

# The Guillaume Plan for promoting growth in developing countries

*French Agriculture Minister François Guillaume is currently circulating internationally a valuable proposal for promoting agriculture in the Third World, which has received almost no coverage in the press in the United States, except in this magazine. We publish here a translation from the French of a pamphlet published by the French Agricultural Ministry, as a contribution to the ongoing debate on what should replace the bankrupt Bretton Woods monetary system.*

In 1977, François Guillaume, then a farming official, put forth the idea of a new type of aid for developing countries, whose effects would be comparable to those of the Marshall Plan in a ruined postwar Europe.

Today, François Guillaume's proposal has become a full-fledged plan backed by the French government as well as by many political and moral leaders from all continents. It involves a concerted and progressive regulation of the major agricultural markets so as to be able to finance Third World development.

It is not merely a matter of providing sufficient food assistance; it is also necessary to set into motion a more local development process, and to encourage training programs, infrastructure build-up, and materials acquisition.

The essential advantage of the plan is that it contains within itself the funds needed, and now lacking, to launch a real effort for planetary development and to allow hardship countries to gain economic independence.

A solution does exist and François Guillaume will continue organizing internationally to get it accepted. For greater justice and greater solidarity.

## Two planets

In spite of ever more urgent appeals for international solidarity, in spite of a greater mobilization of public opinion, especially of young people, in spite of increasing amounts of aid given to the Third World, hunger continues to conquer ever more territory. Today, 730 million people suffer directly from malnutrition.

During this time, agricultural resources are piling up in the rich countries. In 1987, available grain reserves were estimated by the FAO at 448 million tons. Theoretically, this is enough to feed the undernourished population of the world

for 10 years! One Earth, two planets, separated by the border of hunger.

Over-indebted, unable to reimburse loans contracted, Third World countries seem to be sinking deeper and deeper into poverty, in spite of the economic aid programs and technology transfers implemented by Western countries. This phenomenon raises, of course, the general question of the economic future of these countries, as well as the increasingly crucial question of their populations' living conditions. But this problem does not concern developing countries alone. In order to deal with the drop in solvency and the related reduction of the world market, producing countries have entered into a trade war which has led to a spectacular drop in world agricultural prices (grain prices have fallen by 60% in two years). This drop, which penalizes farmers in the producing countries, benefits mainly those solvent nations such as Japan, the U.S.S.R., or Saudi Arabia, who can buy cheaply the agricultural products they need. An example: a ton of grain is bought today by these countries at 50% of its cost price, the difference being paid by the exporting countries, led by the United States and the EEC. These low import prices are only apparently advantageous for purchasing countries in the developing sector, since they discourage efforts to develop their own food production.

Even more paradoxically, this agricultural disorder penalizes the developing countries' farmers themselves, who, in turn, experience a reduction in the world market of food products such as coffee or cacao, and therefore, a lowering of their income.

## The limits of international aid

Western nations devote a significant percentage of their Gross National Product to supporting developing countries (food aid, provision of materials, technicians sent there. . .). Backed by non-governmental organizations or upon their own initiative, these Western nations can meet a number of the needs of the poorest countries. In 1987, food aid alone represented a transfer of 10 million tons of grain.

It is fitting to stress, however, that, however useful and necessary this aid may be, it only partially solves the problems that developing countries' populations face: faltering coordination, limited logistical capabilities in receiving

countries, high distribution costs, and lack of skilled labor, mean that food deliveries are frequently not all distributed or that material is under-used. Moreover, food aid alone in certain cases can have an adverse effect on local production and destabilize markets, which are very vulnerable because of their limited size.

For humanitarian as well as economic reasons, it is therefore necessary that Third World countries cope with their own difficulties. This is a precondition for their international credibility and a guarantee for their independence. The World Bank has well understood this, by stressing that food security for most of the concerned countries means a strengthening of local agriculture and an increase in the purchasing power of the population, and only a process of growth can bring this about. This latter conclusion reminds one of the principles guiding the postwar reconstruction of Europe, the "Marshall Plan" which enabled the old continent to follow once again the path of growth. Today, it is not enough to supply bread; the tractor must also be supplied.

This idea was synthesized by François Guillaume as early as 1977, when he proposed a concerted and progressive regulation of the major agricultural markets in order to finance the development of Third World countries. The essential advantage of this solidarity plan is that the source of funding is inherent in it.

### **The Guillaume Plan in five points**

1) One of the solutions for financing development aid involves reorganizing the major agricultural markets and implementing a policy of "fair prices," which can also guarantee export incomes for Third World countries. Because of its worldwide importance, and the small number of exporters, the grain market is perfectly adapted to this kind of policy, and, naturally, regulation must then be extended to vital products from developing countries, such as coffee or cacao.

2) The five exporting regions (U.S.A., EEC, Canada, Australia, and Argentina), having formed a kind of "food OPEC," must agree on a minimum selling price for their grain, and this price should be at least equal to the cost price of the most competitive country.

3) These sales at a fair price would free up the large additional financial means needed to meet the needs of developing countries. For example, the latest sale of grain to the Soviet Union was agreed upon at a price of 450 francs per ton, whereas the average cost price is around 1,250 francs per ton.

4) The implementation of this plan would not require a new management structure. Financial control will indeed be assured by a Board of Governors who will arrange Enforcement Conventions with existing international agencies whose credibility and efficiency cannot be doubted: IBRD (International Bank for Reconstruction and Development), FAO (Food and Agriculture Organization), IFAD (International Fund for Agricultural Development), UNPD (U.N. Program

of Development).

5) According to expert estimates, this regulation of the grain market could free up to 20 billion francs per year, which could be used to finance a multifaceted plan: a food plan, of course, but also agricultural development operations, support or recovery of local production, delivery of storage equipment, development of distribution circuits, organization of production channels and markets, and training of men.

### **Convince international leaders**

Over the past 10 years, François Guillaume has contacted increasingly more people in order to explain to them the soundness of his plan. In the near future, he will go to Algeria, Egypt, China, and the U.S.S.R. But the most important leg of his tour will be the United States. U.S. agreement is indispensable for implementing the plan.

François Guillaume is already supported by leading political and moral leaders of the international community, first and foremost, by the Holy Father. In February 1987, François Guillaume, in the company of Abbot Piere, had a long audience with Pope John Paul II. Upon the latter's request, François Guillaume is now collaborating very closely with the French Episcopate, through the person of Cardinal Etchegaray, who is also president of the Pontifical Commission *Justitia et Pax*, and of the *Cor Unum* Council which takes care of material aid for the impoverished. Together, they are to present proposals to the Sovereign Pontiff. François Guillaume's idea is to bring together the heads of state of the five leading grain producing countries, under the moral authority of the Pope, to convince them to follow the path of solidarity and development.

During his tours, François Guillaume also held discussions with Eduard Saouma, director the FAO, who publicly expressed his interest in the proposal.

Over the following months, François Guillaume went to Tunisia and to several countries of Black Africa. He met with the highest authorities, including Ivory Coast President Houphouët Boigny, who is a key personality in Africa, and received their support. Then the minister traveled to Japan, Thailand, Bangladesh. . . . Always with the same purpose of explaining and convincing.

### **A concrete approach, country by country**

François Guillaume wants to act "more and more quickly" for developing countries, and is therefore building up concrete initiatives to prove his plan is sound. Operations accomplished recently in Africa and Asia illustrate the benefits of a country-by-country approach.

**Chad: financing crops.** The economic development of Chad was thwarted by a decade of drought and a latent state of war. The zone around Faya Largeau was especially touched by fighting, which wiped out local crop production and made it difficult to get supplies to the population.

To help finance crop production in Faya Largeau, France

has launched an original operation: 2,000 tons of grain will be bought by France in the south of the country and sent to the north. These products will be sold locally at a low price (so as not to disorganize the local market), and the money will be used to relaunch crop production in the Faya zone.

This operation is fully consistent with François Guillaume's practical philosophy: aid which acts as a "spark" for development.

**Mali: creating South-South exchanges.** Terribly hard hit by drought in 1973 and then again in 1984-85, Mali is fighting for its elementary survival.

During his recent visit to Bamako, François Guillaume took with him nearly 60 tons of potato seedlings and vegetable seedlings to meet the most urgent needs of the country.

At the same time, France will strengthen farmer exchange programs with Mali and supply technical assistance for building up a dairy belt around Bamako.

But the most exemplary action is one which is going to allow Mali's grain surpluses to be sent to Mauritania. France bought 5,000 tons of Malian grain to be donated to Mauritania, where the food situation is particularly critical, a "South-South" operation which benefits both countries and symbolizes the type of aid fostered by François Guillaume within his plan.

**Ivory Coast: training assistance.** The Ivory Coast is a dynamic country: farming, cattle-growing, and fishing make up a large part of its resources. More than direct or material aid, this country mainly needs technical means and training.

In this context, François Guillaume offered France's help for the future Agriculture School of the Ivory Coast at Yamassoukro. In addition to financial help for construction, French researchers and teachers will be sent down there to make the Agricultural School a "pan-African" training center.

**Bangladesh: Increase emergency food aid and cooperation.** Bangladesh, one of the poorest countries on Earth, would be one of the first to benefit from the Guillaume Plan. The minister went there in September 1987, after the floods which destroyed the harvest and claimed the lives of nearly 1,000 people.

Once there, the minister immediately decided to double French food assistance to this country and gave 10 million francs for the purchase of alimentary products. At the same time, François Guillaume and the Bangladeshi Prime Minister worked through the terms of French production aid for rice and stock-raising.

**Thailand: technical cooperation and participation in irrigation programs.** During his stay in Thailand, François Guillaume announced that France would give 8 million francs of financial aid for an irrigation program developed by a French company. The minister also extended Franco-Thai cooperation in stock-raising, set up a research mission into Thailand's technological needs for seeding, and proposed organizing 15 agricultural training programs in France for Thai personnel.



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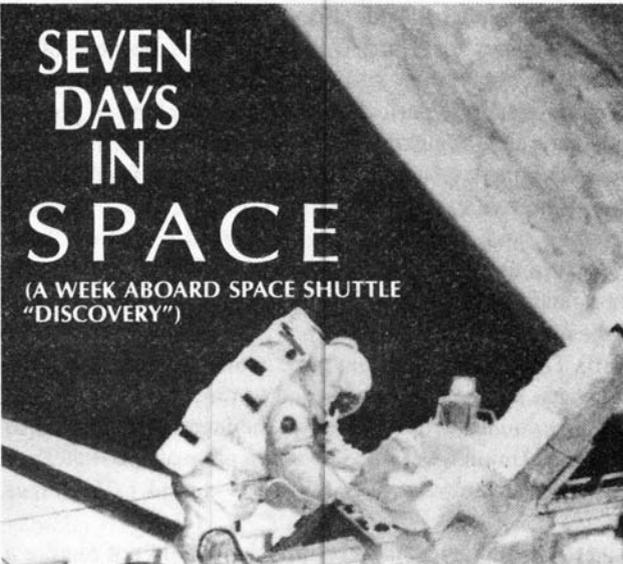
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