No. 5534

AUSTRALIA, BELGIUM (FOR THE ECONOMIC UNION OF BELGIUM AND LUXEMBOURG), BRAZIL, CANADA, etc.

International Sugar Agreement of 1958 (with Declaration of Amendment). Done at London, on 1 December 1958

Official texts: Chinese, English, French, Russian and Spanish.

Registered by the United Kingdom of Great Britain and Northern Ireland on 16 January 1961.

AUSTRALIE, BELGIQUE (POUR L'UNION ÉCONOMIQUE BELGO-LUXEMBOURGEOISE), BRÉSIL, CANADA, etc.

Accord international sur le sucre de 1958 (avec Déclaration d'amendement). Fait à Londres, le 1er décembre 1958

Textes officiels: anglais, chinois, espagnol, français et russe.

Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le 16 janvier 1961.

No. 5534. INTERNATIONAL SUGAR AGREEMENT OF 1958.[1] DONE AT LONDON, ON 1 DECEMBER 1958

The Governments party to this Agreement have agreed as follows :

CHAPTER I

GENERAL OBJECTIVES

Article 1

The objectives of this Agreement are to assure supplies of sugar to importing countries and markets for sugar to exporting countries at equitable and stable prices and, by these and other means, to facilitate steady increases in the consumption of sugar and corresponding increases in the supply of sugar, to contribute to the improvement of the living conditions of consumers throughout the world and to assist in the maintenance of the purchasing power in world markets of producing countries or areas and especially of those whose economies are largely dependent upon the production or export of sugar by providing adequate returns to producers and making it possible to maintain fair standards of labour conditions and wages; and, in general, to further international co-operation in connexion with world sugar problems.

CHAPTER II

DEFINITIONS

Article 2

For the purposes of this Agreement :

(1) " Ton " means a metric ton of 1,000 kilogrammes.

(2) " Quota year " means calendar year, that is, the period from 1 January to 31 December, both inclusive.

(3) " Sugar " means sugar in any of its recognized commercial forms derived from sugar cane or sugar beet, including edible and fancy molasses, syrups and any other form of liquid sugar used for human consumption, except final molasses and low-grade types of non-centrifugal sugar produced by primitive methods. Sugar destined for uses other than human consumption as food is excluded, to the extent and under such conditions as the Council may determine.

[1] Came into force on 1 January 1959, in accordance with paragraph 6 of article 41. For the list of States in respect of which the Agreement entered into force, see p. 348 of this volume.

Amounts of sugar specified in this Agreement are in terms of raw value, net weight, excluding the container. Except as provided in Article 16, the raw value of any amount of sugar means its equivalent in terms of raw sugar testing 96 sugar degrees by the polariscope.

(4) " Net imports " means total imports of sugar after deducting total exports of sugar.

(5) " Net exports " means total exports of sugar (excluding sugar supplied as ships' stores for ships victualling at domestic ports) after deducting total imports of sugar.

(6) " Free market " means the total of net imports of the world market except those excluded under any provisions of this Agreement.

(7) " Importing country " means one of the countries listed in Article 33.

(8) " Exporting country " means one of the countries listed in Article 34.

(9) " Basic export tonnages " means the quantities of sugar specified in Article 14 (1).

(10) " Initial export quota " means the quantity of sugar allotted for any quota year under Article 18 to each country listed in Article 14 (1).

(11) " Export quota in effect " means the initial export quota as modified by such adjustments as may be made from time to time.

(12) " Stocks of sugar, " for the purposes of Article 13, means either :

(i) all sugar in the country concerned either in factories, refineries, warehouses, or in the course of internal transportation for destinations within the country, but excluding bonded foreign sugar (which term shall be regarded as also covering sugar *en admission temporaire*) and excluding sugar in factories, refineries and warehouses or in the course of internal transportation for destinations within the country, which is solely for distribution for internal consumption and on which such excise or other consumption duties as exist in the country concerned have been paid; or

(ii) all sugar in the country concerned either in factories, refineries, warehouses, or in the course of internal transportation for destinations within the country, but excluding bonded foreign sugar (which term shall be regarded as also covering sugar *en admission temporaire*) and excluding sugar in factories, refineries and warehouses or in the course of internal transportation for destinations within the country which is solely for distribution for internal consumption;

according to the notification made to the Council by each Participating Government under Article 13.

(13) " Price " and " prevailing price " have the meanings specified in Article 20.

(14) " The Council " means the International Sugar Council established under Article 27.

(15) " The Executive Committee " means the Committee established under Article 37.

(16) " Special Vote " has the meaning specified in paragraph (2) of Article 36.

CHAPTER III

General Understandings by Participating Governments

1. Subsidies

Article 3

(1) The Participating Governments recognize that subsidies on sugar may so operate as to impair the maintenance of equitable and stable prices in the free market and so endanger the proper functioning of this Agreement.

(2) If any Participating Government grants or maintains any subsidy, including any form of income or price support, which operates directly or indirectly to increase exports of sugar from, or to reduce imports of sugar into its territory, it shall, during each quota year, notify the Council in writing of the extent and nature of the subsidisation, of the estimated effect of the subsidisation on the quantity exported from or imported into its territory and of the circumstances making the subsidisation necessary. The notification referred to in this paragraph shall be given at the request of the Council, which request shall be made at least once each quota year in such form and at such time as may be provided in the rules of procedure of the Council.

(3) In any case in which a Participating Government considers that serious prejudice to its interests under this Agreement is caused or threatened by such subsidisation, the Participating Government granting the subsidy shall, upon request, discuss with the other Participating Government or Governments concerned, or with the Council, the possibility of limiting the subsidisation. In any case in which the matter is brought before the Council, the Council may examine the case with the Governments concerned and make such recommendations as it deems appropriate.

2. Programmes of Economic Adjustment

Article 4

Each Participating Government agrees to adopt such measures as it believes will be adequate to fulfil its obligations under this Agreement with a view to the archievement of the general objectives set forth in Article 1 and as will ensure as much progress as practicable within the duration of this Agreement towards the solution of the commodity problem involved.

3. Promotion of Increased Consumption of Sugar

Article 5

With the object of making sugar more freely available to consumers, each Participating Government agrees to take such action as it deems appropriate to reduce disproportionate burdens on sugar, including those resulting from—

(i) private and public controls, including monopoly;
(ii) fiscal and tax policies.

4. Maintenance of Fair Labour Standards

Article 6

The Participating Governments declare that, in order to avoid the depression of living standards and the introduction of unfair competitive conditions in world trade, they will seek the maintenance of fair labour standards in the sugar industry.

CHAPTER IV

SPECIAL OBLIGATIONS OF THE PARTICIPATING GOVERNMENTS OF COUNTRIES WHICH IMPORT SUGAR

Article 7

(1) (i) To prevent non-participating countries from gaining advantage at the expense of participating countries, the Government of each participating country agrees that it will not permit the import for any purpose from non-participating countries as a group during any quota year of a total quantity of sugar larger than was imported from those countries as a group during any one of the three calendar years 1951, 1952, 1953; provided that the said total quantity shall not include imports purchased by a participating country from non-participating countries during any period when by virtue of paragraph (3) of Article 21, quotas and limitations on exports are inoperative, and provided further that the Government of the participating country has notified the Council in advance that such purchases may be made.

(ii) The years referred to in sub-paragraph (i) of this paragraph may be varied by a determination of the Council on the application of any Participating Government which considers that there are special reasons for such variation.