

2. Should, nevertheless, production in any country be found to have exceeded in any crop-year the quantity above prescribed, the Government of that country shall before the end of that crop-year take such action as will result in the disappearance of the excess production within its territories before the end of the following crop-year, or shall otherwise deal with such excess production as the Council may direct, except that if any part of the excess production is shown to the satisfaction of the Council to be due to a yield above the average of the preceding twenty years the Government of the country concerned may carry that part as provided in paragraph 3 (a) of Article III or deal with it in such other manner as may be agreed with the Council.

3. Pending the coming into force of paragraphs 1 and 2 of this Article, the Governments of Argentina, Australia, Canada and the United States of America shall adopt or maintain positive measures to control production with the object of minimizing the accumulation of excessive stocks.

### ARTICLE III (STOCKS)

1. The Governments of Argentina, Australia, Canada and the United States of America shall, subject to the provisions of paragraphs 2, 3, 4 and 5 of this Article, ensure that stocks of old wheat held at the end of their respective crop-years are not less than 35, 25, 80 and 150 million bushels respectively, and not more than 130, 80, 275 and 400 million bushels respectively. Any stocks not in excess of the specified maximum are hereinafter called "reserve stocks."

2. Stocks of old wheat in any country may be permitted to fall below the specified minimum (a) if the new crop, together with the carry-over from the previous crop-year, is insufficient to meet domestic requirements and leave at the end of that crop-year the minimum reserve stocks specified, in which case those stocks may be reduced by the amount necessary fully to meet domestic requirements, and (b) in so far as the Council decides that exports from the minimum reserve stocks of that country are required fully to meet the world demand for imported wheat.

3. Stocks of old wheat may exceed the maximum by (a) the quantity of permitted excess stocks ascertained under paragraph 4 of this Article and (b) the quantity of permitted surplus stocks ascertained under paragraph 5 of this Article.

4. Such part of excess production in the first crop-year in which it occurs following the crop-year in which Article IV comes into force as may be shown under paragraph 2 of Article II to be due to above average yields shall be permitted excess stocks at the end of that crop-year. The permitted excess stocks at the end of each succeeding crop-year shall be ascertained by the Council by deducting from the permitted excess stocks, if any, at the end of the preceding crop-year any quantity by which production in the crop-year then ending was less than the maximum prescribed in paragraph 1 of Article II or by adding thereto such part of any excess production in that crop-year as may be shown under paragraph 2 of Article II to be due to above average yields.

5. Stocks in excess of the maximum, as ascertained by the Council, at the end of the crop-year in which announcement is made of the date on which the provisions of Articles II, III and IV will come into effect shall be permitted surplus stocks, unless that announcement is made less than 45 days prior to the beginning of the seeding period for the next harvest in which