

a billion untapped acres for tropical agriculture.

Most books on this subject have suffered from an elementalistic approach and lack of adequate field experience. Dr. Brown's structure is nonadditive and conceived in terms of dependent variables; while it gives little evidence of firsthand acquaintance with geographic and sociological factors, as a map of man-earth relationships the book has an unusually high degree of reliability. Strongly recommended from every point of view!

WILLIAM VOGT

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WELCH, FRANCIS X. (Ed.). *Preparing for the Public Utility Rate Case*. Pp. 323. Washington, D. C.: Public Utility Reports, 1954. No Price.

The avowed purpose of this volume by the research staff of Public Utility Reports, Inc. under the editorship of Francis X. Welch, Editor of *Public Utilities Fortnightly*, is to serve as a handbook and guide for the guidance of those concerned with public utility rate cases. It is addressed to public utility managerial officers, staff technicians and attorneys, public utility consultants, expert witnesses, protestants in rate cases and their counsel, and members and staff of public utility regulatory commissions. It is a "how to do it" volume based upon the experience of the editor and his staff in preparing, trying, and reporting cases before regulatory commissions.

Public utility rate cases are important matters—important to the managements, owners and employees of public utilities, to the users of their services, and to the public which must assume the responsibility of regulating utilities through legislators, regulatory commissions, and courts.

The thesis of the editor and his associates is that a rate case should be thoroughly prepared technically and with the proper information to the public and employees of why the rates should be adjusted as requested in the case. It should be competently tried with counsel, witnesses and testimony designed and correlated so as to present the utility com-

pany's case thoroughly and forcefully. It must be decided objectively by the commissions in the public interest. The record in the case should be adequate to serve as the basis of appeal to the courts if the case is decided by the regulatory commission contrary to what the parties in the cases believe to be the sound expression of the law. They express the view that, "good and sound practice thus comes to the aid of good and sound regulation."

The handbook takes the reader of its specialized chapters through the mechanics of preparing every aspect of the rate case from the time a decision is reached to embark upon this complex, expensive, and time-consuming venture until the decision and order of the regulatory bodies have been made.

The material in the volume is readily located through use of chapter headings and index. It is a useful addition to the literature of public utility management, law, and regulation.

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STOCKING, GEORGE W. *Basing Point Pricing and Regional Development: A Case Study of the Iron and Steel Industry*. Pp. vii, 274. Chapel Hill: The University of North Carolina Press, 1954. \$6.50.

This work began as a study of the effects on the economy of the South of the basing point pricing system in steel. As the author soon properly recognized, however, this problem could hardly be considered apart from the effects of the basing point system on the total United States economy, or without reference to important aspects of the steel industry other than its pricing system. In short, the book really deals with industrial organization and market structure in the steel industry with special reference to (1) pricing practices and (2) the South.

The author's conclusions are critical of the steel industry and of the basing point system. In this respect, he resembles a long line of distinguished economists, from Frank A. Fetter (*The Masquerade of Monopoly*, 1931) to Fritz Machlup (*The Basing-Point System*, 1949), who have at-

tacked the basing point system as an instrument of collusive pricing and wasteful of resources. Stocking's book, like those of Machlup and Fetter, is addressed to the lay reader as well as the professional economist. Like his predecessors, Stocking tends to smack his lips over the evidences he finds of dark conspiracy and exploitation. But there are significant differences.

Those economists who have disagreed with the attack on the basing point system have not, generally speaking, been satisfied with the steel industry's performance; rather, they have argued that the trouble is more basic, and that the particular form of pricing used is of little importance. Stocking is more sympathetic with this position than was Fetter or Machlup. This is illustrated by the fact that Stocking does not agree with his predecessors' advocacy of *compulsory* f.o.b. mill pricing. Rather, Stocking favors the permission of freight absorption, so long as it is "non-conspiratorial," and so long as it does not tend to eliminate competition. Further, Stocking is much less sanguine in the view that a mere change in pricing rules will produce competitive prices, better resource allocation, and a fair deal for the South. But it should help.

The reviewer believes this to be the most effective, withal the most moderate, of the critical treatments of the steel industry's basing point system. The professional economist will find that the study embodies some new factual findings, based on Temporary National Economic Committee materials, as well as a careful sifting of the old voluminous evidence. Likewise, it contains a penetrating analysis of the complicated recent legal developments with respect to basing point pricing.

The layman with an intelligent interest in public economic policy and the professional economist will each find this a useful and stimulating work. Professor Stocking writes clearly and persuasively, but generally avoids the tendentiousness which has plagued so much work in this area.

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PRIMM, JAMES NEAL. *Economic Policy in the Development of a Western State,*

Missouri 1820-1860. Pp. viii, 174. Cambridge, Mass.: Harvard University Press, 1954. \$3.75.

Few studies have had a greater impact on generally accepted ideas than the publications of Oscar and Mary Handlin, *Commonwealth: Massachusetts, 1774-1861*, and Louis Hartz, *Economic Policy and Democratic Thought: Pennsylvania, 1776-1860*. No one can any longer seriously suggest that the role of government in the United States prior to the Civil War followed Adam Smith's recommended policy of laissez-faire. The carefully documented experience in Massachusetts and Pennsylvania indicates that, at least in those two areas, the state played an active part in economic affairs. There was no adherence to any principle that made it improper *per se* for the state to engage directly in supplying economic goods and services needed by the people, while government aids to economic activities were so numerous as to be commonplace. Decision on the role the state should take in particular areas was largely determined by pragmatic considerations.

With the Handlins and Hartz studies as models, James Neal Primm has undertaken a similar analysis of Missouri. This was a happy choice. Located in the heart of the Mississippi Valley, Missouri drew its settlers from both the northern and southern areas farther east. Admitted as a state in 1820, Missouri thus provides a test of the extent to which the Pennsylvania-Massachusetts pattern may have been modified by a difference in the timing of settlement or the influence of the "frontier."

In general the results of the study confirm the fact that Missourians shared the same pragmatic attitude toward the role of government in economic life as their countrymen in Massachusetts and Pennsylvania. The author notes, however, ". . . the development state policy in Missouri often diverged in concept and in detail from the experience of eastern states" (p. 124). These differences he ascribes, ". . . to Missouri's relative youth as a state, her remoteness from eastern centers of population and wealth, her smaller financial resources, and the comparatively wide dispersion of her population."