extensive trade controls systems but these usually do not discriminate against U.S. trade. Of the 40 contracting parties to the GATT, 15 still maintain restrictions on at least a part of their import trade for balance-of-payments reasons. The countries are: Brazil, Burma, Ceylon, Chile, Denmark, Finland, Greece, India, Indonesia, Japan, New Zealand, Pakistan, Republic of South Africa, Turkey, and Uruguay. These countries are required, under the GATT, to remove their restrictions as rapidly as conditions permit and a regular consultation procedure is provided to keep the controls under constant review. The GATT working party on balance-of-payments restrictions will examine the control systems of six countries in May 1962, and will hold consultations with additional countries in September.

During the period of accelerated decontrol following the European currency convertibility moves in 1958, a substantial number of GATT countries ceased to invoke the provisions of article XII and XVIII of the agreement. While these countries have removed most restrictions formerly applied for payments reasons, some residual controls still remain.

A current effort is therefore underway in the GATT to identify all residual restrictions applied by GATT countries which are inconsistent with obligations under the agreement so that further progress can be made in their elimination. A group of experts held an initial meeting on this project in Geneva during January 1962 and a second meeting will be held in May.

The articles of agreement of the International Monetary Fund (IMF) limit the use of exchange restrictions in much the same way that the GATT deals with import restrictions. The IMF, in which the United States also participates, maintains a close working relationship with the GATT in this general field, and the activities of these two groups reinforce each other in freeing trade from unnecessary administrative control.

Another international forum in which the United States is seeking to encourage the removal of trade restrictions is the Organization for Economic Cooperation and Development (OECD). The OECD came into force in the fall of 1961 as a result of a thorough revision and broadening of the former Organization for European Economic Cooperation (OEEC). The OEEC was set up in 1948 to facilitate European postwar recovery and make the most effective use of Marshall plan aid. With this mission accomplished, a reconstituted organization was set up at the initiative of the United States, oriented to deal with present and future major world economic problems and with the United States and Canada as full members. Its current work program includes plans for confrontations this year on trade restrictions applied by member countries.

Complementing and supported by the above international commitments and activities for removal of restrictions affecting U.S. trade are the bilateral representations constantly made through the many U.S. diplomatic posts abroad. These representations permit prompt consideration of problems as they arise, or at a time when local conditions are most favorable to a solution. The importance of trade liberalization is also stressed when high foreign officials visit Washington or U.S. officials confer abroad.

Through a combination of activities, including representations in multilateral forums and selective bilateral approaches to foreign governments, progress is being made in the removal of remaining quantitative import restrictions. A summary table, showing the current status of licensing and exchange controls applied by foreign countries, together with a more detailed statement covering the systems in force in over 50 of these countries, are attached to this memorandum.

[From the Foreign Commerce Weekly, Dec. 25, 1961]

Summary of Foreign Control Regulations Applying to Imports From the United States

The following tabulation of the import and exchange permit requirements of foreign countries, prepared by the Bureau of International Programs as an aid to exporters, has been revised as of December 1, 1961.

The regulations apply primarily to goods of U.S. origin and to other goods payable in U.S. dollars.

Many countries do not permit import of foreign goods except under import licenses, which must be obtained by the importer. In some cases an import license must be granted before the order for goods is placed, and some countries also