domestic market is being artificially supported in this way the Government would be authorized to restrict imports of like or substitute commodities which would merely frustrate the plan for removing the already existing surplus.

(iii) A country which, in order to prevent overproduction of a particular animal product—*e.g.*, butter or meat—places a limit on the production of that product, the production of which is dependent to a very large extent on imported fodder for its stock, may impose restrictions on the importation of that fodder. Such restrictions may be imposed only if the domestic production of the fodder is relatively negligible, otherwise the import restrictions would be of a protective nature.

In cases where any of the types of import restrictions so permitted are placed on agricultural or fisheries products the supply of which is of a seasonal nature the restrictions must not be so applied as to prevent imports sufficient to meet the demand during the " off " season. Furthermore, a country intending to introduce such restrictions on imports of agricultural and fisheries products is required to give advance notice to the Organization and Members substantially interested as suppliers. The object in this is to afford opportunity for consultation with a view to avoiding unnecessary damage to the interests of such Members.

A Member applying such restrictions must give public notice of the total quantity permitted to be imported during a period.

The rules in Section B of Chapter IV respecting quantitative restrictions apply also to restrictions made effective through State-trading operations.

Article 21 : Restrictions to Safeguard the Balance of Payments

It is acknowledged that in spite of the general desirability of avoiding the use of quantitative restrictions on trade, a situation in which a country is suffering from difficulties in regard to its balance of international payments, with consequent loss of monetary reserves, may necessitate the application of quantitative restrictions or regulation of trade. While there has been no argument on this principle, it has been necessary to formulate the rules and procedures under which the principle will be applied.

A country may be in balance of payments difficulties for a number of reasons. Its receipts of foreign exchange may have declined because of a fall in the volume or price of its exports, or both ; or the earnings derived from the sale of services—*e.g.*, shipping, banking, insurance—may have declined. There may be an abnormally high demand for imported goods, as a result of full employment or a high level of money