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PETITION FROM THE "ASSOCIAZIONE COMMERCIANTI DELLA SOMALIA"
CONCERNING SOMALILAND UNDER ITALIAN ADMINISTRATION

(Circulated in accordance with rule 35 and supplementary rules F and L
of the rules of procedure for the Trusteeship Council)

Mogadiscio, 11 July 26, 1954.

Associazione Commercianti Della Somalia
Modadiscio

Dear Sir,

To supplement the contents of our cablegram dated June 14, 1954,^{1/} we respectfully submit this further petition of ours concerning trade in this Trust Territory.

Prior to the setting up of the present Trusteeship Administration in April 1950, this Territory had close trade relations with its adjacent territories of East Africa, Aden Colony, India and Pakistan. Whereas hides, skins, ghee, maize and other products were exported to these territories; in return textiles, and other consumer goods, under an import quota regulated by foreign trade, were imported.

Soon after the setting up of the Trusteeship Administration, restrictions were imposed on imports from sources other than Italy, resulting in higher prices to the consumer, particularly to the indigenous inhabitant, with a consequent rise to the purchasing power.

Whereas a quintal of rice imported from Italy costs So.210/- in godown Mogadiscio, that, if imported from other sources would be So.170/-, or 20 per cent less; flour from Italy at So.90/- Cif Mogadiscio, from other sources So.70/- or 22 per cent less; household washing soap locally produced at So. 64/- a case, from other sources So. 35/- per bundle of equal volume, or 45 per cent less. These are but a few examples reflecting the trend in prices in essential consumer goods.

1/ Note by the Secretariat: See T/PET.11/L.14

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In addition, the inhabitants are compelled to pay unreasonably high prices for locally produced consumer goods such as sugar and grey sheetings. Whereas a quintal of imported sugar costs So.80/- Cif Mogadiscio, that produced locally costs So.140/- approximately, or 40 per cent less than the locally produced sugar. Moreover, locally produced grey sheetings, which form the bulk of the textile trade, cost 20 per cent more than those textiles that could be imported from Aden and India. (Refer to appendices "A" and "B" attached.)

As a result of the restrictions imposed on foreign trade, and outlined above, the economic situation has deteriorated to the extent that many traders, both retail and wholesale, have been compelled to abandon their business and seek occupation elsewhere. During the last 4 years, very little has been done to bridge the gap between imports and exports, in fact the gap has increased, and this is principally due (a) discrimination of markets in favour of Italy; (b) lack of foreign exchange.

In view of the foregoing, it is proposed that the Visiting Mission should be instructed, when next in Somalia, to pay particular attention to the betterment of foreign and internal trade, and to the lot of the indigenous inhabitant, who undoubtedly has to bear the brunt of the taxation, by a 35 per cent "ad valorem" tax on cotton piece goods, and a So.45/- tax on a quintal of sugar, plus the additional So.60/- per quintal explained below, making a total of So.105/- imposed on each quintal of sugar consumed in the Territory.

<u>Sugar</u>	<u>Imported</u>	<u>Produced locally</u>
Cif cost (quintal)	So. 80.00	So. 140.00
Excise duty (quintal)	" 45.00	" 45.00
Incidentals	" 15.00	" 15.00
Total	So. 140.00	So. 200.00
Local selling price (quintal)	" 200.00	" 200.00
Excess of locally produced sugar over imported	So. 60.00	So. --

It is not known who collects the difference of So.60.00, whether it be the merchant or the Administration, the fact remains that the local industry is uneconomic, and a burden to the poor taxpayer.

Respectfully yours,

Omar Haji Abdalla
President, Ass. Comm. Som.

The President
The United Nations
Trusteeship Council
New York, New York

Textiles.

The present Government's policy or attitude concerning textiles ex "Other Sources" has completely changed from that of preceeding years, and this is apparent from the figures given in Appendix "B", compiled from official publications.

Since the beginning of 1954, import licences for textiles from sources other than Italy have ceased, with the following exceptions:

- (a) Coloured cotton piece goods (one unique colour only), white excluded.
- (b) Khangas or Garass (not manufactured in Italy).
- (c) Colómbawi's or futas on hand made looms (India sole producer),

As regards this item a value of So.190.00 was allocated to about 250 traders for the first four months of the year. In March 1954 it was amended, and the quota allocated to each trader for the year was So.3000/-.

Of the remaining items indicated in Appendix "B", the source of supply for 1954 has been confined to Italy alone, and these items, viz., Grey sheetings and Printed cotton piece goods, form the bulk of the textile imports. Incidentally Rayon of all descriptions is also confined to Italy, although there are other cheaper sources of supply; also woollen goods. Whereas in 1952 and 1953 the total imports of the listed items in Appendix "B", ex other sources, totalled So. 14,780,000 and So. 6,370,000, respectively, under present conditions this trade is transferred to Italy, and this is confirmed in the figures given in Appendix "B", nil imports of Grey sheetings and Printed cotton piece goods for 1954. The drop in the import figures during 1954, for cotton piece goods, is due to the fact that Grey sheetings are produced locally from imported Italian yarn, another restricted item, and invoiced at So.51/- the piece, whereas the same piece, of superior quality, Sassoon 3 tars is marketed in Aden at So.30/-, other brands ex India equally as good, at So.27/- and So.28/-; add to these prices 40 per cent to cover freights and duties, the landed cost is about So. 42/-, 40/- and 39/- respectively per piece, or 22 per cent less.

A further examination of Appendix "B" will confirm that Grey sheetings imported, in proportion to the total of listed textiles, was 2/3rds. of the total value of imports in 1952; 1/2 in 1953 and 1/5th. in 1954, all of which will now have to be imported from Italy or purchased from locally made textiles, having high production costs.

It is also significant to note, hereunder, the comparative figures for the first three months of 1953 and the first four months of 1954, respecting Grey sheetings:

	<u>Italy</u>	<u>Other Sources</u>	<u>Total</u>
1st. 3 months 1953	So. 320,000	So. 1,433,000	So. 1,753,000
1st. 4 months 1954	" 256,000	Nil	" 256,000

During 1953, the total imports of all textiles from Italy and other Sources totalled So. 15,398,984; of this sum, So. 10,940,000 was in respect of the listed items in Appendix "B"; the difference of So. 4,458,984 was in respect of the following textiles:

Silk, Wool and Rayon cloth and threads, fabrics, lace, ribbons, and products of textile materials, such as jute sacks, carpets, curtains, bed line, hosiery, underwear, etc.

Trade in the above items in the past was shared between Italy and Other Sources, but in 1954 the whole of this trade was diverted to Italy, with the exception of Jute Sacks, and possibly carpets, from India and Arabia respectively.

From the foregoing and Appendix "B", it is apparent that the tendency is to favour the Italian market, irrespective of the merchants choice of market or price consideration. The merchant is by far the better judge as to source of supply, but under present regulations he has no alternative but to import from Italy. Since all Import Licences for goods ex "Other Sources" for the textile industry have ceased to be issued, with few exceptions, it is only reasonable to assume that the whole of the textile trade which in 1953 totalled So. 15,398,984, will pass over to Italian Manufacturers to the detriment of the population.

Appendix "B"

Textile Imports: The values quoted herein for 1952 and 1953 are those allocated under Import Licences, and we must allow for a fair quantity to have entered the Territory in 1954; the figures for 1954 are actual imports.

IN THOUSANDS OF SOMALOS

	1952			1953			1954 (4 months)		
	Italy	O.S.	Total	Italy	O.S.	Total	Italy	O.S.	Total
<u>Gr. Sheetings</u>									
Unbleached	6,500	7,700	14,200	1,400	4,150	5,550	255	nil	255
Bleached	250	1,400	1,650	40	220	260	30	nil	30
<u>Total</u>	6,650	9,100	15,850	1,440	4,370	5,810	285	nil	285
<u>Print. Cotton</u>	520	880	1,400	965	670	1,635	145	nil	145
<u>Color. Cotton</u>	780	3,900	4,680	2,165	480	2,645	206	190	395
<u>Co/wi (futas)</u>	nil	900	900	nil	850	850	nil	417	417
<u>Total</u>	8,050	14,780	22,830	4,570	6,370	10,940	635	607	1,242
