

GENERAL AGREEMENT ON
TARIFFS AND TRADE

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CONTRACTING PARTIES

Fourth Session. ✓

WORKING PARTY "D" ON QUANTITATIVE RESTRICTIONS

Proposal by the Chairman regarding the
Article XII: 4(b) Review.

It is clear that the question of the review required by Article XII: 4 (b) cannot be divorced from the question of the periodical reports called for by Article XIV: 1 (g) both in respect of content and procedure.

The construction of the last sentence of Article XII: 4 (b) is not without certain difficulties. Since the review is to relate to all restrictions existing on January 1, 1951, and to take place not later than January 1, 1951, it might literally be said that the review must take place precisely at that time. It would appear, however, unnecessary to adopt such a strict interpretation at the cost of common sense and practical convenience. In my view it should suffice that the procedure for undertaking the review should be initiated on or before that date. Assuming that the Contracting Parties complete the first report on Article XIV: 1 (g) at this session, then I suggest that the procedure adopted should aim at combining the review under Article XII: 4 (b) with the second report under Article XIV: 1 (g).

I would therefore suggest that we might proceed somewhat as follows:

- (1) That this Working Party, in its report to the Contracting Parties on this item in its terms of reference, should draw attention to the close connection between the XII: 4 (b) review and the XIV: 1 (g) report and point out that in consequence the Working Party has not felt able to reach any final conclusion on what appears to it to be one aspect of a larger question.
- (2) The Working Party should nevertheless suggest to the Contracting Parties a procedure somewhat on the following lines: Assuming that the Contracting Parties complete the first report on XIV: 1 (g) at this session, the Secretariat be instructed to prepare for submission to the next session of the Contracting Parties a draft questionnaire designed to cover both XII: 4 (b) and XIV: 1 (g). In preparing this draft

the Secretariat should study the more comprehensive replies to the first Article XIV: 1 (g) questionnaire, and take into account the discussion of these replies in the Working Party as well as the relevant provisions of the General Agreement on Tariffs and Trade.

- (3) This questionnaire should be considered by the Contracting Parties at their Fifth Session with a view to its being issued to contracting parties about the end of 1950. The replies to this questionnaire would be required in time for a draft report to be prepared for consideration at the Sixth Session of the Contracting Parties as a basis for the second report under XIV: 1 (g) and the review referred to in XII: 4 (b).