I. SYSTEM AND METHODS OF THE RESTRICTIONS

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.

Methods Used in Restricting Imports

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

A. The Unrestricted Sector. (The Open General Licences)

B. The Restricted Sector. (Open Individual Licences and Specific Licences)

1 This consultation also incorporates the 1958 consultation under Article XIV:1(g) which was initiated but not completed at the Thirteenth Session.

2 This document is primarily based on data supplied by the United Kingdom Government. Part II of the document (a statement by the United Kingdom Government on the effects of restrictions in trade) will be circulated separately.
Within this sector the following methods of controlling imports are used:

- Bilateral agreements and arrangements
- Global quotas
- Dollar quotas
- Combined global quotas
- Imports for re-export
- Individual licences (discretionary licensing - "case-by-case" method)
- Prohibition of imports

A. The Unrestricted Sector

The open general licences

For import licensing purposes the world is divided into five areas. These are:

1. The dollar area, comprising:
   - Bolivia, Canada, Colombia, Costa Rica, Cuba, Dominican Republic,
   - Ecuador, El Salvador, Guatemala, Haiti, Republic of Honduras,
   - Liberia, Mexico, Nicaragua, Panama, Philippines, United States,
   - Venezuela.

2. The eastern area, comprising:
   - Albania, Bulgaria, Czechoslovakia, Germany (Soviet Zone), Hungary,
   - North Korea, North Vietnam, Poland, Rumania, USSR.


4. The relaxation area, which comprises the rest of the world as listed in Annex III.

5. The scheduled territories, comprising:
   - British Commonwealth (except Canada), British Trust Territories,
   - British Protectorates and Protected States, Burma, Irish Republic,
   - Iraq, Iceland, Jordan and Libya. Muscat and Oman are treated as being within the scheduled territories for import licensing purposes.
The Open General Licences made by the Board of Trade under the Order referred to above allow the import of a large range of goods without the need to apply to the Import Licensing Branch of that Department for a specific import licence. There are two Open General Licences.

Open General Licence No.1 consists of two schedules. The first schedule, which is in positive form, lists those goods which may be imported under Open General Licence from any country; it is therefore of interest in relation to imports from the dollar area and the eastern area. The second schedule, which is in negative form, lists those goods which may not be imported, except under specified licence, and related to imports from Japan, the scheduled territories and the relaxation area. It is divided into two parts: Part I applies to imports from all these countries, but only seventeen of the items listed require an import licence if originating in and consigned from the scheduled territories; Part II, which applies to imports from Japan, is an additional list of goods which require specific import licences.

Open General Licence No.2 permits the import of industrial chemicals and allied products and a wide range of industrial, office and agricultural machinery originating in and consigned from the dollar area without the need for specific import licence.

Notices to Importers Nos. 860, 866 and 880, which are attached as Annex IV, explain the provisions of the Open General Licences and reproduce the schedules in practically the same form as in the legal documents.

The Open General Licences, 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 imports, such as Animal Health regulations.

At present it is estimated that about 90 per cent of the United Kingdom's total imports calculated on base year 1955, may be imported free of restriction under the Open General Licences.

B. The Restricted Sector

For the importation of all goods not admissible under Open General Licence (except for certain categories exempt from licensing control such as samples and returned goods) an import licence must be obtained. There are two types of import licences, namely Open Individual Licence and Specific Licence.
(a) **Open Individual Licence**

An open Individual Licence allows the holder to import the commodity described on it without limit as to quantity or value from the source or sources shown thereon. It may be valid for a finite period or until it is revoked.

With recent simplification of the open licensing arrangements many commodities that were covered by Open Individual Licensing may now be imported under Open General Licence. The few main Open Individual Licences still in operation are listed in Annex V but it should be noted that the Open Individual Licence for petroleum products imported from the dollar and eastern areas is subject to prior undertakings being given by importers.

(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 or sources shown thereon. It is valid for a finite period.

The following arrangements are used with control of imports within the restricted sector:

(i) **Bilateral Agreements and Arrangements**

The United Kingdom has bilateral agreements or arrangements with most OEEC countries, with certain countries in the eastern area and with Argentina, Cuba, Finland, Japan, Spain and Yugoslavia. 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 95 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 area 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 not yet liberalized in which the respective countries have a traditional interest. The general objects are similar in the case of trade arrangements with other countries.
In the particular case of eastern area countries, 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 the eastern area.

In the case of the latter, 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; with eastern area countries the allocation of the majority of the quotas is in their hands, especially when the goods concerned may be imported under the relaxation area Open General Licence. When 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 quotas which cover a number of countries, i.e., the relaxation area countries. These quotas are used mainly for the less essential consumer goods whose import was placed under restriction in November 1951 and March 1952. Many of the goods originally affected have since been restored to Open General Licence, but imports of a number remain restricted. (For historical reasons, the global quotas do not cover all the present relaxation area countries, but it is the policy to accord any relaxation area country not so covered, bilateral quotas for global quota commodities in which they have an interest. (See Annex III.)

The quotas cover all the countries for which they are valid 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. (The United Kingdom authorities are of the view that while the established importers are still restricted, further limitation in order to provide a proportion of the quota for allocation to newcomers could not be justified.) The quotas, with the exception of that for fresh pears, are announced annually and there is a time limit for applications. The licences are valid to the end of the period 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, Spain and Finland have been allowed 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 1958 are given in Annex VI. In 1958 the value of imports of items included in this Annex amounted to approximately £10 million representing about 0.3 per cent of the United Kingdom's total import bill for the year and 0.7 per cent of imports from the countries concerned.

(iii) Dollar import quotas

Import quotas have been opened for a number of goods from the dollar area. Details of these quotas are given in Annex VII.

(iv) Combined global quota

A combined global quota for fresh apples was established on a weight basis for the twelve months commencing 1 July 1958. It represents a merger of the relaxation area global quota and the North American quota (Annex VIII).

(v) Imports for re-export in the same state or after processing or incorporation in United Kingdom manufactures

Special provisions permit importers to carry out entrepôt trade and manufacturers to have access to materials and components for export orders. The arrangements are subject, in the case of entrepôt transactions, to any current exchange control regulations and also, in all cases, to an undertaking that the whole of the imported goods will be re-exported.

(vi) Specific (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.

(vii) 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.

Categories of Goods affected

Previous sections of this basic document have made reference to goods covered by the Open General Licences which may be imported without restriction, and the "negative" lists vis-a-vis the scheduled territories, relaxation area and Japan have also been mentioned.

The principal items still subject to import restrictions from the dollar area are shown in Annex IX.
### Proportion of Imports covered by each Method used

**Breakdown of Imports according to Systems and Areas**

<table>
<thead>
<tr>
<th></th>
<th>£ million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total imports</td>
<td>3,374</td>
</tr>
<tr>
<td>Total imports from OEEC countries (including dependent overseas territories)</td>
<td>916</td>
</tr>
<tr>
<td>Total imports from dollar area</td>
<td>619</td>
</tr>
<tr>
<td>Total imports from other countries</td>
<td>1,839</td>
</tr>
<tr>
<td>Total imports on private account</td>
<td>3,194</td>
</tr>
<tr>
<td>Total imports subject to State trading</td>
<td>180</td>
</tr>
</tbody>
</table>

### Imports of commodities on WOOGL

<table>
<thead>
<tr>
<th></th>
<th>£ million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Imports of commodities on WOOGL</td>
<td>1,474</td>
</tr>
</tbody>
</table>

### Imports of commodities liberalized from non-dollar sources

<table>
<thead>
<tr>
<th></th>
<th>£ million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-dollar source</td>
<td>391</td>
</tr>
<tr>
<td>All sources</td>
<td>409</td>
</tr>
</tbody>
</table>

### Imports of commodities liberalized from relaxation countries

<table>
<thead>
<tr>
<th></th>
<th>£ million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relaxation countries (including sterling)</td>
<td>1,110</td>
</tr>
<tr>
<td>All sources</td>
<td>1,431</td>
</tr>
</tbody>
</table>

### Imports of global quota list commodities

<table>
<thead>
<tr>
<th></th>
<th>£ million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Imports from global quota countries</td>
<td>13</td>
</tr>
<tr>
<td>Imports from all sources</td>
<td>32</td>
</tr>
</tbody>
</table>

**Other imports**

<table>
<thead>
<tr>
<th></th>
<th>£ million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other imports</td>
<td>356</td>
</tr>
</tbody>
</table>

---

1 In each year the figures shown are those of imports of goods subject to global quota 1 January of the following year. Figures in brackets for 1955, 1956, 1957 and 1958 show the imports in those years of goods subject to global quota on 1 January 1955.
Treatment of Imports from different Countries or Currency Areas

(i) The Sterling Area

As previously mentioned in this document imports from the scheduled territories with certain exceptions are admissible freely under the Open General Licence.

Certain 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 Area

This group comprises all other countries apart from the dollar area, the eastern area and Japan. The major part of United Kingdom imports is admissible from the relaxation area countries under the Open General Licence. On the basis of trade in 1948, only 5 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 less than 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 para.B(ii) on Page 5 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., decorated glassware, lace and lace net, motor cars, precious jewellery, processed milk and scientific instruments.

(iii) The Eastern Area

These countries may share in trade in essentials which are on World Open General 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 agreement with the USSR itself. Trade with that country in consumer goods is limited to a few inter-governmental arrangements for reciprocal trade in particular commodities such as canned crab and matches.

Trade with Eastern Germany in items subject to quotas is conducted under an unofficial trade arrangement negotiated between the Federation of British Industries and the East German Chamber of Foreign Trade.
(iv) Dollar Area

Nearly all raw materials, basic foodstuffs, industrial chemicals and machinery may now be imported under Open General Licence.

For a fairly wide range of consumer goods, there is the Token Imports Scheme which allows North American exporters to send up to 30 per cent by value of their pre-war exports to the United Kingdom. Licences issued under this scheme amount in all to rather less that £3 m. per annum.

There are also a number of other dollar quotas, details of which are given in Annex VII.

(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 1957 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 special list of items covered by Part II of Schedule II of Notice to Importers No. 860 (see Annex V). Details of the quotas for Japanese goods are given in Annex X.

State Trading or Government Monopoly and the restrictive Operation of such Regimes

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 trading (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.

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 Licences. In November 1951 the deteriorating balance-of-payments position resulted in the import restrictions being re-imposed over a wide field of less essential and consumer goods. A further round of restrictions in March 1952 reduced liberalisation to about 46 per cent although global quotas were set up for most of the deliberalized items. Twelve months later the process of adding to the Open General Licence was resumed and the subsequent progress of liberalisation is indicated by the percentages and notes on principal commodities in the following table:
### Percentage of private imports liberalized from OEEC countries and dependencies (1948 base)

<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>
<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>
</tbody>
</table>

Liberalization Measures affecting OEEC countries since previous date indicated:

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 deliberation 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 liberalized 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 quotas items were established to cover cases of hardship.
<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>April 1953</td>
<td>58</td>
<td>55</td>
<td>65</td>
<td>58</td>
</tr>
<tr>
<td>November 1953</td>
<td>85</td>
<td>80</td>
<td>72</td>
<td>80</td>
</tr>
<tr>
<td>July 1954</td>
<td>89</td>
<td>81</td>
<td>74</td>
<td>83</td>
</tr>
</tbody>
</table>

Following improvements 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 reverted from State trading to private account.
<table>
<thead>
<tr>
<th>Position at date indicated</th>
<th>Food</th>
<th>Raw Materials</th>
<th>Manufactures</th>
<th>Total</th>
<th>Liberalization Measures affecting OEEC countries since previous date indicated</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 1954</td>
<td>89</td>
<td>82</td>
<td>78</td>
<td>84</td>
<td>A miscellaneous range of goods including various seeds, fibre building boards, ships, certain fruit juices and drugs and medicines were liberalized.</td>
</tr>
<tr>
<td>July 1955</td>
<td>90</td>
<td>84</td>
<td>78</td>
<td>85</td>
<td>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.</td>
</tr>
<tr>
<td>August 1956</td>
<td>90</td>
<td>99</td>
<td>90</td>
<td>93</td>
<td>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.</td>
</tr>
<tr>
<td>January 1957</td>
<td>91</td>
<td>99</td>
<td>91</td>
<td>94</td>
<td>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.</td>
</tr>
<tr>
<td>Position at date indicated</td>
<td>Food</td>
<td>Raw Materials</td>
<td>Manufactures</td>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>----------------------------</td>
<td>------</td>
<td>---------------</td>
<td>--------------</td>
<td>-------</td>
<td></td>
</tr>
<tr>
<td>August 1957</td>
<td>91</td>
<td>100</td>
<td>91</td>
<td>94</td>
<td></td>
</tr>
<tr>
<td>July 1958</td>
<td>93</td>
<td>100</td>
<td>91</td>
<td>95</td>
<td></td>
</tr>
</tbody>
</table>

A miscellaneous range of goods, including rye in the grain, yeast, unwrought magnesium, natural potassium nitrate, sulphuric acid, tungsten ores, Manila hemp and crushed macadam and granite chippings were liberalized.

Chocolate and sugar confectionery (and certain other goods containing sugar), raw granite, hemp yarns and manufactures, lithopone, tungsten carbide, synthetic potassium nitrate and a variety of miscellaneous item of minor importance were 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 and 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 and 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 World Open General Licence was announced in July 1957. The broad effect of these measures was that, with the exception of leather, for which the dollar quota was substantially increased, the remaining import controls on basic raw materials of industry were removed. Controls were also removed from certain agricultural products, including cocoa, chicory, bladders and casings, hops, yeast, etc., and from certain chemicals and metal semi-manufactures.

In the period July/September 1958 industrial chemicals and allied products, a wide range of industrial, office and agricultural machinery and equipment, tools, certain metal manufactures, canned salmon and newsprint were liberalized, and commercial dollar quotas were opened for fresh, dried and canned fruit. For the first time also a combined relaxation area and North American quota was established for the import of fresh apples. The new quota, on a weight basis, represents approximately the sum of imports under the separate quotas.
In 1954 the OEEC began a study of restrictions by Member countries on imports from the United States and Canada, in connexion with which the percentage of the total imports from the United States and Canada on which there was no restriction was to be calculated. Based on trade in 1953 these calculations show that the percentage of United Kingdom imports liberalized from the United States and Canada was: June 1954: 50 per cent; January 1956: 56 per cent; August 1956: 59 per cent; August 1957: 62 per cent; September 1958: 73 per cent.

II. EFFECTS OF THE RESTRICTIONS

(A statement by the United Kingdom Government, which will constitute this Part, will be circulated separately.)

LIST OF ANNEXES

I. The Import, Export and Customs Powers (Defence) Act, 1939.

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

III. List of Relaxation Area countries.

IV. Summary of Import Licensing Regulations - Notices to Importers Nos.860, 866 and 880.

V. List of principal commodities on Open Individual Licence.

VI. List of Relaxation Area global quotas for 1958.

VII. List of Dollar quotas.

VIII. Details of the combined global quota for fresh apples - Notice to Importers No.865.

IX. List of principal items still subject to import restriction from the Dollar Area.

X. List of quotas for imports from Japan - Appendix of Notice to Importers No.857.

1 A copy of these annexes (in English) will be supplied to each contracting party.