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Family-sized farms

THE FAMILY FARM

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BEFORE I can start to consider the family farm as a social institution, I must consider it first as an economic institution, and towards its future as an economic institution my experience, my information, my judgement make me adopt a sceptical attitude.

Agriculture is the chief or almost the only instance of our great productive industries which has retained the small-scale unit of production in large numbers. Indeed, amongst the great industries and commercial services, only the retail selling of goods has retained the small-scale unit to the same extent as agriculture. The existence of very high numbers and proportions of small retail businesses constitutes one of our great problems in securing economy in the marketing and distribution of goods, and especially of foodstuffs. The existence of large numbers of small-scale units of production in agriculture is setting and will set one of our greatest socio-economic problems. In a future meeting of this International Conference some of us will almost certainly be considering how we can get rid of a large proportion of our small-scale units with the least possible economic injustice and social disturbance.

The outstanding features of economic and social changes in relation to agriculture during recent years have been:

1. The rapid rise of technical efficiency in agricultural production.
2. The improvements made, and rapidly becoming possible, in organization for production, which lead to economic efficiency in agriculture.
3. The tendency of consuming population to become stationary or even to decline.
4. The rise of technical and economic possibilities of feeding the population with less land and less labour than is now in use.

These seem to be the fundamental conditions in the general situations which we are considering. Some elements, such as financial dislocation, important as they are at the moment, may be removed, and then these fundamental conditions will not only remain but will gain their proper prominence in the social consciousness.

We all tend to think of the agricultural depression as a condition which may be removed, and to expect or hope that the conditions

of prices or incomes prevailing before 1928 may be re-established. But it is quite possible that the agricultural depression in this sense will never be removed in our lifetime, and it is almost certain that it cannot be removed by the methods which some of the chief countries are now using. It appears that there can be little hope of lifting the agricultural depression until the industrial depression has been lifted. The measures of which we have heard so much in the last few days will maintain, possibly increase, the purchasing power of the 30 per cent. of the commercial world's population which is agricultural, but they cannot put the industrial machinery into full work. When industrial conditions improve, agriculture will have a very big reserve of productive capacity which will almost certainly be used, and if it is used, will certainly create surpluses on some markets.

If agriculture in all the countries which have been concerned with international commerce is to retain in productive service all its people and all its land, it must obtain bigger markets either through an increase in numbers of consumers or through an increase in their purchasing power and their actual consumption; or, alternatively, it must stop all tendencies towards further rise in technical and economic efficiency. Perhaps a wide extension or the universal establishment of family farms would retard these tendencies sufficiently to make certain the use of all agricultural labour now available. If, however, the claims for the super-productivity of land under small-scale cultivation are to be accepted, even this development may not enable us to retain in use all the land now cultivated. Here we are dealing with one of the real uncertainties of social science. Widespread or universal extension of the small family farm system might again start an increase in the population of the chief countries of the commercial world. This is not a condition to be desired, for it would lead us backward in the paths of industrial and social progress and backward in culture, for it would lead us backwards in respect of those methods of producing goods and services for human cultural purposes which have been the distinguishing feature of western civilization.

But indeed we need not fear, for in the long run the great mass of the population of the industrial-commercial world will not consent to be led backwards. Their whole tendency, even during this period of industrial depression and general unemployment, is towards taking every possible step to maintain and even improve their standards of living. Before we can reverse the whole of the tendencies of recent economic and social development we have to change the attitudes of mind of great masses of the best of the human

populations. The urge towards intellectual progress, towards discovery and application in science, towards invention and adaptation in mechanics and in industrial and social organization, lies deeper than the economic motive as this is commonly thought of, and certainly lies deeper than the profit motive. Amongst the stronger and more important of the real urges of modern mankind in society are those of struggling for knowledge and then towards applying knowledge in obtaining security and betterment of life.

Perhaps the most important question before the advanced societies at the present time is this: Shall society regard the difficulties and dangers created by modern finance and modern industry as unavoidable or unconquerable and move backward towards more primitive systems; or shall human societies move forward, with the aid of the best social science obtainable, to secure the necessary degree of control of their financial and industrial organizations and processes? When I ask the question, I can give only one answer: Society must at least attempt other moves forward.

Questions of the form of organization of agricultural production are very closely involved in all the great economic and social questions of the day, and even in this great fundamental question. While many people appear to regard an increase in agricultural population as socially desirable, or at least politically desirable for some countries, we could only regard a general increase in the *proportion* of agricultural population as a backward move in economic and social organization. Human social progress, human culture, has depended on our ability to set aside an ever-increasing proportion of people from the primary service of producing foodstuffs, and on giving them functions in the supply of other goods and services. The world is not yet so rich in other goods and services as to be able to afford to send more people back to food production by more primitive methods than those now in use. It appears somewhat remarkable in economic discussions that any country should regard with envy another country which has a higher proportion of persons engaged in agriculture. If any country were economically self-supporting, its essential poverty or wealth, its possibilities of supply of goods and services for cultural purposes, could be measured fairly closely by the proportion of its agricultural population; its essential wealth would rise as the proportion of people required to produce foodstuffs diminished. And this is true for the whole of the industrial-commercial world; that is, for those countries which have been closely involved in international trade. While it is true that technical and economic improvements in industries other than agriculture

have made possible a greater supply of non-agricultural goods and services whenever we can set our industrial organizations in full operation, it is still true that we do not need to send more people back to agriculture and cannot afford to send them back to more primitive agricultural systems. Moreover, while we retain large-scale systems of production in other industries, with possibilities of high productivity per person and high standards of living in those industries, it will probably prove impossible to send more people back to primitive agriculture. Education and the development of transport and communication have made or are making possible the rapid and constant comparison of conditions of work and life in various industries and various social environments, and unless we can isolate the groups of agricultural population from the general communities they will make these comparisons and will seek to enjoy the higher and more satisfactory conditions!

It is from such points of view that I would examine the family farm system. But first I have to ask: What is a 'family farm'?

Here the assumption is made that the condition which justifies the application of the term 'family farm' is that the whole or the major part of the manual labour which is required for the business conducted is supplied by the family of the occupying cultivator. The term cannot be restricted to farms on which the family of the occupying cultivator supplies *all* the labour; for under practically all the systems to which the term is applied some wage-paid labour is engaged. Indeed, it is characteristic of the family farm systems of Wales and of the west of England that young men or young women from the families of some farmers are employed as servants on the farms or in the homes of farmers of much the same type and status. Some of these young men and women may regard such employment for wages as merely a temporary stage of occupation: almost as an apprenticeship. They may be wage-earners between 14 (or more commonly 16 to 18) and 25 to 30 years of age, and then become small farmers. Others become permanent wage-earners, in or outside agriculture, according to the economic opportunities or the personal capacities of individuals.

Under some types of farms described as 'family farms' with seasonal crops, there is considerable employment of casual labour; and as much as one-third to one-half of the total annual labour requirement may be supplied in this form. Under other types, there is regular employment of a considerable proportion of wage-earners, who are and remain of the employee status throughout their lives.

The human family itself shows so many variations in size and

characteristics that it would be almost impossible to fit the individual family and the individual farm together without any modification of the main system of securing manual labour. In practice the complete and perfect fitting of family to farm, so that the family supplies exactly the amount of labour required for cultivation of the farm at optimum profitability, without shortage or surplus, is never found over whole systems and is rarely found on individual farms. The labour of many families is loosely fitted to their individual farms, but frequently with either (a) insufficient labour for cultivation to or near the optimum point of yield or profitableness, or (b) with surplus of labour and failure to use some of the labour-force available, or (c) with use of labour in intensive cultivation beyond the point of optimum returns for the type of farming followed. Either of these conditions tends to economic waste: in case (a), waste of land; and in cases (b) and (c), waste of labour-force.

These, of course, are the chief conditions which lead to the modification of the main system of securing labour. On one side we have occupiers of family farms seeking labour to employ for wages, and on the other we have families on small farms seeking outside employment. But the more important effort at the moment is directed to the attempt to define the 'family farm' with reference to the supply of labour. If it is accepted that the family farm does not necessarily secure all its labour from the family of the occupying cultivator, what is to be the limit of the proportion of *employed* labour before the enterprise is to be regarded as of capitalist character? Here opinions will differ, but it is suggested that where the amount of regularly employed labour amounts to one-half of the total required (or used) the enterprise begins to take on the characteristics of capitalist enterprise. When this condition arises over the whole of a geographical area, or over a whole system of farming, some of the families concerned have the permanent status of employees, while others have the permanent status of employers, and there is direct separation of economic interests, and some distinction by social class. Moreover, whenever more than half of the total labour used is bought for cash there will arise the condition in which the income of the farmer will depend as much on the wages paid for labour (or the value received for wages paid) as on some other of the more important factors in economic success. These are the first elements in the characteristics of capitalist enterprise. On many grounds it is necessary to distinguish between the family farm and the capitalist form of organization.

It is clear, then, that the term 'family farm', if it is to have any

definite meaning, must be limited in application to those farms or farming systems in which considerably more than half of the total labour required or used is supplied by families of the occupying cultivators. Further, it may be said that there is danger of development of a separate class of permanent employees wherever the proportion of the labour supplied by the families of farmers falls below two-thirds of the total required.

The full functioning of the 'family farm', to justify the claims of both economic and social values that are made for it, must depend on the system providing, for the great majority of persons concerned with its working, a fair opportunity of becoming independent farmers; and it must provide this opportunity for nearly all those who look to the system for permanent maintenance.

Beyond this any definition of the 'family farm' is almost impossible. The term may and will be applied, for instance, to farms occupied by cash-tenants, share-tenants, part-owners (owners with mortgages), and full owners. It will also be applied to types of farming of these categories:

Crop Husbandry	Small scale	Hand labour.
	Large scale	Machine, or hand and machine, labour.
Animal Husbandry	Small scale	Hand labour.
	Large scale	Pastoral, extensive, with hand labour.
Crop and Animal Husbandry	Small scale	Hand labour.
	Large scale	Machine and hand labour.

Between the small market-garden or truck farm of about one acre (0.4 hectare) and the grain farm worked by machinery covering several hundreds of acres (even hundreds of hectares) there are very wide ranges of economic and social differences. But the term 'family farm' may be applied indiscriminately to each, and at all the intermediate stages, so long as the major part of the labour (say two-thirds or more of the total) or preferably all the labour is supplied by the family of the occupying cultivator whether he be tenant or owner.

Some one may perhaps suggest that another distinguishing feature of the family farm is the tendency towards combinations of enterprises, partly for the purpose of supplying the family with foodstuffs, or—as it may be expressed—of a tendency towards subsistence farming. This was one of its earlier characteristics in Europe and even in Great Britain. But in parts of U.S.A., Canada, New Zealand, and even in Great Britain, a large proportion of family farms have moved away from this condition to one of specialization on one or

two enterprises. Although there is now some movement in a reverse direction, the continuation of this movement will largely depend on the continuation of economic depression.

As regards size of holding, confusion commonly arises by considering the term 'family farm' as synonymous with 'small farm'—or in Great Britain with 'small holding'. This is far from being the case, for the family farm properly considered may and will range in area from large to small according to (a) the fertility or economic productivity of the land, (b) the system of farming followed or the main types of products, and (c) the sources of energy used, manual, equine, and mechanical, and the proportions from each source. Again, in common public discussions, the general tendency to think of the area of land as the main determinant of the size of business causes confusion. But in actual practice small businesses are often found on large areas of land and, vice versa, large businesses are to be found on small areas of land. The large business on a small area—as in market gardening—will usually have all the characteristics of capitalist enterprise; while the small business on a large area will frequently have the characteristics of the 'family farm'. Nevertheless, even when the true characteristic of the family farm system, namely the supply of two-thirds or more of the labour by the farm family, is kept clearly in mind, it must still be remembered that the term is correctly applied to farms with many varying types of production organization, and to many forms of combination of capital and family labour.

For any useful *economic* discussion of the family farm in terms of farm management or of general economic organization of agriculture it would be necessary to consider the institution with reference to (a) type of farming concerned, and (b) the general economic environment. Obviously some technico-economic considerations which would apply to the market garden or 'truck' industry would not apply to large-scale grain production with mechanical and power equipment, or to pastoral sheep- or cattle-raising. Special technical and economic considerations of size of farm or size of business in relation to type of farming, or the chief lines of production, will be largely local in character. They will vary from one country to another, and sometimes from one area to another within one country, so it is almost impossible to discuss them in a practical way except within one country as the maximum area of consideration at one time. Moreover, the relative advantages and disadvantages of small-scale and large-scale (or small-area unit and large-area unit) production are subject to change and modification from time to time, and

these changes are themselves localized in the first instance. As regards Great Britain, it may be said at once that recent changes in the technique and organization of production of some market-garden products (vegetables and fruits), of poultry, of dairy produce, and of pigs, are so rapid and important as to make almost impossible the segregation of any of these lines of production as specially suitable for the small-scale unit. But, at the same time, it must be said that the 'family farm' system is applied in Great Britain to many lines and combinations of production; and the only line in which it is not commonly found is that of large-scale arable cultivation. It is applied, for instance, to (1) market gardening, (2) poultry, (3) dairying, (4) dairying with poultry, (5) dairying with cattle-raising, (6) cattle- and sheep-raising, (7) sheep-raising; and to other combinations. Only a very few years ago many well-informed persons would have said that the relative technical and economic advantages in production of market-garden produce, eggs and poultry, dairy produce and pigs, lay with the small-scale units—the small holding or the family farm as commonly thought of—but with recent developments in technique, equipment, and organization successful large-scale units of production on these lines are being developed on specialist farms or in combination with other enterprises on large farms. There are still many economic opportunities for small or family farms, but there are relatively few, if any, lines in which these have marked technical or economic advantages over the large farms.

The 'family farm', in fact, finds its justification on general political and social grounds and in its appeal to a certain type of human individuality; a type for the most part reared and trained under or in close connexion with the institution itself. If a social engineer, or a statesman, were considering how he could obtain a given supply of foodstuffs—of about the present amount to 50 per cent. higher—from the agricultural area of Great Britain, with the least necessary expenditure of human energy and the least necessary contribution of raw materials (that is, with the least necessary general input); and at the same time afford the persons concerned with production the highest standard of living and the greatest amount of leisure consistent with maintenance of low prices to consumers; providing also for progressive technical development and for stability of the general industry in relation to market requirements; it is practically certain that he would not seek these ends by the strengthening or extending of the family farm system. With a favourable mental attitude of workers of all grades, manual, administrative, and executive, towards forms of large-scale enterprise suited to various lines of production,

it is practically certain that large-scale units would prove to be highly economical, and far more economical than the present jumble of units of all sizes, following technical procedures of all stages of the evolution of applicable methods, with managements of widely varying qualities, and working under all sorts of conditions of organization and disorganization of production and marketing.

But, in fact, society has never sought purely economic ends in the organization of agricultural production. It has trained generations of agriculturists to work in small groups, and to look for rewards of a personal or social character, not primarily economic, according to standards of social values which persist most strongly in agricultural communities, but which in attenuated form are held throughout the whole community. In this respect, the position in Great Britain is complicated. In certain areas, notably in the eastern counties, but in local areas all over the country, agriculture has bred several generations of human servants whose traditions and expectations are entirely those of employees—whose desires and standards of success are those of regular employment and wages, of rates of wages satisfactory in relation to those prevailing for workers in other industries, of hours of labour not too long. For the future perhaps these desires may be expressed as: (1) regular employment or other means of assurance of regular income as by social insurance; (2) rising wages and diminishing hours of labour, with common rules of other conditions of employment; and then (3) satisfactory housing and the creation of social institutions for the use of leisure and for personal development. In England and Wales the existence of the Agricultural Wages (Regulation) Act of 1924, following the previous legislation of 1917 and 1920, is the social recognition of the permanence of this class and of the necessity of protecting its main economic standards. But in other parts of Great Britain, notably in the west of England, Wales, and parts of Scotland, the system of employment for wages in agriculture is not so extensively or highly developed. In these areas the peasant type of farmer, or more properly the family farmer and his family, still form a high proportion of the total agricultural population, and in some areas they are predominant. These people are reared in economic and social traditions in which the main elements are occupational independence as operators of farms, though not as owners; of saving for independent ownership of the means of production; and of uncontrolled management of such areas of land as they are able to rent on lease. Amongst these people there is still a strong 'family' element in the supply of labour, some patriarchalism in management and control which is still strong in the

farming or occupational part of the family life, though becoming attenuated in other parts. The main element in their standards is that of business or occupational independence, or, in the best case, economic independence; for in the apparent occupational independence there may be many forms of disguised economic dependence. Once true independence is achieved, their main desire is for a bigger farm, or a bigger business, for until recently the desire for ownership of land has not been widespread amongst them. The desire for the bigger business and the status of employer of labour is by far the more common ambition of this type, while they remain in agriculture. Indeed, in some parts the family farmer type shades off (both over the whole class at the moment and in sections over two or more generations) into the class of employed workers at the one end and that of fairly large employers at the other. Yet there has always remained a fairly large central group, largely recruited within its own families, always carrying forward the traditions of the independent family farm. It is this central group which it would be difficult to adapt, either the people or their farms, to any system of organization of large-scale production.

Up to the present time these family farms have not been highly specialized. With the exception of market gardening, which has always tended to have its own special forms of recruitment of personnel, and its own special supply of labour, the bulk of the small farms have been run with some combinations of production enterprises. In recent years, however, considerable specialization has developed, and there are now areas in which dairying, for instance, is the main enterprise. Many more or less specialized 'small holdings' for poultry have been developed, and this movement has been expanding. Dairying and poultry is now a fairly common form of two-enterprise business; but the dairying and market-gardening combination is also extending. Arable farming for sale of crops is relatively unimportant under the general system of family farming, although in some districts there are fairly large arable farms, mainly run by large families, developing from the family farm to the employer stage. This tendency towards specialization of production will leave the small units rather more at the mercy of the changes in particular markets than the larger farms which are able to develop special unit organization in three or more lines. The small-holder poultryman will be more dependent on one market than the larger farmer who can specialize to the same extent, say, on poultry, pigs, and market crops, or on poultry, cows, and crops.

The family farm satisfies the people who have been reared in its

traditions, and who are inured to the conditions of labour and life which its service involves, and perhaps no other system would give the same satisfactions to the majority of those who have been reared to manhood in its service. Even higher material rewards, possibilities of higher standards of living, shorter hours of labour, might not compensate for any loss of status, any loss of freedom to work at will as regards time or process or method, or any loss of the sense of economic security which a small amount of property, even in movable goods, appears to provide. In any case, a very considerable psychological adaptation of these people would be required to make them efficient collaborators under any other form of organization of production. As previously stated, certain offshoots of the system do become employees, certain others employers. Some who become employees in agriculture do so with little sense of loss of status; many who become employees in other industries do so without any sense of loss of status or of dignity and with appreciation of other conditions of labour and life. Those who become employers usually do so with a sense of pride and of ambition satisfied. They have no qualms about the satisfactions of the persons they employ, nor any general social sense of indignity in employment. Still, the central *bloc* remains, with its general economic traditions largely unmodified; its technical farming traditions and methods modified mainly by force of economic circumstances; and its social traditions modified in the younger generations by contact with families in other occupations. But in spite of this the younger members of the families of the family farms are sufficiently open to the influences of the general economic and social environment to adapt and modify their standards as regards hours of labour and of leisure, their expectations of material rewards and of standards of living, and more or less their general social standards and expectations, to those being established in other industries or under other agricultural systems. At almost any stage prior to establishment on family farms they could be adapted without loss of efficiency to the service of other forms of agricultural organization.

Judged by purely economic standards of production and its costs; of the provision which it makes for application of the social power of saving to the capital equipment of the industry; and of the provision which it makes for the rapid improvement of technique and economy of production (on the basis of application of science and engineering); it is practically certain that the family farm in many of its forms would stand condemned. Yet by a strange metamorphosis the economic faults of the family farm become its social virtues.

If the family farm retains a high proportion of people on the land in relation to the amount of labour which would be required with the use of better technique, equipment, and organization, it also maintains a reserve of possible labour for other industries, and such labour as is not yet imbued with trade-union traditions and requirements.

If it retains a population inured to hard physical labour and conditions of hard living, it also maintains a body of young men who in case of necessity will make fine soldiers.

If it retains a population slightly backward in industrial technique, and in requirements or desires as regards the higher elements of standards of living like education and personal development, goods and services; or retains a population more interested in property or capital than in current incomes or standards of living; it also maintains a population which is conservative, and believed to be relatively unchanging and reliable in the body politic.

If the family farm system retains methods, processes, forms of organization which are slightly out of date, or of which the technical justifications have passed away; or maintains processes of production largely uninfluenced by the changing winds of the markets; it also maintains relatively stable elements in the fluctuating economic world.

The comparative economic stability of the family farm largely depends on its use of comparatively primitive methods and forms of organization—very largely on combination of enterprises partly and sometimes largely for family subsistence purposes. Whenever the production on the family farm is specialized to one or two enterprises it is very little more stable than the larger capitalist unit; and when it is specialized to one or two lines of production with the aid of considerable mechanical force it may not be any more stable than the larger unit. The family grain farm in the U.S.A. and Canada, using the tractor and harvesting machinery, or the harvester-thresher, is not more stable than other organizations. The stability of the family farm largely arises from its independence of cash economy, and its dependence on manual sources of labour-force. Some forms of small-unit production—like poultry and pigs—which are entirely dependent on markets, on one side for purchase of raw materials and on the other for sale of products, must find their stability entirely in rapid and effective adaptation to market conditions.

But it should be borne in mind that when we judge an agricultural system by the number of people which it maintains, rather than by

the standard of living which those people are able to enjoy, or when we judge it by its conservatism, economic or social, we are in danger of judging it by the advantages it affords to the people outside agriculture, or to the general community, and not by the advantages it affords to the people who serve it and through it obtain their satisfactions in work and life.

It too frequently happens that the general national desire for a large agricultural production; for provision of foodstuffs on the basis of low payment for labour used in production; for the maintenance of a reserve of labour with relatively low standards or expectations of remuneration and conditions of labour; coincides with the desire of the central group of persons now engaged on family farms to preserve their independence and their property interests, and this leads to artificial support of the system and to its further maintenance against some of the forces which would lead to other forms of organization.

But one great change which is occurring in several countries is likely to have a big and perhaps unexpected influence on the conditions of supply of labour for the family farm. Methods of industrial and social insurance, with state support, are removing some of the risks hitherto incurred by those who worked for wages. The benefits of Health and Unemployment Insurance, and of Pensions connected with these systems, are now causing a considerable redistribution of economic security and of national wealth. They have added very considerable amounts to the real remuneration of employed workers during their working lives and also passing through to their widows and children. In Great Britain the present position is that a small holder of 30 years of age needs a free capital of about £2,000 (or nearly 10,000 dollars) to provide the same security of income for his family as is enjoyed by the *average* of employed persons under the National Health, Unemployment, and Pensions (including Widows' Pensions and Children's Allowances) benefits now secured to employees by statute law. Economic security now begins to lie with the person employed for wages rather than with the 'independent' small holder or family farmer. It is true that not all these statutory benefits have been secured to employees in agriculture, but with the extension of unemployment insurance to agricultural workers, which must come in the near future, the supply of labour for the family farm will be subject to a new set of influences. Already the provisions of general social insurance have led many agricultural workers to seek employment outside the industry; extension of the system of benefits is likely to retard strongly the supply of labour to the

family farm on the small scale—where the hope of quickly accumulating sufficient capital for the economic security of dependents must be somewhat remote.

In the long run, the conditions of labour, of income, and of general living on the family farm cannot be isolated from those attainable in other industries or in the general community. All the modern tendencies of education, of transport, and of general communication promise the more rapid assimilation of the general standards of living of agriculturists to those of the national community. Can the institution of the family farm withstand these tendencies? Much will depend upon (*a*) the amount of financial support on non-economic grounds which the general community will afford to this institution, or, alternatively, (*b*) the rate at which the family farm system can adapt itself to new technical methods of production; to more efficient forms of capitalization for equipment; and to more efficient forms of internal organization for production and external forms of organization for marketing. The technical and economic—the general industrial—education of the family farm communities is developing, but it is doubtful whether it will proceed sufficiently rapidly in some countries to maintain the system in its full strength. The sacrifices of time and energy, and of materials and services in standards of living, which have been made for the maintenance of the small family farm in many of its previous forms are no longer necessary. The economic welfare of society will no longer require them, unless the industrial-commercial world generally deserts the paths of progress and returns to more primitive conditions of industry and life.