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International Wheat Agreements



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APPENDIX

TEXTS OF THE AGREEMENTS OF 1933, 1942, 1948, AND 1949

I. FINAL ACT OF THE WHEAT CONFERENCE, LONDON, 25 AUGUST 1933

The Governments of Germany, Austria, Belgium, Bulgaria, France, the United Kingdom of Great Britain and Northern Ireland, Greece, Hungary, Irish Free State, Italy, Poland, Roumania, Spain, Sweden, Czechoslovakia, Switzerland, the Union of Socialist Soviet Republics and Yugoslavia, having accepted the invitation extended to them by the Secretary-General of the Monetary and Economic Conference on behalf of the Governments of Argentina, Australia, Canada and the United States of America to take part in a conference to consider the measures which might be taken in concert to adjust the supply of wheat to effective world demand and eliminate the abnormal surpluses which have been depressing the wheat market and to bring about a rise and stabilisation of prices at a level remunerative to the farmers and fair to the consumers of bread-stuffs, have agreed as follows:—

ARTICLE 1

The Governments of Argentina, Australia, Canada and the United States of America agree that the exports of wheat from their several countries during the crop year the 1st August, 1933 to the 31st July, 1934, shall be adjusted, taking into consideration the exports of other countries, by the acceptance of export maxima on the assumption that world import demand for wheat will amount during this period to 560 million bushels.

ARTICLE 2

They further agree to limit their exports of wheat during the crop year the 1st August, 1934 to the 31st July, 1935, to maximum figures 15 per cent. less in the case of each country than the average out-turn on the average acreage sown during the period 1931-33 inclusive after deducting normal domestic requirements. The difference between the effective world demand for wheat in the crop year 1934-35 and the quantity of new wheat from the 1934 crop available for export will be shared between Canada and the United States of America as a supplementary export allocation with a view to the proportionate reduction of their respective carry-overs.

ARTICLE 3

The Governments of Bulgaria, Hungary, Roumania and Yugoslavia agree that their combined exports of wheat during the crop year the 1st August, 1933 to the 31st July, 1934, will not exceed 50 million bushels. This undertaking is made on the understanding that the aggregate may be increased to a maximum of 54 million bushels if the Danubian countries find that such a supplementary quota is required for the movement of the exportable surplus of the 1933 crop.

ARTICLE 4

They further agree that their combined exports of wheat during the crop year 1934-35 will not exceed a total of 50 million bushels and recognise that the acceptance of this export allocation will not allow of any extension of the acreage sown to wheat.

ARTICLE 5

The Government of the Union of Socialist Soviet Republics, while unable to give any undertaking in regard to production of wheat, agree to limit their exports for the crop year 1933-34 to a figure which will be arrived at upon the completion of negotiations with the Governments of the overseas wheat-exporting countries. They also agree that the question of their export of wheat during the crop year of 1934-35 shall be the subject of further negotiations with the wheat-exporting countries represented on the Advisory Committee.

ARTICLE 6

The Governments of the wheat-importing countries, in signing this instrument—

- (i) Agree henceforth not to encourage any extension of the area sown to wheat and not to take any governmental measures the effect of which would be to increase the domestic production of wheat.
- (ii) Agree to adopt every possible measure to increase the consumption of wheat and are prepared to bring about the progressive removal of measures which tend to lower the quality of bread-stuffs and thereby decrease the human consumption of wheat.
- (iii) Agree that a substantial improvement in the price of wheat should have as its consequence a lowering of customs tariffs, and are prepared to begin such adjustment of customs tariffs when the international price of wheat reaches and maintains for a specified period an average price to be fixed. It is understood that the rate of duty necessary to assure remunerative prices may vary for different countries, but will not be sufficiently high to encourage their farmers to expand wheat acreage.

Appendix A contains the agreed definitions relating to the technical points mentioned in this paragraph.

- (iv) Agree that, in order to restore more normal conditions in world trade in wheat, the reduction of customs tariffs would have to be accompanied by modification of the general régime of quantitative restriction of wheat imports and accept in principle the desirability of such a modification. The exporting countries, for their part, agree that it may not be possible to make substantial progress in these modifications in 1933-34, but the importing countries are prepared to make effective alterations in 1934-35 if world prices have taken a definitely upward turn from the average price of the first six months of the calendar year 1933. The objective of these relaxations of the various forms of quantitative restrictions will be to restore a more normal balance between total consumption and imports, and thereby to increase the volume of international trade in wheat. It is understood that this undertaking is consistent with maintaining the home market for domestic wheat grown on an area no greater than at present. It is obvious that fluctuations in the quantity and quality of the wheat harvest resulting from weather conditions may bring about wide variations in the ratio of imports to total consumption from season to season.

The obligations of the importing countries under this agreement are to be interpreted in the light of the following declaration:—

It is recognised that measures affecting the area of wheat grown and the degree of protection adopted are primarily dependent upon domestic conditions within each country, and that any change in these measures must often require the sanction of the Legislature.

The intention of this agreement is, nevertheless, that the importing countries will not take advantage of a voluntary reduction of exports on the part of the exporting countries by developing their domestic policies in such a way as to frustrate the efforts which the exporting countries are making, in the common interest, to restore the price of wheat to a remunerative level.

ARTICLE 7

The countries participating in the conference agree to set up a Wheat Advisory Committee to watch over the working and application of this agreement. The functions, organisation and financial basis of this committee are set out in Appendix B.

Done at London, the twenty-fifth day of August, one thousand nine hundred and thirty-three, in a single copy, which shall be deposited in the archives of the Secretariat of the League of Nations and of which authenticated copies shall be delivered to all members of the League of Nations and non-member States represented at the Conference of Wheat Exporting and Importing Countries.

APPENDIX A

'International price of wheat,' as mentioned in article 6, paragraph (iii), of the draft agreement, shall be understood to mean a duty-free gold price c.i.f. on a world market.

This price shall be calculated according to the method followed by the Food Research Institute of Stanford University, California (explained in vol. 4, No. 8, of *Wheat Studies*). It is the average price of all parcels of imported wheat of all grades sold during each week in all the ports of Great Britain.

2. The Secretariat of the Wheat Advisory Committee set up by the conference shall undertake the regular communication of indices of prices calculated as above to all Governments adhering to the agreement.

3. The minimum average gold price calculated as indicated above to be maintained for a period of sixteen weeks before it will be necessary for importing countries to adjust their tariffs shall be 12 gold francs per quintal (63.02 gold cents per bushel).

4. The period referred to in article 6, paragraph (iii), of the agreement, during which the average quotation for wheat is to be maintained before it will be necessary for importing countries to adjust their tariffs, shall be sixteen weeks.

5. Each country will decide upon its tariff adjustment in accordance with the principles enunciated in article 6, paragraph (iii), of the draft agreement, and every considerable and lasting change in wheat prices shall be followed by an adjustment of tariffs proportionate to such change.

APPENDIX B

Report of the Sub-Committee on the Constitution of a Wheat Advisory Committee

A sub-committee, composed of representatives of Australia, Belgium, France, Germany, Greece, Hungary, Italy, Switzerland, the United Kingdom and the United States, met on the 22nd August to consider whether any, and, if so, what, organisation should be set up in connexion with the prospective Wheat Agreements. Mr. McDougall (Australia) was elected chairman.

The present report contains a summary of the views exchanged in the sub-committee and the recommendations submitted by it to the conference regarding the functions, composition and financial basis of the suggested Wheat Advisory Committee.

It is clear that the proposed body can only be temporary in character, as the agreements under which it may be set up are intended to deal with the immediate difficulties of the situation. No question arises of establishing any permanent committee entrusted with the task of supervising the production of and trade in wheat; it is simply proposed to set up a committee to watch over the working and application of the agreements which may be arrived at. The committee would be primarily advisory in character and would provide an opportunity for the representatives of Governments, fortified by the best available information, to review the way in which the several agreements were functioning. It would only take decisions in cases defined in the agreements.

The committee's duties should be confined to the tasks outlined above, and should not extend to matters connected with the compilation of statistics, except as provided in Appendix A.

With the object of avoiding any overlapping the Advisory Committee should work in close co-operation with the Economic Organization of the League and the International Institute of Agriculture.

As the work of the proposed committee would be concerned with business rather than policy it should be small. It was recognized that the chief exporting countries—viz. Argentina, Australia, Canada and the United States—should be separately represented, and that the Danubian countries should be entitled to a representative, as would the U.S.S.R. It was regarded as essential that importing countries should be represented as well as exporting countries.

It was at first suggested that the importing countries might be represented by two or three members, to be named by the Economic Committee of the League of Nations. But it appeared from the discussion in the sub-committee that it would be preferable that the committee should contain an equal number of representatives of importing and exporting countries. Subject to this it was agreed that the committee should be given power to enlarge its membership if circumstances appeared to render such a course desirable.

Importing States to be represented might be selected according to one of two methods: either the importing countries participating in the conference might make their selection while the conference is still sitting, or the choice might be left to the Economic Committee of the League. It was felt that a decision on this matter should be left to the importing countries.

In any case, the members of the committee should be appointed as representatives of States, and not in their personal capacity.

The Advisory Committee would be authorized, if it considered that circumstances rendered such action necessary, to convene a general meeting of the States parties to the agreements.

Various suggestions were made regarding the chairmanship of the Advisory Committee. Some members thought that the League of Nations might be requested to ask some person of recognized standing and undoubted impartiality to accept the post of chairman. Others thought that, in view of the exceptional importance to the exporting countries of the wheat question, it might perhaps be desirable that the chairman should be chosen from among their representatives. It was finally agreed that the appointment of chairman should be left to the Advisory Committee itself, which might be empowered to elect a chairman from among its members or, if it appeared practicable and desirable, to select some other person of recognized standing.

The sub-committee was anxious to keep expenditure on the lowest possible basis. The staff employed should be small in number and might consist of a highly competent secretary with a technical assistant and a shorthand-typist.

The cost of representation at meetings should be borne by the several Governments represented on the committee. The committee itself would only be responsible for cost of the staff, office expenses, and the travelling expenses of the staff in so far as that might prove necessary. It was considered that the annual appropriation for the committee need not exceed a total of 60,000 gold francs. The suggested basis of contribution was that each country accepting the wheat agreements should contribute 4 gold francs per 100,000 quintals of the average quantity of wheat produced during a given period, and that the wheat-exporting countries should contribute a further 8 gold francs per 100,000 quintals of wheat exported in an average year of the given base period.

The suggested basis of contributions towards the maintenance of the Advisory Committee are set out in the annex to this report.¹

The seat of the office of the Advisory Committee would be at London, but the committee would be authorized to meet elsewhere if circumstances rendered it necessary.

2. MEMORANDUM OF AGREEMENT AND DRAFT CONVENTION
PUBLISHED IN EXCHANGES OF NOTES BETWEEN THE GOVERNMENTS OF ARGENTINA,
AUSTRALIA, CANADA, THE UNITED KINGDOM, AND THE UNITED STATES OF AMERICA
FOLLOWING UPON THE CONCLUSION OF THE WHEAT DISCUSSIONS AT WASHINGTON,
24 APRIL, 18 MAY, AND 27 JUNE, 1942

Officials of Argentina, Australia, Canada, and the United States, wheat-exporting countries, and of the United Kingdom, a wheat-importing country, met in Washington on the 10th July, 1941, to resume the wheat-discussions which were interrupted in London by the outbreak of war in September 1939, and to consider what steps might be taken toward a solution of the international wheat problem.

2. The discussions at Washington, which extended over a period of many months, have made it clear that a satisfactory solution of the problem requires an international wheat agreement, and that such an agreement requires a conference, of the nations willing to participate which have a substantial interest in international trade in wheat. It was also recognized that, pending the holding of such a conference, the situation should not be allowed to deteriorate. The Washington Wheat Meeting has recorded the results of its deliberations in the attached Draft Convention in order to facilitate further international consideration of the subject at such time as may be possible and to provide a basis for such interim measures as may be found necessary.

3. The Washington Wheat Meeting has recognized that it is impracticable to convene at the present time the international wheat conference referred to above. Accordingly, the five countries present at that Meeting have agreed that the United States, so soon as after consultation with other countries it deems the time propitious, should convene a wheat conference of the nations having a substantial interest in international trade in wheat which are willing to participate, and that the Draft Convention above mentioned should be submitted to that conference for consideration.

4. In the meantime, there should be no delay in the provision of wheat for relief in war-stricken and other necessitous areas so soon as in the view of the five countries circumstances permit. Likewise it is imperative that the absence of control measures over the accumulation of stocks in the four countries now producing large quantities of wheat for markets no longer available should not create insoluble problems for a future conference. Accordingly, the five countries have agreed to regard as in

¹ The detailed table is not reprinted here. [Ed.]

effect among themselves, pending the conclusions of the conference referred to above, those arrangements described in the attached Draft Convention which are necessary to the administration and distribution of the relief pool of wheat and to the control of production of wheat other than those involving the control of exports.

5. If the conference contemplated above shall have met and concluded an agreement prior to the cessation of hostilities, no further action will be needed by the countries represented at the Washington Meeting. However, if this is not the case, it will be necessary, in order to prevent disorganization and confusion in international trade in wheat, to institute temporary controls pending the conclusions of the conference. Accordingly, the five countries agree that in the period following the cessation of hostilities, and pending the conclusion of a wheat agreement at the conference referred to, the arrangements described in the attached Draft Convention which relate to the control of production, stocks, and exports of wheat and to the administration thereof will be brought into effect among themselves. Those arrangements will come into effect on such date as may be unanimously agreed. Announcement of that date will be made within six months after the cessation of hostilities.

6. Pending the conclusions of the conference contemplated above, the five countries, on the cessation of hostilities or such earlier date as they may agree, will regard as in effect among themselves the arrangements described in the attached Draft Convention for the control of the prices of wheat. The determination of prices required to be made in accordance with those arrangements will be made by unanimous consent. If no determination of prices has been made on the cessation of hostilities, the five countries will, pending such determination but for a period not exceeding six months, maintain as the export price of wheat the last price negotiated by the United Kingdom for a bulk purchase of wheat from the principal country of supply; equivalent f.o.b. prices will be calculated for wheats of the other exporting countries and will be adjusted from time to time to meet substantial changes in freight and exchange rates.

7. In taking any decisions under this Memorandum and the arrangements of the Draft Convention which it brings into operation, each of the five countries will have one vote, and a two-thirds majority will be required for decision except as otherwise provided herein.

8. The provisions of this Memorandum will be superseded by any agreement reached at the proposed wheat conference or by any arrangements which the five countries and other interested countries may make to deal with the period pending such a conference. In any event they are to terminate two years from the cessation of hostilities.

DRAFT CONVENTION

PREAMBLE

1. The prospects with regard to the production and marketing of wheat are such that accumulation of wheat surpluses threatens to result in grave post-war difficulties for the economies of the producing countries, and hence, because of the interdependence of nations, for the economies of all countries. It is also to be expected that, unless appropriate action is taken, such accumulation will recur.

2. A solution of the problem thus presented must be regarded as an essential part of any program of world economic reconstruction, and will call for co-operative action by all countries concerned in international trade in wheat. It will involve national and international measures for the regulation of wheat production in both exporting and importing countries, for the orderly distribution of wheat and flour in domestic and international trade at such prices as are fair to consumers and

provide a reasonable remuneration to producers, and for the maintenance of world supplies which shall be at all times ample for the needs of consumers without being so excessive as to create a world burden of unwanted surpluses.

3. Co-operative action is also necessary to meet the need for relief in the war-stricken areas of the world by the supply and distribution of gifts of wheat.

4. The benefits of abundant world supplies of wheat cannot be assured to consumers unless there is a substantial decrease in uneconomic incentives to high-cost production, a lowering of barriers to world trade, and the charging of prices to consumers not substantially higher than the price of wheat in international trade.

5. In many countries the standard of living would be improved by increasing the consumption of wheat through a lowering of prices. In all countries the standard of living would be improved by stimulating the consumption of foods rich in vitamins, proteins, and minerals. The increased production of such foods would offer a more valuable use for land which has at times been used uneconomically for high-cost production of wheat.

6. Producers of an international commodity such as wheat are directly affected by standards of living throughout the world, by international purchasing power, and by prevailing policies and practices affecting international trade generally. There can be no basic solution of the problem of export surpluses without a general reduction of import barriers, and no measure should be taken or maintained which has the effect of retarding such reduction or of preventing in any way the fullest possible development of international trade.

Accordingly, the contracting Governments have agreed as follows:—

ARTICLE I (EXPANSION OF TRADE)

1. The contracting Governments agree that an essential element of a solution of the world wheat problem is that consumers should have the opportunity and means of increasing their purchases of wheat from areas which are equipped to produce it economically. They agree that such opportunity and means depend not only on the lowering of barriers to the importation of wheat, but also on making available to wheat-importing countries increased outlets for the exportation of goods which they in turn are equipped to produce economically. They agree that this requires the adoption and pursuit of national and international policies aimed at a fuller and more efficient use among nations of human and natural resources and thereby a world-wide expansion of purchasing power.

2. Recognizing therefore that much that is called for transcends the scope of a wheat agreement and requires action on a broad international basis, but that much also can be accomplished by national measures and by agreements with each other and with other countries, the contracting Governments undertake to further in every way possible the attainment of the foregoing objectives.

3. The Council shall from time to time submit to the contracting Governments a review of international trade in wheat and invite them to consider, in the light of the foregoing, what measures may be adopted for the expansion of such trade.

ARTICLE II (PRODUCTION CONTROL)¹

1. The Governments of Argentina, Australia, Canada, and the United States of America shall adopt suitable measures to ensure that the production of wheat in their territories does not exceed the quantity needed for domestic requirements and the basic export quotas and maximum reserve stocks for which provision is hereinafter made.

¹ This Article to be expanded, when further international consideration of the subject is possible, to include provisions for production control in other exporting countries and in importing countries.

2. Should, nevertheless, production in any country be found to have exceeded in any crop-year the quantity above prescribed, the Government of that country shall before the end of that crop-year take such action as will result in the disappearance of the excess production within its territories before the end of the following crop-year, or shall otherwise deal with such excess production as the Council may direct, except that if any part of the excess production is shown to the satisfaction of the Council to be due to a yield above the average of the preceding twenty years the Government of the country concerned may carry that part as provided in paragraph 3 (a) of Article III or deal with it in such other manner as may be agreed with the Council.

3. Pending the coming into force of paragraphs 1 and 2 of this Article, the Governments of Argentina, Australia, Canada, and the United States of America shall adopt or maintain positive measures to control production with the object of minimizing the accumulation of excessive stocks.

ARTICLE III (STOCKS)

1. The Governments of Argentina, Australia, Canada, and the United States of America shall, subject to the provisions of paragraphs 2, 3, 4, and 5 of this Article, ensure that stocks of old wheat held at the end of their respective crop-years are not less than 35, 25, 80, and 150 million bushels respectively, and not more than 130, 80, 275, and 400 million bushels respectively. Any stocks not in excess of the specified maximum are hereinafter called 'reserve stocks'.

2. Stocks of old wheat in any country may be permitted to fall below the specified minimum (a) if the new crop, together with the carry-over from the previous crop-year, is insufficient to meet domestic requirements and leave at the end of that crop-year the minimum reserve stocks specified, in which case those stocks may be reduced by the amount necessary fully to meet domestic requirements, and (b) in so far as the Council decides that exports from the minimum reserve stocks of that country are required fully to meet the world demand for imported wheat.

3. Stocks of old wheat may exceed the maximum by (a) the quantity of permitted excess stocks ascertained under paragraph 4 of this Article, and (b) the quantity of permitted surplus stocks ascertained under paragraph 5 of this Article.

4. Such part of excess production in the first crop-year in which it occurs following the crop-year in which Article IV comes into force as may be shown under paragraph 2 of Article II to be due to above-average yields shall be permitted excess stocks at the end of that crop-year. The permitted excess stocks at the end of each succeeding crop-year shall be ascertained by the Council by deducting from the permitted excess stocks, if any, at the end of the preceding crop-year any quantity by which production in the crop-year then ending was less than the maximum prescribed in paragraph 1 of Article II or by adding thereto such part of any excess production in the crop-year as may be shown under paragraph 2 of Article II to be due to above-average yields.

5. Stocks in excess of the maximum, as ascertained by the Council, at the end of the crop-year in which announcement is made of the date on which the provisions of Articles II, III, and IV will come into effect shall be permitted surplus stocks, unless that announcement is made less than forty-five days prior to the beginning of the seeding period for the next harvest, in which case stocks in excess of the maximum at the end of the succeeding crop-year shall be permitted surplus stocks. Permitted surplus stocks at the end of each succeeding crop-year shall be ascertained by the Council by deducting from the permitted surplus stocks at the end of the preceding crop-year (a) any secondary or supplementary export quotas allocated in the crop-year then ending, and (b) any quantity by which production in that

crop-year, plus the permitted excess stocks at the end of the preceding crop-year, was less than the maximum production prescribed in paragraph 1 of Article II.

6. Should it be shown to the satisfaction of the Council that, owing to insufficient or defective storage facilities, any part of the permitted surplus stocks in any country has been destroyed or has been disposed of by governmental measures in a manner clearly constituting extraordinary use, such part shall nevertheless be counted as permitted surplus stocks for the purposes of paragraphs 3 and 4 of Article IV so long as any other permitted surplus stocks remain in that country.

7. The Council shall—

- (a) at its regular August meeting ascertain the permitted surplus stocks in Canada and the United States of America at the end of their preceding crop-years and estimate such stocks in Argentina and Australia at the end of their current crop-years, and
- (b) at its regular January meeting ascertain the permitted surplus stocks in Argentina and Australia at the end of their preceding crop-years and estimate such stocks in Canada and the United States of America at the end of their current crop-years.

ARTICLE IV (EXPORT CONTROL)

1. The contracting Government of each exporting country shall adopt the measures necessary to ensure that net exports of wheat, including flour expressed in terms of its wheat equivalent, from its territories in each quota-year shall not, subject to the provisions of paragraph 11 of this Article, exceed the basic, secondary, and supplementary export quotas for which provision is hereinafter made. It is recognized in principle that, within the framework of this Agreement, wheat from each exporting country should continue to find its way into its normal markets.

2. The basic export quotas for Argentina, Australia, Canada, and the United States of America shall, subject to the provisions of paragraph 3 of this Article, be 25, 19, 40, and 16 per cent. respectively of the Council's latest published estimate of the total volume of international trade in wheat and flour in each quota-year less (a) such basic export quotas for other exporting countries as may be agreed under Article XIV, and (b) reasonable allowances, having due regard to exports in past years, for net exports from the territories of Governments not parties to the Agreement.

3. Should the residual quantity ascertained under paragraph 2 of this Article exceed 500 million bushels in any quota-year, the excess shall be allocated to Argentina, Canada, and the United States of America as secondary export quotas. Allocations made in the first half of the quota-year shall be in proportion to permitted surplus stocks as determined under paragraph 7 (a) of Article III, and allocations made in the second half of the quota-year shall be in proportion to permitted surplus stocks as determined under paragraph 7 (b) of Article III. Should there be no permitted surplus stocks in any of those four countries, the excess shall be allocated to those countries as secondary export quotas in proportion to their basic export quotas.

4. If the Council is satisfied that any part of any country's export quota or of the allowance made for its exports for any quota-year will not be exported by that country in that quota-year, it shall, subject to the provisions of paragraph 6 of this Article, re-allocate that part as supplementary export quotas to the other exporting countries in accordance with the procedure prescribed in paragraph 3 of this Article for the allocation of secondary export quotas. Should there be no permitted surplus stocks in any of those countries, that part shall, unless the Council otherwise decides, be re-allocated as supplementary export quotas to

those of the other exporting countries which have percentage export quotas in proportion to those quotas.

5. No decisions taken by the Council pursuant to paragraph 4 of this Article shall prejudice the right of any country to export its full export quota within the quota-year to which it relates.

6. Should it be shown to the satisfaction of the Council that the failure of any country to ship any part of its export quota during the first quota-year is due to shortage of shipping, the amount of the supplementary export quotas allocated to other countries in respect of such part shall be deducted from the basic export quotas of those countries for the second quota-year and added to the aforementioned country's basic export quota for the second quota-year.

7. No export quota or part thereof shall be exported in any quota-year other than that to which it relates, except as otherwise provided in this Article. Should it, nevertheless, be shown to the satisfaction of the Council that, owing to unavoidable delay in the arrival or departure of ships, part of an export quota had not been shipped at the end of the quota-year, that part may be shipped in the following quota-year but shall be deemed to have been shipped in the quota-year to which it relates.

8. No export quota or part thereof shall be ceded, transferred, or loaned by any country except as provided in this Article, or with the unanimous approval of the contracting Governments of exporting countries.

9. When it appears that any country is approaching the limit of its export quota, the Chairman of the Council, on the recommendation of the Executive Committee, shall request the Government of that country to control loadings for export during the remainder of the quota-year and to telegraph each week to the Council the gross exports and gross imports of wheat and of wheat flour from and into its territories during the preceding week.

10. When the Chairman of the Council after consultation with the Executive Committee finds that any country has exported its export quota for any quota-year, he shall immediately make a declaration to that effect. The contracting Government of the exporting country concerned shall thereupon announce that the exportation of wheat or flour from its territories will not be permitted after seven days from the date of the Chairman's declaration, and the contracting Government of each importing country shall not permit the importation into its territories of wheat or flour shipped from that exporting country during the current quota-year more than seven days after the date of the Chairman's declaration.

11. Should it be found that, owing to practical difficulties of closely controlling shipments, exports from any country have exceeded its export quota, that country shall not be deemed to have infringed the provisions of paragraph 1 of this Article so long as the excess is not more than 5 per cent. of the quota, but the amount of that excess up to 3 per cent. of the quota and three times the amount of that excess above 3 per cent. of the quota shall be deducted from that country's export quota for the following quota-year.

12. The contracting Governments recognize that international trade in wheat should be distributed on a fair and equitable basis among all countries which export wheat, and they agree that the effective operation of the Agreement should not be impaired by abnormal exports from countries that have not acceded to it. Accordingly, the contracting Governments shall co-operate in taking, on the advice of the Council, such practicable measures as may be necessary to attain this end.

ARTICLE V (PRICE CONTROL)

1. The Council shall fix and publish prior to the coming into force of Article IV and thereafter at each regular August meeting a basic minimum price and a basic

maximum price of wheat, c.i.f. United Kingdom ports, and schedules of prices, c.i.f. and/or f.o.b., equivalent thereto for the various wheats sold in world markets. These prices shall take effect on such date as may be determined by the Council and shall remain in force until the effective date of the prices fixed by the Council at its next regular August meeting, but shall be subject to such adjustments as the Council may find necessary to meet substantial changes in freight or exchange rates, or as may be made in accordance with the provisions of paragraph 3 of this Article.

2. The prices fixed under paragraph 1 of this Article shall be such as will in the opinion of the Council (a) return reasonably remunerative prices to producers in exporting countries; (b) be fair to consumers in importing countries; (c) be in reasonable relationship to prices of other commodities; and (d) make appropriate allowance for exchange rates and transportation costs.

3. Should the Council so decide, the basic minimum and maximum prices of wheat and the schedules of prices equivalent thereto shall be adjusted at monthly or other intervals to allow for carrying charges.

4. The Governments of Argentina, Australia, Canada, and the United States of America shall not, after the coming into force of paragraph 1 of this Article, sell or permit the sale of wheat for export, or to millers for producing flour for export, at prices below the minimum equivalents fixed by the Council under paragraph 1 or 3 of this Article.

5. The Governments of Argentina, Australia, Canada, and the United States of America shall ensure that wheat for export is at all times on sale at f.o.b. prices not in excess of the maximum equivalents fixed by the Council under paragraph 1 or 3 of this Article.

ARTICLE VI (RELIEF POOL)

1. The Governments of Argentina, Australia, Canada, the United Kingdom, and the United States of America shall establish a pool of wheat which will be available for intergovernmental relief in war-stricken countries and other necessitous areas of the world, where circumstances in the view of those Governments make such relief practicable.

2. The Governments of Canada, the United Kingdom, and the United States of America shall give to the pool, as and when required by the Council, 25, 25, and 50 million bushels respectively of wheat, or its equivalent in whole or part in flour, f.o.b. seaboard port in the country of origin.

3. The Governments of Argentina, Australia, Canada, and the United States of America shall, as and when required by the Council, give to the pool in addition to the contributions prescribed in paragraph 2 of this Article, a quantity of wheat or its equivalent in whole or part in flour, f.o.b. seaboard port, to be determined by them in consultation with the Council and on such basis as may be agreed among them.

4. The Council shall be responsible for the administration of the relief pool, and shall, wherever possible, arrange for the distribution of relief wheat through such intergovernmental relief body as may be set up and given general responsibility for the distribution of relief. Should the Council decide to make relief wheat or flour available to any necessitous area in which the intergovernmental relief body has not the organization necessary for the distribution of such wheat or flour, the Council shall arrange with the appropriate authorities to distribute such wheat or flour in that area. Any arrangements for the distribution of relief wheat shall be such as to minimize, so far as the provision of sufficient relief permits, the reduction of the effective demand for wheat on sale.

5. The United Kingdom Government may, if so agreed by the Council after consultation with the intergovernmental relief body, contribute transportation of

relief wheat or flour in lieu of part or all of its contribution under paragraph 2 of this Article.

6. Any contributing Government shall, if the Council after consultation with the intergovernmental relief body so requests, and upon such terms of replacement as may be agreed with the Council, make, pending the arrival of contributions by other Governments, advances of such wheat or flour as that Government may consider practicable to release for immediate relief.

7. Should the Council consider or be advised by the intergovernmental relief body that the quantity of relief wheat contributed under paragraphs 2, 3 and 5 of this Article appears likely to prove insufficient, the Council shall make recommendations to the contracting Governments regarding additional contributions.

8. The Council shall instruct the Executive Committee (a) to facilitate the transfer of relief wheat and flour from the national wheat-handling organizations of the contributing Governments to the intergovernmental relief body; (b) to maintain effective liaison between the national wheat-handling and shipping organizations of the contributing Governments and international shipping and transport controls; and (c) generally to consult with the intergovernmental relief body regarding all transactions relating to the relief pool.

9. Should the Council receive, at any time after the completion of the relief to which the provisions of paragraphs 1 to 8 of this Article relate, an appeal for relief wheat or flour from any Government to relieve famine in any area within the jurisdiction of that Government, the Council shall investigate the possibilities of meeting such an appeal and report to the contracting Governments its findings together with its recommendations.

ARTICLE VII (THE COUNCIL)¹

1. This Agreement shall be administered by an International Wheat Council consisting of one or more delegates of each contracting Government.

2. The Council shall have the powers specifically assigned to it under the Agreement and such other powers as are necessary for the effective operation of the Agreement and for the carrying out of its provisions.

3. The Council may, by unanimity of the votes cast, delegate the exercise of any of its powers or functions to such persons or bodies as it thinks fit.

4. The Council shall elect, for such periods and upon such conditions as it may determine, a Chairman and a Vice-Chairman, who need not be delegates of contracting Governments.

5. The Council shall appoint a Secretary and such other employees as it considers necessary and determine their powers, duties, compensation and duration of employment.

6. The seat of the Council shall be in London unless the Council should otherwise determine.

7. The Council shall meet in January and August of each year and at such other times as it may determine. The Chairman shall convene a meeting of the Council if so requested (a) by the Executive Committee; or (b) by the delegates of five contracting Governments; or (c) by the delegates of contracting Governments with a total of not less than votes.

8. Notices of all meetings shall be dispatched so as to ensure receipt by delegations of contracting Governments at least fourteen days in advance of the date fixed for the meeting.

¹ This Article to be expanded, when further international consideration of the subject is possible, to include provisions for voting.

9. Any contracting Government may designate the delegation of any other contracting Government to represent it and to vote on its behalf at any meeting of the Council or on any particular question. The terms of any such delegation of authority shall be communicated in writing by the delegating Government to the Chairman of the Council.

10. The Council may take decisions, without holding a meeting, by correspondence between the Chairman and the delegations of the contracting Governments, unless any delegation objects. Any decisions so taken shall be communicated forthwith to all the delegations and shall be recorded in the Minutes of the next meeting of the Council.

11. The Council shall make at the earliest practicable date all possible arrangements with international shipping controls to facilitate the exportation of wheat.

12. The Council shall instruct the Executive Committee (a) to co-operate with bodies engaged in the task of improving human nutrition; (b) to investigate the possibilities of increasing wheat consumption; and (c) to examine and report upon any proposals made to the Council by any contracting Government designed to facilitate the attainment of the objectives of the Agreement.

13. The Council shall ascertain and make public the carry-over of wheat in Argentina, Australia, Canada and the United States of America at the end of each of their respective crop-years.

14. The Council shall, upon the request of any contracting Government of an exporting country, investigate the possibility of meeting the needs of that country for wheat storage facilities to maintain in a good state of preservation such stocks of wheat as may accumulate prior to the coming into force of Article IV. The Council shall report to the contracting Governments its findings together with its recommendations.

15. The Council shall at its regular August meeting make and publish, with such detail as it considers desirable, an estimate of the total volume of international trade in wheat and flour in the current quota-year and shall from time to time review that estimate and publish such revised estimates as it may make.

16. The Council shall publish an annual report on the operation of the Agreement which shall include a summary of relevant statistics and such other material as the Council may determine. The Council may authorize the publication of such other reports as it considers appropriate. Reports shall be published in English and in any other languages that the Council may determine.

17. Pending the establishment of the Executive Committee under Article VIII, the Council shall itself perform the functions assigned by the Agreement to that Committee.

18. The Council may arrange to take over the assets and liabilities of the Wheat Advisory Committee upon the dissolution of that body on such terms as may be agreed with it.

ARTICLE VIII (THE EXECUTIVE COMMITTEE)

1. The Council shall, when it considers it desirable to do so, establish an Executive Committee which shall work under its general direction.

2. The Chairman of the Executive Committee shall be appointed by the Council for such period and upon such conditions as it may determine. He need not be a delegate of a contracting Government to the Council or a member of the Committee.

3. The Secretary of the Council shall be the Secretary of the Executive Committee.

4. In addition to the specific duties for which provision is made in this Agreement, the Executive Committee shall be charged with the general duty of keeping

under review the working of the Agreement and of reporting to the Council from time to time on the manner in which the provisions of the Agreement are being carried out.

5. The Executive Committee may be convened at any time by its Chairman.

6. The decisions of the Executive Committee shall be taken by a simple majority of the total votes held by its members.

ARTICLE IX (REPORTS TO THE COUNCIL)

1. Each contracting Government shall make to the Council such reports as the Council may from time to time request on the action which that Government has taken to carry out the provisions of this Agreement.

2. Each contracting Government shall upon request telegraph each month to the Council the gross exports and gross imports of wheat and of wheat flour from and into its territories in the preceding month, and shall supply such other information as the Council may from time to time request for the purposes of the Agreement.

ARTICLE X (FINANCE)

1. The contracting Governments shall share proportionally to the votes which they hold in the Council any expenses incurred by the Council in administering this Agreement.

2. The Council shall at its first meeting approve its budget for the period prior to the first day of the month of August after its first regular January meeting and assess the contribution to be paid by each contracting Government for that period.

3. The Council shall at each regular January meeting approve its budget for the following August-July period and assess the contribution to be paid by each contracting Government for that period.

4. The initial contribution of any Government acceding to the Agreement after the first meeting of the Council shall be assessed proportionally to the number of its votes in the Council and to the number of full months between its accession and the beginning of the first August-July period for which it is assessed under the provisions of paragraph 3 of this Article, but the assessments already made upon other Governments shall remain unaltered.

5. The Council shall publish an audited statement of all moneys received and paid out during the period referred to in paragraph 2 of this Article and during each August-July period thereafter.

6. Consideration shall be given by each contracting Government to the possibility of according to the funds of the Council and to the salaries paid by the Council to its employees who are nationals of other countries treatment in respect of taxation and of foreign exchange control no less favourable than that accorded by such Government to the funds of any other Government and to salaries paid by any other Government to any of its accredited representatives who are its nationals.

7. The Council shall determine the disposal, on the termination of the Agreement, of any funds which remain after meeting its obligations.

ARTICLE XI (DATE UPON WHICH THE AGREEMENT COMES INTO FORCE)¹

ARTICLE XII (DURATION OF THE AGREEMENT)

This Agreement shall remain in force for four years after the last day of the month of July following the date upon which it comes into force. The Council shall inquire of the contracting Governments at least six months before the Agreement

¹ The Text of this article to be determined when further international consideration of the subject is possible.

INTERNATIONAL WHEAT AGREEMENTS

is due to expire whether they desire to continue it and shall report to the contracting Governments the results of such inquiry together with its recommendations.

ARTICLE XIII (RELATION TO OTHER AGREEMENTS)

1. So long as this Agreement remains in force it shall prevail over any provisions inconsistent therewith which may be contained in any other agreement previously concluded between any of the contracting Governments.

2. Should any contracting Government be party to an agreement with a non-contracting Government containing any provision inconsistent with this Agreement, that contracting Government shall take all reasonable steps to procure the necessary amendment of such agreement at the earliest date which it deems practicable.

ARTICLE XIV (ACCESSIONS)

This Agreement shall at any time be open to accession by the Government of any country on the terms contained therein so far as they are applicable to that Government and on such other terms not inconsistent therewith as may be agreed with the Council. It shall accede as the Government either of an exporting country or of an importing country as may be agreed with the Council, and if it accedes as the Government of an exporting country it shall have such basic export quota as may be agreed with the Council.

ARTICLE XV (WITHDRAWALS)

1. The contracting Government of any country which considers its national security endangered as a result of hostilities may apply to the Council for the suspension of any of its obligations under Articles II, III, IV and V of this Agreement. If the application is not granted within 30 days after the date thereof, such Government may, within 15 days after the end of that period, withdraw from the Agreement on written notice to the Council.

2. If it is shown to the satisfaction of the Council that the Government of Argentina, of Australia, of Canada or of the United States of America has failed to carry out its obligations under paragraph 1 of Article IV or paragraph 4 of Article V, the contracting Government of any exporting country may within 90 days withdraw from the Agreement on 30 days' written notice to the Council.

3. If the Government of Argentina, of Australia, of Canada or of the United States of America withdraws from the Agreement, the Agreement shall thereupon terminate, unless the Council, by three-fourths of the total votes held in the Council, decides to maintain the Agreement with whatever modifications it may deem necessary.

ARTICLE XVI (TERRITORIES)

1. The rights and obligations under this Agreement of the Government of Argentina apply to the Customs territory thereof; those of the Government of Australia to Australia and her territories; those of the Government of Canada to the Customs territory thereof; those of the Government of the United Kingdom of Great Britain and Northern Ireland to Great Britain and Northern Ireland; and those of the Government of the United States of America to the Customs territory thereof.

2. In the event of the Government of any other country acceding to the Agreement under Article XIV, the Council shall agree with the said acceding Government as to the territories to which the rights and obligations of the said acceding Government under the Agreement shall apply.

ARTICLE XVII (DEFINITIONS)

For the purposes of this Agreement:—

1. 'Bushel' means sixty pounds avoirdupois.
2. 'Carrying charges' means the costs incurred for storage, interest and insurance in holding wheat.
3. 'Carry-over' means the aggregate of the stocks in any country, as ascertained by the Council under paragraph 13 of Article VII, of old wheat at the end of the crop-year held (a) in all elevators, warehouses and mills, (b) in transit or at railroad sidings, and (c) on farms, except that, in the case of Canada, 'carry-over' means in addition the stocks of wheat of Canadian origin held in bond in the United States of America.
4. 'Council' means the International Wheat Council for which provision is made in Article VII.
5. 'Crop-year' means, in respect of Argentina and Australia, the period from the 1st December to the 30th November; in respect of Canada the period from the 1st August to the 31st July; and in respect of the United States of America, the period from the 1st July to the 30th June.
6. 'Domestic requirements' means all use of wheat and flour during any crop-year within the territories of each contracting Government for human and animal consumption, for industrial purposes, and for seed, and waste.
7. 'Equivalent' with reference to the measurement of flour in terms of wheat, means a quantity calculated in the ratio of such number of pounds of flour to 100 pounds of wheat as the Council shall determine.
8. 'Executive Committee' means the Executive Committee established by the International Wheat Council under Article VIII.
9. 'Exporting country' means Argentina, Australia, Canada, the United States of America or any country that may accede as such to the Agreement under Article XIV.
10. 'Export quota' means basic export quota, together with any secondary or supplementary export quota allocated under Article IV.
11. 'Extraordinary use' means use which the Council is satisfied would not have taken place but for the governmental measures referred to in paragraph 6 of Article III.
12. 'Gross exports' means the total quantity of wheat, including flour expressed in terms of its wheat equivalent, shipped from the territories of any Government, except that in the case of Canada 'gross exports' means the overseas clearances of Canadian wheat from seaboard ports in Canada and the United States of America, plus imports of wheat from Canada into the United States of America for consumption and for milling in bond, plus flour expressed in terms of its wheat equivalent shipped from Canadian territories.
13. 'Gross imports' means the total quantity of wheat, including flour expressed in terms of its wheat equivalent, imported into the territories of any Government.
14. 'Importing country' means the United Kingdom or any country that may accede as such to the Agreement under Article XIV.
15. 'Net exports' means gross exports minus gross imports.
16. 'Net imports' means gross imports minus gross exports.
17. 'New crop' means wheat harvested not more than two months prior to the beginning of the current crop-year.
18. 'Old wheat' means wheat harvested more than two months prior to the beginning of the current crop-year.

19. 'Quota-year' means the period ending the 31st July following the date upon which the Agreement comes into force, and thereafter the period from the 1st August to the 31st July.

20. 'Seaboard port' means any sea or river port at which a sea-going ship of 6,000 tons gross can load.

21. 'Shipped' means transported in any manner.

22. 'Territories' means territory, or group of territories, to which the rights and obligations of the Agreement apply in accordance with the provisions of Article XVI.

23. 'The beginning of the seeding period for the next harvest' means in respect of Argentina, the 1st May; in respect of Australia and Canada, the 1st April; and in respect of the United States of America, the 1st September.

24. 'Total volume of international trade in wheat and flour' means the aggregate of the net export from each country of the world.

25. 'Wheat Advisory Committee' means the Committee established under the Final Act of the Conference of Wheat Exporting and Importing Countries held in London at the Offices of the High Commissioner for Canada, from the 21st-25th August, 1933.

26. 'Yield' means quantity of production per unit of sown area.

3. INTERNATIONAL WHEAT AGREEMENT, WASHINGTON, 6 MARCH 1948

PREAMBLE

The Governments on whose behalf this Agreement has been signed,
Recognising that there is now a serious shortage of wheat, and that later there may be a serious surplus;

Believing that the high prices resulting from the present shortage and the low prices which would result from a future surplus are harmful to their interests, whether they are producers or consumers of wheat; and

Concluding therefore that their interests, and the general interest of all countries in economic expansion, require that they should co-operate to bring order into the international wheat market,

Have agreed as follows:—

ARTICLE I

Objectives

The objectives of this Agreement are to assure supplies of wheat to importing countries and to assure markets to exporting countries at equitable and stable prices.

ARTICLE II

Rights and Obligations of Importing and Exporting Countries

1. The quantity of wheat prescribed in Annex I to this Article for each importing country shall be called that country's 'guaranteed purchases' and shall represent the quantity of wheat which the International Wheat Council established by Article XI:—

- (a) may, in accordance with the provisions of paragraph 2 of Article IV, require that country to purchase at the minimum prices specified in or determined under the provisions of Article VI for shipment during the current crop-year from the exporting countries; or
- (b) may, in accordance with the provisions of paragraph 1 of Article IV, require the exporting countries to sell to that country at the maximum prices specified in or determined under the provisions of Article VI for shipment during the current crop-year.

ANNEX I TO ARTICLE II

Guaranteed Purchases

(Thousands of metric tons)*

	<i>August-July</i>					<i>Approximate equivalent in thousands of bushels</i>
	<i>1948-9</i>	<i>1949-50</i>	<i>1950-1</i>	<i>1951-2</i>	<i>1952-3</i>	
Afghanistan	20	20	20	20	20	735
Austria	510	510	510	510	510	18,739
Belgium	650	650	650	650	650	23,883
Brazil	525	525	525	525	525	19,290
China	400	400	400	400	400	14,697
Colombia	60	60	60	60	60	2,205
Cuba	225	225	225	225	225	8,267
Czechoslovakia	30	30	30	30	30	1,102
Denmark	40	40	40	40	40	1,470
Dominican Republic	20	20	20	20	20	735
Ecuador	30	30	30	30	30	1,102
Egypt	190	190	190	190	190	6,981
French Union and Saar	975	975	975	975	975	35,824
Greece	510	510	510	510	510	18,739
Guatemala	10	10	10	10	10	367
India	750	750	750	750	750	27,557
Ireland	360	360	360	360	360	13,227
Italy	1,000	1,000	1,000	1,000	1,000	36,743
Lebanon	75	75	75	75	75	2,756
Liberia	1	1	1	1	1	37
Mexico	200	200	200	200	200	7,349
Netherlands	835	835	835	835	835	30,680
New Zealand	150	150	150	150	150	5,511
Norway	205	205	205	205	205	7,532
Peru	110	110	110	110	110	4,042
Philippines	170	170	170	170	170	6,246
Poland	30	30	30	30	30	1,102
Portugal	120	120	120	120	120	4,409
South Africa	175	175	175	175	175	6,430
Sweden	75	75	75	75	75	2,756
Switzerland	200	200	200	200	200	7,349
United Kingdom	4,897	4,897	4,897	4,897	4,897	179,930
Venezuela	60	60	60	60	60	2,205
Total (33 countries)	13,608	13,608	13,608	13,608	13,608	499,997

* Without prejudice to the preference of any country for imported flour of any extraction rate, all imports of wheat-flour registered by the Council as part of the guaranteed purchases shall, unless the Council should otherwise determine, be computed at 72 metric tons of flour to 100 metric tons of wheat.

2. The quantity of wheat prescribed in Annex II to this Article for each exporting country shall be called that country's 'guaranteed sales' and shall represent the quantity of wheat which the Council:—

- (a) may, in accordance with the provisions of paragraph 1 of Article IV, require that country to sell at the maximum prices specified in or determined under the provisions of Article VI for shipment during the current crop-year to the importing countries; or
- (b) may, in accordance with the provisions of paragraph 2 of Article IV, require the importing countries to purchase from that country at the minimum prices specified in or determined under the provisions of Article VI for shipment during the current crop-year.

3. In the event of any country listed in Annex I to Article II (a) not signing or (b) not formally accepting or (c) withdrawing from or (d) being declared in default of this Agreement, the guaranteed purchases of such country shall be redistributed by the Council to those importing countries which desire to guarantee additional purchases. The redistribution to such countries shall be *pro rata* to their existing guaranteed purchases, unless the Council should otherwise decide by a simple majority of the exporting and importing countries voting separately. Should the additional purchases which contracting importing countries desire to guarantee be less than the guaranteed purchases of the countries referred to in (a), (b), (c), and (d) above, the Council shall reduce *pro rata* the figures in Annex II to Article II by the amount necessary to make the total of them equal to the total of the figures in Annex I to Article II.

4. The Council may at any meeting approve an increase in any figure or figures in either Annex if an equal increase is simultaneously made in a figure or figures for the same crop-year or crop-years in the other Annex, provided that the representatives of the exporting and importing countries whose figures may thereby be changed concur.

ANNEX II TO ARTICLE II

Guaranteed Sales

(Thousands of metric tons)*

	<i>August-July</i>					<i>Millions of bushels</i>
	<i>1948-9</i>	<i>1949-50</i>	<i>1950-1</i>	<i>1951-2</i>	<i>1952-3</i>	
Australia	2,313	2,313	2,313	2,313	2,313	85
Canada	6,260	6,260	6,260	6,260	6,260	230
United States of America†	5,035	5,035	5,035	5,035	5,035	185
Total	13,608	13,608	13,608	13,608	13,608	500

* Including wheat-flour in terms of wheat computed at 72 metric tons of flour to 100 metric tons of wheat, unless otherwise determined by the Council.

† In the event of the provisions of paragraph 1 of Article V being invoked by reason of a short crop it will be recognized that these guaranteed sales do not include the minimum requirements of wheat of any Occupied Area for which the United States of America has, or may assume, supply responsibility, and that the necessity of meeting these requirements will be one of the factors considered in determining the ability of the United States of America to deliver its guaranteed sales under this Agreement.

ARTICLE III

Reports to the Council

1. The Council shall keep a record of those transactions in wheat which are part of the guaranteed quantities in Annexes I and II to Article II. The difference between the guaranteed quantity of each country and the total of the quantities so recorded with respect to that country by the Council shall be called the 'unfilled guaranteed quantity' of that country.

2. The Council shall record as part of the guaranteed quantity of the importing and the exporting country concerned any transaction, or part of a transaction, in wheat between a contracting exporting and a contracting importing country:—

- (a) if it is at a price not higher than the maximum nor lower than the minimum specified in or determined under the provisions of Article VI; and
- (b) if it has resulted, or in the opinion of the Council will result, in the shipment from the exporting country during the current crop-year of the wheat contracted for; and
- (c) if the unfilled guaranteed quantities of the exporting and the importing countries concerned are not less than the transaction or part of the transaction referred to.

In reporting their transactions in wheat to the Council under this Article, the importing and exporting countries may be required by the Council to specify the amounts included in the buying and selling prices to cover carrying charges and marketing costs.

3. The Council shall also record as part of the guaranteed quantities of the exporting and importing countries concerned those transactions which are carried out in accordance with the provisions of Article IV.

4. If the exporting and the importing countries concerned in a particular transaction in wheat-flour inform the Council that they are agreed that the price of such wheat-flour is consistent with the provisions of Article VI, the transaction shall be recorded by the Council as part of the guaranteed quantities of those countries if the other conditions laid down in this Article are fulfilled. In the event of the exporting and importing countries concerned being unable to agree that the price of such wheat-flour is consistent with the provisions of Article VI, they shall so inform the Council which shall decide the issue. Should the Council decide that the price of such wheat-flour is consistent with the provisions of Article VI, its wheat equivalent shall be recorded against the guaranteed sales and the guaranteed purchases of the exporting and importing countries concerned. Should the Council decide that the price of such wheat-flour is inconsistent with the provisions of Article VI, its wheat equivalent shall not be so recorded.

5. In order to safeguard the rights of exporting countries under the guarantees of purchases and the rights of importing countries under the guarantees of sales, the Council shall determine the factors to be taken into account in devising its records, which shall ensure:—

- (a) that the registration of transactions is made in the same chronological order as they are reported to the Council; and
- (b) that upon the fulfilment of any exporting country's rights by the registration of the total of the purchases guaranteed to it and upon the fulfilment of any importing country's rights by the registration of the total of the sales guaranteed to it, any further purchases or sales by such countries shall not be entered in the record referred to in paragraph 1 of this Article.

Upon the fulfilment of the rights referred to in (b) above the Secretary of the Council shall immediately notify all contracting exporting and importing countries, so that they may be informed of the position and consider its effect on contemplated transactions.

6. The importing and exporting countries shall report to the Council such information as it may request regarding imports and purchases for import of wheat into their territories and exports and sales for export of wheat from their territories.

7. The Council shall prescribe the records which shall be kept of the transactions reported in accordance with the provisions of paragraph 6 of this Article.

8. The Council shall also prescribe the manner in which any wheat purchased by a contracting importing country from a contracting exporting country which is later resold to another contracting importing country may, by agreement of the contracting importing countries concerned, be recorded against the obligations and rights of the contracting importing country to which the wheat is finally resold.

9. The Council shall prescribe the degree of tolerance which shall be permitted exporting and importing countries in fulfilling their obligations.

10. The Council shall circulate to each member country a monthly statement compiled from the records kept in accordance with the provisions of this Article and may, from time to time, publish such information as it deems fit.

11. Each contracting Government shall supply, within the time prescribed by the Council, such other information as the Council may, from time to time, request in connexion with the administration of this Agreement.

ARTICLE IV

Enforcement of Rights

1. Any importing country which at any time finds difficulty in purchasing its guaranteed quantity at the maximum price specified in or determined under the provisions of Article VI may request the Council's help in securing the desired supplies. Within 3 days of the receipt of such a request the Secretary of the Council shall notify those exporting countries which have unfilled guaranteed quantities of the amount of the unfilled guaranteed quantity of the importing country which has requested the Council's help and invite them to offer wheat at the maximum prices specified in or determined under the provisions of Article VI. If within 14 days of such notification the whole of its guaranteed quantity, or such part thereof as in the opinion of the Council is reasonable at the time the application is made, has not been offered, the Council, having regard to all the circumstances which the exporting and the importing countries may wish to submit for consideration, shall as soon as possible, and in any event within 7 days, indicate the quantities of wheat and/or wheat-flour which it is appropriate for each or any of the exporting countries to sell, and the country or countries so indicated shall within 30 days of the Council's decision make the quantities so indicated available at prices consistent with the maximum prices specified in or determined under the provisions of Article VI. In the event of disagreement between the exporting and importing countries concerned on the relation of the price of the wheat-flour in question to the maximum prices of wheat specified in or determined under the provisions of Article VI the matter shall be referred to the Council for decision.

2. Any exporting country which at any time finds difficulty in selling its guaranteed quantity at the minimum price specified in or determined under the provisions of Article VI may request the Council's help in making the desired sales. Within 3 days of the receipt of such a request the Secretary of the Council shall notify those importing countries which have unfilled guaranteed quantities of the amount

of the unfilled guaranteed quantity of the exporting country which has requested the Council's help and invite them to purchase wheat at the minimum prices specified in or determined under the provisions of Article VI. If within 14 days of such notification the whole of its guaranteed quantity, or such part thereof as in the opinion of the Council is reasonable at the time the application is made, has not been purchased, the Council, having regard to all the circumstances which the exporting and the importing countries may wish to submit for consideration, shall as soon as possible, and in any event within 7 days, indicate the quantities of wheat and/or wheat-flour which it is appropriate for each or any of the importing countries to purchase, and the country or countries so indicated shall within 30 days of the Council's decision purchase for shipment the quantities so indicated at prices consistent with the minimum prices specified in or determined under the provisions of Article VI. In the event of disagreement between the exporting and importing countries concerned on the relation of the price of the wheat-flour in question to the minimum prices of wheat specified in or determined under the provisions of Article VI the matter shall be referred to the Council for decision.

3. Unless otherwise agreed between the countries concerned, contracting exporting and importing countries shall carry out their obligations under this Agreement with respect to guaranteed sales and purchases on the same conditions 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 fulfil 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 representations are not well founded it shall so advise that country and request it to carry out its obligations. Should any contracting Government subsequently allege that the country concerned has not carried out its obligations the Council shall apply the procedure prescribed in paragraph 3 of Article XIII.

6. If, in order to meet a critical need which has arisen or threatens to arise, a contracting Government should appeal to the Council for assistance in obtaining supplies of wheat in addition to its guaranteed quantity, the Council may, by two-thirds of the votes held by the Governments of importing countries and by two-thirds of the votes held by the Governments of exporting countries, reduce the guaranteed import quantities of the other contracting importing countries for the current crop-year, on a *pro rata* basis, by an amount sufficient to provide the quantity of wheat which the Council determines to be necessary to relieve the emergency created by the critical need, provided that the Council agrees that such emergency cannot be met in any other manner.

ARTICLE VI

Prices

1. The basic minimum and maximum prices for the duration of this Agreement shall be:—

	<i>Minimum</i>	<i>Maximum</i>
	\$	\$
1948-9	1.50	2.00
1949-50	1.40	2.00
1950-1	1.30	2.00
1951-2	1.20	2.00
1952-3	1.10	2.00

Canadian currency per bushel at the parity for the Canadian dollar, determined for the purposes of the International Monetary Fund as at 1st February, 1948, for No. 1 Manitoba Northern wheat in store Fort William/Port Arthur. The basic minimum and maximum prices, and the equivalents thereof hereafter referred to, shall exclude such carrying charges and marketing costs as may be agreed between the buyer and the seller.

2. At sessions of the Council to be held not later than July 1950, July 1951, and July 1952 respectively, the Council may by a two-thirds majority of the votes held by the exporting and importing countries voting separately determine minimum and maximum prices for the crop-years 1950-1, 1951-2, and 1952-3 respectively, the minimum price so determined not to be lower than the minimum price and the maximum price so determined not to exceed the maximum price for the crop-year in question specified in paragraph 1 of this Article. Minimum and maximum prices so determined shall be effective for the crop-year in question and shall supersede the prices specified for that crop-year in paragraph 1 of this Article. In determining minimum and maximum prices in accordance with the provisions of this paragraph the Council shall examine all the factors and circumstances which it may consider relevant. In the event of the Council not determining minimum and maximum prices for any one of the crop-years 1950-1, 1951-2, and 1952-3 the minimum and maximum prices for such crop-year specified in paragraph 1 of this Article shall remain in force.

3. The equivalent maximum prices for bulk wheat for:—

- (a) No. 1 Manitoba Northern wheat in store Vancouver shall be the maximum prices for No. 1 Manitoba Northern wheat in store Fort William/Port Arthur specified in paragraph 1 or determined under the provisions of paragraph 2 of this Article;
- (b) f.a.q. wheat f.o.b. Australia shall be whichever is the lower of:—
 - (i) the maximum prices for No. 1 Manitoba Northern wheat in store Fort William/Port Arthur specified in paragraph 1 or determined under the provisions of paragraph 2 of this Article converted in the currency of Australia at the prevailing rate of exchange; or
 - (ii) the prices f.o.b. Australia equivalent to the c.i.f. prices in the country of destination of the maximum prices of No. 1 Manitoba Northern wheat in store Fort William/Port Arthur specified in paragraph 1 or determined under the provisions of paragraph 2 of this Article, computed by using currently prevailing transportation costs and exchange rates, and in those importing countries where a quality differential is recognised by making such allowance for difference in quality as may be mutually agreed by the importing and exporting countries concerned;
- (c) No. 1 Hard Winter wheat f.o.b. Gulf/Atlantic ports of the United States of America shall be the prices equivalent to the c.i.f. prices in the country of destination of the maximum prices of No. 1 Manitoba Northern wheat in store Fort William/Port Arthur specified in paragraph 1 or determined under the provisions of paragraph 2 of this Article, computed by using currently prevailing transportation costs and exchange rates and by making such allowance for difference in quality as may be mutually agreed by the importing and exporting countries concerned; and
- (d) No. 1 Soft White/No. 1 Hard Winter wheat f.o.b. Pacific ports of the United States of America shall be the maximum prices for No. 1 Manitoba Northern wheat in store Fort William/Port Arthur specified in paragraph 1 or determined under the provisions of paragraph 2 of this Article converted into the currency of the United States of America at the prevailing rate of exchange, making such allowance for difference in quality as may be mutually agreed by the importing and exporting countries concerned.

4. The equivalent minimum prices for bulk wheat for:—

- (a) No. 1 Manitoba Northern wheat in store Vancouver;
- (b) f.a.q. wheat f.o.b. Australia;
- (c) No. 1 Hard Winter wheat f.o.b. Gulf/Atlantic ports of the United States of America; and
- (d) No. 1 Soft White/No. 1 Hard Winter wheat f.o.b. Pacific ports of the United States of America

shall be:

the prices in store Vancouver, f.o.b. Australia, f.o.b. United States of America Gulf/Atlantic ports or f.o.b. United States of America Pacific ports equivalent to the c.i.f. prices in the United Kingdom of Great Britain and Northern Ireland of the minimum prices of No. 1 Manitoba Northern wheat in store Fort William/Port Arthur specified in paragraph 1 or determined under the provisions of paragraph 2 of this Article, computed by using currently prevailing transportation costs and exchange rates, and in those importing countries where a quality differential is recognised by making such allowance for difference in quality as may be mutually agreed by the importing and exporting countries concerned.

5. The Executive Committee, elected in accordance with the provisions of Article XIV, may in consultation with the Standing Technical Advisory Committee on Price Equivalents, established in accordance with the provisions of Article XV, at any date subsequent to 1st August, 1948, designate any description of wheat other than those specified in paragraphs 3 and 4 above, and determine the minimum and maximum price equivalents thereof, provided that in the case of any other description of wheat, where the price equivalents have not yet been determined, the minimum and maximum prices for the time being shall be derived from the minimum and maximum prices of the description of wheat specified in this Article or subsequently designated by the Executive Committee, in consultation with the Standing Technical Advisory Committee on Price Equivalents, which is most closely comparable to such other description, by the addition of an appropriate premium or by the deduction of an appropriate discount.

6. The Executive Committee if at any time it considers, or if it receives representations from any contracting Government, that the prices established under the provisions of paragraphs 3 and 4 of this Article, or any prices determined under the provisions of paragraph 5 of this Article are no longer, in the light of current transportation or exchange rates or market premiums or discounts, fair equivalents of the prices specified in paragraph 1 or determined under the provisions of paragraph 5 of this Article may, in consultation with the Standing Technical Advisory Committee on Price Equivalents, adjust them accordingly.

7. The Executive Committee, in consultation with the Standing Technical Advisory Committee on Price Equivalents, shall determine the appropriate premium or discount in the event of a dispute arising regarding any description of wheat specified in paragraphs 3 and 4 or established under the provisions of paragraphs 5 and 6 of this Article.

8. All decisions of the Executive Committee under the provisions of paragraphs 5, 6, and 7 of this Article shall be binding on all contracting Governments, provided that any contracting Government which considers that any such decision is disadvantageous to it may ask that a session of the Council be convened to review that decision.

9. In order to encourage and expedite the conclusion of transactions in wheat between exporting and importing countries at prices mutually acceptable in the

light of all current circumstances, the contracting Governments, while reserving to themselves complete liberty of action in the determination and administration of their internal agricultural and price policies, undertake not to operate those policies in such a way as to impede the free movement of prices between the maximum price and the minimum price in respect of transactions in wheat into which the contracting Governments are prepared to enter. Should any contracting Government consider that it is suffering hardship as the result of action contrary to this undertaking by another contracting Government, it may draw the attention of the Council to the matter and the Council shall inquire into and make a report on the complaint.

ARTICLE VII

Additional Purchases or Sales

Should the assistance of the Council be requested by (a) any contracting importing country desiring to make purchases in addition to its guaranteed purchases or (b) any contracting exporting country desiring to make sales in addition to its guaranteed sales, the Council may, having regard to all the circumstances of the case, use its good offices in assisting such country to make such additional purchases from contracting exporting countries or such additional sales to contracting importing countries.

ARTICLE VIII

Sales for Nutritional Programmes

Any exporting country may export wheat at special prices in such quantities and for such periods and under such conditions as may be approved by the Council, but the Council shall not give its approval unless it is satisfied that the full commercial demand of the importing countries will be met throughout the period in question at not more than the current minimum price specified in or determined under the provisions of Article VI. Such exports of wheat shall be utilised in nutritional programmes approved by the Food and Agriculture Organisation. The rights and obligations of the contracting Governments under the other provisions of this Agreement shall not be modified by virtue of such exports at special prices.

ARTICLE IX

Stocks

1. The exporting countries shall ensure that stocks of old wheat held at the end of their respective crop-years (excluding price stabilisation reserves) are not less than the quantities specified in the Annex to this Article; provided that such stocks may be permitted to fall below the minimum so specified if the Council decides that this is necessary in order to provide the quantity of wheat needed to meet either the domestic requirements of the exporting countries or the import requirements of the importing countries.

2. The contracting exporting countries and those contracting importing countries which are not recognised by the Council as predominantly importers of flour shall operate price stabilisation reserves up to 10 per cent. of their respective guaranteed quantities for each crop-year specified in the Annexes to Article II, subject to the following conditions:—

- (a) the total of the price stabilisation reserves operated by the exporting countries shall so far as possible be equal to the total of the price stabilisation reserves operated by the importing countries, unless the Council, in order to meet special circumstances of any particular exporting or importing country, should otherwise decide;

INTERNATIONAL WHEAT AGREEMENTS

- (b) price stabilisation reserves shall be accumulated first by the contracting exporting countries;
- (c) contracting importing countries shall be required to fill their price stabilisation reserves only upon the request of those contracting exporting countries which have filled their price stabilisation reserves; when so required any contracting importing country shall purchase at free-market prices from those contracting exporting countries which have filled their price stabilisation reserves an amount of wheat, in addition to its guaranteed purchases, not greater than one-tenth of the guaranteed quantity prescribed for that country in Annex I to Article II;
- (d) subject to the provisions of (b) and (c) above, contracting exporting and contracting importing countries shall accumulate price stabilisation reserves as soon and so long as free-market prices are below the lowest basic minimum price prescribed in paragraph 1 of Article VI; and
- (e) contracting exporting and contracting importing countries shall sell or utilise their price stabilisation reserves as soon and so long as free-market prices are above the basic maximum price prescribed in paragraph 1 of Article VI.

ANNEX TO ARTICLE IX

<i>Country</i>	<i>Millions of Bushels</i>
Australia	25*
Canada	70*
United States of America	170†

* Excluding farm stocks.

† Including farm stocks.

ARTICLE X

Territorial Application

This includes all the countries (plus colonies and dependencies) named in Annexes I and II to Article II.

ARTICLE XI

The Council

1. An International Wheat Council is hereby established. Each contracting Government shall be a member of the Council and may appoint one Delegate and one Alternate, who may be accompanied by such Advisers as it deems necessary. The Food and Agriculture Organisation and the International Trade Organisation may each nominate to the Council one non-voting representative. The Interim Co-ordinating Committee for International Commodity Arrangements, established by the Economic and Social Council of the United Nations, may during its existence nominate to the Council one non-voting representative.

2. The Government of any country which the Council recognises as an irregular exporter or an irregular importer may become a non-voting member of the Council provided that it accepts the obligations prescribed in paragraph 6 of Article III and agrees to pay the membership fee determined by the Council. The Government of any such country may become a voting member of the Council under the provisions of Article XXI.

3. Each contracting Government undertakes to accept as binding all decisions of the Council under the provisions of this Agreement.

4. The Council shall elect each year, in conformity with its rules of procedure, a Chairman and a Vice-Chairman. The Chairman shall have no vote.

5. The Council shall appoint a Secretary and such staff as it considers necessary and shall determine their remuneration and duties. In selecting them and in fixing the terms and conditions of their employment, the Council shall have regard to the practice of the specialised agencies of the United Nations.

6. The Council shall meet at least once during each half of each crop-year and at such other times as the Chairman may determine.

7. The Chairman shall convene a session of the Council if so requested by (a) the Executive Committee; or (b) the Delegates of five contracting Governments; or (c) the Delegate or Delegates of any Government or Governments holding 10 per cent. of the total votes; or (d) the Delegate of any country presenting a request in accordance with the provisions of paragraph 8 of Article VI.

8. The presence of Delegates with a simple majority of the votes held by the exporting countries and a simple majority of the votes held by the importing countries shall be necessary to constitute a quorum at any meeting.

9. The Council shall have legal capacity in the territory of each contracting Government to contract and to acquire and dispose of property, in so far as is necessary in discharging its functions under this Agreement.

10. The Council shall select in July 1948 its temporary seat. The Council shall select, so soon as it deems the time propitious, its permanent seat after consultation with the appropriate organs and agencies of the United Nations. In selecting the temporary and permanent seats of the Council each Delegate shall have one vote.

11. The Council shall establish its rules of procedure.

ARTICLE XII

Voting in the Council

1. The Delegates of the importing countries shall hold 1,000 votes, which shall be distributed between them in the proportions which the guaranteed purchases of the countries have to the total of the guaranteed purchases. The Delegates of the exporting countries shall also hold 1,000 votes, which shall be distributed between them in the proportions which the guaranteed sales of the countries have to the total of the guaranteed sales. Each Delegate shall have at least one vote and there shall be no fractional votes.

2. When a country accedes to this Agreement under the provisions of Article XXI, or the guaranteed purchases or sales of any country are increased in accordance with the provisions of paragraph 4 of Article II, the Council shall redistribute the votes in accordance with the provisions of paragraph 1 of this Article.

3. In the event of the withdrawal of a country under the provisions of Article XXII, or the suspension under the provisions of paragraph 5 of Article XVI of the voting rights of a country, the Council shall redistribute the votes in accordance with the provisions of paragraph 1 of this Article.

4. Except where otherwise specified in this Agreement, decisions of the Council shall be by a simple majority of the votes cast.

ARTICLE XIII

The Powers and Functions of the Council

1. The Council shall perform the duties assigned to it under this Agreement and shall have such powers in addition to those expressly conferred on it thereunder as may be necessary to achieve its effective operation and to realise its objectives.

2. The Council shall not, except by unanimity of the votes cast, delegate the exercise of any of its powers or functions. The Council may at any time revoke such delegation by a simple majority vote.

3. Any dispute arising out of the interpretation of this Agreement, or regarding an alleged breach of its provisions, shall be referred to the Council. The Council may appoint a committee to ascertain and report on the facts of such dispute. The Council shall, on the evidence before it, including the findings of any committee so appointed, give a ruling on the dispute but no contracting Government shall be found to have committed a breach of this Agreement except by a simple majority of the votes held by the exporting countries and a simple majority of the votes held by the importing countries.

4. The Council, after consultation with the Secretary of the Wheat Advisory Committee established under the Final Act of the Conference of Wheat Exporting and Importing Countries held in August 1933,⁽¹⁾ and with the International Wheat Council established under the Memorandum of Agreement approved in June 1942⁽²⁾ and amended in June 1946, may take over all assets and liabilities of those bodies.

5. The Council shall publish an annual report.

ARTICLE XIV

The Executive Committee

The Council shall, in accordance with its rules of procedure, elect annually an Executive Committee which shall be responsible to and work under the general direction of the Council. The representatives of exporting and importing countries, respectively, on the Committee shall have the same number of votes.

ARTICLE XV

The Standing Technical Advisory Committee on Price Equivalents

The Council shall establish a Standing Technical Advisory Committee on Price Equivalents consisting of representatives of the Governments of Australia, Canada, the United States of America, the United Kingdom of Great Britain and Northern Ireland, and representatives of at least two other importing countries. The Committee shall advise the Council or the Executive Committee on the matters set out in paragraphs 5, 6, and 7 of Article VI and on such other questions as the Council or the Executive Committee may refer to it. The Chairman of the Committee shall be appointed by the Council.

ARTICLE XVI

Finance

1. The expenses of Delegations to the Council, of the members of the Executive Committee, and of the members of the Standing Technical Advisory Committee on Price Equivalents shall be met by their respective Governments. All other expenses necessary for the administration of this Agreement, including those of the Secretariat, shall be met by annual contributions from the contracting Governments. The contribution of each Government for each crop-year shall be proportionate to the number of votes held by its Delegate when the budget for that crop-year is settled.

¹ 'Treaty Series No. 38 (1933),' Cmd. 4449.

² 'United States No. 2 (1942),' Cmd. 6371.

2. At its first session, the Council shall approve its budget for the crop-year ending 31st July, 1949, and assess the contribution to be paid by each contracting Government.

3. The Council shall at its first session during the second half of each crop-year approve its budget for the following crop-year and assess the contribution to be paid by each contracting Government for that crop-year.

4. The initial contribution of any Government acceding to this Agreement after the first session of the Council shall be assessed proportionately to the number of votes held by its Delegate and to the number of full months between its accession and the beginning of the first crop-year for which it is assessed under the provisions of paragraph 3 of this Article, but the assessments already made upon other Governments shall not be altered for the current crop-year.

5. Each contracting Government shall pay to the Secretary of the Council its full contribution within 6 months of its assessment. Any contracting Government failing to pay its contribution within one year of its assessment shall forfeit its voting rights until its contribution is paid, but shall not be deprived of its other rights nor relieved of its obligations under this Agreement. The Council shall redistribute, under the provisions of Article XII, the votes of any country which has forfeited its voting rights.

6. The Council shall publish an audited statement of all its receipts and expenditures during each crop-year.

7. Each contracting Government shall give consideration to granting to the funds of the Council and to the salaries paid by the Council to its staff, treatment in its territory no less favourable than that granted by it to the funds of, and salaries paid by, other intergovernmental bodies of comparable status.

8. In the event of the termination of this Agreement, the Council shall provide for the settlement of its liabilities and the disposal of its assets.

ARTICLE XVII

Relation to Other Agreements

So long as this Agreement remains in force, it shall prevail over any provisions inconsistent therewith which may be contained in any other agreement previously concluded between any of the contracting Governments, provided that should any two contracting Governments be parties to an agreement, entered into prior to 1st March, 1947, for the purchase and sale of wheat, the Governments concerned shall supply full particulars of transactions under such agreement so that the quantities, irrespective of prices involved, shall be recorded in the register of transactions maintained by the Council in accordance with the provisions of Article III and so count toward the fulfilment of obligations of importing countries and obligations of exporting countries.

ARTICLE XVIII

Co-operation with Intergovernmental Organisations

1. The Council shall make whatever arrangements are required to ensure co-operation with the appropriate organs of the United Nations and its specialised agencies.

2. If the Council finds that any terms of this Agreement are materially inconsistent with such requirements as the United Nations through its appropriate organs and specialised agencies may establish regarding intergovernmental commodity agreements, such inconsistency shall be deemed to be a circumstance affecting adversely the operation of this Agreement and the procedure prescribed in paragraphs 3, 4, and 5 of Article XXII shall be applied.

ARTICLE XIX

Definitions

For the purposes of this Agreement:—

1. 'Bushel' means 60 pounds avoirdupois.
2. 'Carrying charges' means the costs incurred for storage, interest, and insurance in holding wheat.
3. 'C.i.f.' means cost, insurance, and freight.
4. 'Crop-year' means the period from 1st August to 31st July, except that in Article IX it means in respect of Australia the period from 1st December to 30th November and in respect of the United States of America the period from 1st July to 30th June.
5. 'Exporting country' means, as the context may require, either a Government which has accepted this Agreement as the Government of an exporting country or that country itself.
6. 'F.a.q.' means fair average quality.
7. 'F.o.b.' means free on board.
8. 'Free-market prices' means the prices at which transactions other than those relating to guaranteed purchases or sales take place between contracting exporting and contracting importing countries.
9. 'Importing country' means, as the context may require, either a Government which has accepted this Agreement as the Government of an importing country or that country itself.
10. 'International Trade Organisation' means the specialised agency contemplated by the United Nations Conference on Trade and Employment or any interim body which that Conference may form to act on its behalf pending the definitive establishment of the International Trade Organisation.
11. 'Marketing costs' means all usual charges incurred in procurement, marketing, chartering, and forwarding.
12. 'Old wheat' means wheat harvested more than 2 months prior to the beginning of the current crop-year of the exporting country concerned.
13. 'Stocks' means in Australia, Canada, and the United States of America the total of the stocks of old wheat held at the end of their respective crop-years in all elevators, warehouses, and mills and in transit or at railroad sidings; such 'stocks' also include in the case of the United States of America stocks held on farms and in the case of Canada stocks of wheat of Canadian origin held in bond in the United States of America.
14. 'Wheat' except in Articles VI and IX, includes wheat-flour. 72 metric tons of wheat-flour shall be deemed to be equivalent to 100 metric tons of wheat in all calculations relating to guaranteed purchases or sales, unless otherwise determined by the Council.

ARTICLE XX

Signature, Acceptance, and Entry Into Force

1. This Agreement shall be open for signature in Washington and shall remain open for signature until 1st April, 1948, by the Governments of the countries listed in Annexes I and II to Article II. The original of this Agreement shall be deposited with the Government of the United States of America, which shall transmit certified copies of it to each signatory and acceding Government.
2. This Agreement shall be subject to formal acceptance by the signatory Governments. Instruments of acceptance shall be deposited with the Government of the United States of America by 1st July, 1948; provided, however, that an

additional period shall be allowed by the Council for the deposit of instruments of acceptance on behalf of those importing countries which are prevented by a recess of their respective legislatures from accepting this Agreement by 1st July, 1948. Instruments of acceptance shall become effective on the date of their deposit. The Government of the United States of America shall notify the Governments listed in Annexes I and II to Article II of the Governments which have signed this Agreement and of the Governments which have deposited instruments of acceptance.

3. Articles X to XXII inclusive of this Agreement shall come into force on 1st July, 1948, and Articles I to IX inclusive shall come into force on 1st August, 1948, between the Governments which have deposited their instruments of acceptance by 1st July, 1948, provided that any such Government may, at the opening of the first Session of the International Wheat Council, established by Article XI of this Agreement, which session shall be convened in Washington early in July 1948 by the Government of the United States of America, effect its withdrawal by notification to the Government of the United States of America if in the opinion of any such Government the guaranteed purchases or guaranteed sales of the countries whose Governments have formally accepted this Agreement are insufficient to ensure its successful operation. With respect to Governments which deposit their instruments of acceptance after 1st July, 1948, the Agreement shall enter into force on the date of such deposit, provided that in no case shall Articles I to IX inclusive be deemed to have entered into force before 1st August, 1948, as a result of such deposit.

ARTICLE XXI

Accession

Subject to unanimity of the votes cast, any Government may accede to this Agreement upon such conditions as the Council may lay down. Such accession shall be effected by the notification thereof by the Government concerned to the Government of the United States of America, which Government shall notify the signatory and acceding Governments of each such accession and of the date of the receipt thereof.

ARTICLE XXII

Duration, Amendment, Withdrawal, and Termination

1. This Agreement shall remain in force until 31st July, 1953.
2. The Council shall, not later than 31st July, 1952, communicate to the contracting Governments its recommendations regarding the renewal of this Agreement.
3. If at any time circumstances arise which, in the opinion of the Council, affect or threaten to affect adversely the operation of this Agreement, the Council may by a simple majority of the votes held by the Governments of the exporting countries and by a simple majority of the votes held by the Governments of the importing countries recommend an amendment of this Agreement to the contracting Governments.
4. The Council may fix a time-limit within which each contracting Government shall notify the Council whether or not it accepts the amendment. The amendment shall become effective upon its acceptance by (a) importing countries which hold a simple majority of the votes of the importing countries, including the Government of the United Kingdom of Great Britain and Northern Ireland, and (b) the Governments of Australia, Canada, and the United States of America.
5. Any contracting Government which has not notified the Council of its acceptance of the amendment by the date on which it becomes effective may, after giving such notice as the Council may require in each case, withdraw from this

Agreement at the end of the current crop-year, but shall not thereby be released from any obligations under this Agreement not discharged by the end of that crop-year.

6. Any contracting Government which considers its national security endangered by the outbreak of hostilities may withdraw from this Agreement upon the expiry of 30 days' written notice to the Council. In the event of such a withdrawal, the Council may recommend an amendment of this Agreement in accordance with the provisions of paragraph 3 of this Article.

4. INTERNATIONAL WHEAT AGREEMENT, WASHINGTON, APRIL 1949

PART 1—GENERAL

ARTICLE I

Objectives

The objectives of this Agreement are to assure supplies of wheat to importing countries and markets for wheat to exporting countries at equitable and stable prices.

ARTICLE II

Definitions

(This article defines the meaning to be attributed to words and terms appearing in the Agreement.)

PART 2—RIGHTS AND OBLIGATIONS

ARTICLE III

Guaranteed Purchases and Guaranteed Sales

1. The quantities of wheat set out in Annex A to this Article for each importing country represent, subject to any increase or reduction made in accordance with the provisions of Part 3 of this Agreement, the guaranteed purchases of that country for each of the four crop-years covered by this Agreement.

2. The quantities of wheat set out in Annex B to this Article for each exporting country represent, subject to any increase or reduction made in accordance with the provisions of Part 3 of this Agreement, the guaranteed sales of that country for each of the four crop-years covered by this Agreement.

3. The guaranteed purchases of an importing country represent the maximum quantity of wheat which, subject to deduction of the amount of the transactions entered in the Council's records in accordance with Article IV against those guaranteed purchases,

(a) that importing country may be required by the Council, as provided in Article V, to purchase from the exporting countries at prices consistent with the minimum prices specified in or determined under Article VI, or

(b) the exporting countries may be required by the Council, as provided in Article V, to sell to that importing country at prices consistent with the maximum prices specified in or determined under Article VI.

4. The guaranteed sales of an exporting country represent the maximum quantity of wheat which, subject to deduction of the amount of the transactions entered in the Council's records in accordance with Article IV against those guaranteed sales,

APPENDIX

III

ANNEX A TO ARTICLE III
Guaranteed Annual Purchases
 1949/50 to 1952/3
 (Thousands of metric tons)*

<i>Crop-year</i> <i>August 1 to</i> <i>July 31</i>	<i>Yearly</i> <i>average</i>	<i>Equivalent in</i> <i>bushels for</i> <i>each crop-year</i>
Austria	300	11,023,113
Belgium	550	20,209,040
Bolivia	75	2,755,778
Brazil	360	13,227,736
Ceylon	80	2,939,497
China	200	7,348,742
Colombia	20	734,874
Cuba	202	7,422,229
Denmark	44	1,616,723
Dominican Republic	20	734,874
Ecuador	30	1,102,311
Egypt	190	6,981,305
El Salvador	11	404,181
Greece	428	15,726,308
Guatemala	10	367,437
India	1,042	38,286,946
Ireland	275	10,104,520
Israel	100	3,674,371
Italy	1,100	40,418,081
Lebanon	65	2,388,341
Liberia	1	36,744
Mexico	170	6,246,431
Netherlands†	700	25,720,597
New Zealand	125	4,592,964
Nicaragua	8	293,950
Norway	210	7,716,179
Panama	17	624,643
Paraguay	60	2,204,623
Peru	200	7,348,742
Philippines	196	7,201,767
Portugal	120	4,409,245
Saudi Arabia	50	1,837,185
Sweden	75	2,755,778
Switzerland	175	6,430,149
Union of South Africa	300	11,023,113
United Kingdom	4,819	177,067,938
Venezuela	90	3,306,934
TOTAL (37 countries)	<u>12,418</u>	<u>456,283,389</u>

* Unless the Council decides otherwise, 72 metric tons of wheat-flour shall be deemed equivalent to 100 metric tons of wheat for the purpose of relating quantities of wheat-flour to the quantities specified in this Annex.

† Quantity listed for the Netherlands includes for each crop-year 75,000 metric tons or 2,755,778 bushels for Indonesia.

INTERNATIONAL WHEAT AGREEMENTS

- (a) that exporting country may be required by the Council, as provided in Article V, to sell to the importing countries at prices consistent with the maximum prices specified in or determined under Article VI, or
- (b) the importing countries may be required by the Council, as provided in Article V, to purchase from that exporting country at prices consistent with the minimum prices specified in or determined under Article VI.

5. If an importing country finds difficulty in exercising its right to purchase its unfulfilled guaranteed quantities at prices consistent with the maximum prices specified in or determined under Article VI or an exporting country finds difficulty in exercising its right to sell its unfulfilled guaranteed quantities at prices consistent with the minimum prices so specified or determined, it may have resort to the procedure in Article V.

6. Exporting countries are under no obligation to sell any wheat under this Agreement unless required to do so as provided in Article V at prices consistent with the maximum prices specified in or determined under Article VI. Importing countries are under no obligation to purchase any wheat under this Agreement unless required to do so as provided in Article V at prices consistent with the minimum prices specified in or determined under Article VI.

7. The quantity, if any, of wheat-flour to be supplied by the exporting country and accepted by the importing country against their respective guaranteed quantities shall, subject to the provisions of Article V, be determined by agreement between the buyer and seller in each transaction.

8. Exporting and importing countries shall be free to fulfil their guaranteed quantities through private trade channels or otherwise. Nothing in this Agreement shall be construed to exempt any private trader from any laws or regulations to which he is otherwise subject.

ANNEX B TO ARTICLE III

Guaranteed Annual Sales

1949/50 to 1952/3

(Thousands of metric tons)*

<i>Crop-year</i> <i>August 1 to</i> <i>July 31</i>	<i>Yearly</i> <i>average</i>	<i>Equivalent in</i> <i>bushels for</i> <i>each crop-year</i>
Australia	2,177	80,000,000
Canada	5,527	203,069,635
France	90	3,306,934
United States of America†	4,574	168,069,635
Uruguay	50	1,837,185
TOTAL	<u>12,418</u>	<u>456,283,389</u>

* Unless the Council decides otherwise, 72 metric tons of wheat-flour shall be deemed equivalent to 100 metric tons of wheat for the purpose of relating quantities of wheat-flour to the quantities specified in this Annex.

† In the event of the provisions of Article X being invoked by reason of a short crop it will be recognised that these guaranteed sales do not include the minimum requirements of wheat of any Occupied Area for which the United States of America has, or may assume, supply responsibility, and that the necessity of meeting these requirements will be one of the factors considered in determining the ability of the United States of America to deliver its guaranteed sales under this Agreement.

ARTICLE IV

Recording of Transactions against Guaranteed Quantities

1. The Council shall keep records for each crop-year of those transactions and parts of transactions in wheat which are part of the guaranteed quantities in Annexes A and B to Article III.
2. A transaction or part of a transaction in wheat grain between an exporting country and an importing country shall be entered in the Council's records against the guaranteed quantities of those countries for a crop-year:
 - (a) provided that (i) it is at a price not higher than the maximum nor lower than the minimum specified in or determined under Article VI for that crop-year, and (ii) the exporting country and the importing country have not agreed that it shall not be entered against their guaranteed quantities; and
 - (b) to the extent that (i) both the exporting and the importing country concerned have unfulfilled guaranteed quantities for that crop-year, and (ii) the loading period specified in the transaction falls within that crop-year.
3. If the exporting country and the importing country concerned so agree, a transaction or part of a transaction made under an agreement for the purchase and sale of wheat entered into prior to the entry into force of Part 2 of this Agreement shall, irrespective of price but subject to the conditions in (b) of paragraph 2 of this Article, also be entered in the Council's records against the guaranteed quantities of those countries.
4. If a commercial contract or governmental agreement on the sale and purchase of wheat-flour contains a statement, or if the exporting country and the importing country concerned inform the Council that they are agreed, that the price of such wheat-flour is consistent with the prices specified in or determined under Article VI, the wheat grain equivalent of such wheat-flour shall, subject to the conditions prescribed in (a) (ii) and (b) of paragraph 2 of this Article, be entered in the Council's records against the guaranteed quantities of those countries. If the commercial contract or governmental agreement does not contain a statement of the nature referred to above and the exporting country and the importing country concerned do not agree that the price of the wheat-flour is consistent with the prices specified in or determined under Article VI, either of those countries may, unless they have agreed that the wheat grain equivalent of that wheat-flour shall not be entered in the Council's records against their guaranteed quantities, request the Council to decide the issue. Should the Council, on consideration of such a request, decide that the price of such wheat-flour is consistent with the prices specified in or determined under Article VI, the wheat grain equivalent of the wheat-flour shall be entered against the guaranteed quantities of the exporting and importing countries concerned, subject to the conditions prescribed in (b) of paragraph 2 of this Article. Should the Council, on consideration of such a request, decide that the price of such wheat-flour is inconsistent with the prices specified in or determined under Article VI, the wheat grain equivalent of the wheat-flour shall not be so entered.
5. The Council shall prescribe rules of procedure, in accordance with the following provisions, for the reporting and recording of transactions which are part of the guaranteed quantities:
 - (a) Any transaction or part of a transaction, between an exporting country and an importing country, qualifying under paragraph 2, 3, or 4 of this Article to form part of the guaranteed quantities of those countries shall be reported to the Council within such period and in such detail and by one or both of those countries as the Council shall lay down in its rules of procedure.

- (b) Any transaction or part of a transaction reported in accordance with the provisions of sub-paragraph (a) shall be entered in the Council's records against the guaranteed quantities of the exporting country and the importing country between which the transaction is made.
 - (c) The order in which transactions and parts of transactions shall be entered in the Council's records against the guaranteed quantities shall be prescribed by the Council in its rules of procedure.
 - (d) The Council shall, within a time to be prescribed in its rules of procedure, notify each exporting country and each importing country of the entry of any transaction or part of a transaction in the Council's records against the guaranteed quantities of that country.
 - (e) If, within a period which the Council shall prescribe in its rules of procedure, the importing country or the exporting country concerned objects in any respect to the entry of a transaction or part of a transaction in the Council's records against its guaranteed quantities, the Council shall review the matter and, if it decides that the objection is well-founded, shall amend its records accordingly.
 - (f) If any exporting or importing country considers it probable that the full amount of wheat already entered in the Council's records against its guaranteed quantity for the current crop-year will not be loaded within that crop-year, that country may request the Council to make appropriate reductions in the amounts entered in its records. The Council shall consider the matter and, if it decides that the request is justified, shall amend its records accordingly.
 - (g) Any wheat purchased by an importing country from an exporting country and resold to another importing country may, by agreement of the importing countries concerned, be entered against the unfulfilled guaranteed purchases of the importing country to which the wheat is finally resold provided that a corresponding reduction is made in the amount entered against the guaranteed purchases of the first importing country.
 - (h) The Council shall send to all exporting and importing countries, weekly or at such other interval as the Council may prescribe in its rules of procedure, a statement of the amounts entered in its records against guaranteed quantities.
 - (i) The Council shall notify all exporting and importing countries immediately when the guaranteed quantity of any exporting or importing country for any crop-year has been fulfilled.
6. Each exporting country and each importing country may be permitted in the fulfilment of its guaranteed quantities, a degree of tolerance to be prescribed by the Council for that country on the basis of the size of its guaranteed quantities and other relevant factors.

ARTICLE V

Enforcement of Rights

- 1. (a) Any importing country which finds difficulty in purchasing its unfulfilled guaranteed quantity for any crop-year at prices consistent with the maximum prices specified in or determined under Article VI may request the Council's help in making the desired purchases.
- (b) Within three days of the receipt of a request under sub-paragraph (a) the Secretary of the Council shall notify those exporting countries which have unfulfilled guaranteed quantities for the relevant crop-year of the amount of the unfulfilled guaranteed quantity of the importing country which has

requested the Council's help and invite them to offer to sell wheat at prices consistent with the maximum prices specified in or determined under Article VI.

- (c) If within fourteen days of the notification by the Secretary of the Council under sub-paragraph (b) the whole of the unfulfilled guaranteed quantity of the importing country concerned, or such part thereof as in the opinion of the Council is reasonable at the time the request is made, has not been offered for sale, the Council, having regard to any circumstances which the exporting and the importing countries may wish to submit for consideration and in particular to the industrial programmes of any country as well as to the normal traditional volume and ratio of imports of wheat-flour and wheat grain imported by the importing country concerned, shall, within seven days, decide the quantities, and also if requested to do so the quality and grade, of wheat grain and/or wheat-flour which it is appropriate for each or any of the exporting countries to sell to that importing country for loading during the relevant crop-year.
 - (d) Each exporting country required by the Council's decision under sub-paragraph (c) to offer quantities of wheat grain and/or wheat-flour for sale to the importing country shall, within thirty days from the date of that decision, offer to sell those quantities to such importing country for loading during the relevant crop-year at prices consistent with the maximum prices specified in or determined under Article VI and, unless those countries agree otherwise, on the same conditions regarding the currency in which payment is to be made as prevail generally between them at that time. If no trade relations have hitherto existed between the exporting country and the importing country concerned and if those countries fail to agree on the currency in which payment is to be made, the Council shall decide the issue.
 - (e) In case of disagreement between an exporting country and an importing country on the quantity of wheat-flour to be included in a particular transaction being negotiated in compliance with the Council's decision under sub-paragraph (c), or on the relation of the price of such wheat-flour to the maximum prices of wheat grain specified in or determined under Article VI, or on the conditions on which the wheat grain and/or wheat-flour shall be bought and sold, the matter shall be referred to the Council for decision.
2. (a) Any exporting country which finds difficulty in selling its unfulfilled guaranteed quantity for any crop-year at prices consistent with the minimum prices specified in or determined under Article VI may request the Council's help in making the desired sales.
- (b) Within three days of the receipt of a request under sub-paragraph (a) the Secretary of the Council shall notify those importing countries which have unfulfilled guaranteed quantities for the relevant crop-year of the amount of the unfulfilled guaranteed quantity of the exporting country which has requested the Council's help and invite them to offer to purchase wheat at prices consistent with the minimum prices specified in or determined under Article VI.
 - (c) If within fourteen days of the notification by the Secretary of the Council under sub-paragraph (b) the whole of the unfulfilled guaranteed quantity of the exporting country concerned, or such part thereof as in the opinion of the Council is reasonable at the time the request is made, has not been purchased, the Council, having regard to any circumstances which the exporting and the importing countries may wish to submit for consideration

and in particular to the industrial programmes of any country as well as to the normal traditional volume and ratio of imports of wheat-flour and wheat grain imported by the importing countries concerned, shall, within seven days, decide the quantities, and also if requested to do so the quality and grade, of wheat grain and/or wheat-flour which it is appropriate for each or any of the importing countries to purchase from that exporting country for loading during the relevant crop-year.

- (d) Each importing country required by the Council's decision under subparagraph (c) to offer to purchase quantities of wheat grain and/or wheat-flour from the exporting country shall, within thirty days from the date of that decision, offer to purchase those quantities from such exporting country for loading during the relevant crop-year at prices consistent with the minimum prices specified in or determined under Article VI and, unless those countries agree otherwise, on the same conditions regarding the currency in which payment is to be made as prevail generally between them at that time. If no trade relations have hitherto existed between the exporting country and the importing country concerned and if those countries fail to agree on the currency in which payment is to be made, the Council shall decide the issue.
- (e) In case of disagreement between an exporting country and an importing country on the quantity of wheat-flour to be included in a particular transaction being negotiated in compliance with the Council's decision under subparagraph (c), or on the relation of the price of such wheat-flour to the minimum prices of wheat grain specified in or determined under Article VI, or on the conditions on which the wheat grain and/or wheat-flour shall be bought and sold, the matter shall be referred to the Council for decision.

ARTICLE VI

Prices

1. The basic minimum and maximum prices for the duration of this Agreement shall be:

<i>Crop-year</i>	<i>Minimum</i>	<i>Maximum</i>
1949/50	\$1.50	\$1.80
1950/51	\$1.40	\$1.80
1951/52	\$1.30	\$1.80
1952/53	\$1.20	\$1.80

Canadian currency per bushel at the parity for the Canadian dollar, determined for the purposes of the International Monetary Fund as at March 1, 1949, for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur. The basic minimum and maximum prices, and the equivalents thereof hereafter referred to, shall exclude such carrying charges and marketing costs as may be agreed between the buyer and the seller.

2. The equivalent maximum prices for bulk wheat for:

- (a) No. 1 Manitoba Northern wheat in store Vancouver shall be the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph 1 of this Article;
- (b) f.a.q. wheat f.o.b. Australia, sample wheat of France (minimum natural weight seventy-six kilograms per hectolitre; minimum protein content ten per cent.; maximum dockage and moisture content two per cent. and fifteen per cent. respectively) f.o.b. French ports, and f.a.q. top grade wheat f.o.b. Uruguay, shall be whichever is the lower of:

- (i) the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph 1 of this Article converted into the currency of Australia, France, or Uruguay, as the case may be, at the prevailing rate of exchange, or
 - (ii) the price f.o.b. Australia, France, or Uruguay, as the case may be, equivalent to the c. & f. price in the country of destination of the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph 1 of this Article, computed by using currently prevailing transportation costs and exchange rates and, in those importing countries where a quality differential is recognised, by making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned;
 - (c) No. 1 Hard Winter wheat f.o.b. Gulf/Atlantic ports of the United States of America shall be the price equivalent to the c. & f. price in the country of destination of the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph 1 of this Article, computed by using currently prevailing transportation costs and exchange rates and by making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned; and
 - (d) No. 1 Soft White wheat or No. 1 Hard Winter wheat in store Pacific ports of the United States of America shall be the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph 1 of this Article, computed by using the prevailing rate of exchange and by making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned.
3. The equivalent minimum price for bulk wheat for:
- (a) No. 1 Manitoba Northern wheat f.o.b. Vancouver,
 - (b) f.a.q. wheat f.o.b. Australia,
 - (c) sample wheat of France (minimum natural weight seventy-six kilograms per hectolitre; minimum protein content ten per cent.; maximum dockage and moisture content two per cent. and fifteen per cent. respectively) f.o.b. French ports,
 - (d) f.a.q. top grade wheat f.o.b. Uruguay,
 - (e) No. 1 Hard Winter wheat f.o.b. Gulf/Atlantic ports of the United States of America, and
 - (f) No. 1 Soft White wheat or No. 1 Hard Winter wheat f.o.b. Pacific ports of the United States of America,
- shall be respectively:
- the f.o.b. prices Vancouver, Australia, France, Uruguay, United States of America Gulf/Atlantic ports and the United States of America Pacific ports equivalent to the c. & f. prices in the United Kingdom of Great Britain and Northern Ireland of the minimum prices for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph 1 of this Article, computed by using currently prevailing transportation costs and exchange rates and, in those importing countries where a quality differential is recognised, by making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned.

4. The Executive Committee may, in consultation with the Advisory Committee on Price Equivalents, at any date subsequent to August 1, 1949, designate any description of wheat other than those specified in paragraphs 2 and 3 above and determine the minimum and maximum price equivalents thereof; provided that in the case of any other description of wheat the price equivalent of which has not yet been determined, the minimum and maximum prices for the time being shall be derived from the minimum and maximum prices of the description of wheat specified in this Article, or subsequently designated by the Executive Committee in consultation with the Advisory Committee on Price Equivalents, which is most closely comparable to such other description, by the addition of an appropriate premium or by the deduction of an appropriate discount.

5. If any exporting or importing country represents to the Executive Committee that any price equivalent established under paragraph 2, 3, or 4 of this Article is, in the light of current transportation or exchange rates or market premiums or discounts, no longer fair, the Executive Committee shall consider the matter and may, in consultation with the Advisory Committee on Price Equivalents, make such adjustment as it considers desirable.

6. If a dispute arises as to what premium or discount is appropriate for the purposes of paragraphs 4 and 5 of this Article in respect of any description of wheat specified in paragraph 2 or 3 or designated under paragraph 4 of this Article, the Executive Committee, in consultation with the Advisory Committee on Price Equivalents, shall on the request of the exporting or importing country concerned decide the issue.

7. All decisions of the Executive Committee under paragraphs 4, 5, and 6 of this Article shall be binding on all exporting and importing countries, provided that any of these countries which considers that any such decision is disadvantageous to it may ask the Council to review that decision.

8. In order to encourage and expedite the conclusion of transactions in wheat between them at prices mutually acceptable in the light of all the circumstances, the exporting and importing countries, while reserving to themselves complete liberty of action in the determination and administration of their internal agricultural and price policies, shall endeavour not to operate those policies in such a way as to impede the free movement of prices between the maximum price and the minimum price in respect of transactions in wheat into which the exporting and importing countries are prepared to enter. Should any exporting or importing country consider that it is suffering hardship as the result of such policies, it may draw the attention of the Council to the matter and the Council shall inquire into and make a report on the complaint.

ARTICLE VII

Stocks

1. In order to assure supplies of wheat to importing countries, each exporting country shall endeavour to maintain stocks of old crop wheat at the end of its crop-year at a level adequate to ensure that it will fulfil its guaranteed sales under this Agreement in each subsequent crop-year.

2. In the event of a short crop being harvested by an exporting country, particular consideration shall be given by the Council to the efforts made by that exporting country to maintain adequate stocks as required by paragraph 1 of this Article before that country is relieved of any of its obligations under Article X.

3. In order to avoid disproportionate purchases of wheat at the beginning and end of a crop-year, which might prejudice the stabilisation of prices under this Agreement and render difficult the fulfilment of the obligations of all exporting

and importing countries, importing countries shall endeavour to maintain adequate stocks at all times.

4. In the event of an appeal by an importing country under Article XII, particular consideration shall be given by the Council to the efforts made by that importing country to maintain adequate stocks as required by paragraph 3 of this Article before it decides in favour of such an appeal.

ARTICLE VIII

Information to be Supplied to the Council

The exporting and importing countries shall report to the Council, within the time prescribed by it, such information as the Council may request in connection with the administration of this Agreement.

PART 3—ADJUSTMENT OF GUARANTEED QUANTITIES

ARTICLE IX

Adjustments in Case of Non-participation or Withdrawal of Countries

1. In the event of any difference occurring between the total of the guaranteed purchases in Annex A to Article III and the total of the guaranteed sales in Annex B to Article III as a result of any country or countries listed in Annex A or Annex B (a) not signing or (b) not depositing an instrument of acceptance of or (c) withdrawing under paragraph 5, 6, or 7 of Article XXII from or (d) being expelled under Article XIX from or (e) being found by the Council under Article XIX to be in default of the whole or part of its guaranteed quantities under this Agreement, the Council shall, without prejudice to the right of any country to withdraw from this Agreement under paragraph 6 of Article XXII, adjust the remaining guaranteed quantities so as to make the total in the one Annex equal to the total in the other Annex.

2. The adjustment under this Article shall, unless the Council decides otherwise by two-thirds of the votes cast by the exporting countries and two-thirds of the votes cast by the importing countries, be made by reducing pro rata the guaranteed quantities in Annex A or Annex B, as the case may be, by the amount necessary to make the total in the one Annex equal to the total in the other Annex.

3. In making adjustments under this Article, the Council shall keep in mind the general desirability of maintaining the total guaranteed purchases and the total guaranteed sales at the highest possible level.

ARTICLE X

Adjustment in Case of Short Crop or Necessity to Safeguard Balance of Payments or Monetary Reserves

1. Any exporting or importing country which fears that it may be prevented, by a short crop in the case of an exporting country or the necessity to safeguard its balance of payments or monetary reserves in the case of an importing country, from carrying out its obligations under this Agreement in respect of a particular crop-year shall report the matter to the Council.

2. If the matter reported relates to balance of payments or monetary reserves, the Council shall seek and take into account, together with all facts which it considers relevant, the opinion of the International Monetary Fund, as far as the matter concerns a country which is a member of the Fund, on the existence and extent of the necessity referred to in paragraph 1 of this Article.

3. The Council shall discuss with the reporting country the matter reported under paragraph 1 of this Article and shall decide whether such country's representations are well founded. If it finds that they are well founded, it shall decide whether

and to what extent and on what conditions the reporting country shall be relieved of its guaranteed quantity for the crop-year concerned. The Council shall inform the reporting country of its decision.

4. If the Council decides that the reporting country shall be relieved of the whole or part of its guaranteed quantity for the crop-year concerned, the following procedure shall apply:

- (a) The Council shall, if the reporting country is an importing country, invite the other importing countries, or, if the reporting country is an exporting country, invite the other exporting countries, to increase their guaranteed quantities for the crop-year concerned up to the amount of the guaranteed quantity of which the reporting country is relieved; provided that an increase in the guaranteed quantities of an exporting country shall require approval by the Council by two-thirds of the votes cast by the exporting countries and two-thirds of the votes cast by the importing countries if any importing country, within such period as the Council shall prescribe, objects to such increase on the ground that it will have the effect of making the balance of payments problems of that importing country more difficult.
- (b) If the amount of which the importing country is relieved cannot be fully offset in the manner provided in (a) of this paragraph, 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 accept a reduction of their guaranteed quantities for the crop-year concerned up to the amount of the guaranteed quantity of which the reporting country is relieved, after taking account of any adjustments made under (a) of this paragraph.
- (c) If the total offers received by the Council from the exporting and importing countries to increase their guaranteed quantities under (a) of this paragraph or to reduce their guaranteed quantities under (b) of this paragraph exceed the amount of the guaranteed quantity of which the reporting country is relieved, their guaranteed quantities shall, unless the Council decides otherwise, be increased or reduced, as the case may be, on a pro rata basis, provided that the increase or reduction of the guaranteed quantity of any such country shall not exceed its offer.
- (d) If the amount of the guaranteed quantity of which the reporting country is relieved cannot be fully offset in the manner provided in (a) and (b) of this paragraph, the Council shall reduce the guaranteed quantities in Annex A to Article III, if the reporting country is an exporting country, or in Annex B to Article III, if the reporting country is an importing country, for the crop-year concerned by the amount necessary to make the total in the one Annex equal to the total in the other Annex. Unless the exporting countries, in the case of a reduction in Annex B, or the importing countries, in the case of a reduction in Annex A, agree otherwise, the reduction shall be made on a pro rata basis, account being taken of any reduction already made under (b) of this paragraph.

ARTICLE XI

Increase of Guaranteed Quantities by Consent

The Council may at any time, upon request by an exporting or importing country, approve an increase in the figures in one Annex for the remaining period of this Agreement if an equal increase is made in the other Annex for that period, provided that the exporting and importing countries whose figures would thereby be changed consent.

ARTICLE XII

Additional Purchases in Case of Critical Need

In order to meet a critical need which has arisen or threatens to arise in its territory, an importing country may appeal to the Council for assistance in obtaining supplies of wheat in addition to its guaranteed purchases. On consideration of such an appeal the Council may reduce pro rata the guaranteed quantities of the other importing countries in order to provide the quantity of wheat which it determines to be necessary to relieve the emergency created by the critical need, provided that it considers that such emergency cannot be met in any other manner. Two-thirds of the votes cast by the exporting countries and two-thirds of the votes cast by the importing countries shall be required for any reduction of guaranteed purchases under this paragraph.

PART 4—ADMINISTRATION

ARTICLE XIII

*The Council**A. Constitution*

1. An International Wheat Council is hereby established to administer this Agreement.

2. Each exporting country and each importing country shall be a voting member of the Council and may be represented at its meetings by one delegate, one alternate, and advisers.

3. Any country which the Council recognises as an irregular exporter or an irregular importer of wheat may become a non-voting member of the Council, provided that it accepts the obligations prescribed in Article VIII and agrees to pay such membership fees as shall be determined by the Council. Each country which is a non-voting member of the Council shall be entitled to have one representative at its meetings.

4. The Food and Agriculture Organisation of the United Nations, the International Trade Organisation, the Interim Co-ordinating Committee for International Commodity Arrangements, and such other intergovernmental organisations as the Council may decide, shall each be entitled to have one non-voting representative at meetings of the Council.

5. The Council shall elect for each crop-year a Chairman and a Vice-Chairman.

B. Powers and Functions

6. The Council shall establish its rules of procedure.

7. The Council shall keep such records as are required by the terms of this Agreement and may keep such other records as it considers desirable.

8. The Council shall publish an annual report and may publish any other information concerning matters within the scope of this Agreement.

9. The Council, after consultation with the International Wheat Council established under the Memorandum of Agreement approved in June 1942 and amended in June 1946, may take over the records, assets and liabilities of that body.

10. The Council shall have such other powers and perform such other functions as it may deem necessary to carry out the terms of this Agreement.

11. The Council may, by two-thirds of the votes cast by the exporting countries and two-thirds of the votes cast by the importing countries, delegate the exercise of any of its powers or functions. The Council may at any time revoke such delegation by a majority of the votes cast. Any decision made under any powers or functions delegated by the Council in accordance with this paragraph shall be

subject to review by the Council at the request of any exporting or importing country made within a period which the Council shall prescribe. Any decision, in respect of which no request for review has been made within the prescribed period, shall be binding on all exporting and importing countries.

C. Voting

12. The importing countries shall hold 1,000 votes, which shall be distributed between them in the proportions which their respective guaranteed purchases for the current crop-year bear to the total of the guaranteed purchases for that crop-year. The exporting countries shall also hold 1,000 votes, which shall be distributed between them in the proportions which their respective guaranteed sales for the current crop-year bear to the total of the guaranteed sales for that crop-year. No exporting country or importing country shall have less than one vote and there shall be no fractional votes.

13. The Council shall redistribute the votes in accordance with the provisions of paragraph 12 of this Article whenever there is any change in the guaranteed purchases or guaranteed sales for the current crop-year.

14. If an exporting or an importing country forfeits its votes under paragraph 5 of Article XVII or is deprived of its votes under paragraph 3 of Article XIX, the Council shall redistribute the votes as if that country had no guaranteed quantity for the current crop-year.

15. Except where otherwise specified in this Agreement, decisions of the Council shall be by a majority of the total votes cast.

16. Any exporting country may authorise any other exporting country, and any importing country may authorise any other importing country, to represent its interests and to exercise its votes at any meeting or meetings of the Council. Evidence of such authorisation satisfactory to the Council shall be submitted to the Council.

D. Sessions

17. The Council shall meet at least once during each half of each crop-year and at such other times as the Chairman may decide.

18. The Chairman shall convene a Session of the Council if so requested by (a) any five delegates of the exporting and importing countries or (b) the delegate or delegates of any of the exporting and importing countries holding a total of not less than ten per cent. of the total votes or (c) the Executive Committee.

E. Quorum

19. The presence of delegates with a majority of the votes held by the exporting countries and a majority of the votes held by the importing countries shall be necessary to constitute a quorum at any meeting of the Council.

F. Seat

20. The Council shall select in July, 1949, its temporary seat. The Council shall select, so soon as it deems the time propitious, its permanent seat after consultation with the appropriate organs and specialised agencies of the United Nations.

G. Legal Capacity

21. The Council shall have in the territory of each exporting and importing country such legal capacity as may be necessary for the exercise of its functions under this Agreement.

H. Decisions

22. Each exporting and importing country undertakes to accept as binding all decisions of the Council under the provisions of this Agreement.

ARTICLE XIV

Executive Committee

1. The Council shall establish an Executive Committee. The members of the Executive Committee shall be three exporting countries elected annually by the exporting countries and not more than seven importing countries elected annually by the importing countries. The Council shall appoint the Chairman of the Executive Committee and may appoint a Vice-Chairman.

2. The Executive Committee shall be responsible to and work under the general direction of the Council. It shall have such powers and functions as are expressly assigned to it under this Agreement and such other powers and functions as the Council may delegate to it under paragraph 11 of Article XIII.

3. The exporting countries on the Executive Committee shall have the same total number of votes as the importing countries. The votes on the exporting countries shall be divided among them as they shall decide, provided that no exporting country shall have more than forty per cent. of the total votes of the exporting countries. The votes of the importing countries shall be divided among them as they shall decide, provided that no importing country shall have more than forty per cent. of the total votes of the importing countries.

4. The Council shall prescribe rules of procedure regarding voting in the Executive Committee, and may make such other provisions regarding rules of procedure in the Executive Committee as it thinks fit. A decision of the Executive Committee shall require the same majority of votes as this Agreement prescribes for the Council when making a decision on a similar matter.

5. Any exporting or importing country which is not a member of the Executive Committee may participate, without voting, in the discussion of any question before the Executive Committee whenever the latter considers that the interests of that country are affected.

ARTICLE XV

Advisory Committee on Price Equivalents

The Council shall establish an Advisory Committee on Price Equivalents consisting of representatives of three exporting countries and of three importing countries. The Committee shall advise the Council and the Executive Committee on the matters referred to in paragraphs 4, 5, and 6 of Article VI and on such other questions as the Council or the Executive Committee may refer to it. The Chairman of the Committee shall be appointed by the Council.

ARTICLE XVI

The Secretariat

1. The Council shall have a Secretariat consisting of a Secretary and such staff as may be required for the work of the Council and of its committees.

2. The Council shall appoint the Secretary and determine his duties.

3. The staff shall be appointed by the Secretary in accordance with regulations established by the Council.

ARTICLE XVII

Finance

1. The expenses of delegations to the Council, of representatives on the Executive Committee, and of representatives on the Advisory Committee on Price Equivalents shall be met by their respective Governments. The other expenses necessary for the administration of this Agreement, including those of the Secretariat and any

remuneration which the Council may decide to pay to its Chairman or its Vice-Chairman, shall be met by annual contributions from the exporting and importing countries. The contribution of each such country for each crop-year shall be proportionate to the number of votes held by it when the budget for that crop-year is settled.

2. At its first Session, the Council shall approve its budget for the period ending July 31, 1950, and assess the contribution to be paid by each exporting and importing country.

3. The Council shall, at its first Session during the second half of each crop-year, approve its budget for the following crop-year and assess the contribution to be paid by each exporting and importing country for that crop-year.

4. The initial contribution of any exporting or importing country acceding to this Agreement under Article XXI shall be assessed by the Council on the basis of the number of votes to be held by it and the period remaining in the current crop-year, but the assessments made upon other exporting and importing countries for the current crop-year shall not be altered.

5. Contributions shall be payable immediately upon assessment. Any exporting or importing country failing to pay its contribution within one year of its assessment shall forfeit its voting rights until its contribution is paid, but shall not be deprived of its other rights nor relieved of its obligations under this Agreement. In the event of any exporting or importing country forfeiting its voting rights under this paragraph its votes shall be redistributed as provided in paragraph 14 of Article XIII.

6. The Council shall, each crop-year, publish an audited statement of its receipts and expenditures in the previous crop-year.

7. The government of the country where the temporary or permanent seat of the Council is situated shall grant exemption from taxation on the salaries paid by the Council to its employees except that such exemption need not apply to the nationals of that country.

8. The Council shall, prior to its dissolution, provide for the settlement of its liabilities and the disposal of its records and assets upon the termination of this Agreement.

ARTICLE XVIII

Cooperation with other Intergovernmental Organisations

1. The Council shall make whatever arrangements are required for consultation and cooperation with the appropriate organs of the United Nations and its specialised agencies and with other intergovernmental organisations.

2. If the Council finds that any terms of this Agreement are materially inconsistent with such requirements as may be laid down by the United Nations or through its appropriate organs and specialised agencies regarding intergovernmental commodity agreements, the inconsistency shall be deemed to be a circumstance affecting adversely the operation of this Agreement and the procedure prescribed in paragraphs 3, 4, and 5 of Article XXII shall be applied.

ARTICLE XIX

Disputes and Complaints

1. Any dispute concerning the interpretation or application of this Agreement which is not settled by negotiation and any complaint that any exporting or importing country has failed to fulfil its obligations under this Agreement, shall, at the request of any exporting or importing country party to the dispute or making the complaint, be referred to the Council which shall make a decision on the matter.

2. No exporting or importing country shall be found to have committed a breach of this Agreement except by a majority of the votes held by the exporting countries and a majority of the votes held by the importing countries. Any finding that an exporting or importing country is in breach of this Agreement shall specify the nature of the breach and, if the breach involves default by that country in its guaranteed quantities, the extent of such default.

3. If the Council finds that an exporting country or an importing country has committed a breach of this Agreement, it may, by a majority of the votes held by the exporting countries and a majority of the votes held by the importing countries, deprive the country concerned of its voting rights until it fulfils its obligations or expel that country from the Agreement.

4. If any exporting or importing country is deprived of its votes under this Article, the votes shall be redistributed as provided in paragraph 14 of Article XIII. If any exporting or importing country is found in default of the whole or part of its guaranteed quantities or is expelled from this Agreement, the remaining guaranteed quantities shall be adjusted as provided in Article IX.

PART 5—FINAL PROVISIONS

ARTICLE XX

Signature, Acceptance, and Entry into Force

1. This Agreement shall be open for signature in Washington until April 15, 1949, by the Governments of the countries listed in Annex A and Annex B to Article III.

2. This Agreement shall be subject to acceptance by signatory Governments in accordance with their respective constitutional procedures. Subject to the provisions of paragraph 4 of this Article, instruments of acceptance shall be deposited with the Government of the United States of America not later than July 1, 1949.

3. Provided that the Governments of countries listed in Annex A to Article III responsible for not less than seventy per cent. of the guaranteed purchases and the Governments of countries listed in Annex B to Article III responsible for not less than eighty per cent. of the guaranteed sales have accepted this Agreement by July 1, 1949, Parts 1, 3, 4, and 5 of the Agreement shall enter into force on July 1, 1949, between those Governments which have accepted it. The Council shall fix a date which shall not be later than September 1, 1949, on which Part 2 of this Agreement shall enter into force between those Governments which have accepted it.

4. Any signatory Government which has not accepted this Agreement by July 1, 1949, may be granted by the Council an extension of time after that date for depositing its instrument of acceptance. Parts 1, 3, 4, and 5 of this Agreement shall enter into force for that Government on the date of the deposit of its instrument of acceptance, and Part 2 of the Agreement shall enter into force for that Government on the date fixed under paragraph 3 of this Article for the entry into force of that Pact.

5. The Government of the United States of America will notify all signatory Governments of each signature and acceptance of this Agreement.

ARTICLE XXI

Accession

The Council may, by two-thirds of the votes cast by the exporting countries and two-thirds of the votes cast by the importing countries, approve accession to this Agreement by any Government not already a party to it and prescribe conditions for such accession. Accession shall be effected by depositing an instrument of

accession with the Government of the United States of America, which will notify all signatory and acceding Governments of each such accession.

ARTICLE XXII

Duration, Amendment, Withdrawal and Termination

1. This Agreement shall remain in force until July 31, 1953.
2. The Council shall, not later than July 31, 1952, communicate to the exporting and importing countries its recommendations regarding the renewal of this Agreement.

3. If circumstances arise which, in the opinion of the Council, affect or threaten to affect adversely the operation of this Agreement, the Council may, by a majority of the votes held by the exporting countries and a majority of the votes held by the importing countries, recommend an amendment of this Agreement to the exporting and importing countries.

4. The Council may fix a time within which each exporting and importing country shall notify the Government of the United States of America whether or not it accepts the amendment. The amendment shall become effective upon its acceptance by exporting countries which hold two-thirds of the votes of the exporting countries and by importing countries which hold two-thirds of the votes of the importing countries.

5. Any exporting or importing country which has not notified the Government of the United States of America of its acceptance of an amendment by the date on which such amendment becomes effective may, after giving such written notice of withdrawal to the Government of the United States of America as the Council may require in each case, withdraw from this Agreement at the end of the current crop-year, but shall not thereby be released from any obligations under this Agreement which have not been discharged by the end of that crop-year.

6. Any exporting country which considers its interests to be seriously prejudiced by the nonparticipation in or withdrawal from this Agreement of any country listed in Annex A to Article III responsible for more than five per cent. of the guaranteed quantities in that Annex, or any importing country which considers its interests to be seriously prejudiced by the nonparticipation in or withdrawal from the Agreement of any country listed in Annex B to Article III responsible for more than five per cent. of the guaranteed quantities in that Annex, may withdraw from this Agreement by giving written notice of withdrawal to the Government of the United States of America before September 1, 1949, or such earlier date as the Council may fix by two-thirds of the votes cast by the exporting countries and by two-thirds of the votes cast by the importing countries.

7. Any exporting or importing country which considers its national security to be endangered by the outbreak of hostilities may withdraw from this Agreement by giving thirty days' written notice of withdrawal to the Government of the United States of America.

8. The Government of the United States of America will inform all signatory and acceding Governments of each notification and notice received under this Article.

ARTICLE XXIII

Territorial Application

1. Any Government may, at the time of signature or acceptance of or accession to this Agreement, declare that its rights and obligations under the Agreement shall not apply in respect of all or any of the overseas territories for the foreign relations of which it is responsible.

2. With the exception of territories in respect of which a declaration has been made in accordance with paragraph 1 of this Article, the rights and obligations of any Government under this Agreement shall apply in respect of all territories for the foreign relations of which that Government is responsible.

3. Any Government may, at any time after its acceptance of or accession to this Agreement, by notification to the Government of the United States of America, declare that its rights and obligations under the Agreement shall apply in respect of all or any of the territories regarding which it has made a declaration in accordance with paragraph 1 of this Article.

4. Any Government may, by giving notification of withdrawal to the Government of the United States of America, withdraw from this Agreement separately in respect of all or any of the overseas territories for whose foreign relations it is responsible.

5. The Government of the United States of America will inform all signatory and acceding Governments of any declaration or notification made under this Article.

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