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Articles

Looking Back While Going Forward: An Essential for Policy Economists

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Welfare Gains From Wood Preservatives Research

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The International Politics of Agricultural Trade: Canadian-American Relations in a Global Agricultural Context

Farming Without Subsidies: New Zealand's Recent Experience

Agrarian Capitalism in Theory and Practice

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Contents

1 **In This Issue**
Gene Wunderlich

Articles

3 **Looking Back While Going Forward An Essential for Policy Economists**
Otto Doering

7 **The Influence of the Commodity Composition of Trade on Economic Growth**
Thomas L Vollrath and Paul V Johnston

15 **Estimating Producer Welfare Effects of the Conservation Reserve Program**
Patrick Canning

22 **Welfare Gains From Wood Preservatives Research**
Barry J Seldon and William F Hyde

30 **What Does Performing Linear Regression on Sample Survey Data Mean?**
Phillip S Kott

Book Reviews

34 **The Long-Term Adequacy of World Timber Supply**
Reviewed by Jan K Lewandrowski

36 **The International Politics of Agricultural Trade Canadian-American Relations in a Global Agricultural Context**
Reviewed by William R Wilson

37 **Farming Without Subsidies New Zealand's Recent Experience**
Reviewed by Nancy Morgan

39 **Agrarian Capitalism in Theory and Practice**
Reviewed by Ann Marie Vandeman

In This Issue

"An idea whose time has come" is a familiar expression in the realm of policy It means that a plan or program has become the embodiment of some theoretical notion surfacing at the right time In the words of J M Keynes, "The ideas of economists and political philosophers, both when they are right and when they are wrong, are more powerful than is commonly understood Indeed, the world is ruled by little else Practical men, who believe themselves to be quite exempt from any intellectual influences, are usually the slaves of some defunct economist " Great ideas may go dormant for lack of champions, then flower again when new needs arise As these needs arise how do those who discover and store ideas make them available? The ancillary question to writers and readers of journal articles is to whom, for whom are journal articles addressed—how are the recorded and stored ideas contained in journals used by policy advisers, policy engineers, and policymakers?

Otto Doering's essay on institutions, individuals, and precedents in agricultural policy contains some notable illustrations of the history of economic ideas He notes how Chester Davis and Howard Tolley influenced agricultural policy through the landmark 1940 Yearbook of Agriculture He relates Rexford Tugwell's concepts of the 1930's to the PIK program of the 1980's Doering questions the appropriateness of marginalist thinking for institutional reconstruction, but probably would concede that marginalist economics has been helpful in understanding how existing institutions and policies function For an example of good integrative policy analysis, he cites Vincent and Eleanor Ostrom's public choice research Mostly Doering seems to be saying that to fully comprehend the role of economic ideas in policy, one must comprehend the institutional environment, the historical precedents, and the personalities

Vollrath and Johnston extend some of the recent arguments of one of the original problems of classical economics—the relationship between trade and growth More specifically, they challenge the simple dichotomy of developed countries with manufactures and underdeveloped countries with primary industries by presenting a model of eight sectors and five development classes With their refined model, they examine trade as a means to exploit comparative advantage, showing that trade is favored in agriculture for middle-income countries but not for high-income and low-income countries High-income countries are best served by importing light manufactures, and upper-middle and high-income countries have a per capita income gain from exploiting their comparative advantage in the finished capital goods industry, which commands highly skilled labor

Canning examines the idea of benefiting producers who participate in the Conservation Reserve Program He includes under producer welfare the payments to farmers and owners for warehousing their erodible acres, reducing income risks, and increasing prices from reduced commodity production Canning analytically and empirically demonstrates welfare gains in the form of enhanced land values Clearly there is gain to farmers and landowners, at least in the short run, but whether society gains is another issue

Seldon and Hyde studied welfare gains from public investment in wood preservatives research They conclude that such research produces net gains that are socially beneficial But, internal rates of return to the industry are insufficient to be profitable, so the research investment on wood preservation will not likely be made by private industry

Kott says that economists and statisticians differ in their view of linear regression from sample survey data Economists want to model reality and use statistical tests to reject or not to reject their hypotheses Statisticians want to describe characteristics of a population without counting all members of the population He reviews two standard computer packages for doing regressions and estimating variances, and explains a modification of the statistician's design-based estimators that more nearly satisfies the economist's view

Book reviews in this issue include Lewandrowski's generally supportive comments on the important work on forestry by Sedjo and Lyon They have employed what Lewandrowski calls the first economic model of the world timber supply, a series of 50-year simulations They conclude that there is no foreseeable shortage of timber The analysis incorporates the shift from "gathered" old growth to economically managed forest production

Wilson, who is with Forestry Canada, reviews Cohn's book on Canadian-American trade relations He describes the book as Galbraithian in approach, a contribution to the political economy of agricultural trade The book's focus on wheat as a proxy for Canada-United States trade is a shortcoming However, Wilson appears to find enough information in the book to spark an interest in readers

Morgan reviews Sandrey and Reynolds on *Farming Without Subsidies New Zealand's Recent Experience* New Zealand in 1984 went cold turkey on deregulation and trade liberalization, and that experience has been detailed in the well-integrated compilation of papers

The reforms apparently landed harder on agriculture than on other sectors Morgan lauds the effort that went into the book, but the experience of New Zealand may not provide a clear guide to larger, developed economies

Vandeman describes Mann's *Agrarian Capitalism in Theory and Practice* as grounded in classical Marxist theory Mann's thesis there is inadequate recognition of the unique natural features of agricultural production, which, in turn, determines the social organization of agriculture The approach is interdisciplinary Vandeman recommends the book to readers who tire of placing the market at the center of the universe

Within the pages of our social science literature, there are, no doubt, many ideas suitable for framing agricultural policy Some of those ideas may be in this issue However, the task of writers and readers of technical literature who wish to contribute to policies and programs is to fashion prescriptions that are readable and appealing to a much wider audience than we service here If you are such a communicator, you must find a suitable medium or prepare for a Keynesian wait

Gene Wunderlich