

### (7) *Fear of Surpluses*

The Committee has noted the suggestion that the fear of surpluses might hamper the full co-operation of food producers in production programmes for 1947. Although at the moment farm prices are, generally speaking, remunerative and although a number of Governments have price-support programmes in operation, nevertheless food-producers in many countries fear that satisfactory prices may not continue beyond the period of shortage. The Committee attaches importance to creating a feeling of confidence in regard to price stability. It believes that ultimately the problem of surpluses can only be resolved within the framework of an expanding world economy, including full employment and maximum industrial production at home, expansion in international trade, the stabilization of currencies, and the resumption of international lending. Nevertheless, national guarantees of price stability need to be supplemented by international measures to serve the same end.

The Committee therefore RECOMMENDS—

(a) That FAO be asked as a matter of urgency to study the problems of agricultural surpluses and the means which might be employed to dispose of them, bearing in mind the principles enunciated at the Hot Springs Conference and consulting such other United Nations agencies as may be concerned; and

(b) That, in order to allay as far as possible the fears of producers respecting future surpluses, FAO be asked to report its findings to the next session of its Conference.

### (8) *Incentives and Price Policy*

The Committee appreciates that in the present emergency very great demands are being made upon producers, both to increase production and to change in some cases the pattern of production in order to meet the special needs of this period. It is confident that producers will continue to respond to all appeals as generously as they have done hitherto. It believes, however, that producers have a right to expect fair treatment not only at present, but also in the future. It has already made a recommendation which should give confidence to producers that the problems of eventual surpluses are under active consideration. To those assurances it wishes to add further assurances concerning the returns received by agricultural producers in all parts of the world. It affirms the principle that agricultural producers and workers are entitled to a fair return for their labour. It urges Governments which have not yet done so to take steps to assure agricultural producers and workers a satisfactory standard of living. But the problem is also an international one.

The Committee therefore RECOMMENDS—

That FAO study the international aspects of the problems of securing reasonable and stable returns to agriculture in ways consistent with technological developments and a flexible world economy and that FAO report its findings at as early a date as possible to its member Governments.

## PART III.—PRINCIPLES OF COLLECTION, PROCUREMENT, ALLOCATION, AND DISTRIBUTION OF FOODS IN SHORT SUPPLY

(1) The Committee recognizes that it is not concerned with intergovernmental machinery for procuring and allocating foods in short supply. This falls within the terms of reference of Committee III. The Committee has, however, considered the principles which should be adopted by whatever body is established for this purpose.