

Members applying a system of import licensing shall supply on request to any other Member who is affected certain information concerning the administration of that system. Where quotas are imposed the Member shall normally give prior public notice of the amounts of those quotas (paragraph 3). An exception may be made to this rule, with the approval of the Organization, in cases where a Member's trade is largely with non-Members which are not under the same obligation to give public notice. (Paragraph 3 (c)).

A tariff quota (paragraph 5) consists of an arrangement whereby a certain customs duty is applied on imports of a given commodity up to a specified amount during a specified period ; any additional imports of that commodity during the period would be subject to a higher rate of duty.

Article 23 : Exceptions to the Rule of Non-discrimination

Trade is never perfectly bilateral—*i.e.*, it does not flow between only two countries, but between many countries. It would be a pure coincidence if there were a perfect balance of trade between two countries. It is normal for goods to be bought and sold in many markets, with merchants in any one country establishing connections with merchants over a large proportion of the world. Thus a country's over-all balance of trade is the result of a summation of balances with individual countries, some balances being negative and some positive. There are also "invisible" transactions between countries, involving payments other than those directly related to the purchase and sale of goods—*e.g.*, profits, capital transfers, earnings of shipping and financial services, and so on. These, together with trade payments, make up a country's over-all balance of payments, and, as in the case of trade, the over-all balance is the summation of many balances, positive and negative, with many countries.

In general, so long as most countries of the world, and particularly the large trading countries, are not experiencing any serious difficulty in respect of their over-all balances of payments and have adequate reserves of gold or foreign currency, all major currencies will probably be freely convertible and the problem of payments or discrimination does not arise.

However, in times such as the present, when, because of special circumstances resulting from the war, many countries are suffering from a seriously adverse balance of trade and of payments, it is necessary for them to impose severe restrictions on imports and also on invisible payments, and their currencies are no longer freely convertible. They cannot freely sell foreign currency in exchange for their own currency since they have not enough to go round, or they have not enough of the