

**ECONOMICS WITH APPLICATIONS
TO AGRICULTURE**

ECONOMICS

with

APPLICATIONS TO AGRICULTURE

BY

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PREFACE

Economic principles must be abundantly illustrated and effectively related to current economic problems if they are to be understood and retained by the average college student. Such principles cannot be successfully taught as mere abstractions. The above conclusions of the authors are based on the experience of a number of years in teaching economics to college classes, including special groups in the agricultural curriculum. This book is partly the result of an effort to assist in putting these generalizations into practice. Recent years have furnished large additions to our statistical and other factual information about economic affairs. They also have brought forth large increases in the social control of business activity, although the degree of permanence of much of this control is as yet uncertain. The authors have attempted in this volume to show the relation of the principles of economics to recent and current economic events in a more concrete and effective manner than has been done in earlier textbooks.

The book was begun with the object of supplying a text which would present the generally accepted principles of economics clearly, thoroughly, and comprehensively, and which also would apply these principles to the present-day problems of agriculture. It was undertaken specifically to meet the apparent need for a thorough and up-to-date text for courses which are given in many educational institutions, especially the land grant colleges, with catalogue descriptions such as "The fundamental principles of economics in application to agriculture," or "Forces and institutions of modern society with special reference to agriculture; relation of cost, supply and demand to price." That objective has been retained throughout. At the same time it has been continuously recognized that there is not one set of principles of economics applicable to agriculture and another set to other economic activities. The principles of economics are broader than any industry, and the impact of economic forces on a single industry may well illustrate to a large extent the working of these forces in general. Furthermore, the well-being of the agricultural population concerns others than those directly employed at agriculture. These facts lead the authors to hope that the book may be found suited to general courses in economics in an environment in which agriculture is important, or in situations in which the instructor wishes to develop the principles of economics through the problem method of approach. The text develops economic principles in a search for an

answer to the question: How can the economic well-being of those engaged in agriculture be best promoted without unjustifiable interference with the welfare of other parts of the population? Although this is the chief problem set for the student, the authors, incidental to furnishing the student assistance in finding the answer to the major problem considered, have attempted to give a thorough and well-balanced description and analysis of the whole economic system.

Issues on which there is much controversy, even those on which recognized economists are not in agreement, have not been shunned. On controversial issues the authors have generally, in so far as possible, stated their own conclusions, and the reasons for these conclusions; at the same time they have tried to acquaint the student with other points of view. Incidentally, an effort has been made to introduce the reader to some extent to the development of economics as a science, to call his attention to outstanding economic literature, and otherwise to broaden his knowledge.

The book is larger than most of the available introductory texts on agricultural economics. This may necessitate the omission of some entire chapters in courses for beginners in which the whole subject is covered in one quarter or in one semester with less than four class-room hours per week. Whole chapters dealing with special problems in the latter part of the book may be omitted without interfering with the unity of the treatment. If it is used in a short introductory course not all students may master certain of the more difficult points which are mentioned, but this should not be confusing. An effort has been made to present major points in strong perspective—to emphasize them so effectively, even by some conscious repetition, that they will be mastered by the ordinary college student—and at the same time to raise difficult questions in such a manner as to interest the more brilliant student. With some supplementary reading from the works recommended at the end of each chapter, or from sources selected by the instructor, the authors believe that the text will be found adapted to courses which are of an advanced nature, or which extend through more than one term or semester.

Less space is devoted to farm management and marketing than is devoted to these subjects in most texts on agricultural economics. This is for the reason that most students in the agricultural curriculum take special courses in these subjects. On the other hand, both subjects are treated briefly, and the inclusion of a special chapter on marketing devotes more attention to that important economic activity than is given to it in most general texts on principles of economics.

Though the book was written primarily for use as a college textbook, the authors hope that it may have a favorable reception by persons outside of colleges who are interested in the problem of agricultural well-being. It attempts to consider most of the important economic forces

related to agricultural welfare, rather than only a few, as is the case with many of the books which treat that problem.

As to authorship, we shall say that this is not a textbook of the kind on which appear the names of two persons, one of whom has done nearly all of the work. In thought and labor the two writers have contributed in not greatly different amounts, and the book is thoroughly a joint product. Neither of the authors could have written the volume as it is without the assistance of the other.

Among those who have read parts of the manuscript, and to whom the writers feel indebted for valuable suggestions for its improvement, are the following: O. B. Jesness of the University of Minnesota; M. N. Nelson of Oregon State College; W. P. Thomas of Utah State Agricultural College; Joseph S. Davis and Eliot Jones of Stanford University; S. J. Coon and Howard H. Preston of the University of Washington; E. T. Grether of the University of California; Erwin Graue and Harold A. Vogel of the University of Idaho; David L. Wickens, V. N. Valgren, L. H. Bean, Byron Hunter, Neil Johnson, and R. I. Nowell of the U. S. Department of Agriculture; Charles W. More of the Wenoka Credit Corporation, Seattle; and our associates, G. F. Cadisch, F. W. Clower, C. D. Jacobs, N. J. Aiken, H. M. Chambers, Rex Willard, E. F. Landerholm, C. C. Hampson, and C. R. Niswonger of The State College of Washington. To Harold A. Vogel, N. J. Aiken, and F. W. Clower we are especially grateful for using in their classes a preliminary draft of much of the material in mimeographed form, and giving us the benefit of their suggestions for improvement as a result of such use. The authors, of course, are solely responsible, "jointly and severally," for whatever defects the book may have.

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