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E.C. COMMISSION DECLARES READINESS TO HELP PREPARE NEW TRADE ROUND

The European Community will actively participate in preparations for a new round of multilateral trade negotiations, but it will continue to insist that the talks be widely supported by members of the General Agreement on Tariffs and Trade (GATT), the E.C. Commission said last week.

"A new round could not be considered without a strong consensus on substance, timing and procedures," the Commission said. "For the Commission, it is unthinkable that talks could be launched without the explicit agreement and active support of developing countries."

In his State of the Union address February 6, President Ronald Reagan asked the U.S.'s trading partners to join in a new round of negotiations "to expand trade and competition and strengthen the global economy -- and to begin it in this next year." They would be the first talks on GATT international trading rules since the 1973-79 Tokyo Round.

"The Community is not yet formally committed to the principle of opening a new trade round, but it has as much to gain as its trading partners in such negotiations, and has every interest in taking part actively in the exploratory process," the Commission said.

However, the objectives of the talks must be carefully defined, particularly since some proposed topics -- such as trade in services and high technology -- are nontraditional areas for GATT, the Commission added.

"A round that did not get off the ground would mean a failure that would seriously damage the world trading system," said Sir Roy Denman, Head of the E.C. Delegation in Washington.

The Commission added that trade questions cannot be removed from other factors directly influencing the world economy, such as financial and monetary policies. While the United States and Japan have pushed vigorously for a new trade round, they have been much less eager to support measures to stabilize international financial markets or to redirect financial flows toward developing countries, it said.

Willy De Clercq, Commissioner for External Relations, said the Community's overall goals are to ensure that its products have free access to third markets and to protect itself against unfair competition from its trading partners. "The Community has a fundamental interest in reinforcing the open multilateral trading system," he added. "It must continue to resist protectionist tendencies in its internal policies, and to take a firm stand against any protectionist tendencies in other countries."