

BUSINESS IN NEBRASKA

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AGRICULTURE IN NEBRASKA

In the decade from 1954 to 1964 in Nebraska the number of farms dropped more than a fifth and their average size grew by more than a fourth; the total value of farm land and buildings and the value per acre rose by more than 50%, and the value per farm by more than 90%; irrigated acreage increased 85%; the value of farm products sold rose more than 50%, the average sales per farm nearly doubled, and the importance of livestock relative to crops in farm income continued to increase; the exodus from the farm, particularly of younger persons, persisted, and the average age of farm operators and the proportion over 65 rose to new highs; the proportion of operators in residence and the proportion of tenancy continued to decline, while the proportion working off the farm increased substantially.

These are some of the interesting and important facts disclosed by the preliminary report of the 1964 U. S. Census of Agriculture, which recently became available. For the most part they simply

¹This is the 18th such census taken since the beginning in 1840. From that date to 1920 the census was a decennial one taken in the same years as the Census of Population. Since the latter date the frequency has been doubled. The final report will contain much more information than that contained in the preliminary report now available. Unfortunately, the speed of compiling and publishing the data does not come close to matching the accuracy and detail of the information provided. It is to be hoped that the final report on the 1964 Census will be published before the next one is taken.

confirm the continuation of trends that have been apparent for many years.

A long-term comparison of some of the information supplied by the preliminary report for the state as a whole is contained in Table I below. Similar data have been published for the three Congressional districts of the state and for 22 counties.² The reports for the state, the districts, and the counties are for sale by the Bureau of the Census and Department of Commerce Field Offices at 10¢ each.

Some of the interesting long-term comparisons that may be noted from Table I are as follows:

- (1) The value of land and buildings per acre and per farm declined by more than two-thirds between 1920 and 1940 but have been climbing steadily for the past 25 years.
- (2) The big increase in irrigation came during the decade of the fifties, when irrigated acreage more than doubled.
- (3) The total acreage devoted to agriculture in the state was exactly the same in 1964 as twenty

(Continued on page 4)

²Cedar, Dakota, Douglas, Gage, Grant, Holt, Hooker, Kearney, Keya Paha, Knox, Logan, Loup, McPherson, Platte, Polk, Rock, Seward, Sheridan, Sherman, Sioux, Thomas, and Wheeler. Presumably, the reports for the remaining counties will be issued within the near future. It is not anticipated that county data will be published in Business in Nebraska, but such information is available upon request.

TABLE I
FARM NUMBERS, ACREAGE, SIZE AND VALUE IN NEBRASKA 1920-1964

	1920	1925	1930	1935	1940	1945	1950	1954	1959	1964*	Percentage Change 1954-1964	
											Nebr.	U.S.
Number of Farms (thousands)	124.4	127.7	129.5	133.6	121.1	111.8	107.2	100.8	90.5	80.2	- 20.4	- 34.0
Acres in Farms (millions)	42.2	42.0	44.7	46.6	47.3	47.8	47.5	47.5	47.8	47.8	+ 0.6	- 4.1
Irrigated Acres in Farms (thousands)	NA	NA	404.5	345.4	473.8	631.8	904.5	1,171.4	2,077.9	2,171.1	+ 85.3	+ 25.1
Value of Land & Buildings (billion \$)	3.7	2.5	2.5	1.6	1.1	1.7	2.8	3.5	4.2	5.3	+ 51.4	+ 66.4
Per Farm (thousand \$)	29.8	19.8	19.3	11.7	9.4	15.2	25.9	34.4	46.8	66.2	+ 92.4	+ 152.0
Per Acre (dollars)	87.91	60.06	55.81	33.53	24.03	35.58	57.58	70.78	88.28	111.01	+ 56.8	+ 73.9
Average Size of Farms (acres)	339.4	329.0	345.4	348.9	391.1	427.3	442.9	470.9	527.8	596.2	+ 22.6	+ 45.1
Number of Farms by Size (thousands)												
Less than 10 acres	1.8	2.9	3.7	5.3	4.3	4.6	4.5	4.3	2.5	2.4	- 44.2	- 62.3
10-49 acres	5.3	6.2	6.5	7.9	6.4	6.0	5.6	4.7	4.7	3.9	- 17.0	- 47.4
50-99 acres	11.2	11.0	10.1	10.7	9.3	7.1	6.9	5.7	5.1	4.4	- 22.8	- 37.2
100-259 acres	64.7	66.2	64.7	64.3	55.9	48.0	45.4	40.7	32.2	24.0	- 41.0	- 30.0
260-499 acres	25.9	26.5	28.1	28.6	27.9	28.1	26.9	27.0	26.7	24.5	- 9.3	- 6.4
500-999 acres	9.7	9.5	10.3	10.5	10.6	10.8	10.6	10.7	11.3	12.2	+ 14.0	+ 9.8
1,000 acres or more	5.9	5.4	6.0	6.3	6.7	7.2	7.2	7.6	8.0	8.7	+ 14.5	- 34.9

NA - Not available.
* Preliminary.

Source: U. S. Dept. of Commerce, Census of Agriculture.

Business Summary

Nebraska's dollar volume of business in November increased 3.4% from November, 1965 and the physical volume increased 3.1%. U.S. figures for the same period were +5.0% and +3.6% respectively. Dollar volume changes from October, 1966 were -3.4% (Nebr.) and -1.3% (U.S.) and physical volume changes for the same period were -2.8% (Nebr.) and -0.5% (U.S.). Of the business indicators for Nebraska, newspaper advertising (+11.3%) and manufacturing employment (+11.4%) show the greatest increases over a year ago. Construction activity remained well below last year for both the

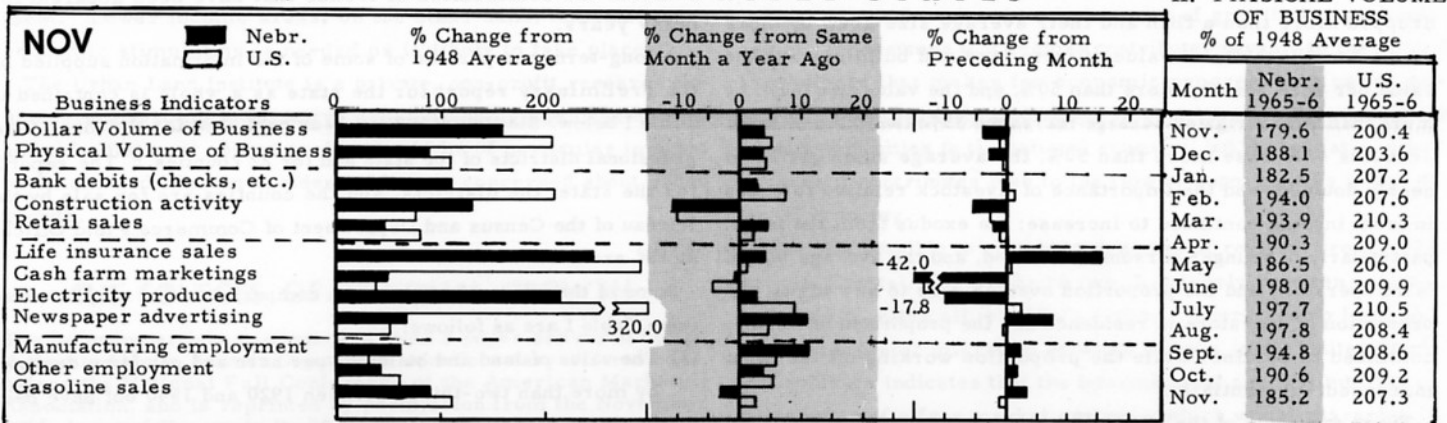
U.S. (-10.6%) and Nebraska (-11.4%).

Nebraska's retail sales in December were 5.8% above a year ago. The November-to-December change, seasonally adjusted, was +7.6%. The decline in construction activity from last year is reflected in the 11.6% decrease in building material. Groceries (+17.0%) and farm equipment (+19.4%) had the greatest increases from last year. Of the twenty-two reporting cities, seventeen increased from last December. The hard goods ratios for the larger cities reflect the reduction in construction activity.

Indexes of city business indicators rose in all twenty-two cities over the last year. The state index increased 4.8%.

All figures on this page are adjusted for seasonal changes, which means that the month-to-month ratios are relative to the normal or expected changes. Figures in Chart I (except the first line) are adjusted where appropriate for price changes. Gasoline sales for Nebraska are for road use only; for the United States they are production in the previous month. E. L. BURGESS

I. NEBRASKA and the UNITED STATES



III. RETAIL SALES for Selected Cities. Total, Hard Goods, and Soft Goods Stores. Hard Goods include automobile, building material, furniture, hardware, equipment. Soft Goods include food, gasoline, department, clothing, and miscellaneous stores.

DEC City	No. of Reports*	Per Cent of Same Month a Year Ago			Per Cent of Preceding Month	DEC City	No. of Reports*	Per Cent of Same Month a Year Ago			Per Cent of Preceding Month
		Total	Hard Goods	Soft Goods				Total	Hard Goods	Soft Goods	
THE STATE	910	105.8	100.6	107.6	107.6	Fremont	33	104.9	124.9	87.7	121.0
Omaha	94	99.3	91.7	105.5	105.8	Fairbury	29	103.9	105.0	102.9	121.6
Lincoln	88	103.0	96.4	108.3	101.2	Norfolk	34	106.1	104.9	107.3	124.4
Grand Island	39	107.3	98.5	115.2	113.2	Scottsbluff	35	104.4	108.1	101.2	102.1
Hastings	32	92.8	96.2	89.9	108.3	Columbus	28	112.0	106.3	117.0	124.6
North Platte	22	105.1	96.1	111.5	127.5	McCook	24	122.6	127.0	119.1	115.3
						York	31	104.5	113.3	98.9	113.8

IV. RETAIL SALES, Other Cities and Rural Counties

V. RETAIL SALES, by Subgroups, for the State and Major Divisions

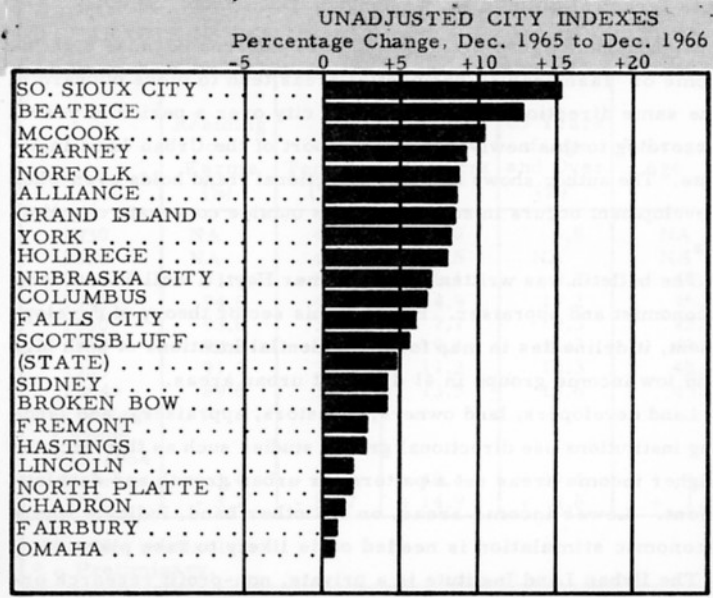
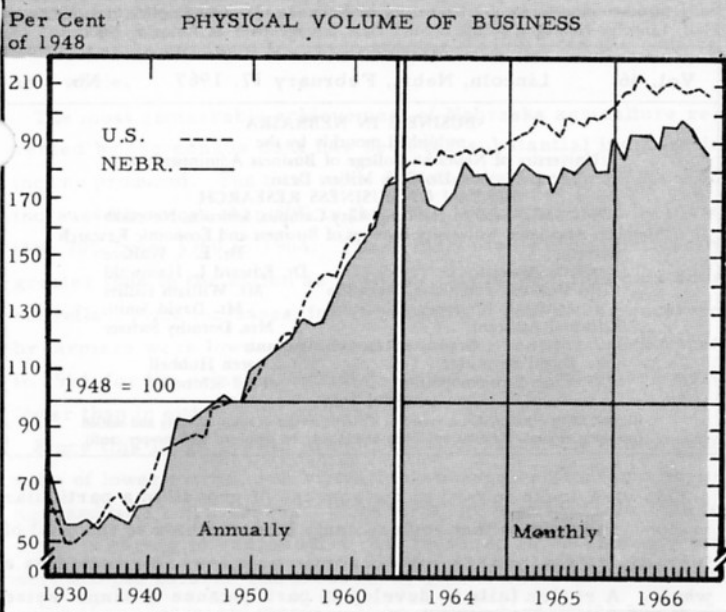
DEC Locality	No. of Reports*	Per Cent of Same Month A Year Ago	Per Cent of Preceding Month
Kearney	20	110.1	121.8
Alliance	29	113.2	134.4
Nebraska City	23	102.8	108.4
Broken Bow	17	101.2	110.8
Falls City	15	96.8	122.3
Holdrege	23	106.2	114.9
Chadron	25	97.9	125.8
Beatrice	22	105.9	109.7
Sidney	27	105.9	129.0
So. Sioux City	13	99.9	89.3
Antelope	12	102.4	108.0
Cass	26	99.5	111.0
Cuming	15	104.9	115.6
Sand Hills**	28	100.8	105.2
Dodge***	13	115.2	117.6
Franklin	10	122.4	97.8
Holt	15	111.7	134.0
Saunders	18	103.4	102.3
Thayer	10	103.2	116.7
Misc. Counties	60	119.1	111.1

DEC Type of Store	Per Cent of Same Month a Year Ago			
	Nebraska	Omaha and Lincoln	Other Cities	Rural Counties
ALL STORES****	105.8	103.6	106.7	107.0
Selected Services	103.1	104.3	101.0	104.0
Food stores	111.2	109.8	110.7	113.2
Groceries and meats	117.0	115.2	115.9	119.8
Eating and drinking pl.	101.9	101.1	102.0	102.6
Dairies and other foods	105.1	103.7	105.9	105.7
Equipment	99.1	96.0	101.9	99.4
Building material	88.4	86.8	80.6	97.9
Hardware dealers	96.3	72.3	108.8	107.7
Farm equipment	119.4	140.0	126.2	92.1
Home equipment	106.1	95.1	107.6	115.7
Automotive stores	103.3	101.3	107.1	101.4
Automotive dealers	102.5	98.4	105.2	103.9
Service stations	108.9	112.9	114.7	99.0
Miscellaneous stores	103.8	100.4	103.7	107.3
General merchandise	99.9	98.2	96.1	105.3
Variety stores	104.7	102.3	105.9	105.8
Apparel stores	101.5	96.8	104.2	103.5
Luxury goods stores	107.4	98.4	106.3	117.5
Drug stores	99.1	97.0	102.0	98.3
Other stores	120.6	118.1	122.8	120.9
Liquor stores	104.4	104.4	106.2	103.2

*Not including liquor stores **Outside Principal City

***Including Hooker, Grant, Dawes, Cherry, and Sheridan Counties

****Not including Selected Services and Liquor Stores



Figures on this page are not adjusted for seasonal changes nor for price changes. Building activity includes the effects of past as well as present building permits, on the theory that not all building is completed in the month the permit is issued. E. L. B.

VI. CITY BUSINESS INDICATORS

Per Cent of Same Month a Year Ago

DEC State or City	City Index	Bank Debits	Building Activity	Retail Sales	Electricity Consumed	Gas Consumed	Water Pumped	Postal Receipts	Newspaper Advertising
The State	104.8	104.7	61.3	105.8	106.2	112.5	100.5	114.5	102.4
Beatrice	112.9	99.6	117.1	105.9	131.4	111.8	146.2	116.2	106.5
Omaha	100.7	101.5	56.0	99.3	109.6	111.8	95.9	101.2	100.7
Lincoln	102.0	98.4	74.3	103.0	102.7	106.8	102.8	130.2	99.5
Grand Island	108.5	115.1	42.3	107.3	106.8	109.6	100.9	110.3	- -
Hastings	102.8	110.6	64.3	92.8	105.9	120.4	96.4	111.0	98.2
Fremont	102.9	101.6	35.0	104.9	NA	NA	102.3	105.1	NA
North Platte	102.0	103.6	68.3	105.1	103.2	143.4	96.7	102.2	99.0
Kearney	109.2	109.4	54.9	110.1	118.8	122.6	102.7	108.1	NA
Scottsbluff	105.5	106.7	38.8	104.4	109.5	108.8	91.7	102.3	108.5
Norfolk	108.7	94.7	63.8	106.1	114.1	122.0	103.6	123.2	111.0
Columbus	106.6	110.0	61.1	112.0	116.1	118.1	106.3	94.1	98.3
McCook	110.4	101.9	19.9	122.6	114.0	117.4	NA	112.8	104.4
Sidney	104.2	99.1	463.5	105.9	81.9	139.8	107.7	88.0	NA
Alliance	108.6	112.5	146.2	113.2	94.6	111.6	99.0	111.3	91.7
Nebraska City	107.0	120.8	44.9	102.8	102.9	61.0	120.2	115.2	NA
So. Sioux City	115.2	120.9	447.3	99.9	124.8	NA	NA	99.2	NA
York	108.3	105.2	160.5	104.5	113.4	122.2	108.2	92.6	- -
Falls City	106.2	103.0	112.1	96.8	107.8	120.1	108.9	104.3	97.9
Fairbury	101.0	100.2	21.4	103.9	100.4	108.8	99.3	93.1	108.3
Holdrege	107.8	NA	369.6	106.2	104.6	108.3	108.9	112.6	75.7
Chadron	101.4	103.9	42.0	97.9	109.1	103.1	103.1	87.4	NA
Broken Bow	104.2	147.8	93.4	101.2	108.5	101.8	102.1	109.4	104.7

Per Cent of Preceding Month (Unadjusted)

DEC State or City	City Index	Bank Debits	Building Activity	Retail Sales	Electricity Consumed	Gas Consumed	Water Pumped	Postal Receipts	Newspaper Advertising
The State	107.2	107.7	97.7	131.8	106.2	113.4	97.2	163.1	101.6
Beatrice	108.2	96.4	76.9	128.3	111.9	132.4	94.0	174.5	96.2
Omaha	107.2	107.1	93.3	123.2	108.8	111.0	101.8	121.1	94.0
Lincoln	113.2	108.4	167.1	115.9	103.5	125.1	95.5	186.7	96.1
Grand Island	118.2	115.2	117.5	130.4	101.3	146.4	106.4	157.1	- -
Hastings	116.2	115.7	79.9	122.9	118.9	134.9	79.4	145.4	107.2
Fremont	110.6	103.0	93.9	138.0	107.7	NA	93.7	141.4	NA
North Platte	115.4	108.6	100.4	147.4	103.6	179.5	95.8	145.0	104.2
Kearney	131.0	126.5	85.6	141.0	125.5	147.7	88.6	141.5	NA
Scottsbluff	111.8	98.0	102.1	118.6	90.9	128.3	70.0	160.3	128.4
Norfolk	110.6	110.5	72.6	142.7	83.0	129.4	94.7	183.5	108.0
Columbus	110.9	108.3	91.4	141.2	96.1	133.3	88.4	131.3	107.8
McCook	110.8	98.3	101.8	132.5	103.3	127.2	NA	239.2	99.8
Sidney	126.9	116.8	381.1	150.9	97.7	130.8	68.0	133.0	NA
Alliance	109.5	102.5	117.7	152.6	94.6	110.8	99.5	146.9	107.0
Nebraska City	114.6	115.8	80.7	123.0	104.3	178.7	104.9	179.7	NA
So. Sioux City	107.9	99.2	83.3	103.9	120.7	NA	NA	175.0	NA
York	104.9	99.2	78.0	131.7	98.1	130.6	83.3	135.1	- -
Falls City	114.4	111.4	102.7	142.9	109.0	134.5	91.7	168.6	90.9
Fairbury	105.9	92.5	66.7	137.9	98.0	109.5	98.5	150.8	117.7
Holdrege	102.8	97.2	85.2	133.6	109.0	108.3	85.7	173.8	96.9
Chadron	102.6	82.7	77.1	149.0	95.1	117.9	94.8	125.7	NA
Broken Bow	118.6	133.7	93.2	129.1	110.1	122.8	101.4	151.9	112.6

(Continued from first page) years earlier and has changed

little over the whole period covered.

- (4) The number of farms increased slowly from 1920 to 1935, then dropped at a more rapid rate for the next three decades.³
- (5) The resulting increase in the average size of farms began subsequent to 1925 and has continued without interruption for four decades.
- (6) With the exception of the expansion of irrigation, none of these changes during the decade 1954-1964 was as rapid in Nebraska as in the nation as a whole.

The steady increase in size of farms, particularly since World War II, is clearly depicted in Table II. While there has not been much change in the proportion of the smaller farms (less than 50 acres), there has been a marked decline in the proportion of those from 50 to 260 acres, and a corresponding increase in those above 260. The decrease in the percentage in the modal group (100 to 260 acres) is particularly striking. In fact, the next larger group (260-499 acres) has now become the modal group. There are now more farms in Nebraska above 2,000 acres in size than there are below 10 acres, and more than 10% of the farms are 1,000 acres or more.

The trend toward increasing size is shown even more strikingly in Table III, where the comparison is in terms of number of acres rather than size of farms. Uninterrupted even by the great depression, this trend has continued inexorably throughout the entire period covered by the Table. The proportion of agricultural land in farms of less than 260 acres has dropped from nearly 30% to less than 11%. It will be noted from Tables II and III together that the smallest 13% of the farms contain less than 1% of the acreage and that 43% of the farms have only 10% of the acreage. At the other end of the scale, the largest 10% of the farms now contain half the farm acreage of the state.

It was pointed out above that the changes in most of the characteristics of agriculture shown in Table I were not as rapid in Nebraska as in the rest of the nation during the 1954-64 decade. In these respects, therefore, the disparity between state and nation in agriculture is growing. The same appears to be true when we examine the tenancy status of farm operators, shown in Table IV. Farm tenancy is higher in Nebraska and is not declining as fast as

³A small part of the decrease in the number of farms is a result of changes in the Census definition of a farm. The principal effect was in 1959. The changes affect only the smallest farms and have no significant effect on any of the other figures.

TABLE II
PERCENTAGE DISTRIBUTION OF NEBRASKA FARMS
BY SIZE 1920-1964

	Less than 10 acres	10-49 acres	50-99 acres	100-259 acres	260-499 acres	500-999 acres	1,000 acres or more	2,000 acres or more
1920	1.4	4.3	9.0	52.0	20.8	7.8	4.7	NA
1925	2.3	4.9	8.6	51.8	20.8	7.4	4.2	NA
1930	2.9	5.0	7.8	50.0	21.7	8.0	4.6	NA
1935	4.0	5.9	8.0	48.1	21.4	7.9	4.7	NA
1940	3.6	5.3	7.7	46.2	23.0	8.8	5.5	NA
1945	4.1	5.4	6.4	42.9	25.1	9.7	6.4	NA
1950	4.2	5.2	6.4	42.4	25.1	9.9	6.7	NA
1954	4.3	4.7	5.7	40.3	26.8	10.6	7.5	NA
1959	2.8	5.2	5.6	35.6	29.5	12.5	8.8	3.5
1964*	3.0	4.9	5.5	29.9	30.5	15.2	10.8	4.2

NA - Not available.

* Preliminary.

Source: Computed from U. S. Dept. of Commerce, Census of Agriculture.

in the rest of the country.

With regard to the other items in Table IV, however, the disparity between Nebraska and the rest of the nation is tending to narrow. The percentage of Nebraska farm operators in residence on the farm is lower than in the country as a whole, but is declining a bit less rapidly. Nebraska farmers are somewhat younger than the national average, but their average age and the proportion 65 years of age and over are increasing much faster than in the nation. The proportion of farm operators working 100 days or more per year off the farm is only about half the U. S. average, but again the rate of increase is much higher than in the rest of the country.

Table V presents the sources of Nebraska farm income. It shows that livestock and livestock products have regularly been far more important than crops in total sales. Within this grouping the cattle industry is by far the most important. Nebraska now ranks third among the states of the nation in cattle (behind Texas and Iowa), sixth in hogs, fourth in corn, seventh in wheat, third in sorghum grain, and sixth in total cash receipts from farm production. The five commodities listed represent the state's leading agricultural products in order of importance.⁴

Not only do livestock and livestock products greatly exceed crops in total sales value, but their relative importance has been increasing substantially. In 1954 their sales were less than twice as great as crops, in 1959 more than twice as great, and in 1964 they were threatening to triple crop sales. From 1959 to 1963, in fact, crop sales declined not only in relative importance but in total dollar value as well. In the 1954-1964 decade sales of livestock and livestock products increased 68% in Nebraska, but only 53% in the nation as a whole, whereas crop sales rose 20% in Nebraska and 34% in the nation.

With the total sales of farm products increasing and the number of farms declining, sales per farm, of course, show a spectacular growth. This figure more than doubled from 1950 to 1964 and nearly doubled from 1954 to 1964. The increase for the decade in

⁴U.S. Dept. of Agriculture, Farm Income (a supplement to the July, 1966 Farm Income Situation) August, 1966, p. 5.

TABLE III
PERCENTAGE DISTRIBUTION OF NEBRASKA LAND
IN FARMS BY SIZE OF FARM 1920-1964

	Less than 10 acres	10-49 acres	50-99 acres	100-259 acres	260-499 acres	500-999 acres	1,000 acres or more	2,000 acres or more
1920	-	0.4	2.1	26.5	21.5	15.8	33.7	NA
1925	-	0.4	2.0	27.2	22.1	15.5	32.7	NA
1930	-	0.4	1.8	25.3	22.2	15.8	34.5	NA
1935	0.1	0.4	1.8	24.1	21.6	15.5	36.5	NA
1940	-	0.3	1.5	20.7	21.0	15.4	41.0	NA
1945	-	0.3	1.1	18.1	20.8	15.7	43.9	NA
1950	-	0.3	1.1	17.3	20.2	15.4	45.5	NA
1954	-	0.3	0.9	15.7	20.2	15.6	47.3	NA
1959	-	0.2	0.8	12.4	20.0	16.4	50.2	36.4
1964*	-	0.2	0.7	9.3	18.4	17.7	53.7	38.7

- Less than 0.05%.

NA - Not available.

* Preliminary.

Source: Computed from U.S. Dept. of Commerce, Census of Agriculture. 1964 acreage in each size class (not given in the preliminary census report) was computed by multiplying number of farms in each class in 1964 by average size farm in each class as computed from 1959 census. This method, suggested by Nolan Waller in Mississippi Business, December, 1964 (University, Miss.), produced an error of less than 1/2 of 1% in total farm acreage for 1964, which seems to indicate that it is fairly accurate.

Nebraska was more than 90%. Since the number of farms declined much more rapidly in the nation than in the state, however, the jump in sales per farm was even greater - 117% - for the country as a whole.

The most remarkable achievement of Nebraska agriculture revealed by the census data has been the substantial increase in income produced. The total value of Nebraska farm products sold increased by more than 50% in the 1954-1964 decade and by more than 70% from 1950 to 1964. These increases were significantly greater than in the nation as a whole. Moreover, this gain does not reflect price increases, for as a matter of fact prices received by farmers were lower for both crops and livestock in 1964 than in 1954; for the principal industry - livestock - 1964 prices were lower than in either 1950 or 1954.⁵

Since this large growth in total value of sales was achieved in spite of lower prices, with virtually no change in total farm acreage, and with a decrease of 21% in farm employment from 1954 to 1964, it seems to represent a real increase in productivity per acre and per person. The productivity gain can be explained as resulting from increased mechanization, improved varieties and techniques stemming from intensive research efforts, and greater managerial skills. To the extent that this is true, it represents a solid achievement to which Nebraska agriculture can point with great pride. There is as yet no sign of any abatement in this growth. As

⁵U. S. Department of Agriculture, Agricultural Prices, Jan. 15, 1966, p. 6. The index numbers of prices received by farmers are as follows (1957-59 = 100):

	All Crops	Livestock and Products	All Farm Products
1950	104	108	107
1954	108	97	102
1959	99	100	99
1964	106	91	98

TABLE IV
CHARACTERISTICS OF NEBRASKA FARM OPERATORS
1930-1964

	Residing on Farms (%)	Tenants (%)	Working 100 Days or More Off Farm (%)	65 Years of Age and Over (%)	Average Age
1930	NA	47.1	4.0	6.8	NA
1935	NA	49.3	4.5	NA	NA
1940	93.3	52.8	6.1	9.7	46.2
1945	94.8	47.5	4.9	10.2	46.9
1950	93.6	38.9	7.7	9.3	45.9
1954	92.8	38.6	9.1	11.3	47.1
1959	91.3	35.9	11.2	12.3	48.1
1964*	89.6	30.5	13.5	13.6	49.2
Percentage Change 1954-1964					
Nebr.	- 3.4	- 21.0	+ 48.4	+ 20.4	+ 4.5
U.S.	- 3.7	- 28.7	+ 14.9	+ 4.8	+ 1.8

NA - Not available.

* - Preliminary.

Source: U.S. Dept. of Commerce Census of Agriculture.

a matter of fact, the growth in sales has been greater since 1964 than in previous years.

Unfortunately, however, there is one factor overlooked in the preceding analysis. This is the substantial increase in farm subsidy payments. The present article is confined to a presentation of information made available by the Census of Agriculture. There are numerous other sources of information on agricultural income, which will be analyzed in greater detail in a subsequent issue. At that time the question of the extent to which government subsidies have contributed to the apparent increase in productivity of Nebraska agriculture will be examined.

E. S. WALLACE

TABLE V
VALUE OF NEBRASKA FARM PRODUCTS SOLD 1950-1964

	1950	1954	1959	1964*	Percent Increase 1954-1964	
					Nebraska	U.S.
Total (millions of dollars)	777.0	872.0	1,197.5	1,334.5	53.0	43.3
Crops (millions of dollars)	260.6	308.5	393.3	371.7	20.5	34.3
Livestock and Products (millions of dollars)	516.4	573.5	804.2	962.7	67.9	53.3
Poultry and Products " " "	40.4	28.6	27.0	25.2	- 11.9	59.6
Dairy Products " " "	34.0	35.9	39.9	48.7	35.7	39.1
Proportion of Livestock and Products to Total Sales (percent)	66.5	65.8	67.2	72.1	9.6	10.7
Average Sales per Farm (thousands of dollars)	7.2	8.7	13.3	16.6	90.8	117.0

* Preliminary.

Source: U.S. Dept. of Commerce, Census of Agriculture.

REVIEWS

Man's Quest for Security, a Symposium, Edited by E. J. Faulkner, University of Nebraska Press, 1966. Hardbound. \$5.00.

Reader interest in the seven major presentations from the symposium "Man's Quest for Security" held on the University campus some time ago is enhanced by the candid and often trenchant comments of University faculty members and others who served as discussants, which are also reproduced in this handsome volume. The symposium was co-sponsored by the University and the Woodmen Accident and Life Company of Lincoln whose President, Mr. E. J. Faulkner, has edited the published papers and comments.

Scholars representing such diverse fields as sociology, philosophy, psychiatry, political science, economics, insurance, and military science developed the theme of the symposium. Faculty members whose comments appear in the book include Dr. Alan P. Bates,

Dr. Charles H. Patterson, Dr. Robert H. Hurlbutt III, Dr. Jasper B. Shannon, Dr. Campbell R. McConnell, and Dr. Curtis M. Elliott from the Lincoln campus, and Dr. Robert J. Stein from the College of Medicine.

In introductory remarks Chancellor Clifford M. Hardin points out that man alone has sought to unravel the mysteries of his environment and his place in it, has been concerned about his reason for being, and has forever explored for new knowledge, reviewed his findings, and from time to time readjusted his concepts. The Chancellor emphasizes the value and potential of educational projects co-sponsored by universities and institutions of the business world as the quest continues toward a final goal of winning security of the mind and spirit, as well as the body.

D. S.

... income areas set urban growth patterns because high income or "fashionable" residential areas tend to move outward in some direction from the central city over a period of years, according to this newly published report of the Urban Land Institute. The author shows that this directional trend holds even when development occurs in suburban areas outside corporate city limits.

... bulletin was written by Dr. Homer Hoyt, a well-known land economist and appraiser. Based on his sector theory of development, it delineates in map form residential locations of both high and low income groups in 41 different urban areas.

... developers, land owners, investors, appraisers, and lending institutions use directional growth studies such as this because they can see a pattern for urban growth and development.

... Lower income areas, on the other hand, indicate where economic stimulation is needed or is likely to take place.

... Urban Land Institute is a private, non-profit research organization devoted to effective urban planning and development. This study, its most recent study, should be of particular interest to Omaha and Lincoln residents who are concerned about urban development.

D. S.

THE SOURCES OF REGIONAL GROWTH

The following article is condensed from a paper delivered by Dr. Edwin Chinitz, former Deputy Assistant Secretary of Commerce, at the National Fall Conference of the American Marketing Association, and is reprinted by permission from the November, 1966 issue of Economic Development, published by the U. S. Department of Commerce.

... In the late 1950's and the early 1960's when the national economy was operating far below capacity, economists explained the variations in regional economic performance in basically two ways.

... One view was that regional problems reflected the underlying national problem of insufficient total demand to generate full employment.

... Another view was that regional problems reflected the underdevelopment of regional resources, following five years of sustained growth, the rate of unemployment has dipped below the 4-percent level. Indeed, the rate has fallen sharply in many areas thought to suffer from "chronic" unemployment. But high unemployment persists elsewhere, and there is no evidence that the boom has reduced the income inequalities in these regions.

... Things are evident. It is clear that the "regional" problem is aggravated by any faltering of the national economy. But it is true that regional differences persist even in a vigorously growing and expanding economy.

... One view of regional economic growth is that regions participate more or less in national growth in the proportion that they enjoy an absolute cost advantage in the provision of goods and services demanded by consumers, producers and governments. The free market guarantees that employers will seek out locations with absolute cost advantages. Thus, a region's destiny is ultimately determined by the free play of market forces.

... An alternative view of the process of regional development places considerably more emphasis on internal influences: The quality of entrepreneurial talent; the propensity to invest; the quality of education; the efficiency with which regional assets are managed.

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Director	Dr. E. S. Wallace
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This view looks inward to the sources of growth in a particular region. It assumes that regions contribute unevenly to the pool of ingredients that makes for economic progress in a nation as a whole. A region fails to develop in part because it cannot seize upon opportunities in the national economy, but it also fails in part because it contributes less to the flow of opportunities in the national economy.

How is it possible to sustain such a view of regional growth when people, capital, and products can flow freely between regions? A region is, after all, not like a nation. There are no legal barriers to trade or migration between regions in the United States. But evidence indicates that the informational and institutional requirements of a free market system - which would guarantee the optimum spatial allocation of economic activity and the maximum contribution of each region to the national economy - are clearly not being met.

This conclusion may seem to contradict the dramatic progress in the arts of transportation and communication. But other developments have introduced new dimensions of immobility and intensified the need for communication.

Most important, an even larger proportion of the Gross National Product now flows through the public sector of the economy.

A second factor is the changing structure of the private system. Resource-related activities are diminishing rapidly in relative importance; manufacturing is much less influenced in its location by natural resources; and service industries are expanding most rapidly. The "obvious" determinants of location - geography and transportation - have become less important.

The role of marketing in the Federal economic development program is very clear and quite critical. The problem is to identify opportunities for profitable private development in EDA-designated areas and to support such development with investments in private and public capital.

Part of the problem is the resource base and the availability of factors of production at favorable prices. Another part of the problem is the identification of markets for the output. It is common for the Economic Development Administration to contract for marketing studies prior to making an investment of Federal Funds.

In a larger sense, the challenge is to market the assets of designated areas - assets that may be missed because the area has a general aura of decline. The planners and the economists are hard at work to uncover the potential for development in EDA-designated redevelopment areas. But the marketing experts have to translate their findings to potential entrepreneurs and potential customers.