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THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

**ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT
(FINANCIAL SUPPORT FUND) REPEAL BILL 1994**

EXPLANATORY MEMORANDUM

(Circulated by authority of the Treasurer, the Honourable Ralph Willis, MP)



ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT (FINANCIAL SUPPORT FUND) REPEAL BILL 1994

OUTLINE

1. The Bill effects the repeal of the *Organisation for Economic Co-operation and Development (Financial Support Fund) Act 1976*, that authorised the ratification by Australia of the agreement to establish a financial support fund among OECD members.
2. The fund was designed to assist OECD members facing serious external account difficulties following the oil price crisis of 1973-74 and was intended to supplement, on a last resource basis, other sources of credit to which members encountering serious difficulties have had recourse.
3. When proposed to Parliament, the government saw the main value of the fund in terms of its capacity to help maintain healthy trading and financial relationships between the major countries, encouraging and assisting members to avoid unilateral trading restrictions. The Bill was debated by Parliament on 6 May 1976 and the corresponding Act received Royal Assent on 25 August 1976.
4. The fund was never brought into effect, because of the failure of some other OECD countries (most notably the United States and France) to ratify the agreement. As the need for the fund has now ceased the legislation should be repealed.

FINANCIAL IMPACT STATEMENT

5. There is no financial impact, since the fund was never brought into effect.

NOTES ON CLAUSES

Clause 1 - Short Title

Self-explanatory.

Clause 2 - Commencement

Self-explanatory.

Clause 3 - Repeal

Self-explanatory.

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