STATEMENT MADE BY THE RT. HON. JOHN McEWEN, P.C.
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Item I: Measures for the Expansion of Trade of Developing Countries
as a Means of Furthering their Economic Development

Australia sees the lesser-developed countries action programme as comprehensive and realistic. For the whole five years of Committee III Australia provided the chairmanship which has contributed to giving my country a quite intimate understanding of the needs of the lesser-developed countries. It is quite clear to us that there is need for a removal of the barriers to their existing trade and there is need for additional and new opportunities for their exports.

We are in full agreement with the objectives of the eight-point Programme. Indeed, as a developing country we have been bedevilled by the same problems. Drastic deterioration of our terms of trade, the evidence of widespread non-tariff barriers, wide fluctuations of our export prices,
dependence for our economic viability upon a few bulk items for export and the problems of financing our development. All of these are the problems, as we see them, of the lesser-developed countries and as a country which is itself at a half-way stage of development, we recognize the problem and believe that the lesser-developed countries have identified their needs correctly.

Speaking of our own position, Australia has her own special responsibilities to our own lesser-developed territory of Papua and New Guinea. This has been recognized in a waiver approved by GATT. At home in the course of their own development we have industries which need protection, industries which have not yet reached the stage where they are competitive in export markets. However, Mr. Chairman, despite our own problems as a developing country which make firm commitments on tariffs as difficult for us as the same issue is difficult for the lesser-developed countries, our own record is nevertheless pretty clear. We virtually abandoned all quantitative restrictions more than three years ago. We place an absolute minimum reliance on non-tariff barriers, and Australia has - and will have - no discriminatory internal taxes.

If, in the course of studying this problem, tariff problems emerge, Australia is quite prepared to investigate the problems fully and to consult with those who are concerned.

We, and previous speakers, have clearly recognized that the lesser-developed countries must be enabled to earn more exchange if they are to better their position in respect of unemployment, their development, and particularly to get ahead with their own programmes of social betterment. But I think I should point out, as I think my friend from India pointed out, that the opportunity to earn more exchange, if conceded, is not by any means a one-sided benefit. It has always been our experience that increased export earnings immediately benefit the industrial exporter and this in fact provides a self-balancing compensation for those who contribute to providing better opportunities for export. We appreciate also that on many of the products which have been studied and also in respect of the potential exports of the lesser-developed countries, there would be no real benefit from tariff reductions unless these countries were enabled to compete at export against those with whom they would have to compete - that is, to a large extent, the industrial giants of the world.

Recognizing this, Australia supports efforts to find new techniques to this end. We think that one possible answer, worth quick and serious examination, might be found in preferences - preferences to be regulated by the GATT. There would, of course, in such a situation be problems of definition, but we do not regard these as necessarily insurmountable. This would be a departure from the m.f.n. principle but this is no complete novelty. After all, the development of my own country and other Commonwealth countries has been accelerated tremendously, indeed I doubt if it could have
been achieved if it had not been for the system of preferences which have given us a base to operate from. Then, of course, the EEC has a selective and far-reaching scheme in this field for their own Associated Overseas States. But indeed, as we see it, the biggest arrangements which impinge on the m.f.n. principle are the fact and circumstances of the EEC and the impending and growing arrangements for EFTA.

In short, Mr. Chairman, if the lesser-developed countries are to be enabled to compete in elementary manufactures they must be assisted if they are to compete with firmly entrenched exporters. New issues could well be raised and new techniques called for, but in our opinion the whole problem has got to be studied in a realistic fashion with a quite firm determination that we are going to find solutions.

Finally, if GATT is to make a real contribution to the so-called development decade, if the lesser-developed countries are to get real and practical benefit from the Kennedy Round of negotiations, it is imperative that progress and decisions on the problems of the lesser-developed countries must not be permitted to lag behind. Progress must be made concurrent with the progress made in respect of the issues concerning principally the other two major groups, the great industrial exporting countries and the third group, the middle group, of countries producing temperate agricultural products and raw materials.

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