

THE EUROPEAN COMMUNITY IS READY TO NEGOTIATE AIRBUS QUESTIONS

The EC Commission has been informed by the United States authorities of their decision to request the initiation of General Agreement on Tariffs and Trade (GATT) consultations on the dispute between the United States and the Community on Airbus. No formal request has yet been made to that effect.

It should be recalled that bilateral negotiations between the Community and the United States were suspended in early February much to the disappointment of the Community which had hoped that its proposals for sharp reductions in government support could form the basis of an agreement.

The Community therefore decided to take the initiative of proposing that multilateral negotiations be launched in the GATT Aircraft Committee, in particular in order to introduce new and more stringent international disciplines on all forms of government support in this sector, including both direct and indirect support. These negotiations have not yet started because of the continued reluctance of the United States to participate therein. In these circumstances the beginning of a GATT Dispute Settlement procedure would seem both incomprehensible and counterproductive since the Community has expressed the desire to reinforce existing international commitments.

The Community remains attached to the resolution of bilateral differences through negotiation rather than through confrontation. This initiative cannot but have a negative impact on the multilateral trade negotiations and this at the very moment when the long-awaited passage of United States negotiating authority should otherwise be expected to help accelerate the process of negotiation in Geneva.

The Community remains ready to find a multilaterally negotiated settlement through the modification of the GATT Civil Aircraft Agreement. The civil aircraft industry is of paramount importance for Europe's technological future and no effort will be spared to defend the legitimate interests of the Community in this sector.

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