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Note BIO(82)308 aux Bureaux Nationaux
cc. aux membres du Groupe du Porte-Parole

ATTENTION SPECIALE WASHINGTON ET NEW YORK

EUROPEAN STEEL EXPORTS TO THE US: DAVIGNON AND BALDRIGE
SETTLEMENT HOPES (W. Helin/J. Robinson)

July the 23rd emerged as the deadline for settlement of the problems associated with European steel exports to the US, according to statements at a press conference in Brussels today by Malcolm Baldrige, US Secretary of Commerce. Mr Baldrige, in his joint press conference with Vice-President Davignon, explained this deadline by reference to the 24 August date for final determination of subsidization as regards EEC steel exports: a negotiated settlement, Mr Baldrige noted, needs to be completed 30 days prior to this final ruling according to American law.

Mr Davignon said that the fact Mr Baldrige had crossed the Atlantic to speak about several issues concerning recent strained relations between EEC and US was a clear indication that those problems were being taken seriously in Washington. We are now in the process, he added, of discussing some of those issues.

"We have really just begun", said Mr Baldrige, who continued "the progress that we hope will come, is not going to come all that quickly". Indicating that on both sides of the Atlantic the steel industry was facing "real trouble", the Secretary of Commerce made the following points:

- steel mills in the US are running at an average of 43% of their capacity;
- anticipated losses per quarter (pretax) amount to one billion dollars
- there are well over 100 000 steel workers laid off in the US.

Asked about a possible tonnage level in any negotiated settlement for European steel exports, Mr Baldrige said "I don't know". And as to whether tubes would be excluded from such a settlement, he said "the answer would be no".

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Meanwhile, again in answer to questions, Baldrige stressed the great attachment of President Reagan to the pipeline sanctions issue, itself linked to human rights in Poland, and that there could be question of simply continuing "business as usual". At the same time, in reply to a follow up question on American perceptions of European attitudes to the pipeline embargo, he commented: "I would not rule out some initiatives by the Europeans that would have the same potential effect as the pipeline sanctions would. I think the President would look at any specific proposal."

Regards,
M. Santarelli COMEUR 14h30

p.o.
