

21 MARCH 1952

SUBJECT: THE INTENSIFICATION OF IMPORT RESTRICTIONS
AUSTRALIA

AT ITS MEETING ON 14-15 JANUARY THE INTERSESSIONAL COMMITTEE RECOMMENDED THAT ANY CONTRACTING PARTY INTENSIFYING ITS IMPORT RESTRICTIONS SHOULD FURNISH DETAILED INFORMATION PROMPTLY IN ORDER TO ENABLE THE CHAIRMAN AND THE EXECUTIVE SECRETARY TO DECIDE WHETHER THERE WAS A PRIMA FACIE CASE OF "SUBSTANTIAL INTENSIFICATION" REQUIRING THE INITIATION OF CONSULTATIONS BY THE CONTRACTING PARTIES UNDER ARTICLE XII: 4 (b). AT THE SECOND MEETING OF THE COMMITTEE ON 25-26 FEBRUARY IT WAS DECIDED TO INVITE THE GOVERNMENTS OF FRANCE AND THE UNITED KINGDOM TO ENTER INTO CONSULTATIONS IN CONNECTION WITH THEIR RECENT NEW MEASURES OF IMPORT RESTRICTIONS, THESE CONSULTATIONS, AS HAS BEEN REPORTED ELSEWHERE, WILL BE HELD AT THE SEVENTH SESSION IN OCTOBER.

IN RESPONSE TO THAT RECOMMENDATION, THE GOVERNMENT OF AUSTRALIA HAS NOTIFIED THAT NEW RESTRICTIVE MEASURES HAVE BEEN IMPOSED. A DETAILED STATEMENT IS BEING SUBMITTED AND WILL BE DISTRIBUTED TO THE CONTRACTING PARTIES. MEANWHILE THE ATTACHED PRESS RELEASE HAS BEEN RECEIVED AND APPEARS TO THE CHAIRMAN AND MYSELF TO PROVIDE PRIMA FACIE EVIDENCE THAT AUSTRALIA'S BALANCE-OF-PAYMENT RESTRICTIONS HAVE BEEN SUBSTANTIALLY INTENSIFIED AND THAT AUSTRALIA SHOULD THEREFORE BE INVITED TO CONSULT WITH THE CONTRACTING PARTIES UNDER ARTICLE XII: 4 (b).

IT APPEARS TO THE CHAIRMAN AND MYSELF, HOWEVER, THAT THERE IS PROBABLY NO NEED TO CONVENE A SPECIAL MEETING OF THE INTERSESSIONAL COMMITTEE TO DISCUSS THIS MATTER. IF MEMBERS OF THE COMMITTEE SHARE OUR OPINION THAT SUBSTANTIAL INTENSIFICATION HAS TAKEN PLACE AND THAT THE GOVERNMENT OF AUSTRALIA, AS IN THE CASE OF FRANCE, SHOULD BE INVITED TO CONSULT WITH THE CONTRACTING PARTIES UNDER ARTICLE XII: 4 (b), THEY WILL PRESUMABLY WISH THAT THE CONSULTATION SHOULD BE HELD DURING THE SEVENTH SESSION CONCURRENTLY WITH THE OTHER CONSULTATION INITIATED BY AUSTRALIA UNDER ARTICLE XIV: 1 (g). THE GOVERNMENT OF AUSTRALIA HAS BEEN INFORMED OF THIS PROPOSAL AND HAS EXPRESSED ITS WILLINGNESS TO CONSULT AT THE SEVENTH SESSION.

THE CHAIRMAN AND I THEREFORE INVITE THE MEMBERS OF THE INTERSESSIONAL COMMITTEE TO INFORM ME NOT LATER THAN 1 APRIL WHETHER OR NOT THEY AGREE THAT THE GOVERNMENT OF AUSTRALIA SHOULD BE INVITED TO CONSULT UNDER ARTICLE XII: 4 (b) DURING THE SEVENTH SESSION. THE DATE 1 APRIL IS SPECIFIED FOR REPLIES TO THIS ENQUIRY IN ORDER THAT THE PROPOSED ACTION MAY BE TAKEN WITHIN 30 DAYS OF THE DAY ON WHICH THE NEW MEASURES WERE IMPOSED IN ACCORDANCE WITH THE REQUIREMENTS OF ARTICLE XII: 4 (b).

ENCL. 1

E. WINDHAM WHITE

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The Prime Minister of Australia has announced the imposition of import licensing controls. By Notice promulgated in the Commonwealth Gazette on 7th March 1952, goods from all countries except the Australian External Territories have been made subject to provisions of customs import licensing regulations.

Minor exceptions to the general application of regulations include passengers' personal effects, household goods, and passengers' baggage, non-commercial goods sent by post, gifts not exceeding £20 in value, goods of no commercial value and bona fide samples, trade catalogues, etc., trophies etc.

Import restrictions already applicable to goods of dollar area origin and Japanese origin will continue to operate under the existing system. All goods from other origins will be subject to new restrictive import control.

Goods are divided into two main categories. Importations in category "a" will be limited to an annual value equivalent to 60% of the value of similar imports in the year 1950/51, which is the base year for the calculation of quotas under the new licensing measures. Certain goods in this category, for example capital equipment, which do not lend themselves to quota treatment will be subject to administrative control.

All remaining goods will be included in category "b" and will be restricted to a total annual value not exceeding 20% of all such goods in the base year 1950/51.

No outright prohibitions are being imposed under these new measures.

Goods licensed under the new measures may be imported from any source other than the dollar area and Japan. All goods in transit from an overseas port after midnight on 7th March 1952 are subject to the regulations and will be regarded as debit against any quotas established by importers for future licenses. Goods in transit will, however, be licensed automatically on importation.

The new import licensing measures are necessary preliminary steps to bring into effect the machinery of licensing control and will be adjusted from time to time in the light of experience in order to provide maximum flexibility. The present degree of restriction will be eased as circumstances permit.

The following is a list of the principal types of goods which will be licensed on the basis of 20 percent of importations in the year 1950/51 (in category "b"):- beer and spirits; manufactured tobacco; cigarettes; cigars, foodstuffs; confectionery; textiles, apparel of all kinds including boots and shoes; lawnmowers; clothes - washing machines; wringers; refrigerators; floor polishers; dish-washing machines; wireless receivers; electric fans; cutlery and platedware; cooking utensils; lamps and lampware; cooking stoves; china-ware; glassware; essential oils; toilet preparations; synthetic perfumes; plywood and veneers; fancy goods; toys; jewellery; clocks and watches; gramophones and gramophone records; spectacles and spectacle frames; rubber manufactures; fountain pens and propelling pencils; motor cycles; motor car bodies; assembled chassis for motor vehicles; musical instruments; bags, baskets and boxes; imitation gut; smoking requisites; celluloid sheets.

(The full list of goods in this category amounted to the value of approximately £200 million (Australian) in the year 1950/51.)