

Note BIO (74) 253 to the National Offices
c.c. to the Members of the Group and to the Directors General of DG I and X

Subject: Joint Press Conference of Mr. Butz and Mr. Lardinois

441. 2(103)

On his way to the World Food Conference in Rome, the U.S. Secretary of Agriculture Butz stopped off in Brussels to have discussions with President Ortolini and Mr. Lardinois. In a joint press conference Mr. Butz and Mr. Lardinois stated that their discussions had covered primarily the world market situation of grains and soyabans.

American export policy

Mr. Butz stressed that the United States wanted to keep their export markets open and that in order to achieve this there would be "no more cutting across contracts" as had happened in the autumn of 1973. He emphasised that this was also President Ford's view. The monitoring system on cereal exports which the United States had recently introduced and which required preliminary agreement by the U.S. authorities for any major export contract, was only intended to ensure a good distribution of the available quantities. Mr Butz pointed out that in only three cases the U.S. Government had upheld shipments in order to make sure that these were not speculative.

As to the American agricultural production Mr. Butz said that even though the maize crop is below expectations this year, it still remains the fourth biggest crop in history. Wheat and rice crops would moreover be considerably beyond last year's levels. He added that next year "not an acre will be kept out of production by Government policy so that we will back on stream again with grains for the European market and for the world market".

World Food Conference in Rome

On the subject of an international arrangement concerning the stock-piling of some basic agricultural commodities such as cereals, Mr. Butz and Mr. Lardinois stated that the position of the United States and the European Communities were in fact quite close together. No one doubted the necessity of such reserve building but there could be some differences as to the tactics leading to its realisation. As far as the Community is concerned the details could be worked out within the GATT framework whereas the United States seem to prefer to start negotiations as soon as possible and in an ad hoc organisation that would allow the biggest number of countries to participate.

As to the negotiation of international commodity arrangements Mr. Butz stated that the United States continues to be opposed to them if they contained narrow pricing arrangements. On the other hand, he had understood that Mr. Lardinois gives quantitative targets the main priority so that, therefore, the U.S. position was no longer very much removed from that of the Community. Mr. Lardinois said that, in his opinion, no hard decisions could be expected at the World Food Conference on the subject of commodity agreements but he confirmed that the United States and Europe were not as far from agreement as in the past.

- 2 -

Food Aid

According to Mr. Butz the burden of food aid should be shared by more countries other than Europe, Canada and the United States. One of the main countries he had in mind in this respect was the USSR. Mr. Butz expressed gratitude to the Community for the burden it had shouldered in the field of food aid and more specifically for the 1 million tonnes of wheat which it will deliver to India partly in the form of food aid.

With regard to food aid the United States are in favour of setting up a world food agency. Questioned about this Mr. Butz said that countries like the USSR and the OPEC countries should give their contribution. Mr. Lardinois stated that the European Communities was not in favour of creating new bodies where others existed. He suggested that the FAO setup might be changed in such a way that non-member countries like the USSR could participate in the monitoring of the world food situation. The same applies to the Community which as such cannot participate as a full member in the activities of the FAO.

At the end of the press conference Mr. Lardinois stressed that much more aid should be given to the promotion of agricultural production in developing countries. He indicated that only 5% of all development aid throughout the world was channelled towards such projects whereas in the Community devotes 37% of its development aid for agricultural projects in Associated countries. Mr. Butz agreed on that point quoting the ancient Chinese saying that if you give a man a fish you will feed him for one day; if you teach him how to fish he can feed himself for life.

(à suivre)
(to be continued)

Regards



1