

AGRICULTURAL POLICY AND FARMER'S FREEDOM—ITS QUANTITATIVE ASPECT AND RELATIONS

by

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(An Abstract)*

Farmers' Freedom and Agricultural Production

Very much involved in the development and implementation of American agricultural policy is the problem of freedom together with other values in American society.¹ According to Hathaway, the American farmer and those representing him display apparently irrational value systems in their political attitudes and actions. He observes that such attitudes and actions have not been so far successfully explained and rationalized by students of American agricultural policy who have spent "much time and effort" in doing so.

"We are confronted" Hathaway states, "with a group who seem to place the highest value on individual freedom and yet periodically vote into effect controls that put rather stringent restrictions upon their freedom to determine the amount of the crop they may plant or sell".

Our interest in the subject of the farmer's freedom lies more in its broader significance in relation to agricultural policy and in its practical effect on farm production. The most convenient example of its involvement in agricultural policy is in the United States. In the early 1920's when American agriculture was beset with problems of declining income and economic insecurity of the farmers, there began a movement for equality of income for agriculture. This culminated in the passage by

* Full text, published in Philippine Statistical Reporter, 10 No. 3 (July, 1966).

¹ DALE E. HATHAWAY, "Agricultural Policy and Farmers' Freedom: A Suggested Framework", Journal of Farm Economics, XXXV (November, 1953), pp. 496-510.

the United States Congress of the Agricultural marketing Act of 1933 for the purpose of insuring better prices for the farmer's products in accordance with the ideal of equality for agriculture. This was only after what has been described as "the most bitterly fought legislative battle of the decade."²

In the development of Russian farm collectivization involving the farm people being totally deprived of their freedom of action, the Russian government has had recourse to giving the farmers back their freedom even only temporarily and partially. Thus we have heard so much of the tactical retreat from communism. The result of freedom when enjoyed by the farmers is clearly seen from the following paragraph quoted from *Agriculture Under Communism* by George Benson (1961):

Also the capacity of the agricultural sector to meet minimum requirements for more than three decades has rested on the institution of the private plots, personally operated by their lessees. In the aggregate, these plots amount to 3.3 per cent of the total sown area of the USSR; in terms of cropland, only 1.5 per cent. Yet in 1960 the private plots produced, all told, more than 48 per cent of the Soviet meat, lard and meat supply; almost 80 per cent of the egg yields; more than 60 per cent of the potato harvest, and nearly half of the vegetables consumed in the Soviet Union. They also contribute a large but unspecified share of edible fruits.

The Russian farmers enjoy complete freedom in the cultivation of their private plots. In other words they enjoy the use of their plots as freely as independent farmers in non-communist countries enjoy the use of their own private landholdings. In another part of the same publication from which was quoted the foregoing, it is stated that the total production from these private plots of only 3.3 per cent of the total sown area of the USSR in 1960 was about 30 per cent of all agricultural output. In other words, from around 96.7 of the total sown area of the USSR, only 70 per cent of all agricultural output in 1960 was produced.

² MURRAY R. BENEDICT, *Farm Policies of the United States, 1890-1950: A Study of Third Origins and Development*, (New York: The Twentieth Century Fund, 1953), p. 209).

Understanding Freedom from Its Quantification

In the two foregoing cases of the involvement of freedom in agricultural production, it is easy to discern their contrasting features. In the American case, freedom is curtailed and the result is a perennial surplus in agricultural production; in the Russian case, freedom is uncurtailed and the production per unit area exceeded by far—by 1,160 per cent of 11.6 times the production under completely bureaucratic control and management.

Nothing short of a fuller understanding of what freedom is than we now have may enable many of us to understand the role of freedom in the two cases in question. To acquire the needed understanding, it has been necessary to delve a bit into philosophical literature. Frank H. Knight and David Hume are most helpful in this connection.

Regarding freedom, Hume who calls it liberty says as follows:

For these are plain and acknowledged matters of fact: By liberty, then, we can only mean a power of acting or not acting, according to the determination of the will.³

Knight states that "Freedom and power are like the factors in an arithmetical product; the result varies in proportion to each separately and disappears entirely if either factor is zero."⁴ He also says that "Freedom means freedom to use power . . ."⁵ and that "Power is a factor or dimension in effective freedom."⁶ Since elsewhere Knight recognizes that the economic individual has but two attributes and that they are will and power,⁷ it becomes obvious that when he states that freedom means freedom to use power, he actually means the will as the other factor or dimension in effective freedom. This, incidentally, is in perfect agreement with the affirmation of Hume, as above quoted

³ DAVID HUME, *Liberty*, Vol. 37; LOCKE, BERKELEY, HUME, *The Harvard Classics*, (New York: P. F. Collier & Son Corporation . . .), p. 363.

⁴ FRANK H. KNIGHT, *Freedom and Reform: Essays in Economics and Philosophy*, (New York: Harper and Brothers, 1947), p. 382.

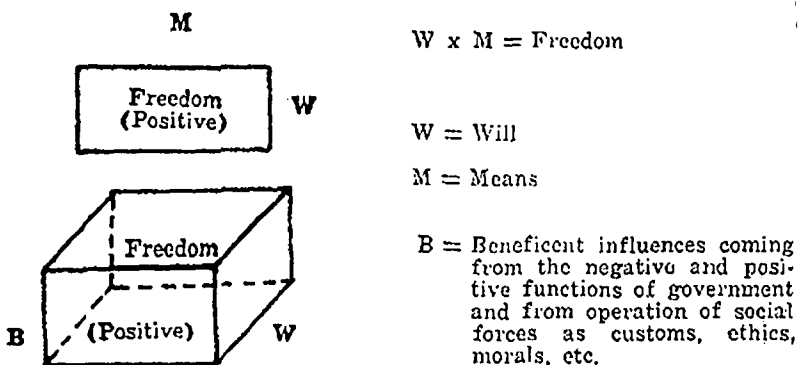
⁵ *Ibid.*, p. 14.

⁶ *Ibid.*, u. 306.

⁷ *Ibid.*, p. 26.

that the power of acting or not acting is according to the determinations of the will. It may now be stated, therefore, that the two factors of effective freedom are will and power. This, in no sense, invalidates the statement of Knight that "Freedom is freedom to use power" since as freedom is so used, it remains inherent in the will which is the sole propulsive force in the actual enjoyment or externalization of freedom.

To visualize what effective freedom (or freedom in substance) is, we may make use of the law of the rectangle, considering will as one of its dimensions and power as of the other. It is thus that freedom may be quantified. Just as when the area of a rectangle increases or decreases in proportion as either one of its dimensions increases or decreases, so effective freedom and may increase or decrease in proportion as either will or power may increase or decrease.



Freedom as thus quantified above is in accordance with the ideas of Knight and Hume identifying it with action as its realization in substance. By means of the cube, it is possible to allow for certain factors or influences which are more conveniently considered as separate from both will and means (power). Such influences result from governmental implementation of laws and regulations and from the operation of social

forces apart from governmental functions. Under a given system of government and within a given social environment, the vertical or third dimension of freedom may be assumed as constant. It may, therefore, be taken conveniently for granted as we do in the rectangular quantification of freedom. Cubical quantification applies fittingly to such enjoyments of freedom as are in the form of activities for the production of economic values. Rectangular quantification applies only to enjoyments of freedom in which by the nature of its purpose, economic values are not and cannot be expected to be produced and the third dimension of freedom can be conveniently ignored.

The will is the most important factor of freedom. Apart from or without the will, it is simply impossible to ascribe freedom to the individual. The behaviorist may deny the existence of the will. Such denial, however, will mean denial also of the purposiveness of activity which is impossible. The reality of the will in the man is seen in his seeking to realize chosen ends, making use of chosen means.

Kinds of Freedom

On the basis of social hierarchical relations in the exercise of freedom, it is necessary to recognize three kinds of freedom, the extent of each being dependent on how the government actually functions. They are primary freedom, secondary freedom and subserving freedom. Primary freedom is enjoyed by any one doing things in his own interest, of his own free will and under his own initiative. This freedom is enjoyed most by those who own and control certain means of production. A slave may be able to enjoy but very little, if any, of primary freedom. Secondary freedom is that exercised by any one while at work in the employ of another or of the government. This freedom is so-called to distinguish it from the primary freedom exercised by the same individual and those similarly situated, in the enjoyment of their incomes. Subserving freedom is that freedom exercised more or less directly under compulsion or in subservience to another. There can be no distinct line of demarcation between subserving freedom and secondary freedom. In

the exercise of secondary freedom, however, the individual is conscious that his interest is being served just as he is serving that of another under whom and for whom he works. All persons enjoying rest, recreation or leisure are enjoying primary freedom.

Philippine Agricultural Policy and Freedom

The Agricultural Land Reform Code has been hailed as the answer of the Philippines to communism. The expectation under the Code is that if properly and sincerely implemented, farm tenancy will completely disappear in this country and all farmers will be fully independent and free as owners of the very piece of land they till. If the Land Reform Code is truly the answer of this country to communism, it should mean this nation is fully and wholeheartedly committed to the ways and principles of democratic freedom as against those of communism.

The Land Reform Code is, of course, freedom oriented to the individual farmer. The door is wide open for the farmer to acquire the means for the enjoyment of primary freedom and maximize his freedom potential. The farm tenant is therefore expected to become an owner-cultivator of the land he tills. According to the 1960 Census of Philippine Agriculture of all the farmers in this country, 39.9 per cent were tenants cultivating a total area of 2,000,201.1 hectares or 25.7 per cent of the total farm area. Of these farm tenants, 745,426 or 77.3 per cent were share croppers or share-of-produce tenants. The average landholding of the tenants (of all types) was 2.31 hectares compared with 2.25 hectares that of the share-of-produce tenants. If under the Land Reform Code the tenant will acquire an economic-sized farm of 5 hectares, his freedom potential as owner-cultivator will become more than twice as great. Correspondingly, the freedom potential of the share cropper will increase to 223 per cent. Of course, if the economic-sized farm as determined for a particular crop by the Land Reform Authority is larger than 5 hectares which is not unlikely, then the acquired freedom potential of the new owner-cultivator will be

greater in proportion. Yet this is not all the "liberated" tenant will be enjoying as a result of the implementation of the Land Reform Code. His freedom potential will increase not due to an increase in his landholding alone. Whereas as a tenant, he had to give away as share of his landlord a large part of the production from his limited landholding, not to mention the usually usurious interest payments that he had to make to his creditors, he now keeps for himself and his family all that he produces from the land.