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Research Review

The Growth and Structure of International Trade Since the Second World War

Lyndon Moore Totowa, NJ Barnes & Noble Books, 1985, 393 pp , \$34 95

Reviewed by Stephen W. Hiemstra*

If everyone is an economist, then since 1980 every economist has become a trade economist. Changes in the international economy these past 5 years—economic recession, voluntary export restraints on various consumer goods, and financial distress—have profoundly affected everyone. Economists accordingly need to review their assumptions about how the world works. This need brought about Lyndon Moore's book, *The Growth and Structure of International Trade Since the Second World War*.

Moore's objective is to analyze the growth and composition of international trade since the war (pp 4-5). She pursues this objective in three major sections. The first section reviews the history of agricultural, trade, commercial, and financial policies and the institutions set up to implement them. The second summarizes trade theory. The third section analyzes trade in agricultural commodities, fuels, textiles and clothing, and automobiles. Analysis of the effects of protectionism on employment and economic growth is an important theme throughout the book (pp 3-4).

In developing this theme, Moore sees a conflict between the stabilization and growth objectives pursued in public policies (pp 3-4). Stabilization objectives pursued in macroeconomic and commercial trade policies are designed to maintain full employment. Growth objectives pursued in market structure and free trade policies serve to maximize the benefits of the specialization permitted by participation in the world market. Although these objectives

are compatible over the long term, workers must often be retrained and seek new jobs to achieve the level of specialization necessary to compete in world markets in the short run. A tension between these objectives therefore emerges, suggesting that the gains from trade are as unequally distributed as resource endowments (p 367).

Although the book is encyclopedic in its scope, Moore did not intend to write a textbook. Rather, she states in the preface she wrote the book to present trade patterns, history, and theory to policymakers. Viewed against this objective, she succeeds. The book presents simply and concisely the basic information generated by economic research over the years on trade problems. It accordingly best meets the need of the policymaker who is not by training an economist.

Although trade economists may often need to widen the scope of their reading, some may find this book lengthy and inconclusive. In analyzing the observation that major traders have begun to question the merits of free trade, for example, Moore makes only passing reference to the complaints of developing countries about the changing terms of trade (p 367). Other hypotheses which might follow from her analysis—a slowing of the rate of technological advance or a slower growth rate as a consequence of adjustment to an already widened world market—are not considered. The book, therefore, falls short of its potential. Notwithstanding, most economists would benefit from reading the chapters on effects of technological change and foreign investment on trade.

*The reviewer is an agricultural economist with the International Economics Division, ERS.