

Positive Policies for American Agriculture

TIME IS SHORT for those who would propose significant social and economic innovations for United States agriculture for the early 1960's. A new administration, popularly chosen and with a character molded to some degree by the public will, should open the way for us to learn much about the dominant goals and values — the aspirations — of the American people with respect to economic and farm policy.

Not all the years of the decade of the sixties will be equally important from the standpoint of farm policy. The character of a new administration — the key ingredients of which are the personality of the President, the predispositions of his party and the demands of the times — is formed early in its tenure. Witness the immediate and unrelenting opposition of the Coolidge and Hoover administrations to public intervention in the economy, the consistent and sometimes almost malignant interventionism of the Roosevelt era once its pattern was set and the diligent search for new and tenable justifications for chosen and virtually unchangeable farm policy commitments by the Eisenhower Administration.

These are critical years for economic and social policy. The elements of the farm policy likely to prevail for much of the next decade will be decided in the years 1960 to 1962. Those are the harvest years — years in which social scientists who aspire to modest influence in the course of history ought to make themselves heard as never before in language which can be understood.

I do not suggest that all of us ought to turn our attention to short-range problems and to direct an urgent communication with policy makers in the 87th Congress. U. S. agriculture is not at the brink of catastrophe. Farm policy is not, as some argue, the crucial domestic issue of the 1960's. The terms of the next armistice in farm policy are, nonetheless, important. I am deeply impressed by the demands of policy makers for knowledge and insight and means of innovation, and by the sharp contrast between those public officials who succeed in marshalling

intelligence in the solution of public policy problems and those who do not. I am convinced that the process of social innovation is chiefly, although not exclusively, a succession of short-run improvisations with a long-run objective in mind. The proper strategy in public affairs as in mortal combat is to plan the engagements to win the war, not to try to end the conflict in one great encounter.

In the face of the farm policy contradictions of the 1950's and the needs of the 1960's, economists ought not, in the words of W. H. Auden's poem, be found: "Lecturing on navigation while the ship is going down."

We are less than citizens and less than scholars if we count ourselves as mere spectators at a political circus, and cynically deplore each successive act. The times demand engagement and commitment, not withdrawal and neutrality.

The elements of farm policy which I will propose are essentially short-run and conventional, in line with my conviction that the path of progress in the next decade is to build on the present. We are too prone to forget, in the current public agony over large surpluses and indefensible public expenditures for farm programs, that there have been successes as well as failures in a generation of farm policy. Some say it is too late to throw out the whole system of federal farm programs. I believe it is too early. The seven years since 1953 have been poor but not disastrous years for agriculture. There is no genuine and general farm crisis — only a modest urgency, a puzzling over successive events and a persistent foreboding of worse to come. Lacking the elements of revolution, we must build on what we have.

Before turning to public policy prescriptions which would improve on the present yet be consistent with dominant aspirations and values of the American people, I want to cite seven areas of economic and social analysis in which there is now substantial agreement — to point out where argument is either unnecessary or is largely ceremonial. Some are questions of fact, others of goals and values.

1. In the absence of enabling legislation (permitting marketing agreements and orders, for example) and direct government intervention in farm price determination, the average level of farm prices in the 1960's would be substantially below the price level of the late 1950's, if research and discovery were to continue at a fairly rapid pace. The average level of income of commercial farmers would be sharply reduced as the decline in the number of farmers would be too slow in a decade or less to offset reduced margins per unit, as slightly increased

disappearance of products with inelastic demands failed to offset price declines and as other prices continue to rise.

Free market farm prices averaging perhaps as much as one-fourth below the late 1950's are, in fact, the expected norm for the 1960's, even if the rest of the economy is exceptionally prosperous and slightly inflationary. Under those conditions the prices and incomes of farm operators from farming would not, as in an earlier era, be closely correlated with business contractions and expansions. Nor would they be so correlated in the 1960's if we have substantial price support programs. Ours is no longer an agriculture in an unstable economy — one subject to wild swings in employment and income. It is an agriculture in an economy rather successfully stabilized if not quite fully employed by a combination of public and private actions. Explanations of the level and stability of farm prices and incomes — once couched in terms of an unstable economy — must be revised accordingly for the coming decade.

It is no longer very controversial to argue that the equilibrium average free market level of farm product prices would be much below 1960 levels, both for the short run of 1960-63 and the longer run of 1960-70. A few farm leaders and an occasional economist can be found to state a contrary opinion — that price supports hold farm prices down, not up. I believe the evidence runs strongly against them.

2. It is increasingly apparent that such prices for farm products would be intolerable to many of the people who man commercial agriculture — faced with a threat to survival — and to the whole society. The price system which would yield such results has indeed been given to us by historic circumstances. But the essence of democratic society is that it is a product of reason and moral strength. Man need not submit equally to the benevolence and the tyranny of history. He has devised pricing institutions — for labor, for industry, for public utilities — with consequences more acceptable than with pricing under pure competition. It would be a violation of consistency (and therefore of order), as well as a violation of justice, to argue that having substantially modified other product and factor pricing institutions, we must now stop short even though we recognize the main weaknesses of the structure and the price system common to agriculture.

3. A third area of agreement follows from the first two: an active role by government — that is, by political society — in economic affairs in the 1960's is not only legitimate but also necessary if we are to program — to plan — changes in key institutions at rates we wish to accept and at costs we choose to pay.

To understand this bipartisan, if somewhat unequal,

commitment, we must understand the final, true aim of political society. It is, in the words of Maritain¹ (and in my opinion):

...to better the conditions of human life itself, or to procure the common good of the multitude, in such a manner that each concrete person, not only in a privileged class but throughout the whole mass, may truly reach that measure of independence which is proper to civilized life and which is ensured alike by the economic guarantees of work and property, political rights, civil virtues, and the cultivation of the mind.

In this view of democratic life, the state — the public service corporation of the body politic — is the servant of man, not man the slave of the state or of the inherited establishment. This is, I believe, the dominant American view.

Opposition to the principle of frank government action in economic affairs in the U. S. is increasingly ceremonial. Despite occasional incantation to the contrary, both political parties and all major farm organizations accept it as a permanent part of the national life of this generation, at least. As Galbraith² wrote in 1954:

On two of the most important subjects of controversy in our time, labor and farm policy, the real issue has been resolved. A struggle, which once involved a great change in the power relationships in the American economy has subsided into a skirmish over the terms of the ultimate accommodation.

What relationship is there between national goals and a role for government in economic events? The relationship is that of ends to means. Other chapters have dealt chiefly with ends; my assignment is to discuss means. The means of public agricultural policy are statutes, administrative regulations and precedent. Means ought not debase ends — to keep man in the very process of becoming, from reaching that to which he aspires. So while we speak of a growing national agreement on the propriety of public economic policy, of the need and even the duty to reshape our institutions and thus to better their results, we must remind ourselves also of the dangers. They are not negligible. Tocqueville's warning a century ago is doubly relevant today.³

It must not be forgotten that it is especially dangerous to enslave men in the minor details of life Subjection in minor affairs breaks out every day, and is felt by the whole community indiscriminately. It does not drive men to resistance, but it crosses them at every turn, till they are led to surrender the exercise of their will.

¹ Jacques Maritain, *Man and the State*. University of Chicago Press. 1951. P. 54.

² John K. Galbraith, *Economics and the Art of Controversy*. Rutgers University Press. 1955.

³ As quoted by Saul Alinsky, *Reveille for Radicals*. University of Chicago Press. 1946. Pp. 68-69.

Farm policy in the 1960's can meet this test but not without effort, for the possibilities for proliferation of minutiae in farm programs are endless.

There is some trace of Utopia — of a naive faith in human and institutional perfectibility — in our reliance on government to alter circumstances no longer tolerable to the majority. But the alternative to Utopianism is not despair. Even in a realistic, pessimistic democracy, man is not without hope. He knows that change does not always turn out to be progress, but he keeps trying, in pursuit of his own true nature, to improve the mutual adaptation of environment and self. It is thus in pursuit of high human aspirations that man sets himself the task of improving the institutions by which farm products are priced and the owners of farm resources compensated for their labor.

Is it equality of opportunity and equality before the law to grant collective bargaining rights to labor but to decline even to search for similar innovations in farm markets? Is there justice in overt selection or tacit acceptance of output and employment policies, and price and wage policies for much of industry and labor but rejection of similar price and output policies (if they can be devised) for agricultural producers? Do we designate as just a pricing system which tells us that the value of 800 million bushels of wheat a year is \$1.5 billion, but the value of a billion bushels accidentally produced in the same year would have been perhaps half a billion dollars less? Is it a contribution to order and stability — to harmonious relationships among human activities — to accept an economic structure for agriculture with distinctly different characteristics than the dominant economic structure and results if not unique, at least unusual?

Obviously, a certain kind of freedom is lost in the pursuit of order (stability) and justice. But the sources of personal freedom for some have always been in its partial denial to others. Those who have mourned in the 1950's the farmers' loss of freedom to plant indiscriminately — whatever the consequences to himself and his neighbors — would also have predicted disaster when the public utilities and the grain exchanges were regulated. These people seem not to understand that the exercise of personal freedom is and must be less than an absolute right. Yet I think the proper explanation of their actions is that they value pure individualism at all costs more than do the rest of us and they wish to substitute their objectives for ours.

It is also important to distinguish between democratic and totalitarian restraints upon individual freedom. There is little evidence that the modest limits upon farmers' actions to date have been broadly unpopular. Witness the continued popularity

of milk marketing orders, wheat marketing quotas and even conservation reserve.

There is much evidence that farmers who have experienced both low prices and restrictions on marketings in a framework of almost complete freedom to innovate and to compete for control over the means of production — to be acquisitive — do not view as a genuine dilemma the choice between unrestrained freedom of proprietary power and collective restraints on private actions to insure them an equitable share in the fruits of their labor.

4. We can agree that our national goal of full employment, grounded in justice and in the dignity of the individual, extends to rural as well as urban people. There is a firm consensus among economists that improvement in the conditions of life of the forgotten half of agriculture is essentially a problem in economic growth and public welfare, not of farm policy. Conflicts of goals and values in this matter have been largely resolved. Having chosen the objective, we have implicitly dedicated ourselves to the search for means appropriate to the goal of full employment, and we have been fairly successful.

It is interesting to discuss and discover reasons for the high incidence of genuine poverty in agriculture. But I do not see why we should surround this matter with so much mysticism. Jobs in industry and trade attract people from agriculture. We can agree that changes in occupation and residence caused by the attraction of the city and not by coercive push from farms are by definition desirable. Excessive unemployment on farms as in the cities is by definition a shortage of jobs relative to workers. Since we cannot reduce the number of workers in the immediate future, but instead, must employ a labor force growing at an increasing rate, we shall have to increase the number of jobs in pursuit of our national aspirations.

To this end, public policy to discover and achieve the rate of growth needed in the technological and organizational context of the 1960's to fully employ all who wish to work is completely straightforward. We cannot nor do we wish to remake the steel industry into a textbook example of pure competition so that it would cut prices, not employment, when demand declines. We do not expect to pursue our full employment policies by making wages flexible downward, thus employing all at lower wages in recession. We can perhaps discover and create conditions under which trade and industry will fully employ the labor force in the 1960's even though the former are increasingly concentrated and all are increasingly powerful. We do not need to know precisely how much of our redundant farm labor is the result of the market structure of labor and industry combined, in order to strike

boldly at unemployment and resulting human debasement wherever it exists.

5. We can agree, I believe, that even though the price system is not omnipotent, it is a useful ally in resource allocation. Although aggregate farm output responds sluggishly at best to lower prices, it responds considerably more quickly to higher prices. Substantially higher prices for many farm commodities in the early 1960's are, therefore, contradictory to our resource allocation objectives. They would make direct output restriction slightly more difficult and land retirement more costly. Even so, if the public is in a mood to accept slightly higher food prices as it accepts other price increases, the case against modest increases in farm prices is not a strong one. It should not be much more difficult to administer a price of 80 per cent of parity for wheat than one of 75 per cent, for example.

6. There is almost no dissent to the idea that the present commodity storage situation is wasteful of public money. It is in obvious conflict with our goals of efficiency and needs to be cut back sharply. No one is expected to come forward with an acceptable justification for carrying over 1.5 billion bushels of corn or wheat each year although some will try. Termination of open-ended price support commitments and systematic carry-over reduction keyed to equitable treatment of farm producers who would be directly affected and to the grain trade will merit the approval of both parties and nearly all voters in the early 1960's.

7. We have the knowledge now as never before to debunk the mythology and the shibboleths which clutter farm policy debate and impede farm policy reform. There is enough research, enough knowledge, to place ignorance and partisan or pressure group demagoguery clearly out of bounds in serious discussion.

If scholars will only speak up, they can put across these facts and many more:

- a. That depressions are not farm-led, even though agriculture is important to the economy.
- b. That 100 per cent of parity farm prices are not axiomatically fair, even though parity prices and incomes, like just wages, are meaningful ideas.
- c. That the pricing system implicitly termed "natural" (because its opposite is termed "artificial") was not made in Heaven, and has no more claim to transcendence or permanence than any other.
- d. That the race between population and food supply in the next generation in the U. S. is probably no contest. Talk of the imminent need for more land to feed the U. S. population — and

we hear this every day — is likely to be irresponsible unless highly qualified.

- e. That many essential elements of genuine competition remain in an economy substantially modified by government action. Price supports and acreage allotments did not spell the end of efforts to increase efficiency and income nor would a 100-million acre soil bank. Effective marketing quotas for wheat would not end the competition individual producers engage in. The error of confusing "pure competition" with competition among producers for control over resources is a serious one.

With these elements of agreement, we proceed to more specific elements of farm policy for the 1960's, consistent with dominant aspirations of the American people. As noted, the general direction of farm policy may well be decided in the next year or two. Its shape and scope will reflect the way the winning political party and the successful candidate for the presidency interpret the desires of their supporters for farm policy. Inevitably then, farm policy in the 1960's would not be the same when a Democrat is president as it would be if a Republican were president.

It may appear, however, from the foregoing recital of agreement, that it will not matter (for farm policy) which party is in power. This is not the case. As Rossiter⁴ notes, Republicans and Democrats are still "at least a city block apart" on farm policy and other matters. If the gap closes, it is the Democrats who are most likely to open it again. Most of the agreement I have cited and the elements of acceptable future farm policy I will cite involve institutional innovation, and Democrats innovate less reluctantly than Republicans. Faster action toward even those elements on which there is substantial agreement is likely, therefore, under Democrats. To some this is virtue — to others vice. It is, I think, a statement of fact, not of value.

RESEARCH FOR THE FUTURE

What would be a positive policy for agricultural research and education in the 1960's? There are few signs that the American people would support efforts to reduce research effort in food production technology. Critical inquiry in this area is necessary, for farm production research is not self-justified. It may be met, with hostility, not only by research administrators and

⁴Clinton Rossiter, *Parties and Politics in America*. Cornell University Press. 1960. P. 127.

scientists, but by a public sensitive to the possible food needs of future generations in the U.S. and the world. Food production research is no longer justifiable on grounds that it is chiefly for the farmers. This observation is trite by now; yet the clamor goes on to justify such research expenditures for obsolete reasons. Food research in the 1960's is chiefly for the consumers of 1970 to 2000. On those grounds it should stand or fall.

The most pressing food problems are those outside the U.S. The research programs of land grant colleges and universities and the USDA have not yet addressed themselves seriously to the problems of adapting the advanced technologies of the western world to the elemental needs of the rest of the world. If, upon reflection, we find ourselves ready to permit a slowdown in the rate at which our scientists create new technologies to make our own future food supply more secure and our farm adjustment problems ever more difficult, there is surely no higher priority than to turn their attention to massive technical assistance for the less-developed nations. This could not be done in the present framework of support, heavily based on state appropriations. But with appropriate vision, it could be done somehow.

EDUCATION

The key to effective employment of the population is not only job availability but adaptation of the labor force to the increasingly complex opportunities for work. Justice to each new generation requires us to prepare it for the future, not the past. Justice to those who are unemployed and, to a degree, technologically unemployable requires us to recognize that if the people of the depressed rural and urban areas and the expatriates from commercial agriculture are to be full partners in the prosperity of the 1960's, they must be educated, trained and informed.

This will require a thorough rehabilitation of our educational structure — academic and vocational, federal and state. It will mean large contributions by most developed regions of the U.S. to the education and the economic repatriation of people in other regions. The federal-state employment service will have to extend its services and its imagination far beyond its present scope.

Impressive arguments will be marshalled against these proposals. Some will say, with William G. Sumner,⁵ that "A free man in a free society has no duty whatever toward other men of

⁵W. G. Sumner, *What Social Classes Owe to Each Other*. Harper & Brothers, New York. 1883.

the same rank and standing except respect, courtesy, and good will." Others will deny that administrators can be convinced, that bureaus can be reorganized or that financing can be arranged.

The people of the U.S. are ready for striking innovations in education, even if public officials are not. They are prepared to have vocational education for agriculture put into proper perspective relative to vocational education for industry, trades and services. Economic opportunity for most of the millions of young and mobile people on farms today is in nonfarm employment. I do not know the ideal relative expenditures, but I doubt that it is appropriate to spend nearly twice as much for agricultural and home economics vocational education as for trade, industry and distributive education.

Action Programs

The significant feature of agricultural policy in the 1960's will be the convergence of the two parties and all major farm organizations on either reluctant acceptance or wholehearted approval of a restrictive farm output policy. Agreement on this score is far advanced but is obscured by the rituals of day-to-day political and pressure group disputation, and by diversity of means.

Let there be no mistake about the reasons for this convergence on output policy. Output policy — whether pursued through land retirement, selective direct marketing controls or by bargaining associations, private or public — has price policy as its chief end. Price policy has income policy as its objective.

Resource owners, farm and nonfarm, covet market arrangements which show promise of doing justice to individual and corporate performance, not modest insurance against disaster. We are gradually achieving such arrangements in the U.S. Unemployment insurance is important, but it is not a substitute for collective bargaining against a backdrop of full employment. Farm income insurance may be an appropriate supplement to farm output and price policies but is not likely to be a substitute for them.

Farm output and price policy for the 1960's — whatever the means — need not be deeply concerned with the distribution of the benefits of publicly or privately administered farm prices in order to be consistent with society's concept of justice. We tolerate and even encourage a degree of administered prices in other sectors of the economy irrespective of the distribution of

ownership of corporation stock. We thus foster acquisitiveness, and protect equally the access of persons to the law and their unequal capacities to acquire property. It would be inconsistent to deny through price supports keyed to farm size, similar treatment to owners of farm resources. It is not very satisfying to deny the operator of a large farm proportional access to land retirement funds, but to grant him full access to the price-increasing effects of land retirement.

But we can, in good conscience, support farm prices and thus returns to farm resources indiscriminately only if we expose to ourselves the sham that it is the poor in agriculture whom we aim to assist through price policy. There will be intense pressure to continue this mockery if genuine agricultural poverty is not in sharp decline in the 1960's. But if unemployed and low-income farmers are being rapidly absorbed through education and economic growth, the argument that price policy should be designed to help the poor, and should discriminate against those who have gained control of large quantities of farm resources, will become exceedingly transparent. It is jobs and wage policy, not commodities and price policy, which can attract the attention of two million or more underemployed farmers.

What of the farm price level for the 1960's? Once the problem of economic growth and unemployment is on the way to solution, the argument for a farm price level substantially higher than in the 1950's largely dissolves. There is a bit of good sense in arguing for a farm price level of 100 per cent of parity or higher when there are a million nearly full-time farm producers with gross incomes below \$2,500 whose incomes could be raised perhaps one-third by such a move. With these people employed elsewhere, or with their farms improved or their incomes supplemented, the scene changes. Most of the truly commercial farm producers of the 1960's will not require that level of prices for rather profitable operation.

Discrimination on the part of commercial agriculture in its price aspirations cannot be overstressed. Society is already convinced — or can be convinced by a strong president — that it is reasonable to provide price and output policies for farm products despite ideological conflicts. But two self-interests are opposed to each other in the choice of a price level. The general public, not farmers, will likely decide upon the elusive but very real "fair farm prices" of the future.

Finally, public credit policies adapted to the agriculture of the future, with larger farms and greater capital needs, is exceptionally important. Planning to facilitate changes in farm size is commendable and in line with norms of order and efficiency.

The dominant values of the U. S. public are congenial to broad expansion of marketing agreements and orders with or without supply-control features to commodities with suitable characteristics, and to limited extension of treasury payments to maintain farm income (as for wool). Radical opposition notwithstanding, these are neither totalitarian aims, nor are they to be pursued by totalitarian means.

In short, I do not see the need for revolution in the 1960's. We can build on what we have. We need a pluralistic farm policy approach to cope with political reality.

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Discussion

THE INSTRUCTIONS which I received were as follows: "Given the framework provided by preceding authors, what should be the agricultural policy elements for the 1960's in respect to research, education and action programs, relative to goals, values and economic interests of farm people; relative to goals and values of American society; short-run and long-run policy elements." Therefore, I shall appraise these papers from these viewpoints.

In essence, if I interpret Dr. Swerling correctly, he has accepted the equilibrium model with free prices supplemented by a relief program for agricultural producers when their incomes fall more than 25 per cent below the preceding five years. He also suggests that maximum payments might be limited to \$4,800 or some such figure. He does not go into detail on how such a program might be administered or for how long these payments should be made. It seems to me that inevitably such a program would be of greater protection to the small farms than to the larger farms. The \$4,800 limitation proposal emphasizes this.

Such a program is fraught with many difficulties concerning which one might raise many questions. Nevertheless I, too, believe society's goals might allow for the acceptance of such a program if suitable protections against abuses can be worked out. As Dr. Swerling points out, we have developed a relief program for other sectors of society when incomes fall, and this would be somewhat consistent with other national policies.

However, I do not believe that he has fully delineated the problem. I believe the commercial farm families' goals call for something more in the way of farm policy in this present period

than a relief program. As more and more farmers are operating businesses in which the investment is \$100,000 to \$200,000, they are interested in policies that keep agriculture in adjustment and provide prospects for reasonable incomes. The laborer or the businessman is not satisfied with the relief programs alone. Farmers want some assurance of a price program that gives them a chance to succeed if they are efficient in their businesses. This the free market does promise in the immediate period ahead.

Society likewise has a stake in programs which make possible maintenance of efficient commercial family-size farms. Programs that only maintain the smaller low-income farmer are not in society's economic interests. Therefore, I accept Dr. Swerling's paper as far as it goes, but I would argue that it does not fully deal with the goals and values of farm people in the price and income area.

I do not find much to differ with in his general comments except on page 318, where he states, "While land use adjustments as reflected in the Great Plains program may be desirable for their own sake, even a massive program of land retirement does not by itself promise to be an effective route towards production control under present technological conditions." I would argue that if sufficient payments are made, and sufficient land is taken out of production, it will control output. The question is whether or not society wants to take this approach. When land is taken out, labor and capital on that land are also taken out, and as the rate of technology increases, it means that more land must be shifted out of production.

Dr. Swerling has not chosen to deal extensively with the education or the research phase. Rather he went directly to a proposed program and then discussed values in connection with this program.

Dr. Schnittker has more specifically directed his discussion to education, research and action programs. In connection with his discussion of the role of the agricultural economist, I would in general agree, but I also think that there is a place for some economist to continue to lecture on "navigation" and keep the long-run goals in front of us, even at times when it may appear to some that the ship is going down. Our society is tougher and can stand more abuses than some of us sometimes think. I do not quite believe it is "now or never."

In regard to technological research, it seems to me that Dr. Schnittker implies a program of full steam ahead. With this I believe society agrees. From his tone I believe, although he did not emphasize it, that he also would accept a stepped-up research

program in the adjustment area, which our rapid rate of technological progress makes desirable.

It is when he comes to the action programs and the philosophy concerning them, that I am most disturbed. Under his section of substantial agreement, he states, "It no longer is very controversial to argue that the equilibrium average free market level of farm product prices would be much below 1960 levels, for the short run of 1960-63, or the long run of 1960-70." I am inclined to agree that there is considerable agreement relative to the level of prices in the short run, but I do not believe that there is much general agreement relative to prices in the longer run. Many adjustments are now taking place, and if agricultural prices were to fall to the indicated levels in the short run, and this situation was accompanied by a growing general economy, considerable adjustment and realignment of prices would take place in the longer run. However, this is a question of projection or forecasting, and not a question of values, therefore I will not pursue it further.

Under point three Dr. Schnittker states, "Where do we find justice in a price system which tells us that the value of 800 million bushels of wheat a year is \$1.5 billion, but the value of a billion bushels is perhaps half a billion less." Later he says under point four, "We can agree that even though the price system is not all-powerful, it is a useful ally in agricultural resource allocation." In the first case he is appraising the free price system on the basis of justice, and in the second case, as an adjuster of resources. I don't think anyone would argue that free prices always render justice. This situation simply illustrates the problem of finding a point of compromise between two goals.

I think his point on the necessity of having a growing economy which will employ our people and the excess people from agriculture is an important one. I mention it only to emphasize his point.

In connection with his proposed action programs, it seems that he has committed himself to administered price controls, certificates, quotas, etc., more than he needs to. I am not sure that society has taken such a position. I do not believe that he needs to commit himself to one or the other of these approaches to discuss values or the merits of the programs. People are willing, probably within broad limits, to accept either approach. The real question is which will work best. It therefore comes down mainly to economic evaluation of what each program will do for them.

I would agree that a program which allows prices to guide production, and in which the emphasis is on increasing the

mobility of the resources, is quite different from one which calls for administered prices, and then attempts to move the resources by other means, but the real issue is what would be the consequences of each.

In closing, I should like to add that it is my belief that society wants aggressive programs in technological research and education, supplemented more vigorously than in the past with research and educational programs which provide information to our people on how they may adjust and how their institutions may adjust to our changing, more scientific age.

In the action areas, it appears to me that the movement of human and cultivated land resources out of agricultural production is the inevitable consequence of economic progress in agriculture. Therefore, to have a prosperous agriculture, these adjustments must take place under whatever type of action program we have. These consequences flow from the acceptance of progress as a goal. The real issue in the policy field is which bundle of action programs can most effectively bring about these changes and at the same time adequately protect farmers' incomes and the welfare of those who must adjust, and which also most nearly stays within the social economic framework of our values.