

ECONOMIC
AND
SOCIAL COUNCIL

CONSEIL
ECONOMIQUE
ET SOCIAL

UNRESTRICTED

E/AC.6/SR.54
25 July 1949

Dual Distribution

ECONOMIC AND SOCIAL COUNCIL

Ninth Session

ECONOMIC COMMITTEE

SUMMARY RECORD OF THE FIFTY-FOURTH MEETING

Held at the Palais des Nations, Geneva,
on Tuesday, 19 July 1949, at 3 p.m.

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Present:

Chairman:

Mr. SANTA CRUZ

Members:

Australia

Mr. PLIMSOLL

Belgium

Mr. HUYBRECHTS

Brazil

Mr. MOSCOSO
Mr. CAMPOS

Byelorussian SSR

Mr. ASTAPENKO

Chile

Mr. SCHNAKE

China

Mr. TSAO

Denmark

Mr. IVERSEN
Mr. DAHLGAARD

France

Mr. BORIS
Mr. de LACHARRIERE

India

Mr. ADARKAR

Lebanon

Mr. HAKIM

New Zealand

Miss HAMPTON

Peru

Mr. BRAVO

Poland

Mr. RUDZINSKI

Turkey

Mr. SARPER

Union of Soviet Socialist
Republics

Mr. MOROZOV

United Kingdom

Miss SALT
Mr. DUFFY

United States of America

Mr. STINEBOWER

Venezuela

Mr. GONZALEZ-CORRONDONA

Representatives of Specialized Agencies:

International Labour Organization

Mr. EVANS

International Monetary Fund

Mr. LUTHRINGER

Consultants from Non-Governmental Organizations:

Category (a):

International Co-operative Alliance

Mr. ODHE

American Federation of Labour

Miss SENDER

Category (b):

International Council of Women)

Liaison Committee of Women's)
International Organizations)

Mrs. DREYFUS-BARNEY

Secretariat:

Mr. Owen

Assistant Secretary-
General for Economic
Affairs.

Mr. Weintraub

Director of the
Department of
Economic Affairs

Mr. Dumontet

Secretary to the
Committee.

1. REPORT OF THE SECOND SESSION OF THE FISCAL COMMISSION (Item 13 of the Council Agenda) (Documents E/1104, E/1104/Corr.1, E/1104/Add.1, E/AC.6/W.41, E/AC.6/W.41/Add.1) (Resumed from the forty-ninth meeting)

The CHAIRMAN said the Committee had still to deal with the draft resolution (Document E/AC.6/W.41) submitted by the Soviet Union delegation, proposing the abolition of the Fiscal Commission, and also with Resolutions A and B in the report of the Fiscal Commission itself (Document E/1104, pages 14 and 15).

Mr. MOROSOV (Union of Soviet Socialist Republics) said that, as some time had elapsed since the Soviet Union proposal had been submitted, he would remind the Committee of the substance of and reasons for that proposal. The Fiscal Commission had now been functioning for three years, but had achieved no practical results. To incur further expenditure in keeping that Commission in being would serve no useful purpose, particularly as other organs, such as the Economic and Employment Commission and the regional economic commissions were substantially dealing with the same questions. For example, the economic implications of fiscal programmes could very easily be tackled by the Economic and Employment Commission instead of the Fiscal Commission. Since his draft resolution had been submitted, many members of the Council had stressed the need for husbanding resources and avoiding duplication of work. Adoption of the Soviet Union resolution would permit both these aims to be achieved.

Mr. ADARKAR (India) recalled that consideration of the Soviet Union proposal had been deferred at the request of his delegation. He felt that no case had been made to justify such

premature abolition of the Fiscal Commission, and could not see why that body should have been singled out for such summary treatment in an extremely laconic resolution.

The Fiscal Commission had performed its task no less ably than had other Commissions and was not the only organ of the Council against which the charge of overlapping could be brought. If the field of activity of the Fiscal Commission did in fact overlap that of the Economic and Employment Commission, the same could be said of both the Statistical Commission and the Population Commission.

The fact was that there were certain aspects of the Fiscal Commission's work, such as the question of tax evasion and problems of international investment etc., which were not dealt with by any other Commission. His delegation therefore considered that the Soviet Union representative had failed to adduce sufficient substantive criticism to warrant the summary abolition of the Fiscal Commission.

Mr. MOSCOSO (Brazil) said that his delegation could not accept the Soviet Union delegation's proposal. The two arguments on which that proposal was apparently based were not very convincing. In its early stages the Fiscal Commission had of course confined itself to making studies and compilations of international tax agreements and to supplying a historical survey of the state of public finance. But latterly the Commission's work had expanded, and it had made a special study of the problems of technical assistance and of the economic effects of the application of international tax agreements. And it was by no means the only Commission which could be charged with being unproductive; others, including the Economic and Employment Commission, had had the same reproach levelled at

them. Yet there had been no question of abolishing them.

Nor did he share the view of the Soviet Union delegation that other Commissions could do the work entrusted to the Fiscal Commission. None of them was competent to examine practical taxation methods or the administrative implications of fiscal policy - whereas the Fiscal Commission was equipped constructively to study those technical and highly complex problems.

Mr. MOROSOV (Union of Soviet Socialist Republics), replying to the Indian and Brazilian representatives, said that he had already pointed out the main shortcoming of the Fiscal Commission, namely, a total lack of practical results. A searching analysis of the work of that body by an impartial observer would substantiate that criticism. Neither the Council nor the United Nations generally had made any provision in their timetable of meetings for 1948 for a session of the Fiscal Commission. That seemed to prove that no practical work had been expected from the Fiscal Commission that year, and confirmed his delegation's view that the Commission served no useful purpose.

It had been asked why the Soviet Union should have selected the Fiscal, rather than any other Commission of the Council for abolition. The answer was simply that the Soviet Union authorities had examined the work achieved by the Fiscal Commission over the three years of its life, and had found no evidence of its having yielded any practical results.

Reference had also been made to the work of the Secretariat of the Fiscal Commission. That was merely a case of begging the question. The reference to the work of the Secretariat had no bearing on the question they were discussing and was not an argument for keeping the

Mr. HAKIM (Lebanon) pointed out that the Fiscal Commission had held only two sessions, one in 1947 and one in 1949. The reason why no meeting had been scheduled during 1948 was the programmes of the other Commissions had been extremely full. That state of affairs, however, could not be invoked in support of the Soviet Union draft resolution. If the Commission had only met twice and not at all during 1948, surely it would be premature to abolish it forthwith. It seemed, on the contrary, that much fruitful work still remained to be done by it. His delegation would therefore oppose the Soviet Union draft resolution.

Mr. TSAO (China) realised that the intentions behind the Soviet Union draft resolution were praiseworthy. However, it should be borne in mind that the charge of overlapping could not be levelled against a particular commission, but applied to the whole structure of the Council, whose functions were so complex that a certain amount of duplication of work was unavoidable. He would therefore find it difficult to support the Soviet Union resolution.

Mr. MOROSOV (Union of Soviet Socialist Republics) felt that, in adducing as an argument in favour of the continuation of the Fiscal Commission the fact that it had not met in 1948, the Lebanese representative had argued implicitly that financial economies had been achieved thereby. Why not then achieve complete financial saving by abolishing the Commission altogether?

The Committee rejected the Soviet Union draft resolution (Document E/AC.6/W.41) by 15 votes to 2 with 1 abstention.

The PRESIDENT invited comment on draft Resolution A (Programme of work of the Secretariat) in the report of the Fiscal Commission (Document E/1104, page 14).

Mr. PLIMSOLL (Australia) proposed that the words "and to prepare for every one of them a complete public finance survey;" be deleted from sub-paragraph (c) of paragraph 1 of draft resolution A. The preparation by the Secretariat of complete public finance surveys for each country would be a formidable, and not particularly useful task. If information of a financial character concerning a particular country were required, the necessary documentation could easily be looked up and, if necessary, governments consulted. His amendment would, therefore, make for economy and lighten the work of the Secretariat.

Mr. STINEBOWER (United States of America) recalled that he had moved orally, and later submitted in writing an amendment to sub-paragraph (j) of paragraph 1 of draft resolution A. As that amendment did not seem to have been circulated he would re-state it: it proposed that the words "at the instance of and" be inserted at the beginning of the sub-paragraph. After examining the history of the Fiscal Commission, his delegation had reached the conclusion that the studies of that body on fiscal measures were conducted chiefly at technical level. The economics of those measures, however, came within the purview of the Economic and Social Commission; hence the tabling of his amendment.

Mr. MOROSOV (Union of Soviet Socialist Republics) maintained that draft resolution A demonstrated the validity of his delegation's

proposal that the Fiscal Commission be abolished. Sub-paragraph (j) of paragraph 1 spoke of the Fiscal Commission continuing the work of the League of Nations Fiscal Committee; there seemed little point in requesting an organ of the United Nations to take up the work of a Committee of the League of Nations that was dead and beyond recall. Moreover, sub-paragraph (a) of paragraph 1 requested the Commission to continue to render technical assistance to Member Governments. The Fiscal Commission had been in existence three years and had completely failed to yield practical results in that field. Finally, it was not clear precisely what the studies on public finance mentioned in sub-paragraph (c) related to, and the same might be said of the rest of the resolution.

The Committee adopted the Australian proposal that the words "and to prepare for every one of them a complete public finance survey;" be deleted from sub-paragraph (c) of paragraph 1 of draft resolution A was adopted by 15 votes to 0 with 3 abstentions.

The Committee adopted the United States proposal that the words "at the instance of and" be inserted at the beginning of sub-paragraph (j) of paragraph 1 of draft resolution A was adopted by 14 votes to 0 with 4 abstentions.

The Committee adopted draft resolution A, as amended, by 15 votes to 2 with 1 abstention.

The Committee adopted 'without discussion' draft resolution B (Document E/1104, page 15), by 15 votes to 0 with 3 abstentions.

2. MEASURES TO INCREASE AVAILABILITY OF FOOD (Item 10
of the Council Agenda) (Document E/AC.6/38) (Continued)

The CHAIRMAN drew attention to the Report of the Sub-Committee on Measures to Increase Availability of Food (Document E/AC.6/38) and invited the representative of Brazil, as Chairman of the Sub-Committee, to introduce it.

Mr. CAMPOS (Brazil) said the small size of the Sub-Committee had been more than made up for by the vigour of the views expressed in it. Agreement had been reached on the basic aims, although there had been a certain disagreement on the questions of timing and methods of action. All members had been impressed, as had the Committee itself, with the striking paradox presented by the possibility, and even the probability, of food surpluses arising in the midst of widespread hunger and mal-nutrition. Disagreement had arisen as to the extent and form of the action the Council should take at the present stage, bearing in mind the fact that the question of surpluses was already being considered in its broader aspects by the Food and Agriculture Organization under the direction of its Executive Council.

After considerable discussion, the Sub-Committee had agreed, with one abstention, that it would be useful and proper for the Economic and Social Council not only to welcome the attention that the Food and Agriculture Organization was giving the matter, but also to emphasize the urgency and importance of national and international action to increase the availability of food and to put local food surpluses to good use. That was the purpose of the third paragraph of the draft resolution contained in the report, the formulation of which had given rise to the most controversy in the Sub-Committee. The present draft was based mainly on an Australian proposal, which re-stated certain

ideas contained in the original Indian draft resolution, and with which the Indian delegation was in agreement. The Sub-Committee had also had an opportunity of discussing an informal draft resolution submitted by the Soviet Union delegation.

The draft resolution now before the Committee was naturally a compromise text, and by no means did full justice to the individual views of the representative who had served on the Sub-Committee. The achievement of international agreement through discussion and compromise called for the sacrifice of a certain measure of individual satisfaction to the collective interest. He hoped the result of the Sub-Committee's labour would facilitate the work of the Committee.

Mr. ADARKAR (India) said that the draft resolution before the Committee was obviously a compromise; and did not go as far as his delegation would have liked. But it was satisfactory, in his view, in that it focussed attention on an important development in the field of food production which was of great consequence to the world's under-fed millions, to the economic structure of society over a major part of the world, and to the very raison d'Être of the Food and Agriculture Organization. As his delegation understood it, it was the function of the Council, and, generally speaking, of the organs of the United Nations, to consider in principle such issues of overall importance, leaving the details to the specialized agencies. The fact that the Food and Agriculture Organization had been dealing with the question at issue did not lessen the Council's interest in that question, or preclude the Council from expressing an opinion as to the obvious and practicable measures which could be adopted by the governments of exporting and importing countries without waiting for the detailed

results of any studies undertaken by the Food and Agriculture Organization. The Sub-Committee had dealt with the problem of food surpluses in a manner which was not prejudicial to, and did not conflict with, anything the Food and Agriculture Organization might do or suggest.

One of the primary functions of that Organization was to secure an increase of food production wherever possible throughout the world. Consequently, the emergence of surpluses, even if only local, was a matter for congratulation both for the Food and Agriculture Organization and the countries concerned. Unfortunately, however, the emergence of surpluses was not regarded by producing countries in that light, mainly because they led to difficulties, such as a fall in prices, with a consequent decline in the income of producers, or, looked at from another angle, to the deterioration of the terms of trade of the country concerned. The rational remedy for such a situation was to seek, for any given commodity, a price level which was likely to be normal (that was, neither too low nor too high from the point of view of world supply and demand conditions), rather than to adopt the negative and suicidal procedure of reducing or restricting production or destroying surpluses.

Much had been said about the deterioration of the terms of trade, but he would point out that terms of trade were by no means a final index of the wealth or poverty of a country or group of countries. It all depended on how the deterioration had arisen. If the result of increased production, and not of reduced demand, a deterioration in the terms of trade might not be injurious to the economy of a nation. That was because terms of trade were merely a ratio of export to import prices for a given country, which was only one of several

factors in the final equation of the national income of that country. If, for example in the case of any commodity, exports increased without a reduction in internal consumption, and simultaneous deterioration in the terms of trade, the result would not necessarily be a net diminution in the national income of the country concerned. It was, indeed, conceivable that such a situation could lead to an increase in the national income, and from the world standpoint it would definitely lead to an increase in the welfare and consuming power of the mass of under-fed humanity.

The Committee had been told that exporting and producing countries also had their problems and that they too should be guaranteed a reasonable standard of living. But surely there should be an optimum level somewhere between excessive and unnatural prices on the one hand and low, special concessionary prices on the other. Producing and exporting countries were entitled to a sufficiently high standard of living, but at the same time countries should share the fruits of their labours on the basis of normal exchange, and not seek to play "Beggars-my-neighbour".

The major part of the draft resolution before the Committee had been deliberately and wisely left vague. In the first place, it would enable the Food and Agriculture Organization to deal with the task in its own peculiar, scientific way. Secondly, and more importantly, as the third paragraph showed, the way had been left open for the countries concerned to come to a reasonable agreement in the matter. What the Indian delegation had in mind was some kind of arrangement by which food could be supplied at special prices to countries which were in special difficulties. In planning their production programmes, exporting countries should take note of the

needs of those whose nutritional standards were below an agreed minimum, and production should not be cut down so as to make it impossible to meet those needs. Exporting countries should consider those requirements to be made available at special prices, as additional to normal commercial exports and price stabilization reserves. Similarly, importing countries should agree that imports at concessional prices would be in addition to, and not in replacement of, normal imports.

The Indian delegation considered it necessary to examine the feasibility of such arrangements and to use them as the basis for short-term or long-term provisions. The draft resolution before the Committee was permissive, and the third paragraph, in particular, left it to the discretion of the countries concerned to deal with the question in the way they thought best. He therefore welcomed the draft resolution as a compromise which covered, at least in part what the Indian delegation had in mind.

Mr. STINEBOWER (United States of America) expressed the appreciation of his delegation of the spirit of compromise which had prevailed in the meeting of the Sub-Committee, and also of the moderate statement made by the representative of India.

The latter had stressed the desirability of avoiding "beggar-my-neighbour" policies in respect of foreign trade in food. However, there was a kind of "beggar-my-neighbour" policy which was not directly related to the two countries parties to any bilateral agreement. It was quite possible for two such countries to come to an agreement which was nevertheless detrimental to other countries. Most Member States of the United Nations were struggling to devise a

method of avoiding short-term or long-term commercial policies which would prove detrimental to other countries. They had recently attempted to draw up a code of international behaviour in commercial policies, a code to which the United States certainly felt committed. Major importing and exporting countries had recently given their support to the International Wheat Agreement which had come into force on 1 July 1949. It should be clearly understood that bilateral arrangements should be concluded within the framework of international discussions, and did not confer on the parties to them the right to neglect their effect on non-party countries.

Mr. SCHNAKE (Chile) was glad to see that the members of the Sub-Committee set up to consider the draft resolution submitted by the Indian delegation had succeeded in agreeing on a compromise solution. It was true that the draft resolution proposed by the Sub-Committee did not entirely satisfy the Indian delegation, but he felt that it did lay proper stress on the problem raised by surpluses of foodstuffs in some countries and a shortage of purchasing power in others. The very fact of stating the problem frankly would spur on governments to give thought to those problems and to seek a solution for them. He personally felt that one of the best ways of solving the problem would be to establish special international funds for regulating international trade and facilitating a rational use of surpluses, not only of food, but also of other commodities. If agreement were not reached, it would be impossible to carry out the proposed programmes for under-developed countries. The problem was a fundamental one. It affected the economy of the world as a whole, and was closely bound up with the problems of food surpluses in particular countries.

Mr. BORIS (France) was also glad that the Sub-Committee had managed to reach a compromise solution acceptable to the Indian delegation, since the latter's objective had the full support of the French delegation. The problem was that of the existence of food surpluses in some countries and the co-existent lack of the same foodstuffs in other countries, in which the people were undernourished. The problem had been stated movingly by the Director-General of the Food and Agriculture Organization, and emphasized by the representatives of Brazil and Chile.

He thought there seemed to be complete agreement as to the objective, but there were difficulties as to how it should be attained. Indeed, the proposed draft resolution made no attempt to hide the difficulties, since the third paragraph spoke of "terms acceptable to exporting and importing countries."

The problem that still remained was to work out a line of action that would be to the general advantage and to decide who would bear its initial cost.

His delegation hoped that the problem would prove increasingly tractable as international co-operation developed and existing economic difficulties disappeared.

He was convinced that the two bodies named in the draft resolution, the Food and Agricultural Organization and the Interim Co-ordinating Committee for International Commodity Arrangements, were bodies which would not lose sight of any chance of reaching a solution.

Mr. MOROSOV (Union of Soviet Socialist Republics) said that the provisions contained in the Sub-Committee's draft resolution were so general that many who read it would find it difficult to understand. The draft resolution omitted any appraisal of the world food position

and, in laying undue stress on the question of surpluses, presented a partial and one-sided view of the situation. No mention was made of the importance of increasing production, and to remedy that the Soviet Union delegation proposed the following addition to the preamble:

" CONSIDERING that in solving the problem of increasing the availability of food, the raising of the productivity of the small and medium farms which are the main food producers in most countries is a factor of decisive importance; and that appropriate measures must be taken to increase the production of foodstuffs, particularly by ensuring cheap credits and supplies of farm equipment, seeds and fertilizers to small and medium-sized farms on terms accessible to them."

He hoped that that proposal, which had been rejected by one vote in the Sub-Committee, would receive the careful attention of the Committee, since small and medium-sized farms were the main sources of food production in most countries. The adoption of that addition would result at least in partial improvement of the draft resolution.

His delegation considered that the reference to the Food and Agriculture Organization in the third paragraph of the draft resolution prejudged the report now under preparation for the 1949 Conference of that Organization. Moreover, the Economic Committee had already taken a decision on the report of the Food and Agriculture Organization, and he saw no need of a further decision thereon.

Mr. STINEBOWER (United States of America) said that if the Committee attempted to list in the draft resolution all the important factors related to an increase of the availability of foodstuffs throughout the world, the resolution would be extremely lengthy and the Committee would find itself engaged in the work of the Food and

Agriculture Organization itself. In the draft resolution before the meeting the Sub-Committee was describing the situation in broad outline, and not endeavouring to write a technical essay on the requirements for increasing world food supplies. He would remind representatives that at the seventh session of the Council the Economic Committee had been unable to draft a satisfactory resolution on the same subject of the availability of food, because the list of requirements had become too involved.

A little while ago, the Director-General of the Food and Agriculture Organization had stressed the need of direct technical assistance not merely to governments, but to producers themselves. That was yet another requirement for increasing food productivity throughout the world.

The addition suggested by the delegation of the Soviet Union, although not incorrect in its statements of fact, might be incorrect in its universal application. For example, many of the farms in the United States were family farms, and could be classified as small and medium sized farms. In other countries, however, they might be considered as large farms. Or again, when viewed from the standpoint of countries like Australia and Argentina they might be considered as small farms. The difficulty then was not that the statements in the proposed addition to the preamble of the draft resolution were inaccurate, but that they referred only to a few of the many elements necessary for increasing world food production, and over stated the universality of their application. He would therefore vote against it.

Mr. HAKIM (Lebanon) agreed with the principle propounded in the Soviet Union amendment, but thought some adjustment necessary in order to fit it into the structure of the Sub-Committee's draft.

The operative part of that draft should take into account what the representative of the Soviet Union wished to add to the preamble.

Mr. PLIMSOLL (Australia) supported the Sub-Committee's draft resolution and opposed the Soviet Union amendment. He could not agree with the Soviet Union representative's statement that the Sub-Committee's draft paid no heed to the question of production. The preamble to that resolution states expressly: "Believing that the total production of food in the world should be increased....". That was an important statement. Moreover, the third paragraph, besides welcoming the studies undertaken by the Food and Agriculture Organization, related those studies to the general problem of increasing world production.

The Soviet Union amendment contained a number of inaccuracies. For example, in some countries the real way to increase the production of food was not to encourage production from small farms, but rather to consider the possibility of replacing such farms with larger ones. Secondly, the Soviet Union amendment vitiated the purpose of the third paragraph of the Sub-Committee's draft, which, as the Indian representative had stated, emphasized the problem of surpluses. If, as the Soviet Union representative wished, the resolution was to become a rag-bag containing everything connected with agriculture, it would make little impression on governments. On the other hand, if attention was concentrated on the question of surpluses, action by governments might be more readily forthcoming.

Mr. MOROZOV (Union of Soviet Socialist Republics) asked whether the Lebanese representative would find the Soviet Union amendment acceptable if it were divided into two parts, the first, ending with the words "a factor of decisive importance" being inserted

in the preamble of the draft resolution, and the remainder in the operative part.

Mr. HAKIM (Lebanon) stated that the level of productivity of small and medium-sized farmers was the decisive factor in Lebanon and many other countries in the Middle East. He was therefore in sympathy with the consideration which had prompted the Soviet Union amendment, and would not oppose it if its specific considerations were to be inserted into the operative part of the draft resolution. What he did feel misgivings about was whether one specific measure should be singled out for mention in the draft resolution.

Mr. ADARKAR (India), briefly explaining the attitude he had taken in the Sub-Committee, stated that he had supported the Soviet Union amendment which, in a slightly different form, had been discussed there, with a view to obtaining unanimity, although he had felt that, in spite of the fact that the conclusions drawn in that amendment were perfectly correct, it threw the draft resolution out of balance. His opinion on that point remained unchanged. The purpose of the draft resolution was not to enumerate the possible measures to be taken to secure an increase in food production, but to focus the attention of Member Governments of the United Nations on the most urgent and pressing problem of the day. He therefore agreed with the views expressed by the representatives of Australia and the United States of America, although he assured the Soviet Union representative that that should not be interpreted as an abandonment of the general sympathy he felt for his views.

Mr. BORIS (France) said that the draft resolutions on food problems were in general evoking a host of amendments, the only result of which was to encumber the resolutions and deprive them of all meaning

in the eyes of governments, as the Australian representative had very correctly pointed out. He himself had no objection to the measures proposed in the Soviet Union delegation's amendment, inasmuch as the granting of credits and the supply of farm equipment, selected seeds and fertilizers to small and medium-sized farms formed part of the agricultural policy pursued by the French Government; but it constituted only one factor in world agricultural policy, and he agreed with the Australian, United States and Indian representatives that it would be inexpedient to enumerate, in a resolution such as the one before them, all the desiderata which might be deemed appropriate to the solution of the world agricultural problem.

In any case, the difficulty was removed by the last paragraph of the draft resolution, which declared that the Secretary-General would be asked "to transmit to the Food and Agricultural Organization and to the Interim Coordinating Committee for International Commodity Arrangements the records of the Council's discussions on this subject." It would thus be possible to ascertain from the summary records the position adopted by the French and all the other delegations, including that of the Soviet Union.

Mr. SCHNAKE (Chile) said that his delegation would vote against the Soviet Union delegation's amendment on the grounds that it did not touch on the essence of the problem raised by the Indian delegation, which referred to the question of surpluses, and not to that of production.

His delegation would therefore vote in favour of the Sub-Committee's draft resolution.

Mr. RUDZINSKI (Poland) found the argument adduced against the Soviet Union amendment, that it would destroy the main purpose of the Sub-Committee's draft resolution, unconvincing. In the course of the discussions on Item 10 and on the Report of the Food and Agricultural Organization the problem of surpluses had not been stressed to the exclusion of all others. It had been recognized that there was a pressing need to secure an increase in food production, and if the draft resolution were to be confined to directing attention to the problem of surpluses it might have the antithetical and highly undesirable result of encouraging a restriction of agricultural production. The inclusion of reference to both aspects would strengthen the draft resolution. Production should be increased and any resulting surpluses dealt with. He could not agree that there was any contradiction in stressing the importance of the increase in food production in the preamble as proposed in the Soviet Union amendment.

Mr. MOROZOV (Union of Soviet Socialist Republics), replying to the objections to his amendment raised by the Australian representative, which were typical of those raised by other representatives, referred in particular to the contention that his amendment was redundant, since general reference was made in the draft resolution to the necessity of increasing food production. He considered that to be a mistaken view. The Australian representative had pointed out that the Soviet Union amendment destroyed, as he alleged, the structure of the draft resolution by introducing the subject of world food production alongside that of surpluses; that was surely an admission that the draft resolution was one-sided. Thus, the two contentions of the Australian representative seemed to him

self-contradictory. If, as was generally accepted, expansion of production was one of the principal ways of increasing availabilities of food, he could see no reason why that should not be clearly stated. No one could dispute that supply and availability were largely determined by the production and productivity of the small and medium-sized farmers and that production could not be increased unless help, credits, equipment etc. were made available to such farms.

It had been argued that the need to improve the productivity of small and medium-sized farmers was not a decisive factor in all countries, but that was admitted in the Soviet Union amendment which only stated that it was a decisive factor in "most countries". He therefore felt that the adoption of his amendment would bring the whole resolution into proper focus. No one had denied the validity of its proposals, and since they conformed with the existing situation they should be adopted, so that the draft resolution might be framed in accordance with considerations of substance rather than with those of form.

Replying to a question by the Chairman as to where the Soviet Union amendment should be inserted in the draft resolution, he stated that the first paragraph "Considering that in solving the problem... is a factor of decisive importance:" should form a new paragraph to follow the words "where there is now serious malnutrition,". The second part, which would be slightly reworded to read as follows: "Recommends to Members of the United Nations to take the appropriate measures to increase the production of foodstuffs, on terms accessible to them," should be inserted as a separate paragraph after the words "to exporting and importing countries,".

Mr. HAKIM (Lebanon) stated that he would support the Soviet Union amendment in that form since he considered it reasonable to draw attention to such measures for increasing the availabilities of food. The draft resolution was entitled "Measures to increase availability of food", and not merely "Food Surpluses".

Mr. STINEBOWER (United States of America) recalled that the Lebanese representative, in connection with Item 33 of the Agenda, which had recently been discussed in plenary, had made special reference to the difficulties encountered by governments in replying to inquiries relating to the implementation of recommendations of economic and social matters in compliance with General Assembly Resolution 119 (II). He pointed out that if the draft resolution before the Committee were adopted, it would lay an obligation on governments to report on implementation. He trusted that the implications of the draft resolution and the Soviet Union amendment thereto were absolutely clear.

Mr. HAKIM (Lebanon) replied that the difficulties he had outlined concerned recommendations framed in vague or ambiguous terms. In the amendment under consideration the measures proposed were quite concrete, and his government, like that of France, was already doing its best to carry out a policy of assistance to small farmers. It was therefore already acting in accordance with the recommendations proposed, and he did not anticipate that it would have any difficulty in reporting on implementation.

Mr. ADARKAR (India) agreed that the subject before the Committee was measures to increase the availability of food. The draft resolution could therefore in principle include reference to

However, the adoption of the Soviet Union amendment would not exhaust the whole range of possible measures, into which the Food and Agricultural Organization was already conducting research. It was the duty of the Council to focus attention on the most important aspect of the problem. The inclusion of one measure only, as proposed by the Soviet Union representative, and the association of that measure with the burning problem of food surpluses, would throw the resolution out of balance as he had already stated. There was nothing to prevent the representatives of the Lebanon and the Soviet Union moving a new, separate resolution on the desirability of increasing food supplies by means of assistance to small and medium-sized farmers. A comprehensive resolution of that kind would be preferable to the inclusion of the Soviet Union amendment in the draft resolution at present before the Committee.

The Soviet Union proposal that a new paragraph "Considering that in solving the problem of increasing the availability of food the raising of productivity of the small and medium-sized farm, which are the main food producers in most countries, is a factor of decisive importance:" be inserted after the first paragraph of the preamble of the draft resolution in Document E/AC.6/38 was rejected by 11 votes to 4 with 3 abstentions.

The Soviet Union proposal that a new paragraph "Recommends to members of the United Nations to take the appropriate measures to increase the production of foodstuffs, particularly by ensuring cheap credits and supplies of farm equipment, seeds and fertilizers to small and medium-sized farmers terms accessible to them," be inserted after the words "to exporting and importing countries," in the first paragraph of the operative part of the draft resolution in Document

E/AC.6/38 was rejected by 11 votes to 4 with 3 abstentions.

The Committee adopted the draft resolution (in Document E/AC.6/38) recommended by the Sub-Committee by 15 votes to 0 with 3 abstentions.

Mr. STINEBOWER (United States of America) recalled that the Committee had already adopted a United States resolution in connection with Item 10, and asked whether the two resolutions might be transmitted together to the Council.

The CHAIRMAN replied that the report of the Committee on Item 10 would contain the resolutions together.

The meeting rose at 5.15 p.m.