

further increase shall be made; and if no agreement is reached at such meeting the percentage of the increase shall be raised to 5 per cent or such lesser amount as is required to restore the quotas to 90 per cent.

(2) In considering changes in quotas under this Article the Council shall take into account all factors affecting the supply and demand for sugar on the free market.

(3) If the prevailing price exceeds 4.00 cents all quotas and limitations on exports under any of the Articles of this Agreement shall for the time being become inoperative, provided that if subsequently the prevailing price falls below 3.90 cents the quotas and limitations previously in effect shall be restored, subject to the power of the Council to vary quotas under paragraph (1) of this Article.

(4) If the Council is satisfied that a new situation has arisen which endangers the attainment of the general objectives of the Agreement it may, by Special Vote, suspend temporarily for such period as it may think necessary the limits imposed under the preceding paragraphs of this Article upon its discretion to increase quotas; and during the period of such suspension the Council shall have full discretion to increase quotas as it may think necessary and to cancel such increases when they are no longer required.

(5) All changes in quotas made under this Article shall be *pro rata* to the basic export tonnages, subject to the provisions of Article 14 B; and any references to percentages of quotas shall be construed as percentages of the basic export tonnages.

(6) Notwithstanding the provisions of paragraph (1) of this Article, if the export quota of any country has been reduced under Article 19 (1) (i) such reduction shall be deemed to form part of the reductions made in the same quota year under the terms of paragraph (1) of this Article.

(7) The Secretary of the Council shall notify Participating Governments of each change made under this Article in the export quotas in effect.

(8) If any reduction made under the preceding paragraphs of this Article cannot be fully applied to the export quota in effect of any 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 export quota in effect of that country in the following quota year."

Article 22 shall be deleted.