RESTRICTED
LIMITED B

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ORIGINAL: ENGLISH

GENERAL AGREEMENT ON TARIFFS AND TRADE
Contracting Parties
Third Session

NON-DISCRIMINATORY MEASURES NOTIFIED BY CONTRACTING PARTIES UNDER PARAGRAPH 6 [11] OF ARTICLE XVIII OF THE GENERAL AGREEMENT

1. It was decided at the second session of the CONTRACTING PARTIES that the measures which had been notified by the contracting parties under paragraph 6 [11] of Article XVIII listed in document GATT/CP.2/38/Rev.1, insofar as it was necessary for the CONTRACTING PARTIES to determine the question of their maintenance under the provisions of the said paragraph, should be examined by the CONTRACTING PARTIES at their third session. The Working Party on this subject recommended a procedure for dealing with these measures (GATT/CP.2/38/Rev.1, Annex E), involving the submission by the contracting parties maintaining such measures of supplementary statements of considerations in support of their measures to the Chairman of the CONTRACTING PARTIES not later than 15 November, 1948. The subsequent step would be for the Chairman to forward these statements to all contracting parties.

2. Such supplementary statements have been received from the Government of the United Kingdom in support of the maintenance of measures required for the promotion of the tea industry in Mauritius and the "filled" soap industry in Northern Rhodesia. The Government of India has notified the Chairman of the CONTRACTING PARTIES that relevant

information and considerations have been dispatched through the ordinary channels of communication. These have not yet reached the Chairman, nor have statements been received from the Governments of Cuba, Lebanon, the Netherlands and Syria.

3. The United Kingdom Statements are distributed herewith in accordance with the procedure adopted at the second session. The other statements will be circulated as addenda to the present document when they become available.

STATEMENTS SUBMITTED BY THE GOVERNMENT OF THE UNITED KINGDOM*

I. MAURITIUS: Tea

The following information under as many as possible of the headings in Annex D to GATT/CP.2/38/Rev.1 is submitted. As anticipated in paragraph (1) of Annex D the data available in some cases do not permit of complete answers:

(a) The importation of tea of all grades is controlled by limiting the quantities for which import licences are issued.

(b) Black and green tea.

(c) (1)

Year	Production in Pounds	Acreage
1943	381,040	2,010
1944	400,483	2,010
1945	343,035	2,010
1946	489,623	2,010
1947	544,956	2,010

In addition, 2,456 lbs of green tea manufactured in 1947.

(2) Imports:

Imports:	1943	149,820 lbs.
	1944	92,431 lbs.
	1945	65,019 lbs.
	1946	158,818 lbs.
	1947	170,377 lbs.

No separate record of imported green tea.

(3) Exports: 1943 to 1947 nil.

(d) There are about 80 plantations varying in area from under one acre to over 100 acres. These plantations are situated in the highlands of Mauritius on the East and South East slopes of the hills and where rainfall is abundant.

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* The statements are made on the basis of the form recommended by the Working Party on Article XVIII at the second session of the CONTRACTING PARTIES (GATT/CP.2/38/Rev.1, Annex D.).

There are five factories manufacturing black tea and one factory manufactures green tea.

(e) No accurate figures available, but probably 2,500 people employed, mostly daily labourers.

(f) Sugar industry: 55,300

Other agricultural industries: 5,200

Secondary industries: 11,000

Public services: 11,500

Total: 83,000

(g) Average monthly wage:

Skilled agricultural labourers:	Rs 62.47
Unskilled:	Rs 45.67
Women:	Rs 31.11
Juveniles	Rs 21.75

(1 Rupee equals one shilling and sixpence approximately)

(h) Approximately Rs 4,000,000.

(i) Information not available

(j) Cost of imported tea ex duty: Rs 2.25 per lb(average)

Cost of transport and distribution: Rs 1.21 (average)

Selling price of domestic produce in markets:

Rs 2.50 lb (average)

(k) A local tea industry has been in existence on a commercial basis for approximately 25 years but its development was restricted by competition from imported tea. When outside supplies of tea became difficult as a result of the war local cultivation was increased and fresh capital put into the industry. With the continued difficulty in obtaining outside supplies more reliance was placed on local production. In 1942 limitation of imports based on the previous three years average importations was imposed in order to encourage the development of the local industry. The protection afforded to the tea industry by the imposition of this limitation enabled it to improve and extend cultivation and to increase the efficiency of the factories. From 1943 onwards limitation of imports was again imposed by the Controller of Supplies under Defence (General) Regulations, 1939. The present rate of duty is Rs 0.90 (preferential rate Rs. 0.60 per kilogram).

(l) Mauritius is too much dependent on its one main industry, sugar, and the need for additional industries is imperative. Tea is the only product that will grow successfully in the highlands of Mauritius, as well as being resistant to cyclones, and the thousands of acres that are now lying idle can be utilized in growing this profitable crop. A quota was imposed to protect the tea industry in its infancy, the quantity allowed to be imported being sufficient to bridge the gap between local production and consumption. Tariff protection or subsidy payments would not be practicable alternatives having regard to local conditions including the present quality of the local product.

(m) There are some twenty to thirty thousand acres of land in Mauritius suitable for growing tea. The extent to which this area will be developed depends on the amount of private capital that is available for clearing, planting and upkeep for the five years that it takes for tea to come into bearing. Data as to levels of production and costs are not available. It is estimated that the quota system will have to be continued for a further five years after which the position should be reconsidered.

II. NORTHERN RHODESIA: "Filled" Soap (i.e. soap containing not less than 45% and not more than 62% of fatty acid).

The following information under as many as possible of the headings in Annex D to GATT/CP.2/38/Rev.1 is submitted. As anticipated in paragraph (1) of Annex D the data available in some cases do not permit of very complete answers:

(a) and (b) Prohibition of the import of "filled" soap into Northern Rhodesia from the Belgian Congo was instituted in 1943 with the object of preventing the product of the Northern Rhodesia soap manufacturers from being undersold by the product of the manufacturers in the Belgian Congo. At that time there were two factories in Northern Rhodesia, situated at Ndola in the Copperbelt area of the Territory. Both these factories had to rely for their raw material (palm oil) on supplies obtainable from the Belgian Congo, and, owing to the fact that a considerable differential existed between the price at which this palm oil was made available to the local manufacturers in the Congo and for export (£14 and £37 10s. per ton respectively), it would have been possible, without this prohibition, for the Belgian Congo manufacturers to export and place their products on sale in Northern Rhodesia at a cheaper price than the Northern Rhodesia product.

Palm oil was at the time in short supply and has continued to be so since then. Further, there was no guarantee that the Belgian Congo manufacturers would be in a position to maintain supplies for Northern Rhodesia at an essential level, and, if supplies had failed from that source, the Northern Rhodesia Government might have been compelled to assist in maintaining its local factories to ensure adequate supplies, either by direct financial subsidy or by permitting an enhanced price to compensate for the reduction in the volume of sales by the local manufacturers. It was clear that if Northern Rhodesia had not taken the action under reference the local factories would have been compelled to close down and this Territory would have become dependent for its common soap requirements on such supplies as might be available for export from the Belgian Congo, and which might have been inadequate to meet this Territory's requirements, while this Territory would have had, in these circumstances, no control over the price.

The importation of "filled" soap from the Belgian Congo was therefore prohibited by the issue of Government Notice No. 14 of 1943 after prior notification had been given to the authorities of the Belgian Congo through the British Consul at Elisabethville. The measure is purely a temporary one designed to keep local industry in being, and has been necessitated by under-selling made possible primarily by the high margin between internal and external prices for palm oil which existed in the Congo. It is not possible, at present, to indicate for how long it will be necessary to retain it, as this must depend upon the availability of supplies and the price of palm oil. The position is, however, under review.

The prohibition does not apply to the Congo Basin area of this Territory.

Pursuant to Article IV(a) of the Northern Rhodesia - Southern Rhodesia Customs Agreement of 1933, which provides that "filled" soap manufactured in one territory shall not be exported to the other territory, the importation of "filled" soap from Southern Rhodesia into Northern Rhodesia is prohibited.

(c) Information not available.

(d) Two firms.

(e) Information not available.

(f)

Agriculture and Forestry:	European:	650
	African:	25,700
Mining and Quarrying:	European:	3,060
	African	26,300
Manufacturing Industries:	European:	340
	African	8,200
Building and other Construction:	European:	230
	African	10,700
Transport and Communications:	European:	890
	African:	4,800
Commerce:	European:	100
	African	3,100
Public Services:	European:	1,870
	African:	16,900

(g) African employees forty-five shillings per month plus housing.

(h) One firm (registered in 1935) £15,000 (increase in 1947 from original £4,000) and the other (registered in 1939) £10,000.

(i) Information not available.

(j) Not at present imported.

(k) See (a) and (b) above. Present rate of duty on soap is 25% ad valorem (20% preferential).

(l) Tariff protection or subsidy payments would not be practicable alternatives having regard to local conditions.

(m) The desirability and practicability of removing this restriction are now under examination.