/W/21) envisaging full liberalization of agriculture which would encompass:

(i) Market Access

GATT rules and disciplines to remove restrictions to the free flow of trade in agricultural products, including:

- (a) a prohibition on the introduction or continued use of all measures not explicitly provided for in the GATT, including non-tariff barriers and other measures such as variable levies and minimum import prices;
- (b) the elimination of all provisions for exceptional treatment whether maintained under waivers, protocols of accession, or other derogations and exceptions;
- (c) a binding of all tariffs on agricultural products at low levels or zero.

(ii) Subsidies

GATT rules and disciplines to prohibit the use of all subsidies and other government support measures, including consumer transfers, having an effect on agricultural trade.

6. Ministers should agree to commence in 1989 negotiation of the long-term rules and disciplines for full liberalization that would govern agricultural trade after the period of transition. These rules and disciplines would continue and consolidate the progress achieved through initial measures and transitional arrangements.