The consultation on bananas, which was held at the request of the Government of the United Kingdom, took place in Geneva on 14 November 1958.

The following countries took part in this consultation:

The United Kingdom (country requesting the holding of the consultation).

The Dominican Republic (country requesting to take part in the consultation).

The European Economic Community was represented by the delegates of the Member States and of the Community institutions.

The United Kingdom delegate had submitted a memorandum on the problems which arise for its banana exporting territories.

At the opening of the consultations the representative of the Dominican Republic stated that he wished to be fully associated with the memorandum submitted by the United Kingdom. He added some further details concerning the importance of the banana trade for his country, and recalled that his arguments had already been submitted during the discussions of the Working Party of the AOT's (see Document L/805/Add.4).

The Head of the German Delegation, acting as spokesman for the Six, referred to the framework within which the consultations were to take place. In particular, he made it clear that under the procedure agreed upon by the Intersessional Committee and accepted by the Six in the letter addressed to the Chairman of the Contracting Parties by the President of the Council of Ministers of the European Economic Community, the consultations were to deal with specific cases arising out of the application of the Rome Treaty.

The representative of France then explained why exports from third countries to the Common Market, far from decreasing, should increase to a considerable extent in future years, notwithstanding the tariff preference accorded to AOT producers.

In this respect, he recalled the forecast relating to consumption increases in the Member States of the Community, which are given in the Annex to document L/809 dated April 1958. He pointed out that the most recent
statistics contained information that confirmed the improvement that had already begun some time ago. Thus, in France, where it was thought that consumption would level off at 280,000 tons, fresh advances had been made, and the figure of 390,000 tons was recorded for the last season. In the Federal Republic of Germany consumption had risen from 118,000 to 296,000 tons during the period 1953–57, and had reached the figure of 340,000 tons in 1957. Considerable progress had also been made in the Benelux countries and Italy.

The French representative then recalled that while consumption was rapidly expanding, production was making but slow progress and, despite the high prices obtained in recent years on the French market by overseas producers, production increases in certain territories, such as the Camerons and the Ivory Coast, had been almost entirely offset by a considerable decrease in production in Guinea, following damage caused by plant diseases.

The gap between rising consumption and lagging production could be filled only by imports from third countries.

In conclusion, the French representative emphasized that the effects of the 20 per cent Common External Tariff rate, which was nothing more than the arithmetical average of existing duties, were certain to be considerably reduced by the large import quota accorded to the Federal Republic of Germany.

In his opinion, the implementation of the Rome Treaty and the gradual relaxation of the quota system at present in force in France could only result in the elimination of present price disparities and consequently in increasing consumption.

The representatives of third countries, while expressing doubt as to the favourable results to be expected from these measures, particularly insofar as the increase in the French quotas and the relaxation of the monopoly system in Italy were concerned, hoped that they would receive details as to the measures under the protocol, concerning the tariff quota for imports of bananas, annexed to the Treaty, which the Federal Republic of Germany has undertaken in order to encourage private interests in Germany to promote sales of bananas from the ACT's. With reference to the above-mentioned protocol, they mentioned that the figure of 90 per cent finally agreed upon, and not 100 per cent, naturally implied a decline in exports to the Federal Republic. Some representatives of third countries suggested that the Six should agree to hold consultations with interested countries before they settle the method of application of the tariff quotas and that they should view the latter in relation to the provisions of the General Agreement. They also expressed the wish that the possibility of extending the quota system to other member countries of the Community and especially to the Netherlands should be considered.

The representative of Germany, in reply to the request for information that he had received, said that he was unable to supply further clarification at the present moment as to the support which his Government could give to private interests to encourage sales of bananas from the ACT's within the Federal Republic. No such supporting measures have yet been taken.
In reply to another question concerning the determination of the total amount of imports to be affected under the quota, the representative of Germany said that only total imports should be taken into consideration and it could not be denied that the quotas, which could be increased under the terms of the Treaty, were a measure favourable to third countries.

Following this initial exchange of views, the third countries concerned requested that the figures of banana imports by the Federal Republic of Germany for the period 1954–57 be communicated to them in writing. It was agreed that the statements made by the French representative at the beginning of the meeting should be communicated in writing to the delegations concerned.

The delegations agreed to hold their meeting during the second fortnight of February at a date to be agreed later.