The slight recession in United States economic activity in the second half of 1953 caused serious anxieties abroad, chiefly because of the experiences of 1949. But the world economy of 1953-54 had attained a degree of resilient strength which contrasted strikingly with the vulnerability of that earlier year. Despite a moderate reduction of imports into the United States in 1954 most international commodity prices remained firm. This was partly due to the rising demand in Europe to meet the requirements of its rapidly expanding industrial production. The stability thus maintained in the external income of the primary producing countries provided sustained purchasing power which in turn contributed to the prosperity of Western Europe and other industrial regions. An expansion of Western European exports to the primary producing and other non-dollar countries was also made possible by increased productivity and output, especially in the field of capital goods urgently in demand by countries engaged in economic development. In effect, the outside world has become less dependent on the United States as a market for exports and as a supplier of essential imports. In comparison with the early post-war years, the United States holds a less preponderant position in the world economy, and consequently the recession affected but slightly the economic activity elsewhere.

In 1954, United States imports of goods and services declined by approximately $500 million and non-aid exports increased by more than $400 million. The resulting current account surplus of $1.6 billion was, however, more than counter-balanced by the $3.4 billion paid to the rest of the world in grants and loans on capital account. The rest of the world was thus able to add about $1.8 billion to its gold and dollar reserves through transactions with the United States. Taking into account newly-mined gold and reserves earned from other sources, the addition to the gold and dollar holdings of the non-dollar countries amounted to approximately $2.2 billion compared with an increase of $2.6 billion in 1953. Consequently a number of governments, mostly in Western Europe, have continued to remove or to relax the import restrictions which they have applied for many years to safeguard their external financial position. In 1954, as in 1953, the most important changes in trade controls (including the re-opening of commodity markets and the restoration of private trading) have benefited the trade of hard-currency areas, particularly of dollar countries, and there is no doubt that imports into Europe from the dollar area are less hampered by licences and prohibitions than at any time since the Second World War. The principal moves in this direction have been taken by Denmark, Western Germany, Italy, The Netherlands, Sweden and the United Kingdom, and also by India, New Zealand and the Union of South Africa. Nevertheless, discrimination against imports from hard-currency countries is still practised by most governments which apply import restrictions to protect their balance-of-payments.

The reduction of discriminatory restrictions has been undertaken by some countries in pursuance of a long-term policy of preparing their economies for the restoration of convertibility of currencies. This objective has been
approached with caution, and the progress made generally reflects the strength of the external financial position of the country concerned. Whereas in 1953 there was some expectation of a final move to convertibility by several of the major currencies, all that happened in 1954 was the removal of some of the restrictions; this, however, constitutes an important step towards the goal of convertibility.

In addition, some further progress has been made by the members of the OEEC in liberalizing intra-European trade, although there remains an important segment of this trade which is still subject to restriction. These are the particularly sensitive items for which governments are reluctant to withdraw the incidental protection which the balance-of-payment restrictions have afforded. For many products, particularly in agriculture, protection by quota is preferred to protection by the customs tariff. This section of the report includes a brief survey of restrictions which afford protection to domestic producers and whose removal may prove difficult when the financial justification no longer exists.

Unfortunately the improvement in the payments situation was neither uniform nor universal. Some countries actually met with net losses in foreign exchange reserves. In some areas, particularly in Latin America and a number of countries in Asia, only a few relaxations have taken place in import control policy, and restrictions were tightened by some countries, e.g. by Brazil towards the end of 1954. In Europe also, in the last months of 1954, there was a reappearance of financial difficulties and some countries tightened their import restrictions.

**Sterling Area**

During the first half of 1954 there was an increase of $525 million in the gold and dollar holdings of the sterling area, continuing the rising trend of the previous year. In the second half of the year payments in discharge of outstanding indebtedness caused a decrease of 330 million but the improvement in current accounts enabled sterling countries to relax their restrictions on imports from both the dollar area and soft-currency countries. In the following paragraphs the changes in the dollar restrictions are examined first.

The United Kingdom continued the policy initiated in 1953 of reducing discrimination against dollar goods. Many items, mainly food and raw materials, were added to the list of commodities which could be imported from all sources without an individual license, notably timber male of softwood (which was freed from licensing in August 1954), raw cotton (in September), wool noils, tops and waste (in December), wool and animal hair (in January 1955) and hides and skins (in April 1955). New or additional dollar import quotas were provided for a number of products such as tin plate, hardwood and copper wire rods. The token import scheme was continued with significant additions to the list of benefiting products, mostly items which had been
removed from the list at the end of 1947 including outboard motors, small generators and men's felt hats. For some commodities, e.g. raw cotton, the removal of licensing restriction was associated with the re-opening of the commodity markets. Other important commodities for which markets were re-opened included grain and copra and the market in raw fur skins was put on a more regular trading basis through the removal of all import restrictions.

In New Zealand the process of liberalizing dollar imports included an enlargement of the list of items permitted to be imported, an increase of the licensable value for a large number of products, and an extension of the World Exemption List, covering goods which could be imported without license from any currency area, from 21 items prior to April, to 98 in July. A more liberal policy has been adopted in 1955 for licensing essential imports from the dollar area.

Indian import policy for the second half of 1954 provided for a limited liberalization which to some extent benefited imports from the hard currency area: licensing restrictions were removed for some imports and for essentials, such as iron and steel products, generators and hand tools, higher quotas were fixed. In September some further restrictions were relaxed, and for the first half of 1955 a further slight liberalization affected essential goods and articles in short supply.

The Federal Government of Rhodesia and Nyasaland assumed control of imports into the Federal territories in April 1954 and carried forward the policy of liberalization which had been started by the Government of Southern Rhodesia in 1953. The Unrestricted List of goods, the import of which from any source was licensed freely upon request was extended in scope, and increased or new currency allocations were made for imports of some consumer goods.

As noted in last year's report, the Union of South Africa abolished from 1 January 1954 all distinction between sources of supply in the issue of import licences. Consequently, the relaxation introduced since that time has applied to dollar imports as well as to those from other currency areas. Early in the year special import permits were liberally granted for industrial machinery, and additional currency allocations were made for certain imports; in July the ordinary quotas for consumer goods were raised; in November and again in January 1955, several items were withdrawn from the prohibited list - thus becoming importable under quota arrangements - and some were added to the free list for unlimited importation. In February 1955, substantial increases were made in import quotas for motor vehicle components and agricultural machinery and the general quota for consumer goods was raised.

From the beginning of 1955, Pakistan abolished the distinction between dollar and non-dollar import licences; except for a few items subject to bilateral commitments, licences are valid for imports from all sources.
The countries of the sterling area have also taken many measures affecting imports from non-dollar sources. The United Kingdom, in continuation of the policy adopted in the previous year, took further steps in liberalizing its restrictions on imports from OEEC and certain other countries. In May 1954 the number of items which were covered by OGL's or for which open licenses were liberally issued to individual importers was increased. The liberalization list, covering goods free from all licensing restrictions when imported from Western Europe and certain other countries, was enlarged and the United Kingdom's percentage of liberalized imports from OEEC countries which had stood at 58 in March 1953 has reached a level of 82. The quotas for many of the goods which remained subject to restriction were increased at the same time. In October, ships and boats and in November 1954 and in January 1955 several other items were added to the OGL.

Towards the end of 1953, the internal measures taken by Ceylon to reduce inflation began to show effects in strengthening the balance-of-payments. Import restrictions were relaxed to some extent through the withdrawal of licensing control from five important groups of imports from the sterling area and from EPU countries except Western Germany. In April India liberalized some imports through increases in quotas. In the import control policy covering the second half of 1954, some limited liberalization was introduced both in the administration of restrictions and in the granting of supplementary licences under the quotas provided. For imports from soft-currency countries higher quotas were provided for a large number of essential materials, machinery and consumer goods. Further liberalization measures were taken in September, affecting a large number of items.

Beginning with the second half of 1954, the Government of Rhodesia and Nyasaland extended to the whole federal territory the pattern of foreign currency allocations previously followed by the Government of Southern Rhodesia. Restrictions were relaxed in several ways: quotas were raised; the list of licensable goods was enlarged; a special unrestricted list for imports from OEEC countries was introduced; and certain goods were placed under open general licence. A supplementary step taken in December freed a number of staple items from restriction. Those liberalization measures have been continued for the licensing period covering the first half of 1955. During 1954, further additions were made by New Zealand to the extensive list of goods exempt from licensing. The special exchange allocation scheme, which was introduced in 1952 to deal with the acute balance-of-payment difficulties at that time and which applied to imports from all sources, was discontinued as from the beginning of 1955.

Earlier in 1954 Australia introduced important relaxations in import restrictions in continuation of the policy adopted in 1953; in April, essential imports were made licence free and quotas for less essentials were raised. But in October, the Government facing a deterioration in its balance-of-payments position announced that for the licensing year ending 30 March 1955 licences which had been freely issued would generally be limited to 100 per cent of imports in the base year 1950-51. (It was estimated, however, that imports of the goods in question in 1954-55 would be approximately 20 per cent
higher than in 1953-54.) In March 1955, in view of the further deterioration in the balance of payments, another tightening of the restrictions was announced for application from 1 April: quotas for essentials which previously were 100 per cent of base-year imports were reduced to 85 per cent; quotas for less-essential goods were reduced from 60 per cent to 40 per cent; a few goods previously subject to quotas of 90 or 100 per cent and included in the administrative categories were placed under 85 per cent quotas; and many items previously admitted free of quota restrictions were transferred to the administrative category to be subject to quotas of 100 per cent of 1954 imports. Certain other administrative changes, including a shortening of the period of validity of licences, were made with a view to tightening the control.

Another sterling country which tightened import restrictions in 1954 was Pakistan. The import policy for the second half of 1954 reduced the number of items for which licences may be issued from 274 to 144 in a move to conserve foreign exchange, this latter number including certain important consumer goods previously not on the list. For the first half of 1955, however, certain liberalization measures have been taken, including an increase of licensable items to 311. A substantially increased value of imports is therefore expected.

Western Europe

In 1954, the continental countries of Western Europe added almost $1.6 billion to their gold and dollar holdings, thus sustaining the rate of increase of the previous year. The largest increase went to Germany, which acquired some $770 million largely by virtue of continued United States military expenditure and a trade surplus with other European countries. France's increase of $305 million represented mainly dollar aid received in compensation for military expenditure in Asia. With the exception of Belgium, Norway and Turkey, all the others achieved increases of various size in their reserves over the past year. With this improvement in their external financial position many European countries have been able to relax the restrictions they have maintained for balance-of-payments reasons. As with the countries of the sterling area the changes in the restrictions on dollar goods will be described first.

During 1954 Denmark relaxed its restrictions on dollar imports both by issuing more licences and by establishing and extending the free list. It was estimated that by January 1955 38 per cent of Danish dollar imports had been freed from licensing control. By mid-February 1954 the Federal Republic of Germany had removed the restrictions from 46 per cent of private dollar imports. The list of freed imports was revised in November 1954 with the addition of a number of items, mostly chemicals and metal products. In April 1955 liberalized private dollar imports reached a level of over 60 per cent. In August 1954 Italy also further enlarged the list of products which could be imported freely from the dollar area.
The special dollar import control of Belgium was terminated in May 1954, and as from that date dollar imports were to be treated on the same footing as imports from OEEC countries. The free list of dollar imports introduced in 1953 by the Netherlands was progressively enlarged, and by May 1954, nearly all discriminatory restrictions against dollar imports had been withdrawn so that the dollar list and the OEEC list became virtually identical. This action by Belgium and the Netherlands resulted with adoption of a common dollar import policy for all of the Benelux countries. Further, the three governments authorized the free circulation within Benelux territories of products imported from the dollar countries. The liberalization measures introduced in 1954 by Norway included the provision of a liberal import régime under which licences were granted practically without limitation for some 75 per cent of private imports from the United States and Canada, chiefly raw materials, industrial equipment and other essential goods. A gradual relaxation was also undertaken by Sweden culminating in the introduction in October 1954 of a list of products free from all restrictions; the goods covered accounted for about 45 per cent of Swedish imports. As a result of a substantial further relaxation announced in January 1955, almost all products can now be imported freely from the dollar area; the only exceptions are motor cars, petrol, oil and tobacco.

In 1954, Greece continued its liberal import régime under which only luxury and certain other goods were subject to licensing control. In June, all restrictions were removed from motor cars, and in September machinery and parts were removed from the control list. Another European country which relaxed its restrictions on dollar imports is Ireland; since October 1954 certain items, mostly food and materials, may be imported freely.

In recent years the trade liberalization policy adopted by members of the OEEC for freeing trade among themselves has been extended to cover imports from a wider area, mainly owing to the participation of the countries of the sterling area in the EPU. The percentage reached in the liberalization of imports varies from country to country, but most of them have maintained the high levels reached in the previous year and some have reached a higher level. The general level of such liberalized imports for all OEEC countries now stands at over 80 per cent of their imports in the base year, which for most of them is 1948.

The measures taken by the United Kingdom in this field have been mentioned above. The Austrian liberalization percentage was raised from 50 to 60 in March 1954, to 75 in May and to 83 in December. In April 1954, French liberalization was raised from 20 to 53 per cent; it was further raised to 57 in September, to 65 in October and to 75 per cent in April 1955. By February 1954 the percentage of liberalized imports into the Federal Republic of Germany had been progressively increased to 82 per cent. Some further additions were made to the liberalization list in July, raising the percentage to 90 and again in March 1955 when some 60 more items were liberalized. In March 1954, Germany also extended liberalization to imports from non-OEEC
countries which settled their accounts through EPU by the introduction of a new free list applicable to such imports which is only slightly more limited in scope than its list of liberalized imports from OEEC countries. Sweden's free list applicable to EPU countries was also slightly extended in October 1954.

Partly as a result of the OEEC liberalization programme, there has been a remarkable increase in the volume of intra-European trade since the beginning of 1953. In the light of this achievement, new targets have been set by the participating countries. In January 1955, the OEEC decided to raise the average rate of each individual member's liberalization from 75 per cent to 90 per cent by September 1955, and the rate in each sector of imports - raw materials, foodstuffs and finished goods - to 75 per cent. The progress made will be subject to review, and provision was made to meet any exceptional circumstances which make it difficult for some countries to achieve these aims.

Other Areas

Most countries in Latin America and Asia are committed to policies or programmes of economic development and many are consequently faced with pressures on their balances-of-payments and monetary reserves. Such pressures are relieved only at times of exceptionally favourable market conditions for staple exports, and often monetary reserves are low in comparison with those of industrialized countries and in relation to the volume of external trade. In 1954, in contrast with the sterling area and Western Europe, the gold and dollar reserves of these countries generally showed no improvement, and some deterioration was seen in the reserves of some. In Latin America an increase in monetary reserves was achieved by Argentina, Brazil and Mexico, but a decrease was suffered by Chile, Cuba and Uruguay. In Asia all changes of any significant dimension were on the decreasing side, notably the loss of $100 million by Japan.

In Brazil, the import control system introduced in October 1953 was continued without major modification until towards the end of 1954, when increased dollar obligations necessitated substantial reductions in the allocation of foreign exchange for import payment, a general tightening of restrictions and the prohibition of imports of certain luxury goods. The import restrictions of Chile underwent but minor changes in the past year except that the list of prohibited imports was substantially extended; all imports remain subject to licence, and certain luxury goods and articles of a type produced in Chile remain prohibited. The situation of Colombia resembled that of Brazil, and its restrictions were also intensified in October 1954 to meet the difficulties caused by falling coffee prices; the measures taken included the reclassification of non-essential goods for the purpose of applying multiple exchange rates. A further severe tightening of restrictions, through raising the rate of exchange taxes and banning "luxury" imports was announced in February 1955. In November 1953, Peru introduced a prohibition on the import of motor cars for six months. This was prolonged until August 1954 when it was replaced by a restriction under which a limited number of cars might be imported. In Uruguay, in common with many other
Latin American countries, the restriction of imports is mainly achieved through exchange measures but it also involves the establishment of quotas for various categories of imports. In 1954, as in 1953, owing to the decline in earnings, dollar imports were drastically curtailed. Import quotas were for the most part granted only for imports payable in soft currencies.

The Union of Burma has maintained its import control system involving the issue of licences separately for imports from the hard and the soft-currency areas. In order to meet requirements for capital equipment and to provide adequate consumer goods so as to combat inflationary tendencies, and despite a decline in foreign exchange reserves, a liberal import policy was pursued in 1954 with respect to goods originating in non-dollar countries. Imports from the dollar area were controlled in accordance with exchange availability and were therefore more restricted. In March 1955, however, the restrictions were intensified: 50 per cent of the value of each outstanding import licence was received and the other 50 per cent was held in abeyance and the open general licence suspended; subsequently certain adjustments were made to ease the hardship thus created.

Early in 1954, Indonesia tightened its restrictions on imports of certain textiles, and action was taken in September to meet a deteriorating balance-of-payments situation. On this latter occasion, the authorities suspended provisionally the allocation of foreign exchange for imports of some primary materials and manufactured goods. Owing to an unfavourable payments situation, Japan also tightened its restrictions on imports during 1954. In the foreign exchange budget for the six-month period ending 31 March 1955, provision for imports was reduced by almost 30 per cent from the level of imports in the corresponding period of the previous year, compared to a similar reduction of 12 per cent in the previous licensing period. The new restrictions fell mainly on less-essential goods, except items the import of which was provided for in bilateral trade agreements. Measures in the exchange control field were also used to reinforce these restrictions. There has, however, been some lessening of the restrictions for the six-month period ending 30 September 1955: while allocations for dollar imports have been reduced, those for non-dollar imports have been increased by $11 million. In November 1954, Thailand placed an import prohibition on a large number of products, partly to stem a deteriorating foreign exchange situation, but the list was slightly shortened in April 1955.

In the Near East, Egypt considerably eased restrictions on imports from the sterling area and from countries - mostly in Northern Europe - with which she had payments agreements, the purpose being to provide equipment and materials for domestic industries. In July, all restrictions on sterling imports were withdrawn. The list of licensable imports from the dollar area was enlarged in April 1955. Early in 1954 Iraq substantially relaxed its controls on imports, permitting a large number of products to be imported without licence and some further relaxation took place in January 1955. In November 1954 Libya announced a liberal policy for licensing imports from the dollar area.
Restrictions maintained to afford Protection

It is recognized that in applying quantitative import controls for balance-of-payment reasons in the postwar years governments have frequently selected for restriction products which could be produced in sufficient quantity at home either with existing plant or after the investment of capital. But it has been understood by the governments which are contracting parties to the General Agreement on Tariffs and Trade that the protection thus incidentally afforded to many branches of industry and agriculture should be withdrawn as soon as the financial justification for the restriction of imports disappears. Nevertheless, the removal of the restrictions may create very real problems for industries through the opening of the domestic market to the competition of foreign products. In fact, many governments have acknowledged that certain restrictions are being maintained until the producers concerned have had a further opportunity to make the necessary adjustments or until the customs tariff can be raised. The following paragraphs briefly review some of the restrictions which are admittedly maintained for protectionist reasons. Many countries acknowledge that some of their restrictions, while being required to control their expenditure of foreign exchange, serve a useful protectionist purpose.

In responding to an enquiry by the OECD in 1954 the governments of Western Europe usually invoked the avoidance of social hardship to justify their retention of restrictions. It was generally claimed that protection was required, at least for some time, because of unavoidable high costs. In some cases the retention of restrictions was justified on grounds of special circumstances of a transitional nature for example, the import controls applied by the Benelux countries were said to be justified by the need to insulate the economy of the union against disturbing external factors during the period of transition. The import of some products is restricted on the ground that the tariffs on these products are unduly high or that the markets are unduly limited by import restrictions in other countries. In the case of Denmark, nearly all the manufactured goods and fishery products which remain under restriction are said to be controlled for this reason. The other countries justifying their restrictions on similar grounds are: Germany (certain kinds of leather, certain textiles, earthenware, windowpanes, sheet glass, unworked optical glass, watches, certain chemicals); Italy (milk products and wines); Norway (fatty acids, butanol, babbit metal, steel wool and knives); and the United Kingdom (leather and manufacturers of manila hemp). In all these cases it was stated that liberalization will be possible only when equitable competitive conditions are restored through the lowering of high tariffs or dismantling of restrictions in other countries. The following examples will illustrate some of the other reasons given for the maintenance of restrictions.

In Austria, import restrictions have been maintained on a large number of products for one or more of the following reasons: (a) insufficient
reconstruction and investment; (b) social hardships and unfavourable location of industry; (c) need to protect a newly established industry; and (d) necessity to sustain primary production which may be essential in time of crisis. In the Benelux countries, import restrictions to protect industries, to avoid unemployment or to maintain productive capacity essential to security, have been applied on fish, crockery, glass, cut diamonds and penicillin. Import restrictions are also maintained on a number of miscellaneous items to protect newly-established industries during the early stage of production. Certain agricultural products, such as meat, dairy and horticultural products, are also controlled.

Denmark cites the possible impact of the sales of occasional surpluses from countries where subsidies and other artificial measures enable exporters to sell at non-commercial prices as the main reason for keeping import controls on agricultural products. Other restrictions are retained for bilateral bargaining, to avoid exploitation by international cartels and to counteract the export incentive measures of other countries. In addition imports of a few products, mainly electrical goods, are controlled to preserve industries vital to national defence.

Germany restricts milk and dairy products, with the exception of powdered milk and cheese, horticultural products and fruit and vegetables in order to maintain prices. Restrictions are applied on imports of seeds, to ensure adequate production of seeds suitable for domestic conditions, and on imports of wine to ensure full utilization of land suitable only for viniculture. In the industrial sector, a number of products are controlled to protect new industries or those in the process of reconstruction or to assist refugees or distressed areas.

The Italian restrictions on citric acid and calcium citrate are maintained in the interest of the industry processing the by-products of citrus fruit. Import controls on penicillin are maintained to allow the newly-established industry to increase its output and to secure a firmer footing. Low weight motor-cars and motor-cycles are controlled in the interest of the motor industry which is said to be concentrated mainly in one region where it represents the principal source of income and which is obliged for social reasons to employ more labour than it really needs.

In Norway certain industries, which had been allocated insufficient foreign exchange for capital maintenance are given protection through the restriction of imports of competing foreign products; these include vegetable oils, soap, furniture and textiles. Certain agricultural products enjoy similar protection because it is considered that the location and the natural conditions of the country make it difficult for local producers to compete with other countries; these include dairy products, fruit, vegetables and lard.

The Swedish policy of agricultural protection is based on the view that it is essential to have a prosperous agriculture within the country. Support is given primarily by maintaining a stable internal price level and restrictions are needed to supplement the price regulations for the main commodities.
The products in question include meat, dairy products, potatoes, certain fruits, grains and oils. Swedish fisheries are also protected by a government price-support programme and, consequently, imports of most kinds of fish are subject to quantitative restriction.

In the United Kingdom certain industries are protected for strategic reasons in order to preserve a nucleus of technical skill and war potential or to provide essential material for industries essential to national safety. The products falling within this category include scientific instruments, precision cameras and chronometers, wire cloth, ferrous chains, dyestuffs and tungsten and calcium carbide. Freer licensing arrangements have, however, been made for some of these products in 1955.

For countries outside Europe the information available for identifying the industries which are considered to be dependent on the protection of quantitative restrictions is less precise. Nevertheless, the selection of items for the more restrictive licensing policies and, in many cases, the reasons given in licensing decrees provide some basis for an analysis of the protective use of quantitative restrictions. Most countries in an early stage of industrial development have shown a tendency to include among restricted imports products that compete with infant industries and the protection of such industries is frequently given as the reason for this selection. Some examples may be given.

The list of prohibited imports published by Chile in April 1954 covers mainly products of a type produced domestically; importation of the listed goods is permitted only when the home industry cannot supply products of the same quality in sufficient quantities or when the price of the domestic product is 40 per cent higher than that of the imported. Also, India reduced the import quotas for the second half of 1954 for products of a type which can be supplied by domestic industries.

The textile industry is often given priority in programmes of economic development. Because of market conditions in the past year protective measures were taken by a number of countries. In February 1954, Indonesia prohibited the import of all types of fabrics which are manufactured locally, chiefly sarong materials and batik. In May, the import into Syria of certain types of woollen fabrics, with the exception of blankets, was banned. By an amending decree effective in April, Guatemalan importers of certain textile goods were obliged to purchase quantities of similar goods of domestic manufacture equal to specified percentages, varying from 25 to 200 per cent. In April, Thailand suspended the provision by which grey cotton shirting could be imported at the preferential rate of exchange; the open market rate entailed a 40 per cent increase in cost. Beginning in July, Jamaica placed very strict restrictions on a number of fabrics; quotas for the half-year were set at 25 per cent of the aggregate imports of 1952 and 1953. Venezuela abolished control on specified cotton and rayon piece-goods in September, but this action was taken only after a substantial increase in the customs duties on these products. In March 1955 French Morocco restricted imports of textile and electrical goods.
As for other manufactured goods, the import of several categories of iron and steel products into Colombia was banned from June 1954 upon the completion of a new steel works. Beginning in October, all public institutions and semi-official corporations were required to use exclusively iron and steel products supplied by that works; only when the latter cannot supply the products in question may they be imported under license. The import of cement into Iraq has been banned for some time in the interest of the local producers. This prohibition was suspended for six months in December 1954 as the local production was unable to meet the needs of development programmes. In New Zealand and South Africa a number of industries, most of which came into being or were substantially enlarged under the stimulus of the Second World War, are protected by restrictions imposed on balance-of-payment grounds. The prohibition of a large number of imports into Thailand was imposed in November 1954 partly on financial grounds and partly for the purpose of protecting domestic industries. In August 1954, Mexico, at the instigation of manufacturing interests, stopped granting import permits for articles which were being produced locally.

To supplement domestic price-support programmes, import fees and quota limitations are maintained by the United States on certain agricultural products. The quota restrictions proclaimed in March 1954 under Section 22 of the Agricultural Adjustment Act on rye, rye flour and rye meal referred to in last year's report. Other products then under quota restrictions pursuant to that law were cotton and cotton waste, peanuts and dairy products such as butter, milk products and cheese. In October 1954, replacing an interim restrictive arrangement, a quota was placed on oats. Another quota was proclaimed in the same month on barley. The annual quota for peanuts was supplemented in March 1955 by an additional quota for the remainder of the current quota year ending 30 June 1955.