A Statement of Reservation by the Australian Delegation
in relation to the proposal to amend the date in Paragraph 1
of Article XXVIII

The Australian Government wishes to notify Contracting Parties that it reserves the right to negotiate the modification or withdrawal of 32 specified items before the 1st January, 1954, should that course become necessary in respect of some of them.

Industrial developments in Australia may necessitate the opening of negotiations for the modification or withdrawal of these scheduled concessions at some date between now and 1st January, 1954. The situation in respect of each item varies appreciably, as do the probabilities of the Australian Government actually proposing within that period the modification or withdrawal of particular items included in the list. In the light of this indefinite situation, the Australian Government is neither prepared to agree to prolong the period of firm binding in respect of these items for a further period of 3 years, nor does it wish now to take steps to withdraw or modify the original concessions.

The considerations which dictate this course are as follows:

(a) The Australian Government has received applications from certain Australian industries for the imposition of or increase in protective duties on a number of products on which the present tariff treatment was bound at Geneva or Annecy. These bindings were accepted then in the light of the general understanding that it would be possible to negotiate modifications or withdrawals at any time after 1st January, 1951.

(b) Under existing Australian law applications of the kind mentioned are referred to a statutory tribunal (the Australian Tariff Board) for public inquiry and report including a recommendation to the Government as "to the necessity for increased, existing or reduced duties".

(c) The items either have been referred to the Tariff Board, or will probably be so referred in the near future. The Australian Government therefore considers that, in view of its assurances to the interests concerned and the legal implications attaching to inquiries and recommendations by the Tariff Board, it cannot commit itself to a prolongation of the period of firm binding on these items.

(d) On the other hand, it is not improbable that the Tariff Board will in some cases consider the present bound rates adequate, or, in other cases, recommend duties lower than the contractual rates. There is also the practical consideration that, until the Tariff Board has completed its public inquiry and formulated the terms of its recommendation, no one is in a position to indicate the nature and extent of the modification (if any) that may be required in the original concession. The date on which the Board will complete and present a report on a particular item is also uncertain. Reports on some of the items concerned will not be available before the conclusion of the current tariff negotiations.
If a modification or withdrawal of concessions initially negotiated at Geneva or Annecy actually becomes necessary, it is possible that some cases may more appropriately form the subject of negotiations in accordance with the terms of Article XVIII. Whilst it is assumed that the proposed amendment of Article XVIII will not affect the rights of a contracting party under Article XVIII, the Australian Government considers it desirable to make the specific reservation in order that the nature of its commitments will be apparent to all interests concerned.