

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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CONTRACTING PARTIES

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Working Party 4 on Balance-of-Payments

Import Restrictions

DRAFT OF THE FIFTH ANNUAL REPORT UNDER ARTICLE XIV:1(g)

The draft of the principal text of the Report (pages 2 - 6) has been prepared by the Drafting Group, appointed by the Working Party at an earlier meeting, and is submitted for consideration by the Working Party.

The draft Annex has been prepared by the secretariat on the basis of available information. Delegations are invited to send any comments which they may wish to make on the text to the secretariat at their earliest convenience. Especially the delegations of those contracting parties which apply discriminatory import restrictions under Article XIV are requested to examine the notes relating to their respective countries, and to transmit to the secretariat as soon as possible any corrections or modifications which they may wish to have incorporated in the final version.

THE FIFTH ANNUAL REPORT UNDER ARTICLE XIV:1(g)
ON THE DISCRIMINATORY APPLICATION OF IMPORT RESTRICTIONS

1. Under paragraph 1(g) of Article XIV the CONTRACTING PARTIES are required to report annually on any action still being taken by contracting parties under the provisions of the Agreement for the use of discrimination. The present report is drawn up by the CONTRACTING PARTIES pursuant to these provisions at their Ninth Session which took place between October 1954 and February 1955, and is based on information supplied by governments either in writing or in the course of their consultations with the CONTRACTING PARTIES during that Session, and on data gathered from other sources including information supplied or published by the International Monetary Fund. The report is devoted principally to an examination of the general trend in the field of discriminatory restrictions between the writing of the fourth annual report in October 1953 and the present report. In the Annex a brief description is given of the discriminatory restrictive system in each of the contracting parties concerned, and of the more important modifications introduced during that period.

2. In statements submitted in 1954 at the request of the CONTRACTING PARTIES or in other communications twenty-one of the thirty-four contracting parties to the Agreement have stated that they maintain restrictions on imports to safeguard their balance of payments and are exercising some degree of discrimination as between sources of supply as permitted under paragraphs 1(b) and/or 1(c) of Article XIV, or under Annex J; these are:

Australia	Finland	Norway
Austria	France	Pakistan
Brazil	Germany	Rhodesia and Nyasaland
Burma	India	Sweden
Ceylon	Italy	Turkey
Chile	Netherlands	United Kingdom
Denmark	New Zealand	Uruguay

The Government of Japan, whose commercial relations with most contracting parties are based upon the Agreement, has stated that it resorts to the provisions of paragraph 1(b) of Article XIV.

3. The Governments of Czechoslovakia, Greece, Indonesia and the Union of South Africa have stated that they are not acting under any of the provisions of Article XIV. Nine contracting parties, namely Belgium, Canada, Cuba, Dominican Republic, Haiti, Luxemburg, Nicaragua, Peru and the United States of America have reported that they do not restrict imports for balance-of-payments reasons.

4. At the Eighth Session in October 1953, when the last report was drawn up, the CONTRACTING PARTIES noted that there had been a marked improvement in the world dollar situation and that certain contracting parties whose payments position had improved, had made substantial reductions in their restrictions and discrimination. The CONTRACTING PARTIES' report on consultations in 1953¹ mentioned certain fortuitous and temporary, as well as certain fundamental factors to which the general improvements in 1953 might be attributed. In part, the improvement had resulted from the heavy volume of United States off-shore purchases and military and other expenditure abroad. Dollar expenditure was limited by the continued restrictions against imports from the dollar area and the sustained high level of economic activity in the dollar area had the effect of maintaining and expanding the level of imports from the rest of the world. The more important factor underlying increased strength of the economies of countries outside the dollar area was the genuine improvement in their competitive capacity in relation to the United States.

5. In the period now under review the improvement in the international payments situation has generally continued, although, as will be discussed later, there remain a few countries for which the difficulties of preceding years have persisted. There have been further increases in gold and dollar reserves held outside the United States. Given the improved competitive position of the non-dollar world, the reduction made by some governments in their discriminatory restrictions on the imports of certain commodities from the dollar area did not lead to an increase in the proportion of dollar imports taken. Against this general background, a number of the more important trading countries have continued to introduce greater freedom in their international transactions and to reduce the degree of restrictions previously imposed on imports. In contrast to the liberalization measures taken by governments prior to 1953, many of these measures have been more directly related to imports from the dollar area.

6. Since the Fourth Annual Report, the United Kingdom has continued to reduce discrimination. Further items, mainly food and raw materials, have been added to the list of those commodities which can be imported from all sources without an individual licence; the more significant commodity coming within this category was raw cotton and this move was associated with the reopening of the commodity market in cotton for both spot and future transactions. In addition, where import from the dollar area is still restricted, quotas have been opened, or if already existing increased, for a considerable range of items, and less stringent criteria governing the licensing of the import of chemicals and machinery from the dollar area have been introduced.

¹ Basic Instruments and Selected Documents, Second Supplement, page 36.

7. Among other sterling area countries, New Zealand has relaxed its control on imports from the dollar area: more items are permitted to be imported, quotas have been increased for a larger number of products, and a more liberal policy has been adopted in 1955 for licensing essential imports from that area. The Union of South Africa eliminated all discrimination in the application of its import restrictions as from 1 January 1954. Consequently, the relaxations introduced in 1954 have covered dollar imports as well as those from other countries. Pakistan, although it continues to discriminate in some items subject to bilateral commitments, made licences for all the other goods valid for imports from any source in the world.

8. The German Federal Republic has freed a large proportion of its dollar imports from control. Italy has published an extended list of commodities which could be imported from the dollar area without licence. The Netherlands has been easing its restrictions on dollar imports since October 1953, and a large number of items are now free from quota restrictions when imported from the dollar area. Denmark has introduced relaxations in the issue of licences for imports from the dollar area, and has extended liberalization to certain imports from that area, a substantial proportion of its dollar imports being now included in a general free list. Sweden has relaxed its restrictions on dollar imports in a similar manner, an extensive list of products are free from restrictions and may be imported from all countries.

9. As for those imports which remain under discriminatory licensing control, a number of governments, e.g., Australia, Norway and Sweden, have indicated that because the dollar problem has become less severe, prices and other commercial considerations have been allowed to play an increasingly important part in determining the source of imports.

10. These outstanding instances indicate that restrictions on imports from hard-currency areas, especially the dollar area, have been greatly reduced in the past year. As a result, the general level of such restrictions still maintained by most countries is lower than at any time since the war. This development, even seen against the background of a general trend of relaxing over-all restrictions and continual liberalization of soft-currency imports, provides ground for believing that there has been a substantial reduction in the general degree of discrimination in the application of restrictions. Although in most countries a stricter control is still maintained over dollar imports than on other imports, it is understood that many governments have relaxed the standards by which applications for import licences from the dollar area are considered. The re-opening of commodity markets, the restoration of private trading and the easing up of internal controls which have taken place in certain countries must have further contributed to the freedom of traders, and lessened the hindrance to the trade being conducted on the basis of price and other commercial considerations.

11. In certain countries, the reduction of discrimination, made possible by the improved payments and reserve position, has been undertaken also in pursuance of a long-term policy of preparing their economies for the time when the major currencies of the world will have become convertible. These objectives have been approached with caution, and the progress made generally

reflects the varying strengths in the external financial position of the countries concerned. To the extent that the improved strength is due to the more fundamental and enduring factors making for a more balanced international economic relationship, further progress is to be expected.

12. While the situation has thus shown considerable improvement, there still remains a significant degree of discrimination against imports from the dollar area in many parts of the world. The relaxations in discriminatory restrictions have applied in particular to imports of industrial raw materials and other basic commodities, but, even in this field, certain important products remain subject to discrimination in various countries. While a few countries have in the past year introduced some measures of relaxation with respect to imports of manufactured products, a wide range of such products remain subject to severe discrimination, often amounting to prohibition. In addition, there are some countries that have not yet found it possible to introduce any appreciable relaxation in their restrictions on dollar imports.

13. The general improvement in the dollar payments situation has not been shared by all countries. The balance-of-payments difficulties of certain primary producing countries caused by the decline in the prices of their basic exports in 1953 have continued in the period under review. The vicissitudes in the fortunes of these countries seem to point to a basic underlying problem which has not been solved. Balanced against the recently attained strength in many primary product prices has been the shadow of agricultural surpluses which have been a cause of concern to most primary producing countries.

14. As the CONTRACTING PARTIES have repeatedly urged in the past, governments applying balance-of-payments restrictions should minimize their incidental protective effects, and in particular avoid encouraging the establishment of uneconomic industries so dependent on protection as to generate pressure for the maintenance of restrictions beyond the period in which they could be justified on legitimate financial grounds. With the reduction in quantitative discriminatory restrictions, the scope for bilateral trade agreements has been narrowed, but there remains a hard core of discriminatory practices for commercial, rather than financial reasons. A substantial part of world trade, in particular that between certain European countries on the one hand and the countries of Asia and Latin America on the other hand, is still governed by bilateral trade agreements. The commercial motivation for such arrangements has been revealed most clearly by the changing character of trade agreements. The emphasis on agreements aimed at a balancing of trade between partners has shifted to agreements which give each participant special advantages for particular commodities in the market of the partner country. Another problem that may hinder progress to freer trade is to be found in the field of exchange policy. Several of the contracting parties maintain multiple rates of exchange for balance-of-payments reasons under the articles of Agreement of the International Monetary Fund. Such exchange systems have commercial effects which may tend to involve discrimination as among commodities and trading areas. The ultimate abolition of such systems is among the objectives of the International Monetary Fund. Progress has been made in reducing these practices, but certain discriminatory features still affect world trade.

15. The use of such discriminatory devices as bilateral agreements may, in certain circumstances, particularly during periods of acute international imbalance in which most currencies are inconvertible, be justified. But it is clear that such practices should have a diminishing rôle in a world moving towards convertibility. Although the problems mentioned above are by no means the only ones which may persist to the detriment of a rapid move to freer trade, it would clearly be in the interest of international trade and of the countries concerned if vigorous action were taken for their elimination so that discrimination was not perpetuated where the balance-of-payments difficulties had ceased to exist.

ANNEXDiscriminatory Application of Import Restrictions

The following notes are intended to provide a brief description of the systems and methods of discriminatory import restrictions covered by this report, and the more important changes in the period between the writing of the fourth report in October 1953 and the present report in February 1955.

These notes were compiled by the secretariat from information supplied by the governments themselves and data gathered from other sources. They were checked with the delegations attending the Ninth Session but were not submitted for approval by the CONTRACTING PARTIES.

AUSTRALIA

All imports are subject to licence. Imports from countries other than the dollar area and Japan are licensed in a non-discriminatory manner, mostly on a quota basis, importers being permitted to bring in goods, up to the value licensed, from any country outside the dollar area and Japan.

Licences for imports from the dollar area are issued chiefly for essential goods which are not available from other sources in adequate quantities or on reasonably comparable cost and delivery terms.

Imports from Japan are licensed separately on a quota basis.

Recent changes

Further relaxations of restrictions on non-dollar imports were introduced in April 1954; essential imports were licensed freely and quotas for less essentials were raised.

These imports, with a few exceptions, were placed again under quota control in October 1954, the quotas for the period between 1 April 1954 and 31 March 1955 being fixed at 100 per cent of imports in the base year 1950/51.

AUSTRIA

The import of specified goods is subject to licence. Licences are granted on the basis of foreign exchange available for payment either without fixed quotas or under quotas established in accordance with bilateral agreement. No global quotas are in existence. There is no import prohibition and compensation transactions are not used except with countries for which no clearing agreements exist.

Recent changes

The percentage of imports from OEEC countries which were free from restrictions was raised from fifty in December 1953 to sixty in March 1954, to seventy-five in May, and to eighty-three in December 1954,

BRAZIL

Except for certain minor items and goods classified as "super-essential", all imports are subject to licence. Licences are granted to holders of exchange certificates, purchased at auction. For the purpose of allocating exchange for auction, imports are classified into five categories according to their essentiality and other criteria.

Imports of newsprint, fuel and wheat are controlled by specialized agencies, which determine the place and currency for purchase. Other products are classified according to their essentiality to the Brazilian economy, into five categories. The import of essential and less essential goods is permitted from all currency areas, subject to the possibility of providing the necessary exchange for payment in each area. Non-essential goods may be imported only from areas with which Brazil has a favourable balance of payments.

BURMA

All imports are subject to licence. Licences are issued on a currency area basis, that is, they are valid either for imports from the hard-currency area, or from the soft-currency area. Within the specified area the holder of a licence is free to choose any source of supply. The total monetary ceiling available for each area is allotted for all items to be licensed.

Imports from the hard currency area are generally limited to governmental and industrial requirements and essential goods not obtainable from the other area. Licences for imports from the soft currency area are issued on a more liberal basis. A number of essential goods including basic textiles, machinery, scientific instruments, essential foodstuffs, are covered by open general licences which permit their free importation from soft currency countries.

CEYLON

Imports from hard currency countries, in particular the dollar area, are limited to the category of goods that are essential for industrial and agricultural development.

Four open general licences are in force which authorize specified imports from different groups of countries. OGL No. 1 authorizes the import of

specified items from all countries other than those in the dollar area, certain European countries and Japan. OGL No. 2 provides for the free import of specified items from the dollar countries. OGL No. 3 authorizes a few items to be imported from all countries except Australia, Germany and Japan. The fourth OGL covers imports of a limited number of items, which may be imported from certain soft-currency countries.

As for goods not covered by open general licences, two lists are published, one showing the goods licensable from all areas and the other showing goods licensable from dollar sources and Japan. "Monetary ceilings" are provided for the import of all goods in the second list and for some items from European Payments Union countries in the first list.

Recent changes

Licensing control was withdrawn from five groups of imports from the sterling area and EPU countries (except Germany) and, in the case of three groups, also from the dollar area and Germany.

CHILE

All imports are subject to licence. Licences are issued within the limits set in a foreign exchange budget which is divided into two sections to cover (a) the dollar area and (b) other countries. Quotas for permitted imports are fixed on the basis of the different currencies available for payment. As an exception some goods are permitted to be imported from certain countries with which Chile has bilateral commercial agreements. Certain listed luxury goods are permitted to be imported under licences issued in accordance with export receipts from wine and the newly mined gold.

DENMARK

I. Unrestricted imports

- (a) A global list consisting of raw materials, semi-manufactures, which may be imported without licences from any sources and irrespective of the currency required for payment.
- (b) A regional free list consisting of a wide range of commodities, which may be imported from EPU countries without licences under certain conditions.
- (c) Free licencing arrangements in respect of certain commodities from EPU countries. Advance deposits are required for the imports of specified categories of goods eligible under this arrangement.

II. Restricted imports

- (a) Licences issued under quotas established in bilateral agreements.
- (b) Licences issued on a regional basis for imports from the EPU countries and associated territories.
- (c) Licences issued for commodities for which no quotas have been fixed in bilateral trade agreements. The licencing policy is usually very liberal for goods of the same categories as liberalized under I(b) and (c) when imported from countries outside the EPU area.
- (d) Licences for imports from countries with which no trade agreements exist, e.g. the dollar area.

Recent changes

Relaxations were made in the issuing of licences for imports from the dollar area and in including dollar imports in a free list. By December 1954, 38 per cent of dollar imports had been included in the global free list.

FINLAND

All imports are subject to licence and no global quotas are established. Applications for licences are considered individually on their merits, taking account of the balance-of-payments and monetary reserve position, and, where a non-convertible currency is involved, of the payments position with the country or currency area in question. Bilateral trade and payments agreements have been entered into with the majority of Finland's trading partners, with a view to balancing the trade accounts and licences for imports covered thereby are issued within the quotas established.

FRANCE

All imports are subject to licence. For licensing purposes, imports are divided into three categories: (a) imports payable in dollars; (b) imports payable in EPU countries; and (c) imports payable in other currencies.

A large proportion of imports from OEEC countries have been listed for free licensing without restriction. Certain imports are carried out through fixed within the limits of the currencies available for payment. The quotas may either be allocated among supplying countries in proportion to the imports during a representative period, or may be globally fixed in accordance with the purchasing programme. Some quotas are fixed within the framework of bilateral trade and payments agreements.

Imports from the dollar area are, in general, subject to more strict restriction.

Recent changes

The percentage of liberalized imports from OEEC countries was raised from twenty in October 1953, to fifty-three in April 1954, to fifty-seven in September and sixty-five in October. A level of 75 per cent was reached at the end of 1954.

GERMANY

All imports are subject to licence. The list of imports from OEEC countries which are free from restrictions have been enlarged, and licences are issued freely and without limitation for those goods which are included in that list. This free licensing procedure is also applied to certain imports from countries with which Germany has bilateral trade and payments agreements and also with other countries where payments for imports may be settled through the EPU.

Applications for licences for imports from countries other than those in the above-mentioned categories are considered individually. A substantial proportion of imports from the dollar area is, however, contained in a free list for unrestricted licensing.

Recent changes

The percentage of liberalized private imports from OEEC countries was raised to ninety-two in July 1954. A free list, which was only slightly more limited in scope than its list of liberalized imports from OEEC countries was introduced in March 1954 for imports from non-OEEC countries which settled their accounts through EPU.

In November 1953 the Government announced its intention of removing the restrictions on certain imports from the dollar area, and by mid-February 1954, 40 per cent of its private dollar imports had been freed from control.

INDIA

All imports are subject to licence but some goods are covered by open general licences. The OGLs include goods whose free importation is not likely to put a sudden strain on the exchange resources. For many other items which remain under control, licences are issued freely upon application.

For purposes of import licensing, supplying countries are divided into two currency areas, namely, the dollar area and the soft-currency area. Licences are divided into soft-currency licences and general licences, the latter valid for exports from both areas. As a rule, the import policy for the dollar area is more strict. Certain items are licensed more freely for imports from Pakistan than from other sources. No imports are allowed from the Union of South Africa.

Recent changes

During the second half of 1954, some limited liberalization took place both in the administration of restrictions and in the granting of supplementary licences over the quotas provided. Higher quotas were provided for imports of a large number of essential goods from soft-currency countries and for some imports from the hard currency area. Licensing restrictions were totally removed for certain goods.

ITALY

All imports from the dollar area countries are subject to licence, with the exception of a number of items of essential materials for which imports are admitted without restriction through permits issued automatically by the customs subject to compliance with the currency provisions regulating the payment of goods.

Imports from the EPU area are free of licence, with the exception of a few specified items.

Imports of many items from countries with which Italy has concluded special agreements, but for which payments are not made through EPU, are limited in accordance with the quotas provided in such agreements. There is, however, a de facto system under which additional imports may be effected within limits.

Recent changes

The list of products which can be imported freely from the dollar area was enlarged in August 1954.

NETHERLANDS

Imports from the dollar area are generally subject to licence, and licences are issued within quota limits fixed on the basis of estimated dollar availabilities. A number of essential items are included in a free list, and may be imported from the dollar area without restriction.

About ninety-five per cent of the imports from Belgium and Luxemburg, are free from quantitative control. 92 per cent of its private imports from OEEC countries are liberalized; for these goods licences are issued automatically upon application.

Recent changes

The dollar free list was progressively enlarged and quota restrictions were eliminated for a large number of items.

NEW ZEALAND

With the exception of those commodities which are included in a World Exemption List and which may be imported from any source free of licence, all imports from "scheduled countries" require an import licence. Essentiality and availability from other sources are, in general, the primary factors for determining whether licences will be issued for the importation of a particular product from scheduled countries, but significant price differences and other commercial considerations are taken into account where they are relevant.

For imports from non-scheduled countries, there is an extensive list of items exempt from licence requirements. Goods which are exempt from licensing may be imported from any non-scheduled country and where licences are still required they are issued without specification of the country of supply and may be used to import goods from any non-scheduled country.

Recent changes

Some imports from the dollar area were liberalized; the list of items permitted to be imported from the dollar area was enlarged, the licensable value was increased for a larger number of products, and a considerable number of items were added to the World Exemption List. As regards imports from soft-currency countries, some additional items were added to the extensive list of goods exempted from licensing.

The special exchange allocation scheme which was introduced in 1952 to deal with the balance-of-payments difficulties and which applied to imports from all sources, was discontinued as from 1955.

NORWAY

A large number of goods (75 per cent of private imports) included in a free list, may be imported from the OEEC and certain other countries either against a declaration or a licence issued freely upon application.

All other imports are subject to licence. Imports which require to be paid in United States dollars and other hard currencies are generally limited to essential goods, and licensed on a quota basis.

PAKISTAN

All imports are subject to licence. An import policy is announced every six months which lists the items for which import licences will be issued. Permitted imports are licensed within quotas. Barter agreements have been made for the exchange of certain commodities.

With the exception of some items subject to bilateral commitments, import licences are issued to be valid for imports from all countries. Licences valid for imports from a single country are issued in cases where these are called for by obligations under bilateral trade agreements.

Recent changes

The distribution between dollar and non-dollar import licences was abolished from the beginning of 1955.

FEDERATION OF RHODESIA AND NYASALAND

The importation of all goods not being the product or manufacture of the sterling area is subject to control. Two separate controls are operated, one for imports from the dollar area and one for all other non-sterling goods. An amount of foreign exchange is allocated for imports from the dollar area and another for imports from other non-sterling countries. Both of these are divided into global amounts for the various groups of products. Individual importers receive separate allocations within these global amounts; and their allocations may be utilized for imports from any country in the relevant area. Allocations granted for imports from the dollar area may, however, be utilized for imports from non-dollar countries.

For goods on the Unrestricted List, licences are issued automatically upon application, and imports are thereby permitted from all sources.

Recent changes

The import policy adopted by the Government of Southern Rhodesia for the first half of 1954 provided for further relaxation of restrictions; more goods were added to the Unrestricted List and new or increased currency allocations were provided for some consumer goods. The Federal Government of Rhodesia and Nyasaland assumed control of imports into Southern and Northern Rhodesia and Nyasaland in April 1954, and beginning with the second half of the year, extended to the whole area the pattern of foreign currency releases previously followed by the Southern Rhodesian Government. Restrictions were relaxed by way of increased quotas, and enlarging the list of licensable goods and the Unrestricted List. An additional Unrestricted List was announced for goods originating in OEEC countries.

SWEDEN

Licences are required for all imports except for those goods which are included in free lists. A large number of products is listed for unrestricted importation from all sources, and 92 per cent of private imports are listed from EPU and certain other countries.

For those imports which remain subject to individual licence, quotas are established either under bilateral trade agreements or, when no such agreements exist, in accordance with the limits set by an import budget drawn up on the basis of estimated currency availabilities.

Recent changes

Restrictions on dollar imports were gradually relaxed. The list of products free from all restrictions came into force in October 1954.

TURKEY

All imports are subject to licence and no quotas are fixed in advance. Licences for imports from the dollar area are granted generally only when the products in question are essential and are not available from countries outside the dollar area. Applications for the import of goods included in a "liberalization schedule", which is not being applied, are considered in accordance with an established programme and on the basis of the exchange available for payment.

Recent changes

The liberalization list was introduced in September 1953 when changes were made in the administrative system and in the listing of goods for various licensing purposes. The list has, however, not been put into force. Further changes were announced in September 1954, whereby the control was tightened.

UNITED KINGDOM

Under the import control system, a distinction is generally drawn between the dollar area, the sterling area and the non-dollar, non-sterling area. Apart from a world open general licence, covering a number of commodities whose importation is free from restriction, an open general licence applies to the sterling area only and another applies to the sterling area and members of OEEC and certain other countries. The same distinction is made between open individual licences, permitting an individual importer to import specified goods without limit either from any country or more usually from specified countries or groups of countries.

Individual licences are issued against bilateral quotas or global quotas or considered on an individual basis. Global quotas are generally provided to cover imports from a group of countries within the non-dollar, non-sterling area. Only a few quotas are world-wide in application.

The extent of discrimination varies according to the nature of the particular commodities and their essentiality to the domestic economy. In regard to raw materials, a policy of non-discrimination has been adopted over a considerable range of products, notably softwood, wood pulp for paper, cotton, aluminium, copper, lead, zinc and nickel. In the case of nearly all these commodities importers are issued with open individual licences. In cases of most other raw materials no restrictions are imposed on imports from sources outside the dollar area and open general licences are in force. Imports from the dollar area are generally subject to individual licence but these are issued relatively freely where such imports are needed to meet the requirements of industry.

Some important foodstuffs are purchased on public account. Wheat flour, coarse grains and other animal feeding stuffs are, however, covered by open general licences. Imports of less essential foodstuffs and manufactures are subject to restriction if imported from countries outside the sterling area, and in many cases, are excluded from the dollar area or allowed only under the token import scheme.

Recent changes

The number of items covered by world open general licences or through the issue of open licences to individual importers have been increased. The liberalization list introduced in March 1953 covering goods freed from licensing restrictions when imported from Western Europe and certain other countries has been enlarged, and the United Kingdom's percentage of liberalized imports from OEEC countries, which stood at fifty-eight in March 1953, was raised to eighty-two. The quotas for many of the goods which remain subject to restriction have been increased.

Markets have been re-opened for such important dollar commodities as grain, copra and cotton; the existing market in new fur skins has been put on a more regular trading basis by the removal of all quantitative import restrictions.

URUGUAY

With the exception of a few items, imports are subject to licence. For licensing purposes global quotas are established for various currencies according to their availability. Within these global quotas individual importers are allotted quotas within which licences are issued. The restriction of imports is also achieved through exchange measures.

JAPAN

A unified control is exercised over imports through the allocation of foreign exchange and through the issue of individual import licences. Sources of imports are determined with a prime consideration of maintaining balance in trade with the respective settlement areas. In trade with the Open Account settlement countries the policy of equating bilateral trade at the highest possible level is pursued; in trade with countries in the sterling area, efforts are being made to achieve an overall equilibrium within the framework of the Anglo-Japanese Payment Agreement; and in trade with the dollar area, the principle of non-discrimination between countries within the area is maintained. In addition, imports from a country or an area with which Japan has a payment and/or trade agreement are made in conformity with requirements set out in the agreement.