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In This Issue

In the second of the series of invited essays on the state of agricultural economics, Hildreth examines the research establishment and comments on its performance Hildreth brings to the discussion a long career of making the system work From such experience, one would not be surprised at some indication of occasional frustration or impatience, yet his evaluation of the profession is decidedly positive and complimentary Despite his encouragement for the kinds of things we do in this journal, he cautions agricultural economists to beware of excessive attention to the discipline, and stresses the importance of being "useful "

Kitchen and Rausser examine the relationship, if indeed any exists, between interest rates and commodity prices The theory that well-oiled storage or arbitrage systems completely reflect interest rates in commodity prices has been challenged recently An alternative theory is that commodities have their own implicit rate of return, positively related to the real rate of interest The issue is whether monetary effects have reallocative economic effects or only nominal price effects They examine recent literature, state a general framework, and relate commodity own rates to real interest rates The rates appear unrelated

The article by Hyde is a marginal-cost analysis of habitat management The habitat in question is the nesting area for an endangered species, the red-cockaded woodpecker, which raises its young in the cavities of mature pine trees Harvesting the pine at commercial timber age reduces the woodpecker's nesting possibilities Management requires developing a balance of mature trees consistent with the objectives of species preservation and commercial timber Hyde examines both permanent site preservation and rotation harvest alternatives and concludes that the preservation cost is small

The note by Hertel, Preckel, and Huang presents a test of the responsiveness of a linear programming model to price changes The model is a reduced form of the basic design created by Iowa State University's Center for Agriculture and Rural Development They conclude that the model produces little response of input price on national aggregate demand for factors, but produces much response, apparently too much, on production locations

Hite's review of Paarlberg's book, *Toward a Well-Fed World,* is supportive and insightful He recommends it for professional agriculturalists " whenever internal doubts stir about the value of what we do " It is not an economics book, but it is a book economists should read We've inserted some of Paarlberg's deeply felt, but simply stated, thoughts in the review A remarkable complement to Paarlberg is Kloppenburg's *First the Seed* Perhaps counterpoint would be a better word. Knudson gives Kloppenburg high Marx in scholarship for his thorough examination of the seed industry She is less than satisfied with his analysis and its policy implications

The Strange book on family farming is reviewed by Boxley He credits Strange with being "challenging," but faults the book's reasoning on the relative efficiency of large farms and the needs for public intervention in the credit, commodity, and land markets Here is a book that, despite its minor faults, gives a helpful perspective on farm structure and farm policy

Hiemstra reviews Litan's answer to the question what should banks do as they face deregulation? Hiemstra credits Litan with a thorough, technically competent, study of banking history and organization He generally supports Litan's reforms which create deposit companies organizationally separated from lending entities

Nightingale reviews the book, edited by Mellor and Ahmed, on price policy in developing countries The book was undertaken under sponsorship of the International Food Policy Research Institute Among the policies suggested in the book is the allocation of public resources away from input subsidies and price supports and toward distribution and employment

Randall, in his comments on the book edited by Sutton, notes the difficulty of gathering a set of authors around a topic of many subtle relationships, such as trade and natural resources His review is generally favorable, but clearly, there are subjects that at some point in their development require the integration of thought and purpose that only single authors can produce

To return to Hildreth's inquiry about the state of agricultural economics, we could ask about the merits of individual performance relative to collective accomplishment in organizations Are there analogies in economic research to the structural alternatives in agriculture, that is, a system of sole proprietors versus a system of corporate entities? How does an economic organization, or simply a project, provide for individual synthesis and creativity as well as collective mass and interaction? The answers are elusive

Gene Wunderlich