INTERIM REPORT ON THE IMPLEMENTATION OF PART I
OF RECOMMENDATION C(60)35

1. Recommendation C(60)35, in Part I relating to trade, aims at:

- the extension of intra-European liberalization measures to all contracting parties of the GATT;
- the non-discriminatory removal of the remaining quantitative restrictions still in force; and
- the non-discriminatory administration of the remaining quantitative restrictions until circumstances make this removal possible.

2. In adopting this Recommendation on 2 February 1960, the Council decided that Member countries should provide the Organisation by 31 March 1960 with certain information about the implementation of the Recommendation, and it instructed the Steering Board for Trade, in close liaison with the Executive Secretary of the GATT, to examine, on the basis of such information, the practical measures, founded on co-operation between Members, that might help to overcome the difficulties encountered. A first report was to be submitted in time for consideration by the Council before 1 May 1960 (C(60)35, Part IV).

3. As most of the information requested from Member countries did not reach the Organisation until the second fortnight of April, and as information in respect of certain countries was still lacking at 15 May, it has not been possible to keep to this time limit. In this interim Report, the Steering Board confines itself to indicating to the Council the major findings of fact which emerge from a first analysis of the information obtained, supplemented by other available information concerning:

- the progress made and the present position in regard to non-discrimination;
- the main sectors which present difficulties in the way of further progress.

4. It was not possible for the Steering Board to carry out its mandate any further in the short time available. Information has now been assembled with a view to seeking practical measures of co-operation likely to overcome the difficulties encountered in effectively carrying out the Recommendation of the Council. The Steering Board, however, finds that in a number of respects this material is still inadequate. It intends to ask Member countries for the additional information it needs to carry out its task. As soon as enough progress has been made, the Steering Board will make a further report to the Council.

1 Greece, Ireland, Iceland, Portugal, Turkey.
2 Annex I contains a summary of this information by countries.
Progress made and present situation in regard to non-discrimination

5. The period since the end of 1958 when most Member countries introduced external convertibility for their currencies has been marked by the substantial results of the efforts of Member countries to remove the discrimination which existed at that time against non-Member countries and, in general, to make their import trade freer. These efforts have taken the form,

- in the liberalized sector, of measures to extend intra-European liberalization to wider geographical areas, or of new liberalization measures going beyond the OEEC area; and

- in the quota sector of various measures designed to make the operation of this sector both more liberal from the point of view of import possibilities and less rigid and less discriminatory in administration.

(a) Liberalized sector

6. It is in the liberalization of imports from North America that the greatest advance has been made. In eleven of the eighteen Member countries of the OEEC, all discrimination against these imports is now abolished (Benelux, Denmark, Greece, Iceland, Ireland, Norway, Spain, Switzerland, Turkey). Of the remaining seven Member countries, four (France, Portugal, Sweden, the United Kingdom) have virtually abolished discrimination, which now affects a very limited number of products only; Germany and Italy have very substantially reduced the margin of discrimination, and Austria is preparing to follow suit. In most of these latter countries, public statements have been made, announcing either the total abolition of discrimination or a further reduction of the discriminatory margin in the near future.

7. Central American countries which are contracting parties to the GATT are entitled to the same treatment as the United States and Canada (cf. paragraph 6 above), except on the part of Austria, France and Portugal, and, so far as concerns Cuba, on the part of Spain. It should be noted that since the end of 1958, France has several times raised the level of liberalization applying to these countries. In the case of ten Member countries, therefore, non-discrimination is total.

8. Nine Member countries (Benelux, Greece, Ireland, Iceland, Switzerland, Turkey, the United Kingdom), make no discrimination against imports from the South American countries in the GATT. The liberalization applicable to North America (cf. paragraph 6 above) is extended to these South American countries by Sweden, Germany (exceptions: Brazil and Uruguay) and Italy (exception: Brazil). The German general liberalization list applicable to Brazil and Uruguay has been enlarged a number of times since the end of 1958, as has that of Italy - applicable to Brazil - and that of France.

9. Imports from the countries of Oceania, Africa and Asia - excepting Japan - which are contracting parties to the GATT, meet with no discrimination in thirteen countries (Benelux, Denmark, Greece, Iceland, Ireland, Italy, Norway, Sweden, Switzerland, Turkey, the United Kingdom). Spain applies her liberalization
measures to all these countries except two (Indonesia and Ghana). The other Member countries generally accord intra-European liberalization to the former overseas territories which have become independent. The extensions of the general liberalization lists of Germany and France must also be noted here.

10. Finland enjoys non-discriminatory treatment in all Member countries except Spain. For a number of different, and well-known reasons, intra-European liberalization is, in general, not applied to Japan and Czechoslovakia.

11. Figures of the progress made in extra-European liberalization are available only for the liberalization applied to the dollar area. Table I gives a comparison between present liberalization percentages and the percentages in December 1958. A diagram of the trend of the global percentage is given in Table II.

(b) Quota sector

12. In the quota sector, nearly all Member countries apply a mixed system, that is, side by side with the global quotas - which vary in geographical scope - they maintain bilateral quotas for a varying number of products. The only exceptions are Iceland and Turkey which, in their relations with the GATT countries (excluding Czechoslovakia) have wholly abandoned bilateral quotas.

13. Since the end of 1958, appreciable progress has been made towards non-discrimination - from which the North American countries have more particularly benefited - both through the transfer of products from the bilateral or unilateral sector to the global sector and through the geographical extension of the global quotas. For example, Denmark and Norway have substantially reduced their bilateral sector. In Denmark, where the bilateral sector amounts to 1 per cent only of total imports in 1959, global quotas are open to all countries benefiting from liberalization. Norway applies its global quotas to all GATT countries except Japan and Czechoslovakia. Benelux has already been following a policy of globalization for several years, notably on a worldwide basis. In Spain, global quotas are open to practically all countries with a convertible currency.

It should also be noted that in many cases the possibilities of importing within the global quotas have been increased by raising the previous ceilings.

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1Liberalization measures taken by Greece, Iceland, Ireland, Switzerland and Turkey are applied to Japan and Czechoslovakia; measures taken by Spain apply to Japan.
TABLE I
COMPARISON OF LIBERALIZATION PERCENTAGES
DOLLAR AREA
(reference year 1953)

<table>
<thead>
<tr>
<th>Member Countries</th>
<th>27 December 1956</th>
<th>1 May 1960</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>78</td>
<td>80</td>
</tr>
<tr>
<td>Austria</td>
<td>45</td>
<td>91</td>
</tr>
<tr>
<td>Benelux</td>
<td>86</td>
<td>94</td>
</tr>
<tr>
<td>Denmark</td>
<td>66</td>
<td>97</td>
</tr>
<tr>
<td>France</td>
<td>-</td>
<td>88</td>
</tr>
<tr>
<td>Greece</td>
<td>99</td>
<td>90</td>
</tr>
<tr>
<td>Ireland</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Iceland</td>
<td>33</td>
<td>33</td>
</tr>
<tr>
<td>Italy</td>
<td>68</td>
<td>90</td>
</tr>
<tr>
<td>Norway</td>
<td>87</td>
<td>91</td>
</tr>
<tr>
<td>Portugal</td>
<td>53</td>
<td>98</td>
</tr>
<tr>
<td>Sweden</td>
<td>68</td>
<td>91</td>
</tr>
<tr>
<td>Switzerland</td>
<td>99</td>
<td>99</td>
</tr>
<tr>
<td>Turkey</td>
<td>-</td>
<td>18</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>73</td>
<td>93</td>
</tr>
</tbody>
</table>

TOTAL: 67 89

Note: The percentages appearing in this table do not correspond, in the case of certain countries, to the level of dollar liberalization actually reached, these countries having not yet notified to the Organisation the last measures they have taken in this field. The above percentages generally refer to trade with the United States of America and Canada, but, in a few cases, they are based on trade with the whole of the Dollar area.
TABLE II

TREND OF GLOBAL PERCENTAGE OF LIBERALIZATION
APPLICABLE TO THE DOLLAR AREA

(reference year 1953)

27 Dec. 1958
The main sectors which present difficulties in the way of future progress

14. The remaining discrimination which still exists is concentrated on the whole in four main sectors:

- Agricultural and food products
- Textiles
- Ceramics and porcelain
- Optical and precision instruments.

Discrimination in these products naturally often varies according to the origin of the imports.

15. Apart from the question of discrimination, the general problem of the liberalization of agricultural products also arises, the importance of which is illustrated by the fact that most of the restrictions still applied in intra-European trade relate to agricultural products. The non-discriminatory liberalization of these products is also an aim of the Council Recommendation.

Discrimination in the case of agricultural products affects tropical products and some specific products. In the case of tropical products, discrimination generally arises out of the preference accorded by certain Member countries to imports from their overseas territories and from countries with which they have special ties of association.

16. In the other three main sectors, certain discriminatory restrictions are still applied to the dollar area, but most of the restrictions affect countries with exceptionally low costs, many of which are also countries in process of development.

Conclusions

17. The Steering Board wishes to stress the substantial progress made since the introduction of convertibility in the removal of the discriminatory aspects of the trading system applied by the Member countries, both in the free sector and in the quota sector. This advance is particularly striking in relation to the dollar area; it can be expected that discrimination against the dollar area will be practically eliminated in the relatively near future. The Steering Board has also observed that certain countries have taken further measures of liberalization the scope of which is not restricted to the OEEC area. It welcomes all these measures, which are in line with the objectives of the Recommendation of the Council (C(60)35, Part I).

18. At the same time, it must not be disguised that there is still much progress to be made, particularly in relation to countries not in the dollar area, before the objectives of the Recommendation can be regarded as attained. The problems mentioned in Part III of the Recommendation of the Council present difficulties which emerge from the list in paragraph 14 above of the five main sectors of products still subject to discriminatory treatment. The Steering Board will, in accordance with its mandate, continue its studies to find practical measures, founded on co-operation between Members, that might help to overcome any difficulties in the effective implementation of the recommendations contained in Part I of the Recommendations of the Council.
ANNEX

Summary, by countries, of information concerning:

I. Trade regime as at 1 May 1960
II. Measures adopted since the return to convertibility
III. New measures envisaged

1. FEDERAL REPUBLIC OF GERMANY

I. TRADE REGIME AS AT 1 MAY 1960

(a) Liberalized sector
- List A (OEEC list);
  geographical application: OEEC countries.
- List C (dollar list);
  geographical application: Canada, United States, Cuba,
  Dominican Republic, Haiti, Chile, Nicaragua, Peru.
- List B;
  geographical application: the remaining GATT countries (and
certain other countries of the world) with the exception of
Czechoslovakia (with the latter there is a bilateral trade-and-
payments agreement).

(b) Quota sector

Mixed system of global and bilateral quotas.

II. MEASURES ADOPTED SINCE THE RETURN TO CONVERTIBILITY

Since the return to convertibility on 29 December 1958, the Federal
Republic of Germany has carried out, step by step, a non-discriminatory
extension of its general liberalization and progressively reduced the margin
of discrimination. The effort made can be seen from a very substantial
reduction in the number of tariff items still subject - under the various
liberalization lists - to quantitative restrictions. Between 29 December 1958 and 1 May 1960 they fell from 412 to 188 in the industrial sector (out of a total of 5,859 items)\(^1\) and from 300 to 150 in the food sector (out of a total of 617 items)\(^2\). Details of this trend are given below:

<table>
<thead>
<tr>
<th>Number of Items subject to Quantitative Restrictions</th>
</tr>
</thead>
<tbody>
<tr>
<td>at 29 December 1958</td>
</tr>
<tr>
<td>---------------------</td>
</tr>
<tr>
<td>A. Industrial sector</td>
</tr>
<tr>
<td>(a) vis-à-vis countries included in lists A, B and C</td>
</tr>
<tr>
<td>(b) subject to additional restrictions vis-à-vis non-Member countries of the CEEC (countries included in lists B and C)</td>
</tr>
<tr>
<td>(c) subject to additional restrictions vis-à-vis countries included in list C (former dollar area)</td>
</tr>
<tr>
<td>B. Food sector</td>
</tr>
<tr>
<td>(a) vis-à-vis countries included in lists A, B and C:</td>
</tr>
<tr>
<td>(1) commodities the import of which can be restricted under Articles XI and XX of the GATT</td>
</tr>
<tr>
<td>(2) other food products</td>
</tr>
<tr>
<td>(b) subject to additional restrictions vis-à-vis non-Member countries of the CEEC (countries included in lists B and C)</td>
</tr>
<tr>
<td>(c) subject to additional restrictions vis-à-vis countries included in list C (former dollar area)</td>
</tr>
</tbody>
</table>

\(^1\) With the exception of coal which because of its special situation cannot be included in the liberalization programme.

\(^2\) With the exception of the 162 items which are subject to market control.
The main products to benefit from the various liberalization measures are:

(a) **Industrial sector**

Certain leathers, flax, certain auxiliary chemicals for the textiles and paper industry, certain plastics, Kraft papers and paperboards, certain articles of paper and paperboard, tyre calico, tyres and inner tubes, products in the "flax and ramie" chapter, hemp yarns and fabrics, jute yarns and fabrics, flax and ramie ropes and cables, footwear with uppers of rubber or textiles, certain glassware articles, coloured spectacle glass, diamond tools, certain toys.

(b) **Food sector**

Certain fruit and vegetables, certain vegetable extracts, certain vegetable oils, sausages and other meat preparations and preserves, certain canned fruits, certain fruit juices, certain sparkling wines, ciders and perries, hens' eggs, natural honey.

### III. NEW MEASURES ENVISAGED

In accordance with a pre-arranged plan, the Federal Republic of Germany is to adopt further liberalization measures before 31 December 1960, as well as during the period from 1 January 1961 to 30 June 1962.

Between now and 31 December 1960, further liberalization measures will include:
- 29 items (4 in the industrial sector and 25 in the food sector), vis-à-vis countries in lists A, B and C;
- 25 supplementary items (7 in the industrial sector and 18 in the food sector), vis-à-vis countries in lists B and C;
- 13 supplementary items (11 in the industrial sector and 2 in the food sector), vis-à-vis countries in list C.

During the period from 1 January 1961 to 30 July 1962, liberalization measures in the food sector will include:
- 26 items vis-à-vis countries in lists A, B and C;
- 1 supplementary item vis-à-vis countries in lists B and C.

By the end of that period, discrimination will have been reduced to:
- 166 items out of a total of 5,859 in the industrial sector;
- 8 items in respect of countries in list B and 10 items in respect of countries in list C, out of a total of 617 items in the food sector.
2. AUSTRIA

I. TRADE REGIME AS AT 1 MAY 1960

(a) Liberalized sector

Liberalization lists

- QEEC list
  geographical application: QEEC countries, Finland, Federation of Malaya, Federation of Rhodesia and Nyasaland;

- Dollar list
  geographical application: Canada, the United States;

- Lists annexed to the Foreign Trade Act of 1956, as amended on 9 July 1958
  geographical application: all GATT countries with which payments are settled in convertible currency.

(b) Quota sector

Mixed system of global and bilateral quotas.

II. MEASURES ADOPTED SINCE THE RETURN TO CONVERTIBILITY

Dollar list: further liberalization measures adopted on 15 October 1959, substantially reducing discrimination in the industrial sector. Products benefiting from this extension of liberalization include certain fruit and vegetables, alcoholic beverages, mineral fuels, chemicals, jute, hemp, motor vehicles and engines for motor vehicles, glass, etc.

World list: before the return to convertibility, imports under the world list were exempt from import licences but, unlike goods imported under the QEEC list or the dollar list, they did not benefit from an automatic grant of foreign exchange. Since the beginning of 1959, this distinction no longer applies in the case of countries with which payments are effected in convertible currencies. Thus, all third countries which are members of the GATT, with the exception of Czecho-Slovakia, already benefit from liberalization measures affecting products representing about one fifth of Austria's total imports.
III. FURTHER MEASURES ENVISAGED

Austria proposes to eliminate all discrimination against the dollar area in the near future, to apply a common list to OECD Members, Canada and the United States.

Before 30 June 1960, moreover, Austria will adopt further liberalization measures in favour of GATT countries with which payments are settled in convertible currency. The liberalized products imported from those countries will then represent 40 per cent of Austria's total imports, compared with 21 per cent hitherto.

3. BENELUX

I. TRADE REGIME AS AT 1 MAY 1960

(a) Liberalized sector

- single liberalization list;

geographical application: all countries, with the exception of Japan, China and East European countries (including Czechoslovakia)

(b) Quota sector

- world global quotas;

geographical application: all countries

- regional global quotas;

geographical application: (1) EEC countries for all products;
(2) remaining countries for certain products.

- bilateral quotas with other countries than those of the EEC for products not covered by the regional quotas referred to in section (2) above.

General remark: The joint Benelux quota regime is applicable to all products except certain agricultural products not yet committed to free intra-Benelux circulation.

II. MEASURES ADOPTED SINCE THE RETURN TO CONVERTIBILITY

(a) Liberalized sector

Substantial additions to the list at the beginning of 1960. The new liberalization measures adopted deal mainly with: certain live animals, fish eggs, fruit and vegetables, chemicals, textiles, television equipment, motor bodies, plastics, etc.
At the beginning of 1959 and 1960, as in previous years, Benelux increased the amounts of its global quotas.

III. NEW MEASURES ENVISAGED

(a) Liberalized sector

Benelux intends to carry out the non-discriminatory liberalization of the following products not later than 31 December 1961:

- litter peat
- methyl chloride
- certain nailery articles
- gloves

(b) Quota sector

As far as the remaining quotas are concerned, the Benelux countries are looking into the possibility of adapting them in accordance with the recommendations of the OEEC and the decisions taken at Strasbourg by the Council of Ministers of the Six.

4. DENMARK

I. TRADE REGIME AS AT 1 MAY 1960

(a) Liberalized sector

- single liberalization list;

  geographical application: all the GATT countries with the exception of Brazil, Chile, Peru, Uruguay, Japan and Czechoslovakia.

  in many cases, Denmark operates a non-discriminatory automatic licensing system for countries other than those in the "liberalization list area".

(b) Quota sector

- global quotas for products which appear on the so-called "regionalized products" list, i.e. quotas opened in favour of all countries to which the single liberalization list applies;

- bilateral quotas in favour of countries which do not benefit from the liberalization measures.
II. MEASURES ADOPTED SINCE THE RETURN TO CONVERTIBILITY

(a) Liberalized sector

Until 31 December 1958, Denmark had two separate liberalization lists, one of which applied to countries belonging to the EPU, the other to the dollar area including certain Latin American countries in addition to Canada and the United States. By extending its dollar liberalization list on 1 February and 1 April 1959, Denmark abolished all discrimination between the countries belonging to the former EPU and third countries benefiting from liberalization of trade under the dollar list.

On 1 March 1960, Denmark further extended its single liberalization list, the more important changes being in the manufactured goods sector. Products affected by these latest liberalization measures include: canned pineapple, citrus fruit, apricots, peaches, canned fish, beer, manufactured tobacco, cement, varnishishes and paints, soap, cosmetics, glassware products, ceramic products, paper and articles of paper, certain metal products, electrical, radio and television equipment, certain machinery, furniture, toys, sports requisites, office equipment.

(b) Quota sector

At the same time as the general extension of liberalization and the elimination of discrimination against the former dollar area in the liberalized sector took place, Denmark transferred a number of products which had previously been subject to a system of bilateral agreements to the list of "regionalized products". Since these measures were adopted on 1 January 1960, the imports which are still subject to the system of bilateral quotas amount to only 7. per cent of Denmark's total imports in 1959.

III. NEW MEASURES ENVISAGED

In the import budget for the period from 1 July 1960 to 30 June 1961, the overall regional quota ceiling has been raised by 20 per cent as compared with imports in 1959.

5. FRANCE

I. TRADE REGIME AS AT 1 MAY 1960

(a) Liberalized sector

- OEEC list:

geographical application: OEEC countries and their OT's, Finland, former overseas territories which have become independent (Ghana, the Federation of Rhodesia and Nyasaland, Federation of Malaya).
- dollar list:
  geographical application: Canada and the United States
- two "other countries" lists
  geographical application: first list: GATT countries other than those referred to above (though with the exception of Czechoslovakia) and a number of other countries benefiting from the "most-favoured-nation" clause; second list: rest of the world (including Eastern European countries).

(b) Quota sector

(1) Within the EEC, global quotas for certain industrial products in favour of France's partners under the Treaty of Rome;

(2) also within the EEC, and applicable to the same products, bilateral quotas in favour of the other OEEC Member countries, and global quotas in favour of Canada and the United States;

(3) bilateral quotas for certain other products which are still subject to quantitative restrictions;

(4) under the general supplies programme, non-discriminatory global quotas in favour of all countries within the area of convertibility.

II. MEASURES ADOPTED SINCE THE RETURN TO CONVERTIBILITY

(a) Liberalized sector

The publication, on 24 December 1958, of further OEEC and dollar liberalization lists, was the starting point of a very substantial effort on the part of the French Government to extend the liberalization of trade in general and to reduce, or if possible eliminate, the margin of discrimination against the dollar area. Step-by-step, the most recent of these being on 5 April 1960, not only has intra-European liberalization reached a very high percentage, but dollar discrimination has also been reduced to no more than eleven tariff items. Products benefiting from these new measures include: certain cotton textiles, clothing of wool or rayon, artificial textile fibres, tyres, motor vehicles, wheeled tractors, chemicals, certain machine tools, domestic electrical appliances, whisky, etc.

In parallel with these measures in favour of the OEEC countries, Canada and the United States, France has also extended in several stages its liberalization in favour of third countries.
(b) **Quota sector**

Extensions of the bilateral quotas referred to in section (3) of Part I(b) above are negotiated from time to time for countries with which trade relations are governed by bilateral agreements. Contacts have been made with countries with which France has concluded no such agreements, with a view to considering how far it was possible to relax existing restrictions.

The quotas referred to in sections (1) and (2) of Part I(b) above were established in 1959 and at the beginning of 1960. On 1 January 1960, the quotas established in 1959 were increased.

III. **NEW MEASURES ENVISAGED**

Generally speaking, the French authorities have been unable to state in advance what new liberalization measures might be taken after 31 March 1960.

For technical reasons, new liberalization measures must be published in the "Journal Officiel" (Official Gazette) as soon as they have been approved by the Government. On the other hand, until a Government decision has been taken, no liberalization measure can be considered as certain. It would no doubt have been possible to indicate the liberalization measures to be taken in the future but, for the present, the French Government does not envisage any liberalization measures which would come into effect subsequent to the date on which they have been decided.
6. ITALY

I. TRADE REGIME AS AT 1 MAY 1960

(a) Liberalized sector

- "Import list B" (OEEC list);
  geographical application: OEEC countries and their OT's, Finland, Australia, New Zealand, Indonesia, Ghana, Rhodesia-Nyasaland, Union of South Africa, Burma, Ceylon, India, Pakistan, Malaya (and certain countries which are not members of the GATT).

- "Import list A" (dollar list);
  geographical application: Canada, United States, Cuba, Dominican Republic, Haiti, Chile, Nicaragua, Peru, Uruguay (and certain countries which are not members of the GATT).

- "Import list C" ("third country" list);
  Czechoslovakia, Brazil (with individual supplementary liberalization measures for each of these two countries in respect of products which are of particular interest to them).

- Japanese list

(b) Quota sector

- within the EEC, global quotas for certain industrial products in favour of Italy's partners under the Treaty of Rome;

- autonomous quotas in favour of Canada and the United States for the same products;

- bilateral or global quotas for the remaining products which are still subject to quantitative restrictions.

II. MEASURES ADOPTED SINCE THE RETURN TO CONVERTIBILITY

(a) Liberalized sector

As Italy's liberalization under "Import List B" (OEEC list) has been at a very high level for some years (less than 2 per cent of Italian private imports from those countries are still subject to quantitative restrictions) - out of a total of 6,785 tariff items, only 133 remain to be liberalized as far as OEEC Member countries are concerned.
Between 1 January 1959 and 1 May 1960, Italy reduced the number of non-freed tariff items vis-à-vis the dollar area by more than 50 per cent. Consequently, only 10 per cent of Italy's imports from the group of countries to which the list A applies are still subject to quantitative restrictions.

Products benefiting from the new liberalization measures include: organic and inorganic chemicals, articles of rubber, tanned hides and skins, cosmetics, certain products of the paper industry, industrial machinery, control and measuring instruments, colours and lacquers, transmission shafts, certain dried fruits, fruit juices, etc.

On 22 December 1959, Italy adopted further liberalization measures, less important than those referred to above, in favour of countries on "Import List C".

(b) Quota sector

Apart from some extension of the traditional bilateral quotas, Italy established global quotas under the Treaty of Rome in 1959, and in 1960 extended these quotas and created autonomous quotas in favour of Canada and the United States referred to in Part I above.

III. NEW MEASURES ENVISAGED

The Italian Government's efforts in the field of liberalization will be directed at the extension of the "Import Lists A and C" referred to above, with the object of reducing the existing margin of discrimination.

7. NORWAY

I. TRADE REGIME AS AT 1 MAY 1960

(a) Liberalized sector

Single liberalization list:

geographical application: all the GATT countries except Brazil, Chile, Peru, Uruguay and Japan.

(b) Quota sector

Five categories of regime:

(1) global quotas for products appearing on a "list of global quotas", and open to certain countries of the world, including the GATT countries with the exception of Czechoslovakia, Israel and Japan;

(2) bilateral quotas for certain other products;
some products (belonging to the agricultural sector) in respect of which imports are freed for specified periods;

(4) products for which licences are granted on a liberal basis (automatic licence);

(5) imports which are free, subject to their originating in the so-called "free import area". In the case of the GATT countries, this area is the same as the liberalization area.

II. MEASURES ADOPTED SINCE THE RETURN TO CONVERTIBILITY

(a) Liberalized sector

On 1 January 1959, Norway published a new intra-European liberalization (negative) list which was more liberal than the previous one, and at the same time eliminated from the freed sector all discrimination against countries from the former dollar area by deciding to apply, as from that date, a single liberalization list. Subsequently, Norway has liberalized further products in two stages. Products benefiting from the new liberalization measures include: cement, certain inorganic chemicals, certain products of the chemical industry, certain mechanical appliances, gramophone records and accessories, furniture.

(b) Quota sector

On 1 January 1960, Norway transferred further products from the bilateral sector to the global quota sector, and at the same time raised the ceiling for some of the old global quotas and added further countries to the list of those benefiting from the global quota arrangements. On 1 January 1960 the global quota for private cars was also opened to United States and Canadian motor cars.

The main consequences of these relaxation measures were the elimination of all remaining discrimination against the dollar area in the quota sector – affecting motor-cars – and the extension of the global quota arrangements to seven more countries, including Brazil, with the result that the only GATT countries to which this regime does not apply are Czechoslovakia and Japan.

III. NEW MEASURES ENVISAGED

(a) Liberalized sector

The Norwegian Government is at present considering the possibility of extending liberalization to further products as from 1 July 1960, and of including in the liberalization area certain GATT countries which are still excluded.

(b) Quota sector

In accordance with the provisions of the Stockholm Convention for certain products will be raised as from 1 July 1960. Similarly, the Norwegian Government is considering transferring further products to the list of global quotas.
8. SWEDEN

I. TRADE REGIME AS AT 1 MAY 1960

(a) Liberalized sector
- general liberalization list
  geographical application: all countries in the world;
- special liberalization list for agricultural produce;
  geographical application: generally speaking, all countries in the world except Japan and countries in the Soviet Bloc. In the case of a few products, however, liberalization does not apply to countries of the former dollar area;
- special liberalization list for other products
  geographical application: all countries in the world, with the exception of Japan and countries in the Soviet bloc;

(b) Quota sector
- import licences for non-freed products are granted on a liberal, non-discriminatory basis.

II. MEASURES ADOPTED

(a) Liberalized sector

In several stages, the most recent of these being on 1 April 1960, Sweden has abolished discrimination against the dollar area for all industrial products and most agricultural produce. On 1 April 1960, moreover, the general level of liberalization was again raised.

Products in respect of which discrimination against the dollar area has been abolished include: coffee, coal, certain natural and synthetic fibres, fabrics, women's stockings of continuous synthetic fibres, cotton underwear, lingerie. Products benefiting from the general liberalization include: certain precious metals, ships, boats and floating docks.
9. **SWITZERLAND**

I. **TRADE REGIME AS AT 1 MAY 1960**

(a) **Liberalized sector**
   - single liberalization list
   geographical application: all countries in the world.

(b) **Quota sector**
   - bilateral quotas.

10. **UNITED KINGDOM**

I. **TRADE REGIME AS AT 1 MAY 1960**

(a) **Liberalized sector**
   Five liberalization areas, namely:

(1) The Scheduled Territories which, although they come within
the relaxation area, benefit from certain supplementary
liberalization measures. The Scheduled Territories are the
Commonwealth countries (except Canada), British Trust Terri-
tories and Protectorates, Burma, Iceland, the Republic of
Ireland, Jordan and Libya.

(2) The "relaxation area", which includes all the OEEC Member
countries, the GATT countries which are not members of the
OEEC, with the exception of the so-called "dollar countries",
and certain other countries which are not members of the GATT,
including Yugoslavia.

(3) The "dollar area", which comprises: Canada, the United States,
Cuba, Dominican Republic, Haiti, Nicaragua and certain
countries not members of the GATT.

(4) Japan.

(5) The "Eastern area", in which the only GATT country at present
is Czechoslovakia.

(b) **Quota sector**
   - global quotas common to both the relaxation area and the dollar
   area;

   - global quotas open to the relaxation area on the one hand and
to the dollar area on the other hand;

   - bilateral quotas.
II. MEASURES ADOPTED SINCE THE RETURN TO CONVERTIBILITY

(a) Liberalized sector

During the period 1 January 1959 - 2 March 1960, the United Kingdom adopted further liberalization measures which served both to raise the general level of liberalization and to reduce the existing margin of discrimination between the countries in the relaxation area, the dollar area and Japan. Of the two most recent measures of liberalization taken, the first, on 1 February 1960, extended to the dollar area the liberalization previously limited to the "relaxation area" of tobacco and tobacco manufactures (except cigars), fish, synthetic rubber and transistors, while the second, on 2 March 1960, liberalized dyestuffs and dyestuff intermediates from the relaxation area, the dollar area and Japan. With these new measures, the United Kingdom virtually eliminated all discrimination against the dollar area in the freed sector.

(b) Quota sector

The new global quotas open for the relaxation area and the dollar area relate mainly to watches and stop watches, of a value of less than £5.

The ceiling for certain global quotas for various kinds of fruit, open to countries in the dollar area, was raised, and new global quotas applicable to the same countries were established for cigars, pharmaceutical products and pigments.

As in the liberalized sector, these new measures have virtually eliminated all remaining discrimination against the dollar area in the quota sector.