

UNITED NATIONS  
ECONOMIC  
AND  
SOCIAL COUNCIL



GENERAL

E/C.2/292

16 March 1951

ORIGINAL: ENGLISH

COUNCIL COMMITTEE ON  
NON-GOVERNMENTAL ORGANIZATIONS

Twelfth session  
Item 3

WORLD ECONOMIC SITUATION

Statement submitted by the International Federation of Agricultural Producers, a non-governmental organization granted consultative status in category A

The Secretary-General has received the following statement, which is circulated in accordance with paragraph 23 (d) of Council resolution 288 B (X):

Dated: 15 March 1951

Received: 15 March 1951

In the statement presented by the International Federation of Agricultural Producers, at the 104th meeting of the Economic Committee (E/AC.6/SR.104), I stated that the net practical achievement of all the inter-governmental consultations on general and specific international commodity problems which had been going on almost continuously since the Hot Springs Conference in 1943 were international agreements on wheat and tea. I consider it my duty to warn the Committee that two years hence the net practical achievement may be only the tea agreement.

Having been responsible, as the Director of Food for UNRRA from the beginning to the end of its operations, for the expenditure of nearly one and one-half billion dollars I know how much further that money would have gone had we not had to pay about three dollars per bushel for much of the wheat we bought and similarly inflated prices for other essential foods. It is easy, therefore, for me to understand fully the concern of the Organization for European Economic Co-operation and of the governments represented thereon at

the grave threat to the remarkable economic progress made in Europe in recent years attributable to the spectacular rise in the cost of some primary products during the past several months.

But in justice to the primary producers of the world it is only fair that if the free enterprise or free choice system, accompanied by the free play of the law of supply and demand, is to be the rule of the day in times of plenty the same rule should apply in times of shortages.

I am informed that in none of the inter-governmental discussions which led to the establishment of the International Materials Conference (it is significant that the word "raw" has now been officially dropped) were either the Economic and Social Council's Interim Co-ordinating Committee on International Commodity Arrangements or the FAO in any way consulted or kept informed. I understand that one of the motivating reasons for convening the only meeting of the FAO's Committee on Commodity Problems which has been held since the FAO 1950 Conference was the hope of the representatives of some governments on that Committee to try and find out what was going on in inter-governmental discussions on commodity problems to which they did not have access. I find it difficult to reconcile this position with the letter, let alone the spirit, of the Constitution of the FAO or the Charter of the United Nations. And I find it quite impossible to reconcile it with both the letter and spirit of Chapter VI of the Harvard Charter which the Economic and Social Council has recommended governments to adopt.

Because of the difference between the maximum price prescribed in the International Wheat Agreement and the open market price, wheat importing countries have already saved very many millions of dollars and they are assured by the terms of that agreement of the saving of very many more millions of dollars. But that agreement expires on 31 July 1953 and, under its terms, discussions are to commence regarding its possible renewal within a few months. I can assure you in all earnestness, Mr. Chairman, that had it not been for the member organizations of IFAP, particularly those in Canada and the United States, there would not have been an international wheat agreement. But what are those organizations going to think when I inform them that from all I can discover from the discussions in the Economic and Social Council and the Food and Agricultural Organization of the United Nations that governments appear to be interested in

/price stabilization

price stabilization only when the free play of the law of supply and demand results in terms of trade which hurt them? What will they think when I emphasize to them the real significance of the following sentences in ICCICA's Report for 1950?

"10. An interesting feature of this year's inter-governmental activity in the field of commodity problems has been the almost simultaneous consideration of action to deal with shortages and of preparations for a state of surplus. It is to be hoped that the several interested governments will consider proposals to deal with the one type of problem in the light of their attitude towards the other."

At the FAO Washington Conference in 1948 the United States delegation proposed the simultaneous negotiation of international commodity agreements on several agricultural and non-agricultural products. We strongly supported that proposal and we deeply regretted the rejection of it by the FAO Conference. We interpreted it as a recognition of the common sense approach of striking a compromise bargain on the balance of advantage and disadvantage to particular national interests of price stabilization agreements on tin and cotton, rubber and wheat, oils and fats and sugar etc.

It is in the hope that the same approach will be made in the near future that I proposed on behalf of IFAP, on 13 March, that the Economic Committee should consider recommending the appointment of an Ad Hoc Expert Committee report to the Economic and Social Council on international commodity problems.

-----