The following paper is circulated at the request of the delegation of Australia.

In paragraph 9 of the Tokyo Declaration participants reaffirmed their support for the principles, rules and disciplines provided for under the General Agreement.

One of the fundamental principles of the GATT is that protection should only be given to domestic industry through the customs tariff and not through other commercial measures. The General Agreement prohibits the use of quantitative import restrictions except in certain clearly specified circumstances.

Australia believes that, consistently with the aims and objectives of the Tokyo Declaration, the opportunity provided by the Multilateral Trade Negotiations should be used to develop a realistic plan for the removal of restrictions which are inconsistent with the principles, rules and disciplines of the GATT.

In this paper the Australian delegation presents for the consideration of other participants a general framework in which quantitative import restrictions would be removed on a programmed basis. This follows on from the general outline we gave in November last year of the rôle of quantitative restrictions in the MTN.

The most realistic possibility for progress in the area of quantitative import restrictions would seem to be within the framework of a general programme of joint action by all participants. Such a programme might embody the following elements:

(i) An undertaking by participants not to introduce new quantitative import restrictions or to increase the restrictive element of existing quantitative import restrictions, unless they are justified under the exceptions clauses to the general GATT prohibition on quantitative restrictions or exempted under suspension procedures.

./.
(ii) A general undertaking that all quantitative import restrictions, except those permitted under GATT exceptions or suspension clauses, would be phased out on a programmed basis by a specified date. Priority would be given to the phasing out of those quantitative import restrictions affecting exports of developing countries.

(iii) Such quantitative import restrictions which a participant cannot undertake to remove by the date provided for in the general undertaking would be subject to exception procedures and discussed among participants with a substantial trade interest with a view to drawing up a phasing out programme. In this connexion priority would be given to the phasing out of those quantitative import restrictions affecting exports of developing countries.

(iv) Provided that the phase out programme is complied with, contracting parties whose rights under the GATT are being nullified or impaired as a result of quantitative import restrictions not justified under the exceptions clauses of the GATT would undertake not to exercise their GATT rights.

(v) The programme for the phasing out of quantitative import restrictions would be included in appropriate GATT schedules.

(vi) Quantitative import restrictions justified under the GATT exception and suspension clauses relating to quantitative restrictions would be catalogued and published. Provision would be made, inter alia, for regular reports of the need for, and circumstances of, the particular restriction. Such reports would be the basis of consultation procedures as appropriate.

(vii) Any quantitative import restrictions not covered under the general phase out (in paragraph (ii) above) or exceptions procedures (in paragraph (iii) above) would also be catalogued and published.

(viii) All quantitative import restrictions would be subject to agreed rules relating to their administration. These rules would also apply to those restrictions being phased out.