Measures of liberalization of dollar imports and the increasing use of liberal licensing régimes by European countries have been mentioned elsewhere and, outside Europe, a number of countries have also, over the last few years, been reducing the discriminatory element in their import systems. Following the move to external convertibility at the end of 1958 various countries in Europe and elsewhere have taken action in the field of trade to reduce, and in some cases to eliminate the discriminatory elements in their import restrictions; Denmark and Norway, for example, eliminated all distinction between their dollar and EPU liberalization lists and Brazil combined the ICL (i.e. Hague Club) currencies and dollars in its auction systems.

By establishing external convertibility, the countries concerned have provided formally for the right of non-residents to convert their currencies into dollars. These countries thus ended the distinction that had existed for many years between their currencies and the currencies of the dollar countries - a distinction that had been at the root of discriminatory restrictions maintained by many contracting parties.

Before the recent measures European currencies were not formally convertible into dollars or freely available for payment to dollar countries and many countries applied less favourable treatment to imports from dollar countries than to imports from non-dollar countries.

The significance of the convertibility measures for trade policy may be clarified by noting that, in the new circumstances, a country that earns one of the newly convertible currencies is free to use it, just as it has been able to use a dollar currency, to buy imports from suppliers around the world without distinction. Convertibility thus is significant not only for the countries that made their currencies externally convertible but also for the countries whose trade is carried on in convertible currencies of other countries.

With the bulk of world trade now being conducted on a convertible currency basis there is a unique opportunity for the achievement of the world-wide system of non-discriminatory trade on a multilateral basis which the CONTRACTING PARTIES sought when they created the General Agreement.