

agreed upon by the Preparatory Committee—the “Geneva” draft. Pending acceptance and entry into force of the agreement, in accordance with the terms, a procedure was established whereby individual countries which are parties to the agreement and are prepared to do so may sign a protocol of provisional application undertaking to apply the agreement provisionally. The protocol was signed at Geneva on behalf of eight countries, and it remains open for signature by other parties to the agreement until 30th June, 1948. The second option under Article 23 applies to those Members who have signed the Protocol of Provisional Application of G.A.T.T. before 1st July, 1948, and gives them the right, if they so elect, to operate under the Geneva draft text instead of under paragraph 1 (b) and 1 (c) of Article 23. The relevant portions of the Geneva text are included as an Annex rather than in the Article itself, merely for clarification.

Under this “Geneva” option a Member may deviate from the rule of non-discrimination if by doing so it can obtain additional imports. For example, a country may be able to obtain and pay for oranges from Jamaica. At the same time California may also be willing to supply oranges, but the importing country may not have the dollars necessary to pay for them. If the strict rule of non-discrimination were applied, no oranges could be imported at all—imports of oranges from California having been cut 100 per cent., imports from all other sources would have to be eliminated likewise. Therefore, in the Annex, permission is given a Member to discriminate in order to obtain additional imports which would not be allowed if the rules of Article 22 were adhered to. Three conditions are attached to such discrimination (clauses (i), (ii), and (iii) of paragraph 1 (a) of the Annex) requiring—(a) that prices paid because of the discrimination are not greatly in excess of those at which the same goods could be obtained from other sources; (b) that the discrimination is not part of an arrangement which will cause the country concerned to earn less gold or convertible currencies; (c) that unnecessary damage to the interests of other Members is avoided. Any measures adopted under this Annex are subject to scrutiny and disapproval by the Organization at any time. Approval, however, if once obtained, debars any Member of the I.T.O. from subsequently challenging the restrictions on the ground of inconsistency with the provisions of the Charter.

(3) *Termination of the Transitional Period.*—The two options referred to above are emergency procedures designed to meet the special difficulties of the post-war period and are not intended to continue indefinitely. The termination of the transitional period was fixed in relation to the provisions of Article XIV of the I.M.F.

Under this provision the period ends for each individual Member when it ceases to operate under the special provisions of Article XIV