

No. 34/1985  
October 17, 1985

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## **E.C.-U.S. SUBSIDIES DISPUTE: COMPLAINT FOR COMPLAINT**

The European Community said today it will file a trade complaint against subsidized U.S. wheat sales made under the new "export enhancement" program.

The Community's action comes in response to President Reagan's announcement yesterday that the U.S. will file a complaint against E.C. wheat subsidies under the General Agreement on Tariffs and Trade (GATT) Subsidies Code.

The E.C. Commission, in a declaration issued in Brussels, said it will initiate a "parallel procedure," charging that U.S. wheat sales to North African markets were made "at prices clearly below those of other exporters to those markets." The sales violated the GATT Subsidies Code and have depressed world market prices for wheat, it added.

The Commission stated that the Community has always followed an export price policy consistent with its international obligations, and that it was "astonished to be reproached" for depressing world wheat prices.

International Wheat Council statistics show that the U.S. share of the world wheat market fell from 49 percent in 1981-82 to 37 percent in 1984-85. The E.C.'s share moved only marginally during that period--from 14 percent to 16 percent. Thus, the bulk of the lost U.S. share has been taken by exporters other than the E.C.