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# DIAGNOSIS AND PATHOLOGY OF PEASANT FARMING

## OPENING ADDRESS

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MANY difficulties have been present in my mind in thinking out this subject which was so courteously assigned to me by the President. This subject evidently does not lend itself to a vigorous scientific treatment, for it involves not only the diagnosis of a definite particular condition of peasant society, but also the examination of what might be called the remedies. On the other hand, the dimensions of the subject itself are such that it cannot be dealt with at all exhaustively in a brief paper to be read in 40 minutes. I therefore ask your tolerance if, now and again, I have not been sufficiently precise, and if, practically always, I have not been exhaustive. I myself harbour many doubts about certain of the conclusions which I shall expound in an emphatic manner purposely to stimulate discussions, and so that our deliberations shall always be sincere and unprejudiced, and always aimed to obtain and face the immediate and direct knowledge of facts and not at ignoring them.

Peasant farming—that is to say the cultivation of the soil and the raising of livestock by the farm family—is one of the powerful original forms in which economic activity is exercised.

We find it in all countries and in all times, and its evolution has followed closely that of landed property. The connexion between the two is particularly evident in Europe where the growth of the family farm and its decline have often coincided with periods of reform and with revolutions that have deeply modified the distribution of land ownership.

Peasant farming takes two forms, (1) that of operating ownership, and (2) that of the holding cultivated by the farm family which, while not owning the land, enters into relations of tenancy or of partnership with the landlord. He in his turn may either dissociate himself from the business of production, as in the case where he leases the farm to a tenant, or may participate in its operations, discharging the functions of manager as in the case of the *metayer* agreement.

The practical forms in which peasant farming is exercised differ

considerably from country to country, not only with the physical environment, but also with the varying social and economic conditions. The great diversity of these conditions is partly due to the changes that have occurred in the economic content of property rights, which varies from one territory to another, changing in the course of time. The rights of the landlord himself vary considerably in practice from one part of the country to the other, and consequently the types of rural economy based on those rights acquire different characteristics. The historical events that have shaped the present structure of peasant holdings in the several parts of the world help to explain the intrinsic differences of a form of farming which to the superficial observer presents uniform features.

The core of uniformity met with in all types of peasant farming is the expression of ever-present causes inherent in the intimate relations existing between the man and the soil he tills. The rural economy of peasant farming is the direct result of the ties existing between the farm family and the natural environment in which they live. The substantial uniformity of *peasant psychology* is due to the fact that all are alike governed by the cycle of production and are dependent on seasonal changes and on the life of plants and animals. The similarity is also due to the fact that in all countries the *primary objective* of the farm family is to build up a farm that will provide for their essential needs. In the course of time this primitive farm created by men intent on procuring for themselves food and raiment, gave rise to a more advanced form of agriculture, and market economy arose.

The growing importance of market economy has revolutionized peasant farming which is by its very nature autarchic. The market offers the opportunity of exchanges, and suggests the division of labour. This soon makes its effects felt in the economy of the farm family, which becomes increasingly sensitive to outside influences, as exercised above all by the industrial and commercial world.

The peasant, instead of exhausting himself in raising bread cereals for his family, tries to specialize to meet also market demand. He thus intensifies his production, makes savings, and invests them in the land.

Diversified farming improves the living standards of the peasants; their diet becomes more rational (the number of calories increases and the food is less monotonous) and with the introduction of animals and machinery their work becomes less hard.

In uncongested areas where the land belongs to those who till it, we generally find systems of peasant farming that satisfy all economic and social requirements. The traditional west German *Bauer*, the

operating landowner in Denmark, Flanders, and Finland, the family farmer of the United States and Canada, are among the most complete and satisfactory types round whom there grows up a farm which, while conserving the valuable traditions of the past, has known how to profit by the contributions made by modern technology.

But only a limited portion of the rural population of the world is engaged in this ideal type of family farming, which has been built up by the operating landowners of viable farms found on relatively restricted areas. It is still the distant ideal on which are centred the hopes of millions of peasants who till the soil in Asia, south and east Europe, some parts of the American continents, and Africa.

Private ownership of the land is a social fact that plays a considerable part in the history of family farming. It makes itself felt effectively just when the available supply of land becomes limited, thus giving rise to competition among those who desire to own and till it. When the bare land, in which no capital has been invested, becomes scarce, then the holder of property rights obtains from the land its economic counterpart, represented by the ground-rent.

The right of private property has an economic content, varying at different times and in different countries. We need only think of how it was exercised in an Italian rural commune of the twelfth century, in France before the revolution, in Russia before the emancipation of the serfs in 1861, in North America before the War of Secession, in Denmark in the eighteenth century at the time of the Reform, in India, in China, in Japan in the nineteenth century. Yet it offers *the possibility of separating the farmer from the land he tills*. The fact that the nature of the right of ownership may vary, passing from the absolute right as understood by Roman Law (*diritto quiritorio*) to the mere right of receiving a rent, explains why in the several countries, even among educated people, the notion of property rights in land is associated with widely differing conceptions of rural life. In those countries in which peasant ownership prevails almost exclusively, and where tenancy and the other intermediary forms of agreement establishing a direct relation between the owner of the soil and the farm family are almost unknown, it is difficult to make people understand that the legal fact of landownership is something quite different and distinct from the economic fact of the family farm. This accounts for *the confusion that so often exists between the distribution of the land among the several farms and its distribution among the several estates*.

Few countries possess statistical returns showing both the distribution of the land as among the several owners, and the manner in

which that same land is distributed among the several farms. If this dual inquiry is not essential in countries in which the two phenomena practically coincide, it is found to be essential in those where the distribution of the land, considered from the standpoint of ownership, differs from its distribution among the farms, so that one and the same person may own more than one holding, or one holding may belong to several landowners.

*The growth of non-operating landownership is a fact of exceptional importance in the history of world agriculture.* In the first place it gives rise to ownership rights in the land as distinct from the exercise of the farming profession. Now, as the land is a limited quantity, this right inevitably gives rise, with the gradual growth of population, to monopolistic situations. In the second place the rural life of whole nations has often come to be organized on the basis of this property right and their governing classes are drawn from among those landowners. Sometimes those classes, which secure the control of the State, guide the peasantry towards improved forms of agriculture and prepare a better future for them. More frequently, however, they are less interested in the progress of agriculture than in maintaining the position they have acquired, and reinforcing it so as to preserve and increase their incomes from ground-rents. In such countries, unless the growth of the rural population be matched by the rapid growth of a strong industry and active trade, the condition of the agricultural classes will become more and more difficult. Peasant risings, so frequent in history, and of which we have seen impressive examples in the last fifty years, arise from the need the rural masses feel of freeing themselves from a political and economic power that takes no direct part in the agricultural enterprise and makes no contribution to the advance of agriculture.

This is not the right place for describing the relations existing in the several countries between landowner and farmer. An exhaustive inquiry would show, however, that all over the world a slow but steady movement has taken place in the last few centuries and has been speeded up in the last 150 years, which aims first at eliminating more or less parasitic types of middlemen who come between the landowner and the farmer, and then at replacing the non-operating landowner himself. This movement is identified with the steady progress of operating landownership in the modern world. In Finland as in Denmark, in France as in Germany, in Italy as in Ireland, the family farm is steadily gaining ground, even if it presents itself in very diverse forms, depending on the varying density of the rural population and the systems of farming in use. Taught by a not always

happy experience the peasantry of east Europe, and of a large part of western Europe also, have won the ownership of the land they till. They have still, however, far to go. The family farm has defects and drawbacks which hinder the inadequately trained farmers from associating social progress with the progress of production. This explains why, in periods of rapid development, peasant farming gives rise to so many doubts and is so variously judged by students.

Capitalistic farming, that is to say the cultivation of the soil and the raising of livestock organized by an entrepreneur who employs wage-workers, is, relatively speaking, a limited phenomenon. Remote precedents, described in the pages of history, were noteworthy as individual manifestations, but spatially restricted.

In recent times capitalism has acquired importance in agriculture in those countries in which great industrial developments have induced large masses of the peasantry to leave the fields, thus giving rise to the problem of how to operate the abandoned lands, or else in countries recently colonized by white people, when the capital accumulated in the Old World sought profitable investments in the colonies and in new continents. This led to an agriculture characterized by the intensive exploitation of the soil, large-scale use of machinery and the employment of a small number of wage-workers.

The European manifestations of agrarian capitalism other than those of feudal origin, bound, that is to say, to the fortunes of the families who owned the land and were rarely themselves engaged in agriculture, have been of brief duration. There are cases in which such capitalistic farming has managed to last for many centuries. This has been the case in Italy in the valley of the Po river, because the agrarian capitalists have not only reclaimed swamps and irrigated dry and sandy lands, but have invested vast capital in building roads, houses, canals, making tree and bush plantations, in levelling ground and providing livestock and machinery, lands which thus organized have given rise to real industrial farming. In such areas capitalist agriculture, employing large numbers of labourers, who are more like industrial workers than peasants, has held its own against the forces that are everywhere striving for the prevalence of peasant farming; their success is due above all to the fact that in such cases capital has played its full part in the social structure and satisfied the needs of modern society. The valley of the Po and some departments in France, some of the English counties, and some regions of the United States, Canada, Australia, and Argentina offer striking and splendid examples of the contribution made to agricultural progress by capitalistic organizations.

Generally speaking it can be said that in zones where large investments have been made in land and agrarian equipment to assure active and intensive farming, capitalistic estates have successfully held their own in the struggle with the peasant holding. The latter cannot easily take the place of the former for the following reasons: (1) the size of the peasant holding is generally far below that of the capitalistic farm and it would therefore almost always be necessary to divide it up in an irrational and costly manner; (2) the labourers employed by the capitalistic farm would be the natural candidates for taking over the workings of the new peasant holdings, but they are almost always without capital and lack adequate training in agriculture and marketing; (3) frequently the capitalistic farm secures high production at low cost by making a larger use of implements, machines, and fertilizers, so as to supply the market with products that it would be difficult for the peasant holdings to deliver at once.

But when capitalistic farming operates on bare lands or on lands on which no special investments have been made, then it can be replaced with comparative ease by the family farm and in this case the change need not necessarily be accompanied by notably lower production. Still simpler are those cases in which large areas of arable land have to be distributed among the peasantry who already tilled them and who continued raising the same crops in much the same way. Such situations arose after the First World War in a large part of eastern and southern Europe, more especially in Poland, Hungary, and Roumania. Peasant holdings of this new type are established generally by legislative acts; but their success will depend on the enterprise of the farmer and on the ability and willingness of the State to organize associations and co-operative societies able to afford efficient help to the new small-holdings. Co-operation, as has been clearly shown by experience in Denmark and in some respects among other countries, including Holland and Finland, is the pivot round which the efficient family farm must revolve. It should, moreover, be remembered that government intervention and good laws are not enough; certain fundamental personal qualities are needed that are rarely found in peasant populations who have hurriedly acquired the ownership of the land they till.

It is therefore essential that the transformation of the economic system take place gradually. This favours a process of natural selection which no bureaucracy, however diligent, honest, and experienced, can replace. The ability to work and make savings is always the touchstone for selecting from among the innumerable candidates

those who have the necessary preparation for organizing a family farm. One need only pause to reflect on the history of agriculture in the several countries to become convinced of the truth of this conclusion.

European history offers clear proof of the irresistible movement referred to above for the formation of peasant-owned holdings. Apart from what has occurred in the agricultural countries of east Europe after the First World War, and again after the Second World War, in other countries also in different ways, depending on their greater economic maturity, the peasantry have made great advances towards securing the ownership of the land they till. The reform recently carried out in Japan under the auspices of our eminent American colleagues, shows that there, too, peasant ownership is now predominant. It would seem that a like movement is taking place in China, and, however different the mode of procedure may be, also in India and in other countries of the Middle East.

The basic fact which determines the rise of peasant farming is to be found in the ratio between rural population and available land; that is to say in the density of the rural population. Indeed, in countries with a dense rural population, peasant-type structure is generally the rule and the first of these pathological symptoms so widely discussed in economic literature arises when the disparity between rural population and available land becomes acute.

In the more advanced countries the development of the family farm is generally accompanied by the rapid growth of industrial, commercial, handicraft, and professional activities. In such cases the familiar phenomenon of the rural exodus rights the balance. The pathological ratio between man and land is thus corrected, the pressure of the rural population on the land is relieved and the farm family can count on obtaining an area sufficient to allow of a better organization of the undertaking, thus assuring it a decent standard of living. But when, owing to the lack of enterprise or to the absence of the necessary physical and social-economic conditions, industrial, commercial, and professional activities do not develop, then the pathological conditions affecting peasant farming will be intensified to an almost incredible degree.

The reduction in the percentage ratio of the rural population in all the countries of western Europe and in some of the great lands settled by the white race (United States and Canada), is there to show that the development of sound farming of the peasant-type structure requires that the rural population be reduced; at the same time the

organization of the farm tends more and more to satisfy market demand, and agriculture offers new and important outlets for industrial goods (motors, machines, fertilizers, anti-parasitic sprays, petrol, &c.) and new trade currents are set going to assure the rational marketing of the products of the farm exchanged for those of the factory.

In the United States only one-fourth of the work of the farm is performed by wage-workers. Three-fourths of the labour required for producing the formidable mass of products obtained each year in that great country is therefore supplied by the farmers themselves and their families. A considerable part of the five to six million farms that comprise the agricultural industry in North America offer important examples of typical family farming, which, however, rarely offers grave pathological aspects. Only in some of the southern States do we meet with the difficult conditions unfortunately all too frequent in south Europe.

The existence of pathological forms of peasant farming is due, as we have already said, to the congestion of the agricultural population. This is clearly shown in the case of India and China in the Far East; of Bulgaria, Greece, and some areas of south Italy in Europe. Here we find the keystone to the whole problem. The pathological forms generally arise when the percentage of the rural to total population exceeds 50 per cent. Thus in Belgium, Holland, Switzerland, Czechoslovakia, and in wide regions of France and Italy, where the percentage of the working population engaged in agriculture is less than 30 per cent. of the total working population, peasant farming is sound and vigorous. But in countries where that percentage greatly exceeds 60 per cent. of the working population (Bulgaria 81 per cent., Roumania 78 per cent., Yugoslavia 78 per cent., &c.) peasant farming shows ever more serious pathological symptoms. In these cases we find also the dangerous trend towards cereal monoculture (wheat or maize, or rice) as those crops assure the highest per-unit production of food calories, and therefore enable those populations to secure enough nourishment to keep them alive. In such cases peasant economy is by definition a poor economy, tending towards autarchy.

But when family farming, as in the United States, Denmark, Belgium, Holland, and Finland, and in important areas of France and Italy, is diversified, and when a large part of the crops are raised for the market, then it represents the foundation of national economy, the essential guarantee of orderly civic life. This agriculture has known how to effect the change from self-sufficiency to market economy and it has almost always created a strong, sound co-operative

movement which avails itself of the instruments of modern technology used to such good purpose by capitalistic farming.

There are regions where the rise of an active industry has led to a co-operative symbiosis between agriculture and industry as a result of which the rural families have become semi-urban, thus solving the economic problem and enabling peasant agriculture to recover its lost elasticity.

In past centuries family farming almost always found its balancing factor within the rural community itself, as some of the members of the farm family itself carried on home crafts which afforded economic stability to communities of that type. Modern progress has uprooted the home industries, which in some cases have not been replaced by national ones of a kind suited for employing the surplus rural population and providing them with the source of income they had lost. This has sometimes been due to objective needs requiring that a given type of modern industry be located in a given place, and sometimes it has been due to cut-throat international competition.

In such cases peasant farming has suffered severe losses and the living conditions of the peasantry have deteriorated, even though it be theoretically possible for them to purchase excellent goods at low prices. But it is in the best interests of industry to favour the recovery of peasant farming, for it is on a prosperous farming community that depends the formation of a sound market for the products of the factory.

The industrial and commercial progress of the agricultural countries is therefore the essential condition for assuring the gradual elimination of the ills which peasant farming suffers.

Industrial progress and the growth of trade therefore offer the most efficient means for rationalizing agriculture. It is no mere chance that we find the most progressive peasant economy in countries with a vigorous industrial development and doing a great trading business (Denmark, Belgium, &c.).

The Russian world offers different forms.

The countries of east Europe that gravitate in that orbit (Poland, Czechoslovakia, Hungary, Roumania, Bulgaria) confirm what we have said. By a series of land reforms they have replaced large- and medium-sized estates by holdings operated by their owners. A strong co-operative movement seems to have grown up to make less difficult the life of the new peasant holdings. Similar events occurred in the Russia of the Czars and in Soviet Russia during the first post-revolutionary period. The scanty information available on what is now happening to the agriculture of the U.S.S.R. does not allow us

to express a well-founded opinion. It may, however, be expected that the rapid industrialization now taking place in that country will gradually reduce the number of the rural population, thus bringing about conditions more favourable to the farmers.

Let us repeat once more that the deep-rooted cause of the serious pathological symptoms noted in peasant farming arise from the fact that a congested rural population lives exclusively on the income obtained from the land.

The pathological symptoms that usually accompany the more typical manifestations of peasant farming are well known and we shall merely list them here. They are:

1. malnutrition, accompanied by typical scarcity diseases (beriberi, pellagra, scurvy, trachoma, &c.);
2. high death-rate accompanied by a high birth-rate;
3. illiteracy;
4. tiny holdings, almost always insufficient to yield enough for assuring a decent standard of living to the peasant;
5. splitting up of the small-holdings into a great number of parcels of land, often at a distance one from the other;
6. primitive and often insanitary farm-dwellings;
7. scanty use of mechanical and animal power and abundant use of human muscular energy;
8. keen competition among the peasants seeking land, accompanied by a land-monopoly held by the great landowners;
9. high ground-rents paid to the landowners and to numbers of middlemen who come between the landowner and the peasant;
10. selfishness and backwardness of the peasantry, often leading to excessively hard child labour.

These ills, which more or less affect all peasant farming, become acute when the disparity between available land and rural population is very marked.

On the other hand, in those regions where industrial and commercial developments have reduced the numbers of the rural population, family farming has by its own efforts the means to secure a stable equilibrium and has thus regained its health.

The considerations we have presented afford a partial reply to questions postulated by some students, and recently by our colleague of Oxford University, John P. Maxton, for the purpose of deciding whether we should accept as inevitable the prevalence of family farming, or whether it should be fought to make way for industrialized agriculture employing wage-workers.

The question thus formulated is perhaps too theoretical to receive a satisfying answer. But however this may be, it is certain that in agriculture the cult of the colossal which flourished for some years has ceased once and for all, after the first large-scale experiments made in the Western World. They only confirmed that the optimum size for the agricultural undertaking, even if it be of a capitalistic type, is always a small one. 'The picture of the very large farm run on highly industrialized lines gives the practical farming man a sense of unreality', writes J. P. Maxton, and he goes on to say: 'Farming is an intimate business.' I think we all agree with these simple remarks, which lead us also to assert that, given the actual consistency and distribution of the rural population of the world, family farming is inevitable and it should therefore not be fought but rehabilitated.

The many remedies suggested by the several currents of political and economic thought for alleviating the difficulties besetting farming of the peasant-structure type are too well known to need repeating here. The legislation of modern countries has created a superabundance of institutions and enacted endless laws whose purpose is to prevent the excessive subdivision of holdings, encourage vocational training for the peasantry, improve sanitary conditions, control the evils of excessive competition, and assist private enterprise to consolidate split-up holdings.

I fear that agrarian economists have attributed too much importance to these forms of legislative intervention.

The laws can only make an efficient contribution to the progress of family farming when the basic evil from which it suffers has been curbed, that is, when rural congestion, which burdens the land with excessive numbers, has been relieved, and when the peasant family has thus been given the possibility of attaining a decent standard of living. Then and then only will active measures for providing the peasants with opportunities for vocational training and economic organization yield now unhopd-for results, as shown by the recent history of the countries of western Europe and North America.

For this reason it would seem that emigration flanked by the growth of industry and trade are the central problems that the countries where family farming prevails are called on to solve.

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I wish to take advantage of the suggestion made earlier by the Chairman that we throw out some challenges as a stimulus to our thinking about these problems. With that in mind I am sure Professor Medici will pardon my taking exception to some of the state-

ments made in his excellent paper, and the conclusions implied by them.

In the latter part of his paper, he states :

‘The legislation of modern countries has created a superabundance of institutions and enacted endless laws whose purpose is to prevent the excessive subdivision of holdings. . . . I fear that agrarian economists have attributed too much importance to these forms of legislative intervention.’

With this I can agree, but not with the subsequent conclusion that the recent history of the countries of western Europe shows a trend toward the relief of rural congestion, and an improving opportunity for raising the levels of rural living. I submit that, in fact, the tendency in many parts of the world, including western Europe, is the opposite of that suggested by Professor Medici. I do agree, however, that we need to examine carefully the underlying economic forces that are shaping the structure of agriculture, and not be led astray by well-meaning, but often unrealistic, efforts to create a new pattern by legislative action.

What I wish to emphasize is the powerful effect of economic forces and institutional factors in bringing about different patterns of agriculture under varying conditions. In some situations the drive is toward units that are larger than the family farm; in others it is creating or retaining excessive subdivision and unbearably low standards of living. What I think should be stressed, since our purpose is to be helpful in solving these problems, is that while we need this broad background of a global look at the situation, our real contribution will be made area by area. There is no one formula that will be appropriate for all the countries of the world. That is the first of three points I wish to make. The second is that we need to do some real searching to determine whether the family farm is an ideal we can accept universally and without question. There is an implication in Professor Medici’s paper that that is what we all want, that it is the way things are moving, and, therefore, all we need to do is speed up the transformation.

My third point is that we need to know more than we do about the relationship between size of farm unit and the cost of production. If we are to foster and establish, perhaps by legislation, a particular type of farm, and a particular size of farm that is different from what would result through natural economic forces, we need to know the cost of the change we are proposing to make.

If we are to talk about the ‘pathology’ of the peasant farm we need to have some concept of what is a ‘healthy’ farm situation, since

illness is a deviation from health. We have not defined as clearly as we should the kind of an agricultural pattern we should strive for; nor is there universal agreement on objectives even in terms of our existing vague definitions. The central questions are: What is the present structure of the agricultural economy, what changes are occurring, and are these changes leading toward a more healthy situation? First, I think we should define more clearly what we are talking about. I regret the use of the term 'peasant farming'. To farmers in many parts of the world the word peasant has a connotation of class distinction and social inferiority that is exceedingly distasteful. Almost any farmer in the Western Hemisphere, if he were referred to as a peasant farmer, would be irritated, or more likely distinctly angry. No farm leader in the United States would dare to refer to his followers as peasant farmers. I think that would be true in Canada, in Australia, in New Zealand, and in Argentina, and possibly even in Britain. At any rate, what we are really talking about is the self-employed, working farmer. This is a broader category than the owner-occupier group which is the one frequently assumed when we speak of peasant agriculture in the European sense. There are many family farms which are not owned by their operators. They are, however, worked by self-employed farmers who for most purposes can be properly assigned to the group here under discussion.

Professor Medici takes for granted that the 'peasant' type of farming is the desirable one under virtually all circumstances. With some qualifications and exceptions which I will mention later, most of us would, I think, agree with that view. I would, however, raise considerable question as to whether the world's agriculture is moving so clearly in that direction. Certain areas are being forced into that pattern through planned action by governments. Other very large areas are changing in an opposite way as a result of economic forces.

We have, in the Western Hemisphere and in Europe, two very different backgrounds as to the origins of the patterns of agriculture that now exist. In Europe most of the agriculture has developed out of a feudal form of organization. Much of the Western Hemisphere was settled under a family-farm pattern. I refer particularly to countries like the United States and Canada, and others which experienced their major agricultural development during the nineteenth century. In the United States the family-farm pattern has persisted despite the fact that there was no legal requirement that it should do so. This was largely because the size of unit chosen in the early period happened to be rather well suited for effective use of the labour, power, and

capital resources of most of the families then engaged in farm operation.<sup>1</sup>

But now, in all of the newer agricultural areas of the world, agriculture is being rapidly mechanized. The influence of this change is in the direction of larger units. To what extent shall the very real economies resulting from such modernization be limited in the interest of other values that are widely cherished? In other words, what kind of an agricultural pattern is really desirable? Are we prepared to suggest a single formula, a single plan, for all the countries of the world and for all the areas in a given country? I believe not. In a number of countries the overriding objective is that of maximizing production even though this may have to come about at the sacrifice of some non-material values that are held in very high regard. This is the kind of problem faced by countries like India and China, and some of those in the Caribbean area. In lesser degree it presents itself in western Germany and in Britain. In some, at least, of these countries, a true weighing of the relative merits of a mechanized larger-scale agriculture as against those of traditional forms may very possibly point to something quite different from the kind of agriculture which implies a maximum number of small-scale, inefficient or only moderately efficient, farms operated on the traditional peasant pattern. If, under these conditions, we find that something other than the family-farm unit is markedly more efficient, we must, I think, at least scrutinize very carefully the assumption that the family-farm pattern is the only one that should be sponsored.<sup>2</sup>

Since this topic is far too large for discussion on a world-wide basis, I ask your indulgence in taking certain illustrations from our experience in the United States. As you probably know, large parts of the public lands were originally alienated from public ownership in the form of homesteads of 160 acres each (roughly 65 hectares). There were no restrictions on subdivisions or combinations of such units. As a result, there has been in recent years a rapid shift away from the family-type farm in some areas. This is especially true in the sugar-cane areas, the rice areas, and some of the wheat areas. There we are getting very high efficiency, but at the cost of giving up the family-type farm. I do not see a likelihood that, in such areas, the

<sup>1</sup> This statement applies to that portion of American agriculture which was developed with free labour. The areas where slave labour was used developed a quite different type of farm unit.

<sup>2</sup> It is recognized, however, that in some areas the increased political stability that may flow from having maximum numbers of farm workers attached to the land through ownership or other secure types of tenure may outweigh the merits of a possibly rather substantial increase in physical production.

methods of production will shift back toward those of the family farm. Instead we must, it seems to me, seek new procedures for making the status and condition of the farm worker more satisfying in an industrial agriculture setting.

In our over-populated, excessively subdivided areas, such as the older cotton region of the South, we are faced with an opposite and equally difficult problem. There, if we continue with the existing hand culture on small units, a worker may have an earning power of little more than a dollar a day in ordinary times. As a hired machine operator on a large-scale mechanized farm he may make five, six, or seven dollars a day. Here we must make a choice between a policy that fosters or preserves large numbers of small units yielding low returns to the workers, and larger industrialized units that can pay a higher return for the labour employed. Some of us undoubtedly will place a higher value on the relative stability of the small unit; others on the higher earning power per worker usually found on the highly mechanized, industrial-type farm.

To avoid prolonging the discussion, I shall state briefly the other main point on which I would like to comment. We should make a distinction in our thinking between pathological conditions that are due to a remediable fault in the structure of agriculture, and pathological conditions that are due to a basic over-population in relation to all resources. We are having in the present period, I think, a good deal of rather unprofitable discussion about universal industrialization in countries that are plagued by over-population of their rural areas. In many situations, selected types of industrial development do provide important possibilities for betterment. I think, however, that we tend to base our thinking too heavily on historical precedents and not enough on rigorous analysis of the conditions and forces we are faced with in the world of to-day. Britain, Germany, and the United States are the striking examples of countries in which rapid industrialization released the pressure of population on the land. The results that occurred there were, however, to a large extent historical accidents. They were made possible by the particular set of conditions that existed at that time. Britain achieved a dominant position because of location; of certain types of resources; and an early start, together with noteworthy talents for invention and organization. The United States and Germany also had great mineral resources, and were able to profit greatly by the 'know-how' that had already been developed in Britain. The timing was fortunate for them. There were still enormous unfilled markets, and trade conditions, both internally and externally, were relatively free. It would, I think, be a serious mistake

to assume that this pattern will necessarily be repeated in the areas that are now seeking to solve their problems through rapid industrialization.

It is obvious that in some of these countries the basic resources for major industrial development do not exist. Also, if all of the agricultural surplus-producing countries were able to industrialize quickly, the impact on the already developed industrial nations would, of course, be very severe. Are we not in some danger of discarding too easily one of the oldest and most widely accepted principles of economics; namely, that there are important over-all social gains from specialization, both geographically and functionally? This is not to say, of course, that we should be over-impressed with the merits of the trade patterns of the past. On the other hand, I think we should beware of making an unrecognized assumption that the ultimate and perhaps the ideal situation is one in which every nation is sufficiently industrialized to supply its own needs for industrial goods, and perhaps have some for export. Nature designed some areas to be predominantly food producers and others to be the homes of heavy industry. We can modify that pattern, and possibly should do so, but if we distort it too severely the strains will be enormous, and we shall all be the losers thereby.

May I return now to a brief summing-up in regard to our central theme, the place of the 'peasant' farm in our agriculture? The principal question I have tried to raise is that of whether we are satisfied to accept the view that the family or 'peasant' farm is a suitable goal to strive for in all areas and under all conditions. Secondly, do we know enough about the relative efficiencies of large-scale and small-scale farms to arrive at sound conclusions on this matter? My third point was that we must study this problem area by area. We cannot and should not seek some one broad, universal conclusion in regard to it. The problem in Britain is different from that of the United States, Canada, Australia, or Argentina. That of Germany may be different from either of these. Also, political as well as economic considerations are involved, and the first of these may well have larger significance in some countries than in others.

I think, too, that within any given economy we certainly do not want to idealize some dead level of uniformity in agriculture. Are we going to say to the young man preparing himself for life, if you take up agriculture, you can only operate on the smallest possible scale consistent with making a living? If you go into manufacturing, into banking, into merchandizing, or shipping and transportation, you can have scope for any amount of executive ability you possess. But

in agriculture, if you want to deal with things on a larger scale and have the ability to do so, you must find your outlet in government, or get out into some other industry. There is, I think, another fallacy that is involved in that line of reasoning; the assumption that all farm workers are capable of managing at least a small farm. Any one who knows farm people intimately is aware of the fact that such abilities are not universal. In non-agricultural lines, there is universal acceptance of the fact that talents and executive abilities vary as between individuals. Is there reason to think the situation is different in agriculture?

A. W. ASHBY, *Agricultural Economics Research Institute, Oxford, England*

Professor Medici has opened the discussion on this very big subject with a very comprehensive, broad, and clear treatment. If I criticize at some points that does not diminish my personal appreciation. I wish, however, that Professor Medici had not adopted the practice of using 'peasant farming' and 'family farming' as equal terms. If the two terms are necessary, if each term has any meaning, then specific meanings should be given to them. Peasant farming and family farming have one common feature by definition, namely, that in both types the major part, if not the whole, of the manual labour is provided by the farmer and his immediate family. Beyond that common feature there are many variations. As Professor Benedict has already said, it is impossible to say that the family farmer of the Middle-West of America, or of New Zealand, or of some parts of England or Wales, is the equivalent of the Alpine peasant farmer. The two equivalent statements are quite unacceptable.

I would like to suggest that with their common feature regarding the provision of manual labour there is a line of demarcation between these two terms. It is this: that the family farm is a type in which, while the bulk of the manual labour is supplied by the farm family, the contribution of capital to production is greater than that of manual labour, while in the peasant-farm type the contribution of manual labour to production is greater than that of capital. I believe that to be a feasible demarcation.

But looking at the paper as a whole, I entirely agree with Professor Medici's main diagnosis of the ills of peasant-farming—and note I am using the term 'peasant farming' in my own specific sense. Perhaps there are ills occurring in certain areas which he has not mentioned. Special features of peasant farming arise from the physical, economic, and social environments in which different systems

occur. Certain customs and laws which are sometimes associated with a system, but which are not necessarily part of it, aggravate its evils. Associated economic resources, like those of fishing, quarrying, and some forms of mining; or transport, and particularly development of small-scale industries, mitigate those evils. But the main points of diagnosis have been covered in the opening paper.

Having agreed with the main diagnosis, perhaps it will be expected that I should agree with the prognosis. Here we arrive at a situation which is common both in medicine and economics. The doctors agree on diagnosis: they do not entirely agree on prognosis or treatment. There is no necessary scientific weakness in this position, for the application of different specific treatments may effectively cure either physical or economic ills. There is, however, always a possibility that one treatment may bring undesired after-effects with the desired cure, while the alternative treatment leaves the patient free of any defects. Before commenting on the proposed remedies for the ills of peasant farming, I wish to draw attention to two points of detail in the opening paper.

Professor Medici has written (p. 19):

‘The substantial uniformity of peasant psychology is due to the fact that all are alike governed by the cycle of production and are dependent on seasonal changes and on the life of plants and animals. The similarity is also due to the fact that in all countries the primary objective of the farm family is to build up a farm that will provide for their essential needs.’

After a long study of the literature dealing with peasant psychology or peasant mentalities and as much observation as is perhaps possible for any one person, I would definitely dispute that there is any such substantial uniformity of peasant mentality. The contents of the minds of peasants, their sentimental and their ideological tendencies, are always affected by (a) the mental climate of the nations and communities of which they and their local communities form parts and, (b) perhaps equally important, they are affected by the changes in the mental climate of different periods in the life of their nations and communities. Even within one country there is no such thing as a fixed peasant psychology or peasant mentality. If you are looking at the history of peasant institutions that fact is quite clear. But in any case the idea-patterns and the sentiments of different groups of peasants are shaped to a very considerable extent by the idea-patterns, the sentiments, and the behaviour-patterns of their general national groups, as well as by the socially inherited customs and current tendencies within the peasant group itself.

However, I am relieved to find that when he has more time and space to deal with peasant mentalities Professor Medici himself agrees with that statement. On pages 10 and 11 of that very excellent book, *The Agricultural Aspects of Italy*, which has been distributed to the Conference you will find this statement:

'The varied climate and agro-geological nature of the soil have contributed to render very dissimilar the rural populations of the various zones who reflect peculiarly the character of the land they inhabit. Their customs also differ, due to the fact that until 1870 they were the inhabitants of separate States. . . . Great are the contrasts for instance between the mountaineers of the Alpine circle and those of Calabria or Gennargentu (Sardinia), between the labourers of Emilia and those of Apulia, or the "latifundia" of Lucania or Crotona; between the share croppers of Emilia and those of Sicily, the vine-dressers of Monferrato and those of Salento and Ragusa; as also between the market-gardeners of Naples and of Sicily and the fruitgrowers of the Verona district; contrasts sprung from innumerable causes that in the course of centuries have created different worlds.'

This subject of the interpretation of the mentality of peasants, or of the mentality of family-farming groups, has great practical importance, and more particularly perhaps in respect of planning for the future. But it appears to me that no one can say the mentalities of peasants are the same in the highly individualistic, traditional peasant areas and in, let us say, Denmark, where a farmer may be a member of six co-operatives, accepting suggestions and directions at times from every one of them. This characteristic of independence in occupational activity which we so commonly attribute to peasant and family farmers has been taken away from them for their own good, very largely in Denmark and to some extent in Holland, and also in New Zealand, and, I am not quite sure, but I think in some parts of the United States. The men are told what they should produce, how they should produce it, and it has been necessary to do that for their own welfare.

The second point of detail with which I want to deal is that of the proportion of agriculturists in the total population. The opener has said that, when the percentage of working population engaged in agriculture was 60 per cent. or over, serious pathological symptoms occurred; between 50 per cent. and 60 per cent. pathological symptoms occurred; and round about 30 per cent. the communities showed sound and vigorous condition. Allowances have, of course, to be made for countries like New Zealand and for special areas in a number of countries with a highly developed export trade in agricultural produce. (I think also on a close consideration, an exception

may have to be made in another direction for conditions in which the agricultural proportion falls below 20 per cent. of the total occupied people, but I cannot stay to deal with this.)

It is on a later page of the paper (seep. 26) that a little more consideration and elucidation seems necessary. Here Professor Medici expresses this very commonly held view. 'It is in the best interests of industry to favour the recovery of peasant farming, for it is on a prosperous farming community that depends the formation of a sound market for the products of the factory.' This statement expresses a sentiment rather than an economic principle. The economic world would be much more satisfying to agriculturists in particular if the statement were valid in both respects. The chief facts of the situation are these. First, the proportion of national income enjoyed by the agriculturists (of most if not all nations) is lower than the proportion of agriculturists in the total occupied population; that is to say, using a simple illustration, where the proportion of agriculturists is 50 per cent. their share of the national income may be as low as 40 per cent. or even lower. In all known cases the proportion of income is lower than that of industrial workers. Second, practically all agricultural communities spend a higher proportion of their incomes on foodstuffs than the total of the non-agricultural population, and commonly agriculturists spend a higher proportion of income on foodstuffs than any single industrial or social group. It follows from these two positions that, number for number, agriculturists purchase less, and must purchase less, of the products of industries than other social groups. Two illustrative cases, although they may seem over-simple, may be presented. If an agricultural population representing half of the total enjoys only 40 per cent. of the national income, the chief consumers of non-agricultural goods and services will be their producers—the non-agriculturists. But when an agricultural population represents only 30 per cent. of the total and enjoys only 25 per cent. of the national income, somewhere between 75 per cent. and 80 per cent. of the market for non-agricultural products lies with their producers, the non-agriculturists. These, of course, are simple and indeed very obvious positions. If there were not a tendency to suggest some sort of metaphysical relationship between 'agricultural' and 'industrial' prosperity, such a simple analysis would be redundant. The position is, however, that we do not know what are either the causal or the quantitative relationships between agricultural and industrial prosperity and welfare. It is for this reason that a group of my colleagues have spent about two years on research into the economic relationships between agriculture and industry, and some social relationships

between agricultural and non-agricultural populations. It is too early yet for any definite statement of results, but it may be said that in every country to which the investigations have extended the agricultural population enjoys a disproportionate share of national income. Perhaps this statement did not need proof, but my colleagues have put quantitative measures on the position in several countries. And for those members of the Conference who are interested in the development of non-agricultural population and industries, it may be useful to say that there is a very obvious pattern of evolution which is something like this: When agricultural techniques begin to advance, and agricultural progress is being made, when the possibilities of industrial progress occur, the first thing that happens is an increase in the number of people engaged in extractive industries, but even at the maximum this is usually a low proportion of the total.

Here I would just like to throw out two suggestions to Professor Benedict; that some of the countries which are thinking now of industrial developments are not so bare of the big farms as appears; and that current requirements of plant in development of industry are considerably different from those of the early and middle nineteenth century.

In any case, the first thing that happens in industrialization is an expansion of extractive industries, whose workers may rise to something like 5 to 8 per cent. of the total group. The second thing that happens is an increase in manufacturing industries up to 38 per cent. of the total occupied persons, but not markedly exceeding that figure at any time. It follows that the great absorbers of surplus labour with the advance of agricultural and industrial techniques are the tertiary occupations—transport; material services—such as gas, electricity, and water; commercial and exchange services; personal services, and the professions. The summaries on the following page indicate the relative importance of the primary, secondary, and tertiary occupations in respect of general opportunities of gainful occupation.

Such proportions must affect all our thinking about industrial transfers from agriculture and affect it very closely indeed. It is necessary that every one concerned with transfers from agricultural occupations should realize the high proportion of occupied persons in modern societies which are to be found in this miscellaneous third group.

Professor Medici quite openly intends his primary remedies for the ills of peasant farming—that is, industrial development, occupational transfer, migration, and emigration for relief of rural congestion—to leave the peasant-farm system with its essential characteristics; or perhaps I should say, to turn it into what would be properly

described as a family-farm system. Apparently he is a whole-hearted believer in an improved individualistic family-farm system modified by some necessary forms of co-operative organization. Forty years ago most of the members of a conference similar to this would have immediately agreed with Professor Medici, though at that time there would have been some people to plead for various of the better forms of landlord-and-tenant system. Occupying ownership of land was one of the economic and social ideals which in Europe emerged from the French Revolution. It has not had a long history—a history at the most of 160 years or thereabouts. Although the system made great headway during the nineteenth and the early years of the twentieth centuries, it appears at least in its ownership aspects to have lost a great deal of ground during the last thirty years. And it must now be said that all Professor Medici's chief remedies for the ills of peasant farming are equally consistent with, equally necessary to, more radical changes in the organization of agricultural production: whether those more radical changes are of a capitalist, or a co-operative, or even of a collectivist type.

*Percentage of Gainfully Occupied Persons*

	<i>Primary: Agriculture, forestry, fishing, mining</i>	<i>Secondary: Manufacturing</i>	<i>Tertiary: Transport, trade, and services</i>	<i>Total</i>
<i>United States of America</i>				
1820	72.6	12.2	15.2	100
1870	54.9	20.5	24.6	100
1930	23.9	28.9	47.2	100
<i>Great Britain</i>				
1841	25.7	35.6	38.7	100
1871	18.5	38.6	42.9	100
1901	14.2	33.9	51.9	100
1931	12.0	33.2	54.8	100

Some countries have now had a fairly long experience of family farming under systems mainly of occupying ownership, of ownership operation, or mainly of tenant operation, or under a combination of ownership and various tenancy systems. On this experience no one can claim that ownership operation is a permanent or a self-maintaining system, or that it is economically and socially stable or always equally satisfactory.

Certain systems of tenancy have shown at least equal economic stability, and have given equal satisfaction. Indeed the economic

stability of any of these systems, and the satisfaction which they yield, are largely dependent on the economic, social, and juridical environments in which they operate.

Ideas, ideals, and behaviour-patterns of men are liable to change and in some environments they have changed during the last thirty years. Men, even peasants, have tried and are willing to try radical experiments. Competent and apparently unprejudiced observers judge that some of these experiments have succeeded. As economists or agricultural economists we are unable to say that the family-farm system is everywhere the best or the only one which will be satisfactory. We are quite unable to say that other systems will not be established or will not yield adequate economic and human satisfactions. If we say that all the available knowledge and energy should be given to the maintenance of a family-farm system, or to its improvement, and that more radical changes in the organization of farm production should be discouraged, that is an ethical or a political rather than an economic judgement. Many family-farm and peasant-farming systems need modification and improvement, some need very radical change and improvement. Possibly there are some which have gone beyond the stage at which improvement will yield the results which are economically and socially necessary or desired and which will be converted to the co-operative or collective type of agricultural production. In some circumstances it is necessary that agricultural economists should study closely the conditions of economic success in the capitalist, co-operative, and collective type of agricultural production. The world has suffered the building of many barriers, but no nation or community ever erected an entirely impenetrable barrier against ideas, or against records of comparative experience.

VON DIETZE, *University of Freiburg, Germany*

I should like to add some remarks about the distinction between family farming and peasant farming. Let me begin with a story. Twenty-five years ago I saw an English farmer near Oxford who had farmed in many parts of the world, the United States, Canada, South Africa, even, I think, in Australia. One of the party suddenly said to me: 'You Germans are unable to colonize', and before I could say anything the English farmer replied: 'I'll explain that. There are many German farmers in all parts of the world where I have farmed. They are our best citizens. When they have made for themselves a farm as a result of their labours, they stick to it, improve it in all sorts of ways, and leave it to their children. The next generation goes

on living and working that same farm. When we made a farm we sold it, and we made a fresh start somewhere else on double the acreage and that perhaps again and again. That is why we British succeed in colonizing whole continents.'

That is the difference between the peasant farmer and the family farm. The peasant sticks to the soil without any legal obligation, being unwilling to sell it even for much greater earnings, and that is what makes a peasant, or, in German, a *Bauer*. It is a great pity that we are unable to express all the differences of terms so that they are understood in all shades of meaning by all members of the Conference. I remember very well our late Vice-President, Dr. Warren, saying once that the tongue of the Cow-bell was the only tongue which was understood by all members without any danger of misunderstanding. If we use the word peasant the misunderstanding is apparent as has been shown to us already by Professor Benedict. People in a good many countries of the world are angered by being called peasant farmers. They think of a peasant as a medieval serf or something like that, something at any rate of very low rank. But this attachment of the soil, which in German we call *bauerlich*, has nothing to do with any medieval tradition of bondage or serfdom. It is a free tradition in many countries and it has existed throughout the generations even where the farmer is not an operating owner. It does not exist in all tenant conditions but it does in some.

On the point which has been made by someone that peasant farming results in a low standard of living, I would be inclined to reply as follows: If a country with a high proportion of rural population, say 60 per cent. or more, has a poor standard of living, it is not the family farm as such which is to blame, but the lack of efficient industry.

I agree with Professor Ashby's statement that we do not know enough about the relationship between agriculture and industry, and with Professor Benedict's warning against drawing too much from a limited historical experience. We are highly interested in scientific investigation on this subject. Unfortunately investigations which we started in all countries before the war have not yet been completed and some of the able men who were working on them are no longer alive. But we are going on with the work and it is one of the great things we owe to this Conference, that it enables us to get into contact with the ideas and the investigations to which agricultural economists in other countries are devoting themselves.

The family farm, in the sense of the self-employed farmer, has the essential distinction from a wage-earning system in that it can do without paying fixed wages. Thus, it is able to face times of depression

with fewer calamities than an entrepreneur employing hired labour. Even this point has already given rise to an economic theory of family enterprise or family farming which has given some remarkable results. Moreover, peasant farming is characterized by its voluntary attachment to the soil. It is not aiming at a rentability in the strict sense of the word. Not only is there a theoretical but also a practical consequence of these particular reactions and price relationships. During the depression in the 80's and 90's in Great Britain, agriculture as a whole was extensified, while in Denmark and Holland under the same quality of free trade, which meant the same price conditions, the farmer carried out a considerable intensification. The co-operative system developed in these countries in common with the performance of peasant farmers.

The final point which I would make is that there is a lessening significance in the distinction between peasant and capitalist farming. I confess I do not like the term capitalist farming because it is not clear, but I shall leave that aside. My point is that competition between family farms or peasant farming and capitalist farming is no longer of prime importance, at least on the continent of Europe. The great problem is between the family farm and the collective farm, and this is a problem which not only leads into ethical and political argument, but which also gives us the opportunity to ponder over the general economic order in which the community must live. Family farming, as our President said in his address, ought to help the farmer's independence, even in a modern State, if it is to continue to exist as a family farm. Collective farming, it is true, in some instances has developed on a voluntary basis, but these instances are communities usually based on religious conviction, the famous Amana, for example, in Iowa, and as a rule have not had many generations—in some cases not even years—of existence. I think we can therefore say without any prejudice, without any predilection for one system or the other, that family farming will flourish in an economic order which is free, while collective farming will not persist for any length of time except in an economic order which is based on principles of subordination and not of co-ordination. This is the more urgent competition, if I may say so, facing family farming and it is one on which our decision must be between an economic order based on subordination or on co-ordination.

This should not be taken to mean that we must have *laissez-faire*, or as an argument against co-operative or even some kinds of collective organization. But careful attention should be paid to the distinction between those co-operative or collective forms of organization which

are compatible with the general economic order based on co-ordination and those which are based on subordination. Especially in times of economic distress, farmers and their representatives are induced to support remedies which are not compatible with an economic order of co-ordination, and which subsequently and inevitably lead to an order of subordination, that is to say, into an order that cannot tolerate independent family farming.

Collective farming has one important feature in common with family farms. Just as the peasant has no obligation to pay fixed wages to himself or his family, so the members of the collective farm are paid as much or as little as is left from the gross output after all other outstanding obligations have been met. But the enormous difference between family farms and collective farming is: who shall decide on the conditions of sharing, the paterfamilias or a commissar? The commissar as an institution has even fewer inducements to act justly and humanely than a private owner of slaves has. For the commissar has not even an economic interest which prevents him from treating his subordinates worse than his cattle. As a person, of course, his conduct may be exemplary but it is a major social and human issue whether or not decisions of this kind should be taken by a benevolent officer ruling over many souls or by a father deciding for himself and his family alone. It is an issue which cannot be met by purely economic reasoning, or by calculation. As the President said in his address: 'Our International Conference of Agricultural Economists must deal with fundamental and urgent problems for whose solution humanity cries.'

A. HUNI, *Swiss Farmers' Union, Brugg, Switzerland*

I have been very impressed by the way in which the problem of peasant farming has been treated by Professor Medici, and further discussed by Professor Benedict, Professor Ashby, and Professor Dietze. It would take me a very long time merely to mention all the points on which I agree. I hope you and they will bear that in mind when I express instead those points on which I disagree.

I confess the expression 'the pathology of peasant farming' sounds harsh to Swiss ears. Misunderstandings in the discussion of peasant farming arise from different kinds of experience and of different kinds of knowledge of peasant farming. I therefore fully agree with Professor Benedict when he said that the problem and its solutions differ from continent to continent and even from country to country. Switzerland is known as a land of peasant farming, but before I expand on that I must explain what we mean in Switzerland by

'peasant farming'. Professor Medici associated the expression with the family farm, Professor Ashby thinks that the family farm should only be synonymous with the peasant farm when manual work is mainly used in production.

I suggest that when we speak of peasant farming we do not mean a system of organization, but that intimate relation between men and soil which we find when the farmer farms not to get rich but because he is convinced that farming alone gives him full satisfaction, whereby he and his children care for the landed property he inherited from his father, and hand it on in good shape and high fertility to the next generation.

Let me give you examples. Last December I took a group of Nebraska farmers to visit a farm in Switzerland where the proprietor is very wealthy. He drives a big Lincoln car, not for show but for use. Nevertheless, at the age of 62 years, although he has no children of his own he will not stop working the farm he inherited from his father until he cannot go on any more. I could also show you farms where farmers show with great pride the pictures of three or four generations of the same family who have owned and worked the same farm.

Those members who travelled here on the tour saw farms where the young farmers are proud to hold their farms. I am sure that these members know already how these young folks tend the farm well and work hard until they hand over to their children. I remember the Italian-speaking Swiss peasant at Piotta in the mountains of Gotthard, who had spent more than twenty years in Paris, with an excellent business and owning some houses there, but he had come back just to farm the holding which he had inherited from his father; and he derived the fullest satisfaction from working that very small farm.

Switzerland has always had small farms, family farms, farms owned by the farmer who works the land. We never had great estates and landlords. Peasant farming in Switzerland, therefore, does not have the same problems as in many other States where there has been a land reform, an agrarian revolution to change the proprietorship of the land.

I would like to point out that nevertheless our farmers do not lack any of the real advantages of civilization. I do not say that every farmer has all these advantages, but it is not because he is ignorant of their existence that he prefers to remain a peasant even without them. You must remember that Switzerland is not an agricultural country. It now ranks as an industrial country, and the number of people engaged in agriculture, forestry, and fisheries is only 20 per cent. of all working people. That is another reason why peasant

farming is favoured. It employs more per 100 acres than would be otherwise possible. We want to maintain these numbers and not have a declining number of peasant farms.

In conclusion, I would like to say that I was very glad to receive lately a letter from the National Farmers' Union of England and Wales which had on the coat of arms the motto: *Labore agricolae floreat civitas*. It certainly does not mean merely agricultural work for money earnings, but agricultural work to build a good family and to help the State to utilize its land resources to the full.

G. SOLMSEN, *Arnhof ob Horgen, Switzerland*

An investigation of the reasons and remedies of the pathology of peasant farming, so ably expounded by Professor Medici in his interesting opening address, must look upon this problem not only from the point of view of agricultural economy, but from a broader standpoint. The pathology in question is the typical result of modern development of economy as a whole. It is caused by the ever-growing gap which separates the workman from the final product of his work. Whoever has been called to administer large enterprises knows that the fear of want and hunger is not the sole cause of social unrest. Social peace depends to a large degree also on the success of the management in making the single workman feel that he is not a mere tool, executing certain mechanical functions in the fabrication or handling of goods, but that his understanding and his co-operation are essential elements in the productive process, to which he contributes with both head and hands.

One of the characteristics of peasant farming is the intimate and continuous link which the farmer and his family have with their work, beginning with the planning of the production programme, continuing through all phases of the productive process till the harvest is finished. This intimacy with the whole of production and the responsibility felt for its results makes the peasant farmer self-confident and personally independent. These qualities and the fact that he is to a large degree self-sustaining make him a strong pillar of stable government and immune against totalitarian ideologies. Switzerland is a splendid example of this kind of people. It is therefore in the interest of true democracy and economic and political freedom to conserve peasant farming so far as possible and to protect its existence even if, by the combination of peasant farms into large undertakings, greater quantities of food could be produced at lower prices.

But the protection given to peasant farming must be very careful

in the choice of its remedies. Subventions given to the farmers, paid at the cost of the other taxpayers, or to the detriment of the industrial sector of the country, and without demanding compensatory achievements, are not the right means. They do not go to the root of the disease to be cured. They only alternate the symptoms and try to remove its consequences. The real point from which to start is to attack those shortcomings of peasant farming caused by the victory of technique over space and time, eliminating distance, and making State borders slowly obsolete as economic barriers.

In order to adapt the peasant farmer to this economic revolution the drawback to be overcome is the one which arises when his production stops and marketing begins. At this crucial point the peasant farmer finds himself in a weak position, not only because he sells his products wholesale while he is compelled to cover his needs at retail prices, but also because, being locally isolated and unable to leave the farm as he likes, he lacks the direct and personal contact with the market and is out of touch with the factors influencing its ups and downs.

It is the great merit of the American science of agricultural economics that it has developed practical ways and means of protecting the peasant farmer to a certain degree against the shortcomings of his peculiar situation. He has been taught in the United States to combine with his fellow-producers of the same product in co-operative marketing societies and by doing so to regulate his production according to the needs and possibilities of the market. The latter has been achieved by the ever-expanding system of grading and state-assisted standardizing of farm products, sorting them into grades of uniform kind, quality, and size. This union of producers into marketing organizations and the reduction of products into recognizable grades and marks secures for the peasant farmer badly needed access to the methods of modern economy, without compelling him to give up the essential characteristics of the peasant structure.

The far-reaching importance of this organization attained in America has not yet been fully recognized in continental Europe. We follow only slowly the course which the American agricultural economists have developed with excellent results during recent decades. In consequence there are only relatively few professional chairs in agricultural marketing and the literature is small when compared with the multitude of American handbooks and treatises published on this subject. After the First World War more interest was shown and standardization of certain farm products was initiated. But the structure of this organization as a whole is still far from being

accepted on this side of the Atlantic. There seems to be a great fear that by adopting these methods (as has been done, for instance, in Denmark with remarkable success) the peasant farmer might become an industrial workman and lose his independence. This opinion is wrong. It neglects the fact that the system is based upon self-government by those participating in it, and that its principal effect on the producer is that it teaches him to produce what he can sell most advantageously. Through this self-adjusting education in the production of the right qualities of graded and standardized goods, order is brought into marketing chaos and the peasant farmer becomes freer than he is if he remains in his individual isolation. In addition, grading establishes such standards that the characteristics of the goods can be shown in a distinct universally comprehended way that they can be bought and sold without reference to their origin. As both parties of the bargain have the same exact definitions in mind, there is a short-cut between producer and consumer, and marketing opportunities are widened and the cost of distribution lowered to the advantage of all parties concerned.

The reluctance to apply the experiences gained elsewhere with this progressive structure of peasant farming is all the more incomprehensible, as only graded and standardized farm products can rank as collateral for temporary credit. This form of credit is used in the United States very effectively in combination with cold storage and the provisions regulating the issue of warehouse receipts. By this practice the farmer is able to convert his goods into cash without being compelled by circumstances to sell them when the market price is at the time very unfavourable for him. He can then sell when he wants to, and not when he must, the more so as the cold storage enables his products to be kept in good condition over longer periods. The great advantages of this kind of revolving credit are obvious, when compared, for instance, with a farm mortgage which forces the farmer to work a very long time for his creditors.

I feel shy of outlining in this superficial way the results of transatlantic experience in the presence of so many well-known American and overseas members to whom all that I have said in this connexion is a well-established assumption if peasant farming is to keep pace with the demands of modern economy.

I fully agree with Professor Benedict and Professor Ashby that it is impossible to treat the peasant-farm problem as though it were the same in all countries and continents without regard to the fundamental diversities of their political and economic conditions. Modern farming demands such a vast knowledge of natural science, chemistry,

engineering, and marketing, that it makes a great difference whether it is practised by a peasant hardly able to write and read, or by one instructed by a high-level school education and an intense professional training. It is this kind of diversity of basic conditions which creates the danger of competition of superior quality from commodities produced in distant countries, and compels the peasant farmer to keep abreast of achievements elsewhere and not to stick to antiquated methods of production and marketing. To act otherwise places sentimentality before reality.

The modernization of peasant farming is a concern of all other branches of economy, because the more it flourishes, the more it is an important customer for industrial goods.

Whether the peasant farmer should be owner or tenant of the land he tills cannot be answered globally. The self-owning farmer is of course the most desirable type and will prevail where farming is carried on on a sound basis. A condition of the welfare of this type is, however, that the farm should not be overburdened with mortgages. At any rate, where the modernization of peasant farming is the aim, tenancy can contribute very considerably to its achievement, because it makes the private capital of non-agrarians contribute to the investment in new developments. A further advantage of having both ownership and tenancy is that the latter gives second and third sons of peasants who are not able to buy a farm with their own money a chance to remain in the profession in which they have grown up instead of becoming industrial workers. In the interest, therefore, of the effective solution of the pathology of peasant farming such practical co-operation of industrials, merchants, and bankers with farmers by the way of well-regulated tenancies can be an essential help.

J. F. BOOTH, *Economics Division, Department of Agriculture, Ottawa, Ont., Canada*

I would like to join with others in complimenting Professor Medici on his paper. It is unfortunate that one who presents such a paper is unable to develop, as he would undoubtedly wish to do, all of the points that he brings out, because it leaves him open to the attack of his audience. I hope, however, that he will not mind if we question some of the points that he has raised.

Professor Medici (p. 19) states 'Diversified agriculture improves the standards of living of the peasant.' Now I assume that he is using the term 'peasant' to apply to all farmers and if so I wonder if what he states is always true. There are undoubtedly many instances in which diversified farming improves the nutritional status of the

farm family by giving them a variety of foods to consume. I think it could be shown, however, that in many areas the added income from specialization and commercial production has added variety to the diet. I feel sure it has raised the standard of living in general.

The standard of living of urban people was not higher when every man made his own shoes and his own clothes. Specialization in the manufacture of such products reduced costs, increased the quantity for sale, and raised the standard of living of those who produced. More shoes and more clothes were made available for everyone. So it is with farming in many areas. Agriculture may derive less benefit from specialization than urban industry but it is nevertheless subject to the same general law. Diversification may under some conditions lead to inefficient use of the factors of production. If diversification leads to having some people doing things that other people can do in much less time, as I suspect it may in some instances, surely it must reduce rather than increase the standard of living in such cases.

Professor Medici also referred in his discussion of pathological ills to the possibility of emigration providing a solution to the problem of over-population. Some day we may agree that restrictions on immigration have been only slightly less harmful to the world than restrictions on trade. There may still be countries that would benefit from increased population resulting from immigration. There would appear to be possibilities in the tropics for some of the surplus population of other lands. It is doubtful, however, if the immediate solution to the problem of over-population in the rural areas in many parts of the world can be found in emigration.

Turning now to a point raised by Professor Medici and commented on by Dr. Benedict, namely, the association of trade and industrialization. Dr. Benedict stated in effect, that if rapid industrialization occurs in the under-developed countries the impact may be serious on the already developed countries.

It would be unwise to be dogmatic on this question. Much depends on what is meant by 'rapid', but speaking very generally it would seem that industrialization has increased, rather than decreased, the trade between nations. The experience of Canada and the United States is a case in point. Both were originally agricultural nations. Both are now highly industrialized countries and the volume of trade between the two has increased as industrialization has developed. Everywhere we see evidence to support the conclusion that trade between the developed countries, which are also the highly industrialized countries, is greater than that between undeveloped countries, or between developed and under-developed countries.

M. L. DANTWALA, *Indian Society of Agricultural Economics, Bombay, India*

If Professor Medici will permit me, I would like to congratulate him on his remarkable acquaintance with the pathological aspect of family farming. In the literature that one often comes across on this subject, attention appears to be confined to what has been called the 'ideal' type. Professor Medici has done well in sharply drawing a distinction between the 'ideal' and the 'pathological' types of family farms. For us, coming from Asian countries, the distinction is very germane.

I wish to submit further that the difference between the two types is so basic that it is misleading to call them by the same name of family farm. Professor Medici has pleaded for raising the pathological type to the ideal one. In my humble opinion this is basically impossible in a vast number of cases. My reason for thinking so will become clear, to some extent, by the illustration I give below regarding conditions in India, where the pathological aspect of family farming is the dominant feature of the agricultural economy. I have a table before me which shows the average size of holdings in the various Provinces of India. The highest recorded is that for Bombay, namely 11.7 acres, and the smallest is for Bengal and Assam, being 2.4 and 2 acres respectively. I shall give more details about Bombay Province which is a Ryotwari area, which means—theoretically at any rate—that there are no intermediaries between the State and the cultivator. From the tenure point of view, therefore, Bombay is a region of peasant farming.

I have talked about the average size of holdings. But the average, as we know, may not—and in this case does not—give a true picture of the nature of the holdings. A study of frequency distribution reveals that there are extremes and a very large percentage of holdings are below 5 acres. A recent inquiry in Bombay showed that 42 per cent. of the total number of cultivators possess less than 5 acres of land. The percentiles quoted below bring out the skewness of distribution. Ten per cent. of holdings have a size below 0.71 acres, 30 per cent. below 2.97 acres, and 50 per cent. have below 6.80 acres.

But even this is a story of the *total* holding of a cultivator. All of a holding is not necessarily at one place. Only 31 per cent. of cultivators covering only 18.2 per cent. of the cultivated area had their holdings in a single block. The rest had anything between 2 and 20 fragments each. 7.2 per cent. of the cultivators had their land in more

than 10 fragments each. The average size of a fragment, which usually constitutes a separate farm, is 3.46 acres.

Now my only submission is this: Can any peasant with such dwarf holdings, with all the supplementary aids that the co-operatives may bring, ever aspire to efficient farming? It is misleading to describe these farms by the same name as is given to the peasant-operated farms, say, in the U.S.A. They have nothing in common with the 'ideal' type whose praise we hear so often. They provide neither full employment nor a decent standard of living to the farmer and his family.

The question of an ideal tenure does not depend only on right values, it depends equally on the objective economic situation; and that for the majority of Asian countries is an excessive pressure of population on a single resource, namely land.

Hope is expressed that the removal of rural congestion with the help of emigration flanked by the growth of industry and trade will cure the pathological type of many of its ills. I have no doubt these are the right remedies, but I am not equally optimistic about the speed with which they can accomplish the task. The question of emigration is bogged in political and racial prejudices and the economist is pretty helpless in the matter. Industrialization too is not a mere matter of wishing. Its pace is determined by objective economic—besides the political and the social—facts, such as capital accumulation and the technical 'know-how'. A query must also be made about the extent of the 'surplus' rural population and the potential capacity of industry and trade to absorb it. Anyway, this is a slow and long-term remedy. Will the rural underdog patiently bear the delay and will we succeed in persuading him to stay his hand?

We may have to explore other alternatives. The choice is not necessarily between the cult of the colossal, capitalistic or collective, and the family farm. There is a middle way of co-operative farming which may bring these two- and three-acre farms together into one of a reasonable size. By this we will be able to postpone for some time the problem of the displacement of the surplus population. True, it may not, in any large measure, alleviate the poverty of farmers, but it will certainly alleviate to a great extent the poverty of agriculture—if I may make that distinction. The size of the unit of cultivation will increase, though the *per capita* ownership will remain as meagre as before.

We in India may have to 'fight' the family farm, not because of any of its intrinsic shortcomings, but because it is a luxury which she cannot afford.

M. BANDINI, *University of San Pietro, Perugia, Italy*

I want to examine briefly one of the points that have been dealt with by Professor Medici in his paper. The point in question is the fragmentation of rural properties and in particular the small peasant property. I would give my remarks the title 'That which is living and that which is dead in the problem of the fragmentation of rural properties', because I believe that there exists one section of this vast problem which is still of outstanding importance in practical developments that are still going on, while there is another section which in all probability no longer has any reason for existence and ought to be considered, as Professor Medici has already indicated, more as an academic exercise than as a concrete issue.

I shall start with one or two definitions of a concept which you all know but which it is perhaps opportune to repeat. When a property or an agricultural holding is divided into different pieces separate from each other, the phenomenon, in mountainous country particularly, is called 'fragmentation'. When the pieces are, or tend to become, too small to be cultivated on a reasonable system the phenomenon is called 'pulverization'. The literature of agricultural economics is full of studies on this problem. The writings of agricultural economists have always attacked this evil. They have suggested (a) remedies designed to eliminate the evil in places where it is already in existence, such remedies, for instance, as the consolidation of splintered properties, or (b) preventative remedies, i.e. to prevent the evil from developing, such as the expedient of making it illegal to divide the unit of cultivation; as, for example, the German *Anerbenrecht* or the idea of a minimum unit of cultivation for a family which has been recently introduced in the new Italian civil code. Since the régime hereditary subdivision has been chiefly responsible for all this; it is common to invoke legislation which would reinstate the system under which there is a single privileged heir while the other sons have to go out into the world to follow whatever career they can, if the undivided agricultural holding does not have room for them. When the followers of Karl Marx turned their attention to agricultural problems, they split into two factions. One saw the small cultivated property as the ideal and asserted that this fulfilled completely the requirements of social-communist ideals, in so far as one would be concerned not with a property of the bourgeois type, but with a property which would be the complement to work. In other words, the peasant would possess land by the same title by which a carter would possess a horse, or a surgeon would

possess his scissors, or his forceps, or his bone-saw, or any of the other instruments which delight humanity.

The other faction, on the other hand, despised the small peasant property and directed its thought towards large collective establishments, more modern, more productive, and more suitable for absorbing modern technique. In order to criticize the idea of the exponents of the first school of thought, the followers of the second focused attention on the process of continual fragmentation in Europe and, animated with a messianic spirit, prophesied a time when the small property would be effectually dispersed and lost in a confusion of miniature splinters of holdings, good only to supply a morsel of bread and vegetables for the table of the impoverished worker. Much has been prophesied about this fatal process of decay and about the tragedy of fragmentation. The great agricultural economist, Arthur Young, in the years 1770-90, began to see all the woes of the small property which, right from its commencement, had been sick with an incurable malady. This history continued on in the nineteenth century, despite the fact that one of the most acute observers, de Tocqueville, had demonstrated that things were not proceeding directly towards that end. There is no congress to-day, no meeting of international organizations, no academic or scientific treatise in which the problem is not brought up once more and rediscussed. There never fail to be recommendations and resolutions formulated to the various governments urging them to do something about it. The famous olive-tree which was discovered some decades ago, whose ownership was divided between three people, while the land on which it grew was the property of a fourth, has become celebrated as material for study, fit to be compared for its scientific importance with the skull of the *Potecanthropos erectus*, or with the flower which helped Gregor Mendel to discover the phenomenon of the dissociation of characteristics. It is high time this complex material was examined critically so as to see if it really amounts to anything important, or whether it has become simply a form of academic question.

Let us look first at the curative remedies of the evil. There is no doubt, that in many regions the policy of consolidation of fragmented holdings has yielded results and may still give results. It is also indisputable that there still exist regions where decisive action on the part of the State to enforce a compulsory reorganization of fragmented estates, can give excellent results. But it is equally true that the evil is restricted to particular regions. It is not inevitably connected with the historical evolution of landed property and with small landed

properties in particular. Many of the features of fragmentation are absolutely unavoidable and are physiologically justified. To have a holding divided in several parts is often the logical consequence of practising different types of cultivation which dovetail with one another and so bring about a more regular distribution of work throughout the year.

In mountain country agricultural holdings have an organic structure and are composed of meadows in the irrigated valley bottom, of dry tillage land in the middle regions, and of pasture in the higher parts of the mountains. It is inevitable that it should be so, and there are many familiar examples of holdings which have some fragments of cereal land in the plains where the grain matures early, and others in the hills where it matures later. If they had only the one portion, either all in the plain or all in the hills, the labour would be insufficient for the harvest, which would all fall in the same period. Vineyards are often found in the sunny parts of the hills, while tillage may be found on the opposite side and meadows in the valley bottom. What sense would there be in uniting these pieces?

It is therefore necessary always to distinguish physiological cases from pathological cases of fragmentation. These latter do exist but they exist to an extent very much less than is commonly believed. Also, is splintering always an evil? Look at the cases in which this is combined with other activities of the worker, industrial, commercial, and even maritime. It is wrong to judge the matter only from the agricultural point of view. One must look at it rather in relation to the whole economic complex.

Look also how these small properties often find their own remedy by the intensification of the productive process. Holdings of two hectares which previously appeared absolutely inadequate and uneconomic, now function on perfectly sound economic lines by developing irrigation and seed mixtures and specialized processes of cultivation. Turn to the preventive remedies. Many of these take certain hereditary institutions as a model and seek to prevent agricultural properties from being divided up on the death of the head of the family. Others coming down to a greater detail, drag in the comparative psychology of the different peoples. Certain peoples, they say, have the idea of a privileged single heir in their blood; for them such a system will work very well. But the Latins are individualists; for them equality between sons is a dogma of faith. Therefore what works very well with some, just will not work with the Latins because the psychology of the people is against it. We do not attach too much importance to this argument. There is in Italy

a marvellous opportunity to study this question, namely, the Alto Adige. This is divided into two parts, that with a Germanic population to the north, and that with a Latin population more to the south. In the period when the Latin principles of legislation came into force there, after the First World War, when the Alto Adige was attached to Italy, it became possible legally for properties previously indivisible to be divided. It was noticeable, however, that in the Germanic part the practice, though no longer enforceable by law continued by custom, and so the *geschlossener Hof* continued to be the privileged heir. The Italians continued to divide their properties among all sons without distinction. It appears, therefore, to be a question of psychology, until closer observation shows that this is not so. The practice of hereditary subdivision occurs in those places where the subdivision would not damage the system of cultivation, while the system of non-divisibility is maintained where the economic conditions of the holding would be gravely impaired by subdivision. It is therefore a question of economics and not of psychology. Indeed, in this same region of the Alto Adige, it may be observed that in the Germanic zone, in places where the system of farming permits of the holding being subdivided without economic damage, such as vineyards, orchards, specialized cultivation, meadows in the valley bottoms, and so on, the hereditary customs have been immediately abandoned. On the other hand, where there are mountain farms which would sustain great economic damage from subdivision, the old system has been maintained.

But there is more to it than that. Last year I went to visit the region of Italian colonization in the Brazilian State of the Rio Grande. There was a country of compact farms of a uniform size of 25 hectares which had been established from about 1875 onwards, covering a total area of about 2 million hectares. The peasants were all of Venetian or Trentino origin. Yet there, with families as Latin in temperament as could be and descended from families which for centuries had always divided the farm in equal parts between the sons, the system of the indivisible farm had been completely adopted quite spontaneously for the 60 to 70 thousand farms in existence. Not a single one in seventy-five years had been subdivided. Instead, they have all been left to a single son. The other sons were employed on other farms or had left agriculture. But we have been able to satisfy ourselves that any subdivision of these compact farms would have been most damaging from the economic point of view.

The enforcement by law of indivisibility of farms and holdings in regions where economic conditions do not demand the maintenance

of this unity, can be extremely damaging and can hamper the acquisition of property by the better peasants. For it is very difficult for these people to create a farm by the acquisition of a single block of land, and in general they do it by acquiring one piece and then another piece by means of savings built up over many years. If these better peasants had to find a complete farm on the market, it would be more difficult for them to pass from the rank of wage-paid employee to that of an owning occupier. It is also worthwhile considering what was said about this argument in former times by a noted French author, namely, de Faville in his *Morcellement*, and more recently by a noted Italian economist. How can the law effectively impose indivisibility against the interests of the small owners themselves? Everything would reduce itself to a simple question of form. The farm, most probably, would remain a single unit in the records of the cadastral section involved, while the peasants, equally probably, would divide it up on a friendly basis amongst themselves. Or, at the most, they would come to a mutual arrangement whereby one went to work in the right-hand part and another in the left-hand part of the old farm on the basis of each working for himself. Perhaps they would keep the pastures undivided, because they did not lend themselves to too much subdivision. In reality it is the different economic circumstances which made the Germanic legislation effective and which created the custom or, if you like, the psychology, which enables it to work, just as it is economic causes which have brought it about that the new provisions of the *Codice Italiana* have been in reality dead ever since they were born.

On the other hand, the American 'Homestead' was not a dead thing, because of the particular economic conditions in which it developed. It would immediately become an inanimate puppet the moment one tried to apply it in regions or countries or epochs where those conditions did not obtain.

In conclusion, what is living and what is dead in all this problem?

The usefulness of promoting the unification and consolidation of landed properties in places where fragmentation genuinely is a pathological phenomenon—this is a living thing. But it is a dead thing to seek to do this in the extremely numerous instances in which fragmentation is a logical phenomenon and economically sound. It is a living thing to codify in law certain customs of inheritance based on the indivisibility of farms and holdings when such customs derive from obvious conditions of economic convenience: but it is a dead thing to impose by law customs which are good for the conditions of other countries or other times, but which, in the country or the

time in which one seeks to apply them, run exactly counter to the requirements of logic, of economics, of tradition, of psychology, and of good sense.

A. DATE, *Rural Bank, Sydney, N.S.W., Australia*

Having had the advantage of listening to Professor Medici's paper this morning so soon after spending a few weeks in the company of all sorts of agricultural experts visiting various places in Britain and Europe, I may be allowed to offer a few comments on this matter with a greater measure of assurance than it would have been possible for me to do a few weeks ago from first-hand knowledge of Australian conditions only.

The issue of which I was conscious during the whole of Professor Medici's paper was that he appeared to assume that peasant farming is in itself (*a priori* so to speak) an ideal; and an ideal which if not already achieved should be generally aimed at, at least in Europe. Why this should be so was not wholly clear to me. Nor was I able to satisfy myself as to which particular standard of peasant farming, that is to say at which particular point in time and history, this ideal belonged.

I was forced to conclude that the ideal anyway envisaged by Professor Medici was one in which the peasant farmer was to share in all the advantages of modern plumbing, electricity, tractors, and farm machinery, and the rest of the advantages accruing from large-scale industrial enterprise, but he was still to retain and enjoy all the privileges and advantages of that way of life connoted by the term 'peasant farming'.

I quote Professor Medici's exact words (p. 24-5):

'The development of sound farming of the peasant-type structure requires that the rural population be reduced.' Now there are, in a broad way, three methods by which surplus populations, rural or otherwise, can be reduced. They can be killed off (and that has been tried as a considered policy in various parts of the world). They can be emigrated to other parts. Or those who remain can practise birth control. The first method does not always appeal, and the last is an art in which, so I am given to understand, the populations of certain countries have not achieved a high stage of proficiency.

Is it not somewhat paradoxical that Professor Medici makes a strong plea for the retention of a small-scale rural industry which can only exist at the level and standard of living which he envisages on the assumption of the existence of a large-scale industrialized economy. The picture to which our attention is drawn, and the ideal which is held up before us, is, if you look at it in reverse for a moment, masses

of workers crowded into big cities and suffering all the disadvantages of 'industrialization', producing cars, refrigerators, electric power, and all the rest of the equipment of our modern civilization, to supply at minimum prices to 'peasant farmers' who are to enjoy all these luxuries without sacrificing one bit of *their* way of life, enjoying, *all* the time, *all* the advantages of the quiet, peaceful, and simple rural existence which the average industrial worker struggles to try and enjoy for a couple of weeks only each year, if he is lucky enough to be able to afford a holiday! It seems to me that while some may protest that my presentation of the issue in this way is somewhat exaggerated, it does appear on the whole to be a reasonable and logical deduction. It seems we are trying to find arguments and reasons for giving our peasant farmer the best of both worlds and I have not been able to find yet the answer to the quip about having your cake and eating it!

Later we were told that 'it is in the best interests of industry to favour the recovery of peasant farming, for it is on a prosperous farming community that depends the formation of a sound market for the products of the factory'. Now, of course, the inescapable deduction from that sentence is that a prosperous farming community is necessarily identical with a peasant-farming economy—and I suggest that that is not a wholly valid deduction nor does history bear out any such contention. But furthermore, the other supposition already made is that the development of this form of farming economy requires a reduction in population. Which of the three methods I have suggested finds most favour with my friends I do not know, and I am sorry I cannot think of a fourth. But whichever way it is, this reducing rural population now has, in this later argument we are told, to form the market for the output of an ever-expanding industrial economy. Is not this a contradiction if not a dilemma? How can you expand the market for the production of one side of the economy whilst arguing that it can only prosper by maintaining another side of the economy which, by hypothesis, requires a stable or reducing population?

Finally, we were informed that 'family farming is inevitable and it should therefore not be fought but rehabilitated'. He also quotes our friend Mr. Maxton that 'a large farm run on highly industrialized lines gives the practical farming man a sense of unreality'. Well, I suggest, so does a mammoth hydro-electric station, on which so much rural development can depend, give a sense of unreality; so does a cyclotron where atom splitting is carried on—so does going through the Alps (and particularly at night!) give you a

sense of unreality. All these things are big (and especially the Alps as many of you here will for ever recollect) but it seems they are there and it seems they are likely to stay! What is the basis of the reasoning which would allow us to conclude from this that because we did not like them, and given certain other conditions, the converse is 'inevitable'? I do not follow this at all. But even if we were to pass this argument and admit the 'inevitability', what is the basis for the suggestion that because we claim something is 'inevitable' (which can only be true, however, at that particular point in time and under given conditions) that it should not therefore be fought but rehabilitated? If something is 'inevitable' can it be in fact rehabilitated? Does not this amount to a contradiction in terms?

In face of the inevitability of the hand of the President hovering over the bell to bring my contribution inevitably to a close, I cannot continue on to outline at length possible lines of solution to this conflict. I would suggest that it is neither right nor profitable that this subject be approached from the viewpoint arising from the conditions in overcrowded Europe only, after centuries of development, strife, and land hunger. Europe prides itself as the cradle of civilization—well 'modern civilization' such as it is—but it has also been and still is the source of much misunderstanding and many upheavals. To-day Europe cannot forget the existence of other continents (if it did, it would soon cease to exist at all!). We should develop a global outlook on the development of agrarian and industrial enterprises. And whilst it is even possible (though I would not myself at present agree) that the conclusions drawn by Professor Medici from one particular set of historical conditions, land tenure, and methods of farming, are right, the same traditions, customs, and conflicts have not developed anything like the same tempo or force in areas of the globe far more extensive and, with due respect, as equally important as that small corner known as Europe.

One possible line of solution which can be developed perhaps in discussion on later papers is the degree of co-operation which can be infused into agrarian enterprise. The problem of the age in both agriculture and industry would seem to be the search for the right unit for most efficient management, the optimum size unit. That I think was what Professor Dantwala of India had in mind in speaking earlier on this paper. And in searching for this optimum unit regard must be paid not only to place and time, but how to make the best possible use of supplementary aids in the form of power and machinery—and progress in the latter will 'inevitably' dictate a more elastic approach and attitude of mind than Professor Medici's paper

indicates. Selection of optimum size units does not necessarily involve collectivization in the sense in which that term is generally used. Professor von Dietze employed the term 'subordination' as opposed to co-ordination rather than contrasting co-operation with 'collectivization'. Subordination is perhaps a more appropriate term for what we generally mean by the type of farming called 'collectivist'. But if your form of grouping contains a minimum of subordination and a maximum of co-operation then the opportunity increases for a greater amount of sharing by all participating in any collectivist experiment. The big lesson, of course, to be learned is that the right to share in gains and profits carries with it an obligation to share the risks and losses—a lesson the whole range of the economy, industrial as well as agricultural, has yet to learn if it demands measures to maintain full employment.

And so I suggest in conclusion that efforts bent in the direction not of 'rehabilitating' peasant farming as such or turning farms into 'collectivist (subordinate) factories', but of raising the degree of direct sharing by agricultural workers, as well as by adjoining owners in the profits of exploitation and development of the land, will yield more beneficial long-run results. In this way is there likely to be infused into all participating that degree of pride in performance and love of the land itself which is all too frequently regarded as necessarily characteristic only of the owner farmer himself.

G. MINDERHOUD, *Landbouwhoogeschool, Wageningen, Netherlands*

There is one point on which I think we are unanimous, viz. that the question whether the peasant system of landholding can fulfil the agricultural and social needs of the second half of the twentieth century cannot be answered in the same way for every part of the world. By the definition of Dr. Huni, for instance, Holland has no peasant farmers, because all our farmers wish to get rich, and that is mainly true of western Europe. A comparison of three countries, e.g. Belgium, Denmark, and Holland, shows that they all have a lot of small farms, family farms, but that there are many differences. Belgium does not export agricultural products, whereas Denmark and Holland have to export a considerable part of theirs—Denmark mainly animal-products, Holland eggs, butter, bacon, and many horticultural products, flowers, vegetables, bulbs, fruit, and so on.

The economy of the continental part of west Europe will all depend on the prosperity of England and Germany being sufficiently strong to buy the products which the small holding can produce successfully in competition with the large holdings.

Peasant farming in west Europe has little in common with a self-sufficient economy. On the contrary, the smaller the holding the more dependent it is on the export possibilities. In the second place, there is the question of whether small holdings can be given a reasonable possibility for their existence by being able to buy sufficient cereals and concentrates in the new world, because these feeding-stuffs are necessary for the production of butter, cheese, bacon, and eggs. It can be accepted as certain that bulky products, for instance, cereals, can be produced cheaper on large holdings, as they are able to make far greater use of modern machinery.

The last fifty years, however, have proved that in theory and practice a well-organized class of small holders can produce those animal products I have mentioned and also fruit, vegetables, and flowers in competition with large holders, provided co-operation is applied on a large scale.

The result of the development of so many small holdings has been, however, that several countries of west Europe produced so much butter, cheese, eggs, bacon, and horticultural products, that large surpluses had to be exported to Britain and the industrial parts of Germany. This is the vulnerable spot in the system.

Also there is the difficulty of scarcity of land. The small farmer works with his whole family, but in countries which are already thickly populated and are less suitable for industrialization, difficulties arise as soon as the children are grown up and want to start a holding for themselves. It is then that the lack of land becomes apparent.

In Holland for thirty years already we have seen a growth of population of 1 per cent. annually and in 1946 and 1947 the 'net rate of reproduction' was, according to Kuczynski, even 1.7 per cent. on an average. For those who do not know the significance of this figure, I should explain that a population remaining constant is given by the figure 1 per cent. So we have a disturbingly rapid growth of population and a great population pressure.

The great majority of the Dutch people still think it the most desirable condition, that there should be a large number of independent holders who possess their own land, 'a structure in which the individual farmer combines in himself the role of landowner, capitalist, farm-worker and farm-manager'. The number of these small holdings, however, has become so large in several countries of west Europe that the area of the holding has become too small for an independent existence.

The Dutch Government is considering, therefore, a law by which the creation of new small holdings by the dividing of larger holdings

will be forbidden. Should this be carried, the question arises, where will the grown-up sons of peasants get a start? There is no place (in the near future) in industry and the possibility of emigration to the New World is relatively small.

A nation which makes it impossible for a part of its population to become farmers, although these young people have the capacity and the money to start a small holding, should, in my opinion, be obliged to assure these young farmers a reasonable living in some other profession. And since the authorities are not able to do this I would reject the idea that the government should prohibit anyone who has been educated as a farmer from becoming a farmer.

Likewise, in my opinion, the authorities have no right to prohibit a farm labourer who has saved money to take an independent small-holding. I consider it better that the whole nation should be forced to live poorer than that the drive for more efficient production should be carried so far that the authorities have to deny a part of the people, namely, wage-paid farm labourers and the sons of small farmers, the opportunity of becoming farmers. This is my personal opinion; but, as I have already said, in government circles of the Netherlands people think otherwise.

Quite another question is whether the government should take special measures to support small farmers if it appears that small farmers do not have a reasonable income while the large farmers have. The situation whereby the small farm becomes insufficiently profitable can easily arise in west Europe. Whether special measures ought to be taken to maintain the small holding is not an economic but a social and political matter. The solution cannot be found objectively by economic reasoning.

If, however, there is no place in the non-agrarian professions for these small farmers while emigration on a large scale is as good as hopeless, every government will have to strive to provide a minimum living for these people. They cannot be allowed to perish of want. In the period 1930 to 1940 a part of west Europe was in this situation and it is a condition that can easily return.

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Little remains for me to add to the full discussion which has followed the valuable paper of Professor Medici. I will only deal with two questions of detail.

Professor Medici starts by setting out an antithesis between two types of agriculture. The first type he calls 'peasant agriculture', and the second type he calls 'capitalist'. In the group which he calls pea-

sant agriculture, he places contractual agreements which range from share-cropping to *métayage* and beyond to the small owner-occupied holdings. In the other group he places those types of contractual agreement which go under the name of wage-earning. Starting from there Professor Medici proceeds to describe a specific form which he takes as the nucleus of the peasant type of agriculture, namely, the small owner-occupied holding, and it is with this particular form that he principally deals.

Professor Medici refers to a certain correlation which exists between the creation of small owner-occupied holdings and the density of population and the type of industrial development. These relationships are, of course, worthy of being examined more deeply. Professor Medici does not dwell on the influence which conditions of environment, particularly natural environment, exert on the development of small owner-occupied holdings. Or perhaps I should say, he does not dwell on the influence these conditions have for better or for worse on the development of owner-occupied holdings. It is incontrovertible that in certain countries, especially western Europe, and in certain specific situations, there are forces which tend to break up, or eliminate the small owner-occupied holdings. It is also incontrovertible that it is a good principle which tends to discourage or eliminate small owner-occupied holdings in those environments where the outlook for such development is good. Nevertheless, worded in that way, the question evidently calls for different concrete plans for the different countries.

One has to recognize that, in Italy, at least—the country in which there have been notable developments in small owner-occupied properties—there have been, up to recently, no fundamental and scientific inquiries, such as are necessary to arrive at satisfactory conclusions in modern agricultural economics. Such inquiries are all the more important for us in so far as we are on the eve of the day of great political decisions on this very question. Since this gap in our knowledge has been referred to also by colleagues from other countries who have preceded me, I would suggest that if there is any possibility of doing so, this association should take it upon itself to promote comparative researches on conditions prevailing in different countries.