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Book Reviews

Development Planning: Lessons of Experience

By Albert Waterston. The Johns Hopkins Press, Baltimore, Md. 1965. 687 pages. \$10.75.

PLANNING FOR NATIONAL economic development has become almost universal. The socialized countries from the beginning propagated the official doctrine that a comprehensive plan with detailed centralized direction was essential for rapid growth, although they are having some second thoughts now. The developing countries have universally undertaken some sort of national economic planning. Since World War II, most of the economically advanced countries, with the possible exceptions of the United States and West Germany, have gone in for planning.

Albert Waterston and a group of collaborators at the International Bank for Reconstruction and Development have since 1958 been collecting and analyzing information about economic plans, planning processes, and performance of more than 100 countries. This task has culminated in a readable, interesting, and extremely useful book.

Waterston, who teaches courses for planners at the International Bank's Economic Development Institute, had previously written monographs on planning in Morocco, Pakistan, and Yugoslavia. The present study draws on his wide experience with planning in those and many other countries.

The first part of the book discusses the development planning process as it has evolved in a wide variety of circumstances and institutions in both socialized and mixed economies. There are discussions of "comprehensive" or overall planning, project planning, data needs, the budget's role (including a separate section on program and performance budgeting), and administrative problems.

In a chapter on the implementation of plans, the author frankly states that there have been

many more failures than successes. The greatest shortfalls are usually in agriculture. Where industry is made up of a public sector and a private sector, it is usually the latter which comes closest to achieving growth targets. Failures are amply illustrated with examples, some of them being impressively horrible. The author concludes that: "Failures are traceable to unduly ambitious targets and poor financial controls, the widespread failure of governments to maintain the discipline implicit in their plans, token efforts to co-ordinate economic and financial policies as required by plans, the absence of general criteria and procedures for selecting projects and programs in accordance with plan objectives, and, perhaps the most common reason for failure, inadequate project selection and preparation."

The second part of the book is devoted to a discussion of the organization of planning, including such diverse but vital topics as the relations between the planning agency and the budget office, relations between planning and the statistical agency, negotiating foreign financing, types and organization of central planning agencies, etc. Here, as throughout the book, the approach is essentially analytical.

The book contains several appendixes which include listings of national plans and planning agencies.

Mr. Waterston consigns to the Limbo of Academia the "doctrinal debate about whether a country should plan." He points out that those who equate planning with socialism and who evaluate planning as incompatible with freedom and private enterprise are a "dwindling band." He says that Arthur Lewis' statement in 1949 that "we are all planners now" may have been a little premature but it is nearly indisputable today.

The book makes abundantly clear that planning as it is practiced contains only small elements of science but large elements of judgment and muddling through. It gives many examples of the infinite possibilities of slips 'twixt the equations

and the products. Yet Mr. Waterston is in favor of planning, especially better planning. In his preface he expresses the hope that his concentration on the numerous and challenging unresolved problems of planning has not given his study an "unduly pessimistic orientation."

I enthusiastically recommend this book to all planners, and to economists and econometricians interested in planning, economic development, or comparative economic systems. The book is nontechnical, in that there is no elaboration of mathematical or statistical techniques. It does not answer definitively all the hard questions about planning, but it contains much wisdom.

Joseph W. Willett

Research and Education for Regional and Area Development

By Iowa State University Center for Agricultural and Economic Development, Iowa State University Press, Ames, Iowa, 287 pages, 1966, \$4.95.

ECONOMISTS INTERESTED IN agriculture have recently been asking questions that go beyond firms and households but reach to less than the total national level of activity. These regional questions have led to a series of discussions and publications about area analysis. "Research and Education for Regional and Area Development" is one of several recent outgrowths of such discussions. It is the record of a conference sponsored by the Center for Agricultural and Economic Development, in Ames, Iowa, in October 1964. Other, related sets of papers are appearing. The Agricultural Policy Institute, North Carolina State University, published the papers on Regional Development Analysis presented in Stillwater, Okla., in May 1963. And they published the papers on Problems of Chronically Depressed Rural Areas presented in Asheville, N.C., in April 1965. The Louisiana State University Press has in process the papers that were presented in Baton Rouge, La., in March 1966 on Regional Analysis of Income Distribution.

The volume at hand is reviewed and the papers are neatly summarized, one by one, in the opening 12 pages, by Wilbur Maki and Brian Berry.

The opening discussion seeks to answer basic questions about area delineation. Several subsequent papers pick up the topic, at least briefly. The upshot is a myriad of viewpoints on the subject. One is given the impression that while there may be a discernible "best" delineation, analysts are likely to lean to different subsets of the economy for different purposes and may often simply accept what is politically expedient or what is best described with available data. The perfect delineation for 1966 conditions may prove less important in our changing environment than some generally acceptable delineation of the United States into possibly 500 areas, leading to an early reporting system on which to base local plans for growth and for expanding economic opportunity.

Regional objectives are discussed in several of the papers. Considerable light is cast on the role of income, employment, growth, and equity in guiding local policy. However, some of the authors are superior to others in their ability to convey the distinction between regional goals and those of (1) firms and households, or (2) the Nation. Even so, the book as a whole makes it clear that regional policies are of a different species than those made at other levels.

A number of basic factors affecting growth are discussed in these pages. The needed emphasis on the role of imports and exports is clear, and the nature of community capital in the form of roads, buildings, governments, educational systems, and so on is brought out. In the discussions about the extent to which available resources limit growth potential, water claimed 20 pages of space; constraints on land, labor, and capital supplies were relatively overlooked.

Beyond economics, there are papers discussing social institutions, political processes, legal structures, and a plea to accept political realities along with physical ones. Just as the optimism of economists leads to more complete theories of growth than of decay, so those papers that go beyond economics appear more at home dealing with problems of organization and progress than with disorganization and stagnation.

The need for a system of social accounts is developed among these pages for describing the status quo, building analytic models, and measuring progress. Some theories of regional growth are propounded and the argument as to

whether "basic" variables are more fundamental than "nonbasic" ones is continued.

An interesting, yet incomplete, overview of a variety of models being used in regional analysis is discussed by several of the authors. An inter-regional equilibrium model based on minimal costs of production and transportation is presented. Other techniques explained include shift analysis, base studies, input/output, and simulation.

Overall, the book leads the reader down a few blind alleys and contains some filler, but it also contains important insights into the problems and solutions relating to control of the local economic environment of farmers and their nonfarm neighbors.

Clark Edwards

Education and Economic Development

Edited by C. Arnold Anderson and Mary Jean Bowman. Aldine Publishing Company, Chicago. 429 pages. 1965. \$10.75.

THIS VOLUME is the outgrowth of a conference on the Role of Education in the Early Stages of Development held in Chicago, April 4-6, 1963. The conference was sponsored jointly by the Committee on Economic Growth of the Social Science Research Council and the Comparative Education Center of the University of Chicago.

It is an interdisciplinary exploration of one of the most stubborn problems confronting the developing nations. The list of participants and contributors includes outstanding authorities in the fields of economics, sociology, education, and history. Several are experts on particular developing countries such as Ghana, India, Brazil, Chile, and Japan. The historians have made a unique contribution in providing the planners and the theorists with historical perspective on the educational systems of some of the countries which are making or have successfully made strenuous efforts to achieve "takeoff."

Particular attention is devoted to the role of education in early-stage agriculture in a chapter by Clifton R. Wharton, Jr., but the relevance of this book to those interested in agricultural development is not limited to this chapter. The historical evidence shows that literacy and

schooling were more widespread in preindustrial Western nations than has been commonly appreciated. The editors conclude that "literacy of a large minority of males is a precondition for any significant transformation of an underdeveloped economy into one marked by sustained growth."

Jane M. Porter

The College of Agriculture: Science in the Public Service

By Charles E. Kellogg and David C. Knapp. McGraw-Hill Book Company, New York. 1966. 237 pages. \$6.95.

SOME COLLEGES of agriculture have lost their sense of urgency because they have not looked far enough ahead." So state authors Kellogg and Knapp in beginning their final chapter. But they end their book on a note of challenge and promise. "The colleges of agriculture can (underscoring added) meet the challenge of change. They can strike out boldly. . . be leaders in education, agriculture, the biological sciences, environmental improvement, and resource use and development. . . They can set new standards of excellence as academic institutions devoted to public service."

This book is the newest in the Carnegie Series in American Education. It resulted from a 3-year study of American colleges of agriculture suggested and supported by the Carnegie Corporations. The study began in 1962, the centennial of the Morrill Act, the origin of most colleges of agriculture in the land-grant universities.

The authors present good credentials and varied experience for this study. David C. Knapp, the junior author, is a specialist on agricultural policy and academic administration. He is currently director of the Institute for College and University Administrators, a special training program operated by the American Council on Education.

The senior author is Charles E. Kellogg, Deputy Administrator of USDA's Soil Conservation Service, a soil scientist long interested in promoting excellence in liberal education for agricultural specialists. The imprint of Kellogg's philosophy is clearly evident throughout.

Their concept of a liberally educated man in agriculture is summarized by stating that he needs to possess knowledge of the symbols of our culture--of language, mathematics, logic, science, and the humanities--and skills in their use." Only through this approach to education can progress be made in lessening the cultural dichotomy between the scientific and literary intellectuals described by C. P. Snow. Further, the authors stress that most specialists in agriculture will need graduate study and even that will not suffice. The specialist will work with ideas and materials unknown to him as a student. Self-directed study in later life is a requisite; the undergraduate emphasis on knowledge of symbols of our culture and on principles should provide the needed foundation for this continuing study. Their chapter 3, "Higher Education in Agriculture," spells out the goals of an undergraduate education and the curriculum recommended to reach these goals. This is must reading for curriculum committee members.

To many of us who are not-too-recent graduates of colleges of agriculture, the concept of the liberally educated man may only remind us of a lost 4 years of our youth. Courses in rural sanitation, mechanical drawing, and livestock judging were in my first college quarter. Fortunately, their inadequacies did awaken me to find the flexibility in substituting courses that the senior author notes he found in the early twenties. But this is no answer to the problem. So it is heartening to read that "the leading agricultural colleges are now placing more emphasis on education for long-term intellectual growth and less on how-to-do-it training in techniques needed for the first job."

Kellogg and Knapp review the performance of the colleges in teaching, research, and extension. The book contains many useful facts documenting trends but its prime emphasis is on interpretation and specific recommendations. Each of the principal chapters concludes with a list of concise and relevant "Suggestions."

The authors are sympathetic but not uncritical in their scholarly study of the agricultural colleges. Some students may think they are too sympathetic in their treatment. It is a book of great immediate interest to deans and directors as well as all faculty of these

colleges, but its appeal extends to all who work in agriculture in the broadest sense.

The book is itself an excellent springboard for the self-directed study recommended in it, particularly since it is short, well written, and readable.

Kenneth E. Ogren

Farm to Factory: A History of the Consumers Cooperative Association

By Gilbert C. Fite, University of Missouri Press, Columbia, 1965, 288 pages, \$6.

THE TITLE of this book might well have been "From a Two-Car Garage to Number 249." The author has done a commendable job in relating how the Consumers Cooperative Association of Kansas City, Mo., a regional wholesale cooperative, grew from a small petroleum products brokerage firm in 1929 to number 249 in the 1964 list of the Nation's 500 largest industrial cooperatives. The story of the expansion into blending plants, refineries, pipelines, oil wells, fertilizer plants, feed mills, and a number of other enterprises (which did not all turn out so well) is interesting and dramatic. It is also enlightening as an account of all the economic, social, and political factors that were coordinated to achieve success for a farmer cooperative.

Consumers Cooperative Association (CCA) began as the Union Oil Company in 1929 in a two-car garage. Its expansion began in the middle of the depression of the 1930's. Readers who are interested in how its growth was financed, where the money came from, and in what form, will find the book informative, though lacking in specific details. In 1954-55 CCA went through a financial ordeal that many people may not have known about; the Farm Credit Administration apparently thought it was relying too heavily upon debt capital and was overexpanded in some operations. Researchers should be able to develop many principles of cooperative financing out of that experience.

The book begins with a chapter on the farm problems and the cooperative movement from 1865 to 1920. To some readers this chapter

may be informative but for most professional economists it says nothing significantly new. In fact, some statements seem rather naive: "Farmers, however, did not even try to set production goals. They took the position that so long as people were hungry anywhere in the world no genuine surplus existed."

Later chapters are centered on the activities of Howard A. Cowden, who was president and general manager, and, later, chairman of the board of directors. In some chapters the author brings in sidelights on Cowden, such as his interest in international cooperative endeavors, that may have been more appropriate to a biography of Cowden than to a history of CCA.

Cowden appears to have had hopes of building a cooperative society. When this nearly ruined CCA, drastic action by Farm Credit Administration and others was needed to force CCA to drop various unprofitable business activities.

The book does not provide much insight as to Cowden's business acumen, or even as to the economic situation that provided the opportunity for Union Oil Company to enter and expand to become CCA.

If a reader is interested in the role of the cooperative philosophy in making CCA a success, the book will only add to the difficulties of making broad generalizations. Sometimes the author seems convinced that CCA's educational effort on cooperation has been successful; then he quotes, seemingly with approval, statements that farmers are only interested in the savings. However, some limited generalizations do seem safe: (1) Cowden and others associated with him were highly inspired and motivated by cooperative ideals; (2) patrons' loyalty to the cooperative was a significant factor in survival and growth, especially in several crucial situations; (3) Government policies and programs had much to do with survival and growth of the cooperative; (4) a public image of cooperatives as a necessary economic tool of farmers in achieving reasonable prices on what they buy and sell is

to be preferred to visions of a cooperative commonwealth or a gigantic business success; and (5) cooperatives must be a social and political force to survive and grow.

The author indicates that by now CCA is ready to be considered a farmer supply cooperative, and that the word "consumers" should not be in its name. CCA's recent expansion into farm product marketing and processing, also, seems to signify a new approach.

In conclusion, the book appears to be a frank history of CCA. It is written in a readable manner that makes it interesting and valuable to farmers and to professional economists, although the latter will at many points wish for more details.

As one reader I wish to pay my respects to Howard A. Cowden and the men associated with him for a tremendous accomplishment for American agriculture. Without their intelligence, insight, and dedication, CCA would never have been the great agricultural success it is today.

Lloyd C. Halvorson

The Farmer

By Wheeler McMillen. Potomac Books, Washington, D.C.
120 pages. 1966. \$3.

THE AMERICAN FARMER leads the world in his productive efficiency. In this clear, concise survey, the author, well known as an agricultural writer, analyzes the factors which have made this efficiency possible, and discusses the types of agriculture found in major areas of the Nation. This volume provides for Americans an understanding of the farmers' contributions to our growth, and for foreign readers an informative, realistic appraisal of American agriculture.