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Eleventh Session

ECONOMIC COMMITTEE

SUMMARY RECORD OF THE EIGHTY-FOURTH MEETING

Held at the Palais des Nations, Geneva,
on Thursday, 13 July 1950, at 10.30 a.m.

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International Commodity Arrangements:
Review of international commodity problems,
1949 (item 17 of the agenda) (E/1718 and
E/L.56).

Present:

Chairman:

Sir Ramaswami MUDALIAR (India)

Members:

| | |
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| Australia | Mr. WALKER |
| Belgium | Mr. MASOIN |
| Brazil | Mr. de CARVALHO SILOS |
| Canada | Mr. PLUMPTRE |
| Chile | Mr. SCHNAKE VERGARA |
| China | Mr. CHA |
| Denmark | Mr. IVERSEN |
| France | Mr. BORIS |
| India | Mr. DESAI |
| Iran | Mr. KHOSROVANI |
| Mexico | Mr. MARTINEZ OSTOS |
| Pakistan | Mr. QURESHI |
| Peru | Mr. ENCINAS |
| United Kingdom of Great Britain and Northern Ireland | Lord ALEXANDER |
| United States of America | Mr. LUBIN Mr. COPPOCK |

Also present:

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| Sir James HELMORE | Chairman of the Interim Co-ordinating Committee for International Commodity Arrangements |
| Mr. JUDD | Secretary to the Interim Co-ordinating Committee for Inter- national Commodity Arrangements. |

Representatives of specialized agencies:

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| International Labour Organisation | Mr. DAWSON |
| Food and Agriculture Organization | Mr. McDOUGALL |
| International Civil Aviation Organization | Mr. MARLIN |

Representatives of an inter-governmental organization:

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|-----------------------------------|-------------------|
| Interim Commission of the | Mr. WYNDHAM-WHITE |
| International Trade Organization: | Mr. ROYER |

Representatives of non-governmental organizations:

Category A:

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|--------------------------------------|----------------|
| International Co-operative Alliance: | Mr. MILHAUD |
| International Chamber of Commerce | Mr. L'HUILLIER |

Category B and Register:

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| International Statistical Institute | Mr. NIXON |
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Secretariat:

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| Mr. Owen | Assistant Secretary-General in charge of the Department of Economic Affairs |
| Mr. Weintraub | Director, Division of Economic Stability and Development |
| Mr. Lukac | Director, Transport and Communications Division |
| Mr. Messing-Mierzejewski | Secretary to the Committee |

INTERIM CO-ORDINATING COMMITTEE FOR INTERNATIONAL COMMODITY ARRANGEMENTS:
REVIEW OF INTERNATIONAL COMMODITY PROBLEMS, 1949 (item 17 of the agenda)
(E/1718 and E/L.56)

The CHAIRMAN invited general comments on item 17 of the Council's agenda "Interim Co-ordinating Committee for International Commodity Arrangements: Review of International Commodity Problems", which the Council had referred to the Committee at its 386th meeting.

Mr. MASOIN (Belgium) thought that the draft resolution (E/1718) submitted to the Committee should be considered in the spirit of the Havana Charter, especially chapter VI thereof, which dealt with inter-governmental commodity agreements. The importance of primary commodities in world economy as a whole had led governments to give them particular attention, and to attempt to bring them under a special regime with a view to stabilizing markets while ensuring equity and economic order.

The matter under consideration was related to two basic documents which the Economic and Social Council now had before it: one on national and international measures for full employment (E/1584), produced by a group of experts appointed by the Secretary-General; the other on the financing of the economic development of under-developed countries (E/CN.1/80), submitted by the Sub-Commission on Economic Development. Those two documents expressed the view that one of the essentials for full employment and economic development was the stabilization of the prices of the main primary commodities.

Indeed, the economic position of the greater part of the world depended on the prices of those commodities, and it had even been said that the situation of the under-developed countries depended on Wall Street quotations for raw materials. Nor were the industrialized countries less interested in the problem, since during the first six months of 1949 serious international difficulties had been caused by a comparatively small drop in raw material prices. In his opinion, that had been the reason for the series of currency devaluation that had taken place in September 1949. Moreover, owing to the

extreme abnormality of the existing international situation, in which markets were largely swayed by considerations that were neither strictly commercial nor strictly economic, countries might be led to adopt a policy of extreme inflation or disastrous deflation.

All those factors led to the conclusion that a procedure must be established for reaching a rapid and equitable solution of problems connected with the market situation of primary commodities; rapid, because the usual procedure of recourse to international political organizations, which was sometimes very slow, must not be outstripped by events, and there must be no danger of the recurrence of a crisis like that of 1935; equitable, because in the discussion of those questions, the interests of both consumers and producers must be taken into account.

The proposal (E/1718) submitted by the Chairman of the Interim Coordinating Committee for International Commodity Arrangements (ICCIICA) fulfilled those conditions, and the United Kingdom amendment thereto (E/L.56) added an additional guarantee. Consequently the Belgian delegation accepted them both.

To illustrate his remarks, he cited the case of tin which, owing to its peculiar combination of relatively stable consumption and exceptionally unstable production, would be a particularly suitable subject for an international conference. It was not only because the Belgian Congo produced tin and Belgium was an industrial country that the Belgian delegation was interested in that commodity, but also because Belgium realised that the stabilization of conditions in the tin market, like that of markets in other primary commodities, was an essential to the dependable stabilization of the economic situation required for progress.

Mr. DESAI (India) said that the objectives which should underlie international commodity agreements were clearly defined in article 55 of the Havana Charter, which contained the sentence; "The members recognize that the conditions under which some primary commodities are produced, exchanged and

consumed are such that international trade in these commodities may be affected by special difficulties such as the tendency towards persistent disequilibrium between production and consumption, the accumulation of burdensome stocks and pronounced fluctuations in prices." Article 58 of that Charter, and other articles of Chapter VI, made clear that inter-governmental commodity conferences should not be held under the auspices of the International Trade Organization unless they were approved by the organization itself, that was by a majority of the member governments of the organization. Decisions taken at such conferences would be taken by governmental representatives from both producer and consumer countries with full authority to accept responsibility for those decisions on behalf of their governments. In fact, one of the main themes of chapter VI of the Havana Charter was that decisions of policy concerning commodities should be taken by governmental representatives, both of member and non-member countries, and that such decisions should be taken in the interests of the world as a whole, since they would have repercussions throughout the world.

As the International Trade Organization had still not come into being, although nearly five years had elapsed since the discussion on the Havana Charter, and as the prospects of that happening were as distant as they had ever been, he agreed that it was necessary to lay down a procedure for dealing with commodity problems. But that procedure should be adequate and effective, capable of making sure that any inter-governmental commodity arrangements made would engage the full responsibility of the governments concerned. Consequently, the procedure should be such as to ensure that no inter-governmental commodity study group or conference could be convened without the approval of a reasonably large number of governments. It was most important that the international study groups should consist of governmental representatives since the decisions of any ensuing commodity conference would depend to a large extent on the deliberations of the study group. If the procedures indicated in the draft resolution submitted by ICCICA (E/1718) were followed, governments would probably not be prepared to take the decisions required at the commodity conference, and a stalemate would occur, which could and should be avoided.

Inter-governmental commodity conferences should not be convened without the approval of some body such as the Economic and Social Council, which was an inter-governmental body representing, in some senses, the whole world, or a committee of the Council composed of approximately ten members meeting between sessions of the Council. It might alternatively be laid down that no inter-governmental commodity conference should be convened without the approval of the Interim Commission of the International Trade Organization, or some other inter-governmental body.

He would not object to the Council deciding that the international tin conference proposed by the representative of Belgium should be held; for there was sufficient material available to show that such a decision would not be a mistake. But he hoped very careful consideration would be given to the question of general procedure for calling international commodity study groups and conferences.

Lord ALEXANDER (United Kingdom) said that there was evidently a misconception in the minds of some representatives on the Committee about the purpose of commodity agreements and the proper method of reaching them. Unless that misconception were corrected, the Council might fail to take the right decision on the problem before it, and to give ICCICA adequate power. It should not be forgotten that the Council had set up ICCICA, not only to provide it with information, but also to help to remove difficulties in the way of concluding international commodity arrangements.

Article 55 of the Havana Charter, which the representative of India had quoted in part only, did clearly define the developments which it was hoped international commodity arrangements would prevent - developments such as "persistent disequilibrium between production and consumption", "accumulation of burdensome stocks" "pronounced fluctuations in prices", and "adverse effects on the interests of producers and consumers, as well as widespread repercussions jeopardizing the general policy of economic expansion". Those words represented a great advance since the dreadful slump of 1921, when international control of primary commodities in the interest of all had been

unthought of, and when world prices of prime commodities, such as wheat, rubber and tin, had fallen to extremely low levels, bringing unemployment and extreme misery to hundreds of thousands of workers in producing countries. Bitter experience had shown that the misery of the producer did not mean low prices and prosperity for the consumer, for falling prices restricted the buying power of the consuming countries. The defensive schemes of restriction evolved by producers after the 1929 slump had given them only a precarious and largely illusory protection, and had seriously injured the interests of consumers and reduced the general productive capacity of the world. Surely, the need for international commodity arrangements was obvious.

He had been filled with great concern by the suggestion made at the 386th meeting of the Council that the principal consuming countries had a Machiavellian purpose in supporting ICCICA's recommendations, and that they wanted international commodity arrangements to depress world prices of raw materials. Surely, it was obvious that that suggestion was completely unfounded, in view of the fact that it was the consuming countries who were pressing for commodity agreements, not during the immediate post-war period when the principal feature of the world economy had been shortages of food and raw materials, and, consequently, high prices for such commodities, but at a time when world production was returning to its pre-war level and prices for raw materials had begun to fall. If the consuming countries really wished to grind the faces of the producers, would they not let prices fall of their own accord?

He, like the authors of the Havana Charter, attached great importance to the time factor in dealing with commodity problems. It had been argued that the periods between sessions of the Economic and Social Council would represent only a small factor in the time which must elapse between the decision to establish a study group and the convening of a commodity conference. But that argument was based on the false premise that the delay would include the time required to set up a new study group; but for virtually every commodity on which an agreement seemed even remotely probable in the foreseeable future an appropriate study group already existed. The continued existence of those

groups since the war, or in some cases since before the war, showed that the interests most concerned were aware that markets might suddenly change, and that they were determined not to be caught short in the future as they had been in the past. If ICCICA's recommendations were adopted, an international commodity conference could begin about two and a half months after a recommendation that it should be convened had been made to ICCICA. If action were made dependent on the Economic and Social Council, the delay between the onset of a crisis affecting a commodity and the opening of a conference on that commodity might be as long as nine months. It appeared from his closing remarks that the representative of India himself recognised the danger of delay in calling a conference on tin.

It had been insinuated that the existing commodity study groups might be bludgeoned into acquiescence by the Interim Committee. The size and composition of those study groups was shown on pages 8 and 9 of the ICCICA review for 1949, and in appendix B to its review for 1948. The third meeting of the International Tin Study Group, for example, held in October 1948, had been attended by fourteen delegations; the second meeting of the International Wool Study Group, also held in October 1948, had been attended by representatives from twenty-four countries; and the International Cotton Advisory Committee had twenty-eight members. It was unlikely that such bodies would allow themselves to be browbeaten by the Interim Committee, composed of three members. Surely the suggestion could not bear examination.

ICCICA had been set up by the Council to provide information and to facilitate inter-governmental consultation or action on commodity problems. If it were not given the power to perform its second function, there would be no justification for its continued existence. Surely the Council would not have set up ICCICA if it had intended that commodity conferences should be convened only with its own specific approval of the Council. The fundamental weakness of bodies such as the Economic and Social Council derived from the fact that they created difficulties for themselves because they would not put full trust in their previous decisions. Fears had been expressed that ICCICA,

if the Council approved its proposals, would have too much power, which it would then abuse. The United Kingdom delegation, although it was convinced that ICCICA would not abuse any power granted it, had put forward an amendment (E/L.56) to the draft resolution recommended by ICCICA (E/1718) with the object of dispelling those fears. If the draft resolution was adopted with that amendment, ICCICA would have the right, acting on the request of an appropriate inter-governmental study group, to advise the Secretary-General to convene an international commodity conference.

He was surprised at the suggestion of exploitation of the so-called "under-developed countries" through commodity agreements, as at the Havana Conference the "under-developed countries" had fought for the insertion of paragraph 6 of Article 61 of the Havana Charter, authorising direct action in the event of undue delay in summoning a commodity conference. He hoped he had succeeded in removing the misconceptions that international commodity agreements would be detrimental to the interests of the so-called under-developed countries, and that the convening of international commodity conferences at short notice was a form of sharp practice. As the President of the Council had pointed out at the opening plenary meeting of the session, at the present critical time, when a battle was being fought, although at a great distance from Geneva, between the bound and the free, the eyes of the world were upon the Council, for it represented one aspect of man's hope that the future would be one of co-operation and progress, not one of totalitarianism and repression. Procedural delay in an important matter of substance at the very moment when action was becoming necessary would not advance the cause of the free.

Mr. COPPOCK (United States of America) said that the review of the Interim Co-ordinating Committee for International Commodity Arrangements for 1949 was a very useful, concise document which included material not available elsewhere, and he hoped that such reviews would continue to be issued, with perhaps more statistical and analytical material. It was desirable that the review should be published without delay.

The United States Government attached great importance to the problem under discussion by the Committee, but considered it mainly as an organizational procedural or possibly legal problem which should be dealt with as such, without, however, ignoring the questions of substance to which it was related. His Government's views on the problem did not derive from the fact that the United States representative had voted against the convening of a tin conference at a recent meeting of the International Tin Study Group. The United States Government did not want any procedural obstacles to stand in the way of inter-governmental commodity conferences, and it would consider on its merits any proposal that an inter-governmental commodity conference should be convened.

There would have been more force in the argument put forward by the Indian representative against the recommendations of the ICCICA, if there had been a need for devising permanent machinery for concluding international commodity agreements, and not just machinery for provisional use until the International Trade Organization came into existence. His Government still hoped that that would happen in the near future; committees of the United States Congress had recently discussed the question, and the time had not yet come to assume that the Organization would never come into being. If a time came when the Council thought that it was necessary to make permanent arrangements to replace the provisions of Chapter VI of the Havana Charter, the Council should then make a comprehensive study of all international machinery for dealing with world trade problems, including the General Agreement on Tariffs and Trade and the commodity work of the Food and Agriculture Organization.

Many of the difficulties confronting the Committee had arisen because all those who had been present, including the representative of the United States, when the General Assembly had adopted its resolution 366 (IV) on rules for convening international conferences of States, had obviously not been acquainted with chapter VI of the Havana Charter, and had not consulted the people who represented their countries at international meetings concerned with trade.

His Government was satisfied that the functions which ICCICA had recommended it should assume would be performed by that body in a reasonable way until the International Trade Organization came into operation, for the members of ICCICA were responsible persons who would respect the provisions of chapter VI of the Havana Charter, and pay due attention to the recommendations of the commodity study groups concerned, which were composed of governmental representatives. The procedure for bringing about international commodity arrangements set out in the draft resolution submitted by ICCICA, if amended in the manner proposed by the United Kingdom delegation, would be hedged about with ample safeguards. All governments which declared that they were interested in a given commodity agreement would be able to attend the commodity conference at which that agreement was made, simply by declaring their interest. The adoption of the United Kingdom amendment would make the ICCICA draft resolution, which was somewhat discursive, more precise. He therefore moved the adoption of the ICCICA draft resolution with the amendment (E/L.56) proposed by the United Kingdom delegation.

Mr. WALKER (Australia) agreed with the United States representative that the Committee was concerned with the work of an interim body which was to function pending the setting up of ITO. If it were a question of finding a long-term solution, his delegation, too, would wish thoroughly to examine organizational arrangements, including the place of FAO in relation to work on agricultural commodities. He pointed out in that connection that at its General Conference in November 1949, the FAO had, after reviewing the methods applied to commodity problems, proposed to the Council that greater facilities should be made available to ICCICA for carrying out its work.

He would be prepared to support the draft resolution submitted by ICCICA as well as the United Kingdom amendment thereto (E/L.56), with the general reservation that if interim arrangements were unduly prolonged, the question of the participation of the FAO in work on agricultural commodity problems would be examined.

Mr. BORIS (France) said that the French delegation accepted the principles underlying the ICCICA draft resolution, and would accordingly vote for it, and for the United Kingdom amendment to it.

However, as the Economic Committee also had before it the "Review of International Commodity Problems, 1949" he would like to make a few observations of a more general nature on that document.

Some doubts had been expressed with regard to the future of the International Trade Organization, and even its continued existence had been questioned. His delegation felt that there was no need for pessimism on that subject, and wished to re-affirm the French Government's attachment to the principles of the Havana Charter. Although the French Parliament had not yet ratified that Charter, his country, by signing the General Agreement on Tariffs and Trade, had undertaken to respect its spirit. Its desire that the Charter should come into force as soon as possible applied particularly to Chapter VI, on inter-governmental commodity agreements, the application of which would facilitate the solution of urgent problems. Chapter VI was not conceived in any restrictive spirit and, indeed, his country's policy had constantly aimed at seeking economic equilibrium both on a world-wide and on a national scale through the expansion of production and consumption. Excessive fluctuations in the price of primary commodities constituted was one of the most dangerous elements of disequilibrium in regard to world economy. Such fluctuations weighed heavily on the market, and rendered the basic problems of full employment and economic development more difficult to solve. Although, of course, such uncertainty with regard to prices could not be completely eliminated on a world-wide scale, Chapter VI of the Havana Charter provided the possibility of concluding commodity agreements negotiated on terms of complete equality between producers and consumers, with all the guarantees

provided by a set of co-ordinated regulations and wide publicity.

He thought that the urgent need for such agreements was evident, and recalled that his country had even supported the idea of bringing Chapter VI of the Havana Charter into force before the Charter as a whole was ratified. The Council, however, had deemed it necessary to establish ICCICA and to entrust it with some of the tasks of disseminating information on commodity questions which would later fall to the International Trade Organization. His delegation approved of the manner in which ICCICA had carried out its task, and considered that the "Review of International Commodity Problems, 1949" which it had published was a carefully drafted working document of real value. In view of its narrow terms of reference of the Committee, it was, indeed, hardly possible to expect ICCICA to submit broader and more definite proposals. His delegation noted with satisfaction that ICCICA was in favour of improving and standardizing the methods used for compiling statistics on the prices of, and on trade in, the major primary commodities. It likewise approved the recommendation that wide publicity should be given to all economic information and to inter-governmental commodity discussions. ICCICA was also right in emphasizing the desirability for governments to undertake the examination of long-term commodity problems.

His delegation, on the other hand, was not in agreement with the arguments put forward by ICCICA in connection with the question of the possible consequences of regional commodity agreements. It felt that the value of such agreements was clearly demonstrated by the Steel Study published by the Economic Commission for Europe. A further convincing example was that of the discussions which had already begun within the framework of the Economic Commission for Europe with regard to a grains agreement.

It was, however, understood that regional agreements would have to enjoy the same guarantees of publicity and to conform to the same principles as international agreements, particularly with regard to the constant expansion of production as opposed to the use of restrictive practices.

He noted that ICCICA requested the Council to facilitate the holding of inter-governmental commodity conferences. That there was an incontestable need for such

agreements was shown by the fact that governments, as the report itself pointed out, had been led to undertake joint examination of a certain number of commodity questions, even though such consultations had not always ended in the conclusion of agreements.

It was also beyond doubt that, in a relatively short space of time, the sellers' market had given way to a buyers' market, thereby causing a certain amount of economic disturbance which world economy might, perhaps, have been spared, with a little more organization. The lesson to be drawn from that experience was that timely action should never be held up for mere procedural reasons, though, of course, the question should always be adequately studied.

His delegation, for its part, felt no legal scruples whatsoever in the matter of the legality of the Council's delegating its powers. In its view, powers could be delegated, provided certain guarantees were obtained to make sure that there should be no abuse.

The fears expressed by the Indian delegation on that subject appeared to him to be groundless. In any case, even if the risk mentioned by the Indian representative did exist, the United Kingdom amendment would remove it, since, in order to convene such conferences, not only would ICCICA's advice be required, but it would also have to act at the request of the appropriate inter-governmental study group. Since such a study group would itself be composed of representatives of governments, a request from that group to ICCICA for transmission to the Secretary-General could only be made if the majority of the States represented in the study group were in favour of it.

Furthermore, the fear expressed by the same representative that the resolution might be systematically applied to the detriment of countries producing primary commodities seemed somewhat exaggerated, both because the producing countries would be represented in the relevant study group, whose consent was required, and because it was generally the producing countries who, faced with the threat of a fall in the prices of primary commodities, endeavoured to bring about such agreements.

His delegation was therefore of the opinion that the Council might authorize the Secretary-General to convene, in certain circumstances, inter-governmental commodity conferences, it being understood that he would only do so on the advice of ICCICA, itself acting at the request of the appropriate inter-governmental study group. The United Kingdom amendment offered every guarantee in that connection, and it was for that reason that his delegation supported the draft resolution and the amendment, renouncing its previous intention of itself submitting a similar amendment.

Mr. MARTINEZ OSTOS (Mexico) said that his delegation's vote at the 386th plenary meeting of the Council had indicated support for the proposal that the question of international commodity arrangements be referred to the Economic Committee. Certain apprehensions had been voiced during the present discussion with regard to possible legal and procedural complications. He believed that a solution could be found to them, and was prepared to support the United Kingdom amendment on the understanding that ICCICA's operations would constitute only an interim arrangement. The amendment corresponded to the wishes of those who were in favour of convening inter-governmental conferences, and should also allay the fears of those who foresaw procedural difficulties.

Mr. DESAI (India) considered that there was, thanks to the useful discussion that had taken place, very little divergence left between the two points of view expressed. Agreeing with the United Kingdom representative's definition of ultimate aims, he emphasised that full government co-operation necessitated an appreciation of the points of view held by all parties.

The discussion had made it clear that, in so far as the immediate future was concerned, the activities of ICCICA would be carried out in accordance with the United Kingdom amendment, conferences being convened only on questions which had been examined by the appropriate inter-governmental study groups.

He must point out that there seemed to him to be inadequate justification for the sense of urgency and the desire to evolve a more rapid procedure, especially since the production of many primary commodities could be foreseen over a period of twelve months. He therefore failed to see the need for excessive hurry, and would

recall that neither the Charter nor Chapter VI of the Havana Charter were as yet in force. The French and United States representatives had just stated that they were considering the possibility of bringing the International Trade Organization into being. That was all to the good; nevertheless, in his delegation's view, there yet remained certain gaps in the procedure proposed in the draft resolution, as a result of which difficulties might arise at the time when a conference was convened. It was wholly correct to refer, as was done in the United Kingdom amendment, to requests emanating from appropriate study groups, but that proviso only covered existing groups. What authority would be responsible for convening new study groups, since articles 58 et seq. of the Havana Charter were not yet in force? In order to clarify that point, he would propose a further amendment, whereby the Secretary-General should be requested to consult with the inter-governmental organizations concerned and submit a report to the Council. He believed that the acceptance of some such amendment would go a long way to allaying certain doubts and misgivings which had been made manifest. In general, he was grateful for a discussion which had made it clear that studies on commodity problems should be carried out by appropriate inter-governmental groups.

Mr. IVERSEN (Denmark) said that his delegation would be prepared to vote in favour of the draft resolution as amended by the United Kingdom proposal, and noted that the decision taken under it was limited to authorizing the Secretary-General to convene a conference. He would, however, wish to ask the Secretariat whether, in accordance with rule 31 of the Council's rules of procedure, the Secretary-General had made any estimate of the cost of such a conference.

Mr. OWEN, Assistant Secretary-General in charge of the Department of Economic Affairs, replied that, in submitting his budget estimates to the last session of the General Assembly, the Secretary-General had, in view of the likelihood that a conference on commodity arrangements would be convened, included an appropriate sum to cover the cost of such a conference. The budget estimate for 1950 of about 10,000 dollars, arrived at on the basis of the conference being held at Headquarters, had been adopted by the Assembly. The Secretary-General would follow the same procedure during the current year, and would allow for the holding of one conference in 1951. If, however, ICCICA proposed the holding of more than

one conference, the Secretary-General would have to use his powers to find supplementary funds.

Mr. ENCINAS (Peru) said that his delegation also would vote in favour of the draft resolution as amended by the United Kingdom proposal, on the understanding that its right to re-open the question at any time deemed appropriate by his Government was reserved. He interpreted the draft resolution as meaning that the Committee was called upon to pronounce itself on a procedural matter and on provisional measures. As had been stated, the general position of the world economy was uncertain, and it was by no means easy to foresee the future and any difficulties that might arise. For that reason it would be inadvisable to adopt at the present stage measures of a permanent and substantive character.

Mr. DESAI (India) formally moved that the draft resolution (E/1718) be amended by the insertion of the words "pending the study referred to below" after the word "Authorizes" in the fifth paragraph, and by the addition at the end of the draft resolution of a new paragraph reading as follows:

"Requests the Secretary-General, in view of the desirability of the Council giving full consideration to the means whereby study groups and international commodity conferences should be convened, to prepare a study on the subject of appropriate procedures to be adopted and to place the item on the agenda of the Council for consideration at its twelfth session",

Sir James HELMORE, Chairman of the Interim Co-ordinating Committee for International Commodity Arrangements, said that in so far as ICCICA was concerned, it could not but appreciate the necessity for its parent body carefully to examine the powers granted to it for a certain period of time. The Indian representative's proposals imposed reasonable conditions, but, without being presumptuous, he wondered whether the Secretary-General would, in fact, be able to submit the proposed study to the Council at its twelfth session, which was scheduled for February 1951.

Mr. SCHNAKE VERGARA (Chile) expressed his readiness to vote in favour of the draft resolution as amended by the United Kingdom and Indian representatives. He did not doubt that world opinion would appreciate the evident desire manifested within the Council to solve the problems in question, which were of general interest to a great many countries. The producers of raw materials were interested in them, not only for the reasons given by the United Kingdom representative, not only in view of the far-reaching repercussions which the absence of a definite policy would have in the present critical times, but also because the proposed measures would help to ensure more equitable treatment for producers. He believed that that point of view had inspired the statements made by the Indian representatives both in the Council the preceding day, and at the present meeting. The Indian Government was undoubtedly concerned with finding a solution for the problem in toto, rather than with urging that the workings of a certain kind of machinery for the convening of conferences should be put in motion. The Bolivian Government had several times expressed its deep interest in the problems of tin production, and his own Government shared its concern. His delegation would emphasize its hope that the adoption of the draft resolution would not be considered as providing a final solution to the problem. The proposed measures were of an emergency and temporary nature, and should be applied pending the creation of better instruments and the formulation of basic provisions. He had been glad to note that the Australian representative also interpreted the draft resolution as a temporary measure.

With regard to the Indian amendment, he, too, wondered whether the Secretary-General would have time to carry out the proposed study before the twelfth session. But he would most certainly advocate the undertaking of such a study since, in his view, the whole problem of international commodity arrangements would be far better handled in a report, and not in a draft resolution. A report would have been more useful, in that it would presumably have given the Committee information on the stage reached in the inter-governmental consultations and on the positions taken by the various governments. Thus, for instance, if the Bolivian Government had proposed an international conference on tin, his Government would have supported that proposal. As it was, the Council did not know whether any such request had

been made, or suggestion put forward. Although ICCICA, which was a subsidiary organ of the Council, enjoyed the latter's full confidence, it ought to keep the Council fully informed.

Mr. COPPOCK (United States of America) also supported the Indian representative's amendments, although he felt that governments should be given enough time to consider the position of the International Trade Organization, and that the Secretary-General should be given sufficient time to make a thorough study. He suggested that the study should therefore be submitted to the thirteenth or fourteenth session of the Council. He accepted the United Kingdom amendment, on the understanding that ICCICA should act "on the request" of an appropriate inter-governmental study group, not automatically but "in the light of" the recommendations made by such a group. He would not ask for an amendment of the text, provided that his interpretation thereof was mentioned in the summary record.

Mr. OWEN, Assistant Secretary-General in charge of the Department of Economic Affairs, said that in order to prepare the study mentioned in the Indian amendment, the Secretary-General would have to take a number of steps, and consult such bodies as the Food and Agriculture Organization, the Interim Commission of the International Trade Organization, ICCICA and the inter-governmental study groups. Even if the work were pursued urgently, he feared that it would hardly be possible to complete it by the twelfth session, and he would therefore propose that the thirteenth session be fixed for the presentation of the study.

Mr. DESAI (India) accepted the Assistant Secretary-General's proposal.

Mr. PLUMPTRE (Canada), referring to the Assistant Secretary-General's statement on the budget estimates for a conference, asked whether the estimate included in the budget adopted in 1949 had been revised in the light of present circumstances. He understood that an estimate had recently been made with specific reference to the proposed conference on tin.

Mr. OWEN, Assistant Secretary-General in charge of the Department of Economic Affairs, stated that it was estimated that the cost of convening a conference on tin would be much greater than the present budgetary appropriation, if it proved necessary, owing to the fifth session of the General Assembly, to hold the conference at Geneva instead of at Headquarters. The estimate was being revised on that basis.

The CHAIRMAN ruled that the general discussion on item 17 of the agenda was closed, and said that he would put the draft resolution to the vote, together with the written amendment submitted by the United Kingdom representative and the oral amendments submitted by the Indian representative. If the draft resolution were adopted as amended, it would be submitted to the Committee at its next meeting in written form, at which stage representatives would be able to make verbal changes to it.

With reference to the Pakistani representative's proposal that further consideration of the item be deferred, he expressed the view that it would be preferable for the Committee to vote on the draft resolution contained in document E/1718 and on the amendments thereto while the discussion was still fresh in everyone's mind.

He would first put to the vote the United Kingdom amendment (E/L.56) to that draft resolution.

The United Kingdom amendment was unanimously adopted.

The CHAIRMAN put to the vote the additional paragraph proposed by the Indian representative, reading as follows:

"Requests the Secretary-General, in view of the desirability of the Council giving full consideration to the means whereby study groups and international commodity conferences should be convened, to prepare a study on the subject of appropriate procedures to be adopted and to place the item on the agenda of the Council for consideration at its thirteenth session."

The Indian amendment was unanimously adopted.

The CHAIRMAN put to the vote the Indian representative's proposal that the words "pending the study referred to below" be inserted after the word "Authorises" in the fifth paragraph of the draft resolution contained in E/1718.

The Indian amendment was unanimously adopted.

The CHAIRMAN ruled that the draft resolution as a whole should be put to the vote at the Committee's next meeting.

Sir James HELMORE, Chairman of the Interim Co-ordinating Committee for International Commodity Arrangements, expressed the gratitude of the Interim Committee for the praise bestowed on the "Review of International Commodity Problems, 1949". The suggestions made by representatives would be most carefully considered by the Committee.

He agreed with the United States representative in his criticisms of the draft resolution set out in document E/1718, but would explain that its length and turgidity were due to the Committee's desire to introduce as many safeguards as possible.

The meeting rose at 1.10 p.m.