INTRODUCTORY NOTE

The time at which this paper is written is one at which United Kingdom import policy is influenced by a number of factors the effect of which cannot at present be clearly foreseen. In particular, the devaluation of the pound sterling in September, 1949 is a major development of economic policy, the long-term effects of which cannot as yet be fully or precisely assessed. This paper must accordingly seek to outline, with particular reference to Article XIV of the General Agreement, the nature of United Kingdom import policy as it has been in recent years and as it stands at the present moment, and should not be taken to imply that the various features of that policy will all necessarily continue unchanged. For this reason, also, the Government of the United Kingdom must ask that the paper should be treated in accordance with the G.A.T.T. procedure for secret documents.
Question 1

Do you restrict the importation of merchandise in order to safeguard your balance of payments under provisions of Article XII?

1. Yes.

2. Restriction of imports to safeguard the balance of payments is carried out entirely by means of an Order under the Import, Export and Customs Powers (Defence) Act (1939) prohibiting imports of all classes of goods except under licence granted by the Board of Trade.

3. The United Kingdom exchange control mechanism is not used to restrict imports; permission to pay sterling to the overseas supplier, where payment is in sterling, or the necessary foreign exchange, where payment is not in sterling, is granted automatically in respect of all imports for which licences are granted (in the case of goods imported under Open General Licence, on production in due course of evidence of import).

4. A considerable number of commodities are imported on Government account only; no licences are normally granted for the import of these on private account. In some cases, the quantities imported by the Government Department responsible for importing are restricted on balance of payments grounds; in others, there is no such restriction and the Department concerned imports (subject to availability whatever quantities of the commodity from overseas are required to meet domestic demand. Further details are given below.

Questions 2 and 3

If so, describe the general system of import restrictions to safeguard your balance of payments which is now in effect.

Describe the main changes introduced since 1 January, 1948 in this system, particularly those which have had the effects of either intensifying or alleviating the discriminatory effects of your restrictions.

Payments arrangements with other currency areas

5. It may be helpful by way of introduction to indicate briefly the general nature of the payments arrangements (and in certain cases the associated trade arrangements) between the United Kingdom or the sterling area and the other principal currency areas at and since the beginning of 1948.

(i) The sterling area

The financial arrangements of the sterling area countries can be broadly summarised as follows:

(a) The currency reserves of individual sterling area countries are held largely in the form of balances held by their Central Banks in the Bank of England.
(b) The sterling area countries, broadly speaking, use sterling as their common external currency and as their own monetary reserve. The economy in imports by sterling area countries from "hard-currency" countries necessary to protect these reserves is secured by a voluntary understanding between the members of the sterling area to limit such imports so as to avoid any unjustifiable expenditure of gold or convertible currencies.

(c) International payments by countries within the area are for the most part made in sterling; and no exchange control is maintained by the United Kingdom on transfers of sterling within the sterling area, even for capital transactions. The area thus represents the largest international system of free multilateral payments now in existence outside the dollar area.

(d) Payments in respect of individual transactions between traders within the sterling area and those in other currency areas are conducted largely in sterling, the net balances due to or from individual non-sterling countries from time to time being settled in the main by payments between London and the principal banks of the foreign country concerned, according to the payments arrangements in force. The payments arrangements made by the United Kingdom with foreign countries thus provide the mechanism for payments between these countries and the sterling area as a whole.

(ii) The American Account Area

(Viz., United States of America and dependencies, Bolivia, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Philippines, and Venezuela.)

Payments by sterling area residents to residents in the American Account area are in general made either in dollars or by payment in sterling to an "American Account" maintained by the payee or his banker. Holders of sterling on "American Account" have the unrestricted right of conversion of their sterling into dollars in London at the current rate of exchange. Payments to residents of the American Account area, whether in dollars or in sterling to American Accounts, are therefore for balance of payments purposes to be considered as dollar payments. The payments arrangements with Canada are similar in effect, though Canada is not within the American Account area.

(iii) Other areas

Payments between the sterling area and each of the remaining important trading countries are regulated by Monetary Agreements between the United Kingdom and the other country (under which each party undertakes to hold any balances of the other's currency accruing to it, either without limit or up to specified limits) or by sterling Payments Agreements (under which settlements are entirely in sterling). (In the case of C.E.E.C. countries, the operation of these agreements is in effect supplemented by the arrangements as to drawing rights made in the Intra-European Payments Scheme.)

It follows from this system and from the nature of the sterling area that the effect on the sterling area's monetary reserves or overall balance of payments of a payment between a sterling area resident and a resident in any of these other areas is the same, wherever within the sterling area the former resides. Thus, for example, an additional purchase by a sterling area resident from Switzerland represents a probable
obligation to pay gold from the sterling area's gold holdings, irrespective of whether the purchaser is in the United Kingdom, Australia, India, or elsewhere in the sterling area. Accordingly, therefore, the currency of a given foreign country will normally be regarded as a "hard currency" or a "soft currency", or as something in between, in the same way by all sterling area countries.*

6. Some of the countries within this group are to be regarded as "hard currency" sources of supply, and others as "soft currency" sources; but the position vis-à-vis individual countries is liable to change from time to time. For example, in the immediate post-war period, those countries of Western Europe which had been under enemy occupation found it difficult for obvious reasons to pay for the large imports of sterling area products they needed. This difficulty was met partly by the United Kingdom's pursuing a policy of admitting imports of less essentials or even of entirely luxury goods in liberal quantities from these countries, thus putting them in possession of sterling which they could use for essential purchases; partly also by substantial credits extended by the United Kingdom (sometimes as direct credits, or in a few cases in the form of readiness to hold balances of their currencies under Monetary Agreements with them). These countries, from the sterling area viewpoint, were thus "soft currency countries", in that additional purchases of goods from them merely reduced the credits that had to be given to them by the United Kingdom. In the case of some of these countries, e.g., Belgium, the balance of trade with the sterling area has since swung the other way, and their currencies are now "hard" or quasi-hard, i.e., purchases from them involve gold payments or a risk thereof; in others, the same conditions continue to persist to some extent, and their currencies remain "soft". To take another example, all payments to Switzerland are liable to involve a loss of gold, and the Swiss currency is thus a thoroughly "hard" one. Many countries lie somewhere between these extremes.

7. Mention should also be made at this point of the "Transferable Accounts" system, which enables residents of each country in the Transferable Account areas to make payments in sterling for current transactions not only to residents in the sterling area but to residents in other Transferable Account countries and also certain other countries. Thus Transferable Account countries are able to spend their sterling freely for current transactions with most other countries outside the dollar area. During the period in 1947, when sterling convertibility was being attempted, sterling on Transferable Accounts could also be paid freely to American Accounts, i.e., was freely convertible into dollars. This additional facility was withdrawn in August, 1947, and new payments arrangements negotiated, with the object of maintaining as wide an area of transferability as possible consistent with avoiding...

* The terms "hard currency" and "soft currency" are used for convenience, but they should not be taken as being either exact or absolute terms, or to imply that the "hardness" or "softness" of particular countries as sources of imports are primarily determined by financial as opposed to trade factors. There are many gradations between the thoroughly "hard" and the thoroughly "soft" currency countries. The term "hard currency" is applied broadly to those countries where payments by the sterling area involve payments in gold or dollars, or the risk of payment in gold or dollars and the term "soft currency" to those countries where no question of gold or dollar payments arises and there is no fear that sterling area expenditure there will result in an unmanageable deficit. The "hardness" and "softness" of particular currency areas thus depend largely on the pattern of their trade balances with us and other sterling area countries (which may depend in substantial degree on the existence and severity or otherwise of restrictions maintained by them on imports of our goods),
resultant gold or dollar outgoings. This necessitated the removal from
the Transferable Account Area of certain countries which continued to
insist on settlement or partial settlement of balances with the sterling
area in gold or dollars; and the new payments arrangements with the
countries which remained in the Transferable Account area accordingly did
not allow freedom of transfers to the countries now removed therefrom.
Provision was made, however, as far as this could be done without gold or
dollar losses, for "administrative transferability", a procedure whereby
permission is given by the Bank of England for specific transfers between
countries on an ad hoc basis.

"Bilateral" trade arrangements

8. The negotiation by the United Kingdom of "bilateral" trade and/or
payments arrangements with various countries did not (as is sometimes
thought) commence only in the latter part of 1947; but it is of course
the case that the extent to which United Kingdom trade was carried on
under "bilateral" arrangements increased considerably after the world
dollar crisis of that year. In the "bilateral" negotiations of late 1947
and the following years, it was frequently necessary, for obvious reasons,
to negotiate combined or concurrent trade and payments arrangements. As
will be clear from the foregoing paragraphs, the payments arrangements
provided a basis for trade between the other country and the sterling
area as a whole. In general, however, the trade arrangements covered
trade with the United Kingdom only, trade with the rest of the sterling
area being either carried on on the basis of the payments arrangements
without specific trade arrangements or being dealt with by separate
arrangements negotiated by other sterling area countries. (Exceptionally,
however, in the case of trade with Japan it has been found convenient
for those sterling area countries most concerned to engage in joint trade
negotiations.) The various trade arrangements which have been
negotiated differ widely to meet varying circumstances, but the
following features which are common to many or all of these arrangements
may be noted:-

(i) Provision for periodic joint review by the two parties of
import restrictions on each other's products, with the
objective of permitting the maximum practicable freedom for
trade to flow. Frequently, one task carried out in such
joint reviews has been that of reaching informal short-term
understandings between the parties as to the intention of
each to license the import of particular quantities of a
number of particular classes of goods from the other during
the forthcoming import licensing period. In a limited
number of cases, formal commitments to license specified
quantities have been entered into. Except however as
indicated below, we have sought to avoid giving or receiving
undertakings to purchase specified goods; the commitments
are merely to license imports, leaving the
country concerned free to license competing imports from
other sources and let the actual source of supply be
determined by competition, assuming its balance of payments
position renders this practicable.

(ii) In certain cases, His Majesty's Government undertook to license
or otherwise facilitate the supply of specified quantities of
goods from the United Kingdom urgently needed by the other
party, or obtained similar undertakings as to United Kingdom
requirements from the other party.

(iii) In a few cases, where United Kingdom purchases of particular
primary products have been on so large a scale as to have a
major effect on the balance of payments with the countries
concerned, we have negotiated purchase arrangements for such
products concurrently with the payments arrangements. The
considerations which have guided us in deciding the terms on
which we would be prepared to make such purchases have been the
same as have guided us in relation to other bulk purchases on
Government account, as described later in this paper.
Developments in 1948 and 1949

9. At the beginning of 1948, the most notable features of the United Kingdom's external trade position were:-

(i) An extreme shortage of means of payments for imports from the dollar area, which was gradually coming to be recognised as a major symptom of a world-wide problem of post-war unbalance between the dollar and non-dollar areas, and which was soon to be eased (though still inevitably remaining acute) by the United States in providing financial aid on a large scale to countries participating in the European Recovery Programme, and

(ii) A balance of current payments with the non-dollar area not yet in equilibrium, but - with the volume of exports steadily continuing to rise - approaching equilibrium.

10. Of developments in 1948, the most outstanding in relation to import policy was the advent of E.R.P. aid in the spring. This enabled the resumption of regular programming of imports from the dollar area, which since August, 1947 had been dealt with by an interim policy of undertaking no new purchasing commitments except where necessary to secure an essential minimum of vitally needed supplies. No major developments in regard to imports from non-dollar sources took place during the year; but there were a number of significant trends in the United Kingdom's general trade position in 1948, notably the following:-

(a) the continued development or intensification of balance of payments difficulties in a number of other countries materially hindered the reconstruction of the United Kingdom's export trade,

(b) nevertheless, the total volume of United Kingdom exports continued to increase at a moderately satisfactory rate,

(c) exports to the dollar area (to which all possible Government encouragement was and is of course given) also continued to increase, at a rate rather higher than that of exports to other areas,

(d) the improvement in United Kingdom exports to a number of countries (particularly various European countries) made it possible to permit more liberal quotas for imports from these sources.

11. Towards the end of the year the United Kingdom Government, in the light of changing economic circumstances, in particular the easing of some of the disequilibria in intra-European trade began to consider whether and to what extent, in the light of the balance of payments position, they could make a start with the removal of import licensing restrictions on goods from "soft currency" countries and subsequently in the early summer of 1949 took the initiative in O.E.E.C. with proposals to this end. These led to the O.E.E.C. policy of "trade liberalisation" which was one of the major developments of 1949. The most urgent problem was one of trade with other Western European countries, since as an aftermath of the war this trade had been affected in a high degree by import restrictions, but His Majesty's Government considered it desirable that such measures of removal of United Kingdom import restrictions should, in general, extend not only to O.E.E.C. countries, but also to other countries to which the United Kingdom could safely afford to extend them, notably of course the other members of the sterling area.
12. At the same time, consideration was being given in the United Kingdom and in a number of other countries to the related intra-European payments problem, i.e., that of reviewing the Intra-European Payments Scheme so as to provide a more effective basis for multilateral trade in Europe; and a number of suggestions to this end were made by the representatives of the United Kingdom and of other countries in discussions in the O.E.E.C.

13. The initiative taken by the United Kingdom in O.E.E.C. with proposals for concerted action by O.E.E.C. countries for the freeing (or "liberalisation", as it came to be called) of intra-European trade, by placing imports from other O.E.E.C. countries on Open General Licences to the maximum extent possible, coupled with a revision of the Payments Schemes led to the decisions of the O.E.E.C. Council on the liberalisation of intra-European trade of 4 July and 13 August, 1949. Agreement in broad general terms was also reached in June as to the lines on which the Payments Scheme was to be revised. The subsequent work of detailed revision of the latter however presented considerable difficulties for a number of countries, and it was some little time before an acceptable compromise could be found, on the basis of a revised scheme.

14. The O.E.E.C. decisions required countries to put into effect their first batch of "liberalisation" measures by the end of September, 1949. The measures to be taken by the United Kingdom in its initiative with the removal of quantitative restrictions necessarily involved considerable preparations. Meanwhile, the developments leading to the devaluation of sterling on 18 September were taking place. It was considered, however, that the decision to devalue in no way invalidated the considerations which had led the United Kingdom to propose the liberalisation scheme; the United Kingdom accordingly went ahead with its proposals, and on 29 September announced the issue of Open General Licences (O.G.L's) for a wide and varied range of goods.

15. At the end of October and the beginning of November, the O.E.E.C. Council reviewed the progress towards liberalisation of trade, and reached the further decision of 2 November which provided that member countries should adopt the objective of removing quantitative restrictions before 15 December, 1949, at latest, on at least 50 per cent of their total imports on private account from the other member countries as a group, in the respective fields of food and feeding-stuffs, raw materials and manufactured goods counted separately. On 15 December, 1949 the United Kingdom announced a further list of goods to be placed on Open General Licences for the same range of countries as those to which the earlier relaxations applied. Together with the relaxations already in force, the further relaxations announced on 15 December fully discharged the obligations of His Majesty's Government under the O.E.E.C. Decision of 2 November, the percentages of private account trade covered by the Open General Licences being, on the basis laid down by the Organisation, 83% for food and feeding-stuffs, 65% for raw materials and 55% for manufactured goods. In relation to the O.E.E.C. countries to which the relaxations apply these percentages represent 86% for food and feeding-stuffs, 89% for raw materials and 84% for manufactured goods, or 87% overall.

16. The lists of "soft currency" countries to which these O.G.L's extend calls for some description. It consists broadly of the other O.E.E.C. countries (with the exceptions of Switzerland, the Belgian - Luxembourg Economic Union, the Belgian Congo and Western Germany, the sterling area countries; and most foreign countries outside the O.E.E.C. area and the dollar area, with the exceptions particularly of Argentina, Japan and also of Central and Eastern European countries outside the O.E.E.C.
17. One result of the adoption of the liberalisation policy by the 
United Kingdom and other O.E.E.C. countries is likely to be a 
substantial reduction in the area of import trade over which quotas 
are fixed as a result of bilateral discussions; but there is of 
course likely to be a continued need for such discussions in so far 
as substantial areas of trade either way remain subject to import 
restrictions.

Devaluation

18. During the second quarter of 1949, the gold and dollar balance of 
payments of the sterling area, which had during 1948 steadily been 
improved, deteriorated seriously; the quarterly gold and dollar 
deficit, which had been £76 m., £95 m., and £82 m. in the previous 
three quarters, rose to £157 m. In June, 1949, therefore, the 
United Kingdom found it necessary to apply a "standstill" to new 
commitments for imports from the dollar area, pending the working out 
of a new dollar import programme involving a reduction of approximately 
25% in purchases; and at the meeting of Commonwealth Finance Ministers 
in July it was agreed that the representatives of other sterling area 
countries (other than the Union of South Africa, to which special 
considerations apply) would recommend similar action to their Governments.

19. The gold and dollar deficit continued at the same high rate 
throughout most of the third quarter of 1949. After consultation with 
the International Monetary Fund, the pound sterling was devalued on 
18 September, 1949 from a parity of 173/8.367d. per fine ounce to 250/-d.

20. No more far reaching measure alternative to import restriction or 
discriminatory trade controls can be taken by a Government than a 
major devaluation of its currency. Strong commercial motives are 
thereby supplied to the ordinary trader to restrict imports and 
increase exports; and these motives operate particularly in relation 
to the "hard" currencies which have not been devalued. But time is 
needed for a major devaluation to work its effects, and the full effects 
of what was done on the 18 September have not yet been seen.

Dollar re-programming

21. Following devaluation, it was decided that there was no reason to 
alter the decision to reduce dollar imports by approximately 25%; 
the new dollar import programme subsequently announced provided for 
imports at the approximate rates of $800 m. in the second half of 1949 
and $600 m. in the first half of 1950. This programme was fixed 
despite the expectation that devaluation would lead to a considerable 
immediate improvement in the dollar position, partly of a non-recurring 
character and partly of a continuing character; this has in fact 
occurred, but it is not as yet possible to estimate how far it is 
attributable to non-recurrent and how far to continuing causes.

Import Programming

22. It will be evident from the foregoing that the balance of payments 
position of the United Kingdom and the pattern of its overseas trade, 
together with the complexity of its economy, necessitate a 
correspondingly complex system of import programming and control, which 
has to be modified and adapted from time to time to meet changing 
circumstances; for this reason, this memorandum must necessarily deal 
in the main in broad generalisations.

23. In the case of imports from the dollar area, a detailed programme 
is established and reviewed regularly, normally every six months, in 
the light of the prospective dollar situation. This programme, which 
is drawn up in the light of availabilities from other sources, is
subjected to close and detailed examination to establish the essentiality of the proposed imports. After adjustment and approval it provides the framework governing procurement arrangements for imports on Government account and licensing of private account imports. Programmes for imports from other hard currency sources (notably Belgium, Switzerland, Western Germany, and Japan), are also reviewed at regular intervals, normally in connection with bilateral negotiations, and are subjected to similar close examination.

The programming of imports from soft currency sources is much more flexible, and is becoming more and more in the nature of forecasting rather than of programming proper. Where necessary the programmes for individual countries are reviewed in relation to bilateral negotiations as they arise, but the overall programme of imports from soft currency sources is normally reviewed annually as part of the regular examination of the general balance of payments position. For the most part these "programmes" are no more than estimates of availabilities, or of the quantities of goods which other countries will succeed in selling to the United Kingdom market. General supervision of the actual trend of imports is exercised by a running review of import and payments statistics. This provides a check on the "programmed" estimates and enables any tendency for individual soft sources of supply to become harder to be detected. In general, however, deviations from the programme estimates are not regarded as a serious matter unless there is clear evidence of a chronic deterioration in the balance of payments situation, either overall or in relation to particular countries.

The general review of the balance of payments plays an essential part in the work of general economic programming and planning and is closely related to the consideration of internal economic and financial policy. It also plays an essential part in the work of O.E.E.C., and the actual timing and method of the balance of payments reviews is largely influenced by the operations of O.E.E.C.

Imports on public account

A considerable range of commodities - almost entirely foodstuffs and raw materials - are imported on public account only. (A list of these is given in Annex I.) Many other commodities were imported on public account during the war and early post-war periods, but are now once more imported on private account; the list of commodities imported on Government account is frequently reviewed, as part of the arrangements in the United Kingdom for removing economic controls as and when these become unnecessary, and commodities are transferred from public to private importing if and when the conditions which make it desirable to import them in Government account cease to obtain. These conditions vary to some extent for different commodities but a common feature in most cases is that the commodities are in short supply, either for balance of payments reasons or because of world shortages. Such commodities are imported on Government account where it is considered that centralised purchase (for example, bulk purchase under medium or long-term contracts) will facilitate the procurement of adequate supplies at reasonable prices or where Government import facilitates rationing, price stabilisation, or other controls designed to ensure equitable distribution. In nearly all such cases, the commodity in question is imported on Government account by the appropriate Government Department; the most notable exception being raw cotton, where a permanent policy of centralised purchase has been adopted, and which is imported for domestic consumption by the Raw Cotton Commission (a public corporation set up under the Cotton (Centralised Buying) Act, 1947).

The actual means of procurement, and the procurement methods followed, vary considerably from commodity to commodity according to circumstances and the nature of the trade. As regards the detailed means of procurement of imports of Government account, contracts or orders are placed with the overseas suppliers in some cases by Government Departments themselves and in others by purchasing agents.
acting for Government Departments. As regards procurement methods, purchasing is in some cases effected by "spot buying" in overseas commodity markets, and in others by the placing of short, medium or long-term contracts with overseas producers or associations of producers or in some cases overseas Governments.

28. The general purchasing policy followed in all cases is guided by "commercial considerations", i.e. cost (landed, duty-paid), quality, availability, continuity of supply, etc., subject to the necessities of the balance of payments situation, which has in some cases made it desirable to purchase supplies from soft currency sources at prices somewhat in excess of those prevailing for hard currency supplies, or to place initial contracts at such prices in order to develop new production of commodities in soft currency areas.

29. Commercial and balance of payments considerations have also governed the choice of methods of procurement, i.e. spot buying or contracts. The United Kingdom has entered into medium or long-term contracts for the purchase of a number of commodities, mostly foodstuffs, in post-war short supply in the world as a whole or in the non-dollar area. The essential criterion in deciding whether or not to enter into a particular contract is whether the needs of the United Kingdom for adequate supplies at favourable prices are likely to be best met throughout the period of the proposed contract viewed as a whole by such a contract or by alternative purchasing methods. The duration and price and other provisions of such contracts vary widely according to circumstances; in most cases, flexibility to meet changing market conditions is provided by such means as fixing a price for the first year of the contract and leaving prices in subsequent years to be negotiated later, usually but not always within a specified range of percentage variation upwards or downwards from the price in the previous year.

Imports on private account

30. A number of different methods of licensing imports on private account are used in United Kingdom import licensing practice. These are:

(a) Open General Licences (O.G.L.'s). These authorise any person whatever to import a specified commodity, without any limit of quantity or other condition, either from any country in the world, or from specified countries. "World O.G.L.'s." are issued in respect of a limited number of commodities of which the availabilities or sources of supply are such that there is no balance of payments objection to admitting all imports without any restriction; such commodities are in effect not subject to import restriction at all.

O.G.L.'s, permitting unrestricted imports only from specified countries are much more extensively used. The great majority of these are "soft currency O.G.L.'s," permitting unrestricted imports from all countries to which the United Kingdom has extended its "liberalisation" policy.

(b) Open Individual Licences (O.I.L.'s). These are licences issued to individual traders permitting them to import specified classes of goods, without limit of quantity, either (in a few instances) from any country, or more usually from specified countries. In some cases they are subject to review in the light of the actual trend of imports as compared with programme estimates. In most cases, such licences are granted on application to any person desiring to import the class of goods concerned, the technique of issuing O.I.L.'s, instead of an O.G.L. being adopted:-
(i) because imports under the O.I.L's. have to conform to certain specifications and an assurance is required from the importer that he will use his O.I.L. only to import the specified types, or

(ii) to facilitate the operation of controls over the internal distribution of imported supplies.

In some cases, however, O.I.L's. are used in order to give freedom of import to certain limited categories of traders e.g., in respect of (a) tin, rubber, and coffee, to members of the commodity markets dealing in these, and (b) aircraft servicing parts and miscellaneous aircraft maintenance equipment, to aircraft operators.

(c) Individual import licences. These licences need no special description, but an indication of the various techniques of individual licensing used may be of interest. Given that it is necessary to import a particular class of goods in limited quantities, there remains the problem of determining what persons are to be allowed to import the goods and in what quantities. There are three basic methods by which this problem can be dealt with, viz.:-

(i) Ad hoc consideration of applications for licences. This is appropriate in the case of various classes of goods (e.g., many types of machinery) which are either in world short supply or are essential to United Kingdom industries but cannot be imported freely for balance of payments reasons, and are of such a nature that it is desirable to consider applications for import licences in the light of the proposed end-uses, rather than to give importers fixed quotas and leave it to them to distribute these as they think fit to other distributors or consumers. Applications for import licences are judged accordingly.

(ii) Apportionment of quotas among importers. Where it has been decided that a given quantity of imports (either total or from particular countries) can be licensed, this may be shared out among regular importers on an equitable basis as possible. In some cases such a basis is determined in consultation with the trade or trades concerned; in other cases, licences are shared out primarily on the basis of the trade carried on by the individual importers in a past representative period. (In this type of case, often the most representative past period is the immediate pre-war years, and there is considerable difficulty in steering between the generally undesirable rigidity of allotting licences solely on the basis of pre-war trade to the exclusion of new importers, and the possible inequity of allowing new firms to enter the import trade while the trade of other importers is severely restricted; in such cases, moreover, it is often difficult to devise any basis of allotting shares to new entrants, since to give an equal share to each such firm may obviously be inappropriate. This is a very difficult administrative problem, which has to be considered in the light of the circumstances of each trade concerned; the general principle followed is to provide as much flexibility for new importers to compete with established ones as is practicable and equitable.)

(iii) Apportionment of quotas among exporters. Where it has been determined (often as a result of trade negotiations or bilateral reviews of import trade) to license a fixed quantity of imports of a given class of goods from one particular exporting country, it is sometimes convenient to arrange for the authorities in the exporting country to allocate this quantity among its various exporting firms; in such cases, licences are granted to any importer on production of
evidence furnished by him by his supplier in the exporting
country that the goods concerned from part of the export
allocation made to the latter by the authorities of the
exporting country. In the case of goods in short supply,
such arrangements would clearly tend to force United Kingdom
importers to pay increased prices; this method of
allocation is thus more appropriate in the case of goods
in which there is a reasonably high degree of competition
between suppliers.

The choice between these methods of apportionment is of
course dependent on the circumstances of the trade concerned;
broadly, the first method is most appropriate to scarce, highly
essential or highly specialised types of goods, the last to a
limited range of goods, mostly non-essential, in free supply, and
not highly specialised, while the second method is appropriate to
the numerous intermediate types of case.

31. Mention should also be made of two somewhat special types of licensing
procedure, viz:--

(i) Imports for use in the export trades

Special consideration is given to applications for licences for
such imports. Where goods are to be re-exported in the same form as
they are imported, the application is considered in the light of
balance of payments considerations; in particular, such imports of
goods from hard currency sources are in general permitted only for re-
export to such sources. Imports of goods intended for export after
further processing in the United Kingdom or for incorporation in
goods being manufactured in the United Kingdom for export are dealt
with similarly, in the light of the balance of payments consideration,
and (where it is a question of hard currency imports and exports to
soft currency destinations) of the proportion of the cost of the
final product represented by the imported material or component and
of general export policy considerations.

(ii) Token imports

A special scheme was introduced in 1946 to mitigate, as far as
balance of payments considerations permitted, the hardship caused to
exporters in other countries of various classes of goods (primarily
branded products and other manufactured goods) whose trade with the
United Kingdom market had been cut off by import prohibitions, by
permitting the resumption of a small flow of imports and thus
enabling exporters to keep their products before the United Kingdom
public. The scheme was applied to a number of countries which
desired to participate and were prepared to make the necessary
administrative arrangements - quotas are allotted by the participating
Governments to their exporters so as to allow the latter to send to
the United Kingdom 20% (by value) of their average annual shipments to
the United Kingdom in the period 1936-38 - and was applied to a list
of goods drawn up in the light of requests received from the
participating Governments and of the considerations mentioned above.
The list of these goods and of the participating countries is given
in Annex VI; owing to relaxations of restrictions on imports from
soft currency countries since 1946, especially the "liberalisation"
policy, arrangements for token imports from soft currency countries
have largely been superseded by Open General Licences or freer
individual licensing, and the token scheme as such is now of value
mainly to the hard currency countries. Accordingly, since the dollar
crisis of 1947, balance of payments considerations have precluded
further extensions of the scheme; it has however been possible to
continue it from year to year on the basis of the existing list
of goods.
32. It should be added that, the United Kingdom having elected to avail itself of the provisions of Article XIV (1)(d) of the General Agreement, such deviation from the provisions of Article XIII as arises in its import policy is pursuant to the provisions of Annex J and/or Article XIV(3); such deviation is indeed to a considerable extent covered both by Annex J and also by Article XIV(3).

Question 4

For an adequate number of individual commodities representing a cross section of products subjected to import restrictions describe in detail the provisions, policies, and practices followed with respect to import restrictions in each commodity. Supplement such description with specific statistical and other information designed to describe the effects which existing import restrictions have had upon the distribution among sources of supply from which such imports are obtainable.

33. The answer to this question is largely provided by the earlier sections of this paper. The following additional observations may, however, be useful.

34. Leaving aside imports for re-export and token imports, the various classes of goods imported into the United Kingdom can be broadly classified into categories according to the method of import control followed, as follows:-

I. Goods imported on public account

A list of these goods is given at Annex I; the principles and methods followed in importing are described in previous sections of this paper. This category covers a large proportion of the United Kingdom's imports of foodstuffs (but excluding most types of fresh fruit and vegetables and manufactured foodstuffs), and a substantial proportion of raw material imports.

II. Goods on "world O,G,L."

A list is given at Annex II. As stated above, there is in effect no restriction on imports of these goods from any source.

III. Goods on "soft currency O,G,L."

A list is given at Annex III. It will be seen that this category includes in particular a wide range of manufactured goods (including many manufactured foodstuffs, and most types of machinery), and also some important raw materials and a number of unmanufactured foodstuffs. Apart from token imports in some cases, imports from hard currency sources are licensed only within the general programme for hard currency imports, which is drawn up on the principles indicated earlier in this paper.

IV. Other goods

Imports from soft currency sources of goods not covered by the preceding categories are for the most part licensed (a) under Open Individual Licences (or in a few cases by issuing individual licences freely) or (b) on a quota basis, on the lines indicated in preceding sections of this paper. Imports from hard currency sources are licensed only within programmed figures.
35. As a rough indication of the relative orders of magnitude of these four categories, it may be said, out of total United Kingdom imports of goods from all sources in 1948 Category I (goods at present imported on public account, excluding those due to revert to private account shortly) accounted for approximately 50%. Category II is relatively very small, not accounting for more than about 1% of total imports. Imports of Category III goods from soft currency countries in O.E.E.C. Europe in 1948 (before the introduction of the liberalisation policy) accounted for just under 10% of total imports; statistics of imports in this category from other countries are not available, but they are known to be substantial, and it is probable that total imports of Category III goods amounted to 20% or so of all imports, leaving a total for Category IV of something under 30%.

36. It is not possible to make a comparable analysis of United Kingdom imports from the hard currency or the soft currency areas as a whole, but of 1948 imports from soft currency O.E.E.C. countries, Category I accounted for 30%, Categories II and III together for 61% and Category IV for 9%.

37. Some further details in respect of representative classes of goods are given in Annex V.

38. As regards the statistical data requested, it is hoped that the enclosed copies of United Kingdom Trade and Navigation Accounts for the year 1949 (with comparative figures for 1938 and 1948) will in general provide sufficient detail for the Secretariat's purposes. The table appended as Annex IV, summarising the distribution of United Kingdom imports according to main currency areas, may also be of interest. It will be seen that the proportion of total United Kingdom imports coming from the hard currency areas has not greatly diminished, or that from the rest of the world greatly increased, since before the war, nor, indeed, has the general pattern been greatly altered.

Question 5

Describe the effects which you believe discriminatory import restrictions imposed by you or by other countries have had upon the volume and pattern of your export trade.

39. It is of course the case that the import restrictions or equivalent exchange restrictions maintained by many other countries (including some introduced since the end of the war, e.g. by a number of countries in 1947 and 1948) have had a substantial adverse effect on the export trade of the United Kingdom, and have materially hampered the United Kingdom in the task of developing anew the volume of its exports (which during the war was reduced to one-third of the pre-war volume) to a level which will enable average pre-war standards of consumption to be restored and improved upon. Such restrictions, for the most part, have been imposed for balance of payments reasons, and in the past at least, it has been their restrictiveness, more than any discrimination against the United Kingdom which may be involved, that has handicapped United Kingdom exports.
APPENDIX

IMPORT POLICY IN DEPENDENT TERRITORIES OF THE UNITED KINGDOM

1. The numerous dependent territories of the United Kingdom are so varied as regards the size and character of their economies, that the details of their import control systems vary greatly from one territory to another; the general principles followed, as described below, are however common to all.

2. These territories form part of the Sterling Area, both their statutory currency reserves and the bulk of their own external balances (Government and private) are held in sterling in the United Kingdom. They thus, like sterling area countries in general, have a common interest in defending the common gold and dollar reserve, and the currency of any given foreign country will be "hard" or "soft" in the same degree to them and to the United Kingdom.

3. A very few Colonial territories are in overall balance of payments difficulties, in that the level of their balances in the United Kingdom is such as to necessitate the application of restrictions on imports from all sources, including the United Kingdom and other sterling area countries; in general, however, the sole purpose of the import restrictions is to protect the gold and hard currency reserves of the sterling area by preventing unnecessary expenditure on imports from those countries with which the sterling area is in balance of payments difficulty. This object is served by voluntary arrangements whereby the Colonies exercise economies in hard currency expenditure comparable to those exercised by the United Kingdom, (but of course with due regard to the differing economies and circumstances of different Colonies) and by regular liaison arrangements whereby the Colonies are kept informed of changing conditions in regard to the balance of payments situation vis-à-vis individual foreign countries. The general principles of import control are thus common to the United Kingdom and all the Colonies, though, since in general the economies of the latter are less complex than that of the United Kingdom and a large part of their imports are and have always been supplied by the United Kingdom and other sterling area countries (with which they are not in balance of payments difficulties), the effect of import controls on their import trades and general economies is less far-reaching than in the case of the United Kingdom.

4. Imports from soft currency sources are licensed on a liberal basis. The question of the application in Colonial territories of the policy of trade "liberalisation" by means of Open General Licences for imports from soft currency sources in general is at present under consideration, though, as the existing treatment of imports from such sources is already liberal, the practical effects in terms of the increase of trade which would result would not be large.

5. In certain cases, the joint reviews of import restrictions in bilateral trade discussions referred to earlier in this paper have embraced not only trade between the United Kingdom and the foreign country concerned, but also trade between the latter and Colonial territories in a limited number of products of commercial importance to Colonies or to the foreign country.

6. It may also be mentioned that until recently, Colonial import restrictions have been used to limit imports from the United Kingdom of a number of classes of United Kingdom products which are important dollar-earning exports, so as to secure economies in Colonial consumption of these goods comparable to the economies exercised in United Kingdom consumption. More recently, however, in the light of changing conditions, it has been found preferable to cease this practice in general, and to rely instead on the measures adopted in the United Kingdom to encourage the expansion of exports to the hard-currency area.
INDEX TO ANNEXES

ANNEX  
I.  Commodities Imported Exclusively on Government Account  
II. Commodities on World O.G.L.  
III. Commodities on "Soft-Currency" on O.G.L. (Notices to Importers Nos. 336, 345, and 353)  
IV. Distribution of United Kingdom Imports by Main Sources of Supply.  
V. Commodity Analysis.  
VI. Token Imports. (Notice to Importers No. 346)
ANNEX I

COMMODITIES IMPORTED EXCLUSIVELY OR MAINLY ON GOVERNMENT ACCOUNT

(EXCLUDING ITEMS DUE IN THE NEAR FUTURE TO REVERT TO PRIVATE ACCOUNT)

Aluminium (virgin)
Bacon
Butter
Cacao (virgin)
Carrots (old)
Cheese (other than fancy types)
Chrome ore
Cocoa
Coffee
Copper (blisttered and unwrought)
Opre
Eggs:-
  Dried albumen
  Dried egg
  Dried yolk
  Frozen
  Glycerine yolk
  Shell
Feeding stuffs for animals (mainly coarse grain)
Fertilisers (certain types and fertiliser raw materials)
Fish (canned):-
  Brailing
  Crab
  Crawfish
  Pilchard
  Salmon
  Sardines
  Sild
  Tunny
Fish (fresh):-
  Salmon
  White, frozen
Flour
Fruit:-
  Apples
  Bananas
  Canned fruit
  Dried fruits
Glucose
Hemp (true)
Jute and jute goods
Lead metal (unwrought)
Meat:-
  Canned
  Carcase and offal
Milk:-
  Block
  Condensed
  Milk powder

Molasses
Nuts:-
  Groundnuts (peanuts)
  Illipe nuts
  Nut kernels
  Palm kernels
  Shea nuts
Oils and Fats:-
  Animal fats
  Coconut oil
  Cotton seed oil
  Groundnut (peanut) oil
  Herring oil (and other fish oils)
  Linseed oil
  Maize oil
  Palm oil
  Sunflower oil
  Whale oil
Orange juice, (concentrated)
Potatoes (main crop)
Poultry
Pulses
Rabbits
Rice
Seeds (for expressing oil):-
  Benniseed
  Cotton seed
  Kapok seed
  Linseed
  Niger seed
  Sunflower seed
Soya beans
Starch and starch products:-
  Cassava starch
  Farina
  Farina dextrine
  Maize starch
  Sago flour
  Tapioca flour
Steel (finished)
Sugar
Tea
Timber (except hardwoods, veneers, boxboards, some mining timber, and certain softwood specialties)
Wheat
Zinc metal (unwrought)
ANNEX II
COMMODITIES ON WORLD O.G.L.

Animal ivory, raw, whether whole tusks or section of tusks, not cut to shape or in any way prepared, treated or worked.

Animals, live, quadruped, the following:

Sheep, goats and swine.

Bauxite.

Books, printed, and other printed matter for reading purposes (not including periodicals, magazines and the like), imported as a single copy through the post.

Canes and rattans, unmounted, whether split or not.

Capers in brine packed in casks.

Cobalt oxide, crude or refined.

Coir yarn and coir fibre.

Crude cobalt-iron-copper alloy.

Cryolite, natural, refined.

Designs, architectural or engineering, of no commercial value.

Diamonds, rough.

Drugs and the like, raw or simply prepared, the following:

Aconite.

Aloes, Cape.

Aloes, Curacao.

Aloes, Socotrine.

Araroba.

Areca Nuts.

Arnica Flowers and Rhizone.

Asafoetida.

Balsam of Copaiba.

Balsam of Peru.

Balsam of Tolu.

Buchu.

Calabar Beans.

Calumba Root.

Camomile Flowers.

Cannabis Indica.

Cascara Bark.

Cascarilla Bark.

Cassia Fistula Pods.

Chaulmoogra Oil.

Chireta.

Colchicum Corm.

Colchicum Seed.

Colocynth Pulp or Apples.

Croton Seeds.

Dandelion Root.

Ephedra Herb.

Ergot of Rye.

Eucalyptus Red Gum.

Euphorbia Gum.

Euphorbia Herb.

Gentian Root.

Guaiacum Gum.

Hambane, Egyptian.

Horehound.

Hydnoarpus Oil.

Indian Rhubarb Root.

Ispaghula.

Jaborandi.

Jalap, Mexican.

Kamala.

Kino.

Kola Nuts.

Krameria.
Lavender Flowers.
Lemon Peel, dried.
Lime Tree Flowers.
Liquorice Root, Natural.
Liquorice Root, Peeled.
Male Fern.
Mastic Gum.
Nux Vomica.
Orange Peel, dried.
Orris Root.
Papain.
Podophyllum Emodi.
Quince Seeds.
Rhubarb, Chinese.
Sarsaparilla.
Scammony Root, Mexican.
Senega Root.
Senna Leaves, Alex.
Senna Pods, Alex.
Squills, White.
Storax.
Stramonium Leaves.
Strophanthus Gratus.
Strophanthus Kombe.
Tinnevelly Senna Pods and Leaves.
Uva Ursi.
Valerian Root.

Earth colours, dry, the following:–

Ochres, Siennas and Umbers.

Felspar, including China Stone.

Film cinematograph, exposed, of a width of 1\(\frac{3}{8}\) inches only which consists wholly of photographs (with or without sound track) which at the time of importation are means of communicating news.

Fireclay.

Flint, unground.

Fruit preserved with added sugar, the following:–

Tamarinds in syrup, in cask.

Fruits preserved without sugar, the following:–

Mango pulp in sulphur dioxide, in cask.

Sliced mangoes in brine, in cask.

Fur skins, undressed, rabbit.

Gpherkins in vinegar or dill.

Gold bullion.

Gold coin.

Gold ores, concentrates and residues.

Gums and resins, the following:–

Arabic, Damar, Kauri, Myrrh, Olibanum, Sandrac, Tragacanth.

Gypsum, unburnt, including alabaster.

Hemp, Indian (Sunn) of the variety Crotalaria juncea, dressed or undressed.

Herbs, dried in bulk, the following:–

Basil.

Bay leaves.

Marjoram.

Parsley.

Pennyroyal.

Rosemary leaves.

Savoury leaves.

Tarragon.

Thyme.

Hydrographic charts.

Ilmenite.

Kapok.
Kelp.
Kyanite.
Manuscripts, typescripts and like products of duplicating machines (not including printed documents).
Maps and plans.
Newpapers.
Nickel ores, concentrates, residues and matte.
Olives (excluding stuffed olives) in brine packed in baskets.
Pandermite.
Peat moss, peat moss litter, dust or mould, granulated peat, and peat fuel or tailings.
Periodicals, magazines, and the like imported as single copies through the post -
(a) by persons who pay, or have paid, the overseas suppliers direct and not through an agent, or
(b) if of a learned, scientific, technical, or religious nature or printed exclusively in a foreign language, and if an agent who arranges for the import of the single copies on behalf of numbers of importers has been authorised by the Board of Trade to make arrangements for payment on behalf of such importers.
Pickles and sauces, sweetened, the following:
- Mango chutney, in cask.
Press photographs.
Quassia.
Rafaelite.
Raffia.
Seaweed, raw, unground, dried or bleached (not further prepared or treated).
Shellac.
Shellfish, fresh or boiled (not being in airtight containers), the following:
- Prawns.
- Shrimps.
- Winkles.
Sillimanite.
Silk worm gut, untrimmed, natural in hanks or bundles.
Sisal flesh.
Slag, other than basic.
Spices, the following:
- Aniseed.
- Caraway seeds.
- Cardomons.
- Cardomon seeds.
- Celery seeds.
- Chillies.
- Capsicums.
- Cayenne (or red) pepper.
- Cinnamon.
- Cinnamon bark.
- Cassia lignea.
- Cassia vera.
- Cloves.
Wool and animal hair, raw, whether cleaned, scoured or carbonised, or not, the following:
- Alpacas, vicuñas, llamas, camels, goats, rabbits.
Yerba mate.
ANNEX III

COMMODITIES ON "SOFT CURRENCY" O.G.L.

Notices to Importers (Nos. 336, 348 and 353) give lists of the commodities which have been placed on Open General Licence under the "liberalised" policy. The following addenda to these lists should be noted:

GROUP 1 - FOOD, DRINK AND ANIMAL FEEDING STUFFS

Cheeses, the following:

Blue Vein, Brie, Camembert, Carre de l'Est, Demi-sel, Pont l'Eveque, Roquefort.

GROUP 3 - OIL, WAXES, GUMS, RESINS, PERFUMERY MATERIALS, ETC.

Rape seed oil

GROUP 5 - CHEMICALS, DRUGS, MEDICINES, ETC.

Arsenious oxide including white arsenic

GROUP 6 - TEXTILES, YARNS, ETC.

Cotton waste, unmanufactured
Wool, sheep's and lambs', raw
Wool noils
Wool waste (not pulled or garnetted)
Wool flocks
Woollen and hair rags.

In addition the following commodities (hitherto mainly imported on Government account) revert to import on private account and will be permitted to be imported freely from "soft currency" sources:

(i) wood pulp, paper and board (other than newsprint and insulation board), and paper and board products; from 1 April, 1950.

(ii) oranges and grapefruit, from 7 May, 1950.

(iii) hardwood, from 16 January, 1950.

(iv) cattle hides and calveskins, from 1 January, 1950.

Imports from "soft currency" sources of items, (i) and (ii) will be admitted under Open General Licences and of items (iii) and (iv) (for statistical and administrative reasons) under Open General Licences.
<table>
<thead>
<tr>
<th>Main Sources</th>
<th>Value (£ million)(c.i.f.)</th>
<th>Percentage of total imports</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1938</td>
<td>1948</td>
</tr>
<tr>
<td>U.S. and Possessions</td>
<td>118.2</td>
<td>184.4</td>
</tr>
<tr>
<td>Canada</td>
<td>81.3</td>
<td>223.0</td>
</tr>
<tr>
<td>American Account Countries</td>
<td>15.5</td>
<td>56.3</td>
</tr>
<tr>
<td>Other Western Hemisphere</td>
<td>61.6</td>
<td>160.6</td>
</tr>
<tr>
<td>Sterling Area</td>
<td>286.9</td>
<td>749.0</td>
</tr>
<tr>
<td>O.E.E.C. &amp; Possessions</td>
<td>226.6</td>
<td>434.6</td>
</tr>
<tr>
<td>Rest of World</td>
<td>129.4</td>
<td>263.6</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>919.5</td>
<td>2,079.5</td>
</tr>
</tbody>
</table>
### COMMODITY ANALYSIS

The following Table gives a general indication of the methods of import control in force in relation to the main types of goods imported into the United Kingdom. The classification used is the standard one of the United Kingdom Import and Export Lists. Column 3 indicates, in relation to each of the main commodity groups, the main method or methods of import control applied to the group in question, by reference to the four categories (I to IV) set out in Annex to Q.4.4 in the main paper. Column 4 gives similar details in respect of certain large individual items within certain groups; the figures in brackets after such items indicate 1948 imports in £.

<table>
<thead>
<tr>
<th>Class and Group</th>
<th>U.K. Imports 1948 (€.f.)</th>
<th>Import Licensing category or categories within which group mainly falls</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Class 1. Food, drink and tobacco</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Grain and flour</td>
<td>201</td>
<td>I</td>
<td></td>
</tr>
<tr>
<td>B. Feeding-stuffs for animals</td>
<td>24</td>
<td>I</td>
<td></td>
</tr>
<tr>
<td>C. Animals, living, for food</td>
<td>12</td>
<td>I, II &amp; III</td>
<td>Live cattle (11) (the bulk of imports of which has always come from Ireland) are imported from the Irish Republic under O.G.L., and from other sources; sheep, goats, and swine,</td>
</tr>
<tr>
<td>D. Meat</td>
<td>126</td>
<td>I</td>
<td></td>
</tr>
<tr>
<td>E. Dairy Produce</td>
<td>132</td>
<td>I</td>
<td></td>
</tr>
<tr>
<td>F. Fresh fruit and vegetables</td>
<td>97</td>
<td>III</td>
<td>Apples and bananas (7) I; nearly all others III. Some O.G.L.'s are liable to suspension during certain seasonal periods.</td>
</tr>
<tr>
<td>G. Beverages and cocoa preparations</td>
<td>113</td>
<td>Various</td>
<td></td>
</tr>
<tr>
<td>H. Other Food</td>
<td>147</td>
<td>Various, but mostly I</td>
<td>Tea (56), cocoa (22) and coffee (5) all I; imports of tea and coffee for re-export admitted under O.G.L. issued to members of the commodity markets; wines and spirits (20) III.</td>
</tr>
<tr>
<td>I. Tobacco</td>
<td>43</td>
<td>IV</td>
<td></td>
</tr>
<tr>
<td><strong>Total of Class I</strong></td>
<td>888</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Class 2. Raw Materials and articles mainly unmanufactured.**

| A. Coal | 0.4 | I | |
| B. Other non-metaliferous mining and quarry products and the like | 17 | Various | |

United Kingdom imports of coal and coke (Group 3A) are of course small (these items being classed as separate groups in the Import and Export Lists because of their importance in the United Kingdom export trade); such imports as there are, are imported under Open Licence by the National Coal Board.
<table>
<thead>
<tr>
<th>Class and Group</th>
<th>U.K. Imports 1948 (c.u.)</th>
<th>Import Licensing category or categories within which group mainly falls</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Iron ore and scrap</td>
<td>28</td>
<td>III</td>
<td></td>
</tr>
<tr>
<td>b. Non-ferrous metalliferous ores and scrap</td>
<td>34</td>
<td>Various, mostly III</td>
<td>Hardwood (16) III (see Annex III); Softwood (51) and Pitprops (13) I.</td>
</tr>
<tr>
<td>c. Wood and timber</td>
<td>93</td>
<td>I and III</td>
<td></td>
</tr>
<tr>
<td>F. Raw Cotton and cotton waste</td>
<td>107</td>
<td>I</td>
<td>Raw Cotton (103) I (Imported by Raw Cotton Commission); Cotton waste (2) III; Cotton linters (2) IV</td>
</tr>
<tr>
<td>G. Wool, raw and waste, and woollen rags</td>
<td>89</td>
<td>III</td>
<td></td>
</tr>
<tr>
<td>H. Silk, raw and waste, and artificial silk waste</td>
<td>2</td>
<td>III</td>
<td>Imports of raw silk come mostly from Japan, under individual licence.</td>
</tr>
<tr>
<td>L. Other textile materials</td>
<td>25</td>
<td>Various</td>
<td>Jute (9) I; Flax (7) III.</td>
</tr>
<tr>
<td>J. Seeds and nuts for oil, oils, fats, resins and gums</td>
<td>144</td>
<td>I &amp; IV</td>
<td>Crude petroleum (31) IV; others (mainly oilseeds and vegetable oils) mostly I.</td>
</tr>
<tr>
<td>K. Hides, and skins, undressed</td>
<td>35</td>
<td>III &amp; IV</td>
<td>Cattle hides and calf skins (16) III (see Annex III); Fur skins (6) IV (mostly under 0.1.1s issued to members of the fur market);</td>
</tr>
<tr>
<td>L. Paper-making materials</td>
<td>52</td>
<td>III</td>
<td>As from April 1950</td>
</tr>
<tr>
<td>M. Rubber</td>
<td>30</td>
<td>III</td>
<td></td>
</tr>
<tr>
<td>K. Other raw materials</td>
<td>27</td>
<td>Various</td>
<td>Many items III</td>
</tr>
<tr>
<td>Total of Class 2</td>
<td>683</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Class 3. Articles wholly or mainly manufactured

<p>| | | | |
|                                                                                      |                          |                                                                       |                                                                        |
| 4. Coke                                                                              | 0.1                      | IV                                                                   | See note on Class 2, Group A.                                          |
| 5. Pottery, glass, abrasives, etc                                                   | 6                        | III &amp; IV                                                              | Undecorated pottery mostly III; others mostly IV.                     |
| 6. Iron and steel and manufactures thereof                                           | 20                       | I &amp; IV                                                                | Finished steel (12) mainly I; others mostly IV.                       |
| 7. Non-ferrous metals and manufactures thereof                                      | 89                       | I &amp; IV                                                                | Aluminium (11), copper (66) and lead (14) I; others mostly IV.        |
| 8. Cutlery, hardware, implements and instruments                                   | 7                        | III &amp; IV                                                              |                                                                        |
| 9. Electrical goods and apparatus                                                   | 3                        | III                                                                  |                                                                        |
| 10. Machinery                                                                        | 44                       | III &amp; IV                                                              | According to type; mostly III, others IV.                             |
| 11. Manufactures of wood and timber                                                 | 12                       | I &amp; IV                                                                | Plywood (8) I; furniture (2) and most other types IV.                 |</p>
<table>
<thead>
<tr>
<th>Class and Group</th>
<th>U.K. Imports 1958 (Em.) (c.i.f.)</th>
<th>Import Licensing category or categories within which group mainly falls</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class 1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Cotton yarns and manufactures</td>
<td>23</td>
<td>III</td>
<td></td>
</tr>
<tr>
<td>2. Woollen and worsted yarns</td>
<td>17</td>
<td>III</td>
<td></td>
</tr>
<tr>
<td>3. Silk and artificial silk yarns and manufactures</td>
<td>8</td>
<td>III</td>
<td>Mostly artificial silk; silk goods (0.3) IV.</td>
</tr>
<tr>
<td>4. Other textile manufactures</td>
<td>23</td>
<td>Various</td>
<td>Jute goods (16) I; others III &amp; IV.</td>
</tr>
<tr>
<td>5. Apparel</td>
<td>3</td>
<td>III</td>
<td>Silk apparel IV.</td>
</tr>
<tr>
<td>6. Footwear</td>
<td>2</td>
<td>III</td>
<td></td>
</tr>
<tr>
<td>7. Chemicals, drugs, dyes and colours</td>
<td>31</td>
<td>Various</td>
<td>Mainly III.</td>
</tr>
<tr>
<td>8. Oils, fats and resins, manufactured</td>
<td>130</td>
<td>IV</td>
<td>Mostly petrol, oil and lubricants.</td>
</tr>
<tr>
<td>9. Leather and manufactures thereof</td>
<td>9</td>
<td>IV</td>
<td></td>
</tr>
<tr>
<td>10. Paper, cardboard, etc.</td>
<td>24</td>
<td>III</td>
<td>Most types III as from April, 1957; Newsprint (4) IV.</td>
</tr>
<tr>
<td>11. Vehicles, ships and aircraft</td>
<td>12</td>
<td>III &amp; IV</td>
<td>Aircraft (6) III.</td>
</tr>
<tr>
<td>12. Rubber manufactures</td>
<td>0.2</td>
<td>III</td>
<td></td>
</tr>
<tr>
<td>13. Miscellaneous manufactures</td>
<td>22</td>
<td>III &amp; IV</td>
<td>Most types III</td>
</tr>
<tr>
<td><strong>Total of Class 3</strong></td>
<td><strong>485</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class 4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14. Animals, not for food</td>
<td>8</td>
<td>III</td>
<td>Horses (6) III; others 1%</td>
</tr>
<tr>
<td>Class 5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15. Parcel post</td>
<td>16</td>
<td>Various</td>
<td>Includes a large proportion of (a) books &amp; periodicals in single copies imported under world O.C.I., and (b) bone id gifts and trade samples (admitted from all sources under administrative control by H.M. Customs).</td>
</tr>
</tbody>
</table>

**TOTAL OF CLASSES 1 - 5** | **2,086** | - | - |