

A PICTURE OF WORLD ECONOMIC
CONDITIONS AT THE BEGINNING
OF 1932



Number VII

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A PICTURE OF WORLD
ECONOMIC CONDITIONS
AT THE BEGINNING OF 1932



NATIONAL INDUSTRIAL CONFERENCE BOARD, Inc.
NEW YORK

1932

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April, 1932
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PREFACE

THE events of the past year have demonstrated perhaps more clearly than ever before that the nations of the world, whatever their national policies and aspirations, are enmeshed in a network of international economic relationships. In this age of rapid communication and expanding industrialism the barriers between the nations that formerly enabled each of them to live a life apart have been swept away.

In 1914, the assassination of an Austrian Archduke in a Balkan city brought the whole world into a disastrous armed conflict. In 1931, the failure of a large bank in Austria involved Germany, Great Britain, and the whole western world in its consequences. In every country an important body of public opinion doubts that any improvement in economic conditions within the nation is possible until vexing problems of international relations are settled.

The need for accurate, impartial information on what is taking place in the world at large is therefore greater than ever before. For a number of years the National Industrial Conference Board has endeavored to supply that need by the publication of a series of books entitled, "A Picture of World Economic Conditions." The present volume, the seventh of the series, deals with the status of affairs at the beginning of 1932 and gives as a background the record of the eventful year 1931, in which a series of unusual occurrences shook the economic system of the occidental world to its very foundations and gave rise to ominous problems in the Orient.

Like the volumes that have preceded it, this issue is made possible in its present form through the generous co-operation of the Foreign Correspondents of the National Industrial Conference Board. From many of them—men, eminent in their countries through their intimate knowledge of economic conditions, wide experience, and international outlook

—direct contributions to the volume have been obtained, and through the body of the Foreign Correspondents as a whole contacts have been established that have led to a better understanding and clearer interpretation of affairs of international importance.

In accordance with the usual practice, this volume is divided into two parts. Part I has been prepared by the Conference Board on the basis of official and other authoritative sources of information. It begins with a brief general survey of the world economic and political situation as a whole. This is followed by a carefully summarized analysis for each country of contemporary facts regarding industrial production, wages, prices, employment, foreign trade, public and private finance, and other economic factors, which give to each country its special importance in the economic commonwealth of nations.

Part II contains original articles specially prepared by Foreign Correspondents of the National Industrial Conference Board. To them the Board expresses its sincere appreciation for their valuable and generous assistance. It is gratifying that in a period of stress like the present, with its heavy demands upon the time and the thought of these men, special contributions have been received in time for inclusion in this volume from Sir Arthur Balfour for Great Britain; Mr. Henri de Peyerimhoff for France; Mr. Antonio Stefano Benni for Italy; Mr. Georges Theunis for Belgium; Mr. E. Heldring for the Netherlands; Mr. Louis Dapples for Switzerland; Mr. H. Gliwic for Poland; Mr. Ernst Meyer and Mr. B. Dessau for Denmark; Mr. J. Throne Holst for Norway; Mr. I. Bajloni for Jugoslavia; Mr. Eugene Vida for Hungary; Mr. Thomas Ashworth and Sir Lennon Raws for Australia; Baron Koyata Iwasaki for Japan; and Mr. Li Ming for China.

In the preparation of its publications, the National Industrial Conference Board avails itself of the experience and judgment of the business executives who compose its membership and of recognized authorities in special fields, in addition to the scientific knowledge and equipment of its Research Staff. The publications of the Conference Board thus finally represent the result of scientific investigation

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and broad business experience, and the conclusions expressed therein are those of the Conference Board as a body.

Under the immediate direction of the President of the Board and with the supervision of the Staff Economic Council, Part I of this report was prepared by Mr. Vaso Trivanovitch and assistants, of the Conference Board's Research Staff.

MAGNUS W. ALEXANDER
President

New York City
April, 1932

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TABLE OF CONVERSION

Foreign currencies were converted into dollars at the following rates of exchange:

- Argentina*, par, 96.48 cents per gold peso, or average rate of exchange;
- Australia*, par, \$4.86 per pound sterling;
- Belgium*, par, 2.78 cents per franc, or 13.9 cents per belga;
- Brazil*, par, 11.96 cents per paper milreis, or average rate of exchange;
- Chile*, par, 12.17 cents per gold peso;
- Colombia*, par, 97.33 cents per gold peso;
- Czechoslovakia*, 2.96 cents per crown;
- France*, par 3.91 cents per franc; pre-war par, 19.3 cents per franc;
- Germany*, par, 23.8 cents per Reichsmark;
- Great Britain*, par, \$4.86 per pound sterling, or average rate of exchange;
- Italy*, par, 5.26 cents per lira;
- Netherlands*, par, 40.20 cents per florin;
- Russia*, par, 51.46 cents per ruble;
- Sweden*, par, 26.8 cents per krona, or average rate of exchange.