



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search
<http://ageconsearch.umn.edu>
aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

BOOK NOTES

PUBLICATIONS OF THE UNITED NATIONS.

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

Economic Survey of Europe in 1951. Research and Planning Division, Economic Commission for Europe, Geneva, 1952. Pp. xi, 243. 13s. 6d. (Aust.).

This is the fifth annual survey of the European economy to be undertaken by the Secretariat of the Economic Commission for Europe. Speculative demand following the commencement of the Korean war abated during 1951, and in many western European countries there was a recession in some industries, notably textiles. The pressure on heavy industry continued to increase due to armament investment and export demand, and the need to expand supplies of raw materials remained urgent. After mid-1951 there was a deterioration in Europe's balance of payments, attributable largely to the fact that European imports increased throughout the year whereas United States imports were reduced.

The report is critical of governments, especially in the United Kingdom and the United States, for, firstly, failing to foresee a break in raw material prices and, secondly, for failing to adjust their policies once wool, rubber and tin prices fell. The United States is criticized for "abrupt and sweeping changes in the execution of its stockpile programme" and the United Kingdom for lack of preparation of machinery to deal with the consequences of wide fluctuations in the prices of sterling area exports.

Expansion continued to be greater in industry than agriculture during 1951, and this tendency was more pronounced in eastern than western Europe. Agricultural and industrial production in Germany (both east and west) increased more than in other European countries. Trade between eastern and western Europe in 1951 declined further from the low level it had reached by 1950. In the first nine months of the year exports to eastern Europe (excluding eastern Germany and Yugoslavia) amounted, in terms of value, to only 2.4 per cent. of the total exports of western European countries against three per cent. in 1950 and five per cent. in 1949.

An important part of this report is a chapter devoted to economic developments in the Soviet Union, the subjects dealt with being industrial and agricultural production, construction and housing, national income and monetary stability. The main sources of information on which this discussion is based are the report on the fulfilment of the fourth Five-Year Plan (1946 to 1950) and a speech by Mr. Beria, a Deputy President of the Council of Ministers. The output of Soviet engineering industries increased by 130 per cent. from 1940 to 1950, and by a further twenty-one per cent. in 1951. The need to accompany this expansion with increased agricultural production is given recognition by the planning authorities in programmes for expansion of the area under irrigation, the planting of extensive tree shelter belts and other aims for soil conservation and improvement.

Another useful chapter deals with long-term problems in the European coal industry.

Economic Bulletin for Europe, Fourth Quarter, 1951 (Vol. 4, No. 1). Research and Planning Division, Economic Commission for Europe, Geneva, April, 1952. Pp. 80. 4s. 9d. (Aust.).

The first part of this *Bulletin* reviews the European economy in the fourth quarter of 1951 and the first months of 1952. The authors suggest that anti-inflationary policies initiated early in 1951 had begun to show results by the fourth quarter, especially in the Netherlands and Denmark where these policies were commenced earliest. On the other hand, demand for metal goods and engineering products continued to be strong.

As was pointed out in the *Economic Survey for Europe* in 1951, one of the long-term problems of international trade arises from the importance of textiles and other consumer goods in the exports of leading European trading countries (except Germany) in view of the market outlook for these goods. Recent events seem to support the view put forward in the annual survey that further increases in European exports will be most effective in those branches of production where there is most competition between armaments and exports, namely, metal and engineering goods.

A special article entitled "Housing in Europe since the War" describes the post-war scarcity of housing, government assistance to house-building, the roles of public and private building agencies and progress in construction. The housing shortage, which is acute in all European countries, is said to be most serious in western Germany, France, Italy and Poland.

The final section of the *Bulletin* contains a wide selection of economic statistics for recent years.

Improving the World's Grasslands. A. T. Semple, FAO Agricultural Studies, No. 16, Food & Agriculture Organisation of the United Nations, Rome, 1951, Pp. xiii, 147. 12s. 6d. (Aust.).

The main purpose of this study is to show how natural grasslands can be made more productive and also to indicate how wasteland with a favourable climate can be converted to rich pastures. In a foreword to the book, Dr. F. T. Wahlen, Director of the Agricultural Division of the United Nations Food and Agriculture Organization, refers to conservation and best use of natural resources as one of FAO's basic responsibilities, and claims that "hardly any world-wide project holds out more promises than a concerted campaign for the improvement of grasslands."

During the course of his research the author sought the assistance of other members of FAO's secretariat and also over seventy scientists and practical graziers in various countries. The information has been well organized and the main points clearly brought out. Over one hundred excellent photographs have been effectively used to emphasize points made in the text and to demonstrate the effects of different methods of pasture management. These features should make the book very useful as a reference for farmers and extension workers. The work is given additional value by the inclusion of a comprehensive bibliography after each chapter.

After emphasizing the importance of grasslands the author proceeds to a discussion of the place of grass in agriculture. Some of the questions taken up in the latter section include the relation of grazing land to proper land use, the soil-building and water conserving capacities of grass and the association between grazing practices and pasture management. There is also a discussion of methods of developing and improving grassland, including reference to work carried out in Australia, New Zealand, Switzerland and the United States of America.

The final chapter recommends the intensification of research into the problems of grassland management. The author points out that until about 1920 agricultural research work was concentrated on the problems of field crops such as wheat, maize, sugar cane and cotton, and on fruits and vegetables. "Now, principally on account of the emphasis on soil conservation and the scarcity and rising cost of farm labour, there is a tendency to give more attention to grassland management, including the production, harvesting and storage of fodder crops; the establishment and management of pasture and range plants; the improvement of established pastures and range plants by selection and breeding; the selection and management of livestock for maximum return from grazing lands; and the production and utilization of supplementary feed needed to carry the animals over periods when grazing is inadequate for their maintenance or for economic production above maintenance."

Yearbook of International Trade Statistics, 1951. Statistical Office of the United Nations, New York, 1952. Pp. 272. 22s. od. (Aust.).

This is the second issue of the United Nations *Yearbook of International Trade Statistics*. This issue is considerably larger than that published last year and contains trade statistics for fifty-two countries compared with forty-two in the first *Yearbook*. In addition, the latest issue includes, for the first time, tables according to the *Standard International Trade Classification* (SITC) for twenty countries, accounting for about sixty per cent. of world trade.

The *Standard International Trade Classification* has been prepared and recommended to governments as a form of publishing external trade statistics as a basis for greater international comparability of trade data. This issue of the *Yearbook* presents figures according to the SITC for all countries which provided their figures in that form.

Sample Surveys of Current Interest (Fourth Report). Statistical Office of the United Nations Department of Economic Affairs, New York, March, 1952. Pp. 56. 4s. 9d. (Aust.).

This publication contains brief summaries of the sampling techniques employed for a wide range of sample surveys in eighteen countries. Among the topics included are several references to surveys dealing with population, employment, income and agriculture. Research workers in the field of agriculture will probably be interested in the description of sample surveys for estimating yields of grain crops and potatoes in Germany and paddy in Ceylon. Another interesting reference is an outline of the procedure followed in a survey of fertilizer practices in the United Kingdom. This work was carried out in 1950 as a continuation of surveys of fertilizer practices initiated in 1942 and carried

out by the National Agricultural Advisory Service in co-operation with Rothamsted Experimental Station. The object of these surveys is to supply information on (a) the average responses of different crops to different amounts of fertilizers, together with regional and other relevant differences in their responses; and (b) how farmers actually used the fertilizers available to them.

Further information regarding any of the surveys dealt with in the report may be obtained from the Statistical Office of the United Nations.

Trade and Agriculture, D. Gale Johnson, New York, John Wiley and Sons Inc., 1950. Pp. vii, 198. \$3.00.

The sub-title of this book, "A Study in Inconsistent Policies", refers to the contradictions between United States' agricultural and trade policies in recent decades, and particularly since the end of World War II. Professor Johnson, of course, is not breaking any new ground in presenting such a theme, but the detailed efficiency with which he brings out these conflicts in policy is more than depressing for any free trader.

The two main sources of inconsistency in policy lie in the isolationist nature of agricultural programmes, and the failure of those formulating trade policy to evolve successful schemes to stabilize world prices for agricultural products. Programmes to assist American agriculture have to a large extent concentrated on raising domestic prices, thus necessitating high tariffs, import quotas, export subsidies (the polite name for "dumping"), wasteful surplus disposal schemes, and other restrictive trade devices. The net effect has been to encourage uneconomic production (both in the United States and in countries which retaliate) and to defeat the avowed aim of the United States and the United Nations—the expansion of world trade. Johnson attacks United States agricultural policy, not only on the ground that it conflicts with a liberal trade policy, but also because it is ineffective in achieving its aims of income equality and price and income stability for agriculture.

The failure to evolve satisfactory stabilization schemes has forced farm people and others to turn towards **nationalistic measures for help**. It has increased the demand for farm programmes designed to provide stability, and this has in fact (though not of necessity) resulted in restrictive trade measures which have seriously embarrassed United States efforts towards a liberal trade policy through such instruments as the Havana Charter and the General Agreement on Tariffs and Trade (G.A.T.T.). As a result, the United States "ideal" trade policy has differed very considerably from its actual policy. The political strength of American agriculture has forced American trade policy to accommodate itself to the needs of the farm programmes, so that United States delegates to G.A.T.T. and the Havana Charter (I.T.O.) have been obliged to insist on various escape clauses for agriculture in international agreements. This is all the more serious because of the dominant position of the United States in world trade.

"Other nations are not likely to take the measures necessary to bring their own domestic policies in line with the needs of freer trade as enunciated by the International Trade Organization (I.T.O.) if the United States, the main force behind the Charter, fails to do so."

Johnson summarizes the various trade-disruptive measures of United States trade policy over the past two decades under the headings of export subsidies, import quotas, excise taxes and tariff quotas. A graphic example of the dichotomous nature of United States trade policy is given. Despite the fact that export subsidies have been authorized and used under a number of United States legislative measures (e.g., the Economic Co-operation Act, 1948, and the Agricultural Adjustment Act of 1933), United States Governments have made it clear on several occasions that they regard export subsidies paid by other countries as unfair competition. For instance, the Antidumping Act of 1921 requires the Customs Office to collect a special dumping duty equal to the amount of the export subsidization as a means of protecting domestic producers from such unfair competition. At the very time when the United States Department of State was negotiating for the elimination or restriction of export subsidies by I.T.O. nations, the United States Commodity Credit Corporation was paying a substantial export subsidy on cotton.

A summary is also presented of the various agricultural policies seeking to raise local prices and thus necessitating the restrictive devices described above. The five main agricultural programmes discussed under this heading are commodity loans and storage, production control, marketing agreements, government purchase programmes, and consumer income supplementation and nutrition programmes.

Johnson seeks to prove that there is no necessary conflict between a liberal trade policy and the two objectives of agricultural policy—stability, and the need to raise agricultural incomes to levels comparable with other industries. The primary cause of low incomes in agriculture, the author points out, is excess labour in agriculture, and policies designed to raise agricultural prices to artificially high levels therefore not only fail to attack the root of the problem but may aggravate it.

The author then outlines, as a basis for discussion, an agricultural policy which, he maintains, would not only be successful in its dual purpose, but would not entail protection for United States agriculture. Cognately, various international trade measures are suggested which would not only achieve considerable price and income stability for agriculture, but would do this without the use of undesirable trade-restrictive measures.

Johnson's agricultural policy involves five measures: (i) food and fibre programme to stimulate demand; (ii) anti-cyclical price and income payments paid direct to farmers so as not to affect domestic market prices; (iii) a storage programme for certain commodities; (iv) a conversion programme designed to encourage the movement of excess farm labour from depressed agricultural industries and aiming to assist the adaption of these industries to new lines of production; (v) forward prices, with price guarantees at, say, 90 to 95 per cent. of the expected price.

The author offers two solutions to the problem of attaining stability in international trade. His proposed commodity reserve scheme is a comprehensive and elaborate type of buffer stocks scheme which involves the purchase and sale of "units" which are made up of a large number of agricultural commodities important in international trade. Probably the most important advantage this plan has over the ordinary buffer

stocks scheme is that the difficult problem of determining buying and selling prices for individual commodities does not arise. As an alternative, Johnson also suggests multi-lateral commodity agreements along the lines of the International Wheat Agreement, administered in conjunction with buffer stocks.

Johnson's plea for a liberal trade policy has more than an economic significance in to-day's atmosphere of cold wars and crises. Mr. Herbert Agar, in his book "Declaration of Faith", was commenting on the same theme when he said, "We strengthen each other with arms, grants and pacts, while weakening each other with tariffs, quotas, currency controls, prohibitions of immigration and every convenient device for making our total Western Economy inefficient."

Food Science. A Symposium on Quality and Preservation of Foods, edited by E. C. Bate-Smith and T. N. Morris, Cambridge University Press, Cambridge, 1952. Pp. xvii, 319. 40s. od. (stg).

This book, which consists of a series of papers presented at a Summer Course in Food Science, held in 1948 at the University of Cambridge, may be of some interest to economists in so far as it provides a great deal of useful background material on various aspects of the processing, preservation and storage of a wide range of foodstuffs.

The twenty-six contributors are comprised of research scientists from a number of research stations and laboratories in Great Britain engaged in the study of technical and physical problems associated with food processing and storage. The book should prove of considerable value to all those associated with the techniques of food preservation.