Some Reflections on the Development of Agricultural Economics in Australia

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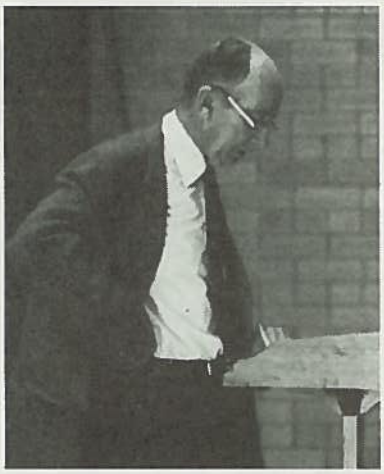

In this paper I propose to discuss some of the principal factors which have helped to shape the discipline of agricultural economics in Australia. My approach on this occasion will not be strictly chronological. I seek rather to identify and assess the influence which individuals, institutions and changes in the social and economic climate have had on the form and timing of the development that occurred.

Patrons and Sponsors before 1945

First let me refer to those early patrons and sponsors who took steps to foster the development of agricultural economics in this country. Typically such people possessed no formal training in agricultural economics but, as a result of their experiences, observations or the positions they held, they became so convinced of the need to initiate specific work in this area that they positively tried to attract others to their point of view. In most cases they made appropriate representations in a political context. In a few instances, where they had command of resources or had access to them, they engaged staff to offer lecture courses which purported to be in the field and/or to undertake research which had some economic orientation.

In the history of Australian agricultural economics, as in the history of the discipline in other countries, sponsors were principally to be found among agricultural technologists on the one hand and among economists on the other. Less frequently

farmers or professional societies played a role.

(a) *Scientists as sponsors*

In the agricultural category in Australia there were people like S.M. Wadham at the University of Melbourne, E.J. Underwood at the Institute of Agriculture in Western Australia and to a lesser extent A.E.V. Richardson at the Waite Institute. At the University of Sydney, R.D. Watts included a course, entitled "Economic Science Applied to Agriculture", in the initial curriculum in agricultural science in 1910 but specific examination results in agricultural economics did not appear until 1923. At the agricultural colleges, E.A. Southee offered courses at Hawkesbury which were claimed to have some economic content. A.R. Callaghan as Principal of the Roseworthy College was responsible for establishing a teaching post in agricultural economics at that College in 1946.

Support for the initiation of research in agricultural economics also came unexpectedly from members of the veterinary profession and subsequently, through them, the Australian scientific establishment. In 1940 a plan for an "institute of agricultural economics" was drawn up by Ian Clunies Ross, R.M.C. Gunn, H.R. Carne and D.A. Gill of the Faculty of Veterinary Science at the University of Sydney with the assistance of L.C. Holmes of the Economic Department of the Bank of New South Wales. As one who knew all these people, I would hazard a guess that Clunies Ross was the prime mover.[1] This committee's proposal was later taken up and supported by the Australian National Research Council (the forerunner of the Australian Academy of Science) of which Carne was the Secretary at the time. The then Chairman of ANRC, Eric Ashby (a botanist), and Clunies Ross later presented the proposal to the Standing Committee of the Australian Agricultural Council but received no

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1. A more complete account of the events described in this paragraph is to be found in Keith O. Campbell, "A Review of the Development of Agricultural Economics in Australia, 1935-1960", *Journal of the Australian Institute of Agricultural Science*, Vol. 26, No. 2 (July 1960), pp. 206-16.

encouragement.[2] Subsequently the ANRC plan was put before the executive of the Council for Scientific and Industrial Research, again without success.[3] Later representations of a similar kind were placed before the CSIR executive by the CSIR State Committee in Western Australia as well as by the A.C.T. Branch of the Australian Institute of Agricultural Science. In all cases the proposal was given short shrift as the executive was determined not to let the Council become embroiled in possible political controversy.

Finally the ANRC, in conjunction with the Vice-Chancellors of the Australian universities, held a conference in Melbourne in July 1941 to discuss the training of agricultural economists in a university context. The recommendations of the conference went to the Australian Vice-Chancellors Committee which in turn sought financial help from the Commonwealth Government to implement the proposal. However, the deteriorating war situation led to indefinite deferment of any decision to support the idea.

(b) *Economists as sponsors*

When one comes to general economists who sponsored or in some cases undertook applied work in the agricultural industries, the name of J.G. Crawford is well to the fore. Following upon earlier *ad hoc* arrangements to provide an economics course for students in the Faculty of Agriculture, Crawford was appointed a part-time lecturer in agricultural economics in the University of Sydney in 1934. From his base as economic adviser to the Rural Bank of New South Wales

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2. It is worthy of note that both Clunies Ross and Ashby at later stages of their careers tried to dissociate themselves from economists and economic research. See Keith O. Campbell, "Agricultural Economics - The Cinderella of the Agricultural Sciences", in Commonwealth Agricultural Bureaux, *Perspectives in World Agriculture*, Farnham Royal, Slough, 1980, pp. 478 and 480.

3. This was not the first time that proposals that the CSIR undertake economic research did not find favour with the Executive. For details, see C.B. Schedvin's forthcoming history of the CSIRO.

after 1935, and through his membership of interdepartmental committees, he was able by 1941 to convince the then Premier of the State, W.J. McKell, and others of the need to establish an agricultural economics group in the N.S.W. Department of Agriculture. Following Crawford's secondment to the rural section of the Commonwealth Department of War Organization in 1942, he was influential in the transference of some of the staff he assembled there to the Department of Postwar Reconstruction and later to the Bureau of Agricultural Economics of which he became the first Director.

On various university campuses around the country there were a number of economists who from time to time ventured into analyses of rural economic policies. Isles and Ramsay at Adelaide and Giblin and Copland at Melbourne were examples. Later Belshaw, the first appointee in economics at the New England University College, played an important role in helping to get the Faculty of Agricultural Economics started there.

Before World War II, a number of the economists in the banks were instrumental in directing some of their staff to undertake work relevant to the rural industries. C.V. Janes at the Bank of N.S.W. was one and, as mentioned earlier, Crawford at the Rural Bank was another. From a broader international perspective, Colin Clark's work at the Queensland Bureau of Industry should not be overlooked.

(c) *Lay-support*

The most clearcut case where lay-support for the development of agricultural economics was apparent was in relation to the University of New England. The movement to get a "faculty of rural economy" established at the then New England University College became evident from about 1943 onwards. There had been talk of faculties of agriculture and veterinary science in the course of negotiations to establish the College in 1937.[4] Fred Whitehouse, at the time lecturer in animal husbandry in the Faculty of Veterinary Science of the University of Sydney, had made a submission to the Rural Reconstruction Commission advocating initially that

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4. D.H. Drummond, *A University is Born*, Angus and Robertson, Sydney, 1959, p. 28.

courses in rural economy be established at three centres in New South Wales. Later his interest narrowed to one of promoting the New England course. Subsequently J.P. Belshaw joined forces with the Hon. D.H. Drummond, a prominent New England member of the N.S.W. Parliament, a former Minister for Education and a great supporter of the New England University College, to prepare a broadsheet advocating the establishment of a faculty of rural economy at Armidale. The issue of autonomy for the College (it was then a college of the University of Sydney) and the proposal to establish tertiary courses in "rural economy" there became an important subsidiary objective of the so-called "New State Movement". As a result of the politicisation of the issue, an increasing number of lay people including graziers such as H.F. White and P.A. Wright became involved. The Council of the N.S.W. Graziers' Association and other representative groups passed resolutions in favour of the proposal.[5]

At the time there was great confusion about the form of the proposed new faculty - whether the emphasis was to be on general agriculture, animal husbandry or agricultural economics. (The Sydney course in agricultural science at that time contained virtually no animal husbandry.) From a letter in the Sydney University archives, it would seem that to Whitehouse "rural economy" referred to a general farm-oriented course covering both crops and livestock conducted in a rural setting.[6] In short, the term "rural economy" was being used in the Oxford tradition as a synonym for agriculture in general. In the same letter Whitehouse complained that other people "in their scheme [were]...putting a city vision into a country environment."

Wright, Whitehouse and others put great emphasis on the need to locate the proposed faculty in a rural environment. Graduates in agricultural science from Sydney University will be interested in Whitehouse's denigration of the rural faculties at the University. In a letter to the *Sydney Morning Herald*, he expressed the view that

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5. Letter to the Editor, *Sydney Morning Herald* from Phillip A. Wright, 2 December 1943.

6. Letter from F. Whitehouse to R. Edols, 24 February 1944, in Sydney University Archives.

> if the recruit is from a city man's home, he is in urgent need of practical farm and station experience and divorcement from this throws undue emphasis on classroom and laboratory whence the graduate emerges as a test tube petri dish product only of value nationally in small correctly dispensed doses.[7]

Drummond for his part was also confused. Writing as late as 1958 (i.e. well after Belshaw had reported on overseas developments in agricultural economics and Jack Lewis had taken up his appointment at Armidale), he says that he

> had noted with dismay that neither at home or abroad was there any very clear perception of what the content of an effective curriculum [in agricultural economics] should be. In Great Britain it appeared to be mainly a kind of a technical course in the marketing of primary products. In the United States it seemed to be a weird collection of subjects thrown together and to an extent the whole idea was in danger of being utterly discredited.[8]

Moreover Drummond cited Edmund de Brunner, a rural sociologist from Columbia University, as being the only man he had met to date "who had really grasped the true principles to be applied in a study of problems in this long neglected field."[9]

Institutionalisation of Agricultural Economics in the Universities

By mid-1946, bureaux or divisions specifically committed to research in agricultural economics had been established at commonwealth and state levels - the Bureau of Agricultural Economics in Canberra in July 1946 and the Division of Agricultural Economics in New South Wales in October 1941. Other state departments of agriculture were to emulate the

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7. Letter to the Editor, *Sydney Morning Herald*, from F. Whitehouse, 21 December 1943.

8. D.H. Drummond, *op.cit.*, p. 96.

9. *ibid.*

N.S.W. example in the years that followed.

However, irrespective of efforts which may be mounted to get new disciplines accepted in government bureaucracies, historians of science tend to regard the establishment of a new discipline in a university context as being of particular importance. The sociologist, Terry Clark, for instance says that "entrance of an innovation [that is, a new field] into the university is in most cases, the single most decisive stage in the overall institutionalization process."[10] There are a number of reasons why this is so. Especially relevant in the Australian case is the assurance it provides of a continuing source of new recruits for the field in the form of students. Appointees to university posts are able to devote more undivided attention to promoting their subject. The prestige and legitimacy of the subject is enhanced and, what is especially important in the social sciences, the tradition of academic freedom in the universities gives protection if current shibboleths are being questioned.

In the Australian scene, the role of the Commonwealth (now Reserve) Bank (through the medium of its Rural Credits Development Fund) in making possible the entry of agricultural economics into academia is without parallel in this country and indeed possibly without parallel in the world. The Bank's traditional pattern is to make selected grants in support of agricultural research projects annually, after consideration of applications from research bodies. But in 1948, the Bank itself took the initiative and offered the Senate of the University of Sydney 50,000 pounds to establish a chair in agricultural economics. This offer to fund the establishment of the first Australian chair in the subject (and incidentally the first permanent university appointment in the discipline) stands as the largest single grant ever made from the Rural Credits Development Fund. The Bank executives deemed it advisable to forewarn the Prime Minister of the Bank's intended use of RCDF money for this purpose. It is of interest that it was a stipulation of the grant that the chair was to be established "firstly, to enable original research to be

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10. Terry N. Clark, "Institutionalization of Innovations in Higher Education: Four Conceptual Models", *Administrative Science Quarterly*, Vol. 3, No. 1 (June 1968), p. 13.

undertaken in the field of agricultural economics and secondly to ensure that the results of such research should be disseminated as widely as possible and made available for the benefit of all agricultural interests in Australia." It was recognised by the Bank from the outset that RCDF monies were to be used to help promote undergraduate and postgraduate teaching as well as research.[11]

Though an appointment was not made at Sydney until 1951, the germ of the idea went back to 1945.[12] Early that year, L.G. Melville, who was then the Bank's economist and L.F. Giblin, who hailed from the University of Melbourne and had been a member of the Commonwealth Bank Board from 1935 to 1942, jointly prepared the case for making the offer for such a chair. Among those consulted were Rivett and Richardson of the CSIR executive, both of whom strongly supported the idea. (The irony of their support after their refusal to provide a home for agricultural economics in the CSIR fold will not escape notice.) Others consulted were R.C. Mills, Professor of Economics at the University of Sydney, who was at the time seconded to the Commonwealth Government as Chairman of the Universities' Commission, S.H. Roberts, Vice-Chancellor of Sydney University, and J.G. Crawford, then in the Department of Postwar Reconstruction.

The decision to endow the chair at Sydney was made on 5 November 1945, but the Bank did not make a formal offer to the University Senate until September 1948, primarily, it would appear, because ready cash was not available in the Rural Credits Development Fund. The offer when made was accepted by the Senate which further determined that the chair should be at the University of Sydney itself, rather than at the New England University College and in the Faculty of

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11. Commonwealth Bank of Australia, *A Contribution to the Development of Australia's Primary Industries*, Sydney, 1957, pp. 26-27.

12. The information in this and the following two paragraphs is drawn from R.W. Prunster and J. Melville, *The Rural Credits Development Fund 1925-74* (unpublished manuscript held by the Reserve Bank of Australia).

Agriculture rather than in the Faculty of Economics.[13] In view of the earlier advocacy of rural developments at Armidale previously mentioned, the protests from that city were loud and clear particularly from the new Warden, R.B. Madgwick, and from the Chairman of the Advisory Council, the Rt Hon. Sir Earle Page.

The offer to the University of Sydney, and its magnitude, did not escape the notice of the faculties of agriculture and of economics in other universities and may even have been a little embarrassing to the Bank itself, given its desire for evenhandedness between the states. In 1956, after the Bank had indicated its willingness to accept proposals for "major projects", it made a grant of 3,000 pounds per year for five years to assist in the establishment of a readership in agricultural economics at the University of Western Australia and 5,000 pounds for four years to the University of New England to "undertake a study of the comparative efficiency of individual farms in the dairying, beef cattle, sheep and poultry industries." In the event, the New England money initially went towards academic appointments. In 1958, 17,000 pounds was made available to the University of Melbourne to help it develop a teaching and research unit in agricultural economics and in 1959 15,000 pounds was allocated to the University of Adelaide to establish a readership in the field. Finally in 1962, Monash University was given 20,000 pounds to help it establish a chair in agricultural economics.

New or additional staff appointments at universities became somewhat easier following the Commonwealth Government's entry into university financing in the wake of the report of the Murray Committee on Australian Universities in 1957. But it is clear that without the initiative of the Commonwealth Bank and its successor, the Reserve Bank, the discipline of agricultural economics would never have made the progress it did in Australia in the decade of the

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13. This was apparently a deliberate decision. Until 1951, the part-time lecturers in agricultural economics were supplied by the Faculty of Economics. I once asked S.J. Butlin, then Dean of the Faculty of Economics, why the chair was established in the Faculty of Agriculture rather than in the Faculty of Economics. His cryptic response was "Others were closer to the throne than I was."

fifties. Appointments would have been delayed and probably would have been made at a more junior level in the absence of the Bank's assistance. In multi-disciplinary faculties of agriculture, the going is hard at any time for claims with respect to the social sciences.[14]

In addition to their pump-priming role in relation to appointments to academic positions, the administrators of the Rural Credits Development Fund also funded numerous specific research projects in agricultural economics and thereby incidentally aided postgraduate training in the field. These grants were particularly helpful in that those responsible for disbursing industry research funds were not fully appreciative of the possible contribution of agricultural economics research to their industry and tended to support projects in production research over those having an economic or marketing orientation. To give two illustrations: in response to a request of mine to the Wheat Industry Council in the mid-fifties for support of a project to investigate the economics of wheat storage, I was told that farmers were not interested in storing wheat but only in selling it! About the same time a request directed to the wool industry committee for help for a study of complementarity between sheep and cattle production led to a comment that the project proposed was a problem in ecology rather than in economics and an offer to pay half the costs if the Meat Board paid the other half!

Professional Activities

After the establishment of centres of teaching and research in universities, probably the next most important element in securing a firm foundation for a disciplinary innovation is the formation of a national professional organisation. Such an organisation helps to maintain and develop intellectual standards through conferences, the establishment of journals, and the awarding of prizes. It is of particular value to small, often isolated, professional individuals or groups in a continent burdened with the tyranny of distance. Such a body may also provide a base for collective action by people from various universities on

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14. See Campbell, "Agricultural Economics" (1980), *op.cit.*, p. 476 *et seq.*

matters of concern to the profession nationally. In short, the reference point is national and universal rather than confined to the individual research organisations, be they academic or bureaucratic.

In Australia, the initial steps to form what was to become the Australian Agricultural Economics Society were taken in the latter part of 1956. A conference of people interested in the field was called in Sydney in February 1957 and it attracted 120 participants who agreed to the establishment of the society.[15] Arrangements were made to publish a journal forthwith, the papers read at the aforementioned conference forming the first issue of the *Australian Journal of Agricultural Economics*. Initially, as might be expected, the refereeing of journal articles was minimal but, with the passage of the years, the process of peer review gradually raised the journal's standards. The membership of the Society likewise gradually became more professional over time.

Where a new discipline is not of indigenous origin, the contacts with counterpart and earlier established research centres and professional bodies in other countries can play an important role in shaping the emerging science in the country in question. The umbilical cord is primarily made up of the postgraduate students who are trained in overseas institutions before and immediately following the institutionalisation of the discipline in the new country. In this regard Australian agricultural economics has benefited from its relatively late development in the sense that it has had the opportunity to benefit from other countries' mistakes. It was also fortunate in the range of overseas institutions (more particularly in the United States) to which would-be Australian practitioners went to study. Though there have been assertions that graduates of particular American institutions have had an undue influence on Australian agricultural economics, I agree with Edwards and Watson that these assertions are not borne

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15. For more details of the Society's history see Keith O. Campbell, "Some Aspects of the History of the Australian Agricultural Economics Society" in Australian Agricultural Economics Society, *Membership Directory, 1980*, pp. 1-4.

out by the facts.[16]

Overseas professional connections are probably less significant in shaping local developments than the personal contacts of individuals. Nevertheless it is relevant to record that from about the time that the Australian society was founded, Australian membership of the International Association of Agricultural Economists began to rise markedly. From the 1958 Madras conference on, Australians have attended the triennial conferences of the International Association in significant numbers and have been recognised in the programs thereof. Of more relevance is the fact that the Thirteenth Conference of the Association was held in Sydney in August 1967, only ten years after the national society was formed. This event was helpful to the Australian profession not only because it provided the opportunity for a much larger number of Australian agricultural economists to establish international contacts, but more importantly because it brought the existence of a professionally competent Australian group to the attention of the overseas practitioners.

Relationships of the New Profession with other Organisations

(a) *Relations with agricultural scientists*

It is easy after a quarter of a century to overlook or forget the difficulties and frustrations with which the early workers in the profession were beset. Not the least of these arose from the comparatively late start of the agricultural economics profession in Australia. The physical and biological strands of agricultural science were well entrenched by the time of the Second World War and workers in these fields generally were unreceptive and even suspicious of the possible contribution of agricultural economics.[17] I have already referred to the reaction of the CSIR executive to various proposals regarding agricultural economics. Those who have laboured to build up staff and facilities for agricultural

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16. G.W. Edwards and A.S. Watson, "Agricultural Policy" in F.H. Gruen (ed.), *Surveys of Australian Economics*, Allen and Unwin, Sydney, 1978, pp. 198-9.

17. Campbell, "Agricultural Economics" (1980), *op.cit.*, p. 476 *et seq.*

economics in an agricultural faculty will also appreciate the difficulties of this nature. Generally speaking, the fight for resources is tougher in a large multi-faculty university (especially when there is a range of professional faculties) than it is in a less competitive atmosphere. As an external observer, it seems to me that this is one advantage the agricultural economists have enjoyed at the University of New England.[18] It must have also helped to have the Faculty of Agricultural Economics specifically mentioned among the four faculties listed in the act of incorporation of the University in 1953.[19]

In retrospect, I believe that one of the most effective places for getting scientists to appreciate economic issues occurred at multidisciplinary gatherings called to consider such matters as land settlement, irrigation, the use of arid lands and the development of tropical Australia. Even so, in some cases, such as the Ord development, the admonitions were voiced in vain.

(b) *Relations with economists*

Opposition in the early days came not only from scientists but also from economists themselves. By the mid-fifties agricultural economics had come to be accepted by the Australian economics profession as a legitimate applied field, judging by such objective measures as the programs of Section G of ANZAAS and the contents of the *Economic Record*. However, there were some continuing problems. At a meeting of the Faculty of Economics at the University of Sydney on 8 April 1957, the Dean, S.J. Butlin, in a prepared statement attacked the Faculty of Agriculture for considering the establishment of a bachelor of agricultural economics degree

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18. There are, of course, other views. For example, Deutsch and others after their multi-country study of advances in social science over 70 years concluded that "locating a highly specialized social science discipline in a small town or college 'far away from all distractions' seems...to be a very promising prescription for sterility". K.W. Deutsch, J. Platt and D. Senghaas, "Conditions Favoring Major Advances in Social Science", *Science*, Vol. 71, No. 3970 (5 February 1971), p. 458.

19. University of New England Act, No. 34 of 1953.

and a diploma in agricultural economics without consultation with his Faculty. He spoke of what he claimed was "an apparent breach of trust" *vis-a-vis* the Commonwealth Bank and asserted, *inter alia*, that there should be no additional staff appointed in agricultural economics without consideration of his Faculty's needs. There were also difficulties in getting the Faculty of Economics at Sydney to award the master's degree in economics to people specialising in agricultural economics. By way of contrast, at the University of New England the economists and agricultural economists amalgamated to form a single faculty in 1971.

(c) *Internal disagreements*

There were also disagreements, or at least counter-productive activities, within the agricultural economics discipline itself. Following the successful inaugural meeting of the Society in Sydney in February 1957, the then Director of the Bureau of Agricultural Economics, T.H. Strong, gave an address in Queensland extremely critical of the papers read at the Sydney meeting. His address was reported in considerable detail in *Queensland Country Life*. It is doubtful whether a joint reply by a group of university-based interstate economists in a subsequent issue did much to redress the damage. In the same year, an abortive attempt was also made to prevent the publication of the first issue of the Society's *Journal* through questionable use of federal-state agricultural relations. In the latter case it was a paper of mine which gave rise to the *cri de coeur* from Canberra.

(d) *Relations with farm organisations*

The history of relationships between the agricultural economics profession and farmers and farm organisations has also been chequered. In 1958 the Australian Dairy Farmers' Federation launched one of its periodic forays designed to maintain or increase the extent of the federal subsidy on dairy products. According to a reliable authority, the executive of the Federation believed that the Commonwealth Treasury suspected that the advice of agricultural economists, whether governmental or academic, was not unbiased. Accordingly, the Federation put a proposition to the Faculty of Economics at the University of Sydney that, for a fee, its members should embark on a wide-ranging survey of the dairy industry to help bolster the industry's case for protection. The final report appeared in May 1959 and two years later became the basis of

Drane and Edwards' book on the Australian dairy industry.[20]

Irrespective of the quality of this work, I have always regarded the incident as an unfortunate reflection on a young profession. The appeal to Karmel and Downing in 1959 by the McCarthy Committee of Inquiry into the Dairy Industry to prepare a report on the industry could well have been motivated by similar considerations. I do not believe that the then members of the faculties of economics had any monopoly on "independent and disinterested" research, as Drane and Edwards described their work. But times do change. In 1975 I was asked (but declined) to write the background paper for the IAC's first enquiry into the dairy industry.

Australian agricultural economists have had difficulties with organised agriculture primarily because their advocacy of reformist policies has run counter to the industries' norms and expectations. As might be expected the farmers' ire has been primarily directed against academics rather than bureaucrats. The refusal of dairyfarmers to have any truck with the collective submission by seven academic agricultural economists to the McCarthy enquiry in 1960 on the grounds that their analysis omitted "the social, political and cultural aspects of the dairy industry"[21] would be one example. Alan Lloyd's fight against the farming of Victorian deserts would be another. Other agricultural economists have been denigrated by the irrigation lobby. In the case of New England, Jack Lewis was the *bête noire* of the dairy industry particularly following the anonymous publication of the *Current Affairs Bulletin* on "Milking the Australian Economy",[22] which was subsequently published elsewhere under his own name.

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20. N.T. Drane and H.R. Edwards (eds.), *The Australian Dairy Industry - An Economic Study*, Cheshire, Melbourne, 1961.

21. Commonwealth of Australia, *Report of the Dairy Industry Committee of Enquiry*, Canberra, 1960, p. 128. The submission by the agricultural economists is reproduced on pp. 124-8.

22. J.N. Lewis, "Milking the Australian Economy", *Current Affairs Bulletin*, Vol. 39, No. 13, 22 May 1967.

Agricultural economists have received virtually nothing from the wheat industry research committees in the past three decades. In my own case, it was made abundantly clear to me quite early that I could not expect to receive research grants for my Department while I held the views I did on wheat price stabilisation. By way of contrast, I have always found the graziers' organisations prepared to listen to advice even when it could be considered counter to their interests as in the debate about the wool reserve-price scheme. I think it is to the profession's credit that major contributions were made on the dairy and wheat industries at Armidale and Sydney in spite of the lack of farmer support.

Overcoming the Tyranny of Old Paradigms

I have already referred to the fact that agricultural economics came relatively late onto the Australian farming scene. This meant that initially there were some constraints on what could be accomplished by the profession both as regards its research activities and on its effectiveness in the area of advice on public policy.

(a) *Misplaced methodological expectations*

In a day when farmer organisations have expert staff whose advice they listen to, when first-rate training facilities in agricultural economics are available and when the profession is quick to take on board new advances in methodology, it is perhaps difficult to appreciate the problems confronting early workers. For instance, many personnel were perforce recruited in the early days with a minimum of training in the social sciences (much less in economics) and consequently there were limitations on the work these people were capable of undertaking. In some instances, it was a case of the blind leading the blind. Field surveys with ill-defined, if any, economic objectives and general land utilisation and farm accounting studies with questionable benefits were widely advocated and, in a sense, expected by technocrats and farmer clientele. Farmers aside, Jack Lewis has recounted how "it took some effort to stamp out the concepts of the role of agricultural economics (and notions of what the subject should properly embrace) held by some university

administrators and by Rural Science colleagues."[23]

(b) *Ill-advised policy demands*

To anyone interested in promoting more rational public policy in agriculture, it was the constraints of farmer folklore about the type of agricultural policy to which they were entitled which were a greater frustration than ill-trained staff. Most of the expectations of farmers in this area had developed in days before economic analyses were regarded as relevant in agricultural policy formation. To be concrete, I believe that the Royal Commission on the Wheat, Bread and Flour Industries in the middle thirties did a great deal of mischief in encouraging farmers to believe that costs of production were relevant in price determination. As a consequence thousands of man-hours of researchers' time have been wasted over the years in trying to satisfy this fetish of farmers in a number of industries.

In the same vein, it has taken decades to convince farmers and legislators of the shortcomings of home consumption price schemes and to disabuse them of the notion that buffer funds were capable of providing the answer to price and production instability in agriculture. Whether the industries concerned would have been better off if these schemes had not become institutionalised may perhaps be debatable, but there can be no doubt that much energy could have been saved and much abuse avoided if Australian agricultural economists had not had to contend with these ill-advised schemes over such a long period of time.

The Future of the Profession

In discussing the growth of an applied science related to a specific industry, one is led to ask how closely the growth of the discipline and also its future are tied up with the relative importance and economic fortunes of the industry it serves. There would seem little doubt that the rise of the Australian agricultural economics profession, though delayed by world-shattering events like the Great Depression and World War II, was helped at mid-century by the then political and

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23. Jack Lewis, "Recollections of Agricultural Economics", *UNE Convocation Bulletin and Alumni News*, No. 48 (September, 1980), p. 13.

economic strength of the rural sector, the growth of government intervention in the agricultural industries in the aftermath of the Depression, the stress on agricultural expansion and the dominance of rural products in the country's exports.

In the years since then, the structure of the Australian economy has changed, the agricultural industries have undergone substantial adjustment and there have been significant changes in international trade and finance. Other sectors have called on the government to provide equivalent research inputs into their industries as have been received by the rural industries. The Industries Assistance Commission has become involved in a much wider range of enquiries than its predecessor. The skills in applied economics acquired by graduates from courses in agricultural economics are being increasingly recognised outside the agricultural industry and the external demand for them is rising.

I do not believe that Australian agricultural economics has as yet been seriously threatened by the latter-day relative decline in agriculture. Indeed the profession has helped to facilitate adjustment in the industry. Moreover in its research activities it has been fairly adept in responding to changes in the rural industry. Such behaviour, if continued, must enhance its life expectancy. There is therefore good reason to believe that the twenty-fifth anniversary of the establishment of agricultural economics at the University of New England will not come to be regarded in future years as a watershed in the profession but rather as an occasion when the profession rededicated itself to the pursuit of the dual objectives of relevance and excellence.