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FURTHER EC/US CONSULTATIONS ON SPECIALTY STEEL

A fourth round of consultations was held October 26 between the European Community and the United States on Specialty Steel. Horst Krenzler of the European Commission headed the Community delegation. The American delegation was led by Deputy US Trade Representative Peter Murphy.

For the first time compensation for products covered by quotas was discussed in depth. The US agreed to the principle of compensation, but was not in a position to come up with a concrete offer.

Several possibilities for minimizing the impact of US actions were also discussed. In particular, the possibility of granting further exemptions from the quota measures were examined.

Discussions of compensation for products covered by increased tariffs were continued, but no agreement was reached.

Mr. Krenzler expressed disappointment that the US was still not in a position to come up with a concrete offer of compensation. While recognizing that some progress has been made since the last meeting, Mr. Krenzler insisted on the need to finish the substantive consultation process before the end of November. (The 90-day consultation period provided for under Article XIX of the General Agreement on Tariffs and Trade, which expired on October 20, has been extended to November 30 by mutual agreement.)

A further meeting is expected to take place in three weeks.
