

the Canadian import restrictions imposed on November 17, 1947. Accordingly, to meet Canada, it was proposed to permit any country then applying the General Agreement on Tariffs and Trade to continue to be governed by the provisions of that agreement in respect of exceptions to the rule of non-discrimination. This meant adding the Geneva criteria to the other justifications for discrimination, but only during the transitional period to be determined by the Fund.

61. When the Brazilian Delegation realised the full implications of the proposal made to meet Canada, they protested because Brazil had not yet been applying the General Agreement on Tariffs and Trade and consequently this particular provision would not be applicable in their case. The United States Delegation, seeing the impossibility of confining the application of the additional provision to a few countries, then decided to fall back upon the choice of two options, one based on their original draft of a Charter - which henceforth became known as "the Havana option" - and the other on the Geneva draft. It was on this basis that Article 23 of the Havana Charter came to be drafted. This was not before, however, a number of difficulties had been ironed out. These difficulties chiefly arose through the natural reluctance of the United Kingdom Government to assume new obligations in respect of non-discrimination which they might not be able to fulfill.

62. When the United States first made the proposal to return to the basis of their original draft of a Charter for exceptions to the rule of non-discrimination, the United Kingdom Delegation, along with the delegations from other European countries, were pleased with this solution. When, however, the proposal was referred to London it became apparent that the United Kingdom Government liked neither the original nor the Geneva basis. The United Kingdom expert was recalled from Havana to London for consultation and no longer was available for participation in the meetings of the Working Party. Direct consultations were then undertaken between London and Washington and it was some little time before the Working Party could proceed with formulating a solution on the basis of the two options. The United Kingdom Government feared that the non-discrimination provision in the Anglo-American Financial Agreement would be interpreted to disqualify the discriminations they then had in force if they exercised the Havana option, whereas from the beginning of the Conference they had maintained that the Geneva option did not give them sufficient freedom for the period of the next four years. They also objected to the dual jurisdiction under the Geneva option whereby the period for discrimination was to be determined by the International Monetary Fund and the scope of discrimination by the International Trade Organization.

63. Agreement on Article 23 eventually was reached by making, under the Geneva option, minor concessions of a technical character to the United Kingdom point of view and by postponing until March 1, 1952, any effective surveillance by the Organization over discriminations. Needless to say, the solution of this question of exceptions to the rule of non-discrimination was reached only in the very last days of the Conference.

64. One of the last acts of the Conference, prior to the signature of the Final Act, was to approve the setting up of an Interim Commission for the purpose of making the