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4411.4(103)

## HARDIN CONCERNED ABOUT TRADE PROTECTIONISM (with text)

London, December 16, 1970 -- U.S. Secretary of Agriculture Clifford Hardin says one of the primary aims of his European tour has been to share with major trading partners "our concern about protectionist trends that are apparent in the world."

Mr. Hardin told a December 15 press conference in London at the end of his tour that his trip has not involved any negotiating sessions but rather has been an attempt to gain understanding, set priorities and lay the foundations for future meetings.

He pointed out that in each of the eight countries he visited he emphasized President Nixon's continuing commitment to policies of liberal trade. Mr. Hardin added that he had "expressed very candidly the concerns that the United States has about some policies of the European Community, particularly certain features of the Common Agricultural Policy."

In a press conference statement Mr. Hardin underlined that discriminatory features in that policy had contributed to the growth of protectionist thinking in the United States.

Pointing to the question of grain surpluses, Secretary Hardin said it was felt that if a lower price policy were followed there would be an expansion of the livestock industry on the European continent, a subsequent rise in the demand for meat and an ultimate increase in demand for American grains.

As it was, due to variable levies on items such as feed grains, there had been a 47 percent reduction in American shipments to Europe in four years, compared with increased shipments in unprotected items.

Mr. Hardin said that the subject of the trade bill currently pending in Congress had come up in all his discussions, indicating a rising interest in protectionist policies.

Secretary Hardin also said that from his talks with Common Market country officials he felt that Britain's entry into the European Community is now a foregone conclusion and all that remains is to work out the terms.

Following is the full text of Secretary Hardin's press conference statement:

In the past two weeks, my colleagues and I have carried on talks with agriculture and trade leaders in eight countries, as well as officials of the European Community in Brussels. Beginning on December 2nd, we have conferred in Bucharest, Belgrade, Rome, Paris, Bonn, The Hague, Brussels and London.

In these talks, I am fortunate in having had the assistance of Assistant Secretary of Agriculture Clarence D. Palmby, Deputy Assistant Secretary of Commerce Lawrence A. Fox, and two members of the President's Commission on International Trade and Investment Policy -- Mr. William Pearce of Minneapolis and Mr. Max Myers of Brookings, South Dakota. In addition, we have had valuable contributions from two representatives of the Department of State and others from my own Department.

Our primary purpose in these talks was to share with major trading partners our concern about protectionist trends that are apparent in the world -- and to seek their views on the future of the international trading system. In each country I have emphasized the fact of President Nixon's continuing commitment to policies of liberal trade.

As we prepare to return to the United States, I would like to express my country's appreciation for the friendliness with which we have been received and the frankness which has characterized our talks. In return, I have been quite explicit in calling attention to developments that we think are restrictive of trade and harmful to future trading relationships.

We have expressed very candidly the concerns that the United States has about some policies of the European Community, particularly certain features of the Common Agricultural Policy. Specifically, we have directed attention to the Community's grain pricing and trading policies, its preferential arrangements, and other discriminatory features such as the tobacco CAP. We have emphasized the fact that these measures have contributed to the growth of protectionist thinking in the United States.

High grain prices which discourage utilization within the Community result in surpluses that undermine and interfere with our legitimate trade when they are pushed into world trade channels with heavy subsidies. Protected by variable import levies, this system works to reduce U.S. grain exports to EEC countries, and it also is disruptive to U.S. trade with third countries. We have urged a lowering of grain prices within the European Community, in the Community's own interest as well as in ours.

We have also discussed in detail the preferential arrangements that the Community has negotiated with Mediterranean citrus producers -- arrangements which discriminate against U.S. citrus growers who are producing and marketing without subsidy. We believe that these arrangements are contrary to provisions of the General Agreement on Tariffs and Trade.

Finally, we have expressed our views on the Common Agricultural Policy for tobacco. For example, the buyers' premium, which provides an incentive to buyers within the Community to purchase leaf produced within the Community, is discriminatory and harmful to U.S. and other world producers. We believe it to be incompatible with provisions of the GATT.

In our talks throughout Europe, we have emphasized that the United States takes a most serious view toward actions that threaten the U.S. farmer's largest market -- 1.3 billion dollars to EEC countries last fiscal year and a larger amount in earlier years. We are also quite interested in the agricultural terms of the United Kingdom's negotiation for EC membership, and we are concerned about the government's new agricultural policy. These have been subjects of discussion here yesterday and today.

No one should misunderstand our position. The United States supports European unification, which is both in your interest and in ours. We support the strengthening and enlargement of the European Community. This has been the consistent policy of all U.S. Administrations during the post-war period.

As your friends and well-wishers, we feel that we can expect that a unified Europe would take our interests into account and avoid taking action which, while politically expedient, harms these interests. Just as Europeans have every right to expect us to do the same towards them.

We came to Europe in this spirit to consult -- frankly and in friendship -- on mutual problems and to explore concrete remedies to these problems.

We view these questions as immediate, as well as long term. We have stressed the need for new and immediate initiatives by the European Community to signal a liberalization of attitudes toward agricultural production and trade.

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December 16, 1970