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ΑΝΑΚΟΙΝΩΣΗ ΓΙΑ ΤΟΝ ΤΥΠΟ • INFORMAZIONE ALLA STAMPA • MEDEDELING AAN DE PERS**

Brussels, 1 June 1988

**EUROPEAN COMMISSION
PROTESTS AGAINST US DECISION
TO EXPAND SET-ASIDE SCHEME**

On behalf of the Commission of the European Communities, Mr Andriessen and Mr De Clercq have protested against the US Government decision to reduce from 27.5% to 10% the minimum percentage of their land which farmers must set aside in order to receive "deficiency payments".¹ This decision, which is to apply from 1989, is accompanied by changes in the way in which deficiency payments are calculated; in practice this will lead to a slight increase in the level of support given to the US farmers concerned.

In the Commission's opinion, these decisions are excessive and come at a particularly damaging time; the Community is busy reforming its own agricultural policy and recently launched a set-aside scheme aimed at reducing production, whereas the US measures are liable to bring an additional 10 to 12 million tonnes of wheat onto the already depressed world market over the next few years.

In the Commission's opinion, the US measures go against the decisions taken at the OECD in 1987 and 1988. In the 1987 OECD communiqué, Ministers undertook to "refrain from actions which would worsen the negotiating climate: they will, inter alia, avoid initiating actions which would result in stimulating production in surplus agricultural commodities and in isolating the domestic market further from international markets".

That undertaking was confirmed in the 1988 communiqué, in which "Member countries are urged to take measures in conformity with the Ministerial Communiqué of 1987, including its long-term objective, in order to avoid confrontational and destabilizing trade policies".

The Commission notes that the US decisions are contrary to the standstill undertakings given at Punta del Este and can only worsen the climate for the agricultural negotiations just a few months before the mid-term review, at which progress must be made on all subjects under discussion, including agriculture.

¹ The existing US legislation provided for the figure to be reduced to no less than 20%.

The Commission accordingly sees a flagrant contradiction between the position taken by the US administration in the international agricultural debate and the measures which have just been announced.

The Commission remains convinced that the problems facing agriculture throughout the world can be solved only if short-term reform measures are taken to prepare the ground for longer-term reforms. It is preparing more detailed proposals along these lines. In the Uruguay Round negotiations it has already proposed urgent measures aimed in particular at improving the situation on world cereals markets. The US decisions are liable to destabilize those markets even more.