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ISSUES AND PROBLEMS OF IMMEDIATE CONCERN

J. Carroll Bottum

*Professor of Agricultural Economics
Purdue University*

To treat the assigned subject involves forecasting the future public policy issues of concern to agricultural people. I shall try to forecast some of them. No one can fully see the course of events in the future, and I know that in the decade ahead new issues will arise which none of us here today will foresee. Nevertheless, I am equally sure that some of the issues I am discussing will be issues in the seventies. We can prepare for these and take the others as they come.

Issues at both ends of the national and local spectrum have been omitted from this statement. National issues, highly value oriented and considered by the mass media, such as law and order, drugs, and death on the highways, have been omitted. At the other end of the spectrum a myriad number of local community issues, such as hospital facilities, libraries, and recreation, have been omitted because they are problems of concern to limited areas. This statement has largely been confined to national and state issues in which economics has a significant weighting in the total decision-making process.

Let us look first at the group of issues that will be of particular concern to commercial agriculture and then at those that will be of concern to rural people and all other members of society.

The total resources committed to agriculture continue to exceed those necessary to meet our domestic and foreign needs in the decade ahead. We all know that we have excess human resources in agriculture. We all know that during the past decade between 50 and 60 million acres of cropland out of a total of 450 million acres were retired. The nonsense expressed by many in the early days of land retirement that this reduction in acreage had little effect because land comprised only 15 percent of the inputs in agriculture has been pretty well dissipated. We know now that this land taken out of production has an average productivity of 80 to 90 percent of that which is now cultivated. Barry Flinchbaugh has just completed a study in central Indiana which indicates the land taken out of farms in central Indiana, according to its location on recent soil maps, has 90 percent of the productive capacity of the land being farmed.

How this presently idled land shall be used will be a growing

problem. We will eventually move to a land conversion program. Thus, we will have a continuation of the issues surrounding programs for retiring land and also for facilitating the transfer of human resources out of agriculture through training and other inducements.

I see a continuation of the struggle for markets for agricultural products in the decade ahead. Trade issues will continue. Approximately one-sixth of our agricultural products are being exported in competition with many other countries, with special arrangements for moving their products in the export market. I see an issue arising in the United States of what kind of a mechanism we are going to use to increase our exports in this very unsettled world market. I am not saying that the development of marketing boards is an answer, but some mechanism that allows us to do more effectively what some of the countries like Denmark, Canada, Australia, and others are doing will be an issue.

Domestically bargaining power and pricing for agricultural products will continue to be an issue in the seventies. The reduction in the number of buyers and sellers of agricultural products and the drive for greater efficiency in the physical movement of the commodities will keep pressure on this area.

Now let us turn to some of the more general policy questions that will be of concern to all agriculture and to all citizens.

Population control and location will be on the policy agenda in the seventies. How far should government go in modifying population growth? How far should it go in modifying population location? Do we shape government policies to continue the consolidation of population in a few general areas through the development of rapid ground transportation or do we shape them to disperse the population more widely throughout a major part of the United States? We have the choice of going either way.

It seems inevitable that we will have a modification in our welfare program in the near future. Both Democrats and Republicans are agreed that we need a change. I think we will have a family assistance or negative income tax type of program for all low-income people. This will put a floor under their income, but it does not solve the problems of the disadvantaged in the rural areas. Their fundamental problem involves individual development. It involves their technical, economic, social, and political development. This is a long-run problem, and many issues will be raised concerning how such programs should be conducted. It would be convenient if the problem of the disadvantaged could be solved by just giving people money, but those that dig below the surface recognize that much more is involved. We

have the job of opening up society, developing the individual, and making him a part of the total society.

No one questions but what we will have, for a time, numerous continuing issues in the pollution area. It raises a whole series of issues and not just one broad issue. In agriculture we have the water pollution issue involving livestock, fertilizer, and herbicides. We have the issues of insecticides, antibiotics, and odors from livestock. The disposal of solid wastes is now an issue in most areas.

The issue of price stability versus fuller employment will reach critical proportions at various periods in the next decade. Issues of how best to increase employment and how to check inflation will continue to rise. In my judgment, more than 5 percent unemployment or more than 5 percent inflation are unacceptable conditions in our society.

At best, we will likely be in a period of uneasy peace in the world during the decade. Issues concerning our stance in the world and the extent of our commitments abroad will arise. This will involve the amount and placement of our military and economic aid and commitments.

At the state level, the problem of shifting more of the tax burden from real estate to sales and income will continue to be an issue in many states. It will involve such questions as what should be the tax structure and the tax expenditures. The issue of the federal-state relationship in the tax field will be a continuing one. How far should we go in collecting taxes at the national level and refunding them to the states, and what restraints should we put on the expenditures?

SUMMARY

Thus, some of the issues which we will be facing in the seventies are farm programs, land use, bargaining power and pricing, international trade, development programs for the disadvantaged, population control and location, pollution, price stability, and taxation. Others will arise that cannot be predicted at this time; however, if we get ready for these, we will be in a position to take care of the new ones as they come.