No. 3677

AUSTRALIA, BELGIUM, CANADA, CHINA, CUBA, etc.

International Sugar Agreement. Done at London, on 1 October 1953

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

Registered by the United Kingdom of Great Britain and Northern Ireland on 30 January 1957.

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Accord international sur le sucre. Fait à Londres, le 1er octobre 1953

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

Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le 30 janvier 1957.

No. 3677. INTERNATIONAL SUGAR AGREEMENT.[1] DONE AT LONDON, ON 1 OCTOBER 1953

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 ; to increase the consumption of sugar throughout the world ; and to maintain the purchasing power in world markets of countries or areas 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.

CHAPTER II.—DEFINITIONS

Article 2

For the purposes of this Agreement :

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

[1] Came into force on 15 December 1953 as regards articles 1, 2, 18 and 27-46 inclusive and on 1 January 1954 as regards articles 3-17 and 19-26 inclusive, in accordance with the provisions of article 41(6). Following is the list of States which deposited with the Government of the United Kingdom of Great Britain and Northern Ireland their instruments of ratification or accession (*a*) indicating the dates of deposit :

Australia	14 December 1953
Belgium	22 July 1954
Canada	29 June 1954(*a*)
China	18 March 1954
Cuba	16 December 1953
Czechoslovakia*	20 April 1954
Dominican Republic	2 February 1954
France (and French territories)	23 September 1954
Federal Republic of Germany	12 July 1954
Greece	14 September 1955
Haiti	28 April 1954
Hungary (with reservations)**	18 December 1953(*a*)
Japan	30 April 1954
Lebanon	23 September 1954
Mexico	14 April 1954
Netherlands*	27 April 1954
Philippines	30 April 1954
Poland*	30 April 1954
Portugal*	30 April 1954
Union of South Africa	8 March 1954
Union of Soviet Socialist Republics*	22 March 1954
United Kingdom of Great Britain and Northern Ireland*	12 December 1953
United States of America	3 May 1954

* Maintaining reservations made at the time of signature.

** "1. In view of the fact that the Hungarian economy is a full-scale planned economy-Article 3 relating to the subsidization of exports of sugar and Articles 10 and 13 relating to limi. tation of production and stocks of sugar, are not applicable to the Hungarian People's Republic,

"2. The accession on behalf of the Hungarian People's Republic to this Agreement, mentioning in Articles 14 China/Taiwan and 34 China, in no way signifies recognition of the Kuomintang authorities power over the territory of Taiwan, neither recognition of the so-called 'Nationalist Chinese Government' as a legal and competent Government of China."

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

(3) "Sugar" means sugar in any of its recognised 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.

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

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

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

(10) "Stocks of Sugar" for the purposes of Article 13, means either :

(1) 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

(2) 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.

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

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

(13) "Importing Country" means one of the countries listed in Article 33, or any country which is a net importer of sugar, as the context requires.

(14) "Exporting Country" means one of the countries listed in Article 34, or any country which is a net exporter of sugar, as the context requires.

Chapter III.—General Undertakings by Participating Governments

1. Subsidies

Article 3

(1) The Participating Governments recognise 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 of sugar exported from or imported into its territory and of the circumstances making the subsidisation necessary.

(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 achievement 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) The Government of each participating importing country and the Government of each participating exporting country which imports sugar for re-export agrees that, to prevent non-participating countries from gaining advantage at the expense of participating countries, it will not permit the import from non-participating countries as a group during any quota year of a total quantity larger than was imported from those countries as a group during any one of the three calendar years preceding the year in which the Agreement entered into force, *i.e.*, 1951, 1952, 1953 ; provided that the said total quantity shall not include imports purchased by a participating country from non-participating countries at any time when such country cannot meet its requirements from participating