

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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## Review Working Party IV on Organization and Functional Questions

### STATEMENT BY THE AUSTRALIAN REPRESENTATIVE, MR. J.G. CRAWFORD, ON 30 NOVEMBER 1954

The principal extension which Australia would wish to see made to GATT relates to intergovernmental commodity agreements.

The major points made by the Australian Ministerial Representative in the plenary session on 17 November 1954 may be summarized as follows:

- (i) an enabling provision in respect of commodity agreements should be incorporated in GATT;
- (ii) there would be advantage in so drafting the provision that non-members of GATT could accede to commodity agreements;
- (iii) there would be considerable value in reviewing the principles governing commodity agreements using the Havana Charter as a basis;
- (iv) some confusion exists as to the responsibility of the various United Nations bodies which should be responsible in the field of commodity agreements.

In order to facilitate discussion in this Working Party and, I would hope, to achieve ultimate agreement, I would indicate a willingness on the part of the Australian delegation to moderate somewhat the views which we expressed in plenary session. However, I think it important that there should be an enabling provision incorporated in GATT. If no such provision is made what check can there be on commodity arrangements or understandings which would run counter to accepted concepts of fair trade. The Australian Ministerial Representative said in the plenary session that Australia saw scope for producer agreements. We do; but we do not wish to see a position arise where such producer agreements would or could become cartels. Not all commodity agreements are good and for this reason we feel that it is desirable that some broad principles should be set out in GATT to which commodity agreements would be expected to conform.

On the other hand we see no need to lay down detailed procedures to be observed in the negotiation of commodity agreements - and in saying this I go some distance in conceding a point made by the United States Representative - but I think that ultimately the section of the Havana Charter dealing with commodity agreements will need to be replaced by simplified principles which would give GATT an opportunity to review the trade and commercial propriety of agreements made.

However, we would not wish at this moment to press unduly the view which we expressed in plenary session that review of the principles should take place at this juncture. This is a definite concession on our part which we offer if other countries are prepared to share the opinion that it may be impracticable for this Review Session to embark on a major exercise such as would be necessary were the provisions of Chapter 6 of the Havana Charter to be thoroughly re-examined. We do suggest, however, that a review of this kind will be a necessary future task for GATT.

Our concession does, however, have a price. We would want to see removed the reference in Article XXIX relating to the application of Chapter 6 of the Charter, and think that this may also involve amendments to Article XX. We cannot be refused an opportunity to review the principles now and at the same time to be asked to continue to observe Article XXIX, the effect of which is to bind us to procedures which are cumbersome and unnecessary and to principles which have obstructed rather than assisted in finding solutions to recent important policy problems.

There is no doubt that considerable confusion at present exists between a number of bodies associated with the United Nations as to responsibility for commodity agreements. Nothing but good can come from an attempt to clarify this matter and we see value in the initiative for such an attempt coming from GATT perhaps in considering a report on the subject made by ICCICA. There would indeed be much to commend a proposal that the major United Nations bodies namely ICITO, FAO, GATT and perhaps ICCICA itself meet to try to reach a solution to the problem which, at the present time, presents no little difficulty to the countries who are members of these bodies.

To summarize the Australian view therefore, I would say that our objective is to secure in GATT an enabling provision in regard to commodity agreements; to remove the reference to Chapter 6 in Article XXIX and to set in train some review which will clarify the responsibility for work on intergovernmental commodity agreements.