

No.8/1984
February 21, 1984

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E.C. COUNCIL EXPRESSES CONCERN ABOUT GROWING PROTECTIONIST PRESSURES IN THE UNITED STATES

The European Community warned today that growing efforts to protect U.S. goods from foreign competition could lead to "a dangerous increase in trade restrictions and a rapid erosion of the open multilateral trading system."

In a declaration adopted in Brussels, the E.C. Council of Ministers noted that the U.S. Administration has been asked to take protective measures that would affect \$4.7 billion worth of Community exports to the United States.

The declaration cited petitions by U.S. industries asking for limits on global imports of steel, footwear and other products, and the decision last week by the U.S. Department of Commerce to investigate unfair trading complaints filed by American grape growers against European wines.

The text of the Council's declaration follows:

"The Council took note with disquiet of the rising tide of protectionist pressures in the United States.

"Escape-clause petitions have been filed on a range of important products, including steel and footwear. Recently anti-dumping and countervailing duty investigations have been opened against imports of wine from the European Community. Shortly, the U.S. Administration will be deciding on a petition by the U.S. machine tool industry to limit imports. These and other actions cover \$4.7 billion worth of European Community exports to the United States.

"The Council recognized that on a number of issues, the U.S. Administration had taken a firm stand against protectionist pressures. It had opposed domestic-content legislation, proposals for a global 15-percent limitation of steel imports and the Wine Equity Bill.

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"Nevertheless, the picture is still alarming. The Council's view is that the present difficulties in certain sectors of the U.S. economy cannot be resolved by protectionist measures. This is even more striking given the relatively more favorable economic situation in the U.S. than in Europe. Such measures could lead to a dangerous increase in trade restrictions and to a rapid erosion of the open multilateral trading system, which has had the support of the U.S. and Europe for the last four decades, and on which the basis of world prosperity has depended.

"The Council therefore stresses the crucial importance it attaches to a strict adherence to the commitments entered into at the Williamsburg Economic Summit and other meetings 'to halt protectionism and, as a recovery proceeds, to reverse it by dismantling trade barriers.' Here the Community has already taken a lead and hopes it will be followed."

(The Community has "taken a lead" by agreeing to accelerate by one year tariff reductions that were negotiated during the Tokyo Round of multilateral trade negotiations. The Council in December decided to implement the reductions in January 1985, providing its principal trading partners do the same.)