

ditions regarding the currency in which payment is made as prevail generally between the countries concerned at the time the guaranteed purchases and sales are being arranged. Should an exporting and an importing country between which no transactions have hitherto taken place fail to agree on the currency in which payment should be made, the Council shall decide the issue.

ARTICLE V

Adjustment of Obligations

1. Any contracting Government which fears that it may be prevented by circumstances, such as a short crop in the case of an exporting country or such as the necessity to safeguard its balance of payments or monetary reserves in the case of an importing country, from carrying out its obligations and other responsibilities under this Agreement shall report the matter to the Council.

2. Where the above provisions with respect to the balance of payments and monetary reserves are invoked the Council shall seek and take into account, together with all relevant facts, the opinion of the International Monetary Fund as to the existence and the extent of the necessity referred to in paragraph 1 of this Article.

3. The Council shall discuss the circumstances referred to in paragraph 1 above with the country concerned and if the Council finds that such country's representations are well founded it shall so rule, and if no other mutually acceptable remedy can be found the Council shall, in the first instance, if the reporting country is an importing country, invite the other importing countries, and, if the reporting country is an exporting country, invite the other exporting countries, to assume the obligations which cannot be fulfilled. If the difficulty cannot be solved in this way, the Council shall invite the exporting countries, if the reporting country is an importing country, or the importing countries, if the reporting country is an exporting country, to consider whether any one or more of them can assist the reporting country to fulfill its obligations or, failing that, accept a reduction in its or their guaranteed quantities for the current crop-year corresponding to the obligations which cannot be fulfilled.

4. If the reporting country cannot be assisted by the procedure set out in paragraph 3 of this Article and it is apparent to the Council that it will not carry out its obligations, the following procedure shall be adopted. If the reporting country is an exporting country, the Council shall forthwith reduce the total of the guaranteed purchases in Annex I to Article II for the current crop-year to an amount equal to the total of the guaranteed sales which will remain in Annex II to Article II for the current crop-year after account has been taken of the prospective failure of one of the exporting countries to carry out its obligations. If the reporting country is an importing country, the Council shall reduce the total of the guaranteed sales in Annex II to Article II for the current crop-year to an amount equal to the total of the guaranteed purchases which will remain in Annex I to Article II for the current crop-year after account has been taken of the prospective failure of one of the importing countries to carry out its obligations. In adjusting individual quantities in Annex II to Article II for this purpose each figure in the Annex shall be reduced by the same proportion, unless the exporting countries concerned agree otherwise.

5. If the Council finds that the reporting country's representations are well founded, that country shall not be deemed to have committed a breach of this Agreement whether it is relieved of its obligations by the procedure set out in paragraph 3 of this Article or recourse is had to the procedure set out in paragraph 4 of this Article. If the Council finds that the reporting country's