

Economic Matters

It was, therefore, to be expected that the emphasis in the Council's discussions would be placed on economic development and related problems such as the development of natural resources, industrialization, and questions of financing. In the Economic Committee, which was concerned with the practical consideration of these topics, the Canadian Delegation tried to play a positive role and, without seeking compromise for the sake of compromise, was instrumental in some instances in reconciling conflicting resolutions. Controversy arose over the proposed establishment of a World Food Reserve, of a special organization (SUNFED) to promote the economic development of less-developed countries, and also of some machinery to speed up the industrialization of the latter group of countries. A U.S.S.R. proposal to establish an international trade co-operation machinery under the auspices of the United Nations was also discussed.

In accordance with a resolution of the 9th Session of the General Assembly, the Council had to consider the complex questions involved in the concept of a World Food Reserve as a means of attaining one or more of the following four main objectives:

- 1) Raising low levels of food production and consumption, and fighting chronic malnutrition;
- 2) Relieving famine and other emergency situations;
- 3) Counteracting excessive price fluctuations; and
- 4) Promoting the rational disposal of intermittent agricultural surpluses.

The working document before the Council was a study prepared by the FAO at the request of the General Assembly. The discussion led to the conclusion, which was recorded in the relevant Economic Committee's resolution, that the establishment of a food reserve was impractical at the present time. The remedy to the above-listed problems, it was stressed, lay rather in a rapid and balanced economic development and also in the disposal of food surplus in accordance with the principles established by the Food Agriculture Organization. At the request of spokesmen for the less-developed countries, however, the Council requested "the Secretary-General, in consultation with the FAO and other organizations and experts as he considers appropriate", to study further and to report on the possibility of further national and international co-operation to attain the objectives pursued, including the use of food reserves for meeting unforeseeable food shortages. The resolution which embodies these recommendations was the outcome of very laborious negotiations between what appeared at the time to be two irreconcilable bodies of opinion, and the Canadian Delegation was particularly active in seeking a solution which was generally acceptable to both camps. Further consideration of this problem will be required—especially when the Secretary-General submits his report at the 24th Session.

Since 1951, the less-developed countries have campaigned for the establishment of a United Nations fund which would assist them in making grants in-aid and long-term, low-interest loans. Canada, although it has so far reserved its position on this proposal, had agreed to participate in the work of an ad hoc committee of representatives of sixteen countries which met last May in