

COMMITTEE ON COMMODITY PROBLEMS

SEVENTH MEETING

9 August 1950

2:30 p.m.

Room 908 Longfellow Building
1701 Connecticut Avenue, N.W.

PRESENT: (In the Chair) Mr. E. Demont

AUSTRALIA	- Mr. P. E. Magee	UNITED STATES	- Mr. F. W. Rhodes
Canada	- Dr. W. C. Ropper		Mr. P. E. Callanan
Cuba	- Dr. Ricardo Sarabasa		Mr. F. Linville
			Mr. R. Loanes
			Mr. A. Angelidis
FRANCE	- Mr. R. Forestier	DEPUTY DIRECTOR- GENERAL	- Sir Herbert Broadley
INDIA	- Mr. P. Valayathan	SECRETARY	- Mr. F. B. Northrup
INDONESIA	- Mr. S. T. Sumojo	FOOD AND AGRICULTURE ORGANIZATION	- Mr. J. L. Orr
ITALY	- Dr. P. N. Aspers		Mr. A. Viton
NETHERLANDS	- Mr. Aitzema van Ikema Mr. W. Lammers		Dr. K. K. P. N. Rao
			Mr. H. V. Knight
PAKISTAN	- Mr. Mahmud Ahmad	RECORDING SECRETARY	- Miss H. J. Evans
UNITED KINGDOM	- Mr. R. Darls		

Present by invitation:

Israel - Dr. Y. Lowe

Before declaring the meeting open, the Chairmen wished to extend a welcome to Mr. Aitzema van Ikema.

I. Adoption of agenda

The agenda was adopted as circulated (CCP50/69).

II. Proposal by Government of Israel to purchase 300 tons of non-fat dry milk solids from the Government of U. S.

The Chairman drew attention to Document CCP50/70, and asked whether Dr. Lowe wished to comment.

Dr. Lowe (Israel) stated that his Government was very much interested in making a purchase of the non-fat dry milk solids offered by the United States because of the commodity's high nutritional value, for supply to the very large number of immigrants presently arriving in Israel, in an effort to ensure that the standard of living was not too much reduced. The majority of these immigrants were extremely poor and his Government was anxious to ensure that they received foodstuffs at moderate prices. Production costs in Israel were high, for various reasons with which he believed members of the Committee would be familiar, and his Government was, therefore, especially anxious to avail itself of the special U. S. offer for use by needy members of the population who otherwise would not be able to afford the commodity.

Mr. Rhodes (U.S.) remarked that in view of the small quantity presently involved some members of the Committee might feel it unnecessary to call a meeting, but in view of the fact that it was the first approach which had been made the U. S. Government was anxious that the Committee should have the opportunity of reviewing the matter with a view to developing some procedure by which future sales might be effected, possibly without too much trouble to the Committee. He presumed that there would be no question on the present case, also that members would not wish to have a meeting each time a potential purchaser approached the U. S. Government, but his Government wished to be certain it was living up to the conditions laid down to the Committee in previous communications to governments.

The Chairman expressed appreciation on behalf of the Committee of the U. S. Government's action in requesting the present meeting.

Mr. Rogers (Italy) agreed that the case immediately before the Committee was quite clear but, in view of the suggestion made by Mr. Rhodes that the present instance might set up a pattern for the future, he thought it would be of interest to the Committee to know the distribution system which the Israeli Government proposed to utilize.

Mr. Vaidyanathan (India) agreed that it would not be advisable to set a precedent whereby each time a country wished to make even such a small purchase as that presently envisaged a special meeting of the Committee was necessary, particularly if, as was now the case, the intending purchaser had stated quite clearly that any supplies which might thus be secured would be used for needy people who would not otherwise be able to afford the commodity. However, in view of the fact that the present was the first approach which had been made, he would appreciate any information which Dr. Lowe could supply regarding proposed distribution of the skimmed milk which Israel wished to purchase.

Mr. Burns (U.K.) also agreed that the Israeli case seemed perfectly straightforward, but he too would appreciate a little further information. In his letter, Dr. Lowe mentioned that the food would be used for new immigrants whereas he had just stated that it would be used for needy people, and Mr. Burns wondered whether these two categories were in fact one and the same. Further he remarked on the small amount presently involved and wondered whether purchases of additional amounts were contemplated later.

Dr. Lowe (Israel) replied that his references to needy people and new immigrants applied to one and the same category. In response to Mr. Vaidyanathan's inquiry the Israeli Government planned to manufacture from the dry milk solids which it hoped to purchase soft white cheese for distribution through TLUVA, the marketing organization of farmers' settlements, which possessed all the facilities such as creameries to make the best use of the commodity. He reported that TLUVA was under strict Government control and that the Government could, therefore, issue directions for the distribution of the commodity. In response to Mr. Burns' second inquiry, the present quantity was indeed small in comparison with Israel's needs but, nevertheless, his Government would very much appreciate even this limited amount and would be glad to secure more if it proved possible at a later date.

Mr. Sagee (Australia) commended the U. S. action in this regard, and believed Committee members would appreciate a continuation of some form of notification such as the present. Whether a meeting of the full Committee was called or not was not particularly important, but he felt members would be very glad to receive information in this manner. In view of Israel's assurance that the contemplated purchase would primarily involve an expanded outlet for the dry milk solids and would be used in supplementary feeding programs, Australia had no objection to offer. He wondered whether Dr. Lowe felt free to inform the Committee whether the cheese product to be manufactured from the dry milk solids would be sold or whether it would be distributed as part of a feeding program.

Dr. Lowe (Israel) was not sure whether the cheese product would be distributed entirely free of charge but, in any event, it would be sold at a reduced price. However, even if the product were sold it would in no case compete with normal purchases because the people who so purchased it would not be able to afford it at regular prices.

Mr. Nissen (Netherlands) inquired whether it was correct to assume that the cheese product would be distributed by means of some sort of rationing scheme in order to ensure that it reach the consumer for whom it was intended.

Dr. Lowe (Israel) replied that almost all food items were presently rationed in Israel and that the cheese products would probably be distributed according to a "points" system.

Sir Herbert Broadley believed that the present afforded an opportunity for the Committee to determine future procedures when further transactions were contemplated. He inquired who would be responsible for ensuring that the rather stringent conditions laid down by the Committee were fulfilled; if it were possible, for instance, for the supplying country to satisfy itself that the purchaser intended to meet those conditions it would not be necessary to convene the whole Committee to investigate the matter. Another possibility might be that the Secretariat, in association with the supplying country, should satisfy itself that the conditions would be met and so report to Committee members either in writing or at a later meeting. However, he realized that there might be instances where Secretariat intervention would more hindrance than help and he, therefore, thought it would be useful to discover what steps the Committee felt should be taken. He wished to stress that he was in no way implying any criticism to the present approach as he expected that the official letter which had been received from Dr. Lowe would be considered sufficient. However, supposing a transaction took place and both the supplying country and the members of the Committee were satisfied that the necessary conditions would be met, he wondered whether the purchasing country might not be requested to make a report, say at the end of 3 - 6 months as to the disposal of the supplies secured under this special arrangement. Without wishing to suggest the adoption of cumbersome, bureaucratic procedure, he thought the Committee should be in a position to know that matters were going forward in accordance with the letter in support of the principles laid down by the Committee.

The Chairman thought it should be clearly understood by all concerned that the contemplated purchase was in addition to what the Government of Israel would normally purchase and in view of Dr. Lowe's statements he personally believed this to be the case. He agreed with Sir Herbert Broadley's suggestion that the purchasing country should supply the Committee, after say, 3 - 6 months, with information regarding the manner in which the transaction had been performed, the way the food had been distributed and perhaps an account of any difficulties which might have been encountered. Information of this kind would not only enable the Committee to satisfy itself that its conditions had been met, but might also provide useful experience on which to draw in future.

Mr. Rhodes (U.S.) stated that his Government would prefer to have some check with the Committee rather than assume the sole responsibility of ensuring that the conditions laid down by the Committee were being met. However, his Government would be happy to have either a check with the Secretariat, or it might be agreed to set up a committee of 3 to act as advisers, to save calling together the whole Committee.

Mr. Vaidyanathan (India) was of the opinion that it should be the supplying country which should satisfy itself whether an importing country was going to observe the conditions laid down by the Committee, and that the supplier should also report to the Committee when it had entered into a contract. Where large quantities were involved it might be desirable for the supplier to request the Chairman to convene a meeting but, in any event, he thought the buying country should report to the Committee say, at the end of 6 months, the manner in which the commodity had been utilized. However, rather than have the supplying country approach the whole Committee each time the supplier might inform the Secretariat who could notify members in writing.

The Chairman inquired whether previous suggestions were intended to mean that the supplying country should draft its sales contract so as to make sure that the buying country complied with the conditions laid down by the Committee.

Mr. Vaidyanathan (India) agreed with this suggestion and further stressed that the buying country should report back to the Committee after 6 months and that in the case of large quantities the supplying country should discuss the whole matter in full Committee.

Dr. Rogers (Italy) was of the opinion that FAO should be satisfied if two specific items were ascertained: (1) the type of need, and (2) the system of distribution. In the case presently before the Committee the two items were very plain, largely because exceptional conditions applied in the country now contemplating a purchase, for which reason he wondered whether on the basis of this first application general rules could be set up. He personally doubted this because Israel was one of the very few countries where an extensive rationing system was still in existence whereas in Italy, for instance, his Government would be quite unable to give such a clear-cut definition as to proposed distribution as Israel had been able to do. He, therefore, suggested that future applicants should be requested to illustrate (a) the type of need, and (b) the specific distribution system which it was intended to utilize. As regards the policing aspect, he thought it would be altogether too much to give to the Secretariat the responsibility for deciding whether or not a specific country were eligible, and he would therefore favor the suggestion of the U. S.

Mr. Kitzema (Netherlands) agreed with most of Dr. Rogers' remarks, believing that insofar as the initial responsibility was concerned the supplying country should request from the receiving country information as to whether or not principles regarding distribution would be carried out, but he thought that something more than a straight declaration to this effect should be required from the receiving country. He suggested that, in order to avoid calling a Committee meeting each time a sale was contemplated, the COC might write a clause to this effect into its contracts but, in any event, once a sale was concluded he thought a report should be made to the Committee setting forth in some detail the guarantees put up by the receiving country. As far as the "policing" aspect was concerned, he thought the Secretariat might make a check on the implementation of the guarantees, and that a report from the receiving country from time to time regarding the distribution of the commodity and any problems which might be encountered would suffice in this respect. The two points he desired to emphasize were (1) that the Committee should be informed of the guarantees which the receiving country felt it was in a position to make, and (2) that the Committee received from time to time a report from the receiving country regarding the distribution of the commodity.

Mr. Magee (Australia), while not wishing to place any obstacles in the way of any future transactions but desiring rather to facilitate them to the greatest extent, thought the supplying country might need to take on more responsibility than he recalled the United States as had expressed itself willing to accept. He felt his Government would wish the supplying countries to give assurances in conformity with the conditions laid down by the Committee, bearing in mind the general principles of expanded outlets, new uses, and nutritional programs. To take the case of the United States as an example at the present time, if the United States felt that it had received such assurances then he would be willing for the United States to make its own decision subject to a report to the Committee and a subsequent report from the receiving country regarding distribution. He would be willing to agree that in such event it would not be necessary to call a meeting of the Committee each time a sale was contemplated. He realized that this would probably involve some discretionary decisions and, of course, did not know whether the supplying country would be willing to take them.

However, he thought there would need to be a check point at some stage as regards the amount of the commodity involved, as to whether it was significant from a world trade point of view.

The Chairman thought the issues before the Committee were clear (1) what procedure should be adopted regarding any such transactions which might be completed in the future and (2) after the conclusion of a transaction what checking system should be adopted to ensure that the conditions laid down by the Committee had been complied with. As far as the first point was concerned, he understood that it was the consensus that the procedure involved should not be too burdensome in order to avoid calling too many meetings or delaying a transaction. He asked for members' views regarding the suggestions presented to date, as to whether it would be agreeable for the supplying country to make sure when entering into a contract that the buyer met the conditions laid down by the Committee or whether the check should be done by the whole Committee or by the Secretariat.

Mr. Rhodes (U.S.) wished to make it clear that the United States would be willing to satisfy itself that the conditions laid down by the Committee were being complied with, but in his opinion that did not commit members of the Committee and the latter might not wish to assume responsibility in such an event. The U. S. Government could only do its best in the circumstances, and it would be regrettable if the Committee did not like the action taken. However, the Committee could be assured that the U.S. Government would satisfy itself that any contract concluded fulfilled the letter of the principles laid down by the Committee, but he doubted whether the U.S. determination would always comply with the Committee's decision.

Mr. Vaidyanathan (India) pointed out that reports would later be received from the buying country and the Committee would then be in a position to decide whether the procedure suggested were correct or whether it required modification.

Mr. Burns (U.K.) assumed that when a bid for a purchase was presented to the U.S. Government a document would be circulated to the Committee in the usual way. He could not imagine that the U.S. Government would decide finally on the matter within two days and he thought Committee members would thus have an opportunity to ask for a meeting if it was felt necessary which he felt by and large was the best method of handling the matter. He pointed out the conditions laid down by the Committee were public knowledge and it must be assumed that countries would comply with them.

The Chairman presumed that the supplying country might furnish the Committee with a fairly short report on any proposed transaction and what conditions were involved.

Mr. Burns (U.K.) pointed out that once a purchase had been concluded there was no point in the Committee criticizing it and if it was felt that criticism might be likely it should be offered before-hand. He thought it important to avoid cumbersome procedure, although in response to Mr. Vaidyanathan he agreed that a later report from the receiving country was desirable.

Sir Herbert Broadley, following Mr. Burns' suggestion, wondered whether it would be too much of a burden on supplying countries to request that when they received an offer they might transmit it together with relevant assurances from the buying countries to the members of the Committee and then leave a few days' latitude so that members could have an opportunity to comment or request further information.

Mr. Kitzema (Netherlands) thought this a very good suggestion.

Sir Herbert Broadley pointed out that if only a small quantity was involved most other countries would not be concerned but if the quantity was large he believed they might wish to be more careful.

The Chairman thought it might be a good idea to ask the supplying country to furnish such information through the Secretariat for circulation.

Sir Herbert Broadley thought three or four days' latitude might be sufficient, although in the case of some Washington representatives, whose countries were distant from the United States, a longer time might be desirable.

The Chairman inquired whether it would be acceptable to the Committee to have an understanding that a supplying country which received a request would furnish the FAO Secretariat with all the information in its possession so that other members of the Committee might know exactly what conditions would apply.

It was assumed, in the absence of further comment, that this procedure was agreed by the Committee. (This decision was later reversed.)

The Chairman asked whether the Committee felt any further report from the supplying country would be required once a transaction had been agreed, but received no response from Committee members. He thought that as regards the second phase of the operation, i.e., what happened once a transaction had been concluded, the next responsibility should rest with the buying country, and he asked for comments from members in this regard. It might perhaps be suggested that the buying country send a report to the FAO Secretariat after a lapse of 3 - 6 months, outlining the conditions of distribution, of price, and perhaps of rationing, in order to satisfy the Committee that the conditions laid down had been fulfilled.

Mr. Magee (Australia) thought it might be going too far to ask for full information as regards price. He thought that in this particular case the Committee was mainly interested in the experimental side of the transaction, desiring to know what happened to the commodity and how the Committee could best facilitate the disposal of surpluses in the future. He, therefore, thought it important not to make the required report from the buying country onerous in any way but rather to request merely that the Committee should be notified of what had happened, leaving the type of information to be provided by the buying country to its own discretion.

Mr. Vaidyanathan (India) thought if a new type of supplementary feeding program were adopted by a buying country it might be useful to other countries to learn of it and, therefore, he thought detailed information should be supplied by the buying country.

The Chairman was of the opinion that the type of information supplied by the buying country would depend on the importance of the transaction, the nature of the commodity, and the status of rationing and distribution in the country concerned. The conditions laid down by the Committee were known by all concerned, and he felt sure the buying country would try to furnish as much information as possible along the lines desired by the Committee.

Mr. Ritzema (Netherlands) believed that any report should keep two points in mind, (1) the nutritional aspects of the sale, and the way the food had been distributed, which might be left as far as possible to the receiving country, although he wished to point out that the type of distribution to the ultimate consumer and the experience thereby gained would be of great interest to the Committee in order to see whether further programs could be implemented; and (2) that the Committee would like to have information as to whether the safeguards for keeping the commodity within the intended distribution channels were implemented. The conditions and safeguards had been established in order to protect normal exporters, and any information indicating whether a receiving government had been in a position to keep it within the channels for which it was intended would be of interest to the Committee.

The Chairman agreed on the importance of the point just made by Mr. Ritzema. He felt sure that Dr. Lowe would appreciate that the aims of the Committee included a study of the distribution of the commodities purchased pursuant to the present offers, and to improve its knowledge and experience of ways and means for the disposal of surpluses.

Mr. Ritzema (Netherlands) added that, in his view, the Committee should not prescribe too detailed a report from receiving countries, agreeing with Mr. Magee (Australia) that procedure should not be onerous in any way.

The Secretary asked, in view of the fact that the Secretariat would have to assume responsibility for implementing the Committee's instructions, whether members would agree that the supplying country would notify the Secretariat of any approaches pursuant to present offers, and that the terms of the proposed contract would then be transmitted by the Secretariat to all members of the Committee. Further, he asked whether it would be the Committee's desire that this information be transmitted as a matter of routine to all member governments of FAO or only to members of the Committee.

Mr. Rhodes (U.S.) thought it would only be necessary to transmit such information to members of the Committee.

Mr. Vaidyanathan (India), however, was of the opinion that Washington representatives of all FAO member governments should be notified, pointing out that an exporting country not represented on the Committee might feel its interests involved.

Mr. Rhodes (U.S.) contested this suggestion, remarking that the Committee was presumably created to assume a certain degree of responsibility, with which view Dr. Rogers concurred.

Sir Herbert Broadley pointed out that any such information need not be confidential to members of the Committee.

It was agreed that communications from the Secretariat in this respect should be circulated to Committee members only.

The Secretary assumed that having received copies of the proposed communication each member of the Committee would notify the Secretariat if he had any reason to question the proposed sale, and would telephone the Secretariat in the event a full meeting of the Committee was desired.

Mr. Rhodes (U.S.) pointed out the need for expeditious action in the event of a proposed sale, remarking that in the majority of cases potential purchasers already had shipping lined up for movement of the supplies they wished to purchase. He, therefore, wished to go on record that, in his view, the present suggested procedure was cumbersome and time-consuming.

The Chairman, however, thought that the whole procedure presently suggested should not take more than a week.

The Secretary remarked that he was trying to recapitulate the views of the Committee. He assumed that any note of transmittal from the Secretariat would indicate that if no views were received from members within three days it would be agreed that there were no objections to the proposed transaction. For instance, if the Secretariat were notified of a proposed sale before 11:00 a.m. on any given day the Secretariat could despatch a communication to Committee members by the mid-day delivery on the same day. Further, he assumed that if no responses were received within the suggested time limit the Secretariat could so inform the supplying country by telephone and confirm by letter.

Sir Herbert Broadley remarked that in the event of an exceptional case where action had to be taken quickly the proposed consultation with members of the Committee could be effected by telephone.

Mr. Nitzema (Netherlands) was of the opinion that sales were very seldom consummated within three days.

Mr. Burns (U.K.) thought the present was a very serious point and as the suggested procedure would mainly be a burden on the U. S. Government he thought his Government would be very glad to fall in with any alternative suggestion which Mr. Rhodes cared to put forward. He had only suggested a three-day time limit because it seemed reasonable to him.

Mr. Rhodes (U.S.) reiterated that, in his view, the Committee was contemplating the adoption of a very cumbersome procedure which, eventually, might defeat the whole purpose of the Committee's original objective of trying to move food to people in need.

Mr. Burns (U.K.) remarked that the present proposal had arisen out of Mr. Rhodes' appeal that the matter should not be left entirely to the discretion of the U. S. Government, and he stated again that if the U. S. Government were willing to accept the responsibility that would be quite agreeable to the U. K. Government.

Mr. Rhodes (U.S.) stated that the U. S. Government would be quite willing to undertake the responsibility, but would operate on the assumption that any decision so taken would meet with the approval of members of the Committee.

The Chairman inquired whether it was Mr. Rhodes' impression that a procedure involving one week might prevent an actual shipment from being effected.

Mr. Rhodes (U.S.) replied that the suggested procedure, together with other comments which had been made, might lead to a failure to effect any movement of food.

The Chairman pointed out that the principles involved had already been agreed by the Committee and he feared that the latter's approval was necessary according to the Committee rules. He pointed out that the advantages of reporting had been stated in the Committee's report to the Council, and the Committee was presently merely trying to apply in the most flexible way the principles on which agreement had been reached. He stated that if Mr. Rhodes had any alternative suggestion to make the Committee would be very happy to discuss it.

Sir Herbert Broadley suggested that the whole matter should be left to the supplying country because he personally felt that the latter, being aware of the Committee's principles, would take every precaution possible to make sure that they were met, except that in cases where the U. S. Government might have some doubt regarding the buyer's assurances the U. S. Government might consult with the Secretariat or Committee. But in most cases he thought the U. S. Government might go ahead and refer the matter to the Committee in due course.

Mr. Burns (U.K.) agreed with this procedure.

Dr. Rogers (Italy) expressed himself impressed by Mr. Rhodes' remarks. The matter would be even more complicated in cases where a supplier other than the United States were involved, for instance would a delay of three days be practicable if Australia were the seller?

Mr. Magee (Australia) pointed out that it took four hours at a minimum to receive a cable from Australia.

Dr. Hopper (Canada) remarked that any request for a report from the receiving country would be in the nature of a recommendation and would not be mandatory.

Mr. Burns (U.K.) and Mr. Kitzema (Netherlands) agreed with Dr. Hopper, the latter adding that a request for reports from receiving countries would not in any event slow up the sale of food for such reports would only be made after a transaction had taken place. The Committee's present concern was what should be done when a potential purchaser asked the U.S. Government, for instance, whether it might enter into a contract. It had been thought that the suggested three days would not be cumbersome for the U.S., but if Mr. Rhodes had any better suggestion to make he felt sure the Committee would be glad to consider it. He recalled one suggestion that in cases where a ship had been chartered, or was already docking, telephone contact might be adequate but in most cases he felt, subject to correction from the United States member, that a delay of three days would not unduly slow down the procedure.

Mr. Vaidyanathan (India) remarked that it was now proposed that the supplying country be requested to assume a certain responsibility in connection with the conditions laid down by the Committee. In cases where the U.S. Government reported to the Committee, through the Secretariat, that it was satisfied that the Committee's principles would be followed he could not see any need for any country to question the bona fides of the case, so he did not think there would be any occasion for any member to ask for a meeting. He thought it unnecessary to request members to comment within three days on the suggested letter from the Secretariat for, in any event, a report would later be received from the buying country. He personally took the view that the supplying country should enter into its contracts the conditions laid down by the Committee and merely inform members of the action taken, and that after six months the buying country should report regarding the distribution program.

The Chairman again asked members whether it was their desire to leave to the supplying country the initiative in calling the matter to the attention of the Committee if this was felt worthwhile. In a number of cases the supplying country would go ahead in any event if it were satisfied that the Committee's conditions were met.

Mr. Rhodes (U.S.) wished to make it clear that the United States Government was willing to adopt either one of three proposals which had been made and, in his view, the latest suggestion of Secretariat correspondence was a cumbersome method of transacting business. His original idea had been that the Committee should form a small subcommittee consisting of the three major countries concerned with the commodities now offered, namely, Netherlands, Canada and Australia. Three countries could be contacted in very short time but to contact all members of the Committee would be a different matter. The U.S. Government was willing either that a small subcommittee should be established or that the Secretariat should be authorized to circulate communications or that, if the Committee so desired the U. S. Government would assume the responsibility of satisfying itself that the requirements laid down by the Committee would be met and would, in this event, be willing to enter such conditions into any contract to be signed by the importer.

The Chairman assumed that the supplying country would be left the choice between calling the matter to the attention of the Committee or going ahead and completing the transaction if it was satisfied that the purchase met the conditions laid down by the Committee.

Mr. Rogers (Australia) stated that if the supplying country were prepared to use its own discretion as to whether the assurances given by the potential buyer would comply with the Committee's terms, he, for one, would not require any prior notification. If, however, the supplying country did not feel in a position to so state he thought the Committee might then act as arbitrator.

Dr. Rogers (Italy) supported this view.

The Chairman recapitulated that such a suggestion would leave to the supplying country the responsibility for calling or not calling the matter to the attention of the Committee according to the satisfaction it might or might not have as to whether the transaction complied with the conditions laid down by the Committee. He assumed that in some cases -- probably in most cases -- the supplying country would thus be enabled to go ahead with the transaction.

Mr. Vaidyanathan (India) wished to have some assurance that in such event the supplying country would write into the contract the conditions laid down by the Committee.

Mr. Rhodes (U.S.) stated that his Government would certainly write such conditions into the contract although, of course, it could not assure the Committee that the buying country would comply with them.

Mr. Ritzema (Netherlands) agreed with this suggestion, but thought if the U.S. Government had any cause for doubt that the guarantees put up by the receiving country were entirely in agreement with the conditions laid down by the Committee then Committee members would be glad to assist in any way possible.

The Chairman suggested that the size of the transaction might also be a matter for consideration, and in some cases the U. S. Government might wish to consult the Committee.

Mr. Ritzema (Netherlands) thought the Committee would welcome a communication from the U. S. Government as soon as there was question of a proposed sale. In response to Dr. Rogers, Mr. Ritzema stated that he means a proposed sale rather than one which had been consummated.

Mr. Rhodes (U.S.) did not think he could agree to such a suggestion which might involve a letter from the U. S. Government each time any country made an inquiry as to U. S. availabilities. If a sale were effected, of course, it would be reported to the Committee.

Sir Herbert Broadley suggested that the U. S. Government might, for instance, be willing to make a monthly report to the Committee.

The Chairman assumed that in principle it would be the responsibility of the supplying country to satisfy itself that the transaction was in accordance with the conditions laid down by the Committee. If the supplier had doubts it would be incumbent on the latter to communicate with the Secretariat in which event the procedure outlined by the Secretary would come into force.

Mr. Rhodes (U.S.) thought this assumption was quite clear.

The Chairman believed that the procedure before any transaction was concluded was now settled and inquired what was desired thereafter.

The Secretary reminded the Committee that Paragraph 8 of CCP50/44 required a report back by the buying country and that any other suggestion would involve an amendment to that paragraph.

Mr. Rhodes (U.S.) recalled that paragraph 8 of CCF50/44 had been included because of the U. S. Government view that it should be the importing country who would make such a report.

Following further discussion, it was decided that the Committee should state that it would appreciate a report back from the buying country after a sale had been consummated.

Following an inquiry from the Secretariat, Mr. Iagee (Australia) suggested that a letter be despatched to the Government of Israel stating that members would appreciate a report from that Government as to its experiences in distributing the food purchased as a result of the present U. S. offer.

The Chairman confirmed this procedure.

The Secretary assumed that letters, similar to the one now proposed for despatch to the Government of Israel, would be sent to those governments which consummated purchases from the U. S. Government.

The Committee adjourned at 4:00 p.m. to meet again in regular session in September, or on call from the Chairman, as agreed at the Eleventh Meeting.

FAO ARCHIVES