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Book Reviews

Techniques of Economic Forecasting

Organisation for Economic Co-operation and Development, 173 pages, Paris, 1965. \$3.75.

THIS IS NOT a "how-to-do-it" or even "how-it-is-done" monograph. It resulted, according to the preface, from a discussion meeting of Government economists arranged by the Organisation for Economic Co-operation and Development for the purpose of comparing methods and procedures of forecasting. Seven countries--Canada, France, Germany, the Netherlands, Sweden, the United Kingdom, and the United States--participated in the meeting. Only short-term methods of forecasting National Income and Product were presented and discussed. Of the seven participating countries, all except Germany agreed that their presentations might be published, some after certain modifications resulting from the discussions at the meeting.

The monograph consists of these six accounts of forecasting methods plus an excellent introductory chapter by C. W. McMahon. In addition to summarizing the six "country chapters," he relates numerous points and ideas that came up during the discussion sessions but that are not included in the "country chapters."

The forecasting detail revealed in the country chapters varies widely. France, for example, takes only 5 pages to describe its forecasting methods, while the Swedish account takes 42 pages or about 20 percent of the total book. The chapter on Swedish methods is extensive because numerous multiple regression equations are presented which are used to estimate the various components of the National Income and Products accounts, i.e., imports, investment, etc. Such detail is not given in the other chapters.

Although the basic data framework for making forecasts is quite similar for all countries, the level of aggregation and sector emphasis is quite different. Differences apparently are due to

practical considerations. For example, countries such as Sweden and the United Kingdom, whose economies depend heavily on foreign trade, seem very meticulous in making forecasts of imports and exports. Another reason may be that certain sectors are much more volatile over time. Consequently, extensive analysis is required for a given level of precision in the estimates.

A unique feature of chapters on the forecasting methods of Sweden and the Netherlands is the comparison of forecasts with outcomes over a number of years. However, in the chapter for the United States, some measures of the forecasting errors are presented in relative terms.

Econometricians should be encouraged by the increasing precision over time of the forecast made by the Central Planning Bureau of the Netherlands (this bureau is responsible for making the official Netherlands forecast). Forecasts for the Netherlands are made primarily on the basis of a formal econometric model. Other countries, except the United Kingdom, use econometric methods to a lesser degree. These methods include simultaneous equations and input-output analysis. Apparently in no country do even partial mechanistic methods receive complete trust. The U.S. chapter, page 150, states: "No forecaster should accept the verdicts of a formal model without careful and continuous examination and cross checking against informal judgment." Even in the Netherlands, the model is not used "mechanically." "The model outcomes are always checked on the basis of any additional information" (page 75).

In reading the accounts of various country forecasting methods, one is struck by such recurring terms as "iterative procedure," "successive approximations," "inaccuracies of data," "informed judgments," "first, second, and third stage forecast." This fact is both encouraging and consoling. It is encouraging because forecasting jargon, concepts, and techniques have been well disseminated throughout

the highly industrial countries, and consoling because forecasters in other countries experience similar forecasting problems.

This book could have been much improved, from this reviewer's viewpoint, if the architects had insisted on similar construction and presentation in each of the chapters. Specifically, each of the chapters could have included a description of each item in the forecast, a precise explanation of how it is forecast (if possible), and a table showing both the forecasts and the outcomes over some period of time. This procedure would have permitted other forecasters to compare techniques and arrive at tentative conclusions on whether survey, eclectic, econometric, or a combination of techniques gives the best results. Of course, such a specific comparison may show that some techniques may not work best for all sectors in a country or for the same sectors in different countries. With this information at hand, prognosticators could proceed to the obvious question "why?" and hopefully move on to improve current methods.

It would have been helpful, too, if the author (authors) had been given for each of the country chapters. The chapters apparently are the result of group efforts. A list of persons who could be contacted concerning methodology and other questions would have been extremely useful.

In spite of its limitations, most economists who are interested or involved in forecasting work should find that the time required for reading this short book is well spent--first, because of its survey nature and, second, because of the consolation that results from the discovery of common problems. This recommendation also applies to those who are making forecasts in areas other than National Income and Products accounts. The problems appear to be the same, only the numbers differ.

Policy makers and advisers, too, may be encouraged by reading this book to further support research and forecasting methods because (1) improved forecasts are needed and (2) current successes lead to hope for the future.

Alvin C. Egbert

Campaigns Against Hunger

By E. C. Stackman, Richard Bradfield, and Paul C. Mangelsdorf. Harvard University Press, Cambridge, Mass. 321 pages. 1967. \$7.50.

MOST BOOKS on agricultural development emphasize the contributions of one discipline or facet of development to the exclusion of others. *Campaigns Against Hunger* is no exception. It is an account of the overseas agricultural programs of the Rockefeller Foundation by three men who have been closely associated with them since their inception in 1943. The authors, despite their highly scientific orientation, avoid the scientific jargon which so frequently limits the appeal of books written by specialists. As a result, they have produced a very readable book which highlights the magnitude and complexity of adaptive research in plant genetics and cultural practices.

The successes of the foundation program, the authors demonstrate, arise from delineating a problem, tackling it with adequate resources, and sticking with it until it has been resolved. The resolution requires not only that immediate technical difficulties be overcome but also that a viable indigenous organization for solving future problems in the same field be established.

The widely heralded successes of the Rockefeller program in research on food grains were gestating in Mexico during the same period, 1942-53, that the U.S. Department of Agriculture was organizing and managing cooperative experiment stations in several other Latin American countries. These stations were largely prohibited from work which would encourage the development of crops that would compete with U.S. export crops--including food grains. They developed high-yielding and disease-resistant strains of cacao, rubber, pyrethrum, bananas, hard fibers, and coffee which have contributed greatly to the export earnings of Latin American and African countries since the Second World War. A comparison and evaluation of the inputs and outputs of research programs by these different types of organizations should be valuable to development planners. This reviewer's impression is that the private

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agency, unhampered by political considerations, was able to focus manpower and resources re consistently.

While Henry A. Wallace is recognized as a strong influence in persuading the Rockefeller Foundation to start its agricultural program in Mexico, the continuing cooperation of the U.S. Department of Agriculture and the land grant colleges in providing consultation and laboratory testing facilities, and releasing topnotch scientists for work with the foundation, gets only offhand mention.

The authors appear to be completely sold on the research-education-extension formula for solving the world's food problems. While they concede that the adoption of new practices lags far behind research findings they ascribe this to inadequate extension. Little note is taken of economic influences. Victory in the war on hunger will not come easily. It will require coordinated campaigns of many disciplines. The more communication between the disciplines and the more appreciation each can develop for the contributions of the other, the fewer mistakes will be made. Campaigns Against Hunger is a valuable contribution to improved understanding as well as a record of progress and a ready reference for the nonspecialist on the state of knowledge in worldwide adaptive research.

Jane M. Porter

*Twenty-Six Centuries of Agrarian Reform:
A Comparative Analysis*

By Elias H. Tuma, University of California Press,
Berkeley and Los Angeles, 309 pages, 1965, \$6.95.

THE HUE AND CRY over land reform that resounds in the news media and is continually emphasized in speeches in the United Nations creates the impression that the problem is a modern one associated with developing countries. Actually, land reform has been an economic and political issue since the dawn of western civilization.

The study of agrarian reform is an important topic for scholarly pursuit. It has always been

much in the center of the dynamics of social order, but its objectives and impact were, for the most part, never clearly understood. This book helps towards eliminating some of the misunderstandings. Elias H. Tuma, Assistant Professor of Economics at the University of California, Davis, attempts to define the problems of agrarian reform and relate them to historical case studies in ancient Greece, Rome, England, France, Russia, Mexico, Japan, and Egypt. Unfortunately, due to lack of adequate data, the author was unable to comment on the current important agrarian reform programs in China, Iran, and Cuba. The book concludes with an evaluation of the aims of agrarian reform movements.

A difficulty in understanding agrarian reform lies in the general confusion as to the meaning and objective of the movement. The author recommends that the term, agrarian reform, replace the traditional one, land reform, since the former term goes beyond land redistribution and deals also with the pattern of cultivation, the terms of tenure, and the manner of operation.

Agrarian reform has had many objectives, and has utilized many means to achieve them. Reforms were enacted for one or more of the following reasons which are closely interrelated: (1) to reduce concentration of land, wealth, and income, (2) to loosen the rigidity of social institutions that tend to inhibit economic and social development, and (3) to promote political stability and thereby thwart revolution. Historically, agrarian reform movements have failed to be overwhelmingly successful, primarily because of the varied means by which they have been carried out. Traditionally, western countries emphasized one method, while eastern countries emphasized another. The author calls the two methods Class I and Class II reforms.

Class I reformers believe that increases and decreases in State power go hand in hand with decreases and increases in individual freedom. To preserve individual freedom and insure political stability, class conflict should be contained by a system of checks and balances which would regulate but not eliminate conflict. This reviewer finds it difficult to follow

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the author's reasoning that conflict rather than harmony is the source of political stability. To be sure, conflict is not to be feared in a society when the conflicting parties negate the pressures of each other by countervailing power; however, unrestrained conflict could never produce a stable society.

It is important to be aware that in keeping with the objective of individual freedom, agrarian reforms necessarily limit redistribution of land and lead to small-scale farming. This tends to reduce efficiency. In most cases in which reform had positive economic effects, the change was brought about by moving in the direction of large-scale operation.

Class II reformers believe that land is a means of production which is used for class exploitation if privately owned. Therefore, private ownership of land and other means of production should be abolished to prevent exploitation. Furthermore, these reformers assert that compensation should not be paid for expropriated property. The payment of compensation not only tends to maintain the structure of wealth and income which the reform seeks to destroy, but also validates the principle of private property. However, as studies of reform in ancient Greece, England, and Czarist Russia would show, landlords, once compensated, were less reluctant to confer freedom on tenants or subjected peasants.

The fundamental objectives of agrarian reform are usually economic, but political considerations prevent them from achieving their desired state. Reform from the days of Solon of ancient Greece to the current Egyptian movement showed that the peasants ended up with little more in return for their support of the political regime than they had when the movement started. The reason evidently lies in the fact that throughout the reform process compromises enter into the program. Modified reform policies generally entail the use of double standards which are discriminatory in character and create an atmosphere for chaos and instability.

One can conclude that the aspirations of agrarian reform are more quixotic than are generally believed. Reform may be useful in

obtaining short-term political and economic goals; however, unless a middle class is created and efficiency in farming attained, there can be no guarantee that social stability will prevail or that long-term development goals will be realized. The former objective may be possible only if the reform can substantially equalize wealth, but this would necessitate winning the cooperation of the landed interest. But with compromise the objectives are distorted and the program cannot become a complete success.

The book serves a most useful purpose by stimulating persons interested in the land grievances of rural populations to become aware of the limitations of agrarian reform movements.

Jack Ben-Rubin

The Agricultural Revolution, 1750-1880

By J. D. Chambers and G. E. Mingay. Schocken Books, New York. 222 pages. 1966. \$9.50.

THIS IS AN UP-TO-DATE summary of the history of agriculture in England by two outstanding scholars in the field. Although it is designed, according to the authors, for students and teachers in universities and colleges of education, anyone interested in the subject will read it with pleasure and find it a good reference source. The title is somewhat misleading as to the period covered. The introduction and first chapter summarize the course and state of agriculture from medieval times to 1750. The remaining chapters are topical and cover improvement in the 18th century; the new farming that resulted; enclosure; cycles of prosperity and depression; the corn laws and their relation to the landed interest; high farming, with its technological changes; and, in conclusion, the relation of the agricultural economy to the whole economy. The book is well documented and indexed with suggestions for further reading at the end of each chapter.

Helen H. Edwards

*Getting Agriculture Moving, Essentials for
Development and Modernization*

By Arthur T. Mosher. Published for the Agricultural
Development Council by Frederick A. Praeger, New York.
191 pages. 1966. \$6.50.

THE AUTHOR SAYS that "the purpose of this book is to state as clearly as possible the elements that go into making agriculture more productive, and to show how these elements affect each other and depend on each other.... Getting Agriculture Moving presents an over-all review of the bare minimum that every technician, field worker, administrator, planner, and legislator needs to know about the total process of agricultural development." This is a book for the layman and for the technical specialist who needs a broader frame of

reference than that provided by his specialized training. To supplement this basic book the Agricultural Development Council has prepared a Manual for trainees and teachers and two volumes of selected readings. However, the book stands alone very well. It is simple enough to be understood by people with no more than a secondary school education. It is attractive in format and has well-selected illustrations. The facts and ideas are common knowledge to those experienced in economic development. This book is a valuable addition to the rather limited literature available for use in orientation programs for technical assistance personnel. It deserves a wider audience among responsible citizens than the title would indicate.

Wayne D. Rasmussen