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PROCEEDINGS  
OF THE  
FOURTH INTERNATIONAL CONFERENCE  
OF  
AGRICULTURAL ECONOMISTS

HELD AT  
ST. ANDREWS  
SCOTLAND  
30 AUGUST TO 6 SEPTEMBER 1936

LONDON  
OXFORD UNIVERSITY PRESS  
HUMPHREY MILFORD  
1937

## INTRODUCTION

THE purpose of this introduction is to act as a supplementary guide to the contents of this, the fourth volume of the *Proceedings of the International Conference of Agricultural Economists*.<sup>1</sup>

At the preceding Conference held in Germany in 1934, considerable time was devoted to outlining the national and international policies which had been adopted to deal with the agricultural crisis. In arranging the programme for the Fourth Conference at St. Andrews, the organizers laid emphasis on certain fundamental problems underlying all agricultural policy, the relation of agriculture to the rest of the community, land tenure, the industrial organization of farming, the provision of credit in agriculture, and the problems of consumption of agricultural produce. These five subjects were made the basis of discussion for the larger part of the time available in the course of the week, and they occupy the large part of this volume. The development of the idea upon which this part of the programme was devised will be found in the Opening Address by the President (pp. 18-23). Although these subjects in themselves are fundamental to practically every aspect of agricultural economics and agricultural policy, it was inexpedient to devote the whole time of the Conference to so broad a treatment. Other sessions were therefore allocated to papers and discussion on more specialized subjects.

The arrangement of the printed proceedings is strictly in the order in which the papers and speeches were delivered. This arrangement precludes the possibility of bringing together into separate sections all the papers and discussion dealing with specific subjects. The plan of the programme itself, however, provided some measure of arrangement by subjects, and, while necessarily different aspects of certain subjects are to be found scattered throughout the volume, an understanding of the plan of the programme will indicate the general plan of the book.

<sup>1</sup> Volumes i and ii of the *Proceedings*, reporting the First and Second Conferences, held in 1929 and 1930, were published by the George Banta Publishing Company, Menasha, Wis., U.S.A., 1930. Volume iii, reporting the Third Conference, was published by the Oxford University Press, 1935.

Copies of all three volumes are obtainable from J. R. Currie, Research Dept. (Economics), Dartington Hall, Totnes, Devon, England; and in the United States of America and Canada from Dr. G. F. Warren, Department of Agricultural Economics, Cornell University, Ithaca, N.Y. Copies of volume iii are obtainable also from the publishers.

The five main sections of the programme to which most of the time of the Conference was devoted were: The Relations of Agriculture to Industry and the Community (pp. 24-72); The Relations of Land Tenure to the Economic and Social Development of Agriculture (pp. 73-126); The Provision of Agricultural Credit (pp. 127-175); Farm Organization, with special reference to the Needs of the Technical, Industrial, and Economic Development of Agriculture (pp. 204-296); Problems of Consumption of Agricultural Products (pp. 412-483). The page references in brackets are to the sections of this volume which include the opening papers and the discussion of these main subjects. It is necessary, however, to point out that the discussion was of two kinds. Some speeches dealt directly with the problems raised in the opening papers, while others dealt with special aspects of the main subject. Where the latter occur the title of the special aspect is indicated in a footnote.

The other sections of the programme were of two kinds: the one where the sessions of the Conference were devoted to the reading of papers on special subjects, on which there was little or no discussion, and the other where group sessions were held mainly for discussion. Papers in the first of these will be found on pp. 322-380 and pp. 484-506, and the titles and authors are given on the contents page. The group discussions on International Trade Policy, Milk Marketing Regulation, and Part-time Holdings for Urban Workers will be found on pp. 176-203, 297-321, 381-411 respectively.

A photograph of the members attending the Conference, with key, is placed between pp. 506 and 507.

*Particulars of the International Conference of Agricultural Economists, its constitution, and list of members and correspondents in the various countries will be found on pp. 509-23.*

## ADDRESSES OF WELCOME AND REPLIES

L. K. ELMHIRST, *President, Dartington Hall, England.*

IN opening our fourth Conference I would like to quote from our Constitution which was worked out in 1930 at Cornell University at the second Conference.

'The object of the Conference is that of fostering the development of the sciences of agricultural economics, and of furthering the application of the results of economic investigations of agricultural processes and agricultural organization in the improvement of economic and social conditions relating to agriculture and rural life.'

In working out the programme for this Conference our preparations started almost as soon as our Conference ended two years ago at Bad Eilsen, Germany. Early in 1935 our British group met in Cambridge to make the preliminary arrangements. After that I was fortunate enough to be able to visit the group in the United States of America, and had a long talk with one of the members of our first Conference, Mr. Secretary Wallace, in Washington. In November of 1935 I visited the German group in Berlin, and in the spring of this year I was able to discuss the programme again with the American group in Cornell. To our meeting in Cornell, Mr. Secretary Wallace himself came in the interests of the Conference, and there promised his whole-hearted support. He has sent us a number of representatives from Washington—who are here to-day. Shortly after the meeting in Cornell I received an invitation, two days before sailing from America, to go to Ottawa, and was fortunate enough to meet quite a large group of officials and agricultural specialists in Ottawa, and to have a very good discussion with them both about the history of the Conference and our programme for this meeting.

During these two years we have established very warm relationships with a number of countries not hitherto represented. It is very unfortunate that, owing to the present situation in Europe and other parts of the world, we have been unable this time to draw representatives from certain countries from which our members had expected to come but now find themselves unable to do so. These countries include France, Turkey, Greece, Italy, and Russia. On the other hand, besides all our old friends from other countries, we have four new countries represented at this Conference, Hungary, Belgium, Spain, and Palestine. We have made a great effort to get

into touch with agricultural specialists in India, and I had a very warm letter from the Viceroy, saying how he has the utmost sympathy with the objects of our Conference and the good work that it is endeavouring to do in this most important field. Owing to the difficulties of finance and distance we have fewer members from that part of the world here to-day than we hoped.

These two years have been difficult years, full of wars and rumours of war, and one thing that has been a great compensation to us all during these difficult times has been the great loyalty of our old members. Of the original 40 members who attended our first Conference at Dartington Hall in Devonshire in 1929, half are here to-day. During these two years also, the Conference has been engaged in original work which should be of direct value to all our members. One, which we hope to have available in published form before the end of the week, is *Regional Types of British Agriculture*, which has been prepared by the co-operative efforts of fifteen agricultural economists in this country, giving a picture that has never yet been given of the various agricultural regions of Great Britain. The other work, carried on in the name of the Conference, is the co-operative study of land tenure in various countries, work which has been initiated and fostered by Dr. Sering. I should like to say here how deeply we appreciate the concentrated effort that Dr. Sering has given to the work of the Conference over these last seven years. These works to which I have referred are quite apart from the preparations for the Conference itself, and I hope both at this meeting and later the products of this work will be available to all members.

For those of you who are attending our Conference for the first time, perhaps it would be well to give a little past history. Largely owing to a visit from Dr. Ladd, now Dean of the Agricultural College at Cornell University, Ithaca, New York, to this country in 1928, a number of our agricultural economists in this country met to discuss the possibility of some co-ordination and co-operation between England and America in their research work into agricultural conditions. As a result of that meeting and with the blessing of Mr. Orwin of Oxford, who had hoped to be here at our Conference to-day, and with the warm support and sympathy of Dr. Warren, the first Conference was held down in Devonshire in 1929. You will wonder, perhaps, why we chose that out-of-the-world spot. It was because, even in those early days, we knew how important it was to get to know one another, and to form those personal attachments that would make for co-operative international work in

the future. At Dartington Hall there was no escape; we were so far out in the country that no one could get away from the Conference. We tried, also, not to flood our programme with lectures, but spent quite a little of our time getting to know one another, teaching Americans cricket and Englishmen baseball. We also arranged there a tour after the Conference for those who had never come into direct touch with English farmers and the English countryside; and we also arranged visits to head-quarters of agricultural research.

Those three main traditions set at that conference in 1929 were followed at Cornell and at Bad Eilsen; the leaving of ample time for those personal contacts which are really the body and the important element in our Conference; the cutting down of the amount of lecture material and the allowing of ample time for discussion of the ideas put forward; and lastly those tours before the Conference and after the Conference, when our members get a chance of getting into direct touch with the farms, the farming, and the agricultural conditions of the country which they are visiting. One further principle I think we have established in the last three conferences, and that is that, in spite of political fronts of all kinds and of 'party' dealings with the agricultural situation in one country and another, we have achieved a certain standard of scientific outlook, of detachment, and of discussion relieved from those feelings which so easily get into meetings which are engaged in dealing with problems over which political groups in one country or another are struggling. We hope to see all those traditions carried on during our meeting this time.

I should like to convey on your behalf our thanks to Sir James Irvine, the Principal of St. Andrews University, and to the Provost of the city of St. Andrews. Those of you who have had even a few hours in St. Andrews will realize how, in this very small town, you find locked up the history of civilization over some 1,400 years. It was between 563 and 590 that the missionary monk Columba arrived here from Iona to try and spread Celtic Christianity among the Scots. That work was handed on to others and has been going on ever since, as the great cathedral and the other ancient churches of this city will illustrate to you. In very few cities in the British Isles will you find compacted into such a small area so much history from the past. Celt, Scot, Saxon, Dane, Norman, French—all these have made their contributions to the history and the civilization which this famous town represents, and it is well for us as agricultural economists to remember that a town like this, with its wealth of building, could only have been brought into being by a fairly comfortable system of farming carried on here for well over a thousand years. For those of

you who are interested in architecture as symbolic of civilization, there is a unique tower in the town itself the like of which I do not know in the rest of the British Isles. St. Rule's Tower looks as though it had been planted here straight from Italy in the tenth century.

One new feature of our Conference is a welcome from His Majesty's Government which will be offered to you to-morrow evening by His Majesty's Minister for Agriculture, Mr. Walter Elliot. We have all our pet suspicions of politicians, but you will realize that in Mr. Elliot we have more than a politician, when I tell you that, as a younger man, he was engaged as a research worker himself at the Rowett Institute near Aberdeen, which many of you visited on the tour before the Conference. He has always shown a keen interest in research and has emphasized the need of research work as an approach to wise legislation in the interests of agriculture.

PROFESSOR G. F. WARREN, *First Vice-President, Cornell University, New York, U.S.A.*

You, Mr. President, have already expressed our appreciation of the opportunity of holding the Conference in the quiet atmosphere of this University, and I am sure that our proceedings will be in keeping with the traditions of scholarship and open-minded vigorous thinking for which this University stands.

During the past twenty years the world has made great progress in industrial mass production. All nations have also tried mass thinking. We have found that the factory method of mass production does not work well when we are searching for the truth. The world of mass production needs a period of individual research and thinking. Progress in the search for truth moves irresistibly forward. Nothing can stop it, but it advances on a very uneven front. Progress takes place at a very rapid rate first at one point then at another. The last thirty to fifty years have seen a revolution in medical science, primarily due to the knowledge about bacteria. Chemistry has made great strides. The old alchemy is gone. Genetics has replaced superstition with science. During most of this period economic science was nearly stationary, but I believe we are now in the beginning of a period that will show an equal advance in economic science. Economic alchemy must be laid aside. In every advance in chemistry, engineering and the like, there is a threat to society, if not accompanied by an equal advance in the science of economics. It is however not enough that the doctors alone should know about bacteria. Public health requires universal dissemination of that knowledge.



Similarly, it is not enough to discuss the laws of economics. That knowledge must be universally disseminated. The world of action cannot wait for science. It did not wait for medical science. It bled men for typhoid fever because it did not know enough to filter the water. It put them in closed rooms for tuberculosis instead of abolishing the common drinking cup and other sources of infection. So the economic world is to-day bleeding the patient because it does not know what it is doing. I need not enumerate to you the thousands of foolish things that are being done either because the laws of economics are not discovered or because the knowledge is not available to those who must act. It is the purpose of this Conference to exchange ideas and inspire each other to more zealous search for truth and obtain a wider dissemination of the little that is known.

I commend you to the store of excellent papers and innumerable private discussions which are even more important, not neglecting recreations. Now at Dartington we had our private discussions, with Dr. Zörner and the Americans trying to learn English and experimenting with it on the English. These discussions were so numerous and so continuous that Mr. Elmhirst found great difficulty in breaking them up, so that we would get on with the single discussion of the Conference. He reached round for something that would help in the proceeding and found what I have here, namely, the cow-bell.

This is a cow-bell from the Plains of Salisbury. That is a very powerful, economic, statistical statement. The President got it in a second-hand place near Salisbury; more likely then to have come from the Plains of Salisbury than elsewhere. Cows are more numerous in the herd, therefore it is in all probability a *cow*-bell. I think that we can say therefore that, other things being equal, this is a cow-bell from the Plains of Salisbury. There are other peculiarities about this. It has crossed the Atlantic Ocean four times and never been seasick. In English the clapper of this bell is called a tongue, the same word as for a man's tongue; also the same for a woman's tongue. This tongue has been silent for two years.

It is the only tongue which with our varied languages we can all understand. I present it again to the President to carry on its function for the fourth time of regulating our Conference proceedings.

PROFESSOR M. SERING, *Second Vice-President, University of Berlin, Germany.*

In this, our fourth Conference, it is a great pleasure to see so many friends who have taken part in our earlier gatherings. Every time we meet we get closer acquainted with each other. We recognize

well-known faces and we are better informed on the scientific work which is performed by the members in all parts of the civilized world. We gratefully acknowledge their valuable contributions to the growing success of the Conference. It is not therefore only the pleasure we feel in meeting again under such happy and promising circumstances, which is the feature of our Conference. Far more, I am convinced that our Conference has embarked upon and is going to fulfil a task of far-reaching importance and of great responsibility.

We are a conference of independent men and institutes whose research work is guided by the spirit of scholarship. Our Conference is the only *international* body of students in the economic and social field, and it was an important step when we resolved at our last meeting held at Bad Eilsen to suggest to all national groups the preparation of surveys of the social economic structure of the rural populations. I am glad to say that this co-operative research work is progressing in a satisfactory manner. Up to date, five reports have been completed, namely those on Switzerland, Hungary, Bulgaria, Yugoslavia, and, with a slight modification of the subject, Great Britain. The studies for some other countries are nearing completion, for instance, for Austria, Italy, Norway, Denmark, and Germany. The work has also been organized in the United States, Canada, Czechoslovakia, and other countries. You will see from the completed reports how well they are suited to give us better knowledge of the characteristic features of the various nations. This more profound knowledge of the social life of our fellow nations will promote mutual understanding, and will thereby help to solve the great economic and social problems of our time by international co-operation.

I am sure that it is only by working at common scientific tasks that a society like ours can grow stronger, and that it is only on such a basis that our discussions can lead to really fruitful results. Moreover, I dare say we may even hope that honest and sincere co-operation in our field can help to overcome the present tense political situation.

Reference to these high duties of which we are made conscious by thinking of the possibilities and the tasks of our research work in economic and social problems seems to me the best welcome I could give to the Conference, to its members, and to the country which so kindly welcomes us.

PROFESSOR A. W. ASHBY, *University of Wales, Aberystwyth, Wales.*

It is a very pleasant duty that my colleagues on the council representing Great Britain and the whole British Group give me this evening. I do not know why the duty should fall to me, except

that possibly I represent one of the characteristics of the British Group, being an Englishman, sometimes obviously an Englishman, representing a Welsh University, speaking in Scotland. The only thing that I regret about this Conference is that the first Conference should have been held in the soft and sunny south, what the Scots sometimes say is the 'soppy south', and should then have moved to the cold hard north, without staying in the sane middle of the country. However, we must do our best where we are and we need not start out with the belief that the Scot is hard, or that he is logical, because we shall soon find out, as I have no doubt those of you who have been on the tour have already found out, that the Scot is intensely sentimental, and a little sentiment is not a bad thing in an International Conference. Indeed I am inclined to attach a very great deal of importance to the sentiment which those of you who have been members of this Conference since the start are beginning to attach to the organization, as well as to its purpose and its ideals. There never was a time when it was more desirable that those of us who could begin to think and, much more important, feel internationally should let that feeling run free, than at this present time. When we met at Dartington in 1929 many of us, perhaps most of us, were inclined to think that we could serve the objects of the Conference—the improvement of the economic and social conditions in rural areas—merely by studying the farm problem or the rural problem. If that phase is left in any of us at the present moment I should be very much surprised. What has come home to all of us in the seven years since that Conference is that what we have sometimes thought of as the agricultural and rural problem is only a part of a great human problem of economic, social, and political relationships which runs not only through all national societies but across the boundaries of practically all our national societies. If we can begin in this Conference to see where our lives and activities are linked, and where we can build on those links, for common mutual benefit, then if only as a matter of thought in the search for truth and principle this Conference will have served its purpose. And if for the moment, or some moments, the Conference may appear to get away from the little farm problem into that international field of economic relationships between nations as such, it will not really have departed from its purpose. We shall only be seeing the major problem into which the minor problem of the farm is always fitting itself. The British Group is glad to entertain the Conference in Scotland, and looking at the programme and the general arrangements made I feel sure we may look forward to a satisfactory meeting.

THE VERY REV. DR. HARRY MILLAR, *Principal of St. Mary's College, St. Andrews.*

My task this evening is very light and very heavy. Very light because it is to bear to you a welcome from this ancient University which is most heartfelt and sincere; very heavy because I try inadequately to represent Sir James Irvine, my friend and the Principal of this University. I shall not attempt to speak of your far distant parts of the realm, nor am I very well able to discuss land questions, though political economy was for thirty-two years a subject which I tried to teach in part in Edinburgh University. I am more concerned to speak of this wonderful place to which you have come. It has a glamour and a charm about it which I am sure you have already felt. Its ancient buildings and its thoughts of the past fill one's mind with wonderful dreams of what did happen. But there is more in it than that. It is a forward-moving University under the leadership of Sir James Irvine. It occupies a place second to none in research to-day, especially in the medical, chemical, and other scientific departments. I think you will feel, when you are housed in our two halls, St. Salvator's Hall and University Hall, that the very atmosphere of, shall I say, research is there. I do not say that is altogether foreign to the atmosphere of golf. As a certain American lady said to a friend of mine on the links here, 'These are very fine links for such a very small place.' It takes a little time to see how much this place has grown with its adjunct of the links, and its centrality of research and scholarship.

There are lots of things which I might speak of, but the time at my disposal is short. One story illustrating the many-sidedness of research may interest you. Lately, when the old College Chapel was rebuilt, our Principal went down into the tomb of Bishop Kennedy which rests beneath the Chapel, and there in exhuming the body the oak coffin split with such a report that he thought he had been hit by a bomb. On investigation of the bones of that ancient Bishop, it was found that he had been a sufferer from rheumatoid arthritis and had had a broken collar-bone late in life. At about the same time, a research student of this University, searching the records of the Bishop's life in the Vatican, discovered that he was a soldier of no mean order and a fencer of very remarkable power, that he had been in the pay of the Scottish kings to get in touch with the dukes of Burgundy with a view to out-mastering the power of England. One niche fitted into the other, and the research student and the anatomist assisted one other in their pursuit of truth. I think that becomes a parable.

There are enormous and difficult problems facing the world to-day; there are great and difficult elements in them; and sometimes it is difficult, too, to see the border line. I think that you should not be at all holding back from that border land; that you should in your research here follow up the spirit of this ancient, the most ancient of the Scottish Universities, and seek truth and pursue it wherever it leads.

As you go round this ancient University not only in the United College of St. Salvator and St. Leonard, but also in the old and quiet quadrangle of St. Mary's College founded in 1537, you will find evidences of that love of learning and passion for truth which is the mark of all true education, and which you are doing so much with your manifold representation of different races, of different nations, of different ways of dealing with the one question of the land in its economic aspects. With all my heart, representing the University and with very great sincerity my Principal, we welcome you to this ancient University and hope that you will have happiness in the time of recreation as well as of work and of investigation, and that the weather will shine upon you and you will not call it the 'soppy' north.

P. R. LAIRD, *Secretary of the Department of Agriculture for Scotland.*

Representing the Department of Agriculture for Scotland and on behalf of the Secretary of State for Scotland who has not been able to extend a welcome in person to this Conference, I have very great pleasure in saying in a few words how pleased we are that Scotland has this opportunity of entertaining the many distinguished economists who are attending this Conference. It has been fashionable in the past—I don't think perhaps it is so to-day—rather to decry the work of economists and to say that the result of their labours is too often nothing more than a jumble of contradictions and inconsistencies affording no sure basis for a firm and definite policy. You would almost think from some of the criticisms on this line that economics ought to be defined as the science of drawing different conclusions from the same premisses. Whatever vestige of truth there might be in the thought behind such a statement we would all agree that it was very loosely expressed, because of course the economist, like any other scientist, is working on ascertained facts and not on premisses, and, like any other scientist too, he is on the basis of his facts and his statistics framing certain hypotheses which may or may not prove to be right. Unlike most other scientists, however, the economist is always labouring under two rather special

difficulties. In the first place his hypotheses can very seldom be either proved or disproved by experiment, because there are so many factors which he has not the means to control and, secondly, his statistics themselves are always proving a little bit too much for him. They are always overtaking him; they are always tending to be out of date; they are never sufficiently comprehensive at any one time for his purpose. I think that it is for this reason perhaps that general theory, as distinct from particular hypotheses, tends to play a very large part in this particular science, this science relating to the production and distribution of material wealth—which I had better quote to show that I know a more orthodox definition than the one I mentioned previously. But it is, to my mind, the greatest tribute to the value of the science of economics that, notwithstanding the difficulties under which it labours and the prudent reserve with which it offers its interpretations, no statesman and no administrator nowadays can afford to dispense with the services of economic advisers, and I venture to think that none of them will lightly disregard their opinions.

Agricultural economics is a branch of the science to which growing importance is rightly attached. It is not only because I happen to be associated with a department which is daily dealing with agricultural problems that I say this, or even because the production and distribution of agricultural products is the most fundamental form of production and distribution, but most of all because this science is taking such an ever-increasing part in the interplay of national and world politics. Although the United Kingdom must be classed as an industrial country, agriculture (in so far as one can call agriculture a single industry) still is in Scotland an industry which occupies a premier position, and I hope and believe that those who have been touring the country during the past week will have found much to interest and stimulate them. If, as no doubt will happen, the more formal deliberations of the Conference find you drawing different conclusions during this week, at least it will be on the same premisses, and I hope in a congenial atmosphere. Opportunities for an exchange of views on a subject so big, so rapidly changing, so obscure in many ways, are not to be lightly lost, and I feel sure that this Conference will prove to be as valuable and fruitful as those which have preceded it.

I should like to say that we are particularly glad to welcome so representative and distinguished a gathering of fellow explorers from other countries. We wish them a most enjoyable week of conference on Scottish soil.

D. A. E. HARKNESS, *Ministry of Agriculture for Northern Ireland.*

In the absence of Sir Basil Brooke, Minister of Agriculture for Northern Ireland, who hopes to attend the Conference later this week, I have very much pleasure indeed in extending a welcome to all members of the Conference, and particularly those members who come from overseas, on behalf of the Ministry of Agriculture for Northern Ireland. Those of you who come from overseas have probably observed that you are in the United Kingdom of Great Britain and Northern Ireland, and you may have wondered what this appendage to Great Britain in the United Kingdom actually is. It is a portion of Ireland which constitutes an integral part of the United Kingdom but which also represents a British experiment in devolution. With a separate Parliament of its own it has been possible for Northern Ireland to carry out certain experiments in Government, on a relatively small scale it is true, but distinct from those which have been carried out in Great Britain, although carried out within the same customs union. In a country of small farms, predominantly agricultural in character, agricultural questions have played a very important part indeed, especially as in this area we are largely dependent upon exports of our farm produce to the British market. It is also an area in which the greatest attention has had to be paid to an effort to secure a reasonable livelihood for a body of people who are living on farms which are small and attempting to make a livelihood from a soil which in many cases is not the most congenial.

Northern Ireland is not included in any of the tours which have been arranged either before or after the Conference, and on that account Northern Ireland has had to come to meet you at St. Andrews. I think there is a numerous delegation from Northern Ireland present at this Conference, and though we regret that you will not be able as an organized body to visit Northern Ireland to see our small farms and to play upon our golf courses, yet members from Northern Ireland are here and I hope that they will have the opportunity of discussing with you personally some of our problems. And I may also add that there are several bags of golf clubs among the representatives from Northern Ireland for use against those who may think that discussion is most profitably carried on on the golf links.

EDGAR THOMAS, *Secretary, Agricultural Economics Society.*

On behalf of the Agricultural Economics Society of Great Britain it is my privilege and very great pleasure to welcome our overseas

visitors to this country. I am very sorry that it has not been possible for Mr. Conacher, the President of our Society, to be present here this evening to voice this welcome to you. His absence, however, gives me the opportunity of undertaking one of the most pleasant tasks that could possibly come to the lot of any official or member of our Society.

I have something in common with Professor Ashby, too, this evening, for I can't help feeling that it is a very fitting accident that it should fall to me, a Welshman, to welcome you here to Scotland, on behalf of what is to most of you, I suppose, the English Agricultural Economics Society. I can assure you that our welcome is a very sincere and genuine one, and we hope that you will enjoy every day of your stay in this country.

As a Society we are particularly glad that this Conference is meeting in this country in this year which marks the end of the first decade of our Society's existence. During these first ten years we have developed from very modest beginnings to a Society of over 200 members. We have cast our net as wide as we possibly can, and amongst our members to-day you will find noble lords, trade union officials, tillers of the soil, learned professors of the dismal science, high-placed civil servants, several persons who are proud to be known as agitators, and last but not least a few hard-worked and badly paid professional agricultural economists. During our ten years of existence I think that we can justly point to much purposeful achievement. But this evening I am inclined to think that not the least of our achievements has been to discover the first President of the International Conference of Agricultural Economists. I make that claim, Sir, with all due respect to both Cambridge and Cornell.

It is not for me to enlarge on the purposes of this Conference. It seems to me to be quite enough that we have come here for a whole week to discuss our problems in common. We meet at a time when 'the world is (sadly) out of joint', but surely as economists it would ill become us to bewail the fact that we 'have been born (to help) to set it right'. We may differ in the way we go about this task, but there can be no difference as to the ultimate objective. It is, as I see it, to help try to achieve a higher standard of life for the rural peoples of the world. This task of ours is hard work, but the fuller life itself would not be much worth striving for if it was all hard work. It seems to me that the organizers of this Conference, particularly our hard-working Secretary, Mr. Currie, and his colleague Mr. Maxton, have realized the significance of this, for they have struck to a nicety the balance between work and leisure, and I hope that you



will partake of both during your stay here. The ancient city of St. Andrews is a good place for hard work, but so is it, the home of the royal and ancient game of golf, a good place for pleasure and play. Well then, once again, on behalf of the Agricultural Economics Society of this country I wish you all a most cordial welcome here and may every one of you spend a week of usefulness and pleasure. I will finish in one of the ancient tongues of these islands, and say—*Croesaw i bawb o bob gwlad*.

W. H. SENIOR, *Economics Branch, Department of Agriculture for Scotland*.

I have been called upon to represent the agricultural economists in Scotland. As this is a very small group, consisting of our department in Edinburgh and the departments of agricultural economics in the three agricultural departments of the North of Scotland College, the Edinburgh and East of Scotland College, and the West of Scotland College, under the charge of Dr. Imper, Mr. Witney, and Mr. Gilchrist respectively, and as you have already listened to many speeches of welcome, I shall be very brief. It is a very pleasant duty which I have to perform in offering you, on behalf of this very small band, a very hearty welcome to this Conference. I think Scotland was probably one of the last countries to organize its research in agricultural economics; it was not until 1927 that any serious official attention was paid to it. Probably those of you who know Scotsmen and their merits or demerits will realize that there probably was not much need for agricultural economists, when every individual in Scotland is, and has been, a practical economist. The need arose, I think, when it was realized nobody knew the other fellow's economic experiences, and it was necessary to pool experiences and to tap them. Hence the agricultural economists in Scotland. I am happy to add my little bit on their behalf to the welcome that you have had.

DR. CARL E. LADD, *Dean of Agriculture, Cornell University, New York State, U.S.A.*

Speaking for the Americans, I am very glad to have the opportunity to say a word of appreciation of the fine welcome that has been extended to us not only here to-night but also during the past few days when we have travelled through all Scotland. Having been under the influence of the Scots for so long and having been thoroughly inoculated some years ago by John Currie, I have become so nationalistic in my viewpoint that I resent the reference of the Englishman speaking from Wales that this is a cold, hard country. It certainly has given us a warm welcome, so warm in fact that the

papers report that the two warmest days in history occurred in the past week. Without twisting our phrases too far I might almost say that you have welcomed us biologically and 'socialologically' and economically. 'Socialologically' you have given us a right royal good time; biologically you have shown us the finest of crops; and economically you have placed, during the past week, our business affairs and our finances under the management of a Yorkshireman and a Scotsman.

I think our President is entirely too modest in his reference to the beginnings of this Conference. It was only through his helpfulness and his stimulation that the mere germ of an idea grew into a plan and a programme and a conference. I think of that first year at Devon when we were entertained so royally by Mr. and Mrs. Elmhirst and had such a grand time. Like twenty others here to-night I may claim to be a chartered member. I almost hoped that we might receive a decoration so that we might use it to-morrow night. We had many worries in the first Conference. We worried when we saw Dr. Zörner being taught English by a man from Iowa and shortly afterwards by a man from Scotland. When I hear his excellent English to-night I wonder how he was able to divest himself of the various dialects.

From the very beginning we had in mind that we would try to accomplish several things through this Conference. We hoped to bring together the experienced men in the field of agricultural economics in order that we might all enjoy listening to them in the discussions and the addresses. But we also definitely planned from the beginning on bringing to this Conference in some way or other the younger men whom we hoped and thought would be the leaders in agricultural economics in the future. We hoped to help them to get across the waters to meet with their colleagues in the same field perhaps ten or fifteen years before they would be able to do so on their own resources, and that I think has worked out quite well. Without referring to the many people who have come to hold important positions since that Conference and who are not here with us, I might remind you that in that first Conference when we were picking young men whom we thought were going to rise in their work in this field we had with us Henry Wallace, now head of the Department of Agriculture in the United States, and Dr. Jutila, now head of the Ministry of Agriculture in Finland, together with many other people whom I will not embarrass by mentioning to-night. And so this Conference seems to have succeeded quite well in some of those early objectives.

We are very happy to be here, and may I say, Mr. President, that

when the regular meeting opens to-morrow morning the Americans will be there, if not with bells on, at least at the sign and under the call of the ancient cow-bell.

PROFESSOR H. ZÖRNER, *University of Berlin, Germany.*

In spite of all the friendly comments that have been made to-day on my knowledge of English, I prefer to speak in German. And I recommend all those of you who understand my German as little as the others understand my English, to use the ear-phones. Dr. Rolfes will give an English translation.

On my own behalf, and, I believe, on behalf of many others coming here from other countries, I wish first of all to express my thanks for the invitations to this Conference and for the fine preparations that have been made here towards its success. These preparations awaken in us the confidence that this Conference will take its course in the same spirit as the previous meetings. Our meetings have always had a special character which makes them something different to big congresses. We have always met in an unofficial capacity without official instructions, and we have met to have a free exchange of thoughts. I would scarcely care to state that our papers are an inevitable evil, but I would like to say that the opportunities of personal contact are at least of equal value. When I think of the first meeting at Dartington Hall, where forty of us lived together like one great family, and where this meeting led to true friendship, then I must regard this meeting and the growth of friendship between men of different nations as immensely important, particularly in these times in which the economic and political development of the various countries often renders mutual understanding so difficult. I think it is very essential that there should be men in all countries who know each other, and who can bring to each other an understanding of what is happening in their countries. It is not without great difficulty that the effectiveness of a gathering such as ours is maintained, because it does not depend on a rigid organization or on official support; it is not without difficulty that we insure that a meeting such as ours will not become merely a gathering of more or less pleasant people coming together to chat; and it is not without difficulty that we attain for such a conference a measure of effectiveness. That the co-operation has been preserved, that our conferences remain something more than merely pleasant gatherings, that they come to be effective working sessions—for these we must primarily thank our president, Mr. Elmhirst. His untiring efforts, his travels, serving to keep alive the personal contact with the various

countries, his extremely fine diplomatic gifts, which unravel all difficulties that may arise, which smooth out all variances of opinion with a light hand and a kindly smile—all these we must thank for the possibility of having such a meeting as this and for the successes we achieve without any formal organization. The preparations which have been made at this beautiful spot at which we once again gather offer the promise that this meeting will be characterized by the same spirit as all previous ones. Once again, I wish to thank all those who have been responsible for these preparations. The field is tilled, it is for us to sow the seed and to see to it that it bears good fruit; that is the common task of all of us.

PROFESSOR O. H. LARSEN, *University of Copenhagen, Denmark.*

On behalf of the Scandinavian representatives at the Conference I want to express our appreciation of this meeting in Scotland and of the opportunity we have had of seeing some Scottish farms. I know that all from my country will have been interested in the farming they have seen on the excursion in the past week, and in what they will see in the week after the Conference. We have much to learn from Scottish farming, and I personally have gained the impression that all the farmers we have seen have learned the art of making money—which, in these times, is a very difficult thing. I hope that all who saw them in the past week will always remember the tour; for myself and Mrs. Larsen, I can say that we will never forget it. I hope, too, that the results of this representative conference will provide a little help to farming throughout the world. It was before the crisis came that we first met at Dartington Hall in 1929, and since then we have been passing through trying times. In Denmark especially has that been so, though in the past year conditions have improved somewhat. It is to be hoped that conditions will continue to improve, and that the meeting together of representatives from various countries at this Conference, and the relating of their experiences and the presenting of the results of their investigations, will help a little towards that end.

I want to thank you, Mr. President, for your welcome to us, and I want to thank also all the members of the organization who have had the very hard work of organizing this Conference.

PROFESSOR J. E. LATTIMER, *MacDonald College, Quebec, Canada.*

It is a privilege and pleasure to have the opportunity of responding to the warm welcome which we have received. It is also a very great pleasure to renew acquaintances and to enjoy again the good

fellowship which always prevails at these conferences. Some of us have already enjoyed so much the tour through Scotland in the past week and I take the opportunity of expressing our appreciation to those who acted as our guides, and especially to Mr. Duncan who, with untiring patience and inexhaustible humour, so ably looked after us. Such an excellent prelude to the Conference as the pleasures of the past week forecasts a most successful conference.

## OPENING ADDRESS

*By the President, L. K. ELMHIRST*

THE question most frequently asked me by our members during the past two years has been: What is to be the subject of this Conference? Reading through your programme, you will see quite a number of gaps in it, with afternoons or evenings free. As specialists and experts, it has seemed to us in drawing up the Conference programme that you could not have too much time to get to know one another and to discuss in a personal way your impressions of the speeches that have been given. As specialists it is our privilege to regard the world as fundamentally one; we are not privileged to break it up into sections, into parties, into nations. As members of this International Conference of Agricultural Economists we must regard the problems of this world as fundamentally one. For that reason every personal contact we make here is, from my own point of view, a very worth-while investment, an investment that may be of inestimable value during the next five years. These last two years have been filled as you know by wars and rumours of war. Our next five years, if we are to have peace, must depend on this fellowship of experts that has been growing up slowly and gradually among those who are bound to treat human affairs as one single problem.

But this personal contact is only the base of our structure. The designing of the Conference itself and the programme has not been easy. We have had to take peace for granted. We are an international Conference. We have had to take for granted that there is such a thing as a world common weal, a 'commonwealth' of nations, and that for the purpose of establishing this commonwealth there must be a free exchange of ideas. I know that there are many of us who are anxious to see a much freer exchange of goods; but, at least from my own point of view, the most valuable goods of all are ideas and thoughts, and once we establish the free exchange of those, crossing national boundaries and party boundaries, then there is likely to be a real chance for the free exchange of goods. I think we may have been guilty of putting the cart before the horse and of expecting a free exchange of material goods to take place before we have begun to find a fellowship of ideas. In this country, for instance, questions like these are continually being put to our agricultural economists: 'What degree of self-sufficiency can you agricultural

economists offer us in time of war and for national defence?' Or 'Can you as agriculturalists solve our unemployment problem?' These are typical of what I think we may call siren voices beckoning us away from the fundamental aim of this Conference. For we, as you know from our constitution, have to apply research and the findings of research to the improvement of economic and social conditions relating to agricultural and rural life in all countries. Therefore, as I say, the building up of this programme has not been easy.

I shall take you back very briefly over the programmes of the last three Conferences. In 1929 we were new to one another. Our discussions and papers were filled in the main with the technique of research, with methods of research. We were sharing for the first time our methods, our experience. In 1930 we continued that process, but our whole Conference was coloured by the deepening of a depression throughout the world. In 1934 we concentrated much of our discussion upon the attempts of different nations to meet and to stem the tide of agricultural depression. But even at Bad Eilsen there were voices calling for a more fundamental approach to the problems of agriculture, asking us the question: What was the place of agriculture to be in the future of civilization, in a world at peace? There was a definite demand that we should begin to take a longer view—a more fundamental approach than just the immediate political measures needed to deal with immediate political situations. And so we have come to a time when we must consider agriculture as a way of life and not only as a means of livelihood.

There was a time not many years ago when the scientists thought that they had in their hands the cure to agricultural slumps and shortages. Apply science, they said, and the world would have all the food it wanted. Then came the economist to show that science alone would not be enough, and that it could not solve the problems of exchange. Meanwhile the sociologist, off in a compartment of his own, was thinking of the social and psychological problems of rural life, often without any regard to economic and scientific principles. Have we not come to a time when we must unite and synthesize these three studies? When neither scientific fact and discovery nor economic thinking nor sociological and psychological truth are left in separate compartments but brought into some kind of synthesis, what is the place of agriculture in the commonwealth to be? Are we prepared as yet to face the challenge of agriculture as an industry, an industry more ready every day to offer efficient service to the multitude of consumers of its multitude of products? Is our

agricultural industry organized to meet other industries on their own ground in the exchange of goods and on an equitable basis? Is agriculture as an industry so well organized that it is able to contribute its share to the social services that every country and every state wishes to offer equally to all its citizens, rural and urban? When we can answer all those questions positively, then I think we can say that agriculture is beginning to take its rightful place in our civilization. It is to Professor Scott that we have given the task of opening up that field of discussion this morning; he is to discuss the relation between agriculture as an industry and the other industries.

Behind this industry of agriculture lies a welter of varieties and types of farm organization, peasant farming, crofter farming, share croppers, tenant-landlord farming, company or corporation farming, state farming. Those of you who have been on the tour this last week have seen a wide variety even in this small country. In the United States we sometimes forget the share-cropper system in our discussions of family farming. In Great Britain we forget the small-holder and the crofter when we are discussing the landlord and big estate management. And in considering all these different types, it is not only the economic question that we must ask. We must also ask what is the quality of life that these different systems offer to those who partake of them. The two factors are linked closely together, the means of livelihood and the quality of life. When I say quality of life, I am implying that behind the farming system whatever its kind there must be a structure of social services, health services, educational services, and proper provision for transport, housing, leisure, and recreation. What standard of social services is this or that kind of agriculture able to support? What variety is this or that State able and willing to give to its agricultural population? In an industry which daily becomes more technical and more highly skilled, are we still able to say that the best brains of the countryside remain and flourish in the countryside? We have given to Bridges, Tolley, and Zörner the task of opening up that whole field of discussion.

But behind the social structure, behind the face of the industry lies the fundamental factor of the land—the land and how it is held. As you know, our vice-president, Dr. Sering, has set that as his own task; he and Professor Ashby will discuss the subject of Land Tenure, a discussion fundamental to the examination of our wider field. In England I am sorry to say that when we look at this matter of the way the land is held, we only see chaos. To-day in a certain place you may see an economic unit of farming. To-morrow, in



competition for that farm, the builder—the speculative builder—may walk in, the factory may be planted, an urban area may extend, a demand by the city for amenity for aesthetic satisfaction may be expressed—all perfectly legitimate demands. But who is to act as judicial referee between the farmer and those claims? Such claims are, I imagine, made in every one of your countries by one group or another. In England we have no referee, and that is why you may see so many unplanned cities, buildings, unplanted woodland areas and so many claims of all kinds made on the land with no one to see that society and the community get the best possible use from all its land resources. We have in many countries still to see anything comparable to the work by Cornell University in New York State in the separation of those marginal areas where men can no longer get a proper living. Many sections of the world need the kind of erosion programme which as some of you must know well has begun on a large scale in the Tennessee Valley and which is now being extended throughout the U.S.A.

The question then is no longer just that of whether farming makes or loses money, but whether or no our farmers are themselves good citizens. What chances have they to become good citizens? I think you will agree with me that too often we treat the whole question on a purely sentimental basis. We have in this country for instance a great deal of what I would call thatched cottage sentiment about farmers and rural life, and too seldom do we ask this question: How good a citizen is the farmer or rural worker? We talk of their sturdy independence and their rugged individualism, but not so often as we ought about the cases we meet of sheer unco-operative selfishness, of ignorance, and of a narrow obstinacy. We talk of a farmer as a good bargainer, but we say less about those who under-cut their neighbours. Some of our farmers are hardly farmers at all, but dealers and traders, and those of you who have had to try to establish or work efficient marketing schemes must know the difficulties of obtaining the co-operation of men who are only half farmers and half dealers. These are all questions that are part economic, part psychological, part sociological. And when we ask them, we must remember how often it happens that society has hardly given the farmer a chance. He has been insulated, isolated, and often disintegrated far away from the stress and strain of a modern world whose functions he must begin to understand if he is to survive.

The treatment of him as an individual leads us on to the next part of our programme where we consider the industry and the soundness of the industry, its credit and use of credit, its technique,

its use of machinery, the economy of the farm, the processing and the marketing of its products; and, as we pass into that field of marketing, we come back from the individual farm right to the very basis of this Conference—the question of international marketing. I suppose if I ask you when farming in your countries last paid well, you would say not since the war. That is a tragic commentary. But we have had eighteen years since the war. Are we already looking for another? I think we may say that merely to aim at profit is not enough; that profit is an excellent measure of farming efficiency but not the final end and aim; and that, though war may turn over farm profits rapidly, the foundations of civilization are so mutilated and destroyed, and the years that follow so lean that they sweep into one great depression the farming industry and almost every other industry along with it.

Those of you who joined last week's tour stood for a moment on the field of the last battle on British soil. After nine hundred years of almost continuous war, most of it between England and Scotland, that last battle of Culloden was fought in 1746. To-day the flags carried in that battle by both sides hang together in the castle at Edinburgh. Are we prepared as English and Scots to return to those savage days? I think not. But when we look back at the last war and the result of it, what do we see? A standard of life, a standard of living, falling, falling, falling. And as it falls each country, in desperation, tries by itself to stem the tide and hold back the fall. Credit goes, confidence goes, trust is broken, markets go, overheads rise. The drift goes steadily down. Unemployment comes, and, with unemployment, that psychological disintegration of men and women, boys and girls for whom no one has any more use—the unemployed man, who feels he does not belong. Each country takes all kinds of desperate measures to try to prevent the barometer falling; national Governments, united fronts, revolution, fascism, war, civil war, each country in isolation has to face that terrifying picture of a fall in the standard of living which means that people living at the bottom of the scale get so desperate that they have nothing to lose by calling on the use of force.

Just round the corner is the chance once again to swap goods, to swap ideas, to break down that isolation, to start the barometer moving upwards again. With what difficulty we turn that corner! We try public works of all kinds for ourselves (some interest bearing, houses, and roads, others non-interest bearing, war works, defence works), but the solution of that problem of relating consumption to purchasing power still awaits us, for behind the barriers of tariff

walls we build up subsidized home production and make every kind of exclusive national arrangement. How are we to get over these barriers? Professor Forrester is to open up that subject.

And now before I finish I would like to give you three examples of encouragement, three examples from my own experience during these last two years, which I think show the way the wind is blowing. Each of them was the direct outcome of your own conferences. In the first case, I was talking about our Conference to a certain cabinet minister responsible for the Treasury of his country. His remark was this. He said that in his Treasury official contacts with officials of other Treasuries were still far too impersonal, far too slow, far too inefficient and inhuman. 'I don't think', he said, 'I have one man in my Treasury who knows personally one man in the other six most important Treasuries in the world. If only one or two of my officials knew one or two officials in other countries personally and intimately as your agricultural economists do, I see no reason why there should be any more wars at all.' There was another case not long ago where, owing to the meeting of many of us in these conferences, officials and experts of five Governments met quietly over a week-end to discuss their technical problems together. I was told afterwards that that could not have happened without the opportunities of informal meetings given by our conferences. In my third instance two countries, A and B, decided to try to climb their tariff wall. Brave countries they are. A started to draw up a Bill to make it possible for the goods of B's farmers to cross the border, but A was anxious lest A's own farmers would protest, and we know how easily they can express their protest. The economists, the agricultural economists of A and B, got together and A's economists went out on the radio to explain to their own farmers that if the Bill went through, although the direct result might seem harmful to them, the indirect result of the exchange was likely to be beneficial. The Bill went through without any farmers' opposition. Now we know that every nation is beginning to try, by barter, by three-way exchange systems, by every device in its power, to overcome this political façade which seems so difficult to get over. It is in such a Conference as this that we must share our experience and pave the way to the ultimate removal of all barriers that are not legitimate barriers. When I say legitimate I mean barriers which are likely to prevent us achieving that commonwealth, that common weal, to pursue which we exist.