

INTERNATIONAL WHEAT AGREEMENT

BASIC TERMS ANNOUNCED: Agreement has been reached among the representatives of 36 countries on the terms of an international wheat agreement, which was opened for signature in Washington March 6, the Minister of Trade and Commerce, Mr. Howe, has announced.

The agreement is in the nature of a multi-lateral bulk contract and contains the following basic terms:

1. Operation for a period of five crop years, commencing August 1, 1948.

2. Prices on specified quantities to be within the following price ranges, basis No. 1 Manitoba wheat in store Fort William/Port Arthur:

| | | |
|---------|---|-----------------|
| 1948/49 | - | \$2.00 - \$1.50 |
| 1949/50 | - | \$2.00 - \$1.40 |
| 1950/51 | - | \$2.00 - \$1.30 |
| 1951/52 | - | \$2.00 - \$1.20 |
| 1952/53 | - | \$2.00 - \$1.10 |

Equivalent prices are to be fixed on wheat in other locations and in other countries.

CANADA'S SHARE IN THE PACT

3. Canada, United States and Australia, the three exporting countries party to the agreement, collectively undertake to sell 500 million bushels of wheat to the 33 importing countries if required by those countries at the ceiling prices. Canada's share in the 500 million bushels is 230 million bushels, the United States' share 185 million bushels, and the Australian share 85 million bushels. The importing countries in return collectively undertake to purchase 500 million bushels of wheat each crop year from the three exporting countries if the latter desire a market for that quantity at the floor prices provided in the agreement. These quantities include flour in terms of wheat.

4. Provision is made for the negotiation of narrower price ranges in the third, fourth and fifth years of the agreement if mutually acceptable to the exporting and importing countries, otherwise the floors and ceilings as stated above for these years will prevail.

THE IMPORTING COUNTRIES

5. The importing countries and the quantities they undertake to purchase at the floor prices and have the right to buy at the ceilings, are as follows, in thousands of bushels:

| | |
|-------------|--------|
| Afghanistan | 735 |
| Austria | 18,739 |
| Belgium | 23,883 |
| Brazil | 19,290 |
| China | 14,697 |
| Colombia | 2,205 |

| | |
|-----------------------|---------|
| Cuba | 8,267 |
| Czechoslovakia | 1,102 |
| Denmark | 1,470 |
| Dominican Republic | 735 |
| Ecuador | 1,102 |
| Egypt | 6,981 |
| French Union and Saar | 35,824 |
| Greece | 18,739 |
| Guatemala | 367 |
| India | 27,557 |
| Ireland | 13,227 |
| Italy | 36,743 |
| Lebanon | 2,756 |
| Liberia | 37 |
| Mexico | 7,349 |
| Netherlands | 30,680 |
| New Zealand | 5,511 |
| Norway | 7,532 |
| Peru | 4,042 |
| Philippines | 6,246 |
| Poland | 1,102 |
| Portugal | 4,409 |
| South Africa | 6,430 |
| Sweden | 2,756 |
| Switzerland | 7,349 |
| United Kingdom | 179,930 |
| Venezuela | 2,205 |

The quantity for the United Kingdom includes requirement for British territories such as Newfoundland and the British West Indies.

INTERNATIONAL FLOOR PROTECTION

In commenting on the agreement, Mr. Howe pointed out that the three exporting countries in return for selling 500 million bushels of wheat annually at prices not above \$2.00 over the next five years had secured international floor price protection for their producers over the same period. Canada's quantity of 230 million bushels represents her total normal exportable surplus. The importing countries in return for guaranteeing floor prices had assured themselves fixed supplies at prices not over \$2.00. Although Argentina and the U.S.S.R. are not parties to the agreement, whatever wheat transactions take place between these exporters and the signatory importers must be in addition to the importers' undertakings within the agreement. Canada, the United States and Australia remain free to sell any additional quantities they may have for sale outside the terms of the agreement. By balancing the interests of both producing countries and consuming countries in an agreement covering the bulk of the world's trade in wheat, Mr. Howe stated that the agreement represented a major development in international economic cooperation.

INTERNATIONAL CONTROL OF ATOMIC ENERGY

GEN. McNAUGHTON OUTLINES POSITION: Gen. A.G.L. McNaughton, permanent representative of Canada to the United Nations, addressed the New York Herald Tribune Forum for High Schools, New York, March 6, on the "Present Position in regard to International Control of Atomic Energy".

He said that when the United Nations Atomic Energy Commission first met in New York in June 1946, it was presented with two different plans for control of atomic energy, one proposed by the United States and the other by the Soviet Union.

THE TWO PLANS COMPARED

The United States proposals called for the formation of an International Atomic Development Authority which would foster beneficial uses of atomic energy and would control atomic activities in all nations either by direct ownership management or supervision, in the case of activities potentially dangerous to world security, or by a licensing and inspection system in the case of other activities. This system of control would be set up by stages and after it was in operation, the manufacture of atomic bombs would stop. Existing bombs would be disposed of, and the world authority would be given information regarding the production of atomic energy. In addition, the U.S. proposal emphasized that the veto of the Great Powers in the Security Council should not apply in the event that any nation was charged with having violated the international agreement not to develop or use atomic energy.

The proposals made by the United States, Gen. McNaughton commented, accord very closely with the views of the Government of Canada, and of many other nations in the Western World as to how atomic energy might be brought under control.

The Soviet Plan differed fundamentally. It proposed the immediate outlawing of the atomic bombs and the destruction of all existing stocks of atomic weapons within a three month period. To this end, the Soviet delegate tabled a draft convention which, he said, should be negotiated forthwith as the first step towards the establishment of a system of international control. The Soviet delegate was prepared to discuss methods of control and inspection but he maintained that the immediate prohibition of atom bombs must come first. In recent discussions of the Soviet proposals, he had again made this point very clear; he held that this prohibition convention must be signed, ratified and put into force before the Soviet Union would agree to any system of control.

General McNaughton continued: The idea that the menace to world peace presented by the atomic bomb could be solved merely by the signing of an international agreement to pro-

hibit its use or manufacture seems very unreal. The experiences of the last twenty-five years have shown that international agreements alone are not enough to safeguard the peace. The prohibition of the use and manufacture of the atomic bomb at the present time would merely seriously reduce the military strength of the United States, the only nation now in possession of atomic bombs, at least on any scale which would suffice to make atomic war. It would be an act of unilateral disarmament which would give no assurance that any country engaged in atomic energy activities would not or could not make and use the bomb in the future. Fissionable material, the essential substance for such peaceful applications of atomic energy as the development of industrial power, is also the explosive element of the bomb, and in the absence of effective inspection and control could readily be diverted clandestinely from peaceful to military uses by a nation secretly preparing for atomic war.

For these reasons, most members of the Commission were in general agreement with the principles of the United States proposals. They considered that the prohibition of the use or manufacture of the atomic bomb should form part of an over-all control plan, so that when such prohibitions were put into effect they would be accompanied by the applications of safeguards such as international inspection of all countries to ensure that no secret activities in atomic energy were in progress.

NEW APPROACH DECIDED

After weeks of discussion along these lines, the Commission decided to seek a new approach to the problem by a study, in committee, of the available scientific information, to determine whether an effective control of atomic energy was feasible. This study resulted in a unanimous report by the scientists of all nations represented on the Commission that "they did not find any basis in the available scientific facts for supposing that effective control is not technologically feasible". With this conclusion before it, the Commission then proceeded to discuss the safeguards that would be required at each stage in the production and application of atomic energy to ensure its use only for peaceful purposes.

The Commission's findings were set out in detail in its First Report which was approved on 31 December, 1946, by a vote of 10 to 0, with the Soviet and Polish Delegations abstaining. In this Report, the Commission pointed out that as all applications of atomic energy depended on uranium and thorium, control of these materials was an essential safeguard.

The Commission, therefore, recommended international inspection of all mines, mills and refineries to prevent possible diversion of materials to the making of atomic bombs. As