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SUMMARY OF TALK

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1. The European Common Market does not aim at a common external "tariff wall" any more than the tariffs of seven nations constitute seven "tariff walls". The external tariff of the ECM is in accordance with the regulations of the GATT. Actually, it will result in lower tariffs for the largest population countries - France and Italy.
2. The British proposed Free Trade Area exposed extreme difficulties among the 17 nations involved, caused first of all by the differences in the tariffs of the various countries. In addition, it is the feeling of the Common Market countries that commitments beyond strictly commercial commitments are needed in order to bring the GATT ideals to realization.
3. We are ready to discuss the question of European trade. But it must be remembered that the ECM has already developed a liberal attitude toward other countries. Quotas have been increased for both other European countries and the rest of the world. And last year, certain tariff reductions were extended, without reciprocity, to all countries. Furthermore, the Common Market has accepted the Dillon proposals for tariff cuts to be negotiated at the next meeting of the GATT in September. The Common Market has also proposed additional negotiations to reduce the common tariff, and it has proposed specific negotiations with other European countries regarding possible trade deflection and other difficulties.
4. If something more is possible, we will agree to a bridge, or whatever you want to call it, between the Six and the Seven as long as the arrangement conforms to the principles of the GATT. But the Common Market cannot

subscribe to a process of halfway measures in contradiction to our objectives, both political and economic, and in contradiction to the rules of the GATT. The bridge must certainly take into account Europe's new position vis-a-vis the U.S. and Canada.

Conclusion

The Common Market is completely ready to discuss any proposals, taking into account these two above elements. In the meantime, a liberal policy, on a world basis and without discrimination toward non-member countries - both American as well as European - is the best solution for all the free world.
