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Free Trade and Agricultural Diversification, Canada and the United States. Edited by Andrew Schmitz. Boulder, CO: Westview Press, 1989, 368 pages, \$42.50

Reviewed by Carol Goodloe

Well, here it is, another anthology. Skimming over the book review sections of agricultural economics journals reveals that the profession is currently besieged (plagued?) with a plethora of anthologies emanating from numerous conferences, special studies, and research symposia.

The chapters of *Free Trade* cover many topics: U.S.-Canada trade issues, irrigation technology, value-added activities, U.S. farm programs, Canadian agricultural subsidies. Because of the variety and lack of integration of articles, the title of the book is misleading. Some articles never mention the U.S.-Canada Free Trade Agreement (FTA) or directly address the theme of the book. Only chapter 3 clearly links the FTA and agricultural diversification. It is hard to imagine any one reader who would be interested in, or have the background to benefit from, all the topics.

The book's stated subject is the diversification of prairie (western Canadian) agriculture and how it has been affected by agricultural policies, including the FTA. The book is part of a larger research effort undertaken by the Research Council of Canada on the future of the prairie grain economy. Other books have already been published on the research. The editor has, according to the preface, added several articles (chapters 5, 7, 9) not directly connected with the research project to add parallel information on the United States.

In a good anthology, the sum of the knowledge and information from the pieces should add up to a well-integrated whole. The individual articles should be focused on a theme or problem, accompanied by a summary article that integrates the evidence and conclusions. After digesting the summary, the reader should come away with the main points of the book, referring to the individual articles for more detailed information and arguments. I recently read an anthology that met these criteria—*Free Trade Areas and U.S. Trade Policy*, edited by Jeffrey J. Schott.

Regardless of the merits of any one article in *Free Trade*—and several were well written and personally of interest—I came away feeling that the sum of the

pieces was less than one. Most articles overstate the role and impact of the FTA on North American agriculture. The agricultural provisions in the FTA were very specific and limited to a few commodities, with the exception of overall, staged tariff reductions. Inaccuracies in several chapters suggest some authors are not fully versed in the agricultural provisions of the FTA.

Chapter 6 assumes the FTA will lead to a reduction or elimination of agricultural subsidies (pp. 188, 216). If the reader looks at the content of the agreement, this assumption is inaccurate. The FTA will lead to modest reductions in trade barriers. Only one paragraph in one Article of the FTA (701, 5) directly removes an agricultural subsidy. Linking the FTA to changes in agricultural diversification through subsidy reduction goes unsupported.

Another article claims "both the FTA and potential agreements arising from the current Uruguay Round of the GATT threaten to reduce the role of farm programs in the United States" (p. 303). Although Article 701 of the FTA states that the goal of both countries is "to achieve, on a global basis, the elimination of all subsidies which distort agricultural trade," the limited provisions of the FTA cannot be expected to achieve this result. Whether such a result will spring from the Uruguay Round (a doubtful prospect) is another question.

The editor writes in the preface that an attempt was made to write articles accessible to the general public by deleting mathematics and highly theoretical treatments. Although most articles were not highly technical, the narrowness of the subject material limits the readership. Chapters 3, 8, and 9 relied heavily on model specification, equations, and statistical jargon. (Economists don't like to state their results without explaining in great detail how they got there.) I doubt that the Herfindahl index, variance/covariance matrix, correlation matrix, mean-standard deviation tradeoff, and capital asset pricing model are part of the general public's vocabulary. The general public's response to these chapters will be to put the book back on the shelf.

Another gripe is the editing. I don't know who gets the blame, the editor or the publisher, but somebody should 'fess up. I have reconciled myself to the fact that many economists have only a passing interest in the English language, but surely better proofreading would have caught the more egregious errors. My favorite typo was in a reference to "effects of beef trade *liquidization* in Japan" (p. 134). I assume the author meant *liberalization*. My irritation reached a

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new high when, after reading two poorly edited chapters on irrigation I came across this sentence, "Thus, the results of scenario A serve to explain the use of furrow irrigation with cotton production" (p. 234)

After sounding like a combination of the Grinch and Scrooge, can I find something positive to say about this book? Because of my professional interests in Canadian agriculture and the FTA, I found chapters 2, 3, 4, 5, and 10 worthwhile reading. People with similar interests would likely reach the same conclusion. At first, little seemed to connect the title of chapter 2 ("Agricultural Diversification Strategies: Canada and the United States") and the stated purpose of the article—"to discuss border disputes between the U.S. and Canada in the context of GATT" (p. 8). But, the article ultimately joined the two ideas by offering guidelines on how the Canadian Government could allocate funds to promote agricultural diversification without getting ensnared in U.S. countervailing duty laws, a major concern for Canadian agricultural policy.

Chapter 3 presented clear, solid analysis of the effect of different trade scenarios on agricultural diversification. Chapter 8 used financial management theory to provide analysis of farm enterprise size and diversification. Being ignorant about this area, I don't know if this analysis is novel, but the results were informative. The analysis in chapter 10 provided insights into how the East-West split in Canadian agriculture affects policy formulation and other factors.

Chapters 4 and 5 presented an excellent overview and analysis of food-processing industries and value-added activities in Canada, an area that could benefit from further such efforts. However, I was bothered by two contradictory statements on the first page of chapter 5. First, the authors "argue in this chapter that both industries [brewing and flour milling] will be significantly altered because of the FTA." Four sentences later, they opine, "Although the brewing industry was left out of the FTA, market forces continue to push the industry toward free trade" (p. 139). The authors provide a sound explanation of why the brewing industry was left out of the FTA, but fail to explain how the industry will be altered, even indirectly, by the FTA.

Despite different definitions and measurement techniques, the authors' conclusions about agricultural diversification generally agreed: crop farmers who

diversified into other crops or livestock saw few economic gains. Diversification strategies should include off-farm employment and investments in financial instruments as options.

One recent reviewer in this journal recommended that potential readers of a certain book (yes, an anthology of conference papers) save their dollars and head for the library, citing "lack of integration, continuity, synthesis, and critical contrast" (Blakeslee, Vol. 41, No. 4, Fall 1989). I can only concur with his conclusion. My suspicion is that, as a result of the bureaucratization of academia (see *The Last Intellectuals* by Russell Jacoby), one gets more hits for quantity than quality; the rewards are greater for presenting three conference papers in 1 year (and later having them published in a "proceedings" that ends up collecting dust on bookshelves) rather than spending 3 years researching answers to tough, novel, and relevant questions. An increasing number of anthologies are elbowing aside book-length treatments of research topics. Schmitz's *Free Trade* might be worth a trip to the library to spend an hour or so with a couple of articles, but I can't imagine who would check it out for the whole 3-week lending period. The articles are just too scattershot and unconnected to recommend that anyone read, much less buy, the whole book.

The papers include (1) "Introduction" by Andrew Schmitz, (2) "Agricultural Diversification Strategies: Canada and the United States" by Andrew Schmitz, (3) "Diversification of Prairie Agriculture" by William A. Kerr, (4) "Growth and Development of Value-Added Activities" by K. K. Klein and L. Chase-Wilde, (5) "Free Trade in the North American Beer and Flour Markets" by Cohn Carter, Jeffrey Karrenbrock, and William Wilson, (6) "Irrigation and Prairie Agricultural Development" by Surendra N. Kulshreshtha, (7) "The Adoption of Modern Irrigation Technologies in the United States" by Gary Casteline, Ariel Dinar, and David Zilberman, (8) "Farm Enterprise Size and Diversification in Prairie Agriculture" by William J. Brown, (9) "The Effect of U.S. Farm Programs on Diversification" by Richard E. Just and Andrew Schmitz, (10) "Agricultural Subsidies in Canada: Explicit and Implicit" by W. H. Furtan, M. E. Fulton, and K. A. Rosaasen.