



**European
Community**

PRESS RELEASE

EUROPEAN COMMUNITY INFORMATION SERVICE

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BACKGROUND INFORMATION

UNITED STATES STILL WEIGHS COMMON MARKET OFFER TO IMPROVE TRADE RELATIONS

WASHINGTON, D.C., June 30 -- The Common Market has made a number of concessions in order to improve the agricultural trade climate between itself and the United States.

These have not been accepted by the State Department but are currently being reviewed. The proposals were offered as a package during meetings in Brussels June 9 and 10 between Deputy Undersecretary of State Nathaniel Samuels and European Community Commission member Ralf Dahrendorf.

The European Community offered:

-- A Common Market reduction of tariffs on American oranges from 15 per cent to 8 per cent between June 1 and September 30 each year to meet U.S. objections to E.C. preferential arrangements recently concluded with Morocco, Tunisia, Israel, Spain, and Turkey. The summer months are the peak season for U.S. oranges while the Mediterranean orange season occurs in the winter. Despite the relatively modest \$7.7 million realized from orange sales to the Community, the United States in principle objects to preferential trade agreements which it contends violates the most-favored-nation treatment embodied in the provisions of the GATT treaty.

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-- The reduction of EC subsidies on chicken exports to certain markets such as east of the Persian Gulf, the Pacific area and the American continents in return for the United States lowering its subsidies on its chicken exports to Switzerland and Greece. This would, in effect, end the undercutting of each other's chicken prices in those areas.

-- The reduction of subsidies on lard shipments to Great Britain as of October 1 if the United States will do likewise. The Community has already lowered its lard subsidy unilaterally on three different occasions, and is prepared to take further action if the United States will cut its subsidies to a level which would not exceed 80 cents per 100 kg.

-- The assurance that the Community would sit down and discuss any documented complaints by the U.S. tobacco industry regarding inequitable treatment in Western Europe. However, Common Market officials emphasize that American tobacco growers will not be harmed by the Community's tobacco policy which includes buyers' premiums to encourage sales of European grown tobacco in the open market. These officials say that the Community's policy is designed to keep production within reasonable boundaries and not jeopardize the European market for American tobacco exports.

The Commission believes these trade concessions will strengthen the general relationship between the European Community and the United States.

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