

Items on the commodity list that require a license are:

Wheat	Cotton fabrics
Corn	Other fabrics
Sugar	Textile yarns
Dairy products	Scientific instruments
Meat	

By use of a sliding scale of tariff rates, Germany also imposes what is in effect a highly restrictive quota limitation on coal produced in countries other than members of the European Coal and Steel Community.

ITALY

Italy requires an import license, individually validated, for a number of items. An annual quota has been established on many commodities subject to license. At times when these quotas are unfilled, no individual licenses are required. However, after a quota has been exhausted, applications must be submitted for a license to import quantities in excess of the quota. Those items on the license required list, for which no quota has been established, must always be licensed on an individual transaction basis. The absence of an established quota does not imply that imports are entirely prohibited. Approval of an import license in such a case is subject to administrative determination. In the past, Italy has discriminated against the dollar area and Japan, because of balance-of-payments difficulties. At present, imbalance does not exist; so to be in accord with the principles of GATT, such discriminations must be discontinued. Considerable progress has been made toward dollar area liberalization with only 2 percent of all Italian import classifications remaining discriminatory. However, some important agricultural items are still restricted when imported from the dollar area. On the other hand, very little progress has been made in the elimination of Japanese discrimination. At least 33 percent of all Italian import classifications are discriminatory against Japanese goods.

Items on the commodity list for which country quotas have been established are:

- Meat.
- Dairy products.
- Organic chemicals.
- Road motor vehicles.

Items on the commodity list subject to individually validated licenses are:

- Dairy products (to the dollar area and Japan).
- Organic chemicals.
- Wheat.
- Corn (to dollar area).
- Feed grains (to dollar area).

UNITED KINGDOM

The United Kingdom, because of balance-of-payments difficulties, maintains certain quantitative import restrictions against GATT member countries. Some of these restrictions are discriminatory against the dollar area. Among the items on the commodity list subject to import controls, only when originating in the dollar area,