CONSULTATION UNDER ARTICLE XXII

Consultation with the European Economic Community on Coffee

DRAFT AGREED MINUTE
(Spec(59)31)

Amendments proposed by the United Kingdom Delegation

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Para. 2, line 6.

Replace "delegate for" by "member of".

After "United Kingdom" insert "delegation".

Para. 4, line 1. Delete "At the request of".

Line 2. After "than the Six," insert:

"said that their case for considering that damage to their coffee interests was arising and would increase from the arrangements made in associating the overseas territories with the EEC had been set out fully in the Working Party last year, as recorded in L/805/Add.2, and had been summarized in"

Line 4. Delete "is" and insert:

"It was agreed that this memorandum should be".

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Para. 8, lines 2 - 4. Delete "while agreeing that ...... nevertheless".

Line 5. Delete "the global".

Line 7. After "8 per cent" insert:

"for third country suppliers taken as a whole and of 2.8 per cent in respect of Brazilian coffee only."

Delete "In this connexion" and insert "Furthermore".

Line 14. Delete "nature of the German" and insert "element in their coffee"

Line 15. After "protective element" insert "only".

Para. 9, line 1. For "figure of 8 per cent" read "figures of 8 per cent and 2.8 per cent". 

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Para. 10, lines 2 and 3. Delete "and most of the increased production was destined for the Western European markets".

Line 6. After "to Kenya" insert "and other".
Delete "and Brazilian".

Line 7. Delete "the principal" and insert "an important".

Line 8. Delete "price" and insert "good prices".

Line 9. Delete "grown in Latin America" and insert "in recent years".

Line 12. After "stimulus to production" insert:
"There was no evidence that prices had yet fallen to a level which made African production uneconomic."

Line 17. Continue at end of sentence with:
"to provide non-tariff preferences for the AOT's and thus further stimulate their production".

Para. 11, line 16. After "Representatives of the Six" insert:
"said they had always recognized that preferences would provide some advantage to producers in their AOT's and".

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Delete "POTENTIAL" in heading above para. 12.

Para. 12, lines 4 - 7. Delete "As coffee exports ..... markets of the Six."

Line 10. Insert after "community prices": "which would be a large part of the".
Insert "duty" after "16 per cent".

Line 12. After "for example" insert "(in the absence of special inducements to earn dollars)".

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Para. 12, line 1. End of line insert "for".

Line 2. Delete "to trade".

Line 3. Delete "be done in that the" and insert:
"arise from such a dislocation of traditional trade channels in a variety of ways, for example".

Lines 3 and 4. Delete "in the United States would get the benefits and not the agents".
Line 4. After "in the countries of the Six" insert:

"would lose trade while it would be different agents who would gain from increased sales in the United States."

Line 7. Insert "steadily" after "would be".

Line 8. Insert before "out of the markets" the following "more and more".

Delete "gradually".

Insert after "be no" the words "certainty of an additional".

Line 10. Start new paragraph with "Representatives of the participating..."

Lines 12 and 13. Delete "from French and Belgian African territories to the United States".

Lines 15 and 16. Delete "for the immediate future...... would take place immediately" and insert:

"to deal with an immediate problem while the diversion of trade due to the Treaty of Rome was a long-term problem. There was every reason to anticipate that the present world problems of coffee would be solved so that prices would be back to a remunerative level in a few years. But the Treaty of Rome would still then be in existence and, as representatives of the Six had admitted, the 16 per cent preference would then be a major stimulus to production in the AOT's. So much additional coffee might then come forward as to produce a renewal of the world coffee crisis. This showed that the difficulties arising from the Treaty of Rome must be dealt with before a final long-term solution of world coffee problems could be found. It did not seem to them that the sympathetic attitude which representatives of the Six had showed towards world coffee problems could be reconciled with their action on coffee under the Treaty of Rome."

Line 17. Start "In the view of......" as new paragraph.

Line 19. Insert at end of line after "would increase" the word:

"(para. 338)".

Line 20. Delete "or its contentions" and insert "nor its firm conclusion".

Line 22. Insert at end of para. "(para. 337)".

At end of para. 13 insert:

"They did not agree with the argument in para. 337 of the Haberler Report because that argument only applied to the classical case of a free trade area between countries where structure and production were similar. The relationship with the AOT's was quite different and account must be taken of the very rapid development of the AOT's which would arise from their free trade area relationship with the European Common Market."
Para. 14. Line 5. After "result of the preference," insert:

"Since representatives of the Six were prepared to admit that the new tariff would raise prices above world prices, that the preference would be of benefit to the AOT's and that the arrangements would stimulate production, they had no grounds for denying that there would be an increasing measure of trade diversion to the detriment of third countries. They also noted with concern that representatives of the Six had not been prepared to give any assurances that third countries would be given access to a fair share of any increase in consumption of the Community."

Line 5. Delete "They" and insert "Representatives of participating countries other than the Six" as new para.

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Para. 16. Line 2. Insert after "while" the word "agreeing".

Line 5. Delete "trade" and insert "interests".

Insert after "third countries:

"by encouraging production in the AOT's and starting the trade diversion process".

Line 6. After "to grow" insert:

"Nothing that representatives of the Six had said had refuted their arguments and indeed the representatives of the Six seemed to be prepared to accept most of the case which had been put forward, if not the final conclusions."