

COMMITTEE ON COMMODITY PROBLEMS

First Meeting

2:30 p.m. 12th January and 10:30 a.m. 13th January

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

PRESENT: (In the Chair) Mr. N. G. Abhyankar (INDIA)

AUSTRALIA	- Mr. J. U. Garside Mr. P. F. Magee	UNITED STATES	- Mr. R. B. Schwenger Mr. Ralph S. Trigg* Mr. T. Rawlings Mr. James Foster Mr. John Evans*
BRAZIL	- Mr. W. Sarmanho*		
CANADA	- Mr. G. S. H. Burton Dr. W. C. Hopper	URUQUAY	- Mr. J. F. Yriart
CUBA	- Dr. Ricardo Sarabasa	DIRECTOR-GENERAL	- Mr. Norris E. Dodd*
EGYPT	- Mr. Anwar Niazi	DEPUTY DIRECTOR-GENERAL	- Sir Herbert Broadley*
FRANCE	- Mr. Eugene Demont* Mr. R. Forestier	SECRETARY	- Mr. F. B. Northrup
INDONESIA	- Mr. Ralph Muir	DISTRIBUTION DIVISION	- Mr. J. L. Orr
NETHERLANDS	- Mr. J. B. Ritzema van Ikema	INFORMATION DIVISION	- Mr. W. Hughes*
PAKISTAN	- Mr. M. Iqbal*	RECORDING SECRETARY	- Miss H. J. Evans
UNITED KINGDOM	- Mr. Robert Burns		

\* Not present on 13 January

I. Adoption of Agenda

The Director-General, speaking from the Chair, drew attention to the provisional agenda which had been circulated, and called for comments. He also enquired whether French interpretation was required.

Mr. Demont (France) requested that the French Delegation be permitted to speak in French, although translation from English into French would not be necessary.

The Committee agreed to the adoption of the provisional agenda.

II. Election of Chairman

Upon the motion of Mr. Trigg (U.S.A.), seconded by Mr. Niazi (Egypt), Mr. N. G. Abhyankar (India) was elected Chairman, by unanimous consent.

Mr. Abhyankar expressed his appreciation of the honor accorded to him, and stated that he would do his best to ensure that the Committee functioned effectively and expeditiously.

III. Election of Vice-Chairman

Mr. Yriart (Uruguay) proposed, and Mr. Carside (Australia) seconded, a motion that Dr. Barton (Canada) be elected Vice-Chairman.

Dr. Barton pointed out that although he greatly appreciated this nomination, his Government had not yet confirmed his appointment as Canadian representative on the Committee. Subject to such confirmation, however, he would be pleased to accept the nomination.

The Committee unanimously agreed to the election of Dr. Barton as Vice-Chairman.

IV. Attendance of Observers at Committee meetings

The Secretary remarked that this item had been included on the agenda because enquiries had already been received from member Governments of FAO who were not represented on the Committee, and also from certain non-Governmental organizations, such as the International Federation of Agricultural Producers, as to whether they might send observers to the Committee's meetings. It had been decided that as the present meeting constituted an executive session it should be attended only by the representatives who were members of the Committee, but he enquired the desires of members as to future attendance.

Mr. Trigg (U.S.A.) thought that the Committee should avail itself of the attendance of any person able to assist in its work, and that it should be left to the Chairman's discretion to decide on such attendance.

Mr. Ritzema agreed that the Committee should have the widest possible attendance, but that some restriction was necessary in the case of a discussion of a proposed transaction which if publicly known in advance might have an effect on markets and prices.

Mr. Burns also agreed that meetings should be attended by anybody who could be of assistance, but felt that at this stage it was premature to make any decision until the Committee could see more clearly the trend of its discussions.

The Director-General felt that the present meeting was of an organizational nature only and that therefore it was not desirable to have outside attendance at this particular time.

Mr. Demont (France) pointed out that observers as such could not take part in a Committee's discussions, and he therefore did not feel their presence likely to be of assistance in the Committee's work. However, some distinction should be drawn between FAO member Governments and non-Governmental organizations, for he could see no possibility of precluding any FAO member Government from attending the Committee's meetings; if for instance the discussion centered on the surplus or deficit commodity problems of any FAO member Government, obviously the representative of such Government would have to attend the meeting and participate in the discussions. As regards non-Governmental organizations, he thought they should be permitted to attend as observers, except in the event that the Chairman decided and announced that any particular meeting would be of an executive character only.

Mr. Yriart (Uruguay) thought the present discussion indicated the inadvisability of making any decision on the attendance of observers until the procedures to be followed by the Committee had been more fully developed. He further enquired whether ICCICA had expressed any desire to participate in the Committee's discussions, to which the Secretary replied in the negative.

The Chairman believed that the International Monetary Fund also might be interested in the Committee's deliberations.

Dr. Barton (Canada) felt that no FAO member Government could be denied the right to send an observer to the Committee's meetings, and that accordingly all member Governments should be notified that the Committee was now functioning and that it invited the attendance of observers from each member Government. He did not believe that such an invitation would involve the attendance of observers at any Sub-committee meetings which might eventually be scheduled.

Mr. Burns agreed with Dr. Barton's suggestion.

Mr. Ritzema agreed with such a procedure, provided it was made clear that whenever matters which might ultimately affect markets and prices were on the agenda the attendance should be limited to members of the Committee on Commodity Problems.

Mr. Dumont, while appreciating Mr. Ritzema's fears in this connection, was of the opinion that the danger of disclosure of market information depended more on the calibre of the representatives present than on their number, and that such disclosure was no more likely in a larger membership than in a limited one.

The Chairman was of the opinion that Dr. Barton's suggestion would in no way conflict with Mr. Ritzema's ideas, since the rules of procedure could be drafted to provide for discussions in sub-committees and the respective attendance.

It was agreed to defer further discussion of Item IV, until Item VI. had been clarified.

The Secretary assumed that any letter which might be sent out as a result of Dr. Barton's suggestion would be addressed through the national FAO Committees with copies to the various Governmental representatives in Washington. He enquired whether it would be acceptable if the announcement of the next meeting were circulated to the Washington representatives of all the FAO member Governments.

The Chairman believed that the letter in question should be addressed to home Governments, with copies to Washington representatives; the Secretariat should be authorized to advise Washington representatives of all FAO member Governments of the time and date of the next meeting and to invite them to send observers. On the question of a press release, he thought the Director-General should be authorized to issue a short official statement of the proceedings of the present meeting.

#### Statement by Director-General

The Director-General complimented the Committee on its selection of officers, who had long experience of commodity problems and were well aware of the seriousness of the situation in many parts of the world at the present time. Previous experience, he felt, might induce some misgivings, but he pointed to the Wheat Agreement as evidence that cooperation in respect of commodity problems was indeed a possibility. He cited the many letters received from both Governmental and other sources around the world, particularly from food deficit areas, expressing interest in various possibilities in the field in which the Committee on Commodity Problems had to operate, and he remarked that the Committee's work during the coming months would be watched carefully by all concerned. He hoped very much that by the time the Council met in May the Committee would be able to show some tangible progress towards the solution of the paradox of food surpluses and restricted production on the one hand and people going hungry on the other; otherwise the Committee would certainly be the object of much criticism. He assured the Committee of the full cooperation of the FAO Secretariat, together with the assistance of any experts the Committee might wish to call.

The Chairman thanked the Director-General for his remarks and, in his turn, assured the Director-General that the Committee would apply itself wholeheartedly to the most searching examination of the possibilities for relieving the present situation.

The Chairman then enquired whether the Committee wished to proceed to Item VII before discussing Item VI, as this order might prove more convenient.

VI. Discussion of Committee Procedures

The Secretary explained that the item regarding a letter of notification to member Governments had been given its present place on the agenda because it was felt that such a letter, the despatch of which it was felt should take place in the near future, might with advantage contain some reference to the proposed procedures of the Committee.

The Chairman agreed in such case to abide by the provisional order of discussion and called for consideration of Item VI, remarking that consideration in full Committee was necessary to direct the deliberations of whatever drafting committee might eventually be appointed.

Mr. Muir (Indonesia) and Mr. Trigg (U.S.A.) believed however that it would be extremely difficult to decide on procedure before replies were received on Item VII (c) and (d).

The Chairman felt obliged at this stage to explain his reasons for advocating the discussion of Item VII before that of Item VI. He referred to the three functions proposed for the Committee on Commodity Problems by the Conference under points (a), (b) and (c) on page 4 of C49/46 Add. He felt the first function was a purely negative or "police" function of examining statements voluntarily submitted by any parties to a contemplated transaction, and the Committee in this instance had to await the receipt of such statements; this particular function he believed to be of a secondary nature only. The second function required the Committee to request Governments in food deficit areas to submit statements of their requirements and the difficulties encountered in meeting their needs, and to request from Governments holding surpluses statements as to the terms on which they were prepared to make such supplies available; it would be the Committee's duty to endeavour to bring these two sides together, although he confessed that at the moment he could not see how this could be effected. It was the third function, set forth in function (c), which he felt was of prime importance. Efforts had been made under the ICCH proposals to suggest ways of dealing with the problem of surpluses due mainly to currency difficulties and consequent crop restriction on the one hand and shortages of supplies on the other hand, and he believed it was the principal duty of the Committee on Commodity Problems to give further consideration to this matter.

Dr. Barton (Canada) was of the opinion that the present discussion centered more on functions than on rules of procedure, but he was under the impression that the terms of reference included certain points which would have to be incorporated in any rules of procedure eventually drafted. There were two angles of approach to the Committee's functions (1) to consult with Governments holding surpluses or experiencing difficulty in obtaining supplies, and (2) to consider the situation and initiate inter-governmental discussion. He did not anticipate that in the near future there would be much need for action from the first angle of approach, for it remained to be seen what statements, if any, were submitted by the Governments concerned. Any effort on the Committee's part to secure from Governments a clearer picture of the current situation would have to be made very carefully in order to obtain only such information as would merit the consideration of the Committee and in order to avoid an avalanche of irrelevant replies. He pointed out that under the terms of reference there were three possibilities of financing the purchase of surpluses, i.e. by gift, special prices, or by means of a loan. On the whole he inclined towards the second angle of approach, along the lines of which a considerable amount of work had already been done.

Mr. Burns (U.K.) sympathized with Dr. Barton's viewpoint. Although he was well aware of the desirability, expressed by the Director-General, of the Committee's being able to show some positive results by the time of the next Council meeting, he thought the Committee should not attempt to do too much at once and thus run the risk of making a false start. It should be remembered that the discussions at the last Conference had revealed that to a large extent it was felt that the solution of the surplus problem lay with Governments rather than with any inter-governmental body. Secondly, it should be remembered that the type of surpluses under consideration by the Committee were those arising from currency difficulties and did not involve surpluses or deficits which could in any way be called absolute. Even the needs mentioned in function (a) were not

absolute needs, but deficits related to the respective country's lack of financial resources. He thought it essential in any communication which might be addressed to governments to stress this aspect. He was interested in Dr. Barton's views as to the three possible ways of financing the purchase of a surplus, and thought the Committee ought to give some consideration to them, but on the other hand he was not sure that the terms of reference could be strictly interpreted to cover such a function. He agreed that the Committee might act as an intermediary in any negotiations between interested Governments in such cases, but felt that it should wait until specific situations of this kind were brought to its notice rather than attempt to consider the matter in general terms. He therefore supported Dr. Barton in his belief that an approach by way of function (c) would be the most advantageous procedure for the Committee.

Mr. Demont (France) was of the opinion that the Committee's functions differed considerably according to whether it approached the problem from the point of view of the needs of possible importers or the surpluses of possible exporters. He pointed out that function (c) envisaged the possibility of the Committee's taking the initiative in the promotion of discussions between interested Governments, and he therefore suggested that the Secretariat might be requested to submit to the Committee periodically, say 2/4 times a year, a statement of the surplus and deficit situation, together with an expose of the dangers involved and possibly certain suggestions for their being met.

Mr. Burns (U.K.) commented that function (b) to him suggested that the Committee should request the seller to submit his proposal as to the disposal of surplus goods rather than the Committee make proposals to the seller for their disposal. He continued to support the Chairman's view that it would be more advantageous for the Committee to devote its principal attention to function (c).

Sir Herbert Broadley suggested the Committee might consider how to select possible customers for sales of surplus goods.

The Secretary suggested that when a situation such as that cited by Sir Herbert Broadley arose a small sub-committee including the interested governments might be set up to consider an appropriate solution.

Dr. Barton believed that each separate case might call for its own rules of procedure. He thought selling countries would inevitably wish to appraise some choice as to the ultimate purchase of their surplus goods. If the surplus in question were wheat for instance he felt sure there would need to be some consultation with the International Wheat Council.

Sir Herbert Broadley thought it would be for the selling country to suggest methods of disposal which would be acceptable to it and the Committee should then endeavor to find an importing country which would be able to accept the terms suggested.

The Chairman drew members' attention once more to functions (a), (b) and (c) on page 4 of C49/46 Add., which he believed expressed briefly the Conference's intentions as to the Committee's functions. He felt that the first communication sent by the Committee to governments should set forth clearly the Committee's objectives. Under function (c) he felt it important that the Committee should not act merely as a study group but should make some real contribution to the solution of the problem.

Mr. Yriart (Uruguay) did not believe that the Committee had been set up to study needs which could be fulfilled because of exchange difficulties but to study the surplus existing because of exchange difficulties. He thought the rules of procedure would have to define which commodities were in surplus supply so that the Committee could approach governments wanting such surpluses without waiting for governments to notify the Committee of the existence of surpluses. It may well be that exporting countries might never agree that they had surpluses on their hands.

Mr. Garside (Australia) believed that the Conference's mandate to the Committee necessarily implied that the Committee had to await an approach from governments under (a) and (b) rather than making the initial approach itself. He had never been able to subscribe to the idea that the Committee must do something; on the

contrary he felt that unless the Committee were able to do something useful it should refrain from action. He was sure that if a producing country found itself in possession of a surplus it would come forward with a statement to the Committee; further the Committee was obliged to transmit to surplus-holding countries any statements of need received from importing countries. He was not in favor of the Committee's issuing a circular letter to FAO member governments since the latter already knew of the Committee's existence.

Dr. Barton (Canada) thought there was a good deal to be said for Mr. Garside's point but that every opportunity should be given to member governments to avail themselves of the Committee's services. He was not too sure, however, that the Committee would in fact receive the statements called for under (a) and (b) and he thought that one or two specific instances of the existence of surplus situations might help the Committee in drafting its rules of procedure. For example, there might well be a surplus of dried or condensed milk in Canada in the not too far distant future. Indeed there might have been a surplus of this commodity already if supplies had not been taken up by the International Children's Fund. It was incontestable that supplies of such a product were urgently needed by countries at present unable to purchase them because of inadequate financial resources. His Government had collected a great deal of statistical material on this subject which the Committee might find worthy of study. He pointed out that wheat, in his opinion, was not a good case for consideration by the Committee since there was already an International Wheat Council in existence.

Mr. Schwenger (U.S.A.) agreed that pending receipt of statements under (a) and (b) the Committee might with advantage study a hypothetical case which might well lead to a clarification of its functions.

The Chairman pointed out that while all member governments had received copies of C49/46 Add. the Director-General had communicated specifically with only the 14 members of the Committee when he invited them to nominate their representatives. He felt it desirable that all FAO member governments should be informed that the Committee had held its first session, that the Committee's terms of reference be repeated and governments requested to comply with them. He personally felt, however, that it would be necessary to amplify function (a) in order to avoid the receipt of a great number of irrelevant replies. In his view function (a) should be expanded to show that it was intended to refer only to special needs outside of normal commercial purchases. As regards function (c) he agreed with Dr. Barton that it would be worthwhile for the Committee to give some study to the question of dried milk, although he could not agree that wheat should be entirely excluded since the International Wheat Council was not at this time authorized under the terms of the agreement to consider sales on special bases as to price or payment.

Mr. Schwenger (U.S.A.) agreed that it might be advisable to circularize all FAO member governments in the terms suggested by the Chairman. Further it might be desirable to indicate in such a communication the desirability of the Committee's receiving suggestions from governments in as developed and as specific a form as they felt able to submit. On inquiry from Dr. Barton as to whether he felt function (a) should be amplified Mr. Schwenger replied that he had not intended to address himself to this point but he felt the more concrete the nature of any proposals submitted under (a) and (b) the less likelihood there was of a conflict with the general submission under (c).

Mr. Burns (U.K.) believed that the simplest way of amplifying (a) and (b) would be to draw attention to the definition of a "surplus" given at the end of C49/46 Add.

The Chairman asked whether it would be agreeable to the Committee for the secretariat to send out a letter to FAO member governments (1) informing them that the Committee had held its first session, (2) restating the Committee's terms of reference, and (3) requesting that in submitting information under functions (a) and (b) governments should endeavor to set forth proposals as specifically as possible; the latter also to contain a reference to the definition of a "surplus".

Dr. Barton inquired whether the letter would have to be dispatched through the Council under whose supervision the Committee had been established.

The Chairman believed that normally the Committee would be in direct communication with member governments.

Mr. Schwenger (U.S.A.) and Mr. Carside (Australia) thought it advisable that in setting forth the terms of reference the letters should also include the sentence preceding functions (a), (b) and (c) in C49/46 Add.

Sir Herbert Broadley suggested that the proposed letter might open with a statement that the Committee was anxious to find markets for commodities in surplus production and to provide some alternative to the practice of crop restriction. He felt it desirable that governments should realize that this Committee might provide machinery for the expansion of world trade in such a way as to protect the legitimate interests of all concerned.

Mr. Yriart (Uruguay) agreed with Sir Herbert Broadley's statement, as applied to the situation two months previously, but pointed out that two months had lapsed since the ICCH proposals had been published and still no surpluses had appeared. He stressed again that the Committee would ultimately have to decide on some method for the discovery of surpluses.

Sir Herbert Broadley replied that it might well prove that surpluses were already in existence but were being concealed by measures such as crop restriction. The important thing was, in his view, to bring such surpluses into consumption. He could well imagine that governments might be reluctant to declare themselves in possession of a surplus of any particular commodity.

Mr. Yriart (Uruguay) thought it desirable that the Committee should be in a position to take the initiative and to notify governments when and where surpluses existed.

The Chairman commented that Sir Herbert Broadley's suggestion might be covered by an introductory paragraph in the proposed letter, stating that the Conference had established the Committee on Commodity Problems to discuss ways and means for the disposal of surpluses as defined in C49/46 Add. Mr. Yriart had suggested that function (c) should be elaborated to say that the Committee should examine the situation commodity by commodity and notify governments where surpluses existed, but the Chairman was not sure that this expressed the consensus of those present.

Sir Herbert Broadley thought it important that the Committee should avoid the Commodity Working Party's error of producing a voluminous document which was found to be of no particular usefulness and that the responsibility for indicating the existence of surpluses might appropriately be placed upon the countries concerned.

Mr. Schwenger (U.S.A.) believed that the Committee was obliged by its terms of reference to explain the situation, without having too much assurance of success and yet being convinced from previous discussions that there must be some solution. He felt it not impossible that the proposed letter might serve not only as a means of securing the statements requested under (a) and (b) but also as a vehicle for any initiative the Committee might decide to take. However, he felt it inadvisable to use the letter for the latter purpose since in his view it was desirable to take time for more Committee discussion before launching any proposals on its own initiative. For this reason he thought the proposed letter should be quite perfunctory, although he had no objection to an introductory paragraph such as that suggested by Sir Herbert Broadley. He thought it necessary to avoid any statement of the magnitude of the task before the Committee. He believed it desirable for the Committee to study further the method of taking any initiative, which might be a suitable subject for its next meeting, and suggested that the Chairman and secretariat might give as much advance thought as possible to the likely course of the discussion at that meeting.

Sir Herbert Broadley inquired the views of the Committee on the advisability of including in the proposed letter an inquiry to governments as to what commodities under (a) and (b) merited its consideration.

The Chairman believed this to be a very valuable suggestion which might give the Committee a basis for discussion at its next meeting. He assumed that the Committee would agree that a draft letter should be prepared including the suggested introductory paragraph but avoiding the risk of raising unnecessary hopes as to the work which the Committee proposed to do. The letter would refer to the establishment of the Committee for the promotion of international discussion and action towards the solution of the surplus problem, repeat the terms of reference and request member governments to provide as specific information as possible keeping in mind the definition of the term "surplus" as contained in C. 9/46 Add., and the letter should state also that it would be particularly helpful if governments would indicate which commodities they felt required special attention. He inquired whether members would be agreeable to hold another session the following day to consider the draft of such a letter and to decide then whether there should be further discussion of the rules of procedure or whether this subject should be deferred to a further meeting.

Mr. Yriart (Uruguay) believed that the letter would have to elaborate on function (a); functions (b) and (c) could be more easily handled because they concerned primary surplus-producing countries who were mostly already represented on the Committee.

Mr. Garside (Australia) thought it essential to avoid any suggestion that information would be extorted from governments, who should be allowed to come forward voluntarily with any statements they might have to make.

Dr. Barton (Canada) thought the most desirable approach would be to indicate to governments that it would be helpful if they would clearly indicate any commodities to which the Committee might give attention.

Sir Herbert Broadley suggested and Dr. Barton agreed that the proposed letter should include some reference to the attendance of observers at meetings of the Committee.

It was agreed that the Chairman and secretariat should prepare a draft letter in the suggested terms which should be presented to the Committee for consideration the next morning at 10:30.

FAO ARCHIVES



Second Session.

The Committee reconvened at 10:30 a.m., 13 January.

The Chairman drew attention to the draft letter which had been laid before the Committee. He inquired the Committee's views on whether this letter should be signed by the Director-General or by the Secretary of the Committee, pointing out that some reference should be made to the fact that Mr. F. B. Northrup was acting as Secretary. The intention was that the present letter should be addressed to the Foreign Ministers of all FAO member governments with copies to the diplomatic missions here, although he imagined that in future the Secretary would address letters to the person designated by governments in response to the request in the last paragraph of the draft letter.

After a full discussion, the Committee agreed as to the contents of the letter. (A copy of the letter as signed by the Director-General is attached to these Minutes.)

VI. Committee Procedures

VII. Discussion of Letter of Notification

The Chairman reopened Item VI for consideration.

Dr. Barton (Canada) believed it would be correct to appoint a small sub-committee to draft the requisite rules of procedure.

Mr. Garside (Australia) questioned the need for rules of procedure which often precluded a committee from following the desired courses of action.

Mr. Yriart (Uruguay) thought it possible that the rules of procedure might follow Document (49/46 Add. fairly closely although function (c) might require more specific rules.

Mr. Burns (U.K.) believed that one point which now appeared to require rules of procedure was that regarding the attendance of observers.

There would need to be provision for private sessions of the Committee without the attendance of observers and future sub-committees might need to include observers from the governments concerned in the matter under discussion. However, it was difficult to discuss this matter until a specific instance occurred.

Dr. Barton (Canada) thought it might be advantageous to specify that meetings of the Committee would be open to members and observers, the Committee reserving the right to meet in executive session when the need arose.

Mr. Garside (Australia) thought that if the Committee at its present meeting came to such conclusion it should be stated in the letter now being addressed to governments.

The Chairman pointed out that the terms of reference specified that the Committee would adopt its own rules of procedure subject to the approval of the Council. The Secretary explained that two aspects were involved in the rules of procedure discussions. The first aspect included such items as the constitution of a quorum, the responsibility for calling meetings, methods of voting and other precise procedural matters. The second aspect involved the techniques to be adopted by the Committee in handling specific cases.

Dr. Barton (Canada) pointed out that any rules presently drafted could be modified later as the need arose.

Mr. Ritzema (Netherlands) was of the opinion that for the present only the precise procedural rules need be considered although some decision would have to be reached as to the attendance of observers. He believed that in principle all meetings of the Committee should be open to all members of FAO but that the Committee should reserve the right to call executive sessions when the agenda required. In his opinion the Committee should not decide at the present time on the second aspect of rules of procedure.

Dr. Barton (Canada) thought that in the event of a situation developing involving a few governments, concerned on the one hand with surplus conditions and on the other hand with unfulfilled requirements, the appropriate body to study such a situation would be not a sub-committee of a Committee on Commodity Problems but representatives of the governments concerned.

Mr. Schwenger (U.S.) expressed his general agreement with Dr. Barton's view. As to the question of an executive session, this might be left to the discretion of the Chairman.

Mr. Burns (U.K.), in agreeing with Dr. Barton's point, thought some preliminary consideration would have to be given to specific cases by the whole Committee before such cases were remitted to a group consisting only of the interested governments.

The Chairman pointed out that the Conference instructions gave the Committee certain lines on which to proceed and that the Committee might to their advantage defer the question of substantive rules of procedure. However, certain organizations such as the International Federation of Agricultural Producers had expressed interest in the Committee's activities and he would appreciate the guidance of the Committee as to the attendance of observers. There was some merit in an attempt being made between the present and the next meeting of the Committee to draft operational procedures which could be altered to meet the general consent of the Committee.

Mr. Yriart (Uruguay) pointed out that the Rules could be as flexible as the Committee desired, but he thought it desirable that they should be laid down more specifically as regards function (c). The Committee worked under two limitations (i) that it was advisory and must not embarrass Governments, and (ii) the stipulations of para. 15 of C49/46 Add., which stated that there was a need for some mechanism in addition to that presently existing for the solution of surplus problems. In his view the latter stipulation required that the Committee should take some initiative, although this did not mean that any pressure should be brought to bear upon Governments.

Dr. Barton (Canada) was not sure that Mr. Yriart's point as to the initiative to be taken by the Committee involves rules of procedure.

The Chairman sympathized with Mr. Yriart's views, but thought it was for the Committee itself to decide whether it should proceed to take some initiative on its own.

Dr. Barton (Canada) cited the possibility of a surplus of dried milk, which would create rather different problems from those in connection with wheat. If the Committee were to examine the dried milk problem they would also have to examine the allied problems of dairy products as a whole. One reason for his suggesting a study of the dried milk problem was that this product had already been the subject of international negotiation through the International Emergency Children's Fund, data on it were available, and it seemed possible that the Committee, on conjunction with IGEF, might be able to work out some solution which would not only help remove this particular surplus problem, but would also strengthen the Committee's position. Another commodity which might be studied was raisins. His idea would be to begin with a study of some given commodity and see whether there was any need or opportunity for action.

The Chairman was in favor of Dr. Barton's suggestion but was anxious to distinguish whether (1) it would be possible for the secretariat to initiate a study (which he personally thought was not practicable) or whether (2) any member of the Committee or any government in reply to the Director-General's communication was of the opinion that dried milk, for instance, presented a problem deserving early consideration, in which case the Committee might make a preliminary study for submission to the interested governments. He stressed, however, that in the latter case the initiative would have to come from the Committee itself and not from the Secretariat.

Mr. Yriart (Uruguay) agreed and inquired further what would happen if it were, for example, a farm organization rather than a member government which put an initial question to the Committee.

Mr. Jarside (Australia) thought this would depend on the manner in which the question was posed.

The Chairman pointed out that in the past the secretariat had prepared many reports and experienced a great deal of frustration; however, if it were a member government which requested a report there was a reasonable basis for assuming that action might follow. The manner in which any such request was put to the Committee was therefore very important.

Mr. Yriart (Uruguay) referred to the Hot Springs resolutions and to the fact that the secretariat represented the Director-General of FAO, a specialized agency of the United Nations. Although governments appeared to have no hesitation in bringing very vital matters before the United Nations they appeared reluctant to submit appropriate problems to the FAO staff, and he thought it necessary that the latter situation should be corrected.

The Chairman pointed to the history of the Commodity Working Party in which connection numerous documents had been prepared, indicating surplus or deficit situations, and in every case the conclusions drawn had been challenged by the governments concerned. In his view it was essential that they should give a lead to the secretariat as to those commodities meriting closer study in the hope that action might follow.

The Secretary pointed out that the Distribution Division was endeavoring to set up its work program for 1950 to keep under constant review as many commodities as possible which entered into international trade. He pointed out that at the moment the Division had a rather ambitious program of commodity situation reports to appear at approximately two-weekly intervals throughout the year. It would be extremely useful if as soon as possible the Committee could indicate the commodities on which it thought particular study might most beneficially be made. In response to a request from Dr. Barton the Secretary enumerated the various commodity sections within the Distribution Division, viz, Fats and Oils, Fertilizers, Fibers, Grains, Livestock, Rice and various miscellaneous commodities being handled by the Special Commodities Section.

Dr. Barton (Canada) believed that such a set-up might lend itself well to the purposes of the Committee and asked whether, should the Committee so request, it would be possible for the Division to place special emphasis on certain commodities.

The Secretary replied in the affirmative. He pointed out, however, that with the demise of IEFIC it had been increasingly difficult for the Division to secure current information, since requests to FAO member governments had necessarily to go through official channels which inevitably led to delay in the receipt of data. Analyses made by statisticians and economists of a given commodity might never reveal the seriousness of the problem as regards the position of any one country, and he felt that the only way to secure adequate information regarding the existence of a surplus was directly from the government concerned, adding that most of the producing countries were represented in the Committee on Commodity Problems. As news of the existence of the Committee spread various private bodies would undoubtedly be communicating with the secretariat regarding commodities which they could not readily sell in normal international commercial trade because of the dollar shortage, would it be the wish of members that the secretariat should submit such individual cases to the Committee or should they be channeled to, say, the appropriate U.S. government agency in the first instance.

The Chairman suggested that this question might be left open for the time being and assumed that the Committee would agree to proceed on the basis that the secretariat should give special attention to those commodities specifically mentioned by member governments.

The Secretary assured the Committee that Distribution Division could arrange its work program to undertake any special assignments suggested by the Committee.

The Committee agreed to the procedure suggested by the Chairman.

VIII. Other Business.(1) Press release

It was agreed that the secretariat should prepare a short press release to be issued by the Director-General, stating that the Committee had held its first meeting, listing the membership by countries and announcing the election of the Chairman and the Vice-Chairman. There should also be a short statement as to the functions of the Committee.

(2) Date of next meeting.

It was agreed that the next meeting would take place in Washington at the call of the Chairman and that the press release should refer to this fact. Further, it was agreed that one week's notice would be given of the date and time of the next meeting.

(3) Circulation of Committee documents

It was agreed that members should provide the secretariat with the names of the persons to whom future communications should be addressed, together with the number of copies required.

Meeting adjourned at 12:50 p.m.