

## GLOSSARY OF TRADE AND RELATED TERMS

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Quebec Declaration	Statement of political intent adopted by Prime Minister Brian Mulroney and President Ronald Reagan at Quebec City, March 18, 1985, providing for formal exploration of a free-trade agreement covering trade in goods and services.
Quota	A limit of the quantity of a product that may be imported by (or sold to ) a country. Import quotas are enforced by the receiving nation, export quotas by the country of origin.
Reciprocal Trade Agreements Act of 1934	The law which provided authority for the U.S. government to enter into bilateral agreements for reciprocal tariff reductions. Through successive extensions and amendments, it also authorized U.S. participation in the first five GATT Rounds of multilateral trade negotiations. It was superseded by the Trade Expansion Act of 1962.
Reciprocity	The practice by which governments extend similar concessions to each other, as when one government lowers its tariffs or other barriers impeding its imports in exchange for equivalent concessions from a trading partner on barriers affecting its exports (a "balance of concessions"). Reciprocity has traditionally been a principal objective of negotiators in GATT Rounds. Reciprocity is also defined as "mutuality of benefits", "quid pro quo", and "equivalence of advantages". GATT Part IV (especially GATT Article XXXVI) and the "Enabling Clause" of the Tokyo Round "Framework Agreement" exempt developing countries from the rigorous application of reciprocity in their negotiations with developed countries.
Reciprocity Agreement	Historical term referring to trade agreements between Canada and the United States providing for reciprocal trade concessions, including the 1854 Elgin-Marcy Treaty and the aborted 1911 agreement.
Residual Restrictions	Quantitative restrictions that have been maintained by governments before they became contracting parties to GATT and, hence, permissible under the GATT "grandfather clause". Most of the residual restrictions still in effect are maintained by developed countries against the imports of agricultural products. (See also Grandfather Clause and Quantative Restrictions).