1. The Panel was appointed by the CONTRACTING PARTIES at their nineteenth session and was given the following terms of reference:

(i) To examine the adequacy of the notifications of residual restrictions which have been received from contracting parties, and to clarify any points arising from the notifications with the contracting parties concerned.

(ii) To report thereon to the Council at its meeting in February or May 1962.

2. In January 1962, the Panel submitted an interim report (L/1716) which was considered and adopted by the Council of Representatives at its meeting held from 22 to 28 February. In that report the Panel reviewed the notifications and other material available to it at that time and requested the secretariat to communicate with individual contracting parties in order to obtain certain supplementary information or clarification. It was agreed that the Panel would meet again in May to examine the replies of contracting parties and to draw up a final report.

3. When the Panel reconvened on 14 May, it was informed that in response to the requests made on its behalf a number of contracting parties had supplied lists of residual restrictions, had revised their earlier notifications, or had furnished details concerning their notifications. On the basis of this material and with the assistance of the representatives of the contracting parties concerned, the Panel examined the adequacy of the notifications, bearing in mind the purposes of the residual restrictions procedures and in the light of the discussions at the nineteenth session. Part I of the present report contains a general stock-taking of the notifications which have been received. Part II of the report contains notes concerning the individual notifications.
4. The lists of residual import restrictions which have been received from contracting parties and which formed the basis of the Panel's deliberations, are reproduced in document L/1769. These lists supersede all previous lists (such as those contained in L/1563 and Addenda, L/1691, L/1723 and L/1762); they are intended to represent the present situation and take account of all modifications, corrections and clarifications brought to the notice of the Panel.

5. As regards the adequacy of the notification as a whole, the Panel noted that out of the forty-one contracting parties:

(a) Twelve contracting parties have supplied lists of residual restrictions (reproduced in L/1769), namely:

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<th>Country</th>
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<tbody>
<tr>
<td>Australia</td>
<td>Portugal</td>
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<tr>
<td>Canada</td>
<td>Rhodesia and Nyasaland</td>
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<tr>
<td>France</td>
<td>Sierra Leone</td>
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<td>Italy</td>
<td>Sweden</td>
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<td>Netherlands</td>
<td>United Kingdom</td>
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<tr>
<td>Norway</td>
<td>United States</td>
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(b) Three contracting parties have not supplied lists of the restrictions, and their positions are as follows:

Belgium: A list is being prepared and will be submitted shortly.

Luxemburg: It is stated that "the import control system applied by Belgium is equally valid for Luxemburg by virtue of the provisions of the Benelux Economic Convention of 25 July 1921".

Austria: The matter is being studied in Vienna. Though no list of residual restrictions is available, a complete and up-to-date liberalization list has been made available to contracting parties, as noted in L/1725.¹

(c) Twenty-two contracting parties have stated that they apply no restrictions notifiable under the residual restrictions procedures (some of which are applying restrictions under Article XII or XVIII or under decisions taken by the CONTRACTING PARTIES under Article XXV:5). These are:

¹See paragraph 7 below.
(d) Only four contracting parties have not responded to the request for information on the existence of residual restrictions in their countries. These are:

Cuba
Dominican Republic
Haiti
Tanganyika

6. Among the governments which have provisionally acceded to the General Agreement, or have established special relationships with the CONTRACTING PARTIES, Israel and Yugoslavia have stated that they have no restrictions to notify under these procedures. Switzerland has stated that it applies no restrictions on imports which are not covered by paragraph 1(b) of the Declaration concerning the provisional accession of Switzerland. No notification has been received from any of the other governments in this group.

7. As noted above, no list of residual restrictions has been received from the Government of Austria. In addition it should be noted that the list submitted by France and reproduced in L/1769 covers only restrictions on imports from the former CEEC countries, Canada and the United States; no such list has been supplied concerning imports from the other contracting parties. In the Austrian case the Panel was given to understand that the matter was still being considered by the Government. In the French case, it was stated by the French representative that there were some practical difficulties in compiling such a list at present. While regretting that the two Governments have not been able to comply with the request of the CONTRACTING PARTIES, the Panel wishes to point out that in both cases a complete and up-to-date liberalization list has been supplied. (The Austria list has been circulated to contracting parties with L/1725 and the French list (for non-OECD countries) will be circulated shortly.)

1Apart from the prohibition of imports from Central Africa
PART II

8. In its interim report (L/1716) the Panel put forward certain suggestions regarding the type of information which should be included in a notification. These suggestions, as set out in paragraph 5 of the report, related to (a) the form of notification, (b) definition of products, (c) types of restrictions, (d) area of application (e) duration of the restrictions and (f) any restrictions covered by the provisional application provision. The Panel was gratified that these points were taken into account by the contracting parties which submitted new or revised notifications. As noted in paragraph 6 of the interim report, the Panel also sought clarification from governments as to whether certain products not included in notifications submitted by certain contracting parties should have been so included. In response to such requests, certain contracting parties revised their notifications by including the products in question, while in most cases the contracting party confirmed that in its view the product or products in question were not subject to restrictions notifiable under the residual restrictions procedures and gave the reason why it was considered so.

9. The following paragraphs set out such information supplied by contracting parties, and comments by the Panel or members of the Panel on the lists of restrictions reproduced in L/1769, on the supplementary information mentioned above or on the position of contracting parties which have supplied no list of residual restrictions.

Australia

The Panel noted that in the judgment of the Australian authorities, ships are not subject to restrictions notifiable under the residual restriction procedure, the restrictions on this item being maintained consistently under the provisions of Article XXI of GATT.

Canada

It may be noted that the Canadian authorities have not stated that the restrictions listed in its notification are all definitely considered inconsistent with GATT.

France

The French authorities maintain that the French "Technical Visa" regulations applying to certain imports as well as the "Special Procedures" applying to items 04-05A and 27-08 do not constitute quantitative restrictions, and are therefore not included in its list of residual restrictions.
With regard to the list of restrictions on imports from OECD countries, it is noted that the French authorities are uncertain as to whether those on agricultural imports are or are not inconsistent with GATT and the Protocol of Provisional Application and that consequently no answer is given as to the duration of restrictions. As regards the industrial products included in the list, the French authorities consider that the existing restrictions are not inconsistent with GATT (except for a few items which are marked for liberalization in the near future), although they are included in the list submitted. The Panel noted the absence in the list of details on the type of restrictions used.

As noted in paragraph 7 above, no "negative list" is yet available of restrictions on imports from contracting parties outside the OECD. The French authorities consider it difficult to compile such a list at present, and request that the liberalization list for imports from these countries be circulated to the contracting parties.

Federal Republic of Germany

The Federal Republic of Germany has stated to the Panel that it at present applies no import restrictions other than those covered by the Decision of 30 May 1959 or by Articles XI or XX of GATT.

Italy

The Panel considers that the reference to the Annecy Protocol in paragraph 4 of the notification requires clarification, especially in regard to the restrictions on imports of bananas (the secretariat should seek this clarification with a view to ensuring accuracy of the list when it is reproduced in L/1769).

It was also noted:

(a) that no indication is given in the notification regarding the intended duration of the restrictions; and

(b) that the list does not cover all contracting parties. If, as the Panel understands, there exist other lists affecting imports from one or more contracting parties, they should also be supplied (e.g. "List C", which applies to a few contracting parties and the special list applying to imports from Japan).
Luxemburg

In reply to questions put by the Panel, the Luxemburg Government has stated that:

(a) Import restrictions on pure-bred swine, bovine cattle for breeding and young beef cattle are covered by the Decision of 3 December 1955. Imports of young beef cattle are restricted in the light of domestic requirements. Imports of pure-bred swine and bovine cattle for breeding are subject to the livestock breeding regulations.

(b) Shelled eggs and egg yolks for use in foodstuffs have been liberalized and may be imported freely.

(c) Apart from the restrictions applied on certain agricultural products under the waiver granted to Luxemburg, the import control system applied by Belgium is equally valid for Luxemburg by virtue of the provisions of the Convention of 25 July 1921 on the Belgo-Luxemburg Economic Union.

The Netherlands

The Panel has requested new information from the Netherlands authorities on certain products and concerning common quotas in Benelux; the secretariat should circulate the replies when received.

Nicaragua

The Nicaragua authorities have stated that Nicaragua places imports under a prior deposit system, the purpose of which is to curtail the circulation of money within the country; only incidentally has the system also the effect of reducing the volume of imports. The relevant legislation establishes three categories of products according to their degree of essentiality. The provisions of the law apply equally to all merchandise regardless of origin. The law is of indefinite duration but revisions are made in the lists as economic conditions in the country change.

The data accompanying this statement have not been included among the notifications because there is no indication that Nicaragua considers this measure to be inconsistent with GATT.
Norway

The Norwegian authorities stated to the Panel that grains and wine are under State-trading, which is operated consistently with Article XVII, and involves no quantitative restriction of imports.

The list reproduced in L/1769 is shorter than originally notified in L/1691, certain items having been liberalized in the meantime.

As noted in the notification, the question of consistency of the restrictions administered by the Ministry of Agriculture is being studied by the Norwegian authorities.

Peru

The Peruvian Government considers that no restrictions inconsistent with the General Agreement are in force in Peru and that in general Peru applies a policy of liberal imports, there being no system of prior licensing, quota, or prohibition, with the only exception of a small number of controls which are related to certain of the general exceptions provided for in Article XX of the General Agreement.

Portugal

In response to an enquiry by the Panel, the Portuguese authorities have included certain additional items in its list, in most cases in the light of the statement contained in paragraph 5(a) of the Panel's interim report; these are products previously discussed in Committee II and there is still uncertainty as to the consistency of the restrictions with the provisions of GATT.

Rhodesia & Nyasaland

The Panel has enquired whether restrictions are applied on any products other than those included in the previous notification, particularly on any agricultural products. It notes that no reference is made to any agricultural, or other products (e.g. jute bags, accounting machines), in the revised notification reproduced in L/1769.
Sweden

In response to a number of questions put by the Panel the Swedish authorities have replied that:

(a) The Swedish notification is based upon the opinion that Sweden applies no quantitative restrictions contrary to the rules of the GATT. Restrictions existing in the agricultural field are mentioned in the notification as being covered by the provisional application provision concerning existing legislation. Details concerning the Swedish agricultural policy have been given to Committee II (see L/1171, paragraphs 32-33, COM.II/2(c), section B and Add.1 and COM.II/56).

(b) As to restrictions on products other than agricultural products, Sweden applies State trading in raw tobacco and products for the fabrication of tobacco products (cigarette paper, tobacco machines, etc.) and in wine, spirits and beer with an alcohol degree of more than 2.8 per cent by weight. The State monopoly pursues a policy of strict non-discrimination in its purchases of all these products from abroad.

(c) Imports of motor vehicles (87.02, 87.03, 87.04, 87.05) are subject to licence for statistical purposes; licences are issued automatically.

(d) There are no quantitative restrictions on apples or pears.

(e) There is no State trading in cereals (cf. COM.II/56, page 13) nor, under normal circumstances, in sugar (cf. COM.II/56, page 18). By reason of particular circumstances a special system for sugar, notified in L/1457, has temporarily been introduced.

(f) The Swedish provisions of "emergency restrictions" and "minimum price scheme" have been reported to Committee II (cf. the documents mentioned above).

United Kingdom

In response to the Panel's enquiry the United Kingdom has clarified certain terms used in its notification, which are noted in the revised notification in L/1799. The Panel noted that the deletion of certain products from that list resulted from recent measures of liberalization.
In response to questions, the United States Government has stated that:

(a) The United States considers that the present overall restrictions on wheat under Section 22 of the Agricultural Adjustment Act and on sugar are consistent with Article XI:2(c) of the Geneva Agreement, but since quotas are in effect for raw and refined sugar and for wheat and wheat flour, the United States notified these restrictions in the manner expressed in L/1769.

(b) As regards the relationship between the restrictions notified on wheat and cotton and the United States Waiver, the United States position is that the present restrictions on wheat and wheat flour are covered (as noted above) and that the present restriction on cotton and cotton products are similarly covered. The United States annual reports to the CONTRACTING PARTIES under the United States Waiver contain information on these restrictions simply because, in conformity with paragraph 6 of the conditions and procedures of the Waiver, all Section 22 restrictions are notified regardless of the applicability of the Waiver.

(c) United States oil import restrictions are considered consistent with the provisions of Article XXI. Existing mandatory restrictions on imports of crude oil, unfinished oils, and finished products were adopted by the Presidential Proclamation of 10 March 1959, pursuant to Section 8 of the Trade Agreements Extension Act, 1958. This action was taken only after thorough investigation by the Director of the Office of Civil and Defense Mobilization on the effect of oil imports upon national security, as required by Section 8. The Director of this Agency found "that crude oil and the principal crude oil derivatives and products are being imported in such quantities and under such circumstances as to threaten to impair the national security".

(d) Import restrictions on lead and zinc are maintained under Article XIX of GATT (cf. L/859).