

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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AUSTRALIA

Supplementary Notification of the Government of Australia of 18 October 1956

I. AIRFREIGHT ON CERTAIN BEEF

1) Nature and Extent of the Subsidy

- a) Background and Authority. A subsidy has been paid since 1951 on beef which is slaughtered and transported by air from Glenroy abattoir of Air Beef Pty. Ltd. in the remote and little-developed Kimberley region of North-western Australia. The subsidy is paid in order to test the economics of the transport of beef by air and to assist in the development of the beef cattle industry in North-western Australia.

The subsidy is actually paid by the Western Australian State Government but the finance is provided by the Commonwealth Government in the form of a grant to the State.

- b) Incidence. The bounty is at present paid to the company concerned on the quantity of beef air-freighted from the Glenroy abattoir.
- c) Amount of Subsidy. The cost of the subsidy in the year ended 31 December 1955 was £16,649 on a quantity of approximately 290 tons of beef. (This compares with a total Australian beef production of 785,000 tons in 1954/55).
- d) Amount per unit. Two pence per pound for beef for the years 1955 and 1956. This is to be reduced to one and one half pence per pound in 1957.

2) Effect of Subsidy

The effect of the subsidy on total Australian exports of beef (130,000 tons in 1954/55) is negligible. In the absence of the subsidy cattle would be driven overland to Wyndham meat works.

II. BLUE ASBESTOS FIBRE

1) Nature and Extent of the Subsidy

- a) Background and Authority. Production of blue asbestos fibre was undertaken at Wittenoom in the north of Western Australia during and after World War II with the encouragement of the Governments of the Commonwealth of Australia and the State of Western Australia. In view of financial difficulties which have been experienced by the operating company during a prolonged period of development in an isolated location, the Western Australian Government decided to grant temporary assistance to the industry by means of a subsidy for the year ending 30 September 1956. The Commonwealth at the request of the State agreed to provide similar assistance on a £1 for £1 basis. The total subsidy is paid by the State Government.
- b) Incidence. The subsidy is payable on blue asbestos fibre transported from Wittenoom to its coastal port during the year ending 30 September 1956.
- c) Amount of Subsidy. The subsidy is confined to a maximum of 6,000 short tons of blue asbestos fibre. The Commonwealth's contribution to the subsidy is therefore limited to £30,000.
- d) Amount per unit. The Commonwealth's contribution to the subsidy is £5 per short ton of blue asbestos fibre.

2) Effect of Subsidy.

Almost all sales of this fibre are for export. The quantity to be exported during the twelve months period of the subsidy is estimated to be 8,380 short tons compared with actual exports of 5,035 short tons during the twelve months immediately preceding the subsidy year.

