

Brussels, 23 June 1982
Note BIO(82)281 aux Bureaux Nationaux
cc. aux membres du Groupe du Porte-Parole

441.2(103)

PRIORITY WASHINGTON ET NEW YORK

(TRANSCRIPT) OF THE DECLARATIONS MADE BY MR BROCK AND MR HAFERKAMP

Brock:

Well, perhaps I can just very briefly state that we have had a good and very thorough discussion of our difficulties and both parties explained our domestic as well as our international difficulties and opportunities. I don't have a great deal to say, we have had a very thorough discussion about mutual difficulties and we will have continuing conversations on a number of these issues over the coming weeks.

Question:

What made you divert to come here in the first place, to break your schedule to come here?

Brock:

Well, I thought that it was important we continue and the closeness of our contacts; we have enormous mutual interests, the need for both the European Community and the United States to act with full understanding of each other's problems is obvious and we have much to gain by working as closely as we possibly can.

Question:

Ambassador, how come you keep feeding Russia with grain and ask Europeans to stop buying gas, isn't that a more anti-European than anti-Soviet operation?

Brock:

We made our position reasonably clear, we are concerned that the Soviets have seized the last several years in which to engage in the largest arms build-up in the history of mankind. That has forced us to expend resources on defence that we would prefer to expend on the betterment of our people and it is the position of my government that we should not by government action on either side of the Atlantic offer them below market credit or other opportunities for the further development of their military might. And it is a matter of some concern that we would hope to be able to work more closely in a common policy in this area.

Question: Can the US reconsider the decision on gas technology?

Brock:

I think the decision has been made, I don't know any discussion of reconsideration, that was not a matter of conversation this morning, I think both of us were trying to explain to each other what our respective positions were.

Question:

What will be the consequences if the EEC doesn't agree to the increases in trade credit charges sought by the US?

Brock:

Let me make the distinction between the provision of the low market interest rates for credit to the Soviets in that precise instance of East/West trade and the larger question of below market credit generally, which we have tried to address with the OECD arrangement under which we have been operating for the last seven and a half months now. We had hoped that we could reach an accommodation, a compromise was offered by the Chairman of the Committee about 6 weeks ago, that has been under constant discussion since that time. I don't know what the final decision of the European Community will be on the subject, I gather that decision has not yet been made, but it is, I think, true that the United States feels very strongly, and I think most of the member countries of the arrangement feel very strongly, that there has been an excessive amount of credit granted below market, and that the subsidy contained therein is having a trade distorting effect. What would happen if the agreement is not reached? I think we'll have to wait and see, because right now I hope very much that we can reach an accommodation on the problem.

Question:

Did you discuss any way out for the countervailing duties on steel?

Brock:

Well, we did not discuss specific proposals that would be different from those we have discussed in prior meetings. Both of us, I think, have an interest in resolving what is obviously a very serious and contentious issue, but we have not resolved the question, we still have the same position, I think.

Question:

Do you expect retaliatory actions from the Community?

Brock:

No, I don't think either of us believes that retaliation is an appropriate tactic between friends on any of the subjects. There are very strong feelings on both sides on the merit of the issue and I think that we have to respect the fact that both of us have different views on some of these questions.

Question:

Sir, do you think that the decision for the countervailing duties is an appropriate gesture between friends?

Brock:

We believe that the cases were resolved in a fashion that reflects not just US law but our international agreements that subsidies for the purpose of enhancing exports are not consonant with our international agreements, we understand and respect the need for restructuring of the industry here, there are similar problems in the United States, but the cases were decided on the merit of the presentation and not on the basis of some new interpretation of rules. We believe that we have tried very hard to be consistent with the rules of the GATT and we will continue to do that.

Question:

On what legal basis can the US stop the export of high technology to Soviet Russia for the pipeline even if it is constructed on license by European firms?

Brock:

We have a legal authority to constrain the exploitation of US technology. We can enforce that on our domestic firms obviously; and if that technology is then licensed we can withdraw from those firms the opportunity to license.

Question:

(on embargo restrictions against the Soviet Union)
.....This seems to go against the whole concept of grandfathering and dealing with existing contracts.

Brock:

That is the question that would have to be settled by lawyers of which I am not one, but if the matter is contested in the courts that would be a matter for the court to decide.

Question:

..... in relations with Europe for the Americans to shoot first and ask questions later in this way?

Brock:

I really don't accept the premise of the question, I think we have had this discussion for many many months now and have been unable to resolve some of the differences, but friends do have differences on occasion, there are sincere differences, there are honourable differences and when you have those circumstances arise, you try to solve the problem as best you can in an amicable fashion.

Question:

You are not a lawyer but you are a politician. What is your judgment? A few days after Versailles we are already at these two big questions between Europe and the US?

Brock:

I think it is fair to state that on any number of occasions in the last 35 years we have had differences, those differences have never and will not have a negative impact upon the fundamental relationship which we value and which is the most important relationship we have in the world.

Haferkamp:

We appreciate very much that Ambassador Brock made it possible to be here for a few hours, that we had the possibility of discussion. We expressed our concern of the cumulation of difficulties: steel, agricultural questions, pipeline questions and others, but we agreed that we will tackle all these problems on their own merits. We continue to discuss this in the spirit and with the objective to find solutions. You know the declaration decided upon yesterday by our Council, some of the questions will be brought from our side to GATT and others we will continue to discuss bilaterally, and we are convinced that in this way we can avoid that the difficulties become greater and, to say it the other way round, I am sure that we can find solutions maybe; that will not be an easy task but it is our firm conviction that we must deploy major efforts to do so.

End of declarations

Regards,
M. Santarelli COMEUR



NB! Apart from those declarations, no comments nor other statements were given to the press in Brussels. Mr Brock started his visit with a breakfast working session with Vice-Presidents Davignon and Haferkamp. He then followed up talks with President Thorn in the company of Vice-President Davignon and finally also had a conversation session with Sir Roy Denman. We remind you of Tuesday's statement on both the steel and Siberian gas issues which was formally adopted by the Ministers of Foreign Affairs in Luxembourg and Vice-President Davignon's remarks at the end of this Council meeting.