

RESTRICTED
LIMITED B

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GENERAL AGREEMENT ON TARIFFS AND TRADE

Contracting Parties

Third Session

NON-DISCRIMINATORY MEASURES NOTIFIED BY CONTRACTING
PARTIES UNDER PARAGRAPH 6 117 OF ARTICLE XVIII OF
THE GENERAL AGREEMENT

ADDENDUM

Measures notified by the Governments of Lebanon and Syria

The Governments of Lebanon and Syria have submitted,
under dates 1 and 6 March 1949 respectively, the following
supplementary statement in support of the non-discriminatory
measures referred to in GATT/CP.2/38/Rev.1.

A. MODE OF APPLICATION OF IMPORT RESTRICTIONS
AT PRESENT IN FORCE IN LEBANON AND SYRIA

The measures notified in pursuance of paragraph 6 (11) of Article XVIII have been applied in Lebanon and Syria by means of decrees and instructions for the protection of agriculture. The measures taken to this end are non-discriminatory.

Even before the war, customs legislation prohibiting the import of certain tools and machinery was in force in Lebanon and Syria.

Since 1940, both countries have enforced regulations for the control of imports, exports and exchange operations. These regulations granted very wide powers to the competent Authorities in the matter of control but did not specify the purpose of the measures taken.

War-time circumstances compelled the authorities to encourage the import of articles in short supply, as far as the allied supply programme permitted, and to prohibit the export of products and commodities essential for the home market.

Since the war, control powers have been used to protect domestic agricultural and industrial products; this protection was motivated by the rise in domestic prices in relation to world prices - the result of internal inflation during the war - by the shortage of goods, import difficulties and lack of foreign exchange

As Lebanon and Syria were endeavouring on the one hand to stabilise their currency, and on the other to promote economic development, they could not adopt the expedient of devaluation as a solution. Nor could they permit the stability of their economy to be affected and potential productivity weakened by free import of all commodities.

These considerations led the authorities to take the necessary measures to protect industry and agriculture, whether already existent or in course of establishment, and to ensure full employment. Lebanon and Syria have therefore had to apply quota systems and prohibit the import of certain commodities.

Control is exercised by means of import licences.

Commodities, the import of which is prohibited, are included on a list published by decree.

Products under quota appear on Lists subject to periodical revision.

Neither the quota system nor the monopoly system has any discriminatory character.

Exchange control does not rule out imports effected without foreign exchange, its sole aim being to require exporters and holders of foreign exchange to repatriate their holdings and surrender them to the Exchange Office so that they may be used for urgent imports, such as agricultural and industrial machinery, pharmaceutical products, raw materials, petroleum etc.

Exchange control has, however, been made more flexible recently in Lebanon and Syria, a free exchange market has been established and only 10% of new foreign exchange holdings need be surrendered. Banknotes are not included in holdings to be surrendered.

Lebanon and Syria have not yet contemplated taking the measures authorized by Article XII of the Agreement to safeguard their balance of payments, although this balance has been upset since 1947. Both countries have till now had recourse only to measures favouring economic development, the reconstruction of the country and the establishment of particular branches of industry and agriculture.

B. DESCRIPTION OF MEASURES FOR THE RESTRICTION
OF IMPORTS AND REFERENCE TO TEXTS NOW IN FORCE

Measures for the restriction of imports now in force in Lebanon and Syria fall into three groups:

1. Measures applicable to products under monopoly control:

(a) Monopoly of wheat, barley and their derivatives.

These products are controlled in Syria by the Monopoly Law, renewable each year, which gives the Authorities a monopoly of the purchase, sale, transport, processing, import and export of the products concerned.

This monopoly exists in order to guarantee a fair price to growers and regular supplies at stable prices to consumers. In addition, the State supplies bread at reduced prices to the poor and middle class sections of the population, thereby incurring considerable losses. This Law will probably be annulled in the near future, in which case it will be replaced by legislation designed to stabilize the price of wheat at a level calculated to ensure a fair price to growers and to encourage an extension of the area under wheat. This new legislation will either prohibit imports or introduce a quota system.

For the above reasons Syria has requested that wheat, barley and their derivatives should continue to benefit from the provisions of paragraph 6 (11) of Article XVIII.

In Lebanon, imports of wheat, barley, maize, rice and their derivatives are a State monopoly; the Government can import them itself or delegate this task to approved importers, who must be in possession of an import licence. However,

Decree No. 2298 of 19 January 1946 exempts importers not requiring foreign exchange from the obligation of obtaining a licence provided the customs declarations are submitted to the competent authorities for approval so as to ensure control of the sale of commodities thus imported.

(b) Sugar monopoly.

Crystallised, loaf and lump sugar is controlled in Syria by the Monopoly Law. This law exists, partly for inland revenue purposes and, partly, to protect the newly created sugar industry. Sugar is imported by the State under contract, and sold on the market at cost price plus a variable tax. The revenue from this tax constitutes 10% of total budget receipts. By means of this system, a new sugar industry has already established itself with an annual output estimated at 10,000 tons, sufficient to cover 30% of current consumption in Lebanon and Syria.

The sugar monopoly will probably be abolished in the near future, as soon as a balanced budget permits; the monopoly will then be replaced by an import quota system to bolster the output of the new sugar industry and guarantee it a home market.

For the above reasons Syria has requested that sugar should continue to benefit from the provisions of paragraph 6 (11) of Article XVIII.

In Lebanon, the only formality required for the import of sugar is an import licence. An excise duty is also levied on this product, the receipts from which make an appreciable contribution to the Lebanese budget.

(c) Tobacco monopoly.

Tobacco-growing and the tobacco industry form both in Lebanon and in Syria, a monopoly designed to bring in revenue to both States and protect the cultivation of this commodity. Both countries are large tobacco producers and their surplus production is exported by the producers themselves. The concessionary company merely regulates cultivation, the working of the industry and home consumption.

(d) Salt monopoly.

Salt-works in Syria are State property. Their exploitation under State control is entrusted to the Administration, which has charge of the mining and sale of salt at a price fixed by decree. This monopoly, designed to promote the development of an abundant mineral resource, exists both for inland revenue and protective purposes, a fact which has led the Syrian Government to forbid all imports of salt.

In Lebanon, salt is likewise a State monopoly and imports are subject to approval by the Finance Ministry. An excise duty is levied by that Ministry on any quantities imported.

2. Import prohibition system.

In Lebanon, Ministerial decrees determine the categories of goods the import of which is prohibited or controlled by licence; the object of prohibition or import control by licence is to protect certain branches of agriculture and industry, whose output exceeds local consumption requirements.

In Syria the regulations in force, which require importers to obtain a licence, do not specify the products involved; however, Administrative circulars specify the products for which, in the interests of domestic production, import licences will not be granted; these include in particular preserves, soap, footwear and matches, the output of which far exceeds home consumption requirements.

3. Quota system.

Import licences are granted in Syria in accordance with an import programme decided on at the beginning of each year and modified as and when required. This programme, which has a protective aim, comprises two series of commodities the first, domestic products to be protected by restricting imports of like products. The second, urgently needed products, the import of which is desired and encouraged by every possible means.

Products which do not appear on this programme can be imported freely and import licences for them are granted without difficulty. The distribution of certain articles not subject to quota is, however, controlled, both in Syria and in Lebanon, the visa of the Administration being required on Customs clearance declarations before the goods are released from bond.

In Lebanon, as already mentioned, the regulations require importers to obtain a licence for certain specified commodities amongst which are those likely to compete with domestic products. For such commodities, licences are granted or refused in accordance with the instructions of the Ministry of National Economy; each case is investigated separately.

However, neither the regulations nor the instructions are of a discriminatory nature.

4. Restrictions on the import of machinery.

In their note of 7 September 1948 to the Chairman of the Contracting Parties, the delegations of Syria and Lebanon gave reasons for the restrictions on certain machinery imports. These measures come under the provisions of the new paragraph 11 of Article XVIII (Protective measures not otherwise permitted by this).

The measures in question refer to machinery for the manufacture of footwear, beer and matches. Boot and shoe making is a highly developed artisan industry, and the import of machinery would inevitably jeopardise the position of

this industry and cause unemployment among craftsmen. As for the beer and match industries, their output greatly exceeds home consumption requirements, whereas export possibilities are extremely limited.

Import of such machinery is only allowed in so far as it is necessary for the renewal or modernization of existing equipment.

C. NATURE OF INFORMATION CONTAINED IN THE
ANNEXED LIST.

In Annex D to its Report, the Working Party indicated the nature of the information it would be helpful for Governments to supply in support of protective measures.

To give full satisfaction to its requests we should be obliged to investigate each commodity separately and this could not be done unless adequate administrative machinery was available. Such difficulties were already foreseen by the Working Party, which merely enumerated types of information as a guide.

The list appended to this letter includes statistical information on products to which non-discriminatory measures are applied in Lebanon and in Syria under paragraph 6 (11) of Article XVIII. This list includes Tariff numbers, description of the goods, existing duty, 1947 production in Syria and in Lebanon and combined production of both countries, sown area in each country, wholesale price on the Syrian and Lebanese markets, and finally statistics of imports and exports (volume and value) for the years 1938 and 1947. The list also includes an explanation of the abbreviations used together with some general remarks.

Statistical Information
on Commodities to which non-discriminatory measures are applied in Syria and Lebanon in virtue
of para. 6 (11) of Art. XVIII of GATT.

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Tariff No	Description of Commodities	Existing duty (%)	1947 Production in Tons			Cultivated Area (hectares)			Market Price		Imports				Exports				Remark.
			Syria	Lebanon	Total	Syria	Lebanon	Total	Syria Pls/kg.	Lebanon Pls/kg.	1938		1947		1938		1947		
											Tons	1000 L.L.S.	Tons	1000 L.L.S.	Tons	1000 L.L.S.	Tons	1000 L.L.S.	
55	Oranges, Lemons and similar fruits	50	5,000	65,000	70,000	749	6,500	7,249	15	20	11,320	171	9,692	1,254	28,394	1,780	2,005	554	Pr.
56	Figs	50	40,200	12,500	52,700	11,720	2,500	14,221	45	75	9	0.7	4	0.7	3,056	141	608	116	Pr.
57	Grapes	50	107,000	80,000	187,000	61,457	20,000	81,457	22	20	61	7	91	35	3,041	212	598	281	Pr.
58 a	Almonds, Nuts etc. }	50	5,900	3,750	9,650	12,389	1,750	14,139	75	100	309	178	1,005	1,118	2,831	542	937	1,153	Cont.Q
58 i		25																	
59	Apples, pears and quinces	50	7,500	20,600	28,100	4,480	3,600	8,080	25 to 100	100	239	56	122	18	1,641	111	6,321	2,912	Pr.
60	Stone fruit	50	22,000	20,700	42,700	9,019	3,410	12,429	32	40	105	2	24	5	3,540	192	4,369	1,179	Pr.
61	Other edible fruit	50	64,358	17,100	81,458	189,943	2,465	192,408	12	75	8,990	151	1,173	120	774	16	233	50	Pr.
62	Dried fruit (except 62b)	40 & 50									0.8	0.2	1	0.2		6	3		Cont.Q
68	Wheat, spelt and meslin	Exempt	403,800	50,400	454,200	843,472	70,000	913,472	35 to 56	35 to 56	21,483	884	4,370	1,969	6,409	370	8,829	3,916	Mon.
69	Rye	- d -			(ii)														Cont.Q
70	Rice	- d -	21,500	1,000	22,500	8,165	300	8,465	115	100	17,439	1,608	4,371	1,955	29	2	35	3	-d-
71	Barley	- d -	168,800	26,600	195,400	365,040	20,000	385,040	21	22	689	21	873	414	31,940	1,173	8,503	2,028	Mon.
72	Oates	11	4,700	1,500	6,200	7,000	1,000	8,000	15		131	9			129	4	29	11	Cont.Q
73	Maize	Exempt	28,580	12,775	41,355	22,000	6,400	28,400	24	35	26	1	192	70	613	27	3,144	691	-d-
74a & c	Buckwheat, millet and other cereals }	11		6,000	6,000		6,000	6,000		22	138	7			22,099	938	7,604	1,503	-d-
74b		Exempt																	
75	Cereal Flours	- d -	360,000	144,000	504,000				45 & 60	50	4,358	373		1	0.4				-d-
76a & b	(Groats semolina and husked on pearled cereal grains Same duty as on the respective cereals	11																	
76c		Exempt			(ii)						4	0.5	0.4	0.2	7	0.7	50	10	Cont.Q
76d																			
77	Leguminous Flours	25															0.2	0.1	-d-
78	Bran, sharps and other residues.	11	39,600	15,840	55,440										8,658	270	2,684	331	-d-
79	Potatoe Meal	25			(ii)														-d-
80	Malt	Exempt			(ii)						365	67	107	49					-d-
81	Malt Extracts	25			(ii)						0.4	0.4							-d-
82a & b	Starches and Fecula	50	247	44	291				100	100	221	28	50	22	26	4	2	2	-d-
82c		Exempt	(1,000(i))																
122 a	Raw Sugar	Exempt						(ii) Monopoly	Price										Mon.
122 b	Sugar in Loaves, crushed in regular lumps, crystallised and candy	20	10,000(i)	500	10,500(i)			(ii) Monopoly	Price	37,370	2,012	37,279	18,126	599	62.3	6.3	9.5		-d-
122 f		40								0.1	0.02			1	0.1				Cont.Q
122 g	Sugar Syrup	- d -	871	425	1,296				400	425	384	190	209	333	85	53	10	39	
132	Chocolate and articles made of chocolate																		
133	Flour, Infants' foods	11 & 25	2,000		2,000						19	13	22	52		3	3		
134	Macaroni, Spaghetti and similar products	11	525	500	1,025				90	150	90	21	91	75	427	38	63	61	Cont.Q
135	Bread and other ordinary Bakers Wares	25							60		2	1	4	6	31	4			
136	Pastry and biscuits	40	(ii)	152						150	234	80	17	38	282	69	19	28	-d-
137 to 139	Preserved Vegetables	25																	
139 c		40									390	90	177	153	194	23	69	61	
140 a	Preserved fruit without sugar	25									103	11	12	9	19	2	59	36	Cont.Q
140 b	Other	40	865	400	1,265				140	150	35	12	85	87	25	25	2	0.9	-d-
141	Fruit, fruit-peel, preserved in sugar	40									0.4	0.5	52	30	113	26	0.5	0.1	-d-
142 a)	Jams, without sugar)	25																	
142 b)	Other	40									17	5	56	378	444	687	2,285	1,556	-d-
143	Fruit juices, unsweetened	25									114	9	125	56	55	5	132	29	-d-
144	Fruit juices, sweetened	40									2	0.7	9	10	35	9	1	2	-d-
152	Beer	50		2,000	2,000					50	1,469	102	902	485	14	7	116	63	-d-

Tariff No.	Description of Commodities	Existing duty (%)	1947 Production in tons			Cultivated Area (hectares)			Market Price		Imports				Exports		Remark.
			Syria	Lebanon	Total	Syria	Lebanon	Total	Syria Pls/Kg.	Lebanon Pls/Kg.	1938 Tons	1947 Tons	1938 Tons	1947 Tons			
153 a & b2)		25)															
153 b1)	Wines	40)															
154 a)		40)	65	750	815			60 to 80	100	12	44	13	31	23	13	3	5
155	Liqueur Wines, etc.	30	litres	litres	litres				250	20	99	12	22	0.1	0.3		
			2,200	6,000	8,200												
157 a2 &)	Spirits of all kinds	40)															
b2))															
153 a3)	(Arrack)	30)	590	1,300	1,890			210 to 275	200	197	131	93	275		0.1	0.4	-d-
160	Beverages N.E.S. or I		(ii)	770	770				95								-d-
161	Vinegars		(ii)	280	280				100								Pr.
171 a	Raw Tobacco (Mon.)	228 P/Kg)															
171 b		41.3 P/Kg)	4,650	1,650	6,300	3,734			120 to 185	49	67	212	1,054	190	756	3,030	3,429
																	Mon.
172 a)	Cut tobacco (Mon.)	83 P/Kg)															
172 b)	Cigars (Mon.)	208 P/Kg)	734	359	1,093			Mon.Price		38	29	216K	8				
172 c	Cigarettes (Mon.)	124 P/Kg)															
		208 P/Kg)	833	848	1,681												
178	Rock Salt, Common Salt, etc.	Exempt	20,728	5,982	26,710						255	308			126	520	-d-
192	Ciment (except 192b & c)	11	47,050	157,600	204,650						-d-						-d-
									£S.100 per T.		£L 68 per T.	7,879	125	4,497	190	100	20
320a & c)		25 &)															
320 b)	Soap	11)															
320 d)		Exempt)	3,835	3,200	7,035			190 to 225		2,093	337	1,167	996	1,110	244	972	2,320
325	Candles and Tapers (except 325b)	25			(ii)					117	107	13	16	0.3	0.1	0.04	0.33
329	Glucs of Animal Origin	25	24		24			300		17	6	1	2			6	8
340	Matches	per 000 boxes	10	24.6	34.6			375G		0.1	0.1	0.2	0.8	7	2	168	251
		£L&S17-25															
351	Calf Skins	40	Tanned Sole-Leather														
			42	2,500	2,542				(ii)	9	22	27	204	449	436	182	532
352	Sheep & Goat Skins		Box-calf and Kid						(ii)	1	11	10	244			0.03	1
			312,500	2,000,000	2,312,500					52	198	7	147	14	34	26	40
354	Tawed or Chamois-dressed Hides or Skins	40															
355	Skins not particularly specified	40	Sheep & Goat skins, Pieces														
			103,500	600,000	703,500												
356	Parings & other Waste of leather	40								17	14	4	3	0.4	0.05	9	3
357 a)	Imitation or Artificial)	50															
357 b)	Leather	40								(0.4	1	2	12	37	9		
358	Leather parts for footwear	25			(ii)					1	2					1	4
359	Saddlery Goods	25			(ii)					0.4	0.4	9	5	0.5	0.3	3	4
360	Morocco Wares & Travelling Requisites of Leather	40			(ii)					8	43	3	46	3	6	19	83
361	Leather clothing	25			(ii)					0.8	5	0.1	3				
364	Manufactures of Leather N.E.S. or I	25			(ii)					10	51	4	40	17	16	16	70
365	Articles made of gut	25								0.6	1	0.2	3				
ex 379	Rubber Soles		150,000		Pairs					2	2	48	132			11	11
393	Plywood	25			500,000	650,000											
ex 398 a)	Doors and windows	11			1,500m3	1,500m3											
401 to 405	Manufactures of wood	25 & 40			(ii)	(ii)				737	116	566	569	7	3	1	1
417)	Cardboard	8)								150	58	173	215	753	242	341	563
418)		25)	100	1,300	1,400					1,905	182	682	383	0.8	1	5	3
428	Envelopes	25			(ii)					76	36	73	153	7	3	0.06	1
430	Boxes, cases (for jewellery spectacles, etc.) of paper or cardboard	25			(ii)					7	4	8	22	1	0.1	1	2

(Continued)

Tariff No.	Description of Commodities	Existing duty (%)	1947			Cultivated Area (hectares)			Market Price		Imports				Exports		Remark.		
			Syria	Lebanon	Total	Syria	Lebanon	Total	Syria Pls/Kg.	Lebanon Pls/Kg.	1938 Tons	1947 Tons	1938 1,000 L.L.S.	1947 1,000 L.L.S.					
580 to 583 except 580 A a & b 581 A-a	Hosiery of Silk, Artificial Silk, Wool and Cotton, pure or mixed	25 to 50 V. Item 58 CC	Of Silk 13,000p Of Artificial Silk 3,000p Of Wool 151,000p Of Cotton 225,000p	25,000p 5,000prs 1,000prs 65,000prs	38,000p 8,000p 152,000p 290,000p						2 19 25 32	45 71 112 223	0.9 13 173 70	46 276 277 553	1 0.3 2 55	23 3 14 126	-d- -d- -d- -d-		
600 to 603 except 604 b	Footwear	50 to 25	227,000 doz.	4,000,000 pairs					L.S. 6 for 35 pairs		109	110	109	534	416	649	171	938	Q, Ex- t foot- wear 603 Pr.
605 a) 605 b)	Manufactures of Cement and Concrete	11) 25)	(ii)	(ii)								445	68	16	1	277	31	Q.	
605 to 607	Glass & Glassware	Exempt 11,25 & 35	Shoot Glass 10,000 Glassware, Illuminating Glassware 5,000	(i)							3,792	591	5,588	3,436	45	11	391	230	-d-
Ex 755	Metal Bedsteads	25	(ii)	(ii)							(ii)				(ii)				-d-
760	Kitchen Utensils	25	(ii)	(ii)							5	6	7	20	3	3	37	145	
760	Copper Articles	25	(ii)	(ii)							3	43	62	91	185	109	42	107	
Ex 841 a)	Machines for Manufacturing Footwear	25	(iii)	(iii)							1	2	4	26					
Ex 855 a)	Machines for the manufacture of Beer		(iii)								(iii)				(iii)				
Ex 855 b)	Machines for the manufacture of Matches		(iii)								(iii)				(iii)				Q.
860 a) 860 b)	Electric Batteries	40) 25)		(ii)							45	26	102	112	3	1			-d-
975, 976	Dolls, Games and Toys for Children	25	(ii)	(ii)							76	726	202	497	0.3	0.5	2	23	-d-

Abbreviations

L.S.	Syrian Pounds = 45.6313 U.S. cents or 2.19148 Syrian Pounds per U.S.\$1. The Pound is divided into 100 piastres.
L.L.	Lebanese Pounds - at par with Syrian Pound.
L.S.	Lebanese or Syrian Pounds.
P.L.S.	Lebanese or Syrian Piastres.
T.	Metric Ton
p.	piece
L.	Litre
Fr.	Import Prohibited.

Remarks

1. In many cases the description of articles produced and the unit of measurement used in production statistics do not correspond either to the Customs nomenclature or to the unit of measurement adopted by the Customs tariff. This anomaly has compelled us to group several tariff items together so as to make them tally with economic statistics which are classified under other names and expressed in other units of measurement.
2. As certain articles are produced by craftsmen, no accurate statistical information on them is available.
3. Certain types of information requested by the Working Party do not appear in the above table. This omission is due partly to the great variety in types of products, partly to the lack of complete and accurate data.

Abbreviations (cont'd)

Mon.	State Monopoly
Q.	Quota
m.	Metre
000	Thousand
C.C.	Customs Code
G	Gross (12 doz.)
F	Foot (0.3048 metres)
(i)	Estimated output of a new branch of an industry in course of development.
(ii)	Precise Statistical information lacking (v. Remark No. 2)
(iii)	Refers to productive equipment the import of which is authorised only in so far as necessary for renewal or modernization of existing equipment.