

Surpluses which are a reflection of international financial disequilibrium either exist or are in prospect. The Conference was unable to envisage any international financial or trading mechanism designed to deal solely with the over-all commodity problem which was not subject to one or more of the objections expressed to the ICCH proposals. Within the framework of individual commodity agreements, however, the exporting and importing countries may be able to devise provisions relating to the financial difficulties in the particular commodity involved but not open to the objections to the ICCH proposals expressed above.

In view of the difficulties to which general international action is subject the Governments of the countries holding the surpluses may decide to supplement action already being taken on the financial front by specific efforts to facilitate the movement of surplus supplies to needy areas.

Individual action by Governments to move surpluses from hard currency countries to soft currency countries would almost inevitably take one or some combination of the following forms: (i) Long-term credits; (ii) concessional prices; (iii) gifts. Whichever method is adopted it is important that the interests of other exporting and importing countries be considered, and it is desirable that there should be appropriate international consultation.

The assessment of the commodity surplus problem arising from causes other than international financial disequilibrium requires the complete analysis of a series of inter-related factors. While recognizing that this problem is likely to become progressively more important, the Conference found it impossible to offer a complete analysis of all the factors, nor did it believe that there was a specific remedy that could be applied to all commodities. The Conference recalled the recommendation of the Preparatory Commission on World Food Proposals, which was endorsed by the third session of the FAO Conference, and called particular attention to Items 3-6 and Item 8 of this resolution, as follows:—

“(3) That the principles of inter-governmental commodity policy referred to in the Economic and Social Council’s resolution of 28 March, 1947, and those set out in the Preparatory Commission’s report serve as a general guide to member Governments;

“(4) That FAO should play an active part in the study of agricultural commodity problems and, where the circumstances demand it, should take the initiative in promoting inter-governmental action in this field;

“(5) That for a certain number of important commodities, commodity agreements are the best means of assuring steady markets and price stability at a fair level, and thereby of encouraging primary producers to plan with confidence;

“(6) That in framing and concluding commodity agreements Governments should bear in mind the interdependence of agricultural commodities in respect of production, consumption, trade, and prices;