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REPORT BY SIR JOHN ORR, DIRECTOR-GENERAL, FOOD AND AGRICULTURE
ORGANIZATION OF THE UNITED NATIONS, TO THE SECRETARY-GENERAL OF
THE UNITED NATIONS, 30 OCTOBER 1946

October 30, 1946

Mr. Trygve Lie
Secretary General of the United Nations
Lake Success, Long Island, New York

Sir:

Referring to my letter* of September 5th written from
Copenhagen, I have the honor to transmit herewith a report
on the action taken by the Food and Agriculture Organization
in relation to the world food situation.

Sincerely yours,

/s/ John B. Orr

John Boyd Orr,
Director-General

Enc.

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* See A/76 Addendum 2

FAO IN THE WORLD CRISIS

Report by Sir John Orr, Director-General,
Food and Agriculture Organization of the United Nations,
to the Secretary-General of the United Nations
30 October 1946

The Immediate Food Crisis

Early this year the food shortage was so serious that the United Nations General Assembly, then meeting in London, passed a resolution urging "all governments and peoples to take immediate and drastic action both directly and through the international organizations concerned, to conserve supplies". The Assembly also requested all the international organizations with responsibilities in this field to obtain as full information as possible on the world food position and the future outlook "in order to assist governments in determining their short-term and long-term agricultural policy".

As head of the permanent international organization concerned with food and agriculture, the Director-General of the FAO then cabled the Secretary-General of the United Nations that FAO would accept the responsibility for mobilizing world resources to meet the crisis.

I now have the honour to report on the steps taken.

Appraisal of the World Food Position

With the help of other organizations, a rapid survey was made of the world food position. This factual statement showed that the situation was in some respects even more serious than it was thought to be and was likely to continue for two or three years.

Steps Taken for the Immediate Crisis

The report, under the title "World Food Appraisal, 1946-47," was circulated to governments, and a Special Meeting on Urgent Food Problems was convened in Washington on 20 May. Representatives of twenty-two nations which had a major contribution to make in solving these problems

attended the meeting, together with representatives of six international organizations.*

This meeting approved recommendations for husbanding the 1946 harvest to prevent another crisis in the late spring of 1947, and also for maximum food production for the 1947 harvest. It decided that quarterly appraisals should be issued to all governments concerned. To enable governments to co-operate, it recommended the setting up of the International Emergency Food Council (IEFC) to replace the Combined Food Board.

Those recommendations were referred to governments and the IEFC was set up on 20 June. The Council at present has a membership of twenty-four countries.** It has been functioning in recommending the allocation of available exportable surpluses and in other ways in alleviating the present crisis.

In September, a second world food appraisal, bringing the figures up to date, was presented to the Copenhagen Conference of FAO. This showed that the situation remains serious, and the Conference recommended that strict economy measures in the use of food be continued.

I would fail in my duty in submitting this report if I did not take the opportunity of warning all nations that the food position is still critical. The abundant harvest in North America and certain other parts of the world this year, was offset by the fact that the normal reserves of

* Argentina, Australia, Brazil, Canada, Chile, China, Cuba, Czechoslovakia, Denmark, France, Greece (observer), India, the Netherlands, New Zealand, Norway, Poland, Siam, the Union of South Africa, the United Kingdom, the United States of America; the Combined Food Board (observer), the Emergency Economic Committee for Europe, the International Bank for Reconstruction and Development (observer), the International Labour Organization (observer), the United Nations, the United Nations Relief and Rehabilitation Administration.

** Australia, Belgium, Brazil, Canada, Chile, China, Cuba, Czechoslovakia, Denmark, Finland, France, Greece, India, Italy, the Netherlands, New Zealand, Norway, Republic of the Philippines, Siam, Switzerland, Turkey, the Union of South Africa, the United Kingdom and the United States of America.

food have been depleted. There is still an acute shortage, especially of grains and fats. Unless nations carry out the recommendations of the Washington Meeting, there is grave danger that next spring the world may find itself in a crisis as acute as that in the spring of the present year.

The danger of widespread hunger with resulting social unrest is increased by the fact that the United Nations Relief and Rehabilitation Administration is going out of existence any many nations will lack the purchasing power to get the food which may be allocated to them.

Need for Long-Term Measures Recognized

In addition to taking action on the current emergency, the Washington Meeting also discussed the danger that surpluses of certain foods, over the market demand, might occur in the not distant future. This possibility was already much on the minds of farmers in certain countries, and it tended to discourage full production through fear of a ruinous drop in prices.

The meeting, therefore, requested the Director-General of FAO to submit to the next session of the FAO Conference "a survey of existing and proposed inter-governmental organizations designed to meet long-term problems concerned with the production, distribution, and consumption of food and agricultural products, including the risk of accumulating surpluses," and "to make proposals to the Conference on any extension of the functions of existing organizations or on any new organization which the survey may indicate as necessary."

The Director-General was specifically asked to bear in mind, in preparing his proposals:

"the necessity of securing the widest possible co-operation between nations and between the inter-governmental agencies concerned with increasing the production and consumption of food and agricultural products;

"the need for effective measures to prevent a recurrence of shortages or the accumulation of surpluses of food and agricultural products and for dealing with such shortages or surpluses should they develop."

The 20 May meeting was of great historical significance for its forthright recognition of the need for urgent action and wide international co-operation.

in long term measures to prevent shortages and surpluses of food.

FAO's Long-Term Proposals

In compliance with the request of the 20 May meeting, a report on the long-term food problem, under the title "Proposals for a World Food Board," was prepared by the Director-General and his staff and circulated to governments and international agencies. In essence, this report:

Outlined the nature of the long-term problem: (a) Chronic poverty, malnutrition, and low productive capacity among half the world's people in the under-developed countries; (b) widely fluctuating prices on the international market and recurrent depressions which make impossible the full use of the great productive capacity of the developed countries.

Suggested the conditions that must be sought in solving this problem: (a) large-scale, rapid development of agriculture and industry in the under-developed countries to increase productive capacity and purchasing power and raise living standards and nutritional levels; (b) stabilization of prices at levels that would encourage production in the developed countries.

Proposed a method of achieving these conditions: The setting up of a World Food Board with power (a) to stabilize prices of major agricultural products on the international market within a comparatively narrow range of fluctuation, including the setting up of buffer stocks; and (b) to promote measures, in close co-operation with all other international organizations concerned, for the rapid and extensive development of under-developed countries.

Outlined the major advances that would result from such action: (a) Economic expansion on a world scale, beginning with primary producers and the untapped purchasing power of vast numbers of consumers and thence extending outward to all industry and trade; (b) assurance of stable prices and profitable production for agriculture in the developed countries; (c) effective co-operation by many United Nations agencies on concrete measures for world-wide economic and social well-being.

Action of the Copenhagen Conference on the Proposals

Because of the urgency of the situation, the Second Session of the FAO Conference was convened two months earlier than would otherwise have been the case.

The long-term proposals were the main item of business at the Conference, which was held at Copenhagen 2 - 13 September.

The Conference unanimously voted:

To accept the general objectives of the proposals, which it defined as: "(a) Developing and organizing production, distribution, and utilization of the basic foods to provide diets on a health standard for the people of all countries; (b) stabilizing agricultural prices at levels fair to producers and consumers alike."

To set up a Preparatory Commission with a membership of 16 member countries of FAO* to prepare concrete recommendations and propositions for international action to achieve these objectives. In addition, three countries that are not members of FAO were also asked to be members of the Commission.**

The Preparatory Commission was given wide latitude in its work and was asked to consider not only the Director-General's proposals but all other relevant material, including any alternative proposals that might be made. Four inter-governmental organizations*** were invited to send representatives, without the right to vote, and provision was made for inviting other governments and organizations to do likewise. FAO was instructed to provide a secretariat and appoint the chairman, and the Director-General was asked to expedite the work.

The Preparatory Commission Begins its Work

The Preparatory Commission had its first meeting in Washington on 28 October under the Chairmanship of the Rt. Hon. S. M. Bruce, former Prime Minister of Australia and Australian High Commissioner in London.

It is hoped that the Commission's report will be available in two or three months. It will be submitted to governments and to another conference of FAO. I shall then again have the honour of reporting to you.

I wish to call your attention to the great importance of the work of this Commission.

Statesmen are finding difficulties in laying the foundation of permanent world peace. This is probably due to the fact that so much attention is being given to the fixing of boundaries and other matters that favour an atmosphere of distrust and disillusionment and tend to divide nations.

* Australia, Belgium, Brazil, Canada, China, Cuba, Czechoslovakia, Denmark, Egypt, France, India, Netherlands, Philippine Republic, Poland, United Kingdom, United States of America.

** Argentina and the Union of Soviet Socialist Republics; Siam in all discussions concerning rice.

*** Economic and Social Council (two representatives, one to represent the Preparatory Commission on Trade and Employment), International Bank for Reconstruction and Development, International Labour Organization, International Monetary Fund, and World Health Organization.

Some of these political problems are little understood by the common people of the world. What the common people do understand is that two-thirds of the world's population does not have adequate food. The majority of primary producers, who number more than all other workers put together, live in poverty. Farmers in the highly developed countries fear another agricultural slump such as occurred after the last war. Business men are looking for markets which will balance the greatly increased productive capacity of war-stimulated industries.

The objectives of the proposals being considered by the Preparatory Commission are to help to correct these conditions and make it possible for the peoples of the world to achieve their common aspiration - to lead full, healthy lives, to have adequate food, clothing, and shelter, and to participate with their fellow-men in worthwhile work.

These objectives can be reached only by the close co-operation of all the specialized agencies of the United Nations on a common front to achieve the freedom from want promised in the Atlantic Charter.

