

*Article 23.—Exceptions to the Rule of Non-discrimination*

Exceptions from the rule of non-discrimination are permitted in the case of exchange and currency difficulties. If a substantial and widespread disequilibrium prevails in international trade and payments, it is recognized that a greater volume of trade may result from discriminatory trade than from the strict observance of the rule of non-discrimination. Thus a Member which experiences a shortage of hard currency such as dollars, and is forced to cut down imports from dollar sources, need not cut down imports from soft currency sources proportionately if such action would have the result of reducing its total imports below the level it could otherwise afford. In order that the achievement of international multilateral trade, which is envisaged in the objectives of the Charter, is not handicapped, discriminatory action under this Article is closely limited by detailed technical rules, and, after a transition period, requires the prior approval of the Organization.

Certain other exceptions are also provided for, including particular reference to preferential meat quotas among British Commonwealth countries (see paragraph 5 (b)).

*Article 24.—Exchange Arrangements*

Provision is made for the fullest co-operation and consultation between the International Trade Organization and the International Monetary Fund, since many of the matters dealt with in Section B are of common interest, and a duplication of functions and of statistical services regarding monetary reserves, balances of payments, and foreign exchange arrangements needs to be avoided. The International Monetary Fund is given special competence regarding some aspects of the balance-of-payments criteria in Article 21, but it should be noted that other aspects of these criteria (for example, the extent of the balance-of-payments restrictions which is necessary, and the special factors affecting a Member's need for reserves) are not specifically referred to the International Monetary Fund. It is also stipulated that the final decisions concerning quantitative restrictions rest with the International Trade Organization. New Zealand recorded a reservation on this portion of the text in order that its full implications might receive further study.

Members are obliged not to frustrate, by exchange action, the intent of the provisions of Section B relating to quantitative control of trade, nor, by trade action, the intent of the provisions of the Articles of Agreement of the International Monetary Fund. It is recognized that common membership of both international Organizations would be desirable, but special provision has been made for Members of the International Trade Organization which are not Members of the International Monetary Fund. Such Members cannot, of course, be required to become Members of the Fund, but they are required to enter into a