

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/838

28 July 1958

Limited Distribution

Original: English

ARTICLE XXII - CONSULTATIONS

Request by the United Kingdom for Consultations with the Member States of the EEC

Under the procedures for consultations agreed upon by the Intersessional Committee (IC/SR.38, page 21), the Government of the United Kingdom has advised the Executive Secretary that a communication has been addressed to the six Member States requesting consultations regarding the effects on the trade in cocoa, coffee and bananas of the provisions of the Rome Treaty relating to the association of Overseas Territories.

Any contracting party wishing to claim a substantial trade interest in this matter and wishing to be joined in any of the proposed consultations should so advise the Government of the United Kingdom and the Governments of the six Member States. Advice of any such claim should be transmitted also to the GATT secretariat. Claims of substantial interest should be accompanied by supporting statistical data.

The following is the text of the communication addressed by the United Kingdom Government to the Member States:

"Her Majesty's Government were glad to learn from GATT document L/822 that the Member States of the European Economic Community have accepted the procedures agreed at the General Agreement on Tariffs and Trade Intersessional Committee Meeting in April for further discussion of Treaty of Rome questions in the GATT. Her Majesty's Government have duly noted the comments of the Member States on these procedures as contained in the aforementioned document.

"Her Majesty's Government for their part also accept the procedure laid down by the Intersessional Committee and, in particular, they agree with the Committee's view that it would be more fruitful if attention could be directed to specific and practical problems, leaving aside for the time being questions of law and debate about the compatibility of the Rome Treaty with Article XXIV of the General Agreement.

"Her Majesty's Government's approach to this question is mainly based on their responsibility for a wide range of dependencies. These dependencies have many and varying economic interests. The particular issue which is of most immediate importance is the differential duty which the Associated Overseas Territories will enjoy throughout the whole market of the Six for certain of their main exported products.

"The trade in those commodities is not a major part of the whole trade of the Six, though it is of extreme importance to certain under-developed countries. For them, moreover, the problems raised by the association of Overseas Territories with the Community are immediate, since development programmes planned and initiated now must have regard to the state of the market when they come into fruition in perhaps ten or fifteen years' time. This in its turn has created an immediate political problem because farmers threatened with the creation of new barriers in the existing markets for their goods (or the prospect that their markets will not expand as their own production expands) will expect immediate action by those responsible for their international relations to protect their interests.

"Her Majesty's Government recognise that there might be risk of confusion and delay if attempts were made to initiate simultaneously discussions on all the commodities concerning which problems are already arising or may arise in the future. They agree moreover that remote contingencies are not suitable for discussion under Article XXII of the GATT. They propose at this stage, therefore, to make requests for discussions on a very limited number of commodities in respect of which the problems referred to in the immediately preceding paragraph are already arising. They have chosen these from among those commodities which have already received some consideration in the GATT and about which therefore, the necessary factual material is already available. Her Majesty's Government would, therefore, wish to limit for the time being their requests for consultation under Article XXII of the GATT to a request for consultations regarding cocoa, coffee and bananas.

"Her Majesty's Government hope that the Six Governments will be able to agree to begin such consultations at an early date. In Her Majesty's Government's view the problems arising from these commodities, which are known to be of concern to other contracting parties having a substantial trade interest, are such as would justify discussions being multilateral from the outset. If therefore such other contracting parties request to take part in the consultations, Her Majesty's Government would for their part be willing that those contracting parties should do so forthwith and they trust that the Governments of the Six will also agree to this. In particular Her Majesty's Government understand that the Ghana Government intend to ask for discussions on cocoa and Her Majesty's Government would wish that the discussions on this commodity should be on a multilateral basis from the beginning."