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Chairman: Mr. Jorge Pablo FERNANDINI
(Peru).

AGENDA ITEM 47

Multilateral food aid (continued) (A/6703 and Corr.1, chap. IV, sect. I and II; A/6823, A/C.2/L.982):

- (a) Programme of studies on multilateral food aid: report of the Secretary-General (E/4352 and Add.1);
- (b) Review of the World Food Programme (A/C.2/238, A/C.2/240)

1. Mr. MOLLER (Sweden) said that all the available information indicated that there would continue to be a substantial food gap in many developing countries for some years. The reasons for that situation were well-known: the demand for food was running ahead of domestic production, which, in many cases, it had become more difficult to supplement by commercial imports, and food stocks had been reduced in exporting countries. That problem must in the long run be solved by the developing countries themselves, but the international community had a responsibility to assist them during the transition period.

2. The inter-agency progress report on multilateral food aid (E/4352 and Add.1) rightly emphasized the need to focus attention on the strengthening of the agricultural sector and related industries in the food-deficit countries. Land reform was particularly important in that connexion. But due attention must be given to the population problems of those countries and to their income and food distribution policies. The World Food Programme must continue and strengthen its relationships with the other United Nations agencies concerned and the Swedish delegation believed that the time had come to consider the steps needed to co-ordinate the various food aid programmes. It supported the suggestion to that effect made by the United States representative (1163rd meeting), while remaining convinced that, instead of creating new agencies, use should be made in the first place of existing international institutions and, in particular, of the World Food Programme, whose administration and methods had so far given every satisfaction.

3. For that reason, the Swedish Government had from the outset supported the target of \$200 million for the years 1969 and 1970. The draft resolution submitted by the Economic and Social Council in its resolution 1255 (XLIII) provided, however, that one third of that sum should be provided in cash and services. Sweden did not intend to offer shipping services as part of its contribution and it hoped that other contributing Governments would do likewise. His delegation associated itself with the remarks made on that point by the representative of Norway.

4. With regard to the Food Aid Convention which forms part of the International Grains Arrangement 1967, Sweden would make an annual contribution of 54,000 tons of grain or the equivalent of some \$3.5 million for three years. In addition, it would provide the amounts necessary for the shipment of that grain (approximately \$1 million a year) and the sum of \$200,000 to cover administrative costs. Those grain deliveries and funds would be made available to the Programme in order to promote the most efficient co-ordination of multilateral and bilateral food aid.

5. Mr. CUMES (Australia) said that the problem of food aid, which was at best a palliative, had to be examined in the context of the world food situation. Not only should food aid not be expected to solve all economic problems, but if excessive hopes were placed in it, the ultimate result might be to aggravate the food deficit. By increasing the resources which a developing country could devote to expenditure on industrial imports and industrialization projects, food aid might reduce the demand for primary commodities and thus the export earnings of the majority of developing countries. The deterioration in the terms of trade of those countries was, however, due to the rise in the prices of industrial products. Furthermore, food aid would not encourage the production of foodstuffs in the recipient countries. The best means of achieving that objective was to increase the return to farmers; hence the need to maintain effective demand and the remuneration of producers at a reasonable level. The real dilemma to which attention should perhaps be given was how, in those circumstances, to ensure prices enabling the consumer to get the food he needed.

6. The burden of food aid should be equitably shared by all the affluent countries. The Australian Government supported the principle of a multilateral element in the distribution of such aid.

7. The bulk of Australia's food aid would, however, continue to be provided on a bilateral basis. He thought it would be dangerous to implement a multilateral food aid programme on the scale envisaged in FAO projections. The chief objection to such projections was that

they tended to be related to current levels of production and thus gave rise to demands and expectations which must inevitably be disappointed.

8. The problem of food aid should be the subject of continuing study. In that connexion, it would be useful to set up a group of experts appointed jointly by the United Nations and FAO to co-ordinate the work of the United Nations, GATT, IBRD and other agencies concerned with food aid. The Australian delegation would be prepared to support a resolution setting a target for the World Food Programme similar to that adopted by the Conference of FAO at its fourteenth session. It would, on the other hand, have very serious reservations about the establishment of a separate protein promotion fund. The main reliance should be placed on the expansion of existing programmes and the use of the latest scientific and technical discoveries. That was an area in which the Advisory Committee on the Application of Science and Technology to Development and the Office of the Director for Science and Technology in the Secretariat had already done useful work, which it was hoped they would continue.

9. Mr. VERCELES (Philippines) said that the existing food shortage was an anachronism in a world that was making gigantic strides forward. It was a difficult problem whose solution would call for vision, courage and sacrifice. His delegation welcomed the excellent co-operation being extended to the World Food Programme and FAO by other members of the United Nations system as well as the stress which the Programme was placing on projects directed towards social and economic development. Food aid should be integrated into long-term programmes, and the developing countries should, for their part, give the necessary priority to agricultural expansion. His delegation supported Economic and Social Council resolution 1255 (XLIII) and felt that the "mixed cash and in-kind" food aid programmes represented a practical, flexible approach.

10. The International Rice Institute in the Philippines had succeeded in developing a species of rice which could revolutionize food production in Asia. The yield per acre of the so-called "miracle rice" was roughly fifteen times as great as the average yield. The Institute stressed, however, that other varieties would have to be developed in order to meet the requirements of other regions. It would be useful for the World Food Programme, FAO and other United Nations bodies to make appropriate arrangements with the Philippine Government with a view to making the benefits of the new discovery more widely available.

11. In conclusion, he wished to thank the Ford and Rockefeller Foundations and scientists from other rice-producing Asian countries for the part they had played in establishing the Institute and bringing its work to fruition.

12. Mr. THAWLEY (New Zealand) said that his delegation had studied with special care the Secretary-General's progress report (E/4352 and Add.1), which, like the report of the Director-General of FAO to the Committee on Commodity Problems,^{1/} clearly

showed the seriousness of the problems posed by the food shortage in the developing countries.

13. In the light of those studies, his delegation felt that co-ordinated international action was essential in dealing with the world food problem. The Director-General of FAO and the Secretary-General should, as a matter of priority, make an analysis of the institutional arrangements required in order to administer expanded programmes of multilateral food aid. The analysis should be submitted to FAO's Committee on Commodity Problems and the Economic and Social Council, and should aim at the use of existing institutions, particularly the World Food Programme. Mr. Boerma's experience in the World Food Programme would be of great value to that joint study, as well as to the future operation of multilateral food aid programmes.

14. His country, which was a traditional food producer and exporter, was currently having difficulty in marketing its products. Food production techniques had been greatly improved through the application of scientific agricultural methods. The existence of the food shortage made it essential for New Zealand to maintain its production, and it was attempting to increase it further. In most industrialized countries, on the other hand, the tendency was to support and protect agricultural production, with an adverse impact on commercial markets. Any reduction in the over-all return in the agricultural sector undermined New Zealand's economic stability and its ability to participate in aid programmes of the traditional type. His delegation felt that an international approach to food aid, if it were to be meaningful, must necessarily take into account the position of traditional food exporters which had developed efficient and economic production to meet the food needs of the world.

15. The importance of the Food Aid Convention lay in the fact that, for the first time, joint commitments, with participation by both importers and exporters, relating to food aid had been negotiated as an essential element of a settlement concerning commercial commodity trade. The grains arrangement was a significant step towards a new approach to commodity problems. His country was encountering difficulties in marketing its dairy products and had therefore been studying means by which dairy production could be channelled into food aid in a manner which would, at the same time, help to ease the pressures which were being increasingly felt in commercial markets. An arrangement of that kind might be a means of avoiding the build-up of surpluses of dairy products, particularly of butterfat products. In that connexion, New Zealand was taking steps, in co-operation with the World Food Programme, to test a whole-milk biscuit which had the dual advantage of overcoming the difficulties involved in the processing and distribution of whole milk as an aid commodity and of enabling countries to use their butterfat surpluses for that purpose. His country also felt that it should be possible to do more to exploit the capacity of existing milk-reconstitution plants in developing countries as part of a co-operative approach to food aid. The potential for diverting skimmed milk from animal feed uses to food aid required study, and it was grati-

^{1/} See document E/4370.

fyng to learn that FAO was initiating a technical study of the possibilities of making greater use of dairy products in food aid.

16. His delegation felt that any multilateral approach to the sharing of the food aid burden required contributions from both the specialist producing countries and the importing countries.

17. Broadly speaking, the world food problem resulted from the population explosion under way in many developing countries, from rising income levels which increased demand, and from the failure of food production to sustain a sufficiently high rate of increase. Another factor was the protein deficiency to be found in the diet in many developing countries. His delegation therefore felt that population control could make a positive contribution to the reduction of the food gap and that more attention should be given to means of increasing food production in the developing countries. In that connexion, programmes like the fertilizer programme would give all the developed countries an opportunity to help to reduce the food gap and to contribute to the economic and agricultural development of the developing countries.

18. In considering the priorities for future work, apart from the institutional study, his delegation felt that first attention should be given to determining whether it would be possible for different groups of food-producing countries to contribute the commodities needed for aid programmes. The next highest priority should be given to further study of the absorptive capacity of potential recipient countries. Future work should be based on those two studies. Further long-term studies of the precise magnitude of the food gap could perhaps be postponed; it was more important now to find ways of filling the known serious gap and of using food aid to help the transition of developing countries so that ultimately food aid could be replaced by commercial imports.

19. His delegation supported the draft resolution recommended by the Economic and Social Council with regard to the World Food Programme. Its support of the resolution did not, however, imply a commitment by his Government concerning the level of any future pledge to the Programme.

20. Mr. KAUL (India) said that no country was more aware than his own of the importance of food aid, whether bilateral or multilateral, since for ten years output had been insufficient to cover requirements. India hoped, however, to be able to overcome its difficulties by 1971. It was wrong, incidentally, to think that India had developed industry at the expense of agriculture. Agricultural output had actually increased by more than 70 per cent between 1952 and 1965, thanks, in particular, to the use of improved methods. The increase had gradually revealed the need for conducting at the same time a technological revolution in agriculture involving, among other things, the training of numerous skilled personnel. If that revolution were to be carried out, a considerable amount of foreign currency would be needed. For agriculture as well as industry, therefore, external financial assistance was still an indispensable requirement to the developing countries.

21. It was important that food aid should be granted on terms which enabled the developing countries to devote all the resources at their disposal to the execution of their development programmes. Furthermore, owing to its special nature, such aid must not be regarded as forming part of economic aid as a whole.

22. While some of the estimates contained in the Secretariat documents might be open to question, it was nevertheless true that the conclusion which emerged from them was perfectly clear: during the next few years, food aid would almost certainly have to be increased.

23. So far as concerned multilateral aid, on the one hand, and bilateral aid, on the other, the Indian delegation thought that what had to be done at present was to co-ordinate the two forms of assistance in the best possible way. In general, however, it would be desirable to create an enlarged multilateral programme within the United Nations system. He was also of the opinion that food aid should mainly be granted in the form of gifts. Unfortunately, there was a tendency in some countries today to place such aid on the same footing as assistance granted in the form of loans. One could only advocate, in that connexion, the adoption of a flexible attitude which would enable the economic situation of the beneficiary country to be taken into account in each case.

24. The increase in food production must necessarily be accompanied, in the developing countries, by a policy for the limitation of births. The Indian Government, for its part, had instituted a family-planning programme aimed at bringing the birth rate down from 2.5 per hundred to 1.6 per hundred during the next ten years.

25. India welcomed the signature of the Food Aid Convention, which represented an attempt to institutionalize the division of responsibility among all the developed countries. The figure of 4.5 million tons, however, which had been set as the target for the volume of aid to be granted under the Convention, was low.

26. The food situation in the world as a whole was less critical, though, than what one was usually given to suppose. The real remedy lay in stepping up output in the developing countries themselves. But it should be pointed out that those countries were making real efforts in that direction, though not much was known about them. So far as India was concerned, for example, the aim of its Fourth Plan was to raise the grain output to 120 million tons by 1970-1971. And that was not an exaggeratedly optimistic figure, since already in the current year the volume of output would amount to 95 million tons.

27. He welcomed the achievements of the World Food Programme and urged all the participating countries to increase their contributions, so that the target of \$200 million set for the years 1969 and 1970 could be reached at the third pledging conference. His delegation firmly supported, in that connexion, Economic and Social Council resolution 1255 (XLIII). If the application of the Food Aid Convention resulted in an enlargement of activities under the Programme, it was to be hoped that the present conception of the Pro-

gramme would be modified and that efforts would be directed towards the carrying out of programmes rather than of projects.

28. Mr. LOBANOV (Union of Soviet Socialist Republics) recalled that the Soviet delegation had abstained from voting on Economic and Social Council resolution 1255 (XLIII). In view, however, of the importance of the question to the developing countries, his delegation would not oppose the adoption by the Second Committee of the draft resolution submitted by the Council, provided it was understood that the Soviet Union would in no way be bound by the provisions which contained financial implications, in particular, operative paragraph 1.

29. Mr. SULEIMAN (Libya) said that multilateral food aid was of great importance to many developing countries on account of the shortage from which they were suffering, a shortage which was due to the combined effect of a high birth rate and a low output of food. It was to the solution of that dual problem, therefore, that efforts should be directed. While needing the assistance of the developed countries in that matter, the developing countries must not therefore consider such assistance as a permanent and complete solution.

30. In the view of his delegation, multilateral aid was the best form of assistance to the developing countries, for it obviated the disadvantages that might arise from the conflicting policies of individual donor countries. His delegation therefore gave its full support to the draft resolution submitted by the Economic and Social Council, which set a target of \$200 million for the World Food Programme for the years 1969 and 1970.

31. The CHAIRMAN said that the general debate on sub-item (b) of agenda item 47 was closed. If there were no objections, he would consider that the Committee decided to adopt the draft resolution which was submitted by the Economic and Social Council and which was contained in document A/6823.

32. Mr. SVAB (Czechoslovakia) wished to clarify that his delegation's approval of the draft would not indicate a change of attitude of his Government. It would not imply any commitment to accept a specific target for the contributions to the World Food Programme.

33. The CHAIRMAN said that the representative of Czechoslovakia had just expressed a reservation but not opposition to the draft resolution. Since there was no opposition, he would consider the draft resolution as adopted.

It was so decided.

34. Mr. AHMED (Pakistan), introducing draft resolution A/C.2/L.982 on multilateral food aid, submitted by Pakistan and the United States of America, stated that Ghana, India, Indonesia, Iran, Jamaica, Nicaragua,

Nigeria, the Philippines and Turkey had asked to co-sponsor it.

35. Following consultations with other delegations, the sponsors had revised their text as follows. At the end of the first preambular paragraph, they had added the words "as well as recommendation A.II.6 of the Final Act of the United Nations Conference on Trade and Development at its first session",^{2/} and at the end of the third preambular paragraph, the words "and embodies, *inter alia*, the principle that food aid benefits food-exporting developing countries as well as food-deficit developing countries". At the end of the introductory passage in operative paragraph 1, they had added the words "and bearing in mind the need to safeguard both commercial trade and domestic agriculture in recipient countries", and at the end of sub-paragraph (a) of that paragraph, the words "and at the second session of the United Nations Conference on Trade and Development". In operative paragraph 2, they had replaced the words "maximum use of the facilities and experience of the World Food Programme" by "use of multilateral facilities".*

36. Mr. AITKEN (Jamaica) proposed the insertion of the words "and assess" after the words "to review" in operative paragraph 1 (b).

Mr. Attiga (Libya), Vice-Chairman, took the Chair.

37. Mr. GEORGE (France), supported by Mr. MacLAREN (Canada) and Mr. BRADLEY (Argentina), said that the text had been distributed so late that he had not had time to ask his Government for instructions, and proposed that the vote on it should be postponed until a later meeting.

Mr. Fernandini (Peru) resumed the Chair.

38. The CHAIRMAN said that he had had no intention of putting the revised draft resolution to the vote at the present meeting.

AGENDA ITEM 43

Development of natural resources (A/6703 and Corr.1, chap. VI, sect. 1; A/6923, E/4302)

39. The CHAIRMAN stated that, as the Ad Hoc Committee on the Survey Programme for the Development of Natural Resources had not finished its work, its report would be submitted to the Economic and Social Council at the resumed forty-third session. In any case, it would be best to defer consideration of the item to a later date.

It was so decided.

The meeting rose at 5.5 p.m.

*The revised text was subsequently circulated as document A/C.2/L.982/Rev.1.

^{2/} See Proceedings of the United Nations Conference on Trade and Development, vol. I, Final Act and Report (United Nations publication, Sales No.: 64.II.B.11).