

in paragraph 5 (d), the Organization has no authority to require the Member to take or abstain from any particular action proposed on balance of payments grounds.

The Organization must review existing restrictions within two years of its establishment, but this provision does not give it any power to require a Member to take any particular action.

By the provisions of paragraph 5 (c) the procedure laid down in subparagraph (a) of that paragraph can be avoided, if a Member so desires, by obtaining the prior approval of the Organization for the application of quantitative restrictions under this Article. Such approval would involve setting up a kind of formula, based on the factors or criteria mentioned in paragraph 3 (a), which would serve as a more or less automatic guide to the Member's action. The formula would indicate when the Member's balance of payments and monetary reserves were in a sufficiently serious condition to justify the use of quantitative restrictions; the need for prior consultation would be eliminated; and challenge by another Member, on the grounds that the exchange position was not sufficiently serious to justify the restrictions, would be precluded.

Complaint against quantitative restrictions imposed under this Article by a Member can be made only by another Member which considers its trade has been adversely affected (paragraph 5 (d)). The complaint could be lodged on the grounds that the restrictions are being applied in a manner inconsistent with the terms of Article 21, or of Article 22, which requires non-discriminatory treatment. It is only in this subparagraph that the Organization is given any authority to take action against a Member which is improperly applying quantitative restrictions under Article 21. The action would take the form of releasing any other Member from particular obligations towards the offending Member so as to compensate for the damage the affected Member is suffering.

If the application of quantitative restrictions under Article 21 becomes so widespread as to indicate the existence of a general disequilibrium in international trade, consultations shall be initiated with a view to removing the underlying causes. See also Article 4 (Removal of Maladjustments within the Balance of Payments), which has a more limited application in the same general field.

Article 22 : Non-discrimination

In applying quantitative restrictions on trade, particularly on imports, a Member may seek to control only the total volume of trade in a given commodity; or it may, on the other hand, seek to regulate the direction in which trade flows, limiting transactions with some countries more than with others. Any such governmental interference with the