THE MAIN THEME OF THE CONFERENCE

THE ROLE OF AGRICULTURE IN ECONOMIC DEVELOPMENT

The President, Dr. Sherman E. Johnson, opened the Conference by reading a cable of greetings from the Founder-President, Dr. Leonard K. Elmhirst, by ringing the Cowbell, and by calling on the Secretary of Agriculture of Mexico, Ing. Julián Rodríguez Adame, to address the members.

ADDRESS OF WELCOME

JULIÁN RODRÍGUEZ ADAME

Secretary of Agriculture, Mexico

In the name of the Government of my country I am very pleased to extend to you all a most cordial welcome. Mexico feels honoured by the presence of such distinguished guests, members of the main universities of the world and of the institutions of teaching and research in the field of agricultural economy.

When the first International Conference was held in Devon, England, in August of 1929, Professor Ladd defined its objectives as the bringing together of the agricultural economists of the world in order to discuss such of the findings of research and research methods as were of general interest; to discuss national and international problems in the field of agricultural economy; and to promote a more efficient exchange of information.

Undoubtedly the spirit which prevails in these conferences is still the same, seeing that agricultural development is uneven, depending as it does on those traditional factors which affect both the rural and the general economy of countries according to the importance of their agricultural sectors.

Even the countries with the highest economic development have problems of a rural origin and continue to look for solutions in order to do economic justice and to give protection to
the farmers who usually represent one of the weaker sectors of the community.

Some of the distinguished professors who attend this Conference have expressed the idea, in their works and in their books, that agriculture is generally not a business but a way of life; that the influence of the farmer stops at the boundary of his rural property; that the agricultural process takes place under the influence of climatic and biological factors which frequently make the farmer lose control of the volume of his crop.

The increasing importance of international commerce, the relations among friendly nations, and the conflicts which arise, in other cases, when they try to acquire predominance in the world markets, have created new and increasing responsibilities especially for the agricultural countries now in the process of development. The problems of balance of payments; of duties and restrictions on commerce; of defence methods for animal and vegetable protection; and of the disparity between farm prices and prices of manufactured articles have been causing serious alterations in farm economy. They constitute daily problems and the necessity for consultation between countries; the signing of international agreements in order to stabilize prices and to carry out commercial compensations to complement national economies.

A study of the world’s agricultural economy shows the progress that some countries have achieved in the fields of science and techniques, as well as others related to social progress, in a continuous effort to improve standards of living of rural populations, even if it has been necessary to transform old and traditional agricultural structures as well as methods of production which are almost inflexible and which curb the evolution of agriculture. The accumulation of foodstuffs surpluses in some countries, contrasting with the deficient diet in large rural areas, is another characteristic of our times, as is also the difference in the degree of development of our own agricultural areas owing to differences in both quantity and quality of the natural resources available.

Mexico offers you, members of the Conference, a very wide panorama of agricultural development for you to observe and analyse. We have carried out our agricultural reform, forerunner of those which have taken place in other continents. Our country has a total area of 200 million hectares; approximately 45 million of these have been turned over to the peasants. The rest of the land is held under the traditional system of private property.

There is a third type of rural property, namely the cattle conces-
sions guaranteed against agricultural expropriation for a term of twenty-five years for the purpose of encouraging investment in livestock and improving the herds.

Half the land under cultivation, irrigated as well as non-irrigated, belongs to peasants who profited from land distribution. Consequently, the new agrarian population is highly responsive to the idea of maintaining and increasing rural production.

If one compares the irrigated surface with the national income, one can appreciate that Mexico has carried out a spectacular irrigation policy. In the last thirty-five years we have constructed irrigation works to benefit nearly four million hectares. The making of national roads and secondary (rural) roads has brought large areas into production.

Thousands of rural schools constitute another definite example of the progress which Mexico has achieved in recent years. The development of agricultural credit, of agricultural insurance, the operation of a system of guaranteed prices favourable to farmers in order to protect a minimum level of rural prices, as well as the continuous construction of a chain of agricultural storage plants to support the agricultural market, are some of the many other factors which have contributed to supplement the Mexican agrarian reform. Taxation affects Mexican agriculture in two important respects: taxes on agricultural exports are modified in accordance with changes in international prices, and are reduced as production increases, as an incentive to the agricultural economy.

In order to emphasize the importance of our agricultural economy, I shall give you some figures: more than 55 per cent. of our exports originate in the agricultural sector. We have stopped importing basic foodstuffs. Our agricultural imports are non-essential with the exception of two items: rubber and wool. The mean annual rate of increase of production in 1945-58 was 6.3 per cent., which is more than the rates of increase in the total population and in the agricultural population. At present it is estimated that the rural population is 34 per cent. of the total population and is receiving slightly more than 20 per cent. of the national income.

During this Conference the Mexican members will answer questions illustrating how we have achieved our present stage of development, the problems we are facing, and the objectives we are striving to attain in the field of agricultural economy.

I have mentioned some outstanding aspects of our agrarian reform as well as of the general picture of our rural activity. I should also mention the fact that Mexico is contributing to the progress of
agricultural science. Our scientific research centres in the agricultural, livestock, and forestry fields have been contributing a great deal to our progress. Possibly a number of the members of the Conference will be able to visit some of our research and training centres.

We achieved a great victory in the control and eradication of foot-and-mouth disease which caused so much damage to our cattle. At present ours is one of the countries free of this plague. In the field of plant protection, Mexico has contributed successfully to the prevention and control of some of the more serious plagues, through methods of biological control which, although slow in their application, represent a considerable saving to the farmers by eliminating the purchase of chemical products and costly machinery for their use. Mexican agricultural and livestock produce is widely accepted in the world markets, and consequently we can state that we have a high index of animal and plant protection.

The best seeds produced by our genetic experts have increased unitary yields. These experts have produced varieties immune to certain diseases and especially have they produced plants of more rapid growth to compensate for two climatic factors which are a constant source of worry to our technicians: the scarcity and uneven distribution of rainfall in vast areas, and growth periods limited by low temperatures.

These meetings will offer us both knowledge and experiences at the highest professional level and will contribute to strengthen the ties of friendship among a group of men endowed with the highest qualities. The members representing Mexico will try their best to make your stay a pleasant one and will give you every opportunity to get better acquainted with the country so that you may be able to give a more accurate interpretation and evaluation of the great accomplishments achieved so far by the Mexican Revolution, especially through its integral agrarian reform.

As we make progress in our development we must recognize the fact that the road lengthens more and more because our people require new and better living conditions. On the other hand, growth entails the consumption of natural resources, and unless we apply the appropriate techniques and scientific methods, or unless other resources are available which will not only permit the preservation thereof, but will increase their number, they will eventually become exhausted. We are aware of this and will prevent it.

You may rest assured that Mexico is a true agrarian democracy and that our institutions are open to all who seek truth and justice.
THE general theme for this Conference is 'The Role of Agriculture in Economic Development'. We are meeting for the first time in Latin America where this topic has special pertinence because of the importance of agriculture in these countries. Every country in the world, however, is interested in the relationship of agriculture to economic growth. In this world-wide gathering of agricultural economists, we have an opportunity to develop a better understanding of the potential role of agriculture in economic development, and thus provide a basis for intelligent action.

We are fortunate, indeed, that our host country is one that has made rapid progress in economic development. Here in Mexico we can study the process of economic growth. We can learn how Mexico's breakthrough was accomplished, and how growth can be sustained. We need to recognize, however, that the path of development will differ for each country, depending upon the country's resources, its institutions, and its cultural heritage.

In considering economic development from the standpoint of the welfare of farm people, I want to make it clear that I am concerned about all the people who now obtain their living from the land—the landless workers, the tenants or sharecroppers, the subsistence farmers who own their own small plots of ground, the operators of larger farms, and the landlords of rented farms. I am concerned about their welfare, whether they remain on the land or shift to non-farm employment.

The Agricultural Paradox

For the first time in the history of the world it is physically possible to provide adequate food supplies for all its inhabitants. In most (though not all) of the less developed countries adoption of improved farm technology would result in tremendous increases in food output. But despite this physical possibility, the great masses of people in these areas are living on the margin of subsistence. Their entire lives are occupied with the struggle for 'daily bread'. Freedom from want is a prerequisite to the enjoyment of other freedoms; and inability

1 This address expresses the writer's personal views.
to attain this first freedom endangers both the economic and the political stability of many countries.

In contrast to the struggle for bare subsistence in the less developed areas, adoption of improved technology has resulted in abundant production in the areas of highly commercialized agriculture. Largely because of rapid increases in physical efficiency, production has exceeded available markets, and farm people in commercial farming areas are not receiving their proportionate shares of the fruits of progress.

A world view of the present agricultural scene, therefore, presents a double paradox. In many of the subsistence farming areas there is a shortage of food despite great physical potentialities for increasing food production, whereas in the commercialized farming areas the incomes of farm people are depressed by supplies in excess of available markets. Although some temporary relief for food-shortage areas can be provided from the abundant production of commercial farming areas, the long-term solution must be sought through expansion of food production within most of the countries that are faced with shortages.¹

In many countries the struggle for enough food is aggravated by the rapid growth of population. The explosive increase in population will put extra pressure on food supplies, because food output will need to expand enough to provide for many more people as well as more food per person. The population aspects of economic development, however, will involve programmes differing from those designed to produce more food.²

Why do we still have wide gaps between the physical potentialities for food production and the prevailing output despite the great need for more food in subsistence farming areas? This question raises many others: What are the chief impediments to closing these gaps? Much of the necessary technical knowledge is available. Do the obstacles to progress stem from unwillingness to explore, and to deal with economic, social, and political problems as freely as we have approached the technical problems? And what about financial support for research, education, and other programmes that are essential to the application of the new technology? For example, how many of the less developed countries have staffs adequate to deal with the economic and social problems of agricultural improve-

¹ Food imports can be continued if economic development results in enough exports of other goods and services to provide the necessary foreign exchange. And the agriculture of some countries may be better suited to expansion of industrial crops that can be exported to provide foreign exchange.

² Consideration of population problems would take us beyond the scope of this paper.
ment, either in their Ministries of Agriculture or in their agricultural universities? How many of the rural youth have opportunities for training that will enable them to make full use of innate abilities?

Is there adequate recognition that changes are inevitable and that it is only a question of which path they will take—a violent upheaval or orderly reform? We are living in the seventh decade of the twentieth century. People cannot be insulated from the influences of the airplane, the radio, and atomic power. If we prefer orderly reform, we must be willing to remove the obstacles to increased output, and also the impediments to more equitable sharing of the fruits of progress.

The hopeful aspect of orderly reform is the assurance that temporary sacrifices and payment of higher taxes will produce sufficient increases in output to make it possible for all citizens to receive higher incomes. Even those who are prosperous under existing conditions will benefit from orderly reform that promotes economic growth. At least, this has been the path of development in my own country, and in many others. Those who originally opposed the shorter work-week, minimum wages, social security, and unemployment insurance, have greatly benefited by the increased productivity, the higher purchasing power, and the greater economic stability that resulted from these and other reforms.

Guidelines for Economic Development

In what follows, I state my personal beliefs concerning approaches to economic development, from the standpoint of the potential role of agriculture and with regard for the welfare of farm people. I hope my point of view will stimulate discussion that will help in reaching agreement on some guiding principles. I shall not attempt to document these statements. Some of them have been well verified by others. Some, however, constitute only initial hypotheses or my own beliefs concerning approaches to development.

1. Increased supplies of food and other farm products are essential to rapid economic development in any country. I know of no country that has made rapid progress while faced with serious food shortages. Plentiful food supplies are essential for high worker productivity and low cost industrial production. Food can be obtained in three ways: (a) domestic production, (b) commercial imports (paid for with export of other products), or (c) foreign aid (either direct supplies or foreign exchange to buy food). Commercial imports usually are limited by the availability of foreign exchange, and special aid programmes are only supplements to domestic production and commercial imports. In most of the less developed countries,
therefore, increased food demands will have to be met largely by expanding domestic food production.

2. Expansion of food production is necessary to meet the increased demands for food that will be generated by the larger worker incomes resulting from the construction phase of industrial and service development. A high percentage of the increase in incomes of workers will be spent for food. Therefore, the tendency for food prices to rise relative to other prices will be restrained if food production is expanded to supply these growing demands.

3. Human labour is not a commodity, even though it is a valuable resource in expanding food production, and in other economic activity, to provide better living for all citizens. All workers are human beings and entitled to share in economic progress. They are not machines, to be ruthlessly exploited for the benefit of an élite class, for military aggrandizement, or even for building up the industrial sector of the economy. Human life is precious. There is no moral justification for ‘ploughing under’ a generation or more of farm people in order to achieve faster economic growth.

It follows that economic growth should be achieved not by further submerging the disadvantaged groups in agriculture, but rather by increasing their opportunities for productive work, either in agriculture or in other occupations. This will help them to contribute to expansion of national output.

4. Improved technology is a key to productive employment and higher output. And successful adoption requires additional investment in capital goods; but even more important, it requires investment in people who must learn new technical and management skills. One of the paradoxes in the less developed areas is that despite the abundance of unskilled labour, there is a shortage of manpower capable of planning, managing, and carrying out new enterprises and adopting new techniques. Education and training have been neglected. Intensive temporary training programmes will be necessary to get development programmes started both in agriculture and in other industries.

5. A universal system of elementary public education is one of the essential building blocks for a successful development programme. Secondary school and university education should be available to all talented youth regardless of cultural or economic status. Trained manpower will be needed for sustained development. Research also should be developed to furnish a foundation for better education at all levels, and to provide direct guidance for development programmes.
6. We do need to recognize the potential conflict between needed investment for output expansion, and the pressure for more equitable sharing of the national product. The only acceptable solution to this conflict is to provide opportunities for all able-bodied people to do productive work in both agriculture and other occupations. Public works programmes that increase the national output of food and other products may be necessary to provide initial employment. Such programmes will require careful screening and selection of those which will yield the highest returns on scarce capital over a relatively short time period. The resulting increase in total output will permit gradual improvement in income per worker. But institutional arrangements will need to be modified in order to encourage voluntary savings, to provide more equitable taxation, and thus to channel part of the larger income into public or private investment for continued expansion.

7. The farm sector of the economy can contribute at least a proportionate share of its current income for initial investment in development. Within the farm sector, some landlords and operators of some of the larger farms have incomes sufficient to provide capital formation through both voluntary savings and higher taxes. Small investments per farm by many operators can result in rapid capital formation. For example, only small expenditures are required to buy improved seed and chemical fertilizer. Paying part of the increased income in taxes will constitute a sharing of the cost of rapid growth.

Although some capital and technical aid can be obtained from abroad, the amounts available from this source can only be expected to perform some of the necessary catalytic functions, such as helping to establish research, educational, and other institutional arrangements. Adoption of adequate credit and taxation policies should be expected to provide most of the public and private investment required to increase agricultural output.

8. Scarcity of the management and technical skills that are essential to adoption of improved technology is likely to retard expansion of output in agriculture fully as much as the scarcity of capital for new investment. But an intensive programme can be organized to train management supervisors who can help farmers adopt improved farming plans.

9. Land tenure reform, more equitable taxation, and other institutional changes are likely to be needed in order to provide opportunities for all rural people to contribute to increased national output. If independent farming opportunities are provided for rural
people, powerful incentives will be set in motion to develop human potentialities and to accelerate capital formation. But technical and management assistance, credit and other services will need to be provided in the transition period. Tenure changes can be instituted in ways that will facilitate progress, but usually if they come as a result of violent upheaval, they retard increases in both output and income to farm people.

10. If the obstacles to progress are removed, agriculture can become a major factor in economic development. It can furnish adequate food, provide growth capital and, eventually, the trained manpower for other occupations. This can be achieved by finding ways to close part of the wide gap between the prevailing output of farm products and the physical potentialities that could be realized by adoption of improved technology.

11. If improvements in agriculture are initiated at the beginning of economic development, farm people will obtain higher incomes from the larger output. They will then have a better income base for larger savings and higher taxation. The construction phase of non-agricultural development also provides a base for larger savings and higher taxes. Farm people will be in a position to buy more industrial goods when such goods become available. Because of the nearly simultaneous growth in agriculture and other industry, balanced economic development will result.

12. Economic growth is a means to an end. The end purpose—improvement of human welfare by providing better living for all people—should be clearly stated and widely accepted. Achievement of this goal requires that economic development be carried out in an environment that respects the dignity and worth of each individual as a person. So far as available resources permit, opportunity should be provided for people to develop their latent talents and to use them in economic activity for better living. This will require development of institutions that provide education, health, and other social services.

13. Acceleration of economic development is neither automatic nor costless. To achieve it will necessitate careful advance planning, as well as co-ordination in execution. All the people should be enlisted in the effort to achieve increased productivity. This will require assurance of eventual sharing in the fruits of progress. On that basis, patriotism and pride in achievement can become strong motivating forces. But the need for temporary financial sacrifices should be emphasized. All those who are able to bear a burden should be called upon to contribute to both government and private economic activity.
President's Address

14. Competent leadership is the keystone in the building of a self-sustaining economy. Leaders must have the will and the courage to institute changes. High talent is required for construction of a synchronized plan of development. Even greater talent will be needed by private enterprise and public agencies in carrying through the development plans. Most important of all, exceptional political leadership will be needed to persuade citizens of the need for temporary sacrifices, and for patience in waiting for the fruits of economic growth.

Closing the Gap Between Present and Potential Output

If the urgent need for expanding food production in the less developed areas is recognized, how can this expansion be achieved most rapidly and most effectively? Because of the shortages of management and technical skills and capital, the food-expansion programmes will need to be planned to make the most effective use of these resources in combination with abundant supplies of unskilled labour. Some of the less densely populated countries have additional land that is accessible to markets and that could be developed largely by settler self-help if technical and management assistance and credit were provided. Frequently, however, underdeveloped land requires expensive drainage, clearing, and irrigation. Scarcity of management and capital, therefore, may virtually close this route to expansion of food production in the early stages of development, unless it is a part of a multipurpose development programme or can be developed largely by hand-labour methods.

Fortunately, most areas have great physical potentialities for increasing output per hectare on land now cultivated if suitable combinations of improved techniques are applied. The ratio of capital expenditure to added output will be relatively low, and maximum use can be made of management and technical skills. But there is no universal remedy for closing the gap between the present low output and the physical possibility. Achievement will depend primarily upon the efforts made to help farm people adopt the new ways of farming. An essential requirement is to make sure that those who till the soil will benefit in better living.

To induce farm people to break with tradition will mean gaining the confidence of at least a small nucleus of farmers who are willing to become innovators and to help persuade others to follow their leadership. This first effort usually means working with farm families on a case-by-case basis to help them visualize the income to be gained by adopting improved farming plans. The persons assigned to
this task must know how to stimulate and inspire farm people; they must also possess the technical and managerial skills that will be needed to help farm families carry out the new plans.

An effective technological breakthrough will require adoption of farming plans that include a combination of improvements. For example, if improved seed and adequate supplies of chemical fertilizer and pesticides are used, and if good water management, timely tillage, and other practices are adopted as a combined production programme, startling increases in output can be expected in many areas.

But if farmers are to adopt such combinations, the necessary supplies of seed, fertilizer, pesticides, and other materials must be available in adequate quantities when they are needed. Chemical fertilizer and other supplies are not likely to be available in adequate quantities unless plans are made for their manufacture within the country as a part of the industrialization programme.

Operators of the larger farms, who have financial resources to invest in the new technology, can increase output as soon as they are convinced that it will pay. They should be encouraged to do so, in their own as well as in the national interest. But because most subsistence farmers have neither financial resources of their own nor credit available at reasonable rates, new credit arrangements will need to be organized. Credit should be based on potential production and income from an improved farming plan, together with an appraisal of the operator’s competence, rather than on the farmer's existing assets. Also, many farmers operate so close to the margin of subsistence that they cannot afford to take the risk of either crop failure or lower prices. Some method of crop and price insurance will need to be devised. In a few areas credit repayment schemes have been developed which require repayment of loan advances only from the increase over customary production per hectare. In most areas assistance will be needed also in transporting, storing, and marketing the increased output. In many countries the primitive marketing system will need to be reorganized, and personnel will need to be trained to handle the increased volume of products.

The simultaneous adoption of all the measures essential to achieve large increases in output per hectare has been called ‘the package programme’ in a pilot undertaking in India. Somewhat similar pilot programmes in other countries indicate the potentialities of a package programme. Perhaps the outstanding example is the 25 per cent. increase in output in Japan during the inter-war years, which followed a doubling of output from 1878-82 to 1913-17. These increases resulted from application of new technology, largely
within the existing structure of farming. The Japanese peasants shared only partly in the benefits of the increase in output in this period.

The post-World War II experience in Japan, following land reform and more favourable prices, indicates that expansion might have been even more rapid in the earlier years if rural institutions had been changed to permit the peasants to share more fully in the fruits of progress. In 1960 Japanese agricultural production was about 45 per cent. above the average of the years 1952-4, a period in which agriculture had recovered to the immediate pre-war levels. Mexico made an equally rapid increase in these years. We shall have an opportunity to learn how this was accomplished. Experience in several other countries indicates that rapid increases in farm output can be achieved by providing more adequate economic and other incentives to those who till the soil.

In some countries farm output has expanded on plantations or other forms of large-scale operation. These farm units, however, are usually found in the midst of subsistence farming areas. The wages paid to workers, therefore, need only to compete with the income alternatives in subsistence farming.

Unless the interests of workers are adequately protected, developments of this type do not achieve the aim of better living for all citizens. Economic and political instability are eventually created by the dissatisfaction of workers with subsistence wages and living conditions. An appropriate characterization of such an environment would be the quotation from Oliver Goldsmith: ‘Ill fares the land, to hastening ills a prey, where wealth accumulates, and men decay.’

Nevertheless, when high production has been achieved under large-scale farming operations, enforcement of land-ownership ceilings and distribution of the excess land to the workers are likely to result in a temporary reduction of output. In this situation, problems of equity conflict with the national need for larger output.

Because of the great need for increasing rather than decreasing farm output in the early stages of economic development, consideration might well be given to alternative ways of protecting the weak bargainers in rural society. There is now general recognition of the need for approximate equality of bargaining power in order to achieve wage bargains that are advantageous both to employer and employee. Sometimes organizations of workers on the one side and of employers on the other achieve the bargaining power necessary for their own protection. At other times, government intervention is required to protect the weaker group against exploitation in the bargaining process.
The principle of the need for protection of the weak bargainers in economic society is involved in both land reform and alternative ways of improving conditions for wage labour. Land reform requires government intervention to provide adequate incentives for those who till the soil. What other methods are available for protection of rural workers against exploitation? Consideration might be given to requirements for payment of a minimum wage, provision of minimum housing, a plot of land for a garden, access to health services, and an opportunity for the education of children. Government expenditure would be involved for health and education. The other obligations would be met by the operators of large farms in preference to imposition of land ceilings.

Improvement of conditions for wage workers on large productive farms can be instituted at the time subdivision programmes are undertaken on potentially productive land that is held in large ownerships but is neglected or still relatively under-developed. A public works programme for development of neglected lands into independent productive units for farm families would provide work for surplus labour in slack seasons.

In many densely populated areas it is not feasible to provide separate tracts of land for all rural families. In India, for example, available data indicate that only about 5 acres of net cultivated land are available per family dependent on agriculture, and that only about 1 of the 5 acres is irrigated land. It is apparent that, eventually, substantial income improvement for the landless and for those who now have too little land will need to be sought in non-farm employment. Until such opportunities are available, however, it will be necessary to provide as productive employment as possible in agriculture.

It is frequently suggested that co-operative or other group operation of the land constitutes a solution to the problem of fragmented holdings and too little land per farm family. But joint undertakings of this type do not create more land per family. And they may remove the incentive of individual attention by the operator to his parcel of land and to his animals.

Relatively unskilled labour is the most abundant resource in densely populated countries. The greatest need, therefore, is to find productive employment for under-employed labour—employment that will result in a larger total output. Substitution of machines for excess labour will not increase production per hectare unless the machines are necessary for more effective tillage or for some other farm operation. The nub of the problem is to find the combinations
of management, labour, land, and capital resources that will make the most productive use of abundant labour in increasing total output. Management, land, and capital are the scarce factors. Therefore, the most productive combinations are necessarily labour intensive, but designed to use all factors as efficiently as possible to increase total productivity. The national welfare will not be enhanced by mechanization which substitutes scarce capital for the abundant labour that would remain unemployed.

A further reason frequently cited as an indication of the need for group farming is the lack of technical and managerial skills among operators of small farms. Capable assistance in development of technical and management skills is greatly needed, but such assistance can be combined with supervised credit and other aids needed by operators of small farms without removing the incentive inspired by the satisfaction of land hunger. Security of tenure on a parcel of land represents the only security known to a family living in a subsistence-farming society. The validity of Arthur Young's dictum that 'The magic of property turns sand into gold' has been verified in many areas where farm families have had an opportunity to reap the fruits of their own labour on a plot of ground and to enjoy those fruits 'under their own vine and fig tree'.

Better Living for all Farm People

In summary, the longer-term goal of economic development should include better living for all farm people. A first requirement would be equality of economic, social, and political opportunities. This would include opportunities for all farm people to earn real incomes equal to those available in other occupations for the same effort, skill, and managerial ability. This is, indeed, a long-term goal in many countries, because at the present stage of development few opportunities are available for employment in other occupations. The road must be open, however, for farm people to transfer to other occupations when such employment offers better opportunities. A crucial part of opening the road to non-farm employment is provision of education and training that will develop the latent capabilities of rural people.

Frequently, provision for education and training is postponed because it does not promise immediate increases in output. We tend
to forget, however, that each year a new group of young people enters the labour force, and that even an educational programme beginning now with the youngsters will provide the skilled manpower that will be needed ten or twelve years hence.

Agriculture should continue to provide a wide array of employment opportunities to fit the varying skills and abilities of the farm population. But development of an efficient and prosperous agriculture will also require capable leadership among the farm population. Such leadership will need to come from progressive farmers who will move forward in adopting new technology and other measures to improve farming and rural life. Absentee landlords who are interested only in maintaining income from their land holdings rarely provide such leadership.

Owner-operatorship of family farms is considered the foundation stone of rural society in many countries. Denmark and other northern European countries have built strong, intelligent, and relatively prosperous rural societies on the family farm base. On the other hand, the farms supplying most of the output in British agriculture are large rental units, operated mostly with hired labour. Gradually, however, the hired workers have achieved wages, hours, housing, and other improvements that compare quite favourably with non-farm employment of somewhat comparable skill and effort. Britain also has a large number of smaller family operated farms which have continued to exist despite the predominance of the larger units from the standpoint of contribution to total output.

Each of these types of structural organization of agriculture seems to provide a wide array of employment opportunities suited to varying skills and abilities. Each, however, differs greatly from the prevailing structure in many countries. Over the years, the weak bargainers in the rural societies of Denmark and Britain have achieved better bargaining power for wages and living conditions. This has been accomplished partly through organization of workers and partly through governmental reforms.

Farm people have responsibility for maximum contribution to output, consistent with welfare considerations and equality of opportunity. In other words, agriculture has a responsibility for efficient production that will provide adequate supplies of farm products at prices and net returns to producers in line with those prevailing in other segments of the economy.

Agricultural economists have a responsibility to help farm people achieve this goal, as well as the others that have been mentioned. Can we help by outlining alternative ways of obtaining the benefits
of improved technology and economic growth for all farm people? In most countries the portion of the benefits from improved technology that have been retained by farm people have flowed chiefly to the farm-operator group, and within that group largely to those who have had adequate financial resources to invest in the new technology. Much greater effort must be concentrated on ways of alleviating conditions of the farm-operator groups which frequently are disadvantaged by improvements in technology, and on improving the conditions for the hired farm workers who still lack adequate bargaining ability.

In the densely populated but less fully developed countries there is great need for introduction of systems of farming that will permit productive use of labour in effective combinations with scarce management, land, and capital resources. Although every effort should be made to develop other employment for workers who are not needed in agriculture, many areas will need to look forward to maintaining a relatively large population on the land by using combinations of labour-intensive but improved technology that will result in more adequate incomes and better living for their farm people.

The specifications for 'a good rural society' which I have outlined may seem visionary to many agricultural economists. Members of our profession usually pride themselves on being hard-headed realists. Today, however, realists must recognize that the world is in ferment, that old institutions and old ways of doing things will have to change if the challenges of today and tomorrow are to be met. This organization has a unique opportunity to provide the larger vision that is needed for a better tomorrow. We must remember that 'where there is no vision the people perish'.