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Clawson, Policy Directions For U. S. Agriculture

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BOOK REVIEWS

POLICY DIRECTIONS FOR U.S. AGRICULTURE

By

MARION CLAWSON

Baltimore: Johns Hopkins Press. 1968

Pp. xvii, 398. \$10.00

Marion Clawson goes beyond the price and income aspects of agricultural policy and provides a broad perspective of the impact of policy on farm people, farm labor, rural living conditions, rural institutions and services, and the spatial organization of agriculture. He is one of the few writers who considers the interrelation between land prices and agricultural policy. This comes as no surprise to those familiar with Clawson's long-time concern with land and resource problems.

Clawson takes a somewhat unique view of agriculture. Most agricultural economists today view agriculture as composed of the input sector, the farming sector, and the processing and distribution sector. Clawson focuses mainly on the use of human and natural resources in the farming sector and largely ignores the other two sectors and their relationship to farming.

He compares U.S. agriculture to a fast-growing city in a low-income country. The many impressive new buildings, well-filled shops, and well-dressed people on the street belie the appalling slums, poor health, and poverty just around the corner. In surveying the rural American scene, Clawson looks "around the corner." He sees widespread poverty in agriculture, young people leaving farming, the decline of the rural community and rural institutions, and a land settlement pattern wholly unsuited to modern life.

In examining farming as a business, he sees many bright aspects. These include the enormous productivity of agriculture, ample cheap food for consumers, and well-trained managers in agriculture who know their craft and are alert to new information. However, on the dark side, many land and water resources are being used to produce unneeded products, returns to the factors of production are lower in agriculture than in other economic sectors, and a substantial proportion of all farms today are obsolete.

These conditions persist because of deficiencies in public programs for agriculture. The deficiencies, as seen by Clawson, are: the programs have been short run in outlook and operation; they have been obsessed with production control, price support, and storage opera-

tions; they have used irrational means, and have been inconsistent internally as well as in relation to other federal programs; they have become increasingly expensive; and they have increased land prices more than they have increased incomes of farm people who do not own land.

Clawson looks ahead to the year 2000 and compares the likely results of a continuation of present programs with results that might be achieved were it not for the lags and frictions of real life.

A continuation of present public programs for agriculture with no drastic changes would mean a continuation of present trends: declining farm numbers and farm population, low relative returns to labor, rising land values, and a downward drifting of rural communities.

In contrast, under a "no-friction, no-lag" assumption of instantaneous and complete economic and social adjustments, labor and capital in agriculture would earn returns equal to those earned in other sectors of the economy because excess labor and capital would quickly move out of agriculture. The number of farms would decline at about the same rate as under the first situation. There would be some shift from labor intensive to capital intensive methods. Total real estate values would cease to rise. Land settlement patterns would change considerably. Many farmers would live in the cities and commute to work on the farm. The remaining farmsteads would be located along major roads. Small towns would be fewer and larger and spaced farther apart.

These results are admittedly utopian and unattainable, but Clawson suggests several policy paths for moving in this direction. He suggests public efforts to help people move out of agriculture through migration and early retirement of older farmers. At the same time land in farms of the retiring operators would be used to enlarge the size of the remaining farms and to make a direct attack on rising land prices. Clawson also suggests cooperative efforts in restructuring the rural settlement pattern and in strengthening the remaining rural communities. In general, he would have public programs facilitate economic and social adjustments that probably otherwise would eventually occur, and minimize the human and financial costs of adjustments to those affected.

Like many others, Clawson bases his conclusions largely on USDA and census data for all farms. However, farms with, say, \$20,000 gross sales are quite different from farms with \$5,000 or less gross sales. A great many more farms fall in the latter group than in the former. The use of average farm data tends to obscure the significant differences between the several economic classes of

farms. While dealing separately with the low-income farms and the viable commercial farms would not have changed the major thrust of the book, it might have changed some minor conclusions.

All in all, Marion Clawson has written a provocative, useful book which can be read profitably by people interested in agricultural policy, especially those who have a natural resource background.

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