In our statement MTN/AG/W/14 at last December's meeting of the Agriculture Group we stressed the special significance of agriculture in the trade of countries such as Australia, where farm products constitute 50 per cent or more of total exports compared to major developed countries where farm products are of substantially lesser relative significance.

We also emphasized some of the problems faced by countries so heavily dependent on agriculture, not the least of which stem from the failure of previous negotiating rounds to achieve any worthwhile degree of liberalization in this important area of world trade and in the continued maintenance, and in many cases extension, of restrictions on trade in farm products inconsistent with the letter and/or the spirit of the GATT.

Quite clearly, all participants in the negotiations if they are to keep faith with the Tokyo Declaration must recognize paragraph 5 "negotiations shall be conducted on the basis of the principles of mutual advantage, mutual commitment and overall reciprocity...". Indeed countries such as Australia to whom agriculture is of such paramount importance must evaluate whether or not this balance has been maintained after taking due account of the treatment contemplated for agriculture.

With this question of balance very much in mind Australia (and others) have sought to achieve in the MTN a multilateral approach to the search for solutions to problems of agricultural trade in line with the approach in contemplation for industrial products.

This is not to say we are unable to acknowledge certain differences for agriculture. We note that effective barriers to trade in farm products are almost exclusively of a non-tariff nature, whilst for manufactures there has not yet been the same resort to non-tariff measures, although an increasing tendency in this direction can be discerned in recent trends.
So while we do not deny that agriculture is different we think the differences can be over-stated and, in our view, the pressure for a separate approach on agriculture sometimes derives from the fact that this sector raises special and difficult domestic problems for some countries.

That is understandable enough but, if it is accepted that this is a good and sufficient reason for special treatment, then it must be acknowledged as a principle having wider and general application beyond agriculture. Certainly that is the way we would have to interpret it.

As all will be aware, we had intended to present to the Agriculture Group, and had in fact prepared, an in-depth proposal on how we thought the Group might proceed to discuss the broad problems facing trade in farm products, how multilateral solutions might be developed, and the ways in which they might be implemented.

However, and as you are well aware two of the major proponents of these negotiations have reached agreement on the future course and structure of the negotiations, not merely for agriculture but for the MTN as a whole.

What is now in prospect for agriculture is an item-by-item approach. It is not the one we had envisaged as offering the chance of best results. It is the one we have not supported because, as a country overwhelmingly dependent on primary products exports, we could not reconcile a multilateral and formula approach to reductions in barriers to trade in industrial products which form less than 6 per cent of our trade with developed countries, with a matched bilateral approach to trade in agriculture which forms 50 per cent of our total exports.

But obviously others take a different view. We are prepared to work with them towards a practical, realistic and balanced result on an item-by-item basis. To do otherwise would be merely obstructive.

It follows, therefore that we will not press forward our MTN/AG/W/14 proposals, although we firmly believe they would have provided a basis for a most equitable result in the negotiations.

However, whatever approach is decided upon, our prime objective in these negotiations remains the liberalization of world trade in agricultural products.

We will make our contribution, put forward our suggestions, listen to the contributions of others in an effort to achieve meaningful and realistic proposals. We know others will want to discuss market structures, stabilization measures, consultation arrangements, information exchanges, fact finding, forecasting surveillance and dispute settlement. These are worthy areas of study and we are prepared to talk about them. We recognize their place in dealing with the problems of trade in agriculture and we are ready and willing to talk about them.

But we would be deluding ourselves if we were to imagine that these negotiations can be regarded as successful unless we can make some advances in liberalization of trade in agricultural products.