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GENERAL AGREEMENT ON TARIFFS AND TRADE

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Working Party on
Commodity Problems

STATEMENT BY AUSTRALIAN REPRESENTATIVE

on 22 September 1955

Mr. Chairman:

Thank you for providing me with this opportunity to make a general statement to explain a paper which I have had circulated (document CWP/13).

2. The Working Party will recall that in my opening statement I indicated that Australia regarded as quite unsatisfactory the draft Agreement which was prepared at our first Session. I also made it clear that at the root of our strong criticism of the draft text was our belief that it was not, in the form in which it stood, the kind of agreement that would really facilitate the conclusion of international commodity arrangements.

3. Having that approach it was our conception that an agreement on commodity arrangements should provide, as its central feature, for the clearance in relation to the General Agreement, of commodity arrangements that conformed to a number of simple principles. This was our position at the beginning of our discussions. We referred to it at the first Session of the Working Party.

4. My Government desires that members of the Working Party should understand clearly the general character of the kind of Agreement which we had in mind as offering, in our view, a more helpful approach. I do this now since the Working Party has not so amended the text in document L/320 as to meet our substantial objections to it.

5. We envisaged an Agreement on Commodity Arrangements which would be given effect to by an Assembly and a Standing Committee. The main features of this Agreement, considered alongside the draft which this Working Party has been examining, would be as follows:

- (a) There would be a registration procedure for commodity agreements. This registration would be by the Standing Committee on behalf of the Assembly and would, in pursuance of a relationship agreement between the Assembly and the CONTRACTING PARTIES, constitute for the purposes of Article XX:I(h) of the GATT a determination that the arrangement conformed to criteria submitted to the CONTRACTING PARTIES and not disapproved by them;

- (b) refusal of registration would not prejudice the submission of a commodity arrangement to the CONTRACTING PARTIES under the latter part of Article XX:I(h);
- (c) the requirement that Signatories to the Agreement (i.e. "SACA") shall not conclude commodity arrangements unless they comply with the provisions of the Agreement would be deleted;
- (d) recognition of the right of a group of countries to conclude an arrangement in relation to a commodity of interest to them, and recognition also of the rights of FAO and like bodies;
- (e) recognition that study group and negotiation conference procedures may have value under the Agreement provided that they do not cut across the activities of Signatories, FAO and like bodies already studying a commodity arrangement.

6. The registration procedure to which I have referred would be set forth in an Article in the kind of Agreement we had envisaged. My Government has asked me to arrange for this draft Article to be circulated so that the Working Party will fully understand the procedure we had in mind. This Article has been circulated and I now draw attention to it.

7. In conclusion, Mr. Chairman, let me say that some of the matters that we have been examining in the annex to document L/320 would or could be appropriate to the kind of Agreement which I have broadly described. Australia agreed with the objectives of the Agreement drafted at the Ninth Session but not with the means then suggested of obtaining them. There would not, as I have already indicated be a requirement that Signatories shall not conclude a commodity arrangement that did not comply with the provisions of the Agreement. In formulating our approach to the principles and procedures that might govern commodity arrangements, we considered that countries should have more freedom to deviate from the strict provisions enunciated in the draft text before us and in Chapter VI of the Havana Charter.

8. Nor would there be included those provisions to which we have taken objection in connection with document L/320 such as rigidly proscribed rules on voting arrangements in commodity councils and the provisions (as in Article VII) to circumscribe the jurisdiction of commodity councils. We have also stated our difficulties about the proposed voting arrangements in the Assembly having regard to the other provisions in document L/320.

9. I have been bound Mr. Chairman in the course of our discussions to draw attention to features in document L/320 which make it unsatisfactory in the viewpoint of Australia. If that could be described as negative criticism, though we do not so regard it, I hope that what I have said this afternoon will be looked upon now and hereafter as a positive contribution. I thank you all for your attention.