BEYOND THE FARM GATE*

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Presidential addresses to learned societies appear usually to fall into two broad classes. On the one hand are the products of detailed and often satisfying research for which the address provides an opportunity for public revelation. The other broad category embraces talks which, while not the result of much research as such, end up as dissertations on subjects which the speaker feels of some moment or on which he feels deeply.

Having said that it will not take my audience long to realize that my talk does not fit into the first category, there is one other observation that I should make about addresses of this type and that is that one's background plays an important role in taking a decision about what to talk. This applies to either class of address, perhaps more obviously to the research type but also to the more general category. In my own case, therefore, it should be safely assumed that having spent the greater part of my working life with the Bureau of Agricultural Economics, the point of view expressed must be coloured by this association. By the same token the fact that I was a would-be historian could explain certain prejudices that may seem to creep into what I have to say. The scope of this paper will be governed by these background factors to which I have just referred.

The scope of this talk can best be illustrated in two ways. The first of these refers back to the paper I gave to the last Sydney meeting of this Society when I spoke on some aspects of commodity policy. In the conclusion to that paper I expressed the hope that there would be a growing awareness on the part of our profession in Australia that agricultural economics does not stop at the farm gate. At least part if not all of this talk tonight could be entitled "Beyond the Farm Gate"; but allow me to emphasize at once that I do not on this occasion propose to launch into a lengthy discussion of all those aspects of agricultural economics which lie beyond the farm or, for that matter, beyond the area of production economics. Rather, my aim is to reflect for a while on the role of agricultural economists in the world not bounded by the fences of station or farm. Inevitably, much of what I shall say will touch upon the role of the Bureau of Agricultural Economics but part will cover my own feelings on the needed activities of those of our number not in Government service.

The second way to illustrate the scope of my talk is not through a title but a text. In the last paragraph of his "History of Economic Thought", Sir Eric Roll wrote—

"More than good economic policy goes to the making of a prosperous community, and more than good economic analysis goes to the making of good decisions in economic policy. The quality of wise judgment, political and administrative, essential to the life of a democratic community, cannot be

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made unnecessary by even the most refined economic theory or the most
comprehensive statistical machine."

Perhaps the easiest way to describe what follows then is to repeat
that my talk will cover some random thoughts on the role of our profes-
sion in the everyday world in which we live. The place of agricultural
economics in the service of the Government is a good starting point.

II

The comparative youth of the study of agricultural economics in
this country has probably been the main factor responsible for the pau-
city of studies on the development of the subject here. Those articles
that have been written in this field have painted the canvas with a very broad
brush using a paint thin on the side of history but thick with value
judgments.

In discussions on the development of our profession reference is made
to the still-born proposals for an Institute of Agricultural Economics
and, when these had failed, for the creation within C.S.I.R. of a unit to
conduct research in agricultural economics. There has been, over the
years, a degree of nostalgia for what might have been if either of these
proposals had been accepted. In fact, I believe that there are three
concepts of a federal agricultural economics research body, irrespective
of whether the body is called Institute, Division, Unit or Bureau, that
are bound up with these two proposals and what actually eventuated. I
should like to examine the practicability of each in turn. Perhaps we
could examine and, maybe, lay the ghosts of these "more perfect in-
struments" before getting back to the B.A.E. of today.

The proposals of the Australian National Research Council for an
Institute of Agricultural Economics called for a body whose functions
were:

"To collect, so that it might be available to the Commonwealth and State
Governments, the information necessary to enable these Governments to guide
the development of Australia's natural resources of land, water, forests and
fisheries along the soundest economic lines, having regard to population trends,
technological progress, market prospects, social and political changes, and to
this end:

(a) to carry out continuous research into the economic and social aspects of
    Australian primary industry;
(b) to study the economic inter-relations of Australian primary and secondary
    industries;
(c) to evaluate the potentialities of various methods of land utilization in
    Australia;
(d) to study the influence on Australian primary industry of the economic and
    political changes in other countries."

An interesting function tucked into the Institute's Charter away from
the other functions and following the administrative sections provided
that "The Commonwealth and State Governments should undertake not
to embark on large scale plans of immigration or land settlement or to
enter into long term arrangements for assisting in any way any Australian
primary industry unless the relevant statistical and economic data have
been obtained from the Institute by the Government and have been made
available to their members".

It will be seen that this was to be a pretty powerful body, certainly
when the last paragraph is taken into account, one theoretically with

wider functions and powers than the present B.A.E. The Institute was to be administered by a Board of Management on which were represented the Commonwealth, the States, C.S.I.R. and the Economic Society of Australia and New Zealand. Members of the Board could not be members of parliament or hold full-time positions in the civil service. Responsible to the Board was the Director of the Institute who, in turn, was chief executive officer. The Institute was to be financed by subventions from the Commonwealth and State Governments and by funds raised from private persons and organizations.

It has been suggested that no action was taken on the proposal for an Institute when it was submitted to the Australian Agricultural Council in January 1941 because—

"the advocates of the proposal, in their desire to ensure that the Institute was in a position to carry out objective research completely free from political interference, put forward a rigid administrative structure that was quite unpalatable to administrators and their political masters".2

This seems an argument hard, if not impossible, to accept. Leaving aside the veiled suggestion that a research body must be completely separated from the Government service to be free from political interference, a point to which I shall return later, I believe that it was not the administrative structure as such but the sheer impracticability of the proposal that made it unacceptable to both the Commonwealth and States.

It is quite true that an obvious disability of establishing an organization removed from ministerial or departmental control could have been the embarrassment caused to Ministers and administrators by the reports and recommendations put forward by the Institute. Governments were asked to finance an organization removed from political control which could report on matters of policy but let the chips fall where they may. It is not hard to imagine Governments shying away from the concept of a body which was committed to publish all its reports and advice on policy but whose findings could be used in evidence against Governments which did not adopt them. On matters of fact there could be little argument, political or otherwise, against immediate publication; on matters of policy it could quite often happen that the published report of the independent authority presented only half the story. To be realistic, Governments have political convictions which might not always be in line with the philosophy espoused by the Institute. What the protagonists of this scheme were really supporting was a system where policy should be guided only by expert advice when policy is often a compound of a number of factors, only one of which can necessarily be expert advice.

Let me made it quite clear that this is not implying, in the slightest degree, that the expert advice Governments now get is biased. Rather, I am emphasizing that effective advice must be able to be given confidentially and not be ventilated publicly before the policy decisions are taken.

Turning from this general and, I think, overriding consideration, there are various specific arguments against the Institute concept which require some mention. One problem in particular would be faced by a nongovernmental institute of the type suggested and this is its isolation from

the great amount of confidential information in the hands of Government departments. This is particularly relevant in any economic outlook work where a knowledge of data and assessments made abroad may be useful in forming judgments even though the information is not available for publication. It would have been difficult also to include representatives of a non-governmental organization in official delegations to overseas inter-governmental conferences or for that matter to local ones. This last remark does not overlook the suggestion by its sponsors that the Institute be represented on the Standing Committee on Agriculture. Such exclusion would have reduced the effectiveness of the research organization not only because its advice would not have been available but because its officers would not have had this opportunity of gaining experience.

It is, of course, precisely in this field that our B.A.E. has had a considerable advantage. In domestic agricultural matters it has a close relationship with the Standing Committee on Agriculture and the Australian Agricultural Council. Indeed one of its recognized functions has always been to carry out enquiries as requested by these bodies and some of its more important tasks have originated from this relationship—most recently for example, its investigation of the potential for cotton production in Australia. Turning to international agricultural and commodity policy, officers of the B.A.E. have been on all delegations to the F.A.O. Conferences and to many F.A.O. groups such as the Committee on Commodity Problems, the various commodity groups, as well as the International Wheat Conferences, or the discussions of the G.A.T.T. or talks on British entry into the E.E.C.

I repeat that such experience is of the utmost value and its lack would have made the work of the proposed Institute difficult in these fields. To be fair, it is conceivable that arrangements may have been possible for the Institute's work to have been tied in closely with Government policy and for the difficulties mentioned to have been overcome in some way. I can only record my doubt that such a close relationship would have been possible. Moreover, if we look abroad, it is difficult to find instances where non-governmental research bodies have achieved the position proposed for the Institute here.

Looking back over what I have been saying, I think I should now be honest and admit that the National Research Council's proposal for an Institute of Agricultural Economics has been used by me mainly to plead that there is need for an agricultural economics research body within the Government's own orbit. It would be wrong to suggest that there would not have been or be many useful tasks for the type of organization proposed. I do not, however, believe that it would have removed the need for a B.A.E.

The same arguments for impartiality in research and freedom from political interference have been behind suggestions from time to time that the appropriate place for Commonwealth Government work in agricultural economics is in C.S.I.R.O. or its predecessor, the C.S.I.R. Following its failure to persuade the Agricultural Council on the Institute proposal in 1941, the National Research Council suggested to the executive that C.S.I.R. should set up a unit for this sort of work but the executive declined. Similar proposals have been propounded since, some with the added argument that the higher salary scales in C.S.I.R.O. would facilitate the recruitment and retention of qualified staff.
It is true that most of the arguments I have just advanced against a non-governmental organization would not apply in the case of C.S.I.R.O. and I have in the past been deeply conscious of the importance of the salary factor. Nevertheless, I am firmly convinced that the C.S.I.R. executive decided correctly back in 1941 in refusing to move into the social science field. P. T. Bauer has put succinctly the main reason for my feelings in this matter:

“It is only in the social sciences that ambiguity arises in the aims of the discipline as between the establishment of generalizations and the results of courses of action which may have been influenced by these generalizations. And this affects economics particularly because economists, much more than other social scientists, act as advisers on policy.”

In other words, it would have been inevitable that a move into agricultural economics work by C.S.I.R. would have, if not immediately, eventually plunged that organization into the controversies of policy—a role that is has so far strenuously avoided.

I realize that the immediate riposte to this could be that this is forgetting that for many years it has been claimed that the present B.A.E. is a fact-finding body not involved in the execution of policy. Actually it is doing no such thing; I am arguing that the very nature of the Bureau's work, be it advising on the development of new land in Australia or of beef roads or assessing the influence of the European Economic Community on our agriculture, must bring it into at least the policy formulation stage.

These arguments are, of course, partly invalid if agricultural economics does stop at the farm gate and that all that should be covered are farm management and some aspects of production economics. This type of work, properly the function of State Departments of Agriculture and the universities, could be fitted into C.S.I.R.O. without compromising it too much with policy. This would, I suggest, be a pretty small field for such a new unit—and the need for the B.A.E. would still be with us to cover its present functions.

What I have been attempting to do is to demonstrate that even had the development of agricultural economics in this country been different and had followed one of the courses proposed more than 20 years ago, the B.A.E. as a Government research and fact-finding body would still have been necessary. At least, the Government would have had to provide some means whereby it could be advised in those areas inappropriate for non-governmental or non-policy advising organizations. Again let me say that this would not have rendered valueless these other research units any more than I am implying that there is not an important function for universities in the area of agricultural economics.

What I am implying, however, is this: much of the criticism of the B.A.E. (and there is not very much of it) from those in our profession is based on what the critics would like to have been the development of the discipline rather than what has actually occurred. That is, most of the complaints of omission or commission on the part of the Bureau relate not to its functions as specified by its masters but to the might have been. Dr. T. H. Strong put the matter in its true perspective at the initial conference of this Society when he said:

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“There does appear to be a misconception of the Bureau's charter and functions. It is essentially a Public Service agency whose prime function is to service the Department of Primary Industry and the Australian Agricultural Council. It must give priority to their requirements and must adapt its long-term research objectives in the light of these priorities and work load”.

III

Having reached a point where I have hoped to show that there is a place for a B.A.E. in the Government service, the time has perhaps now arrived when I should look at it directly instead of in what has been really a hypothetical context. If my treatment is somewhat subjective let me repeat the caveat from the beginning of this talk—that one's attitudes must inevitably be conditioned by an association as long as the one I have had with the B.A.E.

First, a few words should be said about history. It is not my intention now to go into the history of the B.A.E. although I believe that there is a fascinating story to be told about its founding and its development— if the real story is told. What I would hope is that when this history is written it is written on the grand scale of a Gibbon (but not to trace its rise and fall) or of a Trevelyan rather than in the back to earth manner of Lewis Namier or the overfootnoted thesis of some Ph.D. students.

To my mind it is essential that this story concentrate in part on the outstanding significance of the work of Sir John Crawford in the actual creation of the Bureau and in its growth. Only those in the Bureau in its early days can adequately realize how much its success or disappearance rested on the efforts of one man. The historian of the Bureau should give J. G. Crawford's contribution its full weight.

There is one more point that I hope the historian will include in his study and that is that in addition to emphasizing Sir John's role as economist and administrator, he pay adequate attention to him as a teacher. It is insufficiently realized that the staff of the Bureau over the years has had a preponderant recruitment of people with no training in agricultural economics. Of the original nucleus of the B.A.E., say at the beginning of 1946, no more than two or three officers had completed any courses at all in agricultural economics. That this raw material was moulded into a viable Bureau is a reflection of the training, example and inspiration that Crawford gave to his staff in those early days.

This, however, is for the future writer on the B.A.E. to expand. I trust, though, that you will pardon my digression into personalities but as this is surely the last time that I shall have full rein as to what I say to you, the temptation has been irresistible to pay my tribute to the leader of our profession.

It is also tempting to set out other salient aspects of the Bureau's story on which the historian should concentrate but only one can be mentioned now. This is the question of political interference to which it is sometimes suggested the Bureau is subjected; I cannot give the historian much help here because I am not aware of any occasion on which the Bureau has received instructions as to its findings from Ministers of either Government that has been in power during its existence.

This last point is worthy of repetition. I do not think there has been

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one instance of direction by Minister or Department as to the conclusions the Bureau should draw from its investigations. This is not to deny that the Bureau has been instructed to carry out this or that enquiry, as would be expected of an agency of Government, but even here the area of discretion of the Director of the B.A.E. has been wide. However, I invite the historian to examine this matter carefully because I find some of the innuendoes on it from academic colleagues rather galling.

I feel that one subject that should be taken up in these reflections on the role of the B.A.E. is the question of whether it is a research body or whether the emphasis in its work is on administrative and governmental advisory work. Here one must commence by stating categorically that the Bureau has no administrative functions in the public service sense of the term. It administers no acts of parliament nor, for that matter, is it mentioned in any act of parliament. Even in the case of War Service Land Settlement the Bureau’s function was not administrative but to advise on home maintenance area standards for blocks allocated to ex-servicemen.

It is true that the Bureau does a considerable amount of governmental advisory work as would be expected of a servicing agency of the Government. From my experience, however, most of its advising is based on its research work.

This, of course, raises the old question of what is fact-finding and what is research. I am reminded at this point of the semi-jocular remark made by Professor Lewis in the introductory part of his presidential address two years ago to the effect that often what is called fact-finding when it is done in the B.A.E. is research when carried out in the universities.

I must admit, however, to some doubt as to where fact-finding ends and research begins. True, a primary task of the B.A.E. has been to collect facts and I would suggest that a wide range of its activities has been fact-finding, particularly in areas of knowledge where facts were not available before. Nevertheless, such fact-finding expeditions as the sheep industry surveys, the surveys of the cattle industry in the North or even the much maligned cost of production enquiries have surely entailed more than just the mere gathering of facts. I wonder, however, if our critics would classify such analysis as fundamental research, that apparently grand aim of our more academic colleagues. It was, however, encouraging to find listed in a recent selected bibliography of Australian research in agricultural economics, four studies directly attributed to the B.A.E.!

Several hours could be spent illustrating the fact-finding and research work of the B.A.E. To take but one example, the cattle industry surveys do show fairly clearly the close relationships between fact-finding, basic research and policy formulation. Over more than a decade Bureau officers have year after year collected data, physical and financial, from station properties in Northern Australia so that today information on the current situation and potential of those properties is on file. Detailed information on investment in the properties has also been obtained. When, therefore, some two years ago the Commonwealth indicated its willingness to provide funds for projects which would yield additional export income relatively quickly, the cost benefit analyses carried out in the Bureau were able to be drawn on at short notice to demonstrate the value of investment in beef roads. Thus, fact-finding and research both
were brought into play. As a member of the inter-departmental committee considering priorities, the B.A.E. perforce came into the policy side of the question. Similarly, in its recent studies of the bragalow region in Queensland, fact-finding has had to be coupled with intensive research not only in the economic but in the land use and land classification fields. I do not know whether the research involved in these enquiries has been fundamental or not; I do maintain that it has been research of a high order that can hold its own in any comparison. It is also research work which has and will have a significant relationship to national development.

The same type of remarks could be made about the commodity and general economic and statistical work done in the Bureau—fact-finding and research in the fibre competition field, in movements in prices paid and received by farmers, in the estimation of farm income or, say, in the analysis of the incidence of the European Economic Community on our trade in primary products. Such work is far more than the mere collation of published facts. It is also work that requires a research attitude and qualities of judgment which can lead to conclusions of value to the policy makers who use them.

And this, I believe, brings me back to my opening remarks where I quoted with approval Sir Eric Roll's dictum that "the quality of wise judgment . . . essential to the life of a democratic community cannot be made unnecessary by even the most refined economic theory or the most comprehensive statistical machine". It is especially in those broad areas of its work that impinge on agricultural, economic and trade policy that the Bureau must remember that its responsibilities do not stop with the narrow answer to its particular study. It must endeavour in its judgments to realize that in most of these issues there are in addition to economic factors, the social, political and even historical aspects. This is not to insinuate that the Bureau's economic findings must be altered by these other factors but rather that it should not be disappointed or surprised if it finds that ultimate decisions do not fully reflect only the economic aspect.

I think I have now said enough to indicate that I am an enthusiast for the work and contribution of the B.A.E. but I do not want this to be regarded only as a panegyric. Neither my predecessors, my former colleagues nor I are blind to the fact that our work has not always been first class or that there are fields that have been untouched or only briefly tilled.

With regard to areas where more information needs to be obtained and more research done, I do not believe that the responsibility is in the hands of government agencies only. Referring particularly to data on farmers’ expenditures and resource flows, Dale Hathaway recently said, speaking of the United States:

"The Department cannot do all of the work and part of their success rests upon belief in the profession that such things are important. Among agricultural economists such work is too often regarded as unimportant and non-professional, usually described as "descriptive" and not worthy of attention by competent people. I would assert that on the contrary it is highly important both to farm people and the profession, in any economy undergoing rapid changes of the type we have been and will continue to experience. Moreover, I believe there are possibilities of substantial methodological improvements in this area which should offer professional excitement and advancement".6

I can only say that this statement is in this country applicable to a
range of subjects wider than farmers' expenditures and resource flows
and pronunce on it a heart-felt Amen.

So far as the Bureau is concerned, given its resources in trained people
and in appropriations, the record is an honourable one.

IV

Earlier I said that I was aiming to reflect on the role of agricultural
economists. So far my remarks have concentrated rather diffusely on the
agricultural economists in the B.A.E. although they apply fairly equally
to those in the service of State Governments and in other parts of the
Commonwealth Service. Now, for some consideration of our colleagues
in the universities.

I have no dispute at all with the concept that the university man has
two functions—teaching and research—and I do not propose to argue,
as has been done, that one function is infinitely more important than the
other. Being and having been an employer of its products makes one,
however, very much interested in the teaching of agricultural economies
in this country.

As has been said, the bulk of B.A.E. recruits has been from gradu-
ates untaught in agricultural economics and these have had to be trained
at the desk or in the field or by what post-graduate training we have been
able to facilitate either in Australia or abroad. Nevertheless, over the past
few years there has been an increasing availability of people with some
training in the discipline. Some of these have been very good but some
have been a sorry reflection on their teachers.

Assuming some degree of knowledge in his chosen field, allow me to
refer to some of the things that I regard as necessary in a good recruit.
The first of these is that he give some indication of being an educated
person. Here, a modicum of ability to express himself (or herself) on
paper and if possible, in speech is a sine qua non. It is not necessary,
however much desirable, that the graduate be a master of prose style—
too many of them, I am afraid, have little idea of how to bring two
thoughts together. Perhaps the foundations have been badly laid at
school but this, I maintain, does not excuse the universities from insisting
on at least a minimum standard of expression.

Another requirement is that the graduate have some idea of what
goes on in the world around him. It is true that there is a place for the
narrow specialist in our work but for even the specialist an ability to
place his work in the context of the issues of the day is a basic attribute.
There are numerous desiderata here but among the more important I
should place some knowledge of Australian economic and constitutional
history, of the development of agricultural policies and some idea of
the political forces shaping our policies. Even the researcher whose in-
terests are almost entirely in the techniques of, say, linear programming
needs to have some conception of the sense of practicability of pro-
ducing particular commodities. The student should have inculcated into
him early in his career the often forgotten maxim that it is unwise to
plant more fruit trees or grow crops if they cannot be produced eco-
nomically and then sold. In other words, I am asking the university teachers
to provide their students with all the weapons they need to enable
them to make sound judgments on the problems they will have to face
whatever their career is to be. I do not believe that it is in their or
their country’s interest that they should be technicians only.

The influence of the university teacher is most important in shaping
in his students the ability in their later careers to have that quality of
wise judgment to which I have referred from time to time. What I have
just been saying is, in effect, a plea for people in the universities to realize
this to the full and exert their abilities to turn out the rounded graduates
who are so badly needed. This may also be an appropriate time for me
to make another plea and that is that the universities actively encourage
some of their better graduates to enter the public service. I fully realize
the need for outstanding people in university positions when the teaching
of the subject is expanding rapidly. There is, however, a useful and re-
warding career in Government work as well.

As far as the research functions of university agricultural economists
are concerned, I have several points which I should like to make, but
quite briefly. First, though, let me say that I welcome the increasing
number of pieces of research coming out of the universities in our field
as this is not only a contribution to the state of the arts but also an in-
dication of the growing maturity of our profession.

Having said this, however, allow me to state one mild piece of criti-
cism. This is that I regret the silence of many of our leading academic
figures on the agricultural policy issues of the day. Those agricultural
economists in the Government service are not in a position publicly to
state a view on matters of policy. I consider that the farming com-
munity and the public at large should expect to be given leads on such
matters from the university people. And yet, with one notable exception,
our colleagues were very silent while the great issue of the U.K. entry
into the E.E.C. was being canvassed over the last two years; a new wheat
stabilization scheme is to be negotiated this year but the silence is
deafering. Where is the pristine ardour of 1960 for something to be
done in the dairying industry? I can only recall one of our colleagues
attempting to present the facts and fancies of development of the North.
So it goes.

I look forward to the day when matters of policy will absorb the
interest of the stars in our firmament as much as they do in, say, the
United States where the academic agricultural economists act as per-
petual gadflies on the flanks of the bureaucrats. The stimulus to our
thinking can only be useful and the subjects themselves are worthy of
the highest intelligences. Moreover, if we are not prepared to venture
into these waters, our profession must inevitably come to be regarded
as one primarily interested in a narrow field of applied economics which
although most worthy is, as I have already said, in the long run more
restricted than the horizons of agriculture merit.

V

In attempting to sum up what I have said I feel somewhat like Sydney
Smith did in writing to a friend about an article in the Edinburgh Review
when he said:

"I like Playfair’s review, tho’ I comprehend it not; but as a Dutchman might
say who heard Erskine or you speak at the Bar, I am sure I should be pleased
with that man’s eloquence, if I could comprehend a word he said’, so I give
credit to Playfair for the utmost perspicuity and the most profound information, tho' I understand not what he says or am at all able to take any measure of its importance.⁶

While making no exaggerated claims for the importance of what I have been saying, I have attempted to show three things: first that there is a research role for the agricultural economist in the Government service; secondly, that the work of those of our profession in the academic realm is important both as a stimulant and a complement to all other work in the field. Finally, I have tried to persuade you that wise judgment in translating our findings into action extends beyond the obtaining of economic results alone.