AUSTRALIAN DELEGATION

Remarks of Mr. V.A. Clark, Leader of the Australian Delegation,
18 September 1953

My Government's experience of the operation of the General Agreement has led it to a firm conviction that a comprehensive review of the General Agreement is much overdue. It is a fact well known to all of us that when the Contracting Parties first negotiated the Agreement in 1947 it was never intended that it would continue to operate for more than a year or two in its present form; this is evident from the terms of Article XXIX of the Agreement itself. However, it has so happened that the Agreement has run on year by year for almost six years.

The Contracting Parties will agree that these six years have not been easy years for the General Agreement. On every occasion when the Contracting Parties have met there has been a number of intractable problems the solution of which, in accordance with the present provisions of the Agreement, have become increasingly difficult. Some of these matters have persistently failed to be solved and have, therefore, equally persistently been resubmitted to the Contracting Parties.

These things have happened at every Session of the Contracting Parties, although the Agreement is being applied only provisionally. It seems clear, therefore, that there are conflicts between some of the principles of the General Agreement and the policies which sometimes must be followed by Governments in the national interest. These situations raise serious doubts about the suitability of the GATT in its present form. The fact that it has applied only provisionally is perhaps one of the principal reasons why it has continued for so long without challenge. Any question of its definitive application would, it is felt, immediately raise questions of a fundamental character as to its suitability and adaptability as a permanent form of international agreement.

There have been many significant changes in world economic and trading conditions during the past six years and some parts of the Agreement, the effects of which have until now been obscured, are becoming increasingly onerous. It is a fair commentary on the restrictive nature of its provisions that some of its chief sponsors are finding increasing difficulty in living up to the obligations of the Agreement. A reference to the agenda of the present Session will serve as a clear illustration of this. It seems therefore, that there is a considerable weight of argument in favour of a review of the Agreement which, whilst acceptable as an attempt to deal with conditions as they existed in 1947, is not adaptable in full measure to the requirements of the present and the foreseeable future. We cite no particular instances; we are merely trying, objectively,
to envisage the future of the General Agreement and we cannot escape the conclusion that with the GATT as it is now written, new and increased difficulties are in store.

It is the Australian Government's view that a general revision of GATT is required, and that this is a matter of urgency. It believes that the review should commence next year. It believes also that the review should be comprehensive and unrestricted by any article of the present Agreement; it should relate not only to Parts II and III of the Agreement but also to Part I.

It will be necessary in the course of a review to consider a great number of questions. Some of these, from the Australian point of view, are already apparent; other Contracting Parties will no doubt have matters of their own to raise. My Delegation does not intend at this stage to indicate any particular proposals which its Government might eventually wish to make for amendment of the Agreement; it is, of course, not necessary to do so. But it is clear enough that all Governments will have to consider whether there is sufficient balance in the present Agreement, whether, for example, the developmental problems of a number of Contracting Parties receive adequate recognition compared with the tariff agreement aspects of the existing Agreement. Whether, in fact, it might be possible to distinguish more clearly between provisions which lay down a code of good behaviour in international commercial relations and those provisions which are necessary to safeguard tariff concessions.

Other thoughts suggest themselves. There are the further questions whether the wording of certain of the draft Charter articles is better than the wording of the corresponding GATT articles and whether any action is to be taken in relation to the sections of the Charter which are omitted from the GATT. Contracting Parties must consider, I suggest, the fundamental question of whether the new GATT is again to be a detailed Agreement with escape procedures designed in advance to meet certain situations, or whether it should take some form, such as the form of the Charter, or the form simply of a statement of principles.

These things I mention for illustration; they will no doubt be added to. In themselves they pose questions of a most fundamental character.

In the view of the Australian Government it is essential that during the current Session the Contracting Parties should make firm arrangements for a comprehensive review of the General Agreement to be undertaken during 1954.