

RESTRICTED

GENERAL AGREEMENT ON TARIFFS AND TRADE

L/ 841

15 August 1958

Limited Distribution

Original: English

ARTICLE XXII - CONSULTATIONS

Request by India for a Consultation 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 India 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 tea of the provisions of the Rome Treaty relating both to the proposed common tariff and 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 the proposed consultation should so advise the Government of India 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 Government of India to the Member States:

"The Government of India invite reference by the Member States of the European Economic Community to GATT Document L/822 notifying acceptance by the six Governments of the procedures agreed to at the GATT Intersessional Committee meeting in April for further discussions in the GATT of questions relating to the Treaty of Rome. The Government of India have noted the Intersessional Committee's recommendations that discussions on the legal compatibility of the Rome Treaty with the provisions of the GATT should for the present be put aside and attention directed instead to the specific trade problems created by the Treaty.

"In the course of discussions at the Twelfth Session of the CONTRACTING PARTIES to the GATT and in the GATT Working Party on Overseas Territories, the Government of India have drawn attention to some of the specific and practical problems created for their trade by certain provisions of the Treaty of Rome and in particular those relating to the association of the overseas territories with the Economic Community. The Indian Government wishes to enter into consultations with the six Member States on the commodities most immediately and directly affected by the provisions of the Treaty of Rome in question.

" The Member States are aware that nearly 23 per cent of India's total exports are constituted by tea. In 1956, India exported 4,300 tons of tea to the six Member States while it is estimated that approximately 6,000 tons of Indian tea were imported into the Six countries through the United Kingdom. The Government of India believe that the high duty provided for tea in the common tariff, which admittedly includes a large fiscal element, and the large margin of preference which will be established in favour of tea and other competing beverages produced in the overseas territories will do substantial injury to Indian exports to the Member States of this commodity. The Government of India look forward to consultations with the six Member States for reaching solutions which would safeguard these exports.

"The Government of India are aware that a number of other tea exporting countries are also concerned over the future of their tea trade with the Six. If these countries wish to join in the discussions on the subject with the Member States, the Government of India would on their part welcome such participation.

"In view of the fact that the Six have already received requests from other contracting parties for discussions on a number of commodities, the Government of India recognize that there may be practical difficulties in providing consultations on more than a few additional items in the next two or three months. The Government of India have, therefore, restricted the present request to a discussion on tea only in the hope that it will be possible for the Six to agree to consultations being opened immediately. They would, however, wish to propose discussions at a suitably early date on some other commodities in which their interest as a supplier to the six Member States and to the overseas territories is directly affected by the provisions of the Rome Treaty and will for this purpose be addressing a further communication to the six Governments."