but the allocation of foreign quotas among sources of supply is not allowed, except in the case of existing measures of this nature, which must, however, be subject to negotiation for their limitation, liberalization, or elimination in the manner provided for in respect of tariffs and preferences.

Annex A of the Charter provides that the New Zealand Renters' Film Quota shall be treated as a screen quota falling within Article 19.

Section B.—Quantitative Restrictions and Exchange Controls. (Articles 20-24)

The structure of this Section is as follows: Article 20 begins with a general rule against the use of quantitative import or export prohibitions or restrictions, subject to specified exceptions. Article 21 makes an exception in favour of restrictions to safeguard the balance of payments. Article 22 provides for non-discriminatory administration of quantitative restrictions (whether imposed for balance of payments reasons or otherwise under the Charter) and Article 23 permits specified exceptions to this rule of non-discrimination. Article 24 provides for co-operation between the Organization and the International Monetary Fund on questions of common interest, and, since exchange control is in many ways an alternative device to quantitative trade control, sets out rules to ensure that Members do not by exchange action evade their obligations regarding trade action under this Section of the Charter.

The Section on quantitative restrictions has a close connection with other parts of the Charter. For example, a cross-reference to Articles 3 and 9 on employment and development appears in Article 21 ; Chapter III also permits, in appropriate circumstances, the use of quantitative restrictions for protective, developmental, and reconstruction purposes ; and Article 43 (General Exceptions to Chapter IV) permits various specified uses of quantitative controls, some during a post-war transition period, others permanently. The latter class includes controls necessary to the enforcement of state-trading monopolies, inter-governmental commodity agreements, and certain types of controls in connection with stabilization schemes.

The approach of the Preparatory Committee to the question of quantitative control of trade has therefore been to enunciate a general rule and then to elaborate the exceptions which can reasonably be justified in order to make provision for particular situations and policies without frustrating the objectives of the Charter.

Article 20.—General Elimination of Quantitative Restrictions

The general rule reads as follows: " No prohibitions or restrictions other than duties, taxes or other charges, whether made effective through quotas, import or export licences or other measures, shall be instituted or maintained by any Member on the importation of any product of any