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BOOK NOTES.

Interregional Competition in Agriculture. With Special Reference to Dairy Farming in the Lakes States and New England. Ronald L. Mighell and John D. Black, Harvard University Press (Geoffrey Cumberlege), Cambridge, Mass., 1951. Pp. xiv, 320. 52s. 6d. (Aust.).

This book constitutes a summarization of the findings of a research project which is important to the history of agricultural economics in the United States. The project was one of two of an economic nature that were brought under the provision of the Bankhead Jones Act of 1935, allocating funds for research in the sciences fundamental to agriculture. In a sense then, it was a test case of the young separate discipline of agricultural economics. It can also be taken as representing the decisions of influential agricultural economists of that time as to where the major problems of the industry lay.

The project was carefully planned and rigorously carried through—a joint project involving the U.S. Bureau of Agricultural Economics and the Harvard Committee on Research in the Social Sciences and also several agricultural experiment stations in the project area. Different aspects of the work have previously been made available in article form, but this co-ordinated report brings the whole project to a logical conclusion.

The general pattern of problems involving agriculture in recent years has called increasingly for the services of investigators with training in agricultural economics, and the profession is not now in need of self-justification in terms of particular projects. Yet it should be of interest to most agricultural economists to carefully examine this particular book in terms of major problems and investigational procedures within their field of interest.

It is certainly true that questions of interregional and inter-industry competition remain of major significance to an improved understanding of the complexities of agriculture in the modern economy. Most would agree with the authors that there is a close relationship between agricultural price and production policy and interregional competition, and that there is a need for more information on the actual nature of this relationship. In pursuit of this objective, there are few who would not commend the authors on their courageous plunge into the void of general equilibrium analysis. What makes the book most interesting is the fact that they appear little perturbed by the magnitude of the vast unknown and call for recruits for a further attack. This analysis of interregional competition in dairy farming between New England and the Midwest Lakes States, they say, must be looked upon in large part as an illustrative case study. "It will have larger import as procedure of analysis than for any conclusions as to the competitive status of this industry and these regions" (p. 2). What they seek now is an application of their method in a comprehensive Federal-State approach in order to reach their ultimate goal of a set of empirically derived supply and demand curves for each project and each region. If only this had been done before the last war, the authors claim, then those in action agencies would have had before them "a set of supply curves that would have told them at what price, relative to other prices, in each region, particular amounts of each product represented the optimum use of resources and which the farmers would shift toward producing as fast

as they could make the adjustments. They would therefore have had exactly the information they needed to set their goals and the prices to induce needed production" (p. 313).

The book is methodologically interesting in terms of its general approach. In addition it is interesting in terms of procedures for estimating patterns of supply and demand for farm products in locational context. It also contains much detail which will be of interest to those associated with the area of study.

Finally, although there would seem to be little added which is novel, a very useful summary statement of existing general theory relating to location and interregional competition is presented.

The Rural Economy of New England—A Regional Study. John D. Black, Cambridge (Massachusetts), Harvard University Press (Geoffrey Cumberlege), 1950. Pp xxiv, 796.

This book is designed to be a "case study in regional analysis" in which the author has taken a small section of the United States, commonly known as the New England Region, and analysed its rural economy "in a way that will serve as a guide to its future."

The subject matter of the book is largely confined to agricultural conditions, although wherever necessary to the fullest understanding of the central theme, reference is made to other aspects of the region's economy such as industry, trade and finance.

Although the actual writing of the book is the work of the author, much of the considerable body of information it contains is a synthesis of data gathered by numerous research agencies and agricultural experiment stations.

The New England region combines the area of six states in the far north-eastern section of the United States. These states are as follows: Maine, New Hampshire and Vermont in the north; Massachusetts, Rhode Island and Connecticut in the south. Originally the focal point of pioneer settlement in the U.S.A., the region has witnessed significant changes in the structure of its rural economy since the early days. The analysis of these changes, their influence on the present-day land-use and probable future trends, forms the thesis of the book.

In the initial phases of development, the region was favoured by a position of close proximity to Europe and to the sources of supply of raw materials, both domestic and imported. Dried fruits, timber, wool, wheat, and minerals (such as tin) were the chief products of the early settlement. The opening of the mid-west beyond the region, the considerable agricultural expansion which followed this development and the growth of large cities within the region (New York, Boston, Massachusetts) were the chief factors causing the profound changes which have occurred in New England since these early days.

Following the Civil War, there was a large scale exodus of farm people from the region to the mid-west resulting in the abandonment of many farms. "As the natural resources of the interior of the continent were developed and population followed it is obvious the seaboard became less of an advantage." According to some views, "New England has within the last century shifted from a position in the centre of the economic life of the nation, or in the path of its principal currents of trade, to a position of an outlying peninsula."

The present structure of agriculture in the region has developed in response to growing demands for perishable foodstuffs by the population of the large cities in the eastern sector of the region. These markets have encouraged the growth of intensive methods of crop and animal production in which the output of dairy, poultry and vegetable products are the chief enterprises. The present-day rural economy is characterized by closely dispersed but highly specialized forms of farming in which production for home use rather than for commercial purposes plays a large part.

Following the lines of many other regional studies, the book deals in turn with each aspect of land utilization. The early chapters provide a detailed description of the natural resources of the New England Region as well as its trade, transportation, industry, agricultural development and organization. Thirteen central chapters provide a comprehensive analysis of the character of the various aspects of land use: dairy, poultry, potatoes, tobacco, fruit, vegetables, maple, woodlands, "family-living farms," etc. For some types of farming, detailed budgets are presented.

The final chapters deal with the following topics: income from land use, farm family living, land values, credit and tenure in land use, public finance in land use, trends-prospects-potentials, and finally, regional policy and programmes.

A book such as this, which deals in considerable detail with a small section of the United States, will be of interest to only a limited range of Australian readers. However, it should be of value particularly as an example of methodology to most students of agricultural economics, geography, and allied subjects.

Four Thousand Million Mouths. F. le Gros Clark and N. W. Pirie (Editors), London, Oxford University Press (Geoffrey Cumberlege), 1951. Pp. 222.

The editors have sub-titled this book "Scientific Humanism and the Shadow of World Hunger," and they pose the problem: how are we to feed the world's population which is growing at such a rate that "during the lifetime of some of our children" it may reach 4,000-millions, as compared with 2,300-millions at present?

In the first essay, after a critical analysis of the Malthusian doctrine, one of the editors puts forward the view that "once the human species had established itself on the earth, the old biological laws of population tended to become subordinate to the laws governing social development," that civilized man lost the primitive sense, possessed by tribal societies, of "the relation between their terrain, their customary good standards, and the size of their population"; and that "the path forward is towards a stage where men will again grow conscious of the sources of their good supply." The remainder of the book attempts to promote such an awareness. It consists of a number of essays summarizing our present knowledge of soil conservation, plant breeding, food preservation, etc., and suggesting the scope for improvement in food supplies if this knowledge was applied on a wide scale.

The volume contains the following essays: "The Malthusian Heritage," by F. Le Gros Clark; "Conserving the Soil," by F. Yates; "Growing Healthier Crops," by E. C. Bawden; "Genetics and the World's Food," by S. C. Harland; "Improving the Milk Supply," by H. D.

Kay; "The Pig as a Producer of Food," by John Hammond; "Harvesting the Waters," by C. E. Lucas; "The Preservation and the Use of Fish," by G. A. Reay and C. L. Cutting; "The Circumvention of Waste," by N. W. Pirie; and "The Processing of Food," by A. L. Bacharach and T. Crosbie-Walsh.

Repairing and Constructing Farm Buildings. J. C. Wooley, New York, McGraw-Hill Book Company Inc., 1952. Pp. XII, 261. \$3.20.

This is an American book providing detailed information on matters relating to the repair and construction of farm buildings, fences and gates. It presents step-by-step details for each particular process and is well illustrated with explanatory diagrams.

The book is divided into two parts. Part I deals with building repairs and covers such topics as repairs to foundations, frames, roofs, insulation and ceilings. It also provides details on the repair of silos. An important section is that which deals with the improvement of roof and yard drainage.

Part II is concerned with the actual construction of buildings commencing with the initial phases of the layout of the site, the excavation of the foundations and so on through the various processes of mixing concrete, laying the foundations, erecting the framework and the roof. The final section of the book deals with the construction of yard fences and gates.

Some of the building designs discussed in this book will be foreign to most Australian farmers since they do not follow the pattern of architecture found in this country. However, this applies to only isolated parts of the subject matter. For the most part, the general designs and constructional details discussed should be of interest to all concerned with the repairing or the erection of farm buildings.

PUBLICATIONS OF THE UNITED NATIONS.

(United Nations publications may be obtained in Australia from Messrs. H. A. Goddard Pty. Ltd., 255A George Street, Sydney.)

Land Reform. United Nations Department of Economic Affairs, New York, 1951. Pp. 101. 6s. 3d. (Aust.).

This report, sub-titled: "Defects in Agrarian Structures as Obstacles to Economic Development," was prepared by economists of the United Nations and the Food and Agricultural Organizations on the basis of resolution 401 (v) of the fifth session of the General Assembly, adopted on 20th November, 1950.

That part of the resolution with which this report deals sought "an analysis of the degree to which unsatisfactory forms of agrarian structure, and in particular systems of land tenure in the under-developed countries and territories, impede economic development and thus depress the standard of living, especially of agricultural workers and tenants and of small and medium-sized farmers."

The report begins by examining briefly but quite comprehensively, the more general characteristics of the agrarian structure in under-developed countries. It takes up in order the problems of uneconomic

size and fragmentation of holdings; the importance of tenancy and related problems of excessive rents and insecurity of tenure; problems associated with large estates and plantation forms of agrarian organization; problems relating to insecure land titles and certain systems of water rights, and finally the peculiar problems of areas with communal forms of tenure or remnants thereof.

Actual conditions in various parts of the world are viewed in relation to these general problems. The acute pressure of population on the land in most of Asia resulting in uneconomic holdings, in landlordism with excessive rents and in peasant indebtedness, is contrasted with areas like the Middle East and South America where, for the most part, there is a sufficiency of land, but nevertheless there also exists extreme concentration of land ownership, insecurity of tenure and a minimum share of the product for the tiller. The peculiar problems of the communal type of tenure in Africa under the impact of cash cropping, employment opportunities in mining and other foreign industrial development, and associated private alienation of land are discussed. Finally, a brief survey is presented of rural credit, the state of rural indebtedness and the general types and impact of land taxation in under-developed parts of the world.

A second chapter discusses the general trend in land reform policy at present under way in different parts of Asia. Special mention is made of these developments in India, Japan, China, Korea, Formosa and Turkey. A section is devoted to a summary statement of agrarian reform in Mexico, which, outside the U.S.S.R., provides the most comprehensive time-tested experience in this connection.

With this background material the report takes up the question of the relation of agrarian structure to general economic development. It is somewhat disappointing that more content could not have been given to this section. Nevertheless the general nature of the relation is stated in a precise and useful form. There runs throughout the warning that in economic development, so-called land reform cannot be viewed separately from other aspects of agricultural organization, such as credit, marketing facilities and extension services. Further, problems in agricultural organization, including land tenure, cannot be viewed apart from general economic development, particularly in those areas in which the acute pressure of population on the land means inadequate farm incomes irrespective of the form of land tenure. Set in this, its proper perspective, land tenure reform, the report indicates, does offer important means to improved economic welfare of rural people, and increased production in most under-developed areas. The fact that changes in land tenure systems will very likely prove inevitable irrespective of the consequences in terms of economic development in many of these areas is perhaps insufficiently stressed. It is also somewhat unfortunate that needed redistribution of rights in land are couched in terms of redistribution of ownership rather than in terms of the wider concepts of security of tenure and economic opportunity. Although it may be broadly true to say that the common aim of recent reforms in Asia is to "transfer the ownership of land to the peasant cultivators" (p. 51), this can be incorrectly interpreted to mean that the actual aim

in all cases is the establishment of farmers with rights and privileges akin to those of the owner-operator type of farmer of North America and Western Europe.

The report constitutes an important step forward when viewed in relation to the widespread current interest in the effects of systems of land tenure on general stability and economic improvement in under-developed countries. Although the time factor and the limited data have resulted in a report which is but a brief survey of an enormous subject, it is perhaps the best available introduction to this major problem in world economic development. Further, the report should interest a much wider audience than the social scientist as it is presented in a very readable fashion.

Measures for International Economic Stability. United Nations Department of Economic Affairs, New York, November, 1951, Pp. vii, 48. 3s. 9d. (Aust.).

This report was prepared by a group of experts appointed by the Secretary-General. It is a sequel to two earlier U.N. reports: "National and International Measures for Full Employment" (December, 1949), and "Measures for the Economic Development of Under-developed Countries" (May, 1951). The group of economists who prepared this report included: James W. Angell, Professor of Economics and Executive Officer of the Department of Economics, Columbia University; G. D. A. MacDougall, Fellow of Nuffield College and Reader in International Economics, Oxford University; Javier Marquez, Alternate Executive Director, International Monetary Fund, formerly Professor of Economics, National School of Economics, Mexico; Hla Myint, Lecturer in Colonial Economics, Oxford University, formerly Professor of Economics, Rangoon University; and Trevor W. Swan, Professor of Economics, Australian National University.

The purpose of the report is to "formulate and analyse 'alternative practical ways' of reducing the international impact of recessions that may arise in any part of the world and, in so doing, to give particular attention to problems of under-developed countries." The first premise of the group is that future recessions will not reach the size and duration of the depression of the 1930's. In the face of a depression of such magnitude, no practical measures would be able to alleviate the fall in demand for internationally traded goods. The authors believe that the changes in social attitudes and the progress in economic techniques in the last twenty years will keep future employment fluctuations within reasonable limits. This report is intended to suggest measures to cope with such relatively minor fluctuations in employment. Even small fluctuations in employment could lead to very substantial changes in international trade. If the United States had a relatively minor recession of the 1937-38 type, the resulting loss of dollar receipts by other countries might approach \$10,000 million over a period of two years.

The authors of "National and International Measures for Full Employment," suggested that arrangements be made through the International Monetary Fund for a short-term supply of foreign exchange to countries faced with balance of payment difficulties as a result of declines in employment in their principal markets; such funds to be supplied by the importing countries. These proposals did not commend themselves as practical or acceptable to the governments concerned.

The authors of this report have therefore suggested an alternative approach along the following lines:

- (1) Reduction of short-term fluctuations in terms of trade by means of international commodity agreement and buffer stocks, the latter to be financed partly by the International Bank for Reconstruction and Development. The authors recognize that "international commodity agreements of numerous kinds have been advocated for many years and that the record of achievement is small." They feel, however, that such schemes have a greater chance of success now than previously, because of the general progress in economic techniques which should prevent the recurrence of major depressions. In view of the difficulties which have arisen in the past in the drafting and operation of such schemes, many will no doubt remain sceptical regarding the feasibility of future agreements for a large number of products. Whatever may be said about the advantages and disadvantages of buffer stocks and commodity agreements, one can hardly agree with the following statement of the authors:

"It must not be forgotten that a stabilisation scheme for one commodity will normally increase the stability of others for which it can be substituted either in consumption or in production"

Stable prices for one commodity, or for a substantial portion of the supply of one commodity, cannot fail to lead to a greater instability in the prices of competing products in the face of fluctuations in demand unless they are associated with a buffer stock scheme. As it is almost impossible to stabilize the prices of all primary products, there is little doubt that stability in one product is paid for by increasing instability in others. For instance, if the price of wheat is stabilized and no similar agreements are made for rye and corn, the prices of these two products will fluctuate more violently as a result.

- (2) Stabilization of the international flow of capital. One of the suggestions made under this heading is that the International Bank for Reconstruction and Development should be prepared, in the event of a depression, to expand greatly the flow of its lending. The authors also maintain that it would be advisable to increase the volume of resources available to the Bank to enable it to carry out effectively the above policies.
- (3) The final point stressed by the group is that existing reserves of countries other than the United States are generally inadequate. Various methods of increasing reserves are examined, such as an increase in the price of gold, the extension of credit through international institutions by the United States and other lending countries, enabling the International Monetary Fund to sell to each country more than 25 per cent. of its quota of foreign currency for one year. An increase in the size of the resources of the International Monetary Fund is also advocated.

Formulation and Economic Appraisal of Development Projects. Volumes I, and II, United Nations, 1951, Vol. I, Pp. xiv, 473, 28s. 3d. (Aust.). Vol. II, Pp. vii, 307, 22s. od. (Aust.).

These two volumes contain lectures delivered at the "Asian Centre on Agricultural and Allied Projects," held in Lahore, Pakistan, from October 2nd to December 15th, 1950. The lectures deal with a wide variety of subjects relevant to the economic and technical advances of under-developed countries. The first volume contains the basic courses and is therefore of more interest to readers outside the area. The wealth of information in these lectures makes it very difficult for the reviewer to describe, summarize, or comment on the topics raised. The lecturers and lectures delivered at the conference and published in Volume I, include:

- I. Hans W. Singer—Development Projects as Part of National Development Programmes.
 - II. J. Thomsen Lund—Appraising Costs and Benefits of Development Projects.
 - III. Mordecai Ezekiel—Methods of Economic Forecasting.
 - IV. Marion Clawson—Organization and Administration.
 - V. E. De Vries—Financial Aspects of Economic Development.
 - VI. Mordecai Ezekiel, Kemal Suleyman Vaner—Preparing the Final Prospectus and Proposal for a Development Project.
- M. Ezekiel's discussion of "Method of Economic Forecasting," is an admirably simple description of the methods and limitations of forecasts of business conditions, prices and commodity situations.
- H. W. Singer's introductory lecture on problems associated with the rapid development of an area is probably the most interesting contribution. It includes a very clear and concise analysis of the different courses adopted in the development of England, the U.S.S.R., the United States of America and Japan. The final section discusses "Common Defects of Development Programmes." Among these are listed: Lack of consistency, Priority for public works, Emphasis on public sector, Paper targets for private sector, Interest in spectacular projects, Neglect of short-term requirements, Lack of clearly defined priorities. Perhaps Australia could learn something here?

In volume II the last three lectures are probably of most interest to Australian readers. These discuss "Multi-Purpose River Project," methods of appraising the cost and benefit of flood control works and lastly, "Farm Management Aspects of Agricultural Development Projects."