



**C O N T E N T S**

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**Chairman:** Sir Douglas COPLAND (Australia).

**AGENDA ITEM 66**

**Establishment of a world food reserve (A/2710  
and Corr.1 and 2, A/C.2/L.250 and Rev.1)  
(continued)**

1. Mr. ZAIN (Indonesia) said that his Government had always been greatly interested in the problem of stabilizing the prices of raw materials, which were the chief source of revenue of most of the under-developed countries. One of the best ways of enabling those countries to finance their own economic development was to facilitate domestic savings. Moreover, the under-developed countries needed services and capital goods that could only be obtained abroad, and it was only by exporting their raw materials that they could obtain the foreign exchange required to pay for them.
2. Furthermore, any reduction in foreign currency earnings caused budgetary and monetary difficulties which in turn affected the reserves of foreign currency. Hence, the instability of export markets seriously affected the under-developed countries, both directly and indirectly.
3. To remedy that situation, the under-developed countries could adopt measures on a national basis. As prices were determined by supply and demand, the producers could try to adjust the supply to the demand. However, reduced production might entail unemployment and lead to social and political disturbances. It appeared to be essential, therefore, that producers and consumers should combine their efforts to cope with a problem with which both were equally concerned, and which could be solved only by international co-operation and action. That was why his delegation, together with others, had presented a draft resolution (A/C.2/L.250).
4. At the present stage it would be difficult to find a comprehensive solution that would make it possible to stabilize the market for all raw materials, but the establishment of a food reserve would at least help to stabilize the prices of agricultural products. His delegation was also gratified to note that the destruction of food products in order to reduce the supply was no longer being considered, for it regarded that practice

as inadmissible when a large part of the world's steadily growing population was undernourished.

5. He hoped that the draft resolution, which would certainly benefit both producer and consumer countries, would be unanimously adopted.

6. Mr. WOULBROUN (Belgium) considered that the objectives of the sponsors of the joint draft resolution were sound and that it was essential to solve the problem of surplus food products, but he pointed out that the competent international organizations had long been concerned with the question. Even if the General Assembly did not make any further recommendations, the Food and Agriculture Organization (FAO) had authority to perform, and would continue to perform, the functions that were its special responsibility.

7. The question entailed many difficulties, including the problem of financing the scheme and the conservation of stocks and their geographical distribution. It was closely linked with the question of price stability and the stability of the raw materials market. Nevertheless, the hope of eventually finding a solution should not be abandoned.

8. His delegation feared that in the present circumstances the proposed measures could not produce any appreciable practicable results. Nevertheless, as the draft resolution was based on the objectives set out in Article 55 of the Charter of the United Nations, to which such importance was attached, his delegation would not think of opposing its adoption.

9. The CHAIRMAN invited the Committee to consider the revised draft resolution on the establishment of a world food reserve (A/C.2/L.250/Rev.1).

10. Mr. CAÑAS (Costa Rica) introduced the draft resolution and expressed the hope that the revised version, which took the various observations made by the members of the Committee and the FAO representative into account, would receive the broadest possible support.

11. He pointed out that, in the original text, the Secretary-General was requested to prepare a study for submission to the General Assembly. The sponsors of the revised draft resolution had been afraid that the Secretary-General might not have the necessary staff for that task and had instead proposed to request FAO, the competent specialized agency, to prepare the report for submission to the Economic and Social Council, the principal United Nations organ dealing with economic matters; the Council, in turn, would report its conclusions to the General Assembly. Excellent work had already been done by FAO in its research on the production and consumption of food products and the stabilization of agricultural prices, and the sponsors of the revised draft had also wished to express their appreciation of that work.

12. Mr. STANOVNIK (Yugoslavia) was gratified to note that the revised text gave an appropriate place to FAO. He approved of the new procedure recommended for the report.

13. He congratulated the Costa Rican delegation on its proposal, the importance of which he would be the last to deny, but felt that he should point out the need for a careful distinction between food problems and the choice of methods designed to solve those problems. The establishment of a world food reserve was only one of those methods, but the problems were numerous and complex and were the result, primarily, of two factors: the defective geographical distribution of food production, which led to shortages; and insufficient world demand, which caused a surplus. A world food reserve would relieve the shortages but it would not solve the problem of a surplus; on the contrary, it would aggravate the situation by legalizing, as it were, the existence of a surplus. In that connexion his delegation believed that FAO was working along the right lines in seeking primarily to promote the selective development of agricultural production. Moreover, there was no single or automatic solution that could be invoked to remedy the malnutrition from which a large part of the world's population suffered. Nevertheless, although the establishment of a world food reserve could not, in itself, solve the problem of malnutrition, which was chronic in certain countries, it would make it possible to alleviate famine caused by natural disasters.

14. His delegation would support the joint draft resolution.

15. Sir Alec RANDALL (United Kingdom) fully agreed that the problem of the world's nutrition, to which the Costa Rican delegation had called attention, was most important. However, the wording of the joint draft resolution did not seem to be entirely satisfactory. The preamble gave the impression that nothing had hitherto been done to seek practicable methods to raise the levels of production and the standard of food consumption and to stabilize agricultural prices. In fact, however, continuing efforts had been made along those lines since the United Nations was founded and the Economic and Social Council had set up a new body, the Commission on International Commodity Trade, to study problems of that kind. He particularly criticized the wording of the fourth paragraph of the preamble which did not take into account the work done by FAO with regard to food problems; he wondered whether the sponsors of the draft resolution would be prepared to modify that paragraph.

16. The CHAIRMAN suggested that the first sentence of the fourth preambular paragraph be replaced by the words: "Considering that it is desirable to undertake further study of the following questions:".

17. Mr. FISCHER (Union of South Africa) supported the observations made by the United Kingdom representative. He believed that his objections would be met if the beginning of sub-paragraph (b) of the first preambular paragraph were reworded to read: "to prevent unduly large short-term fluctuations . . .", which would remove any doubt as to the efforts of the United Nations to find practical solutions.

18. With regard to the wording that the Chairman had proposed for the fourth paragraph of the pre-

amble, he feared that that version might prejudice the question as to whether a report was necessary; he would prefer the wording: "Considering that it may be desirable to make a factual and comprehensive study . . .".

19. Mr. RENOUF (Australia) noted that the sponsors of the draft resolution had taken the work already accomplished into account by referring, in the first paragraph of the preamble, to the need for "continued" national action and international co-operation.

20. He also drew the attention of the Committee to the second paragraph of the preamble, which would be improved if it were reworded to read: "Considering that in some countries a food reserve has been established for various purposes and has operated efficiently".

21. Sir Alec RANDALL (United Kingdom) supported the South African representative's observations. The solution he proposed would not, however, eliminate the obvious contradiction between the last paragraph of the preamble and the second paragraph of the operative part.

22. Mr. CAÑAS (Costa Rica) replied that there was in fact no contradiction; the preamble referred to a factual and comprehensive study which would eventually be undertaken whereas the second operative paragraph referred not to a study but to a report to be prepared by FAO, on the basis of which the Economic and Social Council, and subsequently the General Assembly, would decide whether the study was needed.

23. He was afraid that the amendment, proposed by the South African representative, to the text of the final paragraph of the preamble suggested by the Chairman, might unduly weaken the draft resolution.

24. Mr. UMARI (Iraq) suggested that the paragraph might be reworded to read: "Considering the need for a clearer and more complete picture of the following:".

25. He also proposed that, in order to take cognizance of the work already accomplished by FAO, another point should be inserted in the paragraph recapitulating FAO's activities on this subject.

26. He also pointed out that the most normal procedure would be for the General Assembly to address a direct request to FAO asking it to prepare the desired report rather than to apply to that specialized agency through the Secretary-General.

27. Mr. CAÑAS (Costa Rica) was willing to accept the Iraqi representative's suggestions.

28. Mr. RENOUF (Australia), supported by Mr. ENCINAS (Peru), pointed out that the revised text of the draft resolution was a compromise text and had been very carefully drafted. It was desirable that as few changes as possible be made in it.

29. After a brief procedural discussion, in which Mr. A. P. MOROZOV (Union of Soviet Socialist Republics) and Mr. HALIQ (Saudi Arabia) took part, the CHAIRMAN proposed that the Committee leave it to him to draft a new text which would take account of the observations made during the meeting while departing as little as possible from the revised draft.

*It was so decided.*

## AGENDA ITEM 12

**Report of the Economic and Social Council, chapters II and III (A/2686, A/C.2/L.247, A/C.2/L.248 and Corr.1, A/C.2/L.252, A/C.2/L.253)**

30. Mr. A. P. MOROZOV (Union of Soviet Socialist Republics) said that analysis of the activities and principal decisions of the Economic and Social Council showed that the situation was far from satisfactory. Moreover, judging by the decisions taken by the Economic and Social Council, especially those on the subjects of unemployment and full employment, the Council was apparently not fulfilling all the obligations that were incumbent upon it under the United Nations Charter.

31. He wished, first of all, to point out that certain facts appeared to have been distorted in the report of the Economic and Social Council (A/2686), particularly the situation in the USSR and in the peoples' democracies. The Soviet Union, consistently pursuing its policy of peaceful economic development, was successfully continuing to carry out its fifth five-year plan for the period 1951-55. That plan provided for a general increase of production by 70 per cent during the period of the plan. There was every reason to hope that the target would be exceeded, as industrial production had increased by 63 per cent in the course of the four years since 1950. In the first ten months of 1954, industry had over-fulfilled its plan.

32. Agricultural production had been expanded through increased mechanization and the utilization of new land; in 1953 there had been 969,000 fifteen-horse-power tractors, or 74 per cent more than before the Second World War, and 255,000 grain combines, or 66 per cent more than in 1940; in addition, there were many other machines. The figures cited did not include machines on State and collective farms. It was proposed to increase the area under cultivation by between 28 and 30 million hectares as early as 1956 by using newly-developed land.

33. The results obtained had permitted a considerable improvement in the well-being of the population; there was no unemployment in the Soviet Union. The real wages of the workers had increased by 74 per cent over the 1940 level and, if increased State expenditure on cultural and social services for the population were taken into account, the total income of workers and employees had nearly doubled during that period. In 1947 prices of consumer goods had been 2.3 times as high as they were in 1954; there had been seven reductions in retail prices between 1947 and 1954. In the first half of 1954, 21 per cent more merchandise had been sold to the population of the USSR by State and co-operative stores than in the first half of 1953.

34. Great progress had been made in housing and education. During the first four years of the current five-year plan, dwelling houses of a total area of 86 million square metres would have been built in towns and workers' settlements under the State housing programme. New dwellings of a total area of nearly 30 million square metres would also have been built by the populations of the towns and workers' settlements at their own expense and with the assistance of State credits. State expenditure on the development of the national economy in 1954 had risen by 57 per cent in comparison with 1950. On the other hand, expenditure on national defence had

decreased by 10 per cent as against 1953. Those figures were eloquent proof of the fact that the Soviet Union's objective was the peaceful development of its economy, the improvement of the well-being of its population and the strengthening and development of peace and friendship among nations.

35. Reference should also be made, if only briefly, to the success achieved by the People's Republic of China, as the world economic reports of the United Nations paid quite inadequate attention to the economic development of that great Power. In the course of its five years of existence, the People's Republic of China had also achieved remarkable economic and social development. In 1953 it had inaugurated its first five-year plan, designed to increase industrial and agricultural production and to develop means of transport. By the end of 1954, the People's Republic of China would have greatly exceeded the 1949 level of production and its production of electric power would have increased by 2.5 times, that of coal by 2.6 times, that of pig iron by 12.4 times, that of steel by 13.7 times, and so forth. Further progress had been achieved in agriculture since the land reform; despite unfavourable weather, the production of cereals and cotton in 1953 had exceeded the highest levels reached before the liberation of the country. Those results, which would have been inconceivable under China's former regime, had made it possible to reduce prices, increase the real wages of the workers and, hence, their purchasing power. Great progress had also been made in health and education; as a result of the building of hospitals and the improvement of sanitary conditions, the death rate was being rapidly reduced. Furthermore, school and university attendance had risen considerably. The Chinese people was devoting all its efforts to peaceful and constructive work which would enable it to make up for the lag in its development and to turn the country into a prosperous, economically independent industrial Power of the first rank.

36. The European peoples' democracies had also made great progress in the economic and social fields. Their efforts to develop their economy and culture were consolidating the friendship, mutual understanding and co-operation which bound them to the Soviet Union and to one another. Trade between the Soviet Union and the peoples' democracies was expanding continuously. In 1953, the volume of that trade was 2.3 times greater than in 1948. In that year alone, the Soviet Union had supplied the peoples' democracies with machinery and equipment to the value of 800 million roubles. The USSR, in turn, had received a wide range of important commodities. It had also concluded agreements with the People's Republic of China under which it was granting a long-term credit of 520 million roubles to help the People's Republic of China in the construction of industrial undertakings and the increase of deliveries of equipment. Other important agreements had also been concluded.

37. Referring to the question of international trade, he pointed out that the Soviet Union was consistently pursuing a policy of developing international trade and promoting economic co-operation among all nations, since it considered that the expansion of international trade on the basis of equal rights and mutual benefits met the interests of all countries.

38. For that reason the USSR delegation had proposed the inclusion of the item "Removal of obstacles

to international trade and means of developing international economic relations", which had been considered at the eighteenth session of the Economic and Social Council. The debate in the Economic and Social Council had demonstrated that the time had come to discuss the question; the majority of representatives had shown their interest in the development of international trade. Having regard for the importance of the development of normal trade relations among all countries, the USSR delegation had deemed it necessary to draw the attention of the ninth session of the General Assembly to the question, particularly as the promotion of international economic co-operation was one of the most important functions in the economic sphere of the General Assembly under the United Nations Charter, especially under Articles 13 and 55.

39. Certain countries, the United States in particular, were pursuing a policy of discrimination against the Soviet Union, the People's Republic of China and the other peoples' democracies with regard to trade. Trade between the United States and the Soviet Union and the peoples' democracies was practically non-existent. Trade between Eastern and Western Europe was below the pre-war level. That policy was contrary to the principles of the United Nations Charter and detrimental to the interests of those who pursued it. Representatives of business circles and public figures recognized the harmful influence of discriminatory practices on the world economy. In a message to Congress on 30 March 1953, President Eisenhower had stated that the economies of certain Western countries had been weakened by the reduction of their trade with the East. The British newspaper, *The Evening Standard*, had pointed out that the United States should realize that the development of trade with the East was not only an economic necessity for the United Kingdom but a political necessity for the entire world. Furthermore, it was obvious that the expansion of international trade would help to reduce the unemployment prevailing in many countries.

40. Demands for the removal of obstacles to the development of trade had been voiced in other countries of Western Europe, Asia and the Far East, and Latin America. The demand of business circles and public figures in various countries for the normalization of international trade had become especially insistent since the second half of 1953, owing to the appearance of symptoms of a crisis in the United States economy, which had aroused well-founded anxiety in many countries which had close economic ties with the United States. Another important reason for the intensification of such demands was the growth of competition on the foreign market and the increased difficulty of finding outlets. Even in the United States, many statements on the need to develop trade with the Soviet Union, the People's Republic of China and the peoples' democracies had been made. That was understandable, because discriminatory policy was detrimental to those who pursued it, and hence also to the United States.

41. For those reasons, it was important and in the interests of all countries, the under-developed countries in particular, to remove the obstacles to international trade, as requested by business circles. The advocates of discrimination in international trade sought to justify their policy on grounds of national security, but no one could be blind to the lessons of history. The blockade which they had tried to impose against the Soviet Union

in the early period of its existence had utterly failed; it was all the more ridiculous to maintain it now that the Soviet Union and the peoples' democracies possessed all the resources necessary to meet their own needs. The policy was rebounding like a boomerang on those who had instituted it. Its result had been to strengthen the ties between the USSR and the People's Republic of China and the other peoples' democracies. He added that, as a statement made by the President of the Council of Ministers of the USSR, Mr. Malenkov, indicated, the Soviet Union intended to continue the wide expansion of its trade with all countries which might show an interest in doing so. In 1954, it had maintained trade relations with fifty countries, twenty-five of which had concluded annual and long-term agreements with it.

42. The removal of obstacles to international trade was essential if it was desired to promote the economic development of under-developed countries, to give effect to the principle of economic co-operation and thus to reduce international tension and strengthen international peace and security. The General Assembly could not abdicate the responsibilities incumbent upon it in that field. It was with those considerations in mind that his delegation had submitted a draft resolution (A/C.2/L.248 and Corr.1), in which it proposed that the General Assembly call upon the Governments of the States Members of the United Nations to remove existing measures of discrimination applying to trade with individual States or groups of States and to take steps to expand trade and other economic relations between nations.

43. There was yet another problem which called for urgent consideration. The question of full employment and unemployment was vital to the very existence of the working masses. It was true that the Economic and Social Council and the General Assembly considered it every year, but although those organs had made certain recommendations, they had not taken any decisions which would provide an effective remedy for unemployment.

44. The USSR delegation paid tribute to the World Federation of Trade Unions (WFTU), which had submitted a broad programme to the Council (804th meeting) embodying measures for reducing unemployment and increasing employment. It was to be regretted that the Council had not taken the appropriate attitude towards those proposals and had failed to adopt them, although the question of unemployment was causing anxiety among the broad masses of workers as a result of the increase in the number of totally or partially unemployed in many countries.

45. The situation, however, was getting steadily worse. In a large number of countries, particularly in the United States, Western Germany, Italy, Austria, Belgium and Canada, there had been a serious increase in unemployment. In the United States, Germany and Italy alone, there were approximately 6 million unemployed. The largest number of totally unemployed—over 3 million—existed in the United States, that figure representing an increase of more than 2.5 times over the figure for the corresponding period of the previous year. The figures cited, which referred only to registered unemployed, certainly gave an unduly optimistic picture, as partial and concealed unemployment also existed. That increase in unemployment in the United States was due to the decline in industrial and agricultural production which had occurred in 1953 and

in 1954. The net result was a decrease in real wages which, in its turn, brought about a reduction of purchasing power, a further fall in production and a further increase in unemployment. The anxiety of the working masses was understandable. For those reasons the General Assembly, in conformity with the principles set forth in Article 55 of the United Nations Charter, ought to consider that problem and recommend measures to prevent unemployment.

46. The question arose as to what measures could be used to remedy the situation. Some thought that the armament race was a means of increasing employment opportunities and combating unemployment. It was nothing of the sort, for in that case labour and raw materials went entirely to waste. Military expenditure increased the burden of taxation, and the result was a decrease in purchasing power and demand and a fall in the standard of living.

47. The unemployment problem could only be solved by increasing production in civilian branches of industry, by developing international trade and by increasing Government appropriations for housing and the implementation of social and cultural measures designed to raise the standard of living. Measures of that

kind had been proposed by the USSR delegation in its draft resolution (A/C.2/L.247). It had also proposed that an advisory conference be convened in which the competent specialized inter-governmental organizations, trade union bodies and other non-governmental organizations concerned would be invited to participate. The Council had already objected to the holding of such a conference on the pretext that it would produce no practical results and would involve heavy expenditure. But consideration had to be given to all the advantages which might be drawn from a conference in which all the organizations concerned could exchange information on the real state of affairs with regard to unemployment in industrial and agricultural production and on practical steps directed towards expanding economic activity throughout the world and raising the level of employment. Such a conference would also provide an opportunity to strengthen the ties between the United Nations and the trade union organizations. The Council would thus be in a position to work out the necessary measures with regard to unemployment and full employment, and the United Nations would be taking a step forward and reinforce its authority and its prestige.

The meeting rose at 1.10 p.m.