

jurisdiction from acting in accordance with the principles of subparagraphs (a) and (b) of this paragraph.

2. The provisions of paragraph 1 of this Article shall not apply to imports of products for immediate or ultimate consumption in governmental use and not otherwise for resale or for use in the production of goods for sale. With respect to such imports, the Members shall accord to the trade of the other Members fair and equitable treatment.

Article 31

Expansion of Trade

1. If any Member establishes, maintains or authorizes, formally or in effect, a monopoly of the importation or exportation of any product, such Member shall, upon the request of any other Member or Members having a substantial interest in trade with it in the product concerned, negotiate with such Member or Members in the manner provided for under Article 17 in respect of tariffs, and subject to all the provisions of this Charter with respect to such tariff negotiations, with the object of achieving :

(a) In the case of an export monopoly, arrangements designed to limit or reduce any protection that might be afforded through the operation of the monopoly to domestic users of the monopolized product or designed to assure exports of the monopolized product in adequate quantities at reasonable prices ; or

(b) In the case of an import monopoly, arrangements designed to limit or reduce any protection that might be afforded through the operation of the monopoly to domestic producers of the monopolized product, or designed to prevent any limitation of imports to an extent inconsistent with the provisions of this Charter.

2. In order to satisfy the requirements of sub-paragraph 1 (b) of this Article, the Member maintaining a monopoly shall negotiate

(a) For the establishment of the maximum import duty that may be imposed in respect of the product concerned ; or

(b) For any other mutually satisfactory arrangement consistent with the provisions of this Charter if it is evident to the negotiating parties that to negotiate a maximum import duty under subparagraph (a) of this paragraph is impracticable or would be ineffective for the achievement of the objectives of paragraph 1 of this Article.

Any Member entering into negotiations under sub-paragraph (b) of this paragraph shall afford to other interested Members an opportunity for consultation in respect of the proposed arrangement.