

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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AUSTRALIAN IMPORTS OF MOTOR MOWERS AND ENGINES

Notification of Action under Article XIX

The following notification, dated 30 May 1960, has been received from the Australian delegation:

- "1. The Australian Government wishes to advise the CONTRACTING PARTIES that as a temporary and emergency measure it has decided to take action under the provisions of Article XIX of the General Agreement to protect manufacturers of internal combustion engines, 1 to 6 brake horse power, for motor lawn-mowers, from serious damage from imports.
- "2. It has been decided that the emergency measure should take the form of the quantitative regulation of imports with immediate effect. The measure will remain in force however only until the Australian Tariff Board has conducted an investigation into the production of the engines in Australia and has submitted its report to the Government. The matter was referred to the Tariff Board for this purpose on 3 May 1960.
- "3. The Australian Government holds the view that any delay in taking action to restrict imports of motor mower engines would cause serious damage to the Australian industry which it would be difficult to repair. The emergency action is therefore being taken under the provisions of the final sentence of paragraph 2 of Article XIX.
- "4. The CONTRACTING PARTIES are advised that the Australian Government intends to administer the import restrictions on a global non-discriminatory basis. In order to confine any disturbances to the minimum area of trade, restrictive licensing will be confined to engines for incorporation in lawn-mowers. Internal combustion engines, 1 to 6 brake horse power for other purposes will be licensed to end-users up to their requirements, subject only to necessary safeguards to prevent diversion to the manufacturer of motor mowers. It will also be appreciated that, to prevent evasion of the restrictions on engines for motor mowers, it will be necessary to regulate imports of complete motor mowers.

"5. The principal developments which led the Australian Government into the emergency action set out in this statement are as follows:

- (a) Australian production of motor mower engines in 1959 was 250,000 units.
- (b) Imports 1958/59 were:
 - ex Item 178(I)(2)(a), petrol kerosene and other light spirit air-cooled engines, 1 to 6 b.h.p. (including parts) " " " " " 4045 units.
 - Items 161(B)(3)(a) and (b), Lawn-mowers with self-contained power (including parts) " " " " 3350 units.

All imports came from the United Kingdom.

- (c) The season for ordering engines for incorporation in motor mowers is May, June and July.
- (d) An official survey has shown that current duty-paid United States prices are significantly below Australian prices for comparable engines; that of total orders placed so far in the present ordering season 68,000 out of 70,000 have been placed with United States suppliers; that with very few exceptions manufacturers of motor mowers have indicated that they intend to place their orders on the United States.
- (e) The official survey has shown additionally that delivery of the first order (40,000 engines) is expected soon; that of three major companies who have placed orders one has already ordered 100 per cent of his requirements for the season from the United States, another 50 per cent and the third 25 per cent; that only quite negligible orders have been placed with Australian manufacturers; that in consequence of this situation two manufacturers of the engines in Australia have ceased production while another has dismissed a substantial number of employees and another, who had planned to commence production this year has abandoned his manufacturing plans.

"6. It is advised for the information of the CONTRACTING PARTIES that the import restrictions will be operated in the following manner:

- (a) I.C. engines, 1 to 6 b.h.p., for motor mowers - licences to be issued for 25 per cent of requirements, i.e. at a rate between 60,000 and 70,000 units per annum;
- (b) I.C. engines, 1 to 6 b.h.p., for other purposes - licences to be issued for 100 per cent of requirements;
- (c) Motor mowers - quotas to be established at 100 per cent of imports in 1959.

As already stated the restrictions will be administered on a global basis.

"7. The contracting parties will appreciate from the above data that this manner of licensing will provide for a higher level of imports than existed prior to 23 February 1960. This is the date on which the Australian Government removed all import restrictions from both dollar and non-dollar countries, on the great bulk of imports.

"8. The Australian Government desires to assure the contracting parties that it is prepared to enter into consultations on this matter upon request with other contracting parties as required in paragraph 2 of Article XIX."