

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/350

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## AUSTRALIAN IMPORT RESTRICTIONS

### Announcement of Intensification of Restrictions

The following communiqué, dated 22 March 1955, has been transmitted by the Australian Government with the indication that full details of the measure will be supplied shortly.

"1. The Acting Prime Minister, Sir Arthur Fadden, announced today that the Cabinet has approved increased import restrictions, details of which would be issued by the Minister for Trade and Customs, Senator O'Sullivan, in due course. Briefly stated, the new restrictions, which would operate from 1 April 1955, were as follows:

Category "A" - Current quotas to be reduced by 15 per cent.

Category "B" - (less essential goods)  
Current quotas to be reduced by 33.1/3 per cent.

Administrative Categories - Overall spending to be reduced by 20 per cent, goods now admitted without quota restriction to be brought under quota control.

"2. As a further precautionary measure from 1 April licences covering non-dollar goods would be issued on a quarterly basis instead of on a six-monthly basis as at present. Licensing of goods from the dollar area would continue to be strictly controlled within a quarterly budget. Like all other importers, Commonwealth Departments and instrumentalities were subject to the import licensing system and they would be required to review their overseas expenditure in the light of the Government's decision on import policy. Within the framework of the new restrictions, Sir Arthur said, the Government would endeavour to ensure that the goods really essential to the Australian economy were licensed in adequate quantities. Sir Arthur said that these increased restrictions had been made necessary by the deficit in our balance of external trade and payments which had appeared during the present financial year. He emphasized that our external reserves of currency were still in a healthy state, but obviously they could not remain so if they were to continue to fall as they had over the past twelve months or at anything like that rate. There was on average, he said, a lag of six months or more between the time of issue of an import licence and of the arrival of the goods in Australia. The effect of action taken now to restrict import licensing would not therefore be felt in reduced imports until the next financial year was well advanced. That was an added reason why the Government should act now rather than run the risks involved in further delays.

"3. Sir Arthur said the Government greatly regretted the necessity for this action. As it had been made clear on other occasions, its aim was to get rid of such restrictions altogether, but the present high rate of development in Australia must of necessity from time to time put a strain on the balance of payments, and this strain had been intensified by less favourable trends in our principal export markets. The Government remained firm in its intention to reduce and finally to eliminate all import restrictions as soon as that could safely be done and its internal policies would be designed to assist towards that end. The Government also desired to reiterate that the restrictions were intended to protect the balance of payments and not to be a substitute for, or an adjunct to, protective tariffs."

