as in the old agreement, namely, the assurance of supplies to importing countries and of markets to exporting countries at equitable and stable prices. In addition to this principal objective there is also the general objective of providing a forum for discussion of the problems incidental to international trade in wheat, and particularly the question of overcoming hardships caused by overproduction to producers and exporters and of scarcity to consumers or importing countries.

Even though at the present time we have burdensome surpluses which are embarrassing exporting countries, in the early period of the International Wheat Agreement we had the reverse situation and at that time the International Wheat Agreement was of particular interest to the importing countries.

In so far as the actual agreement itself is concerned it attempts to set up a balance in terms of the rights and obligations of importers and exporters under article 4 on page 5 of the agreement. As article 4 provides, each importing country undertakes that not less than a specified percentage of the import requirements of that country—that is the commercial import requirements of that country—should be purchased from the exporting countries which are signatory to the agreement. On the other hand, the exporting countries undertake to provide the requirements of the importing countries during a period when the prices are below the maximum, and also to give them the security of assured supplies during a period of scarcity when prices reach the maximum. When the prices do reach the maximum of the range, then the exporting countries undertake to supply to the importing countries with quantities of wheat which are equivalent to the commercial imports of those importing countries from the exporters during a base period. This base period is taken as, say, the previous four years. In this way the importers are assured of supplies at not greater than the maximum price. The obligations of the importers to buy extend throught the range at any point below the maximum price of the range. Under the new agreement the maximum price is $1.90. At any time when the price goes to a point below $1.90 per bushel on the basis of No. 1 Northern—wheat at Fort William-Port Arthur—the importing countries agree to purchase this prescribed percentage.

Senator HIGGINS: Who are the exporters?

Dr. HUDSON: The exporting countries are Argentina, Australia, Canada, United States—they are the big four—France, Sweden, Spain, Mexico and Italy. Mexico, Spain and Italy are new members of the agreement.

Senator HIGGINS: You mean that in Italy they grow wheat now?

Dr. HUDSON: Yes. They have been growing wheat always, of course; but they have increased their production particularly of soft wheats to the point where they are now exporting, and they have joined the agreement as an exporter—and also Spain and Mexico.

Senator HIGGINS: The importers are those who do not grow wheat at all?

Dr. HUDSON: Oh, no. Most of them grow wheat but not sufficient to meet their requirements.

Senator BURCHILL: Are there any exporters that are also importers?

Dr. HUDSON: Yes; this is true particularly of let us say France, which imports at times. Italy could be deficient on Durum wheats or hard wheats but have a surplus of soft wheats, and it is quite common that they import hard wheats and export soft wheats.

Senator POULIOT: Mr. Chairman, could the witness tell us who signed the agreement on behalf of Canada?

Dr. HUDSON: Mr. Chairman, the agreement was signed by the Canadian Ambassador to the United States on behalf of the Canadian Government.