

able to adopt any non-discriminatory measure affecting imports which would conflict with an obligation which the contracting party has assumed under Article II of this Agreement, but which would not conflict with other provisions of this Agreement, such contracting party

- (a) shall enter into direct negotiations with all the other contracting parties. The appropriate Schedules to this Agreement shall be amended in accordance with any agreement resulting from such negotiations; or
- (b) shall initially or may, in the event of failure to reach agreement under sub-paragraph (a) apply to the CONTRACTING PARTIES. The CONTRACTING PARTIES shall determine the contracting party or parties materially affected by the proposed measures and shall sponsor negotiations between such contracting party or parties and the applicant contracting party with a view to obtaining expeditious and substantial agreement. The CONTRACTING PARTIES shall establish and communicate to the contracting parties concerned a time schedule for such negotiations, following as far as practicable any time schedule which may have been proposed by the applicant contracting party. The contracting party shall commence and proceed continuously with such negotiations in accordance with the time schedule established by the CONTRACTING PARTIES. At the request of a contracting party, the CONTRACTING PARTIES may, where they concur in principle with the proposed measure, assist in the negotiations. Upon substantial agreement being reached, the applicant contracting party may be released by the CONTRACTING PARTIES from the obligation referred to in this paragraph, subject to such limitations as may have been agreed upon in the negotiations between the contracting parties concerned.

4. (a) If as a result of action initiated under paragraph 3 there should be an increase in imports of any product concerned, including products which can be directly substituted therefor, which if continued would be so great as to jeopardize the establishment, development or reconstruction of the industry or branch of agriculture concerned and if no preventative measures consistent with the provisions of this Agreement can be found which seem likely to prove effective the applicant contracting party may after informing and when practicable consulting with the CONTRACTING PARTIES, adopt such other measures as the situation may require, provided that such measures do not restrict imports more than necessary to offset the increase in imports referred to in this sub-paragraph; except in unusual circumstances, such measures shall not reduce imports below the level obtaining in the most recent representative period preceding the date on which the contracting party initiated action under paragraph 3.

(b) The CONTRACTING PARTIES shall determine, as soon as practicable, whether any such measure should be continued, discontinued or modified. It shall in any case be terminated as soon as the CONTRACTING PARTIES determine that the negotiations are completed or discontinued.

(c) It is recognized that the relationships between contracting parties under Article II of this Agreement involve reciprocal advantages, and therefore any contracting party whose trade is materially affected by the action may suspend