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Book Reviews

Farm Goals in Conflict.

Edited by Earl O. Heady. Center for Agricultural and Economic Development. Iowa State University Press, Ames. 251 pages. 1963. \$4.95.

Farm Policy: New Directions.

By Geoffrey S. Shepherd. Iowa State University Press, Ames. 292 pages. 1964. \$6.95.

AS PATHS to understanding the problems of agriculture these two books published by the same press match the interdisciplinary symposium with the single scholar's study.

However, to call "Farm Goals in Conflict" interdisciplinary is almost an understatement. Its 17 authors include a theologian, 3 social scientists, and spokesmen for churches, Government agencies, and farm organizations.

To prepare readers for diverse content Hadwiger and Haroldsen open with a note that "a vigorous interdisciplinary meeting takes the neatness from our particular world and sometimes makes us wonder whether it exists at all."

But neatness is not the test of fruitful search for knowledge, and the apology was unnecessary. The group holds its own vis-a-vis the solo scholar.

If the several authors in the joint work come up with a salad of comments on the family farm, the justice of equitable income, and the lure of freedom from Government programs, Dr. Shepherd's "Farm Policy: New Directions" is itself not a model of consistency. A book apparently intended as an undergraduate text, it is an excellent catalog of alternative definitions of the farm problems and alternative solutions. But it does not follow through with equally impressive conclusions and recommendations.

Perhaps surprisingly, Dr. Shepherd's best section is the chapter on Development of Values,

where he presents engaging ideas that contradict his earlier ones and tie to "Farm Goals in Conflict"--thereby also affording a double reason for pairing the two publications in this review.

In that chapter the author observes sagely that "new technology puts the farmer's conscience in a jam by placing in opposition his love of justice and his love of freedom." This parallels almost word for word Dr. Shirley Greene's remark in "Farm Goals in Conflict" on "the endless controversy between those who defend strong programs of government in the name of justice and those who resist ... in the name of freedom." Rev. Henry McCanna follows with the structural question of our age: "In the complex and interlocking economy of our time, can the individual grower hope to survive economically apart from some form of organized market bargaining power?"

Regrettably, Dr. Shepherd does not answer that question. The freshness manifest in his Values section--and in a good digression on the world food problem--does not permeate the book. He scarcely mentions bargaining power, and then only as an aspect of production control. The influence of farmers' markets on farm policy is bypassed.

And he joins countless other economists in pitching his study as a search for the unique farm problem, and the simple best answer for it.

In this reviewer's judgment, no misunderstanding so impedes farm policy studies as the premise that the problem is singular. It is not. It is plural. The farm problem is a price problem, and an income problem, and an excess manpower problem, and a market problem, and some other problems, simultaneously.

Dr. Shepherd's prescription is that "what is needed" is lots of job and training information for farm teenagers. That is not so much inaccurate as inadequate; and his book is better as Farm Policy than as New Directions.

The symposium which "Farm Goals in Conflict" reports was a rerun of an earlier one

in which the Iowa State Center first sought to approach farm policy by the goals route. In the second attempt the new element is the interdisciplinary makeup. Thereby is justified the jibe that "the first meeting ... didn't get very far, since ... those attending were exclusively social scientists."

Given their chance, the nonsocial scientists made the most of it. A 33-year-veteran rural pastor showed the best understanding of rural life. A national church leader chided farmers for bemoaning their own incomes while disregarding the low wages paid farm labor. The president of National Farmers Organization, no economist, reminded that the survival test in farming today is not efficiency but financial reserve. And another churchman put values and goals in proper perspective when he noted as "grotesque" that the "Farm Bureau should have a formal statement encouraging their members to keep their churches straight rather than expressing some degree of humility and need for the churches to keep the farm organization straight."

"Farm Goals in Conflict" as a collection is made immeasurably better by the introduction that begins it and the "Dialogue" that ends it. This is true even though the long exchange as to whether traditional agriculture offers unique values is unscholarly, tiresome, and beside the point. Any form of economic structure has associated social and political meaning. Agriculture has its own, and there is no need for either antagonism or defensiveness regarding it.

"Farm Goals in Conflict" and the Values chapter of "Farm Policy: New Directions" offer a promising avenue to consideration of national policy (economic and otherwise) for agriculture. As both are pioneers, neither deserves any discredit for not yet perfecting the approach.

Harold F. Breimyer

Elements of Regional Accounts.

Edited by Werner Z. Hirsch. The Johns Hopkins Press, Baltimore. 221 pages. 1963. \$6.

THAT REGIONAL ACCOUNTING is a complex but growing area of economic investigation is

readily apparent in this collection of conference essays and discussion papers sponsored by the Committee on Regional Accounts. A great weakness often evident in publications of this type--the lack of a well-integrated purpose--also plagues this volume. The subject matter ranges from (1) flows and the analysis of regional development, through (2) regional income estimates, (3) public finance in regional accounting, (4) a framework for metropolitan models, (5) the use of intrametropolitan data, (6) measurements of human resources, and (7) manpower movements, to (8) an integrated system of regional accounts. In this final chapter, Perloff and Leven attempt to bring together human and non-human resource bases, production, income, and government into one complete, consistent system. By their own admission, they fall short of their goal.

Regional accounting is a relatively new science compared with national income accounting and there is still much groping and probing going on in this area. Perhaps Professor Burkhead puts his finger on the reason when he states, "Those who have worked in recent years at the development of regional concepts and the measurements of regional activity are by this time aware that their efforts have no clearcut policy orientation. Regional accounting is not directed toward a set of regional policies nor toward an organizational structure, public or private, with the responsibility for regional well being." Moreover, much work in regional analysis has been to develop an accounting framework that will encompass all phases of economic activity, rather than following the scientific procedure of first identifying problems, then developing the theories to analyze them.

These essays show that there is a large gap between developed accounting models and the collection of data needed to utilize these models. One of the most important problems that needs to be solved is the selection of a basic geographic unit for the collection of data, i.e., county, district, metropolitan area, State, or other area. This problem receives limited attention in this volume. Apparently, it is difficult to reach a consensus because large areas such as States preclude many important types of analysis, and small units such as counties represent an almost overwhelming task in terms of time and resources, especially if regional

accounts are to be comparable to national income accounts. Until a generally accepted decision on the basic unit is made, it is unlikely that regional analysis can make much progress, especially in analyzing problems of inter-regional competition and economic development.

This writer wonders why activity analysis theory has not received more attention of the regional account analysts. Here is a theoretical system that has great promise for providing an integrated framework as well as having great analytic and problem-solving power.

There is not much empirical analysis in this book. Only one paper, by Edwin Terry, really comes to grips with a particular data problem--the allocation of personal income by regions. A few methods are analyzed, but the results are not very satisfying.

Although new students of regional accounting will find much helpful information in this volume, they would do well to first read an earlier similar volume, "Design of Regional Accounts," edited by Werner Hochwald and sponsored by the same Committee. Others interested in regional accounting will find that this readable monograph presents many new and useful concepts.

Alvin C. Egbert

Manpower in Economic Growth--The United States Record Since 1800

By Stanley Lebergott. McGraw-Hill Book Co., New York. 561 pages. 1964. \$8.95.

HOW HAS MANPOWER in the United States been utilized and rewarded since 1800? What consequences has this pattern of use and reward had on the course of economic growth in this country?

To answer these questions, Lebergott draws on a tremendous array of historical materials, ranging from diaries and personal narratives to census data. He has developed new statistical series, and extensions of series from governmental and other sources, on employment, unemployment, wages, and costs of living. Analyses of the works of economists and quotations from writers of fiction are also utilized.

The author states that changes in manpower use and reward, which are associated with economic growth, can only be understood in terms of broad patterns of national belief and action. The energy that springs from hope, and the willingness to adopt innovations--national traits which arise partly from the spaciousness and fertility of the land--are major elements in the economic growth matrix. The national belief in a free society open to all talents, the geographic and upward mobility of labor, and the high degree of adaptability and inventiveness in uses of capital and labor are other basic elements.

Sources of supply of labor--slave, indentured, and free--are examined in historical perspective, as is the changing participation of certain groups, such as women and children, in the labor force. Attention is given to political and social, as well as to economic, changes influencing the sources and uses of labor.

The processes of economic growth are discussed. An understanding of how the labor force spread across the country is developed through comparison of regional differentials in wage rates of common labor with rates of population growth (or net migration). Changes in employment among major industry sectors are explored. In this regard some ingenious indexes and comparative estimates show relative and absolute changes in levels of employment by major industries between 1900 and 1960. The influence of social mobility and the division of labor on productivity and factors associated with the origins of the U.S. factory system are also discussed.

The development of the national labor market, trends in real wages and their determinants, and factor shares in the long term are viewed as consequences of economic growth. In dealing with sources of economic growth the author presents two central themes--the freedom that permitted the development and competition of ideas, and the combination and recombination of production factors developed from the competition among political, theological, social, economic, and technological ideas. He says that "the competition of ideas is no less significant than that of product markets in bringing economic advance," and that the competition of ideas meant that "the factor combinations suited to one stage in development were not retained

rigidly on into subsequent stages when their optimal value had been dissipated." The changing combinations of labor and other production factors, the relationship between factor substitution and productivity, and the influence of such things as education and employment stability on wage costs are considered in historic and economic terms.

The last half of the book presents a wide variety of statistical and documentary materials on trends in wages and earnings by occupation and industry, and on living costs. Chapters are included on the methods and data utilized in developing the annual series on labor force, employment, unemployment, full-time equivalent earnings, and other related matters. These chapters contain some of the major contributions of the book.

This is a valuable and useful book. It is full of ideas, analyses, and statistics. It will be kept at hand for ready reference and rereading by most persons concerned with labor force analyses.

Gladys K. Bowles

Economic Growth in France and Great Britain 1851-1950.

By Charles P. Kindleberger. Harvard University Press, Cambridge, Mass. 378 pages. 1964. \$8.95.

The author at one point asserts he is an amateur economic historian; at another he is a critic of economic historians. Big theories, he states, do not explain economic growth; little theories frequently contradict one another. As in his earlier book, "Economic Development," he is the complete eclectic, bound to no one thesis, but threading his way instead among facts and theories in an effort to find universal truth, or at the least to throw some light on it.

The emphasis of the book is primarily on French economic development, in comparison with British experience. National income per capita in France was well below that of Britain in 1950, as it was in 1851. Why did France not catch up? The author examines the literature extensively, with its oftentimes differing interpretations. He seems to conclude that possible

limitations in natural resources were not a handicap. There was really no lack of credit but the machinery was sometimes ineffective.

The long-standing theory that the low rate of population growth in France contributed to economic stagnation is found to be elusive. French and British social behavior and beliefs are contrasted but without demonstration of economic significance. In discussion of entrepreneurship, Kindleberger gives special attention to the French family firm. A straightforward exposition of overly cautious investment policy, as illustrated in the textile industry, as a deterrent to rapid economic growth turns out to be not sufficiently subtle; the model is incomplete; what is needed is an explanation of why other firms did not come along and challenge existing enterprise.

And so it goes. Arguments and cases on one side are counterbalanced by arguments and cases on the other. Attention is given to technology, scale and competition, government, urbanization and regional balance, foreign trade, leading sectors, the nature of growth, and even a search for a method. But causation in the real world is too complex and interrelated; in the end the author despairs of solving scientific problems by the historical approach.

There is a chapter on agricultural transformation of special interest to readers of this journal. Various ways in which an increase in agricultural productivity can be used to speed economic development are recognized. Four views on this matter are selected by Kindleberger: that agriculture held back the total growth of France by growing at a slower rate than industry; that agriculture held back French development through failing to produce sufficient demand for industrial products; that agriculture failed to release sufficient manpower to industry; and that, on the contrary, industry drew men too fast from agriculture, thereby reducing its productivity.

On the first view, it is concluded, somewhat equivocally, that if French agriculture as a whole has been held down by the backwardness of its small-scale farms, French economic growth as a whole has been held back by the slowness of advance in agriculture. On the second view, there appears to be a more positive finding that loss of agricultural income was a factor contributing to the prolonged period of

economic stagnation in France after 1882, but only in combination with other factors--the end of railroad expansion, stock market excesses, and a halt to the building boom. Negative answers are given to the third and fourth hypotheses.

On British agriculture, the author deplors the failure of farmers to shift to a livestock economy, particularly to dairying, when the demand for livestock products was so strong and the price of wheat was so weak for so long.

One admires the book in its entirety for its serious and profound scholarship, but somewhat regrets its scarcity of conclusions. But perhaps the real world is too complex to see it whole after all.

Robert M. Walsh

Agriculture in Western Europe.

By Michael Tracy. Frederick A. Praeger, Publisher, New York. 409 pages. 1964. \$10.

FARM POLICY occupies the center of the stage within the European Common Market countries, and in their position toward outside countries. It is obvious that a major part of the negotiations for the final effectiveness of the European Economic Community will be determined by how successfully farm policy questions are resolved. This is not only an internal matter with the EEC but it is highly important as regards the Kennedy Round of the worldwide tariff and trade negotiations.

Officials responsible for the EEC and for international negotiations need an understanding and appreciation of the current agricultural policies of the individual nations concerned. This book in a major sense fulfills this need for certain of the European countries, including the United Kingdom. To know and appreciate present farm policy one must understand how it was originally evolved, how it has been nurtured, modified, and adapted to what were the apparent pressures of the moment. The author, an economist with the Agriculture Division of the Organization for Economic Cooperation and Development, Paris, outlines the historical foundation of agricultural policies by

dividing its aspects into three periods: (1) 1880-1900--the first wave of protectionism; (2) the crisis of the 1930's--the second wave of protectionism; and (3) since the Second World War--State involvement in agriculture.

These periods have particular meaning for the countries under study; that is, for the United Kingdom, France, Germany, and Denmark. Contrasting pictures of policy development are presented, indicating that Denmark and the United Kingdom adapted more or less to industrializing and urbanizing economies and to the exigencies of foreign trade; while the policies of Germany and France veered toward protecting agriculture and preventing its adaptation to changing technology and changing terms of trade relationships within domestic as well as within international economies. These countries were studied in detail, but not exclusively, as references to other nations' policies have been made when needed for comparative purposes. The conclusion for policy arrived at by the author is that both laissez-faire and protectionism have failed--that each approach has prevented necessary structural adaptation and solutions to low incomes in agriculture.

This book is well organized and in this reviewer's opinion well documented. Its title could be misleading in that one might think it to be a work on agricultural production. The extensive bibliography is not devoted solely to the countries given detailed study, but includes pertinent materials for other Western European nations as well. Students of policy and those dealing with trade negotiations will want to study and make use of this volume.

John H. Southern

Low Incomes in Agriculture--Problems and Policies.

Organization for Economic Cooperation and Development. OECD Publications, Paris. 515 pages. 1964.

IT IS DIFFICULT to describe the low-income farm problem in the United States. With differences in historical patterns, currency, available data and goals, it is more difficult

to summarize low-income problems of the 22 OECD countries. U.S. data are limited, but most other nations, except Canada, the Netherlands, and the United Kingdom, have practically no income data for small farms or for nonfarm and family income. Thus definitions of low-income farms are arbitrary, with each country using a different standard.

The report outlines problems of low-income farms in the 22 OECD countries and reviews measures used or proposed to deal with them. These measures include supports for prices and incomes, improved efficiency on farms, changes in external farm structure, and development of alternative nonfarm employment opportunities.

All the cooperating nations want to develop viable farms that contribute to economic growth. There is a passing statement that a healthy economy is necessary to provide improved incomes for farmers and to transfer resources out of agriculture. But low-income farms have long been ignored in farm policies of most nations, including the United States. Policies to help low-income farms are new and have limited effect. All governments support prices of one or more farm products with income assistance related to sales. A few give a higher price to small farms on limited marketings, with little effect on income. The United Kingdom deliberately does nothing for small farms, but encourages farmers to leave agriculture or to consolidate holdings.

All countries with a fragmentation problem try to encourage a more rational landholding pattern, usually purchasing land for resale and granting long-term credit. Most countries try to enlarge landholdings, but limit the size of new holdings. The policy limits the potential for developing viable units, since a farm of a given size becomes a smaller economic unit as new technology is adopted. But no country increases the limits on size to keep up with technology or permit organization of extensive farming units in poor land areas.

It is revealing to contrast the policies of the Netherlands and West Germany with their booming economies. Both are reducing the number of farms and farm population.

The Netherlands wants to move labor resources out of agriculture. The government encourages larger farms by purchasing land, guaranteeing loans, and giving premiums to discontinue nonviable holdings. Farm youth are trained for nonfarm jobs. Employment opportunities are created outside farming by encouraging industry to locate in less developed areas, principally by improving the infrastructure, especially transportation facilities. But resources might be concentrated more effectively in fewer centers. There is concern that a labor shortage might occur if industrial opportunities increase too rapidly, but more part-time farming would enlarge the nonfarm work force. The integrated policies show concrete results and considerable promise.

Policies in West Germany do not take advantage of the high levels of industrial activity to improve incomes of small farms. Farms are consolidated and enlarged, but the average farm is enlarged only 2 hectares. The government encourages new industry in rural areas. Yet West Germany keeps population on farms, since only part-time farmers receive vocational training and education of youth in many areas is deficient. No steps are taken to move farm people into nonfarm jobs to facilitate enlargements of landholdings when 1 million foreign workers are imported. Yet, farmers are moving into industries in spite of present policies.

Countries where agriculture is a dominant industry--Turkey, Greece, Spain, and Portugal--have greater problems. The need for education and investment is recognized, but tremendous resources are needed to deal with the problems. With widespread low incomes, extreme measures and outside capital will be needed in these countries to improve productivity of agriculture, develop nonfarm employment, and check population growth.

Within the limits of available data, this work describes the conditions, problems, objectives, and policies on low-income farms of the reporting nations. It is an excellent summary that should be read by those concerned with agricultural policy and resource development.

Melvin R. Janssen

Cattle Raising on the Plains, 1900-1961.

By John T. Schlebecker. University of Nebraska Press, Lincoln. 323 pages. 1963. \$6.

ECONOMISTS, both in the Department of Agriculture and in the colleges and universities, have given much attention to cattle and beef and to programs affecting their prices during the past year. The United States signed agreements with Australia and New Zealand to limit the amount of beef shipped to the United States. Congress stated that its policy was to limit beef and other meat imports to specified quantities. The Department of Agriculture increased its purchases of beef and took other steps to bolster prices.

The problems which afflicted cattle producers last year did not arise in a vacuum. As John T. Schlebecker of Iowa State University says: "The contrast between the cattle of 1960 and of 1900 was so marked as to be nearly unbelievable. Whatever could be said for the rest of mankind, progress clearly characterized the history of the Great Plains." This is the story of that change and progress.

Year by year, cattlemen applied science and technology to their business, and so produced more beef on less land, with less work, and at less hazard to themselves. Professor Schlebecker, who taught at the University of Montana and Montana State College before going to Iowa State, traces these changes in chronological chapters, covering 4 or 5 years in each. This sometimes means that an account of a particular technological advance is spread over several chapters.

Three themes run through the volume. First, the successful cattlemen on the Great Plains were those who constantly made changes in every aspect of the business. Second, the application of science and technology to cattle

raising was a key to progress. Third, the Great Plains cattlemen demanded and received much help from the Federal Government.

The first and most important change the cattlemen made was the shift from the open range to the controlled range or ranch. The open range industry supplied an uncertain quantity of meat of rather inferior quality. The controlled range permitted the farmer to produce better meat through the application of science and technology.

The control of breeding and feeding was the first step in the new technology. Then came disease and pest control, better transportation, better land use, and other changes, culminating in advances in biochemistry. Most of these advances were possible through assistance by the Federal Government.

The Great Plains livestock industry has depended, since its beginning, upon Federal land. During the 19th century, use of the land was free and uncontrolled. Today, most of the Federal lands are controlled. The various controls have been developed by the Congress and the Federal agencies concerned, in cooperation with the livestock associations.

Virtually every scientific advance has come as the result of Federally sponsored research, either in the Department of Agriculture or in the State experiment stations. Most of these research programs have been strongly urged by ranchers and their associations. Too, Professor Schlebecker points out, the livestock groups have asked for many actions to help maintain cattle prices.

This volume is particularly recommended to livestock economists, land use specialists, and scientists who are concerned with how the Great Plains livestock industry arrived at the place in which it is today.

Wayne D. Rasmussen