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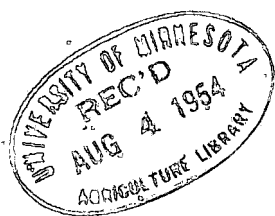
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International Wheat Agreements



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NOTE BY THE EDITOR

THE making of international wheat agreements which are to last for periods of five years or so revolves too rapidly for the somewhat slow process of publishing this *Journal*. This number was projected after the agreement negotiated in the spring of 1948 had lapsed because it failed to get the necessary endorsement by July, but before the new negotiations were set on foot for yet another agreement. The issue was therefore an open one at the time, and the authors who were asked to contribute have used the abortive agreement of 1948 as their basis for discussion.

Since their articles were received a new agreement has been completed at Washington on 15 April 1949, and has now been endorsed by the governments of the contracting countries. The terms of this new agreement were not available to the writers of the articles, but it will be found that for the most part they have dealt with the general principles of international agreement in this field. Their articles require very slight, if any, modification in the light of the new agreement which follows very closely the general pattern of its predecessor.

Reference to the controversial issues in the 1949 agreement is made in the Introduction which summarizes the history of these negotiations since 1933. The main part of the text is included in the Appendix with its predecessors.

And now a word about the articles which are included in this issue of the *Journal*.

So far as I know, none of the contributors has had any hand in the drawing up of international wheat agreements. They are all in a position to take an informed view of the policy, but they are all observers, and observers from diverse angles. Dr. Maiden of the Bureau of Agricultural Economics, Canberra, Australia, writes from one of the big four of exporting countries and takes a favourable view of the efforts to obtain stability in wheat marketing by this means. Dr. Orlando, Istituto Nazionale di Economia Agraria, Rome, considers particularly the case of Italy, an importing country which is at the same time a considerable producer of wheat. He, too, takes a favour-

able view of the attempt to get international agreement. Professor Jørgen Pedersen, University of Århus, Denmark, writes from a country which depends mainly on imports, but his case is built on economic analysis, and not on the practical concerns of the producers or consumers of any country. His careful economic reasoning is unfavourable to an optimistic view of the real effectiveness of these agreements. Finally, Dr. Clare Burgess, a former Cambridge agricultural economist, now a member of a firm of English flour millers, and Dr. H. G. L. Strange, Director of the Research Department of the Searle Grain Company Ltd. of Canada, both concerned in the wheat trade, are forthright opponents of wheat agreements almost of any kind. They are bluntly sceptical and frankly partisan, the one writing from the country which is the dominating consumer on the world market and the other from the country most vitally concerned with wheat exports. Mr. Strange in particular expresses his profound faith in the old system of an open futures market. 'After long years of careful study of the futures markets, with all the conviction of which I am capable, I assert that it is the finest device ever invented by the ingenuity of man to assure the greatest production of grain, the most effective distribution, and at the lowest of costs to the hungry people of the world, and at prices which, on the average, are satisfactory to both producers and consumers and which take into account and express daily as a price the many changing conditions of the world, which affect supply, demand, and value of money, hence of final value.' That leaves no doubt at all where Mr. Strange stands in the matter.

From this mixture of approach and of conviction, it cannot be claimed that any definite conclusion emerges. Nor is it intended to. Anyone who reads through the contributions will understand that the editor could not possibly hold himself responsible for all of the opinions expressed and there is no need for an assurance to that effect.

For at least seventeen years efforts to reach an international wheat agreement have been persistent and practically continuous—without real success, so far. In the past three years it has become almost a hardy annual, so much so that general interest in the issue among agricultural economists, let alone the general public, has flagged appreciably. The purpose of this issue is as a reminder that there are many divergent ways of looking at the problem and very different opinions. The contributions are a small, almost random, sample from an informed public.

There is a gap in this sample in that an official argument for international wheat agreements is absent, so far as there is any one official point of view. We do publish, however, the main parts of the text of various agreements. Many readers will find it convenient to have these brought together for reference.