

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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CONTRACTING PARTIES
Ninth Session

Review Working Party I on
Quantitative Restrictions

PROGRESS IN THE DISCUSSION OF PROTECTIVE IMPORT RESTRICTIONS

Resumé of the Report of the Chairman of Sub-Group I-C

1. In accordance with its terms of reference, the sub-group considered various proposals submitted to the Working Party or directly to the sub-group, for amending Article XI or for other changes in the provisions dealing with the use of quantitative restrictions, for reasons not connected with balance-of-payments difficulties or economic development.
2. It considered a Turkish proposal for a strict prohibition of import restrictions, and in particular of restrictions on agricultural products, even for balance-of-payment reasons. The sub-group doubted that such a far-reaching proposal could obtain wide support, and considered that, as the proposal referred also to balance-of-payments quantitative restrictions, it would be more appropriate to discuss it in the Working Party itself.
3. Some delegations explained to the sub-group the difficulties which a strict application of Article XI would occasion to their governments if there were no possibility of maintaining a certain number of quantitative restrictions for a transitional period after their balance-of-payments difficulties had disappeared. These difficulties were particularly acute in regard to agricultural products. In certain cases such restrictions could be maintained under the terms of provisional application, but it appeared to those delegations that some solution would have to be found during the review to meet the requirements which would still exist when the Agreement was applied definitively.
4. The sub-group also heard a statement by the Swiss observer which outlined the special difficulties which the application would involve for Switzerland, in view of the type of protection which its agriculture requires.
5. The general view of the sub-group was that the difficulties described by these delegations deserved careful consideration, but that the solution should not be sought by means of amendments to the present text of the Agreement.

6. In addition, the sub-group considered various proposals for improving the provisions governing the application of restrictions under Article XI. The sub-group was of the opinion that a number of these proposals contained interesting suggestions, but that in view of the insufficient support which they received in the sub-group, it would not appear useful at this time to submit to the Working Party a detailed report on these proposals which in fact still required further examination. As regards certain other proposals the sub-group was of the opinion that they were sufficiently covered by the existing provisions in the Agreement or that the points of interpretation which they intended to settle could be clarified in the final report on Article XI.

7. Finally, the sub-group considered a proposal which was to require reporting to the Organization of any action taken under paragraph 2(a) of Article XI. The sub-group thought that this proposal would fall within the terms of reference of Working Party IV dealing with the powers of the Organization.