

COMMUNITY - UNITED STATES MEETING

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11 DECEMBER 1981

INTRODUCTORY REMARKS

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BY PRESIDENT THORN

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1. C'est avec un très grand plaisir que je vous souhaite la bienvenue à Bruxelles, Secretary HAIG, ainsi qu'à vos collègues du gouvernement américain, MM. BLOCK, BALDRIGE et BROCK et à vos collaborateurs.

Mes collègues et moi sommes très heureux qu'une rencontre aussi importante ait pu s'arranger dans des délais aussi brefs et à un moment aussi opportun. Cette rencontre sans précédent - qui réunit quatre membres éminents du gouvernement américain et les membres de la Commission des Communautés européennes principalement intéressés - traduit à la fois le caractère "politique" de cette réunion et toute l'importance des problèmes que nous sommes appelés à traiter aujourd'hui.

2. EUROPEAN-AMERICAN RELATIONS HAVE NOT BEEN UNAFFECTED - HOW COULD THEY BE ? - BY THE CHANGES AND THE UPS AND DOWNS ON THE INTERNATIONAL SCENE IN THE LAST FEW YEARS.

A DIRECT CONSEQUENCE HAS BEEN A MULTIPLICATION, IN RECENT MONTHS, OF DIFFERENCES AND DISAGREEMENTS BETWEEN US ON THE ECONOMIC SIDE, AND MORE PARTICULARLY ON TRADE, OVER SUCH MATTERS AS STEEL AND FARM PRODUCTS, THE VIEW WE TAKE OF OUR PRIOR AGREEMENTS AND THE RULES OF GATT, AND HOW WE MANAGE OUR RELATIONS WITH THE DEVELOPING COUNTRIES. I COULD ENLARGE THIS LIST BUT I WILL LIMIT MYSELF TO THESE EXAMPLES.

NONE OF THESE ISSUES ON ITS OWN IS DECISIVE. BUT TAKEN TOGETHER, AGAINST THE PRESENT BACKGROUND OF ECONOMIC AND SOCIAL TROUBLES, THEY REPRESENT A POTENTIAL FOR DIVISION AND CONFLICT. THEY ARE OF SERIOUS CONCERN TO US AND WE MUST TACKLE THEM TOGETHER.

3. THIS STATE OF AFFAIRS IS OF COURSE PARTLY DUE TO THE CURRENT ADVERSE CONDITIONS WHICH TEND TO MAKE US ALL WANT TO WITHDRAW INTO OUR SHELL AND TRY TO SHIFT OUR PROBLEMS ON TO OTHER PEOPLE.

BUT THERE ARE CERTAINLY OTHER, DIFFERENT FACTORS INVOLVED AS WELL. ON BOTH SIDES OF THE ATLANTIC, THOSE WHO LIVED THROUGH THE POLITICAL STRIFE AND THE ECONOMIC DIVISIONS OF THE PERIOD BETWEEN THE TWO WARS AND, LATER, THE GREAT AGE OF EUROPEAN-AMERICAN COOPERATION ARE GRADUALLY GIVING WAY TO A NEW GENERATION TO WHOM THE IDENTITY OF EUROPEAN AND AMERICAN INTERESTS IS NO LONGER SO SELF-EVIDENT. IN THE UNITED STATES' CASE, WE KNOW THE COUNTRY IS CONFIDENT IN HER POTENTIALITIES AND HER FUTURE AND IS DETERMINED TO FULLY SHOULDER HER RESPONSIBILITIES AS THE LEADER OF THE FREE WORLD. THIS REASSURES US BUT WE WOULD BECOME CONCERNED IF, IN HER WISH TO ASSERT HERSELF MORE VIGOROUSLY, THE UNITED STATES DID NOT TAKE SUFFICIENT ACCOUNT OF THE INTERESTS AND VIEWS OF HER EUROPEAN ALLIES.

4. WE HAVE NO ALTERNATIVE BUT TO DEVISE TOGETHER, AND I EMPHASIZE TOGETHER, FAIR AND LASTING SOLUTIONS TO OUR PROBLEMS.

IF WE ERECT DIVISIONS IN OUR ECONOMIC AND TRADE RELATIONS, AND CONSTANTLY CALL OUR AGREEMENTS IN QUESTION, WE RISK

- ERODING OUR COHESION AND THEREFORE OUR INTERNATIONAL INFLUENCE,
- IMPAIRING THE OPERATION OF THE WORLD ECONOMIC SYSTEM,
- WEAKENING THE FOUNDATIONS FOR GENERAL GROWTH.

THE UNITED STATES AND EUROPE BETWEEN THEM ACCOUNT FOR ONE-HALF OF WORLD TRADE; THEY ARE THE PRIME MOVERS IN AND GUARANTORS OF THE INTERNATIONAL INSTITUTIONS THAT GOVERN THE WORLD ECONOMY. INTERNATIONAL SECURITY AND STABILITY EXTEND WELL BEYOND THE FIELD OF DEFENCE : THEY ALSO INCLUDE ECONOMIC GROWTH, WORLD TRADE AND COOPERATION WITH THE DEVELOPING COUNTRIES.

WHAT IS ACTUALLY AT RISK IN OUR DISCUSSIONS IS SOMETHING MUCH BIGGER THAN THE ISSUES BEFORE US APPEAR ON THE FACE OF IT TO INVOLVE.

5. WHAT, THEN, ARE THE MAIN POINTS FOR WHICH WE MUST FIND SOLUTIONS ? I SHALL CONFINE MYSELF FOR THE MOMENT TO THE FIELD OF TRADE. WITHOUT GOING INTO DETAIL - I LEAVE THAT TO MY COLLEAGUES - I WILL MENTION THREE POINTS:

FIRST, AGRICULTURE WHICH STILL IS OF GREAT IMPORTANCE IN EUROPE, BOTH FROM THE ECONOMIC AND SOCIAL POINTS OF VIEW, AND MUST NOT BE DESTABILISED. AND LET US NOT FORGET THAT THE COMMUNITY HAS A CONSIDERABLE AGRICULTURAL TRADE DEFICIT WITH THE UNITED STATES.

THE NEW REAGAN ADMINISTRATION HAS REPEATEDLY ATTACKED THE COMMON AGRICULTURAL POLICY AND OUR EXPORT FUNDS. ON THAT I WILL SAY ONLY THIS : WE DEFINITELY CANNOT, EITHER OF US, DEPART FROM THE LINE AGREED,

AFTER LONG AND LABORIOUS NEGOTIATION, IN THE TOKYO ROUND, NAMELY THAT AGRICULTURAL EXPORT REFUNDS WERE TO BE USED ONLY TO SUCH EXTENT AS NOT TO GAIN THE EXPORTER "MORE THAN AN EQUITABLE SHARE OF THE WORLD TRADE". WE HAVE FULLY COMPLIED WITH THIS REQUIREMENT AND WE ARE WITHIN OUR RIGHTS UNDER GATT. WE REALLY CANNOT ACCEPT OBLIGATIONS GOING BEYOND THE AGREEMENT SO LABORIOUSLY ARRIVED AT. FOR THE SAKE OF STABILITY

IN INTERNATIONAL RELATIONS, THIS IS HOW IT HAS GOT TO BE.

BESIDES, THE EVER-GROWING FOOD DEFICIT OF THE THIRD WORLD AND THE INCREASING DIMENSION OF THE FIGHT AGAINST HUNGER IN WHICH WE MUST BOTH PLAY OUR PART, SHOULD LEAD US TO PUT OUR QUARRELS ABOUT MARKET SHARES INTO A PROPER PERSPECTIVE.

SECONDLY, STEEL, WHERE OUR WARNINGS AND REQUESTS HAVE GONE LARGELY UNHEEDED IN THE UNITED STATES AND WHERE SOMETHING LIKE FOUR OR FIVE MILLION TONNES OF EUROPEAN STEEL A YEAR ARE AT STAKE.

WE ENTIRELY AGREE THAT STEPS MUST BE TAKEN TO PUT THE STEEL MARKETS AND THE STEEL INDUSTRIES IN ORDER. BUT WE FEEL THAT, IN ACCORDANCE WITH THE OECD STEEL CONSENSUS, THIS MUST BE DONE THROUGH INTERNATIONAL COOPERATION AND WITH FAIR DISTRIBUTION OF THE SACRIFICES NECESSARY FOR THE RESTRUCTURING - AND NOT BY CONFRONTATION.

THIRDLY, I HAVE THIS TO SAY. IF THE WHOLE ARMOURY OF MEASURES WHICH ARE POSSIBLE UNDER AMERICAN LAW WERE DEPLOYED IN THESE AREAS, FOR PROTECTIONIST PURPOSES, WE WOULD BE CARRIED DANGEROUSLY NEAR A TRADE WAR. AND IF ALL THE CASES WHICH MAY BE DISPUTED UNDER AMERICAN LAW WERE REFERRED TO GATT WITHOUT BEING CAREFULLY SCRUTINIZED FOR COMPATIBILITY WITH THE UNITED STATES' INTERNATIONAL OBLIGATIONS, THE WHOLE GATT DISPUTES SETTLEMENT SYSTEM WOULD SOON BE OVERLOADED. AND WE ALL KNOW WHAT HAPPENS TO ELECTRICAL CIRCUITS WHEN THEY ARE OVERLOADED.

6. IT IS TO PREVENT THIS FROM HAPPENING THAT WE ARE HAVING THIS POLICY MEETING TODAY.

- WE MUST FORM AN OVERALL PICTURE OF OUR DISAGREEMENTS PARTICULARLY WITH RESPECT TO TRADE.
- WE MUST PUT THEM FIRMLY IN THE BROAD CONTEXT OF OUR SHARED FUTURE AND SHARED BASIC LONG-TERM INTERESTS.
- WE MUST APPROACH THEM CALMLY AND RATIONALLY, WITH NO PRECONCEPTIONS AND NO IDEOLOGICAL BIAS, WITH THE INTENTION OF ADHERING TO THE OBLIGATIONS AND STANDARDS OF BEHAVIOUR WE HAVE ACCEPTED INTERNATIONALLY.



7. BUT OVER AND ABOVE THAT, DO WE REALLY NEED TO LIMIT OUR AMBITIONS TO MANAGING OUR ECONOMIC AND TRADE DIFFERENCES ?

CANNOT WE GO ON TO EXPAND OUR AREA OF COOPERATION ? - THAT IS AFTER ALL THE BEST WAY TO PRESERVE WHAT OUR PARTNERSHIP HAS ACHIEVED TO DATE.

THERE ARE SO MANY FIELDS - SERVICES (SUCH AS BANKING AND INSURANCE), RESEARCH, ENERGY, TACKLING WORLD HUNGER - THAT OFFER SPLENDID SCOPE FOR US TO ENGAGE IN CONCERTED JOINT ACTION. IT IS MY WISH THAT, TOGETHER, WE EXPLORE THESE POSSIBILITIES.

8. WE FOR OUR PART ARE WILLING TO CONTINUE AT A POLITICAL LEVEL IN WASHINGTON EARLY NEXT YEAR THE DISCUSSIONS BEGUN TODAY.

AS THE INSTITUTION WHICH IS RESPONSIBLE FOR THE COMMUNITY IN THESE FIELDS, WE WILL ASSUME OUR FULL RESPONSIBILITIES. AS PRESIDENT , I AM ENTIRELY PREPARED TO COME OVER TO COME OVER TO CARRY ON OUR DIALOGUE.