

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

W.25/7

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CONTRACTING PARTIES  
Twenty-Fifth Session

ITEM 14: RESTRICTIONS APPLIED CONTRARY TO GATT  
AND NOT COVERED BY WAIVERS

Summing Up by Chairman

1. There was general agreement with the view expressed by the Director-General concerning the inequity and anomaly involved in treating countries which apply quantitative restrictions without justification within the GATT more tolerantly than those whose restrictions are consistent with GATT's rules; it was not disputed that the time had come to deal with this problem, which had now been on the agenda of sessions for many years past and on which even the reporting of restrictions in force had been far from adequate.
2. In the context of the need for GATT to address itself to solutions of acute problems, while preparing the groundwork for larger initiatives towards trade liberalization, the importance of a new and concrete initiative in the area of removal of quantitative restrictions was also recognized. In particular, some delegations noted that adoption of a procedure for dealing definitively with residual restrictions could offer significant help in warding off pressures for new protectionist measures.
3. It was also recognized that the ultimate aim is removal of restrictions, so that care should be taken to ensure that the course adopted did not simply regularize the continuance of restrictions. In this connexion, several countries stressed the need to press for programmes for removal of restrictions, to be sparing in the grant of waivers, to look to the duration for which waivers were granted, and to make sure that rights of contracting parties under Articles XXII and XXIII were in no way impaired. The importance of periodical reviews of progress towards liberalization was also stressed. In this connexion it was proposed that some form of consultation procedure be established to consider residual restrictions perhaps along the lines pursued by the Committee on Balance-of-Payments Restrictions.
4. Some countries saw in the hard core nature of the restrictions a reason for dealing with them through existing machinery of the main committees of GATT.
5. Certain other countries were unable to support the New Zealand proposal as it would lead to consideration of quantitative restrictions on agricultural imports in a context which precluded simultaneous consideration of other measures of agricultural support, often far more harmful in their disruptive trade effects,

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simply because such other measures took different forms. They therefore favoured the use of existing machinery, which would enable the agricultural problem to be dealt with as a whole within the Agriculture Committee, referring other restrictions either to the Committee on Trade in Industrial Products or to the Committee on Trade and Development, as appropriate.

6. Some countries, whilst stressing the structural and social difficulties underlying the residuals still in force and sharing to some extent the feeling that new machinery might not be conducive to real progress, expressed strong interest in further moves towards trade liberalization and declared themselves open to suggestion as to the procedures which might offer the best prospects of achieving substantial results.