WORKING PARTY ON THE ASSOCIATION OF OVERSEAS TERRITORIES WITH THE EUROPEAN ECONOMIC COMMUNITY

COMMODITY NOTE: LEAD ORES AND CONCENTRATES AND OTHER ORES AND METALS.

(Brussels Nomenclature: Ex. 26.01)

Submitted by the United Kingdom Delegation

1. At present the items are duty-free to all the members of the Six except Italy where the duty is 15 per cent with a bottom stop of Lire 35 per kilo if there is silver content of 0.025 per cent or more. Lead ores and concentrates appear in List G and the common tariff remains, therefore, to be fixed.

2. Exports of lead ores and concentrates from French A.O.T's amounted in 1955 to 6,000 metric tons. It is understood, however, that exports are likely to increase as a new mine is projected. There is also some production in the Katanga region of the Belgian Congo. In 1955 the Six as a whole imported a total of 343,500 metric tons of lead ores and concentrates.

3. The introduction of a duty higher than zero would clearly confer a price advantage in favour of producers in the A.O.T's, and these producers would also have the assurance of a market. This would tend:

   (a) to raise the price of lead ores and concentrates within the Six with the possible diminution in demand from third countries, and

   (b) to stimulate production in the A.O.T's of the Six to the detriment of producers elsewhere.

4. The principal British dependent overseas territory having an interest in lead ores and concentrates is Tanganyika from which exports amounting to 15,000 tons are made to Belgium for smelting there. Production is expected to increase in the future as the mine in question continues to develop. In 1956 exports of this commodity to a value of £1,352,000 were made to Belgium. The content of the concentrates exported in 1956 was about 7,000 tons of lead and 1,200 tons of copper. The fact that both lead and copper are involved may create some complication in relation to the consideration of this item. In addition it is expected that up to 6,000 tons of concentrates containing 50 per cent niobium will be produced and it is anticipated that some of this may well be exported to countries of the Six.
5. The whole of this trade, actual and potential, would stand to suffer in both the short and the long-term from an increase of duty in the Six: in the long-term it might well be entirely displaced by increased production in the A.O.T's of the Six.

6. Mineral development is a matter of the greatest possible economic interest, not only to Tanganyika but also to the other two East African territories and to other dependent territories of the United Kingdom as one of the comparatively few means open to these territories of diversifying their economy. The development of electrical power and the improvement of communications have begun to open up possibilities of economic exploitation. Merely for the purposes of the record and not for purposes of discussion, the following metals and minerals are noted for the possibility of economic development in the Dependent Overseas Territories: copper, cobalt, tin, wolfram, kyanite, asbestos, mica, graphite, diatomite and meerschaum.

7. It is to be noted that copper ore and concentrates and cobalt are of particular and increasing interest to Uganda where the Kilembe mine came into production towards the end of 1956 and it is understood to have reached full production during 1957. Figures of exports for copper ore and concentrates and of cobalt from Uganda during 1957 are unfortunately not available, but they are believed to be considerable.

8. Finally the possibility should not be excluded that, under certain provisions of the Treaty of Rome, quantitative restrictions, State trading etc. might be introduced to the benefit of the A.O.T's. Should arrangements of this sort be made the damage done to the trade of other exporting countries, including the British D.O.T's, might well be even more severe.