ance, and economic adaptability preserve, even under conditions of high technical development, the type of the small producer. The chapter on rent where most of the theoretical mistakes of Miss Rochester originate is open to severe criticisms. The concept of absolute rent tied up with the labor theory of value can hardly be regarded as correct. It would need thorough revision and penetrating discussion to be able to serve as a basis for further theoretical work.

It seems to this reviewer that Miss Rochester paid much less attention to the elaboration of her theoretical technique than to her empirical research. The result accordingly is a good book, showing that farmers are poor but failing to demonstrate convincingly the causes of this poverty.

Paul A. Baran


The author indicates that "it has taken five years to write this book." This is not difficult to believe when one notes its encyclopedic nature. The volume is divided into three parts, followed by a long series of appendices. Part I includes three chapters setting forth the problem and six chapters outlining and discussing a plan proposed by the author. Part II consists of five chapters discussing "Economic, Political and Social Problems Raised." Part III considers, country by country, policies with respect to wheat and includes statistical tables for each nation. Fifty-six appendices present much additional statistical and other information relating to wheat.

The preface states that "our aim in writing this volume has been to furnish statesmen, economists and the general public with a brief exposé of the world's wheat problem, and to lay before them a proposal for its solution." The latter evidently is the major purpose, the former supplying background and support for the proposal. This conclusion is supported by many instances where discussions of specific problems are accompanied by the suggestion that the plan proposed would provide the remedy or alleviate the situation.

The proposal contemplates a new international agreement relating to wheat. As summarized by the author (p. 78) its main features are:
“(a) Allotment of export quotas for import into European countries only;
“(b) The obligation for all quantities exported to, and imported by, a European country to be covered by Certificates (issued by the International Wheat Board, to be established);
“(c) The export quotas to be expressed not in quantities but in percentages of the total European demand;
“(d) The aggregate of the export quotas always to be kept equal to the total European demand;
“(e) The Certificates to be negotiable;
“(f) Entirely free export to extra-European countries.”

Dependence for results is placed in the allocation of exports to Europe. It is emphasized that the plan does not provide for the fixing of prices, control of production, or limitation of exports to non-European countries.

While Hevesy’s plan itself does not include production control it is clear that he contemplates that adjustments will be made, particularly by exporting countries. It is observed (p. 129) “that an exporting country, having accepted the obligation not to consign to European countries more than a certain quantity, must, when framing its internal wheat policy, face this new situation and its probable consequences.” The need for curtailment is implied in the statement (p. 133) that wheat acreage in “exporting countries was, in 1938, too large by 8.1%.” In a chapter devoted to acreage adjustment it is suggested that each exporting country determine its “logical crop” on the basis of markets available to it and the “logical area” required for its production. Stress is laid upon the desirability of building up “security stocks” in each country as “insurance against bad harvests, errors in planning, or shortage in war-time.”

The war has destroyed any prospects of adoption of such a plan at this time. Its acceptability to countries generally even though war had not occurred is doubtful. It is also questionable whether the plan would have been as effective as the author believes in providing a solution to the wheat problem. Assurance is lacking that exporting nations generally would have stood ready to take their chances with the proposed allocation of import quotas for European countries. It probably would have been suggested by some of the exporting countries that outlets in Europe have been reduced by policies which frequently involve uneconomic production and that therefore exporting countries should not have to
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make all of the adjustment. It may be granted that importing countries would be reluctant to concede this. That, however, does not eliminate the probability of a strong, contrary feeling in exporting countries.

In earlier writings Mr. Hevesy supported the fixing of a minimum price on wheat. He has changed his views on this and marshals arguments to show the difficulties involved. He concludes that the controls on shipments to Europe embodied in his plan would lead to an “equilibrium price.” This result, however, would apply directly only to Europe because the adjustment of supply to demand provided by the plan relates only to importing countries of Europe. As pointed out by the author himself “there will be a distinction between the European and the extra-European price.” He also notes that “total European requirements of foreign wheat amount to no more than about 8% of the total wheat production.” While the plan does not include production curtailment, it is apparent that were it adopted the effects on price in exporting countries would depend in a large measure upon their ability to adjust production within their borders. Whether such a plan would restore satisfactory wheat prices generally would not depend upon the plan itself as much as on the influence it might exert upon exporting countries in curbing their production. How to bring about such curtailment, however, remains a knotty problem.

The size of the book could have been reduced and, in the opinion of the reviewer, its effectiveness enhanced, if the author had elected to limit his discussion to material relating directly to his proposal. A considerable share of Part II has only remote bearing on his main thesis. One fairly long chapter on the competitive system, while interesting in itself and revealing the author’s belief in competition, does not seem to add materially to the exposition of his plan. A chapter headed, “To Plan or Not To Plan” gives considerable space to criticism of the sort of planning represented by the U.S.S.R. A chapter on “The Future of Agriculture” is a hit and miss dealing with promises of developments which may occur in agricultural science. While the author apparently is optimistic over the prospects for industrial uses of farm products in general, he realistically recognizes that for his specialty, wheat, “It would be unwise, however, to rely on such a solution of the problem.”

The universality of governmental concern with the wheat problem is suggested by the author’s observation that he has been unable to
find any country "in which the government does not interfere with wheat." Part III reviews the place of wheat in the economy of individual countries and their plans for dealing with the problem. It serves as an excellent encyclopedia of wheat plans.

The large number of citations indicates the author's wide acquaintance with the literature on the subject and the extensive study he has given to it. It is too much to expect that any single individual should be able to get a picture correct as to detail for all countries with such wide variations in conditions. Thus, it is hardly an adequate description of the Federal Farm Board and the Canadian wheat pools to say that they "bought up . . . huge quantities of wheat to be held for a rise in price." The picture of conditions in the United States in the early thirties is overdrawn when it is said that "The mortgage investments of banks and insurance companies became practically worthless" and that "Panic was widespread and everyone who could hastened to send his money out of the country . . . ." Many will regard as an overstated accomplishment and credit due, the suggestion that it is to the administration that "the American farmer owed his restoration to comparative prosperity."

Other points could be mentioned in criticism but these should not be permitted to cover the suggestion that this is a book which should be available for the use of all serious students of the wheat problem or of agricultural policy in general. The elasticity of demand for it, however, probably is such that at the list price it will not be added to the private libraries of workers generally but it should be on the shelves of agricultural and other reference libraries.

O. B. Jesness

_University of Minnesota_


The detailed empirical studies of imperfect competition in different industries are usually numerous, widely scattered, and of very uneven merit, and these characteristics make it very difficult to form a complete and balanced picture of an entire economy. Professor Reynolds has surmounted these difficulties with unusual success. He provides us with a general survey of the role of competition and monopoly in Canada, and in addition he has summarized the legislative and administrative policies with respect to the