

(which it may do at any time on its own initiative or when requested to do so by the Fund), and not on any fixed date. A small number of members of the I.M.F. have chosen not to operate under Article XIV at all. Thus the transitional period will be of different duration for each Member, depending on circumstances. Each I.M.F. Member will cease to enjoy the privileges of Article XIV only when its balance of payments position has reached a sufficient degree of equilibrium to permit all restrictions on international transfers (other than those of a capital nature) to be removed and its currency to be made fully convertible once more. Members are expected to endeavour to reach this position as soon as they can.

Members of I.T.O., whether operating under the "Havana" or the "Geneva" option, must cease any discriminatory trade measure they may be applying under paragraph 1 of Article 23 when they cease to operate under Article XIV of the I.M.F. or (in the case of non-Members of the I.M.F.) under the equivalent provisions of a special exchange agreement with the I.T.O.

The date, 1st March, 1952, has a special significance for Members of the I.M.F., as after that date they shall consult with the Fund as to the retention of measures applied under Article XIV, and the I.M.F. may require them to remove or modify such measures as circumstances justify. In this way there will be a progressive elimination of the discriminatory exchange measures applied under the transitional arrangements. There will be for I.T.O. Members, after 1st March, 1952, an equivalent progressive elimination of discriminatory trade measures which they may be applying under paragraph 1 (b) of Article 23. In the case of measures applied under paragraph 1 (c)—*i.e.*, discriminatory measures actually in force on 1st March, 1948, and not covered by 1 (b)—the I.T.O. after 1st March, 1952, may request their removal; while a similar provision applies to measures adopted by Members operating under the "Geneva" option.

Thus there is to be a progressive elimination of all discriminatory measures adopted under the transitional arrangements set out in paragraph 1 and the Annex to Article 23. After 1st March, 1952, all discriminatory measures still in force shall be subject to the possibility that the I.T.O. may require their removal, and new measures under the transitional provisions can only be introduced with I.T.O. approval.

(4) *Post-transitional Arrangements.*—After the post-war transitional period has been terminated for any Member its power to adopt discriminatory trade measures is strictly limited to those listed below. They can be applied also during the transitional period if necessary, but this is not very likely to happen, as the provisions of paragraph 1