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E.C. RESPONDS TO U.S. FARM EXPORT PROGRAM

The European Community announced yesterday that it will increase its export refunds for wheat sales to the Mediterranean region in response to the recent U.S. subsidized sale of 500,000 tons of wheat to Egypt.

Higher refunds will allow E.C. exporters to sell wheat at a lower price. The Community is taking this action to protect its commercial interests in traditional European markets that are the target of the new U.S. "export enhancement" program.

The E.C. Commission said it deplores the transactions announced under the U.S. program, which will depress world grain prices.

The Community will increase its export refunds for wheat to the Mediterranean from 41 European Currency Units (ECUs)\* per metric ton to 55 ECUs per ton.

\*ECU = \$.77 on September 16, 1985