

It is anticipated that the live-stock industry in the Northern Hemisphere will show substantially increased output, due greatly to availability of feed grain. The European milk situation has already improved, and meat production in Europe and North America should increase during 1949.

The supply of textile fibres is, in general, adequate to meet effective demand, but supplies of forest products are inadequate.

As a result of the generally improved situation, rationing of food and clothing has been relaxed by some Governments. The Conference realized, however, that favourable seasons have been responsible for much of the improvement, and as reserve stocks will continue at a low level throughout 1949 we will be, to a great extent, at the mercy of climatic conditions.

The most significant feature of expansion in food production during the past decade is the 30 per cent. increase which has taken place in North America. This increase has been achieved by improved yields per unit of area employed—not by bringing in new land. This region has become the principal supplier of all deficit areas, and 80 per cent. of the world's cereal exports are from hard-currency countries. Less food is being and is likely to be exported from other areas as a result of political changes associated with increased domestic consumption. It is also a fact that production is expanding less rapidly than population in the deficit areas themselves. This is certainly true of Asia and possibly also of Europe.

The situation is complicated by difficulties of international exchange, and unless international trade and payment problems can be resolved, the result might well be aggravated by disequilibrium among supply, demand, and distribution in many spheres.

The conference agreed that FAO has a heavy responsibility in the study of these problems, and in the formulation of plans which might alleviate the situation.

Higher production and improved nutrition is needed in many areas, but the magnitude of the task is realized. In many deficit countries, production must be increased by 2-3 per cent. per annum to keep pace with population increases alone. As the main source of food supply to these countries must be local, the capital invested in land improvement and organization of production must be increased. Although some assistance might be forthcoming from the International Bank, capital investments in agriculture proper are essentially internal. As individual incomes in backward countries are low, the margin of saving available for investments does not allow of rapid expansion. Thus money incomes, capital investment, and living standards are interwoven.