

No. 3677

**AUSTRALIA, BELGIUM, CANADA,
CHINA, CUBA, etc.**

**International Sugar Agreement. Done at London, on
1 October 1953**

Official texts: English, French, Chinese, Russian and Spanish.

*Registered by the United Kingdom of Great Britain and Northern Ireland on
30 January 1957.*

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CHINE, CUBA, etc.**

**Accord international sur le sucre. Fait à Londres, le
1^{er} octobre 1953**

Textes officiels anglais, français, chinois, russe et espagnol.

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le 30 jan-
vier 1957.*

No. 3677. INTERNATIONAL SUGAR AGREEMENT.¹ DONE
AT LONDON, ON 1 OCTOBER 1953

The Governments party to this Agreement have agreed as follows :

CHAPTER I.—GENERAL OBJECTIVES

Article 1

The objectives of this Agreement are to assure supplies of sugar to importing countries and markets for sugar to exporting countries at equitable and stable prices ; to increase the consumption of sugar throughout the world ; and to maintain the purchasing power in world markets of countries or areas whose economies are largely dependent upon the production or export of sugar by providing adequate returns to producers and making it possible to maintain fair standards of labour conditions and wages.

CHAPTER II.—DEFINITIONS

Article 2

For the purposes of this Agreement :

(1) "Ton" means a metric ton of 1,000 kilograms.

¹ Came into force on 15 December 1953 as regards articles 1, 2, 18 and 27-46 inclusive and on 1 January 1954 as regards articles 3-17 and 19-26 inclusive, in accordance with the provisions of article 41(6). Following is the list of States which deposited with the Government of the United Kingdom of Great Britain and Northern Ireland their instruments of ratification or accession (a) indicating the dates of deposit :

Australia	14 December 1953	Japan	30 April 1954
Belgium	22 July 1954	Lebanon	23 September 1954
Canada	29 June 1954(a)	Mexico	14 April 1954
China	18 March 1954	Netherlands*	27 April 1954
Cuba	16 December 1953	Philippines	30 April 1954
Czechoslovakia*	20 April 1954	Poland*	30 April 1954
Dominican Republic	2 February 1954	Portugal*	30 April 1954
France (and French territories)	23 September 1954	Union of South Africa	8 March 1954
Federal Republic of Germany	12 July 1954	Union of Soviet Socialist Republics*	22 March 1954
Greece	14 September 1955	United Kingdom of Great Britain and Northern Ireland*	12 December 1953
Haiti	28 April 1954	United States of America	3 May 1954
Hungary (with reservations)**	18 December 1953(a)		

* Maintaining reservations made at the time of signature.

** "1. In view of the fact that the Hungarian economy is a full-scale planned economy- Article 3 relating to the subsidization of exports of sugar and Articles 10 and 13 relating to limitation of production and stocks of sugar, are not applicable to the Hungarian People's Republic,

"2. The accession on behalf of the Hungarian People's Republic to this Agreement, mentioning in Articles 14 China/Taiwan and 34 China, in no way signifies recognition of the Kuomintang authorities power over the territory of Taiwan, neither recognition of the so-called 'Nationalist Chinese Government' as a legal and competent Government of China."

(2) "Quota Year" means calendar year, that is, the period from January 1 to December 31, both inclusive.

(3) "Sugar" means sugar in any of its recognised commercial forms derived from sugar cane or sugar beet, including edible and fancy molasses, syrups and any other form of liquid sugar used for human consumption, except final molasses and low-grade types of non-centrifugal sugar produced by primitive methods.

Amounts of sugar specified in this Agreement are in terms of raw value, net weight, excluding the container. Except as provided in Article 16, the raw value of any amount of sugar means its equivalent in terms of raw sugar testing 96 sugar degrees by the polariscope.

(4) "Net imports" means total imports of sugar after deducting total exports of sugar.

(5) "Net exports" means total exports of sugar (excluding sugar supplied as ships' stores for ships victualling at domestic ports) after deducting total imports of sugar.

(6) "Free market" means the total of net imports of the world market except those excluded under any provisions of this Agreement.

(7) "Basic export tonnages" means the quantities of sugar specified in Article 14 (1).

(8) "Initial export quota" means the quantity of sugar allotted for any quota year under Article 18 to each country listed in Article 14 (1).

(9) "Export quota in effect" means the initial export quota as modified by such adjustment as may be made from time to time.

(10) "Stocks of Sugar" for the purposes of Article 13, means either :

(1) All sugar in the country concerned either in factories, refineries, warehouses, or in the course of internal transportation for destinations within the country, but excluding bonded foreign sugar (which term shall be regarded as also covering sugar "*en admission temporaire*") and excluding sugar in factories, refineries and warehouses or in the course of internal transportation for destinations within the country, which is solely for distribution for internal consumption and on which such excise or other consumption duties as exist in the country concerned have been paid ; or

(2) All sugar in the country concerned either in factories, refineries, warehouses, or in the course of internal transportation for destinations within the country, but excluding bonded foreign sugar (which term shall be regarded as also covering sugar "*en admission temporaire*") and excluding sugar in factories,

refineries and warehouses or in the course of internal transportation for destinations within the country which is solely for distribution for internal consumption ;

according to the notification made to the Council by each Participating Government under Article 13.

(11) "The Council" means the International Sugar Council established under Article 27.

(12) "The Executive Committee" means the Committee established under Article 37.

(13) "Importing Country" means one of the countries listed in Article 33, or any country which is a net importer of sugar, as the context requires.

(14) "Exporting Country" means one of the countries listed in Article 34, or any country which is a net exporter of sugar, as the context requires.

CHAPTER III.—GENERAL UNDERTAKINGS BY PARTICIPATING GOVERNMENTS

1. SUBSIDIES

Article 3

(1) The Participating Governments recognise that subsidies on sugar may so operate as to impair the maintenance of equitable and stable prices in the free market and so endanger the proper functioning of this Agreement.

(2) If any Participating Government grants or maintains any subsidy, including any form of income or price support, which operates directly or indirectly to increase exports of sugar from, or to reduce imports of sugar into its territory, it shall during each quota year notify the Council in writing of the extent and nature of the subsidisation, of the estimated effect of the subsidisation on the quantity of sugar exported from or imported into its territory and of the circumstances making the subsidisation necessary.

(3) In any case in which a Participating Government considers that serious prejudice to its interests under this Agreement is caused or threatened by such subsidisation, the Participating Government granting the subsidy shall, upon request, discuss with the other Participating Government or Governments concerned, or with the Council, the possibility of limiting the subsidisation. In any case in which the matter is brought before the Council, the Council may examine the case with the Governments concerned and make such recommendations as it deems appropriate.

2. PROGRAMMES OF ECONOMIC ADJUSTMENT

Article 4

Each Participating Government agrees to adopt such measures as it believes will be adequate to fulfil its obligations under this Agreement with a view to the achievement of the general objectives set forth in Article 1 and as will ensure as much progress as practicable within the duration of this Agreement towards the solution of the commodity problem involved.

3. PROMOTION OF INCREASED CONSUMPTION OF SUGAR

Article 5

With the object of making sugar more freely available to consumers, each Participating Government agrees to take such action as it deems appropriate to reduce disproportionate burdens on sugar, including those resulting from :

- (i) private and public controls, including monopoly ;
- (ii) fiscal and tax policies.

4. MAINTENANCE OF FAIR LABOUR STANDARDS

Article 6

The Participating Governments declare that, in order to avoid the depression of living standards and the introduction of unfair competitive conditions in world trade, they will seek the maintenance of fair labour standards in the sugar industry.

CHAPTER IV.—SPECIAL OBLIGATIONS OF THE PARTICIPATING GOVERNMENTS OF COUNTRIES WHICH IMPORT SUGAR

Article 7

(1)—(i) The Government of each participating importing country and the Government of each participating exporting country which imports sugar for re-export agrees that, to prevent non-participating countries from gaining advantage at the expense of participating countries, it will not permit the import from non-participating countries as a group during any quota year of a total quantity larger than was imported from those countries as a group during any one of the three calendar years preceding the year in which the Agreement entered into force, *i.e.*, 1951, 1952, 1953 ; provided that the said total quantity shall not include imports purchased by a participating country from non-participating countries at any time when such country cannot meet its requirements from participating

countries at prices not exceeding the maximum established in Article 20, and has so notified the Council.

(ii) The years referred to in sub-paragraph (i) of this paragraph may be varied by a determination of the Council on the application of any Participating Government which considers that there are special reasons for such variation.

(2)—(i) If any Participating Government considers that the obligation it has assumed under paragraph (1) of this Article is operating in such a way that its country's re-export trade in refined sugar or trade in sugar-containing products is suffering damage therefrom, or is in imminent danger of being damaged, it may request the Council to take action to safeguard the trade in question, and the Council shall forthwith consider any such request and shall take such action, which may include the modification of the aforesaid obligation, as it deems necessary for that purpose. If the Council fails to deal with a request made to it under this sub-paragraph within 15 days of its receipt, the Government making the request shall be deemed to have been released from its obligation under paragraph (1) of this Article to the extent necessary to safeguard the said trade.

(ii) If in a particular transaction in the usual course of trade the delay resulting from the procedure provided for in sub-paragraph (i) of this paragraph might result in damage to a country's re-export trade in sugar, the Government concerned shall be released from the obligation in paragraph (1) of this Article in respect of that particular transaction.

(3)—(i) If any Participating Government considers that it cannot carry out the obligation in paragraph (1) of this Article, it agrees to furnish the Council with all relevant facts and to inform the Council of the measures which it would propose to take, and the Council shall within 15 days examine the matter and may, in respect of such Government, modify the obligation laid down in paragraph (1).

(ii) If the Government of any participating exporting country considers that the interests of its country are being damaged by the operation of paragraph (1) of this Article, it may furnish the Council with all relevant facts and inform the Council of the measures which it would wish to have taken by the Government of the other participating country concerned, and the Council may, in agreement with the latter Government, modify the obligation laid down in paragraph (1).

(4) The Government of each participating country which imports sugar agrees that as soon as practicable after its ratification of, acceptance of, or accession to this Agreement, it will notify the Council of the maximum quantities which could be imported from non-participating countries under paragraph (1) of this Article.

(5) In order to enable the Council to make the redistributions provided for in Article 19 (1) (ii), the Government of each participating country which imports sugar agrees to notify the Council, within a period fixed by the Council

which shall not exceed eight months from the beginning of the quota year, of the quantity of sugar which it expects will be imported from non-participating countries in that quota year ; provided that the Council may vary the aforesaid period in the case of any such country.

CHAPTER V.—SPECIAL OBLIGATIONS OF GOVERNMENTS OF PARTICIPATING EXPORTING COUNTRIES

Article 8

(1) The Government of each participating exporting country agrees that exports from its country to the free market will be so regulated that net exports to that market will not exceed the quantities which such country may export each quota year in accordance with the export quotas established for it under the provisions of this Agreement.

(2) The Government of each participating exporting country with a basic export tonnage in excess of 75,000 tons agrees not to permit the export during the first eight months of any quota year of more than 80 per cent. of its initial export quota ; provided that the Council may increase this percentage if it deems such increase to be justified by market conditions.

Article 9

The Government of each participating exporting country agrees that it will take all practicable action to ensure that the demands of participating countries which import sugar are met at all times. To this end, if the Council should determine that the state of demand is such that, notwithstanding the provisions of this Agreement, participating countries which import sugar are threatened with difficulties in meeting their requirements, it shall recommend to participating exporting countries measures designed to give effective priority to those requirements. The Government of each participating exporting country agrees that, on equal terms of sale, priority in the supply of available sugar, in accordance with the recommendations of the Council, will be given to participating countries which import sugar.

Article 10

The Government of each participating exporting country agrees to adjust the production of sugar in its country during the term of this Agreement and in so far as practicable in each quota year of such term (by regulation of the manufacture of sugar or, when this is not possible, by regulation of acreage or plantings) so that the production does not exceed such amount of sugar as may be needed to provide for domestic consumption, exports permitted under this Agreement, and maximum stocks specified in Article 13.

Article 11

The Government of each participating exporting country agrees to advise the Council as soon as possible of such part of its country's initial export quota and export quota in effect as it expects will not be used and on receipt of such advice, the Council shall take action in accordance with Article 19 (1) (i).

Article 12

If the Government of a participating exporting country fails to give notice, within a period determined for the duration of this Agreement by the Council in agreement with that Government, but in any case not exceeding 8 months from the date on which initial export quotas were allocated, of such part of the initial export quota of its country as it expects will not be used, the initial export quota of that country for the following quota year shall be reduced by the difference between the actual exports and the initial export quota or latest export quota in effect, whichever is the less. The Council may decide not to impose this penalty if it is satisfied that a Government failed to give notice because its country's intended exports fell short by reason of *force majeure* or other circumstances beyond its control occurring after the date for notice established in accordance with this Article.

CHAPTER VI.—STOCKS

Article 13

(1) The Governments of participating exporting countries undertake so to regulate production in their countries that the stocks in their respective countries shall not exceed for each country on a fixed date each year immediately preceding the start of the new crop, such date to be agreed with the Council, an amount equal to 20 per cent. of its annual production.

(2) Nevertheless, the Council may, if it considers that such action is justified by special circumstances, authorise the holding of stocks in any country in excess of 20 per cent. of its production.

(3) The Government of each participating country listed in Article 14 (1) agrees :

(i) that stocks equal to an amount of not less than 10 per cent. of its country's basic export tonnage shall be held in its country at a fixed date each year immediately preceding the start of the new crop, such date to be agreed with the Council, unless drought, flood or other adverse conditions prevent the holding of such stocks ; and

(ii) that such stocks shall be earmarked to fill increased requirements of the free market and used for no other purpose without the consent of the Council, and shall be immediately available for export to that market when called for by the Council.

(4) The Council may increase the amount of the minimum stocks to be carried under paragraph (3) of this Article up to 15 per cent.

(5) The Government of each participating country, in which stocks are held under the provisions of paragraph (3) as they may be modified by the provisions of paragraph (4) of this Article, agrees that unless otherwise authorised by the Council, stocks held under those provisions shall be used neither for meeting priorities under Article 14 B, nor for meeting increases in quotas in effect under Article 22 while such quotas are lower than its country's basic export tonnage, unless the stocks so used can be replaced before the beginning of its country's crop in the ensuing quota year.

(6) For the purposes of this Agreement the Cuban Stabilisation Reserve shall not be considered part of the stocks available for the free market nor shall it be included in the computation of stocks under paragraph (1) of this Article. The Cuban Government, however, agrees to consider making such reserve available for the free market on the request of the Council if the Council considers that market conditions make such action advisable.

(7) The Government of each participating exporting country agrees that, so far as possible, it will not permit the disposal of stocks held under this Article, following its withdrawal from this Agreement or following the expiration of this Agreement, in such a manner as to create undue disturbance in the free market for sugar.

(8) Not later than three months after the date of signature of this Agreement the Government of each participating country shall inform the Council which of the two definitions of "stocks of sugar" in Article 2 it accepts as applicable to its country.

CHAPTER VII.—REGULATION OF EXPORTS

Article 14

A.—Basic Export Tonnages

(1) For each of the quota years during which this Agreement is in force the exporting countries or areas named below shall have the following basic export tonnages for the free market :

	<i>(in thousands of tons)</i>
Belgium (including Belgian Congo)	50
Brazil	175
China (Taiwan)	600
Colombia	5
Cuba	2,250
Czechoslovakia	275
Denmark	70
Dominican Republic	600
France (and the countries France represents internationally) . .	20
Germany, Eastern	150
Haiti	45
Hungary	40
Indonesia	250
Mexico	75
Netherlands (including Surinam)	40*
Peru	280
Philippines	25
Poland	220
U.S.S.R.	200
Yugoslavia	20

* The Kingdom of the Netherlands undertake not to export over the years 1954, 1955 and 1956, taken as a whole, a greater amount of sugar than they import during the same period.

(2) The export quotas of the Czechoslovak Republic and the People's Republic of Poland do not include their exports of sugar to the U.S.S.R. and these exports are outside this Agreement. The U.S.S.R. export quota is therefore calculated without taking into account imports of sugar from the above-mentioned countries.

(3) The present Agreement does not apply to movements of sugar between France and the countries which France represents internationally, and the Associated States of Cambodia, Laos and Vietnam.

(4) Costa Rica, Ecuador and Nicaragua, to which no basic export tonnages have been allotted under this Article, may each export to the free market up to 5,000 tons raw value a year.

(5) This Agreement does not ignore, and does not have the purpose of nullifying Indonesia's aspiration as a Sovereign State for its rehabilitation to its historical position as a sugar exporting country to the extent that may be practicable within the possibilities of the free market.

(6) India shall have the status of an exporting country but has not requested that an export quota be allotted to her.

B.—*Priorities on Shortfalls and on Increased Free Market Requirements*

(7) In determining export quotas in effect the following priorities shall be applied in accordance with the provisions of paragraph (8) of this Article :

- (a) The first 50,000 tons will be allotted to Cuba.
- (b) The next 15,000 tons will be allotted to Poland.
- (c) The next 5,000 tons will be allotted to Haiti in the first and second year, this being increased to 10,000 tons in the third year.

(d) The next 25,000 tons will be allotted to Czechoslovakia.

(e) The next 10,000 tons will be allotted to Hungary.

(8)—(i) In redistributions resulting from the provisions of Articles 19 (1) (i) and 19 (2), the Council shall give effect to the priorities listed in paragraph (7) of this Article.

(ii) In distributions resulting from the provisions of Articles 18, 19 (1) (ii) and 22, the Council shall not give effect to the said priorities until the exporting countries listed in paragraph (1) of this Article have been offered export quotas equal to the total of their basic export tonnages, subject to any reductions applied under Articles 12 and 21 (3) and thereafter shall give effect to the said priorities only in so far as the said priorities have not already been brought into effect in accordance with sub-paragraph (i) if this paragraph.

(iii) Reductions resulting from the application of the provisions of Article 21 shall be applied *pro rata* to the basic export tonnages until the export quotas in effect have been reduced to the total of the basic export tonnages plus the total of the priorities allotted due to increases in free market requirements for that year, after which the priorities shall be deducted in the reverse order and thereafter reductions shall be applied again *pro rata* to basic export tonnages.

Article 15

This Agreement does not apply to movements of sugar between the Belgo-Luxembourg Economic Union (including the Belgian Congo), France and the countries which France represents internationally, the Federal Republic of Germany, and the Kingdom of the Netherlands (including Surinam).

These countries undertake to restrict the movements referred to in this Article to a net amount of 175,000 tons of sugar per year.

Article 16

(1) The Government of the United Kingdom of Great Britain and Northern Ireland (on behalf of the British West Indies and British Guiana, Mauritius and Fiji), the Government of the Commonwealth of Australia and the Government of the Union of South Africa undertake that net exports of sugar by the exporting territories covered by the Commonwealth Sugar Agreement of 1951 (excluding local movements of sugar between adjoining Commonwealth territories, or islands, in such quantities as can be authenticated by custom) shall not together exceed the following total quantities :

- (i) in the calendar years 1954 and 1955—2,413,793 tons (2,375,000 English long tons) *tel quel* per year ;
- (ii) in the calendar year 1956—2,490,018 tons (2,450,000 English long tons) *tel quel*.

Subject to contractual obligations assumed by the Governments concerned under the Commonwealth Sugar Agreement of 1951, the quantitative limits for the calendar years 1954, 1955 and 1956 specified above shall not be varied and the provisions of all other articles of this Agreement shall be construed accordingly.

(2) These limitations have the effect of leaving available to the free market a share in the sugar markets of Commonwealth countries. The Governments aforementioned would, however, regard themselves as released from their obligation thus to limit exports of Commonwealth sugar if a Government or Governments of a participating exporting country or of participating countries having a basic export tonnage or tonnages under Article 14 (1) should enter into a special trading arrangement with an importing country of the Commonwealth which would guarantee the exporting country a specified portion of the market of that Commonwealth country.

(3) The Government of the United Kingdom of Great Britain and Northern Ireland with the concurrence of the Government of the Commonwealth of Australia and the Government of the Union of South Africa, undertakes to provide the Council sixty days in advance of the beginning of each quota year with an estimate of total net exports from the exporting territories covered by the Commonwealth Sugar Agreement in such year and to inform the Council promptly of any changes in such estimate during that year. The information supplied to the Council by the United Kingdom pursuant to this undertaking shall be held to discharge fully the obligations in Articles 11 and 12 so far as the aforementioned territories are concerned.

(4) The provisions of paragraphs (3) and (4) of Article 13 shall not apply to the exporting territories covered by the Commonwealth Sugar Agreement.

(5) Nothing in this Article shall be held to prevent any participating country exporting to the free market from exporting sugar to any country within the British Commonwealth nor, within the quantitative limits set out above, to prevent any Commonwealth country from exporting sugar to the free market.

Article 17

Exports of sugar to the United States of America for consumption therein shall not be considered exports to the free market and shall not be charged against the export quotas established under this Agreement.

Article 18

(1) Before the beginning of each quota year the Council shall cause an estimate to be made of the net import requirements of the free market during such year for sugar from exporting countries listed in Article 14 (1). In the preparation of this estimate, there shall be taken into account among other factors the total amount of sugar which the Council is notified could be imported from non-participating countries under the provisions of Article 7 (4).

(2) At least 30 days before the beginning of each quota year the Council shall consider the estimate of the net import requirements of the free market prepared in accordance with paragraph (1) of this Article. If the Council adopts that estimate, it shall forthwith assign an initial export quota for the free market for such year to each of the exporting countries listed in Article 14 (1) by distributing that estimate among the exporting countries *pro rata* to their basic export tonnages, subject to the provisions of Article 14 B, to such penalties as may be imposed in accordance with the provisions of Article 12 and to such reductions as may be made under Article 21 (3).

(3) If there is disagreement in the Council upon the estimate of the net import requirements of the free market prepared in accordance with paragraph (1) of this Article, the question shall be put to a Special Vote. If as a result of that vote, an estimate is adopted, the Council shall thereupon assign initial export quotas in accordance with paragraph (2) of this Article ; but if an estimate is not so adopted, then the initial export quotas for the new quota year shall be fixed by distributing the total of the export quotas in effect at the end of the current quota year on the same basis and in the same manner as is provided in paragraph (2) of this Article.

(4) The Council shall have power by Special Vote to set aside in any quota year up to 20,000 tons of the net import requirements of the free market as a reserve from which it may allot additional export quotas to meet proved cases of special hardship.

Article 19

(1) The Council shall cause export quotas in effect for participating countries listed in Article 14 (1) to be adjusted, subject to the provisions of Article 14 B, as follows :

(i) Within 10 days after the Government of any exporting country has given notice pursuant to Article 11 that a part of the initial export quota or export quota in effect will not be used, to reduce accordingly the export quota in effect of such country and to increase the export quotas in effect of other exporting countries by redistributing an amount of sugar equal to the part of the quota so renounced *pro rata* to their basic export tonnages. The Secretary of the Council shall forthwith notify Governments of exporting countries of such increases, and those Governments shall, within 10 days of receipt of such notification, inform the Secretary of the Council whether or not they are in a position to use the increase in quota allotted to them, and on receipt of such information, a subsequent redistribution of the quantity involved shall be made, and Governments of exporting countries concerned shall be notified forthwith by the Secretary of the Council of the increases made in their countries' export quotas in effect.

(ii) From time to time to take into account variations in the estimates of the quantities of sugar which the Council is notified will be imported from non-participating countries under Article 7 ; provided, however, that such quantities need not be redistributed until they reach a total of 5,000 tons. Redistributions under this sub-paragraph shall be made on the same basis and in the same manner as is provided in paragraph (1) (i) of this Article.

(2) Notwithstanding the provisions of Article 11, if the Council, after consultation with the Government of any participating exporting country, determines that such country will be unable to use all or part of its export quota in effect, the Council may increase *pro rata* the export quotas of other participating exporting countries on the same basis and in the same manner as is provided for in paragraph (1) (i) of this Article ; provided, however, that such action by the Council shall not deprive the country concerned of its right to fill its export quota which was in effect before the Council made its determination.

CHAPTER VIII.—STABILISATION OF PRICES

Article 20

(1) For the purposes of this Agreement the price of sugar shall be considered equitable both to consumers and producers if it is maintained within a zone of stabilised prices between a minimum of 3·25 cents and a maximum of 4·35 cents United States currency per pound avoirdupois, free alongside steamer Cuban

port ; the price of sugar shall be the spot price established by the New York Coffee and Sugar Exchange in relation to sugar covered by Contract No. 4, or any other price which may be established under paragraph (2) of this Article.

(2) In the event of the price referred to in paragraph (1) of this Article not being available at a material period, the Council shall use such other criteria as it sees fit.

(3) The minimum and maximum limits of the zone of stabilised prices referred to in paragraph (1) of this Article may be modified by the Council by a Special Vote.

Article 21

(1)—(i) If at any time the Council decides that market conditions make it advisable to reduce the export quotas in effect with a view to preventing the price of sugar from falling below the minimum price established under Article 20, it may make such reduction in the export quotas in effect as it deems necessary *pro rata* to the basic export tonnages, subject to the provisions of Article 14 B.

(ii) Notwithstanding the provisions of paragraph (1) (i) of this Article, whenever the average daily spot price of sugar for any one period of fifteen consecutive market days, has averaged less than the minimum price established under Article 20, the Council shall, within ten days of the end of such fifteen-day period, make such reduction as it deems necessary in the export quotas in effect, *pro rata* to the basic export tonnages and subject to the provisions of Article 14 B ; provided that no further alteration in the export quotas in effect shall be made under this sub-paragraph within a period of fifteen consecutive market days from the date of any adjustment in quotas in effect, pursuant to the provisions of this sub-paragraph and of Article 22.

(iii) If the Council cannot agree within the said period of ten days upon the amount of the reduction under paragraph (1) (ii) of this Article, the export quotas in effect shall be reduced each time by 5 per cent. of the basic export tonnages, subject to the provisions of Article 14 B.

(iv) Notwithstanding the provisions of paragraphs (1) (i), (1) (ii) and (1) (iii) of this Article, if any country's export quota in effect has been reduced under Article 19 (1) (i), such reduction shall be deemed to form part of reductions made in the same quota year under the terms of the aforesaid sub-paragraphs.

(2) The Secretary of the Council shall notify the Governments of participating countries of each reduction made under this Article in the export quotas in effect.

(3) If any of the reductions provided for in the preceding paragraphs of this Article cannot be fully applied to the export quota in effect of an exporting country because, at the time the reduction is made, that country has already exported all or part of the amount of such reduction, a corresponding amount shall be deducted from the initial export quota of that country for the following quota year.

Article 22

(1) If, at any time, the Council decides that market conditions make it advisable to increase the export quotas in effect with a view to preventing the price of sugar from rising above the maximum price established under Article 20, it may make such increase in the export quotas in effect as it deems necessary *pro rata* to the basic export tonnages subject to the provisions of Article 14 B.

(2)—(i) Notwithstanding the provisions of paragraph (1) of this Article, whenever the average daily spot price of sugar for any one period of fifteen consecutive market days has averaged more than the maximum price established under Article 20, the Council shall, within ten days of the end of such fifteen-day period, make such increases as it deems necessary in the export quotas in effect, *pro rata* to the basic export tonnages and subject to the provisions of Article 14 B ; provided that no further alteration in the export quotas in effect shall be made under this sub-paragraph within a period of fifteen consecutive market days from the date of any adjustment in quotas in effect, pursuant to the provisions of this sub-paragraph and of Article 21.

(ii) If the Council cannot agree within the said period of ten days upon the amount of the increase under paragraph (2) (i) of this Article, the export quotas in effect shall be increased each time by $7\frac{1}{2}$ per cent. of the basic export tonnages, subject to the provisions of Article 14 B.

(3) The Secretary of the Council shall notify the Governments of participating countries of each increase made under this Article in the export quotas in effect.

CHAPTER IX.—GENERAL LIMITATION OF REDUCTIONS IN EXPORT QUOTAS

Article 23

(1) Except in respect of penalties imposed under Article 12 and reductions made under Article 19 (1) (i), the export quota in effect of any participating exporting country listed in Article 14 (1) shall not be reduced below 80 per cent. of its basic export tonnage and all other provisions of this Agreement shall be

construed accordingly; provided, however, that the export quota in effect of any participating exporting country having a basic export tonnage under Article 14 (1) of less than 50,000 tons shall not be reduced below 90 per cent. of its basic export tonnage.

(2) A reduction of quotas under Article 21 shall not be made within the last forty-five calendar days of the quota year.

CHAPTER X.—SUGAR MIXTURES

Article 24

Should the Council at any time be satisfied that as the result of a material increase in the exportation or use of sugar mixtures, those products are taking the place of sugar to such an extent as to prevent full effect being given to the purpose of this Agreement it may resolve that such products or any of them shall be deemed to be sugar, in respect of their sugar content, for the purposes of the Agreement; provided that the Council shall, for the purpose of calculating the amount of sugar to be charged to the export quota of any participating country, exclude the sugar equivalent of any quantity of such products which has normally been exported from that country prior to the coming into force of this Agreement.

CHAPTER XI.—MONETARY DIFFICULTIES

Article 25

(1) If, during the term of this Agreement the Government of a participating importing country considers that it is necessary for it to forestall the imminent threat of, or to stop or to correct a serious decline in its monetary reserves, it may request the Council to modify particular obligations of this Agreement.

(2) The Council shall consult fully with the International Monetary Fund on questions raised by such request and shall accept all findings of statistical and other facts made by the Fund relating to foreign exchanges, monetary reserves and balance of payments, and shall accept the determination of the Fund as to whether the country involved has experienced or is imminently threatened with a serious deterioration in its monetary reserves. If the country in question is not a member of the International Monetary Fund and requests that the Council should not consult the Fund, the issues involved shall be examined by the Council without such consultation.

(3) In either event, the Council shall discuss the matter with the Government of the importing country. If the Council decides that the representations are well founded and that the country is being prevented from obtaining a sufficient amount of sugar to meet its consumption requirements consistently with the terms of this Agreement, the Council may modify the obligations of such Government or of the Government of any exporting country under this Agreement in such manner and for such time as the Council deems necessary to permit such importing country to secure a more adequate supply of sugar with its available resources.

CHAPTER XII.—STUDIES BY THE COUNCIL

Article 26

(1) The Council shall consider and make recommendations to the Governments of participating countries concerning ways and means of securing appropriate expansion in the consumption of sugar, and may undertake studies of such matters as :

- (i) The effects of (a) taxation and restrictive measures and (b) economic, climatic and other conditions on the consumption of sugar in the various countries ;
- (ii) Means of promoting consumption, particularly in countries where consumption *per caput* is low ;
- (iii) The possibility of co-operative publicity programmes with similar agencies concerned with the expansion of consumption of other foodstuffs ;
- (iv) Progress of research into new uses of sugar, its by-products, and the plants from which it is derived.

(2) Furthermore, the Council is authorised to make and arrange for other studies, including studies of the various forms of special assistance to the sugar industry, for the purpose of assembling comprehensive information and for the formulation of proposals which the Council deems relevant to the attainment of the general objectives set forth in Article 1 or relevant to the solution of the commodity problem involved. Any such studies shall relate to as wide a range of countries as practicable and shall take into consideration the general social and economic conditions of the countries concerned.

(3) The studies undertaken pursuant to paragraphs (1) and (2) of this Article shall be carried out in accordance with such terms as may be laid down by the Council, and in consultation with the Participating Governments.

(4) The Governments concerned agree to inform the Council of the results of their consideration of the recommendations and proposals referred to in this Article.

CHAPTER XIII.—ADMINISTRATION

Article 27

(1) An International Sugar Council is hereby established to administer this Agreement.

(2) Each Participating Government shall be a voting member of the Council and shall have the right to be represented on the Council by one delegate and may designate alternate delegates. A delegate or alternate delegates may be accompanied at meetings of the Council by such advisers as each Participating Government deems necessary.

(3) The Council shall elect a non-voting Chairman who shall hold office for one quota year and shall serve without pay. He shall be selected alternately from among the delegations of the importing and exporting participating countries.

(4) The Council shall elect a Vice-Chairman who shall hold office for one quota year and shall serve without pay. He shall be selected alternately from among the delegations of the exporting and importing participating countries.

(5) The Council is authorised, after consultation with the International Sugar Council established under the International Agreement regarding the Regulation of Production and Marketing of Sugar signed in London, May 6, 1937,¹ to accept the records, assets and liabilities of that body.

(6) The Council shall have in the territory of each Participating Government, and to the extent consistent with its laws, such legal capacity as may be necessary in discharging its functions under this Agreement.

Article 28

(1) The Council shall adopt rules of procedure which shall be consistent with the terms of this Agreement, and shall keep such records as are required to enable it to discharge its functions under this Agreement and such other records as it considers desirable. In the case of inconsistency between the rules of procedure so adopted and the terms of this Agreement, the Agreement shall prevail.

(2) The Council shall publish at least once a year a report of its activities and of the operation of this Agreement.

(3) The Council shall develop, prepare and publish such reports, studies, charts, analyses and other data as it may deem desirable and helpful.

(4) The Participating Governments undertake to make available and supply all such statistics and information as are necessary to the Council or the Executive Committee to enable it to discharge its functions under this Agreement.

¹ United Kingdom : *Treaty Series No. 1 (1952)*, Cmd. 8437, Appendix 1.

(5) The Council may appoint such permanent or temporary Committees as it considers advisable in order to assist it in performing its functions under this Agreement.

(6) The Council may, by a Special Vote, delegate to the Executive Committee set up under Article 37 the exercise of any of its powers and functions other than those requiring a decision by Special Vote under this Agreement. The Council may, at any time, revoke such a delegation by a majority of the votes cast.

(7) The Council shall perform such other functions as are necessary to carry out the terms of this Agreement.

Article 29

The Council shall appoint an Executive Director, who shall be its senior full-time paid officer, a Secretary and such staff as may be required for the work of the Council and its Committees. It shall be a condition of employment of these officers and of the staff that they do not hold or shall cease to hold financial interest in the sugar industry or in the trade in sugar and that they shall not seek or receive instructions regarding their duties under this Agreement from any Government or from any other Authority external to the Council.

Article 30

(1) The Council shall select its seat. Its meeting shall be held at its seat, unless the Council decides to hold a particular meeting elsewhere.

(2) The Council shall meet at least once a year. It may be convened at any other time by its Chairman.

(3) The Chairman shall convene a session of the Council if so requested by

- (i) Five Participating Governments, or
- (ii) Any Participating Government or Governments holding not less than 10 per cent. of the total votes, or
- (iii) The Executive Committee.

Article 31

The presence of delegates holding 75 per cent. of the total votes of the Participating Governments shall be necessary to constitute a quorum at any meeting of the Council, but if no such quorum is present on the day fixed for a meeting of the Council which has been called pursuant to Article 30, such meeting shall be held seven days later and the presence of delegates holding 50 per cent. of the total votes of the Participating Governments shall then constitute a quorum.

Article 32

The Council may make decisions, without holding a meeting, by correspondence between the Chairman and the Participating Governments provided that no Participating Government makes objection to this procedure. Any decision so taken shall be communicated to all the Participating Governments as soon as possible and shall be set forth in the minutes of the next meeting of the Council.

Article 33

The votes to be exercised by the respective delegations of importing countries on the Council shall be as follows :

Austria	20
Canada	80
Ceylon	30
Federal Republic of Germany	60
Greece	25
Israel	20
Japan	100
Jordan	15
Lebanon	20
Norway	30
Portugal	30
Saudi Arabia	15
Spain	20
Switzerland	45
United Kingdom	245
United States	245
TOTAL	1,000

Article 34

The votes to be exercised by the respective delegations of exporting countries on the Council shall be as follows :

Australia	45
Belgium	20
Brazil	50
China	65
Cuba	245
Czechoslovakia	45
Denmark	20
Dominican Republic	65
France (and the countries which France represents internationally)	35
Haiti	20

Hungary	20
India	30
Indonesia	40
Mexico	25
Netherlands	20
Nicaragua	15
Peru	40
Philippines	25
Poland	40
South Africa	20
U.S.S.R.	100
Yugoslavia	15
	TOTAL 1,000

Article 35

Whenever the membership of this Agreement changes or when any country is suspended from voting or recovers its votes under any provision of this Agreement, the Council shall redistribute the votes within each group (importing countries and exporting countries), having regard in respect of importing countries to their average imports over the two preceding years, and in respect of exporting countries having regard to the ratio 40 to 60 to their average production over the two preceding years and to the basic export tonnages allotted to them ; provided that in no case shall any country have less than 15 or more than 245 votes and that there shall be no fractional votes.

Article 36

(1) Except where otherwise specifically provided for in this Agreement, decisions of the Council shall be by a majority of the votes cast by the exporting countries and a majority of the votes cast by the importing countries provided that the latter majority shall consist of votes cast by not less than one-third in number of the importing countries present and voting.

(2) When a Special Vote is required, decisions of the Council shall be by at least two-thirds of the votes cast, which shall include a majority of the votes cast by the exporting countries and a majority of the votes cast by the importing countries ; provided that the latter majority shall consist of votes cast by not less than one-third in number of the importing countries present and voting.

(3) Notwithstanding the provisions of paragraphs (1) and (2) of this Article, at any session of the Council convened in accordance with Article 30 (3) (i) or Article 30 (3) (ii) to deal with any question relating to Articles 21 and 22, decisions

of the Council on action taken by the Executive Committee under the said Articles shall be by a simple majority of the votes cast by the participating countries present and voting taken as a whole.

(4) The Government of any participating exporting country may authorise the voting delegate of any other exporting country and the Government of any participating importing country may authorise the voting delegate of any other importing country to represent its interests and to exercise its votes at any meeting or meetings of the Council. Evidence of such authorisation satisfactory to the Council shall be submitted to the Council.

(5) Each Participating Government undertakes to accept as binding all decisions of the Council under the provisions of this Agreement.

Article 37

(1) The Council shall establish an Executive Committee, which shall be composed of representatives of the Governments of five participating exporting countries which shall be selected for a quota year by a majority of the votes held by the exporting countries and of representatives of the Governments of five participating importing countries which shall be selected for a quota year by a majority of the votes held by the importing countries.

(2) The Executive Committee shall exercise such powers and functions of the Council as are delegated to it by the Council.

(3) The Executive Director of the Council shall be *ex-officio* Chairman of the Executive Committee but shall have no vote. The Committee may elect a Vice-Chairman and shall establish its Rules of Procedure subject to the approval of the Council.

(4) Each member of the Committee shall have one vote. In the Executive Committee, decisions shall be by a majority of the votes cast by the exporting countries and a majority of the votes cast by the importing countries.

(5) Any Participating Government shall have the right of appeal to the Council under such conditions as may be prescribed by the Council, against any decision of the Executive Committee. In so far as the decision of the Council does not accord with the decision of the Executive Committee the latter shall be modified as of the date on which the Council makes its decision.

CHAPTER XIV.—FINANCE

Article 38

(1) Expenses of delegations to the Council and members of the Executive Committee shall be met by their respective Governments. The other expenses necessary for the administration of this Agreement, including remuneration which the Council pays, shall be met by annual contributions by the Participating

Governments. The contribution of each Participating Government for each quota year shall be proportionate to the number of votes held by it when the budget for that quota year is adopted.

(2) At its first session the Council shall approve its budget for the first quota year and assess the contributions to be paid by each Participating Government.

(3) The Council shall, each quota year, approve its budget for the following quota year and assess the contribution to be paid by each Participating Government for such quota year.

(4) The initial contribution of any Participating Government acceding to this Agreement under Article 41 shall be assessed by the Council on the basis of the number of votes to be held by it and the period remaining in the current quota year, but the assessments made upon other Participating Governments for the current quota year shall not be altered.

(5) Contributions shall become payable at the beginning of the quota year in respect of which the contribution is assessed and in the currency of the country where the seat of the Council is situated. Any Participating Government failing to pay its contribution by the end of the quota year in respect of which such contribution has been assessed shall be suspended of its voting rights until its contribution is paid, but, except by Special Vote of the Council, shall not be deprived of any of its other rights nor relieved of any of its obligations under this Agreement.

(6) To the extent consistent with the laws of the country where the seat of the Council is situated, the Government of that country shall grant exemption from taxation on the funds of the Council and on remuneration paid by the Council to its employees.

(7) The Council shall, each quota year, publish an audited statement of its receipts and expenditures during the previous quota year.

(8) The Council shall, prior to its dissolution, provide for the settlement of its liabilities and the disposal of its records and assets upon the termination of this Agreement.

CHAPTER XV.—CO-OPERATION WITH OTHER ORGANISATIONS

Article 39

(1) The Council, in exercising its functions under this Agreement, may make arrangements for consultation and co-operation with appropriate organisations and institutions and may also make such provisions as it deems fit for representatives of those bodies to attend meetings of the Council.

(2) If the Council finds that any terms of this Agreement are materially inconsistent with such requirements as may be laid down by the United Nations or through its appropriate organs and specialised agencies regarding intergovernmental commodity agreements, the inconsistency shall be deemed to be a circumstance affecting adversely the operation of this Agreement and the procedure prescribed in Article 43 shall be applicable.

CHAPTER XVI.—DISPUTES AND COMPLAINTS

Article 40

(1) Any dispute concerning the interpretation or application of this Agreement, which is not settled by negotiation, shall, at the request of any Participating Government party to the dispute, be referred to the Council for decision.

(2) In any case where a dispute has been referred to the Council under paragraph (1) of this Article, a majority of Participating Governments or Participating Governments holding not less than one-third of the total votes may require the Council, after full discussion, to seek the opinion of the advisory panel referred to in paragraph (3) of this Article on the issues in dispute before giving its decision.

(3)—(i) Unless the Council unanimously agrees otherwise, the panel shall consist of :

- (a) two persons, one having wide experience in matters of the kind in dispute and the other having legal standing and experience, nominated by the exporting countries ;
- (b) two such persons nominated by the importing countries ; and
- (c) a chairman selected unanimously by the four persons nominated under (a) and (b), or, if they fail to agree, by the Chairman of the Council.

(ii) Persons from countries whose Governments are parties to this Agreement, shall be eligible to serve on the advisory panel.

(iii) Persons appointed to the advisory panel shall act in their personal capacities and without instructions from any Government.

(iv) The expenses of the advisory panel shall be paid by the Council.

(4) The opinion of the advisory panel and the reasons therefor shall be submitted to the Council which, after considering all the relevant information, shall decide the dispute.

(5) Any complaint that any Participating Government has failed to fulfil its obligations under this Agreement shall, at the request of the Participating Government making the complaint, be referred to the Council which shall make a decision on the matter.

(6) No Participating Government shall be found to have committed a breach of this Agreement except by a majority of the votes held by the exporting countries and a majority of the votes held by the importing countries. Any finding that a Participating Government is in breach of the Agreement shall specify the nature of the breach.

(7) If the Council finds that a Participating Government has committed a breach of this Agreement, it may by a majority of the votes held by the exporting countries and a majority of the votes held by the importing countries suspend the Government concerned of its voting rights until it fulfils its obligations or expel that Government from this Agreement.

CHAPTER XVII.—SIGNATURE, ACCEPTANCE, ENTRY INTO FORCE AND ACCESSION

Article 41

(1) This Agreement shall be open for signature from September 15 to October 31, 1953, by the Governments represented by delegates at the Conference at which this Agreement was negotiated.

(2) This Agreement shall be subject to ratification or acceptance by the signatory Governments in accordance with their respective constitutional procedures, and the instruments of ratification or acceptance shall be deposited with the Government of the United Kingdom of Great Britain and Northern Ireland.

(3) This Agreement shall be open for accession by any of the Governments referred to in paragraph (1) of this Article and accession shall be effected by the deposit of an instrument of accession with the Government of the United Kingdom of Great Britain and Northern Ireland.

(4) The Council may approve accession to this Agreement by any Government not referred to in paragraph (1) of this Article provided that the conditions of such accession shall first be agreed upon with the Council by the Government desiring to effect it.

(5) The effective date of a Government's participation in this Agreement shall be the date on which the instrument of ratification, acceptance or accession is deposited with the Government of the United Kingdom of Great Britain and Northern Ireland.

(6)—(i) This Agreement shall come into force on December 15, 1953, as regards Articles 1, 2, 18 and 27-46 inclusive, and on January 1, 1954, as regards Articles 3-17 and 19-26 inclusive, if on December 15, 1953, instruments of ratification, acceptance or accession have been deposited by Governments holding 60 per cent. of the votes of importing countries and 75 per cent. of the votes of exporting countries under the distribution set out in Articles 33 and 34 ; provided that notifications to the Government of the United Kingdom of Great Britain

and Northern Ireland by Governments which have been unable to ratify, accept or accede to this Agreement by December 15, 1953, containing an undertaking to seek to obtain as rapidly as possible under their constitutional procedure, and during a period of four months from December 15, 1953, ratification, acceptance or accession, will be considered as equivalent to ratification, acceptance or accession. If, however, such a notification is not followed by the deposit of an instrument of ratification, acceptance or accession by May 1, 1954, the Government concerned shall then no longer be regarded as an observer. In any event the obligations under this Agreement of Governments of exporting countries which have ratified, accepted or acceded to this Agreement by May 1, 1954, for the first quota year will run as from January 1, 1954.

(ii) If at the end of the period of four months mentioned in sub-paragraph (i) the percentage of votes of importing countries or of exporting countries which have ratified, accepted or acceded to this Agreement is less than the percentage provided for in sub-paragraph (i), the Governments which have ratified, accepted or acceded to this Agreement may agree to put it into force among themselves.

(iii) The Council may determine the conditions under which the Governments which have not ratified, accepted or acceded to this Agreement by December 15, 1953, but who have made known their intention to obtain as rapidly as possible a decision on ratification, acceptance or accession may take part in the work of the Council as non-voting observers if they so wish.

(7) The Government of the United Kingdom of Great Britain and Northern Ireland will notify all signatory Governments, of each signature, ratification, acceptance of, or accession to this Agreement, and shall inform all signatory Governments of any reservation or condition attached thereto.

CHAPTER XVIII.—DURATION, AMENDMENT, SUSPENSION, WITHDRAWAL,
TERMINATION

Article 42

(1) The duration of this Agreement shall be five years from January 1, 1954. The Agreement shall not be subject to denunciation.

(2) Without prejudice to Articles 43 and 44, the Council shall in the third year of this Agreement examine the entire working of the Agreement, especially in regard to quotas and prices and shall take into account any amendment to the Agreement which in connection with this examination any Participating Government may propose.

(3) Not less than three months before the last day of the third quota year of this Agreement the Council shall submit a report on the results of the examination referred to in paragraph (2) of this Article to Participating Governments.

(4) Any Participating Government may within a period of not more than two months after the receipt of the Council's report referred to in paragraph (3) of this Article withdraw from this Agreement by giving notice of withdrawal to the Government of the United Kingdom of Great Britain and Northern Ireland. Such withdrawal shall take effect on the last day of the third quota year.

(5)—(i) If, after the two months referred to in paragraph (4) of this Article, any Government which has not withdrawn from this Agreement under that paragraph considers that the number of Governments which have withdrawn under the said paragraph, or the importance of those Governments for the purposes of this Agreement, is such as to impair the operation of this Agreement, such Government may, within thirty days following the expiration of the said period, request the Chairman of the Council to call a special meeting of the Council at which the Governments party to this Agreement shall consider whether or not they will remain party to it.

(ii) Any special meeting called pursuant to a request made under sub-paragraph (i) shall be held within one month of the receipt by the Chairman of such request and Governments represented at such meeting may withdraw from the Agreement by giving notice of withdrawal to the Government of the United Kingdom of Great Britain and Northern Ireland within thirty days from the date on which the meeting was held. Any such notice of withdrawal shall become effective thirty days from the date of its receipt by that Government.

(iii) Governments not represented at a special meeting held pursuant to sub-paragraphs (i) and (ii) may not withdraw from this Agreement under the provisions of those sub-paragraphs.

Article 43

(1) If circumstances arise which, in the opinion of the Council, affect or threaten to affect adversely the operation of this Agreement, the Council may, by a Special Vote, recommend an amendment of this Agreement to the Participating Governments.

(2) The Council shall fix the time within which each Participating Government shall notify the Government of the United Kingdom of Great Britain and Northern Ireland whether or not it accepts an amendment recommended under paragraph (1) of this Article.

(3) If, within the time fixed under paragraph (2) of this Article, all Participating Governments accept an amendment it shall take effect immediately on the receipt by the Government of the United Kingdom of Great Britain and Northern Ireland of the last acceptance.

(4) If, within the time fixed under paragraph (2) of this Article, an amendment is not accepted by the Governments of exporting countries which hold 75 per cent. of the votes of the exporting countries and by the Governments of importing countries which hold 75 per cent. of the votes of the importing countries it shall not take effect.

(5) If, by the end of the time fixed under paragraph (2) of this Article, an amendment is accepted by the Governments of exporting countries which hold 75 per cent. of the votes of the exporting countries and by the Governments of importing countries which hold 75 per cent. of the votes of the importing countries but not by the Governments of all the exporting countries and the Governments of all the importing countries :

- (i) the amendment shall become effective for the Participating Governments which have signified their acceptance under paragraph (2) of this Article at the beginning of the quota year next following the end of the time fixed under that paragraph ;
- (ii) the Council shall determine forthwith whether the amendment is of such a nature that the Participating Governments which do not accept it shall be suspended from this Agreement from the date upon which it becomes effective under sub-paragraph (i) and shall inform all Participating Governments accordingly. If the Council determines that the amendment is of such a nature, Participating Governments which have not accepted that amendment shall inform the Council by the date on which the amendment is to become effective under sub-paragraph (i) whether it is still unacceptable and those Participating Governments which do so shall automatically be suspended from this Agreement ; provided that if any such Participating Government satisfies the Council that it has been prevented from accepting the amendment by the time the amendment becomes effective under sub-paragraph (i) by reason of constitutional difficulties beyond its control, the Council may postpone suspension until such difficulties have been overcome and the Participating Government has notified its decision to the Council.

(6) The Council shall establish rules with respect to the reinstatement of a Participating Government suspended under paragraph (5) (ii) of this Article and any other rules required for carrying out the provisions of this Article.

Article 44

(1) If any Participating Government considers its interests to be seriously prejudiced by the failure of any signatory Government to ratify or accept this Agreement, or by conditions or reservations attached to any signature, ratification or acceptance, it shall notify the Government of the United Kingdom of Great Britain and Northern Ireland. Immediately on the receipt of such notification, the Government of the United Kingdom of Great Britain and Northern Ireland

shall inform the Council, which shall, either at its first meeting, or at any subsequent meeting held not later than one month after receipt of the notification, consider the matter. If, after the Council has considered the matter, the Participating Government still considers its interests to be seriously prejudiced, it may withdraw from this Agreement by giving notice of withdrawal to the Government of the United Kingdom of Great Britain and Northern Ireland within thirty days after the Council has concluded its consideration of the matter.

(2) If any Participating Government demonstrates that, notwithstanding the provisions of this Agreement, its operation has resulted in an acute shortage of supplies or in prices on the free market not being stabilised within the range provided for in this Agreement, and the Council fails to take action to remedy such situation, the Government concerned may give notice of withdrawal from this Agreement.

(3) If, during the period of this Agreement, by action of a non-participating country, or by action of any participating country inconsistent with this Agreement such adverse changes occur in the relation between supply and demand on the free market as are held by any Participating Government seriously to prejudice its interests such Participating Government may state its case to the Council. If the Council declares the case to be well-founded the Government concerned may give notice of withdrawal from this Agreement.

(4) If any Participating Government considers that its interests will be seriously prejudiced by reason of the effects of the basic export tonnage to be allotted to a non-participating exporting country seeking to accede to this Agreement pursuant to Article 41 (4) such Government may state its case to the Council which shall take a decision upon it. If the Government concerned considers that, notwithstanding the decision by the Council, its interests continue to be seriously prejudiced, it may give notice of withdrawal from this Agreement.

(5) The Council shall take a decision within thirty days on any matters submitted to it in accordance with paragraphs (2), (3) and (4) of this Article; and if the Council fails to do so within that time the Government which has submitted the matter to the Council may give notice of withdrawal from this Agreement.

(6) Any Participating Government may, if it becomes involved in hostilities, apply to the Council for the suspension of some or all of its obligations under this Agreement. If the application is denied such Government may give notice of withdrawal from this Agreement.

(7) If any Participating Government avails itself of the provisions of Article 16 (2), so as to be released from its obligations under that Article, any other Participating Government may at any time during the ensuing three months give notice of withdrawal after explaining its reasons to the Council.

(8) In addition to the situations envisaged in the preceding paragraphs of this Agreement, when a Participating Government demonstrates that circum-

stances beyond its control prevent it from fulfilling its obligations under this Agreement it may give notice of withdrawal from this Agreement subject to a decision of the Council that such withdrawal is justified.

(9) If any Participating Government considers that a withdrawal from this Agreement notified in accordance with the provisions of this Article by any other Participating Government, in respect of either its metropolitan territory or all or any of the non-metropolitan territories for whose international relations it is responsible, is of such importance as to impair the operation of this Agreement, that Government may also give notice of withdrawal from this Agreement at any time during the ensuing three months.

(10) Notice of withdrawal under this article shall be given to the Government of the United Kingdom of Great Britain and Northern Ireland and shall become effective thirty days from the date of its receipt by that Government.

Article 45

The Government of the United Kingdom of Great Britain and Northern Ireland shall promptly inform all signatory and acceding Governments of each notification and notice of withdrawal received under Articles 42, 43, 44, and 46.

CHAPTER XIX.—TERRITORIAL APPLICATION

Article 46

(1) Any Government may at the time of signature, ratification, acceptance of, or accession to this Agreement or at any time thereafter, declare by notification given to the Government of the United Kingdom of Great Britain and Northern Ireland that the Agreement shall extend to all or any of the non-metropolitan territories for whose international relations it is responsible and the Agreement shall from the date of the receipt of the notification extend to all the territories named therein.

(2) Any Participating Government may by giving notice of withdrawal to the Government of the United Kingdom of Great Britain and Northern Ireland in accordance with the provisions for withdrawal in Articles 42, 43 and 44 withdraw from this Agreement separately in respect of all or any of the non-metropolitan territories for whose international relations it is responsible.

IN WITNESS WHEREOF the undersigned, having been duly authorised to this effect by their respective Governments, have signed this Agreement on the dates appearing opposite their signatures.

The texts of this Agreement in the Chinese, English, French, Russian and Spanish languages are all equally authentic, the originals being deposited with the Government of the United Kingdom of Great Britain and Northern Ireland, which shall transmit certified copies thereof to each signatory and acceding Government.

The Government of the Republic of China, which was represented by the Chinese Delegation throughout the United Nations Sugar Conference held in London from July 13 to August 24, 1953 is the only legitimate Government of China. The Chinese Delegation, in proceeding to sign this Agreement, declares, in the name of the Government of the Republic of China, that it considers as illegal and therefore null and void any declaration or reservations made by any Governments in connection with the Final Act of the United Nations Sugar Conference signed in London on August 24, 1953 or the present Agreement, which are incompatible with or derogatory to the legitimate position of the Government of the Republic of China.

It is further recalled that during the Conference the Chinese Delegation, when supporting the Cuban reservation that the balance of the Cuban 1953 sale to the United Kingdom should not be charged against her 1954 quota, did also declare that the balance of shipment contracted by the Republic of China with Japan for 1953 should be similarly treated. The balance is now estimated at 50,000 metric tons not to be charged against the 1954 quota of the Republic of China. It is with this reservation that the Chinese Delegation signs the present Agreement.¹

MAO-LAN TUAN

¹ [TRADUCTION — TRANSLATION]

Le Gouvernement de la République de Chine, qui était représenté par la délégation chinoise pendant toute la durée de la Conférence des Nations Unies sur le sucre, tenue à Londres du 13 juillet au 24 août 1953, est le seul gouvernement légitime de la Chine. Au moment de signer le présent Accord, la délégation chinoise déclare, au nom du Gouvernement de la République de Chine, qu'elle considère comme illégales et par conséquent comme nulles et non avenues toutes déclarations ou réserves faites par des gouvernements, quels qu'ils soient, relatives à l'Acte final de la Conférence des Nations Unies sur le sucre, signé à Londres le 24 août 1953, ou au présent Accord, qui sont incompatibles avec le statut légitime du Gouvernement de la République de Chine ou qui portent atteinte audit statut.

La délégation chinoise rappelle, en outre, que lorsqu'elle a appuyé, au cours de la Conférence, la réserve formulée par Cuba à l'effet que le solde de la vente consentie pour 1953 par Cuba au Royaume-Uni ne soit pas imputé sur son contingent pour 1954, elle a également déclaré que le même traitement devrait s'appliquer au solde des livraisons que la République de Chine doit effectuer en vertu d'un contrat passé avec le Japon pour 1953. Ce solde est actuellement évalué à 50.000 tonnes qui ne devront pas être imputées sur le contingent de la République de Chine pour 1954. C'est avec cette réserve que la délégation chinoise signe le présent Accord.

In affixing their signature to this Agreement, the Government of the Republic of Cuba do so subject to the condition that, in accordance with the understanding reached on the recommendation of the Steering Committee to the United Nations International Sugar Conference on August 21, 1953, and which is contained in documents Conference Room Paper Ex 7 and E/CONF./15SR17 it is understood that the shipment after January 1, 1954 of the balance of the Sugar sold by Cuba to the United Kingdom under the 1953 transaction covering 1,000,000 tons, shall not be charged against the export quotas for 1954 established for Cuba under the provisions of this Agreement.¹

Roberto G. DE MENDOZA

26 de Octubre, 1953

FOR CZECHOSLOVAKIA:

POUR LA TCHÉCOSLOVAQUIE:

捷克斯洛伐克:

За Чехословакию:

FOR CNECOESLOVAQUIA:

J. ULLRICH

31.10.53

Signed with following reservations :

In view of the fact that Czechoslovak Economy is a full-scale planned Economy, Article 3, relating to the subsidization of exports of sugar, and Articles 10 and 13 relating to limitations of production and stocks of sugar are not applicable to Czechoslovakia.

It is understood that Czechoslovakia will supply the Council with relevant statistics and information required under Article 28, par. 4 of the Agreement which it will

¹ [TRADUCTION — TRANSLATION]

En signant le présent Accord, le Gouvernement de la République de Cuba déclare que sa signature est subordonnée à la condition qu'il soit bien entendu, conformément à l'accord intervenu le 21 août 1953 sur les recommandations du Comité de direction de la Conférence internationale des Nations Unies sur le sucre et qui est consigné dans le document de séance Ex 7 et le document E/CONF.15/SR.17, qu'après le 1^{er} janvier 1954, le reliquat du sucre vendu par Cuba au Royaume-Uni au titre de la transaction de 1953 qui portait sur un million de tonnes, ne sera pas imputé sur le contingent d'exportation pour 1954 fixé pour Cuba selon les dispositions du présent Accord.

deem necessary, so as to enable the Council or the Executive Committee to discharge their functions under this Agreement.

The signing of the Agreement mentioning in Articles 14 China (Taiwan) and 34 China in no way signifies recognition of the Kuomintang authorities' power over the territory of Taiwan neither recognition of the so-called "Nationalist Chinese Government" as a legal and competent Government of China.¹

J. ULLRICH

FOR DENMARK:

POUR LE DANEMARK:

丹麥：

За ДАНИЮ:

FOR DINAMARCA:

Anthon VESTBIRK

30th October, 1953

At the time of signing the present Agreement I declare that since the Danish Government do not recognise the Nationalist Chinese authorities as the competent Government of China they cannot regard signature of the Agreement by a Nationalist Chinese representative as a valid signature on behalf of China.²

Anthon VESTBIRK

¹ [TRADUCTION — TRANSLATION]

Signé avec les réserves suivantes :

Étant donné que l'économie tchécoslovaque est une économie entièrement planifiée, l'article 3, relatif aux subventions accordées aux exportations de sucre, ainsi que les articles 10 et 13, relatifs à la limitation de la production et des stocks de sucre, ne sont pas applicables à la Tchécoslovaquie.

Il est entendu que la Tchécoslovaquie communiquera au Conseil, conformément au paragraphe 4 de l'article 28 de l'Accord, les statistiques et informations pertinentes qu'elle jugera nécessaires pour permettre au Conseil ou au Comité exécutif de remplir les fonctions qui leur sont dévolues par le présent Accord.

La signature du présent Accord, qui mentionne à l'article 14 la Chine (Taïwan) et à l'article 34 la Chine, n'équivaut en aucun cas à la reconnaissance des pouvoirs des autorités du Kuomintang sur le territoire de Taïwan ni à celle du soi-disant « Gouvernement nationaliste chinois » comme gouvernement légal et compétent de la Chine.

² [TRADUCTION — TRANSLATION]

Au moment de signer le présent Accord, je déclare que, ne reconnaissant pas les autorités nationalistes chinoises comme constituant le Gouvernement compétent de la Chine, le Gouvernement danois ne peut considérer la signature de l'Accord par un représentant nationaliste chinois comme signature valable au nom de la Chine.

FOR THE DOMINICAN REPUBLIC:
POUR LA RÉPUBLIQUE DOMINICAINE:
多明尼加共和國：
За Доминиканскую Республику:
POR LA REPÚBLICA DOMINICANA:

Luis LOGROÑO COHEN
26th October, 1953

FOR FINLAND:
POUR LA FINLANDE:
芬蘭：
За Финляндию:
POR FINLANDIA:

FOR FRANCE AND THE COUNTRIES WHICH FRANCE REPRESENTS INTERNATIONALLY:
POUR LA FRANCE ET LES PAYS DONT ELLE ASSURE LES RELATIONS INTERNATIONALES:
法蘭西及法蘭西在國際間所代表的國家：
За Францию и все страны, которые Франция представляет в международных отношениях:
POR FRANCIA Y LOS PAÍSES DE CUYAS RELACIONES INTERNACIONALES ES RESPONSABLE:

R. MASSIGLI
26 octobre 1953

FOR THE FEDERAL REPUBLIC OF GERMANY:
POUR LA RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE:
德意志聯邦共和國：
За Германскую Федеративную Республику:
POR LA REPÚBLICA FEDERAL ALEMANA:

Dr. Karl MÜLLER
30. Okt. 1953

FOR GREECE:
POUR LA GRÈCE:
希臘:
За Грецию:
POR GRECIA:

J. PHRANTZES
31 October 1953

FOR HAÏTI:
POUR HAÏTI:
海地:
За Гаити:
POR HAÏTÍ:

Love O. LÉGER
29 octobre 1953

FOR THE HUNGARIAN PEOPLE'S REPUBLIC:
POUR LA RÉPUBLIQUE POPULAIRE DE HONGRIE:
匈牙利人民共和國:
За Венгерскую Народную Республику:
POR LA REPÚBLICA POPULAR DE HUNGRÍA:

FOR INDIA:
POUR L'INDE:
印度:
За Индию:
POR LA INDIA:

FOR THE REPUBLIC OF INDONESIA:

POUR LA RÉPUBLIQUE D'INDONÉSIE:

印度尼西亞共和國:

За Индонезийскую Республику:

FOR LA REPÚBLICA DE INDONESIA:

FOR ISRAEL:

POUR ISRAËL:

以色列:

За Израиль:

FOR ISRAEL:

FOR ITALY:

POUR L'ITALIE:

義大利:

За Италию:

FOR ITALIA:

FOR JAPAN:

POUR LE JAPON:

日本:

За Японию:

FOR EL JAPÓN:

S. MATSUMOTO

28th October, 1953

FOR THE HASHEMITE KINGDOM OF JORDAN:

POUR LE ROYAUME DE LA JORDANIE HACHÉMITE:

約但哈希米德王國:

За Хашемитское Королевство Иордании:

FOR EL REINO DE JORDANIA HACHIMITA:

FOR LEBANON:

POUR LE LIBAN:

黎巴嫩:

За Ливан:

FOR EL LÍBANO:

Victor KHOURI

October 31, 1953

FOR MEXICO:

POUR LE MEXIQUE:

墨西哥:

За Мексику:

FOR MÉXICO:

Francisco A. DE ICAZA

30 Octubre 1953

FOR THE KINGDOM OF THE NETHERLANDS:

POUR LE ROYAUME DES PAYS-BAS:

荷蘭王國：

За Королевство Нидерландов:

FOR EL REINO DE LOS PAÍSES BAJOS:

Subject to the reservation that the agreement does not apply to the movement of sugar between the component parts of the Kingdom.¹

STIKKER

30 October 1953

FOR NEW ZEALAND:

POUR LA NOUVELLE-ZÉLANDE:

紐西蘭：

За Новую Зеландию:

FOR NUEVA ZELANDIA:

FOR NICARAGUA:

POUR LE NICARAGUA:

尼加拉瓜：

За Никарагуа:

FOR NICARAGUA:

FOR THE KINGDOM OF NORWAY:

POUR LE ROYAUME DE NORVÈGE:

那威王國：

За Королевство Норвегии:

FOR EL REINO DE NORUEGA:

¹ [TRANSLATION — TRANSLATION]

Sous réserve que l'Accord ne s'appliquera pas à la circulation du sucre entre les parties constitutives du Royaume.

FOR PAKISTAN:
POUR LE PAKISTAN:
巴基斯坦:
За Пакистан:
POR EL PAKISTÁN:

FOR PERU:
POUR LE PÉROU:
秘魯:
За Перу:
POR EL PERÚ:

FOR THE REPUBLIC OF THE PHILIPPINES:
POUR LA RÉPUBLIQUE DES PHILIPPINES:
菲律賓共和國:
За Филиппинскую Республику:
POR LA REPÚBLICA DE FILIPINAS:

Enrique M. GARCIA
30th October, 1953

FOR THE POLISH PEOPLE'S REPUBLIC:

POUR LA RÉPUBLIQUE POPULAIRE DE POLOGNE:

波蘭人民共和國:

За Польскую Народную Республику:

FOR LA REPÚBLICA POPULAR DE POLONIA:

E. MILNIKIEL

31.10.1953

1. The signing of this agreement, which in articles 14 and 34 mentions China, may under no circumstances be regarded as a recognition of the authority of the Kuomintang over the territory of Taiwan nor of the so-called "Chinese nationalist government" as the legal and competent government of China.

2. Considering the fact that the Polish People's Republic is a country of a planned economy, the provisions of the present Agreement concerning production, stocks and subsidisation of export, especially Articles 10, 13 and 3 do not apply to the Polish People's Republic.¹

E. MILNIKIEL

¹ [TRADUCTION — TRANSLATION]

1. La signature du présent Accord, dont les articles 14 et 34 mentionnent la Chine, ne doit en aucun cas être considérée comme équivalant à la reconnaissance de l'autorité du Kuomintang sur le territoire de Taiwan ni à celle du soi-disant « Gouvernement nationaliste chinois » comme gouvernement légal et compétent de la Chine.

2. Étant donné que la République populaire polonaise est un État à économie planifiée, les dispositions du présent Accord relatives à la production, aux stocks et aux subventions aux exportations, notamment les articles 10, 13 et 3, ne s'appliquent pas à la République populaire polonaise.

FOR PORTUGAL:
POUR LE PORTUGAL:
葡萄牙:
За Португалию:
POR PORTUGAL:

Albano NOGUEIRA
30th October, 1953

At the time of signing the International Sugar Agreement on behalf of the Portuguese Government I desire to formulate the reservation already recorded in the Minutes of the International Sugar Conference to the effect that I do so on the understanding that the Province of Mozambique (Portuguese East Africa) will continue to export sugar to the territories of Southern Rhodesia, Northern Rhodesia, and Nyassaland, and that Portugal will be recognised as an exporting country to which, in consequence, a basic export quota will be allotted when her position shall have become that of a Net Exporter.¹

Albano NOGUEIRA

FOR SAUDI ARABIA:
POUR L'ARABIE SAOUDITE:
蘇地亞拉伯:
За Саудовскую Аравию:
POR ARABIA SAUDITA:

¹ [TRADUCTION — TRANSLATION]

Au moment de signer l'Accord international sur le sucre au nom du Gouvernement portugais, je tiens à formuler la réserve déjà consignée dans les procès-verbaux de la Conférence internationale sur le sucre, à savoir que je considère comme entendu que la province de Mozambique (Afrique orientale portugaise) continuera à exporter du sucre aux territoires de la Rhodésie du Sud, de la Rhodésie du Nord et du Nyassaland, et que le Portugal sera reconnu comme pays exportateur et se verra, en conséquence, attribuer un contingent de base d'exportation lorsqu'il aura acquis le statut d'un exportateur net.

FOR SPAIN:

POUR L'ESPAGNE:

西班牙:

За Испанию:

FOR ESPAÑA:

FOR SWEDEN:

POUR LA SUÈDE:

瑞典:

За Швецию:

FOR SUECIA:

FOR SWITZERLAND:

POUR LA SUISSE:

瑞士:

За Швейцарию:

FOR SUIZA:

FOR SYRIA:

POUR LA SYRIE:

敘利亞:

За Сирию:

FOR SIRIA:

FOR THE KINGDOM OF THAILAND:
POUR LE ROYAUME DE THAÏLANDE:
泰王國:
За Таиландское Королевство:
POR EL REINO DE TAILANDIA:

FOR TURKEY:
POUR LA TURQUIE:
土耳其:
За Турцию:
POR TURQUÍA:

FOR THE UNION OF SOUTH AFRICA:
POUR L'UNION SUD-AFRICAINE:
南非聯邦:
За Южно-Африканский Союз:
POR LA UNIÓN SUDAFRICANA:

A. L. GEYER
30th October, 1953

FOR THE UNION OF SOVIET SOCIALIST REPUBLICS:

POUR L'UNION DES RÉPUBLIQUES SOCIALISTES SOVIÉTIQUES:

蘇聯埃社會主義共和國聯盟：

За Союз Советских Социалистических Республик:

FOR LA UNIÓN DE REPÚBLICAS SOCIALISTAS SOVIÉTICAS:

N. ANDRIENKO

29th October 1953

Подразумевается, что ввиду социально-экономического строя СССР и его планового народного хозяйства, статьи 10 и 13, касающиеся ограничений производства и запасов, а также статья 3, касающаяся субсидирования экспорта сахара, неприменимы и СССР:

Подписание от имени Союза Советских Социалистических Республик настоящего текста соглашения, упоминающего в статье 14 о Китае (Тайване) и в статье 34 о Китае, ни в какой мере не означает признания гоминдановской власти над территорией Тайвана, равно как и признания так называемого « национального правительства Китая » законным и правомочным правительством Китая.

Н. АНДРИЕНКО

29th October 1953

It is understood that in view of the social-economic structure of the USSR and their planned national economy, Articles 10 and 13 relating to production and stocks, as well as Article 3 concerning the subsidiation of the export of sugar, are not applicable to the USSR.

The signature in the names of the Union of Soviet Socialist Republics of the present text of the Agreement referring in Article 14 to China (Taiwan) and in Article 34 to China, does not in any way denote recognition of Kuomintang authority over the territory of Taiwan and equally not recognition of the so-called "Nationalist Government of China" as the legal and competent Government of China¹.

¹ [TRADUCTION — TRANSLATION]

Il est entendu qu'en raison de la structure socio-économique de l'URSS et de son économie nationale planifiée, les articles 10 et 13 relatifs à la production et aux stocks, ainsi que l'article 3 relatif aux subventions aux exportations de sucre, ne s'appliquent pas à l'URSS.

La signature, au nom de l'URSS, du texte actuel de l'Accord, qui mentionne à l'article 14 la Chine (Taiwan) et à l'article 34 la Chine, n'équivaut en aucun cas à la reconnaissance de l'autorité du Kuomintang sur le territoire de Taïwan ni à celle du soi-disant « Gouvernement nationaliste de la Chine » comme gouvernement légal et compétent de la Chine.

FOR THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND:
 POUR LE ROYAUME-UNI DE GRANDE-BRETAGNE ET D'IRLANDE DU NORD:
 大不列顛及北愛爾蘭聯合王國：
 За Соединенное Королевство Великобритании и Северной Ирландии:
 POR EL REINO UNIDO DE LA GRAN BRETAÑA E IRLANDA DEL NORTE:

H. D. HANCOCK

16th October, 1953

At the time of signing the present Agreement I declare that since the Government of the United Kingdom do not recognise the Nationalist Chinese authorities as the competent Government of China they cannot regard signature of the Agreement by a Nationalist Chinese representative as a valid signature on behalf of China.

The Government of the United Kingdom interpret Article 38 (6) as requiring the Government of the country where the Council is situated to exempt from taxation the funds of the Council and the remuneration paid by the Council to those of its employees who are not nationals of the country where the Council is situated.¹

H. D. HANCOCK

FOR THE UNITED STATES OF AMERICA:
 POUR LES ETATS-UNIS D'AMÉRIQUE:
 美利堅合衆國：
 За Соединенные Штаты Америки:
 POR LOS ESTADOS UNIDOS DE AMÉRICA:

Winthrop W. ALDRICH

23rd October, 1953

¹ [TRADUCTION — TRANSLATION]

Au moment de signer le présent Accord, je déclare que, ne reconnaissant pas les autorités nationalistes chinoises comme constituant le Gouvernement compétent de la Chine, le Gouvernement du Royaume-Uni ne peut considérer la signature de l'Accord par un représentant nationaliste chinois comme signature valable au nom de la Chine.

Le Gouvernement du Royaume-Uni interprète le paragraphe 6 de l'article 38 comme imposant au Gouvernement du pays où le Conseil a son siège l'obligation d'exonérer d'impôts les fonds du Conseil ainsi que les traitements versés par le Conseil à ceux de ses employés qui ne sont pas ressortissants du pays où le Conseil a son siège.