has been only since these new sorts of farmers’ organizations,—these price fixing organizations, as typified by the various dairymen’s leagues,—that anything in a legal way has been done to suppress the getting together of the farmers.

We have had during the past year legal proceedings against dairymen’s organizations in a half-dozen large cities. Now the old type of farmers’ organizations,—the old-fashioned farmers’ co-operative association—never, so far as I know, were proceeded against through law. In other words, they were considered perfectly legal in all their activities. One must conclude, then, that these new types of organizations are on a different footing legally from the farmers’ co-operative associations, and since it is with these new organizations that the term collective bargaining is mostly associated, it would seem that collective bargaining cannot be defined except in terms of these new organizations.

Indeed, one may say that the reason for being of these new organizations such as the Dairymen’s League, which have brought into being the term collective bargaining, is vastly different from the old co-operative associations. It was the purpose of these older associations to affect certain business economies which could only be secured by the organization of the farmers involved. These economies were the shipping of the farm products in car load lots, the maintenance of community standard of products and of community methods of production. They sold on the market at whatever they could get and were satisfied with the increased returns from such economies. On the other hand, it is the scarcely concealed purpose of the newer organizations,—the ones with which collective bargaining has been identified—to control the market. They do this through organizing their members into a compact union and then by selling through one man, a unified price for their product is the result. They seek no economies of the business sort, but simply through standing together as one man to control the price, the Michigan Dairymen’s Association has been successful in accomplishing this purpose, and as I understand it, the raisin-growers of California have done the same. Now I submit these are the characteristic activities of the farmers’ associations which brought into prominence the term collective bargaining, so the term itself must be defined as something very closely resembling price fixing and this Prof. Boyle has done.”

DISCUSSION OF PAPERS ON COLLECTIVE BARGAINING

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It seems that the lawmakers have made a distinction between collective bargaining relative to wages and collective bargaining relative to prices. The latter is condemned whereas the former is legalized. The ground for the distinction seems to lie in the fact that in wage bargaining unassociated individuals stand at a disadvantage because of the relative powerlessness of their bargaining when, as employers, an overwhelmingly large union threatens to put them out
of business, or when, as employees, waiting lists are played against them, reserves against unemployment are small, and skill at bargaining maneuvers is undeveloped. To place employers and employees on an equality the law justifies collective bargaining relative to wages. In price bargaining, however, it has been assumed that there is no such innate likelihood of an inequality of bargaining power.

Farmers, however, feel that they have just as much right to bargain collectively relative to their milk, rice, livestock, cotton or fruit as the union laborer or his employer has to join his fellows in a wage bargain. It many cases the farmers have just as much basis to be concerned about the perishability of their products, about their powerlessness to gain anything by their refusal as individuals to deal with those who buy products consisting mainly of their labor, and about their lack of bargaining skill as compared with the other party. Perhaps the farmer, of all who desire the right to bargain collectively about prices, can show the closest analogies to the position of those whose collective bargains about wages are now favored by law.

To say, however, that farmers or any others who bargain collectively about prices and wages may not adopt monopoly tactics and may not even find one of the richest fruits of their association in the exploiting of such advantages to the hurt of other important elements of the population is to say too much. The reason farmers or others collect to bargain is that they get power by such organization. This power arises from control over certain supplies, from organized reserves or plans to resort to alternative outlets for products and alternative sources of requisites, and from utilization of shrewder methods of maneuver at bargaining. Perhaps Professor Boyle is not far from right in pointing out the monopoly element as potential if not always kinetic in this group action.

For example take some types existing in the Southern states. We may pass by cotton acreage reduction associations as unlikely to realize upon what to superficial onlookers appears to be an exceptional opportunity for exercising monopoly power. Acreage reduction, however, can only operate within very narrow limits in the case of cotton, and within those limits anyone familiar with the South can see distinct permanent advantages arising from the propaganda. If one takes the case of a product a part of whose supply must be imported in order to fill domestic requirements he can see more of a chance for exploitative action by associated farmers. Growers of rice and sugar cane might use their power to procure a tariff wall behind which exorbitant prices might be extorted from the public. This thing is not impossible for farmers’ groups in any section.

Collective bargaining by farmers, coal producers, union laborers or any other group may become dangerous. It is idle to say that a farmers’ group or any other group can do no wrong. Normally, however, they will need collective power to equalize their bargaining ability with that of the packers, distributors or others with
whom they deal. We should be concerned to see that abuse of power is stopped promptly. We should be equally concerned to see that power when needed to equalize bargaining conditions is obtained for and by farmers and other interests.

REMARKS ON MR. BOYLE’S PAPER

JOHN D. BLACK

I also wish to take exception to Mr. Boyle’s definition of collective bargaining as including the fixing of a monopoly price. It would be extremely unfortunate if such a conception of the object of collective bargaining should become prevalent. On the one hand, it would strengthen the standing suspicion of this very thing in the minds of the consuming public into an almost ineradicable belief. On the other hand, it would put farmers in general in the same class with certain groups of our rural population who at present and for some time past have been saying that the farmers are the only class who are not in a position to “set the price” on the goods they sell and have been urging the farmers to consolidate into a third great monopoly power complementary to labor and capital. We never have accepted this analysis as sound and we surely are not going to change our minds now.

The purpose of collective bargaining is not to set a monopoly price, but to discover and establish a “necessary price,” that is, a price which will call forth the supply of a product which the consumers will demand at that price. We know that the ordinary price-making forces work very crudely in many cases. They cause orchardists to plant too many apple trees for a series of years and not enough for the succeeding series. They keep farmers producing too much milk at a loss for a period, and not enough at a good profit for a succeeding period. What we want is a price that will keep up a steady supply sufficient to meet the demands of the population. It is no simple task to discover what this price is, especially in periods like the present when demand is in a state of rapid flux, and price levels are very uncertain. Nevertheless, it is my belief that the right sort of statistical and accounting records and careful economic analysis of them would enable us to approximate necessary production in this sense and in many cases forecast necessary price with sufficient accuracy to furnish a basis for price negotiation. Any price agreed upon and established will of course be a sort of “cut-and-try” price. It may prove to be ten or fifteen per cent off in cases where demand is uncertain.

This is illustrated by the Twin City Milk Producers’ Association which supplies over half the milk used in St. Paul and Minneapolis. They are selling milk to the distributors on a cheese-price basis at present, and have been selling it cheap all winter because cheese prices are at present very low relative to butter prices. The manager tells me that he believes that he and the distributors, at least those among them that are honest and fair-minded, have had enough experience trying out different prices so that they could agree within a few cents as to what price is necessary to bring out the