REPORTS AND INQUIRIES

Agricultural Wages, 1948 to 1957

For a number of reasons, including the nature of the work and the many methods of remuneration in agriculture, the movement of real wages in agriculture is not easy to study. The following article nevertheless attempts to make a limited survey of agricultural wages in 24 countries over the period 1948-1957 and, in particular, to compare their evolution with that of industrial wages and of the wholesale and retail prices of farm products.

Although the word " labour " commonly evokes the mental image of an industrial worker at a machine, most of the world's working population—particularly in underdeveloped countries—still works on the land. A substantial proportion of this group does not own or rent land, but works for wages. Wage labour on the land occupies important numbers of persons even in industrial countries.

Far less is known about agricultural wages than about pay in industry, principally because of the inherent difficulty of obtaining data. Unlike industrial workers farm workers are scattered widely over the land. In many countries they do not use employment offices and other government services as much as industrial workers, and are therefore virtually absent from many types of official records. They are often casual or seasonal rather than permanent employees, and in some countries many migrate widely in search of work. In many parts of the world they do not belong to labour unions and wage determination amounts to a bargain struck between farmer and labourer. Most farms employ few workers, and payroll records of the kind available in industry are seldom available except for plantations and other large-scale agricultural undertakings. For these reasons information on agricultural wages is limited.

Reference to the *Year Book of Labour Statistics* [1] shows that statistics of wages in agriculture are provided by less than half the countries which provide statistics of wages in other branches of economic activity. Because of differences in scope, definition, and statistical method, which are discussed below, these data are frequently not directly comparable from country to country. In the present review an attempt is made to trace the broad outline of agricultural wage developments over the past decade on the basis of the available statistics for 24 countries in different regions of the world.

The Relative Importance of Agricultural Labour

The relative importance of wage labour on the land in the 24 countries covered by the present review is illustrated by the following

[1] See I.L.O. : *Year Book of Labour Statistics 1958* (Geneva, 1958), Ch. V and table 19.

percentages of total wage and salary earners listed in recent censuses as employed in " agriculture, forestry, hunting and fishing ".[1]

1. *Comprising less than 5 per cent. of all wage and salary earners :*

Belgium, United Kingdom, United States.

2. *Comprising at least 5 but less than 10 per cent. of all wage and salary earners :*

Australia, Canada, France, Federal Republic of Germany, Japan, Netherlands, New Zealand, Norway, Sweden, Switzerland.

3. *Comprising at least 10 but less than 20 per cent. of all wage and salary earners :*

Austria, Denmark, Finland, Ireland.

4. *Comprising 20 per cent. or more of all wage and salary earners :*

Chile, Colombia, India, Italy, Mexico, Philippines, Portugal.

The cost of agricultural labour to farmers is illustrated in table I, where expenditure on hired farm labour in 1953 is expressed as a percentage of the gross realised output in agriculture. The importance of wage costs can be seen to vary widely but in no case to exceed one-fourth of the value of farm production.

TABLE I. EXPENDITURE ON HIRED FARM LABOUR AS A PERCENTAGE OF GROSS REALISED OUTPUT IN AGRICULTURE, 1953

Country	Per cent.	Country	Per cent.
United Kingdom [1]	22	Switzerland	12
Denmark	20	France	10
Germany (Fed. Rep.)	18	Italy	10
Finland	17	Ireland	9
Netherlands [2]	12	United States	9
Sweden	12	Belgium [3]	6

Source : *Output and Expenses of Agriculture in Some European Countries* (Geneva, ECE/FAO, July 1955), p. 27 ; except for United States : computed from data in *Agricultural Statistics 1955* (Washington, 1956), pp. 480-481.

[1] Includes expenditure on family labour other than that of the farmer and his wife. [2] 1952. [3] It is considered that this figure may be too low ; alternative estimates give a somewhat higher figure.

Special Characteristics of Agricultural Wages

Agricultural wages differ from wages paid in non-farm occupations in a number of ways. The most obvious difference is the great importance of payments in kind in agriculture. Food and lodging are the most important of these payments in kind, but many other items are also supplied to the farm labourer by his employer.[2]

The financial importance of payments in kind is such that legislation in a number of countries stipulates that at least 25 or 30 per cent. of the total wage must be paid in cash.

Unfortunately, there is no standard method of determining the money value of payments in kind. In some countries, for statistical purposes, farmers are asked to estimate the over-all cost of such payments. In others the physical amounts of payments in kind are specified

[1] See I.L.O. : *Year Book of Labour Statistics 1958* (Geneva, 1958), table 4.

[2] For example the reporting form used for collecting agricultural wage statistics by the Finnish Ministry of Social Affairs includes the following items :

cash wages ; housing ; lighting ; hardwood or softwood for fuel ; food (15 items) ; hay ; straw ; potato patch or other land for cultivation ; kitchen garden ; pasture land ; hay-lot ; privilege of raising own livestock.

by the farmer and retail prices are collected locally for these items by the statistical investigator. Since the values of payments in kind obtained by different statistical methods vary widely, the data shown below have been limited so far as possible to the cash wages of workers who are paid wholly in cash. In a few cases it has been necessary to use statistics showing the cash wage of workers who receive an additional but unknown amount of payments in kind, and in the case of Australia, Austria, Chile, Finland, New Zealand, the Philippines and Switzerland, the estimated value of some payments in kind is included in the wage statistics. It should be noted that, while differences in the method of estimating payments in kind affect the comparisons of wage *levels* they have less influence on comparisons of the *movement* of wages over time.

The relation between agricultural wages and the total wage income of the farm labourer is far more flexible than in industry. A sample survey in the United States [1] found, for example, that migratory agricultural workers averaged 70 days of farm work and 31 days of non-farm work in 1949, while non-migratory workers averaged 91 days of farm work and 29 days of non-farm work. The financial importance of non-farm work is greater than the mere number of days would indicate, since it is usually remunerated at higher levels than farm work.

Agriculture differs from industry in that a relatively small proportion of skilled labour is employed. While large-scale agricultural undertakings (plantations, cattle ranches, etc.) often make use of skilled personnel such as tractor operators, blacksmiths, electricians, and the like, most farm workers perform a variety of unskilled or semi-skilled tasks. The wage data used in the present review relate, so far as possible, to the most common type of agricultural work, that of the general farm hand.

Wages of Agricultural Workers, 1957

Table II shows the wages of agricultural workers in 1957 in 22 of the 24 countries covered by the present review. In the two remaining countries—Italy and the Netherlands—data on average wages were provided to the I.L.O. in the form of indices, but not absolute figures. The data presented in the table do not in themselves give an indication of wage trends but are presented primarily as an illustration of the different kinds of wage information available.

The day was the most common unit of wage payment in the statistics shown, though data per hour, per week, and per month were provided by a number of countries. In this connection it should be noted that workers remunerated wholly in cash generally do not live on the farm, and work by the day or week for local farmers. With the principal exception of harvest labour, workers who receive payments in kind (who were excluded from the present review whenever possible, as noted above) commonly live on the employer's farm and are engaged for longer periods—the month, the season, or the year. In some countries, where agricultural workers are commonly engaged for a month or longer periods, wage statistics are nevertheless compiled on an hourly basis for purposes of comparison with non-farm wages, while in others collective agreements or awards use the hour as the basis of wage determination in agriculture as well as industry.

[1] L. J. Ducoff: *Migratory Farm Workers in 1949*, Agriculture Information Bulletin No. 25 (Washington, U.S. Department of Agriculture, 1950).

TABLE II. WAGES OF AGRICULTURAL WORKERS, 1957

Country	Unit of currency	Wage	Unit of time	Types of workers covered [1]	Elements of remuneration measured
America :					
Canada	$	6.90	Day	General farm hands	Cash earnings of workers paid wholly in cash
United States	$	5.80	Day	Day labourers	Cash rates of workers paid wholly in cash
Chile	Peso	258	Day	Workers	Minimum rates, including value of payments in kind
Colombia	Peso	4.38	Day	Workers	Cash rates of workers paid wholly in cash, regions of warm climate
Mexico	Peso	5.99	Day	Regular day labourers	Minimum cash rates of workers paid wholly in cash
Asia :					
India	Rupee	1.15	Day	Workers	Cash rates, excluding value of payments in kind
Japan	Yen	324	Day	Casual day labourers	Cash wages, excluding value of payments in kind
Philippines	Peso	1.90 [2]	Day	Workers	Cash wages plus value of food provided, excluding value of other payments in kind
Europe :					
Austria	Schilling	1,167	Month	Day labourers (horse drivers)	Rates, including value of payments in kind
Belgium	Franc	173	Day	Day labourers	Cash earnings of workers paid wholly in cash
Denmark	Crown	26.93	Day	Casual day labourers	Cash earnings of workers paid wholly in cash
Finland	Mark	109	Hour	General farm hands	Cash earnings plus value of payments in kind, where provided
France	Franc	13,840	Month	General farm hands	Cash wages, excluding value of payments in kind
Germany (F.R.)	Mark	1.35	Hour	Day labourers	Minimum cash rates, excluding value of payments in kind
Ireland	s. d.	96 9	Week	Permanent labourers	Minimum cash wages of workers paid wholly in cash
Norway	Crown	31.26	Day	Regular day labourers (harvest labour)	Cash wages of workers paid wholly in cash
Portugal	Escudo	21.27	Day	Workers	Cash wages of workers paid wholly in cash
Sweden	Crown	3.54	Hour	Workers	Cash wages of workers paid wholly in cash
Switzerland	Franc	13.15 [3]	Day	Day labourers (dairying)	Cash wages, excluding value of food provided
United Kingdom	s. d.	150 0	Week	General workers	Minimum cash rates of workers paid wholly in cash
Oceania :					
Australia	s. d.	353 5 [4]	Week	Workers	Cash wage rates plus value of payments in kind, where provided
New Zealand	s. d.	200 6	Week	General farm hands	Wage rates, including value of payments in kind

Source : *Year Book of Labour Statistics 1958*, op. cit., table 19 ; except for Switzerland : *La vie économique* (Berne), Aug. 1957.

[1] Male in all cases, except United States, India and Philippines : male and female. [2] 1956. [3] Average of winter 1956-57 and summer 1957. [4] Refers predominantly to casual and seasonal workers.

Except as regards Japan and Denmark the data relate either to persons in stable employment (" permanent " or " regular " labourers) or to farm workers in general, combining stable and casual or seasonal workers. In the absence of special studies on the subject it is not possible to appraise the relative importance of stable and casual labour in the agricultural labour force of most countries.

A final consideration with respect to the data shown in table II is the distinction between payments classified by the countries as " wages ", " rates ", or " earnings ". The distinction between wage rates and earnings is of great importance in industry, where the difference between the two is made up principally of overtime premium pay and bonus and incentive payments. In agriculture—although the regulation of hours of work is becoming more prevalent—both overtime premium pay and bonuses or incentive pay are rare, and rates and earnings differ slightly, if at all.

The designation of agricultural wage data as " rates " or " earnings " generally arises from the nature of the statistics. The data presented in table II for Chile, Colombia, Mexico, Austria, the Federal Republic of Germany, Ireland, the United Kingdom, Australia, and New Zealand represent minima established by law or agreement. In such cases the term " rate " or " minimum rate " is most appropriate even though the farm worker commonly receives no more than the minimum amount as actual earnings. In the countries using the terms " earnings " or simply " wages " the data are commonly obtained from a survey of amounts actually paid. The term " rates " used in the case of the United States arises from the survey method, in which selected farmers are requested to report locally prevailing wage rates.

The Movement of Farm and Non-Farm Wages, 1948 to 1957

Indices showing agricultural and manufacturing wages in 1957 on the base 1948=100 are presented in table III. Wherever possible the agricultural wage indices were based on the series shown in the preceding table. Particular attention is called to the methodological notes to table III since in a number of cases it was not possible to obtain the same series for 1948 and 1957, and the indices were therefore computed by linking two or more series.

Both agricultural wages and earnings in manufacturing rose in most countries, the majority of countries falling in the range from 50 to 150 per cent. increase. The median increase in wages from 1948 to 1957 was 72 per cent. in agriculture and 77 per cent. in manufacturing. The effect of inflation was most severe in Chile and Japan, and the smallest increases were recorded in India, Portugal, and the Philippines. Within this general pattern of widely distributed wage increase, the most striking phenomenon is the apparent lack of consistency in the relative movement of farm and non-farm wages.

Wages in agriculture rose more than earnings in manufacturing in ten of the 23 countries shown in table III, and less in 13 cases. In eight countries (Belgium, Finland, France, the Federal Republic of Germany, the Netherlands, New Zealand, Norway and Sweden) the deviation in movement of farm and non-farm wages from 1948 to 1957 was less than 5 per cent. (i.e. farm wages rose less than 5 per cent. more than non-farm wages or fell short by less than 5 per cent. of the non-farm increase). In an additional six countries (Denmark, Ireland, Italy,

Portugal, Switzerland, and the United Kingdom) the deviation of farm from non-farm wage increases was more than 5 but still less than 10 per cent. In the other nine countries the deviation was greater.

TABLE III. INDICES OF WAGES IN AGRICULTURE AND AVERAGE EARNINGS IN MANUFACTURING, 1957

(Base : 1948=100)

Country	Wages in agriculture	Average earnings in manufacturing
America :		
Canada	138	175
United States	130	153
Chile	1,114	930 [1]
Colombia	199	231
Mexico	250	209
Asia :		
India	88	139
Japan	176	440 [2]
Philippines	114 [3]	100 [4 5]
Europe :		
Belgium	141	144
Denmark	166	176 [4]
Finland	227	224
France	260	249 [6]
Germany (F.R.)	208 [7]	203
Ireland	172	158
Italy	139	154
Netherlands	186	179
Norway	178	184
Portugal	104	113 [3 8]
Sweden	206	209
Switzerland	139	129 [9]
United Kingdom	167	177
Oceania :		
Australia	236	232 [2]
New Zealand	167	171 [6]

Source : *Year Book of Labour Statistics 1958*, and earlier editions with the exceptions mentioned below in the notes on the computation of indices.

[1] March 1957. [2] Including salaried employees. [3] 1956. [4] General level of wages. [5] Wage rates of skilled workers. [6] Wage rates. [7] Base : crop year 1948-49=100. [8] Based on leading manufacturing industries only. [9] Skilled and semi-skilled workers.

Computation of Indices of Agricultural Wages.

Chile : Data for 1948-55 were taken from the index of agricultural wage costs published in *La Agricultura Chilena en el Quinquenio 1951-55* (Santiago, Ministerio de Agricultura, Departamento de Economía Agraria, 1957), table 65.

India : Series for all India for 1954-57 were linked to data for Bombay State for 1948-53 on the basis of wage rate quotations for a large number of villages in the *Bombay Labour Gazette*, which lent support to the assumption that—despite wide variation from one locality to another—wages, on the average, remained unchanged from 1953 to 1954.

Belgium : Data for 1948-51 were taken from the index of agricultural wages as a cost component published in *Annuaire statistique de la Belgique et du Congo Belge* (Brussels), Tome 78, Année 1957, p. 175.

France : Agricultural wages for 1948 represent the wage levels established for each département by the Ministry of Agriculture in consultation with the Chamber of Agriculture for purposes of applying the Wage-

Differential Contract. The unweighted average of département figures was published in *Bulletin de la statistique générale de la France* (Paris), Supplément trimestriel Oct-Dec. 1949, p. 406.

Federal Republic of Germany : Data for the crop year 1948-49 (used as a base for computing the index) and the crop years 1949-50 and 1950-51 (the average for which was used to represent the calendar year 1950) were taken from the parliamentary report *Drucksache 2100, Deutscher Bundestag, Zweite Wahlperiode 1953*, p. 33, in the form of an index with base 1938=100 prepared by the Ministry of Agriculture.

Switzerland : Data compiled by the Swiss Peasants' Secretariat were used as published in *La vie économique* (Berne), Aug. 1957.

Computation of Indices of Wages in Manufacturing.

Chile : The year 1957 is represented by data for March 1957 published in the bulletin *Estadística Chilena.*

Colombia : Data for 1948 and 1957, as published in the *Year Book of Labour Statistics*, represented daily and hourly earnings respectively. To establish the index, daily earnings in 1948 were divided by eight.

Portugal : Since data for all the industries included in the manufacturing average for 1956 in the *Year Book of Labour Statistics* were not available for 1948, a link relative was computed on the basis of wages in the nine principal industries employing the majority of the manufacturing labour force, as shown in table 18 of the *Year Book*, for the period 1948-51, and linked to the average series for 1951-56.

Farm wages rose at least 10 per cent. more than non-farm wages in Chile, Mexico and the Philippines, and rose slightly more than non-farm wages in Australia and six European countries. On the other hand, farm wages rose 14 per cent. less than non-farm wages in Colombia, 15 per cent. less in the United States, 21 per cent. less in Canada, 38 per cent. less in India, and fully 60 per cent. less in Japan. In the extreme cases of Japan and India, however, it should be noted that the farm wage series exclude the value of payments in kind, so that one component of the actual increase in farm wages—the increase in estimated cost or equivalent market price of payments in kind—is not reflected in the data.

Substantially less information is available on differences in wage movements within agriculture, but the following examples show that the data for day labourers or hourly-paid or daily-paid workers are not necessarily representative of all farm labour. In Canada, where the index of daily earnings was 138 in 1957, the index of monthly earnings was 134. In the United States, where the index of prevailing rates paid to day labourers was 130 in 1957, the index for permanent and seasonal workers paid by the month was 138. In Norway the 1957 index for regular day labourers was 178, while that for general farm hands paid by the month was 209. In Sweden, where the hourly wage index was 206, the index of yearly wages stood at 194.

Relative Levels of Farm and Non-Farm Wages

The increases in farm and non-farm wages shown in table III are shown in the form of percentages. The actual wages of the farm and non-farm worker at a given date are more difficult to ascertain because of lack of comparability in the basic statistics. In table IV an attempt is made to provide a rough indication of the relationship by comparing wages for general farm labour (as shown in table II) with the estimated daily wage rates of unskilled labourers in urban building construction. The urban wage data relate, whenever possible, to small cities or provincial towns rather than the capital or largest city of each country, where wages tend to be highest. The occupation of building labourers was chosen as being roughly similar in skill level, job content, and intensity of physical effort, to the work of general farm labourers.

The farm wage ranged from 29 per cent. of the urban wage in Chile to 96 per cent. in New Zealand, but the actual range may have been somewhat smaller. In Chile legal minimum wage rates for farm work are compared with prevailing rates in the construction industry in

Santiago, the capital city, while in New Zealand both farm and urban data represent legal minima. In Western Europe a more homogeneous pattern is observed, with farm wages ranging from 66 per cent. of the urban wage in Ireland to 94 per cent. in Norway. In both North and South America, and in the Philippines, farm wages represented a lower percentage of urban building labourers' wages than in Europe or Oceania.

TABLE IV. WAGES IN AGRICULTURE AND WAGES OF URBAN LABOURERS IN BUILDING CONSTRUCTION, 1957

Country	Unit of currency	Daily wage in agriculture, 1957	Daily wage in urban building construction, Oct. 1957 [1]	Agricultural wage as percentage of construction wage
America :				
Canada	$	6.90	11.52	60
United States	$	5.80	12.40	47
Chile	Peso	258	880	29
Colombia	Peso	4.38	7.76	56
Mexico	Peso	5.99	9.36	64
Asia :				
Philippines	Peso	1.90	5.26	36
Europe :				
Belgium	Franc	173	185.60	93
Denmark	Crown	26.93	32.32	83
Finland	Mark	109 [2]	125 [2]	87
Ireland	s. d.	96 9 [3]	146 10½ [3]	66
Norway	Crown	31.26	33.20	94
Sweden	Crown	3.54 [2]	4.27 [2]	83
United Kingdom	s. d.	150 0 [3]	174 3 [3]	86
Oceania :				
New Zealand	s. d.	200 6 [3]	208 6 [3]	96

Source : Agricultural wages, see table II. Construction wages, I.L.O. *Year Book of Labour Statistics 1958 ;* except Denmark : *Statistiske Efterretninger, Vol. 1957.*

[1] Daily wage estimated as hourly wage multiplied by eight. [2] Hourly wage. [3] Weekly wage.

Notes on construction wages : **Canada :** Country-wide average. **United States :** Atlanta, Georgia. **Chile :** Santiago. **Colombia :** Average earnings in manufacturing. **Mexico :** Federal District. **Philippines :** General level of wage rates, unskilled labourers, Manila. **Belgium :** Provinces. **Denmark :** Average wage rates of unskilled building labourers outside the principal cities. **Finland :** Helsinki. **Ireland :** Dundalk. **Norway :** Country-wide rate for unskilled labourers in printing and publishing. **Sweden :** Malmö. **United Kingdom :** Large towns, excluding London. **New Zealand :** Whole country.

While the countries included in table IV are those which provide statistics of cash remuneration of farm workers paid wholly in cash, it should be noted that even these farm workers have ways of obtaining supplementary income which are not available to urban labourers—producing crops or livestock for the market, providing all or part of their food and fuel requirements by work on their own account in their free time, etc. The real level of living of farm workers, therefore, may be somewhat higher, relative to urban labourers, than is indicated by wage rates alone.

On the other hand, it must also be taken into account that wage rates differ from earnings far more in industry than in agriculture. The level of agricultural wages shows consistently lower percentages when compared with average earnings in manufacturing than when compared with wage rates of building labourers. Average hourly earnings in manufacturing in 1957 typically exceeded the hourly wage rate of building labourers by 20 to 30 per cent., owing partly to the fact that the manufacturing averages included skilled as well as unskilled workers and partly to the fact that overtime premium pay, incentive pay, and bonuses were earned by many industrial workers. The relative position of the different countries, however, remains substantially unchanged whether the comparison is between agriculture and building labour or between agriculture and manufacturing.

Real Wages of Agricultural Labour

The analysis of real wages in agriculture—the purchasing power of money wages—raises a host of special problems. Both the prices of goods and services and the quantities consumed are different in urban and rural areas, with the result that the movement of consumer prices, as measured by index numbers, is seldom identical for farm and for industrial workers. Systematic research on rural-urban price and consumption differences has been undertaken in relatively few countries, but the following examples illustrate the kinds of difference encountered.

Prices of locally produced food and fuel are generally lower in rural areas than in towns, and prices of imported or manufactured goods higher. Thus in Sweden, in 1953, the price of firewood in rural districts was 31 per cent. lower than in towns, while the price of coke was 2 per cent. higher than in towns.[1] The conditions of rural living affect consumption of many items. For example rural workers and their families tend to purchase more work clothing and less dress clothing than urban families, as evidenced by a United States 1941 family living study [2] which showed that farm women purchased three times as many pairs of cotton and lisle hose as non-farm women, while non-farm women purchased six times as many pairs of nylon hose in the same year. It is obvious, therefore, that use of urban price and consumption data only in making comparisons of real wage levels of the farm and non-farm worker is hardly satisfactory, yet few countries provide special data for rural areas or for farm households.

Measuring the movement of real farm wages over time, however, is subject to fewer reservations. Despite differences in price levels and consumption, the movement of consumer prices over time tends to be roughly similar (though by no means identical) in town and country. Table V illustrates the change in real wages in agriculture from 1948 to 1957, based on the wage indices shown in table III and the official (urban) consumer price indices of the same countries.[3]

[1] Computed from prices given in *Statistisk Årsbok för Sverige 1956*, p. 199.

[2] *Family Spending and Saving in Wartime*, Bulletin No. 822 (Washington, U.S. Bureau of Labor Statistics, 1945).

[3] In this connection it should be noted that comparisons of these indices of real wages in agriculture and similar indices for manufacturing would show the same relative movements as comparisons of money wage indices for the same two sectors, since only the urban consumer price index is available as a deflator. The discussion of the deviation of farm from non-farm wage indices in table III can therefore be considered to apply to farm and non-farm real wage indices as well.

TABLE V. INDICES OF REAL WAGES IN AGRICULTURE IN 1957

(Base : 1948=100)

(Estimates based on movement of urban consumer prices)

Country	Index	Country	Index
America :		Finland	120
Canada	110	France	148
United States	111	Germany (F.R.)	181
Chile	69	Ireland	122
Colombia	102	Italy	106
Mexico	131	Netherlands	124
		Norway	117
Asia :		Portugal	96
India	77	Sweden	140
Japan	101	Switzerland	127
Philippines (1956)	114	United Kingdom	111
Europe :		Oceania :	
Belgium	125	Australia	118
Denmark	117	New Zealand	110

Source : Money wages in agriculture : see table III. Consumer prices : *Year Book of Labour Statistics 1958*, and earlier editions.

The over-all tendency from 1948 to 1957 was one of moderate increase in the purchasing power of farm workers' wages. The median increase from 1948 to 1957 was 17 per cent., which corresponds to an annual rate of increase of about 1.8 per cent. The median increase in real wages in manufacturing in the same countries was slightly higher, corresponding to an annual rate nearer 2 per cent. In general, therefore, agricultural workers can be said to have shared in the general rise in the purchasing power of wages over the past decade, though to a differing extent in different countries.

In Chile, where inflation caused the greatest decline in real wages, farm workers suffered less than non-farm workers and, because of the great importance of payments in kind, the farm workers' food and housing were probably little affected in real terms. In India and Portugal, where the decline in agricultural real wages was less severe, it nevertheless contrasts sharply with the rise in real earnings in manufacturing. In Japan, where real wages in agriculture remained virtually unchanged from 1948 to 1957, real earnings in manufacturing registered substantial gains. In Canada and the United States the real wage gains of farm workers were about half those of wage earners in manufacturing. In Colombia, Belgium, Denmark, Italy, Norway, New Zealand, Sweden, and the United Kingdom, real wage gains in agriculture were somewhat less than in manufacturing, though the differences were generally small.

On the other hand in the Philippines, where indices of prices and urban wages were unchanged from 1948 to 1956, real wages of agricultural labour registered a gain of 14 per cent. In Mexico and Australia gains in real wages in agriculture were substantially greater than in manufacturing, and agriculture outpaced manufacturing to a smaller extent in Finland, France, Germany, Ireland, the Netherlands, and Switzerland as well.

Wages and Agricultural Prices

The numerous recorded instances of rising real wages in agriculture in the period 1948 to 1957 do not necessarily imply that there were corresponding increases in the revenue productivity of farm labour, but often represent the reflection in agriculture of general wage and price movements in the national economy of the countries concerned. There were cases where—regardless of the physical productivity of rural labour—a combination of rising farm wages and declining prices to agricultural producers made for a squeeze on farm operators' incomes. In table VI the movement of agricultural wages from 1948 to 1957 is compared with the movement in the same period of wholesale prices of farm products and retail prices of food.

TABLE VI. INDICES OF WAGES IN AGRICULTURE, WHOLESALE PRICES OF FARM PRODUCTS, AND RETAIL FOOD PRICES, 1957

(Base : 1948=100)

Country	Agricultural wages	Wholesale prices of farm products	Retail prices of food
America :			
Canada	138	90	121
United States	130	85	111
Chile	1,114	1,569	1,839
Mexico	250	207	193
Asia :			
Japan	176	339	154
Europe :			
Belgium	141	93	110
Finland	227	151	167
France	260	135	157
Germany (F.R.)	208	126	133
Ireland	172	128	130
Netherlands	186	125	155
Portugal	104	104	109
Sweden	206	154	160

Source : Agricultural wages ; see table III. Wholesale prices : United Nations : *Monthly Bulletin of Statistics*, Aug. 1956 and Aug. 1958. Retail prices : computed from consumer price indices for food published on 1953 base in *Year Book of Labour Statistics*, 1956 and 1958 editions.

The most striking cases are those of Belgium, Canada, and the United States, where increases in agricultural wages coincided with declines in the wholesale prices of farm products. In Finland, France, Germany, Ireland, Mexico, the Netherlands, and Sweden, while the wholesale price of farm products rose from 1948 to 1957, agricultural wages rose substantially more. In Portugal there was a rise of 4 per cent. in both farm wages and producer prices, and only in Chile and Japan did wholesale prices rise more than the wages paid to farm labour.

The importance of changes in margins in distribution is brought out by the relation between wholesale prices for farm products and consumer prices for food at retail. Even in the countries where wholesale

farm prices declined, retail food prices rose, and only in Mexico and Japan did consumer food prices rise less than prices of farm products at wholesale. The relative movement of wholesale and consumer prices implies a general and fairly important widening of gross margins in food distribution.

With urban wages tending to keep pace with (or to outpace) the cost of living, agricultural wages tended to follow suit. The inflationary tendencies in the labour market and the market for consumer goods and services placed agriculture in a difficult position ; increases in the net income of farmers in many countries in the period under review were substantially less than increases in the gross income from sales of crops and livestock, and in some countries there were declines in farmers' net incomes.

Rising wages for hired farm labour were by no means the only factor contributing to this situation. As can be seen from table I, even in countries such as Denmark and the United Kingdom, where hired labour is an important factor of agricultural production, farmers' expenditure on wages represented less than one-fourth of the value of farm output, and in most countries the fraction was smaller.