greater in total than the basic export tonnages plus 5 per cent or the initial export quotas, whichever are the greater, and no decrease shall be made so as to bring into effect quotas which are less in total than either the initial export quotas less 5 per cent or the basic export tonnages less 10 per cent, whichever are the greater;

(ii) When the prevailing price exceeds 3.45 cents the quotas in effect shall be not less than the initial export quotas or the basic export tonnages, whichever are the greater;

(iii) When the prevailing price exceeds 3.75 cents the Council shall meet within seven days to consider the market situation and to take such action in regard to quotas as may be appropriate for the purpose of achieving the general objectives of this Agreement. In the absence of agreement by the Council on the action to be taken the quotas in effect shall forthwith be increased by 2½ per cent. If, after action decided by the Council has been taken or the quotas have been increased by 2½ per cent, the prevailing price continues to be above 3.75 cents, the Council shall meet again within seven days in order to give further consideration to the market situation.

(iv) When, after quotas in effect have been raised in pursuance of sub-paragraph (iii) of this paragraph, the prevailing price falls below 3.75 cents, quotas in effect shall be restored to the level at which they were before the above-mentioned increase.

(v) If the prevailing price is below 3.25 cents the export quotas in effect shall at once be reduced by 2½ per cent and the Council shall meet within seven days to decide whether any further reduction shall be made; and if no agreement is reached at such meeting the percentage of the reduction shall be raised to 5 per cent, provided that reductions shall not be made so as to reduce the quotas below 90 per cent of the basic export tonnages unless the prevailing price is below 3.15 cents in which case further reduction may be made within the limits prescribed by Article 23; and

(vi) If the prevailing price has risen above 3.25 cents and the export quotas in effect are below 90 per cent of the basic export tonnages, the export quotas in effect shall be increased at once by 2½ per cent and the Council shall meet within seven days to decide whether a 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