

THE NEED FOR RESEARCH IN THE DEVELOPMENT OF FARM POLICY

*Paul C. Johnson, Editor
Prairie Farmer*

Three or four years ago it was relatively easy to divide farm policy thinking into two camps, the guaranteed price and restricted production group on the one hand and the free market free enterprise group on the other. Over the years I have regarded this as pretty much of a black or white decision, but of late I have been more disposed to examine some of the intervening shades of gray. When I look at the nine topics for investigation selected for this conference, I recognize an almost painful effort to include all viewpoints and to completely re-think farm policy.

The farmers of America are, by and large, in the same frame of mind. I have never seen them quite so willing to listen, and to weigh facts. Most people will admit that the "noble experiments" in farm programming of the last 30 years are close to bankruptcy. It is beginning to dawn on even the most stubborn that the government is not a satisfactory market.

Those who have advocated the socialistic approach do not speak so loudly and recklessly as they did, but then neither do the free enterprisers.

We also find among farm people a feeling of deep apprehension about the economic future of agriculture. Many of the more efficient farmers who have accepted adjustment and worked hard at it, were profoundly shocked when they discovered this summer that Adjustment is spelled with a capital A, like Agriculture, while Labor and Industry have other initials. I know many farmers, most of them older men with good reserves and capital, who will stand four-square for a free enterprise and a self-reliant agriculture to the end of their days, but who are not encouraging their sons to stay in farming. They see ahead an agriculture which will be behind the eight ball for a generation or more.

Well-to-do farmers, firmly established extension services, and ancient and honorable farm magazines can live off their capital and prestige for a good many years. But unless we provide leadership *for our time*, it would be better that the proverbial millstone were hung around our neck and we were sunk to the depths of the sea.

What should this leadership be? What is the need of our time?

The fact that farm people are now remarkably open minded, is all to the good. So is the fact that they have pretty well made up their minds that sound solutions are not easy ones.

In my own search for answers I find myself in need of: (1) readily accessible information on economic matters and (2) greater insight into the relation between economic processes and basic human needs. The first is pretty largely a matter of gathering facts and putting them into perspective. The second is a lot harder to achieve and involves careful navigation through a maze of political and moral decisions.

With all the research underway in the field of farm economics and policy, a man wouldn't think we would get caught short. Let me point out some of the shortages that have hampered me a great deal as an editor, and which I know have caused worry to farmers.

Vertical integration and contract farming have stirred up a lot of interest, even hysteria, in the last year or so. When I set out last January to write a practical, down-to-earth analysis of this development for *Prairie Farmer* readers, I found an appalling lack of factual writing on the subject. My land-grant college friends at that time seemed to be fairly content with folding their hands piously and saying that vertical integration is not new—our pioneer forefathers were the greatest integrators of all.

At the moment I didn't give a cotton-pickin' hang about the history of vertical integration. What I wanted to know was: How much of it was in progress? How potent were the basic forces behind the 1958 model? Were the differences between integration in the South, the far West, and the Middle West real or fancied? How fast is the movement likely to travel? I had to go to press without any good answers to these questions.

Another question crying for better fact finding and unbiased interpretation is the perennial chestnut of the effect of price on production. I thought I had this one resolved a long time ago, but it won't stay put.

Have declining alternatives and rising fixed overhead robbed the farmer of his power of decision in this respect? Are the up-and-down movements of production as related to effective demand so ponderous under present conditions that the farmer is out of business before corrective forces are brought to bear? What is the nature of the sand in the gears and what can remove it? These questions call for a reappraisal of the whole mixed up mess by men of wisdom and open minds.

Another problem is equating agricultural production in terms of inputs and outputs. Nearly all the signs within my range of vision show

that our agricultural inputs are too great and likely to remain so for generations, unless war or natural disaster bail us out.

Shifting the input of human resources may help those who get out of farming, but will it help those who remain? The latter are the ones about which we are most concerned. Taking land out of production in effective quantities is a complicated process which seems to be getting very little attention from the economists. Taking out capital and know-how is a denial of everything we have taught in the Extension Service in the last 50 years.

Personally, I would like to see a lot more fact finding on the management of land resources. For want of a better solution I have taken to advocating a federal land reserve board to attempt the gigantic task of withdrawing unneeded land from agricultural production and returning it as needed.

This past winter I have spent a good deal of time needling my co-op friends to get busy on some of the really hard tasks facing agriculture instead of working at the easy jobs of selling gas and fertilizer. This I did pretty much as a reaction to the wave of concern about vertical integration. After every speech on this subject co-op leaders would come up and ask me, What would you do if you were in our shoes? My answers were not much good to them.

Just what is the role of farmers' co-ops in this day and age? We helped start them and we have more or less nursed them through the years. Lately we have been telling them to grow bigger and to increase their business efficiency. That is about the same thing we have been telling farmers. Is it enough?

I believe the time is here for an intensive restudy of the co-operative movement. To my mind the yardstick function of the co-op is more important than ever in a day of rapid and confusing change. The bargaining function is also extremely important in this day of giant business enterprises. Brains and courage will be required to furnish facts and leadership in this field, but I don't think the Extension Service can avoid its part.

Many other pressing subjects need more fact finding and interpretation. They are pretty well laid out in the nine points of this conference.

My second concern is just as important as the need for fact finding, and much harder to handle. Somehow we have to come up with a more mature conception of the relation of economic productivity to the basic needs of human beings. We get so wrapped up in the game of maximizing production of physical goods that we forget this is not

the purpose of human life. We can offer the argument that if we succeed in improving the efficiency of agriculture to the point where 5 percent of our people can take care of the food and fiber needs of the other 95 percent, we have made a great contribution to the spiritual and cultural content of our civilization—in fact we have made them possible!

However, our clients are people, not machines. Their decisions must have perspective, hence, no mature decisions can be strictly economic.

Stand off for a moment and look at the American civilization that we have helped to create.

The tremendous power and ingenuity mobilized for the maximization of production of creature comforts has begotten an economy that must keep the productive plant busy lest the whole process fall into stagnation and chaos. The very thought of economic adjustment paralyzes us. To avoid it, we resort to planned obsolescence and frenzied advertising. A 50-billion-dollar armament program becomes almost a necessity. To what extent has the maximization of farm production contributed to this state of mind?

I believe the economic ingredient must always remain a principal one. We would reap much trouble if we tried to set up policy without relating it to the great technological surges and the economic capabilities of our era.

But the time has unquestionably come when the economist must call in the sociologist, the political scientist, and even the clergyman, to help work out a balanced program with some thought to the quality of life rather than the quantity of production and consumption.

Is this area of concern researchable? Can we evolve from it ideas that are teachable? I believe we must do both.

Economists have grown accustomed to traveling their own mile, and then bailing out to let others guide the express train the rest of the way. I think the time is here to try some more vertical integration in farm policy.

PART IV

*Extension Education
in Farm Policy*

