

world agriculture but to world economy, and the doctrine of an expanding world economy, to which, at the Hot Springs Conference and elsewhere, the majority of governments have subscribed, is unlikely to be realized in the absence of sound policy and practice in regard to international agricultural credit. Investments directed toward the improvement of agricultural methods should bring quick returns in increased production, and this would not only be reflected in improved nutrition but also in increased international trade. Indeed, that portion of international investments which may be directed towards agriculture may bring about quicker effects upon world economy than larger sums needed for longer term developments.

66. The Commission conceives, however, that international credit and investment, whether related to agricultural or industrial development or to other purposes, would most suitably be administered by a single international authority charged with the appropriate functions in respect of all such purposes. It recommends that such an authority be established by agreement between the governments concerned, and that adequate arrangements be made for including the provision of agricultural credit among its functions. It further recommends that the Organization, or in the event of its not being established in time the Interim Commission itself, should be represented at any international conference that may be convened for the purpose of setting up an international credit and investment authority.

67. Credit will be needed for many agricultural developments—for example, the re-equipment of agriculture, mechanization, land reclamation, irrigation, afforestation, and increased storage, processing, and marketing facilities for agricultural products. Agricultural credit should, however, be interpreted not only as covering its conventional forms but also as including credit for adjustments in other parts of the economy in the interests of agricultural reorientation and better standards of nutrition.

68. The Organization will have a direct concern with all these matters, and it is clearly appropriate, if it is to be enabled to exercise an influence in its own field commensurate with the purposes for which it is established, that it should be recognized as a complementary body to the international credit and investment authority with specific functions in regard to agricultural credit. [Art. I.]

69. The specific functions relating to agricultural credit which the Commission recommends should be assigned to the Organization are as follows: [Art. I, IV, XII.]

(a) The Organization should participate in the management of the international credit organization through representation on its governing body, in order to provide for due consideration of agricultural interests in the determination of general international credit and investment policies.

(b) Applications for international credit for an agricultural purpose should be considered by the international credit authority only after examination by the Food and Agriculture Organization and in the light of its recommendations.

(c) In appropriate cases, and if the Food and Agriculture Organization should so recommend, the borrowing country should be required, as a condition of the loan, to avail itself to the fullest extent, in regard to the projects for which the loan is granted, of the technical services and advice of the Organization.