

INCOMING TELEGRAM

Department of State

Australia

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FROM: Canberra

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Department Trade states Westerman visit agreed during Rusk-McEwen talks Canberra. Timing merely changed following announcement Prime Minister's visit to precede his arrival Washington later June.

Australian case retention preferences recently presented EEC negotiators Brussels by Westerman gives scope talks planned Washington, but not limited to this statement. No intention introduce new subjects. Objective apparently make certain US understands fully limited nature Australian request continuation preferences. Appears persisting concern Department Trade that US and other countries believe Australia seeking extension UK preferences to Common Market without ceiling. Embassy officer expressed certainty full understanding Australian proposal Washington.

Embassy regards sharp increase requirement domestic tobacco mixing most glaring example artificial barrier US exports. Imports US tobacco Australia down 64 percent since 1960 and future bleak. Embassy believes accurate details included tobacco industry letter May 11 to Ball from Tobacco associates.

Long range effect recent industry successes obtaining tariff increases under accelerated protective procedures not clear but higher barriers certain. Mounting protection power lawn motors

-good-

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good example. No quantitative restrictions granted so far and Embassy believes this authority will be used sparingly absence balance payment difficulties.

Australian imports roller and ball bearings and piece goods from US increased sharply fiscal 1960 to 61. Embassy unable determine within time limit status possible increased protection granted these items.

McEwen two recent occasions criticised pending US sugar quota allocations on ground preferential trading involved and additional countries receiving access US market. Embassy suggests attention desirable public relations not overlooking Australia in possible re-allocation Cuban quota.

BELTON

DMB

The John F. Kennedy National Security Files.
Asia and the Pacific: National Security Files, 1961-1963