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## E.C. COUNCIL OF MINISTERS REITERATES WARNING TO THE U.S.

The E.C. Council of Ministers is seriously concerned by a number of trade bills pending before the U.S. Congress. These proposals, both in the House and Senate versions, contain elements which would be contrary to U.S. international obligations and would risk triggering a dangerous spiral of protectionism worldwide.

The European Community has made repeatedly clear its deep concern about the so-called Wine Equity Act which introduces the notion of sectoral reciprocity and extends the definition of industry for purposes of countervailing and anti-dumping procedure. Other issues which are also of major concern are the proposed amendments designed to introduce the notions of downstream dumping, upstream subsidies and natural resource subsidies, amendments designed to make the definition of injury under Section 201 of the Trade Act of 1974 less rigorous, the Steel quota bills, and amendments proposing tariff increases and import restrictions on a number of other products including whey proteins and ferro alloys.

The E.C. Commission has already made known to the U.S. Administration and to the Members of Congress the European Community's specific objections to these bills. The E.C. Council fully endorses this action.

The E.C. Council underlines that if any such legislation were to be introduced, it would have serious trade restricting effects adversely affecting the E.C.'s export interests; would be inconsistent with the General Agreement for Tariffs and Trade (GATT); would encourage protectionist measures in the U.S. and elsewhere; and would undermine the common efforts to roll back protectionism.

Any such legislation, if adopted, would be open to challenge before the GATT and retaliation.