Third Committee: Commercial Policy

Sub-Committee F (Articles 21, 23 and 24)

Czechoslovakia: Proposed Amendment

Article 23

Exceptions to the Rule of Non-Discrimination

1. (a) It is recognized that Members applying restrictions under Article 21 may be able to overcome their difficulties earlier and better by applying them in a discriminatory manner and to increase the volume of their mutual trade in order to raise or to maintain their level of production or productive employment, if permitted to depart from the provisions of Article 22. The Members also recognize the need for close limitation of such departures so as not to handicap achievement of multilateral international trade.

(b) Accordingly, a Member applying import restrictions under Article 21 may relax such restrictions in a manner which departs from the provisions of Article 22 to the extent necessary to obtain a higher level of production or productive employment or higher volume of trade as compared with that which it could afford in the light of the requirements of paragraph 2 of Article 21 if its restrictions were fully consistent with Article 22, provided that such action does not cause unnecessary damage to the commercial or economic interests of any other Member.

(i) delete

(ii) delete

(iii) delete

(c) delete

(d) delete

2. Any Member taking action under paragraph 1 of this Article shall inform the Organization of the reasons on which its action is based and shall at the end of every year provide the Organization with a report on the results of its action.

3. (a) Not later than 1 March 1952 (five years after the date on which the International Monetary Fund began operations) and in each year thereafter, any Member maintaining or proposing to institute action under paragraph 1 of this Article shall seek the approval of the Organization, which shall thereupon determine whether the circumstances of the Member justify the
maintenance or institution of action by it under paragraph 1 of this Article. After 1 March 1952 no Member shall maintain or institute such action without determination by the Organization that the Member's circumstances justify the maintenance or institution of such action.

(b) (No change)

(c) Not later than 1 March 1950, and in each year thereafter so long as any Members are taking action under paragraph 1 of this Article, the Organization shall report on the action still taken by Members, under that paragraph. On or about 1 March 1952, and in each year thereafter so long as any Members are taking action under paragraph 1 of this Article, and at such times thereafter as the Organization may decide, the Organization shall review the question of whether the restrictions imposed have the effects required under paragraph 1 of this Article. If, as a result of any such review the Organization after consultation with the Members comes to the conclusion that the requirements of paragraph 1 of this Article are not fulfilled, the provisions applied by a Member under paragraph 1 of this Article shall be suspended and all actions authorized thereunder shall cease six months after such determination.

5. The provisions of this Section shall not preclude:

(a) restrictions with equivalent effect to the Articles of Agreement of the International Monetary Fund; or

(b) restrictions under the preferential arrangements provided for in Annex A of this Charter, subject to the conditions set forth therein.