

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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Preparatory Committee for Trade Negotiations

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## STATEMENT BY AUSTRALIAN DELEGATION

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The Australian delegation considers it should be possible for the preparations at this meeting to be carried forward in such a way that firm decisions can be taken at Tokyo which will enable the actual multilateral trade negotiations to start very soon after the Tokyo Conference, and to maintain a momentum that will yield a total result before the end of 1975.

We support that time-table, and what this Committee does in Geneva this month can help or hinder its achievement. We must work for a successful launching of negotiations in Tokyo. Australia wants to see order maintained in international trade and a fair balance of contractual rights and obligations. That proposal is basic to trade under GATT. We want to see a high and expanding level of trade to promote the objectives of GATT, in particular to ensure full employment and to raise standards of living in all countries whether developed or developing.

We expect the Committee's work to reflect the principles of mutual advantage and mutual commitment with overall reciprocity covering all trade and covering non-tariff as well as tariff barriers to trade. When we speak about all trade, what we have in mind is that the traditional distinction between agricultural and industrial trade is no longer valid, if it ever was.

We have seen that in industrial trade there are products with complexities and sensitivities producing social and economic problems previously associated by some countries with the trade in agricultural products only. We see enough examples. So trade ought to be viewed as a whole, and we can recognize that certain sensitive products require special treatment - some of these are agricultural, some of them are industrial. The criterion, however, for special treatment is sensitivity or complexity - not whether it is a rural or an industrial product.

The Australian delegation will work with others in giving special attention to the trade problems of developing countries with a view to enhancing their opportunities for economic development and improved welfare for their peoples. Our own scheme of tariff preferences for developing countries is being re-examined with a view to improving its effectiveness. We agree with the view that full reciprocity will not be expected from these countries, but believe that some of them will be in a position to make a contribution to trade liberalization. We welcome the indications already given in this direction. We shall study with care the exposition by our Brazilian colleague

of the position of the developing countries. We welcome his declaration against the separation and segregation of the developing countries in the negotiations.

In trade in primary commodities, Australia shares the problems experienced by developing countries. Agricultural commodities account for more than half our exports. Because of its importance to many participating countries, agricultural trade will be a crucial area in the negotiations. Until agriculture is brought back into the normal field of trade, a serious imbalance in rights and obligations will persist.

In our situation, minerals account for another quarter of our exports.

So in both agricultural and mineral trade we look for substantial improvement in world trade conditions to come out of these negotiations.

The basic objective in the area of agriculture, as we see it, is to provide reasonable opportunity for outside suppliers to compete in world markets on the basis of efficiency and comparative advantage. For some agricultural commodities special arrangements may be appropriate, and we will support commodity agreements in suitable instances. It all depends on the circumstances of the particular commodity and on the content of the agreement. An agreement may include measures to open up markets. If it does not, it is not an alternative to such measures. Such agreements will not therefore necessarily meet the basic objective. In some cases they may nevertheless serve a useful purpose.

The avoidance of trade disruptive exports under subsidy is a basic and necessary step. Other necessary steps relate to policies which artificially induce surpluses. There should be further efforts to reduce price instability in international markets.

At the present stage of Australian development, manufactures are still a small volume export consideration - less than 10 per cent of our exports are of a kind likely to benefit from liberalization of trade in manufactured goods. Hence our emphasis on agricultural and mineral trade.

We do not expect to obtain advantages for our exports and to offer little in return.

We are prepared to make concessions commensurate with the overall advantages we receive, doing so in a flexible way that takes account of Australian circumstances and of our stage of industrial development.

In harmony with the objectives of the trade negotiations, the Australian Government has already this year taken positive steps in relation to the Australian tariff. Some tariff reductions have been made. Others are under consideration. A long-term general review of the tariff is under way by the Tariff Board which is the advisory institution in these matters.

The Australian Government is also making a thorough study of policies and measures of adjustment assistance to facilitate change in industry, including in those studies experience and practices of various industrialized countries.

We consider there should be internationally acceptable safeguard provisions. These could be applied in appropriate cases in conjunction with positive national measures of adjustment assistance.

So far as non-tariff barriers to trade are concerned we want to see trade liberalization - in agricultural, mineral and industrial trade - take account of non-tariff barriers as well as tariff barriers on particular items. It is the level of protection which we see as the subject of negotiation. Such an approach would not conflict with a general attack on selected non-tariff barriers for example in respect of a priority list of a kind that has been suggested in today's discussions.

At the same time, we note that the concept of a fair balance of contractual rights and obligations implies that contracting parties applying non-tariff barriers inconsistent with the GATT should put forward a definite programme for their reduction and elimination as a separate element in the general liberalization effort. In this respect we share the views of the Canadian delegation.

As to the particular objectives of this meeting, we agree with the delegation of Japan and others that the most urgent task is to formulate appropriate draft resolutions or directives for Ministers to consider at Tokyo: a Tokyo Declaration.

It seems generally agreed that the draft Declaration should incorporate and express the political will to make the negotiations a success, and to set out in broad terms the basic objectives and conditions for the negotiations and that it might also formally establish the Trade Negotiations Committee.

We hope that at this meeting will be considered a number of other important points necessary to enable the Negotiations Conference to start its work effectively and to get out of the starting blocks soon after the Tokyo meeting.

The secretariat Draft Report brings together many important points. It will be a valuable aid in all our work at this meeting.

There are also some technical points to bring together. For example, a base date will need to serve as a reference for levels of protection, to provide a reference point for the negotiations. Perhaps the first day of January 1973 would be a suitable date. There will be other technical points to be considered.

We ought to deal with as many points as we can at this meeting and relate the results of our work to the Preparatory Committee's Report.

Perhaps the draft Tokyo Declaration and any other draft papers for the Ministerial Meeting should accompany that Report, as an attachment to it.

As we move towards elaborating the bases of negotiations, about which we share the comment about religious attachments, we will need to bear in mind the several different categories of countries participating, five categories could be envisaged, and to devise arrangements which in conformity with Article XXVIII bis take into account their varying circumstances, including those countries with centrally planned economies that wish to participate. The Australian Government wishes to see as many countries as possible brought within the ambit of the negotiations.