CONSULTATION UNDER ARTICLE XII: 4(b) WITH

THE UNITED KINGDOM

Basic Document prepared by the Secretariat

I. SYSTEM AND METHODS OF THE RESTRICTIONS

(a) Legal and Administrative Basis of the Restrictions

The system of import regulation in operation at present in the United Kingdom is based on emergency legislation which was passed at the time of the outbreak of war in 1939. The primary objects of this legislation were to safeguard the balance of payments and to save shipping space. The Import, Export and Customs Powers (Defence) Act, 1939, gives the Board of Trade power to make orders prohibiting or regulating the import and export of all goods. The Import of Goods (Control) Order 1940 which was made on 4 June 1940, was replaced in February 1954 by the Import of Goods (Control) Order 1954, the current legal basis of import control. By this Order the importation into the United Kingdom of all goods is prohibited except under the authority of a licence issued by the Board of Trade.

The full texts of the Import, Export and Customs Powers (Defence) Act, 1939 (2 and 3 Geo 6 Ch. 69) and of the Import of Goods (Control) Order 1954, are attached to this document as Annexes I and II respectively.

Full details relating to the current regulations governing the import of specific commodities are set out in a series of "Notices to Importers" issued by the Board of Trade to members of the public.

(b) Methods Used in Restricting Imports

The methods used in regulating imports may conveniently be divided into two categories:

A. The Unrestricted Sector (The Free Lists - the Open General Licence and equivalent Open Individual Licences)

B. The Restricted Sector (Negative lists)

Within this sector the following methods of controlling imports are used:
(i) Bilateral agreements and arrangements
(ii) Global Quotas
(iii) Dollar Quotas
(iv) Imports for re-export
(v) Individual Licences (Discretionary Licensing - "case by case" method)
(vi) Prohibition of imports.

The following notes give some details of these systems:

A. The Unrestricted Sector

The Open General Licence

The Open General Licence (containing certain "free lists") made by the Board of Trade under the Order referred to in paragraph (a) above allows the importation of certain goods from specified countries without the need to apply to the Import Licensing Branch of that Department for an individual import licence.

The current Open General Licence came into operation on 22 June 1955, and has been amended from time to time by the addition of further items as liberalization has proceeded. It authorizes the importation of goods originating in and consigned from the Scheduled Territories (i.e. the British Commonwealth except Canada, British Trust Territories, British Protectorates and Protected States, Burma, the Irish Republic, Iraq, Iceland, Jordan and Libya) and Muscat and Oman except those listed in Schedule VIII to the Open General Licence.

Of the remaining Schedules, I, III and XI are the most important; they authorise the importation of:

(a) Goods specified in Schedule I consigned from any Country. These goods consist mainly of raw materials (e.g. iron ore, raw wool, etc.) and a miscellany of other goods.

(b) Goods specified in Schedule III originating in and consigned from any country or territory other than dollar countries, the countries in Eastern Europe and Korea.

(c) Goods specified in Schedule XI originating in and consigned from the countries to which Schedule III applies with the exception of Japan i.e. the so called "Relaxation Countries". China (mainland) is a Relaxation Country.

1 A complete list of the Scheduled Territories is given in Annex III.
Schedule III and Schedule XI together include a wide variety of raw materials, foodstuffs and manufactures which largely reflect the result of measures taken to liberalise the United Kingdom's imports from members of the OEEC. A full list of the Relaxation Countries is given in Annex IV.

Mention should also be made of Schedule II which permits the import of the goods listed therein when originating in and consigned from non-dollar countries. As a result of action taken on 1 August when the starred items in Notice to Importers No. 825 (Annex VI) were added to Schedule I five items only now remain on this Schedule.

As modifications to the licensing arrangements have been made, there have been additions and deletions to the Schedules to the then General Licence. The remaining Schedules relate to a few special arrangements which cannot be fitted precisely into the scope of the main Schedules. These remaining Schedules are:

(i) Schedule V which imposes special conditions of origin when certain classes of preserved fruit and fruit pulp are imported from the Relaxation and Sterling Areas.

(ii) Schedule VI which provides for the import of flower bulbs, corms, and tubers from Canada in addition to the Commonwealth countries in the Sterling Area.

(iii) Schedule VII which provides for the import of cordage and jute bags and sacks from the Irish Republic and also for the import of flower bulbs, corms and tubers from the Netherlands when under the authority of the Dutch Bulb Exporters Association.

Owing to the legal complexity of the Open General Licence in its present much amended form a current text has not been supplied. The licensing position in relation to particular countries and commodities should, therefore, be ascertained by reference to the revised version of Notice to Importers No. 740, which is attached hereto as Annex V, subject to the further measures of liberalization announced in Notice to Importers No. 825. As announced in this Notice, certain goods were added, as from 1 August 1957, to the list of those which could be imported without an individual licence from any country. A copy of this Notice is attached as Annex VI.

Open Individual Licence (see also B (a) below)

An Open Individual Licence allows the holder to import the commodity described on it without limit as to quantity or value from the source(s) shown thereon. It may be valid for a finite period or until it is revoked. A list of the principal commodities on Open Individual Licence in August 1957 is given in Annex VIII.
The Open Individual Licence may therefore be equivalent to the Open General Licence and has been used for the arrangements introduced for the private import of certain raw materials and foodstuffs. It has the advantage of allowing the trade the same freedom from quantitative restrictions as that afforded by the Open General Licence whilst simultaneously providing for such matters as the submission of returns. For example, importers of grains have been required to make regular returns to the Ministry of Agriculture, Fisheries and Food. These arrangements vary considerably in detail being adapted to the requirements of trade in the commodity concerned. Most of the items previously subject to Open Individual Licensing have now been transferred to Open General Licence.

The Open General Licence or Open Individual Licence which relieve importers from special import documentation, do not in any way relieve them from the need to supply the appropriate Exchange Control and Customs forms or from compliance with any other relevant regulations governing the import such as Animal Health regulations.

At present it is estimated that about seven eights of the United Kingdom's total imports calculated on base year 1955, may be imported free of restriction under the Open General Licence or Open Individual Licence.

B. The Restricted Sector (Negative Lists)

The "negative" list vis-a-vis the Scheduled Territories is given in Annex II of Notice to Importers No. 740 (see Annex V to this document). It should be noted, however, that a very liberal licensing policy is applied in relation to these imports.

A separate "negative" list vis-a-vis the dollar area is not available, and can be arrived at only by deleting from the United Kingdom Import List the goods which the Open General Licence indicates as being free from restriction if imported from the dollar area. The same applies to products not liberalised vis-a-vis the Relaxation Countries. A list of the principal items still restricted from these areas is however given in (c) below.

For the importation of all goods not specified in the Open General Licence an import licence - either an Open Individual Licence or a Specific Licence - must be obtained:

(a) Open Individual Licence (for a description of these licences see A. above).

One use of the Open Individual Licence is described in A. above but it may also be used for licensing within the restricted sector to meet special requirements e.g. to enable the National Coal Board to import coal within a programme agreed with the Government without the need to apply again for approval by specific import licence.
(b) Specific Licence. A specific licence allows the holder to import a specified quantity or value of the commodity described on it from the source(s) shown thereon. It is valid for a finite period.

The following methods of controlling imports within the restricted sector are used:

(1) Bilateral Agreements and Arrangements

The United Kingdom has bilateral agreements or arrangements with most OEEC countries, with certain countries in Eastern Europe and with Argentina, Cuba, Finland, Japan and Spain. The import quotas set up under these agreements provide for the issue of licences, up to the agreed total, permitting the import of the specified goods from the country in question. The United Kingdom does not undertake that any given quantity will in fact be imported by traders, nor does it limit its freedom to establish facilities for imports from other countries.

In regard to OEEC countries, as the United Kingdom has now liberalized 94 per cent of her imports from them (based on 1948) and as some of the non-liberalized sector is subject to "global" quotas allowing imports from any of the Relaxation Countries, (there are certain exceptions see (ii) below), the amount of trade which remains subject to bilateral discussion and agreement represents a very small proportion of total trade. A primary object of these bilateral quotas with OEEC countries is to ensure a spread of imports and exports over the field of trade as yet not liberalized in which the respective countries have a traditional interest. The general objects are similar in the case of agreements with other countries.

In the particular case of the countries in Eastern Europe, which operate a rigid control of imports, the bilateral arrangements are necessary to secure a reasonable spread of United Kingdom exports. Most of the goods for which the United Kingdom grants limited import quotas in return are goods which are admitted freely from OEEC countries; the quotas do not represent discrimination in favour of the countries in Eastern Europe.

In the case of the countries in Eastern Europe, and to some extent Japan, imports of non-essential goods are normally only licensed when covered by bilateral quotas in return for which corresponding facilities for United Kingdom exports have been given by the other country. Bilateral quotas may be administered by the United Kingdom or the foreign government; in the case of the countries in Eastern Europe, the allocation of the majority of the quotas is in their hands especially where the goods concerned are on "Relaxation" Open General Licence. Where the United Kingdom authorities, i.e. the Board of Trade, administer the quota, applications may be considered individually or some objective method of sharing out the quota, e.g. imports in a specified period, may be used. The method of allocation varies with the nature of the commodity and the demand for licences. Licences are usually valid to the date of expiry of the relevant trade agreement and may be extended for three months afterwards.
(ii) Global Quotas

The term "global" is used to describe a quota which covers a number of countries, e.g. the Relaxation Countries or the dollar area. This type of quota is mainly used for the less essential consumer goods whose import had to be restricted in November 1951, and March 1952, from Relaxation Countries (for historical reasons, the global quotas do not apply to every one of the present Relaxation Countries, but it is the policy to give such countries bilateral quotas for any goods in which they have an interest and which are the subject of global quotas. (See Annex IV)). Many of the goods originally affected have since been restored to the Open General Licence, but imports of a number remain restricted.

The quotas are non-discriminatory in that they cover all the countries affected and licences may be used to import from the source of the trader's choice up to the value of the quota. The quotas are shared among established importers in proportion to their imports (generally those for which they paid the overseas supplier direct) in specified post-war periods, during most of which imports were not subject to quantitative restriction. This method of allocation is considered the fairest and most obviously impartial and preserves as far as possible the normal pattern of import trade. It has the principal disadvantage, however, of excluding newcomers to the trade since control was imposed, but while the established importers are still restricted, further limitation in order to provide a proportion of the quota for allocation to new comers could not be justified. The quotas are announced half-yearly and there is a time limit for applications. The licences are valid to the end of the period (in most cases half-year) for which they were issued and may normally be extended for three months afterwards.

Since the global quotas might cause exceptional hardship to some foreign exporters the governments of other member countries of the OEEC have been allowed since 1953 to allocate small amounts known as the Special Country Quotas among their exporters, subject to certain conditions designed, for example, to prevent small quotas being "swamped". The governments concerned issue certificates which are presented, together with applications for import licences, by the trader in the United Kingdom to the Import Licensing Branch.

Details of the global quotas established for the second half of 1957 are given in Annex VII. In 1956 the value of imports of items included in this Annex together with those for canned apples, a global quota for which is announced annually, amounted to approximately £9 million representing about 0.2 per cent of the United Kingdom's total import bill for the year and 0.7 per cent of imports from the countries concerned. In addition there is a World Global Quota of 650,000 tons for imports of newsprint.
(iii) **Dollar Import Quotas**

Import quotas have been opened for a number of goods from the dollar area. Some of these goods are purchased, in the case of imports from the United States, with dollars made available under the United States Mutual Security Act. Details of the quotas which have no content of dollars provided by the Mutual Security Act are given under Section (f) of this document.

(iv) **Imports for Re-export**

To facilitate United Kingdom entrepot trade and to reinforce the Exchange Control regulations, a special form of licensing has been devised. Another special form of licensing is used where imports, otherwise subject to restriction, are required for United Kingdom export orders.

(i) **Import for Re-export in the same State (REX)**

Generally speaking the desirability of the transaction from the Exchange Control angle is a fundamental consideration in applications to import goods for re-export in the same state. A licence will normally be issued, provided that the proposed methods of payment and reimbursement are as prescribed by the Treasury and the Bank of England. Before a licence is issued, the importer is required to sign an undertaking that the goods will be re-exported; that sale to non-scheduled territories will conform to the requirements of the Bank of England Exchange Control and to scheduled territories will conform to Exchange Control regulations under supervision of his own bankers, (i.e. that the territory concerned accepts the foreign exchange liability for the goods); and to inform the Import Licensing Branch when export has been completed and, if requested, to supply details of imports and exports. Dutiable goods must be held in a bonded warehouse, unless there are good reasons to the contrary. Goods admissible under Open General Licence do not require a separate licence, but the Treasury and Bank of England regulation still apply.

(ii) **Imports for Export after processing or Incorporation in Goods or Manufactures in the United Kingdom (UX)**

The Import Licensing Branch will consider applications for this purpose regardless of whether the applicant qualifies for a home trade licence for the goods. If the required import comes from the dollar area and is to be exported after processing to a non-dollar country, it is necessary to show that a worthwhile return in non-dollar currency is to be expected from the export. Before a licence is granted, the importer is required to sign an undertaking that all the goods will be re-exported after the process
or manufacture mentioned in his application has been completed and that he will inform the Import Licensing Branch when this has been done. If the goods are imported from the dollar area, and in certain other cases, the importer must supply half-yearly returns of imports and exports under his licence.

(v) Individual Licences

Specific licences may be granted after consideration of individual applications on their merits, the main criterion applied being that of essentiality. (In the case of quotas, licences are normally allocated to applicants on some arithmetical basis such as their share in the trade in some base year). The normal validity of specific import licences is six calendar months, although licences to import machinery etc. are initially valid for twelve months. An extension of three months (six in the case of machinery) is usually allowed.

(vi) Prohibition of Imports

Although as noted above the legislation is in the form of a prohibition on imports of all goods, this prohibition is subject to the proviso "except under the authority of a licence issued by the Board of Trade". An application for a licence may always be submitted for consideration on its merits. The provisions of the legislation referred to may, however, in some cases be over-ridden by other legislations such as that relating to Animal Health, Dangerous Drugs etc., which in certain circumstances may have the effect of imposing a complete prohibition on imports, but such prohibitions are those which are permitted under Article XX of the GATT.

(vii) Essential Imports

Applications to import those commodities which may be designated essential from countries for which they are not on Open Licence are usually considered individually.

The licensing of machinery and chemicals in particular from the dollar area is dealt with in more detail in paragraph (iv) of Section (e) below.

(c) Categories of Goods affected

Previous sections of this basic document have made reference to goods included in the Open General Licence which may be imported without restriction from specified countries, and the "negative" list vis-a-vis the Scheduled Territories has also been mentioned.

The principal items still subject to import restriction from the dollar and relaxation areas are:
<table>
<thead>
<tr>
<th>Class</th>
<th>Column 1</th>
<th>Column 2</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Controlled from dollar area)</td>
<td>(Controlled from &quot;relaxation&quot; area) - mainly Western Europe and dependencies</td>
</tr>
<tr>
<td>A Food beverages and tobacco</td>
<td>Live cattle</td>
<td>Ham</td>
</tr>
<tr>
<td></td>
<td>Meat and meat preparations</td>
<td>Milk products and certain egg products</td>
</tr>
<tr>
<td></td>
<td>Dairy products, eggs and honey</td>
<td>-</td>
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<tr>
<td></td>
<td>Fish and fish preparations</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Fruits and vegetables</td>
<td>Apples, pears and potatoes</td>
</tr>
<tr>
<td></td>
<td>Sugar preparations (most)</td>
<td>As in column 1</td>
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<tr>
<td></td>
<td>Coffee</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Miscellaneous food preparations</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Beverages</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Tobacco and tobacco manufactures</td>
<td>-</td>
</tr>
<tr>
<td>B Basic materials</td>
<td>Synthetic Rubber</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Some textile fibres</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Grass and other seeds for sowing and flower bulbs</td>
<td>As in column 1</td>
</tr>
<tr>
<td></td>
<td>Stone (some)</td>
<td>As in column 1</td>
</tr>
<tr>
<td>C Mineral fuels and lubricants</td>
<td>All</td>
<td>Coal, coke, and manufactured fuels</td>
</tr>
<tr>
<td>D Manufactured goods</td>
<td>Virtually all except metals, semi-manufactures of metals, and some chemicals</td>
<td>Dyestuffs and intermediates</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Calcium carbide</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Leather</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Newsprint, paper manufactures, and other stationery</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Stockings and socks</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Lace and lace net</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Jute and manila hemp yarns and manufactures</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Jewellery and curios</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Cutlery</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Motor vehicles and parts</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Clocks and watches</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Some cameras</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Scientific and optical glassware and instruments</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Arms and ammunition</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sports goods, toys and games</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Smokers requisites</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Basketware</td>
</tr>
</tbody>
</table>
(d) **Proportion of Imports covered by each Method used**

**UNITED KINGDOM LIBERALISATION MEASURES**

**BREAKDOWN OF IMPORTS ACCORDING TO SYSTEMS AND AREAS**

<table>
<thead>
<tr>
<th>TABLE</th>
<th>£ million</th>
<th>1954</th>
<th>1955</th>
<th>1956</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TABLE I</strong></td>
<td>Total Imports</td>
<td>3,374</td>
<td>3,881</td>
<td>3,889</td>
</tr>
<tr>
<td><strong>TABLE II</strong></td>
<td>Total Imports from OEEC Countries</td>
<td>916</td>
<td>1,045</td>
<td>1,060</td>
</tr>
<tr>
<td></td>
<td>(including D.O.T's)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total Imports from Dollar Area</td>
<td>619</td>
<td>841</td>
<td>853</td>
</tr>
<tr>
<td></td>
<td>Total Imports from Other Countries</td>
<td>1,839</td>
<td>1,995</td>
<td>1,976</td>
</tr>
<tr>
<td><strong>TABLE III</strong></td>
<td>Total Imports on Private Account</td>
<td>3,194</td>
<td>3,703</td>
<td>3,781</td>
</tr>
<tr>
<td></td>
<td>Total Imports subject to State Trading</td>
<td>180</td>
<td>178</td>
<td>108</td>
</tr>
<tr>
<td><strong>TABLE IV</strong></td>
<td>Imports of commodities on W.O.G.L.</td>
<td>1,474</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Goods which are liberalised from Non-Dollar Sources</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(a) Imports from Non-Dollar Sources</td>
<td></td>
<td>391</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(b) Imports from All Sources</td>
<td></td>
<td>409</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Goods which are liberalised from Relaxation Countries</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(a) Imports from Relaxation Countries (including Sterling)</td>
<td></td>
<td>1,110</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(b) Imports from all Sources</td>
<td></td>
<td>1,431</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Imports of Global Quota List Commodities</td>
<td>13</td>
<td>13(14)</td>
<td>9(15)</td>
</tr>
<tr>
<td></td>
<td>(a) Imports from Global Quota Countries</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(b) Imports from All Sources</td>
<td>32</td>
<td>33(35)</td>
<td>28(38)</td>
</tr>
<tr>
<td></td>
<td>Other Imports (specific licensing etc.)</td>
<td>356</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 In each year the figures shown are those of imports of goods subject to Global quota on 1 January of the following year. Figures in brackets for 1955 and 1956 show the imports in those years of goods subject to Global quota on 1 January 1955.
(e) Treatment of Imports from different Countries or Currency Areas

(i) The Sterling Area

As previously mentioned in this document imports from the Scheduled Territories and from Muscat and Oman with certain exceptions are admissible freely under the Open General Licence or under Open Individual Licence.

Certain other items, such as motor cars, cameras, watches and canned fruit are subject to special provisions to prevent their entering the United Kingdom from the sterling area under the Open General Licence unless genuinely of sterling area origin.

(ii) The "Relaxation" Countries

This group comprises all countries other than those of the sterling area, the dollar area and Eastern Europe, Japan and Korea. The major part of United Kingdom imports is admissible from the "Relaxation" Countries under the Open General Licence and under Open Individual Licences. On the basis of trade in 1948, only 6 per cent of United Kingdom imports on private account from OEEC countries is still subject to restriction. Apart from certain commodities, for which there are ad hoc licensing arrangements, and which account for some 1 per cent of 1948 trade, the remaining percentage is divided fairly equally between commodities covered by global quotas and those for which there are bilateral quotas. As stated in Section (b) paragraph B(ii), global quotas have been established for certain goods which were withdrawn from the Open General Licence in 1951 and 1952. The bilateral quotas cover a miscellaneous range of goods, e.g. confectionery, decorated glassware, lace and lace net, motor cars, precious jewellery, processed milk, scientific instruments.

(iii) The Countries in Eastern Europe

These countries may share in trade in essentials which are on World Open Licence and other essentials may also be licensed. Imports of consumer goods are permitted to the extent provided for in trade arrangements giving the United Kingdom reciprocal advantages in the form of facilities for export trade, and undertakings about repayment of debts.

There is no trade arrangement with the USSR itself. Trade in consumer goods is limited to a few inter-Governmental arrangements for reciprocal trade in particular commodities such as canned crab and matches.

Special problems arise with Eastern Germany where, however, it has been found possible to allow some trade in non-essentials to take place under commercial barter deals. Import licences are issued provided the compensating export is "soft" i.e. the industry is in need of additional export outlets and the proposed deal will provide such an outlet which would not otherwise exist.
(iv) Dollar Area

The countries of the dollar area are listed in Annex IX. Many raw materials and basic foodstuffs have been freed in accordance with the policy of giving United Kingdom manufactures the widest possible access to such materials, although there are some even in this field which remain controlled. Chemicals for the most part are not yet liberalized and are licensed only if there is no adequate alternative United Kingdom source of supply. Machinery is licensed only if there is no non-dollar alternative offering roughly similar advantages. Where, however, there is an approved investment project or royalty agreement involving a new technique or making a portential contribution to exports, some relaxation of the strict rules governing dollar imports may be allowed to permit the entry of components and in certain cases finished products provided full United Kingdom manufacture is promised within a specified and short period.

For dollar consumer goods, there is the Token Import Scheme which allows North American exporters to send up to 30 per cent by value of their pre-war exports to the United Kingdom of a fairly wide range of consumer goods. Licence issued under this scheme amount in all to rather less than £3 m. per annum. There have also been Mutual Security Aid programmes for citrus and other fruit, with some consequential imports from Canada.

There are also several dollar quotas, details of which follow:

<table>
<thead>
<tr>
<th>Item</th>
<th>Area</th>
<th>Value</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frozen beef tongues</td>
<td>N. Am.</td>
<td>£600,000</td>
<td>1/4/57-30/3/58</td>
</tr>
<tr>
<td>Cheese</td>
<td>N. Am.</td>
<td>£1,500,000</td>
<td>1/7/57-30/6/58</td>
</tr>
<tr>
<td>Salmon</td>
<td>N. Am.</td>
<td>£3,500,000 c.i.f.</td>
<td>1/7/57-30/6/58</td>
</tr>
<tr>
<td>Honey</td>
<td>$ (excluding Cuba)</td>
<td>£40,000 f.o.b.</td>
<td>1/7/57-30/6/58</td>
</tr>
<tr>
<td>Apples</td>
<td>N. Am. quota</td>
<td>£1,250,000 f.o.b.</td>
<td>16/11/57-30/6/</td>
</tr>
<tr>
<td>Coffee</td>
<td>$ quota</td>
<td>£2,500,000</td>
<td>1/9/56-31/8/57</td>
</tr>
<tr>
<td>Motor cycles</td>
<td>N. Am. quota</td>
<td>50 machines</td>
<td>1/6/57-31/5/58</td>
</tr>
<tr>
<td>Cars</td>
<td>N. Am. quota</td>
<td>650 cars per annum</td>
<td></td>
</tr>
<tr>
<td>Synthetic rubber</td>
<td>$ quota</td>
<td>30,000 tons</td>
<td>1957</td>
</tr>
<tr>
<td>Leather</td>
<td>$ quota</td>
<td>£2,000,000 f.o.b.</td>
<td>1/8/57-31/7/58</td>
</tr>
</tbody>
</table>

1 Excluding United States Aid Quotas.

2 For Cuba there is a quota of £20,000 and also quotas for certain other commodities, including cigars.
(v) Japan

Until 25 April 1957 imports from Japan on Open General Licence were confined to essentials only; less essentials were licensed only against quotas agreed in the annual bilateral negotiations. Since that date, however, as part of the agreement reached in the last negotiations Japan has been accorded Open General Licence treatment for a range of goods already subject to Relaxation Open General Licence, but not for those goods set out in the excluded list of items covered by Notice to Importers No. 814 (see Annex X).

(f) State Trading or Government Monopoly and the restrictive Operation of such Régimes

It is the policy of H.M. Government that trade should be conducted through private channels, and over the past few years this policy has been carried out with successive industries which were formerly State traded (the latest reversion occurred in December 1956 when State trading in raw and refined sugar was ended); State trading in the United Kingdom is now confined to certain jute manufactures only.

(g) Measures taken in preceding years to relax restrictions

(i) Through its obligations to OEEC the United Kingdom Government followed a policy of progressive liberalization until by 30 September 1951 some 90 per cent of imports on private account from Member countries were on Open Licence. In November 1951 the deteriorating balance-of-payments position resulted in the import restrictions being reimposed over a wide field of less essential and consumer goods. A further round of restrictions in March 1952 reduced liberalization to about 46 per cent although global quotas were set up for most of the deliberialized items. Twelve months later the process of adding to the Open General Licence was resumed and the subsequent progress of liberalization is indicated by the percentages and notes on principal commodities in the following table:

<table>
<thead>
<tr>
<th>Position at date indicated</th>
<th>Food</th>
<th>Raw Materials</th>
<th>Manufactures</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before 1951/2 cuts</td>
<td>86</td>
<td>95</td>
<td>88</td>
<td>90</td>
</tr>
</tbody>
</table>

Liberalization Measures affecting OEEC countries since previous date indicated.
<table>
<thead>
<tr>
<th>Position at date indicated</th>
<th>Food</th>
<th>Raw Materials</th>
<th>Manufactures</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 1951</td>
<td>58</td>
<td>62</td>
<td>63</td>
<td>61</td>
</tr>
<tr>
<td>March 1952</td>
<td>50</td>
<td>57</td>
<td>22</td>
<td>46</td>
</tr>
<tr>
<td>February 1953</td>
<td>50</td>
<td>52</td>
<td>22</td>
<td>44</td>
</tr>
<tr>
<td>April 1953</td>
<td>58</td>
<td>55</td>
<td>65</td>
<td>58</td>
</tr>
</tbody>
</table>

Deliberation measures were undertaken because of balance-of-payments crisis. Deliberated goods included pulp; paper and board, paper manufactures, leather and manufactures, apparel, toys, sports goods, various machines, fresh fruit and a range of miscellaneous goods and foodstuffs. Global quotas were established for these goods.

Further deliberalization because of the balance-of-payments position covered a wide range of goods including textiles, household goods and flower bulbs. Global quotas were established for these goods also.

Certain commodities including fertilizers had reverted from State trading to unliberalized private account and a few manufactures including certain iron and steel products and pottery were deliberalized. In the first half of 1953 certain additional facilities for most global quota items were established to cover cases of hardship.

Following improvement in the balance-of-payments position, a range of manufactures, including yarns, tissues, carpets and certain other textiles, various machines and footwear, were liberalized besides certain foodstuffs and raw materials, including hides and skins.
A further wide range of goods, including certain canned meat products, apparel and other textile manufactures, pottery and most glassware, and copper, were liberalized. In the second half of 1953 various increases were made in the global quotas. The United Kingdom had now complied with its obligations in OEEC to liberalize 75 per cent of imports and no longer needed to invoke the balance-of-payments escape clause.

Items liberalized included various foodstuffs including butter, eggs, carcase meat and certain meat products, certain oils and fats, fresh vegetables and fruit, canned fish, dried fruit and fruit pulp, together with nursery stock, iron and steel products, plywood, various chemicals and a number of miscellaneous manufactures. A number of products including oil seeds and vegetable oils, semi-finished steel, processed milk and shell eggs had reverted from State trading to private account.

A miscellaneous range of goods including various seeds, fibre building boards, ships, certain fruit juices and drugs and medicines were liberalized.

Certain additional products including super-phosphates were liberalized, the United Kingdom thus complying with its obligation in OEEC to liberalize 10 per cent of the commodities still restricted on 30 June 1954.
<table>
<thead>
<tr>
<th>Position at date indicated</th>
<th>Food</th>
<th>Raw Materials</th>
<th>Manufactures</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>August 1956</td>
<td>90</td>
<td>99</td>
<td>90</td>
<td>93</td>
</tr>
</tbody>
</table>

The balance-of-payments position had made further liberalization difficult but besides a number of miscellaneous additions to the Open General Licence, including canned vegetables and the remaining canned fruits, imports of pulp, paper and board (other than newsprint) were liberalized on 1 August and the United Kingdom thus complied with its obligation in OEEC to liberalize 90 per cent of its imports.

| January 1957              | 91   | 99           | 91           | 94    |

Imports of bacon, having reverted from government to private account, were liberalized by the issue of Open Individual Licences, and pork, canned ham and wrought iron and steel pipes and tubes were also liberalized.
(ii) There are no figures available to show the percentage of liberalized trade in the dollar sector in the early fifties. It is estimated that in 1950 in the private sector about 18 per cent of total imports were unrestricted from all sources.

In 1951 when there was a world shortage of many essential raw materials no limit was placed on the import from any part of the world of raw materials required for essential production. Subsequently early in 1951 a large number of raw materials were added to the Open General Licence for all countries, including raw asbestos, certain fertilizers, flax and flax tow, iron and steel scrap, iron ore, certain unwrought metals, certain waxes, sponges, tanning substances and extracts, etc.

There were no important additions to the list of world liberalized commodities in 1952 because of balance-of-payments difficulties.

In May 1953 Government trading in cereals and animal feeding-stuffs ceased and the majority of cereals and animal feeding-stuffs were placed on Open Individual Licensing from all countries. Following improvement in the balance of payments there was further world liberalization by additions to the Open General Licence and the extension of Open Individual Licensing in 1953; the liberalized goods included boron, bristles, many fertilizers, locust bean kernels, raw silk and waste, softwood.

In 1954 a considerable number of items were added to the Open General Licence from all countries. These included certain live animals, antiques and works of art, compound cooking fat, raw cotton and cotton waste, hides and skins, furskins, maize starch, a large number of oils and oilseeds, dried peas and softwood plywood. Quotas for North America for manufactured foodstuffs (cheese and canned salmon) were established for the first time; (there had previously been some imports on Government account of cheese and canned salmon).

In 1954 the criteria governing imports of machinery and chemicals from the dollar area were relaxed to permit more liberal imports. Certain adjustments were also made to the Token Import scheme to allow a greater measure of flexibility.

Commodities liberalized in 1955 included aluminium and aluminium alloys, dried beans, bentonite, naval stores, music, printing blocks and plates, turpentine. Progress in liberalization slowed down in the latter months of 1955 and in 1956, but in July 1956 pulp, paper and board were added to the Open General Licence and whisky in November 1956. A North American quota for cars was established in 1956.
On the reversion of sugar to private account in January 1957, Open Individual Licences were issued for the import of sugar from all countries participating in the International Sugar Agreement. A North American quota for motor cycles was established in 1957 and also small quotas for honey from dollar countries.

The addition of a large number of commodities to the Open General Licence in respect of all sources of supply was announced in July 1957. The broad effect of these measures is that, with the exception of leather, for which the dollar quota has been substantially increased, the remaining import controls on basic raw materials of industry have now been removed. Controls have also been removed from certain agricultural products, including cocoa, chicory, bladders and casing, hops, yeast, etc., and from certain chemicals and metal semi-manufactures.

In 1954 the OECD began a study of restrictions by Member countries on imports from the United States and Canada, in connexion with which the percentage of the imports from the United States and Canada on which there was no restriction was calculated. Based on trade in 1953 these calculations show that the percentage of United Kingdom imports liberalized from the United States and Canada were:

June 1954: 50 per cent; January 1956: 56 per cent; August 1956: 59 per cent.
II. EFFECTS ON TRADE

The United Kingdom authorities have made the following statement on this subject:

As noted in Part I, United Kingdom import controls start from the point that all imports are prohibited except under licence and liberalization is then effected by appropriate licensing including addition to the Open General Licence. This process has been carried forward in stages as the balance of payments has permitted. Groups of items have been liberalized at various times, but the balance of payments does not yet permit the process to be completed.

All the remaining restrictions are therefore necessary for balance-of-payments reasons but, except where there is no United Kingdom production they inevitably have the incidental effect of protecting the United Kingdom producer. If liberalization is expected to result in additional imports at the expense of the home producer, then he is being protected to the extent that the balance of payments is being protected. No opportunity is lost, however, of reminding United Kingdom producers that quantitative restrictions are not designed as an instrument of protection and that they must look forward to the day when all such controls will be removed and they must rely for protection on methods consistent with the GATT, i.e. the Tariff. Nevertheless, there may be cases where, as recognized in the Decision of 5 March 1955, certain domestic industries may be faced with particular difficulty in adjusting themselves to the situation which would be created by the removal of quantitative restrictions. It is not clear whether and to what extent the United Kingdom will need to invoke the provisions of the Decision of 5 March 1955 for this purpose and it is not possible to formulate a list of the industries concerned. Thus, special difficulties which may have existed a few years ago may already have been solved by the passage of time and we should hope that, by the time our balance-of-payments difficulties disappear, others of the special difficulties may also have been solved.

In the course of the general move towards a more liberal regime for imports, consideration has been given by the United Kingdom authorities to the methods suggested by the CONTRACTING PARTIES for reducing the incidental protective effects of balance-of-payments restrictions and minimising the difficulties of transition (see "The Use of Quantitative Restrictions for Protective and other Commercial Purposes" - GATT Publication 1950-3, page 12, English Text). The quotas which have been established for goods not yet liberalized are themselves a means of reducing the incidental protective effect, and in cases where such quotas have from time to time been increased, the incidental effect has been to accustom the domestic industry in question to a greater degree of competition, so paving the way towards the complete elimination of the restrictions.
Avoiding unnecessary damage

Of the imports still restricted from the Relaxation Countries a good proportion is covered by the global quotas. These enable United Kingdom importers to buy from any country covered by the quotas as commercial considerations dictate. This reduces the inevitable distortion of trade arising from any system of quantitative restriction. In addition, there is the system of Special Country Quotas referred to elsewhere which enables exporting countries to make minor adjustments to their share of the global quota so as to overcome special points of difficulty.

Where Relaxation Countries have an interest in items not yet liberalized and not covered by the global quotas, they have requested, and been given, bilateral quotas so as to maintain normal channels of trade. In agreeing bilateral quotas for items in which several countries have an interest, care is taken not to give favourable treatment to a particular country at the expense of others.

As regards restrictions on imports from the dollar area, the policy is to give priority to the importation of those products which are more essential. Many raw materials and basic foodstuffs may be imported under Open Licence and for chemicals and machinery imports are licensed up to the level of requirements having regard to supplies available from United Kingdom production. The controls on dollar imports are most severe on consumer goods. For these, however, there is the Token Import Scheme for imports from Canada and the United States of America covering a wide range of consumer goods which these countries had a pre-war interest in exporting to the United Kingdom, the quotas providing for exports up to 30 per cent by value of the pre-war trade.

In general, the policy of the United Kingdom has been to avoid unnatural restraints on trade by complete liberalization so far as the balance of payments has permitted and, where complete liberalization has not been possible, to provide, by means of quotas, facilities for the import of the goods in question, again within the limits imposed by our balance of payments.
I. The Import, Export and Customs Powers (Defence) Act, 1939.

II. The Import of Goods (Control) Order, 1954.

III. The Scheduled Territories.

IV. List of Relaxation Countries.

V. A. Summary of Import Licensing Regulations, Notice to Importers No. 740.
   B. Amendments to Notice to Importers No. 740.

VI. Notice to Importers No. 825.

VII. Global quotas for Second Half of 1957, Notice to Importers No. 820.

VIII. List of Principal Commodities on Open Individual Licence in August 1957.

IX. Countries of the Dollar Area.

X. Notice to Importers No. 814. Imports from Japan. Amendments to the Open General Licence.

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1 These Annexes are circulated in English only. Only two (printed) copies of Annexes V A., VI, VII, and X and of (stencilled) Annex V B. mentioned here are supplied to each contracting party.
ANNEX I

IMPORT, EXPORT AND CUSTOMS POWERS (DEFENCE) ACT, 1939

2 and 3 Geo. 6, Ch. 69

Arrangement of Sections

Section

1. Control of importation and exportation
2. Power to impose charges
3. Application and extension of law as to prohibited goods
4. Notice of seizure of goods
5. Requirement of pre-entry of ships' stores
6. Provisions as to clearance
7. Provisions as to ultimate destination of goods
8. Interpretation, etc.
9. Short title, construction and duration of Act
An Act to provide for controlling the importation, exportation and carriage coastwise of goods and the shipment of goods as ships' stores; to provide for facilitating the enforcement of the law relating to the matters aforesaid and the law relating to trading with the enemy; and to provide for purposes connected with the matters aforesaid.

Be it enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:

1. (1) The Board of Trade may by order make such provisions as the Board think expedient for prohibiting or regulating, in all cases or any specified classes of cases, and subject to such exceptions, if any, as may be made by or under the order, the importation into, or exportation from, the United Kingdom or any specified part thereof, or the carriage coastwise or the shipment as ships' stores, of all goods or goods of any specified description.

(2) An order under this section may be varied or revoked by a subsequent order.

(3) An order under this section may suspend wholly or in part the operation of any enactment, proclamation, Order in Council or order prohibiting or regulating the importation, exportation, shipment as ships' stores or carriage coastwise of any goods; and an order under this section may contain such provisions (including penal provisions) as appear to the Board of Trade to be necessary for securing the due operation and enforcement of the order.

(4) For the avoidance of doubt it is hereby declared that, without prejudice to the provisions of the enactments relating to customs with respect to ships and aircraft, the taking into or out of the United Kingdom of ships or aircraft may be prohibited or regulated by an order under this section as an importation or exportation of goods, notwithstanding that the ships or aircraft are conveying goods or passengers, and whether or not they are moving under their own power.
(5) Notwithstanding anything in section eleven of the Customs and Inland Revenue Act, 1879, a prosecution for an offence under an order made in pursuance of this section may, in England or Northern Ireland, be instituted by, or under the authority of, the Board of Trade.

2. (1) The Treasury may by order provide for imposing and recovering, in connexion with any scheme of control contained in an order under the preceding section, such charges as may be specified in the first-mentioned order; and any order under this section may be varied or revoked by a subsequent order of the Treasury.

(2) Any charges recovered by virtue of such an order as aforesaid shall be paid into the Exchequer of the United Kingdom or, if the order so directs, be paid into such public fund or account as may be specified in the order.

(3) Any order under this section shall be laid before the Commons House of Parliament as soon as may be after it is made, but notwithstanding anything in subsection (4) of section one of the Rules Publication Act, 1893, shall be deemed not to be a statutory rule to which that section applies.

(4) Any such order as aforesaid imposing or increasing a charge shall cease to have effect on the expiration of the period of twenty-eight days beginning with the day on which the order is made, unless at some time before the expiration of that period it has been approved by a resolution of the Commons House of Parliament, without prejudice, however, to the validity of anything previously done under the order or to the making of a new order.

In reckoning any period of twenty-eight days for the purposes of this subsection, no account shall be taken of any time during which Parliament is dissolved or prorogued, or during which the Commons House is adjourned for more than four days.

3. (1) If any goods;

(a) are imported, exported, carried coastwise or shipped as ships' stores in contravention either of an order under this Act or of the law relating to trading with the enemy, or

(b) are brought to any quay or other place, or waterborne, for the purpose of being exported or of being so carried or shipped in contravention either of an order under this Act or of the law relating to trading with the enemy,
those goods shall be deemed to be prohibited goods and shall be forfeited; and the exporter of the goods or his agent, or the shipper of the goods, shall be liable, in addition to any other penalty under the enactments relating to customs, to a customs penalty of five hundred pounds.

(2) If any such order as aforesaid prohibits the exportation of any goods unless consigned to a particular place or person, and such goods so consigned are delivered otherwise than to that place or person, as the case may be, the vessel in which the goods were exported shall be deemed to have been used in the conveyance of prohibited goods.

(3) If any goods are imported, exported, carried coastwise or shipped as ships' stores, or are brought to any quay or other place, or waterborne, for the purpose of being exported or of being so carried or shipped, an officer of Customs and Excise may require any person possessing or having control of the goods to furnish proof that the importation, exportation or carriage coastwise of the goods or the shipment of the goods as ships' stores, as the case may be, is not unlawful by virtue either of an order under this Act or of the law relating to trading with the enemy; and if such proof is not furnished to the satisfaction of the Commissioners of Customs and Excise, the goods shall be deemed to be prohibited goods unless the contrary is proved.

In any proceedings taken by virtue of this sub-section, an averment in the information that such proof as aforesaid has not been furnished to the satisfaction of the Commissioners of Customs and Excise shall unless the contrary is proved, be sufficient evidence that no such proof has been furnished to their satisfaction.

4. Where any goods are seized as forfeited, the notice of the seizure required by section two hundred and seven of the Customs Consolidation Act, 1876, to be given to the owner of the goods may, if the owner has no address in the United Kingdom, be given by the publication of a notice of the seizure in the London, Edinburgh or Belfast Gazette.

5. Section one hundred and thirty-nine of the Customs Consolidation Act, 1876, (which relates to the pre-entry and clearance of goods) shall have effect as if the reference therein to goods intended for exportation or carriage coastwise included a reference to goods intended for exportation as ships' stores or carriage coastwise as ships' stores.
Provisions 6. (1) For the purpose of securing compliance with the provisions of this Act or any order made under section one of this Act or with any other enactment relating to the importation or exportation of goods or with the law relating to trading with the enemy:

(a) an officer of Customs and Excise may at any time refuse clearance to any ship, and

(b) where clearance has been granted to a ship, an officer of Customs and Excise, an officer of His Majesty's Navy, or any person authorized in that behalf by the Commissioners of Customs and Excise may, at any time whilst the ship is within the limits of a port in the United Kingdom, demand that the clearance shall be returned to the person making the demand.

(2) Any such demand may be made orally on the master of the ship, or by serving a written demand in any manner authorized by section six hundred and ninety-six of the Merchant Shipping Act, 1894, for the service of documents which are, under that Act, to be served on the master of a ship.

(3) Where a demand is so made for the return of a clearance:

(a) the clearance shall forthwith become void, and

(b) if the demand is not complied with, the master of the ship shall be liable to a customs penalty of one hundred pounds.

(4) This section shall apply to aircraft, as if references in this section and in section six hundred and ninety-six of the Merchant Shipping Act, 1894, to a ship, the master of a ship, and a port included respectively references to an aircraft, the pilot of an aircraft and an aerodrome.

Provisions 7. (1) Where a person about to export goods from the United Kingdom, in the course of making entry thereof before shipment, makes a declaration as to the ultimate destination thereof, and the Commissioners of Customs and Excise have reason to suspect that the declaration is untrue in any material particular, the goods may be detained until the Commissioners are satisfied as to the truth of the declaration, and, if the Commissioners are not so satisfied, the goods shall be forfeited.
7. (2) Any exporter or shipper of goods which have been exported from the United Kingdom shall, if so required by the Commissioners of Customs and Excise, satisfy the Commissioners that those goods have not reached any enemy or any enemy territory, and if he fails so to do, he shall incur a customs penalty of treble the value of the goods or one hundred pounds at the election of the Commissioners, unless he proves that he did not consent to or connive at the goods reaching an enemy or enemy territory, and that he took all reasonable steps to secure that the ultimate destination of the goods was not other than that specified in the documents shown or furnished to the officers of Customs and Excise in connexion with the exportation of the goods.

(3) In any proceedings under this section, an averment in the information that the Commissioners of Customs and Excise are not satisfied as to any matter shall be sufficient evidence that they have not been so satisfied, unless the contrary is proved.

8. (1) For the purposes of this Act:

(a) the Isle of Man shall be deemed to form part of the United Kingdom;

(b) the expression "enemy" means -
   (i) any State, or Sovereign of a State, at war with His Majesty;
   (ii) any individual resident in enemy territory;
   (iii) any body of persons (whether corporate or unincorporate) carrying on business in any place, if and so long as the body is controlled by a person who, under this subsection, is an enemy;
   (iv) any body of persons constituted or incorporated in, or under the laws of, a State at war with His Majesty; or
   (v) any other person, who for the purposes of any Act relating to trading with the enemy is to be deemed to be an enemy;

but does not include any person by reason only that he is an enemy subject;

(c) the expression "enemy subject" means -
   (i) an individual who, not being either a British subject or a British protected person, possesses the nationality of a State at war with His Majesty, or
   (ii) a body of persons constituted or incorporated in, or under the laws of, any such State; and
8. (d) the expression "enemy territory" means any area which is under the sovereignty of, or in the occupation of, a Power with whom His Majesty is at war, not being an area in the occupation of His Majesty or of a Power allied with His Majesty.

(2) A certificate of a Secretary of State that any area is or was under the sovereignty of, or in the occupation of, any Power, or as to the time at which any area became or ceased to be under such sovereignty or in such occupation shall, for the purposes of any proceedings taken by virtue of this Act, be conclusive evidence of the facts stated in the certificate.

(3) Anything required or authorized under this Act to be done by, to or before the Board of Trade may be done by, to or before the President of the Board or any secretary, under-secretary or assistant secretary of the Board, or any person authorized in that behalf by the President of the Board.

9. (1) This Act may be cited as the Import, Export and Customs Powers (Defence) Act, 1939.

(2) This Act shall be construed as one with the Customs Consolidated Act, 1876, and the enactments amending that Act.

(3) This Act shall continue in force until such date as His Majesty may by Order in Council declare to be the date on which the emergency that was the occasion of the passing of this Act came to an end, and shall then expire except as respects things previously done or omitted to be done.
ANNEX II

1954 No. 23

CUSTOMS

IMPORT OF GOODS (CONTROL)

The Import of Goods (Control) Order 1954

Made 14 January 1954
Coming into operation 21 January 1954

The Board of Trade, in exercise of the powers conferred upon them by Section 1 of the Import, Export and Customs Powers (Defence) Act, 1939(a), and all other powers enabling them in that behalf, do hereby order as follows:

Prohibition on importation

1. Subject to the provisions of this Order, all goods are prohibited to be imported into the United Kingdom.

Licensed imports

2. Nothing in Article 1 hereof shall be taken to prohibit the importation of any goods under the authority of any licence granted by the Board of Trade under this Article and in accordance with any condition attached thereto.

Channel Islands

3. Nothing in Article 1 hereof shall be taken to prohibit the importation of any goods which are proved to the satisfaction of the Commissioners of Customs and Excise to have been consigned from the Channel Islands, other than:

(a) dyes, dyestuffs and intermediates, the following:
   (i) synthetic organic dyestuffs (including pigment dyestuffs), whether soluble or insoluble;
   (ii) compounds, preparations and articles manufactured from any such dyestuffs, except any such compounds, preparations and articles as are not suitable for use in dyeing;
   (iii) organic intermediate products used in the manufacture of any such dyestuffs;

(b) arms and ammunition, the following:
   (i) firearms, lethal, including any lethal barreled weapon of any description from which any shot, bullet or other missile can be discharged and other weapons of whatever description designed or adapted for the discharge of any noxious liquid, gas or other thing;

(a) 2 and 3 Geo. 6 c. 69.
(ii) component parts of any such firearm or other weapon as aforesaid, and any accessory to any such firearm or other weapon designed or adapted to diminish the noise or flash caused by firing the weapon;

(iii) ammunition, including grenades, bombs and other like missiles, and any ammunition containing or designed or adapted to contain any noxious liquid, gas or other thing, and component parts of any such ammunition;

(c) plumage, other than plumage of birds imported alive and other than plumage of birds ordinarily used in the United Kingdom as articles of diet.

False statements, etc.

4. If for the purpose of obtaining a licence under this Order, any person makes any statement or furnishes any document or information which to his knowledge is false in a material particular, or recklessly makes any statement which is false in a material particular, he shall be guilty of an offence and be liable on summary conviction to a fine not exceeding five hundred pounds or to imprisonment for a term not exceeding six months, or to both such fine and such imprisonment; and any licence which may have been granted in connexion with the application for which the false statement was made or the false document or information was furnished shall be void as from the time when the licence was granted.

Licences

5. (1) Any licence granted under Article 2 hereof may be modified or revoked by the Board of Trade at any time.

(2) Any current licence granted under any Order hereby revoked shall, for the purposes of this Order, have effect as if it had been granted under Article 2 hereof.

Interpretation and revocation

6. (1) In this Order "goods", unless otherwise specified, means both used and unused goods,

(2) The Interpretation Act, 1889(b), shall apply to the interpretation of this Order as it applies to the interpretation of an Act of Parliament and as if this Order and the Orders hereby revoked were Acts of Parliament.

(b) 52 and 53 Vict. c. 63.
7. The Import of Goods (Control) Order, 1940(c), the Import of Goods (Control) Order, 1945(d), the Import of Goods (Control) (No.2) Order, 1945(e), and the Import of Goods (Control) (Amendment) Order, 1952(f), are hereby revoked.

Citation and Commencement

8. This Order may be cited as the Import of Goods (Control) Order, 1954, and shall come into operation on twenty-first day of January 1954.

Dated this fourteenth day of January 1954.

Ralph M. Nowell
An Under-Secretary of the Board of Trade

EXPLANATORY NOTE

(This Note is not part of the Order, but is intended to indicate its general purport).

This Order supersedes the Import of Goods (Control) Order, 1940, as amended.

The principal change is that where false information has been given for the purpose of obtaining a licence, the licence is void from the time when it was granted.

(c) S.R. and O. 1940/873; Rev. V, p.472; 1940 I, p. 316.
(f) S.I. 1952/1204; 1952 I, p.759.
ANNEX III

THE SCHEDULED TERRITORIES

1. Channel Islands

2. British Commonwealth Countries (except Canada) and British Dependencies

Aden (including Protectorate)
Australia
Territory of Papua and the Trust Territory of New Guinea
Australian Antarctic Territory
Bahamas
Bahrain, Qatar and Trucial Oman
Barbados
Basutoland, Bechuanaland Protectorate and Swaziland
Bermuda
British Guiana
British Honduras
Brunei
Ceylon
Cyprus
Falkland Islands (including Dependencies)
Federation of Malaya
Fiji
Gambia
Gibraltar
Gold Coast (including Togoland under British Trusteeship)
Hong Kong
India
Jamaica (including Dependencies)
Kenya
Kuwait

Leeward Islands
Malta and Gozo
Mauritius and Dependencies
Nauru
New Zealand
Western Samoas Trust Territory and Ross Dependency
Nigeria (including Cameroons under British Trusteeship)
North Borneo
Northern Rhodesia
Nyasaland
Pakistan
St. Helena (including Dependencies)
Sarawak
Seychelles
Sierra Leone
Singapore
Somaliland Protectorate
South West Africa Territory
Southern Rhodesia
Tanganyika under British Trusteeship
Trinidad and Tobago
Uganda
Union of South Africa (excluding South Western African Territory)
Windward Islands
Zanzibar (including Pemba)

3. Other Countries

Burma
Iceland
Iraq
Irish Republic
Jordan
Libya

4. Muscat and Oman (including Trucial Oman) are not Scheduled Territories but are treated as if they were.
ANNEX IV

THE RELAXATION COUNTRIES

1. OECD Countries and their Associated States and Dependencies

Austria
Belgium
Belgian Congo (including Ruanda-Urundi Trust Territory)
Denmark
Faroe Islands
Greenland
France
Algeria
Tunis
Protectorate of Morocco
Cameroons under French Trusteeship
French Equatorial Africa
French West Africa (including Togoland under French Trusteeship)
French Somaliland
Madagascar and Dependencies
Reunion (Bourbon)
French Possessions in India
Vietnam
Laos
Cambodia
French Possessions in the Pacific
St. Pierre and Miquelon
French West India Islands
French Guiana
Western Germany (Federal Republic of Germany and British, French
and United States Sectors of Berlin)

Greece
Italy
Italian Somaliland (under Italian Trusteeship)

Lichtenstein
Luxemburg
Netherlands
Netherlands Antilles
Surinam
Netherlands New Guinea
Norway
Spitzbergen

Portugal
Azores
Madeira
Cape Verde Islands, Guinea, Principe and S. Tome Islands
Angola
Portuguese East Africa
Portuguese Possessions in India
Portuguese Possessions in the Indian Seas
Macao

1 Excluded from "Relaxation Countries" global quotas
Sweden
Switzerland
Free Territory of Trieste
Turkey

2. Other countries

Afghanistan
Anglo-Egyptian Sudan
Andorra
Argentine Republic\(^1\)
Bhutan
Brazil
Chile
China (including Manchuria)
Egypt
Ethiopia (including Eritrea)
Finland
Formosa
Indonesia
Israel
Lebanon
Nepal
Paraguay
Peru
Persia\(^-\) (Iran)
Saudi Arabia (including Asir)
Spain
  Canary Islands
  Protectorate of Morocco
  Spanish Ports in North Africa
  Spanish West Africa (including Fernando Po)
Syria
Tangier\(^1\)
Thailand
Uruguay
Yemen
Yugoslavia\(^1\)

\(^1\) Excluded from "Relaxation Countries" global quotas.
ANNEX V

Owing to difficulties in obtaining an adequate supply of Notice to Importers No. 740 only two (printed) copies of Annex V A. and two (stencilled) copies of Annex V B. have been circulated to each contracting party.

ANNEXE V

En raison de la difficulté d'obtenir un nombre suffisant d'exemplaires de l'Avis aux importateurs No. 740, chaque partie contractante n'a pu recevoir que deux exemplaires de l'Annexe V A. (imprimés) et deux exemplaires de l'Annexe V B. (ronéographiés).
ANNEX VI

Owing to difficulties in obtaining an adequate supply of Notice to Importers No. 825 only two copies of this Annex have been circulated to each contracting party.

ANNEXE VI

En raison de la difficulté d'obtenir un nombre suffisant d'exemplaires de l'Avis aux importateurs No. 825, deux exemplaires seulement de cette annexe ont été adressés à chaque partie contractante.
Owing to difficulties in obtaining an adequate supply of Notice to Importers No. 820 only two copies of this Annex have been circulated to each contracting party.

En raison de la difficulté d'obtenir un nombre suffisant d'exemplaires de l'Avis aux importateurs No. 820, deux exemplaires seulement de cette annexe ont été adressés à chaque partie contractante.
ANNEX VIII

List of Principal Commodities on Open Individual Licence in August 1957

I. Commodities on "Relaxation" Open General Licence

Valid for all countries

Certain types of ash and hickory tool handles

Petroleum products: (subject to certain undertakings)

<table>
<thead>
<tr>
<th>Product</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>petroleum crude oil</td>
<td>gas oil</td>
</tr>
<tr>
<td>processed oils</td>
<td>lubricating oil</td>
</tr>
<tr>
<td>aviation spirit</td>
<td>vaporizing oil</td>
</tr>
<tr>
<td>motor spirit</td>
<td>lubricating compounds</td>
</tr>
<tr>
<td>other spirit</td>
<td>refined oils, inedible</td>
</tr>
<tr>
<td>burning oil</td>
<td>petroleum pitch</td>
</tr>
<tr>
<td>diesel oil</td>
<td>bituminous asphalts</td>
</tr>
<tr>
<td>fuel oil</td>
<td>petroleum waxes of all kinds</td>
</tr>
</tbody>
</table>

Valid for dollar area (this commodity is on non-dollar Open General Licence)

Cotton, raw

Other

Butter - non-dollar countries

II. Commodities not on "Relaxation" Open General Licence

Note: The letters (S.A.) after a commodity indicate that the commodity is on Sterling Area Open General Licence.

Valid for all countries

Margarine and compound cooking fat

Valid for non-dollar countries

Egg products: (S.A.)

<table>
<thead>
<tr>
<th>Product</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>dried egg white</td>
<td></td>
</tr>
<tr>
<td>dried egg yolk</td>
<td></td>
</tr>
<tr>
<td>frozen egg white</td>
<td></td>
</tr>
<tr>
<td>frozen egg yolk</td>
<td></td>
</tr>
<tr>
<td>glycerinated yolk</td>
<td></td>
</tr>
</tbody>
</table>
Valid for non-dollar countries

Meat, fresh, chilled or frozen (including offal):
- beef
- donkey (S.A.)
- goat (S.A.)
- horse (S.A.)
- lamb
- mule (S.A.)
- mutton
- veal
- pork offal

Shell eggs (S.A.)

Valid for "relaxation" countries other than Japan

Bacon (not including ham). (Bacon in airtight containers is on "relaxation" Open General Licence).

Pork (not including bacon or ham), fresh, chilled or frozen.

Fertilizers: (S.A.)
- kainite and other potassium fertilizer salts (except potassium nitrate)
- potassium chloride

Parts for repairing foreign-made watches and clocks (other than cases, plates, bridges, jewels (mounted or not) and mainsprings). (S.A.)

Other

Certain clover and grass seeds - Canada, Irish Republic, New Zealand and certain European countries.

Whole dried egg - "Relaxation" countries (except China) and Korea (S.A.)

Whole hams - Sterling Area. (Ham in airtight containers is on Open General Licence for "relaxation" countries).

Sugar, including invert sugars, molasses, syrups and other forms of liquid sugar - International Sugar Agreement countries. (Molasses containing not more than 60 per cent sweetening matter are on world Open General Licence).

Canned crab - Japan. ("Relaxation" Open General Licence except Japan).

Canned or bottled mandarin oranges - Japan. ("Relaxation" Open General Licence, except Argentina and Japan).
ANNEX IX

COUNTRIES OF THE DOLLAR AREA

Canada
Bolivia
Colombia
Costa Rica
Cuba
Dominican Republic
Ecuador
El Salvador
Guatemala
Haiti
Republic of Honduras

Liberia
Mexico
Nicaragua
Panama (including Canal Zone)
Republic of the Philippines
United States of America
Alaska
Puerto Rico
Hawaii
Virgin Islands of the United States
Venezuela
ANNEX X

Owing to difficulties in obtaining an adequate supply of Notice to Importers No. 814 only two copies of this Annex have been circulated to each contracting party.

ANNEXE X

En raison de la difficulté d'obtenir un nombre suffisant d'exemplaires de l'Avis aux importateurs No. 814, deux exemplaires seulement de cette annexe ont été adressés à chaque partie contractante.