COMMISSION OF THE EUROPEAN COMMUNITIES

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SPOKESMAN'S GROUP

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Note BIO (75) 346 to the National Offices c.c. to the Members of the Group and to the Directors General DG I and X

Subject: High-level Commission-US consultations

The two-day consultations were concluded Wednesday evening with a joint press conference by Mr. Gundelach and Mr. Charles Robinson, US Under-Secretary of State for Economic Affairs. Both men described the talks as successful and timely, coming just after the economic summit in Rambouillet and before the Paris Conference in December.

Mr. Gundelach emphasised that the essential long-term aim must be to maintain the existing free trading system even if it had to be adapted to new circumstances. This was the condition for solving our economic problems without which the West could not hope to meet the demands of the LDCs. In the short-term the aim must be to maintain a common front of the EEC and the US against protectionist forces. If protectionist measures were taken on any pretext, this would not only make the economic situation worse but it would also destroy the basis for cooperation.

In reply to questions, Mr. Gundelach said British import controls could and should be avoided. As regards British participation at the Paris Conference, Mr. Robinson confirmed the US view that this was a matter for the EEC alone.

DIS. During the consultations themselves the Commission emphasised that it was not present at or committed by the Rambouillet summit. It could accept the new 1977 deadline for the GATT Trade Negotiations, but could give no view on the significance of the reference to agriculture in the communiqué to which the Americans attached great importance. Mr. Gundelach discouraged the American side from thinking that the Community would be ready for a great leap forward at the December meeting of the TNC as a result of Rambouillet. There was a useful exchange on relations with the LDCs in the MTN, though views diverged on what the Community sees as a problem of how to bring US legislation on countervailing duties into line with GATT rules, and the US as a problem of how to deal with EEC subsidies. The agricultural impasse was not discussed in the consultations.

As expected the Commission expressed its concern over the protectionist offensive in the US. The Americans claimed that they have now quote turned the corner unquote, but that it would be hard to resist the pressures from their side if there was not continuing, visible progress on the MTN. End DIS.

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