

## INTERNATIONAL ECONOMIC CONFERENCE, GENEVA.

MAY 4TH TO 23RD.

## Report of the Agricultural Committee—Full Text.

*Introduction.* Agriculture is the occupation of the majority of workers throughout the world; its various products represent in value the greater part of human labour and the exchange of its products against industrial products forms, indeed, the basis of world trade.

The agricultural population remains for humanity a reservoir of energy capable of preserving the nations from the rapid human wastage which may result from any excessive growth of industry.

The quantity of foodstuffs and raw materials produced by agriculture is one of the factors which determine the maximum limit of industrial development.

The interdependence existing between nations is no less close between the main classes of occupations; agriculture, industry, and commerce—and it would be vain to hope that one class should enjoy lasting prosperity independently of the others.

Agriculture is at present hampered in the complete fulfilment of the economic role assigned to it by a general depression varying in degree but affecting a large number of countries on which the world depends for its supply of foodstuffs and raw materials.

The economic depression in agriculture is characterised by the disequilibrium which has arisen between the prices of agricultural products and those of manufactured products; as a result agriculturists in a great number of countries no longer receive a sufficient return for their labour and on their capital. This depression is aggravated in many countries by the difficulty of obtaining credit on normal terms and by the great increase in fiscal charges; while it has led to a decrease in the purchasing power of agriculturists, consumers have not, in all cases, been benefited by a fall in the price of foodstuffs,

dated June 1925).



The diminution in the purchasing power of the agricultural population has reacted upon industrial production, and is consequently one of the causes of unemployment, which in its turn reduces the outlets for agricultural products.

Unless practical measures are taken to restore the price equilibrium, it is to be feared that sooner or later there will be a diminution in agricultural production detrimental to the welfare of mankind.

Technical means exist, however, for considerable development of agricultural production. They must therefore be put into operation. Their general adoption would have the most beneficial consequences for the prosperity and economic peace of the world.

*II. General Resolutions.* 1. The Conference regards as a vital economic question the increase of agricultural production and, with this in view, the placing of agriculture on an equal footing with industry by enabling all those engaged in agriculture to obtain a satisfactory standard of living and a normal return for their labour and on their capital.

It is important that this necessity should be brought home to public opinion, which does not always realize the true situation of agriculture and too often regards it as an industry of secondary importance.

2. The improvement of agriculture must in the first place be the work of agriculturists themselves. The general adoption of technical improvements, the scientific organisation of production and stock-breeding, of the campaign against the diseases and the enemies of plants and animals, of marketing, of the standardization of agricultural products in the interests both of the producers and consumers, of the search for outlets, and of credit and insurance will permit agriculturists to reduce their costs of production in their own interests and to the benefit of consumers.

Owing to the considerable number of small and medium-sized agricultural undertakings—tendency towards concentration displayed in industry being absent—the organisation of agriculturists should be continued along the lines of association and co-operation which have already been tested in many countries; it

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may with advantage be supplemented with agreements between agricultural and consumers' co-operative societies.

It is to the interests of Government to encourage agriculture and the agricultural associations which have as their object the improvement of the situation of the agricultural population. In particular the creation of development of mutual credit would be greatly facilitated by Government assistance.

The Conference draws the attention of the Governments to the fact that high rates of interest and heavy taxation hamper production. (3) Other measures to be contemplated depend chiefly on legislative action. In particular, the Conference is of opinion that social laws ensuring the welfare and security of workers should benefit agriculturists no less than industrial workers and employees, it being understood that such laws must be adapted to the special requirements of agriculture and to the special living and working conditions of rural populations. It is also of the opinion that agricultural instruction at all stages and the technical training of agriculturists should receive the attention of the different governments as well as agricultural associations.

(4) It is desirable that all hindrances to the free circulation of and trade in agricultural products should be removed in so far as their removal does not endanger the vital interests of different countries and their workers.

In those States in which Customs protection is maintained it should be reduced both for industry and agriculture to the lowest possible point indispensable to production, care should be taken to assist in the maintenance of an equitable balance between industry and agriculture and not to stifle one to the advantage of the other,

The system of export prohibitions and export duties (with the exception of taxes levied for the benefit of the industry concerned) and frequent changes in Customs tariffs, which long experience has shown to be ineffectual and dangerous, should be definitely abandoned.

(5) The agriculturist should find his just remuneration not through speculation but in the regularity of prices, permitting to reckon on a legitimate return equivalent to that accorded to other producers.



(6) Since, finally, the policy pursued in industrial and commercial questions reacts on the economic situation of agriculture, and *vice versa*, the Conference requests the League of Nations to ensure that in all its organizations already existing or to be formed which are or may be entrusted with economic questions a place be always reserved for agriculture proportionate to its importance as a social and economic factor.

*Special Resolutions:*—In addition to the general resolutions formulated above, the Conference draws the attention of the League of Nations to the following points:—

1. *Agricultural Co-operation; Relations between Agricultural Co-operative Societies and Consumers' Co-operative Societies:*—

(1) The agriculturists of the different countries contribute to the improvement of their standard of living and to the general prosperity by utilizing to an increasing extent all forms of co-operation; co-operative supply societies, either for technical or domestic requirements of members; co-operative selling organizations for the regular marketing of products; producers' co-operative societies for the intermediate processes between the production of raw material and the sale of the finished product; co-operative credit societies to meet the need for capital (bringing equipment up-to-date, improving the cultivation of the soil, storage of products).

Co-operative institutions thus increase the purchasing power of agriculturists both as producers and as consumers. At the same time they further economic progress both by increasing productivity and improving quality and also by making it possible to utilize fully the products of the soil and their by products. Lastly, they assist the organisation of markets by methods which reduce to a minimum the costs of distribution.

(2) Agricultural co-operative societies will contribute to a still greater rationalisation of economic life in proportion as they develop their relations with the consumers' co-operative societies. Direct commercial relations between producers and consumers, and between associations of producers and consumers, eliminate superfluous intermediaries, and, when they are sufficiently widespread result in the establishment of prices which are advantageous to

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both parties. In addition to material profit, there is a moral advantage; by direct commercial relations producers and consumers learn to know each other and to take account of the special characteristics and requirements of the other party. The producers' and consumers' co-operative societies learn to appreciate the value of direct relations in accordance with their common principles. The clear realization of possibility of mutual collaboration and mutual confidence in business transactions are essential to a practical solution of the question of direct commercial relations between producers' agricultural co-operative societies and consumers' co-operative societies—a question which has for a long time past been settled in theory.

The efforts made to achieve practical results should be furthered on the part of agriculture by the production of articles of specific quality and uniform type; on the part of the consumers' co-operative societies by the determination to buy agricultural produce, as far as possible from the agricultural producers' co-operative societies; on the part of States and of public authorities by supporting the co-operative movement through the creation of chairs at universities or of other scientific institutions, the institution of public courses dealing with the co-operative movement and by a fiscal policy of abstention from the discriminatory measures against co-operative societies.

Effective collaboration, if need be in the form of common understandings, will be the easier of realization if the producers' and consumers' co-operative societies of the different countries are already nationally organized in common economic committees.

To ensure the normal development of cooperation in all the branches in which it exercises its activities, it is extremely important that the laws which govern co-operation should be unified where such is not yet the case, and should impose the fewest possible obstacles.

(iii) International agreements between co-operative agricultural organizations with regard to a number of products might be of value in placing markets on a sound basis, in regularizing production and in stabilizing prices at levels satisfactory from the point of view of the balance between production and consumption. Such international agreements, to attain their aims, require loyal collaboration with the national and international co-operative



consumers' organs by the establishment of regular business channels and long-term contracts.

(iv) These efforts of agricultural and consumers co-operative organizations should be encouraged and furthered by the creation of a committee representing national and international co-operative organizations of agriculturists and of consumers—a committee which should be entrusted with the establishment of a programme of research and documentation, as well as with the task of elucidating the lessons taught by past experience, with a view to bringing about new achievements.

## 2. *Agricultural Credit.*—(to be continued).

(From Journal of Ministry of Agriculture, Vol. 34 No. 4, July 27).

### AGRICULTURE: THE NATION'S BUSINESS

The title, Agriculture: the Nation's Business, may be challenged. It implies that agriculture, more than all other lines of endeavour, is of particular concern to the whole nation. There are those who think this claim is presumptuous. There are those who are prone to suggest that the farmer demands privileges far beyond those enjoyed by other workers whose task is equally difficult and whose product is equally valuable. The facts, however, justify the claim that the farmer's problem because of the magnitude of his business and because of the potent influence which it has on the other industries, has an importance greater than that of any other single industry.

The farmer is peculiarly the victim—as well as the occasional beneficiary—of forces beyond his control. He is the child of fortune—good or bad. He is the passenger in a boat of which he controls neither oars nor rudder. This condition is due in part to the nature of the industry, in part to the farmer's failure to develop his own power.

Under prevailing practice, the farmer sells his product on a market over which he has no control. He purchases his supplies on the same kind of market. With few exceptions—and those are of

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