

KENNETH H. PARSONS

University of Wisconsin

The Value Problem in Agricultural Policy

IN discussing the question proposed by the designers of this symposium, "The Philosophical Bases of Goals in Agriculture," I have found it necessary to restate the question, and perhaps give it more generality than was originally intended. I am unable to conceive of goals, as things in themselves, handed down by either pure reason or revelation. This difficulty arises not because goals or ends do not present problems, but because they are integral parts of action, including inquiry and judgment. Such action occurs in the context of society, and the kind of society makes a great deal of difference as to what ends a person can choose and enjoy. As economists we have our own unique relationships to the problems of value. The matrix of these problems is agricultural policy, public and private.

The basic difficulty in the value problem in agricultural policy, which is unique to our times, is rooted in the fact that the structure of the American economy is changing toward larger spheres of economic activity and power and has in this century become continuously threatened with instability. These conditions create a need for innovations in agricultural policy. Professor Hibbard characterized past agricultural policies very well, almost 20 years ago: "The objectives involved in these older agricultural policies were of a broad gauged character. The settlement of the country; the establishment of an independent, sturdy yeomanry; the promotion of the highest type of citizenship; the promotion of the highest degree of morality, happiness and prosperity. These policies were not, as a rule, to cure ailments, but rather to induce growth, to foster development."¹

The announced objective of this symposium is strikingly similar to this characterization of earlier policies. However, we now have the benefit of a quarter century of experimenting with curing the ailments of agriculture together with our efforts to improve methods of social and economic analysis, including reconsideration of the role of economists in policy formation.

The men whom we honor as founders of our profession were deeply interested in agricultural policy. Reading early papers leaves an

¹Hibbard, B. H., "Objectives in our national agricultural policy," Jour. Farm Econ., Proceedings Number, 1938, p. 37.

impression, on me at least, that these men considered it their responsibility to have some wisdom on the great policy issues. We scarcely use the word wisdom any more, yet, unless I am seriously mistaken, the general public still looks to economists, and other professional people, for wisdom. I do not see how it can be otherwise if we are to have anything important to say.

I

The most systematic recent effort by economists to deal with the "goals" problem is that of welfare economics. This effort does not appear to have been very successful. However, we are not interested here in arguing the possibilities and limitations of this approach. Rather we are inclined to examine the problem from another standpoint and treat valuation in agricultural policy primarily in relation to judgments and social organization, rather than from the equilibrium position in choices. This means that we shall approach the value problem in policy, and economics, from philosophical premises — attempting an integrated view of valuation issues.

The judgments in public policy are social judgments. The term social judgment probably is not commonly used. We use it here to refer to the way in which courses of action, public or social, are chosen in a society such as ours — the consensus. This is the approximate meaning of Graham Wallas in his little book by this title, in which he observed that, "The function of social judgments is the guidance of human action."² In this study, which he never lived to complete, Professor Wallas was concerned primarily with two problems: (1) knowledge in relation to the guidance of human action, and (2) the social and political organizations, "the institutions through which judgment influences social action." The first of these problems, in reference to our subject, is approximately the role of agricultural economics and agricultural economists in policy formation; the second refers to social organization, what is sometimes referred to as the social framework of economy. The first is important and we shall return to a consideration of it, but the second is, in my view, the really fundamental ground from which we can analyze the value problem in agricultural policy.

I want to place this latter issue before you, in general terms, through some quotations — the first from an essay on "Scientific Method and the Individual Thinker," by G. H. Mead, long of the Department of Philosophy of the University of Chicago.³

²Wallas, Graham, *Social Judgment*, Harcourt, Brace, New York, 1935, p. 30.

³Arranged from Mead, G. H., "Scientific method and the individual thinker," a chapter in *Creative Intelligence — Essays in the Pragmatic Attitude* by John Dewey et al., pp. 222-24.

... The conception of a disinterested truth which we have cherished since the Middle Ages is itself a value that has a social basis as really as had the dogma of the church. The earliest statement of it was perhaps that of Francis Bacon. . . . The full implication of the doctrine has been recognized as that of freedom, freedom to effect not only values already recognized, but freedom to attain as well such complete acquaintance with nature that new and unrecognized uses would be at our disposal; that is, that progress should be one toward any possible use to which increased knowledge might lead. The cult of increasing knowledge, of continually reconstructing the world, took the place both of the ancient conception of adequately organizing the world as presented in thought, and of the medieval conception of a systematic formulation on the basis of the statement in church dogma of social values.

This modern conception proceeds from the standpoint not of formulating values, but giving society at the moment the largest possible number of alternatives of conduct, i.e., undertaking to fix from moment to moment the widest possible field of conduct. The purposes of conduct, are to be determined in the presence of a field of alternative possibilities of action. The ends of conduct are not to be determined in advance, but in view of the interests that fuller knowledge of conditions awaken. So there appears a conception of determining the field that shall be quite independent of given values. . . .

We postulate freedom of action as the condition of formulating the ends toward which our conduct shall be directed. Ancient thought assured itself of its ends of conduct and allowed these to determine the world which tested its hypothesis. We insist such ends may not be formulated until we know the field of possible action. The formulation of the ends is essentially a social undertaking and seems to follow the statement of the field of possible conduct, while in fact the statement of the possible field of conduct is actually dependent on the push toward action. A moving end which is continually reconstructing itself follows upon the continually enlarging field of opportunities of conduct.

In these few powerful sentences, the late Professor Mead seems to me to have stated the case for the general approach to the value problem, as values have been incorporated into the fabric of Western civilization. We have concentrated, he says, upon giving wide scope to the field of possible conduct. We have sought to expand the possibilities for conduct, to expand alternatives and opportunities. What is good must first be possible. The structure of social organization embraces the good as possible, as value possibility.

Very similar is the idea of Professor Knight, in the familiar essay on Value and Prices:

Society cannot accept individual ends and individual means as data, or as the main objective of its policy. In the first place, they simply are not data, but are historically created in the social process itself and are inevitably affected by social policy.⁴

From Professor T. V. Smith:

The greatest single social insight of the human race was institutionalized, if not indeed discovered, by the Founding Fathers of America. They discerned in the political field that the other man's "error" was but his way of seeking the truth. This led them to see that men do not need to agree upon their fundamental beliefs in order to live together in peace and to build a prosperous society. They had the grace to discern that virtue thrives on variety.⁵

⁴Knight, Frank H., *The ethics of competition*, Harper, 1935, pp. 247-48, reprinted for Encyclopedia of the Social Sciences.

⁵Smith, T. V., *Live Without Fear*, Signet Key Book, 1956, p. 38.

From such insights we infer that the fundamental value considerations, in the literal "foundation" sense of fundamental, relate to the structure of society. What we may call social values are primary, and social valuation processes are a part of social processes — with "social" meaning the inclusive form of interaction, joint action, and association among men, embracing the economic, political, religious, etc. From this it follows that the primary focus of agricultural policy must be on social organization and social activity. If so, then considerations of agricultural policy, including the reckoning of goals, which rests upon the basic reference point of the equilibrium position of individuals, must be treated as a secondary and derivative phenomenon.

But having said as much, it must be conceded, I believe, that something is left over or left out — even if derivative — and this something does concern people as individuals and families. This is the field of private policy. We might call this area the locus of responsible acts of individuals — of natural as well as artificial persons (corporations), of families and all voluntary associations. In terms of individuals and families, this is the area of ability and capacity to act in contradistinction to opportunities, or the array of opportunities in the socio-economic structure. This is the field for conscience, for private choices and acts. The scope for individual freedom of choice and of conscience is basically — though not wholly — a function of the socio-economic order. It is an integral feature of society. This ability or capacity aspect is of very great importance to agricultural economists, of course. This is the area of education, of management decision, of citizenship, dignity, independence — of farm and home planning — and a whole host of other considerations.

The structure of social organization which makes the "good life" possible on a farm, through freedom of choice, etc., also provides a wide scope in American society for voluntary group action. But the sheer possibility of individual and private group action comes not from inherent rights or capacities of individuals; these possibilities are institutional and institutionalized. They are made secure and available for the choosing through social organization — more precisely through the channeling of authority and the resolution of power conflicts within society, which assure a zone of private discretion and security of expectations.

In his recent essay on "The Theory of Economic Policy," Professor Knight remarks:

This new conception of freedom is that it exists in an exchange economy only if the parties are equal in economic power. It follows that if the state is to preserve freedom it must assure equality in that sense, or at least act to prevent too much inequality; and that duty becomes the main guide to rightful economic policy. The truth clearly is (I think) that the central issue of economic policy is the distribution of power between individuals (families and other actual units or organizations) and between these and the community, ultimately the sovereign state. This is the concrete form of the issue as to how far "society" ought to go in the direction of one or the other of the opposite extreme conceptions of freedom, or what is effective or desirable freedom.⁶

⁶Knight, Frank H., "Theory of economic policy," *Ethics*, July, 1953, p. 282.

From this sketchy foundation of indicated positions on issues which we take to be basic in considerations of political and moral philosophy, we now turn to a more direct consideration of "basic" goals, or the value problems, as they arise in discussions of agricultural policies and problems.

II

We might agree that we could call some aspects of our universe of experience social values. If so, we could probably also agree that what we refer to in general as Freedom, Equality, Security, Justice, Order, and Efficiency are social values. In one way or another the achievement of something suggested by these words makes life richer, more meaningful, more endurable, even possible as significant existence. Unless the argument of this paper so far is completely mistaken, humanity can enjoy such social values only because these values are ingredient as possibilities to the society in which we live and have our being. Many, many millions of people are born and die in societies pathetically lacking these values.

In respect to such social values, farm people in America have been among the uniquely blessed. Even so, these blessings are theirs not just by chance. Professor T. V. Smith has suggested that we are fortunate to have had, as predecessors, founding fathers who institutionalized, if they did not discover, what he called "the greatest single social insight of the human race" in devising a society in which people who differed in fundamental beliefs could live together in peace and prosperity. Furthermore, this way of living together is efficient in any and all senses of the term, as anyone can see for himself, by brief study of a highly civilized European country, where people of different religions associate so little with each other that they have separate social organizations, from political parties down to 4-H clubs. The inefficiencies of segregation in our country also illustrate this point.

Our own history, the settlement and development of this country, is so brief that we cannot, I believe, get adequate perspective on the value problems in policy except by considering our experience in the larger context of history and experience. Our basic institutions were imported. They, or some of them, have since become naturalized and modified. But in terms of the "goals" and values of life, we had in America a reasonably open field in which ideas of European enlightenment could demonstrate their possibilities, freed of the restrictions of the remnants of feudalism, class snobbishness, cramped quarters — and all the other impediments. Here the common man had a chance because the ideas intended to emancipate him could take root and grow.

Furthermore, what we may call the common-law method of developing law and administration, as in England, rests fundamentally upon the assertiveness of self-propelled people. Although the movement may have been rationalized in earlier centuries as an expression of "natural rights" in a manner now unacceptable to many scholars, the simple fact

remains that the laws of property and business relations were derived through resolution of misunderstandings and differences, in ways which minimized conflicts and provided security of expectations to parties who were trying to assert themselves and their "rights."

The really tough fibre in the fabric of social organization is the law — for the obvious reason that the sovereignty which enforces it is essentially the monopoly of violence in a civilized state. Therefore, economists, with their interest in resources and markets, must turn to the law of property and contract if they would understand social organization as the matrix of the values of economic policy. Justice and public order are peculiarly achievements of the law; for purposes of this discussion we accept them as a part of the social overhead capital, so to speak.

Among the great social values, freedom is preeminent, I suppose. This in effect makes the conception of a free society the operative ideal, in the sense that persons have both the latitude for significant choices and the capacity to actualize them.⁷ The central message of the British classical economists, J. S. Mill and his predecessors, was that economic freedom was the basis for national welfare and progress. As Professor Robbins has so eloquently reminded us, these men were social reformers, intent upon transforming institutions to make freedom operative.⁸ Central to their system of policy, of course, was their emphasis upon private property and the market as instruments of freedom of choice. Even if we accept the judgment that failure to give adequate emphasis to the "power problems" is a serious defect in the classical theory of freedom, we must still view their accomplishments with awe and wonder.

The formative stages in the economic growth of American agriculture, particularly of the social and economic institutions, were approximately contemporary with the great years of articulation of classical economists. What we might call our basic economic philosophy came from the same roots, if not the same branches, as the classical economics of Britain. It came from Hobbes and Locke and their predecessors who gave meaning to commonwealth and related ideas; but especially from the Magna Charta, which eventually made ruler and ruled equal before the law, and from that long arduous struggle of the great jurists to differentiate the prerogatives of the crown into sovereignty and property, as depicted in Professor Commons' incomparable analysis, Legal Foundations of Capitalism.⁹ All of this, and much more, was available, if not free, still for the taking through hard thinking by our ancestors who came to this vast wilderness.

⁷For a recent illuminating discussion of these issues see, Haworth, Lawrence, "The free society," *Ethics*, Jan., 1957.

⁸Robbins, Lionel, *The Theory of Economic Policy*, Macmillan, London, 1952.

⁹Commons, John R., *Legal Foundations of Capitalism*, Macmillan, 1924, Chap. 4, *The Rent Bargain - Feudalism and Use - Value*, p. 214ff.

What was done is a matter of familiar history. In agricultural policy, to repeat Professor Hibbard's comment, we were intent upon inducing growth and promoting development. In this endeavor the law was truly an obliging servant.

In his recent book, Law and the Condition of Freedom in the Nineteenth Century United States, Willard Hurst of the Wisconsin Law School, has shown how the law was used to stimulate the release of energy. As he puts it: "The release of individual creative energy was the dominant value."¹⁰ This effort to release energy was more than a protection of individuals from interference by other parties. The release of energy was a positive purpose and through the doctrine of the enforcement of contract "involved delegating the public force in the aid of private decision making"¹¹ — though not without qualification or reservation.

III

It is against such a background that the farm programs of this century can be understood. Much of the "push toward action" of farmers, their spokesmen, and representatives was directed toward improving the farm economy as a market-oriented system. But out of the distress following World War I, farm programs emerged which were directed toward replacing the market, or at least the "free" market, as the "governor" of the agricultural economy.

The farm programs of this century have modified in some degree the structure of alternatives of farmers, and consequently the accessible range of value possibilities. In public policy also, necessarily, some issues of public value in a free society are inherent in the rules by which private conduct and public action are canalized. Consequently in any adequate consideration of the "ends" of conduct in rural society, some attention must be given to the public value aspects of agricultural policy.

The agricultural adjustment programs have been criticized, sometimes severely, because of their abandonment of the market as the regulator and arbiter in economic affairs. Some critics have emphasized the prospective inefficiencies in production resulting from such innovations; other critics have lamented the dangerous encroachments upon freedom. The criticisms rest on common historical ground — the view that freedom of choice and of contract are the solid foundations of economic order.

The great concern over inefficiency does not seem to have been substantiated by experience. Certainly from a general social viewpoint, where aggregate efficiency is measured in terms of output per acre or man hour, the ratios have been increasing. When examined

¹⁰Hurst, James Willard, Law and the Condition of Freedom in the Nineteenth Century United States, University of Wisconsin Press, 1956, p. 7.

¹¹Ibid., p. 11.

microscopically, the programs do not seem to have strikingly inefficient consequences; Glenn Johnson's study of the burley tobacco program indicated that this scheme actually increased one narrowly defined form of efficiency.¹² But the real basis of the concern over control programs evidently did not stem from research with respect to consequences but rather from value considerations.

Furthermore, the emphasis upon efficiency by economists was no doubt intended to give efficiency the status of an instrumental goal, rather than an ultimate end. However, the lack of inherent reference to more general value considerations tends in actual practice to give efficiency the status of an absolute value and seems to close the avenues of thought to the larger issues of policy in relation to social organization.

An issue of the latter sort is suggested by the fact that the central programs designed to achieve "equality for agriculture" have been built around a parity index which measures the relationship between two sets of independently variable markets. Perhaps the real explanation for the original use of the parity index is to be found in the necessity of administrative simplicity; perhaps the continued use of such indexes is to be explained largely in its value for commodity politics — a value enhanced by the implicit imputation of technological gains to farmers rather than consumers or "middle men." But whatever the reason for its persistence, the parity formula emerged originally from economic thought.

By the time the great difficulties of the twentieth century were upon American farmers, economics was well along the road to making the "commodity" the "basic abstraction of economics," to use the phrase of Professor Boulding.¹³ Therefore, it was natural for persons trained in economics to provide at least the basic rationale for a conception of equality in terms of a ratio of commodity prices. It has become to be accepted by farmers, at least, as a statement of the principle of justice.

This simple conception of the measurement of equality and justice is evidently only an extension of the general view of modern mechanical economic analysis that exchange value is the only value of relevance to economics and that this value is measurable in price ratios. Professor A. P. Lerner stated the issue with his usual incisiveness in his review of Ayers, *Theory of Economic Progress*: "In economics the word 'value' is used to indicate the rate at which goods exchange for each other in the market, and this can be measured in a monetary economy by the ratio between their prices."¹⁴

¹²Johnson, Glenn L., "Burley tobacco control programs," Ky. Agr. Exp. Sta. Bul. 580, Feb., 1952, pp. 80-83 esp.

¹³"The basic abstraction of economics is the commodity: its basic concept the transformation of commodities through exchange, production or consumption." Boulding, Kenneth E., "A new look at institutionalism," paper read at the Annual Meeting of American Economic Association, Cleveland, Ohio, Dec., 1956.

¹⁴Lerner, A. P., AER, Mar., 1945, Vol. 35, No. 1, p. 162.

The central idea of these action programs implementing the push toward "equality for agriculture" has always been, and remains, an intent to enhance the value of aggregate economic opportunity from agricultural production through restriction of sales in the face of an inelastic demand. This is equality toward other sectors of the economy. This touches a profound issue in an age of economic power with big business and big unionism combining to protect their own interests in strategic spots. This is the great question of equality of bargaining power or "two-sided collective action" in Commons' terms or "counter-vailing power" in Galbraith's felicitous phrase. The conceptions spring from analysis of urban economics, and precise analogies are lacking in agriculture. However, making this idea of equality operative requires a restriction of output; and restriction of output operates through the rationing of opportunities among farms — by acreage allotments, marketing quotas, participation in soil banks, etc. This rationing sets farm against farm and farmer against farmer. The idea of equality which operates against other sectors of the economy — parity prices — has no relevance to equality among farms and farmers.

These relationships among farmers have been worked out as a part of the rationing processes by which allotments are made to individual farms. In this process a conscious effort has been made to protect the small farmer, but the mechanical parity conception of equality and justice is simply inadequate for coping with the intense conflicts that arise within agriculture over allotments. Consequently, we resort to such rules as the historical base, "first come, first served" method of settling disputes.

Such controversial issues cannot be adequately discussed in this context. It is interesting, however, to note that the allotments to individual farmers characteristically attach to the farms, thereby raising issues of the relative sharing of benefits between owners and tenants. Laborers outside of the sugar allotment program have been beyond the pale. Reflection upon this aspect of current agricultural policy in relation to the agricultural policy of the nineteenth century, tempts us to conclude that in our earlier land policy we assumed that given opportunity to "get at" the land, our farmers would become owner cultivators; and that the policies of this century have assumed that this did, in fact, occur.

If the action programs in agriculture are, as they seem to be, a part of a great change in the structure of the American economy toward a more "administered" economy, then these programs will eventually have to be geared into the basic economic order and public procedures. There is much evidence that the twentieth century America is going through a new phase in the sequence suggested by the famous dictum of Sir Henry Maine that a society progresses from status to contract. We are evidently moving from contract to a new status; yet it is not precisely status, it is security through administrative determination of permissible practices in business and industrial organization. Social security is achieved partly through compulsory savings. Wage and

labor standards stipulate the conditions under which labor may be employed. A principal common ground of all such administrative procedures is an intent to stipulate the limits within which freedom of contract may operate.

Despite all the regulations of this century, including all the agricultural adjustment programs, the right of alienation of land has never (or certainly almost never) been modified. One reason for this might be that such matters fall within the constitutional prerogatives reserved to the state. Taken altogether, however, and in rather sharp contrast to most other countries, not only are there no (or virtually no) restrictions on buying and selling land; there are only very limited regulations on rental contracts and only the most elementary minimum standards for the employment of labor on farms.

This does not mean that tenants and laborers have had no security, or that they would have had more security by regulations, but rather that such security as these people have had has been in the order of "good will" rather than legally enforceable rights, and especially because of opportunities in alternative employments.

The restrictions on land, as we understand them, have been on land use rather than on the conditions of purchase and sale through the police power. The very character of the "interest" in land is qualified. The qualification runs in terms of what is transferred when land is bought and sold, not the conditions under which it shall be bought or sold.¹⁵

Any adequate consideration of the value issues of agricultural adjustment programs would take note of the fact that the social values of freedom, security, and other rights have a substantive dimension in the operation of the economy as well as a procedural dimension within the social organization of the economy. But this aspect cannot be discussed here. Yet the significance of the emergence of administrative agencies in this century as what Commons has called the Fourth Branch of Government¹⁶ cannot be grasped without the realization that freedom and security, for example, have both substantive and procedural dimensions. The total of each is a product of these two dimensions — as area is a product of length and breadth. As Glenn Johnson has so significantly remarked in the tobacco study: "Freedom to determine what and how much to be produced has been reduced under the programs; freedom has been gained, perhaps, in terms of increased ability to act which has come with the high level of real incomes."¹⁷ In general terms, and as noted by Professor Haworth of Purdue University, in a free society

¹⁵As a corollary to this, the permitted size of farm is not restricted. This point is emphasized by Professor Murray Benedict in his *Farm Policies of the United States 1790 to 1950*, Twentieth Century Fund, 1953, pp. 509 and 518. In the latter citation he observes that there have been persistent demands for measures designed to check the growth of farm size, and to break up large holdings where these already exist. He makes no specific reference to the demands.

¹⁶See Commons, John R., *Economics of Collective Action*, chapter on Agricultural Administration.

¹⁷*Supra*, p. 82.

freedom includes both the opportunity to make choices and power in action.¹⁸ The action programs of agricultural adjustment in our day are evidently attempts, however fumbling, to assure at least some farmers that freedom shall have a tolerable dimension of "power to act."

IV

The problem of "ends" in agriculture of farm people is a part of the consideration of conduct. It seems appropriate for economists to focus attention initially upon the treatment of ends in economic analysis.

It has long been an accepted professional ethic for specialists as counsellors in farm management to take the "theoretical" position regarding the purposes of farm families by saying "If you are interested in maximizing profits, I can help you find (some of) the means for doing so." In this view economic analysis is purely instrumental. It seems to me to be intellectually acceptable, and although I suppose an alerted restraint on the part of an economist is required to stick by this view, it seems possible. Such procedures have the merit of trying to avoid imposing our views on other people.

In this way the problem of ends is by-passed. The end is taken for granted, partly because the product is money, a fund of purchasing power. The genuine decisions regarding use of means in relation to ends are made in a different context from this money base. Professor Dewey once remarked that: "Business calculation is obviously of the kind where the end is taken for granted and does not enter into deliberation. It resembles the case in which a man has already made his final decision, say to take a walk, and deliberates only upon what walk to take."¹⁹

In rigorous statements in economic theory, ends are often accepted as given. In the most rigorous statements, ends are treated as given in order to provide the conditions for defining the equilibrium position of an economic system. A common practice is to speak of the hierarchy of given ends, conformable with the indifference function formulation of the demand function. Professor Black in his recent text puts it this way: "A soundly conceived science of economics' . . . takes as given any ends or values or sets of ends or values, that an individual or a family, or a nation, or a society of nations may set for itself consciously or unconsciously and proceeds from that point to discover how resources can best be used to realize these ends or values."²⁰

Professor Heady has recently demonstrated how this general position on ends can be used on the central concept in "The Basic Logic of Farm and Home Planning." He says:

¹⁸Supra, Ethics, Jan., 1957, p. 120.

¹⁹Dewey, John, *Human Nature and Conduct*, Modern Library, New York, 1930, p. 215.

²⁰Black, John D., *Introduction to Economics for Agriculture*, Macmillan, 1953, p. 12.

Economics is the science of choice and decision making: planning must relate to some end to be maximized. . . . Defining the optimum plan for the farm family . . . requires knowledge of the slope of the family of indifference curves, and, hence of the relative values that farm families place upon different items or activities of consumption. We doubt that extension workers can or should do much about selecting this final optimum. The choice (presumably of the final optimum) should be left up to the family, after they have been provided the relevant economic principles for making choices.²¹

In another context Professor Heady has defined the principle of choice, as based upon the use of a "choice indicator": "a criterion indicating which of two or more alternatives is optimum and will maximize a given end."²²

These are all different ways of saying the same thing. Two points are common to the positions of these economists: (1) ends and means are separated; ends are data, which stand alone so to speak, independent of the means of realization. (2) Whatever evaluation, whatever judgment, which exists about the worth of an end is made antecedent to, or independently of, any act of economizing or any analyzing by economists.

At least this much can be said with certainty about such positions. They do not touch the problem of value; indeed they avoid it. It is logically necessary to the rigorous conception of equilibrium that certain of its constituent elements be mathematically constant. Though the condition of total optimality requires that the other constituent parts be optimal, it does not follow at all that the constant constituent parts are in fact optimal. Still further, if these constant parts were to become optimal, the other parts would have to change in order to maintain optimality. To assume that all parts are optimal is to confuse fact and idea. In fact, this whole procedure, when related to the problems of value, simply amounts to saying that "whatever is, is right," except possibly for some reportioning.

When the currently popular conception of the hierarchy of given ends is considered in relation to the formulation of the value problem by Professor Mead in the above excerpts, this current practice would seem to be a case of reverting to the formulation of "ancient thought" which allowed the "assured ends of conduct" to determine the world against which hypotheses were tested; or perhaps more accurately, it holds the possibility of opening the way for a reversion to the medieval view that the world of thought and action should be organized around social values presented to mankind as dogma. Actually, however, the position is in a sense worse than either dogma or reversion to the assured ends of conduct, as it makes answers to questions a matter of accident.

On the face of it, is it not preposterous for scientists to assume that the people of this country have actually arrived at final and wise positions on most of the things that really matter in planning their lives; or

²¹Heady, Earl, *Jour. Farm Econ.*, Vol. 38, No. 1, Feb., 1956, pp. 80 and 88.

²²Economics of Agricultural Production and Resource Use, Prentice Hall, 1952, p. 33.

on the issues of public policy? Since no one considers people omniscient, this is only a way of saying that they have made up their minds. This, of course, is not true and not intended. In fact, I would have supposed that having tentative and suspended judgments on a whole array of issues was the mark of a cultivated and civilized mind.

We do not rid our work of value implications by declamation. What we do in our research programs, as well as what we write in journals, etc., is done in response to needs and problems, and our findings are inherently related to such needs and problems. Furthermore, economists, including those who assert that ends are to be taken as data, do not refuse to make recommendations and pronouncements on policy issues. The key issue in this matter is the question of whether facts have meaning. In my judgment all social facts have meaning; if they do not, they are either not social or not fact. Economists have traditionally been expected to have something to say about policy, beyond merely stating that "if you do this, that will probably happen." The function is indispensable. If economists do not do this, someone else under some other name must do it. If we define economics so narrowly as to exclude all consideration of ends, economists, to be economists, as the public understands the term, must study something more than economics.

What is the trouble? Where is the problem? Formally, it is very simple; economists are trying to handle the value issues by assuming whatever theory of behavior is required to justify the use of the analytical apparatus at hand. Practically this is not the way the human mind and judgment operate — as far as I have been able to understand them. What economists call ends do not operate in thought as targets do in archery. The technical name for positions taken and withheld from examination is prejudice. What we refer to as ends are really ideas or notions to which people anchor for direction and steadiness of thought particularly at the career-shaping strategic moments of decision. They are a part of the very process of deliberation. What we refer to as ends are really principles of action. These principles or guiding ideas function in the practical judgments of farm people about what to do very much as the concepts of economic theory operate in the minds of economists. They function as predicates. The guiding ideas of everyday life are interpretations of the meanings of things encountered in life; such as "when a farm boy goes to college he is not likely to return home and farm." The neighbors predicate that the boy will not come back, let us say, because they have seen similar cases over a number of years.

We call the fund of such meanings common sense; or for individuals we call such meanings a philosophy of life, for it has a design. People obviously can and do gradually add a more scientific content to their common sense views about farming. People do learn from each other — by watching and appraising how neighbors do things and invest their lives. The conceptions and ideas which serve as the intellectual structure of careers over a lifetime can certainly be investigated so that the

"philosophies of life" of succeeding individuals can actually be made more effective, by any reasonable criterion.

The reluctance to tamper with the "ends" of people, the unwillingness to invade their privacy and tell them what to do, is a sound instinct. But giving people help and direction in such things can be, and should be, an educational process.²³ Whether or not any person can help a farm family in this educational process depends, exactly as in the classroom, on whether he knows enough and is a true educator. The tragedy of the assumption that ends are "given" is that it leads eventually to the idea either that "ends" — the guiding conceptions in conduct — cannot really be studied or that they should be handed down authoritatively. In either case the implication is that creative intelligence cannot be brought to bear on such vital problems. Regarding the relation of acts to values, Professor Mead has remarked:

When we actually get two values into our experience in conflict, they do not appear so much as ultimate satisfactions as in terms of the process of getting them. What we actually think about is the process of doing this and that. We want to do both, and then we present to ourselves the action as going on. In presenting the values in terms of imaginary experience, we bring them into relation, and we finally find ourselves doing this rather than that. We state values more in the actual process of carrying out the project than in terms of pleasure and pain, and then we bring these projects into relation with one another. We may be able to get both of the values by rearranging our conduct.²⁴

In looking closely at an American farm with its most astounding complexity of interrelations as a physical plant and as a business enterprise, with its intricate connections with the lives of the family members who create and maintain this organization and are in turn nurtured by it, the conclusion seems inescapable to me that some genuine understanding of economics and economic processes is required by anyone who would attempt to help farm people evaluate their goals, the courses of action which should be taken.

We do not, it seems to me, need a very elaborate set of propositions to start analyzing and evaluating ends — the ideas by which farm people guide their conduct. The beginning point is life as it is lived, the experience of farm people. The very conception of conduct, of the responsible act, requires that people have at least some idea of where they are going. It would be rare indeed for a farm family to be successful, by anyone's criterion, by sheer accident alone. Rather, it is to be expected that the career of a whole lifetime is given guidance by a few basic ideas which gradually develop and unfold as life is lived — "a moving end, continually reconstructing itself" in Mead's terms. William James has remarked that the most important achievement

²³See Shepherd, Geoffrey, "What can a research man say about values?" *Jour. Farm Econ.*, Vol. 38, Feb., 1956, No. 1, p. 15 esp.

²⁴Mead, G. H., "Moral behavior and reflective thinking," Essay 24, *The Philosophy of the Act*, University of Chicago Press, 1938, p. 463.

anyone ever makes is to work out a philosophy of life. This would seem to be emphatically true for farmers who carry the responsibility of the coordinated organization and development of a farm as a going concern for decades, during which time they also are heads of families and are responsible for the investment program which provides the financial endowment for their old age and possibly the beginnings of careers for their children.

The problem is how to "construct the good" from experience. In this, wants or desires are but the raw materials. Not the desired, but the desirable is the criterion. Speaking to this point John Dewey has observed: "Enjoyment becomes a value when we discover the relations upon which its presence depends . . . or when enjoyments are the consequences of intelligent action."²⁵

The problem of evaluating goals, of deciding what a family ought to do, may be illustrated by the questions that have to be faced when a decision is made in the family regarding whether or not a son should be taken into the business as a partner with a future. Such questions may involve the future lives of two families and the way they can be fitted together; the use and disposition of the family capital; the maintenance, expansion, or contraction of the scale of operations, and so on. Farm families simply do not have clear and dependable ideas about many aspects of such complex decisions. They are frequently so much involved emotionally that they cannot even bring themselves around to talking with each other in the family about what they all profess to think worth doing, father to son, parents to children.²⁶

Our conclusion is that goals as principles of conduct can be investigated. If they are principles of conduct, they form a pattern for an individual of the conception of the good life. The economic element, the struggle to make a living, or keep a business solvent, is a major if not the dominant factor in the farmers' problems. What we evaluate are possible acts, acts that really count. Many acts are routine and automatic; some are strategic and shape lives and concerns. The farm as a going concern consists basically of coordinated action, with the acts variously implemented. In a family farm, family members are the actors. What they do is a means to their objectives. But the means and objectives form a continual flow, where the objectives give meaning and direction to what is done, and the doing is the means of realizing what is intended. What needs to be done requires the insights of professional analysts including economists. The relation of means to ends is a problem to be investigated, not a hiatus.

The choice of individual objectives or ends in a free society is fundamentally a matter of the methods by which experience is assayed for better or worse ways of acting upon accessible alternatives, and the capacity of the person to actualize value possibilities — all within the field of conduct made possible by social organization.

²⁵Dewey, John, *The construction of the good*, Quest for Certainty, p. 259.

²⁶For example see Long, E. J., and Parsons, K. H., "How family labor affects Wisconsin farming," Wis. Agr. Exp. Sta. Res. Bul. 167, especially pp. 12-14 and 30-32; and Parsons, K. H., and Waples, Elliot, "Keeping the farm in the family," Wis. Agr. Exp. Sta. Bul. 157.

C. M. BOGHOLT
University of Wisconsin

Discussion

THE consideration that led the planners of this conference to include a discussion of the present topic is stated in the conference outline. If the farmers in our growing economy are to have a commensurate share of the rising national income, important adjustments in agriculture are required, namely fewer and larger farms, a transfer of labor resources, increased efficiency in use of farm resources, and a conformity of the supply of products to consumer demand. To accomplish these adjustments we must, among other things, know more about "the nature of alternative goals which have relevance to the number of farms and the size of the farm population or labor force."

I suspect that were I more familiar with the field of agricultural economics than I am, this statement would be quite clear to me. As matters stand, I am puzzled by it. Does it suggest that farmers and, perhaps, public officials concerned with matters of agricultural policy have interests the pursuit of which might impede the declared necessary adjustment? And that a study of these interests in their bearing upon the scale of farm operations and the size of the labor force is, therefore, recommended in order to expedite the required adjustment?

I expected that Professor Parsons' paper, directed as it is to the subject of value problems in agricultural policy, would help to clarify matters for me. It did not. Actually his is not a discussion of the conference outline question at all. The upshot of his remarks, if I understand him, is to raise a question about the question put by the Conference Committee.

Values (goals) are social affairs primarily. I take Professor Parsons to be saying that values (goals) are prior, antecedent to the career of any given individual in the sense that language is so. The American farmer inherits the values (goals) of the complex of institutions that constitute his culture, the most important of which are freedom, equality, security, justice, order, and efficiency. It is clear, therefore, that the primary focus of policy questions in respect to agriculture must be upon social organization and social procedure. Viewed from this standpoint, Professor Parsons declares, it will be seen that questions of agricultural policy will be adequately formulated only within a more comprehensive framework of ideas than that of agricultural operations

and rewards. His suggestion is that the central question of policy at the present time is how to assure equality of opportunity through procedures for resolving power conflicts. Economic freedom thus attained nourishes the other values (goals) which are the basis of the good life on the farm or anywhere else.

The term values (goals) that is used in these discussions has, I confess, bothered me. I believe something would be gained in dispelling the vagueness of this term if we were to follow the lead of John Dewey who distinguishes between two usages of the term "value." In one usage "to value" means to act in a certain way toward an object, the sort of action that can be indicated by saying that something is "cared for," "cherished," or "prized." Thus a mother cares for her son; an academic man prizes his freedom. In this sense of the term, "to value" marks nothing deliberate, nothing into which decision enters.

Another and distinct usage of the term "to value" marks something that is the outcome of an activity of comparing and relating, of deliberation and decision. Here "to value" means "to evaluate," to appraise. As we all know, we may prize something which turns out upon reflection to be unworthy, we may hold something to be good which is not as we say "really" good.

I take it that Professor Parsons when he speaks of freedom, equality, et cetera, as social values is pointing out that social organization and procedures in being are such that specifiable practices falling under these general heads are permitted and intermitted, that, generally speaking, we value in the sense of prize these practices, hold them dear, and that we insist that the new generation do the same.

I take Professor Parsons to be saying, as well, that a given status of the American farmer in respect to income level is properly conceived as chiefly an outcome of existing social practices and that the condition of successful control is the establishment of connections between the outcome and specific practices. What is advisable, desirable to do about the American farmer's plight, the policy question, is a matter to be determined only in the light of knowledge achieved about such connections. The objectives, the goals, the policies so determined are outcomes of deliberation and decision with respect to situations that are unique. As such they always contain a novel factor, always reconstruct in some respect existing values in the sense of prizings.

We go astray, in short, when we suppose that the desirability of some objective, goal, or end is so securely established that all that remains to us in dealing with existing troubled situations is to find the means to this end. This statement stands whether we declare the end to be freedom, security, or maximum satisfaction of wants.

It is my opinion that this is one of the main contentions of Professor Parson's paper concerning value problems and agricultural policy. I agree with him and agree with him, too, in considering it a matter of primary importance in defining areas and methods of research.

