

# The Emerging Policy Issues Affecting Agriculture

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I begin by stating the assumptions on which this paper is based, knowing that no prognosis can be better than its premises, unless, of course, compensating error is at work.

*Weather will be average.* That is, growing conditions during the 1980s will be similar to those of the past several decades, both in central tendency and departures therefrom. Long-range weather forecasting and predictions of climatic change are not yet sufficiently accurate to be a significant factor in decisionmaking. A person who predicts better or worse weather in the 1980s than during the 1960s and 1970s is telling us more about his state of mind than he is about the weather.

*Agricultural technology will continue to advance*, much as it has during the past 20 years. I discount the widely held view that new agricultural knowledge is lagging. Agricultural productivity — that is, output per unit of input — shows irregular advance during the past century at a rate generally between 1 and 2 percent per year. More institutions are involving themselves in agricultural research: the non-land-grant universities, new agencies of the federal government, and the international research network. We are entitled to believe that some of this research will pay off, as has been true of research in the past.

*The real gross national product will increase*, though at a slower rate than during the past two decades. Performance of the general economy will be handicapped by a variety of problems: inflation with its misallocation of resources; declining competitiveness of the American economy as compared with those of other countries; and a diminution in the work ethic. Severe depression is not foreseen. During the past half-century we have developed so many tools to

forestall depression that we have institutionalized its opposite; inflation.

*Inflation will continue.* The virus is in the bloodstream; it is throughout the system, built into expectations, a component of almost every long-term contract. An effort to totally purge inflation and inflationary expectations would be accompanied by unemployment and recession so severe as to be unacceptable, economically and politically. Efforts to slow the rate of inflation will continue to be made and are laudable. But we should not pray too hard that the rate of inflation be brought to zero; an answer to such a prayer would be embarrassing to the supplicant. With inflationary anticipations written into everything from wage contracts to the price of farmland, a stable price level would be a relative deflation. We know from the experience of the 1930s how disastrous that is. I assume that the rate of inflation will be held to one digit, not two.

*Most of the liberal trade gains made since 1934 will be retained.* This will be in spite of increasing protectionist sentiment, and with the exception of certain industries such as steel and automobiles. The demands of third world countries to get into our markets with their sugar, beef, vegetable oils, textiles, and other manufactured products will increase, and we may accede to them in some degree. The use of trade as a diplomatic weapon is assumed not to be an important component of our policies during the decade ahead.

*Major war will be averted.* I assume that there will be wars of liberation, civil wars, and various uprisings, but that the great powers will succeed in avoiding direct confrontation. No doubt there is an element of optimism as well as analysis in this prognosis; with modern weapons, major war is too horrible a prospect to contemplate. One dares hope that our leaders will realize this and work out their differences at the negotiating table.

*Disillusion will grow regarding the ability of the government to solve economic and social problems.* Evidence is that during the past several decades there has been a gradually growing feeling that government is wasteful, in the hands of incompetent people, run for a few big interests, and that it can't regularly be trusted to do what is right. This feeling is confirmed by the Center for Political Studies of the Institute for Social Research at the University of Michigan, among others. It is witnessed by actions of the electorate and the Congress during the past year. The assumption I make is that a trend of this nature, now evidently established, will run for some addi-















