

GENERAL AGREEMENT ON
TARIFFS AND TRADE

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WORKING PARTY "D" ON QUANTITATIVE RESTRICTIONS
THE ARTICLE XII:4 (b) REPORT

Memorandum submitted by the Belgian Delegation

The Belgian Delegation begs to submit a series of suggestions to the Working Party in connection with the second part of its terms of reference : "to recommend action for the review provided for by Article XII:4 (b) and other action under the Agreement as may be appropriate".

1. With a view to ensuring that the study undertaken by Working Party D shall not remain sterile, the Belgian delegation considers that the Governments of the contracting parties should bring the Working Party's report to the attention of the authorities in their country responsible for establishing and ensuring the implementation of quantitative restrictions in order to get them to eliminate any practices conflicting with the provisions of the General Agreement. The officials responsible for negotiating bilateral agreements should be the first to have the matter brought to their notice.

2. The overall review to be undertaken on 1 January 1951, under Article XII:4 (b), of quantitative import restrictions designed to safeguard the balance of payments should be conducted in the light of the provisions of Article XII, which specifies the conditions under which such measures are to be applied, and of Article XIII (duly reserving the provisions of Article XIV), which specifies the relevant procedure.

The examples cited at meetings of the Working Party go to show that the provisions of the General Agreement are often misapplied in practice for protectionist or other purposes alien to the Agreement.

The review provided for in Article XII:4 (b) will serve no purpose unless it is substantiated and based on full, clear and precise documentation. It would therefore be advisable for each contracting party to have ready for that date a general monetary statement justifying its application of restrictions in accordance with Article XII and also a precise statement setting out item by item the restrictions which it maintains in force and the manner in which it applies them in respect of each of the contracting parties, whether by import licences, global quota system, bilateral quota agreement or unilateral allocation of quotas.

The Belgian delegation accordingly suggests that the report of Working Party D should include, in addition to the six recommendations proposed by the United States delegation which the Belgian delegation supports in principle (document GATT/CP.4/D/3), the two following recommendations:

Recommendation 1: The Working Party recommends that the report prepared by it be brought by the Governments of the contracting parties to the attention of the officials and departments responsible for establishing, allocating and ensuring the implementation of quotas, and likewise to the notice of the officials responsible for negotiating bilateral agreements.

The Working Party suggests that the contracting parties should recommend to their Governments that they impress on the above-mentioned officials and departments the necessity of taking due note of the provisions of the General Agreement governing the application of quantitative restrictions and of avoiding the abuses mentioned in the report.

The more closely the Governments, officials and departments concerned keep to this recommendation, the greater will be the possibility of ensuring that countries considering themselves adversely affected by the misapplication of the General Agreement will be relieved of the necessity of initiating the procedure for submitting complaints set forth in Article XII, paragraph 4 (d) and Article XXIII, paragraph 2.

Recommendation 2: The Working Party recommends, for the purposes of the overall review provided for in Article XII:4 (b), that the Secretariat of the Contracting Parties send the contracting parties a questionnaire dealing not only with monetary data justifying the application of Articles XII and XIV but also with the procedure for applying the restrictions in question. The questionnaire should be drawn up in such a way as to enable each contracting party concerned to ascertain as accurately as possible from the replies the extent to which its export trade is affected, in respect of each product, by the import restrictions imposed by the other contracting parties.

The Working Party accordingly recommends that the replies should provide, inter alia, the following information:

1. A general description of the administrative system governing restrictive measures (non-quota licences, global quotas, quotas allocated to certain countries either by bilateral agreements or unilaterally);
2. A detailed list of the item numbers covered by quantitative import restrictions under Articles XII or XIV. In respect of each item, information should be given for each of the contracting parties as to :
 - (i) the number of import licences actually issued during the last reference year (i.e. 1950);
 - (ii) whether the allocation as between countries had been previously made (by quota agreement or unilateral decision) ; particulars of the quota previously allocated for the reference period in question, with reasons for such allocation;

- (iii) the volume of imports for a pre-war reference year to be fixed by the Contracting Parties (1937 or 1938);
 - (iv) the volume of imports to be authorized for next year (i.e., 1951);
 - (v) estimated additional volume of imports which would have been effected in the absence of restrictions.
3. Copies of the laws and decrees governing the establishment of import quotas and of the bilateral agreements concluded during the last completed period.