1. At the seventeenth session, the Australian delegate informed the Contracting Parties of a further step towards the abolition of import restrictions with the removal on 1 October 1960 of the final element of discrimination in the residual controls. He went on to say that, although the Australian Government was not yet able to indicate its plans and intentions in regard to the removal of the few remaining restrictions his Government would do its best to make such a statement before 1 March 1961.

2. I should like to recall briefly what these remaining import controls are.

3. They cover only a small part of total imports - less than 10 per cent - and a narrow range of items chiefly canned fish, aluminium, toys, footwear, synthetic resins, second-hand machinery and certain items of textiles, apparel, yarns, travel goods, oils, seeds and nuts. Imports of some of these goods including canned fish and synthetic resins are being licensed without restriction by quota. Quotas and allocations for the rest of these goods now total some £100 million a year compared with £80 million a year at the end of 1959.

4. The Council will be aware of the broad economic situation in Australia over the last year or so. Faced with growing inflationary pressures, the Government and the Central Bank took corrective monetary and fiscal action during 1960. Action of this kind, however, is relatively slow in its effects and internal demand remains strong. Imports, which rose by almost £150 million in 1959/60, have continued to increase. International reserves fell in the six months ended December 1960 by £136 million and the drain on the reserves is expected to continue for some time. Although a substantial fall in reserves was expected when the decision to lift import restrictions was taken, the fact that it has occurred and is continuing has brought considerable pressure on the Government to re-impose import restrictions. It has resisted this pressure and intends to continue to do so. But until import demand has been brought back to more normal levels it is not considered practicable to make further progress in removing the residual controls.

5. The Council will thus understand when I say that, due to circumstances which, in large part, developed after our statement at the seventeenth session, Australia has not been able to further its plans for the removal of its remaining import restrictions and I regret I am not in a position to make a statement on this subject. The absence of further action does not indicate any change in the Government's intention to make a full statement concerning the remaining restrictions at the earliest practicable date.

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