

PREPARATORY COMMITTEE OF THE INTERNATIONAL CONFERENCE
ON TRADE AND EMERGENCY

COMMITTEE II

QUANTITATIVE RESTRICTIONS OTHER THAN FOR
BALANCE OF PAYMENTS PURPOSES

MEMORANDUM BY THE SOUTH AFRICAN DELEGATION

1. The South African delegation attaches the greatest importance to the employment of quantitative restrictions by countries in the planning of national economic development. The fact that quantitative restrictions have at times, just as various other measures, been employed in an objectional manner, does not mean that they should be banned except in exceptional circumstances. It would be preferable to provide for definite rules in the Charter for the employment of quota restrictions rather than to permit such measures only under certain circumstances. Furthermore, the general intention appears to be to permit countries experiencing balance of payment difficulties to employ quantitative restriction measures on a wide basis, but other countries which cannot justify their use on this score are expected to employ such measures on a very restricted basis and at the same time to agree to making provision for freer world trade along with the countries which may employ quantitative restrictions. It is submitted that in many instances quantitative restrictions could be resorted to by any country, and such action would be less harmful to world trade than the imposition of customs tariffs or the subsidizing of industries.
2. The employment of quantitative restrictions must, however, be on an equitable basis and carried out in accordance with accepted principles. The following provisions for inclusion in the Charter are accordingly submitted:-
 - (a) Members may impose import quota restrictions provided the import quotas do not curtail consumption.

- (b) Customs duties and other import charges should be reduced to a minimum on commodities subject to import restrictions. It would be preferable if such commodities could be admitted duty free.
- (c) The quotas should be determined for definite periods and announced in good time, depending upon the nature of each commodity.
- (d) Seasonal commodities should not be subject to quota restrictions during periods when similar domestic products are not available. The possibilities of storage of some commodities may, however, be taken into account in determining "free" periods.
- (e) The validity of import licences should be flexible, depending upon the nature of each commodity.
- (f) Import restrictions may only be applied to commodities of which the importing country produces a substantial proportion of its requirements, and except in the case of corresponding synthetic products, import restrictions may not be resorted to in order to limit imports in relation to a different product.
- (g) Apart from co-ordinating the disposal of a domestic product and the proportion imported, no extraneous conditions should be attached to import licences, nor should any licence fees be imposed.
- (h) All bona fide importers should share in a quota, receive their licences direct from the issuing authority, and the transfer of such licences or portions of licences should not be permitted except through the issuing authority.
- (i) Import quotas should not be employed as a means of maintaining an abnormal disparity between domestic and foreign prices.
- (j) Complaints against the application of import restrictions may be referred to the International Trade Organization, and the member Government against whom such complaints have been raised shall enter into consultation with the Organization to justify its action or to review such action. (Provisions along the lines of Article 30 could be applied).
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