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# THE UNITED STATES IN TOMORROW'S WORLD

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In the latter part of June, I was still on the other side of the Atlantic. When, in May, I had left Washington, the first ominous tents of the March of the Poor were being set up. In Europe, militant actions of students were erupting in Belgium, Britain, Western Germany, and France. Strikebound rail and air transportation, the resulting paralysis of major industries, and the general revolt threatened to end De Gaulle's regime. However, by mid-June, all this had subsided, and life on the Continent had returned to almost normal, while the assassination of Robert Kennedy—the second murder of a political leader within a few months—shocked the world. In London, on the first of July, with the subway closed to its seven and a half million inhabitants, a slowdown on railways, and BOAC shut down by a pilot strike, everything was more pleasantly quiet and orderly than I have ever seen it. And when, on the Fourth of July, I left Washington, our entire capital was also as pleasantly peaceful, flag-decorated, and orderly as I have ever seen it.

These are only a few of the intriguing manifestations of political, social, and economic conditions that came to my mind when I received the invitation to reassess the course of our foreign and domestic policies.

During the three decades behind us, the range of the course of major events has never seemed so appallingly wide as it does today, nor has there been such explosive discontent, insurrection, and violent mob psychosis in congested city areas. The enormous progress of scientific research, invention, and business, and the resulting expansion of resources available to man in organized society, have opened a multitude of new alternative courses of action and reduced the time needed to achieve certain ends. That goes for ourselves, our friends, and our enemies, and it applies to no other human action more specifically than to agriculture and the production and distribution of food, feed, and fiber.

Therefore, a note of caution is required concerning this appraisal as of September 1968. Any pertinent facts or events that become known hereafter may call for an adjustment of the conclusions reached.

What makes the probable course of events far less predictable than the growth in resources and technology are the waves of social, political, and ideological movements, which have come to the fore since the Korean War. They range from world-wide neo-Marxian class struggle to racial combat and militant nationalism via any number of economic or political pressure groups, on the one side, to overcautious nonintervention, hopeful detente, pacifism, and a search for world government Utopias, on the other.

While all such movements are neither unique nor basically new in history, their latest virulent appearance has created new problems for the legislative and executive branches of representative government everywhere.

### WORLD OBLIGATIONS OF THE UNITED STATES

Before charting the course of our nation's policies, it is mandatory, to demark as clearly as possible our position relative to other inhabited parts of our planet in 1968.

The United States emerged from World War II as the leading economic and military power among nations. By virtue of her gross national product, the capacity of her basic industrial, agricultural, and commercial plants, her energy resources, and the skills of her labor force, she has no peer among nations.

The nation that ranks second among the world's powers is Soviet Russia. Her industrial capacity, her gross national product, and her rate of economic growth put her into that position.

The economic geography positions of both powers show the greatest contrasts:

I. Our nation, stretching from the Atlantic to the Pacific and from the Mexican Gulf to Canada and Alaska, was, is, and will be, first and last, a naval power. From her beginning as a raw materials exporting colony of naval powers she has depended on freedom of the seven seas and access of her merchant ships to the ports of the world. Entry into World War I and World War II was actually precipitated by the imminent danger that a hostile power would jeopardize freedom of the seas and access to foreign ports and would get control over the world's leading shipyards. The rise of air transportation, atomic power, and rockets has not changed this. With the elimination of Japanese naval power and the decline of British and French naval power, the United States became the leading naval power of the world and the protector of freedom of sea transport for all nations outside the Soviet orbit.

II. Soviet Russia, by contrast, has dominion over the largest coherent land mass on the Eurasian Continent, stretching from central Poland to the Behring Straits and Vladivostok. This "Heartland" has, so far, proven itself militarily unconquerable and strategically strong. Yet, the weaknesses of its economic geography are: the enormous distance from the Ural Mountains through the Siberian wastelands to the mineral wealth of the Far East, the slope of Asia rising from subarctic sea level in the north to the east-west barrier of the world's highest mountains, and the absence of ice-free seaports in Europe.

With a centrally managed, autarchic economic system and tight control over dependent satellite states, Soviet Russia sits behind a self-built electrified barbed wire fence and minefield that reaches from the western end of the Baltic to the Black Sea. With icy cool nerves and concentration, she plays a number of simultaneous legal and diplomatic chess games to win territorial expansion of strategic areas in the west and southwest, and in the Far East. One of her priority goals is control over more first-class seaports and well-developed industrial capacities in contested areas.

Soviet Russia already has an extraordinarily large array of armored divisions and up-to-date air force and ballistic missiles of intercontinental range as well as satellites and commitment of major financial resources to research on manned stations in astro space.

Added to all this is the rapid growth of Soviet naval power. The U.S.S.R. has four separate fleets—one each for the Baltic Sea, the Black and Mediterranean Seas, the Arctic, and the Far East. This rapidly growing navy is comprised of hundreds of vessels including fast new cruisers with surface-to-surface rockets, antiaircraft artillery, and helicopters, and fast nuclear submarines with longest range, a marine corps, and a merchant marine including oil and liquid gas tankers with capacities from 200,000 to 500,000 tons each.

III. Since 1945 Soviet Russia has extended her political, economic, and military control westwards at sea in the Baltic and along the Norwegian coast and on land and in the air from Leningrad almost to Copenhagen, Hamburg, Goettingen, and Vienna.

Ever since the Korean War the partnership between the United States and her Western and Southeast Asian allies has weakened and become more problematic. Liquidation of the British Commonwealth and the French positions in Indochina, the Near East, and Africa, the hasty retreat of Belgium from Africa, the refusal of Britain to join the Treaty of Rome, and competition among the Six of the European Economic Community and the Customs Union of the

Seven all have contributed to the decline of solidarity within the North Atlantic Treaty Organization, which expires within less than a year. Having helped in rebuilding Western Europe under the Marshall Plan, the United States has carried the main burden of all military conflicts ever since Teheran, Yalta, and Potsdam.

The British navy has disengaged itself from its commitments in Southeast Asia, which is threatened by Communist aggression by proxy, leaving the defense of freedom of the seas and open passage through the straits and the ports to our seventh fleet. The British navy has also withdrawn from the entire Mediterranean, as has the French fleet. France abandoned last February the strategic triangle of her naval bases Toulon-Oran (Mers-el-Kebir)-Bizerte, substituting Brest at the Atlantic coast for it, while Algeria let the Soviet Black Sea fleet and other Soviet naval units use Mers-el-Kebir as their naval base. Only our sixth fleet remains to protect the freedom of the air and sea against piracy or aggression from the war torn oil and gas rich Middle East and Israel all the way to Malta and Spain's Costa Brava. With Soviet submarines before Gibraltar, the "soft underbelly" of Western Europe is more exposed than at any time since 1941.

Following the Geneva Accords of 1954 and 1962, we have been engaged for years in the war in Vietnam, 10,000 miles from our shores. We are defending the South Vietnamese against aggression and conquest by the Communists of North Vietnam, whose armed forces are endorsed, fed, and equipped by Soviet Russia. This is, essentially, what we did under the Truman Doctrine in Greece, Turkey, Lebanon, Korea, and Taiwan. But the real and perfectly valid political and economic reason why we are supporting our diplomatic action with military force goes far beyond the fertile swamp which the French settled and colonized. In defense of legitimate national self-interest we are putting teeth into the international law concerning freedom of the sea, peaceful foreign trade, economic cooperation, and freedom of access to ports from Alaska to Madagascar—with the Tonkin Straits and the Straits of Malacca as most critical passages.

At stake is the political, economic, and social independence of Burma, Cambodia, Thailand, South Vietnam, South Korea, Malaysia, Indonesia, the Philippines, and Taiwan. The danger is the absorption, by savage guerrilla warfare and terror by proxy, of the civilian population of all those countries into the Communist alliance that is committed to deadly hostility to everything we and the West stand for.

IV. The most menacing contingency of our political-economic-military engagement in Southeast Asia is the precarious position of

Japan, which, with its industrial and commercial capacity, ranks third after the United States and the U.S.S.R. With nearly 100 million hard-working well-disciplined people this nation leads in mining, deep-sea fishing, production of steel and small farm machinery and implements, and petrochemical, electronic, and numerous other manufactures. But, according to her constitution, this gifted, seafaring, island-inhabiting nation can provide no national defense of her own and, after the loss of all former colonies as well as important islands of her own, must "export or die." Aside from close economic cooperation with us and the leading industrial countries of the West, there is no other protection against shrewdly manipulated—or even forceful—incorporation of Japan's resources into the U.S.S.R.'s political, economic, and military orbit of power than the ever alert and ever visible striking force of our seventh fleet and the fulfillment of our commitment to Japan, South Korea, and South Vietnam.

This fulfillment of our commitment, which involves such tragic loss of lives of our soldiers, amounts to the fulfillment of the duty we owe to our people, our right to survive, and our great cause as a nation.

To round up my appraisal of major foreign issues in the next few years, I put question marks on large areas in Asia: Red China, where Mao's wildly boiling revolution has all the earmarks of breaking up into blocks of military dictatorship run by field marshals who are being supplied with grain and military hardware by the U.S.S.R. If what probably has already happened in Outer Mongolia and Shensi should occur elsewhere, this would still further strengthen Soviet Russia in the Far East. I do not expect the political and economic history of the next few years to be decided in Africa. Latin America seems to be approaching a phase of economic growth and stability.

Latest developments in Czechoslovakia with the warning of our President against military invasion of Rumania and the mobilization of Yugoslavia's military reserves, indicate that the strategists of the U.S.S.R. committed a tactical error, which possibly could work in our favor. But this remains to be seen.

This sketchy bird's-eye view outlines the inescapable obligations to ourselves and others, which the United States fulfills as the leading power—substituting for the inability and failure of the United Nations to enforce international law.

From this tense situation I draw the following conclusions:

1. We must give top priority to keeping our nation politically, economically, and militarily in prime shape and be alert to the shifting risks in an explosively dynamic world.

2. We must not permit our strong desire for peace and international cooperation to let those who try to conquer the world destroy the faith of our allies and friends in the fulfillment of our commitments. To let the Soviets build the Berlin Wall in 1961 and absorb central and eastern Germany into their satellite orbit by a new constitution in February 1968 without our prompt and massive retaliation are examples of what not to do. Nor can we afford to lose face as we did in the sad case of the Pueblo.

3. We must not go into the trap of the Nuclear Non-Proliferation Treaty, which will be a more tragic error than our untimely disarmament after the Briand-Kellogg Pact. With Red China and France and also 34 other nations without nuclear weapons but with nuclear power plants of their own outside of the treaty, the only result will be a weakening of our national defense and a greater defense burden on our federal budget.

4. As a prerequisite to considering any foreign policy issues, it is mandatory that our nation use her ingenuity, resourcefulness, and social discipline to keep the economy growing in productive assets, to improve utilization of these assets, and to remain financially sound. As the world's leading and, very soon, only reserve currency, the dollar must be freely convertible and stabilized in its purchasing power if the nation's foreign trade is to prosper. Inflation causes the most serious distortion of capital investment as owners search for security rather than interest earnings. The international prestige and diplomatic stature of the United States are weakened if the budget of the government (federal, state, county, and town) shows increasing deficits and steeply rising public debt.

While the International Monetary Fund has supported the dollar to help stave off devaluation, such action requires endorsement by representatives of other member nations. This, in turn, creates liabilities in diplomatic relations with prominent allied nations, such as France.

#### **EFFECT OF DOMESTIC PROBLEMS ON OUR FOREIGN POSITION**

From 1958 to 1968 our general price index has risen by 21.2 percent, but during the twelve months ending June 30, 1968, it rose by 3.9 percent.

The results of hedging against inflation at a rate of "only" 4 or 4.5 percent for the year plus internal migration toward the West are illustrated by dry mountain ranches in California. In many instances, price per acre has quadrupled within three or four years. Very often,

people in metropolitan areas two or three thousand miles away were investing in land to hedge against inflation.

The value of real estate in agriculture, forestry, or recreational areas enters into the security structure for a substantial part of our banking and loan business. When booming business activity slows down or drops off sharply, the shrinking of real estate prices could, and probably would create again the well-known consequences of economic crisis.

The forces that erode the purchasing power of the currency are competing pressure groups, each trying to get a maximal share in benefits out of subsidies paid by the Treasury. One powerful group is labor unions, which no democratically governed country of the world has yet subjected to antitrust laws, and which perform as their members expect by securing increases in wage rates or fringe benefits. That employees should share in the rising productivity is generally accepted. What undermines economic stability, however, is jacking up wage rates irrespective of productivity. Since only some 17 million of a labor force of over 80 million are union members, the costs of such actions are borne chiefly by the large numbers of nonunionized members of the labor force through their consumer budgets.

This cost-push inflation which usually operates simultaneously as demand-pull inflation, tends to weaken our economy, hence our foreign policy position. It leads to oversubstitution of capital, invested in labor saving devices, for skilled labor. The skilled workers, no longer needed, are set free to bulge the social relief rolls and stretch the budget of communities, counties, and states so far beyond tax revenues that the deficits are being financed by bonds. The commodity produced tends to be replaced by substitutes. It can no longer compete successfully in foreign markets or with imports in the domestic market. This, in turn, leads to various nontariff forms of protectionism with subsequent retaliation by the nations concerned (steel and coal are the two outstanding examples). How far the freedom of employees has been abrogated by monopoly power of unions is glaringly illustrated by the secondary consumer boycott by Eastern labor unions against California grapes, and the threat of more boycotts against other perishable crops.

Ever since the end of World War I we have pursued an agricultural policy which burdens the Treasury with providing funds for a great variety of attractive programs to support farm incomes. This income support always has had and still has the endorsement of a majority of the urban electorate as a means for improving the level



of living of the low-income farm families. Implementation has consisted of fixing prices of commodities above equilibrium levels by government intervention in the domestic market, stockpiling of the surpluses, and their liquidation at home and abroad at heavy losses absorbed by the U.S. Treasury.

It is an incontestable fact that our agriculture in the 50 states is the world's most advanced, creative, and dynamic system of food, feed, and fiber production, operating in three million free-enterprise units, competing in their national common market, which has 200 million consumers with the highest per capita purchasing power of the world. It pays the highest wages in the world and can compete in the world's lowest wage areas without subsidy. This agriculture has the educational, research, and technical assistance of the unique land-grant system in production, marketing, and financing. Furthermore, it is organized in a huge system of successful, well-financed cooperatives, which are, in every sense, modern business corporations. They give their members effective bargaining power in buying, selling, or contracting.

Our farms are competing in the domestic and the export market. The world has not approached anything like freer international trade—in spite of exhausting efforts under the last Kennedy Round under GATT, which yielded deplorably few concessions. But regional free trade arrangements have been successful in removing quotas, duties, and other obstacles. The European Economic Community of the Six and associated countries promises to remain a market for U.S. feed grain and oilseeds, as may also the Central American Common Market of Costa Rica, Nicaragua, Honduras, El Salvador, and Guatemala and possibly the Latin American Free Trade Association. Yet, there is every indication that, with declining rather than rising prices, competition for U.S. agricultural exports will become much keener than ever before. Hence, our commercial farms ought to be freed from government price fixing, acreage limitations, and income subsidies.

Today, there are roughly three million farms comprising four different groups. Some 800,000 commercial farm enterprises, which are rapidly consolidating and shrinking in number, produce over 90 percent of the market supply of agricultural commodities.

The remaining 2.2 million farms fall into three entirely different groups with different social and economic problems. One of these groups is retirement farms, owner-operators and families of which have farm income supplemented by public or private pensions or earnings on savings. They enjoy the benefits of favorable income tax

provisions as well as the rising net value of their real estate, which they leave to their heirs.

The second group are part-time farmers with diversified incomes. They live on the farm, operating part of the land, and leasing the remainder to commercial farms or letting the trees take it back, but any members of the family in reach of public or private transportation use their manpower off the farm in remunerative nonfarming jobs.

The third group consists of small income farmers with inadequate skills, education, and managerial talent. Located on poor natural resources and equipped with deficient man-made resources, they nevertheless resist migration.

The social or economic problems of the farm population in the first two groups are not of emergency or top priority nature. The problems of rural poverty are chiefly those of group three. While their cash income is largely derived from commodities like tobacco, cotton, peanuts, or wheat, their output is so small that higher prices cannot lift them out of their poverty.

This problem besets all industrially advanced nations. It can be tackled only by gradual transfer of the human resources of the small farms to such employment as will provide adequate remuneration in the expanding market economy. It also requires shifting some land and human resources into higher use such as recreational services to urban people. Many of the agriculturally disadvantaged regions are very attractive to the vacationing urban people and their young folk. Modest but neat and clean accommodations on small farms which provide meals, supervised activities for children, or camping trips for teenagers are in prime demand by citizens as well as foreign tourists.

Shrinkage in the proportion of the labor force employed in agriculture as well as consolidation of farms into increasingly efficient commercial agriculture enterprises are accepted realities not only in the United States but also in the United Kingdom and the European Economic Community.

## **OUR FOREIGN AID POLICIES**

Since the end of World War II the productivity of labor in agriculture has grown much faster than in industry. In contrast, productivity of agricultural labor in many developing countries has declined. This, in turn, has led our country and leading industrial countries of Europe to a policy of granting overgenerous financial, industrial, and food aid to developing countries. Our country has not hesitated to make research resources, up-to-date technology, and capital available

to almost any nation that applied for it. Grants of aid have accelerated after the Korean War and have become more and more diversified in form. In the early and middle sixties doubts arose about the effectiveness of such aid and the wisdom of continuing it. Reappraisal of the leading industrial countries' policy of aiding economic growth and development in the primary products exporting countries was slow and agonizing due partly to political pressure from the United Nations Conference on Trade and Development. This organization of some 86 underdeveloped countries pressured hard for greater capital funds from the leading industrial nations. Not only did it stipulate that the acceptable minimum net capital transfer was 1 percent per annum of the gross national product, but it also demanded that these industrial nations buy raw materials, food commodities in particular, from developing countries at prices above the world market level. This demand was supported by the claim that the rate of economic growth was far less than what the people expected.

During the decade 1957-66, agricultural production in the less developed countries increased at an average annual rate of 2.5 percent or as much as in the developed ones. However, per capita food production remained stable in the developing countries while it increased in the industrial ones, due to the higher rates of population growth as well as the much larger proportion of young people in the age composition of the former. The high rate of population growth was due not to accelerating birth rates but to declining death rates, particularly in tropical and subtropical climates, where malaria, cholera, yellow fever, smallpox, and other infectious diseases were conquered.

Whether measured by the improvement of living conditions and per capita income of the broad mass of the rural population or by the rate of balanced and sound economic growth in developing countries, the results of foreign financial aid by the United States and other industrial countries have been unsatisfactory—to put it mildly! Huge chunks of capital transferred under bilateral agreements were invested under the managerial control of government planning agencies of the developing countries. Mixed into the motives of the decision makers in the ministries too often was too much yearning for international prestige and military status and an unattainable speed of industrialization. Lack of experience and lack of professional competence in organizing newly built government operated industrial enterprises to meet the tough competition in the commodity markets of today's world economy contributed their share in diminishing the flow of funds from the industrial countries. Not only were too many of the new industrial plants unable to compete price-wise or quality-

wise with imported products in spite of heavy duty protection but, in many instances, the invested capital had to be written off as a loss.

One of the most serious errors made by developing countries in their use of the foreign aid they received resulted from the misunderstanding of the role of agriculture, its auxiliary village handicrafts, and its producer and consumer demand in economic development. This misconception contributed a great deal to the lowering of the level of living for the majority of the rural population.

The concentration of politics in the metropolitan areas and urban industrial centers has given the urban population almost exclusive priority to higher education, research, and economic growth. The rural population has either been excluded from progress or been squeezed between prices of farm products fixed at low levels and prices of farmers' needs boosted up by throttled import quotas, duties, and high prices of products of the new factories.

#### **MULTINATIONAL CORPORATIONS—AN ALTERNATIVE TO FOREIGN AID**

All of these problems have almost closed that phase of aid to developing countries during the last three years and led to a new development, which sails under the emblems of "multinational corporation" or "international agribusiness."

The initiative comes from successful business corporations in leading industrial countries, which have the capital, the "know how," and managerial skills, and are seeking profitable investment in developing countries.

This latest move at the frontier of our foreign economic relations has quite a history of exploration and experience by American business enterprises abroad. Among a multitude of such ventures were the investments by the Rockefeller family in Venezuela from 1937 through 1940 and those of the American International Association for Economic and Social Development (AIA), a nonprofit organization, financed by individuals and companies in the United States and Latin America. After concentration of its activities in Brazil, AIA was succeeded in the latter part of the forties by the International Basic Economy Corporation with dozens of subsidiary companies in Brazil, Argentina, Venezuela, Peru, Colombia, San Salvador, Guatemala, and finally, Thailand.

The multinational corporations have as partners one or several private U.S. business enterprises and, say, one Belgian and one Japanese company. But they have the endorsement, support, and coopera-

tion of all the executive branches of our federal government concerned with foreign affairs, such as the Agency for International Development, the Departments of Agriculture and Commerce, and the Export-Import Bank. Such an American enterprise undertakes its foreign venture at its own risk, but it can obtain government insurance for a part of the political hazard.

While annual U.S. exports have grown from \$10 billion in 1950 to \$27 billion in 1965, the output of U.S. companies abroad has grown during the same period from \$20 billion to \$100 billion, or at more than twice the rate of exports.

Behind this remarkable record stands the experience of a very large number of American companies, which have paved the way for the multinational company approach to development aid and agribusiness. The basic principles are these:

1. The company must be welcomed by the host country's government and have the unequivocal right to manage its enterprises.
2. Preferably, though not necessarily, a part of the investment capital should be contributed by reputable citizens of the host country.
3. The company must contribute to economic development besides the investment and operational capital, the initial set of competent trained personnel as well as its advanced technology in order to train the local people.
4. The operation must be profitable and, thereby, create a favorable investment climate and faith of the people in the stability of economic growth.
5. The company must have the privilege and right of access to the services of the host country's public educational and research system.
6. The company must have the host country's guarantee of the right to repatriate or transfer abroad its earnings as well as, eventually, its capital.
7. The company must abide by the laws of the host country as well as those of its own country and countries of its foreign partners.

What, then, is the main difference between the former development aid policies, that involved such exorbitant losses, and the new agribusiness strategy? The answer is that the initiative under the new

strategy begins with decentralized, namely private, decision making. The process of trial and error does not burden the state budget of the host country. As in any profit-seeking and economically sensible enterprise, each venture begins with the exploration of the potential growth of effective demand for goods and services by: (a) consumers, (b) all links in the trade chain, and (c) producers in the market.

The greatest lag in economic development in less advanced countries prevails in the marketing of farm products, particularly all perishable commodities, and the marketing of producer and consumer goods to the farmers. What has been achieved in our country from 1917 to 1937, under the leadership of the Extension Service of our land-grant colleges, in the marketing of farm products by the introduction of standards and grades and the Pure Food and Drug Act is still sorely missing in the majority of the developing countries. Grading and packing sheds, warehouses, transport facilities at wholesale and retail levels are only a few examples of needed requisites for substantial improvements in prices received by small farmers.

#### ADAPTING EDUCATION TO THE TASK

Changing demands for the performance of higher education in the coming decade are:

1. Advancement of our agriculture to supply our domestic as well as our export needs.
2. Serving the developing countries through:
  - a. U.S. multinational corporations.
  - b. Direct consulting services to such countries.

Even though the number of our farms is going to continue to decline, the demand for academically trained graduates in agriculture is increasing. At present, roughly 67,000 students are enrolled in agriculture in land-grant universities, including 16,000 graduates. Of the latter, 27 percent went into graduate work, 10 percent into farming, 19 percent into agribusiness and industry, 10 percent into education and extension, 10 percent into federal, state, county, or city agencies, and 16 percent into the armed forces.

This great variety of promising opportunities for employment of the agriculturally educated young talent underlines the necessity of further continual adjustment of study and training programs offered in our higher education. Such adjustments ought to differentiate between skills and knowledge to be used inside the U.S. economy and in other industrial countries, and skills and knowledge to be used in

developing countries. Such adjustment is needed not only in studies and research in our land-grant college or university system but also in junior colleges, high schools, and in the later grade school years.

For work in our 50 states, more sophistication and specialization will be required, including specific skills in various spheres of production, processing, transportation, storage, and the utilization and processing of agricultural commodities.

With reference to the increasing demand for agriculturally educated young men and women for performing constructive work in developing countries, too much sophistication may, in general, not fill the gap, but tend to create new problems. This is particularly the case in quite a few countries where the upper and lower middle class in one or more metropolitan centers have adopted the latest design of Western industrial perfection, but where the remote small family farms and village craftshops are using tools, implements, production patterns, and skills of sixty, eighty, or a hundred years ago.

If the young generation is to emerge from our education with the strong sense of realism so essential to their contributing to progress in the humane society, they ought to be familiar with the concrete, down-to-earth facts, such as fencing cattle in or out by barbed wire. It does not serve the students well to get chiefly high faluting ideological interpretations of all sorts of "isms." They ought to know just how raw and undeveloped a wilderness this country was and what the immigrants from many countries brought with them, including concise images of what makes a farm. They ought to know when and how improved tools, implements, practices, and preventives against disease and pestilence of man and animal appeared and how, in response to changing price-cost relations in the market, the dynamic change of our agriculture never ceased.

With over 50,000 foreign students enrolled in our colleges and universities (1966), this seems particularly helpful to those from less developed countries. Students ought to take with them also the conviction that, in any country, progress in the agricultural and food economy requires the adoption of improved practices, tools, and equipment on thousands of farms, and that many, many perceptive rural people will respond to opportunities for change and education if they can be motivated by economic incentives. Consumer goods, available at stable or declining prices in the village stores or co-ops, or by ambulant trade, are most persuasive incentives.

In view of the strategic importance of our success in technical missions to developing countries, I mention one of the delicate weaknesses of the past. Quite a few of our experts, when called as mem-

bers of a technical mission to Latin American republics, have each made their recommendation on a specific project. The package left the recipient government in a state of utter frustration because of the absence of a coherent underlying set of economic-social-political assumptions and the absence of alternative ranks of priority for action. But private organizations operating commercial agricultural enterprises in Latin American countries have frequently also ignored recommendations of U.S. experts that projects should begin with full coordination with the governmental agricultural research agencies. Here the frustration resulted from subtleties of political psychology. The world-wide attempts at overthrowing democratic governments by infiltration and guerilla tactics, and the usual temporary suspension of civil liberties by a military regime, have naturally led to defensive behavior by the managers of farm enterprises in many developing countries. They have no desire to depend entirely on an extension service run by a college of agriculture, controlled by the government. If, by a coup d'etat, the government is taken over by Communists, then all farm enterprises are government managed the next day. If a military junta steps in, the same may occur.

## CONCLUSIONS

Our economy and our population will continue to grow at such a rate that only the utmost self-discipline, enforcement of law and order, and adherence to the few incontestable values, on which our constitution stands, will keep us in the position of the leading power.

I see no reason to expect in the noncommunistic parts of the world starvation, an overpopulation crisis, or other disasters. However, in our own metropolitan and urban areas, we have a great number of social, economic, political, and juridical problems, which require dogged persistence and concentration in tackling them and reasonableness of expectations of the citizens in solving them. If we do not follow blindly certain overarticulate intellectual geniuses in universities, who claim to know precisely what is good for all other people, and rely instead on the good common sense, self-discipline, and efforts of the average citizens who made this country, we shall avoid becoming victims of arrogant despotism. Being challenged by actual or potential tyranny from abroad and inside our boundaries, we shall, I believe, prevail as a humane society that respects and protects human dignity.

Winding up the appraisal of the role of our country in tomorrow's world affairs, I want to remove from the stage the least probable events:



I do not expect any genuine efforts by Soviet Russia's field marshals to establish peaceful relations with the nations of the Organization for Economic Cooperation and Development, to agree on any true disarmament, or to halt the race toward naval supremacy around the East and West of the Eurasian continent. It seems equally improbable that Soviet Russia will begin any major military aggression against Western Europe, Japan, or in the Western Hemisphere if and so long as we and our allies remain militarily prepared and alert and our diplomats and our intelligence are aware of Soviet strategy and tactics in all dimensions.

If we do not play ostrich by hypnotizing ourselves into the suicidal assumption that peaceful coexistence is well on its way, the prospects seem to be good for more effective economic, cultural, and social cooperation between industrial nations under our leadership and developing countries.