initiated by the principal supplier and, in every case, the rate of duty finally agreed upon becomes the rate which would apply to a similar product sold by any country which is a contracting party to the Agreement.

Under this new system of multilateral tariff negotiations, three conferences have taken place—at Geneva, Switzerland, in 1947, at Annecy, France, in 1949 and at Torquay, England, in 1950-51. The tariff concessions Canada granted and received at the Geneva Conference are described in the 1948-49 edition of the Year Book, pp. 875-877, and those negotiated at Annecy are discussed in the 1950 edition of the Year Book, pp. 968-970.

The rates in the Geneva and Annecy Schedules were bound against increase for a definite period to January 1951. After that time, countries were entitled to modify their schedules by negotiation or consultation with other contracting parties.

The Torquay Conference followed the same pattern as the previous negotiations, and the most recent agreements are really an extension of the agreements drawn up in the previous years. Under the most-favoured-nation principle, all tariff concessions agreed to at Torquay are available to Canada, whether or not these concessions were negotiated directly with Canada. Similarly, Canada extends its own tariff concessions to each of the other participating countries.

The results of the Torquay negotiations were important in a number of ways. Arrangements were made to extend the Geneva and Annecy concessions for a further firm period of three years. The General Agreement also was expanded to include the following four new members: Austria, the German Federal Republic, Peru and Turkey (*see* footnote 1 at pp. 1003 and 1004). Finally, new tariff negotiations took place between present members to cover a broader range of commodities and, in many cases, to provide for further reductions on products previously negotiated. The new tariff concessions, together with the Geneva and Annecy concessions, are to remain in force until Jan. 1, 1954.

As part of the undertaking to extend the previous agreements for a further firm period of three years, countries had a right under the General Agreement to make modifications or withdrawals of previous tariff concessions and, in a few cases, concessions were withdrawn from Canada. In such instances, compensation was made by way of tariff concessions on other products so that the over-all value to Canada of the previous agreements was not impaired. The original tariff concessions exchanged among the United States, the United Kingdom, Canada and a number of other important countries were, however, maintained in their entirety.

Part II of the Agreement sets forth in considerable detail the rules and regulations designed to reduce and eventually eliminate discriminatory practices in international trade. Traditionally, the tariff was the chief instrument for regulating the volume of imports which each country was willing to accept. To-day, however, the most effective and widely adopted method of regulating the flow of imports is through the application of more drastic measures, such as quantitative restrictions, exchange controls, state barter deals and bilateral agreements. The contracting parties agree to apply the provisions of Part II "to the fullest extent not inconsistent with existing legislation", and it is on this basis that the terms of Part II of the Agreement are observed to-day. The most significant clauses include those dealing with taxes on imported goods, various forms of quantitative restrictions, special considerations for countries in balance-of-payment difficulties, and special considerations for countries undertaking defined programs of economic development or reconstruction. (*See* the 1948 edition of the Year Book, p. 874, and the 1950 edition, p. 967.)