Quantitative Restrictions Section

PROBLEMS FOR INDEPENDENT STUDY UNDER THE FELLOWSHIP PROGRAMME

It has been the established practice for participants in the Fellowship Programme to make independent studies of specific subjects and to present written papers which embody the results of their research. This requirement is aimed at consolidating the knowledge and enhancing the insight which they have gained in the course of the talks and discussions on the provisions of the General Agreement. The written papers, after revision in the light of further discussions, constitute a part of the permanent records of their studies in GATT.

The attached problems in the field of quantitative restrictions have been set for the present group of Fellows, and those interested in this field are requested to choose one or two of the problems for detailed study. (In view of the limited time available it is suggested that no more than two problems be tackled by each participant.) They may consult with Mr. Shih in planning their respective studies.

Problem I: Review of Quantitative Restrictions

Articles XII:4(b) and XVIII:12(b) call for a review of all quantitative restrictions applied for balance-of-payments reasons in force on a date to be determined by the CONTRACTING PARTIES. In the light of the relevant note in Annex H, the CONTRACTING PARTIES have decided to carry out this review in 1958. Write a note on the scope, nature and purposes of the review, and state your views regarding the value and the possible effects of this action. Try to formulate certain conclusions that the CONTRACTING PARTIES may be expected to arrive at as a result of reviewing the restrictions. Prepare a brief for the delegation of your country to the Thirteenth Session.1

References: "The Use of Quantitative Import Restrictions to Safeguard Balances of Payments", October 1951
BISD, 3rd Supplement, page 172
BISD, 6th Supplement, pages 39-40

1 A "brief", in addition to analysing the case and outlining the facts, should indicate the broad stand which the delegation should take, the questions it should raise, answers to other delegations' possible arguments, and steps to take or procedures to invoke, etc.

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English only
Problem II: Procedures for consultations in 1959

Under Articles XII:4(b) and XVIII:12(b) contracting parties applying restrictions for balance-of-payments reasons are required to consult with the CONTRACTING PARTIES annually or bi-annually, one year after the review referred to in Problem I above. Such consultations will be held with the countries acting under Article XII in 1959. Write a note on the scope, nature and purposes of such consultations. In the light of the procedures and plans adopted in the past for similar consultations, make detailed suggestions regarding procedures, arrangements, etc., for the carrying out of these 1959 consultations. The suggestions may be drawn up in the form of a part of instructions to the delegation of your country to the Thirteenth Session.

References: Some of the earlier consultation reports, e.g. 
L/644 and L/746.
BISD, 3rd Supplement, page 172 et seq
BISD, 5th Supplement, pages 48-56
BISD, 6th Supplement, pages 40-41

Problem III: Introduction or Intensification of Restrictions

Under Articles XII:4(a) and XVIII:12(a) any contracting party applying new restrictions or substantially intensifying their restrictions are required to consult with the CONTRACTING PARTIES. Comment on the consultations of this nature held in the past; discuss their value and efficacy. Study, in particular, the report on the recent consultation held with New Zealand on the measures of intensification taken by that Government at the beginning of 1958. Discuss the procedure adopted and the results achieved.

References: The detailed reports on such consultations are as a rule not reproduced in BISD, but can be located by reference to the covering reports which are reproduced (e.g. 4th Supplement, pages 41-42). 
The report on the New Zealand Consultation in 1958, L/816.
BISD, 4th Supplement, pages 44-46

Problem IV: German Import Restrictions

The Federal Republic of Germany has no balance-of-payments difficulties as defined in Article XII, and is consequently not entitled to maintain import restrictions under that Article. The German Government has, however, persisted in retaining restrictions on certain agricultural and industrial imports. The CONTRACTING PARTIES have examined both the legal aspects of the problem and the effects of the restrictions, and the matter will come up again for discussion at the Thirteenth Session.
Prepare a brief for the delegation of your country on the various points referred to in past discussions, and consider in particular the extent and nature of action that may be taken under Articles XII and XXIII.

References: BISD, 6th Supplement, pages 55-58
L/799, L/807, L/817 and L/821

Problem V: The "Hard Core" Waiver

When the General Agreement was revised in 1955 the CONTRACTING PARTIES adopted a decision enabling contracting parties which may cease to have balance-of-payments difficulties, to maintain import restrictions for a limited period, in order to facilitate transition (see BISD, 3rd Supplement, pages 38-41). So far only Belgium has availed itself of the facilities provided by this decision. Analyse the provisions of the decision, and discuss it further in the light of the Belgian case. Comment on the purposes of this decision and its value in the light of the actual commercial policies of the countries.

The validity of the decision expired at the end of 1957, and has been extended to the end of 1958. It is envisaged that a further extension will be proposed at the Thirteenth Session. Discuss the implications of such an extension and prepare a brief for the delegation of your country in anticipation of the discussion at that Session.

References: BISD, 3rd Supplement, pages 191-195
BISD, 5th Supplement, pages 115-122
BISD, 6th Supplement, pages 135-139

Problem VI: Operation of Article XVIII:C

The revised text of Article XVIII came into force in October 1957, and certain applications made by Ceylon under its provisions were considered at the Twelfth Session. Analyse the Working Party Report on the Ceylon applications in the light of the provisions of the Article. Comment on the procedures adopted and make suggestions on any possible improvements.

Under paragraph 6 of Article XVIII, restrictions applied under those provisions should be reviewed each year. The first review will be held at the Thirteenth Session. Prepare a brief for the delegation of your country concerning this review.

References: BISD, 3rd Supplement, pages 179-189
BISD, 6th Supplement, pages 112-131