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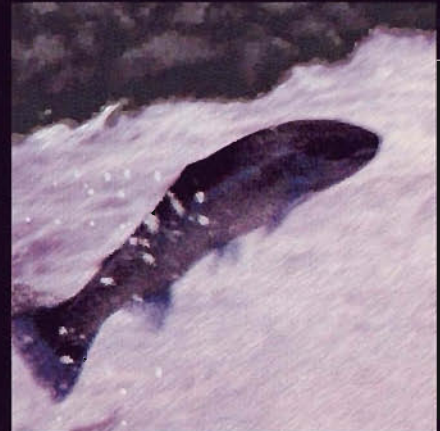
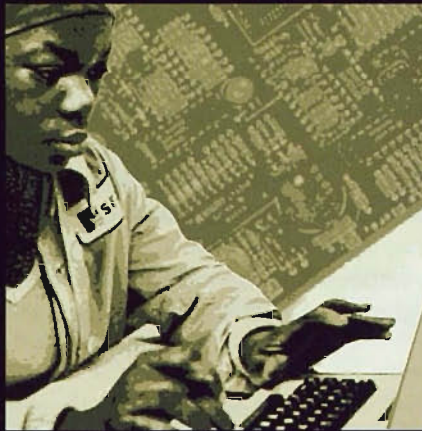
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# CHOICES

First Quarter 1993



Figgie, Eisner, Meltzer, Schaub, and Sumner on the deficit **4**

Spitze, Hathaway, Rossmiller, Harrington, and Doering on ag policy directions **12**



## Findings

What agricultural and resource economists are finding about food, farm and resource issues\*

- The 1986 Immigration Reform and Control Act is not working as intended to stem the flow of new immigrants and stabilize employment for agricultural workers—say Taylor and Thilmany
- At least for parts of Indiana, weather does not have much effect on the amount of nitrogen fertilizer needed to maximize profits—say Dai, Fletcher, and Lee
- Spring prices of December corn and November soybean futures contracts are no longer good forecasts of harvest price—say Kenyon, Jones, and McQuirk
- Cover crop systems, in comparison to conventional systems of cotton production, not only reduce environmental degradation, but also improve profit-risk measures—say Giesler, Paxton, and Millhollon
- Even when erosion over an extended period reduces land productivity, many risk-averse farmers will not make expenditures for erosion control—say Williams, Tanaka, and Herbel
- Restrictions on manure application, without accompanying restrictions on commercial fertilizer application, will have only limited effect on phosphorous runoff levels—say Schnitkey and Miranda
- Contrary to common assessments, sugar quotas have little effect on the price of corn—say Rendleman and Hertel
- And maintaining sugar quotas, while reducing farm programs, subsidizes sugar producers; and abandoning sugar quotas raises social welfare by \$1.3 billion—say Tanyeri-Abur, McCarl, Chang, Knutson, Peterson, and Coble
- A 100 percent tax on pesticides in three major midwestern agricultural states would have little impact on commodity output—say Lim, Shumway, and Honeycutt

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\*Findings are taken from soon-to-be published research in the *American Journal of Agricultural Economics*, *Journal of Agricultural and Resource Economics*, *Review of Agricultural Economics*, *Journal of Agricultural Economics Research*, *Journal of Agricultural and Applied Economics*, *Agricultural and Resource Economics Review*, *Land Economics*, *Journal of Environmental Economics and Management*, and other journals which publish the research findings of agricultural and resource economists. Abbreviated citations are found on page 21.

Our cover art shows the themes of *CHOICES*—the columns call to mind issues related to food, farms, and resources; the rows to the ingredients, human involvement, and final reward of our pursuits.

## Editorial



**Lyle Schertz, founding editor and guiding force for the first seven years of CHOICES.**

**F**ounding editor Lyle Schertz launched *CHOICES* with the Spring, 1986 issue. Now, seven years and 28 issues later, Lyle takes leave of his editorial duties. As my editorial assignment begins, it is clear that in many, perhaps most, respects Lyle “made” the magazine.

Lyle was a natural. His varied background shows through in the wide range of issues and authors found in *CHOICES*. At Pillsbury, Lyle did the commodity outlook and price forecasting. At the University of Minnesota he researched U.S. farm policy. While with the USDA’s Foreign Agricultural Service, he participated in the Kennedy Round of GATT negotiations. With the USDA’s Economic Research Service, Lyle was Chief of the International Monetary and Trade Research Branch and directed programs on world monetary and trade issues. Then on to higher administrative positions with USDA, where he was Deputy Administrator of the International Agricultural Development Service and Deputy Administrator of the Economic Research Service. In this later position Lyle directed a

variety of activities on international cooperation, natural resources, and rural people and communities.

Glance back through *CHOICES* and you will find Paarlberg and Yeutter writing on farm policy for the 1990s, Batie on agriculture and groundwater problems, Schuh on revitalizing Land Grant universities, Duvick and Offutt and Kuchler on biotechnology, Gardner and Huffaker on federal irrigation subsidies, Deavers on rural America, Ruttan on food aid, Bromley on technology and public policy, Johnson and Nikonov and Csaki on Eastern Europe, Schmitz and Schnittker on trade, and the list continues. The diversity of issues reflected not only Lyle’s far ranging interests, but the multiple directions which the profession itself was taking. Lyle, through *CHOICES*, notably expanded his profession’s contributions to decision makers in business, government and academia. And he helped expand the profession’s own horizons.

Lyle was consumed by the idea that *CHOICES* be a success. The effort he put into the magazine is almost unimaginable. In his pursuit of excellence for the Association’s magazine, Lyle was highly organized, well focused, creative, and tenacious. And always with the notion that *CHOICES* promote agricultural economics in all its dimensions. Lyle saw to it that the magazine was relevant, carefully crafted, eminently readable, and widely distributed.

How successful has *CHOICES* been under Lyle’s editorship? Here is a sampling of viewpoints.

“Lyle’s work in piloting *CHOICES* through its formative years has truly been outstanding. There is no other publication of which I am aware that has so demonstrated the importance of agriculture and the relevance of agricultural economics.”—Don Paarlberg.

“He seems to have had a knack for taking the best thinking of agricultural economists and presenting it to the public in an attractive form. He made *CHOICES* the pre-eminent publication outlet of our Association.”—Willard Cochrane.

“There is no doubt that *CHOICES* as we see it today and the success that it has become is directly attributable to Lyle’s ability, entrepreneurship, and instincts of what was the ‘right’ niche to be filled by *CHOICES*.”—Sandra Batie.

“He was like an energy machine constantly thinking of new story ideas, new people to contact, new ways to generate support. ...When you think about it, any one of those activities—editing, marketing, subscription fulfillment—could be a full-time job. Lyle literally created everything related to *CHOICES*.”—John Lee.

“Lyle’s gentleness and respect for the individual, his intellectual curiosity, his acute sense of fair play, and, above all else, his devotion to relevance were a perfect match for the job. He gave the agricultural economics profession something that it badly needed: a bridge to reality.”—Lynn Daft.

“The AAEA and its leadership can claim some credit for the remarkable success of *CHOICES*, but anyone who knows anything about magazine editing and production knows that the real honor belongs to Lyle Schertz. Virtually everyone in our Association feels a sense of pride and accomplishment in *CHOICES*. Many, many thanks to Lyle Schertz for making that happen.”—James Houck.

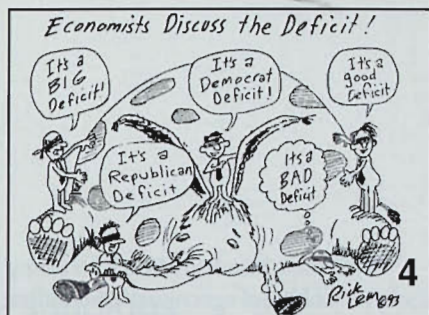
We all thank you, Lyle. Job well done!

*Harry Ayer*

Harry Ayer  
Editor



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Figgie Eisner Meltzer



Schaub Sumner



Spitze Hathaway Rossmiller



Doering Harrington Rask

**Harry E. Figgie, Jr.**, is chairman, chief executive officer, and founder of Figgie International Inc., a diversified Fortune 500 operating company. Figgie was a co-chairman of President Reagan's Private Sector Survey on Cost Control, also known as the Grace commission. He holds a BS in metallurgical engineering, an MS in industrial engineering, an MBA from Harvard Business School, and a law degree.

**Robert Eisner** is the William R. Kenan professor of economics at Northwestern University. His degrees are from City College of New York, Columbia University, and Johns Hopkins University. He is a past president of the American Economic Association and a Fellow of the American Academy of Arts and Sciences and of the Econometric Society. Dr. Eisner is the author of *Factors in Business Investment*, *How Real Is the Federal Deficit?*, and *The Total Income System of Accounts*. He has published extensively in leading professional journals and in the general print media.

**Allan H. Meltzer** is University Professor of Political Economy at Carnegie-Mellon University and Visiting Scholar at the American Enterprise Institute. He served as acting member of the president's Council of Economic Advisors in 1988–89. He is co-founder and chair of the Shadow Open Market Committee, a group of economists that comments semiannually on economic policy issues.

**James D. Schaub** is an agricultural economist with the Economic Analysis Staff at USDA. He is senior policy analyst for a broad range of topics, including Uruguay Round negotiations

to endangered species. Earlier USDA work focused on the rural labor force and employment issues, commodity markets, and commodity programs. Schaub received his PhD in Economics from North Carolina State University.

**Daniel A. Sumner** served as deputy assistant secretary for economics and then as assistant secretary for economics in the U.S. Department of Agriculture from 1990 through 1992. Before joining USDA, Sumner was a professor in the Division of Economics and Business at North Carolina State University. He is now the Frank H. Buck Professor in the Department of Agricultural Economics at the University of California, Davis. Sumner's academic research has concentrated on agricultural and labor economics. His PhD in Economics is from the University of Chicago.

**Robert G. F. Spitze** is a professor in agricultural economics at the University of Illinois, Urbana-Champaign. In his teaching, research, and public service work, his special interest has been public agricultural and food policy. Spitze's recent writings have focused on concepts of political economy in public policy.

**Dale E. Hathaway** is director and senior fellow at the National Center for Food and Agricultural Policy, and president of Hathaway International, Inc. He has more than twenty years' government and private sector experience in international food and agricultural trade and investment. He advises a broad range of domestic and foreign firms on trade and investment policies. Dr. Hathaway was Undersecretary of Agriculture for International Affairs from 1977-



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81 and was chief U.S. negotiator on the U.S.–U.S.S.R. Grains Agreement; on the Tokyo Round of Trade Negotiations in Agriculture; and on agricultural agreements with China, Mexico, Venezuela, Nigeria, among others.

**George E. Rossmiller** is director of the Situation and Outlook Division of the Food and Agriculture Organization of the United Nations in Rome. Dr. Rossmiller is past consultant to USAID, World Bank, USDA, National Academy of Sciences, and the International Institute for Applied Systems Analysis. He has held high administrative positions with FAS, OECD, and the National Center for Food and Agricultural Policy at Resources for the Future. He served on the faculty at Michigan State University. He is the author or coauthor of numerous publications on agriculture and trade policy and economic development. Dr. Rossmiller's PhD is from Michigan State University.

**David H. Harrington** is chief of the Farm and Rural Economy Branch in USDA's Economic Research Service. He previously served as deputy director of ERS's Agriculture and Rural Economy Division. From 1973 to 1979 he worked for Agriculture Canada as dairy policy analyst and then as director of CANFARM, Canada's national farm management information system. When CANFARM was privatized in 1979, he returned to USDA to become chief of the branch he now leads. He holds a PhD from Purdue University.

**Otto Doering** is a professor of agricultural economics and a public policy specialist at Purdue University, where he has been since

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receiving his degrees at Cornell University and the London School of Economics. His current responsibilities are teaching and public policy education. He has had two stints in Washington, participating in sub-basement staff work on two Farm Bills for USDA and did not catch Potomac Fever. In addition to his interest in farm policy and environmental issues, he set up and directed Indiana's State Utility Forecasting Group and was involved in state and federal agencies dealing with energy policy in the 1970s and 80s. He is also widely known as the book review editor of the American Journal of Agricultural Economics and serves on the Arts College Advisory Council at Cornell University.

**Norman Rask** is professor of Agricultural Economics at Ohio State University. He has had extensive experience with agriculture and international issues, especially in Latin America. He holds both research and extension appointments, with primary responsibilities in foreign market development, trade, competitiveness of U.S. agriculture, and energy policy. He has studied U.S. and Brazilian ethanol programs for a number of years and recently initiated a major research program on ethanol markets and policy in the western hemisphere.

**Kevin N. Rask and Jill Tiefenthaler** are assistant professors of economics at Colgate University.

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- Some photographs on the cover provided by *Agricultural Research and Rural Development Perspective* magazines.

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CHOICES (ISSN 0886-5558) is published quarterly by the American Agricultural Economics Association for people who want to be informed about food, farm, and resource issues—and the policies that affect them. Postage paid at Ames, IA, and additional mailing offices. All rights reserved. Quotation with credit is permitted. © 1993 Vol. 8, No. 1, American Agricultural Economics Association. Subscription rates for U.S.: individuals—\$19.95 per year, institutions—\$32.50 per year (four editions). In Canada add \$10 per year. Outside U.S. and Canada add \$20. Send subscription correspondence to CHOICES, AAEA Business Office, Iowa State University, 80 Heady Hall, Ames, IA 50011-1070. Telephone (515) 294-8700, FAX (515) 294-1234. Send four copies of each manuscript to the editor, Harry W. Ayer, Department of Agricultural and Resource Economics, University of Arizona, Tucson, AZ 85721, telephone (602) 621-6257 and FAX (602) 621-6250.