NATIONAL SECURITY COUNCIL WASHINGTON, D.C. 20506

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July 3, 1970

National Security Decision Memorandum 68

MEMORANDUM FOR: The Secretary of State

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

The Secretary of Labor

The Special Representative for

Trade Negotiations
The Chairman, Council of
Economic Advisers

SUBJECT: U.S. Policy Toward the European Community

The President has directed that U.S. policy toward the European Community will be based on the following principles, all of which will apply to the accession of new members. As indicated, the principles will also apply to the association of the EFTA neutrals and all new preferential trade arrangements between the Community and other countries. The principles are:

- 1. U.S. support for expansion of the membership of the Community.
- 2. U.S. willingness to accept some -- but not excessive -- economic costs as a result of the accession of new members to the Community. We will assess the extent of any economic costs to the United States as the negotiations proceed and use this assessment as a basis for determining their acceptability to us or any consequent U.S. Government action.
- 3. Clear indication to the countries involved that we expect them to take fully into account, in their own negotiations, the rights and interests of third countries, including the U.S. and the importance of maintaining an equitable system of multilateral trading rules.
- 4. Defense of our economic interests in specific agricultural and industrial products by appropriate means, primarily through notifying the countries involved during the course of the negotiations of our intention of exercising our rights under GATT.

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To implement these principles, the President has directed that:

- -- We seek to stimulate a European initiative to propose a U.S. Community consultative mechanism on issues of mutual concern. If necessary, however, we should propose it ourselves. Through the mechanism we would expect the Europeans to inform us of, and be prepared to discuss, the progress of their own negotiations and other European policies of interest to the U.S. We would be prepared to discuss U.S. policies of concern to them.
- The Under Secretaries Committee coordinate the implementation of U.S. policy toward the European Community in the context of guidelines set out above, including decisions on specific issues to be raised by the U.S. in the new consultative mechanism and all public statements on the subject, and refer issues to the President for decision as necessary. In considering particular issues, the Committee should, of course, be expanded to include representatives of all agencies bearing responsibility for them and take advantage of existing interagency machinery.

Henry A. Kissinger