

B. Special reserve

(5) A special reserve is established for each of the first three quota years of this Agreement and is allocated as follows:

	(In thousands of tons)
China (Taiwan)	95
India	50
Indonesia	50
Philippines	20

Notwithstanding that these allocations are not basic export tonnages, the provisions of the Agreement other than those of Article 19 shall apply to them as if they were basic export tonnages.

C. Priorities on shortfalls and on increased free market requirements

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

- (a) The first 50,000 tons will be allotted to Cuba.
- (b) The next 25,000 tons will be allotted to Poland.
- (c) The next 25,000 tons will be allotted to Czechoslovakia.
- (d) The next 10,000 tons will be allotted to Hungary.

(7) (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 (6) of this Article.

(ii) In distribution resulting from the provisions of Articles 18, 19(1) (ii) and 21, 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 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) of 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, the Federal Republic of Germany, Italy and the Kingdom of the Netherlands up to a net amount of 150,000 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