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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)**

1. Mr. VAN DER LAAT (Costa Rica) said that his delegation had wished to open the debate on agenda item 28 entitled "Establishment of a world food reserve", not so much because two years previously it had asked for the inclusion of that item in the agenda of the General Assembly because Costa Rica, as an under-developed country, was vitally interested in the subject.

2. When the United Nations had discussed the question for the first time, at the ninth session of the General Assembly, the delegation of Costa Rica had pointed out to the Second Committee (328th meeting) that the Special Meeting on Urgent Food Problems held at Washington in May 1946 under the auspices of the Food and Agriculture Organization of the United Nations (FAO) had recommended that a system should be developed whereby the disorderly competitive buying by countries of foods in short supply should be eliminated and procurement undertaken in a co-ordinated manner to provide participation for all claimant countries, and had concluded by recommending the establishment of an intergovernmental allocating body whose objective should be to develop a sense of corporate responsibility between the different countries in respect of the needs of other countries as well as their own. The Meeting had ended by recommending that any conclusions of the FAO Conference should be referred to the United Nations.

3. That had been the origin of the report presented to the FAO conference in 1946¹ by Lord Boyd Orr, then Director-General of FAO. That report had dealt with the three basic problems of coping with emergencies, stabilizing prices and absorbing surpluses. Those three problems formed a whole, and the report had proposed that they should be dealt with by a world food board whose functions would be: first, the stabilization of agricultural commodity prices on the world markets, including the provision of the necessary funds for the stabilizing operations; and, second, the establishment of a world food reserve adequate for any emergency that might arise through crop failure in any part of the world.

¹ Food and Agriculture Organization of the United Nations, *Proposals for a World Food Board*, Washington, 5 July 1946.

4. The FAO Conference, held at Copenhagen, had endorsed the two general objectives set forth in the report and had agreed on the need for international machinery to achieve them, for which purpose it had established a preparatory commission composed of sixteen countries to consider all the proposals which had been submitted.

5. The ninth session of the General Assembly had adopted resolution 827 (IX), which requested the Secretary-General to invite FAO to prepare a factual and comprehensive report on what had been done and was being done in that connexion for submission to the Economic and Social Council, which would in turn submit a report to the General Assembly together with its own conclusions. The delegation of Costa Rica had been pleasantly surprised by the careful, detailed and comprehensive report on the question which FAO had submitted, under the title *Functions of a World Food Reserve—Scope and Limitations*² mainly because if read carefully it would be seen to go beyond the modest requirements of resolution 827 (IX).

6. To sum up, the FAO report contained the following concrete ideas which the delegation of Costa Rica endorsed and submitted to the judgement of the members of the Committee. Firstly, that the objectives of raising low levels of food production and consumption, fighting chronic malnutrition and promoting the rational disposal of intermittent agricultural surpluses could be achieved by means of a world food capital fund linked to the Special United Nations Fund for Economic Development (SUNFED); that was to say, essentially the system of reserves outlined in the report of Lord Boyd Orr but conceived on a wider scale and modified, chiefly in regard to its composition, in the light of the most recent information. Secondly, that the objective of contributing to relieve emergency situations could be achieved through the establishment of a special emergency fund. Thirdly, the delegation of Costa Rica suggested that the aim of stabilization, which it continued to regard as fundamental, could be achieved under a system for co-ordinating separate national reserves.

7. The Costa Rican delegation would not wish to overlook the plan outlined by various United States Senators, including Mr. Humphrey, United States representative at the eleventh session of the General Assembly, under which a world food bank would be set up, from which member countries could obtain loans of foodstuffs or fibres and when possible repay them in kind by means of other raw materials, or in cash. That plan was evidence of the anxiety over food problems which continued to preoccupy statesmen in the various countries.

8. His delegation wished to stress the need to continue and even to intensify the search for a solution to the problems to which he had referred, since it was

² Food and Agriculture Organization of the United Nations, *Commodity Policy Studies No. 10*, Rome, 1956.

monstrous that so many millions should suffer from hunger and malnutrition in 1957 and that so many more should die from the same causes. It was impossible to remain indifferent to the fact that a large part of the world's workers received wages which were insufficient for an adequate standard of living, owing not only to the unequal distribution of food throughout the world but also to the instability of prices of raw materials and food products.

9. It was paradoxical that for those reasons the agricultural workers in the under-developed countries should fare so badly economically and socially in comparison with the industrial workers in the more highly developed countries, and that the mainly agricultural countries should have a level of living so far below that of the industrial countries. Until a system was initiated which would enable international prices of agricultural products to be stabilized, the intolerable situation would continue in which agricultural countries sold cheap and bought dear, while the industrial countries sold dear and bought cheap—a situation which was detrimental not only to a large number of countries but also—which was far more serious—to each individual inhabitant of those countries.³

10. Mr. HUMPHREY (United States of America) said that when the Economic and Social Council had adopted resolution 621 (XXII), which requested the Secretary-General to report on the general subject of food reserves so that the Council might once more consider the subject and transmit its recommendations to the General Assembly at its twelfth session, the United States had abstained from voting because in its judgement, the question of a world food reserve had been adequately studied on several occasions, both by FAO and by independent experts. His delegation believed that the time had come for Governments to decide whether everything possible in the present state of development of international co-operation was being done to relieve acute distress due to food shortages, and whether it was being done in such a way as to speed and stabilize progress towards economic and social growth.

11. There were many programmes in existence under which the United Nations and FAO could ensure effective international co-operation and action in the case of emergencies. The many United States aid programmes were proof of his country's genuine desire to help other peoples in distress and showed that its negative attitude towards the establishment of world food reserves was concerned with means rather than ends.

12. The FAO report had shown conclusively that in any advanced planning of international relief action the main problem was not one of having to ensure the physical availability of stocks by advance storage. The establishment of a physical central reserve involved practical problems which remained unsolved. Although the alternative scheme—an international relief fund for the purchase of relief supplies in case of emergency—had been found by the FAO studies to be more workable, there was no indication that Governments in general, including that of the United States, would at the present time be prepared to pledge contributions to such a fund. Similarly, on the question of price stabilization his Government, although fully aware of the problems involved, was wary of more or less radical schemes of international regimentation.

13. In order to draw attention to approaches which might add realism to the further studies and evaluation

in progress, his delegation would shortly circulate a draft resolution⁴ suggesting a specific topic to be included in the Secretary-General's report requested in Council resolution 621 (XVIII). The establishment and maintenance of more adequate national food reserves, especially in crop-cycle and famine areas, would go a long way towards accomplishing most, if not all, of the purposes it had been hoped a world food reserve or a world food capital fund could meet. The construction of storage facilities and the accumulation of reserve stocks in such areas would seem to be an essential step towards general economic development. Surplus foods from abroad could be used to finance the cost of constructing such facilities and to provide some of the stocks to be held as an emergency reserve. Moreover, if storage space were available, the local Government's task of dealing with domestic surpluses in good years would be greatly facilitated. Years of abundance would be a blessing rather than an embarrassment.

14. The FAO report eloquently described the desirability of adequate national reserves in countries living near the margin of subsistence. Such reserves could be used at an early stage of an emergency, before panic and hoarding aggravated the situation. They would also afford some elbow-room for projects of economic development and could be drawn upon to help finance such projects, mitigating inflationary pressures caused by increased consumer demand resulting from intensified economic development.

15. Unfortunately, the need was greatest in the countries least able to afford diversion of output from current consumption to the building of stocks. His Government had therefore authorized him to state that, in accordance with its traditions, the United States was ready to make grants of agricultural commodities to countries facing famine or other emergencies. The United States was also prepared to make available to needy countries, under existing legislation and subject to further congressional authorizations, surplus agricultural commodities for the establishment of reserve stocks to meet special needs due to crop failures or other emergencies, or to mitigate excessive price effects of increased demand due to the economic development programmes. Such assistance was predicated on the development by the countries concerned of reasonable and realistic programmes and of safeguards to ensure the observance of the FAO principle of avoiding harmful interferences with the normal patterns of production and international trade. Such assistance would be provided under arrangements similar to those entered into with several countries in the past, under which large parts of the local currencies received in payment for agricultural commodities had been made available for financing economic development.

16. The United States Government was prepared to consult Governments of both importing and exporting countries through the FAO Consultative Sub-Committee on Surplus Disposal and its working party on national reserves with a view to facilitating the implementation of such programmes. The United States would also cooperate with other countries in the further elaboration of programmes for the establishment of national food reserves. It hoped that the proposals in the draft resolution to be circulated would suggest realistic lines of action which would serve the worthy purpose of improving the lot of the common man.

17. Mr. KAWASAKI (Japan) said that his delegation had listened with great interest to the Costa Rican

³ The full text of the statement was circulated as document A/C.2/L.298.

⁴ Subsequently circulated as document A/C.2/L.297.

representative's statement and had carefully studied the Costa Rican proposal for the establishment of a world food reserve. Although he found it somewhat difficult to reconcile the two main purposes of the proposal—price stabilization and the use of a food reserve for emergency purposes—the idea was sound and commendable, and should not be set aside as premature or impractical.

18. He had read with considerable interest the FAO report entitled *Functions of a World Food Reserve—Scope and Limitations*, and particularly the statement in paragraph 381 that the main purpose of a world food capital fund—that was to say, an international fund composed of surplus food stocks—would have to be seen in the assistance it could provide to economic development in the under-developed countries. The establishment of a food reserve should be further studied in conjunction with the establishment of SUNFED. In that connexion he drew attention to paragraph 2 of Economic and Social Council resolution 621 (XXII).

19. Some countries were in favour of solving the problem of food surpluses by bilateral arrangements, but Japan's experience had convinced it that that was not the best solution. If possible an international scheme should be devised. He accordingly hoped that the Secretariat would continue its study of the question in consultation with FAO and submit a report to the Council at its twenty-fourth session.

20. Mr. RAJAPATHIRANA (Ceylon) wondered whether it was wise to consider the question of a world food reserve apart from the wider background of economic development as a whole. Many countries had insufficient food to maintain a satisfactory standard of nutrition because *per capita* income was too low for the population to afford the necessities of life and so they did not maintain a steady demand for food from the areas which could supply them. Economic development must therefore precede the establishment of a world food reserve and create a demand for the food which was

available in the more fortunate parts of the world. At the same time, no steps should be taken which would result in the food surpluses of high-cost producers lowering the prices which were reasonable for foodstuffs grown in other areas. While welcoming the United States contribution to the discussion, he emphasized the primary importance of establishing organizations like SUNFED which would promote economic development.

21. Mr. QUEUILLE (France) considered that the United States representative had made an important contribution to the discussion of a subject of great humanitarian interest. The United States representative's statement, to which the Committee would undoubtedly respond with some emotion, was in a sense the culmination of an effort which had begun years earlier in the initiative of a few FAO officials or experts who had been appalled at the knowledge that tens, if not hundreds, of thousands of human beings had perished in the late nineteen-forties as a result of the last widespread famine in Asia because the abundant food supplies available elsewhere could not be brought to the affected areas.

22. Subsequently FAO, at its various conferences at Rome, had continued the good work to alleviate famine. Despite disappointments, those efforts had eventually led to the present result: it was apparent that the Committee's discussions had been to some purpose and had had an impact. It could be said that the obstacles were toppling, like the walls of Jericho at the sound of the trumpets, and that new vistas of hope had been opened up.

23. Mr. ELIZALDE (Philippines), who had just returned from a FAO meeting at Rome, cautioned the Committee against the danger of duplicating the work of FAO. It might be worth considering the desirability of giving further encouragement to FAO, which was primarily concerned with food and agricultural problems.

The meeting rose at 11.55 a.m.