We have met here today to address ourselves to one of the oldest and stubbornest of all the problems with which GATT has had to deal, the quantitative restrictions still maintained by developed countries which have no balance-of-payments problems and for which there is in many cases no justification in GATT terms. Following on the suggestion of our Director-General, we are to deal with these restrictions in the most constructive manner possible, in an effort to make maximum progress towards their removal.

Our mandate, as given to us by the Council, stems from the Director-General's proposal, in L/3260, where it was suggested that a Joint Working Group consult about the quantitative restrictions of the developed countries with a view to completing the task in a reasonably short fixed period, in an effort to determine

first, what restrictions could reasonably be considered susceptible to immediate relaxation, or withdrawal, and

second, to reach agreement on the dismantling of other restrictions, presumably over time, either unilaterally or as one condition to like or parallel action by other countries.

It was clearly understood that our work and the arrangements we might envisage would not go, in any major respect, beyond the area of quantitative restrictions, as outlined in paragraph 16 of L/3260. Our aim is, then, to accomplish as much as may be possible on an autonomous basis and, for the rest, to endeavour to obtain a picture of what might possibly be accomplished - a potential liberalization programme - which could be envisaged if certain linked external problems could be resolved.

In our work we shall, of course, be mindful of the hope expressed by the CONTRACTING PARTIES in the conclusions to the twenty-sixth session that this work may contribute to a wide-ranging action to reduce and eliminate non-tariff barriers, in particular those affecting the trade of developing countries.
Our discussions will, of course, be purely exploratory and will not involve any commitment by any country to participate in any action which may be proposed.

I think you will all agree that that is a fairly large order for two weeks' meeting, considering how many hours have already been devoted to this subject over the last twenty-odd years.

The material before the Group appears in several different documents. We have first the proposal itself and a preliminary version of a consolidated illustrative table of restrictions maintained by fifteen countries, in L/3260. Next, a revision of the table in L/3377, incorporating the amendments and additions received up to 21 March. Then we have three addenda (the third not yet issued) giving additional data received too late for inclusion in the main table or not susceptible to presentation within the format of the main table.

It has been agreed, I believe, that the Group should proceed on a commodity basis, examining all of the restrictions on a given item or group of items before proceeding to the next group, also to facilitate the attendance of experts. Industrial products must come first, to avoid a conflict with other meetings. The industrial restrictions concern mainly petroleum and chemicals, textiles and machinery. There is great danger, in my view, of our bogging down in a mass of detail. Hence, I feel that we should make a great effort to obtain a standard minimum of factual information on each restriction, namely the treatment accorded to all countries or to the different categories of country where not all are treated alike. (What form does the restriction take? How is it administered? What other protection does the sheltered industry enjoy?)

To facilitate the discussion, I have a few suggestions to make concerning procedure:

First, I would urge that all countries should, if they have not already done so, examine the description contained in L/3377 and addenda, of restrictions maintained by them, and inform the secretariat if the material given is not complete and accurate. This should be done in writing to save the time of the Group.

As to questions addressed to others than maintaining countries, a first point with respect to each restriction in the list is whether any country has a potential negotiating interest in removal of the restriction. If this is not the case, the Group will pass over the item without further discussion.

On items not so eliminated from discussion, it would be helpful if the maintaining countries would prepare concise statements indicating:

(a) whether restriction is required by legislation or is applied by administrative action which allows discretion;

(b) what is the purpose of the restriction;
(c) what has been the relationship between imports and domestic production;

(d) what other protection is afforded to the domestic production in question;

(e) are there plans for relaxation and removal of the restriction;

(f) would the maintaining country be prepared to discuss the possibility of a reduction or withdrawal, and if so under what conditions.

A paper reproducing these questions has been distributed for the convenience of delegations.

If you agree, we could now begin this part of our discussion. When we come to agriculture we may have some general comments on that part before we start that discussion, which I hope will be before the end of this week. At some time we must also consider the form of our report.