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Bush, Top EC Official Discuss Trade and Economic Concerns

Discussions of trade and economic concerns dominated meetings held today in Brussels between US Vice President George Bush and European Communities Commission President Gaston Thorn. After a private meeting lasting 25 minutes, the two leaders met for a 1-hour working session attended by members of their respective delegations.

Bush's visit, which followed a visit to ^{the} EC Commission last December by US Secretary of State George Shultz and four members of the US cabinet, took place in a friendly and constructive atmosphere. President Thorn described these visits as "tangible signs of the political will on both sides of the Atlantic to manage our affairs in a way which will preserve and develop a relationship on which so much depends for the whole world."

However, Thorn expressed the "considerable surprise of the Commission on US action to take over for 12-14 months the total Egyptian flour market at subsidised prices well below the world market." "This action seems hardly compatible with the spirit in which official talks on agriculture were launched in December." Thorn added: "We are forced to take this to the General Agreement on Tariffs and Trade (GATT) as incompatible with GATT rules and reserve the right to take counter-action if any further action of this kind be taken."

Thorn stressed that "The Community has held, and will hold, to the GATT rules on agricultural subsidies " and that "The principles of the EC's Common Agricultural Policy are not negotiable...We recognize that we both need to operate policy adjustments, but our exports cannot be held responsible for the difficulties of your farmers," he said.

Thorn noted the "political will on both sides to defuse some major trade tensions between us" as reflected in the recent US-EC steel trade arrangement, the lifting of the pipeline sanctions, work towards a common approach on East-West trade and the results of the GATT Ministerial meeting.

In reference to the present world economic situation of low growth and high unemployment, Thorn said "We have a common responsibility --all the more in the run up to (the) Williamsburg (Economic Summit)-- to pursue three essential lines of action:

- more growth and closer concertation of our economic policies
- restoring monetary stability and ensuring a concrete follow-up to the conclusions on this of the Versailles Summit and
- ensuring growth in developing countries and regular growth in world

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trade by reinforcing the international financial institutions and the solidity of the banking system."

On East-West relations, Thorn stressed the importance of Community cooperation in the work being done in the Organization for Economic Cooperation and Development (OECD) on trade, finance, energy, agriculture and trade in technology.

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