

development or production indispensable for defence purposes, provided that such action does not include the application of import duties or the quantitative restriction of imports except in so far as such restriction is permitted in accordance with Article 12 or is authorised by decision of the Council,

(c) is taken to ensure that nuclear materials and equipment made available for peaceful purposes do not further military purposes, or

(d) is taken in time of war or other emergency in international relations.

2. Nothing in this Convention shall prevent any Member State from taking action to carry out undertakings into which that Member State has entered for the purpose of maintaining international peace and security.

ARTICLE 19

Balance of payments difficulties

1. Notwithstanding the provisions of Article 10, any Member State may, consistently with its other international obligations, introduce quantitative restrictions on imports for the purpose of safeguarding its balance of payments.

2. Any Member State taking measures in accordance with paragraph 1 of this Article shall notify them to the Council, if possible before they come into force. The Council shall examine the situation and keep it under review and may at any time, by majority vote, make recommendations designed to moderate any damaging effect of these restrictions or to assist the Member State concerned to overcome its difficulties. If
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the balance of payments difficulties persist for more than eighteen months and the
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measures applied seriously disturb the operation of the Association, the Council shall examine the situation and may, taking into account the interests of all Member States, by majority decision, devise special procedures to attenuate or compensate for the effect of such measures.

3. A Member State which has taken measures in accordance with paragraph 1 of this Article shall have regard to its obligation to resume the full application of Article 10 and shall, as soon as its balance of payments situation improves, make proposals to the Council on the way in which this should be done. The Council, if it is not satisfied that these proposals are adequate, may, by majority vote, recommend to the Member State alternative arrangements to the same end.

ARTICLE 20

Difficulties in particular sectors

1. If, in the territory of a Member State,

(a) unforeseen and serious difficulties arise or threaten to arise in a particular sector of industry or region, and

(b) to remedy the situation the enforcement of measures which derogate from the Convention or from decisions or agreements reached under the Convention is required,

that Member State may, if so authorised by prior decision of the Council, temporarily apply such measures in accordance with terms and conditions which the Council may include in its decision. The Council shall take this decision as soon as possible.

2. Such measures shall be applied for a period of not more than eighteen months