

PREPARATORY COMMITTEE OF THE INTERNATIONAL CONFERENCE
ON TRADE AND EMPLOYMENT

COMMITTEE II

ARTICLE 35 OF UNITED STATES DRAFT CHARTER

Memorandum submitted by Australian Delegation

Australia desires that the terms of Article 33 be drawn broadly enough to admit continuance of the special Tariff and other arrangements which operate between Australia and certain neighbouring islands under Australian jurisdiction.

These official arrangements represent an attempt:-

1. to relieve what may be termed primitive areas from the economic burdens which would have fallen on the inhabitants of the territories if the territories had been incorporated in the Customs territory of Australia to form a Customs Union.
2. to bring about the gradual development of the territories, by gradually providing a market for these commodities (chiefly the products of tropical agriculture) which the territories appear to be capable of producing commercially, providing they are afforded appropriate assistance, together with facilities for marketing the commodities.

The arrangements differed in the different territories. In outline they are as follows:-

Norfolk Island - a small island formerly part of the state of New South Wales. As such it fell within the Customs territory of Australia.

Responsibility for the administration of the territory was transferred to the Government of the Commonwealth of Australia in 1913. The existing Customs arrangements are that all products of Norfolk Island (bananas chiefly) enter Australia free of duty. On the other hand, Norfolk Island has a Customs Tariff of its own, under which uniform import duties (purely of a revenue type) are imposed on a small list of imports, including those of Australian origin.

Papua and Territory of New Guinea - Each of these territories maintains its own Customs Tariff, under which low duties of a revenue type are imposed on practically all imports, irrespective of their origin. Except that the Customs Tariff of Papua includes preferential rates in favour of Australia on wine and timber, the duties imposed in the territories have uniform application to all countries. These import duties, plus a few export duties, are the principal source of revenue for the territorial administration.

Copra, pearl shell, and certain native fishery products form the basis of the natural economy of these islands. A wider diversification of production, especially in the direction of growing those tropical agricultural products for which a demand exists in Australia, is being encouraged.

These territories are not included within the Customs territory of Australia, chiefly for the reason that their incorporation in a Customs Union would render imports into the territories, for consumption by the inhabitants of the territories, liable to the much higher rates which operate under the Australian Customs Tariff.

One of the methods by which encouragement is given to the development of the territories and the diversification of their range of production is by granting free entry into Australia for selected products. In the case of a few selected products, a bounty is paid by the Australian Government on the quantity of those products imported into Australia for consumption in Australia.

While the territories are in their present comparatively undeveloped stage, arrangements of this type are considered to have greater advantages and fewer disadvantages for all parties than a Customs Union of the orthodox type.
