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Articles

Doing Agricultural Economics

Grain Shipper/Railroad Contract Disclosure:
An Experimental Analysis

Price Transmission Asymmetry in Pork and Beef Markets

Agricultural Interest Rates and Inflationary Expectations:
A Regional Analysis

Book Reviews

Free Trade and Agricultural Diversification, Canada and
the United States

International Financial Markets and Agricultural Trade

1988 World Food Conference: Proceedings

Soviet Agriculture: Comparative Perspectives

Agricultural Policy Reform: Politics and Process in the EC and USA

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In This Issue

The poet Anne Dillard wrote that "Symbol does not only refer, it acts. There is no such thing as a mere symbol. In the last analysis, symbols and art objects do not stand for things, they manifest them, in their fullness" (*Living by Fiction*). Through its symbols—words, numbers, figures, and mathematics—economics proclaims its own reality. An economy described and explained exists in its own right without dependence on some worldly composition of land, labor, and capital. The reality of symbol insists that what economists do becomes (manifests) what economies are.

In this issue are an essay, three articles, and five reviews. Each of the articles and reviews is an element of a real world of agricultural economics, not merely fictions or representations of some more tangible economies. The Edwards essay collects these elements and describes the collection as another reality called "doing agricultural economics."

Edwards views research as three processes—describing, explaining, and prescribing. In his essay, he invokes these three processes to comment on theory, data, and problem specification in agricultural economics. Not everyone's research reality would include prescription as a necessary process of research, but then he also tells us that not everyone does the same thing. We specialize. Therefore, the role of research management, as in production of any kind, is critical.

Ruppel, Fuller, and McKnight examine the importance of information in contract negotiation by employing an experimental economics approach. They applied the experimental method to grain shipper contracting in the Great Plains under three levels of information. Their findings, like similar studies by other researchers, were mixed. They do suggest that increased disclosure is not always and everywhere a force for greater efficiency and lower price. The article contains extensive appendices on procedures and methods.

Covey and Babula inquire about the relationship between agricultural interest rates and expected inflation. Specifically, they employ co-integration and vector autoregression (VAR) to test Fisher's theory that nominal interest rates have a built-in factor for expected inflation rates, and to account for other, offsetting effects of inflation on expected real rates. Econometrically inclined readers will want to follow the authors' choice of VAR models over vector error correction models. Others may simply note that inter-

est rates are positively responsive to the shock of an inflation expectation but that nominal rates rise by only 66 percent of the expected inflation.

Hahn portrays meat markets as endogenous switching models. The structural relations between farm, wholesale, and retail prices of pork and beef were represented as reduced-form equations that permit measurement of symmetry in market ups and downs. In all the variations of the models, prices in meat marketing are more sensitive to price increases than price decreases. The effect is greatest at the retail level.

Book reviews open with Goodloe justifiably lamenting "a plethora of anthologies emanating from conferences." Goodloe, while conceding a few good chapters, is generally uncomplimentary of *Free Trade and Agricultural Diversification*, and even of its sloppy editing. Her review, as if to underscore her dismay, is followed by reviews of other conference proceedings by Stallings, Mabbs-Zeno, and Clayton. However, we end with a book by just two authors.

Stallings' review of *International Financial Markets and Agricultural Trade* is similar to Goodloe's but with a nod toward some redeeming portions. The book concentrates primarily on macroeconomics rather than on agriculture. He mentions both Officer's contribution on purchasing power parity and his survey of empirical studies. O'Mara provides a brief, clear presentation of the Australian macroeconomy.

Mabbs-Zeno characterizes the proceedings of the 1988 *World Food Conference* as a collection of summary statements with little news for the specialist. The papers, in two volumes, tend to be well written, appealing mostly to the generalist. Controversy is minimal.

Clayton rates Gray's *Soviet Agriculture* as "highly informative and readable." The contents of this collection, better than average, are coordinated around the theme of reforming the enormous, ponderous agricultural economy of the Soviet Union. The rapidly growing corps of instant experts on Soviet reform should find this book useful.

Kelch finds Lindblom's "partisan mutual adjustment" to be the explanation for slow reform of agricultural policy in both the United States and the European Community, the subject of *Agricultural Policy Reform* by Moyer and Josling. The public choice perspective provides the book's analytical structure, yielding useful insights and conclusions throughout, even if the

haste in rushing to publication for GATT negotiations may have weakened the closing lessons for policy-makers

Many of our readers will recognize the perspective of *In This Issue's* opening paragraph as a particular philosophical view of existence or being. Its practical significance is not an excursion into philosophy but a suggestion for how one might read the content of the *Journal*. The reader is asked to take the essay or arti-

cle for what it is (or what was composed by author, aided by editor) and eschew notions of what the reader might have written on the same subject. The old homily about walking a mile in the other person's moccasins seems to fit. With Dillard's message in mind, read the essay by Edwards, then consider the realities contained in the articles and reviews of this issue.

Gene Wunderlich