

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

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AUSTRALIAN MEASURES OF RESTRICTION ON DOLLAR IMPORTS

(Article XII: 4 (b))

Note by the Executive Secretary

The new measures of restriction introduced by the Government of Australia on 8 March 1952, extending control to imports from non-dollar countries, were notified to the Contracting Parties in document L/3. On 29 March the Australian Government recalled for re-examination existing licences for imports from the dollar area, and advised that it would submit a report to the Contracting Parties when this review had been completed.

In a memorandum submitted in connection with the third annual report and consultations on discrimination under Article XIV: I (g) the Australian Government has now supplied certain information relating to the measures in question. The following paragraphs have been extracted from that memorandum for consideration by the Contracting Parties in relation to the provisions of Article XII: 4 (b).

Extract from the Second Communication from Australia
in response to GATT/CP/132

"Imports from the Dollar Area

"The first reply to GATT/CP/132 which referred to the position as at 1 March, 1952 stated that the issue of import licences for goods originating in the dollar area was, in general, restricted to essential commodities not available in adequate quantities from other sources of supply. It also stated that imports from the dollar area were subject to annual planning and that in the planning regard was paid to the availability of the necessary currency to Australia as a member of the sterling area and to the importance of the goods in the Australian economy.

"In consequence of the sharp deterioration of the dollar position of the sterling area and the urgent need for arresting the drain on

the gold and dollar resources of that area, the Australian Government, on 20 March 1952, decided to recall for review (and revalidation or cancellation) all current import licences pertaining to imports from the dollar area, except licences for bulk petroleum products or those relating to goods purchased from the United States or Canada under the 1950 International Bank Loan.

"In the course of this review licences were first revalidated for the following:-

- (a) goods in transit to Australia before 21 March 1952,
- (b) goods for which payment had been made,
- (c) goods in respect of which an irrevocable letter of credit had already been established,
- (d) goods which were urgently needed or to which special circumstances applied.

"On 9 May 1952, the Minister for Trade and Customs announced that up to that date more than half of the total value of recalled licences had been confirmed. The Government had considered a report on the outstanding licences still unconfirmed (these totalled some £A35. million) and directed that cancellations be made so as to effect a saving of about 20 per cent of the unconfirmed value - that is a saving of about £7. million.

"Further economies were achieved by reason of the fact that as from the date of recall of outstanding dollar import licences (i.e. 21 March, 1952) until the end of May, 1952, there was a virtual standstill in the issue of new dollar import licences. At the end of May licensing resumed under a revised programme covering the period up to 30 September, 1952, but at a rate lower than that provided for in the 1951/52 licensing year."