

CONFERENCE	FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS	C63/LIM/5 18. November 1963
CONFÉRENCE	ORGANISATION DES NATIONS UNIES POUR L'ALIMENTATION ET L'AGRICULTURE	
CONFERENCIA	ORGANIZACION DE LAS NACIONES UNIDAS PARA LA AGRICULTURA Y LA ALIMENTACION	

TWELFTH SESSION

1963 Mc Dougall Memorial Lecture

by

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McDOUGALL LECTURE - FAO

Mr. Chairman, Ladies and Gentlemen,

Introduction

I am very conscious of the honour which has been accorded to me by the invitation to speak here today. I am conscious too that many of the people in the audience know much more about the F.A.O. and its work than I do, and that many of you are experts in the subjects which this Organisation deals with. On these matters I can have nothing useful to say to you, and I do not intend to try.

I want instead to look at the question of world development from the point of view of those at the wrong end of the standard of living statistics. The F.A.O. is, to an agricultural country like mine, a very important institution and it is therefore appropriate that I should reflect on the question of development with this Organisation at the forefront of my thoughts. Yet much that I will have to say goes beyond the responsibilities of the F.A.O., because this international body does not and cannot work in isolation. Its success is determined to a large extent by a whole complex of economic and political relationships which are outside its jurisdiction or influence.

First, I think it is useful from time to time to remind ourselves that it is People, - human beings with all their prejudices, hopes, stupidities and potentialities, - who are the purpose of every human organisation and institution. The purpose of government is to secure for the people conditions in which they can live happily and peacefully, and the modern conception of its function demands that it should do this in a positive manner. Keeping people safe from violence is now

recognised to be only part of government's job. For the rest it is expected to be an active instrument for the conservation of that in their lives which people think is good, and the change of that which they know to be bad.

To a democratic government in an underdeveloped country, like mine, this objective of change has to be the main purpose of government activity. Peace itself cannot, and should not, be secured without almost total change, because the conditions in which many of the people now live and move are a negation of human dignity, and a disgrace to the twentieth-century world. Our Governments have to secure an improvement so great that it demands a complete social and economic revolution in the country.

And just as this Change must be the objective of governments in underdeveloped countries, so also it is the declared aim of a whole complex of international organisations. The United Nations itself has peace-keeping as its special responsibility, but through the Economic and Social Council, and through the Specialised Agencies, the objective of radical change in the conditions of life for thousands of millions of people has been expressed. It is my purpose today to look at these international instruments of Change from the point of view of one who is daily concerned with effecting change in a small portion of Africa.

"One World" or Not ?

Apart from South Africa - which I intend to ignore today - there is now an almost world-wide recognition of the common humanity of man, and a growing sense of human brotherhood. The existence of the F.A.O. is indeed one of the expressions of this feeling of involvement in each other's welfare. The

idea is in fact becoming so commonplace that it is no longer justified by argument, merely asserted and accepted. And certainly there are many grounds for our assumption that we are now in One World, which is a Unity.

Technologically there is no doubt that the world gets smaller every day; even 30 years ago, before some of us were at school, an international conference such as this one would have been extremely difficult to hold because of the time it would demand from the delegates. Now I imagine that very few have taken more than 36 hours to reach here, and soon the travelling time will be even shorter. Alongside the speed of movement about the earth there is the international effect of every modern scientific development; it was the whole world which was concerned about the cessation of nuclear testing, because the whole world is affected by it. And in addition we have the fact that mass production techniques mean that one productive unit can often supply the effective wants of thousands of people scattered all over the globe more cheaply than any small factory or home worker can supply those near at hand.

Because technologically we are one world we have, however, got into the habit of using the phrase in other contexts where it is neither true nor relevant, and where its use discourages us from thinking.

Politically we talk of one world, yet we remain hundreds of individual nations who are taking only the first elementary steps towards recognising their interdependence. We do not talk about 'one nation' when there are two quarrelling governments controlling a territory, however

great their need for each other if the peace and prosperity of the whole area is to be secured. Similarly, we should only be justified in using the phrase 'one world' in a political context if our petty nationalisms are controlled by a world peace-keeping authority which has power to enforce its will.

Economically, I believe the irrelevance of this phrase is still greater. True, the ramifications of international trade mean that goods produced in London, New York, or Tokyo, have affected the lives of people in the bush hinterland of Tanganyika; and truly too the same Company names are to be seen operating in Germany, America, India and Africa.

The Economic Contrasts

But despite these facts the world presents a picture of such violent economic contrasts that, for all the contact there can be, different sections of mankind could be living not just in different planets, but in different solar systems. I am sure it is not necessary for me to expand on these facts here. You know the statistics of poverty contrasted with riches; of obesity in one country and hunger in another. You know too that although within every country there are economic inequalities - with even the U.S.A. having its poor and under-nourished - the startling inequalities come between the general standards of living in the different nation states of the world. \$60 per head is the National Income of India, and \$2,000 per head in the United States - these figures come from F.A.O. publications. Neither do you need me to tell you that by far the greater majority of mankind does not get enough to eat, or does not get the sort of food which will

keep a person healthy.

None of these facts are new; when talking about them it is difficult to avoid talking in clichés. They were the reason for establishing the U.N. Specialised Agencies; and the origins of the F.A.O. itself can be found in President Roosevelt's call for the world to fight for the four freedoms - of which one was Freedom from Hunger.

But while these facts are not new, neither are they becoming out of date. This is the matter which must concern us now. During the 1950s it is estimated that the average annual per capita income in the United States of America and Western Europe rose by over \$200. In the under-developed countries as a whole the annual per capita income started at about \$80, and at the end of the decade was about \$90 - an increase of \$10 during the period. In other words, the people who live in the rich countries on average had an increase in their wealth which was greater than the total wealth available to a person in the underdeveloped countries. The gap between the two groups, far from decreasing, grew wider at a very fast rate. There is nothing at all to indicate that this trend has changed in the last three years; it is much more likely that it has continued.

The Importance of the increasing gap

I want to stress this point, because it has wide implications. For all the consciousness of world economic inequalities, for all the international organisations which have been established to remedy this situation, the gap between the haves and the have-nots of the world is widening on a progressive scale. The richer you are the more wealth you

accumulate, and the poorer - regardless of your effort - the less you can improve the situation. Economically there are still two worlds, not one.

It may be said that I am talking in comparative terms, and that what matters, and what is a cause for satisfaction, is that there has been this increase in wealth per head in the underdeveloped countries. It can rightly be argued too that with the rapid population increases which have been suffered by many of the poor countries, these small 'per capita' increases conceal a much larger percentage increase in productive output.

I do not wish to underestimate these advances, nor to fail in congratulating those who have been responsible for the progress made. It is good. But it is still true that the world's wealth is more unequally distributed between the world's people now than it was in 1945. This is important; its importance is only emphasized by the fact that some slight improvement has been made within the economically depressed areas.

The fact that the world is technologically one unit, and that people and goods from the richer territories come into the poor areas in the course of trade, tourism, - even development itself - means that we are in an atmosphere of ever rising expectations among the poor of the world. The notions about what conditions of life are possible are very different now from what they were in the closed village society of a few decades back. Then the poverty was extreme - and universal. Nothing else was expected, and the people's whole life and culture was attuned to the fight with nature

for subsistence. In the 1960s, however, all of our people have seen and can see that there are better ways of living, which others like themselves have attained. Is it possible for a mother to see the wonders of clean water from a tap and not want it for her child and for herself? Bicycles, bright clothes, education, aluminium cooking pots - all these things in the hands of others inevitably induce a discontent with the poverty which backbreaking work results in. That discontent is only 'divine' if it can lead to a transformation of the situation.

There is no doubt, therefore, that for reasons of human dignity, and for the sake of peace and justice, these economic inequalities in the world must be reduced and the mass of the people must be able to relieve themselves from the burden of poverty. I do not believe that it is impossible for these conditions of living to be changed; I believe that what is necessary is for us to make up our minds that they shall change, and attack the problem objectively and scientifically.

The world can produce more of the goods needed by the people; the underdeveloped countries can themselves produce more. Indeed one of the distinguishing characteristics of an underdeveloped country is the low productivity of its workers and land. When we talk about a country being underdeveloped this is what we mean - that its gross national product is low in comparison to its population. People do not produce much and do not consume much - two things which are not so automatically interchangeable as pure economic theory implies.

The Need for Total Change

The problems of the underdeveloped countries are thus twofold. Firstly, to increase production of the goods and services which people need; and secondly, to increase the consumption of the goods and services which denote a good and free life. This latter means that the goods and services produced must either be those directly required by the producers; or they must be able to flow through a system of exchange which brings, back to the producers, a purchasing power equivalent to the wealth their efforts have created. In other words, the marketing must be so organised that farmers can sell their products for a fair price, and the goods they require must likewise be available to buy at reasonable cost.

I think it is safe to say that in every underdeveloped country neither increased output, nor increased consumption, can be achieved without very great and fundamental changes in the whole economy and social structure. We in Tanganyika, for example, (and you must excuse me if I draw most of my illustrations from the country I know best) have almost 97% of our people living in rural areas, and most of these earn their living by agriculture. It is obvious therefore that we should think in terms of increasing our agricultural output.

We have to do this not so much by increasing acreage as by improving our methods of cultivation, and this has very great ramifications throughout our whole social system. Our agricultural methods have been part of a total culture, and change in the tools we use, the introduction of irrigation, even the introduction of hybrid seeds, affect such things as the interdependence of the family, the tribal social security

arrangements, or inheritance practices.

The same thing applies to the introduction of the institutions of a national as distinct from village economy. The traditional relationships between people in the village are upset.

Do not misunderstand me; these things have to be changed if you are to increase production in agriculture or in industry. What I want to make clear is that the two things - social and economic change - are interlinked and you will not succeed in changing the one unless at the same time you change the other. Just as agricultural change brings social change, so too social change is an essential prerequisite for agricultural change. It has been truly said that better food is crucial to development, and equally, development is the key to better feeding.

Change Must be Planned

Because of this connection between all aspects of change it is important that no one corner of it be looked at in isolation. This is very easy to do. One of the most difficult things to secure from a government composed of different Ministries is a co-ordinated and co-operative attack on a particular problem. Each Ministry or department seems to regard the others as its rivals to be appeased or called upon when this is inevitable, but generally to be ignored. I have found the same tendency between the different Specialised Agencies of the United Nations, and between them and the Technical Assistance Board. Frequently indeed they all set up separate offices which appear from the outside

to have the minimum working contact with each other !

The interconnection between all the different aspects of change means too that the total effect must be considered when any particular change is being implemented. The methods used to secure agricultural change, and the new technique which is chosen, must both be determined by a consideration of three factors.

Firstly, what are the social objectives of change ? For example, we in Tanganyika would reject the creation of a rural class system even if it could be proved that this gives the largest overall production increase. We would reject this method of securing national economic improvement because it would defeat the total purpose of change, which is the well-being of all our people.

Secondly, what are the prevailing cultural attitudes of the people and how far can these be changed at once ? Thus, if an expert maps out a ground farm plan which demands techniques socially repugnant to the people of the area concerned, then that plan is useless however good it is on purely agricultural grounds. All schemes must be drawn up in relation to the people who are most directly concerned in them, and the amount of cultural change required should not be greater than they can accommodate.

Thirdly, what are the resources available in the society as a whole ? In Tanganyika it is not much help producing a scheme which requires an army of skilled or educated agricultural workers, because we do not have them now, and despite all our efforts will not have them for many years to come - indeed part of the purpose of the change now is to enable us to

train such people.

None of this, however, must be taken to mean that change can be allowed to come slowly, or that people's prejudices and conservatism inevitably bring development to a stop. They are one of the facts which have to be taken into account; that is all.

This can be done in many different ways; sometimes the inherited attitudes can be circumvented by new settlement or village schemes which create a fairly complete break with the past and induce attitudes receptive to new ideas and techniques. Sometimes it is necessary to undertake expensive schemes which are not in themselves economically viable because of the educational and social value they have. And always it will become necessary to undertake a mass adult education campaign as an integral part of economic development; - adult education which is not always best conducted by sitting people in front of a blackboard or giving them books to read ! I may say in passing that this need is a problem for us; it is extremely rare for any organisation or investor - and I am not excepting F.A.O. - to take into account these financially immeasurable, but absolutely crucial, adult education costs when they are considering whether or not to help in a particular scheme.

There is one thing above all others which follows from everything I have been saying here. Change of the order I have outlined can only be achieved without chaos and extreme social distress if it is Planned Change. With every day that passes we see the need for, as well as the difficulty of, a national Development Plan. It may have to be a Plan which

is flexible, but it must be one which covers all aspects of the programme of change, and it must be considered always as a whole.

The Importance of Aid

No Plan, however, does away with the basic needs for development - Men and Money. Every change we make requires the investment of capital, even if it is only the provision of a plough and ox to replace a digging stick. Every change also needs skilled and educated manpower for both the administrative and technical work. And every one of them requires expenditure on education, both long term and short term. It is a factor of underdevelopment that all these things are in short supply locally.

When the per capita income is less than £100 a year it is very difficult to find the 'surplus' over current consumption which can be used to invest in the future - and this is true however harsh the government, or however enthusiastic the people. The supply of educated manpower is a product of the past national income and past policies and social priorities, so that few of us underdeveloped countries have more than a handful of well trained people. This means that if we are quickly to achieve our desired changes we need to obtain both men and money from outside our own country. It is obviously better if we can do these things through the international equivalent of redistributive taxation within a single nation, that is in the form of grants which do not leave a burden of indebtedness. But if this is impossible, acquiring them on a delayed repayment basis must serve the purpose.

Neither of these methods of overcoming our own temporary shortfall is, however, so easy as we sometimes imagine them to be. After independence we soon discover that there is a considerable world demand for the capital and skilled manpower we require. We soon learn too that our determination to decide for ourselves the pattern of our future society complicates our endeavours to attract capital to our countries.

Once you need outside aid it is impossible to avoid decisions with a political content being made outside your own country. Whatever its intentions, no organisation with limited resources can avoid affecting the path of our progress. It has been said that politics is the language of priorities; a decision therefore to assist a project in one area rather than another is a political decision, and often affects a whole range of economic and social plans.

No underdeveloped country really complains about this; it does not represent a deliberate attempt to interfere, and its effects can be circumvented to some extent by the different disposition of external aid and local resources. But sometimes the type or conditions of aid have a more ideological content, and then we have to choose whether to accept the conditions or slow up our economic development. It is because we expect international agencies not to impose these sort of conditions that we prefer to get our aid through them when possible.

I confess, however, that this optimism is sometimes unfounded ! Just as our historically induced suspicion of national foreign investment is not invariably justified, neither is our assumption that all international organisations

will leave us free to work out our own development institutions. The International Finance Corporation, for example, appears to make a condition for their participation in a scheme that private enterprise - preferably local - shall be partners. In many countries this effectively prevents them from being any use. Firstly, we do not wish to create a class of entrepreneurs, especially when we do not at present have any ! And secondly, it often demands an altruism from private investors which is incompatible with their economic motivation. All private investors are suspicious of change; their purpose is to make money, and quite reasonably therefore they want to know the political and social future of the country without relying on crystal balls or bone juggling. In periods of intense change this is difficult if not impossible, so that both necessity and ideology make underdeveloped countries hesitant about help under conditions requiring private capital participation.

But generally we do find that the political problems of accepting aid are considerably reduced if this is channelled through international bodies. Yet this is not a preference to be followed at all costs. Donors generally choose whether to give their aid bilaterally or otherwise; the total amount available is probably not greatly affected. Both the donors and the beneficiaries therefore are vitally concerned that the internationally routed aid should be efficiently and economically administered to achieve the maximum results on the ground. This is a factor which I think must be very carefully watched by the Organisations themselves if they are to fulfil their responsibilities. The relationship between

the administrative and the operational costs, the number of highly paid people at Headquarters offices, and the number in uncomfortable field jobs, the conditions of service in relation to the tasks to be performed, all these things must be kept under the most constant scrutiny.

The Importance of the F.A.O.

This reminder is made because both in principle and practice the International Organisations matter very much to us. Our membership is not simply a matter of form - something which is 'done' by independent nations. We feel involved in their success. This applies to all the Specialised Agencies to which we are parties. The help of them all is required to secure the overall change that we seek, and we are conscious that their work is interlinked. But it is of course true that, for an agricultural country like Tanganyika, the F.A.O. is in the front line of our battle against poverty. We do want to introduce an industrial sector into our economy, but believe that a strengthened agricultural base is of similar priority - and the lower capital content of agricultural development makes this a little easier for us to undertake.

Let me say very firmly that I believe that this Organisation has been doing a very vital piece of work over the last eighteen years, and that it has been doing it - on the whole - well. The collation and dissemination of research and information has brought simple and inexpensive techniques within the reach of countries which would otherwise not have been able to make progress; and this global view of development has been of very great value in the working out of

particular Development Plans. All progress is a combined effort, - of local people, their government, men and money from outside. It is therefore not possible to assess the F.A.O.'s responsibility for the fact that India increased her production of food by 46% in 10 years, or that Greece and Mexico nearly doubled their cereal production. Indeed, it is one of the virtues of international organisations that one is not expected to try and make this assessment ! Yet I believe that F.A.O.'s contribution must have been considerable judging by the benefit which my own country is just beginning to gain from F.A.O. help.

F.A.O. Experts

This however, does not mean that it is perfect ! If it was I could have nothing to say in such a lecture as this, so perhaps it is fortunate that I can see areas of possible improvement ! In doing this I intend to speak separately about the two different aspects of your work in the fight against poverty; the effort to help increase the production of agricultural goods on the one hand, and the effort to create orderly international marketing arrangements on the other.

From our point of view the main difficulty about F.A.O. help in our drive for increased output is that the Organisation does not or will not realise the low level from which we start, so that there frequently remains a big gap between its proffered help and our ability to benefit from it.

Tanganyika's experience in this matter may not be equally valid for all other underdeveloped countries, but it does suggest a lack of flexibility in meeting the needs which

exist rather than those which ought to exist ! Thus when we ask for technical assistance we are almost always offered very high-powered expert advisers, with the very reasonable condition that we should provide a 'counterpart' who will absorb the wisdom made available to us. The trouble is that we do not desperately need exceptionally clever people, save in very rare and special cases. What we do need very badly are practical people who know their job and who will come and work with our people while they train them, and who are willing to take executive responsibility under the direction and control of our government where necessary. The world renowned expert is often an embarrassment to us; we are forced to admit that although we have 46 graduates in an agricultural service which employ over 1,900 people with some sort of training, not many of this 2.5% are local people, and those that are must be put in positions of political sensitivity. The result is that very frequently we cannot really provide an effective counterpart at this level.

Of course there is an answer to this which F.A.O. already acknowledges: training. And we have found this Organisation, along with every bilateral aid programme, very generous in its offers of Fellowships for training abroad. Unfortunately we have the same problem again. It is certainly useful for our few highly educated people to broaden their experience and keep abreast of new developments, but they cannot often be spared for this. Our real need is to educate the 'Field Assistant', the man from whom the farmers get their advice in person; and the best way to teach him - as well as the cheapest - is in our own country, in our own language,

and starting from the knowledge he already has.

F.A.O. not competent to deal with Marketing.

It has not been my intention, however, to imply that in these matters relating to increased production the F.A.O. has been doing a bad job. That would not be true. All I have been trying to do is contribute to the pool a few of my ideas on how it might be still more effective. Many other constructive criticisms will doubtless be made during the coming Conference.

It is on the other side of F.A.O.'s responsibilities that I really wish to challenge this Organisation and all the Member States to fresh thinking. For if the F.A.O. is to achieve its objectives, the increases in production which are achieved have to be translated into increased purchasing power for the underdeveloped countries.

The F.A.O. has made valiant efforts to reduce the chaos of international primary products marketing, and some particular successes have been recorded. I suggest, however, that in this respect the F.A.O. is defeated before it starts. As at present constituted neither the F.A.O., nor any other International Organisation, nor any combination of them, is competent to deal with the basic problem; that is, with the elimination of poverty in the undeveloped parts of the world.

This is a very hard, and very serious thing to say. But I believe that it is an inevitable conclusion to any serious examination of the question of international marketing.

Internally it is very widely accepted - and I have argued - that both increased production and increased

consumption require planning. By itself the increased production achieves little; stable and assured markets are essential. The infrastructure of exchange - the institutions, roads, credit, and so on - is of equal importance to the measures directed at raising the agricultural output.

Within political units we try to achieve this meeting of markets and supplies; we try to make the hunger which exists into an effective economic demand for food. We are able - in some measure - to do this because we control the currency and credit; because we determine the direction of the flow of produce; and because we can strike some sort of a balance between the conflicting demands of farmers for high prices and consumers for cheap ones.

Let us compare the situation nationally and internationally. Within our national units we give the poor farmer security against daily price fluctuations; we encourage and help him to organise his sales and purchases in co-operation with his fellow farmers, so that none of them can be exploited by the wealthy merchants who control the outlet. Through this machinery of Marketing Boards and Co-operatives, and through our deliberate control of the direction of trade and investment, we endeavour to bring the goods to the places where they are needed at a price which is fair to both sides. And we do this under conditions which enable producers to plan their future, and the nation as a whole to plan the development projects which are an integral part of the attack on poverty.

The Chaos of International Marketing

In so far as it can operate within the one political unit this system of planning works, and works the better the more

efficiently it is organised. It enables us to increase the prosperity of all parts of the country, bringing up the poorest through the budgetary and planning arrangements. But in the international market an entirely contrary situation prevails.

Even when we make a single exporting agency responsible for a particular crop, or for many crops, each of the underdeveloped countries is as helpless in the world market as our farmers were when we left them to deal singly with the wealthy merchant agencies. Our national poverty makes it impossible for us to stockpile goods ready for a rising market; we sell as and where we can for whatever price we can get on that particular day - which might be quite different from the one a month later. Inevitably therefore, the beginning of each year finds us completely ignorant of what our total purchasing power will be for the coming period. We may know how much we shall grow, but we do not know what this means in terms of the availability to us of the goods we want to buy. Our development plans can be reduced to absurdity by market changes - either in respect of demand or supply - which are beyond our control and which we cannot even anticipate. The total result is often chaos in our internal planning and the complete destruction of our efforts to give our people a fair return for the efforts they expend.

In some products the F.A.O. has helped to organise Commodity Agreements which have enabled chaos in that sector to be avoided - usually, however, at the cost of restricting growth in the countries where growth is vital. But however good these individual commodity arrangements, they are all done

in isolation, and become like unrelated islands of calm in a typhoon. They cannot affect the basic problem, which is much deeper. This lies in the very nature of free, unregulated marketing when suppliers and consumers are at different levels of economic strength and sophistication. The effect of the present system - or lack of it - on the creation and distribution of new levels of effective demand is made very obvious by the comparative growth figures of the different national economies and by the most casual glance at the post-war international trade experiences.

Post-War International Trade Experience

Despite the great hunger in the world - the real shortage of nourishing foods - the terms of trade have continually moved to the disadvantage of the primary producers in under-developed countries. The only exception to this statement comes in time of war or threat of war. The Korean 'incident' did more for the economies of underdeveloped countries than all efforts made on their behalf for ten years! But we paid for it later, when the armistice made the buyers decide that they could use the accumulated stocks and stop new buying altogether. So we arrive at the ironic situation in which two underdeveloped countries have different foodstuffs to sell on the world market which neither can afford to buy from the other, and for which the only "market remedy" appears to be the outbreak of a war which may destroy them !

At the same time, when we try to sell to the developed countries we discover one of two things; either they protect their own industries from what they call the 'products of

sweated labour', or they can produce more cheaply than we because of the intensity of their capital investment. The fact that our labour is 'sweated' because we cannot afford investment - that we have nothing but our own hands to use - is inevitably of no interest to the developed countries. Neither is the fact that the only way we can stop 'sweated labour' is by building our economy.

Again, we find that even in agricultural products the developed countries - for internal distributive reasons - pay the farmers one price, and offer the goods on the world market for a much lower one - or even give them away. Singly, few of us can afford to refuse these gifts; indeed, my own country was extremely glad of them when we suffered famine conditions two years running through crop failures. But the effect is liable to be disastrous to efforts to build up new trade patterns between the poor countries by means of which each would increase their total wealth. And the very existence of these stocks under national control means that when underdeveloped countries can supply the existing markets at fair prices, stock releases from rich countries can at any time make the price we receive completely uneconomic.

None of these are matters which can be settled in isolation, commodity by commodity. The whole question of international monetary liquidity is involved, as well as other factors relating to orderly marketing of available and increasing world supplies. These matters can never be settled while every point has to be negotiated between dozens of countries, with unanimity always essential. We all know

that whatever discussions we enter into, a country which has a stockpile of certain commodities, or which controls a large sector of the supply or effective demand, must agree to the final decision if it is to be worth anything. Such countries - and they are in practice almost always the wealthier ones - thus determine the result; they act as litigant and judge in the one case. The 'free international market' is inevitably, unavoidably, an arena in which the weakest goes to the wall.

A World Plan is Essential

This is not a startling new discovery. Everywhere in the world success breeds success, development attracts development, efficiency enables the training which gives more efficiency and so on. Almost all countries recognise this as regards their internal affairs; they acknowledge that certain parts of the country develop at the expense of the rest. And the moment they decide that the co-existence of rich and poor areas in one nation is socially unacceptable they deliberately take steps to correct the imbalance resulting from the "free play of the market". Thus, for example, we see the Tennessee Valley development in America, the 'Development Areas' in the United Kingdom, and Government investment in Southern Italy.

Internationally, however, the theoretical rejection of the co-existence of rich and poor countries has led to 'Aid'; - the voluntary gifts from the rich to the poor. With this we have to pit our puny efforts against the whole trend of world investment and world trade.

On this basis the gap between the rich and poor nations cannot fail to increase. The effect of the 'Aid' we get can be wiped out - and often is - by a marginal price change in

one single raw material. This situation will inevitably continue until we have Planned Development, and Planned Trade, internationally as well as nationally.

Our Policies themselves contribute to the Mess

For a really constructive attack on world poverty which has hope of speedy success there is no alternative. At the moment, however, many underdeveloped countries - including my own - themselves contribute to the expansion of this gap between rich and poor. We do this because in practice we appear to accept the doctrine that the world is one, and we subscribe to the multilateral free trade theory with only minor protectionist and revenue taxes.

Our membership of GATT for example prevents our discriminating between suppliers in favour of other underdeveloped countries; our freely convertible currency means that any multiplier effect of our development not only spills outside the country, but spills most often into the pockets of those who don't need it. And we accept 'tied loans' - often called 'aid' - which sometimes force us to buy in expensive markets and then pay interest on the total. In addition, we allow the importation into our economy of any sort of luxury goods which an intensive advertising campaign can persuade people to buy!

There is a lot to be said in favour of each of these policies considered in isolation, and some of them are in any case, for various reasons, unavoidable. But the net result of them is that economically we - and other nations like us - act as though all the individual nations were in fact equals. We poor countries - (for whatever our potential may be we are certainly poor now) - beg from the rich on the one hand, and

at the same time compete with them to obtain capital and skilled manpower for investment, and markets for goods produced at very different levels of technique. On this basis the disparities between us are bound to get bigger, - just as the runt of the litter is the one which always goes hungry.

As rational people, in control of our own destinies, obviously the underdeveloped nations cannot allow the present situation to continue indefinitely. Either we go forward with everyone else into a World Economic Development Plan, or we shall have to go backward for the time being into economic isolationism. When only the law of the jungle reigns, the struggle for existence must naturally end up with the survival of the fittest. This may be all right when it applies to beasts; as a method of contact between human beings it is intolerable. But as long as this law prevails it is only prudent for the weak to keep a good distance between themselves and the strong.

The choice is clear: Either we really become One World, with the problem of poverty in certain areas being attacked scientifically on a world scale; or, alternatively, we recognise that there are two worlds - the rich world and the poor world - and the latter gets down to the problem of protecting itself against the dominance of the other.

The alternative of isolation

Obviously the most effective way of achieving the economic breakthrough for the poor group in isolation, would be the same as the solution of the problem for the world as a whole - a single Economic Plan. If there cannot be a Plan for One World, then let there be a Plan for that half of the world whose

poverty puts out of the question the luxury of uncontrolled economic individualism. Between the poor anywhere there can always be trade and the development of activity, provided that they do not try to base this on the medium of exchange which is held by and acceptable to the rich.

I am suggesting that, unless we can get a planned World attack on poverty, we should create a separate economic unit in the world which consists only of the underdeveloped countries, and that this unit should have its own Economic Development Plan, supported by its own managed credit. Contact between this unit and the rest should be kept to the minimum and carefully and deliberately controlled. This would enable us to build ourselves up until we can compete on equal terms.

Yet, if it is not realistic to talk in terms of One World Economic Plan, perhaps it is not realistic to expect the poorer half of the world to see that the long term advantage of every part of it lies in their unity against the rich. But any poor area which is capable of creating a single control for its currency and credit, its economic development, and its trading with outside, would still benefit in the long run from the step away from the rest of the world now.

In any case, if even this is impossible outside of the present nation states there is still no reason why we should accept all the present limitations of this international law of the jungle. If we have exports for which no one can pay we shall have to go back to barter between ourselves. We will live and begin to prosper by taking in each other's washing. Through these means we may find that even if we cannot buy exactly what we would like with our produce, at

least it does not rot on the ground without any benefit to ourselves or others. Even a completely independent free market which is restricted to the poor of the world would be better for us than relying entirely on the present system in which the poor are at the mercy of the rich. Chaos in this limited unplanned market would at least mean that the weak do not help fatten the strong; unfair advantage among the "very poor" and the "not quite so poor" would at any rate work towards reducing rather than increasing the gap between the two worlds !

Isolationism is a depressing prescription for the present economic ills of the world, and I am under no illusions about the difficulty or unpleasantness of any of the backward steps I have suggested. All of them would demand strict control of imports and exports, both as to quantity, and source or destination. All would demand a degree of government economic activity and control which we are ill-equipped to undertake, and which would therefore almost inevitably have its repercussions on the individual freedom of the people in our areas.

If we are driven to make this choice of isolation - whatever the size of the economic unit - the task of development will be in many ways harder, and it will certainly demand more sacrifice from the present generation. Indeed the cost of getting their active co-operation in the face of the difficulties may well be the deliberate development of a jingoistic hostility to the wealthy minority of the world.

But these costs may have to be met; for by isolating ourselves we shall ultimately succeed. Through the ruthless pursuance of such a policy we shall ultimately be able to defeat the poverty - both objective and relative - which now oppresses

us. A continuation of the present combination of 'aid', and 'free international competition' will never do that.

F.A.O. as a Charity Organisation

These are the reasons for my earlier statement that the F.A.O. is not able to deal with the basic problem of international poverty. The translation of increased production into increased consumption is beyond its competence. The F.A.O. is a creature of the present system, and its work can therefore have only the most marginal effect on the problems, - and even that improvement can be wiped out at any time by the 'forces of the market'. The F.A.O. must either have the power to PLAN world food and agriculture - both production and marketing - or it will remain what it is now; a charity organisation.

I do not wish to decry this function, for where poverty exists, charity has its place. 'Trade not Aid' is our objective, but in the meantime 'Aid' can be invaluable in helping us to reach that goal. Charity designed to help us help ourselves is invaluable and will remain so whatever else changes. The World Food Programme organised by F.A.O., and indeed every effective expert or piece of information which the Organisation sends us, is of this type. For this reason we do and shall continue to support this and other Specialised Agencies of the U.N. But we must recognise that the F.A.O. was established with higher aims than this; it was to 'better the conditions of rural populations', and 'thus contribute to an expanding world economy'. These wider functions in the war against poverty it cannot fulfil while it is operating in the present world economic environment.

What this all amounts to is that the F.A.O. helps the underdeveloped countries, and can do so further. I have tried to make some constructive suggestions of how to make the Organisation even more effective where it can be effective. But basically I am saying that it will not be able to fulfil its purposes until it is a world food and agriculture planning and policy making body - the Ministry of Food and Agriculture in a World Authority.

Summing Up

I know that the short answer to this proposal is that it is impractical, that such an Institution cannot be obtained. This may be true. My point is that we are not even trying to obtain it, and that if it is true, then we have to take alternative steps to fight the war against poverty in two-thirds of the world.

A continuation of the present chaos in which the rich get richer and the poor stay poor is unacceptable to those of us who are conscious of our poverty. The only alternative to a World Plan is, therefore, an acceptance of our economic inequality, and deliberate isolationism while we build ourselves up.

I do not think there is a relevant short answer to that. It may be true that we need the rest of the world more than it needs us, - although there are some resources which the rest of the world does want from us. And without doubt our economic development will be faster and less painful if we can import capital and skilled manpower. But this is not the point at issue. The real question is whether any outside aid or investment will enable us to build our economies, or whether

its effect is going to be wiped out by the operation of an unplanned international market.

Each underdeveloped country is like a man who desires to build a fleet of ships. First he builds a rowing boat. With this he sweats, carrying people across rivers until he gets enough profit to build a coaster. With the proceeds of coastal trade he builds first one, and later many ocean going ships. If, however, he tries to send his rowing boat into the ocean it will sink, and he will be back where he started. If, when he gets his coaster it does not flee from storms, that will sink and he will be back at the rowing boat stage. It is only when he has built up his fleet that he sends ships into hurricane areas.

The economies of the underdeveloped countries cannot safely venture into the stormy ocean of unplanned international marketing until they are like ocean going craft. They will get to that position more quickly if there is outside aid appropriate to the need of the time. But until then, - regardless of whether aid is obtained or not - if the sea cannot be made calmer by international planning, then we must retreat from it while we build economies strong enough to withstand the unpredictable mischances of a 'free market'.

Mr. Chairman, the objectives of the people of the underdeveloped countries can, I believe, be summed up in trade union phraseology: Fair Pay and Conditions for a Fair Day's Work. Our people are willing and anxious to contribute the latter; it is the responsibility of their representatives to secure the former, and to do this no sacrifice is too great. We welcome the comradeship of those who join us in this struggle; we are grateful for those who contribute to our strength while we fight; but whether alone or in company we must go forward to prosperity.

Thankyou.