

**GENERAL AGREEMENT ON
TARIFFS AND TRADE**

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Group on Quantitative Restrictions
and Other Non-Tariff Measures

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PROPOSALS REGARDING QUANTITATIVE RESTRICTIONS
AND OTHER NON-TARIFF MEASURES

UNITED STATES

Addendum

The report (1984) of the Group on Quantitative Restrictions and Other Non-Tariff Measures (L/5713), adopted by the CONTRACTING PARTIES at their fortieth session, contains the recommendation that contracting parties should make written proposals by the end of April 1985 regarding quantitative restrictions and other non-tariff measures (paragraphs 44(h) and 65(f)).

The attached communication, dated 12 June 1985, has been received from the Office of the United States Trade Representative in Geneva.

UNITED STATES SUBMISSION TO THE GATT GROUP ON
QUANTITATIVE RESTRICTIONS AND
OTHER NON-TARIFF MEASURES

The Report of the Group on Quantitative Restrictions and Other Non-Tariff Measures (L/5713), adopted by the CONTRACTING PARTIES at their fortieth session recommends "inter alia" that "contracting parties should, pursuant to the Ministerial mandate... make specific written proposals by the end of April 1985 to achieve the elimination of quantitative restrictions which are not in conformity with the General Agreement, and also to achieve progress in liberalizing other quantitative restrictions". (paragraph 44(h)) It was also agreed that "contracting parties should, pursuant to the Ministerial mandate... make specific written proposals by the end of April 1985 to achieve progress in liberalizing other non-tariff measures". (paragraph 65(f))

In response to this recommendation, the United States takes the opportunity to submit to the Group the following proposal.

- I. Liberalization of United States quantitative restrictions and other non-tariff measures
- A. Quantitative restrictions

The documentation of the Working Group on Quantitative Restrictions and Other Non-Tariff Measures (NTM/W/6/Rev.1 and Addenda) indicates that the United States maintains quantitative restrictions on a relatively small number of products (i.e. forty-four CCCN tariff lines). Aside from a number of entries which are incorrect and should be eliminated from the documentation, the United States restrictions are concentrated in agriculture and textiles. The small number of remaining quantitative restrictions maintained by the United States at this point as well as their concentration in two internationally sensitive areas (eleven tariff lines affected in the agricultural chapters of the CCCN and eighteen tariff lines in the textiles chapters), limits the scope of any United States proposals for liberalization. The United States has, however, consistently indicated its willingness to discuss and find some global solution to the problems of agricultural and textiles restrictions in other GATT fora handling these issues specifically. In the Committee on Trade in Agriculture, for example, the United States has indicated that it is prepared to undertake a mutual examination of any useful approach to the elimination of agricultural trade barriers and has proposed a complete phase-out of all NTMs and a prohibition of any new NTMs. Moreover, the United States has stated it is ready to remove its agricultural trade barriers in a new round of trade negotiations provided there are comparable commitments by other contracting parties. We have also actively participated in the discussions in the Textiles Committee and the Working Party on Textiles and Clothing.

B. Other non-tariff measures

The documentation of the Working Group on Quantitative Restrictions and Other Non-Tariff Measures (the five-part Industrial Inventory of Non-Tariff Measures) contains only twenty-eight notifications concerning measures maintained by the United States. Of these, the United States has requested that three be deleted (e.g. III.C.13-15) and that some nine other notifications be modified to reflect more accurate and up-to-date information. For example, those notifications referring to the previously maintained DISC (I.A.38 and 39) have been modified to reflect the newly established FSC which is GATT-legal. Other notifications will need to be modified to reflect more recent changes which have taken place or will take place in the near future. For example, the notification (II.C.4) indicating that the United States tariff schedule is complex and, therefore, poses a barrier to trade needs to be updated to reflect pending United States adoption of the Harmonized System of Nomenclature. As to the remaining restrictions notified against the United States, the United States would be willing to discuss liberalization, where possible, in the context of a request and offer procedure.

II. General liberalization of quantitative restrictions and other non-tariff measures by GATT contracting parties

In addition to each contracting party submitting its proposal for liberalization of its respective quantitative restrictions and other non-tariff measures as mandated in paragraphs 44(h) and 65(f) of the Group's November 1984 Report (L/5713), the United States believes it is critical that the Group collectively establish a multilateral programme for dismantling existing restrictions. The following are a number of factors that might be taken into account in determining such a programme:

- First, contracting parties should bear in mind as a starting point the agreement contained in paragraph 7(i) of the 1982 GATT Ministerial Declaration to "refrain from taking or maintaining any measures inconsistent with GATT and to make determined efforts to avoid measures which would limit or distort international trade".
- Second, those areas which are most affected by quantitative restrictions and other non-tariff measures must be focussed upon if any significant progress is to be made in liberalizing these restrictions. Paragraphs 12 and 31 of the Group's November 1984 Report (L/5713) indicates that the three areas of agriculture, textiles and iron/steel were among those most severely affected by quantitative restrictions. Without liberalization in these areas, a great number of the quantitative restrictions listed in the documentation of the Quantitative Restrictions Group will remain.
- A periodic multilateral review of quantitative restrictions and other non-tariff measures (as recommended by the Group in paragraphs 44(e) and 65(e) of its November 1984 Report (L/5713) should be conducted in a detailed, country-by-country fashion in order to be most effective. We

would suggest that in the same way that restrictions maintained by countries for balance-of-payments reasons, for example, are reviewed in detail in the Balance-of-Payments Committee, the Quantitative Restrictions Group or some other body designated by the CONTRACTING PARTIES should review individual countries' restrictions maintained in both the quantitative restrictions documentation (NTM/W/6/Rev.1 and Addenda) and the Industrial Non-Tariff Measures Inventory. Countries could be grouped for review on an alphabetical basis. This would provide those contracting parties up for review at a particular session the opportunity to prepare comments and/or make suggestions for elimination or liberalization of any of their respective quantitative restrictions and non-tariff measures, while allowing the other contracting parties to focus on the restrictions of only those countries up for review at that point and to indicate which of their restrictions they would be interested in seeing liberalized. These reviews would also provide a basis for future periodic reports to the CONTRACTING PARTIES on progress made in eliminating or liberalizing quantitative restrictions and other non-tariff measures, and would provide a basis for work in this area in a new round of trade negotiations.

- Periodic multilateral review of quantitative restrictions and other non-tariff measures as noted above would, of course, supplement review of certain restrictions covered in other GATT fora. It is, therefore, important as indicated in paragraph 44(f) of the Group's November 1984 Report, that where GATT procedures exist to review various kinds of quantitative restrictions and other non-tariff measures, that these procedures be followed.

- Finally, such a periodic review would only be as comprehensive as the documentation upon which it would be based and the organization of the data in a workable format. This brings us to the points made in paragraph 44(a) of the Group's November 1984 Report and to the United States proposal for a comprehensive data base as submitted in NTM/W/10.