

United Nations

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DRAFTING COMMITTEE OF THE PREPARATORY COMMITTEE OF THE  
INTERNATIONAL CONFERENCE ON TRADE AND EMPLOYMENT

AMENDMENT TO ARTICLE 7 (FORMER ARTICLE 8) PROPOSED BY  
THE DELEGATION OF FRANCE

Article 7 (former Article 8) provides that in the event of deflationary pressure the Organization shall have regard to the need of Members to safeguard their economies, but it does not establish any special provision to achieve this effect. Chapter VII, of the Charter, however, lays down a special procedure for meeting crisis of overproduction in certain commodities.

In view of the fact that a serious decline in demand has effects in all respects comparable to those of a crisis of overproduction, it would appear that a similar procedure should be adopted in the cases provided for in Article 7.

The Delegation of France therefore proposes that the London text be replaced by the following:

Article 7: Safeguards for Countries subject to External  
Deflationary Pressure.

1. The Organization shall have regard to the need of Members to safeguard their economies against a serious and abrupt decline in the external demand for goods and services resulting from a deflationary crisis occurring in other countries.
2. Where a Member suffers or expects to suffer the adverse effects of such a crisis, it may, after consulting the Organization, take safeguarding action departing from the undertakings contracted in pursuance of the provisions of this Charter. Nevertheless, in critical and exceptional circumstances, such action may provisionally be taken without

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prior consultation, provided that the Organization shall be informed immediately after the taking of such action.

3. The Organization shall, either on its own initiative or at the request of a Member having a substantial interest, convene a conference for the purpose of deciding, if necessary with the assistance of the specialized agencies, the action to be taken within the competence of the Organization.

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