The following communication, dated 14 April 1959, has been received from the
Government of Australia for the information of the contracting parties:

"The Australian Acting Minister for Trade, Mr. Townley, announced on
10 April that pending the report of the Australian Tariff Board on the
question of protection needed by the Australian footwear industry, emergency
action was being taken to reduce imports of casual footwear (that is tariff
item 329 B) with effect from 1 April 1959.

Imports of casual footwear during the first half of the current
financial year (that is, during the period 1 July 1958 to 31 December 1958)
amounted to over £A250,000 in contrast with £A227,000 for the whole of the
1957-1958 financial year and only £A110,000 for the 1956-1957 financial year.
Statistics of import licences issued during recent months and of applications
for licences indicated that this upward trend in imports was likely to continue.

"Under the Australia/Japanese Trade Agreement, the Japanese Government
agreed in December 1958 to exercise restraint in connexion with the export of
casual footwear to Australia. It agreed at that time to limit its exports to
Australia to 1 million pairs of casual footwear per year. Since then, there
had been a marked increase in the issue of licences for imports from Hong Kong
and other non-Japanese sources.

"If imports of casual footwear were allowed to continue at the current
rate, not only would the quantities imported be likely to cause further serious
injury to the Australian industry, but the restrictive action already taken by
the Japanese Government would be nullified. Already one major Australian
manufacturer of rubber footwear has been forced to reduce employment by 30 per
cent.

"Since there is a high degree of inter-changeability between different
types of footwear, action to restrict imports of casual footwear has to be
accompanied by control over imports of other types of footwear. It had
accordingly been decided that with effect from 1 April 1959 all footwear
(that is tariff items 328 and 329) should be transferred from licensing
category B (under which quotas are inter-changeable among a wide variety of
goods) to category A (under which quotas are related to particular goods).
Import licences would be issued to the extent of 100 per cent of imports
during the financial year 1956-1957."
"The effect of licensing imports of the various types of footwear on the basis of imports during the financial year 1956–1957 would be to reduce substantially the rate of importation of casual footwear, but there would be no significant reduction in the rates of importation of other types of footwear.

"The action to reduce the rate of importation of footwear is being taken under Article XIX of the General Agreement on Tariffs and Trade. Since delay in taking action would cause further serious injury to the Australian industry, which it would be difficult to repair, it has been necessary to take action prior to notification to the CONTRACTING PARTIES and to consultations with individual contracting parties having a substantial interest in the trade with Australia in casual footwear.

"No licences for the import of footwear already issued are being cancelled.

"The emergency action being taken to protect the Australian casual footwear manufacturing industry by reducing the rate of imports would apply only until the Tariff Board's report on tariff protection for the footwear industry had been received and considered by the Government. The Board would be commencing its public enquiry into the industry next month. It was expected that its report would be received by September 1959.

"The Australian Government, if requested, is prepared to consult as required under paragraph 2 of Article XIX."