

The negotiating proposal (attached), reaffirms the Cairns Group commitment to the fundamental long-term reform of international agricultural trade. It calls for a freeze on trade-distorting support to agriculture, and a ten percent per annum reduction in that support in both 1989 and 1990. It also suggests that countries retain flexibility in how they choose to meet the 10 percent reduction objectives. The short-term measures outlined in the proposal are intended to contribute towards the longer term reform of the agricultural trading system.

In commenting on today's proposal, Agriculture Minister John Wise noted that the Government would retain flexibility on how to implement the various short-term aspects of the proposal. "There would be no requirement to change any particular measure for any particular commodity sector," he stated.

Mr. Wise also stressed that Canada's ability to operate domestic marketing and supply management programs as provided for under GATT rules would not be undermined by this latest Group initiative. He reconfirmed the commitment of federal Ministers to consult again with farm leaders prior to the Montréal Mid-Term Review in December.

The negotiating proposal put forward by the Cairns Group is being discussed by GATT negotiators in Geneva on July 13-14. They will continue their discussions throughout the Fall period, as part of the ongoing multilateral trade negotiations.

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