NATIONAL SECURITY COUNCIL WASHINGTON, D.C. 20506

SECRET

March 2, 1970

National Security Decision Memorandum 45

TO:

The Secretary of State

The Secretary of the Treasury

The Secretary of Defense The Secretary of Commerce The Secretary of Agriculture

The Special Representative for Trade Negotiations

SUBJECT:

U.S. Policy Toward Spain: Proposed Spanish

Trade Agreement with the European Community

The President has decided that the United States will oppose the Spain-European Community trade agreement as presently proposed, in the context of opposition to all preferential arrangements illegal under the international trading rules of the GATT. We would, however, indicate our acceptance of any arrangement consistent with the GATT rules which Spain and the EC might work out, such as one which provides a definite plan and schedule for the formation of a free trade area within a reasonable length of time. The United States would not seek compensation in return for accepting such a legal arrangement, nor would it seek exception of particular items from the arrangement.

The President also decided that there was no need for any decision on a fallback position at this time.

Henry A. Kissinger