

FOOD AND AGRICULTURE ORGANIZATION
OF THE UNITED NATIONS

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SUMMARY RECORD OF THE NINETEENTH SESSION
OF THE
COMMITTEE ON COMMODITY PROBLEMS
(Held at F.A.O. Headquarters, Rome, 3-7 June, 1952)

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I. LIST OF DELEGATES AND OBSERVERS ATTENDING THE NINETEENTH
SESSION OF THE COMMITTEE ON COMMODITY PROBLEMS

<u>Country</u>	<u>Delegates</u>
ARGENTINA:	JUAN BAUTISTA MARTESE Counsellor of the Embassy Argentine Embassy
AUSTRALIA:	ALBERT LEOPOLD SENCER Commercial Counsellor Australian Legation
BURMA:	U THET SU, Chairman, State Agricultural Marketing Board Rangoon
	U SAW SAN SHWE, Joint Registrar, Cooperative Department, Rangoon
	U SAN KHIN, Executive Officer, State Agricultural Marketing Board, Rangoon
CANADA:	G.S.H. BARTON Special Assistant to the Ministry of Agriculture
CUBA:	LUIS MARINO PEREZ, Delegate from Cuba to the International Sugar Council
EGYPT:	MOHAMED SHEDID, Commercial Attaché, Egyptian Embassy
	M. RIAD OSMAN, Agricultural Attaché, Egyptian Embassy
FRANCE	C.H. JANTON, Contrôleur d'Etat, Ministère des Affaires Economiques Paris
GERMANY:	WILHELM WEBER, Ministerial Counsellor, Federal Ministry for Food, Agriculture and Forestry, Bonn
(Alternate)	RODERICH PLATE, Member, Institute for Agricultural Marketing Research, Braunschweig, Völkenrode

<u>Country</u>	<u>Delegates</u>
NETHERLANDS:	S.L. LOUBES, Director General of Food The Hague
(Alternate)	C.C.L. EYGENRAAM, Agricultural Attaché, Netherlands Legation
PAKISTAN:	S.U. KHAN, Commercial Secretary, Pakistan Legation
SWEDEN:	K.F. SVÄRDSTRÖM, Professor, Royal Agricultural University, Ultuna, Upsala
(Alternate)	SVEN G.V. ANDERSSON, Secretary, National FAO Committee, Stockholm
UNITED KINGDOM:	S.P. LOBBS, Assistant Secretary, Ministry of Food, London
	W.M. CLYDE, Rice Adviser, Foreign Office, London
	KENNETH TAYLOR, Principal, Board of Trade, London
UNITED STATES:	ROBERT B. SCHWENGER, Chief, Regional Investigations Branch, Office of Foreign Agricultural Relations, USDA, Washington, D.C.
(Alternate)	FRANCIS A. LINVILLE, Chief, Agricultural Products Staff Department of State, Washington, D.C.
(Alternate)	HOWARD R. COTTAM Counsellor of Embassy American Embassy Rome
YUGOSLAVIA:	S. KRASOVEC, Director, Federal Statistical Office, Belgrade
	ZORAN FERJANOVIĆ, Counsellor, Board of Trade, Belgrade
	VLADIMIR BALJANOVIĆ, Secretary, FAO National Committee, Belgrade

<u>Country or Organization</u>	<u>Observers</u>
AUSTRIA:	RUDOLF KRIPPL-REDLICH, Secretary, Austrian Legation
BELGIUM:	ALBERT VAN HOUTTE, President, FAC National Committee, Brussels
BRAZIL:	ANTONIO XAVIER DA ROCHA, Commercial Counsellor, Brazilian Embassy
	MARIA VIERIA DE MELLO, Secretary, Brazilian Embassy
BOLIVIA:	ENZO CERLINI, Consul of Bolivia in Rome
CEYLON:	R.S.S. GUNewardene, Minister Plenipotentiary and Envoy Extraordinary for Ceylon
	A. BASNAYAKE, Official Secretary, Ceylon Legation
CHILE:	RAUL AGUIRRE, Corporación de Salitre y Yodo de Chile, London
COSTA RICA:	TEODORO B. CASTRO, Envoy Extraordinary and Minister Plenipotentiary in Rome
	JULIO C. PASCAL ROCCA, Civil Attaché Costa Rican Legation
ECUADOR:	ALESSANDRO CARETTONI, Consul in Rome
EL SALVADOR:	ROD B. SHÖNENBERG, Secretary, El Salvador Legation
FINLAND:	EERO J. KORPELA, Director, Central Union of Agricultural Producers, Helsinki
INDIA:	S.S. BAJPAI, Counsellor, Indian Embassy
INDONESIA	SIDIK MARTOHARDJONO, Commercial Secretary
IRAN:	BACHER CHARLAT, Inspector, Ministry of Agriculture

Country or
Organization

Observers

ITALY:

V. DE ASARTA, Member,
FAO National Committee

A. FERONE, Member,
FAO National Committee

GINO ZAFARANA, Staff Member,
Ministry of Foreign Affairs

JAPAN:

TAKAJIRO INOUE, Chargé d'Affaires,
Japanese Embassy,
Rome

SWITZERLAND:

HANS-CONRAD CRAMER,
Secretary,
Swiss Legation

UNION OF SOUTH AFRICA:

GRAHAM DOUTHWAITE, Second Secretary,
South African Legation,
Rome

IFAP:

ANDREW CAIRNS, Secretary-General,
International Federation of
Agricultural Producers,
Washington, D.C.

Miss ROSEMARY MILLER,
Commodity Officer, International
Federation of Agricultural
Producers, London

OEEC:

B. DESCHERS, Principal Administrator,
Organization for European Economic
Cooperation, Paris

SECRETARIAT FOR THE C.C.P. MEETING

SECRETARY: G. BLAU

ASSISTANT
SECRETARY: J.W. EVANS

DOCUMENTS
OFFICER: P. OKURA

II. SUMMARY RECORD OF THE NINETEENTH SESSION1. Election of Chairman

The VICE-CHAIRMAN (Mr. S. Krasovec, Yugoslavia) informed the Meeting that the Chairman (Mr. John Wall, United Kingdom) had resigned his position in the Government of the United Kingdom and was therefore no longer able to serve as Chairman of the Committee.

Mr. SCHWENGER (United States of America) moved that the Vice-Chairman be elected Chairman for the Nineteenth Session.

Mr. LOUVES (Netherlands) seconded the motion.

Mr. JANFON (France) considered that there was no need to elect a Chairman as the Committee's rules of procedure (CCP 50/9) stipulated that in the absence of the Chairman the Vice-Chairman should preside over the Meeting.

Mr. SCHWENGER -- thought that his motion tallied with the procedure described by the French Delegate.

The VICE-CHAIRMAN (Mr. Krasovec, Yugoslavia) was unanimously elected CHAIRMAN for the Nineteenth Session.

2. Opening Statement by the Director-General

The CHAIRMAN, having thanked the members of the Committee, called upon the Director-General of the Food and Agriculture Organization of the United Nations (FAO).

The DIRECTOR-GENERAL welcomed the delegates to the fourth session of the Committee on Commodity Problems to be held at headquarters in Rome. At the request of the previous Session a great deal of documentation had been prepared by the Secretariat. This was a large volume of information to digest but, on the other hand, if one looked upon the documentation for any one of the commodities under review, one had to admit that it merely presented the most essential data in a fairly concise form and that one could hardly cut down on these reports if they were to form the basis for an informed discussion on these subjects.

Moreover, in addition to the documentation prepared by the Secretariat, some of the Members and Observers had sent in interesting material. This, he believed, was a welcome development which should be encouraged in the future, but it did raise a real dilemma; namely that of finding the right way of fully using and digesting all this documentation and of the Committee turning itself into an effective channel for the exchange of ideas and for the coordination of policies. He wondered whether it might not be wise in that connection to consider again the idea of more specialized working parties who could devote more time to these matters. He was fully aware of the need to exercise the greatest possible caution in creating new machinery at a time when there was an almost alarming number of intergovernmental committees in existence. At the same time, there was the fact that the Committee had very wide and very important terms of reference entrusted to it by the Conference and Council.

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If it was really to dig into some of these problems, he believed that it had to get itself organized in such a way as to be able to give even more specialized knowledge and time to these questions, and this probably meant the setting-up of one or more specialized working groups. One would not necessarily expect any spectacular results or ambitious international plans to result from the work of these groups. They would merely operate on the Study Group principle and thus constitute a necessary extension of the general Committee and assist in making the Committee a truly useful instrument for assessing the outlook and problems of agricultural commodities. He did not want to make any definite suggestions but he felt that his was a matter to which the Committee might wish to give careful thought.

There had been many discussions going on recently on international commodity arrangements. He referred to a paper which gave a full summary of these discussions in various fields (CCP 52/44). He did not intend to go into these matters in any detail but he wanted to remark on FAO's attendance at these commodity meetings. He believed that FAO observers to these meetings should not merely sit back passively and listen. They should try and make constructive contributions to these discussions and this was what FAO in recent months had been attempting to do even more actively than before. He referred in that connection to statements made on behalf of FAO at the meetings of the International Wheat Council and of the International Cotton Advisory Committee. He was confident that the Committee would support and assist the Secretariat in that kind of work.

3. Adoption of Provisional Agenda (Item 1 on the Provisional Agenda)

The Committee adopted the Provisional Agenda for the Nineteenth Session (CCP/52/22).

4. Adoption of Revised Summary Record of Eighteenth Session (Agenda Item 2)

Miss BLAU (Secretary) answering the Delegate for France, said that document CCP 52/14 Rev. would be appended to the revised summary record.

The revised summary record (CCP 52/20) was approved.

5. Review of the World Agricultural Commodity Situation (Agenda Item 3)

5.1 Wheat and Coarse Grains.

Mr. EVANS (Secretariat) introduced the papers on Wheat (CCP 52/23) and Coarse Grains (CCP 52/8 Rev.). He also stated that the Secretariat had been happy to receive comments from member countries and had taken these comments into account in the revised version of the study on coarse grains.

Mr. WEBER (Germany) emphasized the importance of coarse grains for his country which, after the United Kingdom, was the largest importer of both wheat and coarse grains. Pre-war Germany imported about 1½ million tons of coarse grains annually. Since the war, due to the division of Germany and the influx of 9 million refugees and others, the import need had risen. In 1951/52 per caput meat consumption was 38 kilograms, or 25 percent below the prewar level. He outlined the methods whereby German farmers, supported by the Government, planned to improve the yield of the domestic wheat crops; but it would be a gradual long-term process. He felt that only supplies from non-dollar sources at fair prices would enable Germany to import the quantities needed.

The Federal Government appreciated CCP 52/6 because it was a useful guide to countries in adjusting supply and demand and they would like to encourage the regular exchange of information between member countries. He would welcome publication of more detailed statistics on exports and imports of coarse grains, especially in the Secretariat's Monthly Statistical Bulletin. It might be possible, he felt, to obtain details of recent developments in coarse grains in Southern Hemisphere countries, notably Argentina. In his view, the establishment of a working party on coarse grains would serve no useful purpose at this stage and a study group would only be valuable on the question of stabilization and improvement of trade. An agreement for coarse grains similar to the Wheat Agreement did not, however, appear feasible.

Prof. SVÄRDSTRÖM (Sweden) stressed the inter-relationship between all the commodities to be reviewed. He favored the procedure of first reviewing all the commodities in order to judge the value of certain undertakings, and advocated an endeavour to make broad analyses rather than concentrate too specifically on individual products.

Mr. LOUWES (Netherlands) supported the German delegate's view that an agreement on coarse grains did not appear possible. The Director-General's suggestion of a study group might, however, be considered. Supporting the delegate of Sweden, he emphasized the importance of coarse grains as related to meat. Coarse grains were a group of commodities round which the whole of the agriculture of many of the Northern Hemisphere countries revolved. He emphasized the importance of studying the problem from a long-term view and the need to take the difficulties of the soft-currency countries into account. The European dollar position was deteriorating and the position of Far Eastern countries such as Japan had to be considered.

Although the world was becoming increasingly mechanized and there were less work animals to be fed, a lessening of the demand for feed grains was unlikely. Again, the improvement in certain grains over the last 20 years did not altogether solve the problem.

Dr. BARRON (Canada) said that the main difficulty of the situation in regard to coarse grains had been clearly stated in the second paragraph of CCP 52/8 Rev. where it was pointed out that Argentina had greatly reduced her exports of coarse grains. The Delegates of Germany and the Netherlands had rightly stressed the close relationship between the problem of coarse grains and that of meat supplies. Coarse grains formed an expensive basis for meat production. Indeed, where his own country was concerned, the price of meat was so high that only Canada itself and the United States could afford to eat Canadian meat. However, the problem must be viewed within the framework of an increasing world population. Both in Canada and elsewhere livestock production would be more economical if it depended to a greater extent on grass and less on coarse grains.

In view of the long-term problems involved he was not sure whether a working party on coarse grains would be able to do very much useful work, unless it served as a consultative body working in collaboration with the Secretariat. The Committee itself should, on the basis of the excellent documents compiled by the Secretariat, draw attention to the fundamental issues, without necessarily taking decisions.

Mr. MARTESI (Argentina) said that as several speakers had mentioned his country in connection with agricultural production he would again refer briefly to what he had said at the Committee's last Session. The Argentine Government had drawn up a plan for agricultural improvement that would increase the prices of grains to farmers. The measures taken would have a substantial

effect on the next crop. As to maize, Argentina was short of harvesting manpower and for that reason arrangements had recently been made for the Army to assist.

Argentina had reduced its domestic consumption of meat, having instituted one meatless day a week. This action, he felt, would make it possible to fulfill the contracts with the United Kingdom, although at the beginning of 1952 this had seemed unlikely. He could not give more details, since the only information in his possession was that which he had provided at the Committee's last Session and he could but refer members to what he had then said.

Mr. JANFON (France) agreed with the Swedish Delegate that the majority of problems were inter-related and that it was consequently difficult to study them separately. Rather than dwell on questions of detail, it was necessary, in order to get a synthesis, to select certain general ideas.

The documents showed the growing dependence of cereal importing countries on the dollar area. The dollar shortage meant that in order to provide for essential food-needs, other purchases, nearly as useful, had perforce to be given up.

He suggested that the Secretariat should include in its review on coarse grains for the next Session a brief study of the relationship between the price of wheat and of coarse grains during the past few years. It would seem that the price of the latter was governed by that of the former. The point might perhaps be set out in terms of a graph showing the prices on the principal markets of barley, maize, oats, etc. on the one hand, and of wheat on the other.

Of the question of an international commodity agreement, discussed at the last Session and deferred to the present, he considered that it was premature to take up the matter. Meanwhile, the Committee might tackle another task, for instance, a study of the possibility of finding less expensive kinds of fodder for livestock. The Committee, however, must concentrate on the economic aspect of problems and refer strictly technical aspects to the appropriate organs of FAO.

Mr. SENGER (Australia) felt that the discussion had shown that the Committee's work would be best served by a general review of all commodities. In view of the close and obvious inter-relationship between coarse grains and other commodities, it would clearly be inexpedient to take decisions on the problem of coarse grains alone.

He believed that the Committee should first define the main problems and include them in the report to the Council. A number of suggestions made seemed to him to link back to the important issue raised by the French Delegate at the last Session, namely, the Committee's functions and methods of work, on which Governments had been invited to express their views. His Government held that the Committee would best implement its terms of reference by examining the main problems arising in the field of commodities, special attention being paid to those commodities which were expressly referred to in its terms of reference. It would hardly be possible for the Committee in the short time at its disposal to cover all issues, including for instance, production. Indeed, his Government considered that those aspects should rather be left to the Council and to various other organizations which were particularly concerned with production. He believed therefore that the best course would be for the Committee to review the commodity situation as a whole, noting the most important problems described in the reports submitted by the Secretariat.

Mr. SCHWENGER (United States of America) also expressed appreciation of the excellent documents compiled by the Secretariat and said that his Government was fully aware of the necessity of increasing supplies of coarse grain. The Secretariat's note (CCP 52/c Rev. pages 3-4) described certain action taken in the United States. He would merely add that great importance was attached to his Government to the policy of establishing price guarantees and targets which farmers were urged to attain, and to the use of nitrogen fertilizers which helped to increase yields especially of maize.

The CHAIRMAN suggested that the Committee should review all the commodities listed under Item 3 of the Agenda and link the discussion on grains with that on livestock products.

5.2 Livestock Products.

Mr. NORMAN (Secretariat) introduced the paper on livestock products (CCP 52/9 Rev.)

Mr. WEBER (Germany) asked whether the Secretariat could give any information on the effects on meat production of foot and mouth disease. Newspapers had published alarming reports about conditions in the United Kingdom and other European countries.

Mr. NORMAN (Secretariat) said that it was difficult to give any quantitative evaluation since the effects of the disease varied greatly from country to country. Much depended on the measures taken to fight the disease. In countries, such as Canada, where energetic measures were applied, the effects might be felt most in the field of trade restrictions and disturbances in the market.

Mr. LOUWES (Netherlands) said that the documents and the discussion clearly showed the wrong trend taken by production and consumption. The whole problem turned on the shortage of raw materials for meat production. There existed a high consumer demand for eggs and chickens which were highly wasteful of coarse grains. The favorable position at the present time was due to the sound conditions prevailing in Canada and the United States, but it might be that these conditions would not last. Europe meanwhile depended on coarse grains for its meat production. He recalled the memorandum which he had submitted a year ago suggesting that some attempt be made to change consumption trends. People should be urged to take their protein in the form of dairy produce rather than meat. He believed that the Committee and the Secretariat might usefully devote attention to that point.

Another interesting aspect was that of the use of milk in manufacture. There was a big demand for such products as condensed and powdered milk outside Europe and the Secretariat might perhaps study developments in that field.

The CEEC had adopted a number of resolutions urging the necessity of increasing production in Europe by 25% in the next five years. In his view, the FAO would make a more positive contribution to welfare by advocating a change in production trends than by adopting resolutions of principle. The problem must be viewed in realistic terms. If there occurred a serious shortage of coarse grains in Europe, farmers would feed wheat to livestock without considering the consequences of such action.

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Prof. SVÄRDSTEN (Sweden) said that the problem of coarse grains was ultimately governed by the problem of Argentina. The section of the report dealing with that country (CCP 52/8 Rev) had been written with very great care and deserved careful study. Clearly the changes which had taken place in Argentina were long-term developments connected with that country's industrialization. He asked whether the Delegate of Argentina could say what results could be expected from the measures recently taken by his Government to increase coarse grain production.

Mr. MARFISE (Argentina) found it difficult to give a specific answer to the Swedish Delegate's question on the Argentine agricultural production. The action taken by his Government would bear fruit in time. In any event, it was certain that the next harvest would be much better than the previous one. Because of its geographical structure, climate and traditions, Argentina was an agricultural country. He thus believed that mechanization and intensive propaganda would go a long way to improve its agriculture and to increase its agricultural output. This was an important problem for Argentina as agricultural exports were indispensable for its imports of machinery and other foreign products. For that reason his Government was sparing no effort to raise agricultural production to a maximum.

Mr. EASTWOOD (Secretariat) spoke about the close inter-relationship between coarse grains and livestock products. Reviewing the present situation as a whole he concluded that the prevailing uncertainty hindered development of livestock production in many European countries and that the situation warranted close attention.

Mr. DOBBS (United Kingdom) expressed his delegation's satisfaction that the proposal to set up a working party to study a possible coarse grain agreement seemed to have been abandoned. The United Kingdom was strongly against such a procedure for two reasons: first, in his Government's opinion, FAO was not the right forum in which to initiate work leading towards a commodity agreement, and secondly, as was stated by the United Kingdom Government in CCP 52/37 the United Kingdom felt that an international commodity agreement on coarse grains would be almost impossibly difficult to negotiate. That view had also been expressed elsewhere, for instance, at the East-West grain talks in Geneva. Further, it would be difficult for a working party to consider the inter-relationships between coarse grains and meat, livestock products, dairy-products and wheat, that being the form in which the proposal for a working party had finally been formulated. The United Kingdom Government would not commit itself to support the setting up of such a working party and could not agree to participate in it without further thought.

Mr. ECERIA (Secretariat) recalling the statement made at the previous meeting by the Director-General, explained that the proposed working party would not have as its objective the negotiation of a commodity agreement. It was admitted by FAO that such study and deliberation must precede negotiations for such agreements. However, further study of the data accumulated by FAO on certain commodities, such as livestock, might be usefully undertaken by government technicians more specialized than the members of the Committee. A precedent had been set by other groups such as those studying wool. The discussions on the various commodities might be continued and later a decision might be reached as to whether a working party on one or more commodities would fulfill a useful purpose.

Mr FERJANČIĆ (Yugoslavia) referred to the statements contained in CCP 52/5 Rev. to the effect that coarse grain production had decreased in the Danube basin. Yugoslavia was situated in that area but since it had no relations with most of its neighbours, he would only speak for his own country.

Before the Second World War Yugoslavia had exported between 400,000 and 600,000 tons of maize, excluding exports in the form of hogs etc. Since the war the area sown to maize had been reduced because of the expansion of industrial crops. But there was still a considerable surplus of exportable maize and the quantity could be increased through mechanization, the use of fertilizers and concentrated feeds rich in protein which would make it possible to economize the quantity of maize fed to livestock. Yugoslav trade was regulated by numerous bilateral agreements, but Yugoslavia was ready to participate in any international convention on coarse grains, particularly within the framework of FAO.

As for meat and livestock production, the losses caused by the war had to a great extent been made up. The exports of those products could be increased, were it not for tariff barriers and other similar difficulties.

Mr. EVANS (Secretariat) replied to the questions asked about the additional information which the Secretariat could provide as a basis for the work of a study group. The German delegate had asked for further details on the sources and destination of coarse grains entering world trade. FAO had in the last few years published that information annually. It was hoped that gradually the statistical coverage of FAO's publications would be extended and that information would be made available more frequently.

As for the suggestion made by the French delegate to the effect that data and analyses of relative price movements should be included in future studies on wheat and coarse grains, the Secretariat intended to include such data in the documents for the next Session of the CCP.

The Secretariat also hoped to be able to fulfill the Netherlands delegate's suggestion for a study of the effect on coarse grains supply of the decrease in the number of agricultural horses.

Poultry and eggs would be included in subsequent surveys of livestock production.

Miss BLAU (Secretary) recalling the United Kingdom delegate's statement to the effect that FAO was not the appropriate body to initiate international commodity agreements, drew attention to paragraph 2 of Article I of the Constitution of FAO which reads as follows:

"The Organization shall promote and, where appropriate, shall recommend national and international action with respect to the adoption of international policies with respect to agricultural commodity agreements."

Mr. DOBBS (United Kingdom) said that he had not intended to suggest that it was in any way unconstitutional for FAO to deal with the matter of commodity agreements, but merely to state that, in his Government's view, FAO was not the ideal forum for that kind of discussion and that other machinery might prove to be more appropriate.

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Mr. JAYTON (France) held that the question raised by the United Kingdom delegate was of crucial importance. Although it was generally agreed that an international agreement on coarse grains was impossible for the time being, it would be most unfortunate to give the impression that the matter was not one to be dealt with by the FAO. In his view, the possibility that FAO and the Committee on Commodity Problems were not competent to undertake that task was highly questionable, if only for the reason that no other competent bodies existed. It was true that there were inter-governmental bodies concerned with certain commodities (cotton, sugar, wheat) but in cases where no special body existed, FAO was clearly the one best suited to undertake the studies. Even if other agencies did exist, there was no reason why FAO should not submit to Governments' recommendations on a possible agreement or, at least, indicate means whereby obstacles might be overcome. He was sorry to differ from his United Kingdom colleague but the question, while as yet theoretical today, might at a future time become of great practical importance.

The CHAIRMAN said that the juridical questions raised in this discussion were not on the Meeting's agenda but that the Committee would take note of the statements made.

Sub-Committee for Review of Coarse Grains and Livestock Situation.

On the suggestion of Mr. BARTON (Canada), the Committee decided to establish a Sub-Committee to undertake a more detailed review of the situation and outlook for coarse grains and livestock products. It was agreed that the Sub-Committee should consist of: Canada (Chairman), United Kingdom, United States of America, Yugoslavia, Germany, Argentina, Netherlands and Australia, and that it should report its findings to the Committee at the current Session.

5.3 Rice.

Mr. BOERLA (Secretariat) referred to the document prepared by the Secretariat on the current rice situation and outlook (CCP 52/26). At the preceding session of the Committee there had been general agreement that the world rice situation was precarious, and the Director-General was asked to investigate the possibility of holding a special meeting in the near future for the discussion of the rice problem. However, as a result of the Director-General's conversations with officials of various Far Eastern countries, it had been decided to postpone the FAO rice meeting, at least until October. The matter was, therefore, again before the Committee and it was hoped that the delegates would be able to express definite views.

Mr. GUNewardine (Ceylon) reviewed the critical rice situation in Ceylon as presented in CCP 52/35. As had been pointed out at the last rice meeting in Singapore, the situation in Ceylon was extremely precarious and for various reasons beyond immediate control. For instance, as a result of the changed economy which emphasized rubber, tea and cocoa, much land formerly devoted to rice production had reverted to jungle; irrigation had been abandoned and malaria had become rampant. Some shift to other food was possible but there was a limit to such shifts because rice had always been Ceylon's staple food, according to tradition, religion and custom, and the shortage envisaged in the near future was desperate. Burma had come to the aid of its neighbor, but now, due to the insurrection, reduced crops, and the

allocation system practiced by Burma, only a small percentage of Ceylon's minimum requirements could be secured from Burma, whereas before the war Burma had supplied a major portion of Ceylon's rice. The tremendous increase in price was also a difficulty. Thirty percent of the Budget was devoted to subsidizing rice, thus relieving the consumer of 2/3rds of the price.

All possible steps had been taken to increase Ceylon's rice production, including irrigation projects, subsidies to small cultivators, and establishment of new settlements. Purchases in other markets had been hampered by such factors as the short world supply, high prices and balance of payment difficulties.

The Emergency Food Reserve proposal (CCP 52/21) while it was an admirable attempt to fight starvation, would not solve the problem for Ceylon, where rice was the only staple food in demand and where the need was too urgent to be considered in connection with future plans of this kind.

He therefore submitted for the Committee's sympathetic consideration the four suggestions at the end of document CCP 52/35 which he felt should be given the highest priority.

U THET SU (Burma) said that the Secretariat's Report (CCP 52/26) generally gave a fair picture of the situation but the unofficial estimates of area devoted to paddy production in Burma were on the high side and should probably be nearer 9,430,000 acres, or roughly 3.8 million hectares.

With reference to paragraph 12 (CCP 52/26) Burma's exportable rice surplus for 1952 would probably not reach 1.3 million tons. This was due to the fact that, since last year's carry over stocks had been fully liquidated this year, some stock would have to be held to cover commitments for January and February when the 1953 crop would not yet be available.

He expressed concern at the statement in the Memorandum presented by the Government of Ceylon (CCP 52/35) to the effect that the economic motive appeared to dominate among the rice exporting countries. If that had been true, the entire Burmese surplus could have been sold on the open market for United States dollars instead of being allocated to deficient countries at prices below the market price. Burmese rice allocations were made on a half-yearly basis, not in order to obtain higher prices, but to ensure that Burma would be able to fulfill its commitments. This was the practice that had been adopted by the IEFC. Prices were negotiated with the Governments concerned, and were lower than those obtained in the world market. The Ceylon representative had considered that the tender system was undesirable, but the State Agricultural Marketing Board was a public body and as such found the tender system to be the most suitable method. It was, however, modified in that it was accompanied by allocations to each country. It had actually happened that a tender offering the highest prices had to be rejected; otherwise the allocation to the tendering country would have been exceeded.

As to the first suggestion in the Ceylon memorandum (CCP 52/35), he would welcome some clarification. It hardly seemed a desirable procedure.

The current critical situation was due to insufficient production. Burma, with the assistance of FAO and other bodies, had been endeavoring to increase production in every way possible. Burma was prepared to take part in any discussion, if FAO felt a rice meeting was necessary.

Mr. GUNewardene (Ceylon) explained that the remark concerning the economic motive apparent among rice exporting countries did not refer to Burma, which had always been exceedingly sympathetic.

Dr. CLYDE (United Kingdom) described the functioning of the Consultative Committee on Rice. Representatives from 20 odd countries, FAO, ECAFE and other bodies had participated in its last Meeting held in Singapore. The Committee was entirely informal and had no constitution. It arose from the spontaneous desire of various governments in South East Asia to cooperate on rice problems. No resolutions or recommendations were passed; the object was to exchange information. In South East Asia, where in times of rice shortage rumors spread rapidly, the exchange of first hand authoritative information was especially important. The Committee tried to "pin point" the problems for governments and the last meeting had high-lighted the precarious situation in Ceylon. However, the conclusion reached was that conditions in many rice producing countries, less favorable this season than in the previous two, would necessitate a careful watch on the world supply and demand situation. All possible efforts to increase rice production and to make maximum supplies available for the rice-eating people of the world would have to be made if a deterioration in the situation was to be avoided. It was clearly in the general interest that the importing territories should not exceed their minimum requirements, and that the exporting territories should make the maximum quantities available for export. Only in that way was it likely that the minimum requirements of most rice deficient countries would be met. The inescapable conclusion was that the rice problem could only be solved by producing more rice. Here the technical and scientific work of the International Rice Commission (sponsored by FAO), was extremely valuable in such long-term work as improving yields and fertilizer experiments. Efforts were also going on in all countries for greater production. No one immediate solution to the problem had been found.

Mr. JANTON (France) said that as regards the situation in Vietnam and Cambodia, the data given (CCP 52/26, paragraph 12) were unfortunately too optimistic because it was to be feared that exports would not reach the 1951 level.

Mr. PEREZ (Cuba) said the problem seemed to be one of a short-term scarcity of rice and the only solution appeared to be an international allocation of rice to meet the emergency.

U THET SU (Burma) said that so far as his country was concerned, allocations of rice had been as equitable as circumstances permitted. Any international system of allocation would imply incompetence or injustice on the part of Burma. He thus could not accept the Cuban suggestion. The problem was, as he said, one of production and not of distribution. Countries like Ceylon, India and Japan had succeeded and were succeeding in obtaining substitutes for rice and they could afford to buy such substitutes until the world production of rice increased.

Mr WEBER (Germany) observed that, so far as imports of rice to European countries were concerned (CCP 52/35 page 3), they were largely based on long-term commercial treaties and so could scarcely be reduced at short notice.

The CHAIRMAN felt that the Ceylon Government's aim was to bring the serious situation in Ceylon to the attention of the Committee and that the four points in Document CCP 52/35 were intended merely as an appeal to countries represented on the Committee and not as recommendations for adoption.

In any event the paper had been circulated too late to permit representatives to express the views of their governments. He, therefore, suggested that reference to the document should be made in the Committee's report so as to bring the matter to the attention of the Council.

Mr. GUNWARDENE (Ceylon) accepted that interpretation of his Government's intention. The problem was an immediate one and Ceylon was looking for the goodwill and assistance of exporting countries and the good offices of FAO to help relieve an unfortunate situation. He appealed to Burma for a maximum effort in that direction.

U THET SU (Burma) said that the sales contracts in force applied only to the first six months of 1952 and that negotiations were in hand between the Burmese Government and the Ceylon representative in his country in connection with the sales contracts for the second half of the year. The outcome of these negotiations would be known within a few days.

The DIRECTOR-GENERAL thought he might give the Committee some of the facts as he knew them on the rice situation. He agreed with the Burmese representative that the main problem was one of production. Before the war nearly 8 million tons of rice had entered world trade. Taking into account the increase in the population of the area concerned, trade should be in the neighborhood of 9 million tons a year. It would be noted, however, from the tables in document CCP 52/26 that world trade in recent years had not even reached 4 million tons. Indonesia had at one time considered itself almost self sufficient in rice but was now asking for 65,000 tons. Indochina had exported 1.1/2 million tons but it was unlikely that output in 1952 would be as high as in 1951. Korea in 1949/50 had exported 90,000 tons but was now importing rice. Before the war, Burma had exported 3 million and in 1951 only 1,300,000 tons and that figure would probably not be maintained in 1952 unless exceptionally favorable weather conditions prevailed. Japan required 1 million tons and India 1 million tons. Again, foreign exchange also gave rise to great difficulties in the area. Such obvious scarcity could not but result in higher prices.

The Committee had asked that a meeting be held to examine the rice situation and to report back. When he himself was in the Far East recently, he had consulted the Ministries of Food concerned and concluded, among other things, in view of the meeting held in Singapore in March, no FAO meeting was called for at that juncture. He had attended the meeting of the Consultative Committee on Rice where a very friendly atmosphere had prevailed and where a realistic attempt had been made to face the situation. He now felt that when the size of the current year's crops was known and the previous year's allocations had been completed, it might be useful to hold a meeting, on the lines suggested by the last CCP Session, to look into the supply and demand situation.

Nature, as had been said, did not move fast and he did not believe it possible to increase production rapidly enough to remove the problem at an early date; but the problems could at least be considered again in a frank exchange of views and sincere study, and if the Committee recommended such a meeting, the Secretariat would willingly cooperate.

Dr. CLYDE (United Kingdom) said that since the Consultative Committee would be meeting in October when the problem of supply and demand would be considered, he wondered whether it would not be better for FAO's meeting to be held sometime later, when it could do useful work in high-lighting the most vital long-term aspects of production rather than the short-term aspects, a task which would not overlap with the more technical work of the International Rice Commission.

The DIRECTOR-GENERAL said that it was, of course, for the Committee to decide when such a meeting should be held, if at all. He also appreciated the points made by the United Kingdom representative. It was a fact, of course, that some countries were desperate for rice and would remain uneasy until they had an assurance of minimum supplies; hence, his thought that when crop prospects were known and previous allocations made, the time might be ripe for a meeting.

Mr. DOBBS (United Kingdom) raising a point of order, asked whether the Committee had the power to establish special Working Parties.

Miss BLAU (Secretary) replied that the Conference, in Resolution XI of the Sixth Session, had specifically reminded the CCP of its competence to set up working groups and to invite interested FAO member countries who were not members of the CCP, to participate in the work of these groups. The Conference had thus not only authorized but actually encouraged the CCP to arrange such meetings, where necessary, in its own right.

Mr. SENGER (Australia) held that the rice problem was a serious one and that it was specifically for the consideration of serious commodity problems that the CCP had been created. He hesitated to press the point, however, without some more guidance as to the preparation required for a special rice meeting and the capacity of the Secretariat to undertake the additional work and to prepare the necessary documentation.

Mr. BOERMA (Secretariat) said that if the Committee wanted a meeting to be held, the necessary documentation on the basic economic questions concerned would be provided and he hoped that governments would cooperate in the preparation of this material. The FAO was doing a good deal on the technological side of the rice problem but it would seem that more needed to be done also on the economic side, particularly with respect to long-term production programs, incentives to output, and trade problems.

Mr. DOBBS (United Kingdom) proposed that the Committee revert to its February decision when it had requested the Director-General to write to Governments for their views for subsequent circulation.

The United Kingdom Delegate's proposal was adopted.

After some further discussion, it was agreed to attach the memorandum submitted by the Government for Ceylon (CCP 52/35) to the Report of the CCP to the Council.

5.4 Fats and Oils.

Mr. BURFIS (Secretariat) introduced CCP 52/10 Suppl. dealing with the two questions which the Committee at its Eighteenth Session had invited the Secretariat to investigate, namely, the fats and oils position in certain countries and the extent of the inter-changeability between "soft" and "hard" oils. He emphasized that the study had not yet gone far enough for the Secretariat to be able to come to definite conclusions.

Mr. JANTON (France) thanked the Secretariat for its excellent report on Fats and Oils (CCP 52/10 Suppl.). He would submit detailed comments later, but wished for the time being to draw attention to certain discrepancies relating to France in both CCP 52/10 and its Supplement. If consumption

really had fallen between 1938 and 1950, the decrease was chiefly in the non-food sector. For food fats, the decrease was imperceptible and by 1950 substitute calories were not being used for fats and oils. The estimates for 1951 were optimistic and it did not seem possible that consumption should have increased so greatly.

Mr. LOUWES (Netherlands) said that on the basis of his own country's experience he did not think that "soft" and "hard" oils would become completely interchangeable. One of the most important factors governing the situation was that of currency restrictions and availabilities. Consumer habits must also be taken into account. He was not prepared to accept the deletion of the distinction between "soft" and "hard" oils.

Mr. EURPIS (Secretariat) thanked the French delegate for the information he had given and emphasized that the table on page 2 of CCP 52/10 Suppl. was provisional. Despite the short time at its disposal, the Secretariat had taken the risk of giving a detailed series of figures. He fully appreciated the point raised by the Netherlands delegate on the role of the currency situation, but maintained that if the problem were viewed on a world-wide scale the two categories of oils were interchangeable to a large extent on the international market and that the prices for the two were very closely inter-related. However, the distinction between the two categories would be retained in the statistical tables.

5.5 Cocoa.

Mr. VIFON (Secretariat) introduced CCP 52/25 which in addition to outlining the history of cocoa production and consumption during the past thirty years, and the outlook for the future, suggested certain specific proposals to meet the present situation.

Mr. DOBBS (United Kingdom) noted that the paper marked the first serious approach of FAO to the cocoa problem. While the report had been read with great interest by his Government, some concern had been felt at the far-reaching proposals regarding technical assistance programs and the convening of a conference to discuss possible commodity arrangements. He outlined certain technical assistance plans already initiated in the British Commonwealth and stated that the extreme shortage of expert personnel was a factor to be considered in any future technical assistance programs. He did not think that the cocoa demand outlook was a cause for serious concern. True, more sugar had been used in confectionary manufacture when cocoa supplies were short but he had not heard of synthetic products being introduced as competitive factors.

It had been stated that the Secretariat had sent out a questionnaire to all cocoa-producing countries but the United Kingdom had not yet had a copy. If it had not yet been despatched, he urged that it be kept as simple as possible.

He supported the survey as described in alternative (1) (CCP 52/25, page 8). The next Session of the Committee might then be in a position to consider the advisability of convening a conference. At that time the agenda of such a conference could be considered in the light of economic and marketing conditions and FAO budgetary implications.

Mr. LINVILLE (United States) stated that while it was necessary to keep the cocoa problem under survey, supply shortages might be a debatable point until a more comprehensive study had been made. There seemed to be little or no alarm regarding the supply position in the United States. It might be advisable to await the analysis of replies to the questionnaire before taking a decision as to whether, and what, international action would be advisable. He supported the United Kingdom view that the matter be brought up at the Committee's Twentieth Session. The question of assuring adequate returns to producing countries was important. The guaranteeing of minimum prices to exporting countries over a period of years was a serious matter to be weighed by importing countries.

He could not quite understand why a special mechanism would be required for dealing with cocoa problems as related to technical assistance. The Point IV program had been successfully coordinated in other fields and it was not clear why a different approach was necessary for cocoa.

Mr. JANFON (France) found the cocoa report most interesting. He had not been able to examine it in detail but believed that the data for French territories were exact. There still remained the general problem to be solved: the problem of adjusting supply to demand. As things were, and barring sudden changes due to short crops (as in 1951/52), the balance seemed to be attained. Prices, however, had undergone very sharp fluctuations so that, in a long-term survey, it would be advisable to bear in mind measures likely to ensure regular markets for production. Before concluding an international cocoa agreement, however, there was still much to be done. The French delegation was in favor of the plan for a general survey by the Secretariat. The questionnaire had not yet reached the French Administration. The utilization of returns to that questionnaire would be the first step to that end and the next step might be the study of trends which would make it possible to consider at subsequent meetings what action should be taken.

Mr. LOUËS (Netherlands) said the cocoa processing industry in the Netherlands favored an investigation as suggested and the convening of a meeting of cocoa producer and consumer countries. He could see no danger in holding such a meeting. On the production side, he understood that such factors as export duties had a detrimental effect and that production did not automatically increase with rising prices. Thus, he supported the view that a study would be in the interest of producer and consumer countries and also the United Kingdom's suggestion that the item should be placed on the agenda for the next Session of the Committee.

Mr. GUNEMARINE (Ceylon) also considered that a survey of the position should be made. Although a small producer prewar, Ceylon had nonetheless exported a considerable part of its crop. The second world war had cut off overseas markets and cocoa growing as a result had practically been abandoned. The Ceylon producers, mostly smallholders, would benefit greatly from the information that would be available following such a study. They would realize that it was in their interest to expand production because of the high prices prevailing on world markets. He believed that technical assistance was available and felt that there could be no objection to providing it to such small growers, pending the outcome of the study and subsequent discussion by the Committee at its next Session. Such measures would undoubtedly go a long way to expanding Ceylon's production of cocoa.

Mr. VITON (Secretariat) explained that because of the work involved in checking with a number of cocoa interests, the questionnaire had only been completed a few days before and would shortly be sent out to Governments. He agreed with the United Kingdom representative that the shortage of technicians was an outstanding problem of cocoa production.

The United States representative's view that there was little cause for alarm was not in his view borne out by the experience of the cocoa industry in the United States. A report soon to be issued by FAO would deal with the question of price factors and taxes. The latter was a not inconsiderable feature and had the effect of reducing the farmer's return. In the Gold Coast, for instance, taxes amounted to £40 a ton out of a total price of £250 to £350 a ton. Nevertheless, the price to the producer was substantially higher than prewar (one writer had quoted the prewar figure of £22 as against an existing price of £150), but it had to be remembered that cocoa was a tree crop and that it took a tree 5 to 7 years to come into production. The farmer, therefore, wished to have an idea of the price he would obtain 5 years or so after planting and that was an important consideration in countries where an effort was being made to develop large scale production.

The CHAIRMAN concluded that the Committee (a) endorsed the plan for a full survey of the production and consumption of cocoa and that the subject should be placed on its next agenda; (b) agreed that it was necessary to await the outcome of that survey before considering the possibility of inter-governmental consultations or action on cocoa; and (c) the report to the Council (CCP 52/47) should contain reference to the observation by the Observer for the Government of Ceylon about the provision of technical assistance pending the outcome of the survey.

5.6 Fish.

Mr. GERHARDSEN (Secretariat) introducing CCP 52/27, said that the paper had been prepared in response to the CCP requested for documentation. In the absence of specific directives from the Committee, the Secretariat had prepared a brief outline of the situation for all major fish commodities. Unfortunately, statistics had been received for only half the volume of production. Estimates had been given for the whole volume, with an appropriate analysis, but without full and actual figures, it had not been possible to show trends.

Mr. DOBBS (United Kingdom) said that the Secretariat's interesting paper (CCP 52/27) had been made available so late that he had not been able to consult UK experts and so could not make useful comments. Perhaps other delegates were in the same position and the best plan might be to postpone its consideration until the Committee's next Session although that, of course, might not be necessary since no action was called for in the paper. Fish problems were largely regional problems and would perhaps best be dealt with on the existing regional basis.

Mr. JANPCN (France) and Mr. WEBER (Germany) also felt that time had not been sufficient to study the paper and that it would be better to postpone its review until the next Session.

Mr. CAIRNS (International Federation of Agricultural Producers) suggested that if the Secretariat prepared a revised document for the Committee's next Session it might comment on the possibility of including certain low quality fish as supplementary feeding in the international emergency food reserve scheme (CCP 52/21).

The CHAIRMAN concluded that the Committee felt that the matter should be deferred until its next Session. The point made by the IFAP representative would be duly noted.

5.7 Fertilizers.

Mr. DION (Secretariat) said that the fertilizer situation had not changed since the Committee's last Session. He would be glad to answer any questions put to him.

Replying to Mr. WEBER (Germany), Miss BLAU explained that two distinct sets of information had been requested by the Secretariat. The first of these requests had been made in accordance with the CCP's own directive that information on barriers to fertilizers trade should be obtained from Members and Observers of the CCP. The Secretariat had requested such information in circular CCP 52/18 but four replies only had been received so far. The second and much more comprehensive request for information on fertilizers was based on the standard statistical questionnaire which was being sent each year to all FAO Member Governments. This was the questionnaire just referred to by Mr. Dion.

Replying to Mr. CAIRNS, Mr. DION said that the Secretariat's report based on the questionnaire on fertilizers would be available in August 1952.

Mr. SENGER (Australia) said that as the Committee had certain information, it should consider whether that information indicated an international commodity problem in fertilizers. He felt that the information supplied dealt with matters for other branches of FAO.

Mr. CAIRNS (International Federation of Agricultural Producers) hoped that when the Secretariat prepared its report, it would refer to the question of prices, for he had the impression that in some countries fertilizer prices were not favorable to the farmer and so did not promote increased agricultural production.

Mr. DESCHARS (Organization for European Economic Cooperation) summarized the results of the studies carried out by OEEC on methods suitable for promoting the use of fertilizers. In OEEC countries the use of fertilizers had increased in the last few years at the rate of 10 percent a year, and if this increase continued it would correspond in a few years to an overall increase in production of about 5 percent. This forecast, however, was not certain because in 1951/52 the rate of growth of fertilizer consumption had not been maintained.

It was difficult to determine the factors causing these fluctuations; nevertheless, there was no doubt that prices played a prime part; hence, the need for increasing the use of fertilizers and the need for reducing fertilizers prices. OEEC was accustomed to review periodically the supply and demand position with a view to ascertaining the optimum point of balance. For that purpose, it had set up special working parties, in particular a food and agricultural party and a fertilizer party.

Mr. JANTON (France) said that, like Mr. WEBER (Germany), he had certain information available for the Secretariat. The report of the OEEC Observer was of particular interest for FAO and could prove useful in drawing up a report on the role of a more intensive use of fertilizers in expanding production.

The CHAIRMAN concluded that there was general agreement that the discussion on fertilizers should be postponed until the Committee's next Session. As only four countries had replied to the questionnaire, the Secretariat should be in a better position to present a full survey at the next Session.

5.8 Other Commodities: Sugar, Tea, Wool, Cotton, Rubber, Jute.

The CHAIRMAN asked the Committee whether it wished to discuss any of the commodities reported on in CCP 52/24.

Mr. GUNewardene (Ceylon) suggested that the question of tea might be developed.

Mrs. DE MEYNIER (Secretariat) stated that, although tea production in some countries had not reached prewar levels, supplies available to world trade were higher than in the immediate prewar years. The problem in tea was, therefore, mainly one of marketing existing supplies, and here difficulties were encountered in the UK because of rationing and price control, in the United States and Canada where stocks had been high and in the slow rate of consumption elsewhere. The situation, however, was expected to improve in the UK with the prospective increase in the ration and the possible abandonment of rationing at the end of the year. The 1952 crop would be higher than in 1951 because of better weather conditions in India, effective blister blight control in Ceylon and more land brought under production in Japan. The situation in Indonesia was not clear; blister blight and labor conditions were reported.

THE CHAIRMAN said that, as there was no comment on document CCP 52/24, the Committee would report that it had taken note of it.

6. International Emergency Food Reserve (Agenda Item 4)

The CHAIRMAN, in opening the discussion on Agenda Item No. 4, explained that the question had been placed both on the Council's and on the Committee's agenda so that the latter could, if it thought fit, bring out particular points in preparation for the Council's discussion on the subject.

Miss BLAU (Secretary) introduced the Secretariat's paper on an Emergency Food Reserve (CL 15/10-CCP 52/21). The paper had been prepared in response to Resolution No. 16 of the Sixth Session of the FAO Conference which requested the Council to study and explore ways and means whereby an Emergency Food Reserve could be established and made available promptly to Member States threatened or affected by calamity. Proposals for an Emergency Food Reserve had to be seen in the wider setting of international action against famine, to which preliminary consideration had been given by the FAO Conference and the U.N. Assembly and which formed the subject of another paper presented to the FAO Council. A plan for an Emergency Food Reserve involved some intricate technical problems. While outlining some of these problems in some detail in her review of the Secretariat's paper, she also stressed the danger of getting lost too much in these technical difficulties at the expense of the basic idea and the human side of the question. The proposals had been so presented as to encourage the Committee and the Council to express their views on various alternatives before them and so give the Secretariat guidance for the further development of the plan.

Mr. JANTON (France) wondered whether there would not be duplication between the work of the Economic and Social Council and the FAO and whether the Economic and Social Council was going to await a Resolution from the Council of FAO on the subject.

The DEPUTY DIRECTOR-GENERAL explained that two separate papers would be presented to the Council. The first dealt with the procedures necessary for watching the development of famine and making recommendations with regard to action for dealing with famine and bringing the total resources of the world to help cope with any such emergency. That question was one of machinery and would be discussed by the Economic and Social Council. The document on the subject would doubtless be noted by the FAO Council and discussion postponed until the outcome of the Economic and Social Council's deliberations were known. Another entirely distinct paper dealt with the creation, administration and use of an

Emergency Food Reserve. That was exclusively and FAO matter arising out of an FAO Resolution, and it was now for the Council to consider this matter and for the Committee to assist the Council in this in whatever way they felt they could do so.

Mr. PEREZ (Cuba) complimented the Secretariat on its paper. The latter, however, anticipated a problem, which had not yet arisen and, therefore, did not, in his opinion, call for any decision by the FAO. The Conference Resolution implied that member governments had the firm intention of establishing some such reserve and in the circumstances the thing for the Committee to do at this time was to recommend that the countries concerned should agree, firstly, to set up a special international body for the purpose and, secondly, to determine what each individual country would contribute initially to the common fund.

Mr. SCHWENGLER (United States of America) said that the U.S. Delegation had not had time to study fully the excellent paper prepared by the Secretariat but felt it might be useful to indicate some questions which they felt must be dealt within further work on the subject.

In essence there could be at least two sets of limiting factors in dealing with famines: firstly, the physical availability of food, and secondly the availability of means of payment for existing food.

It would be useful to have any historical evidence as to famines for which the lack of existing reserves of food in the world had prevented relief and also evidence of famines for which food had not been purchased merely for reasons of foreign exchange shortages. The evidence would affect the choice among the three alternatives outlined in the Secretariat's paper. It might be useful to distinguish clearly between the purposes for an emergency reserve and perhaps try to serve only one purpose with the reserve in order to keep the problem to practical proportions.

The administrative side of the question had been well presented, but there were some special points which had to be taken into account in defining the conditions of emergency releases. The general idea of famine on the one hand as against chronic under-nourishment on the other needed clear definition. The problem of adequate subsistence levels was always with us and perhaps even becoming more serious. It would have to be determined how we could ensure that the emergency reserve was used for emergencies only, since it was not possible, within the limits of this plan, to cope with the much wider problems of under-nourishment generally.

Next, there was the question as to how one could justify the accumulation of a famine reserve at a time when near-famine conditions existed in some areas. The world might well not look with favor upon the establishment of a food reserve for the future at a time when people were near starvation or actually starving.

As to financing, he presumed that this would be done on the basis of an international scale of payments. It might be possible, for instance, to consider the FAO scale of contributions in this connection. As concerned replenishment, the question would arise only if the reserve was intended to be a form of foreign exchange aid. Next, there were many questions concerned with the problems of where and how to hold commodities. If these questions of the organization and location of stock holdings were not very carefully handled, the arrangement could actually accentuate an emergency instead of relieving it. The problems of the composition of the food reserve would also have to be looked into further, with a view to the best use of commodities in surplus supply.

In conclusion, he wished to state that the basic idea of famine relief had always appealed to his Government and to the people in the United States and that the plan would be viewed by the United States Government with sympathy.

Mr. DOBBS (United Kingdom) expressed his appreciation of the paper presented by the Secretariat. He was trying to get a clear idea as to the function of the CCP in this discussion. The Secretariat's paper had indeed made the CCP's task rather more difficult in the sense that a number of the technical questions which could suitably be raised by the CCP, had already been very ably presented by the Secretariat. All the same, he felt that there were still many detailed difficulties on which useful discussions could be held in the CCP; such as, for instance, the question of turning over stocks, timing the turnover, preventing storage losses and the location of stocks. With respect to the possibility of locating stocks in or near areas where famine conditions were likely to arise, political difficulties might be caused if an emergency arose in a country neighboring to that which held the stocks. Transport questions would also have to be very carefully considered. It was, however, difficult and premature for the Committee to start examining the details of the Secretariat's proposals before the FAO Council and ECOSOC had given attention to the questions of principle - namely, whether a physical food reserve should be set up, whether Member Governments were prepared in advance to pledge resources, financial or in kind, and whether contributions should be on a compulsory or voluntary basis. His suggestion would, therefore, be that the CCP should take note of the document, express its appreciation of it and defer consideration of the subject until the matter had been considered in the Council, the wider issue debated by ECOSOC and governments had expressed their attitudes towards the whole idea. The detailed consideration of the proposals might conceivably be referred by the Council to the CCP, but in the meantime he felt that the CCP could do little more than take note of the paper with appreciation and then deferring its further consideration of the subject.

Mr. JANTON (France) thanked the Secretariat for having prepared this interesting and important document on a subject which his Government considered with the greatest of interest. From the comments made by previous speakers he felt that basically there were two possible lines of approach to the problem: the line suggested by Cuba, and to some extent by the United Kingdom was first to ascertain the attitudes of Governments to the general features of the proposals and to defer the detailed consideration of the problem until then. The Delegate for the United States, on the other hand, had indicated that in his view more detailed study would be required before Governments could take a final attitude on the matter. The French Government supported the second alternative.

One of the most basic problems requiring clarification was the definition of the term "famine" which covered a wide field, from malnutrition to death by starvation. In dealing with practical problems, it would be particularly important to study the questions of location of stocks and transport arrangements. For instance, if stocks were located in regions of chronic malnutrition, there might be some pressure to use them before emergencies arose.

The importance of psychological problems should not be underrated. He noted that some thought had been given to these problems in the Secretariat's document (at the end of page 5 of the French text) but these matters still needed to be explored further.

Next, it was essential to consider the effect of a plan of this nature on the market, the possible interference with prices, and a number of other economic and social factors.

In conclusion, he wished to state that it would not be possible for the French Government to adopt a definite position until problems of the kind enumerated and other important questions had been clarified; but that in principle his Government viewed the project with great interest and sympathy.

Mr. WEBER (Germany) said that he had been much impressed with the document prepared by the Secretariat and particularly with the excellent introduction speech delivered by Miss Blau. The problem was a very serious one which not only deserved but required careful consideration. He did not wish to repeat what was written in the document and what had been stated by Miss Blau and by the Delegates with respect to the great difficulties of finding a fully workable solution. It was not so long ago that his country had needed the help of emergency food reserves to relieve the bad food situation. As the Representative of Western Germany, he could therefore fully appreciate the desirability of establishing such an Emergency Food Reserve and the problem would be carefully studied in his country. He was not in a position to anticipate the decision of his Government but, as far as he could see after a preliminary study of the subject, he was personally of the opinion that Alternative C appeared to be the simplest solution from his country's point of view. Some food reserves already were in existence in most countries and a certain percentage could be deviated for an international food reserve, if the plan for an international emergency food reserve was decided upon by the competent international bodies and governments. In any case, the problem should be studied carefully and it might be useful to set up a small Working Party of members of the CCP or Council who were specially competent and experienced in this matter.

The CHAIRMAN particularly invited those Members and Observers of the Committee who were not Members of the Council, to comment on the paper as it would be useful for the Council to know their views.

Dr. LOUDES (Netherlands) congratulated the Secretariat on the excellent report submitted in CCP 52/21 but considered that there were many points which still needed clarification, perhaps the most difficult being the exact definition of the term "emergency". Where should the line be drawn between "shortage" and "emergency"? Extreme caution had to be exercised before a state of famine was declared. From his own experience he believed that the most practicable of the three alternatives suggested in the Secretariat's paper would be to have stockpiling done by Governments because the setting up of international controls might raise all sorts of conflicts. He also felt that it would be risky to accumulate over-large stocks under international control and that other problems might arise with respect to replenishment, particularly as regards wheat. He therefore favored cooperation among Governments within the framework of Alternative C and perhaps the setting up of a small committee to study the matter more closely.

Prof. SVÄRDSTRÖM (Sweden) stated that his Government viewed the basic idea of an Emergency Food Reserve with the greatest sympathy. He was speaking without instruction, however, as to the acceptance of the plan in principle. He noted that each of the three alternatives presented in the Secretariat's paper was based on purely humanitarian principles. He felt strongly that these principles should be kept. There was perhaps one basic

difficulty, namely that it would be in the very essence of the plan to attempt to couple spontaneity with foresight. It had to be remembered in this connection that there were poor people also in rich countries, even though admittedly there was a certain inter-relationship between poor people and poor countries. A country could never be so poor as not to be able to provide for extreme emergencies. When acting spontaneously in the case of an emergency having arisen, these were matters which Governments providing relief were prepared to put on one side. Relief which had been given in the past by Sweden had always been on this spontaneous basis and he felt that it was this basis which strongly moved individual people to contribute to such relief in his country. If, on the other hand, relief was planned in advance as was being done in the proposals now under discussion, it was very difficult not to take full account of the requirements of foresight which reasonably should be expected in countries where emergencies might occur. Speaking more specifically, he felt that his remarks led to the conclusion that as a matter of principle relief deliveries should be paid for and that it should be left to the administering authority to decide when and how the payments should be made.

Mr. CAIRNS (International Federation of Agricultural Producers) said that he intended to make a statement on the subject to the Council but would be happy to outline his view now. The International Federation of Agricultural Producers (IFAP) had considered a plan which had a number of features in common with the Emergency Food Reserve plan. Four years ago, representatives of farm organizations the world over had met in Canada and had proposed an internationally financed and controlled plan of supplying surplus food to countries in need. They had presented their recommendations to FAO in Paris in 1949. Some of their ideas had been taken up in the International Commodity Clearing House proposals and IFAP had been among the organizations which had regretted that those proposals had not been acceptable to governments.

An important feature of the IFAP plan which was not included in the plan on an Emergency Reserve now under discussion, was the offer of farmers to accept special prices for surplus goods. They had made clear that in order to make more progress towards greater production, they had to be sure of getting remunerative prices, and surpluses were therefore bound to occur periodically and on an ad hoc basis. It might thus be possible to obtain relief supplies on very special terms, providing that the administrative authority was prepared to take advantage of the surpluses which did exist in the world or in certain regions from time to time.

He felt that it was a mistake to plan relief operations too much on the assumption of emergencies being likely to arise in semi-vegetarian countries only. He reminded the Committee of the serious situation which had arisen in Yugoslavia in 1950. Also he was surprised that the Secretariat's paper, while mentioning the Russian famine of 1920 did not refer to the greater famine in that country in 1932/33. He had seen this famine with his own eyes and it had been an impression which he was not likely ever to forget. Who could foresee that there would not be calls for relief from Eastern Europe again? Next, he told the Committee that as Director of Food for UNRRA he had been responsible for allocations and distribution of all relief food-stuffs. UNRRA had followed the principle of asking for convertible currencies up to 10% only of total contributions, while allowing 90% to be supplied in kind. He felt that it would be a mistake in planning an emergency food reserve to insist on contributions in money. There were many types of food which governments might be prepared to supply in kind, and these

supplies might be lost if money contributions were asked for. He thought it quite possible, for instance, that use might be made of beans from Brazil, garbanzos from Mexico, or cod-liver oil from Iceland or Newfoundland. Also it was important in planning the composition of the Emergency Food Reserve to allow for a large variety of food and it was essential to plan for the holding of actual physical stocks, because otherwise operations were not likely to be speedy enough to meet the purpose. Thus, it did seem a good idea to build up stocks in advance and to make full use of surpluses for this purpose. He recalled that the CCP in its early history when it had been concerned with surplus disposals had received offers of items for sale at very attractive prices, but that it had been largely lack of the machinery required for sufficiently speedy operations which had prevented the use of these offers for special purposes.

He had more points which he intended to present to the Council in the following week, but meanwhile he wanted to join other speakers in expressing his appreciation of the clear and interesting paper presented by the Secretariat. In particular, he had given careful consideration to the four criteria set up by the Secretariat for choosing between the three alternatives presented in their paper. He felt strongly that on the basis of the criteria adopted, the first of the three alternatives was the most efficient. This did not mean, however, that in his view the second or third alternative could not be operated, too. The main thing was to adopt one of the three alternatives and he would much rather see the second or third adopted than none at all. The IFAP wished to express its full sympathy with the plan and would stand ready to give all assistance which might be required, not only by the IFAP itself but also by its member Organizations. Such assistance could be given, for instance, by influencing public opinion or by providing experts to aid a Working Party which might be set up.

Mr. FERJANOVIĆ (Yugoslavia) stated that the Government of Yugoslavia adhered to the idea of an Emergency Food Reserve and would do its part if and when this plan was decided upon. He felt that Alternative C might be the best and that it could perhaps be combined to some extent with Alternative B. He noted that the composition of the EFRU contained little sugar and he felt that the proportion of sugar which was a commodity of high nutrient value, could perhaps be increased somewhat while the proportion of cereals could be lowered proportionately.

Mr. JANTON (France) pointed out that in view of the fact that the Food Reserve presumably had to contain quite a number of EFRU's, it might be possible to contemplate some variation in the composition of these EFRU's.

Mr. PEREZ (Cuba) proposed the following statement to be presented by the Committee to the Council:

- (1) The CCP submits to the Council of FAO the document CCP 52/21 on an Emergency Food Reserve and considers that this paper of the Secretariat constitutes a valuable contribution to the problem.
- (2) With respect to practical procedures to be followed, the CCP suggests that the following measures should be adopted:

- (i) An intergovernmental body should be set up for the purpose of bringing this plan into being.
- (ii) Governments should agree on the initial contributions which they are prepared to make for this purpose.
- (iii) Administrative questions as to the operation of the Reserve should be left for the intergovernmental body to study and decide.
- (iv) The term "Emergency Food Reserve" should be changed to "Relief of famine and hunger" so as to make the terminology express clearly the objectives of the United Nations.
- (v) FAO should collaborate in every way possible with the new intergovernmental organization, if it is created.

U THET SU (Burma) stated that the time had been too short for the Government of Burma to make a close study of the proposals. He personally felt confident that his Government would give sympathetic consideration to the plan but careful attention had to be given to the limitations of available stocks. If, for instance, the world situation was such as to limit total consumption of foodstuffs to say, x tons, and a reserve of y tons was being built up, then current consumption was thereby being reduced from x to x - y. This might be a serious matter at a time of scarce supplies. This was the reason why the Reserve probably should not be planned on a very large scale. Also the Reserve would have to be fluid and adequate arrangements would have to be made for the disposal of stocks of perishable or semi-perishable goods. His preliminary view was that Alternative C might be preferred because it seemed the most practicable. This preference was for placing stocks in exporting countries because that would make it easier to dispose of stocks freely in the case of emergency and also if no emergency arose.

Dr. BARTON (Canada) stated that he would present a statement to the Council but in the meantime wished to join other speakers in expressing his appreciation of the study prepared by the Secretariat and of its presentation by Dr. Blau. He himself had been one of the Delegates who framed the Resolution on an Emergency Food Reserve at the Sixth Session of the Conference. The terms had then been left vague deliberately because it was felt that the Council should not be limited in any way in developing new ideas for this novel subject. This had given the Secretariat little to go by, however. Their study which had to be composed largely from thin air revealed a good deal of imaginative thinking, which was a valuable attribute for the staff of any Organization. Dr. Barton expressed his Government's sincere sympathy with the plan for an Emergency Food Reserve, but he thought it was important not to underrate the difficulties. This was a matter which had to be very carefully prepared and it could not be done quickly. He drew the attention of the Committee to the fact that the Resolution merely asked the Council to explore suitable ways and means and that even if the Council had agreed to a plan, it would still need to convince all the Governments concerned. He felt that in preparing a fully acceptable plan it was particularly important to enquire whether there was, in fact, any historical evidence of famines having arisen in the past merely for lack of physical supplies or whether perhaps the main reasons had been lack of purchasing power, lack of organization in the stricken countries and the resulting evils of hoarding and of rising price spirals. Had there, in fact, been many famines in the past which could not have been dealt with adequately if it had not been for delay? The point had to be proved if governments were to be asked to provide money for the establishment of physical relief stocks.

The CHAIRMAN concluded that the debate had brought out a number of interesting points and that the Summary Record would be attached to the Committee's Report to the Council as it might prove of interest for the Council discussions. He asked the Cuban representative whether he would be satisfied with having his proposal included in the Summary Record on the debate.

Mr. FERRIZ (Cuba) stated that he was satisfied with the procedure proposed by the Chairman.

7. Programs and Policies of other Intergovernmental International Commodity Bodies (Agenda Item 5) and International Commodity Stabilization Techniques (Agenda Item 6)

Miss BLAU (Secretary) summarized CCP 52/14 which brought up to date the report on intergovernmental developments presented to the Eighteenth Session (CCP 52/12). She referred in particular to certain key problems which were being encountered in intergovernmental consultations for more than one commodity. Some of these problems had been analysed in the Secretariat's study of the International Wheat Agreement (CCP 52/19). She recalled the Director-General's statement to the effect that the Secretariat should attempt to make positive contributions to specialized intergovernmental commodity discussions. She hoped that work done in this field in recent months could be regarded as a step in the right direction.

Mr. JANFON (France) thanked the Secretariat for the complete and very useful report presented on the questions under review. He expressed his sincere appreciation of the two serious and considerable studies before the Committee, namely the study of the Wheat Agreement and the study of a Food Reserve Plan. It was the first time that studies of such quality had been prepared and the development of this work should be encouraged in every possible way. The study of the Wheat Agreement was admittedly rather theoretical but it was so because in essence it could not be otherwise. It was especially valuable because it dealt with some important problems which had also arisen in intergovernmental consultations for other commodities. Another very useful report had recently been prepared by the International Cotton Advisory Committee in the course of their examination of possible types of machinery for an International Cotton Agreement. There was much scope for the centralized study of these problems and it was one of the most important functions of the FAO to promote this side of the work and to clarify thinking on these issues. If possible, the Secretariat should undertake a comprehensive study on this subject in all its aspects and in doing so it should also devote adequate attention to means of stabilization other than international commodity agreements. Special attention should also be given to currency problems and to the relationship between free and organized markets.

In commenting on the study on the Wheat Agreement in more detail, he had two specific observations: first, he was not entirely convinced of the reasoning in the appendix which dealt with the effect of the agreement on the non-guaranteed sector of the market; secondly he felt that the appendix dealing with national measures might be developed further and that an attempt should be made to rearrange the material so as to differentiate between national measures primarily taken for the purpose of expanding output or other general reasons as against measures arising specifically from the obligations under the Wheat Agreement.

Mr. TAYLOR (United Kingdom) congratulated the Secretariat on the thorough and up-to-date report presented in CCP 52/44. He inquired as to the relationship of reports of this kind to the Annual Reviews prepared by ICCICA. As to FAO's general activities in this field, he felt that it would be helpful to have a clear idea of FAO's resources for work of this kind. Government representatives on other intergovernmental organizations would then find it easier to draw attention to, and make use of, the services which FAO could perform.

Mr. SCHWENGER (United States of America) expressed the satisfaction of his Government with CCP 52/44 and with the work done by the Secretariat in its liaison with other intergovernmental commodity bodies. The instability of commodity markets presented one of the most serious problems and it was important to encourage all work which might help toward improving that situation. As to the study on the Wheat Agreement, he fully agreed that it was right for the Secretariat to study problems of this kind but he felt that that particular study did perhaps reveal somewhat less familiarity with the special problems involved than was the case generally in the Secretariat's very good work in this field.

Mr. WEBER (Germany) appreciated the work done by the Secretariat and especially the study prepared on the International Wheat Agreement. He was particularly interested in the suggestions which had been made in that paper with respect to the adoption of a flexible price formula.

Mr. FERJANČIĆ (Yugoslavia) stated that his Government was much interested in the papers prepared by the Secretariat. The Yugoslav Government was inclined to favor an extension of the International Wheat Agreement.

Prof. SVÄRDSTROM (Sweden) expressed his interest in the general review presented in CCP 52/44. As to the thesis put forward in Appendix "A" of the Wheat Agreement study, he could not quite agree with the conclusions reached there because in his opinion the existence of the Agreement did tend to lead to wider price fluctuations in the non-guaranteed sector of the market. This was not necessarily a bad thing, however, because it might be one of the reasons inducing Governments to guarantee substantial quantities under the Agreement rather than to rely on the free market sector.

Miss BLAU (Secretary) said that the Secretariat would give the most careful attention to the suggestion made by the French Delegate with respect to the centralized study of important problems arising in intergovernmental commodity consultations. She was not able to make any definite commitment because the Secretariat had to adhere to the work program as laid down by the Conference and there were few signs of the Secretariat's workload in any of the other fields being reduced, especially also in view of the rather heavy commodity intelligence work required for meeting all the requests made by the CCP; but she could assure the French Delegate that the Secretariat entirely agreed with the usefulness of work on the lines suggested by him and that every effort would be made to devote as much time as possible to these studies.

Turning to the questions raised by the Delegate for the United Kingdom, she explained that the Secretariat regarded the Annual ICCICA Reviews as the basic annual reports on international commodity arrangements. The periodic reports prepared by the Secretariat at the request of the CCP, were intended to bring this information up to date during the intervals and also to present a somewhat more informal analysis of trends of current thinking on various aspects of international commodity policies. The

Secretariat cooperated closely with ICCICA and also assisted in the preparation of the agricultural commodity reviews appended to the Annual ICCICA Reports. As to the question of FAO's resources for work in the field of commodity policies and arrangements, these activities were outlined in the Work Program of FAO, especially under the Sections Economics, 7-9 which, read in conjunction with the Budget, would give a fairly good idea of FAO work in this field.

6. Impediments to World Trade in Food and Agricultural Products
(Agenda Item 7)

Miss BLAU (Secretary) explained that the Eighteenth Session had requested that this item should be placed on the Agenda to afford an opportunity for the discussion of any special points which Members wished to raise. It had been decided that no special documentation on the subject be prepared by the Secretariat for the current Session.

Mr. BOERMA (Secretariat) felt that as these questions were being considered in connection with individual commodity studies, the topic as a separate item might be dropped from the agenda for this and future meetings.

Mr. PEREZ (Cuba) felt that although action with regard to impediments to agricultural trade could not be initiated by FAO, it was the duty of the Committee to consider these matters and the discussion of the subject should be centralized under a separate agenda item because the problems involved related to a number of agricultural products.

Mr. DOBBS (United Kingdom) and Mr. LOUWES (Netherlands) supported Mr. Boerma's suggestion to drop the item from the agenda.

Mr. SENGER (Australia) pointed out that questions falling under this agenda item were being handled by GATT and that it was important to avoid duplication of work done by international organizations.

Mr. JANPON (France) supported the view of his Australian colleague and suggested that it might suffice for the purpose of the CCP if the Secretariat reported on the relevant work done by GATT and on conclusions reached by that organization with respect to obstacles to trade in agricultural products.

Mr. PEREZ (Cuba) stressed again the importance of retaining the item on the CCP agenda. There was no doubt that impediments to trade constituted a serious menace to the stability and expansion of food and agriculture in the world and it was FAO's duty to concern itself with these matters some of which involved the centralized study and consideration by the CCP and could not be dealt with sufficiently in the discussions on individual commodities. Among the most important factors were balance-of-payments disequilibria and in particular, problems arising from the dollar shortage; national policies of stimulating the domestic production of particular commodities, notwithstanding the fact that ample supplies of such commodities were available in other parts of the world; the slow rate of international capital movement into production of food and agricultural products in the underdeveloped areas of the world; the existence of high taxation, tariffs, and various other restrictions of international trade.

All these factors constituted impediments to trade and the Committee's Agenda for the next Session should therefore include an item on the following lines:

"General impediments to world trade in food and agricultural commodities; factors which tend to create serious difficulties for the maintenance of healthy and steady expansion in the production and export of food and agricultural commodities"

Apart from this general consideration of the problem, specific factors relating to trade in individual commodities could be studied in connection with the particular reviews of these commodities. By establishing this division on the Committee's Agenda as between general difficulties affecting a number of commodities and specific difficulties affecting trade in individual commodities, the Committee would obtain a clearer picture of the world situation and problems and would also have an adequate background for the discussion of the programs and policies of intergovernmental commodity bodies.

Miss BLAU (Secretary) recalled the work done for the Report on the State of Food and Agriculture and other general economic studies under the regular work program which might go some way to meet the need for information on some of the points raised by the Delegate for Cuba. It would be difficult for the Secretariat to prepare detailed documentation on tariffs, quotas, and other specific trade restrictions which were being considered by other organisations specially set up for that purpose. She hoped that in the light of the general background reports which were already available, a solution could be found by instructing the Secretariat to report on some aspects of the work and findings of GATT, as had been suggested.

The Committee accepted the suggestion, as summed up by the Secretary.

9. Trade in Fruit and Vegetables (Agenda Item 8)

Mr. MORTENSEN (Secretariat) summarized the Secretariat's Note (CCP 52/28). Since it had been compiled, an observer from FAO had attended the second International Congress of Citrus-Fruit Growers of Mediterranean Countries held in Spain in May 1952. Good progress had been made at the meeting on technical matters and attention was paid to work carried out by ECE and OEEC.

Turning to the summary of government policies (CCP 52/29) and the summary of recent developments, he stated that the documents had been prepared on the basis of the replies to the FAO questionnaire on statistics and policy matters. The Netherlands reply, received after the report had been completed, indicated that a certain control was exercised over vegetable production in the Netherlands, and that fruit production had to be registered. Expansion of production was limited by certain qualifications required of growers. While general agricultural products were still subject to price controls in some cases, horticultural products were not.

The summary stressed the bearing of trade policies on the problem. Much more progress had been made in liberalizing the trade in citrus and dried fruits than other horticultural products. The general character of import restrictions and protective policies applied to horticulture were described.

Mr. DESCHLARS (Organization for European Economic Cooperation) commended the Secretariat's note on the activities of international agencies (CCP 52/28) and drew attention to the work being done by OEEC, particularly in regard to the canning industry, stocks, distribution costs and relations with professional organizations. OEEC also endeavoured to collect information from the relevant agencies, e.g. the International Institute of Refrigeration. It would not draft its report before receiving information from individual countries.

The OEEC Working Party which periodically reviewed the market in certain fruits and vegetables was at present studying tomatoes, apples and pears. If the results of those studies proved interesting, other vegetables and fruits would be added to the list.

Mr. WEBER (Germany) noted the complexity of the subject and said that there appeared to be an overlapping in the statistical work of governmental and professional organizations. Referring to the large number of questionnaires the Federal Government had been called upon to complete, he urged better coordination. In regard to trade barriers, Germany had made some progress and it was difficult to see what more could be done towards liberalization than had already been achieved through OEEC. His country's experience with the so-called "Mixed Commissions", composed of both producers and consumers, had been satisfactory.

Mr. LOUWES (Netherlands) said that it had proved impossible up till now to discuss the problem with horticulturists in the Netherlands. That was one reason why he would propose that the item be retained on the agenda of the Twentieth Session. Vegetables and fruit were commodities for which protective policies were needed. The difficulty was not so much in their production but in their marketing. The system of minimum prices worked satisfactorily in the Netherlands because of the proximity of the markets. Good organization was required on the part of both exporters and importers and it might be advisable to have the Secretariat make a further study of that problem. It might be that fruit production, especially of apples, would be doubled in Europe during the next few years. Consumers would be willing to buy more fruit if prices were lower. Therefore, if new fruit trees were to be planted, growers would have to realize that they might have to accept lower prices. The Secretariat might well study the relationship between future fruit production and consumption possibilities. In regard to processing, the scarcity of tin-plate should be taken into account.

Mr. SENGER (Australia) noting the statement in the report of the Eighteenth Session to the effect that the Secretariat should undertake certain investigations and studies in fruit and vegetables, asked what was the origin of the instructions. The problem was mainly regional in character, and the Committee might consider whether it should not be dealt with elsewhere.

Mr. DORBS (United Kingdom) agreed with the Australian delegate and mentioned onions, apples and citrus fruits as being of interest to world trade.

He drew attention to a statement contained in document CCP 52/29 (page 2) concerning liberalization of trade in the United Kingdom. The latter had in point of fact not cancelled the liberalization of imports of citrus fruits and various fresh fruits. The paragraph should be re-worded accordingly.

Mr. de ASARTA (Italy) Observer, supported the proposal of the Netherlands delegate.

Mr. BOERMA (Secretariat) answering the Australian and United Kingdom Delegates, said that the documentation on Fruits and Vegetables had been prepared by the Secretariat in response to express requests made by the CCP at its Sixteenth and Eighteenth Sessions.

He agreed that in some of its major aspects the problem was a European one. He reminded the Committee that at a European Meeting on horticulture held in March 1948 it had been decided that FAO should regularly collect information on fruit and vegetables. OEEC was now working on the problem from a rather different angle. After the Committee's Eighteenth Session he had approached OEEC with the proposal that it take over the statistical work on fruit and vegetables, but the matter had been referred back to FAO.

Actually FAO would always have to deal with some aspects of the problem on a world-wide basis. Also, it had to be remembered that certain European countries were members of FAO but not of OEEC. The Secretariat was ready to hand the work over to OEEC and supply the latter with all the information available, but the point should be kept in mind that the experience of many years had gone into establishing a suitable form of questionnaire. He would welcome instructions from the Committee; as the delegate of the United Kingdom was a member of both organizations, he might care to make a suggestion.

Mr. MORFENSEN (Secretariat) answering the Netherlands delegate, described the difficulty of forecasting future fruit production. The problem had been brought up at the Citrus Conference in Spain. So few countries had satisfactory statistics on the number of fruit trees, area of plantings, etc., that it was difficult to make forecasts. The suggestion to limit further expansion had not received support in the Citrus Conference. The FAO could do further work in the field if governments gave information, perhaps using sampling methods, so that some basis might be found for discussing future supplies.

Answering the German delegate, he agreed that there might be a certain amount of duplication in statistical work, but it mostly prevailed in revisions which were necessary for keeping surveys up-to-date. More coordination might be desirable on a number of items in questionnaires and on requests for revised figures.

As for the desirability of FAO continuing its work on European trade in fruit and vegetables, he pointed out that similar problems probably existed in other regions and that if a future study were to include, say, apples and bananas, a wider field of interest would be covered. Governments had been asked if they wished FAO to continue the work, but excepting the United Kingdom, which had recommended a cessation, the replies had been somewhat indefinite.

Prof SVÄRDSRÖM (Sweden) said that it was becoming increasingly difficult to separate agricultural problems from those of market gardening. The tendency for a close inter-relationship between the two would increase in future owing to greater specialization in agriculture. Further, regional groupings were temporary, their structure being affected by a number of factors, such as, for instance, the development of processing.

He expressed appreciation of the Secretariat's report and believed that work on the subject should continue. Further experience and information was needed before it would be possible to achieve comparable figures. Although of the opinion that the Secretariat should continue its work on trade in fruit and vegetables, he did not think that the problem was of the utmost urgency.

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The CHAIRMAN, speaking as the delegate of Yugoslavia, recalled that his country was not a Member of OEEC and expressed the opinion that a problem which was regional at a given period of time might acquire an international character. Apples were a case in point. He also favored FAO's continuing its work on the subject.

Mr. CAIRNS (International Federation of Agricultural Producers) said that farmers would support the point of view expressed by the Netherlands and Italian delegates. A number of farm organizations, including the Farmers' Union in the United Kingdom, had accorded priority to the study of horticultural products. He was unable to accept the argument that the problem was mainly of a regional character and therefore outside the province of FAO. That argument might equally well be applied to such a commodity as fish which was dealt with regionally because it was perishable, or even rice, which was cultivated in certain specific areas.

The problem of apples was a particularly interesting one from the point of view of the balance of payments position, and it would be interesting to have more information on the mechanisms applied in the United States to the export of apples and the effects that the regime had on Canadian trade.

Finally, he believed that the Secretariat should be encouraged to pursue its work on a difficult subject instead of being put off by statements to the effect that the problem was not international in character and that FAO was not competent to deal with it. Such statements were also bad for the morale of the staff who had done some very good work in this field.

Mr. PEREZ (Cuba) said that the whole problem hinged on the possibility of expanding agricultural production. Could FAO make a positive contribution in that sense? The problem of coordinating the activities of European bodies was secondary to that essential purpose.

He would consequently suggest that the Secretariat should prepare for the Committee's next Session a report on the contribution that trade in fruit and vegetables could make to the improvement of food supplies. There was a great deal of waste in fruit and vegetables and ways should be found to make better use of these products. Attention should also be given to the relationship of the fruit and vegetable industry to the canning industry. He would suggest that studies should be limited to a few selected fruits and vegetables.

Mr. SENCER (Australia) said that he fully endorsed the continuation of FAO's regular intelligence work in this field. There was a difference, however, between regular work done by the Secretariat and work done by the CCP which had to be more selective. He wondered whether the Committee should deal with a question which was regional in character, especially since there were other organizations dealing with regional problems.

As for the suggestions made by the Cuban delegate, Mr. SENCER felt that these wider issues should first be examined by the Council, as they affected production, rather than marketing and distribution.

Mr. WEBER (Germany) believed that coordination between FAO and OEEC could be developed further. His country was a member of both bodies and in his preceding statement he had referred to the necessity of abolishing trade barriers; that was work which fell within the province of OEEC. It might be expedient to set up a coordination committee for the two organizations. Clearly, there were important world-side issues which had to be tackled by the FAO.

Dr. BARTON (Canada) expressed his appreciation of the Secretariat's report and agreed with other delegates on the need of coordination with OEEC. The distinction was surely that F.A.O. must take a wide approach, regional organizations such as OEEC taking responsibility for work in their given areas. He gathered that F.A.O. and OEEC had good working relations and was sure that understanding between them could be reached on that particular problem.

As for the report (CCP 52/29) the main problem was protectionism and he failed to see what the Committee could do about that.

Mr. LOUÏES (Netherlands) re-iterated his proposal that the item be retained on the Committee's Agenda for its next Session. F.A.O. should study future production in certain hard fruits- e.g. citrus fruit. The Committee could help the Secretariat in its task by urging Governments to make every effort to provide the statistics which were needed to draw a clear picture of the situation. If farmers were to be warned of the possible risks of extensive fruit growing, full statistical information was required.

Prof. SVÄRDSTRÖM (Sweden) shared the Australian delegate's hesitations. If it were a question of stressing the importance of the problem of the trade in fruit and vegetables, then surely the Council should express its views. He agreed with the Netherlands delegate that no useful guidance could be given without exact knowledge of marketing and distribution. In that field, collaboration with the Committee of Agricultural Technology, which was then in session, might be useful.

He thought that while the Secretariat's work should be directed to finding out how production was being planned, the whole question was not sufficiently advanced to warrant action. Development of international understanding was always very slow and it was unwise to put forward proposals before the time for them was ripe. In the present case, he was convinced that more information was needed.

Mr. MARTESI (Argentina) stated that his Government was making considerable efforts to reduce the consumption of meat, while at the same time carrying out an intensive campaign to increase the production of fruit and vegetables. With a view to increasing production, the Government was distributing free seed to the so-called family allotments. His country, which was an exporter of fruit, had found difficulty in marketing its products, despite bi-lateral agreements with various European countries. He believed that F.A.O. could profitably study the problem of the distribution of fruit and vegetables; such a study would prove useful to all countries.

Mr. BOERL (Secretariat) answering the Australian and Swedish delegates, agreed that certain technical aspects of the production problem - breeding, seeds, etc. - fell outside the Committee's competence; the volume of production was, however, of considerable importance since it largely determined supply, as indeed the French delegate had pointed out at the preceding Session.

It would seem to him that the proposals made by the Canadian delegate were well in keeping with the Committee's terms of reference.

The CHAIRMAN, summarizing the discussion, said that while certain regional problems could be left to regional organizations, the continuation of the F.A.O. work on fruit and vegetables was important, especially with regard to world-wide aspects and problems. Close coordination with the work of other agencies was obviously essential and the Secretariat's review of the work

programs of various agencies was very useful in this connection. Item 8 should be retained on the Agenda for the next Session of the Committee. The Committee should also draw the attention of the Council to the importance of the problem of eliminating waste by the full utilization of fruit and vegetables as major components of good diets.

10. Netherlands Memorandum on the Stimulation of the Consumption of Milk and Dairy Products - (CCP 51/28, App. 2) (Agenda Item 9)

Mr. WEBER (Germany) requested that further information could be provided for the next Session of the Committee on the influence of consumer purchasing power in relation to milk prices and thereby on milk consumption and the relationship between butter and margarine consumption. A decision could then be taken with regard to setting up a working party.

Mr. LOUWES (Netherlands) stated that the situation had changed since his proposal was first made. The problem now was centered on increasing milk production, which was lagging behind meat production. In case of a shortage of meat and eggs, the best alternative source of animal protein would be milk. Milk production could not be rapidly increased and thought should be given to the problem before the actual need arose. Milk was included in the Emergency Food Reserve Unit and had been long recognized as a prime source of animal protein and therefore merited study as a matter not only of regional but also of world-wide concern. The first step should be to find a means of assuring the farmers adequate rewards for producing more milk. Then a way should be found to increase human consumption of milk, which in many countries was used as dairy feed.

He proposed that it be decided in principle to set up a study group to cooperate with the OEEC and the International Dairy Federation. FAO should study the problem, and present to the next session of the Committee a proposal on the specific terms of reference and procedure to be followed by the study group, whose composition could be decided at the next meeting.

The CHAIRMAN, speaking as the delegate of Yugoslavia, expressed his country's interest in the problem, which he felt deserved prompt consideration on an international basis.

Mr. LOUWES (Netherlands) in reply to Mr. SCHWENGER (United States) stated that the Study Group's general terms of reference should be to improve the utilization of animal products for human nutrition.

Mr. WEBER (Germany) felt that insufficient information was available to warrant an immediate decision as to whether or not a working group was desirable and that the decision should be postponed until the next Session of the Committee, at which time further data should be provided by the Secretariat, including information on what influence the income of consumers in relation to milk prices had on the consumption of milk.

Dr. BARRON (Canada) observed that the problem was being approached from various angles; milk production, milk utilization and promotion of consumption of milk. Milk production had increased in most of the principal dairy countries, such as the United States, the United Kingdom, France and Germany, as well as Canada, which had reached a peak and then receded but was still a leading producer. The question of utilization was a major factor in the whole question. He had noted a tendency to greater consumption of milk as milk, either in fluid form or processed (concentrated or evaporated).

This was significant. Much milk was being diverted from butter production to processed milk production both for domestic consumption and export since the monetary rewards to the farmer were greater.

There was no doubt that milk consumption had increased due, in his opinion, to the work of UNICEF in various countries. However, the matter had been examined before and it had then been pointed out by Dr. Aykroyd that nutrition experts in non-milk producing countries, although anxious to improve nutrition standards, were first concerned with utilizing domestic products and furthermore at times could not afford to launch a feeding program including milk.

Milk consumption from the standpoint of nutrition was perhaps a problem more for health experts than for the Committee. However, thinking of milk as a substitute for meat in case of declines in meat production, he felt that immediate action could be taken should a shortage occur in meat, because much milk was being used for butter which could be readily diverted to the more profitable production of processed milk.

Feeding milk, especially skimmed milk, to calves, was perhaps justifiable. A study of the extent of such practices in various countries would be useful.

Milk utilization in the world and the milk supply as a whole should be studied in order to define the actual milk position before assigning any task to a working group.

Mr. SENCER (Australia) felt that the Canadian Delegate had made some very constructive points. The importance of studies of the uses of milk should not be underestimated. In Australia, increased consumption of milk had meant a diversion of milk from butter for export.

As pointed out by the Netherlands delegate, the emphasis had shifted to nutritional aspects of the problem. The matter should therefore be referred to the Council for decision as to whether it should be passed to a nutrition group or whether that Committee was the competent authority.

Mr. SCHWENGER (United States of America) strongly supported the Canadian delegate. He felt, however, that the problems of milk production, consumption and utilization were interrelated. Furthermore, the relationship between these problems and coarse grains problems should not be overlooked.

Prof. SVÄRDSTRÖM (Sweden) expressed appreciation for the Canadian Delegate's statement. A fundamental point was, of course, the promotion of milk consumption by nutritionists, which might provide a good basis for beginning the study. As the U.S. representative had said, the problems were interrelated and no one solution could be found. He wondered whether the Netherlands delegate had singled out any specific part of the problem on which to start discussion in the study group.

Mr. LOUVES (Netherlands) replied that his original intention was to find an outlet for the surplus of a year ago. However, as the situation had changed, he felt that the Canadian delegate's suggested approach was the best.

Mr. CAIRNS (International Federation of Agricultural Producers) suggested that in subsequent documentation attention should be paid to the role of incentives to greater consumption. American dairy farmers at present took an optimistic view of the long-term outlook for milk production. The subsidy paid to British milk consumers seemed successful and he would like to see how far that practice had spread to other countries.

Prof. SVÄRDSTRÖM (Sweden) felt it would be unwise to refer the problem to the Council, which might then only refer it back to the Committee. The Council might be asked to promote an investigation within some other body on the nutritive side of the question.

Mr. BOERMA (Secretariat) felt there was general agreement that it was premature to set up a working party before more information was supplied by the Secretariat, which, he said, would be done. As for the various aspects of the problem, i.e. production, utilization and consumption, and incentives to production, work could be done along these lines but it could not be completed in time for the next Session of the Committee. It should be possible, however, to present an Interim Report. Much would depend on the extent of information provided by governments.

11. Report to the Fifteenth Session of the Council (Agenda Item 10)

It was agreed that the Committee's Report to the Council should cover the period from the last Conference session up to the present, i.e. June 1952, and that the Committee's decisions should be incorporated in it.

The CHAIRMAN nominated a Drafting Committee, composed of the Delegates for Canada, France, the United Kingdom, the United States of America, and Yugoslavia.

The draft Report was adopted in Plenary, with minor modifications.

12. Time and Place of the Twentieth Session of the Committee (Agenda Item 11)

Mr. JANTON (France) said there were three questions to consider: the date, place and duration of the next session. As to the place, Rome was in every way suitable because of the facilities available there. With regard to duration, the February, as well as the present, meeting showed that a slightly longer session might sometimes be necessary. The Committee should also attempt to present more clear-cut conclusions to the Council, and thus to make full use of the comprehensive documentation prepared by the Secretariat. Obviously that would take more time. As to the date, there were two possibilities: either just before the Council session, or one month before it. The later date had the advantages of more time for the preparation of documentation and of Delegates being able to participate in the sessions of both the Council and CCP. It might also make for more observer-governments attending the CCP. The earlier date, on the other hand, had the great advantage of more time for the study of CCP conclusions by governments prior to the Council meeting. Delegates to the Council could thus be thoroughly briefed on matters arising from the CCP's Report. After weighing the advantages of each alternative he proposed that the next session should be held in Rome for 10 to 15 days and one month before the Sixteenth Session of the Council.

Mr. LOUNES (Netherlands) agreed that the next session might well be of longer duration but preferred that the time lapse between the end of the Committee's Twentieth Session and the opening of the Council Session should not be more than, say, five days.

Mr. SCHWENGER (United States of America) agreed with the Netherlands representative. He was mainly concerned to see that the Secretariat had sufficient time to develop its preparatory work. If the suggestion made by the French delegate were adopted, the Secretariat, he felt, would not have the time to do all the research and preparation necessary for continuing the documentary service to which the Committee was now accustomed.

Dr. BARTON (Canada) agreed with the French delegate as to the length of the next meeting but was inclined to support the Netherlands and the United States Delegates on the date. It looked as if the Committee would have to count on three sessions a year in the future and if the date of the next session were too far removed from that of the Council, there was a risk that representation on the Committee might not be all that could be desired. On the question of time at the Committee's disposal, he believed that an improvement could be gained by better organization of its work, increased concentration on specific problems and less on general surveys.

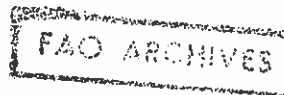
Mr. BOERMA (Secretariat) said that from the Secretariat's point of view Rome was obviously the best place for the Committee to meet. He also agreed that it would be advisable at times to have longer Meetings. As to date, it would be noted that in addition to the preparation of documents, the latter also had to be processed and translated. Thus, if the Council decided to meet on the 10th November and the CCP one month earlier, say on the 10th October, CCP documents would have to be mailed from Headquarters in early September. About three weeks had to be allowed for the processing and translation of the documents and the date for the completion of the manuscripts would thus be the middle of August. This would be too short a time for thorough preparation.

Mr. JANFON (France) withdrew his suggestion regarding the date of the next meeting and concurred with the proposals put forward by the delegates of the Netherlands and the United States of America. Nonetheless, he stated that on some subsequent occasion it might be useful to meet a month before the Council session.

It was agreed that the Twentieth Session should be held in Rome, that it should be from 10 to 15 days in duration and that the Secretariat, having regard to the agenda, should fix the date within approximately 15 days before the Sixteenth Session of the Council.

13. Release of Information to the Press

After some discussion, it was agreed that full copies of the Committee's Report to the Council should not be distributed to the Press, in any case not until the Report had been reviewed by the Council and until Delegates of the CCP had had an opportunity of checking the text of the Summary Record in Appendix C of their Report to the Council. It was agreed that the release of information on the Nineteenth Session of the CCP should be left to the joint decision of the Director-General and the Chairman of the Council.



14. Concluding Remarks

The Delegates of the United Kingdom and France paid tribute to the way in which Mr. Krasovec (Yugoslavia) had acted as Chairman of the Committee during its Nineteenth Session.

Mr. MARTESE (Argentina), speaking on behalf of all Spanish-speaking countries, expressed his deep appreciation to the Secretariat for the documentation prepared in Spanish, for the speed with which the Spanish version of the documents had been made available and for the efficient interpreting service.

The CHAIRMAN expressed his gratitude to the Committee for having first elected him as Vice Chairman and then as Chairman for the Nineteenth Session. With the co-operative goodwill of the Committee, and with the valuable assistance of the Secretariat, he hoped that he had succeeded in conducting the meeting satisfactorily despite occasional difficulty in explaining his rulings because of language difficulties.

Although the Secretariat had been commended for its efficiency in the Committee's reports, he felt it necessary to express separately his appreciation for the well-prepared documents. He had tried to bring the deliberations of the Committee to some positive result and to justify the expectations of both the Conference and the Council. He referred to the development of the Committee and felt that it was becoming, to some extent, an appraisal body on commodity situations for the Council. In his view, its terms of reference went farther than this and the Committee should assist both the Council and the Director-General to overcome food shortage and relieve emergencies. In closing, he reviewed the results of the Committee's deliberations at its Nineteenth Session.