



IP(87) 286

**PRESSE-MEDDELELSE · MITTEILUNG AN DIE PRESSE · PRESS-RELEASE · INFORMATION A LA PRESSE  
ΑΝΑΚΟΙΝΩΣΗ ΓΙΑ ΤΟΝ ΤΥΠΟ · INFORMAZIONE ALLA STAMPA · MEDEDELING AAN DE PERS**

Brussels, 10 July 1987.

441.2(103)

**INTRODUCTORY REMARKS BY VICE-PRESIDENT ANDRIESEN  
AND COMMISSIONER DE CLERCQ AT THE PRESS CONFERENCE.**

**- Washington, 9 July 1987 -**

I. We came to Washington with the primary objective to meet political leaders in Congress to put to them the need to avoid protectionist provisions in the legislation now being elaborated. We did not come to lecture or to threaten our American friends nor did we wish to interfere with the domestic legislative process. But we are sincerely worried because many of the proposals under discussion would affect the European Community as the biggest single trading partner of the US. In addition, they could jeopardise the world trading system at the very start of the Uruguay Round and, last but not least, they would put at risk export interests of the US economy.

In this spirit, we had intensive talks with a broad spectrum of key figures in the House (Speaker Wright, Congressmen de la Garza and members of the House Agriculture Committee, Glickman, Lantos, Bonker and Representative Pelosi and members of the House Ways and Means Committee), and in the Senate (Majority Leader Byrd, Senators Danforth, Heinz, Conrad, Leahy, Baucus, Harkin, Matsunaga, Pell and Bond).

We showed understanding for their concern about the US trade deficit which has reached unsustainable levels. But we expressed doubts whether the protectionist medicine was appropriate and addressed to the real problem. After all, even American analyses confirmed that most of the causes of the US trade deficit lie in macro-economic factors: budget deficit, overvalued dollar until mid-1985, loss of competitiveness of certain industries, higher growth in the USA and LDC indebtedness.

We concentrated our objections on four major items of the trade legislation under discussion:

1. Action by the US to restrict imports triggered by other countries running surpluses with the US and not abolishing "unfair trading practices (Gephardt type language).
2. Sectoral reciprocity, e.g. in the field of telecommunications (Danforth, Matsui, Heinz).
3. Unilateral interpretation by the US of trade laws which are part of a balanced multilaterally agreed on system (e.g. anti-dumping rules, Section 201 and 301).
4. Restrictions on foreign investment.

If unilateral action were taken by the US under such provisions, the European Community - and others - would have no choice but to take "mirror action". That would not only wreck the new Trade Round but would place at risk many of the five million American jobs dependent on exports.

The discussions were friendly and useful but we found, not unaturally, in their minds domestic considerations were paramount. We can have no illusions that the final outcome of the legislative proceedings will be largely determined by purely domestic policy considerations. We feel however obliged to do everything possible to avoid dangerous protectionist elements which could trigger off a worldwide trade conflict. We will continue our efforts in this sense until the end of the process. In particular we hope that our grave concerns will be taken into account during the decisive deliberations of the Conference Committee.

II. During our visit we also had a broad exchange of views with members of the Reagan Administration (Secretary Shultz, Ambassador Yeutter, Secretary Lyng and Secretary Baldrige).

Also in this context US trade legislation had a prominent place. We were pleased to note large agreement on all major issues and to receive a clear indication that President Reagan would veto a protectionist bill.

We reviewed with our American friends ongoing progress in the Uruguay Round and expressed satisfaction that procedural disputes were being put aside while the essential work on substance was started.

We also went through a long list of bilateral trade problems including the new situation concerning fats and oils, Citrus/Pasta, Third Country meat directive, Hormones, Airbus and telecommunications. While this was no negotiating session important clarifications could be obtained on a number of points.

III. On balance, we are satisfied with our visit. It illustrated once again that despite a number of bilateral trade frictions the overall relationship between the US and the EC is in good shape and developing on solid ground.