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## BOOK REVIEWS

*European Farming in Australia—an Economic History of Australian Farming.* By BRUCE R. DAVIDSON. (Elsevier Scientific Publishing Co., Amsterdam, 1981.) Pp. 437, ISBN 0 444 41993 4.

Those aware of previous work by Davidson will have a fair idea of what to expect here—an excellent analysis of the techniques, costs and profits of farming in Australia since the first white settlement in 1788. It is directed to proving that much past effort has been misplaced, and indicating what may be more profitable systems of farming in the future, though recognising that a great deal has been achieved in the past. 'The economic history of Australian farming,' he writes, 'is really a record of the difficulties encountered in attempting to establish a European type of agriculture in a continent which climatically and economically differed from Europe and whose principal markets were 12,000 miles away.' Not surprisingly there were failures; what is disappointing is to read how slowly the lessons of the past were learned.

The book begins with an excellent survey of the nature of climate, rainfall, water supply, growing season, soils and so forth, in which it may be noticed that 78 per cent of the total area of Australia has a growing season of less than 5 months, that one-third of the land with a longer growing season lies in the tropics, and of almost all of this area 'in spite of many years of research, no profitable form of intensive land use . . . has been discovered' (p. 12). This survey provides an essential basis for the analysis in the rest of the book.

The professional historian will wish to make some reservations about parts of the account of the early settlement of the colony. Too often Davidson assumes as proved theories that have been much criticised (e.g. McIntyre on the Portuguese), or makes a sweeping generalisation that is not well founded (e.g. about the open-field system of farming in England, or in the repetition of Lang's claims—disproved by Roger Hainsworth—that around 1800 'monopoly profits' of from 100 to 500 per cent were common), or makes statements that are inaccurate (that Bourke sold land on easy terms or Arthur ignored his instructions to cease granting land). He misinterprets Gipps' attitude to sales at £1 per acre, and over-emphasises MacArthur's contribution to the wool industry. Many of these errors only underline the difficulty of persuading non-professionals to learn and heed the results of new research which criticises some of the hardy myths that die so hard.

Davidson is excellent in his analysis of the costs of farming and grazing, the conditions necessary for the pastoralists' success, the availability of capital and labour, and his estimates of profit. Here the agricultural economist comes into his own, and the historian may overlook his venial faults in gratitude for such a comprehensive discussion of costs and the effects of the depression of the 1840s. The effects of the gold discoveries are fully explained together with a careful estimate of the costs of fencing (and later of clearing) which again puts details on the rather vague generalisations which have so often been made on this subject in the past.

In the post-gold era we confront a new problem: the desire of the now self-governing colonies to put the ex-diggers on the land. For various reasons, social, political and financial, governments wanted to put the selectors on small holdings. Unfortunately these people faced the same problems as the ex-convict settlers near Sydney 40 years before. The farms were not viable, and the attempt, particularly in Victoria, to help them by irrigation made little difference. The cost of irrigation fell on the government, because the farmers could not pay, for, as was to happen more than once again, the judgment of those with experience was no match for the politically inspired optimists who thought it 'a terrible mistake to attempt to reduce land settlement to a commercial basis'. Irrigation, concludes Davidson (p. 172), proved most expensive and 'failed to solve the problem of how to farm small areas of land profitably under Australian conditions'.

What then could be done? Develop scientific research, new machinery, new methods of cultivation and better transport, so that large areas of wheat could be sown with limited labour in areas with a growing season of from 5 to 7 months; or develop dairying and the meat industry, following the discovery of refrigeration? Difficulties remained with labour in dairying, but wheat joined wool as a product using little expensive labour and a lot of land which was cheap, and this enabled wheat to be produced at a lower cost per unit of capital than overseas. However, as Davidson writes (p. 299), this system of farming had two basic weaknesses. First, 'There was always a danger that governments would insist on subdividing the land into small holdings and create a situation in which the profitable large-scale farming techniques could not be applied', and second 'Australian farming has always been dependent on export markets'. Again, careful analysis of costs brings home how these things affected the farmer, beneficially or the reverse, throughout the twentieth century. The discussion of post-war settlement is excellent and the futility of the Ord River scheme is underlined.

Throughout, the great contribution Davidson has made is his careful analysis of the costs of, and income from, different types of farming at different periods of Australian history, and for this one must forgive him for the rather excessive number of misprints. The tables setting out these figures tell us all that we need to know, and if the number of them has contributed to the high price of the book, in this case it is a price worth paying. This book should be read by rural politicians (though it probably will not be); but it should also be read by historians, both economic and otherwise, for it sheds great light on the work, and considerably enhances our understanding of, Australian agricultural development.

A. G. L. SHAW

*Monash University,  
Clayton, Victoria 3168*

*The Italian Farming Soldiers: Prisoners of War in Australia 1941-1947.*  
By ALAN FITZGERALD. (Melbourne University Press, 1981.) Pp. 186, ISBN  
0 522 84211 9.

Most Australians know little or nothing, and some who once knew have forgotten, about the Italian prisoners of war who were put to work on Australia's farms during and after the second World War. Alan Fitz-

gerald has pieced together an account of their imprisonment and work effort in Australia. His book should interest many Australians, including those of Italian origin, those who were associated with the prisoners, and students of our changing multi-cultural society, as well as many who are fascinated by the lesser-known episodes in our history.

He reveals that almost 18 500 Italian prisoners of war were held in Australia between 1941 and 1947. Most were captured by Australian troops in North Africa, and at the request of the British authorities were imprisoned in Australia. At first they were placed in camps behind wire in rural areas. A few attempted to escape from these camps and some did manage it for a time, but it was of little avail, as it was hard to find a refuge in Australia and return to Italy was virtually impossible.

In 1943 the Australian Government, which was concerned about the shortage of rural manpower, decided to allow the P.O.W.s to work unguarded on farms throughout the country. Although there were isolated instances of bigotry and racialism, and opposition to their use as 'cheap labour' by the Australian Worker's Union and some sections of the Australian Labor Party, the move was welcomed by farmers and eventually found general acceptance. Before its acceptance and implementation, the proposal was considered at length by the bureaucracy and regulations were drawn up. Fitzgerald's account of those considerations reveals some of the doubts and uncertainties, as well as attitudes, which were common at the time. For example, the Department of the Army issued advice to employers on how to treat their P.O.W. employees (p. 33):

The Italian prisoner of war is a curious mixture, in that he can be made to give of excellent work if certain points are observed.

1. He cannot be driven but he can be led.
2. Mentality is child-like; it is possible to gain his confidence by fairness and firmness.
3. Great care must be exercised from a disciplinary point of view, for he can become sly and objectionable if badly handled.

Fitzgerald has enlivened his account with the recollections of many farmers who employed P.O.W.s and with reports and recollections of P.O.W.s themselves. Although a minority of them were defiant and unwilling to co-operate, and a few took the opportunity to escape, the majority found farm life infinitely preferable to camp life behind wire. Generally, the prisoners were well-treated and the farmers mostly found that they worked hard and were congenial companions. Despite cultural and language differences many P.O.W.s became firm friends with members of their farm families, and some returned to Australia as settlers after their repatriation. A few married Australians.

Fitzgerald's assessment is that the use of the P.O.W.s on the farms was 'not a bad thing', and that although they were far from home and their families for five or six years, their experience was preferable to that of Australian P.O.W.s in Asia and Europe. Fitzgerald also gives accounts of some escape attempts, disputes between Royalist and Fascist P.O.W.s in the camps, sexual episodes between some P.O.W.s and Australian women, arguments about the use of cheap P.O.W. labour, the delay in the return home of most P.O.W.s till well after the peace with Italy, and some examples of bad behaviour by Australians.

The material for this book appears to have been well researched. The

author has drawn extensively from official sources such as the Australian Archives, Australian War Memorial, and the Defence Department, as well as from correspondence with members of families who employed P.O.W.s and with former P.O.W.s themselves. The book is easy to read and has touches of humour and occasional satire; it is largely descriptive, and although well-documented, it is not deeply analytical. I think agricultural economists would find the book had no great relevance to their profession, but would enjoy it as an interesting piece of Australian history.

ALAN J. MCINTYRE

*Killara, N.S.W. 2071*

*Agricultural and Rural Development in Indonesia.* By GARY E. HANSEN, (ed.) (Westview Special Studies in Social, Political and Development, Westview Press, Boulder, Colorado, 1981.) Pp. 312, ISBN 0 86531 124 2.

This is a very good book but it has many blemishes. The blemishes will be mentioned first, so that the best can be left until last. The word 'rural' in the title is misleading because almost the whole book is written from an economist's perspective; it contains many articles that have been published up to five and more years previously; it lacks a glossary; readers are given no guide to the value of the rupiah at different periods; and there are many typographical errors. The two most serious blemishes are the relative shortage of contributions by Indonesian researchers even though there has been a great deal of good indigenous research, and the fact that the book lacks a conclusion, even though it does have an excellent introductory chapter.

The American economist D. S. Paauw wrote a good book on Indonesia called *The Financing of Economic Development in Indonesia* (Free Press, Glencoe, 1963). Part of the MIT Modjokuto project, that book took ten years to complete. Paauw put a great deal of research effort into the study but he received little kudos within the profession because there were few who understood the difficulties involved in the research or who were interested in the special problems of Indonesia. Paauw left Indonesian studies soon after that book was published. At about that time in a conversation with me he said: 'If I had been writing about such countries as the U.S.A., the U.S.S.R. or Italy, I could have written in a third the time a book that my peers would probably have seen as being twice as good as this one'. Hansen's book shows that it is still not easy to produce books about Indonesia which mainstream economists regard as being proper, finished works.

The concept of the dual economy arose from Boeke's studies of Indonesia. Many of the problems he talked about then (1910-1940) still pose challenges for economists and policy-makers. Despite its blemishes, I can think of no other book in the independence period that makes a better contribution to an understanding of these issues than Hansen's. (I will have something to say about Geertz's work at the end.) The many virtues include the following: the editor realises fully that agricultural processes are physical ones, and most of his contributors recognise this too; the essays provide a lot of data; Hansen has shown a preference for

micro-studies, an essential prerequisite if we wish to come to grips with the problems posed by Boeke and Geertz, and which are always in the minds of Indonesian policy-makers and citizens. Many of the essays help us to understand the situation in Java where the problems of over-population and poverty are the most serious; in this regard the historical contributions of Timmer (rice policy) and Booth (rural taxation) are particularly welcome.

The book contains valuable information on the contribution of house compounds to family income (Stoler), erosion, poverty and malnutrition (Stoler, Edmundsen and others), co-operatives, the incidence of taxes (Booth), the effectiveness of government programmes, and the surprisingly small advantage that the imported high-yielding varieties of rice appear to have had over local (improved and farmer-selected) varieties. While it was good to see articles on fisheries it is a pity that there is little on the agricultural situation outside Java. For example, it would have been interesting to have an article that compared plantations and peasant farms in the same locality.

For economists and policy-makers, the information in the book provides a useful basis for a consideration of a number of important policy issues. The issues, even dilemmas, that are illuminated to varying degrees are: (a) the continued tendency of the government to give preference to consumers over producers; (b) the conflicts that can arise in transmigration projects (Hansen); and (c) the conflict that arises between purely economic or 'growth' objectives and those that take a broader view of economic welfare. Collier's essay on the economics of hand tractors, as against buffalo or human power, and of sickles as against the cutting knife is particularly useful. Stoler's work is interpretive inasmuch as it confirms the findings of other studies on the greater profitability of the house-compounds as against the rice-fields— which have been the subject of a great deal of policy attention since independence; Booth's essay contains that depressing finding that it is easier to raise taxes in rural Java, with its many poor, than it is in the more prosperous outer islands.

There is not, as yet, any book which can replace Geertz's *Agricultural Involution* (University of California Press, Berkeley and Los Angeles, 1963), an inspired but incomplete work. Hansen's book is less ambitious than Geertz's, but it is well edited (the editor does not take a dogmatic stance, and recognises where more research would be useful); it also provides a great deal of sound data on the situation in rural Indonesia, the home of the theory of dualism.

D. H. PENNY

*Curtin, A.C.T. 2605*

*Part-time Family Farming.* By RYOHEI KADA. (Center for Academic Publications Japan, Tokyo.) Pp. 264.

This book subtitled 'Off-Farm Employment and Farm Adjustments in the United States and Japan', is derived from Kada's Ph.D. thesis at the University of Wisconsin. As the subtitle suggests, its primary focus is on off-farm employment as a component of agricultural adjustment in modern economies, although about one-quarter of the American farm

families studied had moved *into* farming and mainly for lifestyle, rather than economic, reasons.

Agricultural economics is oriented towards individual farmers and agricultural industries so that part-time farming and multiple jobholding by farm households has generally been consigned to limbo. Multiple jobholding is almost always a household decision rather than an individual decision. The household is a changing group, with non-monetary as well as monetary objectives, and typically a long time horizon. The resources which such households commit to agricultural and non-agricultural production are generally not large enough to have a major impact on production in particular industries. Thus, agricultural economists, while recognising that part-time farming/multiple jobholding is a significant feature of labour and land allocation at the agricultural/non-agricultural margin, have, at least prior to some recent studies utilising the 'New Household Economics', spent little time trying to understand the behaviour of households engaged in part-time farming.

Kada, in Chapters 2 and 3, reminds us that, whatever the output contribution of part-time farms in the U.S.A., Japan and Europe, their numbers relative to the total numbers of census farms have been growing steadily, as farm households derive an increasing share of their incomes from non-farm sources. Thus, an increasing proportion of farm votes is located in households with interests in part-time farming. Given the significance of the 'farm' vote in agricultural policy-making in these countries, empirical studies such as Kada's are likely to have more relevance for Australian agriculture than one might first suppose.

Most of the book is devoted to describing and discussing the results of two surveys of families engaged in part-time farming. These surveys were undertaken by the author in 1975 and 1976, one in Wisconsin and the other in Shiga Prefecture, just north of the Japanese city of Kyoto. Kada takes the farm family, rather than the farm operator, as the relevant decision-making unit; he identifies part-time farms on the basis of off-farm work by any family member, rather than by the operator alone, highlighting the interdependencies within households.

After setting out his research objectives and survey procedures in the introductory chapter, Kada reviews the literature on part-time farming in Chapter 2 and the role of off-farm employment in post-war structural change in US and Japanese agriculture in Chapter 3. His survey findings are presented and discussed in Chapters 4 to 8, which deal in turn with: types and characteristics of the farm families; motivations for part-time farming and on-farm and off-farm adjustments to dual jobholding; family labour allocation; the relationship between the family life-cycle and employment and income patterns; and the impact of part-time farming on the local community. Policy implications from the study are discussed in a concluding chapter.

A particularly interesting section of the book is the latter part of Chapter 3. In that section Kada describes how a combination of labour-saving mechanisation, price supports for rice, and restrictions on farm size and farm leasing imposed in the post-World War II land reforms, have led to a great increase in the percentage of part-time farms in Japan (7 out of 8 farm households in 1975). Most of these farms produce rice

alone and most of them rely heavily on women and the elderly for farm labour.

The best feature of the book is the author's emphasis on the household as the relevant decision-making unit in part-time farming. This emphasis leads to a detailed examination of the relationships among household members in the allocation of household labour to farm and off-farm employment, both at a point in time and at different stages of the family life-cycle. Kada makes effective use of tables, graphs and bar-charts; for example, in describing how family labour allocation differs between the American and Japanese farms in response to differences in family structure and in the relative availabilities of farm land and off-farm employment opportunities. Unfortunately, these expository devices, which are relied on throughout the book, do not permit Kada to test a comprehensive, multi-variable model of the behaviour of the families engaged in part-time farming; the reader is left uncertain of the connections between a number of interesting, but separate, relationships involving two or three variables.

Possible clues to Kada's unwillingness to set out a comprehensive model of family behaviour come on page 222, where he states: 'In general, these part-time families are "satisficers" rather than "maximisers" ', and on page 223:

an evaluation of off-farm employment, or part-time farming in general, is more appropriately made in terms of the creation of employment opportunities for rural residents or the reduction of rural poverty, rather than on the basis of economic efficiency and the productivity of part-time farming alone.

If these statements mean that part-time farming/multiple jobholding is not privately (and presumably, also socially) efficient, given the existing ownership of resources, then all I can say is that Kada's empirical results do not support this conclusion; and he appears to be selling short his survey farmers. Perhaps he was led astray by Wisconsin's Professor Parsons, who, in his preface, writes: 'attainment of efficiency as the primary and even exclusive value orientation of economic analysis stands in the way of understanding the significance of part-time farming in world agriculture'. One would have thought that there was already enough myopia concerning the efficiency of part-time farms amongst agriculturalists, without having it crop up in an economic study.

Given Kada's emphasis on the allocation over time of household resources, it is surprising that he does not consider the effect of farmland ownership on the families' real wealth position over time. Recent research has indicated that US farmers' average annual real capital gains on physical assets during the 1960s and 1970s were nearly as large as their farm incomes; Kada's appendix tables record the rapid appreciation in the value of farmland in Wisconsin and Japan. He does mention investment as an important motivation for some Wisconsin part-time farmers (p. 99); he also suggests that capital gains from farmland are an important reason for the unwillingness of rural Japanese to part with their generally tiny holdings (p. 51). However, he does not examine the possibility that part-time farming is a consequence of decisions about the management of household portfolios, as well as labour allocation decisions.



Overall, I believe that the book contains too little analysis and far too much descriptive detail to interest the general *Journal* reader. However, it is noteworthy for its glimpses of the microstructure of Japanese farming and Japanese farm households. Kada's careful examinations of labour allocation and life-cycle behaviour on part-time farms represent a modest but welcome contribution to this literature.

I. R. WILLS

*Monash University,  
Clayton, Victoria 3168*

*Aggregate Supply Response of Crops in a Developing Region.* By S. L. BAPNA. (Sultan Chand, New Delhi, 1980.) Pp. 164.

The author of this book uses time series data to analyse the aggregate supply response of crops for a district in western India. The book contains nine chapters, a large set of appendices, and a comprehensive bibliography.

In Chapter 1 the author describes the aims, the scope and the plan of the study. The main hypotheses tested are: (1) that the price elasticity of aggregate supply is positive and relatively low; (2) that the elasticity for a period of comparatively rapid technological change is greater than that for a period of slow change; and (3) that the elasticity of both aggregate area and yield/unit area are positive but the area elasticity is greater than the yield elasticity. In Chapter 2 the author reviews the methodology, findings and limitations of the previous studies which provide a perspective for this study. It is unfortunate that the review is restricted almost exclusively to studies on India and the U.S.A. Given the focus of this study, a review of the results of studies from other developing regions and countries would have been more meaningful. A survey of studies dealing with more recent developments in the formulation of supply models (e.g. those with models incorporating risk variables) would have made the review more complete and up-to-date.

The theoretical and econometric frameworks of the study are fairly well covered in Chapter 3; nevertheless, some cases of imprecision were observed. For example, the assertion on p. 27 that the marginal cost curve is the same thing as the supply curve, is not wholly sustainable. In the short run, only that segment of the marginal cost curve above its intersection with the average variable cost curve constitutes the supply curve. Another example of imprecision is found on p. 21 where the distributed lag formulation developed by Fisher is called a special case of Nerlove's 'expectations' model.

Chapters 4 through 7 contain a review of the region's geography, climate, demography, agriculture, infrastructures and institutions. The author also examines the changes in area cropped, yield/unit area, prices, and seasonal conditions during the period from the mid-1950s to the mid-1970s. In my opinion this part of the book is interesting, since it describes and analyses economic and social changes taking place in the region. Some scope is left, however, for further in-depth analysis; for instance, it is not enough simply to observe (p. 42) that the area irrigated in the region has decreased over the years. Because irrigation is crucial to

agricultural production, some explanation of the reasons for such a decline would have been a useful addition to these chapters.

A rigorous econometric analysis of the aggregate supply response of the region's crops is reported in Chapter 8 and conclusions are stated in Chapter 9. Single equation models of aggregate output, total area cropped, and yield/unit area are formulated. The parameters of the models are estimated by ordinary least squares procedures, with price, seasonal conditions, fertiliser use, irrigation and a time trend (representing technological and other trend related changes) as explanatory variables. The price variable is a ratio of an index of prices received for crops to an index of prices paid for both farm inputs and consumer goods. It may seem to many readers that the use of consumer prices as a component of prices paid is theoretically unsound in a supply model for crops; however, it may be justifiable for an economy in which subsistence farming predominates. In any case the author should have given a detailed and well-argued justification for using consumer prices. Another problem is that the fertiliser demand model on p. 95 seems to be mis-specified because the fertiliser price on the right hand side of the demand equation is in nominal terms. Theoretically, the fertiliser price should have been specified as relative to product price or relative to the prices of other inputs. It is probably due to this mis-specification of the model that demand for fertiliser was found to be unaffected by its own price, a result contradictory to the findings of numerous other studies in India. The results obtained on the aggregate supply response of crops, however, support *a priori* expectations and broadly conform with the conclusions drawn in other studies. One result is especially worth noting. Contrary to expectations, the price elasticity of area was found to be nearly zero, whereas the price elasticity of yield was positive and significant, and approximately equal to the elasticity for the aggregate output. The point to note is that, had the supply response been estimated in terms of the area cropped only, as has been the case in several other studies of supply response, the output elasticity would have been seriously underestimated. This result suggests that those previous studies of supply response, which used area as a proxy for output, may need reworking.

On the whole, this is an interesting book because it is concerned with a region where hardly any study of this nature had previously been carried out. Therefore, it makes a useful contribution to the growing catalogue of supply studies in developing regions of the world. The detailed data contained in the appendices will prove handy to researchers and possibly encourage further work in this region. An index and a list of errata (there are some unfortunate printing errors) would, however, have added to the book's usefulness.

U. N. BHATI

*Bureau of Agricultural Economics,  
Canberra, A.C.T. 2601*

*The World Bank and the Poor.* By A. VAN DE LAAR. (Martinus Nijhoff Publishing: Boston, 1980.) Pp. 269, ISBN 0 89838 042 1.

*World Development Report 1980.* By WORLD BANK STAFF. (The World Bank: Washington D.C., 1980.) Pp. 166, ISBN 0 19 502834 1.

The authors of these two books would likely be unhappy at their pair-

ing in this review. Van de Laar was evidently a World Bank 'in-house radical, who . . . rarely stay for long' (p. 245). His is a caustic critique of a bureaucratic organisation which he argues is too large, too divorced from the problems of many of its human targets, and subject to political influences which reduce its effectiveness and reinforce its image as an essentially Western institution.

The structure of *The World Bank and the Poor* reflects the title, although it reflects the stated intention of the author less accurately. Following the introduction, the author devotes the next three chapters to the growth and evolution of the Bank and the International Development Association, and detailed descriptions of matters relating to the Bank's staff. These sections are long on minutiae that will probably be of interest to people who have worked closely with the Bank. I fear they will not be of such wide interest to others, as they bring only rather fringe benefits to the central theme of the book. Perhaps there is a case for assembling this related material in the same covers as the key chapters, but my feeling is that the information is sufficiently accessible in other sources for those who care to pursue it. Much of the material of relevance comes up again in the penultimate chapter on the organisation of the Bank.

The heart of this book is in Chapters 5 and 6 entitled, Economic Growth and Poverty, and Prospects for a Reallocation of World Bank Group Resources and Issues in Small-Farmer Projects, respectively. It is here that the author castigates the Bank for what he sees as its failure to deal adequately with the problems of growing unemployment, more pronounced income inequality and continuation of mass poverty and disease, in spite of the oft-professed intentions of grappling with these issues. The critique is long and detailed on limitations in the Bank's institutional and procedural arrangements for attaining a high level of effectiveness in its approach to improving the lot of the poor, but it is slighter on constructive suggestions for how things might be done better. Van de Laar would hope that the Bank would become less bureaucratic, more decentralised, less biased in attention to a 'chosen few' countries, more realistic in planning and execution, less oriented toward major donors in its staffing, more attuned to managerial problems in project implementation, more committed to land reform programs, more flexible in financing credit programs for small farmers and more 'local' in administration of assistance programs. Not all these desiderata are mutually consistent, as the Bank has found in its endeavours to reorient some of its activities.

Overall, this book seems well researched, strongly opinionated, and carelessly proof-read. It will certainly be of interest to all agricultural economists interested in development economics.

The second book in this set provides an excellent example of the concern expressed by the World Bank itself for improvement of the lot of the poor. This is the third of the Bank's welcome series *World Development Report* and again, major attention is given to aspects of poverty and human development.

There are many similarities between the opinions of Van de Laar and the Bank itself. This can be sensed by quoting from Robert McNamara's foreword to the 1980 *World Development Report*:

Growth is vital for poverty reduction, but it is not enough. The second part of the *Report* reviews other ways to reduce poverty, focusing on

human development, an important complement to the approaches to poverty alleviation emphasized in the two previous *World Development Reports*.

Human development—education and training, better health and nutrition, fertility reduction—is shown to be important not only in alleviating poverty directly, but also in increasing the incomes of the poor, and GNP growth as well. The vital message is that some steps we all have long known to be morally right—primary education, for example—make good economic sense as well.

The laudable objects of human development, though, are far from easy to achieve. Nor are they without cost . . . it must be stressed that . . . direct steps to reduce poverty do not obviate the need for growth. The *Report* emphasizes that the direct attack on poverty, if it is ultimately to be successful, must be combined with measures to ensure that the economies of the developing countries continue to expand. The active support of the richer nations is required to assist this process through the provision of capital and technical knowledge and through the opening of their markets to developing-country exports.

The *World Development Reports* should be in all educational libraries. The 1980 *Report* is most attractively presented and features interesting tidbits collected by World Bank staff on such diverse topics as oral rehydration in cases of diarrhoea (p. 56), biases in perceptions of the extent of rural poverty (p. 57), contraceptive technology (p. 69) and China's barefoot doctors (p. 74).

A diversity of statistical measures of poverty and growth (or lack of it) are presented. Related matters concerning education, health, nutrition and fertility are pursued in depth and issues for Bank lending, and government planning and policies, are identified. Certainly, the Bank is not complacent in its attitudes toward these many vexed questions, and areas deserving of most immediate attention are identified. These sections, taken together with the review of the outlook for developing countries in the 1980s, and the now well-known Annex of World Development Indicators and statistical appendix, all make for an easily read and convenient handbook on world poverty.

Both books make excellent reading, especially for people in more 'developed' countries, although as bed-time reading, the material will certainly not induce a relaxed evening of rest.

JOCK R. ANDERSON

*University of New England,  
Armidale, N.S.W. 2351.*

*Economics: Applications to Agriculture and Agribusiness.* By E. P. ROY, F. L. CORTY and G. D. SULLIVAN. 3rd Edition. (The Interstate Printers and Publishers: United States of America, 1981.) Pp. 569, ISBN 0 8134 2113 6.

This book is designed to serve as a basic economics textbook with applications to agriculture and agribusiness for the American college undergraduate and advanced high school student. It is strongly oriented to the US situation with US policies, farm situation and specific government legislation outlined. While this approach should be applauded, it reduces the book's usefulness for students and teachers outside the US.

The book has been structured such that it forms an introductory course in agricultural economics. At the conclusion of each chapter, topics for discussion are listed along with a problem assignment and numerous recommended readings. This structure is ideal for secondary school teachers who are often required to teach agricultural economics with little or no background information in this field.

In Chapters 1 through 6 the authors establish the need for studying economics; introduce the subjects of agricultural economics and agribusiness; provide a brief history of US agriculture; discuss the world's economic systems; and outline types of business organisation and monetary systems together with a macro-profile of the US economy. Chapters 7 through 10 are orientated towards the human, natural and capital resources available in agriculture. A brief profile of US farming operations with respect to the above resources is then outlined. Chapters 11 through 18 are devoted to establishing basic economic concepts and principles. Traditional production economics and price analysis are outlined along with their interaction and the consequences of different market structures on their interaction. The level of this coverage is very suitable for an introductory economics course.

Agribusiness aspects start to appear in Chapters 19 through 25 with a discussion of the businesses supplying inputs to farms, marketing and the consumption of food and fibre. Two good chapters on agricultural policy and programs to achieve agricultural policy objectives are contained in this part. Finally, Chapters 26 through 30 are catch-all chapters in which other aspects relevant to agricultural economics and agribusiness are grouped. Included are chapters on the Federal Reserve System, Input-Output Functions (which probably fit better earlier in the book), Accounting Principles of Agribusiness Management, Foreign Trade and Economic Development in Developing Countries.

This book should be read by all who intend to write introductory agricultural economics texts for the high school and agricultural college market. This market, at present, is deficient in suitable agricultural economics texts, and cannot be satisfied by this book because of its strong orientation to the US situation.

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*S.A. Institute of Technology,  
Adelaide, S.A. 5000.*

*Agricultural Finance—An Introduction to Micro and Macro Concepts.*  
By JOHN B. PENSON and DAVID A. LINS. (Prentice-Hall: Englewood Cliffs, 1980.) Pp. 546, ISBN 0 13 018903 0.

There are now three good American textbooks in agricultural finance.<sup>1</sup> For the Australian reader (either student of agricultural finance or agricultural economics wanting a reference book in agricultural finance) the choice among these books depends on their theoretical content.

<sup>1</sup> The others are:

Lee, W. F., Boehlje, M. D., Nelson, A. G., and Murray, W. G. (1980), *Agricultural Finance* 7th ed., Iowa State University Press, Ames.  
Barry, P. J., Hopkin, J. A., and Baker, C. B. (1979), *Financial Management in Agriculture* 2nd ed., Interstate Printers and Publishers, Danville.

Much of the descriptive material in these books is irrelevant to the Australian agricultural and financial environment.

The book by Penson and Lins is divided into three major sections: Farm Financial Management; Agriculture and the Macroeconomy; and Financial Intermediaries Serving Agriculture. The section on Farm Financial Management covers much the same ground as the other textbooks. An exception is the very useful chapter on Farm Financial Accounting Systems, which follows the work of Frey and Kleinfelter.<sup>2</sup> From an Australian viewpoint, the less useful chapters are towards the end of the section. These cover tax and estate management, farm business organisation and other legally oriented topics. Generally this section is clearly written and easy to follow, making it suitable for an introduction to farm financial management.

Agriculture and the Macroeconomy is a unique section. Chapters 13 and 14, The Design of a Financial Accounting System for Agriculture, and Analysis of Financial Statements for Agriculture, respectively, are particularly good. This work might usefully be applied to the Australian Bureau of Statistics' Agricultural Sector Financial Statistics.<sup>3</sup> Much of the rest of the section is a fairly conventional treatment of macroeconomic theory and the impact of macroeconomic policies on agriculture.

With the exception of a chapter on the Evaluation of Financial Intermediation in Agriculture, the final section of the book, Financial Intermediaries Serving Agriculture, is of limited relevance to the Australian reader.

The three agricultural finance books are close substitutes. Penson and Lins's book would be preferred by the reader interested in the macroeconomic aspects of agricultural finance. It is also generally the simplest of the three, with the book by Barry, Hopkin and Baker being the most advanced.

R. L. BATTERHAM

*University of Sydney,  
Sydney, N.S.W. 2006.*

<sup>2</sup> Frey, T. L. and Kleinfelter, D. A. (1978), *Coordinated Financial Statements for Agriculture*, Agri Finance, Skokie.

<sup>3</sup> Australian Bureau of Statistics (1979), *Agricultural Sector Financial Statistics 1977-78*, AGPS, Canberra.