

product was totally unacceptable.

8. Ministers welcomed the provision for export subsidies to be submitted to disciplines which could ensure they were driven down at a faster rate than other elements of the reform package. Indeed, Ministers emphasised that they continued to regard the progressive elimination of export subsidies as a key objective for the Round.
9. Ministers were disappointed that the Chairman's text confined reductions in internal support to use of an aggregate measure rather than specific policy commitments.
10. Ministers, while welcoming the recognition given in the Chairman's text to the legitimate needs of developing countries consider that in several respects it falls short of the Cairns Group proposal. Ministers agreed that special consideration should be given to rural poverty alleviation and environmental protection programs.
11. Ministers reiterated, in the context of the war against drugs, the need for support to be given to producers in areas in some countries to encourage diversification away from illicit narcotic crops, as noted in the Chiang Mai Ministerial Statement. Accommodation of these matters would need to be found in the course of the negotiations.
12. Despite the misgivings noted above, Cairns Ministers recognized the effort the Chairman had made to provide a way forward in the limited time available. They were therefore prepared to accept his text as a minimum basis for negotiations post July, on the understanding that the four major elements earlier mentioned are jointly negotiated.
13. In this same light, Cairns Ministers urged all other participants to accept the text as the basis for ongoing negotiations. They commended this view to the Houston Summit of industrial nations. In this regard, they particularly called on the European Community, the United States and Japan, as major trading powers, to meet their responsibilities and to make the contributions required of them in these negotiations.
14. Finally, Ministers renewed their determination that the Round cannot and will not conclude, in whole or in part, without a substantial outcome on agriculture. They agreed that if necessary they would meet again in advance of the Brussels Trade Negotiations Committee meeting to reach a final determination on the agriculture package. In the interim, Ministers will maintain close coordination in order to ensure that Cairns' objectives would be achieved.