

BOOK NOTES

Dry Farming in the Northern Great Plains 1900-1925, Mary Wilma M. Hargreaves. Cambridge, U.S.A.: Harvard University Press (Oxford University Press), 1957. Pp. xi, 587, 110s. 0d.

This book will be of particular interest to students of American economic history. However, in Australia, it should have a wider audience since it deals with a geographic region and phase of land settlement which throw light on local developmental problems. Comment has been made recently in some quarters on the lack of research undertaken to-date in Australia on problems of instability in agricultural production. This forms part of the wider problem of the general paucity of analysis of land settlement in Australia. It is inevitable that there should be a constant exchange of ideas between students of agricultural development in the United States and Australia. There is no doubt that such an exchange occurred during the early stages of rapid expansion in irrigation farming in both countries after 1880 and especially between 1905 and 1925. Australian research workers interested in the problem of developing means of cushioning farm production against the impact of climatic uncertainties can learn much from the wealth of literature on this subject built up by American scholars in the last several decades.

Mrs. Hargreaves' analysis is not concerned so much with economic theory as with an historical account of economic progress throughout the Northern Great Plains (Montana and the Dakotas) during the first quarter of this century. This was the principal zone of agricultural settlement in the United States at that time and lessons learnt (often at great expense) in this phase of development have had a profound effect on subsequent settlement elsewhere in the States. Her book deals with the manner in which settlement evolved, the problems it encountered from a fickle environment and various human agencies, and demonstrates the achievements in the area in terms of the systems of farming and related institutions that characterized the region prior to and during the period from 1900 to 1925.

The variable behaviour of the chinook winds that bear down on the Northern Plains and latitudinal position give this region certain geographic characteristics which make it incomparable with areas of similar economic development in southern Australia. However, much of our semi-arid wheat lands are to be compared with the Northern Great Plains, not only in terms of the amounts and incidence of rainfall but also in the economies which have developed. Both areas are given over to extensive cultivation of grains and livestock raising with an erratic production pattern closely tied to a variable and uncertain rainfall regime. It is for these reasons that the American Great Plains are to be linked with wheat-sheep areas in Australia in any comparative study of extensive farming in semi-arid regions of the world.

Although this book deals primarily with dry farming, it provides an interesting evaluation of the relative significance of irrigation and dry farming in the Northern Great Plains. Mrs. Hargreaves is concerned also with examining the character of land settlement and related institutions

that marked the 1900-25 period as they developed from, and contrasted with, conditions in the nineteenth century. In later issues of this Review it will be suggested that some features of development in American semi-arid agriculture, notably projects aimed at an integration between irrigated and dry farming, provide useful pointers which should be considered by those influencing the growth of irrigated land settlement in Australia. It might equally be suggested that a book such as this should be required reading for any serious student of agricultural development of the semi-arid lands of this country. This will have the dual value of ensuring that our problems are considered with more than parochial perspective as well as suggesting possibilities for adapting the fruits of American experience to the task of solving local issues.

The Industrialisation of Australia, F. G. Davidson. Melbourne University Press, 1957. Pp. 26, 3s. 6d.

There is considerable scope in Australia for short factual pamphlets on topical subjects and this little publication supplies the need for one field. Although not presenting anything new, it is a well written description of the present structure of Australian industry, and also gives a brief account of some of the principal problems associated with industrialisation in a primary producing country such as Australia. The subject is introduced by a rather too abbreviated historical account of the industrial development in this country.

One of the most noticeable features of the Australian industrial structure is the dominance of a relatively few firms in a considerable number of industries. A brief discussion of some of the factors making for monopoly or near monopoly positions in Australia, such as the small size of the market in relation to economies of scale, would have improved the publication. In some cases, such as in sugar refining, governments have encouraged the development of a monopoly position.

The last section deals with the problems of industrialisation in a primary producing country. The author has endeavoured to comment on the various opinions which have been expressed about industrialisation in Australia. He has taken the view that although Australia will remain a primary producing country, industrialisation will play an essential part in her economic development.

The Agricultural Register—New Series: Changes in the Economic Pattern 1956-57, Agricultural Economics Research Institute, University of Oxford, November 1957, pp. viii plus 234. 21s. 0d. stg.

In comparison with the situation in Australia there is very detailed political and administrative control over supplies and prices of farm products in the United Kingdom. In recent years this has, of course, been due to the national importance of providing sufficient food for the country's population. During the war and early post-war years imports were so severely reduced that a special effort had to be made to increase local production. This involved considerable government direction to ensure the best use of resources and production of the commodities most urgently required.

This close control of agriculture naturally involved the introduction of fairly elaborate administrative procedures and it is the purpose of this publication to outline the methods currently employed to give effect to agricultural policy. As the objective of the text is to set out a factual summary of what is being done, there is no discussion of the wisdom or otherwise of agricultural policy itself. The scope of the book is restricted to an explanation of current government policy for agriculture together with details of the present position regarding guaranteed prices, subsidies, finance and marketing arrangements. There are also four useful chapters covering the significance of recent developments regarding imports, labour, land and capital and inputs such as feeding stuffs, machinery and fertilisers.

The Agricultural Register contains excellent explanations of the logic and methods of computing price supports for the various commodities and also gives some insight into government policy toward technical problems in Britain's agriculture. The book should be particularly helpful to agricultural research and extension workers in the United Kingdom but should also be a useful reference for students and agriculturists in countries which export primary products to the United Kingdom. For example, the tables of seasonal producer prices for milk, cattle, sheep, pigs, eggs and poultry will be of interest to Australian exporters.

In a sense this book has appeared at an opportune time as 1956-57 saw some important changes in agricultural policy. New legislation was introduced to give farmers longer-term assurances on prices and emphasis was given to production grants as distinct from price subsidies. The problem of surplus production also arose for the first time during the year and the authors have drawn attention to the fact that by the 1956 Annual Price Review it was considered desirable to avoid stimulating further the production of milk, pigmeat and eggs until markets could be extended or costs reduced. The 1957 Review added wheat to this list and stressed that a decline in production of milk and eggs was desirable.

Altogether the book admirably fulfils its purpose of bringing together some reference material not otherwise readily available and the authors are to be commended for not succumbing to the temptation of commenting on controversial aspects of policy.

Sterling and Regional Payments Systems, J. O. N. Perkins. Melbourne University Press in association with The Australian National University, 1956, pp. xv, 171, 30s. 0d. (Aust.).

In this study Dr. Perkins has made a careful analysis of the experience of the sterling area and the European Payments Union during the past decade and, on this basis, has discussed some possible improvements in international currency and payments arrangements. The book must be regarded as an important contribution to international monetary theory.

The author leaves no doubt that he feels very strongly about some of the points he makes. For example, in a chapter on the effects of the dollar pool upon trade he develops convincing arguments to support the view that the United Kingdom (and other non-dollar industrial-exporting countries) gained at the expense of the primary-exporting countries of the sterling

area from the existence of dollar import restrictions. In particular, he questions the proposition that dollar raw materials were so basic to the economy of the United Kingdom as to justify a quicker relaxation of dollar import restrictions than occurred in other countries. On this point the author goes so far as to hint that the other sterling-area countries should not have permitted the United Kingdom to draw as heavily as she did on the dollar pool: "Perhaps if the independent sterling countries had been more consciously aware of the soundness of their own case they would have been less ready to go as far as they did towards supporting the United Kingdom's attitude."

Perkins later argues that the United Kingdom gained less from the transferable accounts system than did the majority of other members of the sterling area and that this to a large extent counter-balanced gains from dollar imports. On the other hand, however, he also points out that the United Kingdom and other industrial exporters benefited most from the limitations upon—or complete absence of—convertibility of sterling. Summing up on this point, he says: "If these conclusions are read in the light of the definite advantages the United Kingdom seems to have gained from the existence of the dollar import restrictions in the rest of the sterling area, the broad effect of the whole complex of payments arrangements seems likely on balance to have worked to the advantage of the United Kingdom (and other industrial exporters) rather than to that of the outer sterling area countries."

In a chapter on possible modifications to regional payments systems, some space is devoted to financial incentives which could theoretically be applied to reduce the dollar gap and eventually enable groups of countries to achieve complete convertibility of their currencies into dollars. The author cites the contribution of other writers on this topic and then makes some further suggestions of his own. He discusses the proposals for modifying regional systems in some detail because he believes that a place is likely to remain for the sterling area organisation and perhaps some sort of successor to the EPU.

Agricultural Co-operation in the United Kingdom, Margaret Digby and Sheila Gorst. Oxford: Basil Blackwell, 1957. Pp. v, 177, 25s. (Aust.).

Apart from the occasional reader interested in a rather sketchy history of the development of the agricultural co-operative movement in the United Kingdom, this publication will have very limited appeal in Australia.

The authors have ignored the basic problem facing co-operatives throughout the world, namely the challenge of private enterprise. Some examination of this would have made the publication more valuable and given it more appeal. Furthermore there is a tendency to indulge in misguided propaganda and view the private enterprise section of the economy with marked suspicion. On page 159, one is left with the impression that the main aim of the movement is to provide a check "on private firms in the same line" of product or service. "Excessive prices, poor service or practices of more value to the firm than to the farmer can be immediately com-

pared with prices and practices prevailing in the co-operative movement, which has no interest in profits and exists only to provide the farmer with whatever service he requires.”

Two comments can be made on this viewpoint. First it must be conceded that the necessity for competitive checks on the practices and pricing policies of private enterprise was certainly one of the mainsprings of co-operative development in the 19th century. However, there is no evidence presented on the interesting point as to whether an expansion of co-operation is needed in the United Kingdom to counter current restrictive practices in agricultural marketing.

Secondly, the statement that the co-operative “has no interest in profits” is something of an over simplification. Members will draw their “profits” in a number of forms—as patronage dividends, share dividends, higher net prices for their produce, quality of service, etc. Leaving aside the benefits resulting from competitive stimulus, the extent of these economic benefits to members will depend on the relative efficiency and in this sense “profitability” of co-operative versus private enterprise. Thus, the case for co-operation rests to some extent on economies and advantages which the co-operative is in a better position to exploit than a private firm. Throughout the book there is no factual data or analysis of this problem.

Furthermore, co-operatives can sometimes expand sufficiently to indulge themselves in monopolistic pricing and other restrictive practices for the benefit of their members. Nowhere in the publication have the authors given any indication of the extent to which this has occurred.

As a purely descriptive piece of work on the organisation of the agricultural co-operative movement in the United Kingdom, the book has some merits but as a new and revised edition, it would seem that an analytical approach to the problems of the movement would have been more valuable.