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Farm Income  
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FOR THE UNITED STATES

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IT IS ONLY with some embarrassment that a citizen of the United States can talk to an audience with other countries represented in it, on the subject of the agricultural policy of his country, for it is only within the last eight or ten years that anything even approaching a definite, fairly consistent, agricultural policy has begun to shape itself. The nature of this policy which now seems to be evolving will constitute the final subject for discussion in this paper; but the topic which has been assigned me will not be adequately discussed unless presentation is also made of the various lines of thought that have preceded this evolving policy, and which even now are contending with it for control of the agricultural program. The general procedure in this paper will be to take up and discuss briefly in roughly historical order the more important of the different doctrines relating to agricultural policy, that have been held by our people.

## DOCTRINE AS TO RATE OF DEVELOPMENT

The doctrine of oldest standing in our agricultural history is that our agricultural resources should be fully developed as soon as possible. A large number of vigorous positive measures that accord with this doctrine can easily be named—in the early days, the sale of land in tracts to land companies; later on, the homestead policy; grants of land to railroads; grants of land for schools; free immigration; the financing of irrigation projects; the Volstead drainage land act; numerous state provisions for setting up drainage or irrigation districts and selling improvement bonds; setting up state immigration departments, and so forth. And until a few years ago, it would have been hard indeed to have found in the statute books of the federal government or of any state, any measures designed to check or to restrict this vigorous program of getting the land of the nation into farms as rapidly as possible.

Early in the century, this theory was questioned seriously by the conservationists, who saw that in practice it resulted in the exploitation of the virgin soil resources of the newer areas and an accompanying abandonment of exhausted soils in the East. They argued

that systems of farming that maintain soil fertility should be developed in the older regions before new areas should be opened to farming. It is clear that our procedure in this matter has been parallel with our procedure in respect to forests and minerals. We have in general used the richest and most available of these as rapidly as any market has been found that would yield a net return above the cost of exploitation, letting future generations provide their own timber, fuel and metals. So also with soil fertility and agricultural products. It seems reasonable to believe that the time will come when failing supplies of all of these will raise costs and prices, and that our descendants will curse us for our selfishness and thoughtlessness. And yet we cannot be too sure about this. The professional conservationists are inclined to magnify the future too much at the expense of the present.

Recently the program of rapid development has been opposed by the United States Department of Agriculture and agricultural economists generally, on the ground that we have more land in farms now than can be profitably operated, and that we should call a halt till the population catches up with the food supply. The United States Department of Interior gives only half-hearted assent to the position of its sister department, taking the position that much land not in farms now is better farming land than some which is, and also that the present is a good time for getting more land ready for the day not far distant when food prices will rise again. It must be conceded that farm incomes are very far from being level in the various parts of the United States; and not until they are level will our agricultural resources be in properly balanced use. But one may question whether the way to level them is to bring more land into use at the present time. In general the procedure should be more in the direction of getting poor land out of crops.

Needless to state, the point of view of the local residents nearly always is that all local land resources should be developed; and their political representatives so vote in Congress and in the state legislatures.

#### DOCTRINE AS TO CONTROL OF DEVELOPMENT

Also from the beginning until very recently, the accepted doctrine has been that of almost unlimited individualistic exploitation of our agricultural resources. Our homestead policy was an em-

bodiment of this. Give a man 160 acres of land to do with as he would so long as he farmed it. Likewise give land companies and real estate agencies a free hand. This program was approved partly as an inducement to settlement and partly because of belief in *laissez faire*. The excesses arising from permitting uncontrolled exploitation of mines and forests have already led to some restrictive legislation, to government ownership and leasing, and even to government operation of forests. They are not likely to do so with ordinary farm land; but control of grazing in the West seems to be highly necessary. Such control measures usually meet with vigorous opposition. The American doctrine as to prosperity runs instead, along the lines recently indicated by Ambassador Gerard, who told a British audience that the way to solve their problems was to give a group of their leading men a free hand with the nation's resources and industries, and then later followed this with a list of fifty of our richest Americans and captains of industry, who, he said, really govern us, saying that if these fifty men could be given right-of-way with our resources for fifty years, we would be a far richer nation than at present. Most of us would add, I am sure, that another fifty years of control in the interests of the real public could not half undo all the damage that would be done in the first fifty years.

#### DOCTRINE AS TO LAND UTILIZATION

Again it has been an accepted theory until very recently, that "farms follow forests"—that land should be cleared of stumps and converted into agricultural use as fast as the timber is cut. It is not difficult to understand how such a theory developed in the long years when our pioneer farmers were wrestling with trees and stumps in the forested eastern half of the United States. Slowly within the past fifty years certain alternative ideas have developed such as that the nation must have a timber supply as well as a food supply, and that some of the land may return more in growing trees than in growing food. When the change first came, the accepted point of view was that certain land was too poor to grow farm crops, and therefore had to be used for such tree crops as could be grown on it. Today the point of view of the leading thinkers on this subject is rather that the application of the principles of comparative advantage should govern—some fairly good farm land may some day yield even more in tree crops; and some rather poor

forest land may be worth more for grazing, or even for producing certain types of food crops. The relative demands for the particular kinds of timber and food will determine which use will prove more advantageous.

But although the latter may be the accepted view of the leaders of thought, it is seldom that of the local residents in the recently logged-off areas who mostly oppose putting land into forest use, thinking that farming will support a larger population. In the eastern states, however, in sections where farming has been tried out and is being abandoned, the local residents will be found inclining much more to forest uses.

If time permitted, it would be interesting to go into detail with respect to forest policy itself, concerning which a wide range of theories exist, as to public *versus* private ownership, as to taxation of forest products, as to the degree of intensity which is economical, as to systems of forestry, and so forth.

#### DOCTRINES AS TO POPULATION AND LAND SUPPLY

For logical rather than chronological reasons, we should introduce at this point the body of theory relating to population increase and land supply. The United States Department of Agriculture has made much use of a certain doctrine on this subject in recent years, in support of its position that no further land development should be encouraged at present. Its general argument, as most often stated by Dr. O. E. Baker, runs about as follows: Our national population increase is slackening at such a rate that we shall have no further increase beyond 160,000,000 (the estimates range from 150,000,000 to 225,000,000); and this increase will be fed and clothed with very little more land in crops and pasture than we have in such uses at present. The opposing argument is to the effect that changes already under way in American agriculture in the direction of the use of more power and more fertilizer, more legumes, and more livestock per acre, are going to give us a greatly increased output per acre on much of our land, and a considerably increased output per man; that some of these changes will at the same time make it possible to farm profitably much land that cannot now be so farmed; and that in consequence of the above we shall have much more land in crops and pasture than at present as soon as the population of the earth provides consumption for the product; and as for the population itself, it will not come to a stand-

still as indicated, but will expand as during the industrial Revolution, although at a much slower rate, because scales of living have much more power over the birth-rate now than then. Probably the truth is between these extreme positions, but somewhat more nearly toward the latter. It will be apparent that the latter theory strengthens the position of the United States Department of Agriculture with respect to further land development at present.

#### DOCTRINE AS TO THE PLACE OF AGRICULTURE IN THE NATIONAL ECONOMY

While our national policy has long been to develop our land resources, it has been even more to develop our industries, as evidenced by the fact that tariff duties have been freely employed to subsidize industry at the expense of agriculture. While this was done more or less surreptitiously at the start, today the industrial group has obtained such control of our political parties and Congress that they do it boldly and brazenly. In the beginning, the argument was freely used that the nation was underdeveloped industrially. It can safely be stated that the real opinion of the industrial groups at present is that we still do not have industry enough. When Mr. Grundy in his testimony before the Committee on lobbying designated as "backward" those states which are still predominantly agricultural, he has no doubt expressed the view of his class. On the other hand, many of our agricultural leaders deplore the fact that farming has declined until it represents less than a fifth of the nation's activity, and would be willing to resort to measures as uneconomical as the tariff to restore it to a fourth or even a third of the nation's activity. The position which most economists take is that the nation should have only as much agriculture as can in the future stand on its own feet, in competition with industry, also standing on its own feet without tariff subsidies. On this basis, industry would still expand, especially in the South, Mid-west and West. The nation's industry is still poorly distributed territorially, even more so than its agriculture. But the relative rate of expansion of industry and agriculture would be noticeably different in the next fifty and in the next one hundred years if a general policy of no permanent subsidy for either of them could be substituted for the present policy. More than this, there is a body of opinion in this country in favor of the position that a considerable proportion of agriculture in a nation has values for

it of such importance that a small amount of agricultural subsidy is warranted on social grounds. Their arguments take on more significance as we discover that the country must now be depended upon to supply the cities with all of their future increase in population.

If the country were largely agricultural, the foregoing arguments would mostly run the other way. But, the subject is a large one, with many significant implications to which not even reference can here be made. Foreign students will find them best discussed from our point of view in Sorokin and Zimmerman's "Rural-Urban Sociology."

#### DOCTRINE AS TO CONFLICT OF RURAL AND URBAN CLASSES

Many leaders of thought on the agricultural problem hold the opinion that the farming classes are more or less held in subjection to the urban classes. This point of view had vigorous expression about 1903 by J. A. Everett, founder of the "American Society of Equity," in his farm journal and finally in his book called "The Third Power." Organized capital and organized labor were the other two powers. These controlled the prices at which farmers must sell their products. Farmers must sell at prices named by the middlemen. The manufacturer names the price at which he sells; the farmer does not. This set of ideas was given a new life and a new setting in the Northwest by the Non-Partisan League, from 1917 on. With the spread of agricultural calamity to the Corn Belt and the South following the war, a closely related doctrine took form in a large part of the farming territory of the nation. The center of attack in Equity and Non-Partisan League days was the middleman. In the McNary-Haugen days, it was mostly the tariff. The manufacturing and commercial East opposed extending the tariff subsidy to agriculture through such devices as the McNary-Haugen and the export debenture proposals. Dr. H. C. Taylor, who became a convert to this philosophy as a result of his experience as Chief of the Bureau of Agricultural Economics in the commercially and industrially controlled Coolidge Administration, has given it a fuller and broader statement in his recent discussions, such as the one before this Conference last year, placing more emphasis upon the growth of monopolistic control subversive to agriculture. A milder statement of this philosophy might be stated in terms of institutional developments, traditional reactions



and valuations, as a result of which, farm people customarily sell their services too cheaply.

This doctrine becomes especially interesting when connected with the devices proposed for remedying the situation. The Non-Partisan League program was state ownership and operation of middleman facilities. The McNary-Haugen program was artificial price-raising by governmental action.

#### DOCTRINE OF AGRICULTURAL SELF-SUFFICIENCY

We now come to the set of doctrines upon which the Republican party has been basing the proposals for farm relief. The most conspicuous of these is that of national agricultural self-sufficiency, placing tariff duties on those products of which we have a deficit, until production is expanded somewhere nearly to the export point, and contracting production for export, until we no longer have an export surplus. This doctrine has long been held in some measure. One of the early secretaries of agriculture (then called commissioners) published a long list of agricultural products which we were then importing, which he said we might just as well be producing for ourselves. In the list were included tea, silk and rubber. Large appropriations were made over a period of forty years to establish the tea industry in the United States. Even after 1900, Secretary of Agriculture Wilson was asking for funds to continue the tea-growing demonstrations. We are still nursing along our sugar industry with tariff duties representing over half the import price. Only within the last decade, however, has the doctrine been advanced in its stark nakedness. President Coolidge's agricultural conference held in the winter of 1924-25 adopted it as one of its two principal recommendations. Following this conference, Director R. W. Thatcher, then of this state of New York, one of the members of the conference, issued a press release from the Cornell Experiment Station, urging this doctrine of agricultural self-sufficiency upon the farmers of his state and of the nation. Candidate Hoover talked the doctrine in his campaign addresses. The Federal Farm Board has been attempting to put it into practice. But the reactions from the wheat growers have been such that the Republican administration has apparently become alarmed over the possible loss of votes. At any rate, the recent utterances of Board members have soft-pedaled the idea of eliminating the wheat export so as to make the tariff effective. The position which the

farmers have taken is that they have as much a right to produce wheat for sale in the world's markets as have the manufacturers to produce for export. The defenders of the McNary-Haugen and export debenture plans have repeatedly taken the same position. They have charged the administration with wanting to curtail agriculture and expand manufacturing at its expense. It would appear that now that the doctrine of national agricultural self-sufficiency has been brought out into the open, it will be vigorously assaulted.

#### DOCTRINE OF LARGE-SCALE MERCHANDIZING

The other doctrine that was advanced by President Coolidge's agricultural conference was to the effect that large nation-wide marketing organizations set up on a commodity basis, employing the methods developed in large-scale industry and commerce, and manned by high-powered executives, could solve the agricultural problem through orderly marketing, and production coordinated with the marketing. The first expression of this idea was in the Capper-Williams bill which Secretary of Commerce Hoover assisted in framing. Secretary of Agriculture Jardine preached along these lines throughout the second Coolidge Administration. Candidate Hoover offered it as his program of farm relief during his campaign. President Hoover had it incorporated in the Agricultural Marketing Act. The Federal Farm Board has been trying to put it into practice—with rather indifferent success so far. No doubt Mr. Aaron Sapiro must be given considerable credit for selling this idea to the parties above mentioned. It is of course an idea borrowed from big business in industry, particularly from combination in the field of big business. But a considerable factor in it is President Hoover's faith in the power of accomplishment of a super-administrator—a faith no doubt derived from his experience as an engineer, and in the Food Administration, as much as from big business. In a large engineering enterprise, the executive power is nearly supreme over materials and labor. There was even more excessive centralization of power in the Food Administration. But the units in a commodity marketing organization have no thought of surrendering all their rights to a central executive body. What is more important, the farmer members of the cooperative units are very much indisposed to surrender all their freedom of action to produce and sell as they see fit. The theory as to the power of accomplishment of super-administration

is therefore being severely jolted when tested out in the field of marketing and production of farm products, as it has also been when applied to such problems as unemployment and business depression. The President in consequence seems to have given himself the ridiculous character of a Don Quixote tilting at giant windmills with a cardboard lance.

#### DOCTRINE OF SELF-ADJUSTMENT

It would be a mistake to think that the two foregoing doctrines with respect to agricultural betterment, especially the second one, are acceptable to the rank and file of the industrialists and commercialists. As a matter of fact, except for a few of the more nationally-minded of them, the position is taken that the farmers will have to work out their own problems according to the inexorable laws of supply and demand. The urban press these days is full of utterances in which this moral is drawn from the experiences of the Federal Farm Board. In a milder form, this doctrine is adhered to by some of our agricultural economists. At least they go so far as to say that each farmer must figure out his own way of salvation for himself and that all any of us can do for him is to supply him with the established facts as to supply and demand. Needless to state, few economists ascribe to the law of demand and supply the high degree of inexorableness which is ascribed to it by middlemen particularly, but also by the industrialists. Instead they look upon supply and demand as things to be adjusted. As a matter of fact, so do these very middlemen and manufacturers when they come to considering their own problems.

#### DOCTRINE OF ASSISTED ADJUSTMENT

We have now come to the set of ideas about agricultural betterment which is furnishing the outlines for the national agricultural policy which now seems to be evolving. In my book on "Agricultural Reform in the United States," I have called this doctrine "Assisted Laissez Faire" (Ch. XIII). The essence of it is that the individual farm is too small a unit to be able to work out its own problems and make its own adjustments to changing economic conditions, without a great deal of assistance of various sorts from public agencies. Cooperatives should furnish this assistance in place of public agencies wherever this is possible; but it is apparent

that our existing cooperatives need assistance almost as much as do the individual farmers. The evolution which is taking place is with respect to the form this assistance shall take, the extent of it, and the machinery for supplying it.

It would be an error to present this doctrine as wholly new. As a matter of fact, the most essential feature of it was accepted when the state agricultural experiment stations and the United States Department of Agriculture were established. But the assistance in mind in those days was almost entirely along lines of disease and pest control, introduction of new varieties, and research in the field of natural sciences; whereas the new policy relates particularly to economic adjustments. Before 1900, there is little in the annual reports of the commissioners and secretaries of agriculture to indicate any interest in assisting farmers with their economic adjustments. Between 1900 and 1920, a little headway was made in this direction. In particular, the crop and livestock reporting service was developed considerably, the Office of Farm Management was set up in the United States Department of Agriculture, and later the Bureau of Markets, and the Federal Farm Loan Act was passed. In addition, a majority of the state experiment stations did some economic research. But in historical perspective, the efforts of these years now appear not to have grappled very closely with the problem. Farm management, for example, was busy collecting descriptive facts about farming, either by the survey or the route method, and trying, as do all new sciences, to establish some new principles of its own different from those of economics, instead of developing a technique for assisting agriculture in the large with its economic adjustments. To be sure certain suggestions as to size of business, the importance of yield per acre, and the like were commonly made, but these made little impression upon the rapidly changing times.

The date for the inception of a real policy of assistance to farmers in their economic adjustments was the creation of the Bureau of Agricultural Economics, with Dr. H. C. Taylor in charge, in the first year of the secretaryship of Henry C. Wallace, and more particularly the spring of 1922, when Dr. Taylor and Secretary Wallace got together and agreed upon the preparation of the first agricultural outlook report. Most of the evolution of policy since has centered around the growth and development of the outlook service in the United States Department of Agriculture and in the

several states. Some of you will recall my discussion of the doctrine relating to this in a paper before the American Farm Economic Association in December, 1924, under the title "The Rôle of Public Agencies in the Internal Readjustments of the Farm."

In my few remaining pages, I propose to say a little as to what this policy means in the several fields of economics—production, consumption, marketing, land utilization, and so forth.

Clearly, many important changes are rapidly taking place in the organization of our agricultural production. Production programs have been particularly in turmoil since the World War. They are likely to be in turmoil during the next fifty years. A new phase of the agricultural revolution is now under way. The new policy calls for assembling all the facts possible as to current production and consumption of farm products in the United States and foreign countries, as to trends in the same, and as to past developments leading up to the present situation, then analyzing and preparing the best possible statement as to the conditions which our producers are likely to meet in the coming year, and in most cases, for some years in advance; and then making suggestions as to what production adjustments are likely to fit in best with these conditions. The United States Department of Agriculture can do this only in a general way. Each state needs to fit these suggestions into the special conditions prevailing in its various parts. The county agents need to interpret them in terms of conditions in various parts of their counties, and finally render all the help they can to individual farmers, or more often to groups of them operating under similar conditions.

There is, of course, much difference of opinion as to how specific the public agencies should be in their suggestions. Some, as above stated, believe in a very mild form of assistance, merely supplying general facts and letting the individual farmer figure out his own application of them. Others would go so far as to make definite recommendations, on the theory that most farmers are not yet able to make their own applications, and those who are, will be able to adapt the suggestions to their own farms. The actual outlook work steers between these extremes. It is obvious that different grades and types of farmers need different forms of assistance.

One of the most outstanding results of this new program is its effect upon the research program of the United States Department

of Agriculture. The efforts to prepare outlook reports have revealed the inadequacy of the old types of research to furnish a basis for making needed adjustments to agriculture in the large. The new program of research centers itself upon answering the specific questions that the farmers in each area want answered—such questions, in the Cotton Belt, for example, as whether the farmers in any particular section should continue producing cotton, or how much they should try to produce? What varieties and types of cotton should they produce? What other crops they should substitute? How intensively they should cultivate their cotton or corn? How much fertilizer they should use? What machinery can be used to advantage? How frequently should they poison for boll weevil? Should they increase their numbers of cattle and swine? What feed should they grow for them and what kind of feed should they buy? In general the method of analysis which the Bureau of Agricultural Economics is now using is that of considering the farm business as an integrated unit and estimating the probable effect on the net incomes of such units, of the most likely alternatives with respect to each of such questions as the foregoing. This method of analysis is commonly referred to in the Bureau as the budget method. The research in which the Bureau is cooperating in the various states is mostly directed at collecting the data needed to analyze such questions as the foregoing by the budget method. The projects chosen are those which relate to the most pressing issues in the areas most in turmoil as to their production program. It is obvious that a program thus directed will presently put the United States Department and the various states in a much better position to help the whole agriculture of the country with its economic adjustments.

It should be added that an important basis for such a program is a careful mapping of the agriculture of the United States according to systems of farming. Dr. Spillman has already done some preliminary work along these lines. It is now being greatly expanded in connection with the Census of 1930. Dr. F. F. Elliott, who has been developing the Bureau of Agricultural Economics' analysis along these lines, has been transferred to the Census Bureau for this purpose. It is expected that the various states will utilize these same data to the same ends.

It is obvious that an important part of the analysis basic to such a program relates to prices and markets. An effort must be made to anticipate price movements for the various products for several years in advance. This phase of it was touched upon, but only lightly, in the yesterday morning program. I should have liked to see a whole program devoted to it.

The foregoing program has sometimes been misrepresented as largely directed toward getting farmers to shift production programs back and forth from year to year. On the contrary, its major emphasis is centered on discovering trends and reshaping ten and twenty-year programs to them. But there are always some adjustments of a shorter nature, such as are involved in adapting feed rations to current feed prices, or those growing out of the hog cycle. The outlook service considers both of these types of adjustments.

The most important recent legislation designed to assist in this program is the agricultural foreign service bill, which will establish the machinery needed in competing countries to inform us of their trends in production.

In the closing days of the last session of Congress, Congressman Victor Christgau of Minnesota introduced a bill which is aimed specifically at strengthening the work of the federal department and the states along these lines. It will be of interest to know that Professor M. L. Wilson of Montana, a former president of the American Farm Economics Association, now manager of the Fairway Farms Corporation, assisted greatly in drafting this bill. He has made the setting up of experimental farms of the Fairway type one feature of the bill.

There are differences in the degree to which the various states are falling in with the foregoing developments. Unfortunately a few of the more individualistic type are inclined to ignore it largely and adhere to their old practices. But in the last few years, outlook conferences of some kind, following the general conference in Washington, have been held in over forty of the states.

This policy of assisted adjustments of the United States Department and the states has of course come into some conflict with that of the Federal Farm Board in its agricultural self-sufficiency pro-

gram, especially in the matter of wheat acreage. I think I am safe in saying that the conflict is practically over. The Federal Farm Board is rapidly swinging around to accepting and cooperating with the outlook program. In the future, I believe it will cooperate with the United States Department and the states in a program, not of general acreage reduction to the point where the tariff is effective, but of finding out in what areas wheat farmers should contract and in what areas they should expand.

The program of assisted adjustment has made only a little headway thus far in the field of land utilization. Within the last few years, however, the United States Department and some of the states have initiated surveys designed at replanning the land utilization of specific areas. In my judgment, a special body, a national land planning commission, will be needed before work will be effective along these lines.

In marketing, the economic assistance being rendered at present is principally along the following lines: Analysis of prospective prices as a guide as to when to sell; collaboration with cooperative organizations in studying their problems in business practice, membership relations and the like; market news, price quoting, inspection and certification, and grading. The setting up of the special Division of Cooperative Marketing was the important step in developments in this field. Obviously there is conflict between such a program and that of the Federal Farm Board of setting up nationwide, large-scale, big-business, marketing units under government supervision, supplemented by quasi-governmental stabilization. But this issue is also resolving itself. The stabilization corporation idea has already had a severe setback, and is not being pushed. Mr. McKay's statement before this conference the other day, as you will recall, was largely along the lines of assistance of the foregoing types, and kept very largely under cover the big-business idea. Students of cooperation in this country look forward to a time when there will be considerable centralized cooperative control of the marketing of the various commodities; but they believe that the organization for this must be a steady, healthy growth over a period of years, perhaps as few as three or five in some cases; but in many cases as many as fifteen to twenty-five years. The



Federal Farm Board can help greatly in hastening this growth if it applies itself wisely to this task in place of trying to build up national marketing structures in a few months or a year or two.

An important part of the marketing problem relates to assisting consumers in their buying of farm products. Mr. Olsen touched on only one phase of this the other day. Public agencies have an important rôle to perform in this field. The United States Bureau of Standards fails to function as it should in protecting consumers. State agencies have made little headway with this problem as yet.

I am also of the opinion that a vigorous public policy directed at improving the quality and raising the level of farm family living would assist greatly in agricultural betterment. Our small squad of home demonstration agents are preparing the way for a much larger program needed along these lines which must include attention to health and sanitation as an important feature. Dr. H. C. Taylor has long urged upon our people the importance of this phase of agricultural betterment. The Division of Farm Population and Farm Life has furnished stimulating leadership. To be sure, some of the research work in this field has not been of the sort which assists much in programs of betterment of farm living, not being directed sufficiently at answering the questions most needing to be answered. Some of the early workers in the field got lost in the job of collecting figures on the cost of living. But the trends now are all in the right direction. All that is needed is a more vigorous prosecution of the program.

In conclusion, let me say that I hope none of our foreign visitors will leave this country without coming to realize fully the nature and extent of the work developing along the foregoing lines. I have this criticism of the program of this conference, that sufficient place has not been provided for discussion of the outlook service, particularly of the United States Department of Agriculture, and particularly in the field of farm management. I fear that our visitors will get the mistaken impression that we are still spending most of our time making conventional farm business surveys and estimating cost of production. I ask you instead to center your attention on the type of study of the wheat problem which Professor Grimes outlined in his paper yesterday. Indeed we are making surveys, and indeed we are making cost analyses; but we are more

and more pointing all such research at answering the important specific questions that farm operators need answers for, and which must be answered by the outlook service.

I may summarize by saying that I fully expect the outlook service to grow until some day we shall simply look at it and say: This is the national agricultural policy of the United States.

In the few months which I spent in Europe last summer I noted important differences between countries in the extent to which the work in agricultural economics is directed at developing national agricultural programs. In some, I found strong development in this direction, from which we can learn much. In others, I found nothing but small groups of workers here and there working upon largely local problems, sometimes with all their attention centered upon a few farms—nothing much actually going forward anywhere that looked at the agriculture of the nation as a whole and the building of a program for it. These latter can learn much from the outlook program of our Department of Agriculture.