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ESTABLISHMENT OF A WORLD FOOD RESERVE: REPORT
OF THE ECONOMIC AND SOCIAL COUNCIL

Draft report of the Second Committee

Rapporteur: Mr. J. P. BANNIER (Netherlands)

Covering note: the Rapporteur, in circulating his draft report, requests those delegations which wish to suggest any changes in this draft to submit them to him or to the Secretary of the Committee by the end of the meeting on Wednesday morning, 30 January 1957. In view of the fact that the summary records of the Committee's proceedings are available to the plenary meetings, the Rapporteur has not endeavoured to summarize the Committee's debates. This is in accord with generally accepted procedure and with the past practices of the Second Committee.

1. The General Assembly, at its 578th plenary meeting on 15 November 1956, allocated to the Second Committee for consideration and report item 28 of its agenda, "Establishment of a world food reserve: report of the Economic and Social Council".

2. The Committee had before it the following documents:

Report of the Economic and Social Council, chapter V, section 1 (A/3154).^{1/}

Questions relating to Economic Development. Memorandum by the Secretary-General (A/3192).

The statement made by the representative of Costa Rica at the 415th meeting, circulated at the request of the Chairman (A/C.2/L.298).

^{1/} Official Records of the General Assembly, Eleventh Session, Supplement No. 3.

It also received the following draft resolutions and amendments thereto:

United States of America: draft resolution (A/C.2/L.297 and Corr.1, A/C.2/L.297/Rev.1 and Corr.1, Spanish only, A/C.2/L.297/Rev.2)

Denmark: amendment to the United States draft resolution (A/C.2/L.299)

Burma and Thailand: amendments to the United States draft resolution (A/C.2/L.303)

Egypt: amendments to the United States draft resolution (A/C.2/L.309)

Ceylon, India and Indonesia: draft resolution (A/C.2/L.307)

Egypt: draft resolution (A/C.2/L.308).

3. The Committee considered item 28 during nine meetings (A/C.2/SR.415-419, 421 and 425-427). Twenty-three delegations took part in the general debate. The Director-General of the FAO also made a statement at the 421st meeting on 22 January 1957.

4. At its 415th meeting the Committee received a draft resolution submitted by the United States of America (A/C.2/L.297 and Corr.1), proposing that the General Assembly, (a) having in mind the desirability of achieving the objectives set forth in resolution 827 (IX), (b) considering that one of these objectives is the possible use of food reserves for meeting unforeseeable food shortages, (c) considering further the need of many countries for establishing or increasing national food reserves, and recognizing that many countries in the early stages of economic development are faced with special difficulties in establishing adequate reserves, (d) noting that resolution 621 (XXII) of the Economic and Social Council requests the Secretary-General to report to the twenty-fourth session of the Council, inter alia, on the feasibility, and, if feasible, the manner of using food reserves for meeting unforeseeable food shortages, should: (1) request the Secretary-General in preparing this report to include an analysis of the possibilities of promoting by way of consultations between importing and exporting member countries, the use of surplus agricultural commodities in building up national reserves to meet emergency situations or to prevent excessive price increases arising as a result of either a failure in local food supplies or increased demand due to economic development programmes; and (2) invite member countries in a position to make available surplus

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commodities further to consult with other member countries through the appropriate bodies established by FAO with a view to facilitating the establishment of national food reserves.

5. At the 416th meeting, an amendment to the United States draft resolution was submitted by Denmark (A/C.2/L.299), proposing to insert in line 2 of operative paragraph 2, after the word "commodities", the phrase "with due regard to the FAO principles of avoiding harmful interferences with a normal pattern of production and international trade".

6. At the 421st meeting, the representative of the United States of America presented a revised text (A/C.2/L.297/Rev.1) of his original draft resolution (A/C.2/L.297). In the preamble of the revised text the third and fourth paragraphs were proposed to read as follows:

"Considering further that many countries may need to establish or increase national reserves for this purpose, and recognizing that many countries which are in the early stages of economic development are faced with special difficulties in establishing adequate reserves, such as the fact that levels of consumption in the less developed countries are generally relatively low,

"Noting that resolution 621 (XXII) of the Economic and Social Council requests the Secretary-General in consultation with the Food and Agriculture Organization of the United Nations to report to the twenty-fourth session of the Council, inter alia, on the feasibility, and, if feasible, the manner of using food reserves for meeting unforeseeable food shortages,"

and a fifth paragraph was added, reading:

"Noting further that the Food and Agriculture Organization of the United Nations is engaged at the present time in a special study of the question of establishment of national reserves against emergencies,".

Under the revised operative part of the draft resolution, the General Assembly would: (a) request the Secretary-General in preparing his report pursuant to resolution 621 (XXII) of the Economic and Social Council to include, on the basis of his consultations with the FAO, an analysis of the possibilities and desirability of promoting, by way of consultations between importing and exporting member countries, the use of surplus foodstuffs in building up national reserves to be used in accordance with internationally agreed principles: (i) to meet emergency situations; (ii) to prevent excessive price increases arising as a result of a failure in local food supplies; (iii) to prevent excessive price increases resulting from increased demand due to economic development programmes, thus facilitating the

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economic development of less developed countries; (b) request the Economic and Social Council to consider the possibility of postponing until its twenty-fifth session its examination of the report of the Secretary-General in order to be in a position to take fully into account the discussions and the expert technical studies being undertaken in the FAO concerning the establishment of national food reserves; (c) invite both importing and exporting member countries to continue to consult through the appropriate bodies established by the FAO with a view to facilitating the establishment of national food reserves, with due regard for the FAO principles of surplus disposal, particularly the need to avoid harmful interference with normal patterns of production and international trade and to ensure that the use of surplus reserves will result in genuine additional consumption as defined in the FAO principles.

The amendment by Denmark (A/C.2/L.299), having been taken into account in the above revised text, was withdrawn by its sponsor.

7. At the same meeting, an amendment to the revised United States draft resolution (A/C.2/L.297/Rev.1) was submitted by Burma and Thailand (A/C.2/L.303), proposing to insert, after the first operative paragraph, the following new paragraph:

"2. Further requests the Secretary-General to examine whether such use of surplus agricultural commodities will lead to displacement of markets of those commodities, and the effects it may have on the economic and financial position of those under-developed countries which depend primarily on the exports of similar agricultural products."

The following operative paragraphs were to be renumbered accordingly.

8. At the 426th meeting, the representative of the United States of America, with reference in particular to the amendment submitted by Burma and Thailand, further revised his draft resolution by inserting after the first operative paragraph the following:

"2. Further requests the Secretary-General, in his analysis of the possibilities and desirability of the use of surplus foodstuffs for this purpose, to examine whether such use of surplus foodstuffs may lead to displacement of markets for those commodities and what effects it may have on the economic and financial position of those countries which depend primarily on the export of similar commodities";

and by renumbering the following paragraphs accordingly (A/C.2/L.297/Rev.2). The representatives of Burma and Thailand withdrew their amendment (A/C.2/L.303).

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9. At the same meeting the Committee received:

- (i) a draft resolution by Egypt (A/C.2/L.308), proposing that the General Assembly should request the Secretary-General in preparing his report in pursuance of resolution 621 (XXII) of the Economic and Social Council to include, in consultation with the FAO, consideration of the feasibility of establishing a "World Food Capital Fund";
- (ii) a draft resolution by Ceylon, India and Indonesia (A/C.2/L.307), proposing that the General Assembly should request the Secretary-General, in consultation with FAO and other agencies, to set up a Working Group to examine the practical possibilities of implementing the various proposals made in the FAO report (E/2855) 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, and to submit a report from the Working Group to the twenty-sixth session of the Economic and Social Council, in connexion with his report to be prepared in pursuance of resolution 621 (XXII) of the Council.

10. The representative of Egypt also submitted amendments (A/C.2/L.309) to the revised United States draft resolution (A/C.2/L.297/Rev.2), proposing to replace in the second and fourth paragraphs of the preamble the words "meeting unforeseeable food shortages" by the words "relieving famine and other emergency situations". The representative of the United States accepted the first Egyptian amendment relating to the second paragraph of the preamble of his draft resolution and the representative of Egypt stated that he was not pressing for his second amendment.

11. The revised draft resolution by the United States (A/C.2/L.297/Rev.2), as modified in the second paragraph of its preamble by the Egyptian rewording (A/C.2/L.309), was adopted unanimously.

12. The Second Committee therefore recommends to the General Assembly the adoption of draft resolution I annexed to the present report.

13. The Committee discussed the three-Power draft resolution (A/C.2/L.307) at its 426th and 427th meetings. In the light of the discussion and of the suggestions made by the representative of Ireland regarding drafting changes, and by the representative of Argentina regarding the possibility of consolidating in one single

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proposal the draft resolutions submitted respectively by Ceylon, India and Indonesia (A/C.2/L.307) and Egypt (A/C.2/L.308), the sponsors of the three-Power draft resolution revised the operative part of their proposal to read as follows (A/C.2/L.307/Rev.1):

"Requests the Secretary-General, in consultation with FAO and other agencies, to explore the desirability of setting up a working group to examine the practical possibilities of implementing the various proposals made in the FAO report (E/2855) including the feasibility of establishing a 'World Food Capital Fund' 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 and to report to the Council not later than its twenty-fourth session for appropriate action."

At the 427th meeting the representative of Egypt proposed to amend this revised operative paragraph by deleting the words "including the feasibility of establishing a 'World Food Capital Fund'"; this was agreed to by the sponsors of the draft resolution. The representative of Egypt stated that he did not require any action on his draft resolution (A/C.2/L.308).

14. The revised draft resolution by Ceylon, India and Indonesia (A/C.2/L.307/Rev.1), as modified by Egypt, was adopted by 33 votes to 9, with 18 abstentions.

15. The Second Committee therefore recommends to the General Assembly the adoption of draft resolution II annexed to the present report.

ANNEX

ESTABLISHMENT OF A WORLD FOOD RESERVE

Draft resolution I

INTERNATIONAL CO-OPERATION IN THE ESTABLISHMENT
OF NATIONAL FOOD RESERVES

The General Assembly,

Having in mind the desirability of achieving the objectives set forth in resolution 827 (IX),

Considering that one of these objectives is the possible use of food reserves for relieving famine and other emergency situations,

Considering further that many countries may need to establish or increase national reserves for this purpose, and recognizing that many countries which are in the early stages of economic development are faced with special difficulties in establishing adequate reserves, such as the fact that levels of consumption in the less developed countries are generally relatively low,

Noting that resolution 621 (XXII) of the Economic and Social Council requests the Secretary-General in consultation with the Food and Agriculture Organization of the United Nations to report to the twenty-fourth session of the Council inter alia on the feasibility, and, if feasible, the manner of using food reserves for meeting unforeseeable food shortages,

Noting further that the Food and Agriculture Organization of the United Nations is engaged at the present time in a special study of the question of establishment of national reserves against emergencies,

1. Requests the Secretary-General in preparing his report pursuant to resolution 621 (XXII) of the Economic and Social Council to include, on the basis of his consultations with the FAO, an analysis of the possibilities and desirability of promoting, by way of consultations between importing and exporting member countries, the use of surplus foodstuffs in building up national reserves to be used in accordance with internationally agreed principles:

(a) to meet emergency situations;

(b) to prevent excessive price increases arising as a result of a failure in local food supplies;

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(c) to prevent excessive price increases resulting from increased demand due to economic development programmes, thus facilitating the economic development of less developed countries;

2. Further requests the Secretary-General, in his analysis of the possibilities and desirability of the use of surplus foodstuffs for this purpose, to examine whether such use of surplus foodstuffs may lead to displacement of markets for those commodities and what effects it may have on the economic and financial position of those countries which depend primarily on the export of similar commodities;

3. Requests the Economic and Social Council to consider the possibility of postponing until its twenty-fifth session its examination of the report of the Secretary-General in order to be in a position to take fully into account the discussions and the expert technical studies being undertaken in the FAO concerning the establishment of national food reserves;

4. Invites both importing and exporting member countries to continue to consult through the appropriate bodies established by the FAO with a view to facilitating the establishment of national food reserves, with due regard for the FAO principles of surplus disposal, particularly the need to avoid harmful interference with normal patterns of production and international trade and to ensure that the use of surplus reserves will result in genuine additional consumption as defined in the FAO principles.

Draft resolution II

The General Assembly,

Having in mind the desirability of achieving the objectives set forth in resolution 827 (IX) of the General Assembly and resolution 621 (XXII) of the Economic and Social Council,

Requests the Secretary-General, in consultation with FAO and other agencies, to explore the desirability of setting up a working group to examine the practical possibilities of implementing the various proposals made in the FAO report (E/2855) 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 and to report to the Council not later than its twenty-fourth session for appropriate action.