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**JOINT PRESS CONFERENCE BRITTAN - KANTOR (Peter Guilford)**

Sir Leon Brittan, EC Commissioner for external economic affairs, and Ambassador Mickey Kantor, US Trade Representative, held three hours of talks, after which they gave a joint press conference.

Outcome of the talks

**Public Procurement**

1: US agrees to analyse detailed EC package of measures to resolve dispute. Officials will discuss it in hope of agreement on April 19 and 20.

2: Pending that date, US agrees to suspend sanctions, while Sir Leon agrees to begin work on a proposal to suspend Article 29 of the EC's Utilities Directive. This would go to Council after April 19 if there is an agreement on the package on that date. If not, US free to impose sanctions and EC free to keep Article 29.

**GATT**

Both sides agree to instruct negotiators to work on a comprehensive settlement of the Uruguay Round, notably on a package of deep cuts in market access, seeking to bring Japan and Canada on board at meeting in mid-May. Negotiators will report on progress on April 19 and 20.

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On public procurement, Sir Leon opened by saying "I put forward explanatory ideas for a resolution of this dispute in its entirety. It will be comprehensive in character, and neither side will make it public. The US has described it as promising, but said that it needs a considerable degree of further discussion. That will take place, and we hope for an agreement in Washington on April 19 and 20.

Pending that meeting, we have agreed that the US will not proceed with sanctions. I have agreed for my part to begin the process of proposing to the Council of Ministers not to apply Article 29 of the Utilities Directive. If we do not then agree, the US is free to act as it wishes, and I am free not to proceed on Article 29 with respect to the Council."

On the Uruguay Round, Sir Leon said: "We are united in our view of the importance of making progress on a comprehensive settlement of the Round. A series of meetings has been lined up to carry the process further. We have instructed officials to accelerate the process of

negotiations in all areas, especially in Market Access. This was identified by President Delors during his trip to Washington. We will then invite Japan and Canada to a further meeting in mid-May, in order to keep the momentum going on a comprehensive agreement.

Sir Leon said other issues had been referred to, and that the meeting had given a good push to the GATT. "With the world bedevilled by economic problems and recession, there could be no greater step than to achieve a successful outcome to the Round. Today we have made a small but significant step towards that goal".

Ambassador Kantor then said:

I thank Sir Leon for his graciousness and hospitality. We have agreed to accelerate the process on market access, working of a larger market access package in industrial products than was on the table before. Significantly larger, in fact. Negotiators can begin immediately, and will report to our meeting on April 19 and 20. I reported to the EC on our concerns on the Draft Final Act and on the fast-track: I explained to the EC that there would be movement on the fast-track very soon regarding duration and timing. I expect it will help produce a prompt conclusion to the Round."

On public procurement, Ambassador Kantor said: "We may not get an agreement on April 19 and 20. Both sides would in that case be free to act. I welcome Sir Leon's agreement to proceed immediately on the removal of Article 29."

Q&A

Q: Are you pessimistic ?

Kantor: I am neither a pessimist nor an optimist, but a realist.

Q: are you working for a bilateral deal ?

SLB: We are looking for bilateral progress, which we would then inject into the multilateral arena. On public procurement, if we agree on April 19 and 20, I will be in a position to put a proposal to the Council as soon as possible. I will take the preparatory steps now. If not, this process will fall by the wayside.

Q: Your proposal suggests the non-application of Article 29. Does this not contradict what the Commission said, namely that it is prepared to amend Article 29 only if the US does something in return, and is therefore a unilateral concession ?

SLB: I welcome the chance to put that one straight. There is no question of unilateral action. I have not said that the EC is suspending Article 29, only that we will begin the process of making a proposal to the Council. I will only put a proposal to the Council if there is an agreement on April 19 and 20. Our proposals are fair and balanced, and respect the US concerns on the EC market and the EC's concerns on the US market.

Kantor: I would agree that the EC's proposals for public procurement package were constructive, but there was not complete agreement. There is still work to do. Until we have fully reviewed the proposals - and there will be counterproposals - no agreement has been reached.

**Q: With French threats to tear up the Blair House accord, doesn't the French election make things more difficult ?**

SLB: We have our own Fast-Track. Blair House represents one part of a Uruguay round agreement on agriculture. I hope and believe that we can negotiate a comprehensive agreement for the benefit of the EC as a whole. We will be improving market access for the whole world, in intellectual property and services, for example. The EC is a major exporter of services, France being perhaps the largest exporter. I am confident that when we present the whole package, it will be good for the EC.

**Q: Does the US Administration fully support Blair House ?**

Kantor: The more comprehensive and more market-opening a market access package is, the more likely we are to reach agreement without jeopardising what we have done in the past. President Clinton is ready to lead the world into global growth, but he expects our partners to make concessions as well.

**Q: Did you talk about Airbus and Steel ?**

SLB: The Airbus situation is in hand, as consultations are taking place this week. Both sides raised the issue. On steel, I registered my concern. A multilateral steel agreement is essential to restore discipline in a reasonable and universally acceptable manner.

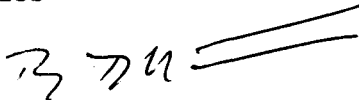
Kantor: Sir Leon indeed expressed himself. That was the nature of his intervention.

**Q: How did you get on ? Do you think Mr Kantor is a protectionist ?**

SLB: Mr Kantor is good at protecting US interests, and I hope I'm good at doing the same for the EC, but what is more difficult is to find a way forward of enhancing access to each other's markets.

Kantor: At least he didn't call me a unilateral bully, nor a bureaucratic thug.

Amitiés

A handwritten signature in dark ink, appearing to read 'B Dethomas', followed by two horizontal lines.

Bruno Dethomas