CONSULTATION UNDER ARTICLE XXII

Consultation with the European Economic Community on Bananas

DRAFT AGREED MINUTE

Amendments Proposed by the United Kingdom delegation

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Para. 6, line 4. After "gone over again." insert:

"It had been presented in detail at the Working Party on the AOT's last year and was recorded in L/805/Add.4. A summary had been presented in the United Kingdom memorandum submitted to the previous consultations."

Line 18. Delete "those earlier consultations" and insert:

"the present consultations. Apart from these items, the record of the previous consultations should be regarded as the Six's own version not necessarily acceptable to the other governments concerned."

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Para. 9. At end after table insert:

"Representatives of participating countries other than the Six pointed out that these duties already created new preferences for the AOT's of 2 per cent in France, 1.5 per cent in Benelux and 3.6 per cent in Italy."

Insert new para. 12(a) as follows:

"Weighted Average

12 (a) Representatives of participating countries other than the Six pointed out that the weighted average of the legal duties enforceable before the Treaty of Rome based on the trade of third countries with the Six in 1957 was 7.7 per cent and the weighted average of the duties in force on 1 January 1957 was 3.8 per cent. These figures were much less than the 20 per cent of the common tariff and showed that the common tariff would be creating very heavy new barriers to the trade of third countries, contrary to the provisions of para.4 of Article XXIV of the GATT.

12 (b) Representatives of the Six said that they could not accept the figures given since they had had no opportunity to check them."
Para. 15, line 6. After "pointed out that" insert:

"since at least 70,000 tons would be imported by Germany on payment of full duty,"

Delete "and which" at end of line.

Last line. Delete "the sterilization of existing channels of trade."
and insert:

"would tend to freeze the pattern of trade. Amongst the methods mentioned were global quotas with a cut-off, quotas allocated to individual importers and quotas allocated to exporting countries. One major difficulty was that an annual global quota would favour those countries shipping in the early months of the year."

Para. 17, line 3. Before "They suggested" insert:

"Some of their comments already made had general applicability."

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Line 2. After "consultations on coffee" insert:

"and the previous consultations on bananas."

Line 7. After "Treaty of Rome" insert:

"the proportionate share of third countries in the German market would, therefore, decrease even under the quota."

Para. 18, line 2

Delete "export etc." and insert:

"and exports of the AOT's and the distribution of imports of the Six."

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Para. 20. At end of paragraph insert:

"They still considered that the possibilities for increasing production in the AOT's and DOM's were substantial and would be encouraged by the new stimuli arising from the Treaty of Rome. In that connexion they quoted the following extract from a speech by M. P. Valdant, Deputy Director of Economic Affairs, French Ministry of Overseas Territories on 22 November 1957, in speaking about banana production in the French dependent overseas territories; he said:

"Finally, there is the question of price, but the outlook for the future is very encouraging as a consequence of the 20 per cent protective tariff which is to be established progressively, together with the quotas set up under the Rome Treaty, and a marked expansion of our production should result."
Para. 21, lines 1 – 13. Delete "Representatives of participating countries ..... on producers and importers" and insert:

"Representatives of participating countries other than the Six urged the countries of the Six to consider the implications of the inevitable delays in publishing trade statistics for the method of consultation on which they were insisting in which only statistical evidence of damage was to be admitted. Their replies on the availability of banana statistics showed that it would be several months after the end of each year before they (the Six) had the trade figures on which any assessment of a diversion of trade in the past year could be based and third countries would have to wait much longer for the published statistics. Moreover, statistics for one year would hardly be accepted by the Six as conclusive proof of damage. They would no doubt insist on a series of statistics being produced which demonstrated a permanent trend in the trade figures. It would, therefore, probably be many years after the damage had started before third countries could produce the irrefutable statistical evidence of damage demanded by the Six. Representatives of participating countries other than the Six in fact contended that damage had already commenced because of the creation of new preferences in France, Italy and Benelux and the psychological effects of the provisions of the Treaty of Rome on producers and importers."

Para. 23, line 4. At end of line, add:

"This had nothing to do with the Treaty of Rome."

Line 13. Delete "fact be an automatic regulator forcing" and insert:

"any case be the tendency for".

Line 14. Delete "at certain times of the year" and insert:

"as standards of living rose beyond a certain level."

Lines 20 and 21. Delete "Banana production ..... Treaty of Rome".

Para. 24. Add at end:

"Representatives of participating countries other than the Six said that experience in the United Kingdom showed that tastes could be quickly changed from one type of banana to another under the stimulus of small price differences. They wanted the right to similar access to, for example, the German market as that enjoyed by all other producers so that they could try by fair competition to obtain a growing share of the market, but what they feared was the unfair privileges to be enjoyed by the AOT's in that market. The British Cameroons, a part of the Federation of Nigeria, had enjoyed a substantial export trade in bananas to Germany before the war and might well wish to resume that trade in the near future."