RESEARCH REVIEW

FARM AND FOOD POLICY

Don Paarlberg,
University of Nebraska Press,
Lincoln, 1980, 338 pp , $16 50

*Reviewed by Luther Tweeten**

In describing that animal called the political economy of agriculture, all men are blind But some men are far more accurate than are others in describing the beast In recent years, "radical chic" has produced many descriptions by blind men who love the beast (at least, the smaller species of it) but who neither grew up with it nor understood its anatomy Another set of blind men describes parts of the beast in great detail

Farm and Food Policy is a comprehensive work by an economic generalist with rare background and skills to perceive, describe, and integrate the parts into a meaningful whole Professor Paarlberg's work is well timed, well written, and well reasoned He is willing to criticize giant cooperatives, labor unions, and other sacred cows operating in restraint of trade The ideology most evident in this book is pragmatism—he isolates real issues and deals with them with common sense, humanitarianism, and sound advice Paarl berg has presented the most com plete and realistic portrait of the political economy of agriculture likely to appear for some time

The book gets off to a slow start with a familiar theme for those of us who have followed Dr Paarlberg's speeches and writings for years His thesis is that farmers, once the most numerous occupational group, have lost not only their political power but also their uniqueness, as farming has become more a business and less a way of life For a hundred years, farmers had the policy initiative, calling the signals, moving the ball, and putting points on the scoreboard But farmers lost the ball sometime during the past 15 years and they must learn to play defense One by one, agriculture is losing its extraordinary advantages preferred access to land and water, immunity from social legislation, preference as to military service, and lax enforcement of civil rights laws

He contends that, because farmers have lost control of the agricultural policy agenda, they will find a strat egy of cooperation rather than confrontation more successful in confronting their detractors Confrontation has created issues and escalated minor issues into major ones that have resulted in erosion of farmers' limited political power If farmers can identify the likely issues for the eighties, farmers and others can weigh the alternatives more carefully and gather information to make wise decisions Deescalation, common ground, and tradeoffs form sound public policy Deescalation might mean searching out facts about safety and environment and supporting leaders who respect the facts rather than resorting to name calling Finding common ground might imply recognizing the advantages of national economic progress in which prospering nonfarm people provide better markets for farm products while prospering farmers provide a bountiful supply of wholesome food Tradeoffs might involve "sacrificing" the "big-farm bonanza" of current commodity programs in return for nonfarm support of credit policies to assist family farmers Quarrels within the agricultural establishment ought to be averted Intramural disagreements between land grant colleges and the U S Department of Agriculture (USDA), for example, are a luxury, once tolerable because agriculture's overall position was strong, but they are no longer affordable, according to Paarlberg

He outlines three agendas (1) before 1933, agricultural development, particularly research and education, (2) since 1933, commodity programs, and (3) since the midsixties, issues raised by nonfarmers

His book contains a brief analysis of the old policy agenda, but is primarily an analysis of the policy agenda for the eighties price controls, the consumer movement, food regulation, domestic food programs, the environment, occupational safety and health, land and water use, energy, the family farm, minorities, USDA, and international issues

According to Paarlberg, the agricultural policy course at the typical land-grant college had the big commodity programs as almost its exclusive content, but during the eighties, the topics on the eighties agenda will be taught The major contribution of this book is the scholarly, but by no means pedantic, treatment of items on the new agenda

The following vignettes catch some of the flavor

> Favored treatment for agriculture is not a prize won by political power, it is a gift conferred by an indulgent state (p 12)

> [F]arm organizations are alike in one respect they all reflect, on balance, the views of those who operate large rather than small farms No one has yet been able effectively to organize or reflect the felt needs of the small, low-income farmers (p 45)

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The old advocates of big government programs have come to realize that these programs do not always work and that they are sometimes booby-trapped The old opponents of these programs generally acknowledge that a greater degree of stability is desirable than is likely to be provided by a completely free market (p 52)

Abrasive tactics like those used by the American agriculture movement are more likely to hurt than to help (p 54)

[T]he agricultural establishment, which sometimes seems caught up in a death wish, is apathetic regarding rural development Either consciously or unknowingly, the agricultural establishment runs the risk of reducing by half its already diminished numbers (p 224)

The Department of Agriculture is on its way toward becoming, in fact if not in name, a Ministry of Food (p 242)

"The consumer movement is visibly and favorably related to organized labor" (p 74) "and many consumer causes were shallow and poorly founded" (p 77)

As to the plight of farm wage workers, Paarlberg asks "What might be done? Providing collective bargaining rights seems a reasonable thing despite its dangers" (p 228)

For environment and other externalities, the shift has been from education to regulation "We moved from individual to group decisionmaking, from voluntarism to mandatory change" (p 82)

The book is not without deficiencies Some issues on the "new" agenda are already of fading interest, while solutions to some old agenda items are still needed

Many academics are appalled at the adversary relationship characterizing politics, where extreme positions are taken by warring factions with the intent of compromising to a preferred position Although not condoning public demonstrations, harassment of public officials, and other tactics of adversary politics, I admit that agricultural interests have used them with success in the past and probably will again in the future There are times to cooperate with your opponent who has the ball, as called for by Dr Paarlberg But continuing his metaphor, I say there are also times to grasp the initiative from misguided opponents who wish to load the agricultural agenda with items neither in the interests of farmers nor of the Nation

Other specific shortcomings and questionable conclusions include

1 The discussion of the agricultural creed in chapter 2 contains no mention of Brewster's Agrarian Creed or the Physiocrats
2 The historic farm policy agenda in chapter 3 mentions research and extension, but does not note the early land policies which gave rise to the family farm structure of today
3 Paarlberg states that "[People] see the windfall gains that accrued to landowners during the past forty-five years They bid up the price of land to levels not justified by its present or prospective earnings" (p 689) I contend current land prices can be justified by prospective earnings
4 Paarlberg recognizes inflation as an intruder, "not the friend farmers once thought he was," but leaves this basic issue without substantive treatment
5 He would do well to recognize that because a consumer's income is limited and there are many claims on it, a very real conflict exists among consumers, taxpayers, and farmers, especially in the short run
6 In discussing the food and nutrition problem, he largely ignores the most severe mal nutrition in this country—obesity which results from improper eating (p 115)
7 "The FAO [Food and Agriculture Organization] says there are 450 million people in the world who lack sufficient food We simply lack the resources that would be necessary to supplement the food supplies of that many people" (p 282) I have shown that the United States does indeed have the physical capacity to produce sufficient food for the world, but we both agree that it would be most unwise to do so even if we had the will
8 Paarlberg classifies as a myth the assertion that food aid misses the target groups but later says, "I know of no careful studies of the degree to which food aid is diverted from the intended recipients" (p 284) Before branding the assertion as myth, we need studies to find out the economic class of those who receive food aid

THE DEVELOPMENT OF AMERICAN AGRICULTURE:

A HISTORICAL ANALYSIS

Willard W Cochrane,
University of Minnesota Press,
Minneapolis, 464 pp , $25 00 (cloth),
$10 95 (paper)

*Reviewed by R J Hildreth**

The reviewer of a book seldom finds a review framework suggested by the author Cochrane's last chapter contains a rationale for his historical analysis He suggests four general uses of historical analysis The first is the sheer pleasure of knowing and understanding the past The second is the perspective on current events derived from an understanding of historical processes Third, analyzing historical description and data series helps us construct rigorous economic models and test theories of economic development Fourth, decision makers in government and business can turn to the past for guidance in their current decisions I use Cochrane's own rationale for historical analysis as a framework for reviewing his book

His three major sections include a chronological history of agricultural development, an analysis of the forces of development and structural change, and a conceptual model of agricultural development from 1950 to 1977 Cochrane's chronological history also emphasizes change and development, which gives his account a unity that historical writing sometimes lacks The section on forces of development and structural change incorporates an analysis of the historical process Cochrane develops a quantitive conceptual model of agricultural development in the 1950 77 period and uses this model to explore the future

Although not on the scale of the popular historical works of Bruce Catton or Barbara Tuchman, Cochrane's analysis will delight the reader interested in the historical development of U S agriculture Having lived and worked in Iowa, Texas, and Illinois, I was especially pleased by his historical insights into the agricultural development of these States

Cochrane's perspective on many current issues is valuable—for example, the structure of agricultural technology, the role of agricultural policy, and the role of international trade The leaders of the American Agricultural Movement, who attempted to withhold production to raise prices, might find Cochrane's historical analysis illuminating

Cochrane's conceptual model of the development of U S agriculture depends largely on inelastic supply and demand curves The inelasticity leads to a cannibalism within agriculture, that is, the larger, more progressive farmers swallow up the smaller and less progressive ones This process leads to a treadmill whereby any increase in product price is bid into the price of the resources, especially land, and profit can seldom be maintained in the long run

Cochrane properly points out that the foreign component of aggregate demand is highly unstable due to variable and unpredictable growing conditions and changes in foreign trade policies (for example, the January 1980 embargo on wheat and feedgrain sales to the USSR) Although helpful in identifying prospective developments, the model neither predicts when developments will occur nor provides specific measures and estimates

He presents some innovative views on long-term public policy in agriculture Government decisionmakers may find his book useful, particularly in the areas of price and income policy Firm decisionmakers may also find the book useful For example, many planning decisions to develop new farm equipment require an 8-10 year leadtime University personnel may find this book useful in their long range planning of research, teaching, and extension

Cochrane's book would be an excellent textbook for a course in the history of U S agricultural development By studying the development of U S agriculture, foreign students might learn something about development opportunities in their countries The book would also be useful to students of agricultural policy, resource economics, and marketing

* The reviewer is the managing director of the Farm Foundation

EDWIN G. NOURSE—ECONOMIST FOR THE PEOPLE

Joseph G Knapp,
The Interstate Printers and
Publishers, Inc, Danville, Ill , 544 pp ,
$11 95

*Reviewed by Vivian Wiser**

Edwin G Nourse, as an economist interested in institutions, had a philosophical bent and a background in history, sociology, and political science Nourse made significant contributions to agricultural economics—especially cooperative marketing, industrial organization, public policy formulation, and economic and social science thought He examined the dichotomy between the natural science economist and the social science economist, a division rarely explored

Knapp's biography is also the story of the relationship of its author, who was himself a distinguished teacher, Brookings scholar, and public administrator of farmer cooperative activities, and Nourse, an economist deeply interested in cooperatives Soon after Nourse became director of the Institute of Economics (subsequently part of the Brookings Institution), he asked Knapp to join his staff and coauthor *Cooperative Marketing of Livestock* Although Knapp left Brookings in 1939, the two men continued their association until Nourse's death in 1974

Knapp approaches his subject from the framework of Nourse's publications, which he supplements by interviews conducted for Cornell University, correspondence with Nourse's associates, and material from Nourse's files Nourse's life was characterized by an ever-widening scope of interest—from a student of engineering to one of history, economics, and other social sciences, from a teacher in a Utah high school to a professor at Stanford University and North Carolina State University, from the director of the Institute of Economics of the Brookings Institution to the chairman of the President's Council of Economic Advisors, and finally as a senior statesman involved in the work of the Joint Council on Economic Education Nourse was active in the American Farm Management Association (now AAEA)—as editor of its journal—and in the American Economics Association, he served as president of both organizations He was also chairman of the Social Science Research Council

When Nourse published his book on agricultural economics in 1915, it was a relatively new area of study, marketing was an important element He became interested in cooperative marketing and its place in U S economic life He was active in the cooperative movement in the twenties and was one of the founders of the American Institute of Cooperation He wrote and spoke on the subject of cooperatives for many years According to Knapp, Nourse was among the first to understand that the farming industry could develop effectively only through integrated cooperative associations that brought farmers together in strong business associations

The years at Brookings exemplified the impact that the economist's mind and personality would have His publications, such as *Marketing Agreements under the AAA*, *Three Years of the Agricultural Adjustment Administration*, *America's Capacity to Produce, and Price Making and Democracy*, were widely read

President Truman recognized Nourse's leadership in 1946 when he appointed him as first chairman of the Council of Economic Advisors The new chairman realized the importance of his role as economic advisor to the President and the impact that the annual economic report would have on policy decisions He opposed activities of Council members that had political connotations, including recommendations for Presidential action or testifying before congressional committees Other members of the Council were frequently at odds with Nourse on this issue, and although this conflict led to his resignation in 1948, his concern as to his impact on the Council and its future continued His *Economics in the Public Service* was published in 1953 Shortly before his death in 1974, some social scientists who were concerned that the Council of Economic Advisors was becoming too politicized pointed out Nourse's warnings that it should be advisory in nature

After he left the Council of Economic Advisors, Nourse devoted his time to the Joint Council of Economic Education During the fifties, he was troubled by what he termed the development of "political agrarianism, political laborism, and political businessism," whose proponents tended to look to the State to achieve their aims He feared the prospects of inflation and militarism that, as a result of the Korean conflict, would threaten our national life Although he was not actively involved in the Joint Council after 1964, he never lost interest in its work

In his later years, despite failing vision, Nourse began work on a book on contemporary social science that he hoped would help troubled young people of the sixties He believed that democracy, which

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is the essence of our political system, was being altered by the challenges of the so-called "new confrontation " Knapp reviewed the manuscript, but Nourse did not complete it Nourse's contributions to the Legal Defense Fund of the National Association for the Advancement of Colored People, the Centennial Campaign of Hampton Institute, Lewis Institute, Antioch Law School, The University of Chicago, and Meharry Medical College represent yet another measure of the man's civic breadth

Knapp's biography reflects his own strong personal association with his subject as well as professional respect In 1969, Knapp dedicated his book, *The Rise of American Cooperative Enterprise, 1620-1920,* to Nourse as the "Dean of Scholars in American Cooperative Enterprise," and Nourse was pleased with the dedication The present biography contributes to economic literature by its portrayal of the career of an outstanding economist during a 50-year period of change unmatched in U S economic life

*U.S GOVERNMENT PRINTING OFFICE 1980 0-310-945/ESCS-215