While great tax benefits are alleged for the large corporate organization, it is significant that several large corporate organizations now looking at farming are showing budgeted net return on investment of 12–20 percent as their prime incentive.

The large corporate organization would have scientific management staffs and procedures available. On the other side of the management question they would have a major problem of production control to achieve crucial timing for successful production. It would also be difficult to offer sufficient incentive to achieve high quality of labor task performance in many aspects of farm production.

In major areas of resource conservation profitable practice is consistent with conservation practices in the sense that major aspects of soil conservation are profitable within the farm. In specific specialized enterprises (such as large livestock production for example) some control of air and water pollution may be necessary to maintain environmental quality.

Many of the potential gains or economies of the large corporate organization could theoretically be achieved by the incorporation of several neighboring commercial family farms or by the use of bargaining associations in buying and selling. The mechanics of this activity are complicated, however, by the fact that several otherwise independent units would be involved. This form of combined family farm corporation may help some in obtaining adequate financing but would not likely, itself, solve all the problems of financing and continuity.

If the large corporate farm organization is able to achieve significant new economies in production it will still not necessarily drive out the family farm in the immediate future. Many existing family farms now own a major portion of the capital employed. When earnings fall on such farms below a market return on all factors the family farm can still survive so long as return to owned capital, labor and management combined represent a total disposable income sufficient to meet debt payments, and service family living needs. Supplemental income from non-farm employment can also be used.

If the very large corporate farm should be able to achieve sufficient economic advantage to become predominant in the future, it would certainly have direct impact on the family farm and on the rural community. It could put potentially great economic pressure on the family farm. It could relegate many existing family farms to "a place to ride it out to social security" or a way of life supported substantially by off farm sources of income. This could greatly increase the numbers of rural people who would be unemployed or grossly underemployed.

Similarly, a significant increase in farm size would cause major disruption of community services and community life in rural areas. The geographic area to be served by churches, schools, hospitals, local trading centers, etc. would be greatly enlarged. In order to maintain community services of all kinds, there would need to be a major reorganization of all rural communities that are largely agricultural.

These all add up to major social costs. In viewing this whole problem, however, it is paramount that we recognize that these changes, and resulting problems of social and economic reorganization and adjustment have already appeared. The growth in size of the commercial family farm is already generating all these changes and consequences. In the past 10 years there have been many projections of farm size and organization that indicate that by 1980 or soon thereafter only ¼–½ a million farms will be able to meet our nations needs for food and fibre. This indicates continuation of this dynamic process.

The real issue in this whole area of concern, it seems to me, is not primarily what to do about the possible invasion of essentially non farm corporations into farming. This is only a secondary or side issue which might accelerate what is already going on, not cause it.

The basic concern, involves what to do about the undesireable social and economic consequences of the rapid adoption of technology in agriculture—even in a framework of commercial family farms. Technological developments in agriculture have increased productivity and released labor faster than it can be effectively absorbed elsewhere. This has resulted in major underemployment on farms left behind and migration to urban areas. This urban migration has in no small way contributed to urban poverty and socially unacceptable living conditions in some areas.

It must be recognized that low income problems in both rural and urban areas are in significant part the product of our having enjoyed the economic benefits of the technological revolution (including agriculture) without having faced up