

ZCZCBRU
BRUSSELS/7

WASHINGTON DELEGATION

TELEX NO. 1286

RWH/CJF/AJS

JULY 31, 1974

MR. BENIMIANO OLIVI, PORTE PAROLE

SUBJECT: CHEYSSON PRESS CONFERENCE

COMMISSIONER CHEYSSON TOLD A NEWS CONFERENCE LAST NIGHT THAT HE HAD COME TO WASHINGTON AT THE US GOVERNMENT'S INVITATION AND HAD HAD USEFUL TALKS WITH IMF MANAGING DIRECTOR WITTEVEEN AND US OFFICIALS AND WOULD SEE WORLD BANK PRESIDENT MACNAMARA TODAY. HE EXPLAINED THE BROAD DETAILS OF EC AID POLICY AND WHAT HAD BEEN ACHIEVED AT KINGSTON, STRESSING THAT TRADE WAS MORE IMPORTANT THAN AID TO THE THIRD WORLD. HE EXPRESSED THE HOPE THAT THE US TRADE BILL WOULD PASS WITH SIMILAR CLAUSES GUARANTEEING THIRD WORLD COMMODITY EXPORT EARNINGS.

OF KINGSTON, HE SAID "WE WERE ON THE BRINK OF COMPLETE FAILURE WHEN IT WAS DECIDED TO MAKE THIS JUMP FORWARD" (ON EXPORT EARNINGS). "ALL PROBLEMS OF SIGNIFICANCE HAVE BEEN DISCUSSED BETWEEN US AND THERE IS NO DOUBT THAT WE ARE DECIDED TO FINISH AT THE END OF NOVEMBER IN ORDER TO SIGN THE AGREEMENT IN DECEMBER." HE SAID THE DECISION TO ABANDON REVERSE PREFERENCES COMPLETELY HAD SOLVED A "LONG-STANDING CONFLICT WITH OUR AMERICAN FRIENDS."

CHEYSSON STRESSED THE NEED FOR MAJOR AND OIL NATIONS TO JOIN WITH EUROPE IN GENEROUS EMERGENCY AID TO INDIA AND OTHER NATIONS HIT BY INFLATION, AND ADDED "IF THIS EMERGENCY ACTION DOES NOT TAKE PLACE WE ARE GOING TO HEAR A LOT ABOUT IT BECAUSE THE SUFFERINGS OF THESE COUNTRIES WILL SOON BE BEYOND ANY CONTROL."

CHEYSSON CALLED FOR "PARTNERSHIP" BETWEEN INDUSTRIALIZED AND DEVELOPING NATIONS AND COMPARED PAST CONSUMER NATIONS ATTITUDES TO THOSE OF NINETEENTH CENTURY INDUSTRY WITH REGARD TO LABOR. HE SAID EC DECISIONS AT KINGSTON WERE "SMALL STEPS ONLY" AND WOULD NOT AFFECT WORLD ECONOMIES. HE HAD ASSURED US OFFICIALS ON THIS POINT. HE TOLD A QUESTIONER HE DID NOT THINK CURRENT INFLATIONARY TRENDS WOULD CAUSE A GLOBAL RECESSION: HE THOUGHT A GROWING WORLDWIDE DEMAND FOR CONSUMER PRODUCTS WOULD BOOST PRODUCTION.

REGARDS,

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