

Germany has a 2-year tariff quota system under which some 12 million metric tons are admitted free of duty over the 2-year period, but all imports from non-ECSC countries outside of the tariff quota are subject to a prohibitive duty of about \$5 a ton. The United States receives about 10 of the 12 million ton tariff quota. However, the Federal Government has stated it may deduct from the commercial quota for future years the amount of coal brought in from the United States under U.S. military procurement.

Belgium has been given permission by the High Authority to restrict the entry of coal both from the ECSC and third countries. Out of an approximate annual quota of 620,000 metric tons established for non-ECSC countries, the United States receives about 400,000 tons.

The restrictions maintained by the United Kingdom, the Netherlands, and Belgium are not considered to be consistent with the GATT obligations of the countries concerned.

Coal is subject to state trading in France and Luxembourg. Coal is imported duty free.

#### OTHER RESTRICTIONS AFFECTING U.S. EXPORTS

In addition to tariffs and quantitative import restrictions, U.S. exports may, on occasion, be hindered by technical, fiscal, and administrative obstacles to trade. Exports may be hindered, or even barred, from markets by regulations concerning health and sanitary requirements, customs valuation, marks of origin, grading standards, minimum quality, and fees and formalities connected with imports. Internal taxes may be nominally nondiscriminatory, but bear particularly heavily on imports.

Such technical and fiscal regulations affecting trade are common to all countries, including the United States. Because of the wide diversity of regulations, and the opportunity for administrative interpretation of such regulations, the U.S. Government must rely heavily on information supplied by U.S. exporters in treating with such obstacles to trade. The listing below of nontariff, nonquota restrictions is, therefore, no more than illustrative.

#### *Benelux*

The Benelux countries follow the policy of most Western European countries by not admitting items for the reasons of health, morals, or national security. Examples are absinthes, narcotics (except for medicinal use), pornographic literature, and abortive devices. The Benelux countries have employed variable levies on designated products to equalize prices of imports with domestic production. Such levies have only been applied on items where the duties have not been bound in tariff schedules or applied within the limits specified in the schedules. The Benelux countries also apply a levy transmission or sales tax, both on domestic transactions as well as on imports.

#### *France*

France prohibits the import of only those nonagricultural goods considered potentially injurious to public health or morals. These are specifically certain wines and liquors of exceptionally high alcoholic content, parathyoxyphenylurea, absinthe extract, pinball games, slot machines, pornographic material, publications for youth deemed to glorify immorality, and contraceptives. The French tax automobiles by European classifications of horsepower, and this tax bears heavily on U.S. automobiles.

#### *The Federal Republic of Germany*

Germany bans the importation of firearms and munitions, explosives, nuclear and radioactive material, narcotics, certain matches, paper used in the manufacture of banknotes, obscene written and graphic matter, written and graphic material which are politically subversive, and publications of products endangering the security of the Allied armed forces. Germany also applies health and sanitary regulations against certain imports of fruits with the result that imports from the United States are adversely affected. Exports of U.S. lemons have suffered particularly, and other products may be affected.

#### *Italy*

Italy applies safety, sanitary, and marking regulations to numerous items in commodity sectors such as munitions, drugs, etc. In general, such regulations are comparable to those in force in other trading countries, including the United States. The present formula for computing the circulation tax on automobiles