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SUMMARY RECORD OF THE 33rd MEETING

Chairman: Mr. VALDES (Bolivia)

later: Mr. LOHANI (Nepal)

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The meeting was called to order at 10.50 a.m.

AGENDA ITEM 57: UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION: REPORT OF THE INDUSTRIAL DEVELOPMENT BOARD (A/31/3/Add.1 (Part I), A/31/16, A/31/197) (continued)

1. Mr. SHAH (Pakistan) said his delegation was convinced that the most effective means of promoting high growth rates and achieving a higher level of technology in all sectors of the economies of the developing countries was rapid industrialization. UNIDO could play a significant role in that regard.
2. His delegation therefore found it necessary to express its disappointment at the meagre progress which had been made towards the realization of the goals laid down in the Lima Declaration and Plan of Action. While noting with appreciation the decision taken at the tenth session of the Industrial Development Board concerning the establishment of the Industrial Development Fund, the estimated increase in available funds from \$3.3 million to \$5 million was not an adequate response to the needs of the industrial programmes for the developing countries. That fact was underlined when UNIDO's funds - which totalled \$45 million when UNDP contributions were included - were compared with the funds available to specialized agencies working in such sectors as food and agriculture and health, whose resources ranged between \$150 million and \$200 million. Industrialization of the developing countries would benefit all countries, including in particular the industrialized countries, because of the demands it would generate. The lack of financial support by the developed countries for UNIDO was therefore short-sighted. Accordingly, he urged all countries to adopt a more positive attitude towards the industrialization of the developing countries in general and towards UNIDO in particular, and to support actively the institutional processes and targets agreed on at the Lima Conference.
3. The system of consultations agreed upon at Lima would provide a most effective means of furthering the objectives regarding the redeployment of industries that were no longer internationally competitive from the industrialized to the developing countries and would dispel the fears expressed by some industrialized countries concerning the destabilizing effects such redeployment might have on their social policies and structures.
4. Another institutional issue affecting the industrialization programme was the resistance of the developed countries at the meetings of the Intergovernmental Committee in Vienna to the establishment of UNIDO as a specialized agency. In view of UNIDO's inability - due to limited resources - to play its assigned role in the industrialization process, his delegation believed that, if the difficulties at Vienna continued, the developing countries might be compelled to take action at the appropriate political level to decide the issues arising in regard to the constitution of UNIDO.
5. He pointed out that progress towards the establishment of an industrial and technological information bank under the aegis of UNIDO had been very slow. He was, however, encouraged by the experts' recommendation that a pilot scheme should be launched in a limited area to test the scope, application, cost and practical uses

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(Mr. Shah, Pakistan)

of such information. He urged speedy implementation of the recommendation and, without prejudging the results, an equally speedy follow-up.

6. His delegation had noted with interest the programme of study and research initiated in UNIDO and took special note of issues relating to the under-utilization of industrial capacity in parts of the third world. Such under-utilization, which was largely due to the erection of trade barriers by the industrialized countries against imports from developing countries, was not in the interest of either developing or developed countries.

7. Mr. CHRISTOFI (Cyprus) said that the developing countries attached high priority to their industrialization, in the belief that it was only through such a process that they could ever hope to accelerate their economic development and achieve expansion of trade and substitution of imports, thereby contributing to a narrowing of the gap between developed and developing countries and to the realization of a new international economic order.

8. The rapidly changing world economic situation necessitated the adoption of measures designed to promote equity, equality and mutuality, principles which could be sustained only through international co-operation. The Lima Declaration and Plan of Action aimed at achieving just and equitable economic relations, and the Industrial Development Board had quite rightly devoted much of its attention to matters connected with their implementation. The establishment of the proposed Industrial Development Fund warranted the unqualified support of all countries.

9. His delegation had been gratified to note from the report of the Industrial Development Board (A/31/16) that progress was being made on various issues, particularly the evolution of the system of consultations on possibilities of co-operation, the establishment of an industrial and technological information bank, and international industrial co-operation. It had also been happy to note the commendable work undertaken in relation to the achievement of the target of a 25 per cent share by developing countries of the world's total manufacturing capacity. That target was not unrealistic, provided that there was the political will.

10. His delegation hoped that the internal restructuring of UNIDO would contribute towards more efficient, expeditious implementation of technical assistance projects and that the promotion of co-operation between UNIDO and other United Nations bodies would facilitate UNIDO's role by eliminating risks of duplication.

11. His delegation was confident that, given the political will and such prerequisites as technical expertise and technology, the path towards industrial development would become smoother. UNIDO's unique role of guide and catalyst would be strengthened once it became a specialized agency. Recalling that UNIDO would soon celebrate its tenth anniversary, he urged the organization to take the opportunity to reflect on its accomplishments and identify any weaknesses it might have, so as to be ready with suggestions and recommendations when the Third General Conference was held. Meanwhile, it should continue to emphasize action-oriented programmes as perhaps one of the main ways in which it could enhance its usefulness to developing countries.

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12. Mr. WAHAB (Iraq) said that his delegation had studied with interest the report of the Industrial Development Board (A/31/16). In its view, the imbalance in international trade must be corrected and a new system based on justice and equality for all States must be instituted, in accordance with the resolutions adopted at the sixth and seventh special sessions of the General Assembly and at the Lima Conference. Such a reform required good faith and political will on the part of the developed countries and must not be achieved at the cost of any political sacrifice on the part of the developing countries.

13. Iraq was aware that its industrialization must be accomplished within the context of over-all integration of the Arab world. At the same time, the development and industrialization of each country must be based primarily on its own natural resources; accordingly, he drew attention to the need to establish a petrochemical industry, for instance, in Iraq.

14. He stressed the importance of UNIDO's role and its valuable service in the development of the developing countries, particularly through its provision of information. He associated his delegation with those that wished to see UNIDO strengthened and transformed into a specialized agency, and supported the creation of a system of consultations and the establishment of an industrial and technological information bank.

15. Mr. EL-ASHRY (Egypt) said that in view of the growing awareness of the importance of industrialization, both as an instrument of development and as a means of narrowing the gap between the affluent and the poorer countries, UNIDO was the focal point of the interest of the developing countries. One of its main activities was the promotion of a system of consultation aimed at redeploying industrial capacities to developing countries. The political will of the developed countries was, of course, essential to the success of such consultations and negotiations. His delegation supported sectoral consultations at the present stage in the areas proposed in the report of the Industrial Development Board. It might also be desirable to include the pharmaceutical industry in those consultations, as had been recommended at the Colombo Conference of non-aligned countries. Those consultations should be based on comprehensive studies, and he drew attention to the contribution which the International Centre for Industrial Studies could make in that regard. There was no need for permanent industrial sector committees, as ad hoc committees could be set up as the need arose. UNIDO could promote awareness of its activities in developing countries by recruiting consultants from such countries.

16. The establishment of the Industrial Development Fund would, he hoped, result in an over-all increase in development assistance funds and enhance UNIDO's autonomy. In view of the tasks placed upon UNIDO under the Lima Declaration and Plan of Action, its transformation into a specialized agency was most necessary. Accordingly, his delegation hoped that the Intergovernmental Committee of the Whole would finalize its work on the drafting of a constitution for UNIDO and that a conference of plenipotentiaries would be convened soon in compliance with General Assembly resolution 3362 (S.VII). His delegation regretted that many developed countries were still withholding contributions from UNIDO and maintaining that they would not contribute to the new Fund. If the General Assembly adopted the draft

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(Mr. El-Ashry, Egypt)

resolution concerning the establishment of the United Nations Industrial Development Fund (A/31/16, part one, para. 64), it would be placing the responsibility for establishing financial rules for the Fund on the Industrial Development Board. That would be compatible with the aim of enhancing UNIDO's autonomy.

17. While UNIDO's resources should be put to the most efficient use, any increase in its budget should relate to activities that directly responded to the needs of developing countries. He expressed concern at the reduction in the technical staff of the Industrial Operations Division and hoped that that reduction would have no negative effect on UNIDO's ability to deliver technical assistance. In that connexion, he urged that the number of industrial development field advisers should be brought up to the level authorized.

18. UNIDO should play a more direct role in encouraging investment in developing countries through wider dissemination of those countries' investment policies and by encouraging the participation of representatives of industry in the sectoral consultations.

19. In view of the general agreement on the need for an industrial and technological information bank, his delegation urged the UNIDO secretariat to begin without delay to carry out a pilot scheme. The experience gained in the pilot scheme should be incorporated in the feasibility study to be submitted to the Board at its eleventh session.

20. Mr. STOFOROPOULOS (Greece) said it was gratifying to see how thoroughly the Industrial Development Board had considered the follow-up of the decisions and recommendations of the Second General Conference of UNIDO and of the seventh special session of the General Assembly. UNIDO's administrative and financial structures would have to be strengthened and the organization would have to acquire greater autonomy if the developing countries were to reach the target of a 25 per cent share of the world's manufacturing capacity by the year 2000. Accordingly, his delegation was concerned at the failure to reach any agreement on a draft constitution for UNIDO as a specialized agency. That failure, did not, however, rule out the possibility of taking appropriate urgent interim measures, and his delegation therefore welcomed the reorganization of UNIDO's secretariat and the intention of the Executive Director to review the effectiveness of the new structure after one year's experience.

21. With regard to UNIDO's financial resources, while it was true that, under present circumstances, financing through UNDP might reflect priorities and development plans, it was not inconceivable that financing through the proposed Industrial Development Fund might have the same effect if adequate provisions were included in the terms of reference and the rules for the functioning and administration of the Fund, and if contributions to the Fund were forthcoming. Moreover, everyone was aware of the financial difficulties UNDP was facing.

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(Mr. Stoforopoulos, Greece)

22. His delegation agreed with the Industrial Development Board that UNIDO "should continue to give high priority to technical assistance programmes while simultaneously striving to maintain a balance between those activities and its intellectual concerns" (A/31/16, part one, para. 33), although there was a danger that the latter term might be misunderstood. UNIDO studies should be action-oriented, and he was pleased to see that the Board had followed his delegation's previous suggestion by recommending that studies on the relocation of specific industries could form the background for sectoral consultations. However, that recommendation and the recommendation in paragraph 60 of part one of the Board's report should not be interpreted as restricting the system of consultations to the basic industries mentioned in the Lima Plan of Action; the consultations should be extended to industries that were particularly labour-intensive. The consultations and subsequent negotiations should be based on respect for the permanent sovereignty of States over all their natural resources and on full awareness of the need felt by developing countries for technical assistance, training and transfer of technology and information. Account must also be taken of the need to regulate the operations of transnational corporations within an appropriate normative framework. In that connexion, his delegation welcomed resolution 46 (X) adopted by the Industrial Development Board.

23. Lastly, his delegation advocated the early establishment of an industrial and technological information bank.

24. Mr. NAPOLIELLO (Director, Division of Policy and Co-ordination, United Nations Industrial Development Organization), speaking on behalf of the Executive Director, expressed appreciation for the many declarations of support for the work of UNIDO and the interesting and constructive suggestions made by members of the Committee, which would be conveyed to the Executive Director.

25. As had been pointed out, the task of increasing industrial production in developing countries so as to achieve the target of 25 per cent of total industrial production by the year 2000 was immense and would require the full co-operation of the international community. To play its appropriate role in the implementation of the Lima Declaration and Plan of Action, UNIDO would have to execute a wide range of new activities. Much of the work to be done related to the development assistance which UNIDO had been providing since its creation, particularly as an executing agency for UNDP. UNIDO took every opportunity to co-operate with UNDP at both headquarters and country level, in the country programming process and in the formulation and implementation of projects. It welcomed the recent initiatives in new dimensions for technical co-operation and in co-operation among developing countries, and would continue to play its appropriate role as an executing agency for UNDP as effectively as possible.

26. However, experience had shown the need for UNIDO to engage in actions that were not readily included within the scope of activity of UNDP or other United Nations financing bodies, and that would require new resources. To that end, and in order to establish co-operative programmes of industrial development, UNIDO had had fruitful discussions with a number of Governments of developed and developing countries representing all economic and social systems. Joint co-operation agreements had been concluded with member countries of both CMEA and EEC. Voluntary contributions from member States had enabled UNIDO to initiate innovative and useful

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(Mr. Napoliello, UNIDO)

projects which could not otherwise have been undertaken. The Industrial Development Fund would offer urgently required additional resources which could be used flexibly to carry out a broad range of activities.

27. One of the major new tasks entrusted to UNIDO was the establishment of a system of consultations to facilitate redeployment of certain industrial productive capacities existing in developed countries and the creation of new industrial facilities in developing countries. Widespread support had been expressed for initiating action on a step-by-step basis, and UNIDO was now proceeding with the final preparatory work for the first consultation meetings on fertilizers and iron and steel. The suggestions for appropriate participation in such meetings would be given due consideration.

28. Attention had been drawn on many occasions to the importance of technology in the industrialization process. In the next decade, UNIDO's activities in providing assistance to developing countries through information services, technical publications, training and expert advisory services were expected to grow, in the light of recent decisions with respect to the establishment of an industrial and technological information bank and other aspects of the transfer of technology. Those activities would be carried out in the closest possible co-operation with other organizations of the United Nations system. Two meetings had recently been held in that connexion and would provide useful guidance for the elaboration of a further programme of work in that field.

29. The fourth session of the Intergovernmental Committee on the drafting of a constitution for UNIDO would review in detail the considerations mentioned by members of the Second Committee. The Executive Director shared the hope that the outstanding issues could be resolved in a co-operative manner, so that a final agreement might be reached on the most appropriate institutional arrangements to enable UNIDO to carry out its mandate under the Lima Declaration and Plan of Action.

30. He noted with appreciation the support given to the recommendation that the Third General Conference of UNIDO should take place in 1979, as well as the reaffirmation by the representative of India of his Government's offer to act as host to the Conference.

31. In response to the recommendations of the Second General Conference, UNIDO had established an Advisory Committee on Co-ordination in the Field of Industrial Development, which was intended to serve as a forum for harmonizing the objectives, strategies and programmes of the United Nations system related to industrial development. UNIDO had also revised existing agreements with other United Nations organizations and established new ones with UNCTAD, FAO, UNESCO and ILO.

AGENDA ITEM 61: FOOD PROBLEMS: REPORT OF THE WORLD FOOD COUNCIL (A/31/3, A/31/19, A/31/197; A/C.2/31/11) (continued)

32. Mr. LOHANI (Nepal) said that, although the report of the World Food Council on the work of its second session (A/31/19) noted a significant increase in wheat and rice production in 1975, it also laid bare some harsh and unpleasant details. While farmers had benefited little from reduced fertilizer prices, the majority of mankind continued to be haunted by the spectre of malnutrition, hunger and famine. As the

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(Mr. Lohani, Nepal)

Executive Director had pointed out, food production was not increasing in the developing countries where increases were most needed. Moreover, for many Asian countries at least, the problem had been compounded in recent years by erosion of their capacity to buy food from the richer countries.

33. Total fertilizer assistance to the most severely affected countries had been only about half of their estimated aid requirement of 1 million nutrient tons for 1975-1976; nor had there been much progress in building a reliable system of food reserves, and the minimum food aid target of 10 million tons of cereal grains had yet to be achieved. Only a few countries like Canada and Sweden had accepted the concept of forward planning of food aid. The liberalization of food trade was another area in which progress would do much to solve nutritional problems.

34. The International Fund for Agricultural Development (IFAD) seemed to hold great promise, and it was gratifying to learn that pledges to the Fund had nearly reached the target of \$US 1 billion. His delegation thanked all the donor countries, and the OPEC countries in particular. Many developing countries, especially the least developed, lacked the resources to attain the desired food production targets, and concessional loans from IFAD would help them to step up food production.

35. Close co-operation between IFAD and FAO was desirable, particularly since the latter was setting up an expanded Investment Centre to assist needy countries in developing investment projects and was planning to establish a technical co-operation programme designed to meet urgent, short-term needs of member nations. At a time when the resource crisis of UNDP had led to a decrease in technical assistance to agriculture in developing countries, those initiatives deserved commendation.

36. Nepal wished to achieve a break-through in food and agricultural production, but was handicapped by lack of irrigation and inadequate fertilizer supplies. Consequently, the current five-year plan had accorded top priority to the agricultural sector, and his Government hoped to benefit immensely from the assistance of IFAD and the proposed policy programmes of FAO.

37. His delegation welcomed the gradual evolution of the World Food Council as an effective ministerial and plenipotentiary organ of the United Nations devoted exclusively to food problems. The Council and its secretariat should be financed by the United Nations so as to provide a stable and permanent basis for its smooth functioning. He was pleased to note that the Council would continue to pursue its objective of increasing food production and improving the distribution and consumption of food, particularly for the poorest and most vulnerable sections of the world community. A major challenge to the Council would be to study the feasibility of eradicating hunger and malnutrition in a decade, and to evolve practical measures for the achievement of that goal.

38. Mr. SENANAYAKE (Sri Lanka) said that Sri Lanka attached the highest priority to solving food problems at the national level and had drawn the attention of the international community to some issues of vital concern to the developing countries.

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(Mr. Senanayake, Sri Lanka)

It had participated in the discussions preceding the World Food Conference and had continued to co-operate in the implementation of the resolutions adopted at the Conference.

39. The major task facing the international community was to eliminate the crisis of poverty and malnutrition in the developing countries. Any attack on poverty in the poorer nations would have to begin with efforts to increase food production, based on self-reliance, and in that connexion the World Food Council had a special role to play.

40. Sri Lanka had launched a food drive, under the personal direction of the Prime Minister, aimed at achieving self-sufficiency in the shortest possible time. The basic requirements, such as arable land, manpower and a suitable climate, were present; what was required most urgently was to harness those resources within the shortest time possible so as to be able to dispense with external assistance in feeding the population. International assistance would be needed to achieve that objective rapidly.

41. The improvement in the world food situation was cause for satisfaction but should not give rise to complacency; rather, it should provide an opportunity to consolidate gains and pursue a vigorous policy of increased food production. In order to sustain the momentum of improved food supplies, the World Food Council should devise appropriate international mechanisms to ensure that supply adjustments were not resorted to in times of plenty, because the medium-term and long-term world food situation was still precarious. The Leontief study on the future of the world economy pointed out that the pressure of increasing population upon the food-producing potential of the world would remain enormous, so that the major thrust of food supply in the developing regions would have to come from an increase in their own agricultural output.

42. He noted with satisfaction that the target of \$1 billion for IFAD had almost been achieved. The decision to establish the Fund had been one of the most important results of the World Food Conference, and he recalled that at the Fourth Conference of Heads of State or Government of Non-Aligned Countries in 1973 the Prime Minister of Sri Lanka had proposed the creation of an agricultural fund of that nature. In keeping with its special interest, his Government had pledged contributions to IFAD of \$500,000 in freely convertible currency and \$500,000 in non-convertible currency. He urged the immediate activation of the Fund, so that it could provide concessional loans to increase food production in developing countries. He believed that the Fund should be operated more or less exclusively for investment in food production rather than in the non-food agricultural sector.

43. At its second session, the World Food Council had taken decisions having an important bearing on the question of increasing food production in the developing countries, and the international community should take immediate steps to implement the relevant proposals. The Leontief study suggested that the average annual increase in agricultural production must be 5 per cent if the minimum food requirements of the developing countries over the next few decades were to be met. Such a target would call for substantial investments in the agricultural sector in the developing countries to bring new lands under cultivation and to increase productivity. Maximum efforts must be made in such matters as land improvement

(Mr. Senanayake, Sri Lanka)

irrigation, fertilizer use and research and development, in order to increase land productivity. Some developing countries, including his own, had undertaken land reform and other social and institutional changes as an essential prerequisite for increasing food production through the adoption of new technologies and bringing new areas of arable land under cultivation. Sri Lanka had inaugurated massive irrigation projects, had begun to establish a fertilizer factory and had taken many other measures to increase food production. An emergency fund for food production in Sri Lanka had been set up, and he was grateful to the developed and developing countries which had made contributions to it.

44. The Colombo Conference of non-aligned countries had adopted a comprehensive Plan of Action for Food and Agricultural Production, and the developing countries would endeavour to promote co-operation in that vital sector of economic activity. What was urgently required from the international community was financial and technical assistance in accelerating the pace of food production. IFAD was a major step forward, but it was still extremely important that the developed countries and others in a position to do so should expand their assistance to the developing countries, in order to increase food production. Such assistance should be provided on concessionary terms.

45. Another issue with which Sri Lanka had been closely associated was the need to maintain adequate supplies of fertilizers at reasonable prices. The International Fertilizer Supply Scheme of FAO had served a useful purpose, particularly at a time when developing countries such as Sri Lanka had been severely affected by rising fertilizer prices. He urged international action to provide the minimum needs of fertilizer aid of the most seriously affected countries of 1 million tons of nutrients in 1976-1977. A high proportion of such aid should be channelled through the FAO scheme. The most seriously affected countries should also be helped to overcome a shortage of pesticides and other means of plant protection.

46. Many developing countries depended on food aid if they were to pursue their development objectives uninterrupted. The minimum food aid target and acceptance of the concept of forward planning of food aid had still to be fully accomplished, but favourable trends were emerging, and the minimum food aid target of 10 million tons of cereal grains was within reach. Food aid to the most seriously affected countries should be provided as an outright grant or on very concessionary terms. In the fight against hunger and malnutrition, it was also important to consider the adequacy of the 10 million ton target as well as the need to provide other protein-rich food-stuffs as food aid.

47. The World Food Council should continue its efforts to agree on a food security reserve, which his delegation thought should be in the range of 30 million tons of food grains. The decision taken at the seventh special session of the General Assembly to establish an emergency reserve of 500,000 tons of food grain also needed to be actively pursued. Many countries continued to face severe difficulties caused by natural calamities; his own country had been affected in recent years by droughts which had adversely affected the Government's food production drive.

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48. Mr. SINGH (India) said that, at its second session, the World Food Council had considered a number of important proposals to deal with problems of food production and distribution. He noted with satisfaction that commitments to IFAD had reached about \$970 million, so that the target of \$1 billion seemed attainable. The Fund had an important part to play as a catalyst in the process of resource transfers for agriculture. The transfer of real resources to the developing countries was vitally important in helping them to increase food production and improve their standards of nutrition. Official development assistance still remained below the target of a mere 0.7 per cent of the GNP of the developed countries; despite a recovery in the economies of those countries and an assured outlook for the future, the transfer of resources in 1975 had reached only 0.36 per cent of GNP, or a little over half the target.

49. External assistance from the international community filled only a small gap in the mobilization of resources for development. It was the responsibility of the developing countries themselves to distribute the benefits of economic development to the neediest sectors of their population and to involve their rural and urban masses in the development process. The developing countries were well aware of that need and the action taken at the international level should therefore be to strengthen the developing countries so that they could take positive measures to improve the quality of life of their populations.

50. Indian agriculture had recently registered some significant gains, such as an increase of over 15 per cent in food production, coupled with an increase in investment in the agricultural sector. Top priority was being given to the extension of irrigation, and such essential inputs as improved varieties of seeds, fertilizer and pesticides had been provided. Credit facilities on easy terms were being extended, and land reform measures had been introduced. A country-wide network of agricultural research institutes had enabled farmers to combine the latest technologies with traditional agricultural methods. Measures had also been taken to educate Indian society to the need for proper population planning and to distribute basic food aims on an equitable basis.

51. India had inherited a very difficult food problem when it became free in 1947; its capacity to feed itself had deteriorated rapidly in the preceding decade as a consequence of an effort to provide the exportable surpluses expected of a colony. Its achievements since then had been considerable; in the last agricultural year, the production of food grains in India had risen to a record level of 116 million tons. Emphasis on minor irrigation had shifted towards ground-water development, and production of nitrogenous fertilizers had risen over 13 times in just under a decade. Many Small Farmers' Development Agencies had been set up in different parts of the country.

52. The target of external assistance for agricultural development should be increased to an annual average of \$7-8 billion during the period 1976-1980. That would be equivalent to \$5 billion at current prices, and he recalled that a suggestion along those lines had found broad support at the World Food Council. That level of assistance from the international community was the minimum required

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(Mr. Singh, India)

for achieving the desired rate of growth in agricultural production. The World Food Council had drawn attention to the importance of identifying "food priority countries" requiring special attention because of the seriousness of their food problems, their economic and other resource limitation and their potential for increasing food production. In that connexion, preferential treatment should be given to the least developed, land-locked and island developing countries, as well as those most seriously affected by economic crises and natural calamities. The identification of those countries should be completed at the earliest moment. The problems delaying the establishment of IFAD should be resolved and the plenipotentiary conference called as soon as possible to approve the Agreement of the Fund. His delegation also welcomed the suggestion by the Preparatory Meeting for the World Food Council that the international agencies, such as FAO, the World Bank, UNDP and the regional banks, might be asked to co-operate with the "food priority countries" in an early determination of specific measures and programmes to accelerate their food production to at least 4 per cent a year.

53. As a result of the decisions of the World Food Conference, considerable progress had been made towards the implementation of a global information and early warning system; however, that momentum would be lost unless steps were taken to implement other aspects of world food security. Food aid commitments in 1976 still fell short of the target of 10 million tons recommended by the World Food Conference; indeed, that figure should be increased in view of the needs of many developing countries affected by drought, floods and other natural calamities. Food aid should form an integral part of the new grains agreements.

54. Forward planning of food aid was highly desirable, and donors should indicate not only the extent of food aid that they could give collectively, but also its breakdown according to countries and multilateral agencies. The international system of national stocks, for which India had done its best to evolve a policy and a target, had still not come into existence, and the major surplus producer countries must take early action to establish the system. His delegation supported the three components of a global stock policy (A/31/19, annex I, para. 81) and the establishment of an international reserve for emergencies with an initial target of 500,000 tons. The food security reserve system should be so designed as to ensure that when developing countries needed to import food it would be available in international markets on terms compatible with their means.

54a. There had been a disappointing lack of progress in achieving the measures which he had enumerated. At the second session of the World Food Council, there had been little evidence of any commitment to action on the part of developed countries. He urged the Committee to consider the Council's report (A/31/19) in its entirety together with the annexes and to take a positive decision on the proposals which the Group of 77 would be submitting.

55. Mr. ELIASHIV (Israel) emphasized the importance of the priority measures defined in the report of the World Food Council and in the statement by the Executive Director for increasing food production in developing countries, and also of the work of the Ad Hoc Committee on Food and Nutrition Policy.

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(Mr. Eliashiv, Israel)

56. Solution of the problems of food production and distribution was essential to development. His delegation fully shared the anxiety at the critical world food shortage. It had supported the resolutions adopted by the World Food Conference and had given an undertaking to adhere to the world food security scheme and the early warning system. It believed that it was essential to establish reserves of cereals to meet serious food shortages in the event of crop failure or natural disasters, particularly since the threat of famine was a continuing source of preoccupation to the developing world.

57. His country attached great importance to the establishment of the International Fund for Agricultural Development, to which it had pledged technical assistance. It considered that the transfer of agricultural technology in the form of technical assistance should be an integral part of the Fund's programme. If effectively implemented, the "green revolution" could achieve an unprecedented increase in the productive capacity of land resulting in major progress in food production and the over-all development of the developing countries. The application of technology in agriculture had produced a remarkable improvement in Israel's primary output, and it had shared its experience with other developing countries.

58. Mr. Lohani (Nepal) took the Chair.

59. Mr. JAMTOMO (Indonesia) said the report of the World Food Council (A/31/19) showed that the spectre of hunger was still a potential threat to mankind and that machinery for dealing with world food problems must be further strengthened, particularly since the measure of success achieved during the present decade would largely determine the quality of life in the world for the remainder of the century.

60. The World Food Conference had laid down the basic guidelines for international action on the problems of increasing food production and the rational distribution of resources. His Government fully supported the Council's conclusion that the only lasting solution to the recurrent world food crisis lay in increasing food production in the developing countries themselves. Most of those countries were making maximum efforts to that end. However, in view of the enormity of the task, such undertakings should be supported by international co-operation measures.

61. In Indonesia, the main target of production policy was to achieve self-sufficiency in food-stuffs, particularly rice. To that end, a Massive Intensification Programme had been initiated in 1963 and was currently being implemented vigorously with the objective of raising the yield per hectare. Under the Programme, economic incentives, fertilizers and pesticides were being made available to farmers.

62. He welcomed the fact that the Council had endorsed the recommendations of the Preparatory Meeting. However, certain additional measures were required. It was essential to provide an adequate and timely supply of fertilizers, pesticides and new seed varieties which had a wider spectrum of resistance to pests and diseases and were suitable for marginal conditions, in order to obtain optimum output. Training programmes in the developing countries should also be undertaken.

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(Mr. Jantomo, Indonesia)

63. The availability of unexploited land potential in many countries, such as Indonesia, that could be opened up for agriculture was another important factor in the context of increasing food production. With the help of external resources and technology, that potential could be transformed into real production capacity. At its seventh special session, the General Assembly had emphasized the need for speedy identification of such potential, and the World Food Council should follow up the progress made by the Consultative Group on Food Production and Investment in that respect.

64. It was disheartening to note that, despite the energetic efforts of the Secretary-General and the Executive Director of the World Food Council, IFAD had not yet become operational. He expressed the hope that the resources of the Fund would soon be made available, in order to facilitate the expansion of food production and provide support for related policies and institutions in the developing countries, particularly those with severe problems and those which had the capacity and potential to expand their production.

65. The concept of forward planning of food aid, which had been agreed to at the World Food Conference, should be implemented with a view to providing an element of food security and ensuring continuity of physical supplies, on the lines recommended by the Preparatory Meeting and endorsed by the Council. World food security on a long-term basis could only be effectively established by increasing food production in the developing countries and providing assistance to build up stocks. Every country should define and adopt national stock policies and targets in conformity with the guidelines of the International Undertaking on World Food Security, and the FAO Committee on World Food Security should be requested to formulate guidelines and an operational plan to ensure the effective implementation of a co-ordinated system of stock-holding.

66. He endorsed the orientation of the programme of work of the Council, which took account of the fact that food problems could not be considered in isolation from international trade. An effective international arrangement based on equitable prices for basic food-stuffs and market stability and taking due account of the special needs of both food-importing and food-exporting developing countries, was of paramount importance to the solution of over-all food problems. In that connexion, he supported the proposal of the representative of India that the Committee should consider the report of the World Food Council in its entirety.

67. Mr. KUEN (Austria) agreed with the Executive Director of the World Food Council that, although the global food situation had improved in the past year, the world's food problems were far from being solved. Moreover, higher food production as such did not necessarily mean less hunger in the world. What was needed was to find ways to deliver adequate amounts of food to malnourished people or to provide them with the economic means to acquire the needed food.

68. Growing population pressure in areas with relatively low levels of local food supply, and the increasing cost of food purchase and distribution, meant that food production in developing countries must be expanded rapidly. IFAD,

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(Mr. Kuen, Austria)

to which his country had contributed \$4.8 million, had been established for that purpose, and he hoped that the Fund would become operational as soon as possible.

69. Among the measures envisaged by the World Food Conference, special attention should be devoted to the development of seed industries. In accordance with resolution (XII) of the Conference, his Government had given high priority to assisting developing countries in the establishment of national seed production projects and programmes, including training. He noted with satisfaction that the World Food Council had decided to include measures aimed at reducing post-harvest losses in its future programme of work.

70. Science and technology could make an important contribution to the solution of the food problem, which was one of the most pressing problems of development, and his delegation therefore welcomed the priority given to world food problems in the work of the United Nations University. In that connexion, he mentioned the possibility of an association between the University and a nuclear research centre in Austria which had an important food conservation programme. Food problems were also on the agenda of the International Institute for Applied Systems Analysis in Laxenburg, Austria. The application of remote sensing techniques to agriculture, land use and crop inventory programmes could also play an important role, and the training course on such techniques organized in accordance with the recommendation of the United Nations Committee on the Peaceful Uses of Outer Space was a welcome initiative. He hoped that the proposed assessment of the feasibility and implications of abolishing hunger and malnutrition in a decade would be practical and realistic, would draw on the work of other bodies concerned and would take due account of the possibilities offered by science and technology. In strengthening its co-operation with developing countries, his Government would give particular attention to those problems and would make every effort to contribute its share to their solution.

71. Mr. AL-JEAN (Kuwait) emphasized the urgent need to bridge the gap between the overfed in the North and the starving in the South. The former had the means and ability to help the starving, while the latter had the potential to produce sufficient food but lacked the means. That situation subjected a major part of humanity to tremendous hardships and constituted a burden on their over-all development prospects, since efforts had to be diverted to the provision of food, which was the corner-stone of any plan for economic development.

72. Food production should be given priority in areas where shortages were most serious, in order to reduce human suffering and achieve the following economic objectives: firstly, in order to effect savings in the cost of food transportation; secondly, to avoid the dependency relationship between North and South, thereby preventing the use of food as a means of exercising political and other pressures; thirdly, to avoid undue price increases in times of shortage and create a "perfect competitive" situation which would prevent any concern from manipulating the market for quick profit at the expense of human life.

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(Mr. Al-Jean, Kuwait)

73. Farmers, who constituted 80 per cent of the population in many developing countries, were plagued by disadvantages which prevented them from maximizing their production. It was improper to allow that situation to continue, since it meant the death of thousands from starvation.

74. The International Fund for Agricultural Development should be considered a supplement to existing bilateral and multilateral assistance programmes. He hoped that the Fund would attain its target and commence operation without delay. He pointed out that 12 OPEC countries had so far contributed approximately 42 per cent of the capital of the Fund while 20 developed countries had contributed about 54 per cent. The OPEC countries' contribution was far more than it would be if the criteria used were factors such as national wealth, relative income or gross national product. The decision of the Governing Committee of the OPEC Special Fund to contribute \$400 million to IFAD had been made subject to the developed countries' contributing to the balance of convertible initial resources. He hoped that the Fund would be of assistance in bridging the food grain deficiency of the developing countries.

75. On the question of food security, he said that many barriers which appeared to be technical were in reality deeply rooted political disputes. The time had come to take decisive action with a view to solving the problems related to the size of the food reserve, the parties to pay for it, the managerial aspects and the question whether the food reserve should be price-triggered or quantity-triggered.

76. The daily bread of humanity should not be left in the hands of a few countries. Furthermore, it was regrettable that the international food trade was dominated in some major producer countries by a few large companies which manipulated the market for profit. The countries concerned should adopt a clear nutritional policy and prevent any concern from making profits at the expense of the starving.

77. In conclusion, he gave an account of his country's development assistance commitments to agriculture. In 1973, Kuwait had provided \$33 million which had benefited three countries. In 1974, it had increased its commitments by over 100 per cent, to \$77 million, which had benefited nine countries in Asia and Africa. In 1975, it had further increased its commitments by almost 100 per cent, to \$148 million. That was an indication of its belief in the urgency of the matter.

78. Mr. KOCH (Federal Republic of Germany) said that, despite the improvement in the world food situation in the past year, the basic problems in the agricultural sector had not yet been solved. His Government attached special significance to the work of the World Food Council in that key sector. Balanced economic advancement called for a sound and efficient agricultural system and an adequate level of food production. It was primarily the task of the developing countries themselves to increase their agricultural output. They should implement effective measures for that purpose, including appropriate social

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(Mr. Koch, Federal Republic of Germany)

policies aimed at achieving a broad increase in per capita income of the rural population, improved public services and better supplies of productive equipment and consumer goods. Outside assistance could augment and facilitate those efforts but could not replace the developing countries' own initiatives. Those problems should be given special attention in the formulation of the strategy for the third Development Decade, in order to avoid shortfalls in agricultural production targets.

79. His Government regarded promotion of the agricultural sector as the most important aspect of its co-operation with the developing countries. In 1975, almost 50 per cent of its technical assistance, which was provided entirely in the form of grants, had been allocated to agricultural projects. Capital aid for such projects has also been increased. In view of the potential importance of IFAD in promoting agricultural growth in developing countries, his Government had decided to contribute \$52 million to its capital.

80. He reaffirmed his Government's views regarding the recommendations adopted by the World Food Council at its second session. His Government would take account of the Council's recommendations in its own programmes and would endeavour to implement them to the maximum extent possible. With regard to the question of food aid, he pointed out that his country financed nearly 30 per cent of the large-scale food aid programmes for grain and dairy products undertaken by the European Economic Community. It had also raised its bilateral financial contributions to food aid programmes from \$92 million in 1973 to \$131 million in 1975. His country was disappointed that the share of potential donors other than industrialized countries had declined in 1975 from approximately 10 per cent to some 2.3 per cent, particularly in view of the appeal of the World Food Conference addressed to all donor countries and its recommendation that food aid should neither curtail food production in the recipient countries nor disrupt the export markets of developing countries.

81. His delegation had grave doubts concerning the usefulness of identifying a new category of "food priority countries". The criteria listed in paragraph 52 of annex I to the report of the World Food Council did not provide any clarification, since they covered virtually all developing countries.

82. His Government endorsed the draft resolution on the secretariat of the World Food Council contained in annex V to the report. The secretariat should be as small as possible and should draw on the expertise of FAO and on information available in other organizations, rather than undertake major studies or investigations itself. He hoped that a genuine will for co-operation on the part of all the organizations concerned would permit such collaboration.

The meeting rose at 1.05 p.m.