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Van Voshuyt

Dr. Mordecai Ezekiel,
Deputy Director Economics
Division,
F.A.O.
Viale delle Terme di Caracalla.
R o m a.

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Dear dr. Ezekiel,

As Prof. Tinbergen actually enjoys some well-earned holidays, he is (in this case fortunately!) not able to answer your letter on the FAO World Outlook Report of June 24th before July 12.

After careful reading of the section of the Report concerned, I believe, however, there is no essential comment to make.

If you want to insert on page 7 an explanation of the decreasing export of butter, this is directly commented with the increasing cheese exports mentioned. So you could say only "because there was a shift from the production of butter to the more profitable one of cheese. Mainly for this reason the cheese exports".

Head Agricultural Division,

A
A.W.G. Koppejan.

Mr. Voorburg

22.

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Dr. Nordecal Reekiel.
Deputy Director Economics
Division,
F.A.O.
Viale delle Terme di Caracalla.
R o m a.

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A.W.G. Koppejan.

Mr Bleeker

*Examen in mijn
verlof afhandelen*

FOOD AND AGRICULTURE ORGANIZATION
OF THE UNITED NATIONS



ORGANISATION DES NATIONS UNIES POUR
L'ALIMENTATION ET L'AGRICULTURE

Viale delle Terme di Caracalla
ROME

In reply
please quote
EcA-2

*Mevr Vos heeft een
eerste door mij uitgezonden
brief.*

JUN. 24 1952

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Dear Dr. Tinberger,

I am again writing to ask for your comments in connection with another section of the FAO annual World Outlook Report and the State of Food and Agriculture 1952, to be completed during July.

.. It would be greatly appreciated if your comments on the attached preliminary draft of the regional Review for Europe could reach us in Rome not later than July 12. As we indicated in our previous letter, we realise that this is rushing you but if I may repeat, we are working under very tight deadlines, and our final draft must be in the hands of the printers by July 15.

With much appreciation for your continued help, and looking forward to your advice and critical comments,

Sincerely yours,

Mordecai Ezekiel

Mordecai Ezekiel
Deputy Director
Economics Division

EXTRA LAR

Dr. J. Tinberger,
Nederlands Economisch Instituut,
P/a Hendelshageschool,
Rotterdam,
Holland.

ORGANISATION DES NATIONS UNIES POUR
L'ALIMENTATION ET L'AGRICULTURE

FOOD AND AGRICULTURE ORGANIZATION
OF THE UNITED NATIONS



Viale della Farme di Cavallotti
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EXTRA LARIVS

Jr. Tuiwasa.
Western and
Eastern Europe.

CHAPTER III

Preliminary Draft
State of Food & Agriculture
June 10

Review and Outlook by Regions

Of the three major food exporting areas in the world, only North America continues to maintain its high level of production and to increase its exports to a level of well above pre-war. At the same time it remains an area of high food consumption per capita. On the other hand, Latin America's food exports are well below the prewar level, about a 43 percent drop by 1951/52. Oceania's food exports dropped sharply during the year under review. The Far East and the Near East shifted from being net exporters to net importers. Only Europe (excluding Russia) has reduced its net imports, not because of adequate domestic supplies, but because of difficulties in obtaining additional food exports arising out of balance of payment problems and other economic factors, outlined in Chapter II.

The continuing decline in the food/population ratio has resulted in an intensification of planning activity during the year 1951/52 in the regions affected, with the objective of increasing food production. In all cases the attainment of this objective hinges on the ability to obtain capital goods for agriculture, to increase productivity, on the effectiveness of price policies as incentive measures, the ability to expand exports of other products, and of course, on weather. The countries in the underdeveloped regions of the world have proved to be very sensitive to the fluctuations in economic activity in the more developed countries of the world and this instability has tended to retard the rate of progress in agriculture as well as non-agricultural production. However, even if these plans prove to be highly successful within the next five years, it appears doubtful whether production will expand sufficiently to meet the needs of an expanding population and at the same time raise the level of consumption per capita.

Basically, the problem is one of joint action. However, as the balance of the chapter will show, regions and countries within regions, are trying to solve the problem in part by isolating themselves hoping in this way to solve their own economic problems. This procedure however, is not proving to be very successful. A positive step in this direction is of course, the work under the T.A. program, the operation of GATT, EPU, MSA and the various colonial development programs of the metropolitan countries.

WESTERN EUROPE

The restoration of agricultural production in Western Europe during recent years has been facilitated by the existence of a strong effective demand for food largely due to increasing industrial activity with full employment in most countries. Expansion of industrial production continued during 1951/52 but was on the whole, at a slower rate than in the immediate preceding years. However, industrial expansion has been progressing at a much faster rate than agriculture (table 1) and accordingly the relative importance of agriculture in the total economy of the region was further reduced. This development, while part of economic progress, has far-reaching implications for the future orientation of the agricultural sector. Food supply will have to satisfy not only a population growing in number but also the demand for a more diversified diet which arises with higher real earnings in industry. Before the war, as urban purchasing power increased, additional food and feed could be bought from abroad at favourable prices. Prices of imported agricultural products, however, have now become less favourable and the terms of trade are relatively lower than before World War II.

General Economic Conditions. As indicated in Chapter II, the level of economic activity with the major exception of the textile industry, remained high during the year. Some slackening occurred in the early months of 1952 and the aggravated balance of payments difficulties led to increased trade restrictions. In most countries the cost-of-living rose throughout the period (especially where, as in France, there were strong inflationary tendencies), and food prices generally rose more rapidly than those of other goods and services, notably in the United Kingdom, Denmark, the Netherlands, Western Germany and Austria.

In most countries wages have risen in line with rising prices from 1950/51 to 1951/52, but in some, such as Austria, a decline in real wages appears to have taken place. Demand for the more expensive kinds of food has developed less strongly than had been assumed to be likely in the conditions of an expanding economy.

In 1951/52, for the first time since 1948, there was no general increase in the average per caput consumption of food. In a number of countries meat consumption has not yet reached the prewar level, and in Western Europe as a whole, however, total meat supplies in 1951/52 were nearly 7 percent below prewar. Meat is still rationed in the United Kingdom, and elsewhere high prices generally restrict purchases. Present prices paid to farmers suggest, that livestock products may no longer retain their high price ratio to other farm products (see table 7).

Signs of saturation have appeared in the market for liquid milk, and the availability of relatively cheap margarine, the quality of which has been improved in previous years, has made inroads into the consumption of butter. On the other hand, demand for cheese has generally been well maintained.

Agricultural Production. Farm production in the region exceeded that of 1950/51 by about one to two percent and represented (net of imported feed) an increase of 10-12 percent above the 1934-38 average. The volume of crops in 1951 was

noticeably smaller in the western and northern part compared with 1950, while weather conditions particularly favored the Iberian Peninsula. (Table).

With the disappearance of all compulsory measures agricultural production has generally returned to its prewar structure with a few important changes: a considerable increase in milk production, a decrease in most countries of Continental Europe of the area under bread grain, and an extension of the area devoted to sugar beets and oilseeds.

Gross output of livestock products in 1950/51 exceeded the prewar average by 7 percent and was nearly 3 percent above 1950/51. (see table 1). During the year, progress was particularly marked in Western Germany, while some decline in output occurred in Scandinavian countries.

Milk production exceeded last year's total by only 2 percent and the 1934-38 average by 8 percent. This was due in the main to an increased yield of milk per cow of 10 percent over the prewar average. Total production however, declined in Denmark, Sweden and the Netherlands, compared with last year. Beef production is being favored by government policy in the U.K. and Sweden, and because of three successive good years for green fodder and roughage in these countries.

The reduction of horse numbers by 1 1/2 million since and the consequent decrease in production of oats and increase in production of barley, has facilitated the increase in production of pork, poultry and eggs. Pork production increased by 6 percent in 1951/52 and exceeded the prewar level, with the greatest increase in the United Kingdom and Western Germany. However, because of the deterioration of the feed/livestock price ratio in Denmark, the Netherlands, and Ireland, pig numbers have shown some tendency to decrease, while in Western Germany the

stock of breeding sows has been reduced.

In general, the livestock output per unit of feed nutrients has increased compared with prewar and the higher yield per cow and hen should tend to reduce the production cost of each unit of milk and eggs in many countries. This progress, together with more efficient utilization of grassland and of such by-products as sugar beet leaves etc., has reduced the dependence of livestock breeding on imported coarse grain.

Total production of major crops has slightly surpassed the 1934-38 average, although the area in these crops has been reduced, but there has been an improvement in yields per hectare. The trend is more marked in countries which had already an intensive type of agricultural production than in others, e.g. in the Mediterranean area, where yields remain at relatively low levels, and fertilizer consumption per hectare is about half of the West European average (Table). Elsewhere the improvement in crop yields has been largely due to the increase in fertilizer consumption and mechanization. Compared with 1938, application of fertilizer has increased by about 5 percent. (Table) At the same time, with the general restoration of the herds the quantity of manure available is also about the same as before the war.

Tractor numbers on farms is about four times as large as in 1938. In the Mediterranean area, however, the number of tractors has increased by only 67 percent since 1938.

Trade. Because the total volume of agricultural production has not kept pace with the increase in population during the past years. Western Europe has

had to continue being a heavy importer of foods. Furthermore, as exportable supplies became less available in non-dollar areas, the region has had to continue making heavy purchases in North America. During the past three years, the annual average percentage of imports of total food supply into Western Europe from the rest of the world amounted to 34 percent for breadgrain, 32 percent for sugar, and, (if imported grain for feeding is taken into consideration) 21 percent for meat and eggs. As far as sugar and meat and eggs are concerned, the dependence on imports is now less than in prewar years. Expenditures on agricultural imports (excluding fibers) from outside the region by ten of the largest countries in 1949, 1950 and 1951 equalled 70, 60 and 55 percent of their earnings from exports in those years.

In 1951/52 imports of grains and of sugar were greater by and percent in the previous year due to a smaller production because many countries tried to rebuild their stocks of grain from which they had drawn in 1950/51. In both years, some 400,000 tons of sugar were added to stocks.

While imports of bread grain and fats and oils have been slightly exceeding the prewar levels imports of sugar, coarse grain and oilcake have been considerably reduced. Although the reduction in oilcake is largely due to improved methods of feeding, coarse grain purchases have been reduced, partly because of high prices in the markets for which foreign exchange was available, and partly because of the decrease in horse numbers which released feed for other livestock.

The dependence on the dollar area for imports of essential foodstuffs and feedstuffs has further increased in 1951/52, especially in grains, following the curtailment of supplies from the Argentine and Australia (Table).

Table Net Food Imports into Western Europe

	<u>Net food Imports</u> <u>1950/51</u>		<u>Net food Imports</u> <u>1951/52</u>	
	<u>million</u> <u>metric</u> <u>tons</u>	<u>percent</u> <u>originating</u> <u>in dollar</u> <u>area</u>	<u>million</u> <u>metric</u> <u>tons</u>	
Breadgrain	12.5	80	14.1	
Coarse grain	7.5	45	9.1	
Sugar(refined)a)	2.85	77	3.2	
Fats and oils b)	2.7	20	n.a.	
Oilcake and meal	3.4 d)	17	3.3 e)	

- a) out of these quantities about 550 thousand metric tons were re-exported to other regions in both years
- b) oil equivalent
- c) from imported seeds and imported as such
- d) 1950
- e) 1951

Inter-European trade in agricultural products remained on a high level during 1951/52. Total meat exports from Denmark have been slightly reduced and the export of butter from Denmark and the Netherlands was below the previous year because

but cheese exports from the Netherlands, Denmark and Italy increased considerably. Most of these exports went to Western European countries, the main exception being butter exports from Sweden and Denmark to Czechoslovakia, the U.S.S.R. and Eastern Germany.

France, which had been a net exporter of 550,000 metric tons of bread grain

FAO/52/6/3640

and 130,000 metric tons of sugar in the previous year, had a net import of 800,000 tons of breadgrain and 30,000 tons of sugar in 1951/52 and also reduced its net export of meat.

Imports of cereals from Eastern Europe and, in particular, from the U.S.S.R. showed some increase over the preceding year, the United Kingdom and Italy being the main importers of coarse grain and wheat from the U.S.S.R. Altogether, however, these imports remained very limited and far below the prewar average. In particular, Western Germany, which before the war relied on eastern countries for a substantial part of ~~its~~ food imports, drew only 3.4 percent of ~~its total~~ from this region.

Prices and Income. Prices received by farmers for the major crops, such as cereals and sugar beets improved somewhat in 1951/52. In 1949 and even after the outbreak of hostilities in Korea in 1950, these prices remained relatively constant in most countries while industrial prices increased considerably. Prices for livestock products, particularly for meat, were sustained during 1951/52 but did not keep pace with the increase in prices of crops. Italy was the only country where livestock prices increased more during the year than did prices of the main crops. The relation remained the same in Switzerland, Denmark, Norway, but in France, Germany and the United Kingdom, for instance, prices of the major crops increased 31 percent, 32 percent and 21 percent respectively, while prices of livestock products rose by only 18 percent, 8 percent and 8 percent.

The price fixing and control programs have changed little. The United Kingdom, Sweden and Norway have price agreements assuring their agricultural industry a minimum income. Fixed or guaranteed prices for some basic products remain in

operation in France, the Netherlands, Switzerland, Denmark, Western Germany and Italy.

Gross farm income in 1951/52 has been higher than in previous years in most countries. Net farm income may, however, have increased less, owing to substantial increases in wages and other costs. Prices of imported foodstuffs rose but in the Netherlands, France and Sweden the increase was partly mitigated by subsidies. Some farmers found that fertilizer prices increased more than crop prices, especially in the United Kingdom, where the subsidy on fertilizers was reduced.

OUTLOOK 1952/53

Demand for farm products will generally remain strong. Improved availability of coal, steel and other raw materials indicate high industrial activity. The present rate of unemployment which has been increasing in some countries (United Kingdom, the Netherlands) will have little effect on the present average level of consumption. Prices may remain more stable than in recent years, largely due to the recent fall in prices of raw materials and to anti-inflationary measures taken by various governments.

Crop production can be expected to exceed 1951/52 levels. The area under cereals, including wheat, shows a slight increase and growing crops are reported to be in a good condition. The area in sugar beets has been further extended by some 5-7 percent, ^{increase being} ~~the~~ / most marked in Austria, Finland, France, Italy and Spain; in Belgium, Ireland and the United Kingdom a reduction is reported. Livestock production should benefit from the good condition of pastures, but in countries depending on imports of feedstuffs, supplies and prices in foreign markets will influence the rate of expansion of output. The after-effects of foot and mouth

disease on the output of livestock products, especially milk, may become apparent later.

LONG TERM OUTLOOK

According to a recent OEEC estimate, total demand for agricultural products in the OEEC area will increase by 12 to 14 percent within the next 5 years. Although this estimate may be on the high side, it has to be considered in terms of whether Europe will be able to obtain increasingly greater supplies of food and feedstuffs necessary for a growing population, from other regions. In all traditionally exporting countries outside the dollar area, the trend is towards an increasing internal demand which is making inroads into the supplies of some of the commodities available for exports. The dependence on the dollar area will therefore hardly diminish. At the same time, prices from this area are likely to remain on a high level and foreign exchange difficulties will not easily be overcome because there is a more marginal need for Europe's exportable goods in this region.

In the long run, therefore, the necessary food supplies can only be assured by an increasing European production and a consequent reduction of imports from the dollar area of such products as cereals, sugar and tobacco. Since there is little scope for expanding the agricultural area the stress has to be laid on further intensification of production to be achieved with the help of a greater application of means of production and the wider adoption of modern methods.

EASTERN EUROPE AND THE U.S.S.R.

Collectivisation in some of the Eastern European countries has slowed down during the past year, but the area in State farms continues to expand rapidly,

especially in Poland and Eastern Germany where much fallow land abandoned by farmers has been taken over for cultivation.

In Bulgaria, where the process is nearest completion, about half of the total area of arable land was in collective farms by the end of 1951. Many of the farms have been merged, so that the average area of tillable land per collective farm increased from just under 350 hectares at the beginning of 1950 to just over 800 hectares in December 1951. In Czechoslovakia, Hungary and Yugoslavia the proportion accounted for by collective and State farms had reached 20 to 30 percent, while in Poland the figure appears to be about 15 percent. In Rumania the number of collective farms at the beginning of 1952 was small in comparison with the numbers in neighbouring countries. In Eastern Germany, although the number of nationally owned machine stations has increased, no deliberate policy of collectivisation on the usual pattern appears to have been introduced.

In the Soviet Union, more attention has recently been paid to the transfer of livestock still in private hands, to collective ownership and towards the amalgamation of collective farms into still larger farming units. There has been a change in the policy of collectivisation in Yugoslavia. The type of cooperative now being encouraged resembles the Danish more than the Soviet model, peasants combining mainly for buying and selling, the provision of credit and other forms of mutual assistance. Machine tractor stations, which in other countries play a major role in collectivisation, have been dissolved and their stocks transferred to cooperative pools of the western type or distributed among the collective farms. Compulsory State purchase of produce (except wool) has been abolished, free prices provide a new incentive for sales off farms, and earnings above a level fixed by reference to the cadastral value of the land are not now subject to tax.

Increased agricultural mechanization is also a major preoccupation in Eastern

Europe. Apart from Bulgaria and Albania, which have no tractor industry, all the countries of Eastern Europe continued in 1951 their efforts to expand the volume of tractor production. It is anticipated that Czechoslovakia will produce heavy tractors for export to Poland, Bulgaria and other countries. In Czechoslovakia tractors in machine stations increased by 23 percent during 1951, mainly as a result of the increase in caterpillar types and the expropriation of private tractors. In Poland the tractor power¹⁾ available to agriculture increased by the end of 1951 by about 28 percent compared with 1950. The increase on State machine stations was 86 percent partly because tractors were taken over from cooperative machinery pools. In Bulgaria the scale of agricultural operations carried out mechanically by tractor stations was reported to be twice as great in 1951 as in 1950. In the Soviet Union the number of tractors¹⁾ supplied to agriculture during 1951 was 137,000. This is a reduction from the 1949 and 1950 totals but combine harvesters were delivered in greater numbers. In 1951 over 60 percent of the total grain crop was harvested with combines.

Agricultural Production. The bread grain harvest in 1951, throughout most of Eastern Europe, was reported to be the best since the war. Yields per hectare were substantially greater than in 1950, except in Poland, where some crops especially potatoes had poor yields owing to drought. In the Soviet Union the total grain harvest was slightly less than in 1950.

The area under sugar beet and industrial crops (e.g. oilseeds, flax and tobacco) is rapidly expanding in several countries. In Hungary the cotton acreage increased

1) In 15 H.P. Units

fivefold in 1951 and in Bulgaria cotton, hemp, rice, and sugar beet all showed a considerable increase. In Poland and Czechoslovakia however, the planned increases in sugar beet and industrial crops were not attained, though there was some increase in acreage.

The improved crop situation in 1951 had not greatly affected livestock numbers by the end of the year. In Bulgaria there was an increase of 7 percent in livestock. In Yugoslavia livestock numbers made small increases after the setbacks caused by drought in 1950, but except for sheep, smaller numbers were recorded in January 1952 than two years ago. The cattle population in Czechoslovakia and Poland is stated to have been about the same in 1951 as in 1950. In Poland pig breeding was reduced in the earlier part of the year but showed signs of recovery in the fourth quarter. Pigs and sheep increased appreciably in Eastern Germany and in Czechoslovakia.

Throughout most of 1951 the food situation was difficult in many countries of Eastern Europe. Shortages of meat and fats were reported in several of the Eastern European countries. In Poland, the effects of the drought, combined probably with the peasants' reluctance to meet the Government's demands, led to reductions in fat stock deliveries from farms, and towards the end of 1951 a partial rationing of meat and fats was introduced. The problem of feeding industrial workers in Poland now about double in number, compared with prewar, is of critical importance because of its vital connection with productivity, the key to the fulfilment of all the Government's planning. Compulsory delivery of slaughter animals and some livestock products has recently been introduced, and to encourage production and delivery of pigs there is a bonus payment for pigs

sold under contract over the quota. Such deliveries also bring some reduction in land tax and earn the right to purchase certain quantities of coal and feedingstuffs.

At the beginning of the year, following the drought of 1950 which had given rise to a shortage of feed, rationing was reimposed in Hungary. After the good harvest of 1951 food prospects began to improve and in December 1951 rationing was ended and bread, flour, butter, milk and sugar were bought and sold freely in the market at fixed prices 1). These were set at levels well above the former prices of rations but wages, social security payments and family allowances were also increased. In Czechoslovakia the production of fat stock and milk fell short of the amount intended, and in reviewing the year's achievements the Government stated that "serious shortcoming had occurred" in the supply of agricultural products.

In Bulgaria a change in the system of food prices similar to that in Hungary took place in May 1952 when food rationing was abolished. At the same time a currency reform was announced. Rumania had taken this step in January 1952; thereafter, the volume of sales of consumers' goods, including food, increased. This followed a period of shortage of livestock products. The Meat Department of the Rumanian Ministry of Food is reported to have delivered only 42 percent of the planned amount of meat for 1951.

1) Meat and fats were freed from rationing at the end of February 1952.

In Eastern Germany meat consumption was substantially greater than in 1950, but still much below the prewar level. Deliveries from farms were regarded as unsatisfactory in view of the estimated production.

Trade. Trade within the region has been intensified and there are growing restrictions on trade with Western Europe. Eastern Germany and Czechoslovakia continue to be supplied with grains in exchange for industrial products especially machinery and scientific instruments.

In Eastern Germany the revised five-year plan for production (1951/55) and a trade agreement with the Soviet Union suggest that substantial supplies of coarse grains are expected to arrive from or ^{by} way of Russia.

Supplies of meat, sugar, eggs and other foodstuffs have reached Western Europe from Poland ¹⁾, and a further contract, for coarse grain shipments from the Soviet Union to the United Kingdom, similar to that in 1950-51 is in effect, with the additional provision of 200,000 tons of wheat. The Soviet Union continues to export wheat to Egypt, India and other non-European countries ¹⁾.

LATIN AMERICA

Currently, Latin America is placing greater emphasis on agricultural expansion than it has during recent years, with industry expanding more rapidly than agriculture, and in some instances agricultural investment is being discouraged by the price policies in effect. However, there is a growing realization that agricultural development must remain in balance vis-a-vis progress in other sectors of the economy. For most countries agricultural exports,

1) Some figures might be given later.

which for the area as a whole have declined during the postwar period, are essential for economic development as they constitute at present an irreplaceable source of foreign exchange with which to pay for increased imports of capital and consumers' goods.

The area planted and harvested in 1951/52 was larger than that in the preceding year, except in Argentina where acreage dropped significantly, and more farm machinery was in use in many countries. Nevertheless, because of a heavy setback in Argentina's production, caused mainly by unfavourable weather, which offset progress elsewhere, overall farm production in Latin America during 1951/52 declined about 2 percent from the previous year (see table).

There was a sharp contraction in production of cereals plus minor declines in cottons, oilseeds, potatoes, pulses and livestock products, which were only partially offset by a significant increase in sugar output and less noticeable gains in coffee, tobacco, bananas, cocoa and wool.

Food supplies in 1951/52 were however, generally higher than the year before because of declining exports and increasing imports. Reduction in production affected levels of export rather than levels of domestic supplies. In several countries such as Brazil total supplies apparently increased by a higher proportion than population growth and, therefore, supplies per capita were also higher. For Latin America as a whole, however, supplies did not exceed the population increase and food supplies per capita remained almost unchanged as compared with the previous year.

*Mr. Koppelman
King Men. Vosku*

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D/T
T/Vos

June 24

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Dr Mordecai **EZEKIEL**,
Deputy Director,
Economics Division,
Food and Agriculture
Organization of the
United Nations,
Viale delle Terme di Caracalla,
R O M E.

Dear Dr Ezekiel,

Thank you for sending me the documents entitled "The Demand Situation in 1951/52" and "The Demand Outlook for 1952/54". I read them with great interest and have no comments to make. Actually, the general attitude of the authors is more or less in conformity with our own feeling in this office. What we tried to do is to estimate total demand for goods and services in the United States in 1952, basing ourselves upon government budget estimates and the relation between income and expenditure of the private sector. If the normal relationship for the expenditures still holds good there would be, according to our figures, considerable strain on the United States economy. Since it appears, however, that consumption in 1951 is about 10 billion dollars below the normal pattern (i.e. what one would expect on the basis of income figures). If this phenomenon should persist, total demand would still surpass productive capacity, as far as we are able to estimate it; only, if, at the same time, defence expenditure would fall short considerably of the budget figures a more equilibrated situation would be likely to develop. This is why it is our impression that the reluctant attitude of buyers during the last few months can only be of a temporary nature. It should, of course, be recognised that investments may fall short of the normal pattern for a somewhat longer time if there would be a saturation with investment goods, such as the "echo principle" describes it. The extent of this phenomenon, however, could hardly be such as to invert the tendencies just indicated. This is why we expect firm markets for some time ahead.

I would appreciate very much any reactions on this train of thought you might be willing to give in reply to this view.

Yours very sincerely,

(J. Tinbergen)

R O M E .
Viale delle Terme di Caracalla,
United Nations,
Organization of the
Food and Agriculture
Economics Division,
Deputy Director,
Dr. Norberto ESKELI,

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