

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

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ARTICLE XIX - ACTION BY AUSTRALIA

Linseed Oil

On 27 February 1963 the Government of Australia notified the secretariat that:

"The Australian Government wishes to advise the CONTRACTING PARTIES that in accordance with the provisions of Article XIX of the GATT, it is temporarily suspending the tariff concessions on linseed oil, to enable the imposition of increased duties. The concessions which were bound to India were at the rate of 2/-d. per gallon under tariff item 230(A)(5) and free entry under by-law tariff item 239(A)(1)(A). These concessions were part of the compensation which India received for her principal supplier interest in the Article XXVIII:4 negotiations authorized by the Council on 1 March 1961.

"This action has become necessary due to the supply of linseed oil at low prices.

"Imports of linseed oil into Australia in 1961/62 were at a substantially higher level than in 1960/61. The value of imports over the past three years has been as follows:

	(£1,000)		
	<u>1959/60</u>	<u>1960/61</u>	<u>1961/62</u>
India	569	78	Nil
Argentina	206	297	1093
Other countries	3	58	4
Total	778	433	1097

"It is necessary to take urgent action because of the commencement of the Australian planting season. Failure to take such action could result in a substantial diminution of planting by growers and serious injury to the crushing industry. Import controls on linseed oil were removed at the commencement of 1962. The new rates of duty to be imposed are lower than those recommended by the Tariff Board.

"Consideration will be given during the course of 1963 as to whether the increased duties will need to be put on a permanent basis and as to any alternative solutions to the problem. The Board has not recommended any increase in duties on linseed."