

THE PREPARATORY COMMISSION ON WORLD FOOD PROPOSALS

At the second session of conference of FAO held in Copenhagen in September, 1946, Sir John Boyd Orr submitted his proposals. The forty-seven nations represented there accepted the general objectives, restating them as follows :—

- (1) Developing and organizing production, distribution, and utilization of the basic foods to provide diets on a health standard for the peoples of all countries
- (2) Stabilizing agricultural prices at levels fair to producers and consumers alike.

To investigate the proposals the conference set up a preparatory Commission of sixteen member countries of FAO under the chairmanship of Viscount Bruce. This Commission began sitting in Washington on 28th October, 1946, and issued its report in January, 1947. The report is a comprehensive document of some ninety pages, including studies of a number of the major commodities which entered into international trade.

Briefly, the Commission recommended the establishment not of a World Food Board, but of a World Food Council of eighteen members generally to negotiate the production and distribution of world supplies of food and raw materials. The Commission was convinced of the necessity of preventing, as far as possible, that disturbing instability of prices which characterized the period between the wars. To achieve that it was considered that the most satisfactory method would be by inter-governmental commodity arrangements and agreements supervised and administered by the World Food Council. It was also proposed that these agreements provide for the creation of famine reserves of basic foodstuffs, held nationally for use internationally, and the establishment of limited price-stabilization reserves or buffer stocks for commodities subject to seasonal and cyclical fluctuations. Among other recommendations was one for the sale of agricultural surpluses at special prices to countries in need but lacking the foreign exchange to buy their full requirements.

THE INTERNATIONAL TRADE ORGANIZATION

Feeling that barriers to trade were a major cause of war, both directly in that they caused antagonism and irritation between nations and indirectly in that by reducing the free flow of trade they diminished the real wealth of the world, members of the United Nations considered, shortly after the establishment of that Organization, that some concrete action should be taken to facilitate the exchange and consumption of goods.

At its first session, held in London in February, 1946, the Economic and Social Council adopted a resolution constituting the Preparatory Committee of the International Conference on Trade and Employment. This Committee met first in London in October, 1946, and again in Geneva the following April. There followed a prolonged session during which a charter was drawn up and detailed tariff negotiations were conducted between various countries. A considerable measure of agreement was reached on tariff reductions and some substantial adjustments were made. After a brief period the Committee met again in Havana in November, 1947, negotiations continuing until March, 1948. As a result of these conferences a charter on trade and employment has been completed for submission to member Governments.

RELATION TO FAO

The report of the first session of the ITO Preparatory Committee contained a chapter on inter-governmental commodity arrangements in which the general procedure envisaged was (1) the calling of a study group ; (2) the convening of an International Commodity Conference ; and (3) the formation of a governing body to administer the arrangement agreed on.