

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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STATEMENT ON BEHALF OF AUSTRALIA  
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Let me also add my congratulations and those of my delegation to you on your having assumed chairmanship of the thirty-eighth session of the CONTRACTING PARTIES. Sir, we wish you well in your stewardship of this meeting.

We meet in most difficult times. All around us are examples of the mounting pressures and stresses on the multilateral trading system.

At no time since the 1930s have the pressures for trade barriers and policies which distort trade, been greater. At no time since the 1930s has it been more likely for those pressures to succeed.

All of us in this room are culpable, in greater or lesser degree, for this sorry state of affairs.

Trade disputes have multiplied in number and intensity and the GATT has been found seriously wanting in settling them.

Increasingly, measures have been taken outside of the GATT framework. The fundamental most-favoured-nation principle has been put in jeopardy. More and more our efforts have been turned not to enforcing the rules, but rather to legitimizing the exceptions. Because of this, structural impediments to economic growth and economic recovery are now widespread. The economic recovery that is so desperately needed continues to be retarded and with it continues rising unemployment.

Past protectionist actions have led to massive distortions in the trading system. In many sectors the highest-cost producers have not only denied to the rest of the world a reasonable share of their market, they have grabbed a large and disproportionate share of world trade by policies which distort normal trade flows. The sorry story of agriculture is one that the founding fathers of GATT could never have foreseen in their most despairing moments. Sir, I choose my words carefully. A crisis confronts us in agriculture.

But not only in agriculture. There are many other examples and protectionism threatens to engulf us while the GATT remains largely impotent. Put simply, if one country can get away with erecting barriers and distorting trade then the pressure for other countries to follow that lead can prove irresistible. Agriculture is, once again, an example.

Textiles, clothing and footwear are perhaps even worse examples of how quickly bad policies drive out good. Motor vehicles and steel are following the familiar route and electronics are on the way. Yet still we choose to make the GATT irrelevant.

Business people borrow to invest in new productive capacity or to develop new products which all too often are then locked out of major markets. Nowhere is this more true than in the situation of the more advanced developing countries.

There is a crying need for a clear signal from this meeting to reassure and guide investors so that their decisions will be made, and made wisely.

This resort to solving one's problems at the expense of one's trading partners or of seeking bilateral solutions outside the multilateral framework puts very great pressure on all of us especially the smaller trading nations. It makes it so much harder for each of us to resist protectionist pressures in our own countries.

As a consequence, the international trade and financial order is threatened. Inevitably, the welfare of all of our peoples is impaired.

The dominant issue that confronts this meeting is to manifest the political will to deal effectively with the problems now so obviously afflicting the multilateral trading system.

All of us know that change is not made without pain. But in a dynamic world - and particularly in regions where developing countries are moving forward, change is inevitable. We all, I think, appreciate that the rate of structural adjustment has to be kept within reasonable bounds if it is to be a political reality. Those who cannot or will not face up to structural adjustment can only be seen as wanting to live in yesterday's world.

In my delegation's view, the time is long past for a papering over of the real and deep problems that confront the multilateral trading system.

Australia believes that it is now absolutely imperative that we agree, at this meeting, to set in train a process that edges us back from even more protectionism, and even more distortion of trade.

Our specific proposals on this are before the meeting and I confidently expect the backing of many countries for them.

If, however, all we can achieve in Geneva in November 1982 are some high-sounding exhortations, then we will have done ourselves a great disservice.

Speaking for Australia, if all that is achievable collectively out of this meeting is more of the same - a further series of work programmes on the critical issues now dominating world trade - all put up in a package of words that are able to mean different things to each of us, then I, for one, cannot subscribe to it. We will have failed.

To be successful, we need a conclusion which contains for each of us real political commitments which will help all of us to withstand the pressures which all of us now face.

To be successful, this meeting must telegraph a clear signal to the business community that Trade Ministers at their meeting in Geneva have acted decisively to set in train action which will first halt, and then start the process of winding back those protectionist actions and trade-distorting devices which have proliferated in recent years and which are inconsistent with the basic rules and principles of the GATT.

Yet this is no more than a reaffirmation of the principles on which the GATT was founded. If we take such decisive action at this meeting, it will not only be the greatest help that we can give to developing countries, it will be the greatest help we can give ourselves.

Sir, if there is only a willingness to walk the old paths, to paper over or draft around the real issues, then my delegation believes that we will have passed up a vitally important opportunity to begin the process of revitalizing and restoring the trade and payments system. To suggest that we can face up to it better in a year, or two years from now is patent folly and self-deception unless we act decisively this week, we may have lost the opportunity to do so.

Over the years the GATT has played its rôle in good times and bad, but if ever it was created to do a job it is now. If it cannot do it now it is a tragic state of affairs.