

Article 5

The Government of the Union of Soviet Socialist Republics, while unable to give any undertaking in regard to production of wheat, agree to limit their exports for the crop year 1933-1934 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 1934-1935 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 breadstuffs 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 regime 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 1933-1934, but the importing countries are prepared to make effective alterations in 1934-1935 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 recognized 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