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SUBJECT . End-of-Tour Report, Mr. Kenneth B. Platt
Agricultural Economic Advisor

REFERENCE .

The attached End-of-Tour Report prepared by Mr. Platt reflects an outstanding performance during his two tours in Korea.

He has guided, assisted, and helped maneuver the creation of the Agricultural Economics Research Institute in the Office of Rural Development. His vision and long-range planning for training Institute staff and for administration of research will permit it to make an even more significant contribution to the future growth and development of agriculture in Korea.

Mr. Platt's imaginative, stimulating and painstaking guidance to university scholars doing agricultural economics related research and to researchers under USAID/EPB (MOST) Trust Fund projects has paid large dividends: to the researchers themselves in the new insights they obtained on how to research a problem; and to USAID and the ROKG through the information and analysis of genuinely relevant problems of agricultural development in Korea.

OTHER AGENCY

[Signature]

Mr. Platt's assessment of the Korean scene as it related to the agricultural economics profession is perceptive and his recommendations for the direction of future rural development are sound. ~~The Mission commends all of these.~~

Mr. Platt's industriousness, capability for thinking a problem all the way through, and following with concise well written reports will be missed greatly in the Mission as well as by the ROKG.

We wish Mr. Platt every success on his next assignment and those following.

Attachment: End-of-Tour Report LATHRAM

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END-OF-TOUR REPORT

Name: Kenneth B. Platt Job Title: Agricultural Economics Advisor
 Country of Assignment: Korea Prior Country Assignment: USAID/Iran
6 years 3 months; USAID/Korea, 1 year
 Tour of Duty Began: August 31, 1967 7 months
 Tour of Duty Ended: September 30, 1969
 Project Activity (Name and No.): 489-11-110-594 Rural Policy Planning
and Development

* * * * *

This second tour of duty in Korea will bring the author's total time in-country to 44 months. While the main concern here is with the second tour, the activities to be reported in many cases are extensions of first-tour beginnings. First-tour insights also contribute to evaluations and forecasts here ventured. The report therefore draws on the full background of the author's Korean experience.

I. Objectives and Goals

A. General

The general purpose of my advisory service has been to increase the scope and stature of agricultural economics research in Korea. Formal ROKG action creating the Agricultural Economics Research Institute by Presidential Decree on September 8, 1967, marked the opening of this second tour with a major advance of this purpose. The decree, however, established only two major research sections (Marketing and Farm Management) out of the four for which plans had been drawn, and left establishment of the other two (Agricultural Policy and Land Economics) as a further objective. Other objectives continued from the first tour included:

1. Enlarging the amount and effectiveness of agricultural economics research for providing basic information for national agricultural program planning and direction;
2. Strengthening the lines of coordination of agricultural economics research within ORD, and with agricultural economics research of other agencies;
3. Improving the working knowledge, methods and techniques used in agricultural economics research in ORD and the agricultural colleges; and

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4. Providing the USAID with a continuing supply of new economic information for guiding assistance programs in rural development.

New objectives undertaken with the second tour included:

5. Expanded work with agricultural colleges, emphasizing their research interests and capabilities; and

6. Improving the quality of research done by holders of joint USAID-EPB Trust Fund Research grants for projects in rural development.

B. Specific

Specific objectives and goals of this tour tended to be of broader scope than in the first tour, reflecting increased grasp of problems and wider working arrangements:

1. Establish improved research project planning procedures in the Agricultural Economics Research Institute (AERI), to facilitate allocation of staff time to most important study areas, and to raise the quality of individual project plans.

2. Promote greater attention by ORD administration to economic evaluation of biological and physical science research results.

3. Encourage ORD to promote planning and execution of inter-agency economic studies.

4. Engender greater effort by the Institute on professional training of its staff members and others concerned with agricultural economics problems or applications.

5. Maintain more effective technical surveillance over Trust Fund research projects in the Rural Development field than applied in the past.

In the matter of providing the USAID with economic information for program guidance, specific objectives were applicable only in terms of specific assignments or undertakings. These are noted in the following section.

II. Activities

A. In order to improve research project planning procedures, an "Annual Project Work Plan" form was placed in use in the Institute which provided a thumb-nail summary of each project, showing its time and fund requirements, relative importance, etc. For operational information, a daily work distribution record to show time demands for various kinds of projects was placed in use.

A practice of reviewing each institute research project plan in a staff seminar before final approval was adopted on my recommendation, with provision that I participate in the reviews whenever possible. A parallel practice of reviewing research project reports before publication also was adopted on my recommendation. The need for involving ORD and MAF representatives in the research program planning process, and for obtaining annual plan approvals as a backstop for program stability, was repeatedly stressed both to Institute leaders and to ORD and MAF officers.

B. Discussions with the Administrator of ORD, and memoranda for his attention at opportune times, were used to promote the use of economic evaluations of technological research results being obtained by the Crops Experiment Station, Livestock Station, Sericulture Station, etc.

C. Through day-to-day suggestions and discussions the need for inter-agency contributions to studies of Korea's agricultural economics problems was kept in the minds of the Director of AERI and the Administrator of ORD. It was noted that advantage must be taken of every facility for information gathering, to supplement the relatively small capacity of the Institute staff for this work, especially in the present stage of the Institute with limited staff and unlimited work demands.

For example, full use should be made of price statistics collected by NACF, production statistics compiled by MAF, cost-of-production information from the MAF Farm Household Economy Survey, and other time-series data. On the other hand, the 4th Annual ORD Economics Workshop in November, 1967, demonstrated that farm management studies undertaken by ORD Guidance and NACF field men did not produce usable findings. It was recommended that these activities be replaced by surveys to identify farmers' problems and attitudes relating to adoption of improved practices.

Special attention was given to promotion of a joint-effort market flow survey involving the AERI, the International Marketing Institute contract group in USAID, and five selected agricultural colleges. Preparation and execution of this survey extended for five months, generated several planning conferences, and included working relations among the persons and institutions involved which will be valuable for future expansion of marketing studies.

AERI staff men were encouraged to serve as consultants and advisors to college staff men less experienced in research who were undertaking Trust Fund studies.

D. Much time was spent on the training program of the Institute. During October 1967 a 10-year training plan was worked out to provide Ph D. level training for the Director and each Division Chief of the Institute, drawing on expected support from the UN, the Colombo Plan, the Agricultural Development Council, of New York, and U.S. universities, in addition to foreseen US AID

participant training. The plan assumed expansion of the Institute to at least 4-divisions and staffing to a level of some 50 permanent research employees over a 5-year period. It is still valid if that expansion takes place, even though over a longer period. Meantime, it has taxed that Institute to send as many men on training as the USAID program alone provides for.

A shortcourse on agricultural economics research technology was conducted from June 17 to August 10, 1968, under leadership of Dr. Ju Chan Chai, a U.S. trained Korean brought here from the University of Georgia, assisted by Institute staff. Of the 34 men who completed the course, 5 were junior researchers from the Institute, 13 were affiliated workers from Provincial Offices of Rural Development, 7 were from colleges teaching agricultural economics, and the balance were from government organizations concerned with economic applications. For all but a few the course was either a new introduction to, or a much needed review of, scientific method in economic research. As far as practicable, the focus was on practical problem identification, evaluation and solution. Work group projects gave illustrative application of the methods taught.

Notwithstanding a great deal of hard work by Institute staff and Dr. Chai, the Shortcourse demanded my close attention throughout. The assumption that things would go as planned seldom was fulfilled, and much closer pursuit of day-to-day detail was needed for an operation of its size and complexity than usually was provided by Institute staff.

E. A major activity throughout this tour was work on the seven Trust Fund research projects completed during the period, and an eighth project still under way. On all but one of these projects participation began at the planning stage during the prior tour, included periodic operational and interim report reviews, and climaxed with organizational assistance and editing of the English language final reports. From July through December, 1968, these projects required from a fourth to half of normal work time, plus up to 100 hours a month of night and week-end time, mainly for report editing. From January through March, 1969, the time demand continued very heavy. The seven finished reports aggregate roughly 1,800 pages of printed matter, nearly half of which went through two or more English language editings.

F. During this tour half or more of total work time was spent on undertakings and assignments intended primarily to provide information for USAID use in conducting or improving the Rural Development program, or assignments in program administration, as distinct from activities in direct assistance to Korean organizations or persons. Many of these activities resulted in documentation for future program or administrative reference. Principal items, in approximate chronological order, were as follows:

1. Enroute returning to Korea, five days were spent in The Philippines observing the rice production increase programs of the USAID Mission and the International Rice Research Institute. The report of these observations was distributed to RDD and other interested USAID staff, and by AID/W to other Asian Missions.

2. An analysis of labor requirements and returns in barley transplanting under Korean farm practice, begun in the first tour, was completed early in the second tour and published as a research report of the Agricultural Economics Research Institute. This analysis required evaluation and application of such previously unused barley price and farm labor requirements data, and pioneering of analytical techniques suited to the materials. Special care and exhaustive treatment were required because results were in conflict with an established ORD policy position.

3. A report on agricultural processing related to the livestock industry in Korea was prepared in collaboration with Rural Development Officer (RDO) John Kling, and Livestock Advisor O.H. Mikesell, from survey data gathered by RDO's and compiled by Mr. Kling. This report was part of an intended systematic Mission assessment of the agribusiness outlook and requirements of Korea. Analysis and interpretation into organized form of the mass of field data on some 213 active feed mixing, milk processing, slaughtering, meat canning, tanning, and other livestock-associated plants required devising special evaluation approaches to draw conclusions from highly diverse conditions of enterprise operation and economic development.

4. In order to obtain a measure of the rate at which agricultural land is being taken for industrial development along new highways and in urban outskirts, and to explore possibilities of siting new industry on non-agricultural lands, a survey was made during the winter of 1967-68. This involved personal interviews of some 26 plant managers along the Seoul-Suwon and Seoul-Inchon highways, and letter reports by Rural Development Officers of industrial site developments in Provincial capitals. Reliable overall figures on amounts of land taken for industry could not be obtained but site location values much higher than the agricultural value of the land were found to override agricultural use considerations.

5. Over most of this tour I served as reviewing officer for the Rural Development Division on all Cooley Loan and PL 480 feed grain loan proposals. Eight Cooley Loan cases aggregating some \$1,800,000 in total loan values were examined and reported on. PL 480 feed loan cases required detailed study and reporting on supply and demand aspects of both feed and livestock products. The seven principal applications dealt with resulted in ROKG-USAID agreement on an overall schedule to import some 380,000 MT of feed grain, valued at upward of \$20,000,000, during the 1969-71 period.

6. From July 1968 to February 1969, in collaboration with Dr. Lawrence C. Kapp, Agronomy Advisor, a study of agricultural lime production and use in Korea was made, with special attention to factors contributing to the major shortfalls in performance of ROKG commitments on this program. The study involved fact-finding interviews with representatives of the National Agricultural Cooperatives Federation (lime procurement agency), the Korea Express Company (lime forwarding agency), the Korea National Railways (principal transport agency), and selected lime producers; observation of one prospective

new lime production site; calculation of probable national aggregate costs and benefits of full scale liming; and recommendations for actions to bring about full scale liming.

7. In connection with the general work of technical assistance to ORD in agricultural economics matters, three shorter professional papers were prepared and presented during the tour, as follows:

- a. Korea's Agricultural Production Resource Base: Present Use and Future Potential. 15 p. (Prepared for AERI Shortcourse, June 1968)
- b. Analysis of Costs and Returns in Korean Farm Enterprises. 15 p. (Prepared for "Rice Break-Through" Conference, 9/68)
- c. Needs for Agricultural Economics Research in National Agricultural Program Planning. 11 p. (Prepared for lecture at Kyongpuk University, Taegu, 11/68 repeated at SIN College of Agriculture and before the Korean Agriculture Economics Society of Seoul)

8. In addition to the above papers, a fourth one, Mechanization in Korean Agriculture (8 p.), was prepared in connection with documentation of the FY 1971 Country Field Submission. This paper is being offered for publication in a journal suitable to arouse interest among farm machinery makers in improving the supply and servicing of needed agricultural modernization equipment in Korea.

The paper on needs for agricultural economics research has been submitted to Land Economics, University of Wisconsin, for publication.

The three major technical reports listed in items 2, 3 and 6, and the shorter professional papers listed here, comprise an aggregate of some 300 pages in double-space typed equivalent.

9. From October 1968 to March 1969 a project was drafted for a survey of the land and water resource development situation and needs of Korea, correspondence was conducted with appropriate U.S. sources to locate a qualified man for the job, and a PIO/T was drafted setting up the administrative specifications for hire of the desired consultant. The results of the survey, to be started in January 1970, are intended to provide "a basis for formulation of a national land-use policy providing particularly for rational commitment, development, conservation and use of lands not now under cultivation (wild lands) with due regard for orderly economic and social adjustments in existing overall land ownership and use".

10. From February to May 1969, substantial time was spent assisting in the drafting of a joint request by the Office of Rural Development and the College of Agriculture, Seoul National University, for assistance of The Rockefeller Foundation in creating at Suwon "a special high-level research and training organization" to provide special immediate impact in food grain production increases, and to become the nucleus of an ongoing research entity in this field. USAID interest in this proposal rested in the desire to assure continuance of institutionalized support for vital agricultural research in ORD and the College after phase-out of the USAID in 1972. The Mission therefore endorsed the proposal and agreed to consider ways it could cooperate in carrying out the Foundation's technical assistance as long as the Mission is active. The proposal was embodied in Airgram TOAID A-484 of May 8, 1969. Even though Rockefeller Foundation ^{support was} ~~was~~ not available, the Foundation noted the fine progress already made by these two agencies under USAID assistance, and suggested that the Mission should have credit for the further progress now sought. A possible university contract to continue Mission support now is under consideration.

11. From May 26 through August 19, 1969, I served as Acting Chief, Agricultural Economics Branch, RDD, in addition to my duties as Agricultural Economics Advisor to ORD. Time was divided to spend the first four days of each week in Seoul and Fridays and Saturdays at Suwon. A succession of special demands for Friday work in Seoul, plus three Friday holidays, resulted in most of the Suwon work actually being done on week-ends. The principal work in Seoul was preparation of 1969-76 projections of food and feed grain production and consumption to be expected under the effects of production improvements being brought about by Mission assistance in agricultural improvement, and preparation of the accompanying narrative documentation, as part of the FY 1971 CFS preparation. This job included both original drafting of considerable portions of the document, and editing the whole through several successive rewritings.

A second notable item of the work in Seoul was the preparation of a further report on Korea's agricultural lime needs, and the action that should be taken to meet these needs. This 20-page report more fully documented the economic profitability of liming as a national program, and recommended initiative by the USAID to support development of new lime sources without waiting for the general feasibility study that was recommended in the earlier report.

The principal work at Suwon during this period was the conducting of a survey of farm enterprise distribution in relation to class of road serving the area, in Hwasung Gun, near Suwon. Action responsibility for this work was given to my Korean assistant Mr. Kim, Chung Ho. Help and supervision were given Mr. Kim in preparing the field survey questionnaire, and in selecting the sample roads and villages to be included. The actual data gathering was done entirely under Mr. Kim's leadership, with one AERI junior researcher and one volunteer graduate student from the College assisting. Mr. Kim also was responsible for the data organization and initial analysis, and preliminary drafting of the study report.

III. Favorable and Unfavorable Factors

A. Favorable

1. Establishment of the Agricultural Economics [Research] Institute in September 1967 improved the status of agricultural economics researchers in working with other ORD organizations to obtain economic measures of biological and physical research findings. Enlarged budgets have followed: 1968, ₩8,374,000; 1969, ₩17,869,000; 1970, ₩27,000,000. Staff increased from 12 permanent positions in 1967 to 19 in 1969, and the prospect of as many as 35 in 1970.

2. The heavy allocation of available RDD participant training positions to the economics area over the last two years made it possible to send as many AERI employees for training as could qualify and could be spared from the organization. USAID funding of the 1968 shortcourse in research methodology enabled many additional men, both in the Institute and in other organizations having economic concerns, to receive training in the performance and uses of economics research.

3. Growing numbers of men trained in economics at the colleges, rising standards of the training given, and growing competence in the application of that training, all contributed to enlarged economic sense in total Korean rural development efforts.

4. Continued close working relationships with AERI leaders and staff, in shared or adjoining offices, enabled me to work most effectively in making my contribution to the common effort.

5. Continued professional and personal support and appreciation from USAID fellow workers gave strong encouragement to reciprocate with as much useful work as possible. Prior tour familiarity with the Korean scene added to overall productivity.

B. Unfavorable

1. Departure of AERI Director Kim, Dong Hi a year ago for two years' training at the East-West Center, Honolulu, left the Institute without an agricultural economist at the helm. Although excellent administration by Acting Director Yun, Keun Hwan has made its own contribution, it could not take the place of the strong professional research leadership formerly given.

2. Ever mounting demands by the Ministry of Agriculture for unscheduled work by the Institute, often under unrealistic completion requirements, inevitably has overburdened the organization, disrupted work plans, and postponed performance of planned research. As of this writing, a majority of total staff time is required for MAF requests, and many projects planned for 1969 have not yet been initiated. The Institute is in danger of becoming a mere operational service unit for MAF.

3. Blockage by the Ministry of ^{Gov't Admin.} ~~Home Affairs~~ of the staff expansion planned and funded for 1969 stagnated overdue career advancements and lowered organization morale.

4. The volume of project plans and reports now prepared by the Institute far exceeds the translating capacity of the one Korean assistant allowed the advisor. The advisor's knowledge of the contents of the majority of these materials has been inadequate, and mostly after the fact. The Institute can neither take time to produce its research materials in English, nor withhold action until the advisor can have this done. This situation lessens the effectiveness with which advice may be put forward, notwithstanding a fully cooperative spirit.

IV. Evaluation of Results

A. Progress Toward the Overall Objective

In terms of the overall objective to increase the supply and use of agricultural economics information in advancing Korean rural development, notable progress was made during this tour. The budget of the AERI was advanced from ₩3,374,000 in 1967 to ₩27,000,000 approved for 1970. Research staff of the Institute, including temporary research assistants, was increased from 21 in 1967 to 26 in 1969. Facilities were improved, and plans were made for moving the Institute into larger and more suitable quarters in 1970. Bids are under study for a computer to serve all ORD research, but principally economic research. Within ORD, the Administrator in 1968 instructed all research units to include economic measures in their project plans, and in 1969 initiated a system of jointly planned problem-oriented group projects in which economic measures were included wherever appropriate. Within MAP, greatly increased demands upon the Institute for economic examinations of Ministry programs reflected increased awareness of the need for economic measures in guiding program plans and operations.

While these developments constitute implicit evidence of official recognition of the importance of economic information, it appears that there still is not a clear understanding of how this information must be obtained if it is to be suitable for sound policy and program decision making. The many 'hurry-up' requests of the MAP for economic measures of new farm enterprise proposals, for example, do not allow time to gather adequate facts for analysis. The amount of analysis or economic reasoning can make up for a lack of facts to begin with, and researchers must be allowed enough time to collect and study these facts if they are to come to reliable conclusions.

During the tour, repeated efforts were made to improve understanding of the need for accelerated expansion of agricultural economics research capacity to provide for sound national planning. In December 1968 a meeting

was arranged between top representatives of ORD, the Bureau of Operations and Management, Ministry of Government Administration, (MIA) the Office of Planning and Coordination, MAF; and RDD economics representatives, at which the importance of AERI research for national agricultural policy guidance, the severe disruption of this work caused by overloading with unscheduled MAF work requests, and the consequent need for exemption of the Institute from a government wide MIA calling on personnel increases in 1969 were discussed. Also in December a memorandum was addressed to AERI Acting Director Yun pointing out that:

" ... 1) Agricultural economics research must serve to translate the results of physical science research, farm production operations, and national agricultural policies and programs into the universal language of profit and loss; 2) the economics of farm management and of national agricultural policy are inseparable; 3) factual data sufficient to constitute reasonably conclusive evidence are the only reliable guide for national policy, for the direction of physical research, or for farmers' decision making in production matters; and 4) far more studies are needed than ~~present~~ present Institute funds and staff can cover."

In April 1969 a memorandum to ORD Administrator Kim summarized the case for rapid expansion of the AERI as follows:

" ... First, the Institute does not exist for its own sake or to perform studies in a particular sector of agricultural production, such as grain crops or livestock. Instead, its studies serve to measure the practical usefulness of research findings in all the other agencies of ORD ...

" ... Second, whether to perform economic studies of new production findings or practices, or of national production schemes, before putting them into use on farms, is not a matter of free choice. Economic measurements must be made if we are to avoid costly mistakes, and if we are to bypass the wasteful and time consuming procedure of making progress by trial-and-error methods...

"... Third, economic studies are indispensable in shifting from low-level traditional agriculture mainly for home consumption to high-level modern agriculture mainly for sale. The very essence of this shift is profitability of production, without which farmers are not able to adopt the new ways. Profitability can be found only by careful economic studies.

" ... The need for rapid progress in agriculture raises the temptation simply to order farmer to adopt what appear to be desirable practices, or to subsidize them to do this, without waiting for economic studies. As you know, however, Korea's ~~experience with this~~ ~~has~~ been disappointing ...

" ... To summarize, we may say that economic information is the key element for advancing Korean agriculture on almost every front at this juncture. It is essential for sound national agricultural program planning and administration. It is required for proper direction of agricultural production research. It is indispensable for persuading farmers to adopt desirable new production practices ... "

Evidence that the above efforts soon may bear fruit is seen in persistent current unofficial reports that NIA is about to accede in the addition of two new divisions to AERI, with 16 new research positions.

Should this be done soon, it may also effect a firm realization by the Ministry that the Institute can render best service for all concerned if it is left as a unit of CRD, located at Suwon, and supported at a level enabling it to do its major work on a well-planned research program looking at all economic aspects of agriculture. This would not preclude work as now on Ministry projects needing quick answers but, by providing a broad spectrum of advance economic planning information, would greatly reduce the need for such answers. The great advantage to the Ministry of having the Institute operate as an outside agency to produce unbiased information for decision making purposes, should not be overlooked.

While the AERI now has by far the greatest capacity of any one Korean organization for performing agricultural economics research, important possibilities also reside in the colleges. Unfortunately, lack of research funds has held college contributions to a minimum, mainly in the form of secondary studies. The Trust Fund research projects reported under Part II have served both to produce several valuable primary data reports and to disclose important research capabilities among college economics faculties. Rice marketing and land use studies at SMU College of Agriculture, a study of rural savings societies at Chungbuk College, a comprehensive survey of the fruit industry in the Taegu area by the Institute of Industrial Sciences, Kyongbuk University, and able participation in Market flow surveys by five agricultural colleges, have been notable products of college research made possible by outside funding.

These studies all benefited in some degree from my advisory work with the colleges; some, to a major extent. Continuance of such contributions by the colleges will depend primarily on further funding, although further advisory assistance also would be beneficial.

B. Capability of Korean Institutions to Continue Research

AERI experience and training inputs over the past four years have given the Institute a strong capability to carry on with research at levels so far undertaken, and to advance to more complex and sophisticated studies at a moderate pace. Returning trainees over the next few years will advance the level at which the Institute will be able to ~~work~~ work successfully. Both

experience and staffing in greater depth, plus assurance of stable long-term operations, should precede studies requiring a high degree of data accuracy and coordination.

There remains a great bulk of needed studies in farm management, marketing, land use and other direct aspects of agriculture at or near farm level to absorb all available research capacities of both the Institute and the Colleges for the next several years. Most such studies, as individual undertakings, are within present Korean competence. Both the AERI and college researchers, however, can still benefit from periodic monitoring or consultative types of assistance on even this level of work. AERI reports are notably weak in interpretation and presentation of results. The colleges' main need is further experience, but a judicious input of assistance in research project selection, orientation and planning could multiply the value of that experience.

To prepare for future years, when more demanding research may be required and when advisory assistance no longer may be available, both the AERI and the colleges need continuing assistance now in planning programs of research as distinct from projects, with provision for long-term sequential and inter-disciplinary requirements, cost and man-year estimates, skills and facilities needs, etc. While individual colleges do not have large enough agricultural economics staffs to undertake such programs singly, they could cover selected aspects or assigned segments of programs planned for joint execution. It has been assumed that in due time the Institute will be staffed and funded strongly enough to enable it to serve as a coordinating agency for an integrated research program in which the colleges could participate.

C. Professional Status of Agricultural Economics Research

There are now more than 1,500 graduates of Korean Universities and Colleges who are holders of B.S. degrees in agricultural economics. There are about 5 to 10 holders of Korean M.S. degrees, about the same number of holders of U.S. Master's degrees; and under 10 earned doctorates in this field. Most of the older men received only B.S. level training which they are applying in college faculties, in government agencies, or in government banks; few are privately employed as economists.

The Korean Agricultural Economics Association has existed as a professional organization for more than ten years, and now has a membership of approximately 100, but remains financially very weak. Being able to publish only one issue of its JOURNAL annually, and that only for very limited distribution, the Association has gained little public recognition. Although some individual members enjoy high prestige in government policy circles, the Association has not acted to exert influence, and probably would have little if it tried.

By developing a stronger Association, Korean agricultural economists could greatly increase public and official recognition of the importance of applying sound economic principles in rural development planning. Means of financing more frequent publication of the JOURNAL have been sought, both to encourage more research and discussion on economic concerns within the profession, and to build up public knowledge in this field. Serious obstacles exist in addition to the financial one.

To illustrate, the 1968 issue of the JOURNAL contained only three research reports, and one of these was scarcely qualified for serious professional regard. Despite this small offering, leading members of the Association stated that no worth-while papers had been rejected. On the other hand, about 10 papers were rejected on grounds of low quality or of self-serving purposes of the authors.

The concept of writing professional papers as a means of professional debate, advancement of knowledge, and for self-development, rather than as a remunerated activity, is new in Korea, and not popular. Men of high academic or official standing expect to write authoritatively and to be paid for it; lesser men are expected to hold their peace. There has thus been little concept of using the JOURNAL and the Association meetings for free interchange, exploration and critique of ideas. In these circumstances there has been little motivation for Association members to write for Korean readers.

A dramatic indication of possible escape from this deadening situation was seen at the January 1969 meeting of the Association, where for the first time respect for elders was forgotten in frank criticisms of the inadequacies of various papers. Possibly the fact that attendance was funded by the Agricultural Development Council, Inc., and that the meeting was held at Kwangju, gave members a sense of freedom from restraint that they have not had at meetings traditionally held in Seoul. The possibilities of a break-through to new life in the Association, and of making the Association thereafter a vital force in the advancement of agricultural economic applications in Korea, seem worth following up.

V. Recommendations for the Future

The following recommendations are confined to what I believe may be done by the end of FY 1972.

A. Further Development of Korean Research Capability in Agricultural Economics

As noted above, Korean agriculture has come to the point where economic information is a key element for advancing it on almost every front. Experience elsewhere has shown that this need for economic information ramifies and intensifies as agriculture modernizes and commercializes. In Korea the rate of

modernisation in agriculture will depend directly on the rate at which sound economic guidance can be provided for development programmers and for dirt farmers in their respective decision making. Planners and doers must move forward together. If they are to move at a satisfactory pace, the flow of economic information must be continually stepped up.

The most effective way to do this over at least the next several years will be to concentrate on strengthening the Agricultural Economics Research Institute of ORD as the primary agricultural economics research agency of the ROKG. Support of this objective by the USAID in the following ways is recommended:

1. Continue to allocate a generous share of available participant training to the Institute, with extensions of training to M.S. level for trainees who prove capable.
2. Continue to push at both the ORD and Ministry levels, for exceptional staffing expansion of the Institute until a level reasonably adequate for work demands is reached. If necessary, buffer the Institute against transfer from ORD to the Ministry, and against creation of a new organization in the Ministry intended to do primary agricultural economics research.
3. Give special attention to improving Institute interpretation and presentation of research results in its reports. For this purpose the Institute could well assign one man full time, and the USAID should push for training a man for this purpose. (It is worth noting here that the series of 8 "Farm Management Notes for Korean Farmers" which I wrote in 1966 to introduce this style of publication still gives rise to inquiries from RDOs for additional articles in similar style.)
4. In addition to assistance that may be supplied by advisors on board, bring out a consultant in FY 1971 to give concentrated attention (perhaps in a 6-8 weeks seminar of AERI, ORD, MAF, NACF and college research program leaders during the winter non-school period) to research program development principles and methods; follow this in FY 1972 with a consultant to help these agencies develop coordinated programs of research for a suitable multi-year period.

The USAID should also continue to encourage and assist agricultural economics research activities in the colleges wherever good research capabilities exist. The colleges should not be overlooked in selection of participant training candidates for this field, but the particular interest of ADC in training college men in the social sciences should be kept in mind. If a university contract is entered into, as now contemplated, to provide top level research planning and training inputs for ORD and the College of Agriculture, Agricultural economics research should be made an essential part of the contract program.

B. Direction of Future Rural Development

Because Korea's cultivable land is rapidly nearing the point where it will become a fixed or declining quantity, optimizing of production per land unit must be the course through which desired national farm product goals may be reached. Because there is no prospect of a significant decline in total farm population within a generation or more, desired increases in farm income likewise will require increased production per unit of land. And because farm labor already is being used to the saturation point for present production practices, with rising wage rates increased labor efficiency rather than higher labor intensity must be the way to agricultural modernization.

These three factors dictate a course centered on bringing farm land to the physical state in which it can best respond to production inputs of all kinds. Water control, both for application and for removal, as well as for mitigation of erosion and leaching, is an essential corollary. Within this frame of reference, the following lines of USAID program support are recommended:

1. Support paddy rearrangement at as rapid a pace as due regard for financing and operational limitations will permit.
2. Push systematic soil lining as one of the essentials in physical development of the land resource.
3. Re-examine upland terracing in the light of possible future farm mechanization applications, and the possibilities of more effective use of permanent forage plantings to control erosion under a system of less abrupt slope modifications than are now used.
4. Pursue all land development under assumptions of early and rapid farm mechanization, making provision for efficient farm equipment operation.

In order to fully exploit the productive capability of the land, mechanization of the principal farming operations - soil tillage, application of lime and fertilizers, planting (other than rice), weed control, and crop harvesting - will be essential. The USAID therefore should support the development, production and introduction into farm use, of appropriate farm machinery. Tractors will be a primary element in this revolution. Mechanization can serve simultaneously to make both land and labor more productive, but this result will come only under a judicious choice of equipment designs and sizes, avoidance of overinvestment in equipment, a firm hand on machinery pricing practices, and probably some government assistance in community organization for group use of major equipment items.

Efficient operation of a predominantly commercialized agriculture will require almost total overhaul of the existing traditional marketing system for farm products. Handling and storage of perishables, protection of grains from insect and rodent damage in storage, streamlining of marketing channels for

most products; installation of standard grades, weights and measures; revision of existing licensing and brokerage systems, and more effective enforcement of pure food regulations are among the more pressing needs. How much assistance the USAID can give in this area is problematical. The change needed is so great that it can only be accomplished over a long period. Further training of Koreans to tackle the job on a long-term basis would be one constructive Mission input.

Indispensable to the adoption of most improved farm practices, and to the investments required for full realization of land productivity, is the availability to farmers of more capital. Both investment capital and operating capital are needed. The magnitude of the total need is very great, but so are the expectable benefits. Farm production still is the largest single item in the Korean annual GNP, and it deserves more consideration in the allocation of national budget resources among the various sectors of the economy than it has received.

The USAID will make a valuable contribution in this area through development loan funds now earmarked for the agricultural sector. Allocation of loan funds in the light of potential return probabilities and the necessity for bringing agricultural development along at a pace in closer keeping with that of industrial and trade development are now recognized. The major allocations to agricultural credit uses of funds generated by PL 480 commodity sales and loans should be continued.