

cussions have been sponsored by FAO or by individual Governments. The only agreement so far completed is that dealing with wheat. This agreement, in the main, follows the principles laid down in the Havana Charter, and it is hoped that when it comes up for review in four years it may be renewed on a broader basis.

Conferences have taken place in relation to other commodities such as sugar, rice, coffee, and tin. Some countries of the British Commonwealth have had experience in a co-operative marketing procedure for wool, and as a result of recent discussions in London it is possible that this commodity might be the subject of discussions at study-group level and later at international conferences. It is apparent, however, that the individual commodity approach is likely to be a slow one, and it is increasingly obvious that great difficulties must be faced in an endeavour to convince both producer and consumer Governments of the desirability of compromise in agreeing to mutually satisfactory prices on a long-term basis.

Following upon unbalance in international trade and non-convertibility of sterling the Food and Agriculture Organization studied a plan for an international commodity clearing house at its Conference held in Washington last year. This plan envisaged an international control organization financed by participating countries for the purpose of arranging the purchase and sale of commodities in surplus supply due to lack of hard-currency exchange. Because of this limitation and the considered opinion that it would aggravate the existing blocked currency position, the plan was discarded and we are now faced with the prospect of increasing surpluses of this type. The existence of such surpluses might well precipitate similar conditions in so-called soft-currency-producing countries also.

The International Federation of Agricultural Producers has given further consideration to these matters at its recent Conference in Stockholm, and it is to be expected that as a result of their deliberations producers themselves may bring forward some further plans for consideration on an international level. In the meantime the short-term problem in New Zealand is essentially an internal one, but we would be failing in our responsibilities if we did not make every effort to establish machinery which in terms of Government policy will offer reasonable stability to those producers catering for the local market only. Ultimately the objective should be co-ordination of producer interests of all staple products in order that a maximum degree of stability may be assured to primary industries and a maximum degree of equality preserved between rural and urban workers.

E. J. FAWCETT,  
Director-General.

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