



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

No endorsement of AgEcon Search or its fundraising activities by the author(s) of the following work or their employer(s) is intended or implied.

BOOK REVIEWS AND NOTES

The Farm Bureau And The New Deal, Christiana McFadyen Campbell.
Urbana: University of Illinois Press, 1962. Pp. viii, 215. \$4.75.

In comparison with the non-political Agricultural Bureau of this State, the Farm Bureaux of the U.S.A. have been, and still are, an important political force. Dr. Campbell's volume is a study of the conditions in which, and the methods by which, an aggregation of farmers, deeply split by traditional enmities and sectional economic conflicts, was united into an active group which wielded significant influence over the form and administration of United States agricultural policy. While the book has been given the sub-title "A Study of the Making of National Farm Policy, 1933-40", it can more aptly be described as an examination of the problems of the political organization of farmers. As such, it is a most illuminating work, but as a study of national policy-making it is extremely incomplete, giving, as it does, only scanty references to the organization of the political parties and the legislature and to the role of non-farm interests.

The value of the book is illustrated by the fact that it was the 1961 winner of the Agricultural History Society Award; its limitations are stated by the author: "The drawing of definitive conclusions regarding the role of the A.F.B.F. (American Farm Bureau Federation) in the making of national agricultural policy would require a study not only of the Farm Bureau and its relations to government, but also extensive research into the place and activities of other farm organizations and other forces impinging on the policy-making process . . . (including) the masterly skill of Franklin D. Roosevelt in using and balancing competing forces." (Pp. 192-3.)

After reviewing the structure of the A.F.B.F. in the light of its origins and the functions held by members to be appropriate to it, the author discusses the problems which had to be overcome before a workable unity between the Cotton South and the Corn Mid-West allowed the A.F.B.F. to play a dominant role in presenting the views of organized farmers for inclusion in the agricultural policies of the New Deal. The organization's political support for Roosevelt was rewarded with the enactment of the 1933 Agricultural Adjustment Act (A.A.A.), which followed the A.F.B.F.'s emphasis on the role of price policy.

Campbell goes on to show how this very success led to further problems for the Federation, first, through the development of new internal dissension, this time largely on the part of the dairy districts of the Northeast, and second, through the danger of rivalry for political influence from the organization of local committees under the A.A.A. and from other farm organizations. The importance of the success of the A.F.B.F. in overcoming these threats to its position and in maintaining harmony with the Administration and between sections within agriculture was revealed when the invalidation of the 1933 Agriculture Adjustment Act by the Supreme Court in 1936 made it necessary for a virtually new farm programme to be enacted.

While the "stop-gap" 1936 Soil Conservation and Domestic Allotment Act was not completely satisfactory for the A.F.B.F. programme, the powerful position of the Federation allowed it to exert considerable influence over the content of the A.A.A. of 1938. While this compromise Bill did not completely follow the Senate Bill supported by the A.F.B.F. leaders, they were successful in obtaining retention of the principles of parity and production control.

One problem raised by the 1938 A.A.A. was the necessity to seek support for annual appropriations for payment of subsidies to finance parity prices. An important method used by the A.F.B.F. to this end was the development of an alliance for reciprocal political support with organized urban labour.

Although the leaders of the A.F.B.F. managed to expand its area of agreement with the Roosevelt Administration to include endorsement of a programme for reciprocal trade, a number of sources of conflict — especially with the Department of Agriculture — resulted in an increasing amount of friction. By the election of 1940, for a range of reasons discussed in detail by Campbell, a large section of A.F.B.F. membership, especially in the traditionally Republican Midwest area, discontinued its support for Roosevelt. Despite this, and the associated diminution of A.F.B.F. influence over the activities of the Administration, a number of important links continued and the A.F.B.F. remained an organization of significant political power.

For most readers the main interest in the book will lie with the role of A.F.B.F. in overcoming the conflicts within agriculture. These conflicts were generally based on differences of economic interest between commodity-based sections, but this was complicated by conflicts within commodity groups, traditional regional political sympathies and the repercussions of conflict with the policies of other organizations. Important factors which allowed the expansion of a unified policy were the tradition of loyalty to A.F.B.F. decisions, the flexibility of the federal structure of the organization, the general policy of "government by consent — of persuasion rather than coercion" (p. 17), and the influential personalities and political expertise of the A.F.B.F. President, Edward A. O'Neal and, to a lesser extent, his Vice-President, Earl Smith. These elements are reflected throughout the book to such effect that it appears as much a guide to organizational leadership as a study of policy making.

The physical presentation of the book is most satisfactory. The well-bound text is documented in detail, the useful 6 page bibliography covers a wide range of related problems, and the 12 pages of index provides a ready reference to the contents.

Department of Agriculture, Sydney

S. J. FILAN

Marketing Farm Products, 4th Edition, Geoffrey S. Shepherd. Ames, Iowa: Iowa State University Press, 1962. Pp. ix, 523, \$7.50.

Marketing of Agricultural Products, 2nd Edition, Richard L. Kohls. New York: The Macmillan Company, 1961, Pp. xiv, 424, \$7.25.

The latest edition of Shepherd's textbook on the marketing of farm products follows closely the style and layout established in the third edition. First, the three problems in marketing—demand, prices, and

costs—are conceptualized; then the over-all marketing of farm products is examined within this framework; and finally there are more detailed analyses of commodity groups and some individual commodities. This approach to agricultural marketing differs considerably from that used by other authors in the same field. It is essentially economic, and attempts to crystallize a framework for the analysis, rather than the description, of marketing procedures. Shepherd is careful to point out this, but in so doing is perhaps unfairly critical of other possible approaches. He says “This analytical break down of marketing into its economic elements . . . represents a clean break with the traditional functional approach to marketing . . . (which) . . . merely attempted to classify and describe marketing services according to the “functions” they performed . . . each author had his own list of functions. This was confusing and unscientific”.

Numerous minor changes have been made in the text for this edition; largely to bring up to date the tables, figures and observations set out in the third edition. In some cases, this has required changes in the argument. Thus, the chapter on “Seasonal Price Movements” which previously commented on the large seasonal price variations in many farm products now explains why these variations have declined in recent years. Similarly, the changing pattern of food retailing is commented on in chapters dealing with “The Over-all Costs of Marketing Farm Products”, and “Reducing the Costs of Retail Distribution”.

Some of the changes in the text, however, have been made without giving much thought to the need for also changing the sub-headings. In the third edition, under the sub-heading “Egg Marketing Problems”, there was a discussion of the difficulties expressed by consumers in obtaining fresh eggs. In the present edition “Egg Marketing Problems” heads a description of the egg marketing system, and there is no mention of any problems.

One change demands special mention. A sub-section has been incorporated (pp. 50-61) on “Income Elasticity and Demand for Food” but the text has several errors and the argument is not what is promised in the preface; “. . . the income-elasticity for food computed from time series data over the past 25 years is compared with the income-elasticity computed from consumer survey data at a single point of time; the reasons for the differences then are analysed”. In actual fact only one estimate of income-elasticity from survey data is provided, and there is no mention of, or even reference to, estimates from time series data. There is, then, no basis for an analysis of “the reasons for the differences”, which in any case is not well argued and refers almost exclusively to the period 1947-49 to 1960.

The first printing of the fourth edition leaves much to be desired, and it is disappointing that more care has not been taken with a text that is widely used for teaching purposes.

Kohls’s book “Marketing of Agricultural Products” uses the individual but closely integrated functional, institutional, and commodity approaches to provide a succinct and readily understandable description of agricultural marketing.

In Part I, after discussing the general problems to be considered in the book, and how they are to be considered, Kohls gives an excellent description in Chapters 3, 4, 5 and 6 of the pattern of food consumption, production, processing, wholesaling, and retailing in the United States, as it has

evolved over the years and as it now appears for different regions and socio-economic classes. The latter two chapters were in Part III in the first edition but their incorporation into Part I in the present edition provides a more balanced framework for the author's concept of marketing: ". . . the performance of all business activities involved in the flow of goods and services from the point of initial agricultural production until they are in the hands of the ultimate consumer". The final chapter of Part I deals with the cost of marketing, again referring to historical changes and geographical differences.

Part II "Some Functional Problems" is most curiously presented. One expects the sequence of argument to be that established initially—"We shall follow a fairly widely accepted classification of functions as follows:

- A. Exchange Functions
 - 1. Buying (assembling)
 - 2. Selling
- B. Physical Functions
 - 3. Storage
 - 4. Transportation
- C. Facilitating Functions
 - 5. Standardization
 - 6. Financing
 - 7. Risk-bearing
 - 8. Market information."

Instead, the argument jumps from place to place in the classification, from exchange functions to some facilitating functions, then back to physical functions before completing the facilitating functions. Admittedly the whole is neatly dovetailed together but one feels the need for a better grouping of Chapters 8 to 18, and this better grouping might even incorporate the final chapter of Part I "The Cost of Marketing" and the last two chapters of Part III "The Place and Problems of Agricultural Co-operatives" and "Government and Agricultural Marketing". Chapter 7 does not seem to belong in Part I; the moving from Part III of the chapters "Food Processing Industries" and "Wholesaling and Retailing of Food" leaves the somewhat incongruous position of Agricultural Co-operatives and Governmental Intervention being tacked onto the commodity approach. This could be overcome by giving more emphasis to the institutional approach in Part II. As is pointed out in Chapter 2, there is frequently a need to consider who performs the functions of marketing. "The recognition of the various kinds of marketing organizations and the way in which they organize themselves furnishes another useful tool in analysing marketing problems. Very often, the why of certain marketing practices must be answered in terms of the characteristics of who performed it. Such an analysis has the advantage of preventing the personal aspects of marketing from being ignored." The institutional approach forms an integral part in the commodity approach used in Part III but it should be equally to the fore, not just an inferred undercurrent, in the wider discussion of the marketing system given in Part II.

Part III is entitled "Commodity Marketing and Problems". There are adequate descriptions of the marketing systems for Livestock, Dairy Products, Poultry and Eggs, Grains, Cotton, and Tobacco. There are certainly more problems than Kohls is prepared to specifically mention but some of them emerge as the particular commodity marketing system is discussed.

The whole book has a comfortable style, and there are frequent tables and figures to illustrate the argument. As well, the sources of material have been noted throughout, with selected further references at the end of most chapters. Indeed, the documentation is so generous as to suggest that the work could be not only a textbook but also a select bibliography of recent research into agricultural marketing.

Department of Agriculture, Sydney

R. E. COOKE-YARBOROUGH

The Economics of Subsidising Agriculture, a Study of British Policy, Gavin McCrone. London: George Allen and Unwin Ltd., 1962. Pp. 189, 25s. (Stg.).

The abiding impression of this book is that it is a fearless statement of what should be the objectives of British policy with respect to agriculture. It is a scholarly work, notable for its breadth of outlook and vigorous economic analysis.

The particular problem of financial support for British agriculture is approached from the basic question of how much agriculture should the country have. Compared with other nations, agriculture in the United Kingdom is a small segment of the economy. Imports represent a particularly high proportion of the food supply, the percentage of the country's working population engaged in agriculture is the smallest in the world and so too is agriculture's share of the gross national product. Following the two world wars, however, the dangers to the food supply of industrial specialization have influenced policy to the extent that British agriculture is given more support than is given in most European countries.

McCrone presents an interesting table comparing the estimated price support level in the United Kingdom with that in twelve other European countries. All told, he finds that production grants and price supports from all sources subsidize British agriculture to the extent of about £400 million per year. He finds also that he is unable to support either of the economic arguments usually advanced in justification of this level of assistance, i.e. its contribution to the alleviation of the balance of payments problem and as a safeguard in the event of a world food shortage. McCrone argues that the balance of payments problem has been principally a matter of inadequate reserves to meet the liabilities of the sterling area. He points out that Britain's food supplies come mainly from the sterling area and it is primarily these that expansion of British agriculture has replaced since the last war. For various reasons imported dollar-area foods cannot be replaced by increased domestic production. Since the United Kingdom had a balance of payments surplus with the rest of the sterling area, the replacement of imports from that source reduced the ability of the countries concerned to buy British goods.

After showing that the possibility of a world food shortage (the other justification for subsidies) is by no means as certain as many writers suggest, McCrone concludes that there is no good economic reason for paying

costly subsidies to British agriculture either to maintain output at a high level or to encourage further expansion. On the contrary, he makes a plea for a reduction of the heavy financial burden on the economy and the substitution of measures designed to make the industry more competitive. His conclusions in this connection are, of course, applicable more generally than to the case of Britain alone. Especially is this true of the observation that "a price support policy which shelters the industry from most of the forces of competition can be as much an encouragement to stagnation as a spur to efficiency".

McCrone acknowledges the shift of emphasis that has already occurred in British agricultural policy since 1955, a shift away from the deficiency payments system toward production grants such as fertilizer and lime subsidies, calf subsidies and ploughing grants. He favours further movement in this direction and also greater attention to research and investment which will make it possible for farmers to lower their costs.

An interesting section of this book is that covering the historical development of agriculture's place in the British economy. The author shows that the relative size of the agricultural sector of an economy is not only determined by the stage of economic development; in the case of Britain, he argues, the nature of the Enclosure Acts had quite a bearing on the size of farms. Had the agricultural (tenure) revolution in Britain been like that in many European countries in the last two centuries, landlords would have had less freedom to reorganize their holdings to a more efficient size and peasant proprietors would have been given more consideration. Though apparently lacking in social justice at the time this policy has had the long-run effect of accelerating the movement of labour out of agriculture.

McCrone's concise and logical application of economic theory should be appreciated by all concerned with the formulation of agricultural policy, not only in the United Kingdom. If his book receives the attention it merits it will do much to place agricultural policy on a firmer foundation.

Department of Agriculture, Sydney

G. C. MCFARLANE

Rural Development In South Australia, W. S. Kelly. Adelaide: Rigby, 1962.
Pp. viii, 160, 18s. 6d.

This book gives an interesting account of the trials, tribulations, success and joys that have beset the rural industries of South Australia since the State was proclaimed a British Province on December 28, 1836.

The presentation is enhanced by the way the author has pursued his subject. Upon reading the title, one would expect to find an impersonal chronological approach to the topic. Instead the author has interspersed amongst the historical facts accounts of particular experiences the people had during the State's development. In this way Mr. Kelly has written a story rather than a chronicle and this is what gives the book its appeal.

Many of the individual experiences cited by Mr. Kelly have no doubt been drawn from his personal memoirs which must be quite formidable. These anecdotes serve to illustrate the difficulties that faced the early settlers in a manner which makes one appreciate the job our forebears did in

making Australian agriculture what it is today. These are the stories that never reached the headlines and yet were so deserving of mention. They are well chosen, well told and give the book a personal flavour.

Each of the ten chapters covers a particular aspect of the State's rural development. The adventures and experiences of the early days are recounted, as well as those of the more recent past.

Three chapters deal with the growth of settlement and the change from the early emphasis on agriculture, particularly wheat growing, to the growth of the pastoral industries. The development of agricultural machinery and implements is covered in two chapters. Included in these chapters is the story of Ridley's Stripper and the Stump Jump Plough both of which have proved to be important inventions for Australian agriculture.

The chapter on the marketing of wheat in South Australia tells of the farmer's fight for equitable prices and the subsequent formation of the South Australian Wheatgrowers' Association. The crisis of 1930 is described in this chapter, together with the implementation of the Wheat Stabilization Act.

A chapter is devoted to the work of the scientists in overcoming the many problems that faced South Australia's rural industries. The history of closer settlement is also treated in one chapter as is the harnessing of the Murray River and the growth of the timber industry.

Among the more engaging sections of the book are the descriptions of the war against the rabbit, the evolution of the tractor, and the harnessing of the Murray River. It was of particular interest to learn that more than 80 per cent. of South Australia's population depend wholly or partly upon the Murray River for their water requirements.

The major criticism arises from the chapter on closer settlement. On page 111 it is stated that ". . . this important policy of closer settlement was carried out in a spirit that we like to think is representative of the land administration of South Australia. There was a general recognition that the State would benefit by having more people on the land, . . ." Mr. Kelly has fallen into the trap that so many do when evaluating closer settlement. He only considers the benefits that have accrued and makes no reference to the costs that were incurred to derive those benefits. Had these been investigated, Mr. Kelly may have found that he should not have given the praise he did to the land administration of South Australia.

In the same chapter on page 117 a statement is made referring to deficiency payments to lamb producers in the United Kingdom. It is stated that these are having an untoward effect on our exports of lamb to the U.K. This is then followed by a remark to the effect that perhaps some day international trade will be based more on comparative advantage, which would serve to advance the human welfare of the world. Mr. Kelly seems to forget that Australia itself is guilty of disturbing the free play of international trade. One example is the displacement of imports of butter through the subsidy and protection given the dairying industry. If Mr. Kelly feels as he does about freeing international trade, then he should first of all condemn the various protective and support policies of his own country. Mr. Kelly is typical of many who tend to overlook practices in their own country that are detrimental to prospective importers, yet are quick to criticize other countries for doing similar things.

In the discussion of the dairying industry, South Australian dairy farmers are praised for successfully adopting "mixed farming" methods. These are described as farms where dairying is conducted to supplement income from the major activities on the farm. It is said that these "mixed" dairy farms are beneficial to the farmers over a considerable portion of the State. This may well be true, however the Report of Dairy Industry Committee of Enquiry in August, 1960, recommended the movement out of the industry of this type of dairy farm. The Committee saw this as a way of placing the industry in a more secure and stable position. As the dairying income of these farms is supplemented by a Government subsidy, Mr. Kelly should be prescribing the course of action proposed by the Committee if he is the true "free trader" he purports to be.

It is unfortunate that most of the references made throughout the book are incomplete. In some cases only the author's name is used. In others there is added "the Journal" plus a date, but with no reference to the volume or number. It is desirable, especially in a book dealing with historical facts, that quotations be fully documented.

The presentation of the book could have been improved considerably had suitable photographs been included on the more interesting points covered. However, apart from these specific criticisms, it can be said that this book is interesting, easy to read and that it deals with the important features of rural development in South Australia in an absorbing way.

Department of Agriculture, Leeton

J. G. RYAN