

CONFERENCE OF WHEAT EXPORTING AND IMPORTING COUNTRIES

(Held in London at the Offices of the High Commissioner for Canada,
from August 21st to 25th, 1933.)

FINAL ACT

Signed at London, August 25th, 1933

WITH

Appendices and Minutes of Final Meeting



OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1935

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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 twenty-first day to the twenty-fifth day of August, one thousand nine hundred and thirty-three

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 SOVIET SOCIALIST 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 ARGENTINE, 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 breadstuffs, have agreed as follows:

Article 1

The Governments of Argentine, Australia, Canada and the United States of America agree that the exports of wheat from their several countries during the crop year August 1st, 1933, to July 31st, 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 560,000,000 bushels.

Article 2

They further agree to limit their exports of wheat during the crop year August 1st, 1934, to July 31st, 1935, to maximum figures 15 per cent less in the case of each country than the average outturn on the average acreage sown during the period 1931-1933 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 August 1st, 1933, to July 31st, 1934, will not exceed fifty million bushels. This undertaking is made on the understanding that the aggregate may be increased to a maximum of fifty-four 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 1934-1935 will not exceed a total of fifty 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 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

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.

GERMANY—ALLEMAGNE
E. H. RÜTER

BULGARIA—BULGARIE
P. H. MISCHIEFF

ARGENTINE—ARGENTINE
T. A. LE BRETON

CANADA—CANADA
R. B. BENNETT
M. A. McPHERSON

AUSTRALIA—AUSTRALIE
S. M. BRUCE

SPAIN—ESPAGNE
LUIS CALDERÓN
AGUSTIN VELARDE

AUSTRIA—AUTRICHE
L. WIMMER

UNITED STATES OF AMERICA—
ÉTATS-UNIS D'AMÉRIQUE
FREDERICK E. MURPHY

BELGIUM—BELGIQUE
C. BASTIN

SWEDEN—SUÈDE
K. LUNDBERG
ad referendum

FRANCE—FRANCE
HALGOUET

SWITZERLAND—SUISSE
ERNEST LAUR

GREECE—GRÈCE
D. CAÇLAMANOS

CZECHOSLOVAKIA—TCHÉCOS-
LOVAQUIE
Z. KONEČNY
ad referendum

HUNGARY—HONGRIE
DE WINCKLER

IRISH FREE STATE—ÉTAT LIBRE
D'IRLANDE
JOHN W. DULANTY
ad referendum

UNION OF SOVIET SOCIALIST
REPUBLICS—UNION DES RÉ-
PUBLIQUES SOVIÉTISTES SO-
CIALISTES
A. GOUREVITCH

ITALY—ITALIE
G. B. CECCATO

POLAND—POLOGNE
T. GOEPPERT

YUGOSLAVIA—YOUGOSLAVIE
M. PILJA

ROUMANIA—ROUMANIE
E. MARIAN

UNITED KINGDOM—ROYAUME-
UNI
H. F. CARLILL

APPENDIX A

1. "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 August 22nd to consider whether any, and, if so, what organization should be set up in connection 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 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 Organisation 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., Argentine, 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 sixty thousand gold francs. The suggested basis of contribution was that each country accepting the Wheat Agreements should contribute four 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 eight 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.

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.

ANNEX

BASIS OF CONTRIBUTIONS TO ADVISORY COMMITTEE

Country	Production 100,000 quintals Average 1928-29	Levy of 4 gold francs per 100,000 quintals	Net exports 100,000 quintals	Levy of 8 gold francs per 100,000 quintals Average 1928-29, 1931-32	Gold francs, total con- tribution
Canada.....	1,098	4,392	716	5,728	10,120
United States of America.....	2,379	9,516	350	2,700	12,316
Argentina.....	655	2,620	432	3,456	6,076
Australia.....	469	1,876	321	2,568	4,444
Roumania.....	327	1,308	38	304	1,612
Hungary.....	225	900	61	488	1,388
Yugoslavia.....	257	1,028	35	280	1,308
Bulgaria.....	138	552	12	96	648
Poland.....	197	788	5	40	828
U.S.S.R.....	2,025	8,100	127	1,016	9,116
Lithuania.....	24	96			(96)
France.....	902	3,608			3,608
Italy.....	752	3,008			3,008
Spain.....	501	2,004			2,004
Germany.....	500	2,000			2,000
Czechoslovakia.....	146	584			584
Great Britain.....	121	484			484
Greece.....	46	184			(184)
Portugal.....	49	196			(196)
Sweden.....	74	296			296
Austria.....	35	140			(140)
Belgium.....	43	172			(172)
Denmark.....	30	120			(120)
Baltic States.....	15	60			(60)
Netherlands.....	17	68			(68)
Switzerland.....	11	44			(44)
					60,920

The importing countries have agreed that the minimum contribution shall be 200 gold francs.

MINUTES OF FINAL MEETING

The representatives of the countries specified hereunder met for the purpose of signing the Final Act of the Conference on August 25, 1933—namely:

Argentina:

M. A. F. BEYRO, Agricultural Counsellor
of the Argentine Embassy in London.

Australia:

The Rt. Honourable S. M. BRUCE, Australian
Minister in London;
Mr. F. L. McDougall, Economic Adviser
to the Australian Government in Lon-
don.

Austria:

M. L. WIMMER, Austrian Chargé d'Affai-
res in London.

Belgium:

M. C. BASTIN, Commercial Counsellor
of the Belgium Embassy in London;
M. L. BORREMANS, Agricultural Attaché
of the Belgium Embassy in London.

- Bulgaria:** M. P. H. MISCHIEFF, Bulgarian Minister in London.
- Canada:** The Rt. Honourable R. B. BENNETT, Prime Minister for Canada;
The Hon. M. A. MCPHERSON, Provincial Treasurer;
Mr. N. A. ROBERTSON, Department of External Affairs.
- Czechoslovakia:** M. Z. KONEČNY, Consul in London.
- Denmark:** M. ROTTBOELL, Consul General in London.
- Estonia:** M. Villibald RAUD, Agricultural Attaché of the Estonian Legation in London.
- Finland:** M. PAUL HJELT, Secretary of the Finnish Legation in London.
- France:** M. DU HALGOUET, Commercial Attaché of the French Embassy in London.
- Germany:** M. E. H. RÜTER, First Secretary to the German Embassy in London.
- Great Britain:** Lord DE LA WARR, Ministry of Agriculture.
Mr. R. R. ENFIELD, Ministry of Agriculture;
Mr. H. F. CARLILL, Board of Trade;
Mr. LIVINGSTONE, Ministry of Agriculture.
- Greece:** M. D. CACLAMANOS, Greek Minister in London;
M. NICOLAIDES, Commercial Attaché of the Greek Legation in Paris.
- Hungary:** M. DE WINCHKLER, Ministerial Counsellor, Ministry of Foreign Affairs.
- Irish Free State:** Mr. John W. DULANTY, High Commissioner for the Irish Free State.
- Italy:** M. G. B. CECCATO, Commercial Counsellor of the Italian Embassy in London;
M. G. MASSONE, Assistant Commercial Counsellor.
- Latvia:** M. ZOLMANIS, Commercial Attaché of the Latvian Legation in London.
- Lithuania:** M. GINEITIS, Agricultural Counsellor of the Lithuanian Legation in London.

- Netherlands:* M. A. MERENS, Consul General in London.
- Poland:* M. T. GOEPPERT, Commercial Counsellor of the Polish Embassy in London.
- Portugal:* Col. T. FERNANDES, Former Minister of Colonies.
- Roumania:* M. E. MARIAN, Director of the Roumanian National Export Institute.
- Spain:* M. LUIS CALDERÓN, Consul General in London;
M. Agustin VELARDE;
M. Enrique PELAYO;
M. German BARAIBAR.
- Sweden:* M. K. LUNDBERG, Consul General *a.i.* in London.
- Switzerland:* M. Ernest LAUR, Director of the "Union Suisse des Paysans";
Dr. BOREL, Assistant Director of the "Union Suisse des Paysans".
- Turkey:* MEHMET MUNIR Bey, Ambassador in London;
KURTOGLU FAIK Bey, Commercial Attaché of the Turkish Embassy in London.
- Union of Soviet Socialist Republics:* M. A. GOUREVITCH, Chairman of "Arcos Ltd."
- United States of America:* Mr. Frederick E. MURPHY;
Mr. L. W. STEERE, Agricultural Commissioner;
Mr. L. A. WHEELER.
- Yugoslavia:* M. PILJA, Chief of Department at the Ministry of Commerce and Industry.

The signatures are to be regarded as affixed in the light of the statements made during the discussions by the representatives of the various countries; these statements are contained in the minutes of the Conference, and are to be interpreted in the sense of paragraph IV of Article 6 of the Final Act.

The Act shall be deposited at the Secretariat of the League of Nations, in Geneva, and shall remain open for signature on behalf of other countries. It is understood that certain of the signatures have been affixed *ad referendum*.

These minutes have been read and unanimously approved by the Conference.

