

“ for the period necessary ” is elastic enough to include cases where elimination of the shortage may take a relatively long time—*e.g.*, when the number of breeding sheep is severely reduced in Australia by drought.

- (b) Import or export controls necessary to enforce standards or regulations relating to quality, packaging, labelling, and so on—for example, prohibition of the export of dairy-produce or meat below a certain grade of quality, or prescription of certain types of containers for these commodities. Such controls must be of a purely administrative nature and must not be quantitative restrictions in disguise, and if the Organization considers the standards or regulations unduly restrictive, the Member may be called upon to amend them.
- (c) Quantitative restrictions on imports of any agricultural or fisheries product where such restrictions are necessary to prevent an embarrassing surplus of a like product on the domestic market which would frustrate the Government's plans to control the supply (and thus the price) of the domestically produced product. The scope of this provision is limited to agricultural and fisheries products since these are subject to special factors which do not generally apply to manufactured products. For example, there are unpredictable fluctuations in supply, output cannot be easily or quickly regulated, there are large numbers of small producers, and there is an inelastic demand for the products, all of which make surpluses most damaging to the producers.

The special circumstances in which this paragraph can be invoked are as follows :—

- (i) Where a Government actually restricts the production or marketing of a domestically produced product it may at the same time limit the volume of imports of the like product or of substitute products. Imports must not, however, be limited in such a way that the proportion of imported goods to locally produced goods is reduced below the level it would be expected to reach in the absence of restrictions. In other words, this paragraph cannot be used to afford protection for the local industry at the expense of foreign suppliers.
- (ii) One way to dispose of a surplus of agricultural products or fish which would otherwise ruin the market for producers is for the Government to buy up the surplus at fair prices and make the goods available free or at nominal cost to domestic consumers, such as schools, hospitals, charitable institutions, &c., or, in the case of animal foodstuffs, to small holders and similar categories with a low standard of living. So long as the