

## 'The economic dispute between the common market and the United States' from the Corriere della Sera (26 February 1969)

**Caption:** On 26 February 1969, the Italian daily newspaper Corriere della Sera takes a detailed look at the complexity of the economic controversy between the European Economic Community (EEC) and the United States.

**Source:** Corriere della Sera. dir. de publ. Spadolini, Giovanni. 26.02.1969, n° 47; anno 94. Milano: Corriere della Sera. "Il contenzioso economico fra il Mec e gli Stati Uniti", auteur:Ballardin, G.F. , p. 6.  
Corriere della Sera. dir. de publ. Spadolini, Giovanni. 26.02.1969, n° 47; anno 94. Milano: Corriere della Sera. "Il contenzioso economico fra il Mec e gli Stati Uniti", auteur:Ballardin, G.F. , p. 6.

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**Last updated:** 05/07/2016

## The economic dispute between the EC and the United States

### Nixon has promised to do whatever is possible to avoid a trade war — American protectionist measures against certain European products

*From our correspondent*

**Brussels**, 25 February.

The new US Administration will continue to support the process of economic integration that Europe is attempting to realise by way of the European Community. This is what the President of the United States, Richard Nixon, declared during the course of a meeting with EC leaders at the Hilton Hotel yesterday afternoon, before leaving for London. Referring to General de Gaulle's European policy, which has brought about the paralysis of economic and political integration in Europe, Mr Nixon told the EC representatives that he was 'struck by the surge of nationalism that is currently appearing in Europe, causing a climate very different from that of a decade ago'. The President of the EC Executive, Jean Rey, replied to this that 'the growing problems of the European crisis are normal and in the nature of things'. Responding to the remonstrances of his discussion partners on the subject of the protectionist measures adopted by the United States against certain European products (such as Prato wool textiles), Nixon promised to do whatever was possible to avoid a trade war between the United States and the 'little Europe'.

As the first direct consequence of the talks, an EC emissary will shortly travel to Washington for discussions with the American Authorities on the economic dispute between Europe and the USA. The US Authorities will, in their turn, send the new Secretary of Agriculture, Clifford Hardin, to Brussels to discuss the problems caused by the EC Agricultural Policy, inspired by rigid protectionist measures.

In preparation for the talks with the US Authorities, EC experts are compiling a 'dossier' on the economic dispute with the United States. The first item on the agenda will be the disagreement regarding 'Prato wool textiles'. Under the pressure of the wave of protectionism in the United States after the conclusion of the 'Kennedy Round', the US Authorities passed a law which, via an adaptation of tariff classification norms, has caused a substantial, almost threefold, increase in trade protection regarding wool mix products. According to the EC leaders, this measure represents a flagrant violation of GATT (General Agreement on Tariffs and Trade) regulations. In an attempt to have this measure, which primarily affects Italy, annulled, the EC leaders have proposed to Washington to enter into consultations, and they are now in full swing.

The dispute between the EC and the United States also includes the countervailing charges imposed by the US Authorities on Community exports of tinned and concentrated tomatoes, which have once again hit Italy the hardest; the countervailing charges on high-voltage electric fences and chair lifts, which have severely affected Italian exports; and the rigid fixing of export quotas on Community cheeses, which over the past days have also been extended to small packs of whole and grated parmesan sold in supermarkets in the United States.

Besides, the Americans have exerted increased pressure on European iron and steel industries, pushing them to imposing a voluntary restraint on their sales on the US market. Finally, two bills now before the US Congress also give cause for concern: the Hollings Bill relates to voluntary restraint (or otherwise the fixing of quotas) for all European textile exports to the United States; and the bill tabled by Hills which, on the contrary, provides for the possibility of halving the *ad valorem* duty, also affecting Prato wool textiles, reducing it from 110 to 55 %. But despite this reduction, proposed but not yet implemented, trade protection would still remain at a level considered 'prohibitive' by the parties concerned. The dispute between Europe and the USA is, manifestly, rather complex.

**G. F. Ballardini**