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THE FUTURE POSSIBILITIES OF CARIBBEAN EXPORT CROPS IN THE METROPOLITAN MARKETS

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Introduction

A popular hypothesis in economic theory places on agriculture the onus of contributing to economic development by providing certain primary inputs to other sectors of the economy.¹ This contribution is particularly crucial in the early stages of economic development although agriculture is also expected to perform this role during the process of sustained economic growth.

This hypothesis assumes at best that agricultural resources are owned and controlled by domestic entrepreneurs who are concerned with national development or at worst there is involvement by local entrepreneurs who are perhaps not overtly concerned with national goals but pursue their own welfare. However, so long as the productive capacity of agriculture is owned and controlled from within national boundaries, there will be some outflow to other sectors and the state will benefit. There will be some linkages - employment, redistribution of incomes and domestic savings. Where domestic entrepreneurship and control are non-existent, the theoretical postulate of the role of agriculture comes into question. With ownership in foreign hands, decision-making does not identify with nor pursue national goals and the motive of foreign capitalists is generally limited to maximising profits from agricultural production and to draining off as much of the profit margins as possible. In such an economy agriculture cannot satisfactorily perform its expected role as a purveyor of primary inputs for economic development. The Caribbean and South American plantation economies exemplify this type of development in which as Beckford points out "since plantation agriculture is characterised by its export orientation the agricultural sector in such economies is geared to supplying food and raw materials to other countries and not to the non-agricultural sector. And, in turn, the plantation economy depends on other countries for its supplies of manufactures and even basic foodstuffs". Furthermore, as Beckford continues "the capital transfer from agriculture serves to promote non-agricultural expansion in the metropolis rather than at home. And, finally, agriculture's capacity to earn foreign exchange in plantation economies is reduced by a characteristic high import content of both production and consumption".²

There is another aspect of foreign ownership and control of resources which is often minimised if not omitted in the economic analysis of such economies although it is primary preoccupation of the historians and political analysts. The location of decision-making "abroad" and the expenditure of capital funds in a less developed state are often accompanied by some form of political involvement or control over the production region. The foreign capitalists often see the need to have at least some

¹ A useful discussion of this role of agriculture is provided by Johnson, B.F. and Mellor, J.W. in 'The Role of Agriculture in Economic Development', American Economic Review, September 1961, pp. 571-581.

² Beckford, G.L.F., 'Toward an Appropriate Theoretical Framework for Agricultural Development Planning and Policy', Social and Economic Studies, Vol. 17, No. 3, Sept. 1968, pp. 233-242.

modicum of protection for his capital. This is achieved in a number of ways including direct influence in the national economy or through government to government level. The imperialist governments have in fact historically encouraged metropolitan capitalists to invest funds in foreign regions in order to maintain or extend political boundaries and influence. These aspects of economic imperialism are all too familiar throughout the economic history of the Caribbean region. The plantation system was in fact an extension of metropolitan economic imperialism and so is the banana industry in Latin and Central America, a useful account of which is provided by Kepner and Soothill in 'The Banana Empire'.¹

Agriculture and Trade in the Caribbean were initiated from the European metropolitan States to serve these economies. The imperialist powers subdivided the Caribbean producing region into as many politically and economically exclusive sub-regions. Thus, Britain, France, and Spain for example, had their colonial agricultural plants and markets. Subsequently the United States supplanted Spain and has since achieved a position of dominance in the Region. The colonies or semi-independent States had their economies manipulated to serve as suppliers of cheap primary agricultural goods and as markets for the respective metropolitan producers. This type of economic development and control has had long lasting adverse consequences on the Caribbean economies. First, the type of economic activity pursued by the imperial nation was not necessarily in the best interest of the colonies. The concentration on export crops served to expose the infant economies to the instability and competition of world prices without at the same time satisfying domestic requirements. Secondly, the production of export crops has taken place under the most politically and economically protected conditions. This has encouraged the misallocation and inefficient employment of the Region's limited resources. At the same time it created a total dependence on the protected foreign markets.

The achievement of some measure of political independence in the second half of the twentieth century has not removed the burden of economic dependence. In fact, political independence in some of the Caribbean States has served to expose the extent of economic dependence. The tragedy of the attempted solutions so far has been to increase the economic dependence on metropolitan states particularly as sources for capital and markets for primary and to a lesser extent semi-manufactured goods. Meanwhile, the population has grown both in numbers and in frustration. Only with recent demands for "Black Power" have certain governments demonstrated limited responses for meaningful change. Policies of economic participation in the '60s and the more recent nationalisation of DEMBA, the Demerara Bauxite Company Ltd. in Guyana, are the first attempts at meaningful control and reorientation for economic independence.

The current concern shared by all the regional governments on Britain's positive application for membership in the European Economic Community draws attention to an interesting dilemma faced by Commonwealth Caribbean States. While Caribbean governments, particularly Trinidad and to a lesser extent Jamaica, have demonstrated a willingness to seek non-traditional markets for the semi-manufactured goods for their infant industries, and Guyana is exploring new markets for her bauxite, there is a sort of economic fatalism in the case of the traditional exports of agricultural goods. In none of the policy statements from governments is there an indication of willingness to make a radical transformation of traditional agricultural production and of the traditional marketing arrangements. On the contrary, there seems to be a unanimous acceptance by the regional governments that the only market

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Kepner, C.D. Jr. and Soothill, J.H., The Banana Empire, Russel and Russel 1935, New York, reissued 1967.

strategy for export crops is the extension of the traditional protection into the EEC. This paper will attempt to examine some of the reasons for this outlook and to explore some possible alternatives. The paper proceeds with an examination of the present structure of marketing of the important export commodities (sugar, banana and citrus) and discusses on the one hand the dependence of such crops on the U.K. and on the other hand, the treatment of such commodities in the European Economic Community (EEC) markets. The paper then goes on to examine two of the possibilities open to the Region when the U.K. joins the EEC.

Market Protection and Dependence

In the simplest terms marketing has a dual role of taking produce from the end of the production line and distributing such produce to consumers -- in the most efficient way possible. In providing this linkage marketing is an essential, though not sufficient, activity in the economic development of a country. The structure and functions of the market should be so organised as to stimulate production, provide producers with a fair income and bring farm produce to consumers at reasonable prices. To achieve these goals, marketing cannot be laissez-faire but should be so organised to take into consideration all the relevant social and economic needs. Moreover, if one may draw from colonial experience, such decisions are better initiated from within the developing economy than from without. In other words, decision-makers must be aware of the social and economic goals of the society and must purposefully organise the marketing mechanism to achieve national objectives.

In the Caribbean economies the traditional export crops were not developed and marketed to contribute primarily to the economic development of the Region. The decision-makers were absentee-entrepreneurs, the production type was determined from abroad and the profits were employed for consumption and investment in the metropole.¹ Internal markets were neglected, left largely to higglers and peasant producers. All trade was directed outwards -- with the metropole.

Current Marketing Arrangement

Sugar: Sugar cane production and sugar marketing were developed as a direct intervention of the imperial powers. The colonies were developed as sugar producers and the commodity was sold under very restrictive economic and political conditions. It was a very imperfect marketing situation in which the trade was completely monopolised, marketing was a bilateral arrangement between the hinterland and metropole and the former was completely dependent on the latter.

The plantations were the basic units of production. At a later stage production of sugar was extended to peasant producers. From the latter part of the nineteenth century the Caribbean colonies lost their monopoly as sugar producers. Production of cane sugar expanded to other areas -- India, Mauritius, Java, the Philippines and Reunion, Brazil and Louisiana. European farmers were encouraged with high subsidies to expand their production of beet sugar. This increase in the number of producers and the spread of the supply areas liberated the trade somewhat but created rather unstable conditions in the market in which only the most efficient or highly subsidised producers could survive.

Eventually in an effort to stabilise the sugar market the 1936 Sugar Industry

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For an extensive treatment of this subject see, Williams, Eric, Capitalism and Slavery, University of North Carolina Press, Chapel Hill, 1944.

(Re-organisation) Act was aimed at limiting the volume of subsidised beet sugar. The Act established a basic export quota for the U.K.'s overseas producers. In 1937, the International Sugar Agreement was signed in London for the first time. The political and economic relationships between Caribbean producers and the U.K., however, still required special arrangements.

During the years of World War II the market for sugar was completely disrupted and in the post-war period it became necessary to examine anew the condition of production and marketing. It was recognised that the Commonwealth sugar countries could not survive if they were forced to return to the conditions existing prior to the War which were exposed and analysed by the Moyne Commission¹ on the West Indies. Accordingly the Commonwealth Sugar Agreement was introduced in 1951. By this Agreement the Commonwealth sugar producers undertook to supply and Britain undertook to purchase each year specific quantities of sugar (Negotiated Price Quota) at a price which is "reasonably remunerative to efficient producers (Negotiated Price)".² Under this Agreement the Commonwealth Caribbean countries export sugar to Britain and so do other Commonwealth countries including Australia, British Honduras, Fiji, India, Mauritius and Swasiland.

The Negotiated Price Quotas for the Commonwealth in effect at present is 1,717,500 long tons. This total quantity was negotiated for the years 1969, 1970 and 1971 at the Negotiated Price of £42.10s. per long ton for all exporting countries. There is an additional payment of £1.10s. and £4 per long ton for the less-developed exporting countries. In 1971 the Agreement again comes up for negotiation.

While the Commonwealth Sugar Agreement provides the supplying countries with a guaranteed market and "Negotiated Price" the effect has been to limit the flexibility of the agricultural sector. Furthermore, the historical dependence on the U.K. market is perpetuated. It may be argued that guaranteed markets and prices for agricultural produce are desirable. However, the continuing problems faced by the industry in the Caribbean territories suggest that resources may not be employed in the most beneficial way for the Region as a whole.

The extent of the dependence of Commonwealth sugar producers on the U.K. market may be judged from the fact that over 80 per cent of the sugar produced by the Commonwealth countries is marketed under the Commonwealth Sugar Agreement. The bulk of the remainder of Commonwealth sugar is sold to Canada and the U.S.A. under special arrangements. The protection offered to the Commonwealth sugar market typifies the international trade in sugar. It is estimated that over 85 per cent of the world's sugar is marketed under protected arrangements. Producers in most of the developed countries market sugar (particularly beet sugar) at artificially high prices. Sugar from associated states is imported under special arrangements, whereas imports from third countries are discouraged by prohibitively high tariffs or quota systems. Thus, for example, the U.S. admit sugar from developing countries on a quota basis; and the European Economic Community countries, which are at present of great interest to Commonwealth Caribbean countries, have special arrangements with their former colonies. France, for example, provides a protected market for her overseas

¹ Lord Moyne, Reports of the Evidence taken by the West Indian Royal Commission, 1939.

² Quoted from British West Indies Sugar Association, Sugar in the West Indies and British Guiana, Bridgetown, Barbados, 1961.

Departments including Guadeloupe, Martinique and Réunion.

The EEC countries themselves are presently producing more beet sugar than their domestic requirements. In 1968/69 for example, total production of beet sugar amounted to 6,386,000 metric tons and production increased to 6,993,600 metric tons in 1969/70. In 1969/70 the EEC countries exported 1,055,800 metric tons of their surplus output. Taken as a whole, therefore, the EEC is a net exporter of sugar and employs a system of tariffs and quotas to protect the sugar market and to encourage domestic production. Under the common agricultural policy there is an agreed self-sufficiency ratio of 105 per cent of the EEC consumption, for which producers receive a guaranteed market outlet and price at a level of the intervention price. When the self-sufficiency ratio is between 105 and 135 per cent, producers receive the same guaranteed market but a guaranteed price considerably lower than the intervention price. Surplus sugar may be stored, exported or denatured for animal feed or industrial use. The regulations also provide for the payment of storage charges and the subsidisation of exports. Above 135 per cent, producers receive no guarantee of market outlet or price.

Banana: Next in importance to sugar for the Commonwealth Caribbean territories is banana. The chief producers are Jamaica and the Windward Islands (Dominica, St. Lucia, St. Vincent and Grenada). While sugar is the most important agricultural export from Jamaica, banana holds primary position, not only as an agricultural export of the other islands but as the principal export item in total trade.

Unlike sugar, banana production was developed essentially as a peasant crop in the post-slavery period. Like sugar, it was grown for the export market. Today, banana is still largely produced by peasant farmers although there are large estates involved in production and at least two large multi-national corporations. In certain Latin American countries the corporations, however, dominate production. The largest of these corporations is the United Fruit Company of the United States.

The marketing of bananas in the Caribbean, unlike its production, is handled by the large corporations and Banana Boards. In Jamaica banana is sold to two marketing companies acting as agents, i.e. Elders and Fyffes Limited a subsidiary of the United Fruit Company, and the Jamaica Producers and Marketing Company. In the Windward Islands Geest Industries Limited virtually monopolises the marketing of the fruit. In all the producing territories there are Banana Boards that perform important intermediary functions between producers and marketing companies and assist the industry generally.

The Commonwealth Caribbean producers of banana are completely dependent on the U.K. market. It is estimated that approximately 96 per cent of the total exports of bananas from the Commonwealth Caribbean countries go to the U.K. Other large markets, including the U.S.A. and Canada, purchase from Central America; Japan buys from Taiwan, Norway, Sweden, and Denmark buys from the Cameroons and Central America.

The EEC countries at the present time do not have a common policy for banana but such a policy is actively being considered. France has special arrangements with her overseas Department which supply about 97 per cent of her requirements duty free. Imports from other countries face a 20 per cent *ad valorem* tariff and associated states a 5 per cent *ad valorem* tariff. Germany purchases under a banana Protocol whereby 80 per cent of her requirements are allowed in duty free from Central America. The other EEC countries of Holland, Luxembourg and Italy purchase from Central America under a quota system.

Citrus: Citrus, like bananas, is grown both by peasant farmers and on large farms. The chief Commonwealth countries exporting citrus include British Honduras, Dominica

Jamaica, Montserrat, and Trinidad and Tobago.

The U.K. is the most important market for Caribbean citrus with the exception of Jamaica which exports mainly to New Zealand. The U.K. market is also supplied with citrus from Spain, Israel and South Africa. Under Commonwealth arrangements citrus enters the U.K. market duty free while dollar area producers, chiefly the U.S., have quota restrictions.

In the EEC, citrus is produced and marketed under the Common Agricultural Policy. Under this Policy a range of tariffs was introduced in January 1970 which regulates the trade of the following categories of citrus fruit:

Summer Oranges	-	15 per cent	ad valorem
Winter Oranges	-	20 per cent	" "
Mandarins	-	20 per cent	" "
Lemons	-	8 per cent	" "
Other Citrus	-	10 per cent	" "

Additional protection is given to producers within the Community in the form of reference prices, levies against third countries and restrictive grade specifications. Member States of the Community also have special arrangements with their Dependencies and Associates. For example, France imports citrus duty free from Morocco and Tunisia, Italy imports from Libya and Somalia. Certain producing countries have free or easy access to the Community, for example, Greece exports citrus duty free from the Community, whereas imports from Israel are admitted at a reduced tariff.

Relationship with the European Economic Community

From the foregoing examination of the markets and marketing arrangements for the export crops it is evident that the historical dependence of the Commonwealth Caribbean countries on the U.K. market has not altered with independence. Neither will an examination of recent agricultural developments reveal any real structural changes which would lessen the dependence on traditional crops, especially sugar, and correct the adverse historical legacies.

Agricultural economic policies of the governments have been aimed at diversifying agricultural production, maintaining at least the traditional export activities and more recently seeking to develop linkages with agro-based industries and with other sectors in the economy. While diversification has been pursued apace and has achieved some successes, the export sector has shown less responsiveness and dynamism. Agro-based industries also have been slow to develop.

A primary concern of the regional governments is the extent to which they depend on the sugar industry as a source of employment. In Trinidad and Tobago the sugar industry employs over 15,000 persons; in Guyana it employs over 27,000 whereas in Jamaica, over 23,000 workers are employed in the industry. In addition to these levels of direct employment there is a much larger number of small farmers and workers who depend indirectly on the industry.

Apart from the employment aspect, the sugar industry is regarded as a major earner of foreign exchange. Direct public revenue from the industry in Jamaica, for example, is estimated at over £4 million annually. In the case of Barbados and St. Kitts export earnings from sugar represent over 90 per cent of total export earnings.

In considering the future trade pattern of the Commonwealth Caribbean sugar industry, therefore, there are certain basic considerations. Firstly, the cost of sugar production in the Caribbean is higher than most other producing areas such as Fiji and Australia. The high cost of production makes the industry non-competitive in a "free" market situation. Secondly, as we have seen the economies of the producing territories are highly dependent on the industry both as a source of employment and as an important earner of foreign exchange. Thirdly, much of the sugar is still traded in very closed markets. Much of the world's trade in sugar is conducted under special trading arrangements between developed and developing countries or between developed countries themselves on a smaller scale. Moreover, most of the major consuming countries are themselves producers of sugar. All of these factors make it difficult for third countries or new producing countries to enter these markets.

The EEC is today a surplus producer of sugar, estimated at 7 million tons raw sugar in 1969. Britain will be expected to subscribe to the Common Agricultural Policy of the EEC which provides protection to domestic producers. Under this policy the U.K. will be expected to satisfy some of her domestic requirements from this source. This means that the Caribbean producers will experience considerable difficulty in marketing sugar in the U.K. and in the extended Community market under the existing tariff regulations. The Common Agricultural Policy contains no special provision for the admission of sugar from third countries. Such imports must be at the world price and must pay a levy which brings the world price up to the level of the Community price.

The position of bananas is perhaps even more critical than sugar because of the perishability of the crop and because of the heavy dependence of the Windward Islands on earnings from the crop.

It was pointed out earlier that the EEC does not have a common agricultural policy in respect to bananas. However, it is expected that when such an agreement is reached a 20 per cent ad valorem tariff will be imposed on bananas imported from outside the present Community. With such a tariff wall Caribbean producers will be effectively excluded from the market. However, because of the lower cost structure of the Central American banana producers it would still be possible for them to compete for the EEC markets. The alternative markets in the U.S. and Canada are presently supplied from Central America, Commonwealth Caribbean producers will therefore not find a ready market in North America.

From the above discussion we may conclude that Britain's entry into the EEC without adequate safeguards for Caribbean exports of sugar and bananas in particular, but other agricultural crops as well, will have serious immediate consequences for the economies of the producing territories. This point is clearly made by the Commonwealth Producers Organisation: "The unconditional removal of free access and of preference and their replacement by reverse preferences or punitive levies (destined for the Treasuries of European countries) would have a devastating effect on the saleability of a whole range of Commonwealth products, and on the prosperity of the communities that derive their living from them. Transitional arrangements could do no more than cushion the blow; they would provide no permanent solution."¹ One solution, therefore, is to seek adequate safeguards for the export crops. This can be achieved by the Commonwealth Caribbean countries seeking some form of membership

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Commonwealth Producers Organisation, 'The EEC and Caribbean Export Agriculture', London, 1969.

within the EEC. Such arrangements have already been provided to overseas associated countries of certain EEC member states, for example, France. Provision for giving such safeguards was in fact written into the Treaty of Rome to preserve the existing channels of trade of the original members of the Community. These governments have already demonstrated an understanding and willingness to extend a variety of concessions to certain developing countries. This paper takes the view, however, that while pursuing the present policy of seeking some form of association with the EEC immediate consideration should be given to a progressive transformation of the agricultural sector in the Caribbean economies. It would be necessary to take stock of our traditional agricultural policies and to develop a new strategy which should aim at the transformation of the rural and agricultural sector. It should be the purpose to remove the adverse historical legacies and to lessen the dependence on traditional export markets.

The above strategy is not seen as an exclusive alternative to seeking preferential markets. The conditions of trade today between developed and developing countries and the competition among the latter is such that primary agricultural commodities will continue to require concessions from the developed markets. The need for such trade concessions was recently stressed by the Pearson Commission¹ which saw dependable markets rather than aid as the major opportunity for developing countries. Even between developing countries themselves trade is being encouraged through the application of concessions, favourable tariffs and other forms of trade arrangements. The Trade Negotiations Committee of Developing Countries was specially set up by the GATT in 1967 to encourage the expansion of trade among developing countries through bilateral trade agreements of one sort or another.

Agricultural Rationalisation

Much has been written about the foundations of Caribbean agricultural development and the many problems facing the industry. It is not the purpose of this paper to repeat all of this. One conclusion which may be drawn from all the material is that major improvements in the industry and lessening of the dependence on traditional markets can only take place by careful rationalisation of the industry in the individual producing sub-regions. However, given the many constraints and competition arising from small individual units, regional planning of agricultural production would offer superior benefits.

To take the case of the sugar industry, for example, rationalisation of sugar production would enable the industry to shift production to the most suitable areas, taking into consideration the relevant social and economic needs of the society. Such shifts in sugar production location should release marginal lands for other economic activities and certain fertile sugar lands for other crops. In the process of rationalising production opportunity should be taken to initiate improvements in technology which would improve the efficiency of the industry and remove much of the social stigma associated with manual field labour.

The benefits that can be derived from rationalisation of sugar production can also be achieved for other crops. In a study on the West Indian Banana Industry,²

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Pearson, L.B., 'Partners in Development', Report of the Commission on International Development, Praeger Publishers, New York, 1969.

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Beckford, G.L.F., 'The West Indian Banana Industry', Studies in Regional Economic Integration, Vol.2, No.3, Institute of Social and Economic Research, U.W.I., Mona, Jamaica, 1967.

Beckford suggests some directions for collaboration in the development of the industry. There are four areas from which such benefits could be achieved:

- a) better and more stable market prices and returns to growers;
- b) an improvement in the competitive position of the industry;
- c) the development of new market outlets; and
- d) an increase in the contribution of the industry to the regional economies.

Analysis of agricultural production and marketing in the Region by both Beckford¹ and McIntyre² leads to the conclusion that considerable benefits can accrue to the Region as a whole through regional collaboration and planning. In his analysis McIntyre, for example, suggests that: "... a participating country may be willing to trade quicker access to its internal market ... for greater access to markets in the rest of the world, where it is competing with another participating country. In this case, the latter country will increase its exports to the regional market at the expense of foregoing increases in exports to the rest of the world. This may lead over time, to an increase in exports for both countries, if they are giving up market opportunities for producing goods with low-growth potential for opportunities to export goods with a higher growth potential."³

Regional collaboration in agricultural development is seen as a necessary and urgent need. It is not unlikely that if Commonwealth Caribbean countries succeed in getting extended preferential market in the EEC, regional governments may view the need for economic reforms in the agricultural sector as less urgent. Meanwhile, the difficulties of reaching agreement on regional collaboration and implementation of regional plans will be increased. At present the agricultural policies pursued by the regional governments is to diversify agricultural production as much as possible. Such policies not only threaten to nullify the major benefits to be derived from CARIFTA but seem unlikely in the long-run to achieve stated goals. The major disadvantages of the present agricultural policies of diversification may be summarised as follows:

- a) because of physical limitations, it is unlikely that the smaller islands in particular will in the long-run be able to satisfy all of their domestic food requirements while achieving a satisfactory level of exports;
- b) diversification as presently pursued does not permit intensification and specialisation which would improve efficiency;
- c) the cost of domestic agricultural production remains high because of the low levels of production and specialisation and the resulting failure to achieve any economies of scale;
- d) the use and application of certain technological innovations are restricted;
- e) the advantage of a large market which is the chief benefit of CARIFTA could be nullified because of production duplication;
- f) foreign markets are not easily gained and maintained because of the small and irregular supplies from small and competing individual producing countries;
- g) the small and irregular production of agricultural commodities serve to hinder the development of certain marketing services such as shipping and intra-regional trade and limit generally the extent to which research may be undertaken.

¹Beckford, G.L.F., Ibid.

²McIntyre, A., 'Some Issues of Trade Policy in the West Indies', New World Quarterly, Croomtime, 1966.

³McIntyre, A., Ibid, pp. 18-19.

From the foregoing it is evident that while the present policy of diversification has much merit and may satisfy some of the short-term objectives, in the long-run such diversification can be self-defeating. Altogether it is quite doubtful that extensive multiplicity of cropping pattern on peasant farms can in the long-run achieve the stated goals. What little success can be achieved would be at a prohibitively high social cost because of the diseconomies of scale, the rising cost of agricultural land and other inputs, and the underutilisation of human resources.

It would be useful at this point to refer to a report on the Development Problem in St. Vincent by Brewster. One conclusion drawn in the report may be applied to all the smaller territories and is sufficiently relevant and important to be quoted here at length: "In the smaller islands given the extremely limited quantity of cultivable land of workable elevation, an unusually low land/population ratio (not to mention all the varied sociological, political and economic problems of land tenure and rural life), under these conditions it is simply not possible, even if we assume a liberal growth of land productivity, to envisage any form of agriculture, domestic or export which could form the source of continuous growth of income at a rate significantly greater than the rate of expansion of population. In other words, our hypothesis is that it is physically impossible for St. Vincent even to attain a relatively high level and sustained rate of growth of income on the basis of agriculture: the land does not exist and the people are too many."¹ It seems, therefore, that if the limited resources of the Region are to be utilised in order to provide Caribbean people with maximum benefits and improvements in their living standards, there is urgent need for a more rational approach to economic development while at the same time seeking to secure adequate export markets.

Before any programme of agricultural rationalisation can be undertaken it will be necessary to undertake extensive studies on the entire rural and agricultural sector. It will be necessary to identify the main problem areas and the activities that will lend themselves to regional collaboration. Such a programme will require the utmost commitment and participation of all the governments and peoples of the Region.

Conclusion

The paper sought to examine some of the relationships between metropolitan markets, particularly the U.K., and Caribbean export crops, and to show the dependence of the Caribbean trade on these markets. The result of the historical influences of metropolitan markets and the present dependence of Caribbean export agriculture now posit a serious dilemma for the Region with the pending membership of the U.K. in the European Common Market.

The Regional governments have, without exception, indicated a readiness to seek some form of association with the EEC as a consequence of Britain's application. Indeed, collectively (at the CARIFTA level) and individually, governments have been pursuing discussions with this objective in view. It is argued and indeed evident, that without preferences or special marketing arrangements there will be serious economic consequences for the Caribbean economies, to say nothing of the possible political repercussions. The present organisation and cost structure of Caribbean agriculture and of world trade in primary produce render it imperative, at least for the short-run, that the producing countries secure adequate preferential markets if the export trade is not to be disrupted and if inevitable hardships on the population are to be averted.

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Brewster, H.R., The Development Problem in St. Vincent. A Report by a University of the West Indies Development Mission, May 1969.

The current dilemma for Caribbean export crops, particularly sugar and banana is not unfamiliar to the economies of the Region. It is in fact almost a characteristic historical and economic occurrence. And it is not that the condition giving rise to the problems in agriculture has not been investigated and prescribed. The many Commissions of Enquiries, Economic Reports and Special Reports testify to the attention given to this sector. In spite of all of this the dependence on traditional export crops and markets continue, the structural base of agriculture remains unchanged.

It seems, therefore, that while the Region should seek protected markets and other preferential treatment, much greater emphasis must be given to a restructuring of our agricultural production. Rationalisation of agricultural production and marketing in the Region offers one real possibility. The aim should be to establish agriculture on a sounder footing and to lessen the dependence on traditional crops.

Some preliminary thoughts¹ have already been aimed on the subject of Regional agricultural planning; much more research must be done before such programmes can be accepted or implemented. Needless to say such an approach to Regional agricultural development will require the total commitment and participation of all the participating governments.

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Beckford, G.L.F., *op cit.* also McIntyre, A., *op. cit.* and unpublished paper prepared by the Commonwealth Caribbean Regional Secretariat, 1969-71.

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