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DE : C.C.E. BRUXELLES - GPP46 - IMP. DIF. G.P.P.
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BRUXELLES, LE 11 JUIN 1982
NOTE BIO(R2)253 AUX BUREAUX NATIONAUX
CC. AUX MEMBRES DU GROUPE DU PORTE-PAROLE

ATTENTION SPECIALE WASHINGTON ET NEW YORK

MAIN POINTS OF VICE-PRESIDENT DAVIGNON S COMMENTS ON THE
AMERICAN DECISION ON COUNTERVAILING DUTIES AGAINST EC STEEL
(W.HELIN)

NB. FRENCH VERSION OF THIS TEXT WILL FOLLOW.

''NOT ANY AUTHORITY, BE IT FROM A BIG OR A SMALL COUNTRY HAS
NEITHER THE ONOPOLY NOR THE RIGHT TO MAKE A UNILATERAL
INTERPRETATION OF THE GATT RULES. THE US CONSIDER THAT SUBSIDIES
GRANTED TO EUROPEAN STEEL AND WHICH ARE IN FACT COMPLETELY
CONTROLLED BY THE COMMISSION , DEGRESSIVE IN VALUE AND TIME AND
CAN ONLY BE GRANTED IF THEY SERVE THE PURPOSE OF RESHAPING
INDUSTRY AND BRINGING IT BACK TO PROFITABILITY, THAT THOSE
SUBSIDIES ARE NOT IN LINE WITH GATT REGULATIONS. THIS UNILATERAL
INTERPRETATION IS UNACCEPTABLE TO US. IT IS A BAD CASE FROM
THE COMMERCIAL, LEGAL AND CERTAINLY ALSO POLITICAL POINT OF
VIEW. IT HAS BEEN QUITE CLEAR THAT THE HIGHEST LEVEL OF THE
AMERICAN ADMINISTRATION HAS NOT PERCEIVED THE REAL MEANING OF
THIS CASE: THEY HAVE NOT REALISED THAT THIS WAS NOT A SMALL
SECTORIAL PROBLEM. IT IS FOR YOU, GENTLEMEN OF THE PRESS, TO
JUDGE THIS DECISION IN THE LIGHT OF THE RECENT VERSAILLES
SUMMIT. BUT THIS CERTAINLY HAS A PROTECTIONISTIC FLAVOUR ABOUT
IT. IT HAS APPEARED ALSO THAT THE AMERICAN ADMINISTRATION HAS
NOT BEEN ABLE, AND WAS IT WILLING TO, THAT IS THE QUESTION, TO
CONTROLE ITS INDUSTRY. WE REGRET THAT THE EFFORTS HAVE NOT
BROUGHT ABOUT A SOLUTION. IT IS A POLITICAL AND DAMAGING ERROR
THAT THE US HAVE NOT MADE THE EFFORT TO PRESS THEIR INDUSTRY.
TRADE IS NOT WATER: YOU CANNOT TURN THE TAB OFF AND ON
BECAUSE IT SERVES YOUR PURPOSE BETTER. THERE HAS NEVER BEEN A
REAL NEGOCIATION. ALL THROUGH THE EXPLORATORY CONVERSATIONS WE HAD
WE HAVE GIVEN THE ANSWERS TO THE QUESTIONS PUT TO US, THUS SHOWING
HOW TRANSPARENTLY OUR CODE ON AIDS FOR STEEL FUNCTIONS. AS
CONVERSATIONS WENT, HOWEVER, THE COMMISSION COULD SENSE THAT
AMERICAN INDUSTRY WAS BECOMING MORE AND MORE DEMANDING.''

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(QUOTES CONT.)

"WE ARE NOT GOING TO RULE INTERNATIONAL TRADE ON SUCH AN INEQUITABLE BASIS. I DON T LIKE THE TERMINOLOGY OF "TRADE WAR" BECAUSE I DON T KNOW WHAT IT REFERS TO, BUT IT IS CLEAR THAT WE ARE ENTERING A VERY DIFFICULT PERIOD OF TIME. WE DON T TALK IN TERMS OF RETALIATIONS: WE STAY IN THE LOGICS OF THE STEEL DOSSIER AND WE WILL GO ON TRYING TO BRING ABOUT A SOLUTION. IN SUCH IMPORTANT MATTERS THERE IS NO ROOM FOR IMPROVISATION. BUT WE ARE GOING TO EXAMINE, APPLYING THE UNACCEPTABLE UNILATERAL AMERICAN ATTITUDE, WHAT THIS WOULD MEAN FOR CERTAIN AMERICAN EXPORTS WHICH BENEFIT FROM SUBSIDIES. THE MATTER HAS, AT OUR REQUEST, ALREDY BEEN PUT ON THE AGENDA OF THE MINISTERS OF FOREIGN AFFAIRS OF THE TEN WHO MEET IN LUXEMBOURG ON 22 JUNE. THE ABSURD PARADOX IN THIS WHOLE AFFAIR IS THAT IT PUTS IN JEOPARDY A VERY STRINGENT SYSTEM WE HAVE DESIGNED TO PHASE OUT STEEL AIDS

IN EUROPE. THIS IS THE TIME JUPITER IN WASHINGTON CHOSE TO UNLFASH HIS THUNDERS. THE EEC CLEARLY WANTED AN AGREEMENT. THE US SIDE HAS KNOWN FROM THE VERY BEGINNING THAT WE COULD NOT ACCEPT A DEAL INCLUDING TUBES. I MADE A LAST OFFER YESTERDAY, THURSDAY, TO POSTPONE THE 10 JUNE DEADLINE AND WAIT UNTIL THE ITC HAS TO RULE ON THE TUBE CASE (21 JUNE 1982). THIS ATTEMPT HAS ALSO FAILED, IT WAS PERFECTLY HONEST THOUGH, BECAUSE THE US WOULD ALWAYS HAVE HAD THE POSSIBILITY OF APPLYING ITS DECISION RETROACTIVELY."

REGARDS,

M. SANTARELLI COMEUR///"

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