The Conference recognized it would be impossible for the headquarters' staff of FAO to undertake in the near future the complete range of activities envisaged in previous Conference determinations, and the 1947 session has recommended a comparatively narrow range of projects considered to be of outstanding importance in the attempt to increase the volume of foodstuffs of all descriptions.

The Conference recognized the value of Standing Advisory Committees in guiding the activities of the Technical Divisions, and endeavours are being made to utilize *ad hoc* committees of specialists in all phases of the work of the Organization. The following Divisions are now staffed to a standard in line with the budgetary position : Agriculture, Nutrition, Fisheries, Forest Products, Marketing, and Statistics. A new Division is being established to undertake welfare studies, and it is expected this will be in operation at an early date.

FINANCE

The original Constitution provided that the Executive Committee act as a Committee on Financial Control. It was recognized at Copenhagen that the Executive, with its infrequent meetings, was unable to exercise the control necessary, and the Conference approved of the establishment of a sub-committee on finance consisting of representatives of the Executive Committee, together with financial experts nominated by Governments having suitable officers stationed in Washington. The present report of the Committee on Financial Control, together with the draft budget submitted to member countries, indicates the improvement which has taken place under that arrangement. Provisions have now been made by suitable changes in the financial regulations providing for a permanent establishment of a sub-committee on finance.

As at 31 July, 1947, the funds available to the Organization, including the Working Capital Fund, amounted to $2,902,442, despite the fact that contributions from some member nations are in arrears. The Conference appealed to member Governments to correct this position at the earliest possible date.

The draft budget for the third financial year (1948) amounts to $5,000,000. The estimated income from contributions amounts to $4,522,000, the remainder being made up from savings, which would normally go to swell the Working Capital Fund beyond the prescribed limit of $1,500,000.

Considerable discussion took place on the dangers which might accrue from budgeting an annual expenditure beyond current income, and the Director-General and the Committee on Financial Control have been requested to watch the position closely, as it is recognized such a procedure cannot be followed for any length of time.