ARTICLE XII

Amendments Proposed by the United Kingdom

The following is a United Kingdom proposal for amending paragraph 5 of Article XII. Its effect is to include in this paragraph the provisions of paragraph 5(a) of Article XIV, but in a strengthened form.

Proposed new text for paragraph 5:

"5. If there is a widespread application of import restrictions under this Article, or other circumstances indicating the existence of a general disequilibrium which is restricting international trade, the CONTRACTING PARTIES shall consider whether remedial measures might be taken, either by those contracting parties whose balance-of-payments are under pressure or by those whose balance of payments are tending to be exceptionally favourable, or by any appropriate intergovernmental organization, to remove the underlying causes of the disequilibrium. Following such consideration, if the circumstances appear to warrant it, the CONTRACTING PARTIES may request the International Monetary Fund to make a finding and a report under Article VII, Section 1, of its Articles of Agreement. If the Fund find that a general scarcity of a particular currency is developing, the CONTRACTING PARTIES may, notwithstanding the provisions of Articles XI to XV of this Agreement, authorize the application of quantitative restrictions against imports from the contracting party concerned. In authorizing such restrictions, the CONTRACTING PARTIES shall have due regard to the need to avoid unnecessary damage to the commercial interests of the contracting party concerned."