The United States has considered carefully the proposals of the European Communities and New Zealand at this meeting of the Sub-Group. We are aware of the unsatisfactory state of the world market for many dairy products and of the desire of major trading countries to seek international solutions to trade problems. Therefore, my Government will continue to participate constructively and in the most positive spirit in exploring international solutions for dairy products in the context of this Sub-Group.

The United States cannot now commit itself to participation in whatever arrangement might eventually emerge as a result of this Sub-Group's work. I do not want to emphasize our differences, but we are all realistic and realize that there are significant provisions in existing proposals on which governments may have different views. Moreover, other concepts may be introduced by participants as we proceed in our work and what we end up with ultimately may differ in some respects from either of the current proposals. None the less, the United States is prepared to discuss the elements that have been proposed for an international dairy arrangement.

As to how we proceed with this task, the United States is willing to be flexible. As we have indicated in our discussion of specific possible elements of an arrangement, there are a few aspects of the proposals now before us that create fundamental problems.

Finally, I want to express the desire of my Government that procedural questions not be permitted to further delay the important work that now needs to go forward in all aspects of this multilateral trade negotiation. The United States will not preclude its participation in any negotiating procedure that is generally agreed upon and we hope that other countries will adopt a similarly flexible position insofar as procedures are concerned so that overall progress can be realized in the negotiations.