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

Statement by the representative of Costa Rica to the Second Committee
on 11 January 1957

Mr. Chairman:

My delegation desired to open the general debate on the item "Establishment of a world food reserve", not so much because it is the delegation which requested the inclusion of the item on the agenda of the Assembly two years ago, but rather because Costa Rica, as an under-developed country, is vitally interested in the subject and has for that reason renewed the effort to seek, within the framework of the United Nations, the necessary long-term solution to the world's food problems, so greatly aggravated by the Second World War.

Looking back, it is quite astonishing to see how deep was the concern with that subject in 1945 and 1946, and how many were the altruistic and imaginative ideas and projects laid before the international organs then coming into being. On this occasion, as on so many previous ones, it seems to me appropriate to pay yet another tribute to Lord Boyd Orr, the champion of those ideas and of so many other generous actions.

When, at the ninth session of the General Assembly, we discussed this item for the first time, my delegation recalled that the Special Meeting on Urgent Food Problems, held at Washington in May 1946 under the auspices of the United Nations Food and Agriculture Organization, 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 inter-governmental 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".

At that time, the responsibility for dealing with the world food situation on an emergency basis was vested in UNRRA, but at the Washington Meeting it was felt that the matter should be carried further and that the temporary organization (UNRRA) should be succeeded by a permanent one. The Meeting reached the conclusion that the establishment of such a permanent organization, or at least the detailed consideration of plans for its establishment, should be a function of the United Nations General Assembly.

In the light of that opinion and with a view to providing "at an early date" for longer term machinery to deal with certain practical international problems "connected with present emergency action in the field of agriculture", the Washington Meeting requested the Director-General of FAO to submit to the Conference of that Organization at its next session "a survey of existing and proposed inter-governmental organizations designed to meet long-term problems concerned with production, distribution and consumption of food and agricultural products, including the RISK of accumulating surpluses". It also requested him to make proposals to the Conference "on any extension of the functions of existing organizations or on ANY NEW ORGANIZATION WHICH THE SURVEY MAY INDICATE AS NECESSARY", and, in preparing such proposals, to bear in mind: "(a) the necessity of securing the widest possible co-operation between nations and between the inter-governmental agencies concerned with increasing the production and consumption of food and agricultural products; and (b) the need for effective measures to prevent a recurrence of shortages or the accumulation of surpluses of food and agricultural products, and for dealing with such shortages or surpluses should they develop". The Meeting concluded by recommending that any conclusions of the Conference of FAO should be referred to the United Nations.

That was the origin of the report by the Director-General of FAO, then Lord Boyd Orr, a report described by a member of my delegation at the ninth session of the General Assembly as a real milestone in the history of mankind's economic integration. Indeed, it was realized in that report that the permanent organization, if it came into being, would have to be much wider in scope than the Washington Meeting had foreseen.

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The report took as a basic premise the incontrovertible fact that the food problem was not merely a question of shortages and surpluses, but was really due to the instability of prices.

The report dealt with the three basic problems of coping with emergencies, stabilizing prices and absorbing surpluses. Those three problems were elements in a much bigger problem which the report proposed should be dealt with by a World Food Board, whose functions were to be as follows:

- (a) stabilization of prices of agricultural commodities on the world markets, including provision of the necessary funds for the stabilizing operations;
- (b) establishment of a world food reserve adequate for any emergency that might arise through failure of crops in any part of the world.

The FAO Conference, which met at Copenhagen, endorsed the two general objectives set forth in the Orr Report. In addition, it agreed on the need for international machinery to carry them out and to that end established a preparatory commission, composed of sixteen countries, for the purpose of considering all the proposals which had been put forward in the matter.

We feel, however, that all that was very premature. The sixteen-member commission met in October 1946, that is to say, only a few months after the end of the war and at a time when the food problem with which the world was then actually confronted was the emergency situation that then existed. Unfortunately, that was not the time for long term solutions, for there were many needs which had to be met quickly. For that reason, the measures recommended by the sixteen-member commission, even though they were in conformity with the general lines of the Orr Report, did differ from the Report to some extent and were characterised by a measure of urgency, measures that of 10 per cent and firm solutions.

A few years went by, and in 1954, the Government of Costa Rica, which had perhaps the time had done for all of us to think in terms of long term solutions. Now, the problem of feeding the world, as we said at the time, has moved beyond the purely technical stage of production and distribution and has become a social and a political problem of international dimensions. It is indeed now the only question at issue for the United Nations General Assembly. The requirements for the problem of feeding the world as had been recommended by the Washington Special Meeting on Urgent Food Problems.

In all humility and without claiming to have any magic formula, my country brought the question before the Assembly. We did not want it to be considered hastily at the ninth session of the Assembly and we do not want it to be dealt with hurriedly at this session. We feel that the question is of so transcendental a nature and its scope so wide and varied that we should have as much information as possible on its substance and ramifications before we adopt any final resolutions.

It was with that in mind that my delegation together with those of Australia, Bolivia, El Salvador, France, Indonesia, the Netherlands, Peru, Saudi Arabia, and Uruguay submitted a draft resolution to this Second Committee which later became General Assembly resolution 827 (IX). That resolution requested the Secretary-General to invite FAO to prepare a factual and comprehensive report on what had been done and was being done in this connexion for submission to the Economic and Social Council, which would in turn submit a report to the Assembly on the question together with its own conclusions.

Thus we now have the FAO report and the report of the Economic and Social Council before us.

The very careful, detailed and comprehensive report which FAO submitted on the question has been a very pleasant surprise to my delegation mainly because, if read carefully, it will be seen to go beyond the requirements, which we consider modest, of resolution 827 (IX).

That resolution, while it expressed the Assembly's conviction of the need for continued national action and international co-operation both to "raise the levels of production and standards of consumption of food in many areas of the world where famine or chronic malnutrition is a major problem" and to "prevent unduly large short-term fluctuations in agricultural prices and to this end to promote the rational disposal of intermittent agricultural surpluses", while - I repeat - the resolution laid down those two objectives, it is certain that, within the specific scope of a possible World Food Reserve, the Assembly envisaged the possibility that such a reserve might act "as an institution which would contribute to relieve emergency situations and to counteract excessive price fluctuations".

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Thus the resolution laid down two objectives. They may be remote and they may be ambitious, but they are useful, valid and worth fighting for. At the same time, it was concerned with the feasibility of a Food Reserve to achieve two objectives of a more immediate nature.

The FAO report took on even greater merit when it observed that it did not confine itself to dealing with immediate goals but also took in long-range objectives, examining those four goals in terms not only of the feasibility of establishing a Food Reserve but also of other kinds of solutions which my delegation considers should be examined in conjunction with each other under the general item now before this Committee.

RELIEF OF EMERGENCY SITUATIONS

With regard to the objective which resolution 827 (IX) considered feasible for a Food Reserve, namely, "to contribute to relieve emergency situations", the FAO report contains a new and very interesting idea when it states that its experts "took the view that the desired conditions of utmost speed and flexibility of relief operations could best be met through the establishment of an INTERNATIONAL RELIEF FUND, endowed with sufficient financial resources" in money or credit "for ad hoc purchases of relief supplies as and where needed, rather than through the creation of an internationally owned Emergency Food Reserve physically established in advance."

The Economic and Social Council - in resolution 621 (XXII) - has already requested the Secretary-General, in consultation with the Food and Agriculture Organization and such other organizations and experts as he considers necessary, to report on whether food reserves could be used for meeting unforeseeable food shortages and, if so, how this could be done.

It appears to us, however, that it might at the same time be advisable to ask FAO to elaborate to some extent on its idea of an International Relief Fund and on the possibility of putting it into effect.

My delegation never for an instant regarded the idea of a food reserve as a panacea for all ills or as the only way of dealing with them. It therefore welcomes FAO's suggestion regarding an International Relief Fund and, if called upon to do so, will co-operate willingly in the task of determining how such a fund can be brought into being.

EXCESSIVE PRICE FLUCTUATIONS

Another of the measures which resolution 3777 (XIV) suggested for the food reserve was the prevention of unduly large short-term fluctuations in prices. The FAO report is basically in favour of this but it points out various practical obstacles which make it doubtful that this objective could at the present time be achieved through the establishment of the reserve.

However, the FAO report, like the discussions in the Economic and Social Council and the resolutions adopted by it, opens the way for consideration of a system of co-ordinating the various national reserves so as to serve the objectives being pursued while the obstacles referred to by FAO are gradually being removed.

Such a system of co-ordination of national reserves could be set up within FAO and would be well acceptable for FAO to take the initiative or could assume such a role, and, if so, in what form and at what time, and make any other relevant suggestions in this connection.

REPORT OF THE GROUP OF PRODUCTION AND CONSUMPTION COUNTRIES ON THE

One of the goals of the Group of Production and Consumption Countries is to "restrain low levels of production of foodstuffs and agricultural raw materials"

In this regard, the Group has suggested that the production of foodstuffs and agricultural raw materials should be controlled in order to prevent a sharp decline in the world market.

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REPORT OF THE GROUP OF EXPORTING COUNTRIES

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also highly constructive point of view, namely, the possibility of setting up a World Food Capital Fund, the proposal to which I referred to a moment ago and the relation of which to SUNFED should be of interest to us.

To sum up, the FAO report contains the following concrete suggestions which my delegation is glad to make its own and to place before the members of the Committee:

First: 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 SUNFED. This is essentially the system of reserves outlined in the Orr report but conceived on a wider scale and modified, chiefly in regard to its composition, in the light of the most recent information.

Second: The objective of "contributing to relieve emergency situations" could be achieved through the establishment of a Special Emergency Fund.

In addition my delegation suggests that the aim of stabilization - which we continue to regard as fundamental - could be achieved under a system for co-ordination, not separate national reserves.

These and other ideas merit our consideration. The Costa Rican delegation would likewise not want to overlook the plan sketched out by various United States Senators, including the Right Honourable Hubert Humphrey, United States representative at this session of the General Assembly, under which there would be set up a World Food Bank from which member countries could obtain loans of foodstuffs or fibres and when possible would repay them in kind, by means of other raw materials, or in cash.

This plan is evidence of the anxiety over food problems and the desire to solve them on an international scale which continue to preoccupy the most enlightened statesmen in the various countries.

In conclusion, my delegation wishes to stress the need to continue and even to intensify the search for a solution of the problems with which we are concerned, since it is truly inhuman that in 1957 there should exist so many millions suffering from hunger and malnutrition and that so many more should die from the same causes.

We cannot remain indifferent to the fact that a large part of the world's workers receive wages which are 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 for raw materials and food products.

It is paradoxical that on account of this inequality and instability, the agricultural workers in the under-developed countries should find themselves so badly off 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 we put into effect a system that will enable international prices of agricultural products to be stabilized, we shall continue in this intolerable situation in which agricultural countries sell cheap and buy dear, while the industrial countries sell dear and buy cheap, a situation that is detrimental not only to a large number of countries but also, and what is far more serious, to every one of their inhabitants.
