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BOOK REVIEWS

Producer Power at the Bargaining Table: A Case Study of the Legislative Life of S. 109

By Randall E. Torgerson, University of Missouri Press, Columbia. 328 pages. 1970. \$9 cloth, \$6 paper.

This is an important book. It deals with the most pressing problem facing American agriculture: Who will control farming?

The author, Randall E. Torgerson, agricultural economist, University of Missouri, is well qualified to help answer this question—by family background, interest, training, and experience.

S. 109 became law in 1968 as “The Agricultural Fair Practices Act of 1967.” In his preface the author states that his book “is a case study of the legislative life of Senate Bill S. 109 and the changing power structure surrounding farm legislation in Washington.” Following the lead of John R. Commons, Charles M. Hardin, and other institutional thinkers, Torgerson focuses attention on pressure groups as “determinants of economic and social behaviour.” He maintains that “from the blow by blow account, the student of legislative process and farm policy should gain valuable insights into the interaction of economic pressure groups.”

This review makes no attempt to summarize, for the study calls for reading and reflection if one would understand its meaning. The value of the book is in its sustained cumulative analysis of an important problem, and its realistic portrayal of forces and men at work on divergent goals. A significant feature is its frank description of the behavior of those who participated in the struggle for or against this measure, and the assessments of their changing positions.

S. 109 grew out of the problem of farmers in their search for equality of bargaining power with processor buyers of their products. It represented an attempt by law to gain protection from unscrupulous and unfair practices which made a travesty of their so-called right to bargain. Their champion in the legislative field was the American Farm Bureau Federation. The AFB took the lead in drafting S. 109 and getting it introduced in the Senate. But the AFB soon had two other strong allies, the National Council of Farmer Cooperatives and the National Milk Producers Federation, and as time went on other farm organizations and cooperative

groups joined them. Opposed to the bill were strong lobbying interests and a “strong anticooperative contingent that testified against granting any more special privileges to farmers.” Involved also were the Federal Trade Commission and the Department of Agriculture with several of its agencies.

In the battle—for it became that—a high point was reached in 1967 when farmer and cooperative interests largely coalesced in support of a modified Farm Bureau measure. However, under pressure dissension developed among the protagonists and support soon neared collapse. How the bill survived and at what cost is well described in this book.

In introducing the bill in 1966 which became S. 109, Senator George Aikin, author of the bill and its chief proponent through its legislative life, said: “This bill does not in any way grant special privileges to farmers, to farmer cooperatives, or to agricultural associations of any kind. It undertakes to give them the same rights and protection as are now enjoyed by the people they have to deal with. S. 109 is nothing more or less than a fairplay bill” (p. 58). When it became law on April 16, 1968, it carried this explanatory description of purpose: “To prohibit unfair trade practices affecting producers of agricultural products and for other purposes.” At first the act was described as “half a loaf” and for a time it was questioned whether it was more harmful than beneficial. However, in time the view has come to prevail that it was a first, if small, step in the right direction.

In his concluding chapter the author sets forth three fundamental issues that farm leaders will have to settle before getting new legislation: “(1) resolution of the structural and functional roles of different farm organizations; (2) determination of the proper institutional arrangements under which farm bargaining can be exercised; (3) formulation of a bargaining proposal that includes a statutory definition of bargaining associations and provides for flexibility under antitrust law, bargaining in good faith and other provisions necessary for effective bargaining.”

To attain their aims the author believes that both cooperative and farm organizations must be willing to compromise, and he holds that they both have a right to “a piece of the action.” He is convinced that only through a combination of both organization structures can farm operators survive as entrepreneurs (p. 231).

The discussions in this book disclose a lack of fundamental knowledge with respect to the meaning and use of cooperative organizations even by their proponents. They should go far to impress the need of homework and more knowledge based upon research by those who would support or defend the role of cooperatives in American agriculture.

In this day when agricultural economists are more concerned with the methodology and mathematics of their craft than with the basic problems of agriculture this book comes as a breath of hope. Perhaps it will encourage other young economists, along with young political scientists and young economic historians, to turn their attention to where the action is if they wish to make contributions to the future of a sound agricultural system for the United States. The pendulum has swung entirely too far from the time when agricultural economists gave agricultural policy first priority.

Joseph G. Knapp

Rural Settlement and Land Use

By Michael Chisholm. Aldine Publishing Company, Chicago. 183 pages. 1970. \$2.45.

Distance to market as the main factor in agricultural location is the theme of this book. The author, a geographer at the University of Bristol, England, attempts to provide a systematic account of the importance of distance in the establishment of rural settlements and the ultimate use of land. His thesis is well illustrated with statistical data and real-world examples, particularly when he tries to support his theoretical approach with facts, as in his examination of (1) the farm and the village, and (2) the region and the world.

In determining land value and utilization, classical economic analysis has seldom stressed the factor of distance. However, Johann H. Von Thünen in the early 19th century noted that consideration of agricultural location would be invaluable for understanding the initial stages of development. In his book, *The Isolated State*, published in 1826, he formulated a variation on the classical Ricardian determination of land value in which the nature of economic rent is based on differences in the inherent fertility of the soil. Von Thünen contended that the same outcome occurs when one considers location, that is, distance to market.

Chisholm very much subscribes to the partial equilibrium approach to location analysis and Von Thünen's ideas are central to the methods he used in his studies.

He readily admits that the book is no general theory of universal validity because the problem of distance is only one of many factors affecting location patterns. But at the same time, he takes exception to the practical value of the general equilibrium approach, as expounded by Walter Isard, which tends to embrace a multitude of factors, including noneconomic variables, in an effort to explain all the major features of spatial distribution.

This reviewer feels that the criticisms presented by the author with respect to the efficacy of the general approach are weak. To be sure, some of the criticisms are valid. It is true that because of the nature of its methodology, general equilibrium analysis involves much mathematical formulation which can only be understood by experts in the field. Also, it can be agreed that many assumptions have to be made which can be dubious. However, the fundamental point to consider is that the purpose of the analysis is to understand the general pattern, rather than for use as a technique to examine particular cases. The main value of an existing general theory lies in its ability to demonstrate deviations from the common rule that require explanation and which will lead to the further development of the theory.

The author believes that the virtue of the partial approach is its ability to account for what does actually occur, while the general approach involves itself in what ought to be. In essence, the partial approach is a positive position in contrast to a normative one.

The subject the author covers is large and he is to be commended for his attempt to adopt an approach that might reduce it to understandable proportions. The reader could gain much from the author's review and his case-studies application of the partial equilibrium approach, and also from the useful source material documented throughout the book.

Jack Ben-Rubin

North American Agriculture in a New World

By J. Price Gittinger. Canadian-American Committee of the National Planning Association, Washington, and the Private Planning Association of Canada, Montreal. 85 pages. 1970. \$2.

The Canadian-American Committee was established in 1957 to study problems arising from growing interdependence between Canada and the United States. It is composed of 85 business, labor, agriculture, and professional leaders and is sponsored by the National Plannin

Association (USA) and the Private Planning Association of Canada.

In keeping with a "North American approach in its search for constructive programs," the Committee has published *North American Agriculture in a New World*, by J. Price Gittinger, an agricultural economist with the World Bank's Economic Development Institute. Despite the exceptionally broad scope suggested by the title, this study is concerned primarily with world markets for Canadian and U.S. exports in general and with problems and policies arising from competition for the world wheat and feed grain markets in particular. In the course of discussing Canadian-American issues and possible future directions for international cooperation, this short, well-organized, and readable study packs a wealth of useful information on the role and impact of the European Common Market, the Kennedy Round, the International Grains Arrangement, growing commercial markets outside Western Europe, and—within the context of growing world food needs—the potential of new seed varieties, the population problem, and concessional sales to less developed countries. In support of his material the author frequently relied on Department of Agriculture statistics and cited Department publications.

Gittinger concludes that U.S. and Canadian agricultural export interests are mostly complementary. Only with regard to wheat is there a serious commercial conflict. This stems from such problems as differing price structures, the large number of concessional sales, and the increased blurring between "concessional" and "commercial" sales which has aroused Canadians' fears of losing their share of the market.

Though Western Europe will continue to be a major North American market area, the EEC's highly protectionist Common Agricultural Policy (CAP) will have to be reduced if North American-European trade is to continue to grow. The most important long-term shifts in European demand for North American agricultural products will arise as a result of such structural changes in European agriculture as the EEC's expansion to include the United Kingdom and its effect on the CAP, the continuing reduction of rural population, and attempts to modernize European agriculture. In view of the European trend toward feeding higher proportions of grain to livestock, an impetus will be given to increased grain imports in that area.

Food exports to Japan, Eastern Europe, and certain smaller developing countries will continue to grow significantly, though the pace at which future Canadian wheat exports to China and the Soviet Union continue is "problematical."

The author believes that despite the promise of the "Green Revolution," the magnitude of world food needs

and the high rate of population growth will mean a continuing need for concessional sales over the next two decades.

In a statement that accompanied the study, the Canadian-American Committee reiterated the author's conclusion that it is to the interest of both Canada and the United States to revitalize international cooperation in the world wheat market through an instrument such as a working International Grains Arrangement. "Healthy future trade relationships mean that agricultural protectionism (and, by implication, domestic agricultural policies) must be the subject of trade discussions." Moreover, any agreement must associate both importing and exporting countries, "very likely with an explicit recognition of the place of agricultural trade in the broader context of world trade relationships."

Marion M. Montague

Food Consumption Statistics, 1954-66

Organization for Economic Cooperation and Development, Paris. 690 pages. 1968. \$12.

The size of this publication by itself is impressive with 690 oversize pages of statistical tables on food consumption for 18 countries belonging to the Organization for Economic Cooperation and Development (OECD). The format is organized around a separate chapter for each country with tables for each of about 40 to 60 commodities. A table giving the nutrient value (calories, protein, fats) per 100 grams of each food and another showing total annual per capita consumption of these nutrients are also included. Each commodity table contains supply and use data and per capita consumption in grams and nutrient value. The introductory text and table headings are printed in both French and English.

Acknowledging the tremendous task of assembling and publishing this mass of statistics, we must ask, was it worth the effort? One desirable use would be the comparison of total calorie, protein, and fat intake among the countries. However, we are warned by OECD to be extremely cautious in making any such comparisons because of country differences in concept, definition, computational techniques, extraction rates, and other technical considerations.

In spite of these warnings I compared data for five countries. The nutrient values per 100 grams for a specific food varied widely among countries. For example, calories per 100 grams of pork ranged from 220 to 403 (the range would have been greater if all

countries were examined). Protein content varied from 10 to 16 grams per 100 calories. Poultry yielded from 100 to 431 calories, 12 to 31 grams of protein, and 5 to 33 grams of fat. So there is reason for caution in making comparisons between countries.

Another course of investigation is the study of trends in each country and perhaps a comparison of these trends. OECD thinks this would yield valid results, although some caution is again urged. The data in the tables may not contain the latest revisions and in some cases there may be changes in concepts and definitions. Incidentally, the U.S. data do not include revisions which were published in 1968 for earlier years. Although the revisions might not seriously mislead casual readers, they represent potential pitfalls for analytical work. In addition, the size of revisions may vary widely from country to country.

Surprisingly, the changes in consumption of individual commodities and total nutrient levels seem to make sense for the five selected countries. Meat consumption increased in each country and poultry consumption increased sharply between 1955-59 and 1960-64. Wheat consumption tended to decline. Calories available, as well as proteins and fat, held steady in Canada, the United States, and the United Kingdom. In Japan and Italy they increased significantly.

As a result of these deficiencies, the main value of the publication is the consolidation of the OECD statistics and the accompanying notification that the data exist. Perhaps the member countries and the OECD Statistics Division will now make the determined effort to revise and standardize the data. Then the fruitful work of intercountry comparisons and cross-sectional analysis can begin.

Hazen F. Gale

Change and Development—Latin America's Greatest Task

By Raul Prebisch. Inter-American Development Bank, Washington. 235 pages. 1970.

This study was commissioned by the Inter-American Development Bank as a result of the failure of Latin American countries to achieve goals in rates of growth. It is designed as a master target plan rather than as a series of specific country development projects. This work outlines a plan for development of the area which would make it self-sustaining by 1980. The plan would be substantially finished by 1990. No question, the need is there.

The author's thesis is that lack of concerted internal investment effort is the reason for Latin America's slow development. He believes that internal development funds can be virtually doubled by 1980 and that it is only through an effort of this magnitude that satisfactory development can be accomplished. Most of this large increase will, of necessity, take place through decreases in the consumption of high-income groups. External cooperation is considered to be important, but only as a means of supplementing and stimulating internal action.

By 1980 agriculture will be increasing productivity at a rate of 4 percent a year. Intraregional trade in agricultural products is also scheduled to increase. As an indispensable requisite for vastly increased productivity, Prebisch would require a reform of the land tenure system. He points out that agriculture in Latin America today is carried out with a terrific waste of human potential. New agricultural techniques already in existence plus increased research in tropical agriculture will provide an economic solution for agriculture. The social techniques must be found.

During the development period large-scale efforts must be made to make up the housing deficit, increase social mobility, and improve income distribution, as well as to provide more education and health services.

The key to maintaining a growth rate of 8 percent for a 20-year period is industrialization—including the full use of installed capacity and the addition of more. To do this the region must become a fully functioning member of the world trade and industry system.

Perhaps the author errs on the side of optimism in projecting potential growth as high as he does—and maybe the desire is not strong enough for the tremendous effort that would be required—but the need is there.

I believe that he dismisses too lightly the effects of extremely high population growth on development, but that is another argument which will not be further raised here.

John D. McAlpine

The Agricultural Development of Brazil

By G. Edward Schuh. Frederick A. Praeger, Inc., New York. 441 pages. 1970. \$18.50.

This welcome contribution to the bookshelf on Brazil provides (1) a concise handbook on Brazil, (2) a valuable chapter on agricultural economics, and (3) an excellent survey of agricultural education and research. Schuh prepared it under the sponsorship of the For

Foundation; his prescription for agricultural education will have practical value for the foundation.

This handbook is admirable for its condensation of vast materials. Although books on Brazil tend to sprawl hopelessly, the author has reduced his text to 440 pages. It is a synthesis of published materials since 1950 that attempts to give the big picture, to touch down conscientiously on population trends, the labor market, food balances, land tenure, capital investment, agricultural policy, exports, education and research, marketing, and projections. As a reference book it provides easy access to practically all published materials.

The essential chapter for agricultural economists is chapter 4, "Structure and Characteristics of Brazilian Agriculture." In tracing developments between 1950 and 1966, it defines the realities and dispels misconceptions. The author admits that southern Brazil is endowed with some of the world's most fertile soils, but stresses the basic fact that for the rest of the country, low fertility of the soils is characteristic. What a shock it is to read under "mechanization" that 76 percent of the farmers in 1960 were still "men with a hoe"! An advance for them would be a plow and a draft animal. Schuh believes that most of the published material on the latifundia problem in Brazil has been dangerously misleading. He demonstrates this by making detailed statistical comparisons for the five different regions of Brazil between the censuses of 1950 and 1960, and the cadastral survey of 1965. A picture emerges from the five different regions that differs dramatically from the aggregates of the country as a whole. Fifty-five percent of the farms in the productive south are of family size; the vast holdings of the sparsely settled north and west that distort the aggregates have little access to markets and are of little economic significance. Oversimplification would do an injustice to his demonstration, which is the best I have seen on land tenure in Brazil.

Chapter 5, "Education and Research," should be of special interest to decisionmakers in the Brazilian Government, USAID, World Bank, and the foundations. It is a definitive study that evaluates every phase of agricul-

tural education and research and their use by the extension services. It is an inspired piece of organization that traces cause and effect from research to final results.

The book has two limitations. The author's interest in the details of crops and livestock is secondary to his interest in aggregative economics. Production statistics are perfunctory. He scants the story of the developing crops which had already set trends when the book went to press: the wheat program that succeeded in 1969, the boom in cotton production and exports in 1969, the emergence of vegetable oils such as soybeans. The moribund cocoa culture has since made a vigorous comeback. His chapter, "Other Support for Agriculture," identifies each of the government agencies that have a bearing on agriculture. If he had shown how the units of this labyrinth actually affected crop production, this service would have had far greater importance than his chapter on education. Organization is not inspired here; it's a basket category. Although he gives the basic limitations of the livestock economy, the slaughter-herd ratios, the low carcass yield and low fertility rates, coverage of livestock is even weaker than that of crops.

The date of the material is the other limitation. Some statistical tables go through 1966 and 1967, but the bulk of the material refers to the problems of the Goulart regime which was over-thrown in 1964. The effects of the new policies were not sufficiently clear, even in 1966. Since then, the new government has made remarkable strides with more enlightened agricultural policies in credit, price supports, fertilizer manufacture, and crop diversification. The elimination of trade controls led to a surge in exports, most of which are agricultural, of 13 percent in 1968 and 22.5 percent in 1969. New nontraditional exports such as corn, rice, soybeans, and chilled beef have set records. The dramatic development of the late 1960's remains to be written.

Samuel O. Ruff