

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 year 1959, 2,500,000 English long tons (2,540,835 tons) *tel quel*;
- (ii) In the calendar years 1960 and 1961, 2,575,000 English long tons (2,617,060 tons) *tel quel* per year.

In addition to providing for the export of the quantities set out above, the Governments above-mentioned agree that except by reason of drought, flood or other adverse conditions stocks to a total of not less than 50,000 English long tons (50,817 tons) *tel quel* shall be held in the exporting territories as a group covered by the Commonwealth Sugar Agreement at all times in each calendar year unless and until they have been released with the consent of the Council, and that those stocks shall be immediately available for export to the free market when called for by the Council.

(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 make an estimate of the net import requirements of the free market during such year