

GENERAL AGREEMENT ON  
TARIFFS AND TRADE

RESTRICTED

MTN/NTM/W/66  
3 November 1976

Special Distribution

Multilateral Trade Negotiations

Original: English

Group "Non-Tariff Measures"

Sub-Group "Quantitative Restrictions"

STATEMENT MADE BY THE UNITED STATES DELEGATION  
AT THE SUB-GROUP "QUANTITATIVE RESTRICTIONS" MEETING NOVEMBER 1976

United States Suggestions for Procedures to Deal  
with Existing Quantitative Restrictions (QRs)

At the last meeting of the QR Sub-group, the United States representative offered to submit further suggestions for dealing with QRs in the MTN. The following procedural suggestions are put forward in the hope that they will provide a useful general framework within which both the bilateral and multilateral aspects of the issue can be accommodated.

The Sub-group has already established procedures for bilateral and/or plurilateral consultations between countries maintaining QRs and countries having an important trade interest in them. We believe that consultations held under these procedures have been useful as an initial step in the process of working toward solutions. The next step, in our view, should be for countries to utilize the consultation mechanism to:

- (1) Refine the identification of products subject to QRs of trade interest to them, utilizing information exchanged in the QR discussions that have already been held; and
- (2) Explore possibilities for the liberalization of particular QRs. This process would sharpen the focus on specific QRs that might be subject to negotiation and facilitate movement toward the actual negotiating stage.

Bilateral discussions on particular QRs will tend, however, to be selective and more general issues such as improvement in the structure and effectiveness of existing obligations and the relationship of QRs to the work of other MTN Groups cannot be adequately handled in a purely bilateral context. We therefore suggest that present procedures be supplemented along the following lines:

- (1) Countries participating in the work of the QR Sub-group would agree to eliminate all their QRs by the end of the MTN except as indicated below.

./.

- (2) Countries maintaining QRs which they believe should not be eliminated by the end of the MTN would notify such restrictions to the GATT secretariat by 1 March 1977. (QRs maintained pursuant to GATT Articles XII, XVIII, XIX, and the MFA need not be notified to the secretariat provided the procedures set forth in those Articles/Agreement are adhered to.)
- (3) A process of confrontation and GATT justification on each country's QR list notified to the secretariat would be carried out and summary reports would be prepared by the secretariat.
- (4) During the confrontation and justification process outlined above, any participating country could request a discussion of any QR maintained by another participating country which is not notified in the latter country's QR list (or with respect to which the procedures of Articles XII, XVIII, XIX, or the MFA are not being adhered to). If the country maintaining the QR refuses the request for confrontation and justification the measure would be regarded as inconsistent with Article XI and subject to retaliation.

There should be agreement under both the above procedures that priority attention would be given to QRs affecting the exports of developing countries. Developed countries should be prepared to meet plurilaterally with less developing countries having mutual interest in a developed country's restrictions.

We believe that the operation of these procedures would identify major issues and indicate feasible approaches both to QR liberalization and the strengthening of existing obligations. In addition, it would facilitate the co-ordination of work of the QR Sub-group with that of other MTN Groups.