

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 The provisions of this Memorandum will be superseded by any agreement reached at the proposed wheat conference or by any arrangements which the five countries and other interested countries may make to deal with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.

For Argentina:

A. M. V.

For Australia:

E. McC.

For Canada:

C. F. W.

For the United Kingdom:

H. F. C.

For the United States:

L. A. W.

WASHINGTON, April 22, 1942.

*Annex to Enclosure 1*

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.