

RESTRICTED

GATT/CP.2/WP.3/5
30 August 1948

Original: ENGLISH

GENERAL AGREEMENT ON TARIFFS AND TRADE

Contracting Parties
Second Session

Note by the Netherlands delegation on item 16 of the Agenda

The remarks in the full session of GATT on the USA proposal regarding the trust territories in the Pacific are substantiated by the following figures:

<u>Year</u>	<u>Export of copra in 1000 tons</u>		
	<u>from N.E.I.</u>	<u>from Japanese</u>	<u>Price of copra</u>
	<u>to U.S.A.</u>	<u>mandated Islands</u>	<u>per 100 Kg</u>
			<u>Guilders</u>
			<u>f.o.b.</u>
			<u>Makassar</u>
1930	33	12,5	14,31
1931	38	11,2	8,44
1932	85	9,5	6,57
1933	62	11,7	4,19
1934	18	13,7	2,19
1935	1	13,7	4,90
1936	1	13,0	7,25
1937	5,5	14,5	8,55
1938	-	x	4,50
1939	12	x	4,77
1940	12	x	5,12

The influence of the preferential internal tax on coconut oil in USA on exports from the N.E.I. to USA is shown in the table above.

The price went down, especially in 1934 after the imposition of the tax. New markets had to be found, mostly in Europe, which caused great difficulties.

The exports from the Japanese mandated islands, though figures from 1938 on are not available, are larger than the exports from the N.E.I. to the USA after 1933.

The loss of what remained of the USA market would have very adverse effects on the market position of copra in Indonesia after the present period of shortage is over.

It is assumed that the Japanese developed the cocoa industry further and that in spite of war destruction, an USA administration eventually will attain substantially higher export figures.

The copra-producing areas in East Indonesia were subject to similar war destruction. There are many small islands in that region which can rely only on copra, such as the Sangi and Talaud islands, Soela islands, Ternate, Morotai, Halmaheira, Jappen and other islands along the north coast of New Guinea.

The Makassar price (before the war E 1 amounted to Fl.1,88) is, owing to transport difficulties, higher than the price in the above mentioned islands, and the fluctuations become sharper with greater distance from the main ports. A preference of E 0,02 per lb. amounts, at the present currency rate, to about fl.12 = per 100 Kg., a substantial part of the price, which in the last year fluctuated between f.25.- and f.50.- per 100 kg. in these regions.

The above mentioned smaller islands of East Indonesia produced before the war about 80.000 tons of copra. Production is still beyond pre-war level and can be assessed at this time at about 50.000 tons.

The Netherlands delegation cannot see any reason why the former Japanese mandate territories should receive a more favourable treatment than East Indonesia or any other country.