GENERAL AGREEMENT ON
TARIFFS AND TRADE

Committee III - Expansion of Trade

BARRIERS TO THE EXPANSION OF EXPORTS FROM LESS-DEVELOPED COUNTRIES

Note by the Secretariat

1. It will be recalled that as its meeting held during the seventeenth session, Committee III requested the secretariat to prepare a working document which would indicate and illustrate the findings of the Committee with respect to the various types of barriers imposed by contracting parties, particularly industrialized countries, which adversely affected exports from less-developed countries of products included in the first and second lists examined by the Committee. In response to this request, the secretariat prepared a draft working document, COM.III/W.14 (Barriers to the Expansion of Exports of Less-Developed Countries) for the reference of contracting parties. On the basis of various comments and amendments received, a revised version of this document was issued on 31 May 1961 (COM.III/W.14/Rev.1).

2. During its meeting from 11 to 19 September 1961, the Committee examined barriers confronting less-developed countries in expanding their export earnings with respect to a third list of products. At this meeting the secretariat undertook to consolidate in a summarized form and bring up to date information on the barriers identified by the Committee with respect to the first, second and third lists of products in a draft paper. This draft (COM.III/W.15) was circulated to contracting parties for comments. A revised version, incorporating the amendments submitted is attached.

1 These products are: cocoa, coffee, copper, cotton, cotton manufactures, jute manufactures, lead, oilseeds, and vegetable oils, tea, timber, tobacco, bicycles, sewing machines, electric fans, diesel engines, electric motors, finished leather and leather goods, iron ore, aluminium, aluminia and bauxite, and sports goods.

2 These products are: coir manufactures, steel furniture, ferro-chrome and ferro-manganese, copper rollings and fish (including prawns and shrimps) canned and in other airtight containers. The Committee postponed the examination of cement and phosphates until a later meeting.
3. Members of the Committee will appreciate that although the information contained in this paper is largely based on the findings of the Committee, the barriers referred to are for the most part those which the less-developed countries have emphasized as being most damaging to their export trade. While the Committee as a whole or by majority agreed that these barriers did indeed affect the export earnings of less-developed countries, in certain important instances, industrialized countries voiced reservations regarding the Committee's findings. These reservations, although included in the reports of the Committee, are not reproduced in this paper for the sake of brevity.
A. **FIRST LIST OF PRODUCTS**

I. **COFFEE**

**Revenue duties and internal fiscal charges, etc.**

5. In some of the most important markets in Europe, imports of coffee were subject to high revenue duties and fiscal charges.

A. **Examples of internal fiscal charges** (see L/1162, p.17):

- Federal Republic of Germany 3.30 DM/kg.
- Italy 500 lire/kg.
- France 1.42 NF/kg.

B. **Examples of import duties** (see COM.III/7/Add.1/Rev.1 and COM.III/40/Add.3):

- Austria (full rate) 48 per cent (incidence)
- Denmark (other than EFTA) 33 per cent (incidence)
- EEC (common external tariff) 16 per cent
- Finland (most-favoured-nation) 125 F.mk. per 1 kg. to 700 per 1 kg.
- Japan (-) 30 per cent
- Sweden 10 per cent (incidence)
- Switzerland (other than EFTA) 10 per cent (incidence)

Decisions by State import monopolies and by purchasing agencies in State-trading countries, to import larger amounts of coffee, combined, if necessary, with significant reductions in internal prices, would make a considerable contribution to an expansion of the export earning capacity of less-developed countries.

**Preferential tariffs**

6. Preferential tariff systems were operated by some countries.

**Examples** (see COM.III/7/Add.1/Rev.1):

(i) the United Kingdom imposes a duty for revenue purposes; a margin of preference of about 2½ per cent is granted in favour of imports of coffee from Commonwealth countries;

(ii) several other Commonwealth countries (Canada and New Zealand, etc.) maintain preferential tariffs on coffee in favour of imports from other Commonwealth countries;
The common external tariff of the EEC on coffee is to be 16 per cent ad valorem for imports from third countries, whereas imports from associated overseas territories of the EEC will be admitted free of duty.

Import restrictions

7. Import restrictions were applied by some countries, including certain members of the EEC, which imposed quantitative restrictions on imports from areas not associated with the EEC.

Examples (see COM.III/7/Add.1/Rev.1):

(i) France;

(ii) Denmark and Norway also maintain import restrictions on coffee and coffee preparations.

II. COCOA

Revenue duties and internal fiscal charges, etc.

8. In some of the most important markets in Europe, imports of cocoa beans were subject to high internal taxes and revenue duties.

Examples of taxes (including customs duties) on cocoa beans (1958)

<table>
<thead>
<tr>
<th>Country</th>
<th>United Kingdom</th>
<th>Netherlands</th>
<th>Denmark</th>
<th>Finland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Import duty (US cents/kg.)</td>
<td>3.2 - 3.7</td>
<td>-</td>
<td>-</td>
<td>28.0</td>
</tr>
<tr>
<td>Revenue and turnover taxes and other fiscal charges (US cents/kg.)</td>
<td>-</td>
<td>4.4</td>
<td>82.0</td>
<td>neglig.</td>
</tr>
<tr>
<td>Total charges (US cents/kg.)</td>
<td>3.2 - 3.7</td>
<td>4.4</td>
<td>82.0</td>
<td>28.0</td>
</tr>
<tr>
<td>Total charges as percentage of the import price</td>
<td>7.7 - 4.2</td>
<td>5.26</td>
<td>79.8</td>
<td>28.9</td>
</tr>
</tbody>
</table>


1 On 1 July 1960, Norway liberalized imports of coffee essences, coffee extracts and coffee preparations (see L/1321).

2 1957

3 Earlier in 1960, Denmark reduced internal taxes on cocoa beans, cocoa and cocoa products by about 25 per cent (see L/1321).

4 Applicable without discrimination to imported products and indigenous products.
Note: 1. In addition, other member States of the EEC, as well as Norway\(^1\), Japan\(^2\), Australia\(^3\), Austria and Canada\(^4\), maintain internal taxes or charges on cocoa and cocoa products (see COM.III/7/Add.4/Rev.1).

2. In regard to the internal fiscal charges in Denmark on chocolate, sweetmeats, etc., it should be noted that the raw material tax on, amongst other items, cocoa beans is merely a supplement to the transfer tax on chocolate and sweetmeats. Since cocoa beans are imported only by manufacturers of chocolate and sweetmeats registered with the customs authorities or to firms holding special exemptions from raw materials tax, the raw materials tax on cocoa beans never becomes effective in practice (see COM.III/33).

9. Decisions by State import monopolies and by purchasing agencies in State-trading countries to import larger amounts of cocoa, combined, if necessary, with significant reductions in internal prices, would make a considerable contribution to an expansion of the export earning capacity of less-developed countries.

Differential tariffs

10. Cocoa preparations continued to be confronted with differential tariffs in favour of raw cocoa which discouraged considerably the development of processing industries in cocoa producing countries.

Examples: The common external tariff of the EEC provides for rates of duty of 22 per cent for cocoa butter, 25 per cent for cocoa powder, as compared to 9 per cent for cocoa beans (L/1321).

Note: It appears that tariff differentials might also be found in the import tariffs of many industrialized countries.

Import restrictions

11. A number of countries, including some industrialized countries, continued to apply import restrictions on cocoa; some of these restrictions were discriminatory.

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\(^1\)Cocoa products only. Effective 1 July 1960, the level of internal taxes on chocolate was reduced in Norway (see L/1321).

\(^2\)Cocoa powder only.

\(^3\)Cocoa butter, paste and confectionery only.

\(^4\)Cocoa butter and paste only. Combined sales tax and old age security tax of 11 per cent.
III. COPPER

Tariff differentials

12. Some countries imposed much higher duties on processed copper than on raw copper. Such differential duties could impede or at least retard the development of copper-processing industries in less-developed copper-producing countries.

Examples: Federal Republic of Germany, United Kingdom, Canada, Switzerland, Japan, New Zealand (see COM. III/7/Add. 5/Rev. 1).

13. Copper production in some countries was subsidized.

Example: Australia: under the Copper Bounty Act 1958, assistance is given to the copper-mining industry. A bounty of up to £4.5 per ton is payable (see COM. III/7/Add. 5/Rev. 1).

 Preferential tariffs and protective duties

14. In the view of one major copper-exporting less-developed country, the import duties of certain countries were high enough to represent serious obstacles to trade and to give protection to marginal domestic producers; the operation of preferential tariffs by certain countries had also an adverse effect on the copper exports of that less-developed country.

Examples:

(i) import duties: import tax in the United States (see COM. III/7/Add. 5/Rev. 1);
(ii) preferential tariffs: United Kingdom, Canada, Australia, New Zealand (see COM. III/7/Add. 5/Rev. 1).

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Footnotes:

1. Cocoa products only.

2. Effective 1 October 1960, Japan liberalized imports of cocoa beans (see L.1143/Add. 3).

3. Restrictions are applied on a non-discriminatory global basis.

4. Preferential rates of duty are free for all raw copper and processed copper.

5. Preferential rates of duty are free for raw copper and most processed copper.

6. For unwrought copper, other than alloys of ores and concentrates, both full and preferential rates of duty are free.

7. For unwrought copper, the m.f.n. and preferential rates in the Australian tariff are identical.
Release of stockpiles

15. Producing countries stressed the desirability of consultations (as recommended in the GATT Resolution of 4 March 1955) before the release of copper from stockpiles (see COM.III/6).

IV. COTTON MANUFACTURES

Import restrictions

16. Barriers against imports of cotton textiles from less-developed countries appeared to be particularly severe in some countries in Europe; there still remained a large element of discrimination in the administration of quantitative import restrictions.

Examples:

(i) the Federal Republic of Germany: progress has been made by the Federal Republic of Germany in eliminating import restrictions and discrimination with respect to certain textiles as a result of consultations held under the Waiver Decision. The Federal Republic of Germany reaffirmed its intention to liberalize at specified dates a number of cotton textiles (see L/1331 and L/1390). With effect from 1 January 1961, the Federal Republic of Germany liberalized the import of a number of cotton manufactures. These include terry fabrics, blankets, kimonos (velvet and plush), and netting and fishing nets;

(ii) the French Government envisaged consultations. Imports of printed cotton fabrics and carpeting made of cotton fibres, for example, are liberalized only when coming from OEEC countries, the United States and Canada (see L/1133);

(iii) New Zealand\(^1\), Switzerland\(^2\), Japan\(^1\), Denmark\(^1\), Finland\(^1\) and Austria\(^1\) maintain import restrictions on certain cotton textiles (see COM.III/7/Add.10/Rev.1).

\(^1\)Imports are permitted in a non-discriminatory manner on a global basis. In the case of Japan, import of a few cotton manufactures was added to the Automatic Approval System in April 1961. In the case of Denmark, among the goods listed in COM.III/7/Add.10/Rev.1, only the following are subject to quantitative restrictions: ex 58.06 (woven labels, badges and the like, not embroidered, in the piece, in strips or cut to shape or size: manufactures of cotton) and ex 62.05 (sacks and bags, of a kind used for the packing of goods: manufactures of cotton). Effective 1 July 1961 Denmark liberalized certain cotton manufactures.

\(^2\)Imports of cotton textiles into Switzerland are free of import restrictions from all sources.
Tariffs and internal fiscal charges

17. In some countries where there were no quantitative restrictions, tariff levels were nevertheless somewhat high. These were, in the view of the less-developed countries, often designed to protect marginal units which were not as efficient as they might be.

Examples: the United States, the United Kingdom, Canada (see COM.III/7/Add.10/Rev.1).

18. There were high levels of import duties and somewhat high levels of internal taxes in many important markets for cotton textiles; the total incidence on imported cotton textiles of import duties and internal taxes constituted an additional obstacle to export of less-developed countries.

Examples: (see COM.III/7/Add.10/Rev.1):

(i) import duties: United States, France, Italy, Canada, Switzerland, Norway, Finland, Austria;

(ii) internal tax: Federal Republic of Germany, France, United Kingdom, New Zealand, Canada, Switzerland, Japan, Australia, Denmark, Austria.

Self-sufficiency

19. There was a trend in many countries to achieve some degree of self-sufficiency in cotton textiles which had in some cases resulted in the erection of obstacles to international trade in these products.

Barriers imposed by less-developed countries

20. Many less-developed countries had high tariffs and non-tariff measures which impeded the expansion of trade between less-developed countries themselves.

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1 Almost all import duties on cotton textiles are bound in GATT.

2 Textiles used for upholstering and ornamentation only.

3 Finished manufactures (tents, blinds) only. Apart from tents and blinds a number of goods containing cotton are subject to sales tax (e.g. handbags, cartridges, motor tyres) but these are not generally regarded as cotton manufactures. The main cotton manufactures are exempt from sales tax.

4 Turnover tax applicable without discrimination to imported products and indigenous products.

5 Combined sales tax and Old Age Security tax of 11 per cent.
V. JUTE MANUFACTURES

Tariffs in conjunction with import restrictions (see COM.III/7/Add.6/Rev.1)

21. Duties of 30 per cent and more on jute manufactures, particularly sacks and bags, were not uncommon and were often operated in conjunction with quantitative restrictions on imports.

Examples of import duties of more than 30 per cent:

(i) France: imports are liberalized;
(ii) Australia\(^1\): exempt from import control;
(iii) Finland: the importation of jute yarns (57.06) is liberalized. On the other hand, cordage and rope (Chapter 59 in BE) are subject to import licensing;
(iv) Austria\(^2\): import restrictions for non-liberalized goods are applied in a non-discriminatory manner.

Import restrictions

22. Quantitative import restrictions were not only widespread and in many instances severe, but were in some cases discriminatory.

Examples:

(i) Federal Republic of Germany: imports of jute cloth, sacks and bags are restricted, except from COMAC countries. The Government, however, has undertaken to abolish all quantitative restrictions on jute manufactures by not later than 1964. Annual global quotas for woven fabrics of jute and jute bags have been increased by Dm.2 million from Dm.4.75 million in 1960 to Dm.6.75 million in 1961. (See COM.III/7/Add.6/Rev.1, L/1331 and L/1380);

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1 The only item with a tariff above 30 per cent is jute yarns, not preserved by by-law. Yarns prescribed under by-law are "plied jute for manufacture of carpets" and "single-ply jute yarns". These items are therefore at present dutiable at rates 17½ per cent EPT, 30 per cent m.f.n. (see COM.III/7/Add.6/Rev.1).

2 The Austrian import duties for jute manufactures range between 16 per cent and 28 per cent ad valorem, the only exception being a rate of duty of 32 per cent for jute bags and sacks.
(ii) Japan: imports of jute manufactures are subject to the
Fund Allocation System, which is operated on a non-discriminatory
global basis (see COM.III/7/Add.6/Rev.1);

(iii) New Zealand: imports of jute manufactures are subject to
restrictions under the import licensing system. However,
imports are permitted on a non-discriminatory global basis
(see COM.III/7/Add.6/Rev.1);

(iv) Denmark: imports of jute sacks and bags are still subject to
restrictions (see COM.III/33). However reinforced sacks of jute
were liberalized with effect from 1 July 1961.

(v) Finland: see paragraph 21(iii) above.

Internal fiscal charges

23. Quantitative restrictions and high import duties combined in many cases
with internal taxes, tended to discourage the use of jute manufactures,
especially because of the growth of substitutes and bulk handling.

Examples of internal taxes:

Federal Republic of Germany , France, Italy, the United Kingdom, Canada, Switzerland, Australia, Finland, Austria (see
COM.III/7/Add.6/Rev.1).

VI. LEAD

United States import restrictions

24. The Committee had noted the possible barrier to the export earnings of
the less-developed countries represented by the existing quantitative
restrictions applied by the United States on lead, but discussions were
postponed since the matter was being studied by the United Nations Lead
and Zinc Study Group. The delegation of Peru requested to have lead
examined in detail at the next full meeting of the Committee.

1 Jute sacks for packing purposes only.
2 Carpets, rugs, mats only.
3 Except jute textiles sold by the yard.
4 Floor coverings, rugs, and shopping bags only.
5 Turnover tax applicable without discrimination to imported products
and indigenous products.
6 With effect from December 1960, Italy liberalized imports of lead ore
and lead when imported from the dollar area. With effect from 1 January 1961,
the Federal Republic of Germany put into operation a tariff quota for
"unwrought lead (50,000 tons - free)" under the Rome Treaty.
7 Combined sales tax and Old Age Security tax of 11 per cent.
VII. OILSEEDS AND VEGETABLE OILS

Import restrictions and State trading

25. The export trade in oilseeds and especially the trade in the processed products was in many instances limited by a high degree of protection which operated both through tariffs and to a marked extent, also through quantitative restrictions, State-trading practices, mixing regulations and other measures.

A. Examples of quantitative restrictions:

(i) Although oilseeds and vegetable oils are subject to State trading in Switzerland, there are no restrictions on the importation of olive oil, groundnut oil, etc. (see COM.III/7/Add.7/Rev.1);

(ii) Norway maintains import restrictions on linseed oil, soyabean oil, cottonseed oil, sesame oil, palm kernel oil and certain other oils. Changes in import regulations are, however, under consideration (see COM.III/7/Add.7/Rev.1);

(iii) Japan maintains import restrictions on certain oilseeds and vegetable oils (see COM.III/7/Add.7/Rev.1 and recent GATT liberalization communiqués on Japan);

(iv) New Zealand\(^1\) maintains import restrictions on oilseeds and vegetable oils on a non-discriminatory basis (see COM.III/7/Add.7/Rev.1);

(v) Denmark maintains import restrictions on rapeseed, etc. (see COM.III/33);

(vi) Finland maintains import restrictions on linseed, soyabean, groundnut, flour or meal of oilseeds\(^2\), linseed oil, soyabean oil, rapeseed oil (see COM.III/7/Add.7/Rev.1);

(vii) Austria maintains import control on oilseeds and flour thereof and vegetable oils (see COM.III/7/Add.7/Rev.1). On 15 July 1960 Austria extended the liberalization of oilseeds (except poppy-seed) and flour thereof (except soya flour) and of many important vegetable oils to all less-developed countries which granted Austria most-favoured-nation treatment under the GATT (see L/1321);

\(^1\)In New Zealand the 1961 import licensing schedule provides further easing of allocations for a wide range of imports. A total of 206 items, which are now designated "replacement" licence scheme, include olive oil.

\(^2\)Only imports of groundnut flour, soya bean flour and linseed flour are controlled.
(viii) In Italy only finest oils, fluid, solid, liquid, refined or purified, excluding croton oil, are subject to quantitative restrictions when imported from the dollar area. Their importation from ex EPU countries, is free;

(ix) A global quota for vegetable oils amounting to 5,000 tons has been opened by the Federal Republic of Germany.

B. Examples of State-trading practices:

(i) Switzerland: import operations for all fruits, olive oil, groundnut oil, other edible vegetable oils and fats are conducted by the "Coopérative Suisse des céréales et matières fourragères" (see COM.II/2(e));

(ii) Rhodesia and Nyasaland and South Africa operate State-trading practices for certain of the products concerned (see COM.III/7/Add.7/Rev.1)

Note: For other restrictive measures a reference should be made to paragraphs 26, 27 and 28.

Tariffs differentials

26. No progress was evident in recent years in reducing the high level of tariffs on these products; widespread differentiation in import treatment according to the stage of processing in favour of imports of the raw material existed. Such differential treatment was on the whole a factor unfavourable to the development of oilseed-processing industries in less-developed countries.

Examples (L/1321 and COM.III/7/Add.7/Rev.1):

(i) the EEC envisages tariff differentiation;

(ii) the common external tariff of the EEC also provides for differentiation between tariffs for vegetable oils for edible purposes and those for industrial use.

Note: In New Zealand, the duty on coconut oil imported in vessels capable of containing 1 gallon or more was increased on 22 July 1960 from 3 per cent, all sources, to 22½ per cent, all sources.

The less-developed countries expressed disappointment that the EEC had not taken into account the hopes expressed by the less-developed countries that the proposed rates of common external tariff on vegetable oils would not be high.

1The United States in April 1961 abolished the import fees imposed under section 22 of Agricultural Adjustment Act on imports of flaxseed, linseed oil and peanut oil.
Domestic price support

27. The operation in some countries of price support measures for these commodities had adverse effects on export markets. The Committee II consultations with some industrialized countries had indicated that such price support measures might lead to export surplus and thus threaten export markets.

Examples:

(i) the United States maintains price support measures for these products (see L/1163 and COM.III/7/Add.7/Rev.1);

(ii) a voluntary agreement exists in Austria between the Rape Growers Association and the oil-processing industry regarding the marketing of indigenous rapeseed at fixed prices (see COM.III/7/Add.7/Rev.1).

Mixing regulations

28. Mixing regulations were in force in some countries.

Example: The Federal Republic of Germany.

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1 For comments by the German delegation see L/1162 and COM.III/7/Add.7/Rev.1

2 Special section 22 import fees applying to flaxseed, linseed oil and peanut oil were eliminated with effect from 5 April 1961.
VIII. TEA

Tariffs and internal fiscal charges, etc.

29. The high level of revenue duties and internal charges in some European countries on tea, which was produced almost exclusively in less-developed countries, discouraged promotional campaigns directed towards increasing consumption of tea and securing a share for tea in the rising demand for all beverages in Western Europe.

A. Example of import duties:
   (i) EEC: common external tariff - 16 per cent ad valorem (see COM.III/7/Add.2/Rev.1 and L/1162);
   (ii) Switzerland: ad valorem incidence of full rate of duty - 13 per cent/15 per cent (see COM.III/7/Add.2/Rev.1);
   (iii) Denmark: ad valorem incidence of full rate of duty - 25 per cent (see COM.III/33);
   (iv) Finland: ad valorem incidence of import duty - about 55 per cent (see COM.III/Add.2/Rev.1);
   (v) Austria: ad valorem incidence of full rate of duty - 60 per cent.

B. Examples of revenue duties (see COM.III/7/Add.2/Rev.1):
   (i) Switzerland imposes an import duty (13/15 per cent) for revenue purposes;
   (ii) Austrian import duty (60 per cent) is also for revenue purposes.

C. Examples of internal fiscal charges:

Federal Republic of Germany, France, Italy, Finland, and Austria maintain various internal fiscal charges (see COM.III/7/Add.2/Rev.1).

Decisions by State import monopolies and by purchasing agencies in State-trading countries, to import larger amounts of tea, combined, if necessary, with significant reductions in internal prices, would make a considerable contribution to an expansion of the export earning capacity of less-developed countries.
IX. COTTON

United States import restrictions and price support

30. The price support programme in the United States and the import restrictions imposed in support of this programme could have harmful effects on the export markets of less-developed countries. Import restrictions on cotton and cotton waste were maintained under Section 22 of the Agricultural Adjustment Act (for government policy see L/1371 and L/1162).

Tariffs and import restrictions

31. There were high tariffs and quantitative restrictions imposed by some countries on imports of raw cotton, although generally, trade in raw cotton was not unduly restricted by tariff barriers and by non-tariff measures.

Examples of tariffs (see COM.III/7/Add.3/Rev.1):

(i) Italy: the duty applicable is 4.20 per cent ad valorem;  
(ii) Canada: the duty of 10 per cent (most-favoured-nation) is imposed on cotton, carded or combed;  
(iii) Sweden: the duty of 10 per cent (full rate) is imposed on cotton, carded or combed; the duty is bound under the GATT;  
(iv) Australia: in addition to a duty of £2d. per pound (most-favoured-nation), a primage duty of 10 per cent is imposed on cotton linters.

Examples of quantitative restrictions:

(i) United States: import quotas (see L/1371 and L/1162);  
(ii) New Zealand: licences are now granted to the extent of the amount applied for: restrictions are applied on a non-discriminatory global basis;

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1 The United States had reduced, as of 1 August 1960, its support price and had made a corresponding reduction in the rate of its export payment (see L/1162 and L/1321).

2 Other Member States of the EEC permit the import of cotton free of duty. The common external tariff (List P) will be "free" (COM.III/7/Add.3/Rev.1).

3 Preferential rate of duty on cotton, carded or combed, is 5 per cent. Rates of duty on raw cotton are "free".

4 The corresponding preferential rate of duty is 3/4d/lb. plus primage duty of 5 per cent.
Common external tariff of the EEC

32. Increases in tariffs would in general result from the progressive implementation of the proposed common external tariff of the EEC. To date most imports of timber from less-developed countries to the Member States of the EEC had entered free of duty. For certain important species grown only in West Africa the common external tariff which provided for duties of 5-10 per cent will operate against the export interests of Ghana and Nigeria.

Import restrictions

33. Import restrictions, in particular discriminatory import restrictions were imposed against imports from certain areas often in favour of OEEC countries.

Examples:

(i) France: imports of certain wood products are liberalized only when coming from OEEC countries, the United States and Canada (see L1133/Add.1);

(ii) Denmark: imports of wood falling under EN No.44.18 are not yet liberalized (see COM.III/33);

(iii) Austria: on 15 July 1960 discriminatory import treatment on practically all imports of timber from non-OEEC and non-dollar sources was removed (see L/1321).

Note: With effect from 1 January 1961, the Federal Republic of Germany put into operation tariff quotas for "tropical wood in the rough and tropical wood roughly squared (375,000 tons - free)" and "tropical wood sawn lengthwise, sliced or peeled (5,000 tons - free)".

XI. TOBACCO

Tariffs, internal fiscal charges and mixing regulations

34. The less-developed countries concerned expressed disappointment that a number of countries imposed severe restrictive measures in the form of high import duties, internal fiscal and protective charges and mixing regulations.

A. Examples of import duties:

(i) EEC: the common external tariff for leaf tobacco (List F) was set at 30 per cent ad valorem with a minimum collection of 29 A.U. per 100 kgs. and a maximum collection of 42 A.U. per 100 kgs. This proposed rate was expected to place tobacco

\[ A.U. = \text{accounting unit equivalent to US$1.00}. \]
imports from a number of less-developed countries at a great disadvantage in the internal markets of the EEC (see COM.III/7/Rev.1 and L/1321);

(ii) United States: import duties collected on total imports of unmanufactured tobacco in 1958 were equivalent to about 18 per cent of the total import value of tobacco (see COM.III/W.9(b) and COM.III/7/Rev.1);

(iii) Federal Republic of Germany: average ad valorem incidence of import duties on unmanufactured tobacco coming from outside the EEC and ACT's was 31.6 per cent (see COM.III/7/Rev.1);

(iv) Switzerland: ad valorem incidences of full rate of duties on raw tobacco range from 5.2 per cent to 96.8 per cent (see COM.III/7/Rev.1);

(v) Japan: the rate of 355 per cent ad valorem is applied to tobacco including cigarette, leaf and manufactured tobacco imported by private individuals with the permission of the Japan Monopoly Corporation (for cigar tobacco the rate of 200 per cent ad valorem is applicable). Tobacco imported by the Corporation is exempt from duty (see COM.III/7/Rev.1);

(vi) New Zealand: ad valorem incidence of most-favoured-nation duty on unmanufactured tobacco (to be manufactured into cigarettes, tobacco or snuff) is 66 per cent (see COM.III/7/Rev.1);

(vii) Finland: ad valorem incidence of import duties on tobacco range from 13.5 per cent to 54.5 per cent (see COM.III/7/Rev.1);

(viii) Austria: ad valorem incidence of full rate of duty on unmanufactured tobacco is 34 per cent. Imports by the monopoly are exempt from the duty (see COM.III/7/Rev.1);

(ix) United Kingdom: a duty is imposed for revenue purposes; ad valorem incidence (1957) of duty on unmanufactured, unstripped leaf tobacco containing not less than 10 per cent of moisture is 1,147 per cent (most-favoured-nation) and 1,118 per cent (preferential) (see COM.III/7/Rev.1).

B. Examples of internal charges:

(i) United States: manufactured tobacco products are subject to various internal taxes (see COM.III/7/Rev.1 and COM.III/W.9(b));
(ii) Federal Republic of Germany: turnover equalization tax and consumption tax (see COM.III/7/Rev.1);

(iii) Canada: consumption or sales tax of 11 per cent on unmanufactured tobacco (see COM.III/7/Rev.1 and COM.III/W.9(b));

(iv) Switzerland: processing tax on raw tobacco (see COM.III/7/Rev.1 and COM.III/W.9(a));

(v) Norway: stamp tax (for pipe tobacco 300 per cent of the price on raw tobacco; for cigarettes about 700 per cent of the price on raw tobacco) (see COM.III/7/Rev.1);

(vi) Denmark: tax on manufactured tobacco (see COM.III/33);

(vii) Finland: after a Government Decree of 19 January 1961, the basic tax and additional tax constitute actually 65 per cent of the retail price of tobacco (see COM.III/7/Rev.1);

(viii) Austria: monopoly charge and turnover countervailing tax (see COM.III/7/Rev.1).

C. Examples of mixing regulations:

(i) Switzerland: although no outright mixing regulations are in force, certain tax facilities are granted to promote the use of home-grown tobacco. In the case of cigarettes containing by weight more than 50 per cent of home-grown tobacco, the processing tax is levied at a lower rate (see COM.III/W.9(a));

(ii) New Zealand: manufacturers are required to use in their manufacturing process 30 per cent of domestic grown leaf (see COM.III/7/Rev.1).

Note: Australia operates a system of tariff measures providing for the admission of leaf at a reduced or concessional rate of duty if a certain proportion of Australian leaf is used in the manufacture of cigarettes and cut tobacco. The measure in effect is not a mixing regulation. The entry of the imported product is in no way restricted. Nor is the use of a percentage of the local product made compulsory.

1 Turnover equalization tax and consumption tax applicable without discrimination to indigenous products and imported products.

2 This tax, mentioned several times under different sections, is a combined tax of 11 per cent, comprising a sales tax of 8 per cent and an old age security tax of 3 per cent; it is a tax of single incidence applying to goods produced or manufactured in Canada as well as to goods imported into Canada. Its only purpose is to raise revenue. Canadian legislation provides for exemptions for certain products, e.g., equipment used by farmers and fishermen, staple necessities and certain goods for further manufacture.
State monopolies

35. In some cases the activities of State monopolies resulted in absolute protection to domestic producers, and in severe quantitative restriction on imports of tobacco.

Examples (see COM.III/7/Rev.1):

(i) France: the monopoly is exercised by the SEITA which takes over whole crop and controls manufacture, domestic sale and imports. The price is fixed by the Government;

(ii) Italy: the Tobacco Monopoly covers all stages of marketing from the cultivation and importation of raw tobacco to the distribution of tobacco products;

(iii) Japan: the Tobacco Monopoly covers production, distribution, sale and import. There is no discrimination as to sources of supply;

(iv) Austria: unmanufactured tobacco is imported only by the Monopoly administration.

United States Public Law 480

36. Members of the Committee expressed concern about the effects on exports of less-developed countries of United States sales of tobacco under Public Law 480. The United States Government's view is contained in document L/1162.

Preferential tariffs

37. Some less-developed countries benefited neither from differential tariff systems which were created when there was no world-wide multilateral trading system, nor from the differential tariff treatment being created with the establishment of the common external tariff of the EEC which favoured imports from the associated overseas territories.

Examples:

(i) United States: preferential rates of duty are applied to imports from the Philippines (see COM.III/W.9(b));

(ii) United Kingdom: preferential rates of revenue duty on unmanufactured tobacco coming from Commonwealth countries range from £3. 2s. 1½d. to £3. 3s. 9 7/8d. per pound which are lower than the full rates of duty (see * below);

* £3. 4s. 6d. to £3. 5s. 6½d. (Full rate)
(iii) Canada: preferential rates of duty on unmanufactured tobacco coming from Commonwealth countries range from 10 cents to 40 cents per pound which are lower than the most-favoured-nation rates of duty (see COM.III/7/Rev.1);

(iv) EEC: the common external tariff on leaf tobacco is set at 30 per cent ad valorem.

Tariff differentials

38. Differential tariff rates were applied in most industrialized countries against imports of tobacco products as against tobacco.
B. SECOND LIST OF PRODUCTS

XII. BICYCLES

Import restrictions

39. In many countries, including a few industrialized countries, imports of bicycles were subject to quantitative restrictions.

Examples (see COM.III/29/Add.3/Rev.1):

(i) Denmark: import controls are still in force. ("Global quotas" have been established under Article 10 of the EFTA Convention);

(ii) Austria: import controls are still in force. Wheels for bicycles are liberalized when imported from the COMECON and dollar areas. ("Global quotas" have been established under Article 10 of the EFTA Convention);

(iii) Finland: bicycles fall under a "global quota", which is open also to the less-developed countries;

(iv) Japan: quantitative restrictions are applied on a non-discriminatory global basis. Effective 7 April 1960, electrical bulbs for bicycles were added to the Automatic Fund Allocation System list (see L/1143/Add.1). As from 1 April 1961, Japan added certain types of bicycles to the Automatic Fund Allocation System list.

(v) New Zealand: bicycles are subject to import control on a non-discriminatory global basis.

Tariffs

40. More than one half of contracting parties applied tariffs of 20 per cent or more on bicycles, and over one third of contracting parties applied tariffs of 30 per cent or more. High tariffs were considered to be barriers to trade whether they were imposed for protective or revenue purposes. In certain industrialized countries high customs duties appeared to be protecting efficient bicycle industries which no longer required protection at a high level.

Examples (see COM.III/29/Add.3/Rev.1 and Add.1):

(i) United States: m.f.n. rates - 11.25 per cent to 30 per cent ad valorem;
(ii) Canada: m.f.n. rate - 25 per cent ad valorem. Preferential rate - 18 per cent ad valorem;

(iii) EEC: common external tariff - 21 per cent ad valorem;

(iv) United Kingdom: full rate - 20 per cent ad valorem; preferential rate - free; EFTA rate - 13 per cent ad valorem;

(v) Switzerland: ad valorem incidence of full rate 18 per cent to 20 per cent;

(vi) Denmark: full rate - 20 per cent ad valorem;

(vii) Austria: general rate - 34 per cent ad valorem;

(viii) Finland: basic rate - 25 per cent ad valorem;

(ix) Japan: general rate - 20 per cent ad valorem;

(x) Australia: m.f.n. rate - 45 per cent ad valorem;

(xi) New Zealand: m.f.n. rates - 20 per cent to 45 per cent.

Internal fiscal charges

41. There were internal fiscal charges in most important industrialized countries. The effect on prices was particularly marked when high internal charges were levied in conjunction with high tariffs.

Examples (see COM.III/29/Add.3/Rev.1):

(i) Canada: Combined sales tax and old age security tax of 11 per cent;

(ii) Federal Republic of Germany: turnover equalization tax ¹ (4-3 per cent);

(iii) France: turnover tax (20-25 per cent);

(iv) Italy: basic turnover tax (3.3 per cent) plus equalization surcharges (0-3 per cent);

(v) Belgium: transmission tax 3 per cent plus an additional tax of 3-5 and 7 per cent on certain parts;

(vi) United Kingdom: purchase tax on complete cycles (25 per cent);

(vii) Switzerland: specific turnover tax ¹ equivalent to 5.4. per cent;

¹Applicable without discrimination to imported products and indigenous products.
(viii) Norway: turnover tax (11.11 per cent);
(ix) Austria: compensatory purchase tax (5.25 per cent);
(x) Finland: turnover tax\(^1\) (25 per cent);
(xi) Australia: sales tax (12 1/2 per cent).

**XIII. SEWING MACHINES**

**Tariffs**

42. Over one half of the contracting parties levied tariffs in excess of 10 per cent against household sewing machines and several countries maintained rates in excess of 20 per cent.

**Examples** (see COM.III/29/Rev.1)

(i) United States: m.f.n. rates on certain types of sewing machines - 10 per cent ad valorem;
(ii) Canada: m.f.n. rates - 15 per cent (except for attachments);
(iii) EEC: common external tariff - 12 per cent for sewing machines or 14 per cent for sewing machine needles;
(iv) United Kingdom: full rates - 15 per cent (except for parts) ad valorem; preferential rates - free;
(v) Austria: general rates - 27 per cent or 28 per cent ad valorem;
(vi) Finland: full rate - 15 per cent ad valorem;
(vii) Japan: m.f.n. rate - 15 per cent ad valorem;
(viii) Australia: sewing machine parts other than heads - m.f.n. rates - 37 1/2 per cent to 55 per cent ad valorem (plus primage duty of 10 per cent in certain cases); heads - 12 1/2 m.f.n.\(^2\)

**Import restrictions**

43. Quantitative import restrictions were applied by a number of countries and in certain cases industrialized countries had liberalized trade in this

\(^1\)Applicable without discrimination to imported products and indigenous products.

\(^2\)As heads form a substantial part of the value of the machine (perhaps 45 per cent to 60 per cent) the overall rates on a complete machine would work out somewhere in the region of 30 per cent.
product on an area basis while at the same time retaining restrictions against imports from many less-developed countries.

Examples

(i) Federal Republic of Germany: sewing machines (not industrial) and spare parts and component parts liberalized from OEEC countries. Restricted from other sources;

(ii) Japan: quantitative restrictions are applied on a non-discriminatory global basis (see COM.III/29/Rev.1). Effective 1 April 1960, however, household sewing machines and heads for household sewing machines were added to the Automatic Approval System List.

(iii) New Zealand: quantitative restrictions are applied on a non-discriminatory global basis (see COM.III/29/Rev.1).

Internal fiscal charges

44. Sewing machines were subjected to high revenue and internal fiscal charges in a number of important markets. Fairly high tariffs, together with high internal fiscal charges on household machines had adverse effects on demand.

Examples (COM.III/29/Rev.1):

(i) Canada: Combined sales tax and old age security tax of 11 per cent;

(ii) Federal Republic of Germany: turnover equalization tax (6 per cent);

(iii) Belgium: transmission tax 6 per cent plus an additional tax of 4 per cent;

(iv) Netherlands: turnover tax 5.26 per cent

(v) United Kingdom: 25 per cent purchase tax on domestic sewing machines;

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1 Germany will remove the remaining restrictions on 1 January 1965 (see COM.III/29/Rev.1 and L/1331).

2 Applicable without discrimination to imported products and products manufactured in the Federal Republic of Germany.

3 Applicable without discrimination to imported products and indigenous products.
(vi) Switzerland: Turnover tax\(^1\) (equivalent to 5.4 per cent of the value of the merchandise) (see COM.III/29/Rev.1/Add.1);

(vii) Finland: Turnover tax (15 per cent) except household sewing machines;

(viii) Australia: Sales tax (8 1/3 per cent).

**XIV. ELECTRIC FANS**

**Tariffs**

45. More than one half of contracting parties had tariff rates of 15 per cent or more on electric fans; tariff rates of 25 per cent to 30 per cent were not unusual and in one case the tariff rate was higher than 100 per cent.

**Examples** (COM.III/29/Add.6/Rev.1):

(i) United States: m.f.n. rate - 17 1/2 per cent ad valorem;

(ii) Canada: m.f.n. rate - 22 1/2 per cent ad valorem; EP rate - 10 per cent ad valorem;

(iii) EEC: Common external tariff - 10 per cent ad valorem;

(iv) United Kingdom: Full rate - 17 1/2 per cent ad valorem - Preferential rate free;

(v) Denmark: Full rate - 15 per cent ad valorem;

(vi) Norway: Full rate - 20 per cent ad valorem;

(vii) Austria: Conventional rate - 22 per cent ad valorem;

(viii) Finland: Full rate - 15 per cent ad valorem;

(ix) Japan: General rate - 15 per cent ad valorem;

(x) Australia: m.f.n. rate on item 179(d)(3)(c) - 57 1/2 per cent plus 10 per cent primage duty; m.f.n. rate on item 179(d)(6) - 45 per cent plus 5 per cent primage duty.

\(^1\)Applicable without discrimination to imported products and indigenous products.
(xi) New Zealand: n.f.n. rate - 20 per cent ad valorem; preferential rate - free;

(xii) Brazil: 120 per cent ad valorem.

**Internal fiscal charges**

46. Many countries applied high internal revenue and fiscal charges; more than one third of all contracting parties levied internal taxes of 10 per cent or more on electric fans. The high incidence of the combined duties and charges was a significant factor in inhibiting sales of electric fans.

**Examples (COM.III/29/Add.6/Rev.1):**

(i) United States: Manufacturers Excise Tax (5 per cent);

(ii) Canada: Combined sales tax and old age security tax of 11 per cent;

(iii) Federal Republic of Germany: Turnover equalization tax\(^1\) (6 per cent);

(iv) France: Turnover tax (23 per cent);

(v) Italy: Basic turnover tax (3.3 per cent) plus equalization surcharges ranging up to 3 per cent;

(vi) Belgium: Transmission tax (12 or 6 per cent) plus an additional tax of 5 per cent;

(vii) Netherlands: Turnover tax (9.42 per cent)\(^1\);

(viii) United Kingdom: Purchase tax (25 per cent);

(ix) Switzerland: Specific turnover tax\(^1\) equivalent to 5.4 per cent;

(x) Norway: Turnover tax (11.11 per cent);

(xi) Austria: Compensatory purchase tax (5.25 per cent);

(xii) Finland: Turnover tax\(^1\) (25 per cent);

(xiii) Japan: Commodity tax (30 per cent);

(xiv) Australia: Sales tax (12\(^1\) per cent);

\(^1\)Applicable without discrimination to imported products and indigenous products.
Import restrictions

47. More than one half of all contracting parties including one or two industrialized countries, continued to restrict imports of this item, in some cases on a discriminatory basis to the detriment of less-developed countries.

Examples (see COM.III/29/Add.6/Rev.1):

(i) Austria: Liberalized vis-à-vis OEEC countries, United States and Canada, but not liberalized vis-à-vis all other contracting parties;

(ii) Japan: Electric fans, including ventilating fans have been added to the Automatic Fund Allocation System List with effect from 4 January 1960. Import licences are issued without limit on a non-discriminatory global basis (see L/11/3). With effect from 1 April 1961, Japan added electric fans to the Automatic Approval System List.

(iii) New Zealand: Quantitative restrictions are applied on a non-discriminatory global basis.

Tariffs and tariff differentials

48. Almost one half of all contracting parties had rates of duty on diesel engines of 15 per cent or more. In many instances the duties were higher on the smaller and simpler engines first produced in less-developed countries than on the larger and complex types. This tariff differentiation, especially when it was applied by industrialized countries which were themselves efficient producers and exporters of all types of diesel engines, appeared to reflect a historical rather than a current need for the protection of domestic manufacturers.

Examples (see COM.III/29/Add.1/Rev.1):

(i) United States: m.f.n. rates - 3 3/4 per cent to 17 per cent ad valorem;

(ii) Canada: m.f.n. rate - 20 per cent ad valorem; preferential rate - free;

(iii) EEC: Common external tariff - 12 per cent to 22 per cent ad valorem (see "Sixteenth Protocol" annexed to the Rome Treaty concerning products in List C);

(iv) United Kingdom: Full rate on motor vehicle engines - 30 per cent ad valorem; EFTA rate - 24 per cent ad valorem; BP rate - 20 per cent ad valorem;

(v) Switzerland: Ad valorem incidence - 3 per cent to 16 per cent (see COM.III/29/Add.1/Rev.1/Add.1).
(vi) Denmark: Full rate on item ex 84.06 - 15 per cent ad valorem;

(vii) Norway: Full rate on auto-cycle, motor cycle and automobile engines - 20 per cent ad valorem;

(viii) Japan: m.f.n. rates - 15 per cent or 30 per cent ad valorem;

(ix) Australia: m.f.n. rates - 7 1/2 per cent to 45 per cent ad valorem;

(x) New Zealand: m.f.n. - 10 per cent to 50 per cent ad valorem.

Import restrictions

49. More than one half of all contracting parties continued to impose import restrictions on diesel engines.

Examples (see COM.III/29/Add.1/Rev.1):

(i) France: All engines for tractors have been liberalized from OEEC countries, United States and Canada (see L/1133/Add.1). Internal combustion engines of less than 12 litre cylinder capacity have been liberalized from OEEC area, dollar area and from countries outside these areas (see Press Release GATT/540). Other internal combustion engines are subject to restrictions;

(ii) Denmark: Engines for cycles with auxiliary engines are subject to import licensing. ("Global quotas" have been established under Art. 10 of the EFTA Convention).

(iii) Norway: Diesel engines, less than 700 h.p. but more than 100 h.p. are subject to import control. Global quota has been established. For other diesel engines no import restrictions are in force;

(iv) Austria: Items falling under ex 84.06 B 1a and ex 8406 B 2 are liberalized when imported from all less-developed countries which granted Austria m.f.n. treatment under the General Agreement;

(v) Finland: Import controls are in force;

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1Applicable only to certain outboard engines and to motors for auxiliary-powered bicycles (see COM.III/29/Rev.1).

2Effective 1 May 1961, Norway liberalized certain internal combustion engines.
(vi) Japan: Certain types of diesel engines were added in April 1960 to the Automatic Fund Allocation System List. Import licences are issued without limit on a non-discriminatory global basis. Other types are subject to restrictions (see Press Release GATT/511).

(vii) New Zealand: Import controls are in force on a non-discriminatory global basis.

XVI. ELECTRIC MOTORS (up to and including 50 h.p.)

Tariffs

50. Tariff rates of less than 10 per cent were in force only in less than one quarter of contracting parties. More than one half of contracting parties had tariffs of 15 per cent or more and one quarter applied tariffs of 25 per cent or more. It was recognized that high duties on capital equipment goods such as electric motors, were detrimental not only to trade, but also to economic development.

Examples (see COM.III/29/Add.4/Rev.1):

(i) Canada: m.f.n. rate - 22 1/2 per cent; preferential rate - 15 per cent ad valorem;

(ii) EEC: Common external tariff - 12 per cent or 14 per cent ad valorem;

(iii) France: Existing EEC rate - 18 per cent ad valorem; minimum tariff 20 per cent ad valorem;

(iv) United Kingdom: Full rate - 10 per cent or 17 1/2 per cent; EFTA rate - 6 per cent or 14 per cent; BP rate - free;

(v) Denmark: Full rate - 12 per cent ad valorem;

(vi) Norway: Full rate - 10 per cent ad valorem;

(vii) Austria: Conventional rates - 16 per cent to 24 per cent ad valorem;

(viii) Japan: m.f.n. rates - 15 per cent ad valorem;

(ix) Australia: m.f.n. rates - 7 1/2 per cent to 45 per cent ad valorem;

(x) New Zealand: m.f.n. rate - 20 per cent ad valorem.
Import restrictions

51. More than one half of all contracting parties, including two or three industrialized countries, continued to restrict imports of electric motors.

Examples (See COM.III/29/Add.4/Rev.1):

(i) Denmark: Imports are subject to licensing. ("Global quotas" have been established under Art. 10 of the EFTA Convention);

(ii) Austria: Certain electric motors are unrestricted when imported from OEEC countries, the United States and Canada. Imports of electric motors from all other contracting parties are subject to quantitative restrictions. ("Global quotas" have been established under Art. 10 of the EFTA Convention);

(iii) Finland: Import controls are in force except for electric motors each weighing more than 1,500 kgs.

Internal fiscal charges

52. A few countries applied charges on imports of electric motors which were sufficiently high to be a real impediment to the expansion of trade in these markets.

Examples (see COM.III/29/Add.4/Rev.1):

(i) Federal Republic of Germany: Turnover equalization tax\(^1\) (6 per cent);

(ii) France: Turnover tax (20 per cent);

(iii) Italy: Basic turnover tax (3.3 per cent) plus equalization surcharge ranging from 0 to 3 per cent;

(iv) Belgium: Transmission tax 6 per cent plus an additional tax of 5 per cent;

(v) Netherlands: Turnover tax 9.89 per cent\(^1\)

(vi) Switzerland: Specific turnover tax\(^1\) equivalent to 5.4 per cent ad valorem;

(vii) Sweden: Special sales tax (20 per cent) on motors intended for electric gramophones.

\(^1\)Applicable without discrimination to imported products and indigenous products.
(viii) Norway: Turnover tax (11.11 per cent);
(ix) Austria: Compensatory purchase tax (5.25 per cent);
(x) Finland: Turnover tax\(^2\) (15 per cent or 25 per cent);
(xi) Australia: Sales tax (12 1/2 per cent).\(^1\)

\(^1\)Sales tax does not apply to motors used in manufacturing plants.

\(^2\)Applicable without discrimination to imported products and indigenous products.
XVII. FINISHED LEATHER AND LEATHER GOODS

Tariff differentials

53. Import duties on finished leather and leather products in most markets were generally high compared to the relatively low tariffs on the unprocessed product.¹

Import restrictions

54. With few exceptions, imports of finished leather were not subject to import restrictions. Leather footwear and other leather products were also relatively free from import restrictions in most industrialized countries.

A. Examples (leather goods):

(i) France: remaining restrictions on leather gloves were removed in October 1960 (see Press Release GATT/540);

(ii) Items falling under ex 42.02, ex 42.04 B and 42.06 are liberalized when imported from all less-developed countries which granted Austria m.f.n. treatment under the General Agreement. Items falling under 42.03 A 2 and 42.03 A 3 are liberalized vis-à-vis the OEEC countries and the United States only. Global quotas exist only for Member States of the EFTA (see COM.III/29/Add.7/Rev.1/Corr.2);

(iii) Finland: imports are restricted with certain exceptions (see COM.III/29/Add.7/Rev.1);

(iv) Japan: as from 1 October 1960, Japan liberalized the import of sport footwear falling under Code No. ex 851.

B. Examples (finished leather):

(i) Federal Republic of Germany: only neat leather (ex 41.02 B) is subject to restrictions when coming from outside the OEEC countries. The Government, however, has undertaken to abolish all quantitative restrictions on neat leather not later than 1964. Annual global quotas for neat leather have been increased by the Federal Republic of Germany by 20 per cent, amounting to DM. 2.57 million in 1961 (see L/1004, COM.III/29/Add.8/Rev.1, L/1013 and L/1331);

¹See COM.III/29/Add.7/Rev.1, Add.1, 2 and 3, and Corr. 1 and 2; COM.III/29/Add.8/Rev.1, Add.1, and Corr. 1, 2, 3 and 4; and COM.III/29/Add.9/Rev.1, Add.1 and 2, and Corr. 1, 2 and 3.
(ii) Netherlands: only calf leather (ex 41.02) is subject to import controls (see COM.III/29/Add.8/Rev.1);

(iii) Austria: certain types of leather are liberalized only when imported from OEEC area countries and the United States and Canada (see COM.III/29/Add.8/Rev.1/Corr.4);

(iv) Finland: only sole and insole leather (ex 41.02) are subject to restrictions (see COM.III/29/Add.8/Rev.1).

C. Examples (leather footwear):

(i) Austria: items falling under ex 64.03 and ex 64.05 are liberalized when imported from less-developed countries which granted Austria m.f.n. treatment under the General Agreement. ("Global quotas" for the items not yet liberalized exist only for member States of EFTA.) (See COM.III/29/Add.9/Rev.1/Corr.3);

(ii) Finland: import controls are still in force (see COM.III/29/Add.9/Rev.1);

(iii) Japan\(^1\) and New Zealand\(^2\) also maintain licensing requirements (see COM.III/29/Add.9/Rev.1).

Internal fiscal charges

55. Well over one-half of contracting parties, including all principal industrialized countries, imposed internal fiscal charges on certain categories of leather products.

A. Examples (leather footwear) (see COM.III/29/Add.9/Rev.1):

(i) Canada: combined sales tax and old age security tax of 11 per cent;

(ii) Federal Republic of Germany: turnover equalization tax\(^3\) (6 per cent);

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\(^1\)Footwear falling under Code No. ex 851 was added to the Automatic Approval System List as from 1 October 1960 (see L/1143/Add.3).

\(^2\)Import of finished leather and leather goods is licensed in a non-discriminatory manner on a global basis.

\(^3\)Applicable without discrimination to imported products and products manufactured in Federal Republic of Germany.
(iii) France: turnover tax (11 per cent - 33 per cent);
(iv) Italy: basic turnover tax (3.3 per cent);
(v) Belgium: for the item 64.02 b.l B, transmission tax 6 per cent plus an additional tax of 5 or 6 per cent;
(vi) Netherlands: turnover tax (4.71 per cent)\(^1\);
(vii) United Kingdom: purchase tax (mostly 5 per cent);
(viii) Switzerland: turnover tax (5.4 per cent)\(^1\);
(ix) Denmark: equalization tax (5 per cent);
(x) Norway: turnover tax (11.11 per cent);
(xi) Austria: compensatory purchase tax (5.25 per cent).

**B. Examples (finished leather) (see COM.III/29/Add.8/Rev.1):**

(i) Federal Republic of Germany: turnover equalization tax \(^1\) (4 per cent);
(ii) France: turnover tax (25 per cent);
(iii) Italy: basic turnover tax (3.3 per cent) plus equalization surcharge (0 to 3 per cent);
(iv) Belgium: transmission tax 6 per cent plus an additional tax (3, 4 or 5 per cent);
(v) Netherlands: turnover tax (8.1 per cent)\(^1\);
(vi) Switzerland: turnover tax (5.4 per cent)\(^1\);
(vii) Norway: turnover tax (11.11 per cent);
(viii) Austria: compensatory purchase tax (5.25 per cent).

**C. Examples (leather goods) (see COM.III/29/Add.7/Rev.1):**

(i) United States: 10 per cent excise tax on luggage, handbags and similar goods;
(ii) Canada: Combined sales tax and old age security tax of 11 per cent;

\(^1\) Applicable without discrimination to imported products and indigenous products.
(iii) Federal Republic of Germany: turnover equalization tax \(^1\) (6 per cent);

(iv) France: turnover tax (25 per cent - 33 per cent);

(v) Italy: basic turnover tax (3.3 per cent) plus surcharge (1 per cent, 2 per cent or 3 per cent);

(vi) Belgium: transmission tax 6-11-12 or 6 per cent plus an additional tax of 4-5 or 6 per cent;

(vii) Netherlands: turnover tax 8.28 per cent - 9.39 per cent\(^1\)

(viii) United Kingdom: purchase tax (gloves and wearing apparel generally 5 per cent; travel goods and domestic receptacles generally 25 per cent);

(ix) Switzerland: turnover tax (5.4 per cent);

(x) Sweden: special tax on gloves lined with fur skin (20 per cent);

(xi) Denmark: turnover tax (15 per cent);

(xii) Norway: turnover tax (11.11 per cent);

(xiii) Austria: compensatory purchase tax (5.25 per cent);

(xiv) Finland: turnover tax \(^1\) (25 per cent), except for wearing apparel;

(xv) Japan: commodity tax (20 per cent);

(xvi) Australia: whips, thongs, baskets, bags, cases, leather belting are subject to 12\(\frac{1}{2}\) per cent sales tax. Fancy boxes and baskets for jewellery, etc. are subject to sales tax at 25 per cent;

(xvii) New Zealand: sales tax (20 per cent).

\(^1\) Applicable without discrimination to imported products and indigenous products.
XVIII. IRON ORE

Technical and financial co-operation

56. The Committee noted that the export of iron ore from less-developed countries was, as a rule, not hampered by tariffs or non-tariff measures but was retarded rather by the lack of the financial and technical means necessary for expanding production.

XIX. ALUMINIUM, ALUMINA AND BAUXITE

Tariffs and tariff differential

57. Although most of the important users of aluminium had either low or zero tariffs on bauxite, a number of highly-industrialized countries in Europe, and in other areas of the world, had tariffs on alumina and aluminium of 10 per cent or more. This widespread differentiation in import treatment in favour of imports of bauxite was likely to impede the processing of bauxite in the less-developed bauxite producing countries.

Examples (see COM.III/29/Add.10/Rev.1):

(i) Canada: m.f.n. rate on aluminium angles, beams, etc. - 22 1/2 per cent ad valorem; m.f.n. rate on aluminium powder - 27 1/2 per cent ad valorem; m.f.n. rate on aluminium ingot - 1 1/2 c/lb; m.f.n. rate on alumina - free;

(ii) EEC: common external tariff on unwrought aluminium - 10 per cent ad valorem; common external tariff on alumina - 11 per cent ad valorem (see also Twelfth and Thirteenth Protocols annexed to the Treaty of Rome concerning products in list G);

(iii) Federal Republic of Germany: existing EEC rate on alumina - 10.5 per cent ad valorem; existing EEC rate on unwrought aluminium - 7 per cent ad valorem;

(iv) France: existing EEC rates on unwrought aluminium - 18 per cent or 18.9 per cent, ad valorem; existing EEC rate on alumina - 13.5 per cent ad valorem;

(v) United Kingdom: full rate on alumina - 10 per cent;

(vi) Switzerland: full rates on unwrought aluminium - 13 per cent to 27 per cent (incidence); full rate on alumina - 1 per cent (incidence) (see COM.III/29/Add.10/Rev.1/Corr.2);

(vii) Austria: general rate on granulated aluminium - 15 per cent ad valorem; general rate on alumina - free;

(viii) New Zealand: m.f.n. rate on aluminium - 10 per cent ad valorem; m.f.n. rate on alumina - 3 per cent ad valorem.
Internal fiscal charges

58. It was emphasized that the high internal taxes imposed by a number of countries on aluminium were likely to increase the price of aluminium and thereby discourage its use.

Examples (see COM.III/29/Add.10/Rev.1):

(i) Canada: Combined sales tax and old age security tax of 11 per cent;

(ii) Federal Republic of Germany: turnover equalization tax¹ (4 per cent);

(iii) Italy: basic turnover tax (3.3 per cent) plus equalization surcharge ranging from 0 to 3 per cent;

(iv) Belgium: transmission tax 6 per cent (no additional tax);

(v) Netherlands: turnover tax 5.26 per cent²;

(vi) Norway: turnover tax (11.11 per cent);

(vii) Austria: compensatory purchase tax (5.25 per cent)

Note: Before October 1960, Japan had liberalized imports of aluminium ore and concentrates and alumina (see L/1143/Add.3). In June 1961, Japan added aluminium ingots and slabs, including aluminium alloys to the Automatic Approval System. In October 1960, Turkey liberalized raw aluminium and in January 1961, liberalized the import of aluminium powder and washers for the manufacture of tubes. With effect from 1 January 1961, the Federal Republic of Germany put into operation a tariff quota for "unwrought aluminium (not alloyed) - 110,000 tons (5 per cent)" under the Rome Treaty.

XX. SPORTS GOODS

Tariffs

59. On a large number of sports goods more than one half of contracting parties had tariffs of 15 per cent or more and almost one quarter of contracting parties had duties of 30 per cent or more.

Examples (see COM.III/29/Add.5/Rev.1):

(i) United States: m.f.n. rates - 7½ per cent to 20 per cent ad valorem (see COM.III/29/Add.5/Rev.1/Corr.2);

(ii) Canada: m.f.n. rates - 20 per cent to 30 per cent ad valorem; BF rates - free to 20 per cent ad valorem;

¹Applicable without discrimination to imported products and products manufactured in Federal Republic of Germany.

²Applicable without discrimination to imported products and indigenous products.
(iii) EEC: common external tariff - 19 per cent ad valorem;
(iv) France: existing EEC rates - 18 per cent to 22.5 per cent ad valorem; minimum rates - 20 per cent ad valorem;
(v) Italy: temporary rates - 16.2 per cent or 18 per cent ad valorem;
(vi) Benelux: existing EEC rates - 14 per cent ad valorem; general rate - 19 per cent ad valorem;
(vii) United Kingdom: full rates - 10 per cent to 25 per cent; preferential rates - free;
(viii) Switzerland: ad valorem incidence of full rates - 4 per cent to 20 per cent (see COM.III/29/Add.5/Rev.1/Add.1);
(ix) Norway: full rates - 15 per cent to 25 per cent ad valorem;
(x) Austria: general rates - free to 30 per cent ad valorem;
(xi) Finland: basic rates - 10 per cent to 25 per cent ad valorem;
(xii) Japan: m.f.n. - 20 per cent or 30 per cent ad valorem;
(xiii) New Zealand: m.f.n. rates - 45 per cent ad valorem; preferential rates - 20 per cent or 25 per cent ad valorem.

Import restrictions and internal fiscal charges

60. Over one half of contracting parties, including a few of the industrialized countries, continued to restrict imports of sports goods and about one third had internal revenue and fiscal charges of 10 per cent or more.

A. Examples (import restrictions) (see COM.III/29/Add.5/Rev.1):

(1) Denmark: for items falling under ex 97.06, import licences are required. ("Global quotas" have been established under Article 10 of the EFTA Convention.) In December 1960, import of certain sporting goods were liberalized.

(ii) Austria: items falling under 97.06 A, 97.06 B, 97.06 C 7 and ex 97.06 C 2 are liberalized only when imported from the OEEC countries, United States and Canada. ("Global quotas" have been established under Article 10 of the EFTA Convention);

1Only balls, except tennis balls and balls of leather.
(iii) Finland: import control is still in force;

(iv) New Zealand: imports are subject to licensing requirements on a non-discriminatory global basis;

(v) Japan: effective 1 July 1960, sports goods and parts and accessories (except fishing reels and golf balls) have been added to the Automatic Fund Allocation System List (see L/1143 and Add.2). Import of certain toys and games were liberalized in October 1960.

B. Examples (internal fiscal charges) (see COM.III/29/Add.5/Rev.1):

(i) United States: most of the items are subject to a manufacturers excise tax of 10 per cent of the sales price (see COM.III/29/Add.5/Rev.1/Corr.2);

(ii) Canada: combined sales tax and old age security tax of 11 per cent;

(iii) Federal Republic of Germany: turnover equalization tax\(^1\) (6 per cent);

(iv) France: turnover tax (25 per cent);

(v) Italy: basic turnover tax (5.3 per cent) plus equalization surcharge ranging from 0 to 3 per cent;

(vi) Belgium: transmission tax 13 or 6 per cent (no additional tax);

(vii) Netherlands: turnover tax 3.21 per cent\(^1\)

(viii) United Kingdom: purchase tax (25 per cent);

(ix) Switzerland: specific turnover tax\(^1\) equivalent to 5.4 per cent ad valorem;

(x) Norway: turnover tax (11.11 per cent);

(xi) Austria: compensatory purchase tax (5.25 per cent);

(xii) Finland: turnover tax\(^1\) (25 per cent);

(xiii) Japan: commodity tax (10 per cent to 50 per cent);

(xiv) Australia: sales tax (12\(\frac{1}{2}\) per cent);

(xv) New Zealand: sales tax (20 per cent) with certain exceptions.

\(^1\)Applicable without discrimination to imported products and indigenous products.
C. THIRD LIST OF PRODUCTS

COPPER ROLLINGS

Revenue duties and internal fiscal charges etc.

61. Nearly three-fourths of contracting parties were applying import duties of more than 5 per cent ad valorem on copper rollings. For instance, on copper plate, sheet and strip about twenty countries, including a number of industrialized countries had duties of 10 per cent or more, and at least seven countries had rates of duty on these products in excess of 20 per cent ad valorem. With respect to copper wire and copper tubing, the incidence of customs duties was, on the whole, still higher.

A. Examples of import duties (COM/53 and Corr. 1)

<table>
<thead>
<tr>
<th>Country</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>Gen. 10 to 35 per cent</td>
</tr>
<tr>
<td>EEC (common external tariff)</td>
<td>MFN 7½ to 15 per cent</td>
</tr>
<tr>
<td>France</td>
<td>10 to 13 per cent</td>
</tr>
<tr>
<td>Italy</td>
<td>Gen. 14 to 20 per cent</td>
</tr>
<tr>
<td>Benelux</td>
<td>Gen. 5.2 to 13 per cent</td>
</tr>
<tr>
<td>Austria</td>
<td>Gen. 11 to 18 per cent</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>10 to 20 per cent</td>
</tr>
<tr>
<td>Finland</td>
<td>4 to 15 per cent</td>
</tr>
<tr>
<td>Japan</td>
<td>15 to 30 per cent</td>
</tr>
<tr>
<td>United States</td>
<td>copper-wire full 2½ per cent</td>
</tr>
<tr>
<td></td>
<td>MFN 12½ per cent</td>
</tr>
</tbody>
</table>

B. Examples of revenue and internal fiscal charges:

<table>
<thead>
<tr>
<th>Country</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>Combined sales tax and Old Age Security tax of 11 per cent.</td>
</tr>
<tr>
<td>Federal Republic of Germany</td>
<td>4 to 6 per cent</td>
</tr>
<tr>
<td>Italy</td>
<td>Combined transaction tax and compensatory transaction tax from 7.3 to 13.3 per cent</td>
</tr>
<tr>
<td>Belgium</td>
<td>Combined transmission tax and additional tax from 6 to 17 per cent</td>
</tr>
<tr>
<td>Austria</td>
<td>Turnover countervailing tax 5.25 per cent of purchase price.</td>
</tr>
</tbody>
</table>
Australia 10 to 12\(\frac{1}{2}\) per cent except pipes and tubes. Sale tax is not payable if obtained for use in manufacturing or erection of buildings or other fixtures.

Spain Compensatory tax 12 per cent.

Differential duties

62. Reference is invited to the remarks with respect to copper as contained in paragraphs twelve to fourteen ante. Having regard to the effect which differential duties, according to the stage of processing, could have on the expansion or establishment of refining and processing industries in the copper-producing countries, contracting parties, particularly industrialized countries, may review their respective import policies with regard to these products in order to assist the less-developed countries to expand their foreign exchange earnings.

Import restrictions

63. Although imports of copper rollings into the major industrialized countries were, on the whole, free of import restrictions, import control on some or all types of copper rollings continued to be applied by more than one-third of the contracting parties.

Examples

France\(^1\), Portugal\(^2\), Japan, South Africa, Spain.

\(^1\)Liberalized when imported from the Member countries of the OEEC, Canada and the United States. Liberal imports also from certain specified countries such as Australia, Burma, Brazil, Ceylon etc.

\(^2\)With the exception of stranded wire, cables, cordage ropes, plaited bands, and the like, of copper wire (excluding insulated electric cables), imports liberalized when originating from the Member States of the OEEC, United States, Canada, Morocco etc. Imports from countries not covered by the liberalization scheme or where there is no agreement relating to the granting of licences under bilateral or global quotas, may be authorized provided that the goods are of interest to the country and their importation does not create any difficulties.
COIR MANUFACTURES

Tariffs and internal fiscal charges

64. More than one-half of contracting parties, including most of the industrialized countries, had tariffs of 20 per cent ad valorem or more on some or most items of coir manufactures. The widespread use of high tariffs and quantitative restrictions imposed on coir manufactures, sometimes supplemented by internal charges, had the effect of limiting the market for imported coir manufactures.

Examples (see COM/58)

(i) Import duties

<table>
<thead>
<tr>
<th>Country</th>
<th>Full 2% and 15 per cent to 50 per cent</th>
<th>MFN 8% per cent to 20 per cent</th>
<th>Gen. 35 per cent to 40 per cent</th>
<th>MFN 25 per cent to 30 per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canada</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EEC (common external tariff)</td>
<td>14 per cent to 23 per cent</td>
<td>coir yarn: free</td>
<td>18 per cent to 25 per cent</td>
<td></td>
</tr>
<tr>
<td>France</td>
<td></td>
<td></td>
<td>Gen. 15 per cent to 25 per cent</td>
<td>Conv. 5 per cent to 23 per cent</td>
</tr>
<tr>
<td>Italy</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benelux</td>
<td>3.4 per cent to 24 per cent</td>
<td>coir yarn: free</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Austria</td>
<td></td>
<td></td>
<td>Gen. 25 per cent to 30 per cent</td>
<td>certain items subject to a minimum value limit of duty</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>coir yarn: free</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Conv. 25 per cent</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>coir yarn: free</td>
</tr>
<tr>
<td>Finland</td>
<td></td>
<td></td>
<td>Basic 10 per cent to 40 per cent</td>
<td>certain items subject to a minimum duty limit</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>coir yarn: free</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Conv. 27.50 to 58.00 markkas/kg</td>
</tr>
<tr>
<td>Australia</td>
<td></td>
<td></td>
<td>Gen. 10 per cent to 50 per cent</td>
<td>MFN 10 per cent to 45 per cent</td>
</tr>
<tr>
<td>Japan</td>
<td></td>
<td></td>
<td>7.5 per cent to 30 per cent</td>
<td></td>
</tr>
</tbody>
</table>

1 Coir and coir yarn: free.

2 Coir yarn and coir fibres: free.
(ii) **Revenue and internal fiscal charges**

<table>
<thead>
<tr>
<th>Country</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>Combined sales tax and Old Age Security tax of 11 per cent.</td>
</tr>
<tr>
<td>France</td>
<td>Turnover tax 20 to 25 per cent</td>
</tr>
<tr>
<td>Italy</td>
<td>Transaction tax 2.3-3 per cent to 3.3 per cent</td>
</tr>
<tr>
<td></td>
<td>Compensatory tax 5 per cent</td>
</tr>
<tr>
<td>Belgium</td>
<td>Transmission tax 6 to 13 per cent</td>
</tr>
<tr>
<td></td>
<td>Compensatory tax 2 to 4 per cent</td>
</tr>
<tr>
<td>Austria</td>
<td>Turnover countervailing tax 5 per cent</td>
</tr>
</tbody>
</table>

**Import restrictions**

Quantitative restrictions on some or most coir manufactures were imposed by more than one third of the contracting parties including several countries in Western Europe.

**Examples**

1. France, Austria, Portugal, Finland, Japan, New Zealand, South Africa.

65. Export earnings from coir manufactures were of considerable importance to a number of less-developed countries. Coir fibre was a raw material which was produced exclusively by them. Since this industry did not require any large capital investment and any specialized technological skills, it provided an important, and in certain areas, the principal means of employment.

---

1. **Liberalized** when imported from the member countries of the OEEC, Canada and the United States.

   Certain specified items, e.g. coir yarn, are also free of licensing restrictions when imported from certain countries such as Australia, Burma, Brazil, Ceylon, Chile, Cuba, etc.

2. Coir yarn, cord and rope may be imported freely from all GATT countries except Cuba, Czechoslovakia and Japan.

3. **Liberalized** when originating in Member States of the OEEC and United States and their respective territories, Canada, Morocco, etc., but excluding twine, cordage ropes and cables (plaited or not); and fishing nets, which are not eligible for the benefit of liberalization. Imports from countries not covered by the liberalization scheme or where there is no agreement relating to the granting of licences under bilateral or global quotas, may be authorized without any limitation, provided that the goods in question are of interest to the country and their importation does not create difficulties.

4. No restrictions on imports of cordages, cables and ropes of sisal and coir.
FERRO-CHROME AND FERRO-MANGANESE

Tariffs

66. Some eight contracting parties have import duties of 20 per cent ad valorem or more on some or most types of ferro-chrome; nearly twenty countries, including a number of major industrial countries, had duties of 7 per cent ad valorem or more. As regards ferro-manganese, more than one-third of contracting parties imposed duties of 7 per cent ad valorem or more on some or most imports of this item.

Examples (see COM.III/54 and Corr.1)

United States, France, Italy, Japan.

Quantitative restrictions:

A number of contracting parties are maintaining quantitative restrictions on imports of ferro-chrome and ferro-manganese.

Examples

France, Portugal, Japan, New Zealand, South Africa.

67. On the basis of resource availabilities, less-developed countries such as Rhodhesia and Nyasaland, India, Chile and Brazil, could be expected to become increasingly important as suppliers of ferro-chrome and ferro-manganese, given possibilities for more liberal access to markets particularly in the industrialized countries. Expansion of production and exports would require further investment in the industry. However, the prospects for such investment appeared to be good provided increasing market possibilities could be found.

1 Liberalized when imported from the member countries of the OEEC, Canada and United States.

2 Liberalized when imported from the member States of the OEEC and their dependent territories, United States and its territories, Canada, Morocco, Finland, Australia, Ghana, Malaya and Rhodesia and Nyasaland. Where the liberalization does not apply, and there is no agreement relating to the grant of licences under bilateral or global quotas, imports from any country may be authorized without limitation, provided that the goods in question are of interest to the country and their importation does not create difficulties.

3 In the case of Japan, import of ferro-chrome was added to the Automatic Approval System in June 1961.
STEEL FURNITURE

Tariffs and internal fiscal charges

The incidence of import duties and internal taxes applied by industrialized countries on steel furniture was often very high.

Examples (see COM.III/57)

<table>
<thead>
<tr>
<th>Country</th>
<th>Import duties</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(i) Import duties</td>
</tr>
<tr>
<td>United States</td>
<td>Full 5c per lb. and 30 per cent to 45 per cent</td>
</tr>
<tr>
<td></td>
<td>MFN 2c per lb. and 6.4 per cent to 34 per cent</td>
</tr>
<tr>
<td>Canada</td>
<td>Gen. 15 per cent to 45 per cent</td>
</tr>
<tr>
<td></td>
<td>MFN 10 per cent to 25 per cent</td>
</tr>
<tr>
<td>France</td>
<td>15 per cent to 28 per cent</td>
</tr>
<tr>
<td>Italy</td>
<td>Gen. 35 per cent to 40 per cent</td>
</tr>
<tr>
<td></td>
<td>MFN 20 per cent to 25 per cent</td>
</tr>
<tr>
<td>Switzerland</td>
<td>Fr. 40 to fr. 700 per kg.</td>
</tr>
<tr>
<td>Australia</td>
<td>Gen. 7½ per cent to 47½ per cent</td>
</tr>
<tr>
<td></td>
<td>MFN 7½ per cent to 42½ per cent</td>
</tr>
<tr>
<td>Japan</td>
<td>20 per cent</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Country</th>
<th>Revenue and internal fiscal charges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>Combined sales tax and Old Age Security tax of 11 per cent</td>
</tr>
<tr>
<td>France</td>
<td>20 per cent</td>
</tr>
<tr>
<td>Italy</td>
<td>Combined transaction tax and compensatory tax 7.3 per cent to 12.3 per cent</td>
</tr>
<tr>
<td>Finland</td>
<td>Transaction tax 25 per cent</td>
</tr>
<tr>
<td>Australia</td>
<td>For household purposes 8 1/3 per cent</td>
</tr>
<tr>
<td></td>
<td>Other 12 3/4 per cent</td>
</tr>
</tbody>
</table>
Import restrictions

In a number of countries, including some industrialized countries, import of steel furniture is subject to quantitative restrictions.

Examples

France, Portugal, Japan, Finland.

Fish, including Prawns and Shrimps, Canned and in other Airtight Containers

SHRIMPS

Bearing in mind the examination carried out by Committee II on fish, Committee III concentrated its discussion on prospects for expansion of exports of shrimps from less-developed countries. About twenty contracting parties have rates of import duties and internal charges on shrimps of 20 per cent ad valorem or more. Also quantitative restrictions on shrimps are imposed by many countries.

Examples (see COM.III/59)

(i) Tariffs

<table>
<thead>
<tr>
<th></th>
<th>Gen. 25 per cent</th>
<th>20 per cent</th>
<th>27 per cent</th>
<th>10 per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benelux</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal Republic of Germany</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>France</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 Liberalized when imported from the Member countries of OEEC, Canada and the United States. Certain specified items of steel furniture also free of licensing restrictions when imported from Japan and certain less-developed countries such as Australia, Burma, Brazil, Ceylon, Chile etc.

2 Liberalized imports when originating from Member States of the OEEC and their dependent territories, United States and its territories, Canada, Morocco, Finland, Australia, Ghana, Malaya, and Rhodesia and Nyasaland. Imports from other countries may be authorized without any limitation, provided that the goods in question are of interest to the country and their importation does not create difficulties.

3 In the case of Japan, import of bedsteads and parts thereof was added to the Automatic Fund Allocation System in October 1931.
(ii) Revenue and internal fiscal charges

France
Turnover tax ranging from 10 per cent to 25 per cent

Federal Republic of Germany
Turnover equalization tax 4 per cent

Belgium
Transmission tax 8 per cent

Netherlands
Turnover tax 0 per cent

Austria
Turnover countervailing tax 5.25 per cent of purchase price

Australia
12 per cent

Spain
Countervailing tax 6 per cent ad valorem

(iii) Quantitative restrictions

Portugal, Finland, Australia, New Zealand, South Africa, Spain.

CEMENT AND PHOSPHATES

The examination of cement and phosphates has been postponed until a later meeting of the Committee.