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PROCEEDINGS OF THE
SEVENTH
INTERNATIONAL CONFERENCE
OF
AGRICULTURAL ECONOMISTS

HELD AT
VILLA DELLE AZALEE
STRESA, ITALY
21-27 AUGUST 1949

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EDITOR'S NOTE

THIS volume¹ is printed from a verbatim record of the speeches delivered at the Seventh International Conference. They were subject to revision by the speakers and by the Editor, but apart from verbal corrections the aim has been to keep as closely as possible to the actual proceedings.

The order in which papers appear in this published record differs from that of the programme. It might thus happen that a speaker is made to refer to a paper which comes later in the volume, but so far as one can see this has not happened to any serious extent.

A photograph, with key, of the members and visitors attending the Conference is placed between p. 346 and the register of attendance on p. 347.

The Editor wishes to thank the Italian, French, and English transcribing staff for their work, which made it possible to have all the speeches ready in typescript on the evening the Conference closed; to Miss P. Hooke and Miss B. Holloway of the Institute of Agrarian Affairs for all the later secretarial work involved; to the speakers who so promptly revised and returned the transcripts from divers parts of the world; and last, but by no means least, to Mr. Ronald Tuck, Reading University, for his work of translation.

¹ This is the seventh volume of the *Proceedings of the International Conference of Agricultural Economists*. Volumes I and II of the *Proceedings*, reporting the First and Second Conferences, held in 1929 and 1930, were published by George Banta Publishing Company, Menasha, Wis., U.S.A., 1930. Volumes III, IV, V, and VI, reporting the Third, Fourth, Fifth, and Sixth Conferences, held in 1934, 1936, 1938, and 1947, were published by the Oxford University Press, 1935, 1937, 1939, and 1948.

Copies of all seven volumes are obtainable from J. R. Currie, Research Dept. (Economics), Dartington Hall, Totnes, Devon, England; and in Canada and the United States of America from F. F. Hill, Cornell University, Ithaca, N.Y.

Particulars of the International Conference of Agricultural Economists, its constitution, and a list of officers, members, and correspondents in the various countries will be found on pp. 355-68.

ADDRESSES OF WELCOME AND REPLY

H. E. CANEVARI

Under Secretary for Agriculture, Rome

I HAVE the pleasure of reading to you two telegrams which have arrived this evening. From the Minister of Agriculture, Signor Antonio Segni: 'Impossible to be present at the inaugural meeting of the Conference. I express my best wishes and recognize the substantial contribution which will come from the labours of the congress to agricultural knowledge in Europe. I request the Under Secretary, Signor Canevari to represent me.'

The other telegram is from the Minister for Foreign Affairs, Count Sforza. 'Cordial wishes for fruitful work. Tell the members of the congress that the Italian Government well knows how valuable their researches and their studies can be for peace and for the well-being of Italy and of our common European homeland.'

I offer you my own greeting and I bring you the cordial greetings of the Minister of Agriculture and Forests, the Honourable Segni, and of my colleague the Honourable Colombo. We were exceedingly gratified by your decision to hold the Seventh Conference in Italy, and I am sure that in saying that I express the view of the Government of Italy. The International Conference of Agricultural Economists, born in England in 1929 with the coming together of the most distinguished men in this field from all civilized nations, collaborates on an international plane to find a solution of the economic and social problems of agricultural production and the industries which depend on it. The subjects placed on the agenda for this Conference are of the greatest importance, amongst them The Diagnosis and Pathology of Peasant Agriculture, Agricultural Cooperation and the Modern State, and The Spread of Industry into Rural Areas. Similar problems are also on the programme of the Government and of the country of Italy, on the eve of facing a discussion of land reform which is widely and eagerly awaited, and about which my friend Professor Rossi-Doria will be speaking to you. After your sittings at Stresa, you will be visiting various regions of our country, and I hope that the cordiality with which you will be received everywhere will serve to demonstrate to you the sympathy with which your work is followed and appreciated by us. You will certainly find the people free, democratic, and industrious

and intent on the reconstruction of our country. You will see how agriculture in Italy has been the object of continual, and sometimes radical reforms from the most remote times right up to the present day, reforms which are always related to the improvement of the land and pursued in every locality and in every age with sacrifice, with much labour, and with savings seldom accumulated without pain. Notwithstanding this imposing work, the high density of the population (46 millions of inhabitants with a cultivable area of about 17 million hectares and without an adequate industrial development) has determined the permanent disequilibrium indicated by Senator Medici in his introduction. Thus we have a political and social problem, international in character, to which I would call your particular attention. Italian emigrants have always given in all countries a sure proof of their capacity and of their great industry, and, this being so, the problem, posed by Senator Medici at the end of his paper, ought to be warmly recommended to your careful attention and examination, not only for Italy but also in the interests of those civilized countries in need of a greater agricultural and industrial development. You belong to an organization which is highly practical and highly useful. With these conferences of yours you can establish contact amongst yourselves; you can get to know each other; and you can exchange your impressions and your ideas; and, above all, you can assess the different conditions and environments behind the experience and data and so provide a sound basis for your inquiry and your conclusions. Your work, for which we offer our very best wishes, will be followed by us with greatest attention and with much interest. But gentlemen, since every project of this sort would be doomed to failure without world tranquillity and peace, permit me to conclude with a further wish, that the politicians in their conferences should follow the example of your conference, that they should be able to see and know and understand one another frankly and agree sincerely so as to provide for their peoples that greatest of all benefits, peaceful work in a world finally at peace.

DR. ERNESTO PAVLOVICH, *Prefetto di Novara*

I have the pleasure of passing on to you, Mr. President, to you, your Excellency, representative of our Ministry of Agriculture, and to you, gentlemen, who are delegates from so many nations of the world, the warmest greetings from the authority and from the people of the Province of Novara. This Province, which has the honour of offering you its hospitality, although it has a very notable network

of industrial establishments, is, nevertheless, pre-eminently agricultural, and is concerned with the most varied and highly contrasting systems of cultivation. Indeed, while the low part of Novara is noted for its high rate of production of rice, milk, and grain, the hilly region in the foot-hills of the mountains is found to be rich in the raising of livestock, in vineyards, and in growing grain, fruit, and flowers, while the higher mountain region is richly equipped with pastures and with forest production. From the agricultural point of view this Province should be considered as one of the most perfect and complete, because there are lacking only citrus fruit and market gardening. This Province follows with attention and applies with great care the healthy precepts of modern agricultural economies. It feels, therefore, the great importance of the problems which you have united to discuss. For that reason our greeting is the greeting of a Province of farmers, and is a greeting full of warm sympathy towards you as eminent scholars and technicians of agricultural economics. The Province also wishes to thank you for having chosen it as the seat of this important congress. Your activities will undoubtedly be extremely fruitful and should call the solemn attention of everyone to the grave economic and social problems of the agricultural undertakings of this our land. This, then, is the wish which I express to you and I hope that you will carry away with you the best possible memories of these days and of Stresa, so enchanting and hospitable.

PROFESSOR A. BRIZI, *Chairman of Italian Committee*

I have the pleasure of welcoming you on behalf of the Italian Organizing Committee of this Conference. Like the six preceding Conferences, this one has arisen out of the initiative and the general direction of the International Conference of Agricultural Economists. This means that our first thought of gratitude must go to the President, Mr. Elmhirst, to the Honorary Secretary and Treasurer, Mr. Currie, and to the Publications Secretary, Mr. Maxton. These three came to Italy last year to consult with the Istituto Nazionale di Economia Agraria, and in particular with its President, Senator Professor Medici. An organizing committee was then set up by Professor Medici, consisting of his colleagues, Professors Pagani, Tofani, Facca, and Vanzetti, and has as its indefatigable secretary the Technical Secretary of the Institute, Dr. Orlando. Financial contributions to the project were made by the Ministry of Agriculture and Forests, by the Federazione Italiana dei Consorzi Agrari, by the Consorzio Nazionale della Canapa, for the Ente Nazionale Risi, and by the

Alto Commissariato per l'Alimentazione. In this last week, our activities have been moved to Stresa and have become really noteworthy. The people principally concerned were Mr. John Maxton, who became the friend and the counsellor of all of us, and Dr. Orlando, ably assisted by their colleagues Professor Facca and Dr. Virone, the staffs of the International Conference of Agricultural Economists, of the Istituto Nazionale di Economia Agraria, and of the Sezione Provinciale della Alimentazione di Novara, and here, at Stresa, the Town authorities and Azienda di Soggiorno collaborated generously and at all times courteously. I have the pleasant duty now of offering to all of you the work given by these people who were the true makers of the Conference, and at the same time I wish to thank the Società dei Grandi Alberghi who have courteously placed at our disposal the Villa delle Azalee. If I have forgotten to thank anybody I hope I shall be excused because it has not been my intention to forget anybody.

The work of these men who have prepared your meeting was inspired not only by the old lively and worthy tradition of the International Conference of Agricultural Economists, but also, if I may be permitted to make this interpretation, by the beauty and the joy of making real the collaboration between citizens of different countries and between the countries themselves. We are realistic and we are fully aware of how difficult, indeed bitter, a thing it is to comprehend the tendencies, the interests, and the aspirations of different peoples. But we are also men of faith and we firmly believe in the contact between men of goodwill who are discussing problems which are at the base of the social life to-day and which will be the basis of the evolution of to-morrow. We believe that this contact contains the germ of hope for a better future. It contains for me the assurance that the solutions of the questions between countries can be thought over by minds of more peaceful disposition and can be handled by calmer hands. Mr. President, I wish that when you leave our country you will feel the sweet pain of parting, that you will be able to feel the time we have spent here together has been too short, not only because of the natural charm of the locality which we find at Stresa, not only because of the illustrious examples of agriculture, amongst the most illustrious in the world, which you will visit, agricultural systems which originated in the days of the first liberty of the Italian Communes, days which were the prelude of most beneficial social developments, not only for this, but also for the hospitality which, simple though it may be, we have offered to you with an open heart and in the spirit of brotherhood.

G. MINDERHOUD, *Landbouwhoogeschool, Wageningen, Netherlands*

At our Conference which was held at Dartington Hall in 1947 two Vice-Presidents were elected, namely, Dean Young of Purdue University, U.S.A., and myself as a representative of continental Europe. In this capacity it is my privilege to express our great appreciation of the privilege of being able to hold this Conference on the European continent. When it became clear to our President, Mr. Elmhirst, that free discussions in eastern Europe could not be guaranteed, he proposed to his Vice-Presidents to ask Senator Medici if it would be possible to organize a conference in northern Italy. Both Mr. Young and I agreed at once, and thanks to Mr. Elmhirst's initiative we are now together at Stresa. We have not only to thank Mr. Elmhirst for his initiative, but also for the enormous trouble taken to prepare this Conference. We are very much obliged also to our Italian colleagues and to the Italian Government, who made it possible for us to meet in this wonderful place. Stresa seems to be an ideal place for a conference. We have never held our conferences in large cities; we always tried to find a quiet atmosphere and places where members were less liable to escape to bars and dances far from the official meetings!

The value of our conferences depends not only on the papers which are read and the discussions. It is important also to have the opportunity to keep personal contact with our fellow members, which so often leads to better understanding of economic and political situations in the world. We shall undoubtedly soon feel at home amongst so many old friends, and I thank most sincerely the Italian authorities and our Italian members for their words of welcome and for their hospitality. Our conferences are not complete without the tours before and after the conferences. I know how many difficulties there are in preparing these tours. This time there are extra difficulties because of the international complications of currencies, customs inspections, passports, &c. Having made the first tour through Belgium, France, and Switzerland, I have great pleasure in expressing my appreciation for the way in which we have been helped by Professor Baptist and Ing. Verkinderen in Belgium, and Dr. Huni in Switzerland and to our drivers who overcame all the difficulties.

I am convinced that the success of the first tour is a good omen for the success of this Conference.

A. W. ASHBY, *University of Oxford, England*

I am in the fortunate position that I have spent several days in Stresa, so that I can fully appreciate all the work which has been

done, more particularly in the last week, in preparation for this Conference. Unless one actually saw the work that had to be done and the way people were doing it, one could not possibly appreciate all the energy, all the thought, all the goodwill which has been devoted to the preparation for this meeting. But preparations have been going on for a very long time with the same understanding, ability, and goodwill, and we deeply appreciate the work of the Italian Committee. Those of us who are visiting Italy, and particularly those of us who are visiting Italy for the first time, greatly value the welcome which has been given to us, not only in words, but in work, with the great promise of a very successful meeting.

It is particularly gratifying to an Englishman to come to Italy as a student of agricultural economics because, as far as I am able to ascertain, the course of the development of this applied science in Italy has been more like the line of development in Great Britain than that in any other country. We went through the same stage of change and development from the technical study of agriculture into the study of a general rural economy and then into a strict and closely reasoned study of agricultural economics itself. We have links, therefore, links which have been shown to us in the beautifully produced book on Italy which has been prepared specially for this Conference. But it is particularly important that this Conference should be in Italy at the present time because she has agricultural and rural problems as acute and pressing as any other country, and more pressing than most. There are international reasons also why it is important that this meeting should be in Italy. Our Italian hosts are intensely aware that one of the world's greatest needs at the present time is that of securing ever more widely opening doors. Doubtless we shall hear more of this need during the week. We, as scientists, or as rural philosophers, perhaps may not be able to open political doors, but we can at least keep open doors for ideas and for transmission of comparative experience, and that most probably is the most effective way in which in the end we are able to open political and economic doors. On behalf of the visitors to Italy I offer you—our Italian hosts—our keen appreciation and our hearty thanks for the welcome you have given to us and I hope that we may repay you in fully satisfactory contributions to the discussions during this week.

ADDRESS TO THE CONFERENCE AT ITS CONCLUDING SESSION

HIS EXCELLENCY SIGNOR ANTONIO SEGNI

Italian Minister of Agriculture

MR. President and Members of the Congress, it is a very lively pleasure for me to be able to be present at the closing stages of this Seventh International Conference of Agricultural Economists which Stresa has had the honour of receiving during the past week. Despite my personal inclinations to take part in the discussions, Government duties have not permitted me. I have, however, followed your deliberations with interest and enjoyment. I am quite sure that Italian agricultural circles would want me, first of all, to express my gratitude to the organizers for having chosen our country as the meeting-place of a Conference, which, now in its twentieth year of activity, has already furnished a high contribution to the solution of economic problems in the agricultural field.

The economy of world agriculture, particularly in this post-war period, is passing through a delicate testing-time. The need is greater than ever for the problems inherent in it to be discussed internationally, in order to crystallize fundamental concepts adequate to the peculiar exigencies of the moment. A heavy responsibility therefore falls on agricultural economists. The perspicuous choice of themes for the excellent main papers, namely, *The Diagnosis and Pathology of Peasant Agriculture*, *Agricultural Co-operation and the Modern State*, and *The Spread of Industry into Rural Areas*, has led to an interesting and lively discussion and has made possible an analysis of the various problems into their various component parts. The connexion between the three arguments has permitted a broader examination of the situation—an examination which is especially helpful at a time when such problems are of immediate practical importance in the administration of agricultural reorganization in our own country. The more specialized papers, such as those of Dr. Thibodeaux on the work of the E.C.A., were no less interesting and no less appreciated.

I have given careful attention to the results of this Conference and I shall make it my particular responsibility to recommend them for careful consideration by the Government, in order that the greatest possible benefit be derived from them. I permit myself the hope that

those agricultural economists who have assembled here to apply their science and their ability to the study of so important a sector of the world economy, will retain a grateful remembrance of their stay in Italy, together with a conviction that our country is heading with every means at its command towards the achievement of that much-hoped-for international collaboration which is indispensable for the achievement of a common prosperity.

PRESIDENT'S ADDRESS

L. K. ELMHIRST

THIS is our Seventh Conference, and the twentieth anniversary of our First. Five were held before the war, between 1929 and 1938, and this is the second since the war. But this Conference has distinction for two reasons. This is the first meeting since the war which has been open to as many members as wished to attend. In 1947, when we held the Sixth Conference at Dartington, it was still necessary, because of problems of space, currency, and travel, to restrict our numbers to 80 and so to limit each country's delegation. Those who attended will, I think, agree that from the point of view of re-establishing old contacts, of making new friendships and of stimulating once again the flow of ideas and of orderly discussion and challenging disagreement—all functions which were so completely disrupted between 1939 and 1945 by war—the 1947 Meeting confirmed to the full the purpose for which we were founded in 1929. Here in Stresa we are happy to be able to regain our old freedoms and to invite all our members to attend without restriction of numbers, persons or countries, and, if I may add, of wives! It is good that so many members from so many countries, and from so far away, have been able to attend to-day. In letters from absent members, whose faces had become familiar at our gatherings in the past, there is an obvious note of sadness in their regret that they have been unable to be with us to-day. It is not only the memory of past conferences that is responsible for this feeling, but the rapidly increasing interest all over the world in the field of our discussion.

This Conference has distinction, too, in that for the first time in our history we are meeting on Italian soil, where statesmanship, poetry, and practical farming have been intimately associated from the time of Vergil and before.

When this Conference first met at Dartington in 1929 the great economic depression had not yet broken with it full force upon us all. When we met again at Dartington in 1947 it was only natural that our discussion was coloured by the catastrophe of a war which had occupied nine of the years since our previous Conference was held in Canada in 1938. To-day we look back over two years instead of nine, and across national and international events which have been almost tranquil when compared with the years that went before. It is difficult to give a graphic picture of them. They have not been years

of major upheaval, and yet there have been warlike excursions which have caused acute suffering locally and grave anxiety to us all, whether in China, in Indonesia, in India, in Palestine, or even in Berlin with its months of warlike siege, if not of actual warfare. On the other side of the picture let us take comfort in the fact that none of these incidents drew the great powers directly into war, as they might well have done in centuries gone by. On the negative and blacker side of the picture we must accept the obvious fact that the United Nations are not yet united in a determination to discover how, through argument, to deal with those conflicts hitherto dealt with only by an appeal to force. This fact must still be a cause for depression, but a stimulus to us at this Conference to show the way. Opposition in human affairs, and the mutual criticism that goes with it, need not in itself be a bad thing. After all, where the politics of a country have been based upon the two-party system there is always an implication that opposition will at times be very real indeed and apparently irreconcilable. Yet in such democracies the system has, in the main, worked. It has been one of the tragedies of human weakness that people have attempted to settle their differences by recourse to the use of force. It is not opposition that we need fear, however irreconcilable it may appear, but the attempt to replace argument by resort to war. I hope we may take comfort from the fact that, although during these two years opposing views have seemed so often so irreconcilable as to forbid further discussion, recourse to war, so far as one can see, has not seriously occupied the minds of real statesmen on either side.

In the economic world there is some light but much shadow still. On the negative side there is, indeed, a feeling of disappointment that economic recovery from war has not proceeded far enough to enable people to enjoy all of the freedoms and opportunities of pre-war times, let alone to advance to the better things which the outbreak of peace was said to promise. Recovery in many countries limps badly, but we are still only four years from the ending of hostilities. In 1922, four years after the First World War ended, we had only just begun to realize how false had been so many of the appearances of recovery between 1919 and 1920, and the worst of the inflation, the devaluations of currency, and the curse of general unemployment had still to come. When we look at the world to-day we realize that for large areas there has been a substantial, almost a remarkable, recovery of internal economy from the distortions which war made necessary. For some of us there is a little more food; some more manufactured goods; even some new houses and a few new schools and hospitals

as each year passes. The increase in the stability of the internal economies of many countries has been substantial.

It is in the adjustment of our internal economies to the world situation that there has been less positive gain. Here we must still view the future with anxiety and hope for economic statesmanship of a very high order. Let me give you an example. The Chairman of Unilever gave the following estimates on August 12. Taking 1938 as our base there remains to-day a world deficit in fats and oils of approximately $2\frac{1}{2}$ million tons. This figure takes no account of increases in population or of gross under-consumption by under-nourished peoples. To-day there exists in the so-called dollar area of the world a surplus of fats and oils of approximately half a million tons for which there is no immediate sale, yet an inability on behalf of the non-dollar area to exchange their products for this surplus. This inability can best be expressed in a rough comparison of purchase price between the two areas: tallow, £45 in the dollar area, £110 in the non-dollar area; soya and cotton-seed oil, £70 in the dollar area, £135 in the non-dollar area; copra, £46.5 in the dollar area, £63.5 in the non-dollar area.

While we were at Dartington in the autumn of 1947, the experts of 16 nations (some of them our own members) met in Paris to draft a plan in reply to the notable offer from the U.S.A. of Marshall Aid in Europe. This week we shall be hearing from this platform about some aspects of the administration of co-operation for European recovery under the Marshall Plan. No one for one moment can doubt the succour which the Plan has brought to Europe at a time when crisis was imminent everywhere and when our degree of dependence upon Marshall Aid for keeping the wheels turning in our respective countries was extreme. That a permanently workable system of international trade is being, or will be, found in the period set is still in the realm of the possible. Our anxiety to-day lies in the failure of the foreign-exchange system to service basic human needs. A place for full discussion of this immediate problem has not been found on our programme, but until some of the major financial and political issues are clarified it would be difficult to sustain here a discussion on this subject that would have lasting value. We shall, however, have some light thrown upon this question in a paper dealing with the foreign trade of one of the dollar-area countries.

Leaving the general background of these recent years, I turn to what is the second function of the President's address at our Conferences, namely, to outline to you the main steps that have been taken in the preparation for this Conference and particularly of the programme.

First, however, there falls to me the task of referring to those of our members whose deaths have been reported to us since our last Conference. It is, I think, remarkable that we have had reported to us only one loss, but it is one which was a great personal grief to many of us. Mr. Dick Henderson, whom all of you who were at Dartington two years ago will remember, and whose contribution printed in our *Proceedings* will, I believe, remain a classic for all time, died this year.

Those of you who were present at the closing session of the Sixth Conference will remember that our Council reported that they had accepted the invitation from Hungary to be the hosts of our Seventh Conference. The invitation was conveyed to us by Dr. Ihrig. He had originally taken enthusiastic charge of the arrangements for the Conference which, had the war not intervened, was to have been held in Hungary in 1941. I am sure many of you will realize what an acute disappointment it must have been to him when he felt bound to write as late as the summer of 1948 telling us that circumstances had changed in Hungary since we had accepted their invitation and that he was no longer in a position to be of help to us. It was with deep regret that we learnt this news, since we realized that by moving our Conference from eastern Europe we would inevitably deprive many old and loyal members of the chance of attending this meeting. After consulting our Vice-Presidents, Doctor E. C. Young and Professor Minderhoud, we asked Professor Medici, who had also brought us an invitation in 1947, to explore the possibility of meeting here in Italy in 1949.

Deep as our regret about Hungary must be, we were quickly inspired by the enthusiasm which Professor Medici gave to our request, and in due course the decision was finally taken to meet here in Italy. An Italian Committee to which Dr. Brizi referred last night, was formed.

Stresa having been chosen, our next major concern was to discover from Council members their wishes in regard to the programme. It has always been a tradition for us to divide the programme roughly into two parts. The first part consists of what we call main subjects, to each of which we devote one day's discussion; the other half consists of individual papers which we call non-discussion papers because, although there may be some 15 minutes' opportunity for questions and comment—if the paper itself is not too long—there is no intention of having any prolonged discussion on the subject. It is generally necessary to leave this part of the programme to be filled at a late date and at the discretion of your officers once they know who can be present.

To the first part of the programme, however, we devote much time and consultation. Christmas 1947 and January 1948 I spent touring a number of the Agricultural Colleges of the east, mid-west and north-west of the U.S.A., and the prairie and east provinces of Canada, preparing the ground for our next Conference. But my first formal step as President in preparing the programme was to use the opportunity of the Summer Meeting of the British Agricultural Economics Society at Oxford in July 1948 to consult with officers of that society and the British members of our own Council, Professor Ashby, Mr. Archie Bridges, and Mr. Maxton on the first outlines of a programme and to obtain their suggestions and comments.

In September 1948 I flew again from England to Green Lake, Wisconsin, U.S.A., where the American Farm Economics Association meetings were being held. I made this trip specially to outline our tentative plans for Italy and particularly to discuss the detailed proposals for the programme, which had begun to take shape in the three main subjects now in the final programme in your hands. There I met with the American members of our Council, with the A.F.E.A. Executive and with a general gathering of our members who were at Green Lake, and later in New York with our Vice-President, Professor E. C. Young, who was unable to be at Green Lake himself.

Back again on this side of the Atlantic I packed Jock Currie and John Maxton into a car in November 1948 and the three of us drove across Europe to this hospitable country to discuss the programme with Professor Medici and his colleagues. On our way to Italy we visited Professor Fromont and Dr. Bergmann in Paris, and during our return journey we called on Dr. Huni and on our old colleague, Dr. Laur, in Switzerland, on Professor von Dietze and Dr. Rolfes in Germany, on our Vice-President, Professor Minderhoud, in Holland, and on Professor Baptist in Belgium. With each of them we discussed plans for the programme and the three main subjects suggested. At the end of this ten-day tour we incorporated a number of comments and suggestions which they put to us. We had hoped to visit the Scandinavian countries in the same way but failed to find the time from our other duties.

In February 1949 I again had a chance to discuss plans with Professor Young in New York, with Professor Hill at Cornell, and I had telephone conversations with Dr. Coke and Dr. Lattimer. I also spent two days in Kingston, Jamaica, with Professor Huggins who attended our Conference in Scotland in 1936.

These consultations were all that could be undertaken in the time at our disposal. As Dr. Warren once said, it takes 18 months to plan

a Conference from the time your place of meeting is settled. Other consultation had therefore to be done by correspondence, and, while you will realize that it is not possible for every Council Member to be consulted in person, it is equally certain that this programme has not been produced like a rabbit out of some presidential hat or from underneath the Cow-bell.

Out of all this consultation there evolved the three main subjects which are in your programmes. I must avoid anticipating the task of the opening speakers, but I would like to ask you to look for a moment at the subjects all together.

It has been suggested to me that these subjects hardly deal with the fundamentals of the present situation, dominated as it is by the immediate need for the economic recovery of Europe and for the suitable allocation of American Aid. No one, I think, would deny the importance of these particular needs and we have allotted two hours of our time on Thursday morning to Dr. Ben Thibodeaux, who is head of the agricultural section of The European Co-operation Administration. But needs can be immediate without always being fundamentals.

Anyone who knows European agriculture will be conscious of how much the peasant ideal, or, as some might say, the family farm, dominates agricultural policy and land reform. It is not always realized by those who do not live on the mainland of continental Europe that so much of European agriculture falls short of this peasant ideal, because holdings are either too small or are too fragmented into scattered strips, or are over-burdened with under-employed labour, or lack essential services. There is much to be done to make the peasant ideal a reality and to give it a sound economic base. Furthermore, the ideal peasant structure undoubtedly suffers from a number of handicaps which would be alleviated by some measure of large-scale operation or by some specialization of the capital or landholding. Must the peasant or family farm give way to these, or is it possible to obtain the benefits of large-scale operation by some other means while leaving the peasant structure essentially intact? That problem is basic not only in all European agriculture, but also in agriculture over most of the world. Similarly it is fundamental not only to the situation which exists now, but was fundamental to pre-war agriculture and will be fundamental even after the effects of war have disappeared, unless there happens an altogether unexpected rural revolution. You will agree that it is appropriate that this subject should be opened by Professor Medici.

Our second subject is Agricultural Co-operation and the Modern State. This is to be opened by Professor Ashby, whose contributions

to our Conferences are too well known and respected to need introduction, and by Professor Visocchi, who holds a unique position in the field of agricultural co-operation in Italy, a position which brings him very intimately into touch with the practical difficulties of this subject. Co-operation is one of the ways in which the small unit of production can, without losing its independence, obtain some of the advantages of larger commercial operation. There are many possible developments in and aspects of co-operation in this post-war world which are being tried or retried. But the problem of co-operation to which we are directing special attention is the relation between agricultural co-operation and the modern State, a State which tends to take to itself more and more economic power every day. Co-operation, it might be said, was born in order to save for the small man a measure of freedom and independence in the face of big business operations. Will co-operation live on to be one of the means of securing the independence of the small man against a powerful State?

Our third main subject is the spread of industry into rural areas—a subject which has perhaps a different significance in a country which has plenty of industry concentrated in towns and cities and in certain areas, and, on the other hand, countries which have no industry worth speaking of but have a dense population trying to make a living on the land in a way that gives little hope either of an efficient agriculture or of the earning of a tolerable standard of living for its people. These two kinds of problem, however, have some things in common. To open this subject we have Professor R. G. Tugwell, who in his younger days studied agricultural conditions in France. Professor Tugwell was for a number of years the Governor of Porto Rico and had personal experience of trying to put into operation a programme of industrialization there.

These are the three main subjects which have found their place in the programme after much consultation. We could, of course, have chosen others, but I would willingly challenge anyone to propose any three subjects which were *more* fundamental than these.

Turning more briefly to the non-discussion papers which are to be read to us. Needless to say, those of us who concentrate upon particular aspects of agricultural economics, or who are bound to follow some specialization, will find here subjects which may not follow that interest closely. Dr. Warren used to insist that it was one of the virtues of our Conferences that we were being asked, and given the opportunity, to let our minds range freely on things which were out of our own groove. That idea is always in our minds in preparing

this part of the programme. Indeed, we at one time called them Miscellaneous Papers in order to denote their wide variety of interest.

We have a similar variety of interest in our programme for this week. Professor Edgar Thomas and Dr. O. C. Stine on prices; Professor Anderson from British Columbia on a subject which is not far removed. These papers occupy Tuesday morning. In the late evening we have, in a more descriptive mood, Professor Bandini from Perugia, who gives us a description of Italian agriculture, especially for the benefit of those of you who are postponing, until you return home, the reading of Professor Medici's attractive booklet which has been put in your hands. Later Dr. Klatt, who until recently was associated with the German Section of the British Foreign Office, discusses the Progress of Agricultural Recovery in Germany.

On Thursday morning we devote, all-told, two hours to Dr. Thibodeaux and the work of the E.C.A., to which I have already referred. Perhaps it is appropriate that our Canadian colleague, Professor Burton, should follow with a paper on the foreign trade of one of the dollar countries. In the evening of Thursday we turn again to a different field when a distinguished authority on the subject, Professor Rossi-Doria, will speak on Land Reform.

You will notice that on Friday the programme indicates that we are only allotting three hours instead of five to the third main subject in order that in the early evening we may have time for two papers, one by Dr. J. Chambart de Lauwe, of the F.A.O. Statistical Office at Geneva, on The Present Condition of European Agricultural Statistics, followed by Mr. Harwood Long, of Leeds, on a quite different type of subject but one which has an intriguing interest for all those engaged in farm-management work: Reducing Costs of Agricultural Production in a High Cost Area. I should make it clear, however, that if it seems desirable that the discussion on The Spread of Industry into Rural Areas should be carried on further, we may suggest moving the other papers into the free time on Saturday evening.

Lastly, on Saturday morning we have two papers on Land Appraisal: one by Professor Bill Murray on Land Valuation and Credit, and the other by Dr. Boerendonk on Farm Appraisal Problems in the Netherlands.

That is our formal programme. One further word I must add at this stage. In the case of the main subjects on Monday, Wednesday, and Friday we have arranged for the persons mentioned in the programme to open the discussion. After that it is free to everyone to catch the Chairman's eye and to contribute to the debate. The fact

that your name does not appear in the programme does not—as every attender at our previous Conferences knows—mean that you are not expected to speak. Far from it! Five hours is quite a long time and it is there to be filled with speeches, all of which will find a place in the printed record.

Outside the programme of the Conference Sessions there is an equally important programme, arranged for us by our Italian friends, of excursions and informal play.

For the next six days we shall have a unique opportunity not only to hear papers and to take part in discussions but to come to know one another, to eat and think and play together. It is through this informal, as much as through the formal, side of the Conference that in the past we have reaped the greatest benefit from our meetings. Those who have co-operated in the organizing of this Conference have done their task in bringing you together here and in providing you with the elements of the Conference. It is now in your hands to make this Conference as great a success as any in the history of our meetings by active and frank discussion. And remember that while the formal programme in this room is important, it is the contacts and friendships of an international character made here during this week which will have the more lasting value in furthering the interests of our subject and in promoting international understanding. Membership at this Conference means membership not as officials, not mainly even in our official capacities, but as fellow students, as fellow human beings challenged by the crying needs of humanity.