



**T**HE British people are waging a desperate battle for economic survival on empty stomachs.

The word "empty" is used in a figurative sense. It is true that Britain is not short of food in the sheer matter of volume or bulk. But her diet is grimly monotonous, distressingly plain and lacking in those nutritional qualities necessary to the highest standards of physical and mental fitness. It is almost certainly having a profoundly dangerous psychological effect on the British people and on their ability to maintain their ancient and accustomed place of influence and leadership in the world arena. In a message from England a few weeks ago the Leader of the Federal Opposition, Mr. Menzies, stated that three or four months on an Australian diet would help to put red blood into British policies, as well as into British bodies.

### STARTLING REDUCTION IN IMPORTS

Despite an increase of 5% in her population, the United Kingdom imported much less food in 1947 than in 1938. Imports of food on a per-head basis show the following startling comparison.

U.K. FOOD IMPORTS (LBS. PER HEAD PER ANNUM)

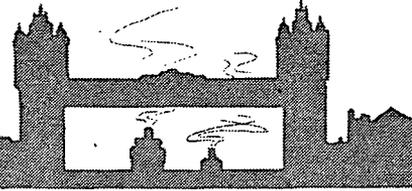
	1938	1947
Grain and Flour .. .. .	472	268
Meat .. .. .	73	63
Dairy Produce .. .. .	35	24
Fruit and Vegetables .. .. .	100	66
Sugar, etc. .. .. .	140	106

Source: U.K. Trade Accounts, December, 1947.

These figures bear vitally upon the current production and export drives aimed at the re-establishment of the British economy on a paying basis. The human being is the weakest link in every plan, and without adequate food, the people of Britain, notwithstanding their historic qualities of endurance and determination, cannot be expected to achieve their best.\*

\*See Page 147 for comparison of present day with pre-war standards of food consumption in Britain.

# Britain



## AUSTRALIA DROPS TO FIFTH POSITION

What is not well understood in Australia is that the British battle for economic survival is also Australia's battle. A strong Australia is inconceivable without a strong British Empire and a strong Empire inconceivable without a strong Britain. There can be no strength at the extremities, if the heart is beating faintly. It is, therefore, to say the least, extremely disquieting—and extremely astonishing—to find that, from being Britain's largest supplier of foodstuffs before the war, Australia in 1947 had dropped to fifth position. We had been outstripped by the United States, Canada, the Argentine and New Zealand.

An indication of our record in relation to other countries may be gained from the following table showing imports by the United Kingdom from her principal suppliers:—

IMPORTS OF FOOD BY THE U.K., 1938-1947. £m STG.

	Grain and Flour		Meat		Dairy Produce		Other		Total	
	1938	1947	1938	1947	1938	1947	1938	1947	1938	1947
Australia ..	14	4	11	17	11	16	10	8	46	45
New Zealand	—	—	15	30	20	33	1	1	36	64
Canada ..	19	89	7	20	3	14	7	7	36	130
Argentine ..	8	24	21	49	1	1	3	16	33	90
U.S.A. .. ..	16	19	3	8	—	41	15	30	34	98
Others .. ..	18	5	33	23	45	20	126	283	222	331
	75	141	90	147	80	125	162	345	407	758

Source: U.K. Trade Accounts, December, 1947.

As food prices in the United Kingdom have more than doubled since 1938, values for 1947 would need to be more than halved in order to gain some idea of changes in quantities. Even when all allowances have been made for the possibility that Australian prices were relatively low and the fact that in 1947 Australian exports of wheat and flour to Britain were abnormally small because of the diversion of large supplies to meet pressing demands in India, the Australian figures are profoundly disturbing. We exported less, even in values,



# FOOD FOR BRITAIN (continued)

in 1947 than in 1938 and dropped from first to last of "the big five."

## POST-WAR POSITION

The following table compares the quantities of the main Australian exports to the United Kingdom since the war with the pre-war level:—

### AUSTRALIAN EXPORTS TO U.K. AND TOTAL EXPORTS

	UNITED KINGDOM.			TOTAL.		
	1938-9.	1946-7.	1947-8.	1938-9.	1946-7.	1947-8.
million lbs.						
Wheat . . . . .	1934	0	972	3788	731	3627
Flour . . . . .	238	200	94	1450	1530	1594
Beef . . . . .	237	153	205	272	180	231
Mutton and Lamb . . .	181	157	115	187	164	123
Bacon and Pork . . .	30	17	*	32	25	9
Tinned Meat . . . . .	12	71	*	15	120	94
Butter . . . . .	217	117	170	230	134	185
Cheese . . . . .	35	41	*	36	54	51
Milk and Cream . . .	3	9	*	19	106	98
Canned Fruit . . . . .	69	70	*	82	72	85
Raisins and Currants . .	115	54	*	164	91	93
Apples and Citrus . . .	174	11	*	239	55	168
Jam . . . . .	12	30	*	14	66	59
Sugar . . . . .	878	33	*	992	263	225
Wool . . . . .	380	247	360	867	1211	951

\* Not available.

Source: Commonwealth Statistician's Overseas Trade Reports.

It is clear that despite the critical post-war food situation in Britain, in many of the main items of food Australia is supplying smaller quantities than before the war.

## EFFECT OF WAR

Admittedly, there are extenuating circumstances. Primary production in Australia was harder hit by the impact of the war than most other industries, and was probably affected to a much greater extent than farm production in the other main exporting countries. In the early stages of the war, recruitment of men for the Services took large numbers from

primary industry. Production and importation of tractors and other farm machinery were severely curtailed and supplies of fertiliser reduced to a minimum in quality as well as quantity. Soil fertility was very seriously affected. The proper maintenance of farm properties was impossible because of the shortage of labour; fences and buildings fell into disrepair and noxious weeds and vermin flourished. At the cessation of hostilities the world was tragically short of food and Australian rural industry, largely because of forces outside its own control, was deplorably ill-equipped to make its contribution toward world recovery.

### NO POSITIVE POLICY

For the most part that was unavoidable. The real ground for criticism is not what happened during the war but the fact that since the end of the war there has been no vigorous positive policy to restore the primary industries and to boost the production of the foodstuffs and raw materials, of which the world, and particularly Britain, are so desperately in need.

The artificial bias in favour of the manufacturing industries, brought about by the war-time concentration on munitions production, has been allowed to persist since the end of the war. The numbers engaged in agricultural and pastoral pursuits dropped from 19 per cent. of the total labour force in 1938-9 to 16 per cent. in 1946-7. Over the same period the numbers engaged in manufacturing increased from 20 per cent. to 25 per cent. of the total labour force. Upon demobilisation many rural workers, attracted by conditions in the city industries, did not return to their former occupations. The labour shortage in the primary industries has not been improved by the introduction of the 40-hour week into most city occupations, or by the tendency of manufacturing firms to seek additional labour by setting up plants in country areas.

The primary industries are now desperately short of labour. This is one of the main causes of lagging production. The

others are the high level of taxation, which is felt more directly by the farmer than by most other producers, and the continued shortage of farm machinery and equipment. Each particular branch of primary production has its own peculiar problems, but these three causes of under-production are common to all.

Despite the world food shortage and the distressing scarcity of the right kinds of foods in the Mother Country, the situation has been allowed to drift. Comparatively little has been done to stimulate the production of equipment and supplies of materials for the primary industries and to re-divert labour into rural production.

## RECORD WORLD PRICES

The true position is to some extent obscured by the record prices being obtained for the products of the land. Immense export incomes are being achieved at the present time because of the fantastically high world prices for food and raw materials. Wheat has risen from 29d. per bushel in 1939 to 204d. per bushel in 1948—an increase of 700 per cent.—and the average price of greasy wool from 10d. to 40d. per pound—an increase of 300 per cent. Should these prices slump the shock to the Australian economy would be severe. One of the means of countering a fall in prices would be a large increase in the quantities exported. But with taxation at present levels, and while the labour shortage in rural industries is permitted to continue, there is little prospect of this occurring. Mechanical equipment and farming materials in the increased quantities required are also unlikely to be obtained unless some means of assisting firms engaged in their manufacture is devised. The physical deterioration of equipment and of farming properties during the war was considerable, and little has yet been done to correct it. The primary industries are inadequately equipped to meet the pressing demands of the current world shortage of foodstuffs, or, indeed, to cope with the impact of world competition which in due course must be felt.

## SOLUTION NOT EASY

The solution to the problem is not easy. The difficulties should have been foreseen and resolutely tackled long before this. A labour shortage in primary industry appears to be inescapable whilst secondary and other industries in metropolitan areas are absorbing labour to supply demands largely created by soaring export incomes. Until the present high level of economic activity recedes or unless strong measures of disinflation are undertaken, the economy must maintain its artificial distortions and drain labour away from areas where it is most urgently needed. Direction of labour is of course politically impracticable. Shortages of mechanical equipment will continue whilst there are bottlenecks in the production of steel and in the labour needed for the manufacture of essential supplies. Importation of equipment, especially tractors, is hampered by dollar shortages and export quotas fixed by producing countries, such as the United States.

## RELATION TO THE DOLLAR PROBLEM

One of the most serious aspects of the failure of Australia to provide Britain with greater quantities of food is that Britain is forced to spend scarce dollars, needed for industrial re-equipment, on foodstuffs from Canada and the United States. Before the war Britain was importing less than one-third of her requirements of foodstuffs from the hard-currency areas; in 1947 she imported about one-half from these sources. There is little prospect of any long-term solution to the dollar problem unless trade can be greatly expanded within the sterling area. Quite apart, therefore, from considerations of common humanity there are over-powering reasons why Australia should make special efforts to increase food exports to Britain. But without large-scale reinforcement of manpower and equipment, our primary industries will continue to operate below capacity.

STATISTICS AND NOTES

Statistics and notes on production and export trends in the main Australian primary industries are given on this and the following pages:—

WHEAT

World wheat production and export trends have changed considerably since the pre-war years. The statistical position of the four main exporting countries is outlined in the following table:—

		Australia	U.S.A.	Canada	Argentine
		Million Metric Tons			
1934-8 Average	Production . . .	4.2	19.5	7.2	6.6
	Exports . . .	2.8	1.3	4.8	3.3
1946-7	Production . . .	3.2	31.5	11.4	5.6
	Exports . . .	1.3	10.6	6.4	1.7
1947-8	Production . . .	6.0	36.0	9.0	6.1
	Exports . . .	3.8	13.2	5.1	2.8

Source: U.S. Office of Foreign Agricultural Relations.  
Commonwealth Statistician's Summary of Wheat Industry—May, 1948.  
United Nations Monthly Bulletins of Statistics—September, 1947,  
April, 1948.

Note: Export figures include Flour.

The tremendous increase in American production and exports is very significant. North American wheat producers received a stimulus during the war when, because of the shorter haul, they became the main suppliers of the United Kingdom. Australian acreages on the other hand were restricted and labour drawn away. The true position of Australia at the present time is partly obscured by the abnormal output in 1947-8 when wheat yields were 16 bushels per acre as compared with the average for 1934-8 of 12 bushels per acre.\* This should not be allowed to detract attention from

\* On present indications the current year's crop will be much smaller. The acreage sown has been reduced by about two million acres.

the acute problems of the industry arising from shortages of labour and machinery. With the end of the world wheat shortage in sight and the possibility of stiff world competition, Australia should endeavour to place her wheat industry on the most efficient basis. In the interests of costs the industry needs to be properly equipped and mechanised.

## DAIRYING

Dairying suffers more than other sections of primary industry during periods of labour shortage. Hours of work are long and arduous and the industry is forced to depend largely upon family labour. There has been a tendency for herds to be curtailed, especially with high rates of taxation and an acute shortage of outside help. This is indicated by the following table showing a comparison of the number of dairy cows and milk production with pre-war.

	1938-9.	1946-7.
Number of dairy cows in milk (000's) . . . . .	2601	2227
Milk (million gallons) . . . . .	1189	1061

Source: Commonwealth Statistician's Summary of Dairy Industry, December, 1947.

The decline in milk production in Australia is not paralleled in other primary producing countries. The following table shows changes in the output of fluid milk in terms of an index 1937-9 = 100.

COUNTRY	1937-39.	1946.	1947.
Australia . . . . .	100	94	93
U.S.A. . . . .	100	114	114
Canada . . . . .	100	109	111

Source: U.N. Monthly Bulletin of Statistics, June, 1948.



**MEAT PRODUCTION—MILLION LBS.**

	Beef and Veal.		Pork.		Mutton and Lamb.		Total.	
	1934-8. Av.	1947.	1934-8. Av.	1947.	1934-8. Av.	1947.	1934-8. Av.	1947.
United States	7,974	12,000	7,337	10,500	871	800	16,182	23,300
Argentine	3,838	4,630	243	270	378	780	4,459	5,680
Australia	1,190	1,102	195	206	709	718	2,094	2,026
New Zealand	365	428	106	85	553	703	1,024	1,216

Source: U.S. Office of Foreign Agricultural Relations.

With meat, as in wheat, the response of U.S.A. to the world food crisis has been outstanding. Australia has vast areas suitable for grazing and it is tragic that production should be hindered by labour shortages and by high rates of taxation. Refrigeration space is now available to take increased exports of meat. But without some radical change in policy the likelihood of any rapid improvement in production appears remote.

**SUGAR**

The post-war trend of the sugar industry as compared with the pre-war position is shown in the following table:

	AREA 000 acres	SUGAR PRODUCTION 000 tons	% EXPORTED
1936-7/1938-9 .. . . .	362	808	54
1945-6 .. . . .	337	666	23
1946-7 .. . . .	324	552	21
1947-8 .. . . .	N.A.	603	17

Source: Commonwealth Statistician.

The sugar industry is suffering from scarcity of equipment and supplies (especially heavy tractors commandeered for war purposes and not replaced) and from lack of labour, particularly cane-cutters. Adequate supplies of sulphate of ammonia are essential for obtaining high sugar yields, and this is in short supply. Home consumption of sugar has apparently been maintained at the expense of the export market.

The allocation of 800 Baltic migrants to the cane fields is a step towards alleviating the labour position.



# FOOD FOR BRITAIN (continued)

## FRUIT

Latest figures relating to the principal fruit crops indicate a slight decline in some of the main items of production.

FRUIT PRODUCTION — 000 TONS.

	1936-7/1938-9. Av.	1946-7.
Fresh Fruit . . . . .	511	498
Citrus . . . . .	111	128
Canned Fruit . . . . .	66	65
Dried Vine Fruit . . . . .	84	60

Source: Commonwealth Statistician's Report on Food Production, February, 1948.

Although adverse seasonal conditions have played some part in the general lowering of production throughout the fruit industry, shortages of labour, particularly of seasonal labour for picking and processing the crop, have been a handicap.

## WOOL

A few notes on wool production, while not strictly related to the subject matter of the article, will not be altogether out of place.

Wool suffered severely during the war not only from the shortages common to all rural industries, but from a severe drought in 1944-5. The sheep population rose from 111 million in 1939 to 125 million in 1942, but by 1946 had dropped to 96 million. It is at present slowly recovering. The latest estimate of the sheep population is 103 million. Indications are that the building up of depleted flocks is being retarded by heavy taxation and shortage of labour. Production statistics for the main exporters are as follows:—

	AUSTRALIA	ARGENTINE	N.Z.
Wool Production (greasy basis)		Million Lbs.	
1936-40 average . . . . .	1052	411	314
1947 . . . . .	990	495	360
1948 (provisional estimate) ..	1040	500	370

Source: U.S. Department of Agriculture.

It is clear from this table that, whilst other exporters have improved their production since the pre-war years, Australia

has barely maintained her position. The output of fine quality Merino wools has been severely curtailed. Production of the finest wools has declined by roughly 40 per cent. from the 1941-2 peak. Since there is a very great world demand for this type of wool, the position is thus even worse than that suggested by the overall figures. The recovery of the Merino areas depends on good seasons, adequate labour and incentive to build up flocks.

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### NOTE ON U.K. FOOD IMPORTS (see page 137)

\* Figures of food imports do not, of course, accurately reflect the reduction in standards of food consumption in Britain. The markedly lower quantities of food imported since the war have been to some extent offset by an increase in home production and by a reduction in exports of manufactured foodstuffs. The British people are consuming much less meat, butter, eggs, fruit and sugar than before the war. On the other hand, they are eating more flour and cereals, potatoes, vegetables and milk. The total energy value of the British diet measured in calories has fallen from 3,000 calories per head per day before the war to 2,880 in 1946-7.

The following table shows the consumption of food per head in terms of lbs. per annum.

	Pre-War.	1946-7.
Dairy Products (excluding Butter) . . . . .	38.3	49.6
Butter . . . . .	24.8	10.9
Meats (carcass weight) . . . . .	131.7	119.3
Eggs and Egg Products . . . . .	24.5	21.1
Oils and Fats (excluding Butter) . . . . .	20.2	22.5
Sugar and Syrups . . . . .	109.9	81.7
Potatoes . . . . .	176.0	292.0
Vegetables . . . . .	119.8	129.0
Fruit . . . . .	125.9	97.4
Grain Products . . . . .	209.8	231.8

Source: Cmd. 7203. Food Consumption Levels in United Kingdom.

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