



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

Book Reviews

War Against Want

By George S. McGovern. Walker and Company, New York.
148 pages. 1964. \$5.

AS PRESIDENT Lyndon B. Johnson points out in the Foreword, Senator McGovern writes about hunger and ways of relieving it from a rich background of experience. As an educator, Congressman and now Senator from an agricultural State, and former Food for Peace Director, Senator McGovern has had an impressive opportunity to grapple, firsthand, with the world paradox of surplus and want.

The need to provide more food for hungry people is presented in a way that should stir the conscience of affluent and overfed American leaders who are accustomed to scolding their children about not eating their dinners, while both they and their children are unaware that most children of the world go to bed hungry. In the author's words, "We live in a crisis of abundance in a world of want."

The world need for more food is well documented and the activities of the present-day Food for Peace Program are effectively and sympathetically presented. Senator McGovern is impressed with the many successes that have been achieved by the present food aid programs, but he realizes that current efforts are not sufficient to fill the nutritional gap. At the end of the book, he presents a 10-point program for using our abundance more effectively to help fill the current food gap, and more importantly, to assist food-short countries in expanding their domestic food output. His 10-point program is summarized as follows:

1. Greatly enlarge the U.S. Food for Peace Program.

2. Adopt an agricultural policy which will foster increased--not decreased--production.

3. Place greater emphasis on nutritional standards in the Food for Peace Program.

4. Remove all political restrictions on Food for Peace shipments to foreign countries--even Communist countries.

5. Enlarge the School Lunch Program to cover every needy child in the world.

6. At least triple the number of "food-for-wages" projects in the developing world.

7. Use a larger percentage of foreign currencies generated by Food for Peace sales, plus foreign aid funds, to improve good distribution facilities.

8. Make greater use of Peace Corps volunteers in the Food for Peace effort.

9. Place greater emphasis on agricultural development in the foreign aid program.

10. Increase U.S. participation in such international efforts as "The Freedom From Hunger Campaign."

Senator McGovern realizes that the only permanent protection against hunger is development of self-sustaining economies in the food-short countries--economies which can either produce food enough for their people or earn foreign exchange to pay for commercial imports of food. This problem is discussed under Point 9 of his 10-point program.

This reviewer would have appreciated more emphasis on how to use food aid as an effective tool for economic development. This requires a partnership of donor and recipient countries, and both parties must be willing and able to carry out their parts of the bargain. A stable government, good leadership, and a determination to carry out the necessary program are essential to progress in food-short countries. Attempts at rapid expansion of food aid are likely to encounter many frustrations in countries lacking these requisites for progress. But Senator McGovern would emphasize the serious consequences of neglecting any feasible opportunities for the use of food aid in economic development.

"War Against Want" is an informative and readable account of our present Food for Peace Program. It is also a challenge to increase our efforts, despite anticipated difficulties.

Sherman E. Johnson

Hungry Nations

By William and Paul Paddock. Little, Brown and Company, Boston. 344 pages. 1964. \$6.50

THE PADDOCK BROTHERS have four decades of work in the "hungry nations." They call the underdeveloped countries "hungry nations" because they are hungry for food, they are hungry for stability, they are hungry for international prestige, for education, for health, housing, and culture. They are hungry for the twentieth century. The authors have arrived at a definite idea on why these nations are hungry; they do not have sufficient resources in proportion to the size of the population to create a surplus. If nations are to progress, their resources must produce more than their people can use. It is these surpluses that will determine their prosperity. Yet future prosperity in the hungry nations will probably be rather moderate because the resources, unfortunately, are moderate--whether agricultural lands, minerals, natural harbors, or whatever.

The Paddocks look at traditional development programs, whether initiated by local governments or foreign aid funds, and analyze the fallacies embedded in these programs that bring to naught the efforts expended. They make the following criticisms:

(1) Slum clearance merely makes the city more attractive to poverty-stricken farm area inhabitants. No matter how much is spent for this program, slums will always develop in the cities until the rural areas are made more attractive to live in.

(2) A public health program actually damages the economy of a backward nation and definitely delays, if it does not eliminate, hope for a rise in living standards until population control is effectively organized. A life without ills is a

luxury countries cannot afford until they cease to be hungry.

(3) Surplus food shipments are no favor to country, until it gets its population back to a livable ratio with its farm production. This merely postpones elimination of surplus population. The world rushes to help hungry children but is callous toward the conditions in which those same children must live after they become adults and are still hungry.

(4) Education in present-day European and American style is a luxury which a hungry nation cannot afford. It must be practical, designed to help the people produce more. Graduate study should be done in countries which can afford adequate schools.

(5) Industrialization does not reduce hunger or poverty, except for a favored few. Each successfully industrialized nation had both mineral resources and fertile land which enabled farmers to produce a surplus to feed the new industrial workers.

(6) Rich countries can afford social reforms, but for the poor ones reforms can be the death stroke.

(7) Land reform is carried out as social reform, instead of being designed to provide maximum land utilization.

(8) Road building should follow development, not precede it.

(9) The difference between foreign aid for political purposes and long-range resource development of backward countries has not been recognized. We do not know how to develop these countries and eliminate world hunger.

The authors suggest some guidelines, perhaps idealistic, for reducing the despair and privations of a hungry nation. All the nation's efforts, all its capital reserves and foreign exchange, all its internal and international policies must be devoted single-mindedly to this one project: make the nation's resources produce surpluses. Each hungry nation must itself develop the research that will develop its resources, that will "alter the hand of God." It cannot directly transfer to its own problems the techniques and solutions developed in other areas of the world.

At home, they suggest dividing the foreign aid program into two parts. The political foreign aid would include all those programs designed to carry out our foreign policy. To aid in the

development of resources of the hungry nations, they propose a Bureau of Foreign Resource Development, somewhat similar to the National Institute for Educational and Technical Cooperation proposed in the Gardner Report (AID and the universities).

The book is very readable and well documented without a lot of statistics. It is certain to have an impact on thinking people concerned with foreign economic development. Hopefully, it will be educational to those readers the authors hope to attract, the leaders or future leaders of the hungry nations.

Quentin M. West

Economic Development

By John Kenneth Galbraith. Harvard University Press, Cambridge. 109 pages. 1964. \$2.95.

ECONOMIC DEVELOPMENT a la Professor Galbraith is interesting, candid, and sharply analytical. The student of economic development may find little that is new in these lectures. But he will enjoy the penetrating analysis of development problems, without benefit of sophisticated econometric models, as well as the wit and skill of a master of the English language.

Galbraith tells of some of his frustrations as an ambassador in matters relating to public expression when he explains the origin of the book and his decision to prepare a series of lectures on economic development. The lectures were delivered at all major universities of India and widely published in daily papers.

Usually the underdeveloped country cannot afford a wholly unguided or undifferentiated growth. And such symbols of modernization as airlines, impressive buildings, and a steel industry often are not consistent with the needs of the country. His solution is a goal which "anchors economic development to consumption requirements, present and prospective, of the typical citizen" or the modal consumer. His "Popular Consumption Criterion" concentrates the attention of the planner on the needs of the most numerous or typical citizen.

The needs of the average citizen are not the only points upon which the planner should concentrate more attention. In our approach to causes of stagnation and national poverty we have been very casual, compared with the vigor and thoroughness with which we attack the problems of space, for example. Despite our sophisticated work on economic growth, we do not have an analytical framework which explains stagnation. Professor Galbraith considers the many assumptions on the causes of poverty. After pointing out inconsistencies and limited applicability of the causes now used as a basis for many of our remedies, he is pessimistic. Men may reach the moon in the next few years, and "hopefully the righteous among them will return," but the most acute problem of this planet will remain unsolved. Professor Galbraith concludes that the common denominator of progress is a liberated and educated people. We are coming to realize, he feels, "that there is a certain sterility in economic monuments that stand alone in a sea of illiteracy."

Even with our advanced growth models, the author feels we have been looking only at the parts and too infrequently at whether these parts fit into a viable whole. We observe the need for know-how, capital, and a sound plan, but our diagnosis often fails to consider such strategic limiting factors as effective government, education, and social justice.

Professor Galbraith looks on economic aid as a cooperative endeavor in which each country has something to offer. But exchanges of technology are not without danger, particularly to the borrower. It is much easier to transfer seed and fertilizer or even a complicated machine than to transfer organization and services. In developing this latter point, the author observes that it was the unquestioned good fortune of the United States a hundred years ago that "community education experts, grain marketing analysts, home economists, vocational counselors, communication specialists, or public safety advisers had not been invented."

The author focuses sharply and effectively on the planning debate. He demonstrates that all modern nations have plans, but they differ in the degree to which plans are avowed, in the formality with which goals are spelled out, and particularly in the techniques used to achieve goals. Professor Galbraith feels there is no

alternative to state initiative when "a great leap forward" is necessary. Space exploration is such an example in the U.S. economy. But the building of a steel mill or hydroelectric plant may be an equally great leap in the underdeveloped economy. Planning takes on a special significance for the underdeveloped economy concerned with such basics as hunger, disease, and urgent needs for housing, education, improved transportation, and communication.

An extended discussion of the requirements of the "good plan" includes an excellent treatment of the need for a sense of strategy--the need for scheduling investment and for matching and phasing various segments of the plan.

The industrial corporation plays a strategic part in economic development, according to the author. Where any productive task must be performed, "the firm is ubiquitous and inescapable." To be effective, the industrial firms must be free to make everyday decisions, but must be held strictly accountable for results.

Many development economists and those in foreign aid administration will not agree with all the analyses, ideas, and, in some cases, biases of Professor Galbraith. But they will find this brief book of essays conveys a wealth of experience, wisdom, and common sense, deftly--and often humorously--expressed.

Rex F. Daly

Economic Growth in the West -- Comparative Experience in Europe and North America

By Angus Maddison. Twentieth Century Fund, New York. 1964. 246 pages. \$4.50.

ANGUS MADDISON has drawn upon his experiences with the Organization for European Economic Cooperation and the Organization for Economic Cooperation and Development in presenting this intensive and enlightening study. In it, he contrasts the growth experiences of the Western European countries with those of the United States and the United Kingdom. His analysis seeks to explain why the U.S. and U.K. growth rates, measured in per capita output,

have lagged behind the accelerated rates experienced in the Western European countries during the postwar years.

His framework is the Harrod-Domar model, a ratio of investment to output divided by the marginal capital-output ratio. Although texts on economic development point out the shortcomings of this model, it is useful for the author's purpose in explaining output levels in terms of investment relationships, and in an analysis concerned with both the demand and supply side of comparative accelerated growth.

Maddison's hypothesis is that for most Western European countries, government policy which directly stimulated and managed effective demand for commodities led to increased productive investment. In the United States, expansion was slow in the 1950's because of reliance on built-in stabilization and on demand mainly for services, along with lack of central policy. The United States experienced downturns in 1949, 1954, 1958, and 1960-61, whereas the absence of recessions in Western Europe enabled a fuller utilization of supply potential. As European expansion took place, profit incentives encouraged a break with archaic habits which inhibited investment. Government policy directed expansion by adjusting tax systems to meet modern fiscal policy, and by increasing public investment and consumption to absorb an increasing labor supply. This uncertainty-reducing government policy stimulated entrepreneurial confidence and activity, thus raising the levels of equilibrium.

The text is heavily documented with statistical evidence from 1870 to the present that contrasts the record of growth among the nine Western European countries. In addition, it illuminates problems of the internal and external mechanisms of integration within the European Free Trade Association and the European Economic Community.

A statistical appendix on employment, investment, output, and population offers the reader a handy reference for research in the economic development of "developed" economies.

The author does not sacrifice thoroughness despite only 193 pages of text. His style is pleasant and readable. His intent in describing recent, contrasting economic growth experiences is valuable not only as a record of

historic fact for students of economic development but to anyone involved in "a practical interest in forecasting what the future development of the western industrial economies would be."

Marshall H. Cohen

Agricultural Sciences for the Developing Nations

Edited by A. H. Moseman. American Association for the Advancement of Sciences, Washington, D.C., 232 pages. 1964. \$6.75.

BASED ON a symposium held under the auspices of the AAAS in December 1963, this book contains the views of some of the Nation's leading authorities in international agricultural development. The total, however, is not a blueprint for policies or programs that will assure rapid growth of agriculture in the developing countries. Rather, it is a collection of individual experiences from which the contributors have garnered insights into special aspects of the problems involved in modernizing agricultural systems.

The papers are grouped under four headings: Characteristics of Agricultural Systems in Emerging Nations, Research to Devise and Adapt Innovations, Education and Development of Human Resources, and Establishing Indigenous Institutions to Serve Advancing Agriculture. While the headings do not precisely fit the papers listed under them, they do indicate the book's coverage.

If there is a common core to the 12 papers it is the thesis that agricultural development is a part of overall national development and that agriculture cannot be modernized without recasting its societal foundations. The writers are well aware, in the words of F. F. Hill, "that economic development is in large part a matter of human and institutional development--of developing people, and developing institutions through which they can work effectively." The lead paper by Erven Long, "Institutional Factors Limiting Progress in Less Developed Countries," cogently conveys this.

Among some of the other contributions are "Animal Agriculture in the Emerging Nations" by Ralph Phillips, and "Interactions and Agricultural Research in Emerging Nations" by Charles Kellogg.

The concluding paper, by Theodore Schultz, is a capsule version of his recent book. It is concerned with the need for new institutions to achieve economic growth by transforming traditional agriculture. He concludes that the need is for strong agricultural research institutions which will find new high-yield inputs for the kind of farming characterizing the developing countries, and for systems whereby these inputs can be made available to and used by the farmers.

It seems to this reviewer that the emphasis on institutions is appropriate. But none of the papers deal directly with government institutions and administration as they affect agricultural growth. Yet people in the field report that local governments are often the critical factor in the success or failure of any agricultural institution. The importance of public policies in support of agricultural development in the United States, and the central role played by the USDA in the system of State research, education, and extension, suggests the need for candid examination of public policies and governmental administration affecting agriculture in the developing countries.

The variety of topics covered and the stature of the contributors make this a very valuable addition to any collection of books on international development. Dr. Moseman is to be commended for making it possible.

Martin Kriesberg

Regional Planning and Development: A Reader

Edited by John Friedmann and William Alonso. The M.I.T. Press, Cambridge. 722 pages. 1964. \$9.75.

THIS BOOK is intended for students and practitioners of regional economic development and related fields. It is an attempt to emphasize a national approach to regional

development and to integrate some of the more important contributions to our understanding of space, development, and planning. The volume includes 34 reprinted articles (which in general were selected from American publications of the last decade), an original survey paper by Alonso on location theory, and about 28 pages of editorial comment on the articles and related literature.

The contents are divided into five parts: (1) space and planning; (2) location and spatial organization; (3) theory of regional development; (4) national policy for regional development; and (5) a guide to the literature.

In part 1, papers by Francois Perroux, Lloyd Rodwin, and co-editor Friedmann introduce the more significant concepts and problems of physical and socioeconomic space, development, and planning.

The seven essays in part 2 are concerned with the theory of economic location (the cited Alonso paper and August Lösch's "The Nature of Economic Regions" from the *Southern Economic Journal*) and with the spatial organization of regions (two articles by geographer Brian Berry and essays by Edward Ullman, Richard Morrill, and John H. Thompson and collaborators).

Four approaches to the explanation of the spatial differentiation of economic growth are represented by the selections of part 3. Included are: the role of natural resources, industries, and external trade (Harvey Perloff and Lowdon Wingo, Douglas North, Charles Tiebout, Robert Baldwin, and Richard Pfister); the influence of population migration (Bernard Okun and Richard Richardson); the function of cities in development (Eric Lampard, John Friedmann, Richard Morse, and Shanti Tangri); and the effects of rural periphery and urban center interaction (two essays by William Nicholls, and papers by Dale Hathaway and the United Nations Department of Economic and Social Affairs).

In part 4 the 11 selections consider the spatial versus functional organization of regional planning (John Friedmann, Paul Ylvisaker, Vincent Ostrom and collaborators, and Charles McKinley), the definition of development goals (Charles Leven), the measurement and evaluation of development (John Krutilla, and Edgar Hoover and Benjamin Chinitz), and a review of

national strategies for regional development (Albert Hirschman, Louis Lefebvre, M. A. Rahman, and Hollis B. Chenery).

With such a voluminous task as the editors have set for themselves, there are of course some significant omissions. The volume is admittedly "silent, for instance, on questions of analytical method," and no systematic reference is made to the wide variety of analytical techniques available. The reviewer was pleased to find Walter Isard's "Regional Economic Planning" (Paris, 1961), which has particular relevance to the topic, as well as his "Methods of Regional Analysis" (Cambridge, 1960) at least among the literature cited in part 5.

Although the editorial introductions to the book and to each of its parts endeavor to portray regional development and planning as an integrated whole, the book remains somewhat of a disjointed agglomeration. The selections themselves serve primarily as introductions to the several individual topics. Students of economic geography, regional science, economic development, and regional planning will all find selections from the several fields that are pertinent to their own interest.

H. Albert Green

Essays in Southern Economic Development

Edited by Melvin L. Greenhut and W. Tate Whitman. University of North Carolina Press, Chapel Hill. 498 pages. 1964. \$7.50

FOURTEEN PAPERS, which grew out of research supported by the Inter-University Committee for Economic Research on the South through a Ford Foundation grant, are presented in this volume. The editors believe these papers are representative of this research, as well as of great value to scholars interested in a region's economic development.

The book is divided into three untitled parts, each including papers which used common methods of analysis or were concerned with somewhat related themes. Each part has an introductory summary. The papers are outgrowths of the individual interests of the 17

authors. In keeping with this individuality, the editors encouraged each writer to use whatever style he most preferred. The definition of the South varies, but most commonly includes the following 13 States: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Texas, Virginia, West Virginia.

Apart from general papers, topics treated include the entrepreneurial function, Negro entrepreneurship, "liquidity preference" in Southern banking, population, migration, employment, capital, income and interregional flows, subsidies and various public programs. Some papers stress methodology, particularly factor analysis.

Because of the eclectic approach of this book, the review comments must be quite selective.

During 1950-60, the South's agricultural employment declined 6.29 percent per year, compared to 4.82 percent for the Nation. The South experienced more rapid nonagricultural employment growth than the Nation. Its rates were above the national rates for seven of the eight major nonfarm industry divisions. Yet, the South has remained an essentially rural region with the lowest national rate of urbanization. In 1960, the South still received 10 percent of its total personal income from farming and mining. All the Southern States had per capita incomes below the national average.

From 1930 to 1960, the rate of population increase in the South exceeded the rate of employment increase by 7 percent. In the rest of the Nation, the rate of increase in employment exceeded the rate of increase in population by 11 percent. Danhof and others point to (1) the need for more nonfarm industry to increase per capita incomes in the South, (2) the need to upgrade the skills of the labor force, and (3) the need to develop towns that are good places to live in.

The wealth of reference material should prove invaluable to the serious student of the South. Followup research to guide area development might well focus on smaller geographic areas, again analyzing both rural and urban problems and their interrelationships. Further analysis of contrasting development patterns within the South could be fruitful.

Alan R. Bird

Adjustments and Economic Planning in Canadian Agriculture

By Peter Harsany. Academic Publishing Company, Montreal. 116 pages. 1964. \$3.50.

IN RECENT YEARS, increasing attention has been given to forecasts of future developments in Canadian agriculture. A 1957 study, "Progress and Prospects of Canadian Agriculture," by Drummond and Mackenzie, investigated potential changes in demand, technology, and structure of the industry through 1980. MacFarlane and Black developed supply and demand projections for agriculture in their 1958 study, "The Development of Canadian Agriculture to 1970."

Agricultural problems were also considered in a recent review by the Economic Council of Canada entitled "Economic Goals for Canada to 1970."

Dr. Harsany draws upon the early Canadian studies and other sources to examine the structure of agriculture and its role in the Canadian economy, and to estimate potential changes in domestic and world demand. On the basis of comparisons with the agriculture of other countries, he evaluates problem areas in Canadian agriculture and recommends adjustments to maximize its efficiency and ability to respond to changes in demand.

The study provides an interesting view of problem areas in Canadian agriculture. It emphasizes the low yields and levels of total output which have contributed to low per capita farm income and an excessive movement of productive resources, particularly labor, to other economic sectors. This problem is related to current Government policies which encourage overspecialization of production and reduce incentives to adopt more efficient practices. The dominant role of wheat in use of land and other farm resources is considered a major weakness, due to low productivity and a potential decline in domestic and export demand relative to other crops and livestock products.

This analysis leads to the conclusion that Canadian agriculture operates far below capacity and that fear of overproduction limits effective action to expand output. Strong Government programs, based upon careful plan-

ning, are suggested to stimulate the production needed to meet desired national goals. Those programs should consider potential changes in domestic and world demand, encourage more effective use of present resources, and incorporate additional productive lands into the farming system.

Projections to the year 2000 incorporate adjustments considered feasible under such programs. Addition of new land, the utilization of fallow and unimproved land, and increased use of fertilizer are important to a sharp rise projected for farm output. Major adjustments include a 35 percent reduction in wheat area and a shift of emphasis to livestock, feed grains, oilseeds, and pulses, as well as more intensive production of food crops.

The analysis and implications of the study are subject to debate and the economic feasibility of projected adjustments may be questioned. Despite its controversial nature and its focus upon Canadian problems, the study touches on basic issues applicable to agricultural policy and development in other countries. It will interest many research workers in these fields.

Howard L. Hall

RFD: The Changing Face of Rural America

By Wayne E. Fuller. Indiana University Press, Bloomington. 361 pages. 1964. \$6.95.

THE CAMPAIGN for the inauguration of rural free delivery of mail in the 1890's took place against a background of rural dissatisfaction with the farmers' place in the marketing system and in the life of the Nation. The movement became a political football, sometimes blown out of bounds by the changing winds of local, State, and national politics. It frequently met the opposition of top officials in the Post Office Department, as well as that of rural forces which were not convinced of its feasibility. At the local level, it faced the opposition of fourth-class postmasters and small-town merchants who saw in it a threat to their operations. Moreover, opponents asserted that, in the long run, it would contribute to the decay of small rural towns.

Professor Fuller gives many details of the development of the RFD at the turn of the century and the institution of the parcel post 1912. He has described the two complementary systems as more than a simple extension of the existing mail system. They played an important part in changing the face of rural America. The RFD bridged distances, bringing the farmer and his family into closer contact with friends and relatives and facilitating the transmission of news of the Nation and the world. Consequently, it promoted ideas of democracy and patriotism. The institution of the parcel post made possible the enlargement of the mail order business. It also promoted interest in direct marketing of the farmers' products, which some felt would eliminate the middlemen. The development of both systems became inter-related and dependent upon the development of good roads. Another basic factor in the movement was the shift from horse-drawn vehicles to the automobile and the truck, with their increased speed of delivery.

While Fuller has described in detail the activities of the Post Office Department in the "Farm to Table and Store to Farm" program in the second decade of this century, he has given little attention to the interest and cooperation of the Department of Agriculture, through the activities of the Office of Markets and the then new extension service. Nevertheless, the author has sketched a convincing picture of the influence of postal history on the changing social and economic life of rural areas that should prove a valuable background study for agricultural economists and sociologists.

Vivian Wiser

The Statesman's Year-Book, 1964-65

Edited by S. H. Steinberg. St. Martin's Press, New York. 1,716 pages. 1964. \$10.

ECONOMISTS, as well as statesmen, often need a reference volume which gives recent general statistics and political information for each nation in the world, or even for each State in the United States. This well-known manual, now in its 101st annual edition, is just such a reference.