

COMMITTEE ON COMMODITY PROBLEMS

FIFTEENTH MEETING

13 February 1951
2:30 p.m.

Room 903 Longfellow Building
1201 Connecticut Avenue, F.W.

PRESENT: (In the Chair) Mr. J. F. Yriart

AUSTRALIA	- Mr. P. F. Magee	UNITED KINGDOM	- Mr. R. E. Stedman
CANADA	- Mr. W. F. Hillhouse	UNITED STATES	- Mr. F. M. Rhodes
CUEA	- Dr. Ricardo Sarabasa		Mr. E. Ioanes
EGYPT	- Mr. Anwar Elazi		Mr. F. Linville
			Mr. R. Stewart
FRANCE	- Mr. R. Forestier	DIRECTOR-GENERAL	- Mr. F. E. Dodd
INDIA	- Mr. P. Vaidyanathan	SECRETARY	- Mr. F. B. Northrup
INDONESIA	- Mr. S. Tjitrokoesoemo	FOOD AND AGRICULTURE ORGANIZATION	- Sir Herbert Broadley
ITALY	- Dr. P. N. Rogers		Mr. Joseph L. Orr
NETHERLANDS	- Mr. R. L. Beukenkamp		Dr. H. Ezekiel
	Mr. J. P. Tripplaar		Mr. D. M. Lubbock
PAKISTAN	- Mr. K. F. Khalil		Dr. K.K.P.N. Rao
			Mr. E. Majumdar
			Dr. Gerda Elau
			Mr. E. L. Eurtis

Representatives of other Member Governments
of FAO:

Denmark - Mr. A. F. Knudsen
Israel - Dr. Y. Lowe

RECORDING
SECRETARY

- Miss M. R. W. Apperson

Observer:

IFAP - Mr. Andrew Cairns

I. Election of Chairman and Vice-Chairman

The meeting was called to order at 2:40 p.m. by the Director-General. The Director-General invited nominations for the offices of Chairman and Vice-Chairman. There was some inclination to extend the period of office of Dr. Barton and Mr. Demont, at least until the transfer of the Committee to Rome, but recognizing that this might be the last meeting to be held before the move it was agreed to elect a chairman and vice-chairman to serve in the meantime. Mr. Stedman (United Kingdom) nominated Mr. Yriart (Uruguay) for Chairman and Dr. Rogers (Italy) for Vice-Chairman. These nominations were seconded by Mr. Beukenkamp (Netherlands) and then unanimously by the Committee.

Mr. Yriart took the Chair, expressing his appreciation for this expression of confidence, which he said he felt to be an indication of a friendly attitude to the concern he had manifested regarding certain matters, a concern in which his Government shared. Dr. Rogers added his expression of similar gratification.

II. Adoption of the Agenda

In the absence of any comment or suggestion regarding the provisional agenda (CCF51/6), circulated by the Secretary, the Chairman declared the agenda adopted.

III. Review of Present Commodity Situation

The Committee had before it a series of brief commodity situation reports (CCP51/5), prepared by the Secretariat, covering grains, rice, fats and oils, livestock products, sugar, cotton, wool, and jute. The Chairman called attention to the Secretary's memorandum attached to the provisional agenda (CCP51/6), which explained that these commodity reports on the current situation in a few of the most important commodities had been prepared to assist the Committee, if it so desired, to review the present commodity situation and determine whether or not there are present or emerging problems to be considered as part of its responsibilities. The Chairman also drew attention to the Committee's terms of reference as expanded by the Special Session of the Conference in 1950.

Mr. Stedman (United Kingdom) stated that in his view the very helpful reports provided by the Secretariat indicated that while grains and fats and oils would bear watching and perhaps closer study there appeared to be no immediate cause for alarm. Exaggerated price reactions out of relation with the supply/demand position appeared to him the most striking characteristics of the new situation.

Dr. Rogers (Italy) commended the initiative of the Secretary in providing such helpful appraisals of selected commodity situations. He said it was difficult to summarize a commodity situation which was changing so rapidly. He referred to the very great changes that have occurred in the wheat situation during the past year, and suggested that statistical information on wheat should be supplemented by a political appraisal of the situation. He thought more coordinated action by governments would be desirable, particularly in the face of a tendency toward rush buying and prevailing transportation difficulties, and suggested that guidance toward such coordinated action was needed.

Mr. Deukenkemp (Netherlands) agreed with Dr. Rogers and recalled that the Conference had stressed the duty of the Committee and of FAO to advise governments of needs for international effort.

Mr. Rhodes (United States) commended the appraisal of the commodity situation provided by the Secretary. He stated that in the view of the United States Government conditions have changed materially since the last meeting of the Committee. His Government, he said, is conducting an all-out program to increase production, foreseeing a need for all that can be produced. Total planned agricultural production in 1951 is greater than any ever before attained, he stated.

Mr. Stedman (United Kingdom) expressed the view that the action taken by the United States to maximize production and assure adequate supplies to the world is most statesmanlike, and thought that the anticipated Western Hemisphere harvest may materially alter the situation for the better, even in fats and oils.

IV. Suggestions for Future Work of the Committee

The Chairman stated that the keynote of this meeting would obviously be different from that of previous meetings, with the focus of attention now on increased production. He referred again to the Committee's expanded terms of reference and expressed the view that there is nothing regarding commodity problems which the Committee may not consider. Both the Committee and FAO must take cognizance of problems of production, distribution, marketing, etc., and if new machinery for the solution of such problems is proposed FAO and the Committee must try to analyze how it is going to work, and what will be their relationship to it.

There were further references to proposed new machinery for international cooperation in the commodity field and suggestions regarding the possible relationship of such new machinery to FAO and the Committee. Mr. Rhodes (United States) requested that Mr. Linville, of the United States Department of State, be permitted to offer some clarification regarding the proposed new machinery. Mr. Linville stated that as a result of high level discussions, the Governments of the United States, the United Kingdom and France were issuing invitations to other governments having a clear interest in the commodities involved to participate in an International Materials Conference with a view to establishing commodity groups to deal with various basic raw materials. Membership in each of these groups would vary according to the interest of governments in the import or export of each commodity and each group would expand its

original membership to include governments having substantial interests in its particular commodity. Mr. Linville said that so far cotton and wool are the only agricultural commodities for which such groups are planned, that no food commodities are included yet.

Several members of the Committee supported a suggestion that detailed study be undertaken forthwith of commodities not at present included in the plans outlined by Mr. Linville for the International Materials Conference, particularly wheat and fats and oils.

Mr. Cairns, the IFAP observer, requested permission to ask if FAO would be represented at the next ECOSOC meeting, to be held at Santiago, Chile, beginning 20 February. The Director-General replied that FAO was sending a representative prepared to discuss the proposal put forward by the International Confederation of Free Trade Unions for international price stabilization, to which Mr. Cairns had referred in a letter to the Secretary of the Committee on Commodity Problems and which was supported by IFAP. (The ICFTU proposal was later circulated to the Committee with a covering memorandum from the Secretary as Document CCP51/7.)

The Director-General reminded the Committee of the transfer of headquarters to Rome, which was already under way, and advised that most of the staff servicing the Committee would be either not available or in process of physical transfer within a matter of days. The possibility of the Committee's functioning in Washington somewhat longer was discussed, but in view of the staffing problem and other complications inherent in the move, it was generally agreed to be impracticable to attempt further operations in Washington.

It was, however, agreed desirable that the experience and facilities of FAO and the Committee in the field of agricultural commodity problems should be noted in connection with the establishment of any international machinery for dealing with such commodities. It was proposed that the Committee adopt a resolution to this effect, which might be transmitted by the Director-General to the member governments of FAO. The contents of such a resolution were discussed carefully and it was agreed that there should be no suggestion that the Committee was raising a question as to the jurisdictional aspects of the matter, but that the emphasis should be on the competence and readiness of FAO and the Committee to assist and facilitate any international effort toward the solution of whatever commodity problems might exist or arise in the fields of agriculture, fisheries, and forestry. Accordingly, the following resolution was unanimously adopted by the Committee, and the Director-General was requested to transmit it to all Member Governments of FAO:

The FAO Committee on Commodity Problems notes the steps that have been taken toward the establishment of new intergovernmental raw materials groups to consider and recommend specific action regarding the production, conservation and utilization of certain commodities. The Committee records the opinion that in establishing international machinery to deal with commodities falling within the responsibility of FAO governments consider the desirability of utilizing the experience and trained personnel which FAO is in a position to provide in the fields of agriculture, fisheries, and forestry.

The Committee then considered what suggestions it might make to assist the new representatives who would carry on the work of the Committee in Rome. It was, however, agreed that since the Committee in Washington would not have the time and facilities necessary to study the now changed and still changing commodity situation it could only suggest that after the Committee was convened in Rome attention might usefully be directed toward the new situation. Grains, especially wheat, and fats and oils now appeared to be the commodities which might most usefully be studied first. It was the view of the Committee that no special communication to the Committee in Rome was indicated, that the minutes of the Committee's proceedings in Washington would necessarily contain any guidance that might usefully be offered.

V. Suggestions for Report to Council of FAO

It was the view of the Committee that the report to the next Session of the Council of FAO would necessarily depend on the activities and deliberations of the Committee after its establishment in Rome. The Director-General agreed to convene the Committee in Rome at the earliest feasible date, and was assured that the member governments would advise him within the near future of their representation in Rome, although a follow-up on his earlier request for designations would be helpful.

VI. Other Business

The Director-General expressed personally and on behalf of FAO very great appreciation for the earnest and untiring efforts of the members of the Committee. On behalf of the Committee the Chairman thanked the Director-General and the Secretary for the valuable and unfailing assistance of the Secretariat.

The meeting was adjourned at 6:00 p.m.