Committee on Industrial Products

Working Group 4

SPECIFIC LIMITATIONS

Opening Statement for the Chairman of the Group

Gentlemen, we have a very large and important task before us for this week's meetings - consideration of one of the most extensive sections in the Inventory of Non-Tariff Barriers, a section containing over 200 of the 800-odd notifications, and a section notable in that many or even most of the notifications cover a whole range of products. Following the established pattern of work in the groups, our task would be, first, to identify the appropriate types of solution for these restrictions, and second, to explore the possibilities for concrete action with regard to reducing or removing barriers. As in the other groups, this work will be of a tentative and exploratory nature, without commitment on the part of any participating country to take or join in any action which may be discussed.

The major problems regarding use of specific limitations on trade which are contained in this part are indicated roughly by the headings under which the Illustrative List notifications have been grouped; that is, licensing, quantitative restrictions including embargoes, bilateral agreements, voluntary restraints (which might perhaps better have been designated export restraints), motion picture restrictions, including screen-time quotas, and minimum prices, especially as applied to textile imports. If you agree, I would suggest that we take up the items in the order they are in Annex I of the Industrial Committee's report to the Council starting with licensing arrangements.

We may well encounter additional special problems but I should like to remind you that under our mandate we are to discuss first the Illustrative List topics and turn to additional subjects only to the extent that time permits. Notifications related closely to our main topics will not be excluded but it is my hope that we can devote most of our attention to our topics as general subjects without entering into the kind of detail concerning specific restrictions on which we have just completed a review in the Joint Working Group.

More generally, on the relationship of our work to that of the Joint Working Group, we should bear in mind that the task of our Group is to seek solutions. Consequently, we should only take note of the review which has been carried out in the Industrial Committee and in the Joint Working Group. We may also reasonably assume that further work on procedures for keeping the list of restrictions up to date, for providing adequate surveillance and generally all work relating to quantitative restrictions as a continuing problem will be decided upon by the Council.
Our task here is to concentrate on identifying the portion of the field of restrictions which may be susceptible to removal and to devise ways of organizing action to that end. On another problem, the Joint Working Group has given attention to the question of identifying restrictions of special interest to developing countries and has foreseen certain special studies of the possibility of priority action in that area. Here we should try to make our further discussion on this important topic add to, rather than repeat, what has already been said and done in the Joint Working Group.

In addressing ourselves to the identification of appropriate solutions for the barriers before us and in seeking to match the barriers to the kinds of solutions we identify, it will be relatively easy for us to conclude, I would guess, that one important type of solution will be the exchange of individual country actions in the context of a wider exchange of actions of mutual benefit.

When it comes to probing into possible action, we shall be called upon to match particular restrictions to particular types of solution. Here our task should be to throw much light on the conditions which would be prerequisite to action, i.e. what counterpart it would require.

Besides exploring possible exchanges of actions to remove restrictions, there may be scope for certain more general actions in regard to quantitative restrictions. The time spent in discussions about terminology in regard to administrative measures alleged to limit the flow of trade, either directly or indirectly, suggests that a useful contribution might be to aim at the development of a code defining and standardizing the terminology. Somewhat related to this question is that of the status of certain types of restriction which are not universally agreed to constitute restrictions within the meaning of Article XI. I might mention screen quotas, which are dealt with in Article IV, in this connexion; minimum price regulations which have the effect of embargoing goods priced below the minima would be another; some countries do not regard State trading as necessarily involving any restriction. There are other points of this kind. Another field which could bear some interpretation might be the proper scope of various exceptions in GATT permitting use of quantitative restrictions (Articles XX and XXI). We may wish to suggest further study in some of these areas.

Concerning bilateral agreements and restrictions on exports and imports maintained under bilateral arrangements of one sort or another, we will probably want to discuss whether such arrangements need additional GATT surveillance or how this might be arranged. We might also give some attention to the way in which liberalization action in bilateral contexts could best be fitted into a broader relaxation programme.

Finally, I will have to ask you to give some thought to the programming and timing of our work. Although Thursday is a holiday in Geneva, we can have conference facilities in the Palais on that day, and I think we should plan to regard it as a regular working day.

We might perhaps now hear from you on the general outline I have presented and then consider how to organize our further debate.