be saleable. Zoning will normally be imperfect so that, given any distributors' margin, the profitability of the runs will vary. The distributors' margin can be set so that the marginal run earns at least normal profits. Each run is then sold by the authority and each has a positive value with the possible exception of the marginal run which may have a zero value. Again given the imperfection of zoning and of profitability estimates it is probably safer to set the margin so that all runs will have a positive price.

Thus there will not be a single price for milk runs but each will have its own price. Runs should be sold for a given time and at the end of that time the margin should be reassessed and the runs resold. In many respects it may be preferable to vary the margin between runs, so that customers in a thinly settled suburb have to pay more for their milk than those in a densely settled area. In doing this they would simply be meeting the higher distribution costs involved in such an area.

In essence the proposals for saleable production quotas and milk runs represent attempts to gain advantages from two types of markets. Like fully controlled systems of marketing they have the advantage of assured supplies and the elimination of the inefficiency of overlapping milk runs. Like the free price mechanism they can be used to ensure optimal pricing and the flexibility resulting from easy and efficient transfer of supplying and distributive functions.

COMMENT : DAIRY POLICY FOR AUSTRALIA

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Dr. Schapper has suggested a dairy policy for Australia involving " zero protection and equalisation within the whole industry ".[1] If it is possible to sweep the carpet clean so thoroughly and quickly it is a pity to hide the refuse that remains under the milk bottle. Treasury subsidies, tariffs, the home consumption price and margarine quotas are all in the dustbin ; yet one anomaly remains.

As I read Dr. Schapper, he appears to propose that " the appropriate level of butter and cheese production in Australia " be determined by world market price *plus* a subsidy financed by a levy on the *consumer* of wholemilk.[2] Put in this way it seems that this proposed policy does not involve the claimed " failure to concede that because " (milk) " consumers' money incomes are protected they should pay a protected price ".[3] Further, it opens the question of whether it would not be better to use other ways to provide the proposed assistance. Two obvious alternatives are to obtain a subsidy from the Treasury or to spread the levy over consumers of all milk products.

Dr. Schapper dismisses the case for price discrimination against the Australian butter and cheese consumer so effortlessly that I would expect that the case for price discrimination against the wholemilk consumer could also be dismissed by further application of his analysis. If dairy

1. Henry Schapper. " Dairy Policy for Australia ", *Aust. Journal of Ag. Econ.* 5, 1, September, 1961, p. 78-79.

2. *Ibid.* Points (x) and (iii), p. 79.

3. *Ibid.* Point (ix), p. 79.

industry policy is to be changed as radically as Dr. Schapper suggests then I claim it should be completely rationalised within the limits of the level of assistance which he believes necessary.

I suggest that prior to such a change it is essential to have a study of the industry to estimate the adequacy of the milk supplies that would then be available.

Finally, if this study shows the change is feasible, I believe that the wholemilk producers, committed as they are to high cost production by a mistake which is not their own, may have a logical claim for a more gradual change than Dr. Schapper proposes.

REVIEWS

Mechanization in Agriculture. EDITED BY J. L. MEIJ. (Amsterdam: North Holland Publishing Company, 1960.) Pp. xi + 379, 55/- stg.

This book, which is comprised of nine essays by an historian, agricultural engineers, economists and agricultural economists, is the second in a series of " Studies in Industrial Economics ". In an introductory note it is stated that " Though the problems in the micro-world of the firm and the influence of its behaviour on society as a whole are studied extensively there still exists a lack of that collaboration between students of different nationalities which has proved to be so fruitful in other sciences and even in other parts of the economics ". The principal aim of the series is stated to be " to stimulate study and research in this part of economics and to further an interchange of ideas and results on an international basis ". But according to the dust cover the volume " is intended for practicing farmers no less than for students and specialists " and a reading of the volume tends to confirm the inference that there is some confusion of purpose by the editors and publishers.

As with so many collections of essays on a broad theme, there is no real continuity and there is great variation in the approach and in the level of appeal of the different contributions. A few chapters such as Barker's " Mechanization and Farm Management " in which, *inter alia*, methods of costing farm machinery operations are discussed, may be of some interest to farmers but the discussion is unnecessarily lengthy in places and is rather too elementary to be of much interest to agricultural economists.

Heady's contribution, on the other hand, which deals, descriptively, with the " Extent and Conditions of Agricultural Mechanization in the United States " is, as one might expect, concise and to the point but even Heady breaks little, if any, new ground. Another descriptive chapter on " Conditions of Mechanization in Europe " by F. S. Mitchell of the National Institute of Agricultural Engineering, Silsoe, England is too broad and generalized in its scope to be of much value and the same remark could be applied to several of the remaining contributions.

The book is something of a hotchpotch and while it may have some value to agricultural economists concerned with investigations of farm machinery usage and costs as well as to undergraduates in agricultural economics, it is too variable in its quality and in its level of approach to have any widespread value.

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