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PROPOSALS FOR A WORLD FOOD BOARD.

One of the documents submitted by the Director-General, Sir John Boyd Orr, to the Second Session of the United Nations Food and Agriculture Organisation at Copenhagen in September, 1946, was one entitled, "Proposals for a World Food Board."¹ This document is the direct result of a Special Meeting on Urgent Food Problems, which took place in Washington in May, 1946, and which—in view of the likely continuance of the serious world food shortage into 1948—requested the Director-General of F.A.O.:—

"to submit to the Conference of F.A.O. at its next session a survey of existing and proposed intergovernmental organisations designed to meet long-term problems concerned with the production, distribution, and consumptions 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 organisations or on any new organisations which the survey may indicate as necessary."

The document is also in a sense a logical sequel to another F.A.O. report entitled, "World Food Survey," which was reviewed in a recent issue of this journal.² It is not necessary to repeat the findings of this "World Food Survey" here, beyond the fact that few nations had a really satisfactory diet before the war, a good many had poor diets, and to raise all to even an intermediate level of nutrition (not the optimum) by 1960 will call for a colossal expansion of agricultural output. But the conclusion of the Survey is important:

"Thus on the one hand there is a danger of a reutrn of unmarketable surpluses of certain agricultural commodities, resulting in a disastrous break in prices which would have widespread repercussions throughout the economy and lead again to heavy pressure for restriction of farm output; and on the other, a need to expand production, as indicated by the target figures in this report, in order to raise levels of health and standards of living throughout the world. Unless positive action is taken, the world will move not in the direction of the goals but away from them, and there may again be shortages like those we face in the present emergency, which could have been largely avoided if adequate international machinery had been available."

The difficulties in the way of bringing about the needed expansion of output are very real. For backward countries, where population presses heavily on the land, and low average productivity means inadequate diet, the aim must be to have this surplus labour transferred to other profitable employment and to trade the resulting products for more food. For advanced countries

¹"Proposals for a World Food Board"; F.A.O., Washington, July 5, 1946 (12 pages).

²"Review of Marketing and Agricultural Economics." October, 1946, page 372.

the aim must be to remove the fear of gluts and the damaging fluctuations of export prices. For these reasons the "positive action" called for must lie in the direction of solving the problems of ensuring stable world trade. It goes without saying that the pursuit of "full employment" policies would in itself provide a stimulus to the demand for foodstuffs and to improved nutrition. But internationally the more important aim is to discard the restrictive practices which hobbled world trade in the 1930's and to control the forces which drive individual nations towards adopting them in self-protection.

"If this reasoning is valid, a world food policy based on human needs would provide a programme for agriculture and direct trade along the lines that must be followed not only to achieve prosperity but to attain the great humanitarian ends proclaimed by the leading statesmen of the United Nations during the war as the fruits of victory to which the people of the world might look forward."

The problem has two aspects, national and international. Some of the more developed countries have already made progress on nutrition policies through subsidised food, special distributions to vulnerable groups, and so on. In the international sphere, too, U.N.N.R.A. at present operates feeding and agricultural rehabilitation programmes. But no successful plan can depend for long on international charity, and it is urgent that agricultural development should be put on a business basis. This may quite well involve long-term international loans on easy terms, preferably through the International Bank for Reconstruction and Development.

The document then surveys the existing organisations in the field of world food control. So far as past and present international commodity controls are concerned, it is felt that they have been too limited in their scope as well as their financial resources. On the other hand, most of the recently-formed United Nations organisations—including F.A.O.—while having highly-useful research and advisory functions, lack authority and funds. To provide a means of *acting* together, as well as *consulting* together, a World Food Board is recommended.

The structure of this World Food Board is suggested by the temporary organisations already in the field. The International Emergency Food Council—the successor to the war-time Combined Food Board—encourages price stability and unified buying, and as well recommends the allocation of surpluses. U.N.N.R.A. on the other hand has funds, and is looking after emergency feeding and agricultural rehabilitation. But the long-term problems of scarcity and surpluses will remain after these interim organisations have been wound up.

The proposed Board could be a modification of F.A.O., but would need to include representatives of related United Nations economic bodies such as the World Bank, U.N.E.S.C.O. and I.T.E.O. Its functions would be:—

- (1) To stabilise prices of agricultural commodities on the world markets, including provision of the necessary funds for stabilising operations.
- (2) To establish a world food reserve adequate for any emergency that might arise through failure of crops in any part of the world.
- (3) To provide funds for financing the disposal of surplus agricultural products on special terms to countries where the need for them is most urgent.
- (4) To co-operate with organisations concerned with international credits for industrial and agricultural development, and with trade and commodity policy, in order that their common ends might be more quickly and effectively achieved.

To fulfil these aims the Board would fix minimum and maximum world prices in the light of market conditions, and operate on the market to maintain these prices. It would also maintain buffer stocks amounting to between six and twelve months' trade. To do this funds would be needed, and though the Board's trading activities would probably be profitable, there would probably be offsetting losses through distribution of surpluses to needy countries.

As the document itself points out, nothing in this is really new. All that it does is to bring together a number of ideas which have already had an earnest following, and synthesise them into one proposed organisation. And though the proposals may seem unduly idealistic, it is noteworthy that they were endorsed in principle by every nation represented at F.A.O.'s Copenhagen Conference in September, 1946, which set up a Preparatory Commission representing sixteen nations to examine the proposals and develop recommendations for a concrete programme. This Commission began its sittings in Washington at the end of October under the chairmanship of Mr. S. M. Bruce, the Australian who was so closely identified with the original work of the League of Nations on food and nutrition problems. This Commission is aiming to finish its work by the end of 1946.

In discussing this World Food Board it is as well to be aware of the heavy practical difficulties in its way. In the first place, the problem of providing the backward countries with the purchasing power they need to improve their position is primarily one of economic organisation. They lack the resources to develop themselves quickly and must rely either on international charity, which cannot be practicable as a long-term matter, or on international credit. Then they must find markets for their new products to exchange for the extra food they need. And the only big markets in sight are America and Western Europe. The latter is already impoverished by war, and both are vulnerable to another possible economic depression in America.

Secondly, the history of international commodity controls seems to show, too, that it is a highly-difficult task to reach agreement on prices which are satisfactory to both producing and consuming countries.

Thirdly, there is already the grave practical hurdle that both the United Kingdom and the United States have since disavowed the F.A.O. plan, though for different reasons. Yet there is no doubt that both are still equally keen that some practical proposal should be worked out to achieve the end towards which the F.A.O. plan is aiming.

Consequently, the recent announcement by Mr. Bruce that the proposals were too impracticable, and that the objective might have to be achieved by a slightly-different route, cannot have come altogether as a surprise. This "slightly-different route" is, of course, now being explored, and as a matter of urgency, for as Sir John Boyd Orr pointed out at Copenhagen: "Science has made the world so small and brought the nations into such close relation with each other, that it is now a question of one world or no world."

R. B. McMILLAN.

TASMANIAN POTATO MARKETING ORGANISATION.

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The potato industry in Australia is facing the difficult problem of bringing production back into line with normal demand.

During the war years, the Commonwealth Government operated a system of contract production and marketing, under powers derived from National Security Regulations, and it has approved of the continuation of the system to cover the 1946-47 crop.

Steps are being taken shortly in New South Wales, by way of ballot, to obtain an expression of opinion from potato growers whether they favour the constitution of a Marketing Board (under the Marketing of Primary Products Act), as the first step towards the development of a national plan designed to make for post-war stability within the industry. Potato growers in Victoria recently decided a similar question in the affirmative.

The Tasmanian Parliament towards the end of 1945, passed an Act which provides for the constitution of Boards for the marketing of certain classes of primary products, including potatoes. A comparison of the provisions of this Act with those of the New South Wales Marketing of Primary Products Act was made in an article which appeared in the August issue of this Review.

Tasmanian potato growers are shortly to be given an opportunity to record their votes under this new legislation on the matter of establishing a statutory Potato Marketing Board. In the event of an affirmative vote, the new Board would then presumably supplant the existing marketing organisation which has been operating since 1927. As potato growing in Tasmania and the export of