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Chairman: Mr. Mohammad MIR KHAN (Pakistan).

AGENDA ITEM 28

**Establishment of a world food reserve: report of
 the Economic and Social Council (A/3154,
 A/3192, A/C.2/L.297/Rev.2, A/C.2/L.307, A/
 C.2/L.308) (*continued*)**

1. Mr. KHOMAN (Thailand) reaffirmed his support of the objectives set forth in General Assembly resolution 827 (IX). He appreciated the humanitarian motives underlying the United States revised draft resolution (A/C.2/L.297/Rev.2). Thailand sympathized with countries afflicted by food shortages and had shared its supplies with countries in need. It had also contributed tens of thousands of tons of rice to the United Nations Children's Fund (UNICEF).

2. On the other hand, care must be taken not to create problems which could affect the lives of millions of people. A number of countries depended on their exports of agricultural products for their livelihood. The surpluses of those countries were not artificially encouraged in order to take advantage of high prices; they were exportable quantities of products which were the fruit of the farmers' toil. The position of countries which, because of low population pressure, could export part of their food production might seem enviable compared with that of others which were obliged to import food, but in point of fact they depended on the sale of their surpluses to build more houses and to buy the capital goods required for their development.

3. The first objective set forth in the operative part of the United States revised draft resolution was an analysis of the possibilities of promoting the use of surplus foodstuffs in building up national reserves to meet emergency situations. He assumed that the surplus foodstuffs referred to were structural surpluses or recurrent stock accumulations. That assumption seemed to be borne out by the statement by the Director-General of the Food and Agriculture Organization of the United Nations (FAO) at the 421st meeting. It would appear that food reserves would be used to cope with emergency situations which the United States representative had described as situations brought about by natural catastrophes. While such natural calamities could produce emergency situations, drought and famine were not uncommon even in food-exporting countries like Thailand. In that connexion he drew attention to operative paragraph 1 (b) of the United States revised draft resolution.

4. The point covered in operative paragraph 1 (c) required further careful study. Even experts were not sure about the relationship between food reserves and the demands of economic development, as could be seen from paragraph 165 of the FAO report entitled *Functions of a World Food Reserve—Scope and Limitations*.¹

5. In view of the way in which national reserves would be constituted, it was likely that the normal patterns of international trade would be affected. Thailand's experience in the recent past confirmed that opinion. Nevertheless, he did not intend to adopt an unduly inflexible attitude and would therefore be prepared to accept the suggestion that the Secretary-General should study the matter. The contemplated utilization of surpluses was not of a temporary nature; it might last as long as food shortages prevailed and as long as stock accumulations existed because of national price policies.

6. Consequently, while appreciating the virtues of the United States draft resolution, he stressed that the national economies of countries like Thailand would be destroyed if the proposed reserves impaired their food-exporting capacity. He was confident that the Secretary-General would take all aspects of the matter into account in order to safeguard the interests of all countries.

7. In conclusion, he thanked the United States delegation for incorporating in its text the substance of the joint amendment of Burma and Thailand (A/C.2/L.303).

8. Mr. ANIS (Egypt) said that there was no need to dwell on the first objective set forth in General Assembly resolution 827 (IX), namely, the need to raise levels of production and consumption in areas where famine or chronic malnutrition were major problems. The world food reserves would not solve the chronic problem of malnutrition. The main cause of malnutrition was poverty and low purchasing power. Unless certain concessions in prices and currencies were granted and the purchasing power of the under-developed countries were increased, a world food reserve would be of very limited help.

9. If foodstuffs were available to accelerate economic development in low-income countries, constant replenishment of such stocks would be indispensable. In any case, as the FAO report rightly pointed out, use of surplus food for development purposes would have to be seen in the wider context of the fight against chronic poverty and the promotion of economic development through organized international assistance.

10. The types of operation which the world food reserve would have to undertake in order to increase productivity and consumption seemed to be incompatible with the purpose of counteracting excessive price fluctuations, as had been admirably explained in section IV of the FAO report.

¹ Food and Agriculture Organization of the United Nations, Commodity Policy Studies No. 10, Rome, 1956.

11. The feasibility of a world food reserve as an institution which could contribute to the relief of emergency situations raised many questions. There was, for example, the question of defining an emergency situation. If an emergency situation were one resulting from sudden crop failure or other natural phenomena, it could be relieved by prompt and spontaneous action. The establishment of a world food reserve to achieve that purpose raised difficulties with regard to storage, financing and organization. All those difficulties were complicated, and the FAO experts were fully aware of them. He was sympathetic to the idea that the desired speed and flexibility might best be obtained through the establishment of a world food capital fund endowed with sufficient financial resources for *ad hoc* purchases of food supplies, rather than through that of an internationally-owned emergency fund reserve set up in advance.

12. The third objective of the proposed world food reserve was to offset short-term excessive price fluctuations by means of international commodity stabilization reserves or buffer stocks. On several occasions his delegation had referred to the harmful effects of excessive price fluctuations on the economic development of under-developed countries. The FAO report dealt with that matter at length.

13. He wished to draw the Committee's attention to several important points. First, the world market of foodstuffs and of many raw materials was greatly affected by trade restrictions, import quotas and policies of price support. Secondly, price stabilization should be in real terms: the question of the price relationship of manufactured goods and of food products and the establishment of a just and equitable relationship should be tackled before embarking upon any price stabilization techniques. Thirdly, food prices were greatly influenced by the manipulations of world monopolies and other restrictive business practices. In view of those factors, it would be no easy task to establish an equitable price for each commodity.

14. The FAO experts had also mentioned other limiting factors: the difficulty of choosing commodities which could be regarded as technically eligible for international buffer stock operations and which were not likely to encounter considerable technical obstacles; the fact that the scale of the initial capital equipment was very great; and the reluctance of Governments holding large stocks and of Governments holding commodities which they could sell for hard currencies to relinquish such unilateral privileges.

15. It was because his delegation felt that the establishment of a world food reserve, to achieve such a variety of objectives, would encounter formidable difficulties that at the twenty-second session of the Economic and Social Council, it had co-sponsored a draft resolution covering only one aspect of the problem (E/AC.6/L.145/Rev.1). That draft resolution, which requested the Secretary-General to explore the possibility of using food reserves for meeting unforeseeable food shortages, formed the basis of Council resolution 621 (XXII) which, he hoped, the General Assembly would endorse. The substance of the draft resolution was embodied in the United States text, which he would support.

16. With regard to his delegation's amendments (A/C.2/L.309) to the United States revised draft resolution, he pointed out that the first was designed to reproduce the words used in General Assembly resolution 827 (IX) rather than those of the Council resolution.

The second amendment might cause more difficulty than the first, and he would not press it.

17. The Egyptian draft resolution (A/C.2/L.308) was in keeping with General Assembly resolution 827 (IX), Council resolution 621 (XXII) and the United States draft resolution. The establishment of a world food reserve to relieve famine might encounter many practical difficulties, as was stated in the third paragraph of the preamble. The Egyptian draft resolution therefore proposed that the feasibility of establishing a world food capital fund might be further explored.

18. In conclusion he announced his support of the three-Power draft resolution (A/C.2/L.307).

19. Mr. Gopala MENON (India) explained that the working group referred to in the three-Power draft resolution would be composed of members of the Secretariat rather than of governmental representatives. He hoped that it would not involve duplication of the work at present being done by the Secretary-General in pursuance of the relevant General Assembly and Council resolutions. All that the sponsors were trying to do was to formalize and legalize the procedure for implementing those resolutions. The working group could examine such questions as the differences between cyclical and structural food surpluses and the feasibility of establishing a world food fund as well as other proposals put forward by representatives and by FAO.

20. He supported the Egyptian draft resolution; the idea it contained could also be studied by the working group. The three-Power draft went much further than the United States resolution and widened the scope of the report which would be produced.

21. His delegation had an open mind as to the session of the Economic and Social Council which would consider the report. It would be helpful if the report could be prepared for the twenty-fifth session, but the sponsors had felt that it might be wiser to allow a little more time.

22. Mr. STIBRAVY (United States of America) accepted the Egyptian amendments (A/C.2/L.309) to the second paragraph of the preamble of the United States draft resolution. He hoped that the Egyptian representative would not press his amendment to the fourth paragraph of the preamble, as that paragraph as it stood repeated the wording which had been used in Council resolution 621 (XXII).

23. Mr. ANIS (Egypt) said that he would not press his amendment to the fourth paragraph of the preamble.

24. Mr. CUTTS (Australia) noted with satisfaction that the United States delegation had re-worded its draft resolution to meet the objections raised by many delegations. The text as it now stood was a constructive addition to the resolutions already adopted on the subject and commanded the unreserved support of his delegation.

25. While that resolution seemed to introduce a new element, the other drafts before the Committee seemed unoriginal and raised doubts as to whether the adoption of a spate of resolutions would really expedite matters. The three-Power draft represented a step backward rather than forward. It was difficult to see what useful purpose the working group could now serve in discharging a task which had already been assigned to the Secretary-General in very comprehensive terms under Council resolution 621 (XXII). All the work to be done by the proposed working group was in fact already in progress, and it seemed unwise to expect the General Assembly to take a further step before the previous

one had been completed. Presumably, according to the three-Power draft resolution, the twenty-sixth session of the Council would have two reports before it instead of one—a procedure hardly likely to advance its work. Moreover, the nature of the working group was not specified, nor had the possibility that it might involve extra expenditure been considered. He hoped that the representative of the Secretary-General could give some information both as to the Secretary-General's views of the three-Power proposal and as to the financial implications. In any case his delegation would oppose the idea of the working group.

26. The Egyptian draft resolutions also seemed of doubtful value. The final paragraphs of the preamble appeared to prejudge the issue, while the operative part requested the Secretary-General to confine himself to a small area of the broad field which he had been asked to explore in the original Council resolution.

27. Mr. RAJAPATHIRANA (Ceylon) pointed out that the large number of resolutions on the subject of a world food reserve indicated the importance attached to the problem. The Committee's actions should be based not only on Council resolution 621 (XXII), to which the Australian representative had referred, but also on General Assembly resolution 827 (IX). The working group would take up both resolutions and examine all the proposals which had been put forward for their implementation with a view to proposing an effective solution to the whole problem.

28. Mr. Gopala MENON (India), replying to the Australian representative, said that the proposal in the three-Power draft resolution would not lead to duplication, and was intended merely to regularize the procedure for the production of the Secretary-General's report. There was no question of two reports being submitted to the twenty-sixth session of the Council; as he understood it, the words "in connexion with" implied that only one report would be produced.

29. The Australian representative had said that the three-Power draft resolution and the Egyptian draft resolution added nothing new; the same could be said of the United States draft resolution, the first operative paragraph of which repeated recommendations made in the Council resolution.

30. Furthermore, it seemed unlikely that the three-Power proposal for a working group would involve additional expenditure. Nor did the resolution represent a step backwards; on the contrary, it reinforced the terms of reference previously given to the Secretary-General by asking him to take into account proposals made since the original resolution had been adopted.

31. It was also difficult to see how the Egyptian draft resolution could be criticized on the grounds of prejudging the issue when it requested only that a report on the feasibility of establishing a world food capital fund should be prepared. No delegation would be committed merely by requesting a report for further details on a proposal.

32. Mr. CARLSON (Secretariat) said that the work being done in pursuance of Economic and Social Council resolution 621 (XXII) was being carried out, in the main, by FAO as the principal agency concerned, with consultation, whenever necessary, with UNICEF, the International Monetary Fund and the International Bank for Reconstruction and Development. The requests made in the Egyptian and the three-Power draft resolutions came within the framework of the Secretariat's present terms of reference in that matter, and

would therefore cause no difficulties. The present method of work was fairly informal; the entire group rarely met all together, and consultations were combined with other work. If the Committee wished the Secretariat to establish a formal working group, there would be travel and extra staff costs, amounting perhaps to \$2,500 or \$2,700. With regard to the date at which the Secretary-General's report was to be submitted, the Secretary-General had no preference either for the twenty-fifth or the twenty-sixth session of the Economic and Social Council, but FAO would prefer items in which it was interested to be discussed at the Council's summer sessions at Geneva.

33. Miss BLAU (Food and Agriculture Organization of the United Nations) confirmed that FAO would be able to contribute more effectively if the item were discussed at a summer session of the Economic and Social Council, preferably the twenty-sixth session, since that would give the FAO organs time to consider the report on the functions of a world food reserve and to submit their comments to the General Assembly. In general, FAO would be in a better position to make useful comments on the different aspects of the problem by that date than in the summer of 1957. Various studies were under way, and whether the work remained informal or was formalized within a working group, FAO would continue to give the Secretary-General all the help it could.

34. Mr. KENNEDY (Ireland) thought that the statements of the representatives of the Secretary-General and of FAO proved the relevance of the Australian representative's observations: a multiplicity of new resolutions would not necessarily help the work forward. His delegation, too, would find it difficult to support the three-Power joint draft resolution.

35. In reply to a question from Mr. QUEUILLE (France), Mr. CARLSON (Secretariat) said that the Secretariat found its present working methods adequate. If, however, the Committee wanted a joint statement by FAO and the Secretariat and possibly other agencies the Secretary-General could, of course, make the necessary arrangements; it would make little practical difference but would involve certain extra costs.

36. Miss BOWLBY (Canada) doubted that there was any point in adopting a resolution such as that submitted by the three Powers. She did not object to its ultimate objective, but felt that the present working arrangements were probably the simplest and best. She welcomed the FAO representative's assurance that FAO would continue to co-operate with the United Nations. She would not, therefore, be able to support the draft in its present form, for administrative and financial reasons.

37. Mr. GONZALEZ (Costa Rica) said that his delegation whole-heartedly supported the United States draft resolution, which offered a constructive start in the building up of national food reserves. It also supported the three-Power draft resolution, for it believed that a working group could make a useful contribution. He expressed appreciation of the valuable help given by FAO.

38. Mr. Gopala MENON (India) wondered if it would meet the objections to the joint draft resolution if the operative paragraph were amended to read:

"Requests the Secretary-General, in consultation with FAO and other agencies, to explore the possibility of setting up a working group to examine the practical possibilities of implementing the various

proposals made in the FAO report, as well as the various suggestions made at the twenty-second session of the Economic and Social Council and at the eleventh session of the General Assembly”.

39. Mr. MORALES (Argentina) said that that formula would be acceptable to his delegation. He wondered if the Egyptian representative would consider incorporating the substance of his delegation's draft resolution in the joint draft resolution. It might also be expedient to include a reference to the Commission on International Commodity Trade which should, he thought, examine any report emerging from that or other resolutions on national food reserves, since any measures taken would inevitably have repercussions on world commodity markets. In that connexion he would like to draw the Committee's attention to the precarious position of countries like his own, whose economies depended on their exports of foodstuffs. While they fully sympathized with the humanitarian intentions of the United States draft resolution and were ready to co-operate to the best of their ability, they hoped that their own difficulties would be taken into account in any practical application of the resolution.

40. Sir Alec RANDALL (United Kingdom) said that his delegation would not have been able to support the three-Power joint draft resolution, since it considered that a working group would be an unnecessary addition to the existing machinery. The proposed new wording did not help his delegation in any way, as it tended to assume that the General Assembly was in principle in favour of such a group.

41. Mr. KENNEDY (Ireland) thanked the Indian representative for his gesture of compromise, but thought that the emphasis in the operative paragraph of the joint draft resolution should be placed on the practicability rather than on the mere possibility of setting up a working group. The Secretary-General should also be asked to report back on his findings to the Economic and Social Council or the General Assembly.

42. Mr. ANIS (Egypt), referring to the Australian representative's statement, said that his delegation's draft resolution merely attempted to express explicitly what was implicit in the FAO report.

43. In view of the Argentine representative's suggestion, he would like the vote on both draft resolutions (A/C.2/L.307 and A/C.2/L.308) to be postponed.

It was so decided.

44. Mr. MYINT (Burma) said that since the substance of the amendment submitted jointly by his delegation and that of Thailand has been incorporated in the second revised draft of the United States resolution the delegations of Burma and Thailand wished to withdraw their amendment (A/C.2/L.303).

45. The CHAIRMAN invited the Committee to vote on the United States draft resolution A/C.2/L.297/Rev.2 as amended by Egypt.

The draft resolution as amended was adopted unanimously.

The meeting rose at 1.5 p.m.