

## U.S. Views on European Common Market and Free Trade Area (15 January 1957)

**Caption:** On 15 January 1957, reaffirming its commitment to maintaining Atlantic solidarity and multilateral trade, the US Department of State expresses US support for the intergovernmental negotiations under way for the establishment of a common market between the six Member States of the European Coal and Steel Community (ECSC) and welcomes the initiative of the United Kingdom which seeks to set up a European free trade area.

**Source:** The Department of State Bulletin. Dir. of publ. Department of State. 04.02.1957, n° 919; vol. XXXVI; publication 6444. Washington: U.S. Government Printing Office. "U.S. views on the European Common market and Free Trade Area", p. 182.

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## U.S. Views on European Common Market and Free Trade Area

Press release dated January 15, 1957

Belgium, France, the German Federal Republic, Italy, Luxembourg, and the Netherlands have been engaged in negotiations with a view to establishing a common market among them. The common market would involve the elimination of substantially all of the barriers to trade among these six countries and the establishment by them of a common external tariff toward outside countries. The United Kingdom has expressed a desire to associate itself with the envisaged six-country common market in a free-trade-area relationship. Under this arrangement barriers to trade between the United Kingdom and the six countries of the common market would be eliminated on a wide range of products. However, the United Kingdom would continue to maintain its own tariff against countries outside the free trade area, and the six countries of the common market would do the same with their unified tariff. Other Western European countries have indicated an interest in associating themselves with these arrangements on a basis similar to that of the United Kingdom.

Following is a statement of U.S. policy with respect to the proposed European common market and free trade area. This is a summary of views which have been communicated to the governments concerned.

The attitude of the United States with respect to current Western European proposals for a common market and free trade area is determined by two traditional policies of the U.S. Government: our consistent support of moves to further the political and economic strength and cohesion of Western Europe within an expanding Atlantic community and our long-standing devotion to progress toward freer nondiscriminatory multilateral trade and convertibility of currencies.

It is in the light of these complementary objectives that the United States welcomes the initiatives for a common market and free trade area in Western Europe. The details of the common-market treaty are being worked out in negotiations now taking place in Brussels among Belgium, France the German Federal Republic, Italy, Luxembourg, and the Netherlands; the governments of these countries have indicated that it is their intention that the common market which they envisage should result in the expansion of their trade not only with each other but also with other countries.

A European common market based on provisions which hold the promise of attaining this objective will have the support of the United States. This would be consistent with U.S. support of such arrangements as the General Agreement on Tariffs and Trade and the Articles of Agreement of the International Monetary Fund, both of which have as their objective the expansion of nondiscriminatory multilateral trade.

Certain aspects of the common-market arrangements will be of particular interest to the U.S. Government: those relating to agriculture, those having a bearing on the liberalization of import controls affecting dollar goods, and measures both public and private which bear on international trade. The European market for agricultural exports from the United States is important, and we will wish therefore to study carefully the possible impact of common-market arrangements on it. The progress which Western European countries have made in recent years in liberalizing imports from the dollar area has been encouraging; it is hoped that this progress will be continued as rapidly as the circumstances permit. Since the six countries are also participants in the General Agreement on Tariffs and Trade, it is assumed that such import restrictions as may be found necessary to maintain will be consistent with the standards of the general agreement.

The United Kingdom has made known its preliminary decision to associate itself with the common-market countries in a free-trade-area arrangement. The association of the United Kingdom in such an arrangement would further strengthen the unity of the Atlantic Community and the free world. The United States hopes that such free-trade-area arrangements as may be concluded among the proposed common market, the United Kingdom, and other OEEC countries would also encourage the expansion of international trade from which all of the free-world countries, and not only those participating in the common market and free trade area, would benefit.

In summary it is our hope and expectation that the negotiations on the common market and free trade area will be carried forward and concluded in such a manner that from these European initiatives will come a new contribution to the unity and prosperity of Europe and the Atlantic Community and to the welfare of the entire free world.