

resources might be the direct result of domestic policies of full employment and development which a Member is pursuing in conformity with other parts of the Charter.* Accordingly, no Member may be required to withdraw or modify its balance-of-payments restrictions on the grounds that a change in domestic policies (for example, a deflation) would render such restrictions unnecessary. Provision is also made for import selection in order to give priority to imports which are more essential in the light of domestic policies. There is thus a certain parallel with the United Nations Charter (Article 2, paragraph 7) which does not authorize the United Nations to intervene in matters which are essentially within the domestic jurisdiction of any State. Under the draft Charter of the Trade Organization, however, Members undertake, in carrying out their domestic policies, certain obligations regarding balance-of-payments restrictions so that the trade of other Members is not unnecessarily damaged.

The final part of Article 21 concerns procedure for complaint and consultation. The Organization may at any time enter into consultations with a Member regarding its balance-of-payments restrictions, and within two years of the Charter entering into force the Organization is to make a review of such restrictions as are being applied by Members. The Organization is not empowered, however, to recommend withdrawal or modification of restrictions as a result of this review, since such recommendation can only arise from a complaint by a Member whose interests are prejudiced. A Member may, if it so desires, approach the Organization with a view to obtaining prior approval for the institution or maintenance of restrictions. In cases where this is not obtained a complaint procedure operates and a Member may consequently be recommended to modify or withdraw restrictions which are unjustified in the light of the earlier provisions of the Article, subject, of course, to the safeguards relating to domestic policies.

Article 22.—Non-discriminatory Administration of Quantitative Restrictions

Whenever either import or export prohibitions or restrictions are being applied under the Charter, the rule of non-discrimination applies. Detailed provisions are made to ensure that in applying import restrictions to any product Members shall aim at a distribution of trade in such product approaching as closely as possible to the shares which the various Member countries might be expected to obtain in the absence of such restrictions. These provisions also apply to tariff quotas, and, in so far as applicable, to export restrictions and to internal regulations and requirements (such as taxation and mixing regulations) under Article 18.

* NOTE.—In this connection reference should be made to the footnote appended to Article 31, which is relevant to New Zealand's position.