

COMMITTEE ON COMMODITY PRICES

EIGHTH MEETING

29/30 June 1950

Room 603 Longfellow Building
1201 Connecticut Avenue, N.W.

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

AUSTRALIA	- Mr. J. U. Garside	UNITED STATES	- Mr. F. H. Rhodes
CANADA	- Dr. W. C. Kopper		Mr. J. W. Evans
CEEA	- Dr. Ricardo Sarabasa		Mr. R. Icanes*
EGYPT	- Mr. Anwar Miaz		Mr. E. I. Highby
FRANCE	- Mr. E. Demont	URUGUAY	- Mr. J. F. Yriart
	Mr. R. Forestier		
INDIA	- Mr. P. Vaidyanathan	INTERIM COMMISSION FOR INTERNATIONAL TRADE ORGANIZATION	- Mr. P. R. Judd*
INDONESIA	- Mr. R. L. Muir*	SECRETARY	- Mr. F. E. Northrup
	Mr. Basuki Djatiasmore		
	Mr. R. T. Sudojo*	FOOD AND AGRICULTURE ORGANIZATION	- Sir Herbert Brodley
ITALY	- Dr. P. N. Rogers		Mr. J. L. Orr
NETHERLANDS	- Mr. W. Lammers		Mr. D. H. Lubbock
UNITED KINGDOM	- Mr. R. E. Stedman		Dr. W. R. Aylcroyd
			Dr. K.K.P.N. Rao
			Mr. H. G. Clowes*
			Mr. H. V. Knight*
			Mr. E. Majumdar*
			Mr. G. Hoals**
		RECORDING SECRETARY	- Miss H. J. Evans

Representatives of other member Governments of IAC:

Burma	- U Khin Maung Gale*
Denmark	- Mr. A. F. Knudsen
Dominican Republic	- Senor Don Otto Vega
Switzerland	- Mr. W. Dinkelmann*
Mexico	- Mr. A. Ochoa**

* Attended 29 June Session only

** Attended 30 June Session only

I. Adoption of Agenda

Dr. Barton announced from the Chair that a letter dated 27 June from the Egyptian representative, circulated as CCP50/49, would be included in the Provisional Agenda as a supplementary item.

Mr. Rhodes (U.S.) requested that a letter dated 29 June from Mr. Ralph S. Trigg of the U.S. Department of Agriculture (CCP50/50) be considered under Item VII. The Committee agreed to these two additions and further that Item V be considered after Item VI.

II. Election of Chairman

Upon a motion by Mr. Stedman (U.K.), seconded by Mr. Vaidyanathan (India), Dr. Barton (Canada) was unanimously elected Chairman.

Dr. Barton expressed his gratification and pledged his best endeavors to forward the Committee's objectives. He accepted the chairmanship with the understanding that with his other commitments he would serve only through the time of the Sixth FAO Conference, when the matter would be subject to reconsideration.

Upon a motion by Mr. Rhodes (U.S.), seconded by Dr. Rogers (Italy), Mr. Demont (France) was unanimously elected Vice-Chairman.

Mr. Demont (France) accepted the vice-chairmanship and expressed his desire to do his utmost to be of assistance to the Committee.

III. Report on Developments in Connection with U.S. Dried Milk Offer

The Secretary reported that to date no replies had been received in response to CCF50/42 although this was hardly surprising in view of its recent circulation. He further reported that, as instructed by the Committee at its Eighth Meeting, he had visited officials in charge of programming and distribution of supplies at the U.N. International Children's Emergency Fund. He had been informed that the UNICEF program for 1950 was, for the most part, already made up and that supplies were largely in hand although small additional supplies of dried milk from the U.S. might be the subject of negotiation in order to fill out the program. It had been quite clear that UNICEF would not constitute a potential customer in 1950 for any substantial additional amounts. He stated that the UNICEF officials had drawn attention to the general preference for Spray Dried Milk rather than Roller Processed Dried Milk, as difficulty had been experienced in disposing of the latter product in view of the fact that it was more difficult to re-constitute. If the Committee so desired he expressed the willingness of the Secretariat to compile a complete list of UNICEF shipments to date, remarking that the largest quantities had so far been concentrated in relatively few areas, mainly in Europe. Both in conversation with UNICEF and with Dr. Arkroyd of the FAO Nutrition Division it seemed clear that there were considerable areas in the world where it would be useful to introduce dried milk, although some countries were better adapted to use the product than were others for reasons pointed out in the Secretariat Report (CCF50/47) which would be considered under Item V.

Mr. Rhodes (U.S.) stated that a spot check in his Department revealed that to date U.S. sales of dried milk to UNICEF since the inception of the latter's program amounted to approximately 250 million lbs., and stated his interest in seeing details of UNICEF shipments.

The Secretary undertook to complete the compilation of the UNICEF shipments to date.

Mr. Yriart (Uruguay) drew attention to Part I, Section 3., Sub-paragraph (b) of the Report of the Ninth Session of the Council of FAO where the Council referred to the advisability of "determining possible specific areas where additional food supplies might be required at special prices". He wondered whether Dr. Arkroyd of the Nutrition Division might have some suggestions to make in this regard. The Committee might then wish to place the U.S. offer especially before the governments of those countries where additional food supplies at special prices might be required.

Mr. Demont (France) inquired whether the dried milk now offered by the U.S. would still be of good quality next year and whether it was urgent to dispose of it immediately.

Mr. Rhodes (U.S.) replied that the dried milk production of recent weeks and months would undoubtedly carry into next year although it might not be advisable to carry some of the older stock.

Mr. Demont (France) then inquired whether UNICEF might be prepared to take some of the U.S. supply in 1951.

The Secretary replied that there had been no discussion of the UNICEF program after the end of the present year, and the Chairman believed it doubtful whether UNICEF would be in a position to answer such a question at this time.

Mr. Demont (France) drew attention to the World Food Survey published in 1946 and inquired whether it had been brought up to date or whether it was contemplated to do so.

Sir Herbert Broadley replied that at the Ninth Session of the Council of FAO considerable emphasis had been laid on the desirability of bringing the World Food Survey up to date but for budgetary reasons it would be very difficult to implement all the Council recommendations. Subject to decision at the November Council Session and Conference, it was proposed to bring the World Food Survey up to date in 1951.

Mr. Demont (France) suggested that the appropriate Divisions in FAO might attempt to delete what was now obsolete in the 1946 edition of the World Food Survey.

Sir Herbert Broadley called upon Dr. Aylroyd of Nutrition Division and Mr. Lubbock of Economics Division to comment upon Mr. Demont's proposal, and the present discussion.

Mr. Lubbock thought any revision of the World Food Survey would have to be done in a thorough and painstaking manner and although his Division would certainly study the possibilities of a procedure such as that suggested by Mr. Demont he did not believe any such revision could be effected in a short time.

Dr. Aylroyd, commenting upon the discussion in regard to the demand and the need for dried skim milk, stated that in the physiological sense there was an almost unlimited need; for instance, many countries had practically no milk supply even for children. He quoted from the draft report of the Second Conference on Nutrition Problems in Latin America, recently held in Rio de Janeiro, to the effect that the greatest possible use should be made of locally produced foods in any special feeding programs which might be initiated. Although it was agreed that imported food supplies might be of great value in setting up demonstration programs and stimulating the interest of governments and of the public in, for instance, school feeding, there was a danger of a break in the continuity of such supplies, and he thought this was an important point for the consideration of the Committee. With regard to the UNICEF program, he had the impression that less emphasis was currently being laid on the direct provision of such supplies as skimmed milk. At the request of Mr. Demont, he agreed that as soon as they were at hand he would make available to the Committee copies of the relevant sections of the Report of the Nutrition Conference.

Mr. Yriart (Uruguay) confirmed Dr. Aylroyd's report that stress was currently being laid in Latin America on the use of locally produced foods in nutritional programs, since not only were the governments concerned acutely conscious of balance of payments difficulties but preferred to make funds available for the importation of basic commodities such as wheat and corn, and therefore there was reason to doubt whether governments would make funds available for the importation of supplementary foods. He suggested it might be useful for the Secretary to discuss the matter with representatives of the Latin American countries.

The Chairman quite appreciated the preference expressed by nutritionists at the Rio Conference to use locally produced food in special feeding programs, but thought it would be unfortunate if thereby the Commodity Committee gained the impression of adequacy in supplies where such adequacy did not exist. He believed there were very few countries in the world which were completely self-sufficient as far as dairy products were concerned.

Mr. Garside (Australia) remarked that the reports from Rio gave the impression that the nutritionists meeting there were reluctant to start a program which they feared they would be unable to continue, either because a particular imported product might be only temporarily in surplus supply, or because the importing country might not be able to continue to make funds available for the importation of that product.

In response to the Chairman's request for further comments, Mr. Lammers (Netherlands) stated that he had been instructed to object to the proposed export of skim milk powder in the terms of the United States offer, which constituted a serious menace to present and future outlets for producing countries. In particular, it was felt that paragraph 5 of CCP50/44 was injurious to producing interests and that paragraph 6 gave insufficient protection to normal commercial transactions.

The Chairman remarked that CCP50/44 had not come before the Committee prior to its circulation, but had been drawn up by the Secretariat and approved by the Chairman following the Committee's instructions at its previous meeting.

In response to a request from Mr. Rhodes, Mr. Lammers (Netherlands) explained his objection, to the effect that if a country which had never before bought skim milk powder now made a purchase as a result of the United States offer at this special price, another producer might thereby be deprived of a future market possibility.

The Chairman quoted paragraph 5 of CCP50/44 and could not recall any objection to its terms at the previous meeting.

Mr. Garside (Australia) agreed that CCP50/44 represented the majority view of the Committee at its previous meeting, although he recalled that Mr. Lammers and he had been uneasy about the adequacy of paragraph 6.

Mr. Vaidyanathan (India) reiterated the statements made by the Indian Delegation at previous Conferences to the effect that rather than destroy surplus foods they should be made available at concessional prices to needy countries, and he therefore supported the present United States offer.

The Chairman believed there was no need to debate the principle behind the present offer, since this was inherent in the Committee's terms of reference.

Mr. Garside (Australia) remarked that two members of the Committee appeared to stand accused of opposing the sale of skim milk under the United States offer, which in fact represented about one-third of the commercial price. It was felt, however, that such a sale would undoubtedly imperil other exporters of the commodity, who were obliged from the point of view of their own producers to obtain a reasonable price for their exports, and therefore they urged that adequate safeguards should be provided to prevent interference with normal commercial trade.

Mr. Stedman (United Kingdom) felt that there was little advantage in again discussing this aspect of the problem; one member had, according to his instructions, objected to the formula agreed to by other members, which was always likely to happen; for instance, his Government, as representing an importing country, had in fact certain reservations regarding concessional prices, but had not made an issue of this reservation in view of its anxiety that the Committee should arrive at a consensus. He therefore wondered if it would meet Mr. Lammers' point if the Committee took note of the observation he had been instructed to make. Mr. Stedman agreed with Mr. Garside that CCP50/44 accurately represented the consensus reached at the Committee's previous meeting.

Mr. Lammers (Netherlands) agreed that there was little benefit to be derived from another full discussion of the matter.

Mr. Demont (France) added his belief that CCP50/44 accurately represented the outcome of the Committee's previous meeting.

Mr. Lammers (Netherlands) then agreed that his objection should merely be noted in the minutes and that further discussion of the point should be dropped.

Mr. Rhodes (United States) remarked that the United States Government would have to reconsider its position thoroughly before agreeing to the use of the skim milk powder now offered for other than human consumption. In response to Mr. Garside, he stated that his Government felt that one justification for its present offer lay in the humanitarian aspect.

The Committee approved the terms of CCP50/44 subject to the inclusion in the minutes of Mr. Lammers' reservation.

III (a) Egyptian Rice Surplus

The Chairman placed before the Committee CCI 5./49, being a letter dated 27th June from the representative of Egypt, and called upon Mr. Niazi for comment.

Mr. Niazi (Egypt) stated that Egypt had a surplus of rice and a deficit of wheat and white corn, and was anxious to have the Committee's assistance in solving this problem.

The Chairman pointed out that Egypt's dilemma appeared two-fold; not only did she have a surplus on hand but was obliged to sell it for hard currency in order to purchase her other requirements.

Mr. Garside (Australia) questioned whether the Committee should endeavour to assist Egypt to sell her rice for dollars rather than soft currency and thought it was largely a matter for consideration by importers.

In response to Dr. Rogers, the Secretary reported that in 1949 Egypt's rice exports were estimated at 309 thousand tons and in 1948 at 336 thousand tons, representing about 40 percent of Egypt's total rice production, as compared with the current surplus of 230 thousand tons.

Mr. Stedman (United Kingdom) remarked that at first sight -- and he confessed himself open to correction in this matter -- the present request seemed rather peculiar for consideration by the Committee on Commodity Problems, whose primary objective was the movement of surplus supplies to needy areas. Reports seemed to indicate that there was a large unsatisfied demand for rice throughout the world, although he admitted this was largely confined to supplies available for soft currency or sterling.

Mr. Yriart (Uruguay) expressed himself in sympathy with Egypt's position in this instance, remarking that many countries were now faced with the problem of securing sufficient hard currency to keep their economy running and therefore could only afford to sell their exports for hard currency. He agreed with Mr. Stedman that it was a somewhat extraordinary case for consideration by the Committee, although it might be regarded as falling within the Council's view that it "looked upon the Committee as its instrument to carry out FAO's responsibilities to analyse and interpret the international commodity situation and advise on suitable action whenever appropriate". There had been discussion at the Council meeting as to whether the Committee's functions should continue to be limited to surpluses arising from international balance of payments difficulties, and he thought the present instance had a tremendous bearing on the commodity situation not only as regards Egypt, but also as regards many FAO member governments. The Australian delegate in particular, at the Council Session, had referred to surpluses which might arise because the commodities involved were regarded by the producing countries essentially as dollar-earning products. He felt that after discussion of the Council's report the Committee might feel disposed to regard the Egyptian letter in another light.

Mr. Niazi (Egypt) stated that if the Egyptian rice surplus by itself did not coincide exactly with the Committee's definition of surplus it certainly fell within the terms of point (c) of Part I, 3 of the Council's Report, viz. the investigation of "suitable financial and exchange arrangements for stimulating the interchange of commodities".

The Chairman preferred not to bring the Council's report into the discussion at the present stage, although he had no objection to Mr. Niazi's reference to it. He believed that Egypt's present difficulty, in the last analysis, was one of exchange.

In response to Mr. Rhodes, Mr. Niazi (Egypt) stated that in speaking of Egypt's wheat requirements he had in mind both purchases under the Wheat Agreement and otherwise. Egypt's quota under the Wheat Agreement amounted to 400 thousand tons, whereas her normal requirements amounted to about 500 thousand tons, or in other words her requirements referred to in the 27th June letter were one-fifth over and above the Wheat Agreement quantity.

The Chairman believed that the present problem could only be dealt with on the one hand by the Egyptian Government and on the other hand by a government with wheat and white corn for sale, and doubted whether the Committee could do more than bring the situation to the attention of governments.

Mr. Demont (France) was of the opinion that Egypt's present rice surplus might be regarded as of a "conditional" nature and asked whether Egypt had as yet made any approaches to potential sellers or buyers.

Mr. Niazi (Egypt) remarked that when rice was under allocation buyers had been in the habit of making approaches to his Government, but no longer did so. For the information of the Committee, he stated that the Egyptian Government was inviting offers to supply 200 thousand tons of wheat outside the Wheat Agreement in Egyptian pounds, which could be used in purchasing Egyptian rice.

Sir Herbert Broadley pointed out that the present was just the sort of case envisaged by the experts engaged in the ICCH discussions in 1949, when they had opined that solutions to such problems were only possible on a multilateral basis. It seemed to him that the only way in which progress might be made would be for a wheat exporter and the Egyptian Government to consult together with a view to a possible third party purchase which might be of advantage to the other two participants, since it appeared clear that there was not much possibility of a direct exchange of rice for wheat and corn.

Mr. Niazi (Egypt) recalled that such triangular arrangements had been effected when rice was under allocation to the satisfaction, he believed, of all concerned.

The Chairman agreed that theoretically Sir Herbert Broadley's suggestion was entirely feasible, but the problem before the Committee was how to effect such an arrangement.

Dr. Rogers (Italy) pointed out that Pakistan had reported a surplus of 400 thousand tons of wheat (CCF50/33).

Mr. Garside (Australia) pointed out that Pakistan's surplus would by no means meet world requirements for soft currency wheat, and that the difficulty was that practically all potential buyers of wheat were soft currency countries.

Mr. Niazi (Egypt) stated in reply to a comment by Mr. Stegman (U.K.) that in the present circumstances basic food commodities were involved and that he would appreciate any action which the Committee might take to help Egypt secure the needed wheat and corn in exchange for Egyptian rice.

Mr. Rhodes (United States) suggested that the Egyptian letter should be circulated to all FAO member governments to see what results eventuated.

It was agreed that the Secretariat should circulate CCF50/49 to all FAO member governments and that the Egyptian and United States representatives should jointly keep the matter under review and explore all possibilities on a multilateral basis.

In response to a suggestion from Mr. Demont, the Chairman agreed that if necessary at a later stage a working party could be set up to study developments arising from the circulation of the Egyptian letter.

IV. Report by Secretariat in connection with replies to the Director-General's letter of 20th January (G/63)

The Secretary stated that this item had been placed on the agenda at his request to see whether the present method of dealing with replies to the Director-General's letter was still considered the most effective one, since results to date had been negligible. He recapitulated the replies which had been received, which had been circulated to the Committee in Documents CCF50/22, 26, 33, 35, 37, and 46.

The Chairman believed that the present procedure appeared so far to be reasonably satisfactory.

Mr. Demont (France) suggested it might be advisable for the Secretariat to tabulate a summary of the replies received to date.

Mr. Wiazi (Egypt) requested that his letter of 27th June be considered as a reply to G/63.

V. Secretariat Report on Supplementary Food Distribution Programs

The Chairman called for consideration of Document CCP50/47.

The Secretary reported that this document had been prepared by a working group including representatives from Economics and Nutrition Divisions of FAO, and was intended to give examples of what might be accomplished by utilizing surplus food commodities in food distribution schemes. He then summarized the contents of CCP50/47, realizing that its circulation had been too recent for adequate study by members. He further commented that the Committee might usefully refer back to CCP50/31, which visualized in paragraph 5 that after study of CCP50/47 the Committee might wish to prepare a draft communication to FAO member governments.

Dr. Aikroyd reported that supplementary feeding programs, particularly school feeding programs, were generally increasing throughout the world, as might be seen from the report of the Nutrition Conference in Rio de Janeiro and from reports from other parts of the world. The activities of UREA and UNICEF had played an important part in stimulating interest in such programs. It could also be said that FAO had made a useful contribution to their development.

Mr. Garside (Australia) and Mr. Demont (France), referred to the fourth paragraph on page 4 of CCP50/47 and both stressed the necessity for the provision of adequate safeguards to avoid interference with normal commercial trade, the latter adding that it would be important to see that distribution was carried out properly after the arrival of surplus commodities for this purpose in the recipient country.

Mr. Stedman (United Kingdom) suggested that it might be appropriate, before attempting to draft the communication to governments called for in paragraph 5 of CCP50/31, to consider the letter from the United States Government which he understood would be brought up under Item VII of the agenda, with a view to including some reference to that letter in the draft communication.

Mr. Yriart (Uruguay) reported that the resolutions of the Eighth Conference of American States called for countries adhering to those resolutions to make available to each other their food surpluses for special programs such as school lunches, etc..

The Chairman believed that CCP50/47 was a very valuable document but that it did not yet provide a complete picture of the entire range of possibilities. He therefore wondered whether the Subcommittee might not reconsider the whole question, for he doubted whether the report was yet in a state which would command the attention of governments.

Following a lengthy discussion, it was agreed to refer CCP50/47 to the Subcommittee, which should now consist of the representatives of Australia, Canada, India, the United Kingdom, the United States, and Uruguay, under the Chairmanship of Mr. Demont of France, and which would be charged with the responsibility of preparing a draft communication to governments as called for in paragraph 5 of CCP50/31. The Subcommittee would recast CCP50/47 into a form suitable for attachment to such draft communication.

The Committee adjourned at 5:45 p.m. to meet again at 10:00 a.m. the following day.

The Second Session of the Eighth Meeting opened at 10:00 a.m. on Friday, 30th June.

VI. Consideration of Part I, 3 of the Report of the Ninth Session of the Council of FAO

The Secretary read for the benefit of the Committee Part I, 3. of the Council's recommendations at its Ninth Session (CCF50/39). He informed Members that he had received a letter from Mr. Abhyankar expressing the latter's continued interest in the Committee's activities.

The Chairman reported that the Committee's report (CCF50/30) had been presented to the Council by Sir Herbert Broadley and had been the subject of much discussion. Although there had been certain critical remarks, on the whole the report had been well received. Many suggestions had been put forward and those receiving general support had been set forth in points (a) through (f) of Part I, 3. of the Council's Report, although no formal motion had been made for their approval. There had been some debate regarding the appropriateness of including certain of these points under the Committee's terms of reference as some Council members had feared they might be considered beyond the Committee's competence. Widely divergent matters had been discussed, including a strong expression of view against dumping and equally strong views regarding the necessity of expanding food distribution in needy areas. He pointed out that in the second paragraph the Council "looked upon the Committee as its instrument to carry out FAO's responsibilities to analyze and interpret the international commodity situation and advise on suitable action whenever appropriate" or, in other words, the present Committee might be considered as the marketing and food distribution instrument of the Council. He suggested that the Committee might wish to discuss points (a) through (f) in the order in which they appeared in the Report. Certain points appeared to broaden the Committee's field of activity in an appreciable manner and these points would have to be examined with great care although he realized it might not be possible to reach any definite conclusion in their regard at the present meeting. He raised point (a) for discussion, viz., the advisability of "seeking export possibilities at concessional prices over and above normal exports keeping in mind the danger of interfering with normal channels of trade".

The Secretary inquired whether the Committee's Report to the Tenth Session of the Council would need to comment on the points now under consideration.

The Chairman confirmed that this was the case and suggested that the Secretariat keep this in mind in the forthcoming discussions.

Mr. Yriart (Uruguay) requested that before consideration was given specifically to point (a) further clarification be secured regarding the last sentence of the second paragraph which the Chairman had just quoted. He inquired whether this did not represent a great expansion of the Committee's terms of reference and whether the implication was that the Committee be required to prepare a report on the whole commodity situation, whether surplus or not.

Mr. Garside (Australia) remarked that the Council's report seemed to indicate a further expansion in the Committee's terms of reference, both in the second paragraph and under point (b).

He wondered whether it was still intended that the Committee's activities should in fact be circumscribed by its terms of reference, i.e. limitation to study of surpluses arising out of financial disequilibrium.

The Chairman replied that the phrase limiting the Committee's activities to those falling within its terms of reference had been inserted to meet the view held by certain Council members that the Council was not empowered to expand the Committee's scope. He thought it important, therefore, that the Committee should keep its terms of reference in mind throughout its deliberations.

Mr. Garside (Australia) however felt unable to agree with the idea contained in the last sentence of the second paragraph nor could he agree that point (f) be classified strictly within the Committee's terms of reference.

At the Chairman's request, the Secretary read aloud the Committee's terms of reference as set forth in paragraph 16 of C49/46 Add. (CCP50/1).

Mr. Stedman (U. K.) believed that the Council Report left the Committee in statu quo, and it merely suggested that the Committee should continue its deliberations as heretofore while giving a few general ideas of lines along which the Committee might proceed further.

Mr. Yriart (Uruguay) agreed with Mr. Stedman's interpretation but stressed the necessity of the Committee's placing a clear report before the Tenth Session of the Council and the Sixth Annual Conference in order to avoid further confusion. In his view the Committee's function was to endeavor to alleviate what might be called the sickness of surpluses without, however, attempting to cure the sickness or diagnose its cause. He therefore thought the Committee's report to the Council and Conference should contain a clear analysis of the Report of the Ninth Session of the Council to the effect that it carried no instruction to the Committee to study the root cause of surpluses.

Mr. Garside (Australia) added, however, that the Committee's function was limited to a study of surpluses arising out of financial disequilibrium.

Mr. Demont (France) believed that the two main questions presently before the Committee were (1) the action to be taken in an endeavor to solve the problem before it, and (2) what action was legal in accordance with the Committee's terms of reference. He was of the opinion that the Council's Report stemmed from a very broad interpretation of paragraph 16 (c) of C49/46 Add. which permitted the Committee "where it considered desirable to initiate discussion between governments with a view to promoting appropriate international action". He did not consider that the Committee as presently equipped was in a position to implement the suggestion in the Council Report that the commodity situation should be kept under constant review and that the Committee should "where it believed advisable advocate additional commodity arrangements which, in his view, would impose a burden beyond the Committee's capability. However, the Committee might inquire what facilities were at hand and he therefore suggested that members should review FAO's regular publications. A study of the various commodity reviews might permit the Committee not only to locate likely trouble-spots in a commodity situation but also to prevent further deterioration. He therefore inquired whether and if so what publications, both statistical and interpretive, were issued currently by FAO, and whether the Organization would be in a position to go further and more deeply into these studies to assist the Committee in the discharge of its responsibilities suggested in the second paragraph of Part I, 3. of the Council's Report.

The Chairman remarked that the Committee was not expected to study the whole commodity situation in detail but was expected to make itself familiar with the Organization's reports.

The Secretary reported that the Distribution Division had on its publication schedule for 1950 commodity reports or bulletins on Grains (including wheat and coarse grains), Rice, Sugar, Fats and Oils (including a special report on Milk and Edible Fats prepared initially for the IPAP Conference in Stockholm), Wool, Hard Fibers, Jute, Poultry and Eggs, Meats and Livestock, Citrus and Dried Fruit, Cocoa, Tobacco and probably also Coffee. In addition the Organization would be preparing the usual Conference document on the "State of Food and Agriculture" to be issued in the fall, which would contain an appendix giving a summary picture of the whole range of commodities.

The Chairman suggested that the Committee might agree that the Council's Report had no intention of enlarging the Committee's terms of reference within which the Committee had necessarily to operate and that the Council's Report might be interpreted in more detail as specific questions arose. He further pointed out that introduction/paragraph 16 of C49/46 had referred to the advisory nature of

the Committee's functions and in any event the terms of reference were not too rigid: sub-paragraph (c) of paragraph 16, however, seemed to preclude the Committee from attempting anything in the nature of national action.

Mr. Garside (Australia) did not see the necessity for including in the third sentence of paragraph 16 of C49/46 Add. and again in the first paragraph of Part I, 3. of the Council's Report the word "primary" which seemed to indicate other additional activities for the Committee.

Mr. Rhodes (U.S.A.) was of the opinion that the Council's Report might be interpreted as an attempt to enlarge the Committee's terms of reference particularly in sub-paragraphs (c), (e) and (f), remarking that he doubted whether these points fell legitimately within the Committee's scope although he did not believe his Government would object should the Committee decide to give attention to these three points. He considered that any further report from the Committee to the Council or Conference should be prefaced with the remark that the Committee had studied these points which it felt were not entirely in its terms of reference but had nevertheless proceeded along the lines suggested by the Council.

Mr. Stedman (U. K.) pointed out first that under the present phraseology of the Council's Report the Committee would be quite entitled to remark that certain of the points (a) through (f) did not fall within its terms of reference and could so report to the Council. Secondly, he wondered whether the Committee would agree with his view that the FAO Council Session's and Annual Conference's discussions were of a broad and general nature, containing a certain amount of propaganda and certain confusion of facts and values; he believed that the Committee on Commodity Problems was intended to be more of a factual body and, therefore, he thought it should address itself to actual possibilities.

Mr. Garside (Australia) recapitulated the events leading to the creation of the Committee on Commodity Problems, starting with the establishment of the Commodity Working Party in 1948, which had no limitation regarding financial disequilibrium on its study of surplus problems. The Report of the Commodity Working Party had been studied by the Council of FAO in 1949 which, not being entirely satisfied, had instructed the Director-General to consult with a number of economists as a result of which the proposed International Commodity Clearing House scheme had been submitted, and later reviewed by the 1949 FAO Conference, which had set up the present Committee. He believed that the introduction of the limitation regarding financial disequilibrium had arisen largely as a result of the ICCM discussions. He definitely felt that the fourth sentence of the second paragraph of Part I, 3. of the Council's Report constituted an attempt, arising out of a certain disappointment with the Committee's first report, to enlarge its future functions.

Mr. Yriart (Uruguay) added to Mr. Garside's statement, remarking that the phrase in the last sentence of the penultimate paragraph of Part I, 3. of the Council's report to the effect that the Committee was "empowered to call on the assistance of individual or governmental experts, whenever desirable to study particular technical problems" seemed to indicate in the context of events that the Council was seeking for another project on the ICCM scale.

Mr. Demont (France) suggested that a reading of the summary records of the Council Session indicated that the Council was not attempting to enlarge the Committee's terms of reference but rather to indicate to the Committee that it should not interpret those terms too narrowly, for in the field under study terms of reference could not be phrased precisely or closely. He suggested that, when a question arose which seemed to be outside the Committee's terms of reference, the Committee might make a statement to this effect but should also draw up recommendations to deal with the point at issue.

The Chairman agreed with Mr. Demont's interpretation.

Sir Herbert was of the opinion that the Chairman and Mr. Demont had summed up the position accurately. He thought it essential that the Council's Report be read in conjunction with the Summary Records of its deliberations and the various attachments thereto. There had been at the Council meeting much stimulating and interesting discussion of the Committee's activities, and many views for and against enlargement of the Committee's functions had been expressed. A number of suggestions had been made, including statements by the Australian Delegate (CCF50/38), by Mr. Andrew Cairns of IFAP (CCF50/39) and another statement by the Belgian Delegate, all of which he felt merited the Committee's consideration, although if it were felt that they were outside the Committee's terms of reference the Committee should feel itself free to say so. It might be found that in due course the Conference would be able to extend the Committee's terms of reference but he did not feel it would meet the Council's wishes for the Committee merely to state that it was felt that points (a) through (f) were outside its competence; he thought the Council would prefer to hear in what respects the Committee felt itself unable to deal with certain items, with a view to making further recommendations to the Conference regarding either a possible expansion of the present Committee's functions or the establishment of a new body. The position had been summed up at the Council meeting by the Yugoslav Delegate, who had pointed out that the occasion was not appropriate to change the Conference decision on the Committee's terms of reference, although it had been the consensus that the Committee's powers should be increased to permit it to study possible solutions to the broader aspects of the surplus commodity problem. He thought the Council and Conference would agree that it was appropriate for the Committee to recommend what additional work might be undertaken even if it could not itself take action.

Mr. Garside (Australia) believed that the Committee would not be open to censure if it went beyond its present terms of reference. He agreed with Mr. Stedman that the Committee should confine itself to fact-finding; and if, in any particular instance, members would feel the need to go beyond their terms of reference such a step should only be taken where really constructive and practical suggestions were forthcoming.

The Chairman reiterated that the Committee agreed generally to agree that as far as action was concerned the Committee must confine itself to its terms of reference although the points suggested by the Council should be constantly borne in mind and, in any event, should be examined critically with a view to making recommendations for inclusion in the next Report to the Council.

Mr. Yriart (Uruguay) suggested that either a small working group should be appointed, or the Secretariat should be requested, to study the eventual contents of the next Report to the Council.

The Chairman agreed that it would be appropriate for the Secretariat to undertake this task.

Mr. Demont (France) suggested that it might be preferable, in addition to undertaking the task just proposed on a general basis, to wait until concrete cases arose involving the points enumerated in the Council Report before endeavoring to form any conclusions thereon.

The Chairman suggested that the Minutes might take care of Mr. Yriart's point, in view of which Mr. Yriart withdrew his proposal.

The Chairman then raised for discussion point (b) in Part 1, 3. of the Council Report, the advisability of "determining possible specific areas where additional food supplies might be required at special prices". He reported that the method hitherto adopted of circulating availabilities to all FAO member governments had not brought forth any replies as to where those supplies might be utilized and he called for suggestions as to whether anything further should be done.

Mr. Garside (Australia) reiterated his Government's view that surplus supplies should be used to fortify diets in low nutritional areas, which would not create any disruption of normal trade and would further the objective of FAO.

Mr. Stedman (U.K.) pointed out that the Director-General's 20th January letter (3/63) requested governments to state their needs, but that the replies reported by the Secretary had been disappointing, indicating that the results to a direct approach to governments were likely to be few. It should be possible, he felt, for a few knowledgeable people to set forth those countries in which diets were currently inadequate, which statement might be amplified by the next World Food Survey, but he doubted the effectiveness of undertaking detailed research in the latter connection at this stage.

Dr. Hopper (Canada) drew attention to the reports published by the Nutrition Division, whose staff he suggested might already be in possession of a substantial fund of knowledge which might usefully be made available to the Committee.

Sir Herbert Broadley remarked that it was with some reluctance, due to scarcity of funds, that provision had been made in the 1951 budget for a revision of the World Food Survey, and he thought it might be of assistance if the Committee on Commodity Problems could suggest the uses to which it proposed to put this revised edition, since it was felt that FAO must concentrate on the production of publications likely to produce practical results.

Dr. Hopper (Canada) wondered whether the Committee had given sufficient attention to possible reasons why no response to 3/63 had been received from countries where it was believed diets were inadequate. If there were good reasons for this lack of response a knowledge of those reasons might be of assistance to the Committee.

Mr. Garside (Australia) recalled that Mr. Abhyankar had been quite frank in stating that India was not interested in dollar expenditure for the purchase of anything but basic products.

Mr. Yriart (Uruguay) referring to Sir Herbert Broadley's statement, thought the World Food Survey might be used firstly in connection with the technical assistance program as indicative of areas where help is most urgently required. Secondly, it might assist those countries at present afflicted with balance of payments difficulties in ascertaining sources of supply which might not involve the expenditure of hard currency.

Mr. Vaidyanathan (India) confessed himself unfamiliar with the contents of 6/63, but suggested that member governments might be requested to indicate what surpluses or deficits at present existed in their countries, and in addition, details of their own food programs, i.e. available domestic supplies, imports, and requirements for, say, 1951/52, upon receipt of which the Committee might be in a position to decide which countries were faced with a deficit situation.

Mr. Garside (Australia), however, believed that such a suggestion would not be welcomed, since it might be regarded as an impingement on the sovereignty of individual nations.

Mr. Vaidyanathan (India) did not agree, remarking that his suggestion only involved a mathematical calculation in respect of each individual country.

Mr. Demont (France) wondered whether it would be in order, if members agreed, for the Committee to recommend that, insofar as consistent with its other commitments, FAO should prepare a revision of the World Food Survey. He pointed out the tendency for various government departments at various times to act in a fashion which appeared somewhat inconsistent, on account of the many varied preoccupations facing the government as a whole. By focussing attention on those areas where nutrition was considered inadequate, FAO might be able to assist governments in drawing their own conclusions in giving their agricultural, nutritional and financial problems the rating which each respectively deserved. Such a procedure could be effected by drawing on the information already in FAO's possession and translating it into practical conclusions. It would then be incumbent upon governments to decide whether in spite of their financial problems they could take any action in line with these conclusions.

The Chairman asked for an expression of view from the Committee regarding a possible revision of the World Food Survey, particularly in respect of Sir Herbert Broadley's enquiry as to its ultimate use. He also wondered whether the publication of a revised Food Survey was essential before the Committee could take other steps in the direction suggested.

In response to Mr. Miazzi (Egypt), Sir Herbert Broadley stated that it would be difficult to justify to the ECOSOC any suggestion to utilize technical assistance funds for the purpose of revising the World Food Survey. He then called upon Mr. Lubbock, whose Section in Economics Division was in charge of revisions of the World Food Survey, to state the current position to the Committee.

Mr. Lubbock reported that at its Fifth Session the FAO Conference had recommended that the World Food Survey be brought up to date in a thorough and careful manner, and that if other commitments prevented this work being undertaken in 1950 the project should be carried out in 1951. Although no specific work in this connection was at present under way, the matter was receiving attention and a great deal more specific and detailed information was now available than had been at the time of the preparation of the first edition of the World Food Survey in 1946. His Section now had the benefit of assistance from nutrition experts in the matter of calorie requirements and in 1951 Nutrition Division proposed to set up a Committee on Protein Requirements. According to present programming, however, it would not be possible to publish a revised edition of the World Food Survey until late 1951 or early 1952. Although he would certainly be willing to comply with Mr. Demont's earlier suggestion that out of date facts and figures be deleted from the 1946 edition, Mr. Lubbock did not feel such an operation would be of much value, as it was a thorough and complete job that was really required, involving a study of future targets even as far ahead as 1960, together with a comparison of the rate of progress from the end of World War II to date.

Mr. Garside (Australia) believed that a revision of the World Food Survey, linked with point (b) in Part I, 3 of the Council's report, would primarily be for the benefit of the Committee itself rather than for the guidance of individual countries, who in any event already had a good idea of the situation.

Mr. Vaidyanathan (India) remarked that, having now seen that G/63 made no specific request of member governments, it would appear that the Committee's immediate task was to secure information regarding short term deficits and surpluses likely to arise in 1951 or 1952, and then to endeavor to comply with point (c) of Part I, 3 of the Council's report. He therefore suggested the immediate circulation of a questionnaire to member governments, since he appreciated that it would be very difficult to revise the World Food Survey in time for the 1950 Conference of FAO.

Dr. Rogers (Italy) believed the World Food Survey to be an essential tool for the work of the Committee on Commodity Problems, although if and when that publication was revised it would not afford all the information required to ascertain practical solutions to the problems before the Committee, and he therefore doubted whether such revision would in fact expedite the results expected of the Committee. He felt it quite possible that FAO staff might already have at hand valuable material which could be made available to the Committee, with greater benefit than would result from waiting for a revision of the World Food Survey.

The Chairman again enquired whether it was the wish of the Committee to forward a communication to FAO urging the importance of a revision of the World Food Survey.

Mr. Yriart (Uruguay) remarked that hitherto the Committee had felt that the best way to dispose of surpluses would be through nutritional programs. If the Committee wished to indicate those countries which might advantageously institute such programs, a revised World Food Survey would be very useful, but if the Committee felt unable to go further than to recommend the establishment of nutritional programs, there was no necessity for such detailed information.

Sir Herbert Broadley pointed out that two other projects undertaken by FAO might produce the relevant information in this respect, namely the food balance sheets and the document on goals and targets prepared by Economics Division. The

details regarding production and import programs contained in the latter project would be felt produce the information desired by Mr. Vaidyanathan, particularly as it was difficult to secure such information by questionnaire and the practice now adopted involved the despatch of technicians to work out statistics with individual governments. It was anticipated that the document on goals and targets would be ready in time for the pre-conference regional meetings proposed for the middle of 1951.

In response to a request from Sir Herbert Broadley, Mr. Lubbock reported on the preparation of the food balance sheets, which set forth indigenous production, exports and imports, utilization for industrial, feed, seed, and manufacturing purposes, and wastage, and thus attempted to arrive at the supplies available for human consumption, which supplies were then computed on a per capita basis and finally broken down into calories, protein and fat content. Currently food balance sheets were prepared for about forty countries, and he believed that Nutrition Division would be able to indicate what supplies could most advantageously be increased in individual countries. All figures in the food balance sheets represented a national average, and no attempt was made to show supply variations as between particular groups of the population. The food balance sheets were used in the preparation of the annual review of the state of food and agriculture, but were not otherwise published as an FAO document, although he agreed that they could probably be made available to members of the Committee.

The Chairman again enquired whether the Committee wished to recommend that the World Food Survey be brought up to date at the earliest opportunity.

Mr. Niaz (Egypt) requested that before this suggestion be put to the vote the Committee should give some indication of the use to be made of the revised document and the practical results which could be expected.

Mr. Garside (Australia) was not in favor of a recommendation that the revision of the World Food Survey be given a preferred position in FAO's program of work. He supported the view expressed by Dr. Rogers, and suggested that when a country intimated its desire to make a purchase at a special price the information currently available within FAO should enable the Committee to form a judgment as to whether such country was a desirable recipient, i.e. that international trade would not be prejudiced.

Mr. Stedman (U.K.) supported Mr. Demont's proposal that the Committee should recommend the revision of the World Food Survey consistent with FAO's other commitments.

Mr. Lammers (Netherlands) thought it important for the Committee to have the World Food Survey revised, suggesting however that the spot information gathered to effect the revision might be of assistance in the meantime. Offers of surpluses were presently at hand and information was needed currently.

Mr. Vaidyanathan (India) supported the proposal for a revision of the World Food Survey, although it would not, he pointed out, assist in the immediate problem, agreeing with Sir Herbert Broadley that the food balance sheets and the goals and targets document might be of more help.

The Committee agreed to Mr. Demont's proposal that the World Food Survey should be revised as soon as was consistent with FAO's other obligations.

The Chairman called for suggestions as to ways and means of securing current information necessary to the Committee.

Dr. Rogers (Italy) felt that it would be more appropriate for the Committee Secretariat to make suggestions in this regard, since the Secretariat was aware of the Committee's needs and also of the information accessible to FAO.

Mr. Rhodes (U.S.) supported Dr. Rogers' suggestion, stating that although he would have no objection to the circulation of another questionnaire he doubted whether such a procedure would produce results in time for the next FAO Conference.

The Secretary responded to the Chairman's invitation to comment stating that although he could not make any definite commitments at this stage, he thought it should be possible, in collaboration with Economics and Nutrition Divisions, and provided the Committee were agreeable to confining its attention at the present time to those particular commodities coming within the United States offer, to prepare for the forty countries where food balance sheets existed a statement showing their total calorie intake for the most recent available year, together with comparisons of the latest available trade data for those countries in those commodities.

Mr. Garside (Australia) heartily endorsed the Secretary's proposal.

The Committee agreed that the Secretariat should prepare such a statement.

VII. Other Business

a) Letter received from the U.S. Government dated 29th June

The Chairman placed before the Committee for consideration CCP50/50, remarking that it should be treated as confidential at the present stage.

In response to an enquiry from Mr. Demont, Mr. Rhodes stated that although none of the commodities listed could be purchased with ECA dollars, there was no restriction on purchases by any country with its own free dollars. The United States Government, in its desire to move surplus food to needy areas, was now prepared to make available to FAO member governments certain additional items, some of which could almost be regarded as basic commodities. The prices now quoted had not been made known to the general public, nor would they be included in the forthcoming July commodities list for export sale. The United States Government had not stipulated any conditions to be attached to purchases under the special offer, feeling that it was the Committee's duty to do so. In response to an enquiry from Mr. Yriart, Mr. Rhodes stated that the amounts listed did not represent the full quantities which the United States Government held in its inventory, and that there was a possibility, if the items now listed were put to good use, that the amounts might be increased. In response to a further question from Mr. Niazzi, Mr. Rhodes stated that it was his belief that there would be no great difficulty involved in handling the cheese, although it would probably be necessary to move the butter in cold storage space.

Mr. Yriart (Uruguay) proposed that the Committee should adopt a procedure similar to that taken with regard to the previous offer relating to skimmed milk. He believed his Government would be prepared to accept the provisions of paragraph 6 of CCP50/44 as providing a safeguard adequate to meet its anxiety regarding, in particular, Mexican canned meat.

Mr. Rhodes (U.S.) pointed out that in making its present offer of additional commodities, the United States Government had in mind that it might now be more feasible for countries needing more food to go ahead with the initiation of more rounded special feeding programs. In response to an enquiry from Mr. Lammers, Mr. Rhodes stated that the United States Government's basic thought in making such special offers was an endeavor to move food from a surplus food producing area to countries where it could be used for human consumption in the most advantageous manner.

Mr. Lammers (Netherlands) then enquired whether it was anticipated that in the near future additional offers might be made, in which case he suggested that it might be preferable to wait and deal with the problem as a whole.

The Chairman expanded Mr. Lammers' enquiry, asking whether the United States Government contemplated a continuous policy in regard to surplus foods at special prices.

Mr. Rhodes (U.S.) referred back to the Committee's first meetings, when it had been impossible to evoke any interest in anything but nominal prices, which was one of the reasons why the present quotations put forward by the United States Government were so low. In response to Mr. Lammers, Mr. Rhodes reiterated his previous statement to the effect that the United States Government did not see any possibility of basic cereal crops being surplus to the extent that they could be offered at a nominal price.

The Chairman remarked that the present discussion was relevant in view of the anxiety expressed earlier with respect to the initiation of special feeding programs being dependent on whether supplies for use in such programs were likely to continue to be available.

Mr. Demont (France) supported Mr. Yriart's suggestion that the present offer be dealt with in a similar fashion to the previous offer of skimmed milk. He wished to point out, with regard to Mr. Lammers' remarks, that the Committee had felt that the offers would not be of interest unless prices were nominal, and with regard to Mr. Garside's remarks, that although one of the Committee's main objectives was to see that normal trade was not prejudiced, this was not the primary objective, which he felt was to move surplus supplies to needy areas.

Mr. Garside (Australia) remarked that his Government had become progressively more anxious about the United States Government's special offers; first its interest had been limited, since only dried eggs were involved, but its anxiety had grown when skimmed milk had been offered, and now that butter was on special offer his Government was vitally concerned, since this represented one of Australia's major exports, and in view of the extremely low prices quoted his Government viewed the situation with alarm not so much on account of the quantities involved but because the price quoted would undoubtedly have some effect on the market for butter. He maintained that the principle duty of the Committee was to provide adequate safeguards and he felt that it was incumbent upon the United States Government itself to enforce those safeguards.

Sir Herbert Broadley felt, personally, that the Committee on Commodity Problems had a real obligation in regard to the United States offer. It had previously been agreed that there was little point in offering surplus commodities at commercial prices, or even at special prices, but he believed it would now be agreed that the current United States offer represented a really nominal price. The Secretariat estimated that, as compared with current commercial prices, by virtue of its present offer the United States Government was making a contribution in the neighborhood of 350 million towards the initiation of special nutritional schemes. The original offer from the United States had been transmitted by cable through Washington representatives to all FAO member governments, but had met with little response. The second United States offer, relating to dried milk, had been circulated by letter, but here again little interest had been evinced. He therefore doubted whether a similar course in regard to the present offer would be productive of result and threw out a personal suggestion that it might be more effective for a visit to be made, in the name of the Committee, to FAO member governments extending the present offer, in an endeavor to develop in consultation with those governments, schemes which might provide a useful market for the surplus commodities under consideration. He suggested that an initial visit might be made to Brussels and Paris, for instance, to discuss with officials there the possibility of present surpluses forming the basis of nutritional schemes in their overseas territories. A further approach might be made in South and Central America. By sending out a representative, or "travelling salesman", in the name of the Committee, certain difficulties might be avoided which would likely complicate any approach on the part of an individual government. In response to a question from the Chairman, Sir Herbert Broadley could not say whether an FAO official would be available or even appropriate for such a purpose, and remarked that there would also be the financial difficulty to contend with, but he felt that if the Committee made an approach to the Director-General in this sense the latter would do his best to make suitable arrangements.

Mr. Niazi (Egypt) pointed out that the skimmed milk offer and the present offer constituted the first at really nominal prices, and suggested that there had as yet been scarcely sufficient time to receive any replies. He therefore suggested that before taking steps in the direction of Sir Herbert Broadley's suggestion, the Committee might wait a little longer to see what response might be forthcoming to CCP50/44.

Mr. Stedman (U.K.) remarked that the present seemed a very important moment in the life of the Committee and, without any desire to impede progress, he thought it might be advantageous for the Committee to take time to consider the present suggestions. He therefore suggested that the Committee might adjourn to think over the matter more fully and allow members to consult with their governments.

Mr. Garside (Australia) supported Mr. Stedman's suggestion.

Mr. Demont (France) remarked that although Sir Herbert Broadley's suggestion was very helpful and constructive, it might be difficult to implement, for instance it would be difficult to decide to which countries the "travelling salesman" should be despatched. He therefore supported Mr. Wiazi's suggestion that the present offer be circulated as hitherto, and that the Committee should consider results before taking further action.

Dr. Rogers (Italy) expressed himself generally in favor of Sir Herbert Broadley's suggestion, as he believed strong action was now required, but he was willing to compromise on a delay of a few days. He drew attention to the fact that the Committee was empowered by the terms of the Council's report to call on experts to advise it, and in his opinion the "travelling salesman" referred to by Sir Herbert Broadley could be classified as such an expert.

Mr. Yriart (Uruguay) remarked that a suggestion along the lines of Sir Herbert Broadley's had been in his mind at the Committee's discussion the previous day, although he felt that FAO itself could in fact handle such a travelling assignment through its staff members in the field.

Mr. Stedman (U.K.) suggested that the report from the Subcommittee on Supplementary Food Distribution Schemes might be related to Sir Herbert Broadley's proposal, and to a certain extent have the same result as the despatch of a "travelling salesman".

The Chairman wondered whether the Committee would be wise to endeavor to reach a decision at the present meeting as to its position regarding the present offer and the necessary safeguards, etc. He felt that the present discussion was very important and thought it desirable to have a full exchange of views, and therefore welcomed Mr. Stedman's proposal for an adjournment to permit members to consult their governments.

Mr. Rhodes (U.S.) stated that in circulating document CCP50/50 his Government had not anticipated any decision at the present meeting, and appreciated that members would wish to consult their governments.

Mr. Vaidyanathan (India) thought it advisable to draft a letter to member governments as suggested by Mr. Stedman, relating CCP50/50 and the report of the Subcommittee on Supplementary Food Distribution Schemes.

The Chairman remarked that the point at issue seemed to be whether the Subcommittee should in addition to its present assignment draft a further report for the Committee at this stage relating specifically to the present offer.

Dr. Hopper (Canada) thought this suggestion would hardly be the most advantageous, although the Subcommittee should bear the present offer in mind.

Mr. Stedman (U.K.) pointed out that an adjournment would not only permit consultation with home governments but would also enable the Subcommittee to produce a report for the next meeting.

Mr. Lammers (Netherlands) felt attracted by Sir Herbert Broadley's proposal, particularly if the disposal of surplus foods could be confined to countries utilizing them for special feeding schemes. However, before referring the suggestion to a subcommittee he would prefer to have an opportunity for communication with his government and for a further exchange of views in full Committee.

Sir Herbert Broadley advised that in contacting their governments members should not refer to his proposal as one emanating from FAO, but rather include it amongst other suggestions which might merit consideration.

It was agreed that the Subcommittee's terms should stand as before but that in their deliberations members should keep the present offer in mind.

In response to a suggestion made by Mr. Rhodes, supported by Mr. Garside, and endorsed by Mr. Knudsen (Denmark), it was agreed that CCP50/50 should be circulated forthwith to all FAO member governments, together with a covering note from the Secretariat that this document would be considered at the next meeting of the Committee.

b) Attendance at Meetings of the Committee

The Chairman drew attention to Section II, paragraph (2), of SCP50/15, which stated that "the Committee shall normally hold open meetings. The Chairman, however, may at his discretion, and shall on the request of one or more member governments, declare any meeting of the Committee to be a closed meeting." He reported that exception had been taken at the Ninth Session of the Council in Rome to the fact that to date the Committee had only held one open meeting, and he personally doubted whether it was in the best interests of the Committee and of FAO in general to lay itself open to criticism of this kind. He felt it important that the Committee's business should be conducted in such a manner that in future closed meetings should be kept to a minimum. It was obvious of course that the present meeting, and the next one also, at which a confidential letter from the United States Government was under consideration, had necessarily to be held in closed session.

Mr. Garside (Australia) recalled that in discussing its Rules of Procedure the Committee had felt that its meetings should be open as a general rule, but to date nearly every meeting had involved discussion of a special offer which necessitated a closed meeting, although he could see no reason why, for instance, the discussion of the Committee's report to the Council need be other than an open session.

The Secretary explained that he had made it a practice to consult with the Chairman and with certain other members of the Committee prior to circulating the agenda for each meeting, and in all cases it had been felt that the Committee's sessions should be closed.

Mr. Stedman (U.K.) felt that he was in part responsible for previous meetings being closed, since he felt members expressed themselves more freely in such circumstances. He admitted, however, that the Committee might have erred psychologically in not having at least a few open meetings for propaganda purposes.

Mr. Rhodes (U.S.) stated that although in general the United States Government was in favor of complete publicity, in the case of the present Committee he was inclined to agree with Mr. Stedman's views. He suggested that occasionally the agenda might be divided to permit of both an open meeting and a closed one.

Mr. Demont (France) remarked that the present discussion seemed to indicate a feeling on the part of the Committee that its Rules of Procedure required change, and that closed rather than open meetings should be the general rule. He wondered whether a more flexible procedure could be adopted, for instance, most Council meetings were partly open and partly executive, according to the item under discussion.

Mr. Yriart (Uruguay) believed that the Rules of Procedure made adequate provision for the situation. Hitherto the Secretariat had on occasion asked him whether he preferred a certain meeting to be open or closed, and the tendency was always to say closed. He realized that certain meetings must necessarily be closed, and suggested that the Chairman should so decide at the time the agenda was circulated. He believed the Chairman's decision would be adequate and that it was unnecessary for the Secretariat to consult members in this regard.

The Chairman felt it advisable to leave such decisions to the Chairman and Secretariat, although any member might request a closed meeting, and he did not consider it necessary for the Secretariat to canvass members on this score.

Mr. Stedman (U.K.) agreed that in the event of a future meeting being closed at the decision of the Chairman and Secretariat the agenda should so state. However, he wished to point out that meetings of the Committee on Commodity Problems were of an entirely different character from most other FAO Committees, and that closed meetings would be necessary more often, although he agreed that an error had been made in not having previously had more open meetings.

It was agreed that future agenda should state whether a meeting was to be open or closed, subject to the decision of the Chairman and Secretariat.

VIII. Date of Next Meeting

It was agreed that the Ninth Meeting of the Committee should take place on Thursday, 13th July, at 2:30 p.m., and that the Subcommittee on Supplementary Food Distribution Schemes should meet initially at 10:30 a.m. on Wednesday, 5th July in the Secretary's office.

The meeting closed at 1:30 p.m.