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## *Articles*

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Agricultural Economics and the Chaos of Economic Methodology

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A National-Level Economic Analysis of Conservation Reserve Program Participation: A Discrete Choice Approach

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Poultry-Related Price Transmissions and Structural Change Since the 1950's

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How Economic Conditions Changed the Number of U.S. Farms, 1960-88

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The Deterministic Equivalents of Chance-Constrained Programming

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Combining Survey and Other Data To Estimate Agricultural Land Values

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Dynamic Specification in Econometric Estimation

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## *Book Reviews*

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Farm Policy Analysis

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Community Economics: Economic Structure and Change in Smaller Communities

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Profitability and Mobility in Rural America: Successful Approaches to Tackling Rural Transportation Problems and Regulation and Deregulation of the Motor Carrier Industry

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Japanese Agricultural Policies: A Time of Change

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# In This Issue

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Agricultural economists who at some time have experienced methodological qualms about their work will enjoy the prickly essay by Hausman and McPherson. They challenge the idea that there is a neat separation between positive and normative propositions. Moral sentiments, like optimizing behaviors, are subject to rational discourse. As the authors acknowledge, agricultural economists are rarely afforded the time to reflect deeply on the philosophical underpinnings of their inquiries. However, I feel a few minutes with the Hausman/McPherson piece will be worth your while.

Konyar and Osborn found a host of variables that affected the participation of farmers in the Conservation Reserve Program, including farmer's age, tenure status, farm size, and land values. The interesting finding that a dollar in crop production is preferred to a dollar in program payment suggests that increased enrollment in the program will come at increased marginal cost.

Recently, the press has noted the increased concentration in the poultry industry. Some of the consequences of that concentration are observed in an article by Babula, Bessler, and Schluter. They found that changes in corn prices in recent periods were more readily reflected in poultry product prices, and sustained longer, than in earlier periods. Their results appear to imply, but they do not assert, major structural changes in the poultry industry.

Gale examines the trend in farm numbers in the United States from 1960 to 1988. He separates trend from shortrun economic effects, demonstrating that changes in the relation of farm prices received and paid to land values and interest rates had the expected connection to changes in farm numbers. Models of farm structure need to include both trend and shortrun variables.

Deterministic programming models may benefit from the addition of a probability dimension. Chebyshev's inequality, a device for converting probability constraints to deterministic constraints, has been criticized for being too crude. Kim, Schaible, and Segarro demonstrate when and how Chebyshev can be used in a programming problem.

A form of regression analysis is performed by Barnard and Pfefferman to improve estimates of land values,

particularly for small areas. The traditional use of regression in land value research is to explain the causes of variation of change over time. The Barnard/Pfefferman technique is intended to improve the predictors of mean land values. They applied estimates of Midwest agricultural land prices only to nonirrigated cropland. Not too surprising was the finding that the estimates of land values supplied by County Executive Directors of the Agricultural Stabilization and Conservation Service has a most positive effect on the quality of estimate. Question should any one source of information such as ASCS officials have an overwhelming influence on market information?

Malley addresses an error correction mechanism in dynamic specification of forecasting models. He derives the ECM and then applies it to aggregate consumption expenditure in the United States. He demonstrates how to calculate elasticities of consumption with respect to income and inflation.

Book reviews lead with Teigen's critical comparison of Tweeten's 1979 and 1989 texts on farm policy. One drawback of the new book is its lack of context and history of programs affecting agriculture. Teigen adds "Perhaps, the past is irrelevant to policy directed at removing government from agriculture."

Other reviews include Henderson's evaluation of Shaffer's book on community development, a particularly useful document for nonacademics involved with rural development. Hutchinson reviews two books on transportation, recommending one of them despite its weakness of deregulation. Caplan and Deaton give high marks to Australia's Bureau of Agricultural and Resource Economics for the content and classy presentation of the monograph on Japanese agricultural policies.

McCloskey has argued that economics should be a branch of rhetoric—or was it the other way around? Either way progress in a discipline or a field of inquiry requires not only persuasive argument but thoughtful response. We encourage our readers to assess carefully what they see here and respond in the form of note, comment, or article. Peer review usually is limited to two or three readers, not an infallible method even under the best of circumstances. Peer review differences are not always resolved. Further-

more, peer review is private conversation, some of which should be shared with the Journal's readers. If we accept the postulates of consumer sovereignty of the products of our profession, we are bound to publish the Journal to serve the readers, the authors

only incidentally, and the Journal not at all. Your comments are welcome.

**Gene Wunderlich**