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Why Not Barter Surplus Commodities?

A READER telephoned to suggest that the United States ought to look into the potentialities of bartering wheat and other surplus commodities for minerals, oil and resources this country needs.

The idea sounds good. Barter was the principal medium of exchange until money was invented. Cash was replaced by plastic cards and now it is said that most of the funds shown on balance sheets exist only as computerized entries on somebody's microchips.

A few years ago when OPEC was charging more for oil than the traffic could afford a clamor rose to trade "a bushel of wheat for a barrel of oil." This seemingly logical proposal apparently was defeated by its overbalanced economics.

Our caller thought that we could trade commodities to less industrialized countries for metals and other strategic materials. We import from 75 to 100 percent of the natural rubber, manganese, cobalt, bauxite, chrome, platinum, asbestos, nickel and tin that we use.

A number of countries that have such materials to export also import wheat, non-fat dry milk, cheese, corn and grain sorghum, which we have in abundance. The federal government's Commodity Credit Corp. owns stocks of all of those commodities mentioned that cost money to store.

The CCC launched a barter program in 1950 that resulted in exchange of $6.5 billion worth of agricultural commodities with 123 countries over a 25-year period. The biggest year was 1973, when the total topped $1 billion. Barter was phased out the following year.

A principal shortcoming of barter, according to an article in USDA's Farmline publication, is that it requires a "double coincidence of wants." The seller does not need just to find a buyer. The buyer also must have a product to trade that the seller wants.

Another obstacle is that practically all imports and exports in most countries are strictly controlled by government. This often means that control is by politicians with hands out for bribes.

The U.S. government owns substantial stocks of surplus commodities but the 1981 farm bill requires that they be marketed only at levels specified, usually well above current market prices.

Considerable resources of strategic materials that this country imports exist within our borders, undeveloped. This is partly because they have been tied up in "wilderness" areas or other reservations.

Controversies swirling around the secretary of the Interior involve opening of public lands (not national parks) to make oil, gas, nickel, copper and other resources available. Opponents say this would reduce federal land available for recreation.

President Reagan proposes to create a Department of International Trade and Industry, which he said could provide "a leaner, more efficient, better coordinated approach to international trade."

For cash or barter, there is much room for improvement.