

DEPARTMENT OF STATE

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10/8/65

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Memorandum of Conversation

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1965 OCT 15 PM 7 05

DATE: October 1, 1965
3:30 p.m.

SUBJECT: Call of the Spanish Ministers of Commerce and Finance

	<u>Spain</u>	<u>U.S.</u>
PARTICIPANTS:	Faustino GARCIA-MONCO, Minister of Commerce	Under Secretary Mann
	Juan Jose ESPINOSA, Minister of Finance	Frank Ortiz, EUR:WE
	Alfonso MERRY DEL VAL, Ambassador of Spain	James Johnston, M
	Juan Luis PAN DE SORALUCE, Economic Counselor, Embassy of Spain	

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The Ministers emphasized Spain's concern over actions taken by the European Common Market which could be highly prejudicial to Spanish interests and would force Spain to re-orient its trade.

Mr. Mann said he could not believe that Europe would revert to the old nationalisms. For our part the U.S. believed the Kennedy Round offered a good hope for a free exchange of goods between nations. However agricultural commodities seemed to be a very special problem which also affected the U.S. in a serious way.

Minister Garcia-Monco said that U.S.-Spanish trade was increasing rapidly. However the trade balance was overwhelmingly in favor of the U.S. as in 1965 Spain would purchase between \$450-\$500 million from the U.S. but export only about \$100 million to the U.S. (For the first 7 months of 1965 Spanish imports from the U.S. were \$301 million, exports to the U.S. \$65 million.) Spain must therefore increase its exports to the U.S. Minister Garcia-Monco noted possible U.S. tariff barriers for Spanish bottled olives.

The Minister said he would soon be visiting Central America and that Spain was interested in expanding its commercial activities with Latin America which could also be of benefit to the U.S. He suggested the possibility of a form of triangular trade by which Spain would import agricultural commodities from the U.S., and process them for sale in Latin America where there was a taste for the Spanish methods of preparing food products.

The Under Secretary said the U.S. welcomed Spain's efforts in Latin America.

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By jc NARA, Date 5-16-04

SPAIN