

The intensity of import restrictions must be relaxed to the extent that the balance of payments situation and the level of monetary reserves improve ; but final abolition is not required unless and until reasonable equilibrium has been restored (paragraph 3 (b) ).

Import restrictions under this Article should not, without good reason, result in a complete ban of imports of any product the total exclusion of which would impair regular channels of trade ; nor should they prevent the imports of commercial samples or imports necessary to maintain rights under patents, trade-marks, copyrights, &c. (paragraph 3 (c) (i) ). Furthermore (paragraph 3 (c) (ii) ) Members applying such restrictions must, as far as possible, avoid damaging employment in other countries (Article 3) or other countries' business interests or economic development (Article 9).

Paragraph 4 is of particular importance to countries such as New Zealand which are pursuing domestic policies designed to achieve and maintain full employment, high standards of living, and the maximum degree of economic development (see Articles 3 and 9). The result of such policies might well be to cause pressure on the Member's monetary reserves, and the application of quantitative restrictions under Article 21 may become necessary. It might be claimed by countries strongly opposed to the use of such restrictions that their application in this case is unnecessary, since the difficulties could be removed merely by modifying or reversing the domestic policy. Paragraph 4 (b) expressly prevents such a claim from being successfully made. This means that when a conflict arises between the desirability of pursuing policies of economic development and full employment on the one hand and the desirability of avoiding quantitative restrictions on the other, the domestic policies will take precedence. Thus a Member cannot be required to alter or suspend its policies of economic development or full employment on the grounds that such action would remove the cause of the balance of payments difficulties and render the restrictions unnecessary.

In applying its import restrictions priority can be afforded to the imports of goods which are more essential to the Member's economy (4 (b) (ii) ).

Members acknowledge the desirability of restoring and maintaining equilibrium in their balance of payments, but this acknowledgment does not limit their rights under paragraph 4 (b).

Consultation with the I.T.O. is required in all cases where new quantitative restrictions are imposed under this Article, and any possible alternative measures must be discussed (paragraph 5 (a) ). Any Member already applying such restrictions may be called upon to consult with the Organization, and shall consult within thirty days if its restrictions are substantially intensified (paragraph 5 (b) ). Except as provided