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THE GREAT CONTRIBUTION of the Schultz school—if we may speak of such—in agricultural policy has been in reemphasizing economic use of resources throughout a period when the public mind has been almost wholly preoccupied with price supports. That existing programs show little evidence of the efforts of Schultz and his colleagues by no means implies that they have been ivory-towered. They have urged a variety of concrete proposals designed to stabilize farm prices and improve farm incomes while promoting rather than hindering sound adjustments in resource use.

Gale Johnson's *Trade and Agriculture* follows in this tradition. Those who have read his *Forward Prices for Agriculture* will find much familiar ground recultivated; those who have not read it will find in the present volume a pretty satisfactory summary of its major arguments. The author here extends his thinking on farm policy into the context of international trade policy. The extension reaffirms his criticisms of present farm policy and imposes no substantial modifications of his proposals in this field.

He again urges "forward prices," implemented through direct-payment and storage operations, to give farmers a better basis for planning in good times and to reduce their income losses in bad times. But he rejects price programs as a device for raising farm income. To do this he advocates a marketing-and-consumption program, plus a "conversion" program for shifting surplus labor out of agriculture. He stresses the importance of maintaining high national employment as a basis for achieving either our agricultural or our trade objectives.

In retilling this ground, the author elaborates the difficulties that present farm programs impose on our policies for promoting freer international trade, and points out the ways in which his own proposals avoid such difficulties. He is critical of our trade-policy actions mainly for having gone too far in compromising freer-trade objectives in order to avoid agricultural political opposition.

But he is no mere exponent of international laissez faire. He criticizes also the too-doctrinaire mentality that has prevented the devotees of liberal policy from accepting the desire of agriculturists

to protect themselves against instability in world markets. He has a program in this area, too—internationally controlled operations in buffer stocks or, preferably, a "commodity reserve" proposal similar in operation to the "commodity currency" plan of Benjamin Graham, but without its monetary-regulatory objectives. He favors long-term contracts between exporting and importing nations, like that embodied in the International Wheat Agreement, but he would prefer such activities to be carried on simultaneously for many commodities under a sort of international board of trade.

The author pays his respects to the "aspirations of agricultural peoples" in underdeveloped areas to raise their incomes; but he sees little hope that the Point Four Program or other measures will achieve this unless new means are found simultaneously to solve the population problems in these areas.

Johnson's newest book evidences an effort at words-of-one-syllable presentation for the lay public. This still does not make it light reading. The analysis is thorough to the point of repetition, with none of the stirring brilliance that characterizes, for example, the final chapter in *Forward Prices*. But even the professional reader will appreciate the relative absence of lapses into complicated jargon, and of those passages that leave us wondering whether we are victims of our own slow-wittedness or merely of a profound nonsequitur on the part of the author.

The book contains a good deal of deserved criticism of policy. Its positive contributions are stimulating, albeit there is no danger of their overhasty adoption. The author neither pleads nor crusades for them, but does a workmanlike job of presenting realistic economic analysis. He reminds his readers of the critical speed of current developments on the international front. But he writes in the tone of one reconciled to the conclusion Schultz has expressed, that "the ideas of economists often have great strength in shaping policy when the time span is one of the decades instead of a single year."

Herman M. Southworth