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**BOOK REVIEWS AND NOTES**

**Farm Records and Accounting**, John A. Hopkins and Earl O. Heady. Fifth Edition. Ames: Iowa State University Press, 1962. Pp. xiii, 377. \$6.50.

Agricultural economists or at least those with a specific interest in farm management, will be well acquainted with earlier editions of this book but those who remember only the original work from which this present edition has evolved—Hopkins, *Farm Records*, published in 1936—may be somewhat surprised at the much more comprehensive scope of the later editions.

In their preface, the authors state that “The purpose of this book is to present a system for the practical use of accounts and records in management of the farm. In addition to the discussion of farm financial accounts, the book includes a treatment of production records, farm budgets, and the use of records in analysing the farm business.” The authors succeed admirably in their objectives and in this reviewer’s opinion this is unquestionably the best book available on farm records, dealing as it does not only with the form and analysis of farm records but with their use as a management tool; it is likely to remain *the* standard work on the subject for a long time.

There has been some re-arrangement of the book in this edition, although the general scope of the work does not differ greatly from the previous (fourth) edition. Probably the most important change is that the authors have eliminated entirely the fairly detailed discussion of double entry bookkeeping to which over 30 pages were devoted in the previous edition. To some this may seem a retrograde step but the book is designed for use by farmers who wish to keep and use their own records and for extension workers who may be advising them. The decision to delete the section on double entry accounts no doubt reflects widespread experience that unless a farmer has had formal training in accountancy he should not be encouraged to use the double entry system; if he wants double entry records he should employ an accountant to keep them for him.

A useful addition to this edition is a short final chapter on “Linear Programming as a Planning Device”, which provides a valuable introduction to this technique for those unacquainted with it and its value as a planning technique. The index to this edition has also been improved and now provides a comprehensive reference to the contents.

Although for the Australian farmer, some sections of the book will not be directly applicable (e.g., some detailed discussion of U.S. income tax procedures) by far the greater part of it is directly relevant and the book can be recommended without reservation to any farmer or extension worker who is seriously interested in using farm records as a management aid. As with many American publications, the local price is rather high but so also is the standard of presentation and production.

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P. C. DRUCE

**Proceedings of the Fourth Regional Technical Conference on Water Resources Development in Asia and the Far East**, Flood Control Series No. 19. Bangkok: United Nations, Economic Commission for Asia and the Far East, 1962. Pp. vii, 160. 14s. 0d. (stg.).

This publication contains the proceedings and background papers for the Fourth Regional Technical Conference on Water Resources Development organized by ECAFE and held in Colombo, Ceylon from December 5 to 13, 1960. Abstracts of papers presented at the Conference are also included.

The publication is the nineteenth in the so-called Flood Control Series, which includes only three volumes devoted specifically to flood control, one of which is concerned with techniques of river training and bank protection, the other two with surveys of flood control problems and methods in Asia. The other volumes of the Series reflect a change in emphasis, expressed at the First Regional Conference when it was recognized that flood control was only meaningful within the broader concept of integrated river basin development. These other volumes include the four Proceedings of the Regional Conferences; four volumes surveying water resource development in fifteen Asian countries; one volume each on the Lower Mekong Basin and the projects of the Damodar Valley Corporation; one manual of river basin planning; and five volumes concerned with purely technical subjects—hydrologic terminology, hydrologic measurements (2), manual and machine earthmoving techniques and sediment problems.

The business of the Fourth Regional Conference was concerned with four main topics:

- (1) A review of water resources development in the countries of the region 1951 to 1960.
- (2) A description of the organization for planning, design, construction and operation of river valley projects of most of the countries of the world which have had experience in these fields.
- (3) Development of groundwater reserves.
- (4) Flood problems in deltaic regions.

The proceedings provide a well presented and useful documentation of the discussion; the Secretariat working papers which set out in full the basic technical information on items 3 and 4 and an "objective" survey of the structure of the various national organizations concerned with water resource development project (item 2); and finally abstracts of papers presented by delegates covering items 1 to 4 in a more "subjective" fashion, generally by experts who have been personally involved with the projects and fields of study described.

It is obvious from the Proceedings that the Bureau of Flood Control and Water Resources Development of ECAFE (which is responsible for organizing the Regional Conferences and publishing the Flood Control Series) is fulfilling one of its terms of reference namely "to promote the exchange of information between the member governments and between various national and regional organizations, either through reciprocal

communications of reports and documents, or by exchange and bringing together of specialists”.

The emphasis at the Conference was on the importance of planning, on an integrated river basin scale, of the water resources of the under-developed countries of Asia as a means of increasing urgently needed supplies of food and energy. In fact, it could have been recognized more widely that water resources the world over are, from a utilization and operational viewpoint, under-developed. Even in those countries which may have a sophisticated administrative organization there is much work to be done in adequately assessing the availability of water resources and also in developing adequate conceptual procedures for optimal planning and utilization of these resources.

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G. MASON

**Competition and Monopoly in the British Soap Industry**, H. R. Edwards.  
London: Oxford University Press, 1962. Pp. x, 270. 62s. 0d. (Aust.)

In this enlightening book on the study of oligopoly Professor Edwards presents both pure theory, and its application in an actual situation. The book is in two parts. In Part I Edwards develops a somewhat refined version of the model of national oligopoly and in Part II he applies this model to the case of the British soap and detergent industry.

He commences by quickly disposing of the model of perfect competition as a basis for studying manufacturing industries. In developing the model of oligopoly, or monopolistic competition, he accepts a definition of competition which is quite distinct from its meaning in the perfect competition model. It is essentially “rivalry in selling among producers acting independently in their efforts to win customers from rivals . . .”, this is in order to increase present and future profits and, most important, to permit growth of the firm.

The subsequent discussion in Part I deals with the nature of the firm and the industry. The firm, because of its product differentiation, commands a particular portion of the market for the type of product(s) it sells. This share of the market can be maintained even with a slight price differential between similar products of different firms. The particular firm's share or hold of the market is referred to as its “Goodwill” and under normal circumstances this is difficult to increase. Factors changing a firm's share of the market are then discussed. These are factors such as pronounced and continuous price differentials and also, the introduction of an innovation. In discussion on competition between firms Edwards stresses the importance of potential, as well as actual, competition in keeping prices down to a reasonable level, i.e., in relation to costs.

In Part II Edwards first makes a historical study of the British soap and detergent industry. It is in the main, an outline of the competitive forces, or lack of them, that existed throughout the development of the industry since the beginning of the nineteenth century. He then proceeds to determine how the industry has treated the population considering both short

run and long run welfare aspects. He concludes that in this case it "has served the consumer tolerably well", with some reservations on the amount of expenditure on advertising.

For those interested in the use of, and not the effect of, advertising, the discussion on the introduction of an innovation can be strongly recommended. It throws some useful light on how the introduction of an innovation can be more fully exploited with simultaneous promotion. In the example of detergents the result was a considerable change in the market shares of the "Goodwill", of the competing firms.

It is considered that this study of the British soap industry has revealed that even in a duopoly, competition can be effective when certain conditions exist. It would be interesting to see if such studies carried out on a number of Australian industries would reveal similar results. One can think of many industries where this possibility is very doubtful. Of course, carrying out such a study may present difficulties. Any industry which is not treating the population in a "tolerable" manner may not be willing to co-operate in the same way that the British soap industry co-operated with Edwards.

While the model presented in this book is not a complete theory of oligopoly, and there is no doubt that the author considers it merely as a specific contribution to a very broad field, it is indeed a useful contribution. The reviewer considers that this type of specific industry study is warranted in many industries. This is especially so in Australia where there is at present a move to introduce a Restrictive Practices Act. Such studies would be invaluable in formulating appropriate legislation.

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P. F. BYRNE

**Change in the American National Diet 1879-1959**, Merrill K. Bennett and Rosamond H. Pierce. Stanford University, 1961. Pp. 24. \$1.00.

The purpose of this paper is stated by the authors, "firstly to describe and to a minor degree analyse the most conspicuous changes in the American diet during the eight decades 1879-1959; and to consider what further changes appear probable in the decade 1960-1970. A secondary purpose is to present . . . historical-statistical data, on per capita consumption of important food or foodstuffs individually, and the less important ones in affiliated groups."

The paper fulfils its purposes, and the description of changes in food consumption is clarified by the generous use of graphs and charts. It appears that both the total number of calories, and pounds of food consumed per capita per day have decreased slightly since 1879, and the components of the diet have changed quite markedly with an increase in "milky", "sugary" and "meaty" foods at the expense of "starchy" foods. The authors suggest that this trend will continue in the future with further increases in the consumption of "milky" and "meaty" foods.

The statistics used are the Official United States Department of Agriculture statistics from 1909 but those for the first three decades of the study are estimates. The method used to estimate these statistics is not

described, which is a pity. However, the authors state that this information will be supplied on request.

The historical and statistical data should be of use to students studying marketing, supply and demand. But the whole paper could be of interest to the general reader and particularly to the historian.

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J. R. JACKSON

**Farm Planning and Management**, C. H. Blagburn, London: Longmans, Green and Co. Ltd., 1961. Pp. ix, 372. 68s. (Aust.).

This book is a well written account of farm management analysis as it was practised in the United Kingdom during the 1950's and the direct application of most of the detail is limited to the English agricultural situation. The author was closely associated with the development of the farm management advisory services in the U.K. He was the first officer appointed to provide a liaison between the advisory services and the agricultural economics departments in the universities and the contents of the book strongly reflect this association.

Emphasis throughout is placed on the need to consider the whole farm rather than the single enterprise approach. The arrangement of the first three sections is: The farming system as a whole; the economic use of the main farm resources; and the economics of the principal farm enterprises. This is the order of approach which the author feels should be followed by a starter or a farmer who wants to improve his farm. A brief description of the guarantee price arrangements of 1960 and a section dealing with the farmer's records are also included.

Chapter 1 provides quite a useful description of the many aspects or possibilities of farm organization. The discourse does tend, however, to be elementary and fleeting. Chapter 2 deals with "tests of economic efficiency". Here is given a clear description of how to work out the various standards of efficiency such as the system index and the yield index. Plenty of examples are described. Some standard figures are supplied. The many restrictions and problems associated with the use of such efficiency measures are well covered. This chapter is, I feel, particularly directed to the advisory officer rather than the farmer.

Farm planning and budgeting is the subject of Chapter 3. The author sees farm planning as a two-stage process. "The first stage is to carry out an economic analysis for the purpose of locating economic weakness, the second to work out an approved plan designed primarily to remedy these weaknesses, the assumption being that the correction of the major economic defects will result in increased profits."

Budgeting in its various forms is discussed. However, it is obvious that Blagburn prefers programme planning to budgeting as a planning technique. "The programme planning technique . . . is mainly of value in helping to decide between the wide variety of possible farming patterns that present themselves when a new farm is being taken over." This method is based on expansion of those enterprises which give the maximum return per unit of the farm's most limiting resource. Both these methods

are described in some detail and several worked examples given. Indeed the provision of numerous examples of points raised is a feature of this book.

Part 2 of the book deals with the farmer's resources. In this section an emphasis in description, and example, towards the dairy-type mixed farm is most noticeable. (There is a tendency throughout the whole book to neglect the arable farmer.)

The economic use of labour, machinery use and capital are dealt with in this section. Capital is discussed from two points of view—that of the starting farmer, and that of the established farmer. The usefulness of a capital budget (or capital diary) is brought out. Quite a good general discussion of capital, including borrowing is given.

The third part of the book is “devoted to the consideration of the main technical and management factors affecting the contribution which the different farm enterprises can make to total farm profit.” Sale crops, dairy farming, cattle and sheep farming, and pigs and poultry are treated. The general discussion and the economic principles expounded have a wide application. However, much of the detail—relating to particular conditions and standards—has a very localized application.

Part 4 is entitled “The Farmer's Markets”. In actual fact it contains a concise description of the various price guarantees operative in the U.K. in 1960. This is a particularly useful section of the book. It provides a ready summary of otherwise scattered information. Under sale crops, the arrangements for wheat and rye ; barley, oats and mixed corn ; potatoes and sugar beet are described. Fat sheep, cattle and pigs are treated. Guarantees for milk, eggs and wool are also listed.

The farmer's records are dealt with in Part 5. The author feels that over-elaborate records are to be avoided at all costs. This is another indication of association with the advisory services. The guiding principles for setting up and filling out the basic financial records start this section. Valuations and depreciation are briefly but well handled. Cost records, production records and enterprise accounts are also explained.

The author suggests that this book is designed for the practical farm manager, the agricultural advisory worker and the student. I would suggest that it is a useful reference book for the advisory worker, the student and the farm management lecturer. The sections on records and markets are applicable to the U.K. farmer. Its usefulness to the farmer is restricted not only by the localized nature of much of the material *but* changes in technology and conditions generally have outdated some of the standards.

As far as readers in Australia are concerned, this book will be of little use other than as a description of farm management analysis in the U.K. during the 1950's. As such it should appeal to extension economists and other farm management workers.

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