

few. The masses of the people lived and worked on the land, mostly as subsistence farmers; they produced for themselves all but a fraction of their needs. Trade in foodstuffs within a country was small and between countries negligible. Even had there been a demand, transport facilities would have been hopelessly inadequate.

Toward the end of the nineteenth century came those striking changes in manufacturing industry—improved methods of spinning and weaving and the application of the newly discovered steam power. At the same time transport, by canal development, the invention of the steamer, and the construction of railways, completely altered the whole picture of trade and industry. These changes, which, beginning in Great Britain, soon spread to western Europe and the United States of America, were accompanied by a remarkable population increase, thus giving rise to the gloomy prediction of the English clergyman Malthus that, as population would increase in geometrical progression—that is, would keep doubling itself—while food-supply would increase only in arithmetical progression, chronic poverty and periodic famines were inevitable!

As the Industrial Revolution gained in momentum, cities and towns sprang up in profusion. Population moved from the country to the towns and continued to multiply there, creating many social and economic problems, of which food-supply was only one.

#### DEVELOPMENT OF EXTERNAL TRADE IN FOODSTUFFS

The phenomenon arose of countries depending on external sources for much of their food-supplies. Because the Industrial Revolution coincided with the expansion of North America and the British dominions, and later with African expansion, these supplies were readily forthcoming, the younger countries taking machinery, equipment, and finished goods in exchange for their food and raw materials. International trade, with all its complexities of currency, exchange, tariffs, and the like, thus gradually came into being.

Technological improvements in the manufacturing industry and the development of mass-production methods enabled output to be increased manyfold. The consequent increase in wealth was reflected in increased demand for a great variety of goods and services previously either completely unknown or the prerogative of the very few.

#### THE POSITION OF AGRICULTURE

What was the reaction of agriculture to all this new development? To what extent did it share in the great changes going on in manufacturing industry? Considerable and even remarkable improvements were made in agricultural technique, especially in cultivation and the breeding of better strains of both live-stock and plants, but it cannot be claimed that food-production underwent anything remotely approaching the changes in, say, spinning and weaving and the iron and steel industries. Increased food-production was as much the result of the bringing into production of new areas as of increased yield per unit of land or of labour.

Agriculture has always been something of a problem child to economists. In elucidating their principles and theories they refer frequently to the "special case" of agriculture. Factors of production often do not move very readily from one type of farming to another or from industry to agriculture in response to marked price changes of particular products. A farmer often cannot readily reduce his production if prices fall. He has to plan years ahead, for instance, in live-stock farming or fruitgrowing. Very often he reacts to price falls by increasing production to spread his costs over a greater output, ignoring the fact that probably millions of other farmers are thinking along the same lines and consequently further flooding an already overloaded market. That happened in the 1930's with wheat, sugar and dairy products, rubber, meat, and