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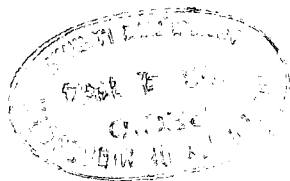
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## AGRICULTURAL ECONOMISTS AND DEVELOPMENTS IN AGRICULTURAL POLICY IN U.S.A.

TO avoid misunderstandings of the scope of this paper, attention is invited to the fact that the assignment called for a discussion of activities of agricultural economists in the field of agricultural policy rather than for an appraisal of the agricultural policies which have been evolving in recent years in the United States. The latter naturally have played a very stimulating role in directing the attention of an increasing number of agricultural economists to problems of policy, but these developments are not within the purview of this discussion. Space limits prevent review of activities associated with war programmes, in which agricultural economists played a significant part. Attention will instead be directed mainly to longer-run considerations.

The Association of Land-Grant Colleges and Universities, in which all of the agricultural colleges have membership, for the third time in its history created a special committee to study and report on the agricultural situation. This action was authorized at the 1943 meeting of the Association and took form in the appointment of a committee of eighteen members to which was delegated the task of developing a report on post-war agricultural policy. The membership included administrators and workers from other fields such as crops, livestock, home economics, engineering, and the like, as well as agricultural economists. The activities of this committee attained considerable added importance because its programme involved a number of regional and other conferences for the purpose of obtaining the views of representatives of the various agricultural colleges, farm organizations, and other agencies. This representative participation enabled the committee to avail itself of the ideas and suggestions of a large number of persons with varied experience and background.

The formal report of the committee was presented to the Association at its 1944 meeting, and subsequently was published for general distribution. It reviewed agriculture's position in the national economy, considered problems of production adjustments and price policy, and discussed land tenure, conservation, rural living, and participation of farm people in policy making. It gave vigorous support to the idea of improving and freeing the market rather than that of depending

upon governmental measures and controls. Considerable attention was given to agriculture's interest in foreign trade and the world situation. This report has been circulated widely and has supplied material for many group discussions. A less elaborate supplementary report was presented to the Association at its 1945 meeting. Action was taken by the Association at that session to create a standing committee on Agricultural Policy to continue work in this field. The membership of this smaller committee consists largely of men trained in agricultural economics and its creation should be very helpful in developing closer contacts between the Association and policy problems.

Another activity which attracted widespread attention was a prize essay contest sponsored by the American Farm Economic Association with funds donated by W. H. Jasspon. The topic announced for this contest was 'A Price Policy for Agriculture, Consistent with Economic Progress, That Will Promote Adequate and More Stable Income from Farming'. The awards were: a first prize of \$5,000; a second of \$2,500; a third of \$1,250; and 15 awards of \$250 each. A total of 317 essays were entered for the 18 awards. Many of the entries came from agricultural economists, although a number written by laymen also were received. The winning essays came from the former group and in most instances were written by men connected with educational institutions or governmental agencies.

The winning papers were published in the *Journal of Farm Economics* for November 1945. A detailed review of them is impossible within the compass of this discussion. In passing, however, it may be noted that the writers showed healthy scepticism with respect to 'parity' or other arbitrary bases for governmental control or maintenance of farm prices. Several placed emphasis on programmes to expand consumption to alleviate surplus conditions which may develop. Some of the contestants indicated considerable faith in the effectiveness of 'forward' prices to be established by appropriate governmental agencies as guides to farmers in planning their production. A major contribution of this contest has been its stimulus to thinking about, and discussion of, agricultural policy for the future, and to a more critical appraisal of current and past programmes.

Additional stimulation of interest in price policy has come from the activities of a special committee of the American Farm Economic Association. This committee conducted a poll of the membership of the Association to obtain reactions to farm price policy. The results were

presented at the annual meeting of the Association in December 1945 and were summarized in the *Journal of Farm Economics*. Only 4 per cent. of those replying favoured permanent support of prices on the present basis of 90 per cent. of parity.<sup>1</sup> Some form of forward pricing was favoured by 40 per cent., and income payments in periods of depression by 37 per cent. of those replying. Payments direct to farmers rather than arbitrary price control were supported. Considerable support was shown for subsidized consumption.

The war led to very active co-operation between agricultural economists, agronomists, soil scientists, livestock specialists, and others in developing agricultural goals and ways of meeting them. The prospects are that such co-operation will continue for the purpose of aiding in the adjustment to peace-time conditions. While these activities are not primarily concerned with formulating agricultural policy, they may influence programmes and policies in a variety of ways.

Agricultural adjustments to post-war conditions are receiving extensive consideration from agricultural economists, either individually or in committees. An interbureau committee within the United States Department of Agriculture has sponsored the preparation of several publications under the general title 'What Peace Can Mean to American Farmers'. These have directed attention to such problems as employment, foreign trade, agricultural policy, and peace-time adjustments. Some of the agricultural colleges likewise have published bulletins along similar lines.

Cotton is recognized as presenting some of the most difficult problems in the period ahead. Abnormal stocks accumulated in the depression period before the war in connexion with programmes to support prices. Overseas markets were almost non-existent while the war was in progress. Current production was adequate to meet the unusually large domestic requirements so that the large stocks were not reduced appreciably. Price-support programmes are restricting export possibilities and inviting increased competition from synthetic fibres. The cotton-picker and other developments in mechanization presage extensive changes. The share croppers present some challenging problems. Questions such as these are receiving attention from regional committees of agricultural economists and other workers. While these efforts at times run counter to the greater political appeal of pro-

<sup>1</sup> Price parity represents the relationship between an index of prices received by farmers and an index of prices paid by them. The present base period used in its computation is the five-year period 1909-14.

grammes to support prices at still higher levels, they are being welcomed by those who recognize that certain basic facts must be faced frankly if policies appropriate to the meeting of the cotton problems are to evolve.

Another illustration of participation by social scientists in the development of understanding basic to sound policy is a project financed by the Carnegie Endowment for International Peace for the preparation and publication of a series of pamphlets relating to the interests farmers have in international trade. J. B. Condliffe, of the University of California, is the editor of this series, which is being published by the University of California Press.

The disaster which would follow in the wake of an extreme inflation, if such a condition were permitted to develop, has been recognized much more generally than ever before. Agricultural economists have taken an active part in creating an understanding of the causes and consequences of inflation and essentials of effective control measures. The dangers to farmers from a speculative boom in land prices and particularly from the piling up of a large mortgage debt during a period of inflation have been stressed in publications and discussions by agricultural economists during this period. One encouraging factor in the post-war agricultural picture is that the farmers of the United States thus far in the war period have avoided adding to their long-term indebtedness.

In addition to the fairly extensive list of bulletins, pamphlets, and articles dealing with questions of agricultural policy, several books relating to this field have been written by agricultural economists. Illustrative of these may be mentioned J. D. Black's *Parity, Parity, Parity; Redirecting Farm Policy* and *Agriculture in an Unstable Economy* by T. W. Schultz; and *Reconstruction of World Agriculture* by Karl Brandt.

The assistance of men with training in agricultural economics has been sought by various organizations and agencies. General farm organizations have added men with such training to their staffs. While decisions of the administrative heads of these organizations with respect to farm policy matters do not necessarily follow the judgements or recommendations of the economists on their staffs in every case, indications are that these men are not without considerable influence. Some of the federal reserve banks have found places for agricultural economists on their staffs. The Committee for Economic Development—a privately supported and sponsored agency to assist in plan-

ning reconversion and maintenance of economic activity—has made use of agricultural and other economists in its studies. Agricultural economists likewise have taken an active part in the programme of the National Planning Association which gives consideration to and reports upon a variety of matters related to policy questions.

Agricultural economists in the United States have become increasingly aware of the economic aspects of many problems of agricultural policy. This awareness is reflected in increased emphasis on matters relating to policy in their research and teaching activities. The participation of economists in different capacities in connexion with various governmental programmes and with farm and business organizations is helping to bring them into closer contacts with practical problems of the day, as well as to give greater weight to economic analysis in such activities.

The new and broadened fields and responsibilities add to the importance of adequate training and preparation of men in this field. This includes not only formal education, but also the development of balance and judgement on the part of the individual.