UNITED STATES DELECATION TO THE GENERAL ASSEMBLY

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Statement by the Honorable Hubert H. Humphrey, United States Representative in Committee II, On the Question of a World Food Reserve.

Our first task here in the United Nations is to be realistic. If we aim at the possible, we will advance further than if we get stuck half-way toward the best of all worlds. It is not enough to want to do a good thing; it is equally important to do well that which we can and will do. It is in that spirit I wish to discuss this item and offer what we think is a practical and constructive suggestion. Before doing so, I would like to review the present situation and our attitude toward it.

Resolution 621, passed by the Economic and Social Council at its 22nd Session last July, called upon the Secretary-General to report on the general subject of food reserves in order that the Council may once more consider this subject, and thereafter transmit its recommendations to the General Assembly at its Twelfth Session. This resolution of the Council was in the nature of an interim response to Resolution 827 which asked the Food and Agriculture Organization to make a comprehensive report on past and present explorations of the feasibility of a World Food Reserve to contribute to relieving emergencies and, at the same time, to counteract excessive price fluctuations. This study was to furnish the factual basis upon which the Council itself would report on the subject, with its conclusions, to the Assembly. Council Resolution 621 is an interim response to this request by the Assembly because, essentially, it calls for a further report, and reserves the Council's own recommendations for transmittal to the General Assembly at its session ten months from now.

The United States abstained from the vote on this Resolution of the Council because, in our judgment, the subject of a World Food Reserve had already been adequately studied several times, both by the Food and Agriculture Organization and by independent experts. FAO's comprehensive report to the Secretary-General, of November 26, 1955, made it clear that further study could not contribute any additional information on the issue. The United States Delegate in the Council made it plain, however, that the discussions had resulted in useful agreement among Delegations on several important questions. We certainly agree that a World Food Reserve could not be designed to relieve emergencies, when and where they arise, and at the same time systematically counteract excessive price fluctuations. We also agree that rapid and balanced economic development would cure many of the ills for which we now seem to seek special treatment; and we further agree that food surpluses can be used partially to finance economic development programs.

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My colleague in the Council also emphasized, and I wish to reemphasize before this Assembly, that we have the fullest sympathy with the laudable objectives embodied in Resolution 827. In abstaining on the vote in the Council, our conviction that the matter had been sufficiently studied was conditioned by our considered judgment that the time had come to make some basic decisions.

We feel that the time has come for governments to decide whether all practicable steps are being taken to relieve acute distress due to shortages of food. Are all possible practical steps being taken to speed progress toward economic and cultural growth? We must ask what more can be done. And, if so, how it can best be done.

These, Mr. Chairman, are some of the questions that must be answered. General Assembly Resolution 827 seeks to obtain the information which will provide answers to these questions. There are many programs and resolutions now in existence that empower the United Nations and the Food and Agriculture Organization to assure effective international cooperation and action in the case of emergencies. The programs under which the United States has extended and still extends aid and assistance to other peoples are well known and need not be described here in detail. Along with other countries, the Government and people of the United States throughout their history have given proof of a genuine desire to help other peoples who are in distress or misfortune. I mention this only to emphasize that our concern and doubt over the establishment of a World Food Reserve is related to the means rather than ends. The objectives of relieving emergencies due to food shortages and of counteracting excessive price fluctuations are indeed desirable and worthy. It is the means or methods of achieving these objectives that cause us concern.

FAO's report has shown conclusively that, in any advance planning of international relief action, "the main problem is not one of having to ensure the physical availability of stocks by advance storage." Establishment of a physical central reserve involves problems of practicality that remain unresolved.

True, there is also another concept, that of an international financial relief fund -- a pool of money or credit for the purchase of relief supplies anywhere in case of emergency (perhaps including pledges for contributions in kind), which the Food and Agriculture Organization studies found a more workable concept. But there is no indication that governments and parliaments in general (including my own) would at this time be prepared to pledge contributions to such a fund. As FAO said of the earlier proposals, because of insufficient support (by governments)...no action was taken. This is where the matter still rests. It is our view that the indicated techniques of approaching the problem at issue are not feasible at this time; the fact that our doubts are shared by other governments reinforces this belief. Similarly, on the question of price stabilization, my Government has serious doubts as to the effectiveness and desirability of schemes which involve excessive international regulation. On the other hand, we are fully aware of the dilemma posed by the need for flexibility to assure adjustments to long-run economic trends, and the need for sufficient stability to avoid unnecessary short-term economic changes -- both in the interest of economic growth. My Delegation had occasion to refer to the problem of commodity price fluctuations in a statement presented a few days ago with reference to economic development in under-developed countries; I shall, therefore, not fully restate my Government's position at this time.

As I said before, Resolution 621 of the Economic and Social Council, passed at its 22nd session last July, now stands as an interim response to the Assembly request. We must therefore await the final judgment and evaluation by the Council at its 24th session. However, in order to draw attention to approaches that might add realism to the further studies now in progress, I would like to suggest a specific topic to be included in the Secretary-General's report to the Council as requested in Resolution 621. This suggestion, Mr. Chairman, is being submitted by my Delegation to this Committee in the form of a draft resolution.

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Feeling as we do about the importance of a practical approach to an objective on which there is no disagreement, we seek to explore a number of avenues that might, in our view, contribute to a speedier and more adequate attainment of our common objectives. The <u>establishment and maintenance</u> of more adequate national food reserves, especially in crop-cycle and famine areas, would go a long way toward accomplishing most, if not all, of the purposes that some of us had hoped a World Food Reserve or a World Food Capital Fund could meet. The construction of storage facilities and the accumulation of reserve stocks in "crop-cycle" or "famine" areas would seem to be an essential step toward general economic development. Surplus foods from abroad not only could in part finance the cost of the construction of strategically situated storage space, but could also make an important direct contribution to providing the stocks that should be held as an emergency reserve. Moreover, if storage space were available, the local government's task of dealing with domestic surpluses in years of good crops would be vastly facilitated. of abundance would become the blessing they should be, instead of the embarrassment they now are sometimes even in countries normally plagued by shortages.

It would seem only logical to use some of the world's surplus holdings to bolster stocks in areas where a crop failure means famine and where people live on the brink of disaster from one harvest to the next. The ever present threat of food shortage as a block to progressive change in production methods has been vividly described by students of the problem. Farmers in these areas are not after the highest, but after the safest returns, and they fear that any change in their production methods may bring hunger and distress. The elimination of this fear through the provision of reserve stocks and the creation of facilities for storing them would also have significance for economic development.

FAO's report eloquently describes the desirability of adequate national reserves in countries living near the margin of subsistence. Such reserves could be brought into action at an early stage of an emergency, before panic and hoarding aggravate the plight. They would also afford some elbow room for projects of economic development; they could be drawn upon to help finance such projects -- mitigating inflationary pressures of increased consumer demand resulting from intensified economic development. Unfortunately, the need for such reserves is greatest in the countries least able to afford diversion of output from current consumption to the building of reserve stocks.

It is in the light of considerations such as these that my Government has authorized me to say that, in accordance with our traditions, the United States stands ready to make grants of agricultural commodities to countries facing famine or other emergencies. Furthermore, the United States is prepared to make available to needy countries, under existing legislation and subject to further Congressional authorizations, surplus agricultural commodities for the establishment of reserve stocks to meet extraordinary needs due to crop failures or other emergencies, or to mitigate excessive price effects of increased demand due to economic development programs. Assistance of this kind is predicated on the development by the countries concerned of reasonable and realistic programs, and of safeguards that ensure the observance of the FAO principle of avoiding "harmful interferences with the normal patterns of production and international trade." United States assistance in the above sense would be fashioned after previous arrangements entered into with several individual countries under which large parts of the local currencies received in payment for agricultural commodities supplied for building up national reserves were made available for financing economic development.

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The United States Government is prepared to consult with governments of both importing and exporting countries through FAO's Consultative Sub-Committee on Surplus Disposal and its Working Party on National Reserves with a view to facilitating realization of programs of this kind. The United States will cooperate with other countries in the further development of programs for the establishment of national food reserves.

Mr. Chairman, it is in order to stimulate a more rapid exploration of such possibilities for national action, that we are submitting the draft resolution that is now being circulated. We should be happy if it would contribute to uncover additional realistic possibilities for action that serves the noble purpose of improving the lot of people everywhere.

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