Standing Committee
of the
INTERNATIONAL COTTON ADVISORY COMMITTEE

Minutes of the 56th Meeting
April 28, 1953 - 11:30 a.m.
Room 218, Administration Building
Department of Agriculture

PRESENT: Mr. E. D. White, United States (In the Chair)

Mr. A. C. B. Maiden, Australia
Mr. Stefa-Gorog, Austria
Dr. A. B. Fagundes, Brazil
Mr. Paulo P. Vidal, Brazil
Mr. Vagn Hoelgaard, Denmark
Mr. Anwar Niazi, Egypt
Mr. H. A. Zaki, Egypt
Mr. B. O. Alholm, Finland
M. Jacques Humbert, France
Dr. Rolf May, Germany
Dr. C. P. Caranicas, Greece
Mr. Prithi Singh, India
Dr. C. B. Colonna, Italy
Mr. Masao Sawaki, Japan
Sr. Don Adolfo Alarcón, Mexico
Mr. G. Elshove, Netherlands
Mr. Chas. van Ginkel, Netherlands
Mr. N. J. Sloan, Pakistan
Mr. Fernando Morales-Macedo, Peru
Mr. José Teodoro, Philippines
Sr. José M. Vergara, Spain
Mr. Helmer Olsson, Sweden
Mr. Fritz Real, Switzerland
Mr. H. Kunfer, Turkey
Mr. S. D. Wilks, United Kingdom
Mr. Willard O. Brown, United States
Mr. Rene Lutz, United States
Mr. Robert Sherman, United States
Dr. Oscar Zaglits, United States
Dr. A. W. Palmer, General Secretary
Mr. Robert B. Evans, Executive Secretary
Mr. J. C. Santley, Economist
Mr. Bernard A. Dubais, Research Economist
Mr. David S. Murray, Statistician
Mr. John A. van der Zanden, Assistant Statistician
Noting the presence of a quorum, the Chairman opened the meeting.

1. The agenda was approved.

2. Dr. Zaglits (United States) reported for the Special Subcommittee on an International Cotton Agreement. He said that two working groups had been set up, one to work on the buffer stock type of agreement with Mr. Wilks (United Kingdom) as Chairman, the other to work on the multilateral contract type of agreement with himself as Chairman. Both had had two meetings. In addition a drafting group consisting of Mr. Floersheim (France), Mr. Wilks, himself, and a member of the Secretariat had been constituted.

The two working groups had had two meetings and discussions on the various questions were well under way. However, he felt that it would be difficult to go much beyond Document 10 because of the lack of technical experts and the fact that many of the questions were matters for negotiation.

Mr. Wilks added that the working group on buffer stocks had so far examined the questions relating to price provisions. This had been done on the basis of the assumptions (a) of no international market for cotton as at present, (b) that such a market were established. An important question was how to relate the prices of different growths -- this question being more difficult than for different types within a growth.

Mr. Wilks said further that the Subcommittee hoped to complete its work so the report could go to governments by the end of June. Dr. Zaglits said this schedule would allow governments two and a half months to consider the report prior to the second session of the plenary meeting which could be held shortly after the middle of September.

Dr. Zaglits also said that it was the aim to present drafts of the contract and buffer stock types of agreement. The drafts would not be complete and there would be blanks where opinions were split. An accompanying report would note difficulties and problems. It was the intent to proceed with drafting as the various questions were discussed.

Mr. Hoelgaard (Denmark) questioned whether it would be possible to establish prices for the various growths on the basis of spinning values, which he said might vary from one country to another. It might be possible to obtain the needed information from the textile industries in member countries. Dr. Fagundes (Brazil) said that spinning values change from one season to the next with weather conditions, changes in variety, and other factors. Mr. Gorog (Austria) asked if a price equivalent committee could not be established as in the Wheat Agreement. Dr. Zaglits said that the Special Subcommittee had discussed the matter briefly, and had concluded that quality differences were much greater in cotton than in wheat.
Mr. Wilks suggested that it might be premature to try and establish prices for growths by means of spinning values, and he agreed with Dr. Fagundes that there were practical difficulties in the way of a solution of this nature. A suggestion had been made in the Working Group on Buffer Stocks that prices for different growths might have to be established by taking into account a number of factors including spinning values, past price relationships, and changes in supply and demand. The Special Subcommittee would be glad to have any solutions that could be offered, and he suggested that delegates should ask for government advice on this problem.

Dr. Colonna (Italy) thought the Committee could agree on a criterion but that setting values could only take place in the first stage of negotiations. Dr. Zaglits said that it might be useful to determine spinning values but agreed with Dr. Colonna that the setting of price differentials was a negotiation point.

The Executive Secretary said an inquiry already had been made to determine what information governments had on the comparative spinning values of different growths of cotton. The reports indicated that there was very little such information on a published utilizable basis. Consuming countries where many growths were used competitively would be the best source. Probably a planned program to secure this information would be needed.

It was decided that the date of the second session of the Twelfth Plenary Meeting could be set at the first session. It appeared that September 17th would be a satisfactory date.

*Agenda item 2*

3. The General Secretary said that a letter had been received from the Government of Norway accepting its invitation to accede to the Committee. The Standing Committee noted that Norway's assessment would be $250.00 for the current fiscal year since it was in Group V of the assessment schedule and since it did not become a member until the fourth quarter. The Standing Committee therefore confirmed Norway's accession as of April 16, 1953.

*Agenda item 3*

4. The General Secretary said the Committee had been invited to send an observer to the Twenty-First Session of the Committee on the Commodity Problems of the F.A.O. Mr. Niazi proposed that the F.A.O. be notified that the Committee would be unable to send an observer but to thank them for the invitation and ask them for any material on fibers and commodity agreements that might emanate from the meeting. Dr. Zaglits seconded the motion which was adopted.

*Agenda item 4*
5. Mr. Gorog (Austria) said that he had received a report from his government regarding an international cotton agreement. They expressed appreciation for the efforts of the Committee to develop such an agreement to prevent undesirable fluctuations in price and were very much in favor of concluding one. The agreement should provide equitable price levels taking into consideration a price that would enable the textile industry to increase its output. Measures had been successfully taken nationally by the United States which made available experience in operating a buffer stock system. However, the government of Austria did not want to express a preference since its imports were relatively small and they were not in a position to study closely the details of the questionnaire. With a view to their present financial condition they would have to reserve their position regarding participation at the present time in a buffer stock agreement. This did not mean that they did not want an agreement.

The meeting was then adjourned.

April 30, 1953
April 16, 1953

Dr. A. W. Palmer
General Secretary
International Cotton Advisory Committee
Washington 25, D.C.

Dear Sir,

On behalf of the Norwegian Government I beg to submit herewith Norway's application for membership in the International Cotton Advisory Committee.

Norway has a substantial interest in cotton, and the Norwegian Government is prepared to fulfill the obligations of membership with respect to

a. The acceptance of all resolutions of the Committee in effect at the present time

b. The submission of economic and statistical information concerning the cotton situation in Norway in accordance with the prescribed requirements of the Committee and any work programs that may be approved from time to time, and

c. The prompt payment of the assessed financial contribution.

It is my understanding that Norway's assessment for the full fiscal year ending June 30, 1953 is $1,000, --, which amount is to be reduced proportionally for the number of quarters Norway has not been a member. The assessment will be paid by this Embassy as soon as the amount has been finally stipulated by the Standing Committee.

Very truly yours,

(signed) Wilhelm Morgenstierne,
Ambassador of Norway
March 31, 1953

Dear Sir,

I wish to inform you that the Twenty-First Session of the Committee on Commodity Problems will open at FAO Headquarters, Rome, on 3 June 1953 at 10.30 a.m., and is expected to last until 10 June.

I enclose a copy of the provisional agenda, as well as notes on this agenda.

I should be glad to know whether your Organization wishes to be represented by an observer at this Session of the Committee, and if so to be informed of his name as soon as possible.

Yours sincerely

(signed) Norris E. Dodd
Director-General

Mr. Robert Evans
Executive Secretary
International Cotton Advisory Committee
Washington D.C.,
U.S.A.
INTERNATIONAL COTTON ADVISORY COMMITTEE  
Washington

April 16, 1953

VIA AIR MAIL

Dr. Norris E. Dodd  
Director-General  
Food and Agriculture Organization of the United Nations  
Viale delle Terme di Caracalla  
Rome, Italy

Dear Dr. Dodd:

Thank you for your letter of March 31 enclosing the agenda of the Twenty-first Session of the Committee on Commodity Problems and extending an invitation to this organization to be represented by an observer.

The Standing Committee will give consideration to your letter at its next meeting, now scheduled for April 28. I shall be glad to write you promptly thereafter to let you know of its decision.

Sincerely,

(signed)  
A. W. Palmer  
General Secretary
COMMITTEE ON COMMODITY PROBLEMS

TWENTY-FIRST SESSION

FAO Headquarters, Rome

3-10 June 1953

PROVISIONAL AGENDA

I. Election of Chairman and Vice-Chairman

II. Adoption of Provisional Agenda

III. Adoption of Summary Record of Twentieth Session

IV. Report of the Sixteenth Session of the Council of FAO
   - Section on "Commodity Problems"

V. Review of Major Developments in the World Agricultural Commodity Situation
   V. 1 General Review
   V. 2 The Rice Problem
   V. 3 Trade in Agricultural Commodities and the Dollar Shortage

VI. Special Commodity Reports
   VI. 1 Second Interim Report on Milk Utilization
   VI. 2 Cocoa Situation and Outlook
   VI. 3 International Trade in Fruit
   VI. 4 World Silk Situation and Outlook

VII. Report on the Work and Bindings of GATT, with respect to
    Restrictions on Trade in Agricultural Products

VIII. Program Notes for Regional Commodity Review
IX. Intergovernmental Commodity Policies and Arrangements
   IX.1 Review of Current Intergovernmental Consultations, with
        special reference to: Wheat, Sugar, Cotton, Rubber
   IX.2 The Commodity-by-Commodity Approach

X. Report to the Council of FAO

XI. Time and Place of Next Session

XII. Any Other Business

Appended: Notes on the Provisional Agenda

FAO/53/3/1884
COMMITTEE ON COMMODITY PROBLEMS

Notes on Membership and on the Provisional Agenda for the Twenty-First Session

Council Appointment of CCP Memberships

In accordance with recommendations of the Fifth Session of the FAO Conference in November/December 1949, the 14 Members of the CCP, representing Member Nations of the FAO, are appointed annually by the Council of FAO. For information, the CCP membership appointed by the Sixteenth Session of the Council in November 1952 is listed below:

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Date and Duration of Twenty-First Session

The Committee, in the Report of its Twentieth Session "agreed that the Twenty-First Session of the Committee should convene in Rome shortly before the Seventeenth Session of the Council, allowing for a suitable interval between the adoption of the Committee's Report and the opening of the Council Session." The opening date of the Council Session having since been fixed for 15 June, the period for the CCP Session was set for 3-10 June.

Item I: Election of Chairman and Vice-Chairman

cf. CCP Rules of Procedure (CCP 50/4, 3 February 1950), Rule I.1: "The Committee shall elect annually a Chairman and Vice-Chairman".

Item IV: Report of the Sixteenth Session of the Council of FAO

Section on "Commodity Problems"

The relevant abstract from the Report of the Sixteenth Session of the Council of FAO is circulated under CCP 53/2.

Item V: Review of Major Developments in the World Agricultural Commodity Situation

To focus attention on major developments in the world agricultural commodity situation, it is suggested that discussions under Item V should be concentrated on outstanding features and problems; the
review of more specific and rather more self-contained commodity reports being conducted separately under Item VI. It is suggested further that discussions under Item V. might fall under the following three main headings:

V. 1: General Review: being a general appraisal of the world agricultural commodity situation and outlook. An up-to-date summary review will be prepared shortly before the opening of the Session. Preliminary working papers, with special reference to developments in Grains and Fats and Oils will be circulated earlier.

V. 2: The Rice Problem: It is here proposed to consider the Report of the Special FAO Rice Meeting which was held in Bangkok from 5-16 January 1953. The Report will be circulated shortly.

V. 3: Trade in Agricultural Commodities and the Dollar Shortage:

It is hoped that discussions under this heading will help to clarify some aspects of agricultural trade problems, and that the results of the Committee's deliberations on these issues will also assist the Seventh Session of the FAO Conference in formulating its views and proposals on international trade in agricultural products. In a document now in preparation, an attempt will be made to give a preliminary review of the significance of the dollar shortage for trade in agricultural products.

Item VI: Special Commodity Reports

Subjects proposed for review under this item are selected in accordance with specific CCP requests:

VI. 2: Cocoa Situation and Outlook: At its Nineteenth Session, the CCP agreed that a full survey should be made of cocoa production and consumption (cf. Report of Nineteenth Session -- CCP 52/47), and decided that such a study was necessary before considering the possibility of intergovernmental consultations. An interim report on the survey will be circulated shortly.

VI. 3: International Trade in Fruit: As requested by the Twentieth Session of the Committee, the Secretariat is undertaking an analysis of trends in production and trade of fruit moving in international trade and affecting also regions outside Europe. A review of information assembled to date on trade and price movements for some principal categories of fruits will be circulated shortly.

VI. 4: World Silk Situation and Outlook: The Committee at its Twentieth Session requested that this item be placed on the Agenda of the Twenty-First Session. A Commodity Report on Silk and a summary paper for discussion will be circulated shortly.

Item VII: Report on Work and Findings of GATT, with respect to Restrictions on Trade in Agricultural Products:

At the Twentieth Session, the FAO Secretariat reported on working relations established with the Secretariat for the General Agreement on Tariffs and Trade (GATT), and on the collection of information which had been initiated with respect to the documentation, work and findings of GATT insofar as these were of particular interest to FAO. A paper on these questions, prepared in cooperation with the GATT Secretariat, will be circulated shortly.

Item VIII: Program Notes for Regional Commodity Reviews: In preparation for the Seventh Session of the FAO Conference, Regional Meetings will be held in the summer and early autumn in the Near East, the Far East, and Latin America. The agenda and documentation for these Meetings will also deal with commodity developments, as they affect the regions concerned. To promote co-ordination, it is assumed that the CCP, at its June Session, may wish to keep itself informed of preparations for the Regional Meetings and perhaps formulate some comment on those commodity aspects which in the view of the CCP deserve special attention in the regional discussions. Copies of the Provisional Agenda for the Regional Meetings will be circulated shortly.
Item IX: Intergovernmental Commodity Policies and Arrangements

IX. 1: Review of Current Intergovernmental Consultations: The Secretariat will circulate the customary report on major developments since the previous CCP Session, with special reference to the discussion of commodity problems at ECOSOC and to specialized discussions on Wheat, Sugar, Cotton and Rubber. Copies will also be circulated of a separate paper now being prepared for submission to the International Sugar Council and setting out some FAO comment on the draft International Sugar Agreement.

IX. 2: The Commodity-by-Commodity Approach: The Council, in taking note at its Sixteenth Session of ECOSOC discussions on the United Nations Experts' Report on Measures for International Economic Stability, recognized "that there might be some divergence of emphasis in the discussions of ECOSOC and the decisions recorded by the Conference of FAO regarding the merits of the commodity-by-commodity approach as against those of a more general multi-commodity approach." The Council asked the CCP to place the matter on the agenda for its next Session. A paper prepared by the Secretariat will be circulated shortly.