Those quantitative restrictions which are related to economic development and reconstruction, and for which prior approval is required, are dealt with in Articles 13 and 14. Other cases, where prior approval for the use of quantitative restrictions is not called for and which need not be specially related to economic development or reconstruction, are subject to strict limitations which are specifically set out in Articles 20–24. These Articles, which comprise Section B (Quantitative Restrictions) of Chapter IV, include the following provisions :—

(*a*) A general ban on the use of quantitative restrictions on exports or imports (Article 20, paragraph 1).

(*b*) Special exemptions in a very limited number of circumstances to meet emergencies or where there is no question of protection of the Member's own industries (Article 20, paragraphs 2 and 3).

(*c*) Provision for the use of quantitative restrictions, without prior approval, for the purpose of safeguarding a Member's balance of payments (Article 21).

(*d*) Rules which require non-discrimination in the administration of quantitative restrictions, whether applied under Article 21 or 13 or under other provisions of the Charter (Article 22).

(*e*) Special exceptions to the rule of non-discrimination (Article 23).

(*f*) Provisions to ensure that there is no conflict between the rules of the Monetary Fund regarding exchange operations and the rules of the I.T.O. regarding trade operations, together with arrangements for consultation and co-operation between the two bodies on certain matters (Article 24).

Article 20 : General Elimination of Quantitative Restrictions

In paragraph 1 there is a general ban on the quantitative restriction of either exports or imports entering into trade between Member countries. There is no ban on restrictions imposed on trade with non-Members, nor is there any ban on licensing systems as such provided that prohibitions or restrictions are not involved.

In paragraph 2 a number of special circumstances are listed in which exceptions to the general ban are permitted without specific approval of the Organization. The exceptions are very limited, and paragraph 3 ensures that they are not used so as to afford protection to any domestic industry and are not continued any longer than the special circumstances would justify.

The special exemptions cover the following cases :—

(*a*) When a critical shortage of a foodstuff or other essential commodity exists or is threatened within the Member's territory it may, in order to ease the shortage, restrict exports of the commodity concerned. Generally such shortages, and therefore the restrictions also, would be of short duration, but the phrase