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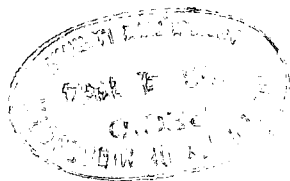
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**INTERNATIONAL
JOURNAL OF
AGRARIAN AFFAIRS**

Vol. I, No. 2, October 1947

**The Changes of Eight
Years in Agricultural
Economics**



Price 5s. 0d. net

OXFORD UNIVERSITY PRESS

LONDON: GEOFFREY CUMBERLEGE

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AGRICULTURAL ECONOMICS IN ENGLAND AND WALES

THE POSITION IN 1939

BY 1939 Agricultural Economics had become a fairly well-organized activity in England and Wales. The organization of this activity was started just after the First World War. It was based on (a) the Agricultural Economics Research Institute, Oxford, and (b) 'advisory agricultural economics departments', one in each of the eleven 'provinces' into which the country was divided.

The Oxford Institute itself was set up in 1913 and, from the outset, it was attached to Oxford University. But it was one of a chain of national institutes concerned with fundamental research in the agricultural sciences. These institutes were set up in various parts of the country and constituted in different ways. The bulk of their funds came, however, from official grants administered by the Development Commission. After 1931 the institutes came under the Agricultural Research Council, although the academic affiliations where they existed, as in the case of the Agricultural Economics Research Institute at Oxford, remained unchanged.

The work of the Oxford Institute is sufficiently well known and no elaborate catalogue of its activities is needed here.¹ These activities covered all the varied field of agricultural economics including farm management, price studies, agricultural history, rural sociology, and agricultural policy both on the national and international level. In addition to its research projects the Institute was also responsible for the publication of the *Farm Economist*—a quarterly journal concerned mainly with the topical interpretation of research activities—and the annual *Agricultural Register* devoted to a comprehensive record of agricultural legislation, organization, supplies, and prices from year to year.

The Provincial Advisory Agricultural Economics Departments were part of a general scheme for agricultural extension and advisory work. The advisory province was an area of several counties, which was supplied with specialist advice in various agricultural sciences from

¹ See *Agricultural Economics, 1913-38* (Oxford, 1938).

an academic centre situated in the province. The staffs of the provincial centres were attached to the academic institutions, although the finances were provided by the Ministry of Agriculture. Seven of these institutions were universities, four were agricultural colleges of which one had a university affiliation.

It is important to note that the provincial advisory economists and their staffs were part of the general body of officers concerned with advisory work in agricultural science as a whole. Their scales of salaries and conditions of employment were determined by the general scheme for agricultural advisory work, and their attachment to the academic institutions left only minor responsibilities in the hands of these institutions. While the advisory economists were nominally employed by the academic institutions concerned, they were in reality an integral part of the existing agricultural advisory scheme.

On the other hand, each advisory economics department developed its own work in its own way subject only to the approval of its budget by the Ministry of Agriculture. This work fell into one of four main categories as follows: (a) the giving of advice to farmers in farm management, (b) the undertaking of research and investigational work on their own initiative, (c) the conduct of investigations in the field of farm incomes and farm costs requested of them by outside bodies, (d) participation, when required, in the teaching work of the academic institution to which they were affiliated.

The main emphasis in the research work of the provincial departments was throughout on farm-management studies. Cost accounts, financial accounts, and farm survey records were all assembled to build up a body of factual data necessary for research and advisory purposes. But the research undertaken on their own initiative was by no means restricted to the farm-management field and, in fact, the many varied projects undertaken concerned most of the wider aspects of agricultural economics. It is true that limitations of finance and personnel were largely responsible for the small scale of many of these projects. But it is also true that there was an attempt to spread activities as widely as possible.

Some attempt at co-ordinating the work of the eleven provincial centres was made from the outset through the Conference of Advisory Economists. This Conference consisted of all the advisory economists together with representatives of the Agricultural Economics Research Institute and the Ministry of Agriculture. The Development Commission (and later the Agricultural Research Council) was also represented.

The Conference met twice a year, and appointed sub-committees which met more frequently. In earlier years the Conference was mainly a forum for general discussions of programmes of work and techniques to be employed. Latterly, however, it became increasingly concerned with co-ordinating inquiries of a national character.

These national investigations developed rapidly in the early nineteen-thirties and they dated roughly from the formation of the Economics Branch (now the Economics Division) of the Ministry of Agriculture. They took the form of co-ordinated schemes on which the various provincial economics departments worked together. In the main schemes of this kind all provinces co-operated but there were a number of miscellaneous projects (enterprise studies mostly) in which only some provinces were involved. The formula for these schemes was simple. The schemes involved each province in obtaining a given sample of records on a uniform plan, which were then gathered for analysis in a national report. The running of the schemes was in the hands of the Conference of Advisory Economists. The Economics Branch of the Ministry of Agriculture undertook the secretarial work of administering the schemes, and the Agricultural Economics Research Institute undertook the grouping of the provincial records and preparation of the national reports. But each provincial department was free to use the provincial data collected under the schemes for research and advisory work and for the preparation of provincial reports. Two of these co-ordinated schemes, the Milk Investigation Scheme and the Farm-management Survey Scheme, were, on the score of their scope, of outstanding importance.

The Milk Investigation Scheme was started in November 1934. It was financed by a special grant from the Milk Marketing Board. Its object was to obtain and disseminate financial and other economic data of general importance covering the milk industry in England and Wales. The information thus provided was used by the Milk Marketing Board for its price-fixing negotiations. But the information was also to be used by the agricultural economists for research and advisory work to improve the efficiency of milk producers and to benefit the industry in general. The control of the scheme was vested in the Conference of Advisory Economists which appointed a special sub-committee to deal with all questions of technique, to supervise the form of records, to approve the national reports, and to deal with other matters of common interest. The Advisory Economists were responsible for securing the co-operation of over 600 farmers drawn from

all the important dairying districts in England and Wales. A series of annual national reports, prepared by the Agricultural Economics Research Institute, was published. These reports summarized the main features of the cost structure for milk from year to year. In addition, most of the provincial centres published provincial reports on costs of production, while many other reports concerned with other aspects of the economics of milk production and based on the data collected under the scheme were published from time to time. In 1943 the Oxford Institute published a comprehensive study of milk costs covering the five-year period up to 1938-9.¹

The Farm-management Survey Scheme was launched in 1936. It was financed by a special grant from the Development Commissioners. The scheme was intended to supplement the official statistics by collecting information annually about the capital, equipment, and labour employed, purchases of requisites, and sales of produce, &c., on farms in England and Wales. Later the information was extended so as to enable a statement of the changes from year to year in the financial results of the co-operating farms to be computed. The general organization of the scheme was on the same lines as that already outlined for the Milk Investigation Scheme. Thus the advisory economists were responsible for obtaining the data from about 2,000 farms. These farms were drawn from about sixty type-districts, that is, areas reasonably homogeneous in such factors as soil, altitude, and proximity to markets and, therefore, characterized by a fairly well-defined type of farming. The data collected were used by the advisory economists as the basis for local farm-management advisory and research work. But the data were also assembled by the Agricultural Economics Research Institute at Oxford which undertook to prepare national reports dealing with the financial position of farming. Two such reports were issued before the war and they provided a picture of the changing economic conditions of farming in this country. In this way the scheme attempted to supply (a) the means for both local and national research into the many economic problems of the industry, and (b) an authoritative index of yearly changes in farm incomes and farm expenses.

In co-ordinated schemes of this kind there must always be differences of opinion about the value of the work as well as about technical issues such as sampling and so on. But the schemes operated with an

¹ A. Bridges, *Milk Production. A Study of Variations in Costs 1934-5 to 1938-9* (Oxford, 1943).

almost surprising degree of smoothness. There was, however, one major difficulty on the organizational side which became apparent before the war. While the schemes were each made possible by special grants to the provincial centres, and their direct costs were covered thereby, the initiation, administration, and direction of several such schemes imposed a considerable burden on the comparatively small permanent establishments at the provincial end. The result was that it greatly restricted the opportunity of independent work by the provincial staffs, who in the previous decade had contributed an astonishing variety of information on a wide field considering the smallness of the available resources.¹

THE WAR PERIOD

During the war it was inevitable that the concentration of effort on national purposes should affect agricultural economists and work in agricultural economics.

In the first place many members of the staffs of the Agricultural Economics Research Institute and provincial advisory departments were seconded for official government work. The creation of the Ministry of Food early in the war and the launching and administration of the food production campaign by the Ministry of Agriculture made heavy demands on personnel.

The fundamental research activities of the Agricultural Economics Research Institute at Oxford were seriously curtailed and its staff was severely reduced. It managed, nevertheless, to continue some research activities, a notable example being a comprehensive study of land-use.² Publication of the *Farm Economist* was maintained though not on a quarterly basis, but the annual *Agricultural Register* was discontinued.

The war canalized the work of the provincial agricultural economics departments mainly into the collection and analysis of farm data required for current official purposes. The Milk Investigation Scheme and the Farm-management Survey Scheme were continued throughout. In addition, many other co-ordinated enterprise costs studies to provide data for pricing policies were carried out. During the earlier years of the war the advisory economists themselves acted as intelligence officers for the Ministry of Agriculture, and this involved the submission of periodic confidential reports on the economic problems

¹ See J. P. Maxton, 'Professional Stocktaking' (*Journal of Proceedings of the Agricultural Economics Society*, vol. vi, no. 2; especially pp. 145-6).

² C. S. Orwin (editor), *Country Planning* (Oxford, 1944).

of the food-production campaign in the provinces. Many other confidential reports on special problems were asked for from time to time.

One other official project threw a heavy burden of routine work on the provincial economics departments. This was concerned with the supervision of the National Farm Survey carried out in the period 1941 to 1943 by the staffs of the County War Agricultural Committees. The scrutiny and assembly of the survey data devolved on the agricultural economics advisory departments. The departments also assumed responsibility for the custody of all the survey documents. These documents are now available for research and advisory purposes. They constitute a permanent and comprehensive statistical and cartographical record of virtually every farm in England and Wales.¹

War-time requirements made it necessary to secure a considerable increase in the volume of statistical information about the agricultural industry. The official annual agricultural census became a quarterly census, and many items of new information were included in the census schedule. The control of supplies by the Ministry of Food made it necessary to obtain comprehensive data on the quantitative movements off farms of cereals, potatoes, and milk, as well as of purchases of animals for slaughter. Moreover, the individual farm statistics were widely used by the County War Agricultural Committees for the purpose of preparing farm-production plans. During the war there was, of necessity, a statistical black-out in that there was no official publication of the figures collected. But this restriction has already been largely, though not entirely, removed. Thus a new official publication—the *Monthly Digest of Statistics*—issued by the recently established Central Statistical Office carries the more important agricultural statistics as a regular feature.

POST-WAR DEVELOPMENTS

The most significant development in England and Wales since the end of hostilities is probably the new constitution of research institutions which itself partly results from new emphasis on certain classes of work. The new organization would have arisen from the requirements for economic research itself, but it was in any case made necessary as a result of a vast reorganization of the general scientific advisory service for agriculture.

¹ See 'National Farm Survey of England and Wales.' A Summary Report. H.M.S.O. London, 1946.

By a section of the Agriculture (Miscellaneous Provisions) Act passed in 1944 all the technical and scientific services for agriculture were to be reconstituted into one national service. This National Agricultural Advisory Service came into operation on 1 October this year (1946), and it incorporated in it all the scientific advisors who, with the agricultural economists, had up till then constituted the provincial advisory service. The eleven provincial advisory centres attached to universities and agricultural colleges thus automatically came to an end.

But the new National Agricultural Advisory Service does not embrace the economists. They remain in the academic centres, and are not moved into the Civil Service along with the scientists.

The reason for the exclusion of the economists is bound up with certain developments in the status of their work. With the government fixing of farm prices during the war, farm financial records and farm costs assumed a new importance in this country, as no doubt in most other countries. While the war was on, negotiations were more or less informal and *ad hoc*. But the government decision to continue to guarantee prices for at least the transition period to peace—at the moment it seems likely to become a permanent feature of agricultural policy—a more formal system of price review became necessary between the government and the farmers. Sound, independent, and impartial figures were said to be essential for the purpose, and the provincial economists were the obvious people to provide them. Their independence and impartiality as between government and farmers were to be clearly emphasized in two ways: (1) by not associating these departments with the National Agricultural Advisory Service and thus with the Civil Service, and (2) by giving them complete academic status in universities.

That scheme of reorganization has been carried out at the same time as the former provincial scientific advisors were being transferred from the academic institutions to the new Civil Service establishments. In practice, however, at the outset at least, the agricultural economics departments and their actual work are not materially changed, with one or two exceptions. Thus the eight centres hitherto affiliated to universities continue as before with only internal changes in their relations with their universities. The remaining centres, which were formerly not attached to universities but to agricultural colleges, have had an alteration in their status. In the case of two centres affiliation to universities has been arranged for; the third centre, at Harper

Adams Agricultural College, West Midlands, has been disbanded and the area served by it partly divided between two of the other provinces. This means that all of the existing ten departments are now attached to universities, and their complete academic status is thus thought to be secured. In one instance the new position has been recognized by the creation of a professorship of agricultural economics at Reading University, the first in England and the second in Great Britain, the other being at Aberystwyth, Wales.

Concurrently with these developments, the Agricultural Economics Research Institute, Oxford, was undergoing certain changes. As already stated, the Institute was attached to Oxford University. But it was also one of a number of research institutes which together covered the agricultural sciences, and as such came under the supervision of the Agricultural Research Council. In the latter years of the war, at the instigation of the Ministry of Agriculture, a decision was reached to detach economics from this scheme for the agricultural sciences, and to emphasize its independence by making the Institute at Oxford the sole responsibility of the University of Oxford. In the main this decision has been put into effect, although the undertaking about its finances has not yet been implemented. The Institute is still financed by a grant from the Ministry of Agriculture instead of being transferred to the general grant which the University receives for all purposes from the Treasury. Again, this organizational change makes little immediate difference to the actual work of the Institute, except that it ceases to be officially responsible for the preparation of national reports based on the co-ordinated inquiries carried out by the provincial centres. But with it has gone an important personal change. Dr. C. S. Orwin retired from the post of Director after occupying the position for thirty-three years, since the first small beginnings of the Institute in 1913. He was succeeded by Professor A. W. Ashby, well known for his work at Aberystwyth and in so many other fields.

Although it preceded the general reorganization by several years and was not a part of it, the creation of the Institute of Agrarian Affairs, also at Oxford University, should be noted here. The Department was established in 1934 directly under the Dartington Hall Trustees and was known as such for its editing of the *Proceedings of the International Conference of Agricultural Economists* and for the first number of this *Journal* published just at the outbreak of the war. Before the war the Department also issued the monthly *Current Survey of Agricultural Policy*—a valuable commentary based mainly on opinions

expressed in the more responsible sections of the daily press. In 1942 the Department was formed into the Institute of Agrarian Affairs by a grant from the Dartington Hall Trustees to the University of Oxford.

Other developments in organization have been outside of the academic field. The creation of the Ministry of Food early in the war, which now seems likely to become permanent, opened up a new field for the employment of agricultural economists. Again, the new price-fixing arrangements and agricultural policy generally have caused the farmers' organizations to pay more attention to economic research and to attract agricultural economists to their own staffs.

There has not yet been time, since the end of the war, for new trends of work to establish themselves in the ten full-time departments of agricultural economics which now exist in England and Wales. At the moment the collection and analysis of farm data required for current purposes continues to exert the major demand on their resources. Indeed the backbone of the work in the provinces is still the Milk Investigation Scheme and the Farm-management Survey Scheme. Since 1945 both of these schemes have been extended and a new lease of life given to them.

It is, however, part of the plan of reorganization of the provincial departments that substantially increased facilities should be made available for research projects of the department's own choosing and designing. In particular there is an official assurance that a minimum proportion of the grant to each provincial department shall be available for work of local interests and not forming a part of national co-ordinated schemes. This important proviso is to apply also to any new co-ordinated scheme which it may be necessary to undertake. For example, in the expanded Milk Investigation Scheme (to be called in future the National Investigation into the Economics of Milk Production) roughly three-fifths of the total grant available to each centre is to be used to provide information which will assist the government and producers' representatives in formulating price and production policies, and roughly two-fifths is to be used for the expansion of more fundamental local research into the economics of milk production, the character and scope of which is the responsibility of the local provincial economists.

Some such arrangement as the above is clearly necessary if scope for initiative by the provincial departments is to be retained and encouraged. If the arrangement is fulfilled in a generous spirit, and the opportunities used with keenness and imagination, the result should

be a revival of an interesting variety of new adventures in research work which threatened—more than threatened—to be completely lost in the routine of co-ordinated schemes. The provincial departments are not obliged to confine themselves to work connected with farm data only, but may adventure into any of the many fields of agricultural economics.

The almost complete suspension of the varied activities is only now becoming noticeable when the war drops away from us. A vigorous revival is overdue. So much reconstruction of the industry, made necessary by the return to peace or by political developments or merely by the passage of time, is imminent, and with practically no recent research to provide guidance.

That is true of fields like tenure, credit, taxation, labour, and, of course, prices and international trade. It is plain that the circumstances of the war made it possible and necessary for the administrative departments to accumulate quantities of data, much of which was new, but even where they were systematically and scientifically collected—which was not always possible under the stress of events—there were no opportunities for even tentative efforts at long-term analysis. Much of that data would be, no doubt, found to have lost all significance for peace conditions. Much of it would, however, be basic to further studies in the subjects. Unfortunately, it is always a gruelling task to dig back into loosely stored material which in the first instance was not designed as a research project.

The case of marketing studies is a peculiar one and one which in a sense may be a test case for the future. With the creation of the Ministry of Food and its immense ramifications in the regulation of every stage in wholesaling, processing, and retailing of all food products for six years of war and since, the pre-war collection of marketing data by a few academic centres, and even by the Markets Branch of the Ministry of Agriculture, is trifling by comparison. Yet, although agricultural and other varieties of economists were employed by the Ministry of Food on a considerable scale, they were used almost solely either on administrative tasks or on statistics of supply. Nothing of serious moment was attempted as research in any of the various aspects of marketing. For knowledge and judgement in that respect the Ministry depended on commercial traders who, some of them the most distinguished men in their trades, joined the Ministry's staffs to operate the commercial side of the controls. In addition, of course, there were innumerable committees of the various trades. All of that

was part and parcel of the circumstances. There was neither time nor patience for research as such.

It does, however, raise a problem for the future. In a managed economy, such as this country has adopted, there is every inducement, every necessity, to be equipped with the fullest and most detailed data on economic activities. It seems likely from the current demand for statisticians that there will be no lagging behind in this respect, no more, that is, than the physical and financial limits of data-gathering impose. It is, perhaps, only where a nation starts to make serious administrative use of statistics that it realizes the staggering potential quantity and the inadequacy in both the quantity and the quality of what it has been in the habit of getting.

But a new stimulus to official collection of statistics, and their handling by official statisticians, is not enough. There arises first of all the problem that in a managed economy the Ministry becomes an interested party, both in the kind of statistics it collects and in the story which the statistics are allowed to tell. It is no longer a detached impartial body. That, of course, is what is re-emphasized by the new organization given to the provincial advisory departments and the Agricultural Economics Research Institute. Since these institutions were already quite clearly academic and independent institutions, it is doubtful if the new organization means a great deal except by way of emphasis.

The assurances of the new constitution are mainly concerned to establish the independence and impartiality of the collection and analysis of farm business records, but they also leave the institutions free to work in other fields and to make studies even if they are directly critical of the government.

But negative freedom is one thing and concrete facilities are quite another. The institutions would require not only generous finances from government sources but also unfettered access to all the material available in government records. Neither of these has been unreservedly given in the past. Marketing was indeed an outstanding case where a Ministry said in effect: 'We have the access to all the necessary material and we have command of all the financial resources for the study of marketing; we know how we want the job done, and therefore we see no need to give any of the money in grants to academic institutions to do research in this field.' As a matter of record none of the money was granted to the academic institutions except pitiably small sums.

The danger of that happening again is clearly greater in certain fields. In a managed economy the Ministries and official organizations, like Marketing Boards and commodity commissions, will have at their disposal masses of data not hitherto available. The case of the Ministry of Food is obvious in the field of marketing and trade. We hope to see substantial increases in qualified staffs of agricultural economists employed by the Ministries analysing these data efficiently in the interests of the Ministries and of the national administration. But it is clearly desirable that it should not end there. Research for the immediate purpose and in the special interests of the official body is too short in its outlook to stand alone. The longer and more comprehensive view of independence and disinterested research is even more necessary when the government becomes an active participant in all the economic affairs of the nation.

Independent research does not, of course, necessarily mean criticism, but the independent assessment of data and impartial judgements based on it, either by researchers or others, is always potentially critical. The case for independent research is well recognized in principle in this country. It remains to be seen if the administrative mind can rise to the stature of giving ample scope to those institutions which will always be potentially its most thoughtful and impartial critics.

It remains to refer to developments in the teaching of agricultural economics and in the training of agricultural economists.

Already before the war agricultural economics was included as a subject in the undergraduate course for general agricultural students at most of the universities where agriculture was taught. At Oxford, Cambridge, and Aberystwyth there were also facilities for more advanced undergraduate and graduate courses in agricultural economics. At Oxford such courses were handled mainly by the staff of the Agricultural Economics Research Institute. Cambridge had its Gilbey Lecturer in the History and Economics of Agriculture. At Aberystwyth the Professor of Agricultural Economics was responsible for an honours course in the subject. Elsewhere most of the teaching was given by the advisory economists and their colleagues in the provincial departments.

Early this year (1946) the report of the Committee on Higher Agricultural Education in England and Wales gave prominence to the need for the expansion of facilities for teaching in agricultural economics and for the training of agricultural economists. A representative

group of professional agricultural economists which considered the Committee's statement was in agreement on two main lines of development. Firstly, that the teaching of agricultural economics should become increasingly more important in all courses provided for students of agriculture. Secondly, that the training of specialists in agricultural economics should be mainly on a post-graduate basis, and that it should cater for both graduates in agriculture and graduates in economics. If students are to be forthcoming for a graduate diploma course, whether of one or of two years' duration, provisions for scholarships for such students must also be forthcoming. It is gratifying to record that in the first post-war award of graduate scholarships in agricultural science made by the Ministry of Agriculture the greatest number of awards has been made to students electing the field of agricultural economics.