

“(8) That so far as policy with regard to agricultural commodities is concerned, the Council of FAO when established, should take as a guide the principles indicated at previous Conferences as set out in the report of the Preparatory Commission and outlined in this report.”

The principles governing international commodity agreements and the mechanism for concluding them are set out in Chapter VI of the Havana Charter for the International Trade Organization, but the Conference noted with regret that this Charter has not yet come into force. Meanwhile some of the functions proposed for the ITO have been delegated to the Interim Co-ordinating Committee for International Commodity Arrangements. Although ICCICA does not possess all the powers of the ITO, it is, nevertheless, in a position to promote discussions on commodity problems between Governments and to assist in the conclusion of commodity agreements. One of the three members of ICCICA is a representative of FAO, and the Conference recommended that FAO should make greater use of ICCICA for securing action on the surplus problems reported by its member Governments. The Conference also recommended to the Economic and Social Council of the United Nations that greater resources be made available to ICCICA.

Proposed New Machinery

It was concluded that, while existing machinery should be used in the initiation of inter-governmental commodity agreements for the solution of longer-term surplus problems, the need exists for some additional mechanism in relation to the surplus problem arising from prevailing balance of payments disequilibrium in so far as an international agreement for the commodity concerned does not exist or its provisions do not deal with this aspect of surpluses.

The Conference therefore decided to establish forthwith an FAO Committee on Commodity Problems to work under the supervision of the Council of FAO. The Council shall, on request of the Committee, transmit any report of the Committee to member Governments and to the next regular session of the Conference, together with any comments the Council may wish to make. This Committee will be advisory and address itself primarily to the food and agricultural surplus* commodity situation arising from balance of payments difficulties. With respect to such surpluses, its functions are :—

- (a) To consider such statements as to their needs as may be received from the Governments of countries experiencing difficulties in securing supplies and to transmit such statements to Governments of countries holding surpluses :

* NOTE.—The term “surplus” as used in this report refers to supplies of food and agricultural commodities for which no effective demand exists at current price levels on the basis of payment in the currency of the producing country.