

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/102
29 July 1953

Limited Distribution

Original: English

AUSTRALIAN IMPORT RESTRICTIONS

Relaxation introduced on 1 July 1953

The following statement, by the Acting Prime Minister of Australia on 3 July 1953, has been received from the Australian Government and is circulated for the information of contracting parties:

"Federal Cabinet today decided to make further relaxations of import controls to take effect immediately.

"Regarding imports from non-dollar, non-Japanese sources Category A goods, which have been licensed on a basis of 70% of the value of base year (1950-51) imports of individual items, will, as from 1 July 1953, be licensed on a basis of 80% of base year imports.

"The basis of licensing of Category B goods will be raised from 30% to 40% of the base year imports, and the treatment of category B items as a group will continue as in the past. Appropriate adjustments will also be made with regard to goods licensed under administrative arrangements.

"There will also be a number of relaxations on a selective basis of restrictions on imports from Japan. Details of these will be published later.

"This represented a further instalment in the progressive relaxation of import controls which was the established policy of the Commonwealth Government.

"In February last the Prime Minister said that it was the Government's policy to relax and eventually to remove the import controls as soon as the level of our international reserves and our balance of payments prospects permitted.

"Since then, our exports have been very buoyant and the level of our international reserves has continued to rise. The exact figure of international reserves can not yet be given but it appears likely to be well over £500m.

"While it has been the Government's object to build up the level of reserves from the low point to which they fell early last year, it was also contemplated that, as and when the position of reserves improved, the system of restrictions would be progressively relaxed and eventually dismantled. It is highly gratifying that now, in the light of the excellent export season Australia has had and the sound prospects which appear to be ahead, the Government is able to carry the process of relaxation a further step forward.

"So far as internal conditions were concerned there had been in recent months a significant increase in employment, especially in manufacturing industries.

"Additional imports will permit a sufficient flow of raw materials and plant to meet the needs of local producers. Stocks of imported finished goods have been running down and shortages are appearing in some directions. The present relaxations will assist merchants, where necessary, to increase their orders for stocks for the Christmas period.

"While reviewing the trade position generally the Government has also examined Australia's trade balance with Japan.

"Imports from that country were treated with considerable severity when, in March last year, import restrictions were imposed to meet Australia's balance of payments emergency. Australian purchasers are not now seeking from Japan anything like the same quantity of such items as steel and cement as were obtained during 1952. Meanwhile, Japan has continued as a strong buyer of Australian wool, barley and other products, and this has led to an extremely large disparity between our sales to Japan and our purchases from that country. For the first eleven months of 1952-53, Australian exports to Japan were £76 million while imports were only £5 million. Because Japan has been in deficit with the sterling area as a whole, her sterling reserves have fallen to a low level and there is a distinct danger that she may be forced to restrict her overseas buying even of raw materials, such as wool, and foodstuffs, such as barley. It is notable that during 1952-53 Japan was Australia's second best overseas customer. Therefore we have an important interest in the continued overseas buying capacity of that country."