

COMMITTEE ON COMMODITY PROBLEMS

NINTH MEETING

13/14 July 1950

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

PRESENT: (In the Chair) Dr. G. S. H. Barton

AUSTRALIA	-	Mr. J. U. Garside Mr. P. F. Magee	UNITED STATES	-	Mr. F. M. Rhodes Mr. P. E. Callanan * Mr. J. F. Evans * Mr. L. I. Highby Mr. R. Ioanes Mr. R. B. Schwenger *
BRAZIL	-	Mr. E. Sernanio * Mr. G. Araujo *	URUGUAY	-	Mr. J. F. Yriart
CANADA	-	Mr. J. H. English *	DIRECTOR		
CUBA	-	Dr. Ricardo Sarabasa	GENERAL	-	Mr. Norris E. Dodd *
EGYPT	-	Mr. Anwar Niazi	ACTING		
FRANCE	-	Mr. R. Forestier * Mr. P. E. Fay *	SECRETARY	-	Mr. J. L. Orr
INDIA	-	Mr. P. Vaidyanathan	FOOD AND		
INDONESIA	-	Mr. R. T. Sudojo	AGRICULTURE		
ITALY	-	Dr. P. N. Rogers	ORGANIZATION	-	Sir Herbert Broadley Dr. W. R. Aykroyd Mr. A. Erikson * Mr. H. Jacoby ** Mr. D. M. Lubbock * Dr. K.K.P.N. Rao
NETHERLANDS	-	Mr. T. Lammers	RECORDING		
PAKISTAN	-	Mr. Mahmud Ahmad	SECRETARY	-	Miss H. J. Evans
UNITED KINGDOM		Mr. R. E. Stedman Mr. R. Burns *			

Representatives of other member Governments of FAO:

Belgium	-	Mr. R. Coustry *
Denmark	-	Mr. A. F. Knudsen
Dominican Republic	-	Senor Don Otto Vega
Ireland	-	Mr. D. Holmes *
Israel	-	Dr. L. Samuel *

* Attended 13 July Session only

** Attended 14 July Session only

I. Adoption of Agenda

The agenda was adopted as circulated (CCP50/52).

II. Report of the Subcommittee on Supplementary Food Distribution Schemes

Mr. Stedman (U.K.), requested by the Chairman to present the Committee's report (CCP50/53), read it aloud for the benefit of those members who had not had sufficient time to study the document before the meeting. He pointed out that

the Subcommittee had felt that although CCP50/47 formed a suitable basis on which a communication to governments could be drafted it was not suitable in its present wording for circulation beyond the Committee. He trusted that Committee members would not feel the Subcommittee had gone too far in relating the U.S. special availabilities set out in CCP50/50 to the question of supplementary feeding programs.

The Chairman then called for comment on the Subcommittee's report.

Dr. Rogers (Italy) believed that the 5th and 6th sentences of the fourth paragraph of CCP50/53 might unduly discourage governments from initiating or expanding nutritional distribution schemes.

Mr. Vaidyanathan (India) disagreed, believing that this sentence was merely factual.

Mr. Carside (Australia) suggested that the fifth sentence might end with the phrase "relatively small" and that the sixth sentence might commence "Whilst these at present offer only a limited outlet for surplus foods an expansion would offer an increased outlet ...".

Dr. Rogers (Italy) and Mr. Stedman (U.K.) agreed that Mr. Carside's suggestion would meet the point.

The Committee agreed to a drafting change along these lines.

The Chairman presumed that the information contained in CCP50/53 was based on national programs sponsored by governments and suggested that there were additional supplementary feeding schemes in existence.

Mr. Stedman (U.K.) replied that the appendices to CCP50/47 were not intended to be in any way exhaustive but should be considered merely as examples.

Mr. Yriart (Uruguay) pointed out that the third sentence of the fourth paragraph sounded an even more discouraging note than the sentences cited by Dr. Rogers, for although attention was drawn to the U.S. availabilities there was an implication that governments would not be wise to take advantage of them.

Mr. Carside (Australia) and Mr. Stedman (U.K.) recalled that this sentence had been based on Dr. Aykroyd's report at the Eighth meeting of the Committee regarding the conclusions of the Nutrition Conference in Rio de Janeiro.

Mr. Yriart (Uruguay) suggested that the Committee might investigate the possibility of future availabilities of surplus foods at special prices.

Dr. Aykroyd, called upon for comment by the Chairman, stated that any expansion of the food consumed by existing numbers of people covered by supplementary feeding programs would provide little opportunity for increased disposal of surpluses, for a considerable expansion both in numbers covered and in quantities consumed in most parts of the world would be necessary to provide any appreciably increased channel for the disposal of surpluses. He agreed with the Chairman that schemes other than those sponsored by national governments were in fact presently in existence, but pointed out that direct supplementary feeding under such schemes was easing off and was not likely to continue to provide any considerable outlet for surpluses. Both in Latin America and in South East Asia it was felt that the use of locally produced foods should be stressed in supplementary feeding schemes. In response to an inquiry from the Chairman, Dr. Aykroyd had no doubt that there had been a growing interest since the war in supplementary feeding programs in most parts of the world, particularly in regard to school and industrial feeding schemes.

Dr. Rogers (Italy) agreed that the third sentence of the fourth paragraph was unduly discouraging and pointed out that present availabilities were such that there should be no difficulty in continuing supplementary feeding schemes for some time to come. He confirmed that in Italy, for instance, there was indeed a growing interest in such schemes.

Mr. Stedman (U.K.) believed that the Committee ought to recognize the difficulties involved but suggested that if the fifth paragraph were placed before the present fourth paragraph the report might strike a more positive note. The present fourth paragraph might be re-phrased to state "Experience has shown that governments normally attempt to base supplementary feeding programs so far as possible on locally produced foods and to use such programs as a means of educating their peoples in the better use of these foods. The Committee fully recognizes the difficulties involved in using surplus foods in developing nutritional programs but nevertheless feels that governments will wish seriously to consider taking advantage of the supplies which are available. In such circumstances governments prepared to utilize these imported foods insofar as they are available at nominal prices will naturally be concerned to assure themselves of the continued availabilities of these foods and will, no doubt, wish to discuss this factor with the supplying government when considering how far they might go in utilizing such surpluses in these programs."

The Chairman agreed that Mr. Stedman's suggestion might meet the point and further remarked that the foods now available were not of a perishable nature and were available in such quantities that governments might be assured of a continuity of supplies for some time to come.

Mr. Rhodes (U.S.A.) agreed that the fourth paragraph as presently written was unduly pessimistic and believed that Mr. Stedman's proposal was an improvement.

Mr. Vaidyanathan (India) agreed that Mr. Stedman's suggestion was an improvement but thought the same effect might be achieved merely by deleting the third sentence of the fourth paragraph and opening the fifth sentence "Nevertheless, the Committee holds the view that some of the foods which are or might be offered ..." and reversing the order of paragraphs four and five.

After further discussion, the Committee agreed to the reversal of the order of paragraphs four and five, and that the first three sentences of the new paragraph five should be redrafted along the lines suggested by Mr. Stedman.

Mr. Niazi (Egypt) suggested the substitution of the word "normal" for "commercial" at the end of the fifth sentence of paragraph seven, since it was presumably the Committee's intention to encourage the disposal of surplus commodities to countries where such commodities had not hitherto been imported. He further suggested the insertion of the words "in countries where it has normally been imported" after the words "commercial channels" in the sixth sentence of the seventh paragraph since it was not intended that countries not having previously imported a certain commodity should institute special machinery for the distribution of that commodity to particular classes of people.

The Chairman agreed that Mr. Niazi's suggestion was consistent with the attitude adopted in respect of the U.S. skim milk offer (see CCP50/44).

The Committee agreed to Mr. Niazi's suggestion, although reservations on this point were registered by Mr. Garside (Australia) and Mr. Lammers (Netherlands).

It was further agreed, upon a suggestion by Mr. Stedman (U.K.), supported by Mr. Rhodes (U.S.A.) that the words "or be re-exported" should be inserted at the end of the fifth sentence of paragraph seven to make these terms consistent with those of CCP50/44.

Mr. Burns (U.K.) remarked that the reservations made by Mr. Garside and

Mr. Lammers regarding the sixth sentence of the seventh paragraph might be covered by the fact that this sentence attempted to limit the distribution of a particular surplus commodity to particular classes of people, and to effect such distribution would necessarily require some sort of control.

Mr. Yriart (Uruguay) suggested, and the Chairman agreed, that detailed discussion of the requisite guarantees might be postponed until consideration was given to Item III.

In response to Mr. Lammers' suggestion that the sixth paragraph appeared weak and his suggestion that the Committee might feel disposed to take some rather more positive action, the Chairman pointed out that the terms of this paragraph did in fact offer the assistance of FAO.

Sir Herbert Broadley remarked that Document CCP50/53 should be regarded only as one suggested procedure for the disposal of surpluses, namely by means of supplementary feeding programs, which automatically indicated that the disposal of such supplies would be in addition to normal trade utilization. In this regard FAO would be glad to give all possible assistance within the limits of its budget and personnel.

Mr. Garside (Australia) found no objection to the sixth paragraph and Mr. Lammers (Netherlands) agreed that it should stand, with the understanding that at a later stage a question of more tangible assistance from FAO might be discussed.

The Chairman requested more detail from Sir Herbert Broadley regarding his suggestion at the Eighth Meeting of the Committee that a "traveling salesman" might visit countries where it was believed there might be a market for surpluses.

Sir Herbert Broadley recapitulated his suggestion, to the effect that the Committee might wish, in view of the importance of the matter and the concession presently made by the United States Government, to recommend to the Director-General that FAO might take a more active line by entrusting someone with the task of visiting suitable countries to discuss with officials there a possible interest in the commodities now available, in accordance with whatever conditions the Committee might wish to establish, and whether such countries would be interested in the presently suggested supplementary feeding schemes.

Mr. Niazi (Egypt) suggested that as an alternative FAO might send all relevant details of the United States availabilities to the FAO Regional Officers, with the request that the latter should contact the various governments in their regions.

Sir Herbert Broadley stated that if the Committee so wished a letter could be despatched to all FAO member governments and instructions also given to the FAO regional officers. He confirmed, in response to an enquiry from Mr. Garside, that his original suggestion had included the possibility that a mission might visit London, Paris and Brussels to discuss with the authorities there the possibility of initiating supplementary feeding schemes in their colonial territories.

Mr. Stedman (U.K.) believed however that government authorities would be as well aware of the position by the despatch of a communication from FAO, backed by comments from their Washington representatives, as by a personal visit from an FAO representative, particularly those governments just mentioned, which had well-organized administrations, and he therefore felt that the Committee should continue with its previous practice.

Sir Herbert Broadley agreed with Mr. Stedman's comments regarding a possible FAO visit to London, Paris, or Brussels; however, there were many less well organized governments where correspondence produced only negligible results, and it was probably just those governments where FAO assistance might be most profitable. In such cases, he believed the Director-General would agree that FAO should do all in its power to assist in any way suggested by the Committee.

Mr. Lammers (Netherlands) agreed that in the case of the less well organized countries a visit might produce better results than a written communication, and further pointed out that a letter despatched to all FAO member governments would soon become public knowledge and that once the prices quoted by the United States Government were known there would undoubtedly be some market reaction, to the disadvantage of other producers of the commodities in question.

The Chairman summed up the suggestions before the Committee (i) to continue with the Committee's normal practice of despatching a communication to all FAO member governments; (ii) to make approaches through the FAO regional officers; and (iii) to send out an FAO mission. He wondered whether these suggestions were necessarily alternatives, but might rather be regarded as complementary. He suggested that it might be desirable in the first instance to send a communication to all FAO member governments, with a follow-up contact on the part of the FAO regional officers, or by such special officers as might later be designated.

Mr. English (Canada) supported the Chairman's suggestion.

The Committee agreed to the procedure suggested by the Chairman.

Sir Herbert Broadley suggested that if no replies were received as a result of the initial communication it would be very helpful for the consideration of similar problems in the future if some indication could be given of the reasons why governments had not responded.

The Chairman believed that this suggestion would meet with the Committee's approval.

III. Consideration of communication from the Government of the United States dated 29th June 1950 (CCP50/50)

The Chairman called for comments from the Committee as to the basis upon which the distribution of surplus commodities should be sanctioned, in which connection he drew attention to the first full paragraph on page 2 of CCP50/50, which document had already been circulated to all FAO member governments as a result of the decision taken by the Committee at its Eighth Meeting. Presumably a communication should be drafted by the Committee for despatch to governments referring to the letter from the United States Government and suggesting ways of utilizing the food now available. He assumed that the Committee was in agreement that one suggested utilization should be through supplementary feeding programs.

Mr. Miazzi (Egypt) thought it would be advisable to allow governments as much freedom as possible in the utilization of the United States availabilities; for instance, there might be suitable uses other than through supplementary feeding programs.

Mr. Yriart (Uruguay) agreed, adding that it might be difficult for the Committee to list ways in which the supplies could be utilized, and that governments might have suggested uses which, although not involving supplementary feeding programs, would be acceptable to the Committee. He thought therefore that although the Committee might suggest that one of the principal uses for the foods now available might be through nutritional programs, the Committee should not limit the use of the present United States availabilities to such programs, but might consider each case as it arose on its merits.

Mr. Garside (Australia) reiterated that the principal objective should be that commodities purchased pursuant to the letter from the United States Government should not enter into or displace normal commercial trade.

Mr. Rhodes (United States) agreed with Mr. Yriart, that the fewer conditions which were attached to the use of the United States availabilities, the better.

Mr. Stedman (United Kingdom) also agreed, but thought the Committee ought to establish some principles by which it could be guided when specific cases arose.

The Chairman agreed that it would be desirable to establish certain principles, since otherwise the Committee might have to meet too frequently.

Mr. Yriart (Uruguay) believed that there was no particular urgency in the matter, pointing out that CCP50/50 had been circulated on 30th June and presumably no response had yet been received, for he believed FAO would be aware of any replies that were to hand.

Mr. Miazzi (Egypt) believed that it would only be necessary to attach two conditions to the use of the present United States availabilities (i) that the commodities would be used for human nutrition and (ii) that sales would be over and above normal trade.

Mr. Rhodes (United States) remarked that he had reason to believe that governments were waiting for a further communication from FAO in respect of CCP50/50.

Sir Herbert Broadley suggested that the Committee might consider the conditions attached to the purchase of dried skim milk as set forth in CCP50/44, and see how far they were applicable to the present situation.

Mr. Yriart (Uruguay) believed it might be preferable for any government interested in purchasing any of the present availabilities to approach the Committee with suggestions as to their suggested uses, so that governments did not lose interest as a result of the conditions imposed by the Committee.

The Chairman supported Sir Herbert Broadley's suggestion that the Committee might study CCP50/44, although he believed that document was not suitable in its present form.

Mr. Stedman (United Kingdom) suggested that sub-paragraphs 1-4 of CCP50/44 might be replaced by a general statement as to the nutritional importance of the foods now made available by the United States Government and refer to the Committee's separate communication regarding supplementary feeding programs. The balance of CCP50/44 might then be virtually repeated.

Mr. Yriart (Uruguay) suggested that in order to give as much leeway as possible there should be a reference that any government interested in purchasing any of these commodities for use in other than nutritional programs should submit their proposals in this regard to the Committee.

The Chairman believed that although the Committee would be glad to consider any type of program it would be as well to lay down certain guiding principles. He pointed out that CCP50/53, dealing with the supplementary food distribution schemes, as revised during the Committee's discussion, would be a separate communication from the one in connection with the U. S. letter of 29 June.

Mr. Yriart (Uruguay) thought it advisable for the communication regarding U. S. availabilities to refer to the letter regarding supplementary feeding schemes, although he agreed that they should be kept separate.

It was agreed that in the new draft sub-paragraphs 1-4 of CCP50/44 should be combined, that reference should be made to CCP50/53 as revised, and that mention should be made of the fact that while the Committee attached great importance to the use of the U. S. availabilities in supplementary feeding schemes it should express itself as willing to consider any other proposal which any government might wish to make by means of which these availabilities could be used to improve nutrition.

Mr. Garside (Australia) and Mr. Lammers (Netherlands) expressed the view that sub-paragraph 6 of CCP50/44 should be re-phrased in the new draft to make the terms more positive, but the Committee believed that the present text was sufficient for the purpose.

It was agreed that sub-paragraphs 5 and 6 of CCP50/44 should be incorporated in the new draft with appropriate changes of reference in view of the wider list of commodities covered.

It was further agreed that the Secretariat should prepare a new draft based on CCP50/44 in the light of the Committee's discussion for the consideration of members at a meeting the following day. The new draft should be marked urgent and confidential and, if possible, should be reproduced on FAO letterhead paper.

Mr. Lammers (Netherlands) pointed out the possible danger of attaching the confidential letter CCP50/50 to the draft now proposed as the authorities in various countries might wish to show the communication to people outside government circles.

It was agreed that in circulating the proposed draft to Washington representatives of all FAO member governments document CCP50/50 should be enclosed but not attached, in an endeavor to keep CCP50/50 as confidential as possible, in view of likely market reaction to the prices therein quoted and consequent adverse effects on the interests of other producers.

In response to Mr. Rhodes' request at the Eight Meeting of the Committee, Mr. Knudsen (Denmark) read a telegram from his Government to the effect that it was very concerned that surpluses of certain animal products had arisen but that if these products could be exported by the United States Government for use in supplementary feeding programs or in other ways which would not interfere with their normal commercial movement the Danish Government would have no objection.

The Committee adjourned at 5.15 p.m. to reconvene at 11.30 a.m. the following day, when two new drafts to be prepared by the Secretariat would be considered.

The second session of the Ninth Meeting opened at 11:40 a.m. on 14th July.

a. Draft communication to governments regarding supplementary feeding programs

The Chairman called for comments on CCP50/53 revised, prepared by the Secretariat in the light of the Committee's discussion the previous day and enclosed herewith as Attachment 1. He doubted the advisability of including the reference in paragraph 2 to the specific cases of Ceylon and Madras, wondering whether these two instances were sufficiently effective and whether it was desirable to single out two individual countries in this way.

Mr. Rhodes (U.S.) saw no particular advantage in singling out two individual countries by name and suggested the deletion of the reference to Ceylon and Madras.

Mr. Garside (Australia), however, believed that this reference did adequately point up two examples although Mr. Rhodes (U.S.A.) then remarked that there were many other examples which might be quoted.

Mr. Lammers (Netherlands) felt that the attachments to CCP50/47 pointed out specifically in the cases of Ceylon and Madras that present schemes covered a certain number of children who received a certain amount of food which numbers and quantities might be increased to utilize a considerable amount of the present surpluses, and he therefore thought it advisable that CCP50/53 should refer in general terms to this possible increased usage.

The Committee agreed to Sir Herbert Broadley's suggestion amended by Mr. Ahmad (Pakistan) that the concluding sentence of paragraph 2 should read "Some indications are also given by way of example of the possible extent to which supplementary feeding programs could make use of surplus foods in two limited areas (Ceylon and Madras)."

Paragraphs 3 and 4 of CCP50/53 revised were agreed without change, it being felt advisable to refer specifically in paragraph 3 to the U.S. Stamp Plan and the U.S. School Lunch Program, as these were designed especially for the utilization of food surpluses rather than for the improvement of nutrition of vulnerable groups, which was the principal objective in the case of other supplementary feeding programs.

In response to the Chairman's request for comment on the fifth paragraph the Secretary pointed out that this paragraph had been prepared in cooperation with the Nutrition Division. However, there appeared to be some doubt from the Committee's previous discussion as to the advisability of including the last two sentences.

Mr. Aykroyd believed that the omission of the last two sentences would not give governments any indication of the really genuine difficulties which existed in connection with the use of surplus foods in supplementary feeding programs and that it would weaken the document if the Committee did not point out its awareness of these difficulties.

Mr. Garside (Australia) agreed that it was advisable to refer to the difficulties involved since otherwise government responses might merely point out those difficulties.

Following further discussion the Committee agreed to Mr. Stedman's suggestion that the third and fifth sentences of the fifth paragraph should be deleted.

To cover the point that it would be advisable to refer in some manner to the magnitude of the present U.S. availabilities being such as to make it possible to continue supplementary feeding programs for some time to come, and to cover the point contained in the third sentence of the fifth paragraph just deleted, the Committee agreed to a suggestion from Mr. Yriart (Uruguay) amended by Mr. Stedman (U.K.) that the third sentence of the first paragraph should open

"Some of the surplus foods which have been brought to the Committee's attention are of such a kind and are available in such quantities as to make them especially suitable ...".

It was agreed that the fourth sentence of the fifth paragraph should stand as at present phrased, it being felt, at Dr. Rogers' suggestion, to change the word "could" to "should" would be going beyond the Committee's terms of reference.

Sir Herbert Broadley stated that he had discussed the offer of FAO assistance contained in the sixth paragraph with the Director-General who was agreeable to its phraseology and felt that such assistance could for instance be given through the Nutrition Division and the FAO regional offices.

The Committee agreed that the sixth paragraph should stand as drafted.

Mr. Rhodes (U.S.A.) pointed out a typographical error in the fourth sentence of the seventh paragraph where the concluding words should be "ministry or department" and expressed himself satisfied with the phraseology of this paragraph.

Mr. Lammers (Netherlands) maintained his objection to the sixth sentence of the seventh paragraph for he could not see the advisability of giving blanket approval to those countries which had never imported the commodities in question to make purchases at special prices/would he felt be definitely prejudicial to the interest of other producers.

The Chairman pointed out that the whole of CCP50/53 revised dealt with supplementary feeding programs and that Mr. Lammers' point might be more satisfactorily met by a reference in the other communication regarding the U.S. letter of 29 June.

Sir Herbert Broadley added that the terms of the seventh paragraph were intended to cover not only supplementary feeding programs as such but also the programs which involved the distribution of food through commercial channels within a country to particular classes of people, which implied the necessity for the establishment of certain machinery such as existed under the U.S. Stamp Plan.

Mr. Stedman (U.K.) agreed that the words "to particular classes of people" would remove much of the danger of profiteering, etc., feared by Mr. Lammers and Mr. Garside.

Following further discussion, it was agreed that the phrase "in countries where it has normally been imported" should be deleted from the sixth sentence of the seventh paragraph. It was agreed that CCP50/53 revised should be redrafted by the Secretariat along the lines of the Committee's discussion and circulated to the Washington Representatives of all FAO member governments.

FAO ARCHIVES

B. Draft regarding communication from U.S. Government
dated 29 June 1950

The Chairman invited comment on the draft enclosed herewith as Attachment 2.

The Committee agreed, following up Mr. Lammers' remark the previous day regarding the confidential nature of CCP50/50, that the words "copy of which is enclosed" (rather than attached) should be inserted at the end of the first paragraph.

It was agreed, following suggestions from Mr. Stedman (U.K.) and the Secretary that the first sentence of sub-paragraph (1) should end with the words "supplementary feeding programs" and that for the sake of clarity the second sentence should read "The Committee wishes to call to your attention document CCP50/56 regarding the use of surplus foods in supplementary feeding programs."

Sir Herbert Broadley remarked, in regard to sub-paragraph (2) on the advisability of laying down certain principles by which reference back to the Committee could be avoided every time a government offered suggestions regarding possible uses of surplus foods other than in supplementary feeding programs. He therefore suggested that sub-paragraph (2) might be re-phrased to indicate that while the Committee attached great importance to the use of these foods in supplementary feeding programs it did not feel their utilization should necessarily be limited to this purpose provided the principles set out later in the document were applied and the Committee so informed.

Mr. Stedman (U.K.) agreed with Sir Herbert Broadley's proposal remarking that the present phraseology of sub-paragraph (2) might necessitate the Committee's being in almost permanent session.

Mr. Garside (Australia) also agreed that sub-paragraph (2) as presently drafted was not satisfactory, as did Mr. Lammers (Netherlands), although the latter did not agree with Sir Herbert Broadley's proposed wording which, he felt, would not adequately guard against the possibility of the commodities in question entering normal trade channels. For instance, if it were proposed to add surplus skim milk and dried eggs to bread in a certain country it would be difficult to ensure that this particular use was outside normal commercial trade within that country.

Sir Herbert Broadley suggested that Mr. Lammers' difficulty might be met by the provisions of sub-paragraph (4).

Mr. Rhodes (U.S.A.) believed that the present phraseology of sub-paragraph (2) was unduly restrictive and supported Sir Herbert Broadley's proposal. He further queried whether the safeguards envisaged in the present document were intended to apply to countries which did not normally import the commodities in question, pointing out that Document CCP50/44 specifically approved any countries not previously having imported skim milk to use that product in any way it saw fit.

The Chairman recapitulated that the views expressed from time to time by Mr. Garside (Australia) and Mr. Lammers (Netherlands) indicated their concern about the possibility of developments in regard to the distribution of surplus commodities in countries not normally importing those commodities which might impinge upon commercial trade. In CCP50/44 distinctions had been drawn between the procedures suggested for countries not presently utilizing skim milk (which were not requested to initiate special programs) and those where the commodity had been or was currently being used. He pointed out that the draft under consideration addressed itself primarily to supplementary feeding programs and that sub-paragraph (2) was hinged to the safeguards set forth in sub-paragraph (4), which repeated the terms of sub-paragraph (6) of CCP50/44.

Mr. Lammers (Netherlands) wished to go on record that he had been opposed to the terms of the safeguards set forth in CCP50/44 and sustained this position with regard to the present draft. It would, of course, depend on what country were contemplating a purchase but he believed the Netherlands' position was inadequately safeguarded. He thought it preferable, however, not to limit the U.S. availabilities to human consumption.

Mr. Rhodes (U.S.A.) believed on the contrary that it might prove helpful to the Netherlands Government if countries not having previously imported the commodities in question were permitted to do so without restriction for, in this way, wider markets might be developed for the products.

Mr. Garside (Australia) reiterated his concurrence with Sir Herbert Broadley's suggested wording for a re-draft of sub-paragraph (2) for he thought it all to the good if wider uses were found for the commodities in question. However, he wished to point out, in regard to sub-paragraph (4), that Australia, New Zealand, the Netherlands and Denmark for instance were vitally interested in butter exports and that their trade would undoubtedly be affected by the quantities now made available by the United States at a price amounting to only about one-quarter of the U.S. domestic price and equal in volume to one-third of the annual butter exports from Australia. In considering the U.S. skim milk offer his view, that the United States should secure assurances from importers that the safeguards against any disruption of the normal commercial trade of other producers were adequate, had not been acceptable to the Committee. He pointed out that the signatories to GATT had certain obligations and that Australia would certainly look to the United States to require satisfactory official assurances from importing countries in this regard.

The Chairman remarked that sub-paragraph (4) of the draft was intended to cover this point.

Mr. Rhodes (U.S.A.) interpreted sub-paragraph 4 to mean that the U.S. Government would be expected to receive assurances from importers that the quantities they purchased pursuant to the U.S. communication of 29 June would not enter into or displace normal commercial imports.

Mr. Stedman (U.K.) felt that the point had been sufficiently discussed and that the statement just made by Mr. Rhodes might make it possible to reach agreement.

The Chairman summed up the discussion to date, to the effect that the draft should open by a reference to the U.S. Government's 29th June communication, which had been considered by the Committee, whose members agreed that the foods now available were of a type which could make a valuable contribution to the improvement of nutrition through supplementary feeding programs. If sub-paragraph (2) were allowed to stand as at present drafted it would presumably refer both to countries which had previously imported the commodities in question and to those who had not done so. The point at issue was whether uses other than in supplementary feeding programs would need to be studied individually by the Committee as they arose, or whether FAO staff could assess them. He pointed out that sub-paragraph (3) of CCP50/44 permitted governments not having previously imported skim milk to use the product either through supplementary feeding schemes or "by other means", and he inquired whether the Committee was prepared to go as far as that in regard to the products now under consideration.

Mr. Vaidyanathan (India) felt personally that purchases at special prices by countries which did not normally import the commodities now available would not be prejudicial to other exporters of those commodities, and might even be to their advantage in the long run. He therefore suggested that sub-paragraph (3) of CCP50/44 should be repeated in the draft under consideration.

Mr. Niazi (Egypt) agreed with Mr. Vaidyanathan (India), believing that the position of countries not having previously imported the commodities in question should be left as free as possible.

Mr. Garside (Australia) agreed that if it were felt that the inclusion in the present draft of sub-paragraph (3) of CCP50/44 would lead to an expanded market for the commodities in question he would have no objection to its inclusion, particularly as the commodities made available by the United States were not in surplus supply outside of the latter country. However, in the case of countries which had previously imported the commodities he thought assurances should be required that normal importations would be safeguarded.

Following a further lengthy discussion, it was agreed that sub-paragraph (2) should read along the lines suggested by Sir Herbert Broadley, to the effect that while the Committee attached great importance to the use of these foods in supplementary feeding programs it did not feel that their utilization should necessarily be limited to this purpose, provided that the principles set out below were applied and in the case of countries already importing the commodities the Committee was informed of the action proposed before any transaction was completed.

The Committee agreed with Mr. Isaacs' (U.S.) interpretation of the draft to the effect that assurances of safeguards against the dislocation of or interference with normal commercial transactions should not be expected in the case of countries which did not normally import the commodities in question.

It was subsequently agreed that sub-paragraph (3) should be re-drafted to the effect that the Committee assumed that any government purchasing these commodities pursuant to the present communication would undertake to ensure that their use would be devoted to the improvement of human nutrition in the importing country.

Mr. Lammers (Netherlands) felt that the assistance offered by FAO had not been sufficiently stressed and pointed out that governments, on reading the draft now proposed, would not be aware of the fact that FAO regional officers and personnel in the field were informed on this matter.

The Chairman assumed that there would be communications going out from FAO to this effect.

Sir Herbert Broadley, however, felt that to include such a reference in the present draft might have the result that governments would merely await approaches from regional officers, etc., rather than responding direct to the present draft.

Mr. Lammers (Netherlands) requested that FAO regional officers be informed of the reservations he had expressed at the present and previous meetings when they were instructed regarding the U.S. 29th June letter.

Sir Herbert Broadley suggested that the best way of notifying the FAO regional officers in this respect would be to send them copies of the relevant Minutes.

It was agreed that the Secretariat should re-draft the communication in connection with the U.S. 29th June letter and circulate it to Washington Representatives of all FAO member governments without reference back to the Committee.

IV. Other Business

There being no other business, the Committee proceeded to the consideration of

V. Date of next meeting

It was agreed that the Committee's Tenth Meeting should be held on 27th July when consideration should be given to Part I, 3. of the Report of the Ninth Session of the Council of FAO. This meeting would be open in the terms of the Committee's rules of procedure Part II, para. 4.

The Committee adjourned at 1:45 p.m.

(N.B. Subsequently at the request of the Chairman the date of the Tenth Meeting was changed to 26th July.)

COMMITTEE ON COMMODITY PROBLEMS

DRIFT COMMUNICATION TO GOVERNMENTS
FOR CONSIDERATION AT MEETING ON 14TH JULY 1950

1. The Committee on Commodity Problems is charged with the responsibility of assisting member governments in the disposal of food surpluses arising from balance of payment difficulties. In this connection, the Committee has examined, inter alia, the possibility of making use of these surpluses in supplementary food distribution programs. The nature of some of the surplus foods which have been brought to the Committee's attention seems to make them specially suitable for use in such programs and the Committee considers that real benefit would result from their utilization for this purpose. Lists of surplus commodities, showing the prices at which they would be made available, have been transmitted to governments in separate communications (CCP50/44 and CCP50/50).
2. The Committee has briefly reviewed typical supplementary feeding programs in various countries, including programs concerned with the feeding of mothers and children and the feeding of industrial workers, and programs designed to improve the diets of people belonging to the lower income groups. Outlines of these are given in the attached appendices. Some indications of the possible extent to which supplementary feeding programs could make use of surplus foods are also given in the case of Ceylon and Madras.
3. The essential object of supplementary feeding programs is to improve the nutrition of vulnerable groups, of which the most important are mothers and children, and not the disposal of surplus food commodities. The United States Stamp Plan and the United States School Lunch Program were, however, also designed to utilize food surpluses.
4. The Committee holds the view that the greater use of surplus foods in supplementary feeding is a step in the right direction in that it can make an important contribution to the improvement of nutrition and also to the problem of surplus disposal. It strongly urges governments to study the possibility of using surplus foods to improve the nutrition of their peoples, either by incorporating them in existing supplementary feeding programs which if expanded will provide a greater outlet, or by initiating new programs through which they can be distributed to groups in special need.
5. Experience has shown that governments tend to base supplementary feeding programs on locally produced foods and to use such programs as a means of educating their peoples in the better use of these foods. The Committee realizes the possible difficulties in using imported surplus foods in supplementary feeding, but nevertheless feels that governments will wish seriously to consider taking advantage of certain surplus commodities which are now available at nominal prices. In this connection, they will no doubt be concerned with the continued availability of such supplies over a reasonable period of time, and may desire to consult with supplying governments in considering to what extent they may wish to initiate or expand supplementary feeding programs based on such supplies. In most parts of the world supplementary feeding programs now benefit only a relatively small number of people, but they could with advantage be expanded to cover larger numbers. The initiation or rapid expansion of programs involves, of course, the need for (i) developing adequate administrative machinery, (ii) providing suitable equipment, and (iii) funds to meet the necessary expenditure.
6. It is recognized that in most countries experts are available to advise the government about the organization of supplementary feeding and methods of including unfamiliar foods in feeding programs. Should governments require advice on these matters from outside sources, the FAO Secretariat will be ready to provide all the

assistance possible within its resources. The Committee understands that governments which are in a position to offer surplus foods at nominal prices will be able to supply other governments on request with appropriate information regarding the use, storage, etc. of the commodities in question.

7. The Committee notes that the supplementary feeding programs which it has reviewed have been operated and controlled by national or local governmental authorities, in some instances a combination of both. The nature of these programs calls for effective governmental supervision and control. There is no ideal type of administrative machinery since this must vary with the type of program and with local conditions. At the national level responsibility is, however, usually vested in an appropriate ministry or department. The Committee therefore believes that it should not be difficult for governments to ensure that any surplus food commodity made available either by purchase or otherwise would be utilized directly in the program for which it is intended and not enter into normal trade channels, or be re-exported. If, however, it is desired to distribute a particular surplus commodity to particular classes of people through commercial channels, in countries where it has normally been imported, it would seem necessary to devise special machinery for this purpose. Illustrations of such machinery are provided by the United States Stamp Plan and rationing systems which have been in operation during the war and the post-war period in various countries. The Committee assumes that any government acquiring surplus commodities at nominal prices would be prepared to give appropriate assurances regarding the use made of such supplies and that these would represent an addition to, and not a substitute for, normal commercial supplies.

FAO ARCHIVES

FOOD AND AGRICULTURE ORGANIZATION
OF THE UNITED NATIONS
COMMITTEE ON COMMODITY PROBLEMS

DRAFT FOR CONSIDERATION AT MEETING ON 14TH JULY

TO: Washington Representatives of all FAO Member Governments

FROM: Secretary, Committee on Commodity Problems

SUBJECT: Communication from United States Government dated 29th June 1950

At a meeting held on 13/14th July 1950, FAO's Committee on Commodity Problems considered a communication from the United States Government dated 29th June, which stated that it was prepared to make available to member governments of FAO certain quantities of dried whole eggs, dry edible beans, dry edible peas, Mexican canned meat and gravy, salted creamery butter, and American cheese. This communication has already been sent to you, on a confidential basis, as Document CCP50/50 dated 30th June 1950.

On the basis of its consideration of this communication, the Committee has directed that its views as set forth below be communicated to all member governments of FAO through their Washington representatives.

- 1) The Committee considers that these foods are of a type which would make a valuable contribution to the improvement of nutrition through supplementary feeding programs, in which connection the Committee wishes to call to your attention Document CCP50/53.
- 2) While the Committee attaches great importance to the use of these foods in supplementary feeding programs, it is willing to consider any other proposal which any government may wish to make by means of which these foods could be used to improve nutrition.
- 3) The Committee assumes that any government purchasing these commodities pursuant to this communication would undertake to ensure that their use would be restricted to human consumption in the importing country.
- 4) The Committee considers that governments of countries which have been obtaining commercial imports of these commodities and which purchase any supplies of these commodities pursuant to this communication, should institute adequate safeguards to ensure that any such supplies do not enter into or displace normal commercial transactions and that government authorities of the exporting country of such supplies should receive official assurances from the importing country that such steps have been taken before shipments are made.
- 5) The Committee recognizes that any government which desires to purchase any quantities of these commodities may wish to negotiate for such purchase directly with the United States Government. However, if any member government so desires, the Committee will be glad to assist it in any such negotiations.
- 6) In any event the Committee requests that any member government which purchases any amounts of these commodities pursuant to this communication report the same to the Committee.
- 7) Since the Committee considers that early consideration of this communication is a matter of urgency, it further requests that member governments considering purchases pursuant to this communication advise the Committee of their intentions at as early a date as possible.

It will be appreciated if you will transmit these views to your government as promptly as possible.