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ECONOMIC INTELLIGENCE SERVICE

EUROPE'S TRADE

**A Study of the Trade of European Countries
with Each Other and with the Rest of
the World**

LEAGUE OF NATIONS

GENEVA

1941

Series of League of Nations Publications

II. ECONOMIC AND FINANCIAL

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PREFACE

The curtailment of national trade statistics rendered impossible this year the preparation of the annual *Review of World Trade* that the League of Nations has been in the habit of publishing each June. It was decided, therefore, last spring to replace this volume by a special study of the trade of Europe as it presented itself before the outbreak of the present war.

This undertaking entailed a considerable amount of supplementary analytical work only rendered possible by the generous assistance afforded by the Rockefeller Foundation.

The general objects of the study are to consider what was the part played by Europe in the trade of the world, how far Europe was dependent upon external markets and external markets dependent upon her, to estimate the importance to her of what, in the absence of a better term, is known as Empire trade, and to illustrate the commercial and general economic interdependence of different parts of the continent.

It is hoped to follow this analysis by a complementary volume on the trade of the rest of the world. To begin with Europe is convenient and indeed necessary, owing to the key position she has held as a channel for the transfer of the service of debts and earnings on foreign investments from debtor to creditor states. But any division of the unity of the world's trade is to some extent arbitrary, and the second volume will unavoidably overlap to some extent with the first. Both must deal with the trade of the United Kingdom; both must review, though from different angles, the trade of political as well as geographical groups of states.

This volume relates to the past; it may be of value, it is hoped, in the future, and giving, as it does, figures showing the net imports of Europe (both including and excluding the United Kingdom and Ireland) of a long list of foodstuffs and raw materials before the outbreak of the present war, may not be without interest and significance today.

The detailed information contained in the statistical annexes is intended for the use of those who desire to push their inquiries beyond the limits of the range of subjects with which the text deals. For additional information relating to European production and trade, recourse may be had to the *Review of World Trade*, *International Trade Statistics*, *International Trade in Certain Raw Materials and Foodstuffs by Countries of Origin and Consumption*, and the *Statistical Year Book* published by the League of Nations, and the *International Yearbook of Agricultural Statistics* issued by the International Institute of Agriculture.

A. LOVEDAY

*Director of the Economic,
Financial and Transit Department*

Economic Intelligence Service,
League of Nations,
December 1940

Introduction

The scope of this volume is too wide to permit of any brief summary of the results thrown up by the analysis. But it may help the reader to follow the evidence which is marshalled or to trace the rather complex interplay of forces, if his attention is drawn at the outset to certain salient facts and to certain relative magnitudes. Most of the following figures refer to 1935, which was a fairly representative year in a period of transition. Some aspects of this transition are considered in the final chapter.

1. Europe's trade before the war amounted to rather over one-half of the trade of the world.

2. In 1935 28% of the aggregate imports of European countries consisted of foodstuffs, 45% of raw materials and semi-manufactured goods and 27% of manufactured goods.

3. Of their exports, 57% consisted of manufactured goods and one-quarter of raw materials and semi-manufactured articles.

4. In 1935, Europe obtained 46% of her total imports from other continents, but consigned only 36% of her total exports to other continents.

5. The lack of correspondence between these figures is accounted for by the fact that Europe received large payments every year on account of her foreign investments and of services rendered by her mercantile marine, her banks, her hotels, etc. Her resulting import balance in 1935 amounted to about \$2,160 millions, of which over one-half was due to the United Kingdom. The corresponding amount in 1937 was \$3.17 milliards. In both years the receipts in question were amply sufficient to finance Europe's net imports of foodstuffs, and this is true both of Europe including and excluding the United Kingdom and Ireland.

6. Europe's ten highly industrialised states had a net import of foodstuffs amounting to \$2.3 milliards and of raw materials and semi-manufactured articles amounting to \$2.8 milliards; the United Kingdom accounting for nearly two-thirds of the former amount, and nearly one-third of the latter. To industrial Europe's net exports of manufactured goods, \$2.7 milliards, the United Kingdom contributed 36%.

Net imports (-) or exports (+) in 1935. \$(000,000,000's)

	United Kingdom	9 other industrial countries	Rest of Europe	Total Europe
Foodstuffs and live animals.....	- 1.44	- 0.83	+ 0.55	- 1.72
Materials, raw or partly manufactured.....	- 0.90	- 1.91	- 0.06	- 2.87
Manufactured articles.....	+ 0.99	+ 1.75	- 0.73	+ 2.01
All goods.....	- 1.35	- 0.99	- 0.24	- 2.58

7. For her imports of primary products, industrial Europe depended to a very large extent upon other continents, for Europe's agricultural section was a net importer of raw materials and its net export of foodstuffs did not cover a quarter of industrial Europe's net imports of foodstuffs.

8. The smallness of the contribution of agricultural Europe to the needs in crude products of the more highly developed states reflects the smallness of their contributions to European trade as a whole. In 1935 these 18 agricultural countries accounted for only 17% of the aggregate imports and only 19% of the aggregate exports of the European countries.

9. The intra-European trade was as a consequence conducted mainly among the ten industrial states. It was their interdependence rather than the interdependence of industrial and agricultural areas that was really significant. Thus in 1935 industrial Europe derived 34% of her imports from industrial Europe, 51% from other continents and only 15% from the rest of Europe.

10. But the rest of Europe, these 18 agricultural states, were very largely dependent upon the industrial European states. They obtained approximately two-thirds of their imports from them and consigned three-quarters of their exports to them.

11. The contrast between these two groups would be less striking if the United Kingdom were omitted. Almost two-thirds of her trade was conducted outside Europe; her Empire trade alone considerably exceeded her trade with the neighbouring continent.

12. The trade of Europe as a whole with the British Dominions, India and European overseas territories was only slightly smaller than with the rest of the world, and up to the outbreak of war, was tending to grow in relative importance.

13. Nearly the whole of this trade was conducted by industrial Europe and well over a half by the United Kingdom. But every country which possessed colonies or other overseas territories was tending to direct a greater proportion of its trade to them.

14. The net result of this tendency was to diminish the share in Europe's trade of countries unattached to Europe by any special ties. In considering the nature of Europe's trade as a whole, it is well to remember that only 25% of Europe's imports were derived from areas external to her and to the territories connected with her by political ties, and only 17% of her exports were destined for these regions.

15. In considering the dependence of Europe on external sources for supplies of commodities of major importance to her, it is desirable to distinguish between Europe as a whole, including the United Kingdom and Ireland, and Continental Europe. The following figures summarise the trading position in 1935 of these two areas in various primary commodities:

	Net imports (-) or exports (+) in \$(000,000's)	
	United Kingdom and Ireland	Continental Europe
6 important animal foodstuffs, including live cattle	- 580	+ 226
22 important vegetable foodstuffs	- 542	- 545
All other foodstuffs	- 276	- 3
Tobacco	- 81	- 47
6 oilseeds and oilseed cake and meal	- 73	- 274
The chief fertilisers	- 2	- 37
6 raw textiles	- 316	- 686
Rubber	- 35	- 56
Wood and wood-pulp	- 218	+ 58
Coal and coke (excluding bunkers)	+ 155	- 200
Crude petroleum, petrol, gas and fuel oils	- 130	- 183
Copper, lead, tin and zinc, unworked	- 54	- 111
Iron, manganese and tin ore, and bauxite	- 52	- 46
All other raw materials and semi-manufactured goods	- 129	- 353
Total foodstuffs, raw materials and semi-manufactured goods	- 2,333	- 2,257

Figures for the quantities of the imports and exports of the various commodities mentioned above will be found in Annex IV.

Magnitude and Composition of European Trade

The Importance of European Trade.

Only about 19% of the population of the world resides in Europe¹; the area of Europe does not represent more than 4% of the land area of the world. But in normal years the value of Europe's total trade (imports plus exports) was about equal to the trade of the whole of the rest of the world.

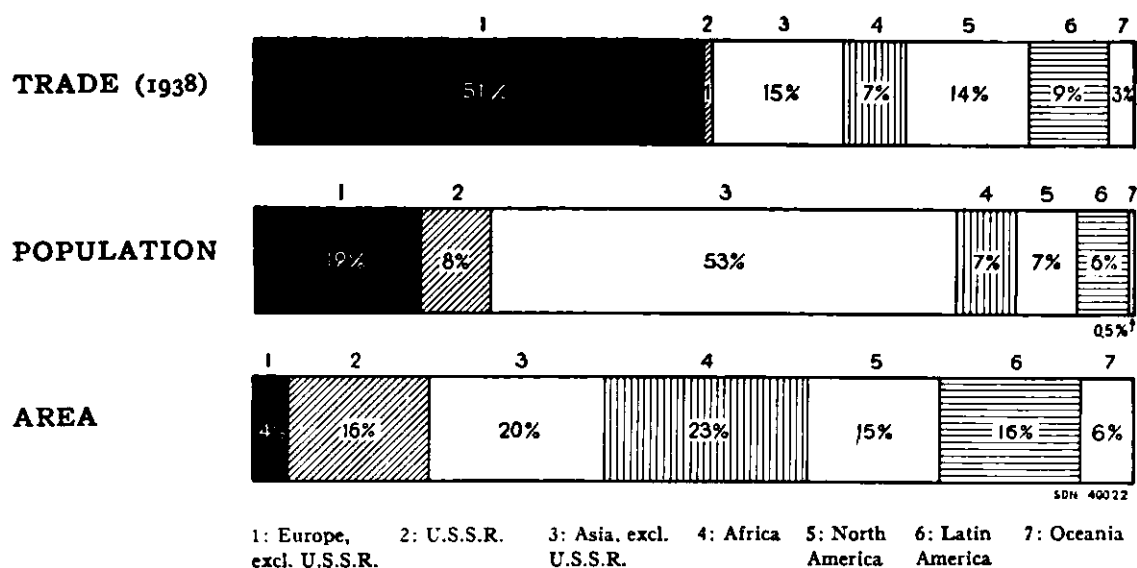
Europe imports more than she exports, and her share in world imports in 1938 amounted to 56%, while her exports only amounted to 46% of world exports. Her share in total world trade in that particular year was 51%. We shall show later how Europe is able to buy more than she sells.

If the U.S.S.R. is included in Europe, these figures are naturally increased somewhat²; but the effect of that inclusion is slight, for the U.S.S.R. is largely a self-contained economic unit, and her trade is very small in comparison with her area or population. She thus constitutes a striking contrast to Europe proper.

The inequality in the distribution of the world's foreign trade, population and area is illustrated by Diagram 1.

Diagram 1.

PERCENTAGE DISTRIBUTION OF THE FOREIGN TRADE, THE POPULATION AND THE AREA OF THE WORLD.



With the development of the younger countries in other continents, the share of Europe in world trade has tended to decline. At the beginning of the century it was as high as two-thirds and in 1913 it exceeded 60%. The war of 1914-18 hastened the decline, particularly of European exports. The United States and Japan were able to capture and

¹ In Europe are included the following statistical areas: Albania, Austria, Belgium-Luxemburg, Bulgaria, Czecho-Slovakia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Malta, Netherlands, Norway, Poland-Danzig, Portugal, Roumania, Spain, Sweden, Switzerland, Turkey, United Kingdom, Yugoslavia, and a number of minor territories. Trade returns are not available for certain of the minor units (*e.g.*, Gibraltar, Svalbard and free ports). The total area considered includes the whole of Turkey, but excludes the U.S.S.R.

² In 1938, the figures given above, after the inclusion of the U.S.S.R., become—imports 57%, exports 47%, total trade 52%.

retain part of the markets for manufactured goods, especially in Latin America and Asia, previously supplied by Europe, and by increasing their exports they likewise increased their imports of raw materials and other primary products. Moreover, before 1914, only European countries had been able to lend capital on a large scale in other continents. After 1918, Europe found her lending capacity reduced, while that of the United States had been greatly developed.

Since 1925 Europe's share in world trade has not varied considerably, except for a temporary increase during the early depression years, affecting both imports and exports and due chiefly to the change in price relationships.¹

Import and Export Values.

The total value of Europe's trade in 1938 amounted to \$24,070,000,000 or to about \$61 per head of population. Ten years earlier it had been as high as \$93 per head, though the gold value of the dollar was then considerably higher.

The changes that have taken place during recent years in the absolute values of both European and other trade are shown below in terms of both U.S. gold dollars (1934 parity)² and pounds sterling. More detailed information (trade by countries for Europe, and by continents for the rest of the world) is supplied in Annex I.

Table I.
TRADE VALUES FOR EUROPE AND THE REST OF THE WORLD.

	Imports					Exports				
	1925	1928	1932	1935	1938	1925	1928	1932	1935	1938
<i>Figures in new \$ gold (000,000,000's):</i>										
Europe excluding U.S.S.R.....	30.90	32.38	13.78	11.67	13.63	23.96	25.70	10.65	9.09	10.44
U.S.S.R.....	0.72	0.83	0.61	0.21	0.27	0.55	0.71	0.50	0.32	0.25
Rest of world.....	24.51	25.62	9.26	8.85	10.30	28.91	29.19	10.67	10.16	11.97
Total.....	56.13	58.83	23.65	20.73	24.20	53.42	55.60	21.82	19.57	22.66
<i>Figures in £ sterling (000,000,000's):</i>										
Europe excluding U.S.S.R.....	3.78	3.93	2.32	2.38	2.79	2.93	3.12	1.79	1.85	2.13
U.S.S.R.....	0.09	0.10	0.10	0.04	0.06	0.07	0.09	0.08	0.07	0.05
Rest of world.....	3.00	3.11	1.56	1.81	2.10	3.53	3.54	1.80	2.07	2.45
Total.....	6.87	7.14	3.98	4.23	4.95	6.53	6.75	3.67	3.99	4.63
<i>Percentage distribution:</i>										
Europe excluding U.S.S.R.....	55	55	58	56	56	45	46	49	46	46
U.S.S.R.....	1	1	3	1	1	1	1	2	2	1
Rest of world.....	44	44	39	43	43	54	53	49	52	53
Total.....	100	100	100	100	100	100	100	100	100	100

Note. The trade figures in this table, and elsewhere in this volume (where not otherwise indicated) refer to special trade, which may be roughly defined as imports of goods for domestic consumption, and exports of domestic produce or products into which domestic labour has entered. Further, with a few exceptions, which will be dealt with in Table 2, the figures refer to merchandise only.

¹ Prices of manufactured goods fell less than prices of primary products; accordingly, the ability of Europe's industrial countries to import primary products was relatively well maintained, at the same time as the intra-trade in manufactured goods between these countries was on a relatively high level until the increased trade restrictions had developed their full effect.

² This unit, which since February 1934 coincides with the present U.S. dollar, equals 0.88867 gramme of fine gold and represents 59.06% of the "old" gold dollar employed for comparisons in several earlier publications of the League of Nations Economic Intelligence Service, particularly the *Review of World Trade*. It has been thought more useful to employ a gold unit than an actual currency (such as the U.S. dollar or the pound sterling), as the fall in the prices of goods in terms of gold has in part determined, and in part been determined by, the course of trade during the period considered.

The dramatic contraction of trade values between 1928 and 1932 was due chiefly to the fall in prices initiated by the economic depression that began late in 1929. This price fall, which was greater for primary products than for manufactured goods, had far-reaching effects upon trade in general and particularly upon the relationship between countries of different economic structure. As Diagram 2 shows, the "quantum" of world trade,¹ which fell by about one-fourth between 1929 and 1932, rose again during the subsequent period, particularly during 1936 and 1937, when prices again increased. Simultaneously the relationships between the prices of goods at different stages of manufacture became more normal. It would fall outside the scope of this volume to enter into the details of these changes, which have been described at some length in the successive issues of the *Review of World Trade*.²

Diagram 2.
ANNUAL MOVEMENT OF WORLD TRADE,
1924-1938 (1929 = 100).
Logarithmic scale.

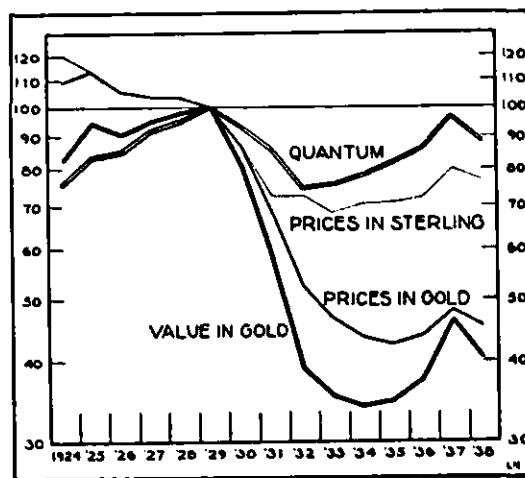


Table 2.
EUROPE AND THE REST OF THE WORLD: COMPOSITION OF TRADE.

Area square km ^a (000,000's)	Population 1937 (000,000's)		Imports					Exports				
			1925	1928	1932	1935	1937	1925	1928	1932	1935	1937
Values in new \$ gold (000,000,000's)												
6.2	410	<i>Europe, excluding U.S.S.R.</i>	10.3	10.0	4.9	3.3	4.2	4.4	4.8	2.2	1.6	1.9
		Foodstuffs and live animals.....	13.1	13.2	5.2	5.2	7.2	5.3	5.7	2.3	2.3	3.1
		Materials, raw or partly manufactured.....	7.5	9.2	3.7	3.2	3.8	14.3	15.2	6.2	5.2	6.6
		Total.....	30.9	32.4	13.8	11.7	15.2	24.0	25.7	10.7	9.1	11.6
126.4	1.706	<i>Rest of world</i>	5.2	5.4	2.2	1.9	2.3	9.8	9.2	3.8	3.0	3.8
		Foodstuffs and live animals.....	8.3	8.5	2.9	2.7	4.1	14.1	13.7	4.5	4.6	6.6
		Materials, raw or partly manufactured.....	11.7	12.5	4.8	4.4	6.1	5.0	6.4	2.2	2.3	3.4
		Gold and silver ^b	—	—	—	—	0.5	0.6	0.6	0.6	0.6	0.7
		Total.....	25.2	26.4	9.9	9.0	12.5	29.4	29.9	11.1	10.5	14.5
132.6	2.116	World total.....	56.1	58.8	23.7	20.7	27.7	53.4	55.6	21.8	19.6	26.1
Percentage distribution												
		<i>Europe, excluding U.S.S.R.</i>	33	31	35	28	28	18	19	21	18	16
		Foodstuffs and live animals.....	43	41	38	45	47	22	22	21	25	27
		Materials, raw or partly manufactured.....	24	28	27	27	25	60	59	58	57	57
		Total.....	100	100	100	100	100	100	100	100	100	100
		<i>Rest of world</i>	21	20	22	21	18	33	31	34	29	26
		Foodstuffs and live animals.....	33	32	29	30	33	48	46	41	43	46
		Materials, raw or partly manufactured.....	46	48	49	49	49	17	21	20	22	23
		Gold and silver ^b	—	—	—	—	—	2	2	5	6	5
		Total.....	100	100	100	100	100	100	100	100	100	100

^a 10 km² = 3.86 square miles.

^b Gold and silver are generally not included in the figures referring to merchandise trade. An exception has been made in the case of a few countries (all outside Europe) which are producers and exporters of precious metals.

¹ The movement of the "quantum" of trade may be defined as the change in value after elimination of the effect of price changes since the base year chosen. For further details, see *Review of World Trade, 1938*, Annex I.

² Cf., for example, *Review of World Trade, 1937*, pages 13-14.

Trade by Groups of Articles.¹

Europe is "the world's workshop." She imports chiefly primary products and exports chiefly manufactured articles. Thus, as Table 2 shows, in 1937 her net imports of foodstuffs cost her \$2.3 milliard, her imports of raw materials \$4.1 milliard, while her net exports of manufactured goods were valued at \$2.8 milliard. The rest of the world sold her its excess exports of foodstuffs and raw materials and bought from her its net imports of manufactured goods.

The amounts shown in Table 2 as Europe's trade include, besides goods exchanged with other continents, the trade between European countries. Similarly, the figures for "Rest of world" include the "foreign" trade between and within other continents. The calculation of net imports or exports would be quite accurate only if imports and exports were valued in exactly the same way, as the balances within any continent or group would then cancel out. As is explained below in the discussion of intra-European trade, this is not the case and there is some margin of inaccuracy. The import figures are rather too high and the exports rather too low.

Almost the whole of Europe's net imports of foodstuffs since 1932, and almost the whole of her net exports of manufactured goods, were accounted for by ten countries in which industry is relatively highly developed. These countries are Austria, Czecho-Slovakia, Belgium, France, Germany,² Italy, the Netherlands, Sweden, Switzerland and the United Kingdom. The dividing line between these industrialised countries and the others is necessarily somewhat arbitrary.

Table 3 shows the value of trade by categories of commodities for the two groups.

Table 3.
EUROPEAN COUNTRIES—COMPOSITION OF TRADE.

Area square km (000,000's)	Population 1937 (000,000's)		Imports					Exports				
			1925	1928	1932	1935	1937	1925	1928	1932	1935	1937
Values in new \$ gold (000,000,000's)												
2.35	249	<i>Highly industrialized countries:</i> ^a										
		Foodstuffs and live animals.....	8.94	8.86	4.42	3.04	3.83	2.38	2.46	1.08	0.77	
		Materials, raw or partly manufactured....	11.74	11.49	4.52	4.50	6.30	4.16	4.39	1.77	1.69	
		Manufactured articles.....	5.32	6.41	2.74	2.18	2.61	13.59	14.66	5.89	4.92	
		Total.....	26.00	26.76	11.68	9.72	12.74	20.13	21.51	8.74	7.38	
3.81	161	<i>Other European countries (excluding U.S.S.R.):</i>										
		Foodstuffs and live animals.....	1.30	1.18	0.47	0.29	0.34	1.99	2.36	1.07	0.84	
		Materials, raw or partly manufactured....	1.38	1.70	0.66	0.68	0.92	1.14	1.30	0.55	0.62	
		Manufactured articles.....	2.22	2.74	0.97	0.98	1.20	0.70	0.53	0.29	0.25	
		Total.....	4.90	5.62	2.10	1.95	2.46	3.83	4.19	1.91	1.71	
6.16	410	Total Europe (excluding U.S.S.R.).....	30.90	32.38	13.78	11.67	15.20	23.96	25.70	10.65	9.09	
Percentage distribution												
		<i>Highly industrialized countries:</i> ^a										
		Foodstuffs and live animals.....	35	33	38	31	30	12	11	12	10	
		Materials, raw or partly manufactured....	45	43	39	46	50	21	21	20	23	
		Manufactured articles.....	20	24	23	23	20	67	68	68	67	
		Total.....	100	100	100	100	100	100	100	100	100	
		<i>Other European countries (excluding U.S.S.R.):</i>										
		Foodstuffs and live animals.....	27	21	22	15	14	52	56	56	49	
		Materials, raw or partly manufactured....	28	30	32	35	37	30	31	29	36	
		Manufactured articles.....	45	49	46	50	49	18	13	15	15	
		Total.....	100	100	100	100	100	100	100	100	100	

^aAustria, Czecho-Slovakia, Belgium, France, Germany, Italy, the Netherlands, Sweden, Switzerland, United Kingdom.

¹ The groups here considered are those of the Brussels (1913) classification.

² Where not otherwise indicated, "Germany" in this volume means the German territory before the annexation of Austria (i.e., the *Altreich*).

Seventy-five to eighty per cent of the imports of the industrial countries consisted of raw materials and foodstuffs and about two-thirds of their exports of manufactured goods. When trade was bad raw material imports fell off much more than foodstuff imports; but this had no great influence on the relationship between the two in combination and total imports.

The non-industrialised countries imported throughout the period covered by the table considerable quantities of raw materials. These materials, however, were employed for the domestic market and did not find their counterpart in exports of manufactured goods. They but slightly exceeded the value of raw materials exported. These countries may therefore be thought of as nearly balancing their trade in raw materials and covering all their external needs for finished goods by the sale of foodstuffs.

The composition of the trade of these countries resembles that of the trade of continents other than Europe, as shown in the preceding table. But the importance of the European non-industrial countries as suppliers of primary products is relatively small (*cf.* Diagram 3).

The figures in Tables 2 and 3 concerning the population and area of the groups considered give an indication of the extent to which the concentration of a large share of the world's manufacturing industry in the comparatively small area of Western Europe has determined the exchange of primary against manufactured goods.

Naturally, the magnitude of the areas very incompletely reflects the differences in agricultural and mining resources. In the case of agricultural products, the land under cultivation is a better indicator of the productive capacity. In Europe, where industrial crops are usually not very large, there is an obvious relationship between the trade in foodstuffs and the cultivated area per head of population. This relationship is brought out by Diagram 4, which shows the value of net imports or exports of foodstuffs and the cultivated land per head of population in 21 European countries.¹

The countries are arranged in the order of magnitude of their balance of trade in foodstuffs, and hence the industrial countries considered, with the exception of Italy, appear to the left. The majority of these industrial countries are to a great extent dependent upon the supply of foreign foodstuffs; had it not been for that supply, their population would undoubtedly not have reached its present figure. Thanks to their industry and their highly developed foreign trade, their dense populations were better supplied with foodstuffs (particularly high-priced animal products) than were those of many agricultural countries.

Even France and Sweden, where the density of the population is not high and the arable land per inhabitant and the output per hectare are relatively great, were net importers of foodstuffs—a fact which reflects a higher standard of living than is to be found in the majority of agricultural States.

¹ When studying this diagram, it should be borne in mind that the relationship between cultivated land and the trade in foodstuffs is not necessarily very close, since the consumption of foodstuffs per head varies with the standard of living and since production is determined, not only by the land under cultivation, but by such factors as the fertility of the soil, the area of pastures, the activities of food producing industries (*e.g.*, sugar refining or production of edible oils from oilseeds). Further, a varying portion of the cultivated area bears industrial crops (*e.g.*, cotton, flax, tobacco), while certain foodstuffs (*e.g.*, fish) are not derived from the soil.

Diagram 3.

COMPOSITION OF TRADE (1937).

A: Foodstuffs and live animals.
B: Materials, raw or partly manufactured.
C: Manufactured articles.

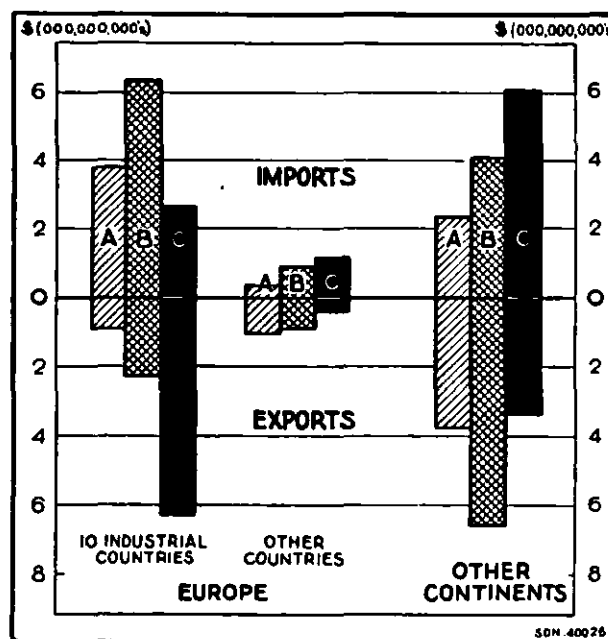
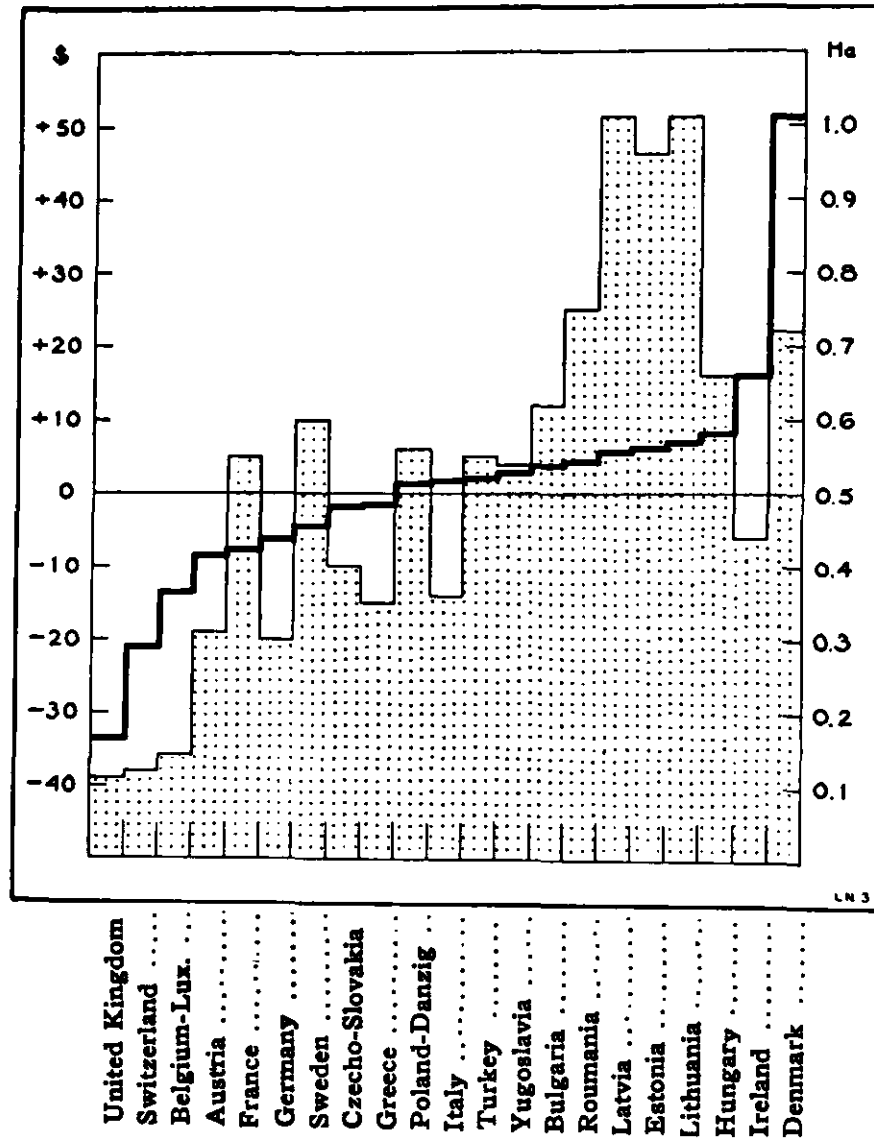


Diagram 4.

TRADE IN FOODSTUFFS AND CULTIVATED AREA PER HEAD OF POPULATION (1936).

The thick line represents net imports or exports of foodstuffs and live animals per head of population (scale left), and the shaded surface the cultivated area (arable land, tree and bush crops) per head of population (scale right).

Note. Of the countries for which data were available, the Netherlands and Norway were omitted, as both have a considerable export of foodstuffs that is unconnected with the amount of land available (the Netherlands, of industrial foodstuffs and Norway, of fish).



With the exception of Greece, the agricultural countries in Southern and Eastern Europe were net exporters of foodstuffs though their unit yields of cereals are low and their cultivated area in certain cases (Poland, Turkey and Yugoslavia) less than 0.5 ha per inhabitant.¹ The European agricultural countries differ, in fact, from the majority of those in other continents by their limited resources of arable land. In a sense the pressure of population in Europe is greatest, not in the densely populated, highly industrialised regions, but in the least developed agricultural countries. Moreover, the population is increasing faster in the agricultural than in the industrial countries and is likely to continue to do so for many years.² In some of them a point has been reached at which there is felt to be an urgent need to develop industry more rapidly.

¹ The same is true of Ireland; but Irish exports, consisting chiefly of animal products, are based largely upon the utilization of pastures.
² Cf. page 50.

Europe's Intra-trade and Trade with the Rest of the World

Intra-trade and Other Trade.

Diagram 3 illustrates the striking agreement in magnitude and composition between Europe's imports and the exports of other continents, and between Europe's exports and the imports of other continents. This agreement should not be taken to imply that Europe's trade may in the main be regarded as an exchange with the other continents. Naturally, a portion of the trade of each European country is of this nature. But, with one or two exceptions, European countries dispose of the bulk of their exports in Europe and obtain from other European countries the bulk of their imports.

The relative importance of Europe and other continents as buying and selling markets for each European country during 1935¹ is shown in Table 4. The countries within each of the two groups considered (highly industrialised, and other countries) are arranged in the order of magnitude of their trade.

The United Kingdom was responsible for a larger proportion of the totals of both Europe's imports and exports than any other country; but in spite of this fact she was much less dependent than any other country upon Europe's trade. She obtained less than a third of her imports from continental Europe and rather over a third if her trade with Ireland is included. She consigned less than a third of her total exports to Continental Europe. Her Empire trade was 7% greater than her European trade. Every other European country sent over half of its exports to European ports and each of these except France derived over half of its imports from Europe. Ireland's trade with Continental Europe was small (14% of her imports and 5% of her exports); but the great bulk of it (72% of imports and 92% of exports) was conducted with the United Kingdom.

The high dependence of industrial countries other than the United Kingdom and France upon their trade with Europe is shown by the following percentages:

	Share of Europe in:	
	<i>Imports</i>	<i>Exports</i>
	%	%
Highly industrialised countries (10 countries)	49	60
The same, excluding the United Kingdom (9 countries)	58	69
excluding the United Kingdom and France (8 countries)	64	73

But the trade of the agricultural countries of Europe was concentrated in Europe to an even greater extent. These countries obtained 75% of their imports from Europe and disposed of as much as 85% of their exports in Europe, importing industrial and exporting primary products.

When prices of primary products are relatively low, the manufactured goods exchanged between European industrial countries usually account for a relatively large share of European trade; for the value of both primary products imported and manufactured goods sent overseas to pay for the imports of such products is then reduced. The depression that began in 1929 accordingly brought about an increase in the share of intra-European trade; but the maximum

¹ The year 1935 is taken here because it is relatively recent and at the same time unaffected by circumstances that influenced the distribution of trade in the three following years (the Italo-Ethiopian war of 1936, the boom of 1936-1937 and the heavy imports by certain countries for the formation of emergency stocks in 1937 and 1938). For information concerning the distribution of trade in 1928 and 1938, cf. Tables 17 and 18.

Table 4.

EUROPEAN COUNTRIES: TRADE WITH EUROPE AND THE REST OF THE WORLD IN 1935.

	Imports			Exports		
	Share in the total imports of Europe ^a	Share of imports derived from		Share in the total exports of Europe ^a	Share of exports absorbed by	
		Europe ^a	Rest of World		Europe ^a	Rest of World
	%	%	%	%	%	%
<i>Highly industrialised countries.</i>						
United Kingdom.....	29.6	34	66	23.1	37	63
Germany.....	14.4	57	43	18.9	72	28
France.....	11.9	38	62	11.3	53	47
Belgium-Luxemburg.....	5.3	59	41	6.4	71	29
Netherlands.....	5.5	63	37	5.0	77	23
Italy.....	5.5	60	40	4.8	60	40
Sweden.....	3.2	79	21	3.6	75	25
Switzerland.....	3.5	79	21	2.8	79	21
Czecho-Slovakia.....	2.4	67	33	3.4	76	24
Austria.....	2.0	82	18	1.9	89	11
Total.....	83.3	49	51	81.2	60	40
<i>Other countries.</i>						
Denmark.....	2.4	85	15	2.9	96	4
Spain.....	2.4	54	46	2.1	70	30
Norway.....	1.7	72	28	1.6	72	28
Poland-Danzig.....	1.4	64	36	1.9	85	15
Ireland.....	1.6	86	14	1.1	97	3
Hungary.....	1.0	90	10	1.5	92	8
Finland.....	1.0	74	26	1.5	80	20
Roumania.....	0.8	93	7	1.6	93	7
Yugoslavia.....	0.7	83	17	1.0	89	11
Greece.....	0.9	69	31	0.7	75	25
Portugal.....	0.9	70	30	0.5	71	29
Turkey.....	0.6	82	18	0.9	79	21
Bulgaria.....	0.3	97	3	0.4	93	7
Latvia.....	0.3	80	20	0.4	89	11
Lithuania.....	0.2	80	20	0.3	87	13
Estonia.....	0.2	73	27	0.3	92	8
Iceland.....	0.1	100	—	0.1	88	12
Albania.....	0.0	82	18	0.0	86	14
Various minor areas.....	0.2	.	.	0.0	.	.
Total.....	16.7	75	25	18.8	85	15
Total Europe (excluding U.S.S.R.).....	100	54	46	100	64	36
U.S.S.R.....	^b 7.8	57	43	^b 3.5	74	26

^a Excluding U.S.S.R.^b Imports (exports) of the U.S.S.R. as percentage of the imports (exports) of Europe excluding U.S.S.R.

was reached as early as 1931, for later that trade was very unfavourably affected by restrictions imposed by governments:

	1925	1928	1931	1932	1935	1937	1938
Imports.....	52	54	60	54	54	51	52
Exports.....	65	64	69	66	64	63	64

The following figures show the ratio of intra-trade to total trade in 1935 for Europe including the U.S.S.R. and for three less comprehensive groups formed by the successive exclusion of the U.S.S.R., the United Kingdom and Ireland.

	Imports	Exports
1. Europe including U.S.S.R.....	56	65
2. Europe excluding U.S.S.R.....	54	64
3. Europe excluding U.S.S.R. and the United Kingdom.....	51	56
4. Europe excluding U.S.S.R., the United Kingdom and Ireland.....	51	57

Table 5 gives the absolute trade values (total trade, intra-trade and trade with the outside world) for the same groups of countries during five years. Statistics of this kind are likely to err to a certain extent on account of discrepancies between the methods employed by different countries when recording their trade by countries of provenance and destination;¹ but it is

Table 5.
EUROPE: INTRA-TRADE AND TRADE WITH THE OUTSIDE WORLD.

	New \$ gold (000,000,000's)									
	Imports					Exports				
	1925	1928	1935	1937	1938	1925	1928	1935	1937	1938
1. Europe including U.S.S.R.:										
Total trade.....	31.61	33.21	11.88	15.45	13.90	24.51	26.41	9.41	11.95	10.69
Intra-trade.....	16.83	18.35	6.60	8.12	7.37	16.30	17.43	6.16	7.68	6.96
Trade with the outside world.....	14.78	14.86	5.28	7.33	6.53	8.21	8.98	3.25	4.27	3.73
2. Europe excluding U.S.S.R.:										
Total trade.....	30.90	32.38	11.67	15.20	13.63	23.96	25.70	9.09	11.62	10.44
Intra-trade.....	15.98	17.40	6.25	7.73	7.03	15.48	16.53	5.84	7.32	6.67
Trade with the outside world.....	14.92	14.98	5.42	7.47	6.60	8.48	9.17	3.25	4.30	3.77
3. Europe excluding U.S.S.R. and U.K.:										
Total trade.....	21.36	23.52	8.22	10.49	9.43	17.64	19.74	6.99	9.04	8.14
Intra-trade.....	9.99	11.58	4.18	5.13	4.72	9.85	11.20	3.94	5.00	4.56
Trade with the outside world.....	11.37	11.94	4.04	5.36	4.71	7.79	8.54	3.05	4.04	3.58
4. Europe excluding U.S.S.R., U.K. and Ireland:										
Total trade.....	20.85	23.03	8.04	10.27	9.23	17.28	19.37	6.90	8.93	8.02
Intra-trade.....	9.95	11.53	4.14	5.08	4.68	9.82	11.16	3.90	4.96	4.52
Trade with the outside world.....	10.90	11.50	3.90	5.19	4.55	7.46	8.21	3.00	3.97	3.50

Note. Certain European countries in their import statistics appear to attribute to the United Kingdom a portion of the overseas products sent to them through that country and included in its re-exports. In order to account for this factor, the amounts involved (estimated, in the case of Group 1, at new \$260, 250, 60, 60 and 60 million during the five years in question, and in the case of Group 2 at somewhat lower amounts) have been deducted from the figures for "intra-trade" originally calculated for these two groups and added to their "trade with the outside world."

¹ Annex III contains information concerning the various methods employed.

believed that, after the slight adjustment made on account of oversea products attributed to the United Kingdom by certain other European countries,¹ the table gives a fair picture of the facts.

It is interesting to note the influence of the U.S.S.R. on these figures. Although trade with U.S.S.R. is not vital to Europe—indeed as shown in Table 4 it only constituted 2% of European imports and 3½% of European exports—the trade of the U.S.S.R. is chiefly with Europe. In the year just quoted (1935) her exports to other destinations only amounted to 35% of her total exports. In consequence, her inclusion with Europe in Table 5 increases considerably the importance of Europe's intra-trade relatively to her trade with the rest of the world.

With certain exceptions, the import and export values shown for the intra-trade of each group refer to identical goods.² The import values in this trade are, however, constantly higher than the corresponding export values. National trade returns show the goods at their value at the frontier of the country to which they refer, and except in the cases when the countries border upon each other, import values, which include the cost of transport (freight and insurance), naturally exceed export values. Profits of middlemen between the exporter and the importer also account for a portion of the discrepancy.

The differences between the import and export values in the intra-trade show roughly to what extent the total excess of imports for each of the four groups of countries considered represents transport costs and profits and must be distinguished from the trade balance of each group with the outside world (Table 6).³

Table 6.
IMPORT BALANCES FOR FOUR GROUPS OF COUNTRIES.

	New \$ gold (000,000,000's)									
	Balances in intra-trade due to transport costs, middlemen's profits, etc.					Balances with the outside world				
	1925	1928	1935	1937	1938	1925	1928	1935	1937	1938
1. Europe including U.S.S.R.	0.53	0.92	0.44	0.44	0.41	6.57	6.88	2.03	3.06	2.80
2. Europe excluding U.S.S.R.	0.50	0.87	0.41	0.41	0.36	6.44	5.81	2.16	3.17	2.83
3. Europe excluding U.S.S.R. and U.K.	0.14	0.38	0.24	0.13	0.16	3.58	3.40	0.99	1.32	1.13
4. Europe excluding U.S.S.R., U.K. and Ireland.	0.13	0.37	0.24	0.12	0.16	3.44	3.29	0.90	1.22	1.05

Note. The balances in the intra-trade for 1925 and, in the case of Groups 3 and 4, for 1928, appear too low in relation to those for 1935 and 1937. To a certain extent this can be traced back to deficiencies in the trade returns for the earlier years.

In 1937, the value of Europe's imports from the rest of the world exceeded the value of her exports to the rest of the world by over \$3 milliards. Part of this very large surplus was of course due to the difference in the method of valuing imports and exports just explained. But as the transport, insurance and other similar services are largely performed by European companies, this point is not of major significance.

¹ Cf. the note to the table.

² Among the exceptions may be mentioned ships' stores and bunker coal sold to foreign ships, recorded as exports by certain countries but obviously not entering into the import statistics of the country to which the ships belong or for which they are bound. A certain lack of correspondence between the intra-trade imports and exports is also due to the trade with European free ports, for which no trade returns are available, and to variations in the value of goods en route between European countries (*i.e.*, recorded as exported, but not as imported) at the beginning and end of the year considered.

³ It should be observed, however, that though the import and export figures of Table 5 may be approximately exact, any small errors they contain may represent a relatively high ratio of the balances between them. In particular, there appears to be reason to allow for a margin of error in the balances calculated for 1925 and 1928.

The greater part of this favourable import balance, however, is due to the United Kingdom. If that country is excluded, the balance for the rest of Europe falls from \$3.17 milliard to \$1.32 milliard, and the real reduction is no doubt greater as other countries paid out proportionately more on account of transport and similar costs than did the United Kingdom.

World Trade by Groups of Countries.

From the figures in Table 5 for the trade of Europe with other continents it is possible to make a rough estimate of these continents' trade with Europe, as distinguished from their trade with each other and within their own confines.¹

The trade European countries conduct amongst themselves is of about the same value as the intra-trade of all the other continents together (that is, the trade among countries of these continents, whether they are situated in the same continent or not). Moreover the trade

Table 7.

EUROPE AND OTHER CONTINENTS: INTRA-TRADE AND TRADE BETWEEN THESE GROUPS.

	Imports					Exports				
	1925	1928	1935	1937	1938	1925	1928	1935	1937	1938
Values in new \$ gold (000,000,000's)										
1. Europe (excluding U.S.S.R.):										
(i) intra-trade.....	15.98	17.40	6.25	7.73	7.03	15.48	16.53	5.84	7.32	6.67
(ii) trade with other continents.....	14.92	14.98	5.42	7.47	6.60	8.48	9.17	3.25	4.30	3.77
Total Europe.....	30.90	32.38	11.67	15.20	13.63	23.96	25.70	9.09	11.62	10.44
2. Other continents (including U.S.S.R.): ^a :										
(i) intra-trade ^b	16.31	16.83	5.56	7.87	6.37	15.48	15.84	4.94	7.12	5.74
(ii) trade with Europe ^c	8.90	9.60	3.50	4.60	4.20	13.50	13.50	4.95	6.70	5.90
Total other continents.....	25.21	26.43	9.06	12.47	10.57	28.98	29.34	9.89	13.82	11.64
World total.....	56.11	58.81	20.73	27.67	24.20	52.94	55.04	18.98	25.44	22.08
Percentage distribution										
1. Europe (excluding U.S.S.R.):										
(i) intra-trade.....	52	54	54	51	52	65	64	64	63	64
(ii) trade with other continents.....	48	46	46	49	48	35	36	36	37	36
Total.....	100	100	100	100	100	100	100	100	100	100
2. Other continents (including U.S.S.R.): ^a :										
(i) intra-trade.....	65	64	61	63	60	53	54	50	52	49
(ii) trade with Europe.....	35	36	39	37	40	47	46	50	48	51
Total.....	100	100	100	100	100	100	100	100	100	100

^a Merchandise proper only (cf. Table 2).

^b i.e., foreign trade between and within these continents, representing the difference between their total trade and their estimated trade with Europe, as shown in the following line. The fact that the import figures for the intra-trade of "Other continents" work out so much higher than the corresponding export figures as might have been expected on account of transport costs affords a rough check on the calculations. The transport costs to be accounted for by the difference in question are relatively low, since the United States and a few other countries do not include import freights in the recorded value of their imports.

^c Estimated from the figures for Europe's trade with other continents.

¹ The imports of these continents from Europe equal the value of Europe's exports to them, plus transport costs; the exports of the same continents to Europe equal Europe's imports from them less transport costs. Naturally the gold and silver included in the figures for certain countries (cf. Table 2) has to be excluded from the calculation.

of these continents with Europe represents a very substantial portion of their total trade. The importance of Europe is brought out by the fact that the trade in which European countries are involved either as importers or exporters (or both) varied during the years shown in the table between 70 and 76% of world trade.

In view of the differences in trading structure between the industrial and agricultural sections of Europe, it may be useful to split the trade of each of three groups, namely (i) the highly industrial European countries,¹ (ii) other European countries, and (iii) countries in other continents, into "intra-trade" and trade with each of the remaining two groups. Table 8 shows the result of such a calculation, referring to 1935.²

Table 8.
WORLD TRADE DIVIDED BETWEEN THREE GROUPS OF COUNTRIES IN 1935:
INTRA-TRADE AND TRADE BETWEEN THE GROUPS.

Area square km. (000,000's)	Population 1935 (000,000's)	Groups	Imports from the groups shown in Col. 3 into:				Exports from the groups shown in Col. 3 to:			
			1. Industrial Europe (4)	2. Rest of Europe (5)	3. Other continents (6)	World (7)	1. Industrial Europe (8)	2. Rest of Europe (9)	3. Other continents (10)	World (11)
			Values in \$ (000,000,000's)							
2.4	247	1. Industrial Europe.....	3.31	1.27	3.24	7.82	3.23	1.15	3.00	7.38
3.8	158	2. Rest of Europe.....	1.49	0.18	0.27	1.94	1.29	0.17	0.25	1.71
126.4	1.672	3. Other continents.....	4.92	0.50	5.55	10.97	4.48	0.47	4.94	9.89
132.6	2.077	World.....	9.72	1.95	9.06	20.73	9.00	1.79	8.19	18.98
			Percentage distribution							
		1. Industrial Europe.....	34	65	36	38	44	16	40	100
		2. Rest of Europe.....	15	9	3	9	75	10	15	100
		3. Other continents.....	51	26	61	53	45	5	50	100
		World.....	100	100	100	100	48	9	43	100

Note. The dollar figures representing the various flows of goods have been arranged in the same order under Imports and Exports. The import figures throughout exceed the corresponding export figures, chiefly on account of transport costs. It is convenient to read the import figures vertically and the export figures horizontally (*cf.* the arrangement of the percentages in the lower part of the table).

The figures for the trade of "Other continents" with the two European groups have been estimated from those for the trade of these groups with "Other continents." They refer to merchandise proper only (*cf.* Table 2). The group "Other continents" includes the U.S.S.R. "Industrial Europe" comprises the ten countries enumerated in the footnote to Table 3.

In order to facilitate the study of Tables 7 and 8, the information they contain regarding exports in 1935 is shown also in graphical form (Diagrams 5 and 6).³

The first significant fact that Table 8 brings out is that industry is the forebear of trade. The industrial countries of Europe, with a population of 247 million as compared with 158 million in the other twenty European countries, consign 44% of their exports to each other and only 16% to agricultural Europe. Other continents sent 45% of their exports to industrial and only 5% to agricultural Europe. The goods exchanged between the industrial countries of Europe are chiefly manufactured, though there is also a considerable exchange trade between the industrial countries in such products as coal, iron ore, potash and foodstuffs. The trade between these countries and the rest of Europe includes such important items as the sale of butter and bacon from Denmark to the United Kingdom and Germany, of timber and pulp

¹ *i.e.*, the countries specified in the upper part of Table 4.

² The year 1935 has been chosen as it is fairly recent and less exceptional than 1937. The trade values in 1935 were, however, unusually low.

³ Obviously the diagram also reflects broadly the import figures in the same tables, as these refer to the same flows of goods, though as recorded by the importing countries (after addition of transport costs, etc.).

Diagram 5.
 WORLD TRADE DIVIDED BETWEEN TWO GROUPS OF COUNTRIES IN 1935.
 (Intra-trade and trade between the groups)

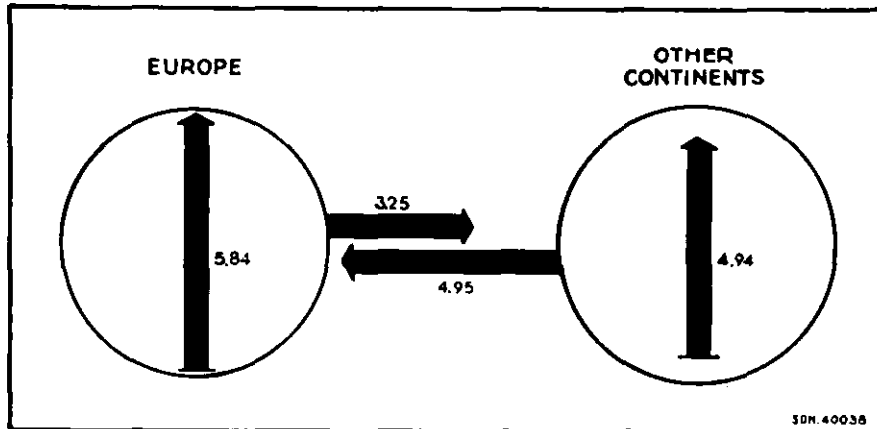
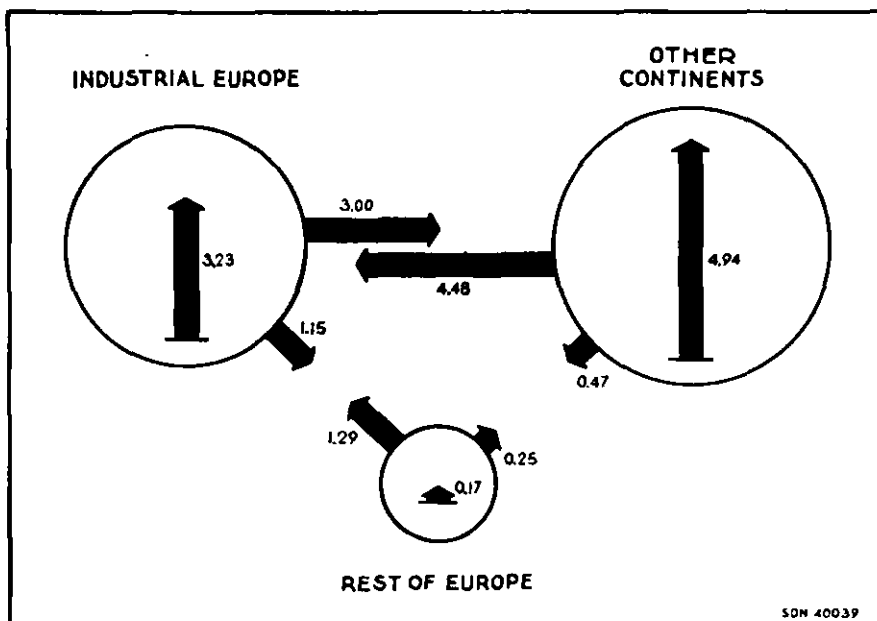


Diagram 6.
 WORLD TRADE DIVIDED BETWEEN THREE GROUPS OF COUNTRIES IN 1935.
 (Intra-trade and trade between the groups)



Note to Diagrams 5 and 6. The arrows within the circles represent the intra-trade of the respective groups, and those outside the circles the trade between the groups. The length of the arrows is proportionate to the respective export values, indicated in milliard dollars in the diagrams, and the surfaces of the circles to the total export value of each group.

from Finland to various industrial countries, of wheat and maize from the Danubian countries to Germany, and of textile products and metal manufactures sent in return from industrial countries. But it is relatively small and the whole trade of these agricultural countries only accounts for about 10% of world trade.

On the other hand industrial Europe was vital to these countries both as a source of supply and as a market for the sale of their products. Seventy-five per cent of their exports were consigned to these industrial countries and 64% of their imports derived from them.

Trade with the British Dominions, India and Europe's Oversea Territories

Europe and the countries in other continents that are under European administration, or that are self-governing but politically attached to European mother countries, together represent almost half the world's land area, over half of its population, and not far from three-fourths of its trade.

India and the British Dominions in Africa, America and Oceania together occupy 18% of the world's area, and European colonies, protectorates, mandates and other oversea terri-

Table 9.

TRADE VALUES FOR EUROPE, THE BRITISH DOMINIONS, EUROPEAN OVERSEA TERRITORIES AND THE REST OF THE WORLD.

Area km ² (000, 000's)	Popula- tion 1937 (000, 000's)		New \$ gold (000,000,000's)					
			Imports			Exports		
			1928	1935	1938	1928	1935	1938
6.2	410	Europe, excluding U.S.S.R.	32.38	11.67	13.63	25.70	9.09	10.44
24.1	419	British Dominions and India ^{a, b}	5.84	1.98	2.53	6.84	2.56	2.98
		Colonies, protectorates, mandates, etc. ^c of:						
9.5	69	United Kingdom ^a	1.98	0.78	0.81	1.96	0.83	0.78
11.9	70	France	1.13	0.58	0.47	0.93	0.51	0.47
2.1	67	Netherlands	0.71	0.30	0.49	1.10	0.43	0.57
2.4	14	Belgium ^a	0.08	0.02	0.04	0.06	0.04	0.08
3.3	8	Italy	0.08	0.09	0.18	0.02	0.02	0.02
—	1	Spain ^d	0.03	0.01	0.01	0.01	—	—
2.1	9	Portugal	0.09	0.04	0.04	0.07	0.03	0.03
*0.3	—	Denmark	—	—	—	—	—	—
31.6	238	Total European colonies, protectorates, etc.	4.10	1.82	2.04	4.15	1.86	1.95
		Rest of World:						
21.2	175	U.S.S.R.	0.83	0.21	0.27	0.71	0.32	0.25
7.8	129	U.S.A.	6.90	2.04	1.95	8.52	2.24	3.06
41.7	745	Other countries	8.78	3.01	3.78	9.68	3.50	3.98
132.6	2,116	World	58.83	20.73	24.20	55.60	19.57	22.66

* The trade figures include the following amounts of gold and silver (*cf.* note to Table 2), in new \$ gold (000,000,000's):

	Imports			Exports		
	1928	1935	1938	1928	1935	1938
British Dominions and India	0.01	—	—	0.45	0.45	0.41
Colonies, protectorates, etc. of:						
the United Kingdom	—	—	—	0.03	0.05	0.06
Belgium	—	—	—	—	0.01	0.01

By deducting these figures (which do not represent the total trade in gold and silver of the territories concerned) from those shown in the table the trade in merchandise proper can be calculated.

^b The British Dominions included here and in subsequent tables are Australia, Canada, Newfoundland, New Zealand and the Union of South Africa. Ireland is, of course, included in Europe.

^c The colonies, protectorates, etc. considered in this table as well as in Tables 10-13 do not include territories situated in Europe (such as Gibraltar, Malta and the Italian Aegean Islands).

^d Spanish Morocco only (figures for other Spanish possessions were not available).

* Not including the part of Greenland covered by ice.

teritories 24%. These territories are together nine times as large as Europe; but their total population only exceeds that of Europe by 60%, and their trade is not two-fifths of Europe's.

Table 9 shows the trade values in 1928, 1935 and 1938 (as well as the population in 1937 and the area) of these territories. For comparison, figures are also given for Europe, the U.S.S.R., the U.S.A. and the remainder of the world.

The trade between Europe on the one hand and the Dominions, India and the European oversea territories on the other consists almost exclusively of an exchange of European manufactured goods against primary products. Europe's imports from these regions accounted in 1928 for 36% of her total imports from other continents, and for as much as 48% in 1938. During the same period, her exports to these regions increased from 48 to 53% of her total exports to other continents. Over half of this trade (imports as well as exports) is conducted with the British Dominions and India. Table 10 shows in detail the importance of these countries and of the dependencies of various European countries in the trade of Europe as a whole, and Table 11 how the trade with the territories in question is distributed amongst various European countries.

The Dominions and European oversea territories are practically the only suppliers to the world market of a number of raw materials, such as rubber, jute, kapok and shellac, and also of certain foodstuffs, particularly spices. All European countries, therefore, are dependent upon them as sources of supply, though to a varying degree.

Table 10.

EUROPE'S TRADE WITH THE BRITISH DOMINIONS, INDIA, EUROPEAN
OVERSEA TERRITORIES AND THE REST OF THE WORLD.

	New \$ gold (000,000,000's)						Percentage distribution					
	Imports			Exports			Imports			Exports		
	1928	1935	1938	1928	1935	1938	1928	1935	1938	1928	1935	1938
Europe (excluding U.S.S.R.):												
(i) Intra-trade	17.40	6.25	7.03	16.53	5.84	6.67	54	54	52	64	64	64
(ii) Trade with the British Dominions, India and European oversea ter- ritories	5.45	2.47	3.14	4.41	1.76	1.97	17	21	23	17	19	19
(iii) Trade with the rest of the world	9.53	2.95	3.46	4.76	1.49	1.80	29	25	25	19	17	17
Total	32.38	11.67	13.63	25.70	9.09	10.44	100	100	100	100	100	100
Details of item (ii) above:												
Europe's trade with:												
British Dominions and India	3.45	1.33	1.72	2.49	0.89	1.04	63	54	55	56	51	53
Colonies, protectorates, mandates, etc. of:												
United Kingdom	0.67	0.37	0.51	0.63	0.27	0.32	12	15	16	14	15	16
France	0.68	0.44	0.46	0.77	0.43	0.31	13	18	15	18	25	16
Netherlands	0.49	0.21	0.30	0.33	0.06	0.13	9	9	9	8	3	7
Belgium	0.06	0.06	0.09	0.04	0.01	0.02	1	2	3	1	1	1
Italy	0.01	0.01	0.01	0.03	0.06	0.11	—	—	—	1	3	6
Spain	0.06	0.03	0.03	0.06	0.02	0.01	1	1	1	1	1	—
Portugal	0.03	0.02	0.02	0.06	0.02	0.03	1	1	1	1	1	1
Total	5.45	2.47	3.14	4.41	1.76	1.97	100	100	100	100	100	100

The United Kingdom accounted for over half of the trade (imports as well as exports) between these countries and Europe, and the United Kingdom, Germany and France together for about four-fifths. The share of the non-industrial European countries in the same trade was very small—it represented about 5% of imports and less than 3% of exports.

The trade considered in Table 11 has been arranged in a different manner in Table 12, in order to show the effect of the recent tendency towards closer economic attachment between European mother countries and their oversea territories. Between 1928 and 1938 the imports

Table 11.

EUROPEAN COUNTRIES: TRADE WITH THE BRITISH DOMINIONS, INDIA AND EUROPEAN OVERSEA TERRITORIES.

	New \$ gold (000,000's)						Percentage distribution					
	From (to) British Dominions and India			From (to) European oversea territories			From (to) British Dominions and India			From (to) European oversea territories		
	1928	1935	1938	1928	1935	1938	1928	1935	1938	1928	1935	1938
Imports of:												
United Kingdom.....	1,653	902	1,195	564	342	468	48	68	69	28	30	33
Germany.....	656	98	151	377	131	227	19	7	9	19	11	16
France.....	357	125	118	598	399	383	10	10	7	30	35	27
Belgium-Luxemburg.....	124	54	63	75	65	101	4	4	4	4	6	7
Netherlands.....	80	17	31	167	64	97	2	1	2	8	6	7
Italy.....	256	33	32	61	53	47	7	2	2	3	5	3
Austria, Czecho-Slovakia, Sweden, Switzerland.....	136	39	49	34	24	36	4	3	3	2	2	3
Total, industrial countries.....	3,262	1,268	1,639	1,876	1,078	1,359	94	95	96	94	95	96
Other European countries (excluding U.S.S.R.).....	189	60	78	128	60	57	6	5	4	6	5	4
Total Europe (excluding U.S.S.R.).....	3,451	1,328	1,717	2,004	1,138	1,416	100	100	100	100	100	100
U.S.S.R.....	58	6	16	6	—	—						
Exports of:												
United Kingdom.....	1,861	672	767	722	256	298	75	76	73	37	29	32
Germany.....	187	83	107	126	49	80	7	9	10	7	6	9
France.....	100	16	18	651	361	249	4	2	2	34	41	27
Belgium-Luxemburg.....	74	29	38	76	31	42	3	3	4	4	3	5
Netherlands.....	55	14	23	170	41	77	2	2	2	9	5	8
Italy.....	68	16	18	74	75	123	3	2	2	4	9	13
Austria, Czecho-Slovakia, Sweden, Switzerland.....	108	39	53	40	22	22	4	4	5	2	2	2
Total, industrial countries.....	2,453	869	1,024	1,859	832	891	98	98	98	97	95	96
Other European countries (excluding U.S.S.R.).....	38	20	19	62	41	33	2	2	2	3	5	4
Total Europe (excluding U.S.S.R.).....	2,491	889	1,043	1,921	876	924	100	100	100	100	100	100
U.S.S.R.....	5	5	2	1	4	—						

of European countries from their own empires fell in gold value by 21%, while their imports from the oversea territories of other European countries fell by 62%. The relative importance of empires as sources of supply thus increased. On the other hand, the direction of exports did not change greatly; in consequence, the balance of imperial or colonial trade was affected. Thus, in 1928 the United Kingdom had a surplus of exports to the British Commonwealth of Nations outside Europe¹ of \$348 million, and in 1938 an import surplus from the same countries of \$509 million.

Table 12.

TRADE OF EUROPEAN COUNTRIES WITH THEIR OWN OVERSEA TERRITORIES AND DOMINIONS, ETC.^a AND WITH THOSE OF OTHER EUROPEAN COUNTRIES.

	New \$ gold (000,000's)					
	Trade with own oversea territories and dominions			Trade with oversea territories and dominions, etc. of other European countries		
	1928	1935	1938	1928	1935	1938
Imports of:						
United Kingdom.....	2,018	1,141	1,521	199	103	142
France.....	471	359	358	483	165	142
Belgium-Luxemburg.....	43	46	66	156	72	99
Netherlands.....	105	46	69	142	35	60
Italy.....	10	9	8	307	77	71
Spain.....	24	11	.	114	30	.
Portugal.....	16	9	10	—	5	6
Total countries with oversea territories ^b	2,687	1,621	2,032	1,401	487	520
Germany.....	—	—	—	1,033	228	378
Austria, Czecho-Slovakia, Sweden, Switzerland.....	—	—	—	170	63	84
Other European countries ^c	—	—	—	165	67	119
Total Europe.....	2,687	1,621	2,032	2,769	845	1,101
Ditto, percentage movement.....	100	60.3	75.6	100	30.5	39.8
Exports of:						
United Kingdom.....	2,366	872	1,012	216	57	52
France.....	619	352	241	131	25	26
Belgium-Luxemburg.....	29	6	14	121	54	66
Netherlands.....	126	27	61	99	29	39
Italy.....	25	61	108	117	31	33
Spain.....	28	8	.	11	4	.
Portugal.....	9	5	6	—	2	2
Total countries with oversea territories ^b	3,202	1,331	1,442	695	202	218
Germany.....	—	—	—	313	132	187
Austria, Czecho-Slovakia, Sweden, Switzerland.....	—	—	—	147	61	75
Other European countries ^c	—	—	—	55	39	45
Total Europe.....	3,202	1,331	1,442	1,210	434	525
Ditto, percentage movement.....	100	41.6	45.0	100	35.9	43.4

^a India is included with the oversea territories and dominions, etc. of the United Kingdom.

^b Not including Denmark (as her trade with Greenland is negligible).

^c Excluding U.S.S.R.

¹ i.e., excluding Ireland, the Channel Islands, Gibraltar and Malta.

As Table 13 shows, the tendency for mother countries to concentrate their purchases more in countries politically attached to them has naturally affected their trade with other countries. It has resulted in their buying relatively less in other European countries—especially those countries which export mainly foodstuffs and raw materials. It has resulted also, and quantitatively this fact is more important, in their buying less in oversea countries which are not within any "Empire" group.

The production for export of most of the dominions and of European colonies, etc. is highly specialised and determined by the relative freedom of trade that existed before the economic depression of 1929. Preferential treatment has recently made their trade with their mother countries increase; but almost all industrial countries, in Europe and elsewhere, are natural markets for their goods. The United States buys from them more goods than any European country with the exception of the United Kingdom.¹ They look to the United States and Japan for a large part of the manufactured goods they have to buy abroad. Even in 1938 the countries of the British Commonwealth of Nations outside Europe disposed of a third of their total merchandise exports elsewhere than in Europe, and the Netherlands oversea territories over half. Similarly, both these groups of countries derive the bulk of their imports from continents other than Europe. Conditions are different in the oversea territories of certain other European countries (particularly those of France) whose economic development is more recent and determined chiefly by trade with the mother country.

In spite of the importance of their trade with such countries as the United States and Japan, the British Dominions and Europe's oversea colonies, etc., constitute with Europe a trading group that is self-contained to a very great extent. The ratio of the intra-trade to the

Table 13.

EUROPEAN COUNTRIES: PERCENTAGE DISTRIBUTION OF
IMPORTS FROM CONTINENTS OTHER THAN EUROPE.

Country	From own oversea territories and dominions, etc. ^a		From oversea territories and dominions, etc. of other European countries ^a		From other oversea countries		Total 1928 and 1938
	1928	1938	1928	1938	1928	1938	
United Kingdom.....	38	54	4	5	58	41	100
France.....	23	41	24	16	53	43	100
Belgium-Luxemburg.....	8	19	31	28	61	53	100
Netherlands.....	15	22	21	19	64	59	100
Italy.....	1	4	30	33	69	63	100
Spain.....	5	^b 13	24	^b 37	71	^b 50	100
Portugal.....	30	31	.	17	70	52	100
Total countries with oversea territories ^a	27	43	14	12	59	45	100
Germany.....	—	—	36	37	64	63	100
Austria, Czecho-Slovakia, Sweden, Switzerland.....	—	—	25	22	75	78	100
Other European countries ^d	—	—	19	28	81	72	100
Total Europe ^d	19	31	19	17	62	52	100

^a India is included with the oversea territories and dominions, etc. of the United Kingdom.

^b 1935 (later figures are not available).

^c Not including Denmark (as her trade with Greenland is negligible).

^d Excluding U.S.S.R.

¹ United States' imports from the countries in question was in 1928 and 1938, respectively, in new \$ gold (000,000's): from the British Dominions and India, 1,199 and 357; from the oversea territories of the United Kingdom, 508 and 161; from those of France, 24 and 15; from the Belgian Congo, 27 and 2; from those of the Netherlands, 240 and 92; from those of Portugal, 5 and 1; from those of Spain 1 and 0; from those of Italy 0 and 0; total, in 1928, 2,004, and in 1938, 633.

total trade of this group varied during the years 1928, 1935 and 1938 between 73 and 74% for imports, and between 79 and 83% for exports,¹ while the corresponding ratios for Europe alone were 52-54% (imports) and 64% (exports).² This is no doubt largely due to the high degree of Europe's industrialisation.

The British Commonwealth of Nations occupies a special position, owing to the closeness of the trading relations between its constituent parts. Table 14 indicates in a summary way how world trade is distributed among three groups of countries: (1) Continental Europe and its overseas territories; (2) the British Commonwealth of Nations,³ and (3) the rest of the world. The table shows, for each group, the amount of intra-trade as well as of the trade with each of the other two groups; the information given concerning exports in 1935 is shown in graphic form in Diagram 7.

It is useful to remember when comparing the trade of these three groups that the first two are very similar in magnitude and the third about equal to these two together. Thus the British Commonwealth of Nations only exceeds Continental Europe and its overseas territories by 2% in population and 21% in area. The area of the rest of the world is about 14% greater than the total of these two groups and the population of the rest of the world not quite 2% less.

Table 14.
CONTINENTAL EUROPE WITH OVERSEA TERRITORIES, BRITISH COMMONWEALTH
OF NATIONS AND REST OF THE WORLD:
INTRA-TRADE AND TRADE BETWEEN THE GROUPS.

Area km ² (000, 000's)	Popu- lation 1937 (000, 000's)	Groups	New \$ gold (000,000,000's)						Percentage distribution of the trade of each group					
			Imports			Exports			Imports			Exports		
			1928	1935	1938	1928	1935	1938	1928	1935	1938	1928	1935	1938
28.0	528	1. Continental Europe (excluding U.S.S.R.) and its overseas territories:												
		(i) intra-trade	13.87	5.42	6.09	13.26	5.07	5.80	55	59	58	62	64	63
		(ii) trade with Group 2 . . .	4.39	1.41	1.64	4.36	1.47	1.86	18	16	16	20	19	20
		(iii) trade with Group 3 . . .	6.86	2.23	2.72	3.93	1.37	1.51	27	25	26	18	17	17
		Total	25.12	9.06	10.45	21.55	7.91	9.17	100	100	100	100	100	100
33.9	539	2. British Commonwealth of Nations:												
		(i) intra-trade	7.60	3.06	3.51	6.97	2.78	3.19	44	48	45	48	55	56
		(ii) trade with Group 1 . . .	4.79	1.62	2.06	3.99	1.28	1.48	28	25	27	27	25	26
		(iii) trade with Group 3 . . .	4.79	1.73	2.19	3.70	1.04	1.04	28	27	28	25	20	18
		Total	17.18	6.41	7.76	14.66	5.10	5.71	100	100	100	100	100	100
61.9	1,067	1 + 2. Total of the above groups:												
		(i) intra-trade 1-i, ii; 2-i, ii	30.65	11.51	13.30	28.58	10.60	12.33	72	74	73	79	81	83
		(ii) trade with Group 3 . . .	11.65	3.96	4.91	7.63	2.41	2.55	28	26	27	21	19	17
		Total	42.30	15.47	18.21	36.21	13.01	14.88	100	100	100	100	100	100
70.7	1,049	3. Rest of world:												
		(i) intra-trade	8.43	2.68	3.25	8.13	2.37	2.80	51	51	54	43	40	39
		(ii) trade with Group 1 . . .	4.16	1.47	1.62	6.25	2.03	2.42	25	28	27	33	34	34
		(iii) trade with Group 2 . . .	3.92	1.11	1.12	4.45	1.57	1.98	24	21	19	24	26	27
		Total	16.51	5.26	5.99	18.83	5.97	7.20	100	100	100	100	100	100
132.6	2,116	World total	58.81	20.73	24.20	55.04	18.98	22.08						

Note. The figures refer to merchandise proper only (cf. the notes to Tables 2 and 9). The figures showing the direction of trade within each group are based chiefly on the following data (i) the figures for the intra-trade of Group 4 in Table 5; (ii) figures for the imports of European countries from the British Commonwealth and from the overseas territories of countries of Continental Europe; (iii) figures for the exports of domestic produce from the British Commonwealth to "foreign" countries, derived from *Statistical Abstract for the British Empire*. A number of estimates had, however, to be made. In particular, the trade of one group with another was sometimes estimated from the trade of that group with the first, with adjustments on account of transport costs included in recorded import values but not in export values.

¹ Cf. the figures given for the total of Groups 1 and 2 in Table 14.

² Cf. page 17.

³ Under this heading, for the sake of brevity, are included in this volume colonies, protectorates, overseas territories and territories under suzerainty or mandate.

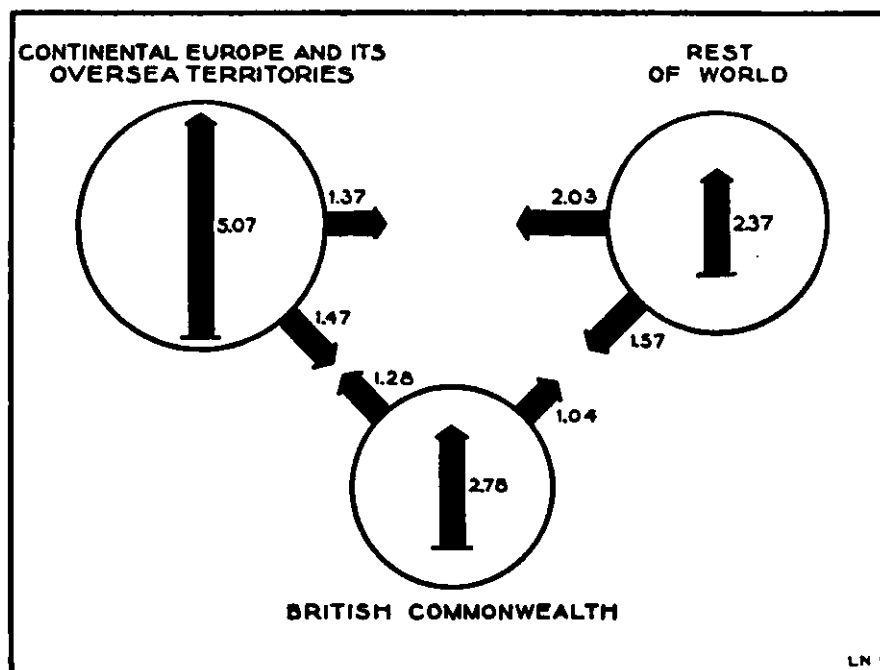
As a trading group, the first is more important than the two others; but if the "intra-trade" of each group is disregarded, the differences between the trade values are not very great. The total value of the trade (imports plus exports) of each group with the two others was as follows:

	New \$ gold (000,000,000's)		
	1928	1935	1938
Continental Europe and its oversea territories.....	19.5	6.5	7.7
British Commonwealth of Nations.....	17.3	5.6	6.8
Rest of world.....	18.8	6.2	7.1

The ratio of the intra-trade to the total trade of each group—particularly of the two first groups—is remarkably high. It is instructive to compare Diagram 7 with Diagram 6 showing world trade divided between three other groups—industrial Europe, agricultural Europe and the rest of the world—which differ widely in density of population. The first of these groups are homogeneous and consist of countries situated close to each other, and closely dependent upon each other and upon the third group. The ratio of their intra-trade to their total trade is in consequence comparatively low. The groups given in Diagram 7 are heterogeneous. The wide differences in their natural resources and productive equipment of the countries composing them render these countries complementary to each other; and although these countries lie widely scattered, the intra-trade of these groups is relatively as great as or greater than that of the groups shown in Diagram 6. The cheapness of ocean transport, particularly over long distances, frequently tends to bring about closer economic ties between countries widely separated geographically than exist between countries of geographically coherent groups.

Diagram 7.

WORLD TRADE IN 1935 DIVIDED BETWEEN THREE GROUPS OF COUNTRIES (CONTINENTAL EUROPE WITH OVERSEA TERRITORIES, BRITISH COMMONWEALTH OF NATIONS AND REST OF THE WORLD).
(Intra-trade and trade between the groups.)



Note. The arrows in the circles represent the intra-trade of the groups, and those outside the circles the trade between the groups. The length of the arrows is proportionate to the export values, indicated in milliard dollars in the diagram, and the surfaces of the circles to the total export value of each group.

Europe's Trade Balance

The Financing of Europe's Net Imports.

Let us now consider how Europe is able to import so much more than she exports. Her power to buy her large excess of imports is due to the "invisible" items in her international account—to the yield of her investments in other continents and to the income she receives on account of services performed.

Before considering this matter in detail, a slight adjustment of the trade balance has to be made. The trade values so far dealt with are those recorded in trade returns (after conversion to a common unit), without correction for wrong valuation or for minor unrecorded categories of trade. To what extent the trade returns for recent years err on these points is roughly known.¹ Further, it is customary in balance of payments accounts to consider trade for recent years in silver bullion and specie other than gold as a merchandise item.² These must therefore be added. The recorded and the adjusted balances for the two groups of European countries given on previous pages, and for Europe as a whole, work out as follows:

	New \$ gold (000,000,000's)					
	Ten industrialised countries		Other countries*		Total Europe	
	1928	1935	1928	1935	1928	1935
Merchandise imports, as recorded.....	26.76	9.72	5.62	1.95	32.38	11.67
Merchandise exports, as recorded.....	21.51	7.38	4.19	1.71	25.70	9.09
Import balance (—), as recorded.....	— 5.25	— 2.34	— 1.43	— 0.24	— 6.68	— 2.58
Silver bullion and specie other than gold.....	+ 0.02	+ 0.08	—	—	+ 0.02	+ 0.08
Adjustments for wrong valuation, and unrecorded categories of trade.....	+ 0.16	—	+ 0.05	+ 0.02	+ 0.21	+ 0.02
Adjusted merchandise balance.....	— 5.07	— 2.26	— 1.38	— 0.22	— 6.45	— 2.48

* Excluding U.S.S.R.

Table 15 below shows how the merchandise balances thus adjusted are offset by receipts on account of interest and dividends and services performed. Under services are included, among other things, maritime freights earned in foreign traffic, transit freights earned, tourists' expenditure and also remittances from emigrants. When, as in 1928, the balance in the last column of Table 15 was negative, it indicates that a net inflow of capital, or a net sale of gold, was required for financing imports; in 1935, on the other hand, the current items left a small net surplus available for capital investment in other continents or for the purchase of gold from them. Under the highly industrialised countries, figures are given separately for the United Kingdom and Germany, owing to the relative importance of the former's import balance and income from foreign investments, and to the latter's position as Europe's most important debtor country.³

¹ Doubts exist, however, concerning the trade statistics of certain countries for years before the values were declared by importers and exporters. Thus, it would appear that the recorded trade values of France before 1929 are too high; but no correction on this account has been made in the data for 1928 given on this and the following pages.

² Evidently, also a portion of the trade in gold is of a merchandise nature, namely exports out of domestic gold production and imports for industrial use. For the purpose of the present enquiry, however, this trade may be disregarded.

³ Usually, industrial countries are creditor countries. Italy, Austria and Czecho-Slovakia were, however, besides Germany, debtor countries during the period considered.

Table 15.

EUROPEAN COUNTRIES: BALANCES ON ACCOUNT OF CURRENT INTERNATIONAL TRANSACTIONS.

A plus (+) sign indicates a net inward, and a minus (-) sign a net outward, payment.

	New \$ gold (000,000,000's)							
	1928				1935			
	Mer- chan- dise	Interest and divi- dends	Services	Total	Mer- chan- dise	Interest and divi- dends	Services	Total
Ten industrialised countries:								
United Kingdom.....	- 2.91	+ 2.06	+ 1.85	+ 1.00	- 1.28	+ 0.91	+ 0.53	+ 0.16
Germany.....	- 0.50	- 0.23	- 0.53	- 1.26	+ 0.04	- 0.10	+ 0.14	+ 0.08
Eight others.....	- 1.66	+ 0.46	+ 2.35	+ 1.15	- 1.02	+ 0.50	+ 0.57	+ 0.05
Total.....	- 5.07	+ 2.29	+ 3.67	+ 0.89	- 2.26	+ 1.31	+ 1.24	+ 0.29
Other countries.....	- 1.38	- 0.19	+ 0.63	- 0.94	- 0.22	- 0.11	+ 0.35	+ 0.02
Total Europe (excluding U.S.S.R.)	- 6.45	+ 2.10	+ 4.30	- 0.05	- 2.48	+ 1.20	+ 1.59	+ 0.31

Note. The figures are arrived at by adding together the balances for the various groups of items (in most cases as recorded in "Balances of Payments," issued annually by the League of Nations). Where information was missing, rough estimates were made. Even the published estimates for certain of the countries are incomplete or only tentative, and a very high degree of exactitude should not be attributed to the figures shown. Reparation payments and receipts (in 1928) are entered against "Services." The outward payment by Germany of interest and dividends in 1935 is estimated.

The table suggests that for Europe as a whole—but not for the United Kingdom—the income on account of services performed plays a more important part in financing the net imports than does the yield of European investments in other continents. In this respect, however, the figures may be misleading, unless account be taken of the fact that under "services" are included earnings on account of the transport of the goods imported and that the payment for this transport, which chiefly takes place within Europe or on European ships, may in the main be regarded as an "internal" European transaction. This point is important enough to require some further explanation.

As was shown on a preceding page, the value of imports in intra-European trade exceeded that of exports by about \$900,000,000 in 1928 and \$400,000,000 in 1935 owing to the fact that it included transport costs and middlemen's profit.¹ This is a statistical accident and these sums require to be deducted from the import figures in order to render them comparable with the export figures. But even the value of goods derived from other continents is enhanced by the cost of transport within Europe (on rail or on ships) so that the total reduction of Europe's import balance on account of transport costs within Europe and middlemen's profits is likely to have been about \$1 milliard in 1928 and \$500 million in 1935. Finally, the maritime freights paid on account of goods imported from other continents does not represent a charge on "Europe's balance of payments," except to the small extent that the ships employed are non-European, and to the extent that the transport involves expenditure (for example, on account of bunkers, stores and port dues) by European ships outside the continent. Even maritime insurance, the cost of which is included in the import value, seldom involves expenditure in other continents. The value of goods imported from other continents to Europe is thus reduced by an amount which is undoubtedly higher than the transport costs (including middlemen's profits) within Europe.

¹ Cf. Table 6 and the accompanying text. As is indicated there, the figures (\$0.87 and \$0.41 milliard) only very roughly indicate the magnitude of the amounts involved. They approach, however, a direct estimate of the chief items accounting for the excess of imports in European intra-trade which, by their probable order of magnitude are: (i) maritime freight, (ii) middlemen's profits, (iii) railway freight, (iv) insurance.

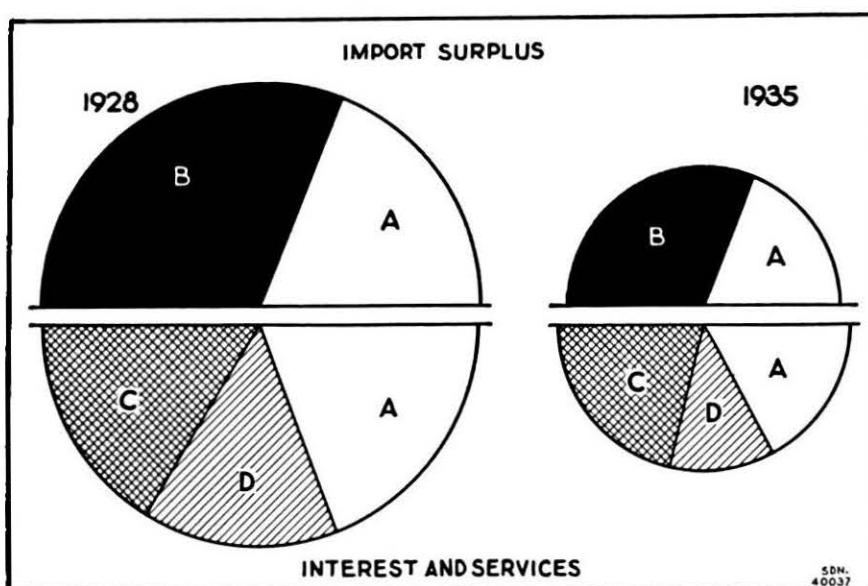
Europe's recorded net imports from other continents have to be reduced on account of all the items now considered by \$2-2½ milliards in 1928 and by \$1 milliard in 1935, to approximately \$4 milliards in 1928 and \$1½ milliards in 1935.¹ To conform with this change, the net income on account of services would have to be reduced by the same amounts, to about \$2 milliards in 1928 and \$0.5 milliard in 1935.²

Diagram 8 portrays in a summary way the financing of Europe's import surplus, as described above. It will be seen that if the import freights and related items (marked A in the diagram) which do not represent transactions between Europe and other continents are disregarded, the net imports of Europe depended to a very large extent—particularly in 1935, when the revenue from services was comparatively small—upon the yield of European investments in other continents. The financial supremacy which Europe has enjoyed, already shaken by the last war, suffered, however, from capital losses and debt liquidation during

Diagram 8.

THE FINANCING OF EUROPE'S IMPORT SURPLUS.

- A: Import freights etc. within Europe or earned by European ships. (Entered twice: above the horizontal line as part of Europe's import surplus, and beneath the line as an offsetting "service" income.)
 B: Remainder of the import surplus.
 C: Net income on account of interest and dividends.
 D: Net income from services (with the exception of A).



the past depression, and will suffer from the present war; for as a result of the decline in Europe's exports to other continents and the rise in the prices of primary products, certain European creditor countries have to draw upon their assets abroad.

As was shown by Table 7, Europe's recorded import balance in her trade with other continents amounted to 39% of the value of imports from these continents in 1928, to 40% in 1935 and to 41% in 1938. Even after deducting the freights earned by European ships from the recorded import value, the balance corresponds to about one-third of imports. But while

practically all European countries shared, though not in the same degree, in this balance (in 1928, for example, only Turkey recorded a surplus of exports to other continents), the net income from other continents, and particularly that on account of interest and dividends, accrued very largely to a few creditor countries, in particular the United Kingdom.³ Several European countries therefore had to finance their net imports from these continents by means of net exports to the creditor countries. In this way, Europe's intra-trade was closely bound up with its trade with other continents. Further light will be thrown on this question in the next section.

¹ It is seen that the balances thus calculated are close to the corresponding export balances in the trade of "other continents" with Europe, as shown in Table 7.

² Half the decline in Europe's net income from services of \$1.5 milliards between 1928 and 1935 appears to be due to reduced expenditure in Europe of United States tourists and reduced remittances from European emigrants in the United States.

³ Cf. Table 15.

The Network of European Trade Balances.

The trade balances of European countries between themselves and with the outside world, shown in detail in Annex II, present a variegated pattern the coherence of which is not at first apparent. These balances reflect the triangular or multilateral trade which is of crucial importance in the foreign transactions of European countries. A study of the balances is facilitated if, as in Table 16, the various countries are assembled into a few groups. It is convenient first to consider the figures for 1928, as in that year the system of triangular trade had not yet been undermined by the devices of modern commercial policy.

The recorded balance of Europe's trade with other continents in that year (shown in the last column of the table) was -\$5,473 million.¹ There is reason to believe that this figure is too low, chiefly because some countries record a portion of their imports of oversea products as derived from Europe; it has been suggested above that the adjusted balance was about -\$5,810 million.² For the analysis of trade balances we shall, however, have to consider the unadjusted figures of Table 16. The balance for 1928 includes \$1,044 million resulting from trade with Europe's oversea territories and dominions; the United States accounts for \$2,694 million and the "Rest of the world" (leaving aside the small balance with the U.S.S.R.) for \$1,541 million.

These figures do not correspond at all with Europe's receipts from foreign investments—on the contrary, the United States which accounts for the largest share in Europe's trade deficit received more from Europe in interest and dividends than she paid and European overseas territories and dominions contributed two-thirds of Europe's net income in interest and dividends although their trade balance with Europe was comparatively small.

A partial explanation of this apparent contradiction in the distribution of balances of trade and interest income is provided by the following figures for the United States balance of payments in 1928:³

	Active (+) or passive (-) balances, in new \$ gold (000,000's), with:		
	Europe	Other continents	World
Merchandise (adjusted)	+ 2,005	- 566	+ 1,439
Interest and dividends; war debt receipts	+ 417	+ 838	+ 1,255
Services etc.	- 972	- 621	- 1,593
Gold (excluding changes in earmarked gold)	+ 511	+ 152	+ 663
Long-term capital	- 572	- 626	- 1,198
Total above items	+ 1,389	- 823	+ 566
Short-term capital, changes in earmarked gold, errors and omissions			- 566

Though the distribution of the short-term capital movement between Europe and other continents is not given, it is evident that the United States had a large export surplus in merchandise as well as in total transactions with Europe, but a deficit with other continents. She thus financed her net purchases in those continents by means of her export surplus to Europe. The countries in other continents that were indebted to Europe paid interest and dividends to Europe by means of an export surplus to the United States; the transfer was thus performed by means of triangular trade through the United States. It is chiefly the income from British investments in British Malaya and India, and Dutch investments in the

¹ For the sake of brevity, the dollar figures quoted in the text are given without indication that they refer to gold dollars of the new (1934) parity.

² Cf. Table 6 and footnote to Table 5.

³ Sources: *Trade Information Bulletin*, No. 698, and *Commerce Reports*, October 6th, 1930 (both published by the U.S. Department of Commerce). The figures for the balance of payments of the United States in 1928 have since been revised, but no corresponding figures showing transactions with Europe and other continents have been published.

Table 16.

BALANCES OF MERCHANDISE TRADE OF EUROPEAN COUNTRIES.

Note. The table summarises the information for 1928 and 1938 given in Annex III. It shows the balances of the countries, or groups of countries, indicated across the top of the table with those in its first column. Comparability is affected by different methods of recording countries of provenance and destination, and various other factors. The balances in the intra-trade of each group shown are in most cases due to the cost of transport between the countries concerned; in theory, they should be slightly passive—not active as is that of the group of "Seven European industrial countries" in trade amongst themselves, nor as large as the passive balance of the United Kingdom and Ireland in trade between themselves in 1928, when Ireland recorded certain products of distant countries as imported from the United Kingdom.

	Active (+) or passive (-) balances, in new \$ gold (000,000's) of:						
	United Kingdom and Ireland	Germany	Eight other European industrial countries ^a	Scandinavian and Baltic states excluding Sweden (6 countries) ^b	Poland and South-Eastern Europe (8 countries) ^c	Spain and Portugal ^d	Total (27 European countries)
<i>1928.</i>							
Balances with:							
United Kingdom and Ireland	- 91	+ 133	+ 471	+ 384	- 80	- 5	+ 812
Germany	- 182	-	- 524	- 263	- 78	- 59	- 1,106
Eight other European industrial countries ^a	- 847	+ 503	+ 6	- 135	- 199	- 1	- 673
Scandinavian and Baltic States, excluding Sweden (6 countries) ^b	- 511	+ 101	+ 45	- 4	+ 21	- 14	- 362
Poland and South-Eastern Europe (8 countries) ^c	+ 45	+ 84	+ 69	- 28	- 9	- 7	+ 154
Spain and Portugal	- 61	- 20	+ 37	+ 5	- 1	- 1	- 41
Other European countries ^e	+ 6	+ 3	+ 28	+ 1	+ 19	- 3	+ 54
<i>Total Europe (excluding U.S.S.R.)</i>	- 1,641	+ 804	+ 132	- 40	- 327	- 90	- 1,162
U.S.S.R.	- 126	+ 13	- 51	+ 1	- 13	- 18	- 194
British Dominions and India	+ 199	- 468	- 548	- 23	- 63	- 57	- 960
European oversea territories	+ 158	- 252	+ 76	+ 16	+ 1	- 51	- 84
U.S.A.	- 1,110	- 487	- 684	- 173	- 123	- 117	- 2,694
Rest of world	- 490	- 306	- 615	- 37	- 32	- 61	- 1,541
<i>Total continents other than Europe</i>	- 1,369	- 1,500	- 1,822	- 248	- 230	- 304	- 5,473
<i>World</i>	- 3,010	- 696	- 1,690	- 288	- 557	- 394	- 6,635
<i>1938.</i>							
Balances with:							
United Kingdom and Ireland	- 1	+ 35	+ 163	+ 111	+ 5	- 7	+ 306
Germany	- 43	-	- 242	- 54	- 2	- 10	- 351
Eight other European industrial countries ^a	- 284	+ 212	- 11	- 79	+ 33	- 11	- 140
Scandinavian and Baltic States, excluding Sweden (6 countries) ^b	- 216	+ 18	+ 29	- 9	+ 12	- 3	- 169
Poland and South-Eastern Europe (8 countries) ^c	- 29	+ 28	- 76	- 14	- 8	- 1	- 100
Spain and Portugal	- 12	-	+ 14	+ 2	+ 4	+ 2	+ 10
Other European countries ^e	-	- 5	+ 8	- 1	+ 14	+ 1	+ 17
<i>Total Europe (excluding U.S.S.R.)</i>	- 585	+ 288	- 115	- 44	+ 58	- 29	- 427
U.S.S.R.	- 47	- 6	- 29	- 10	- 5	-	- 97
British Dominions and India	- 449	- 44	- 142	- 8	- 28	- 3	- 674
European oversea territories	- 177	- 147	- 151	- 8	- 4	- 5	- 492
U.S.A.	- 468	- 103	- 308	- 46	- 19	- 9	- 953
Rest of world	- 251	- 66	- 151	- 7	- 10	- 5	- 490
<i>Total continents other than Europe</i>	- 1,392	- 366	- 781	- 79	- 66	- 22	- 2,706
<i>World</i>	- 1,977	- 78	- 896	- 123	- 8	- 51	- 3,133

^a Austria, Belgium-Luxemburg, Czecho-Slovakia, France, Italy, Netherlands, Sweden and Switzerland.

^b Denmark, Estonia, Finland, Latvia, Lithuania, Norway.

^c "South-Eastern Europe" comprises Albania, Bulgaria, Greece, Hungary, Roumania, Turkey, Yugoslavia.

^d The figures for 1938 refer to Portugal alone, as information for Spain was not available.

^e Iceland, Malta and a number of other minor territories, plus certain categories of trade not specified by country.

Netherlands Indies, that follow this transfer route;¹ but payments due to Europe from Latin America are also made possible through trade with the United States.

Judging from the balances in merchandise trade, certain of the transfers to Europe from European territories and dominions were even more complex, and depended upon trade with still another country serving as intermediary between them and the United States.² In other cases, transfers from the dominions and European oversea territories were effected by means of triangular trade through countries other than the United States to Europe—a fact which helps to explain why Europe had a heavier import balance with the group "Rest of the World" than with the oversea territories and dominions.

Turning now to European countries, one might have expected that the United Kingdom, which in 1928 enjoyed some three-fifths of Europe's net income on account of interest, dividends and services, and has made her foreign investments almost exclusively in continents other than Europe, would have accounted for the bulk of Europe's trade deficit with other continents. Actually, she only accounted for one-fourth of the deficit. All European countries except Turkey contributed to it, and the amounts each contributed bear little relation to the sums earned from other continents in the form of interest or payment for services. The biggest share in the deficit was that of Germany (\$1,500 million), although she had to make a net payment outside Europe on account of these items, owing to her heavy indebtedness to the United States.³ As Table 16 shows, out of Germany's deficit of \$1,500 million, over \$800 million were offset by an export surplus to Europe; the rest was covered *inter alia* by freights earned by German ships and by loans raised abroad.

It was a characteristic feature of Germany's trade that she had an export surplus each year to the majority of European countries, and an import surplus from the majority of countries elsewhere. A considerable share of the import surplus was derived from the United States (in 1928, \$487 million), and thus Germany, like the United States, formed a link in the chain of transfer from the oversea debtor countries to the European creditor countries. But she was not the last link in that chain; for the United Kingdom which, with the Netherlands, was the final receiver of the bulk of the amounts thus transferred, obtained a comparatively small sum in the form of net imports from Germany. Between Germany and the United Kingdom came the other industrial countries in Europe, and also certain countries that are chiefly agricultural, for example, Spain, Denmark, Finland, Estonia and Latvia, with an excess of imports from Germany and an excess of exports to the United Kingdom. In 1928, these industrial countries, Scandinavia and the Baltic States—altogether 14 countries—showed an aggregate net import from Germany of \$787 million and a net export to the United Kingdom of \$855 million. The last mentioned figure probably understates their active balance with the United Kingdom, which undoubtedly played an important part in financing, not only their net imports from Germany, but also those from continents other than Europe, which exceeded \$2 milliards.

The United Kingdom had a net import of \$1,338 million⁴ (that is, 84% of her total net imports from Europe) from these 14 countries; and she had a net export of goods to the very countries from which heavy payments were due to her. Thus, her trade with the countries of the British Commonwealth, which accounted for well over half her income in the form of interest and dividends, left an export surplus of \$348 million. It appears, in fact, that international payments due from debtor to creditor tended to avoid settlement through transactions between the two countries directly concerned and to choose a roundabout way, involving trade with and between a number of other countries.

¹ Diagram 10 in *Review of World Trade, 1938* shows strikingly how the changes in the United States active balance with the United Kingdom are offset by passive balances with British Malaya and India.

² *e.g.*, Brazil was an intermediary between India and the United States (she had a trade deficit with India that was offset by a surplus not with Europe, but with the United States).

³ It is true that this net payment was more than offset in 1928 by new loans raised in the United States. The heavy import surplus of Germany persisted, however, in years when no new loans were raised by her.

⁴ In Table 16, the balances of the United Kingdom and Ireland are grouped together, as the foreign investments of Ireland, which determine that country's import balance are similar in nature to those of the United Kingdom. The aggregate import balance of the United Kingdom and Ireland from the 14 countries mentioned in the text was \$1,358 million in 1928.

Almost all the more important balances of merchandise trade between countries, in so far as they show a certain constancy and do not result simply from the inclusion of transport costs in imports, can be traced back to the system of transfer roughly described above. The system dates back to about 1870, when the improvement of railway transport and ocean shipping began to offer new possibilities for international trade. It promoted at once the production of primary goods in younger countries with the aid of European capital, and the rapid industrial growth in the United States and Continental Europe. The countries in process of industrialisation were able to absorb a growing excess of imports from countries supplying primary goods, and to finance this import balance by means of an excess of exports which, directly or indirectly, depended upon the excess of imports in a few creditor countries, particularly the United Kingdom. The development of the United States was promoted, however, not only by triangular trade, but by the influx of British capital up to 1914, and a large share of her exports to Europe consisted of foodstuffs and industrial raw materials. Continental Europe (taken as a whole) was capital-exporting during the same period, and its eastern and south-eastern regions do not appear to have been involved to any considerable extent in the transfer system. The Scandinavian and Baltic countries were involved, but their position was in certain respects the reverse of Germany's: they had a net import of manufactured goods (chiefly from Germany), but a net export of such products as animal foodstuffs and timber.¹

The system of offsetting trade balances, after a steady growth of several decades, was fully developed at the beginning of our century. It underwent certain modifications as a result of the liquidation of a portion of the foreign investments—particularly in the United States—of several European countries during the 1914-1918 war and the heavy capital inflow to Central Europe in the 'twenties; but its main configuration was not affected, and its economic importance was rather increased than reduced by the war. In the 'thirties, however, it was partly disorganised, and to a certain extent ceased to fulfil its earlier functions. Trade was affected by the discontinuation of foreign loans, by the fall in the prices of goods exchanged, by the introduction in almost all countries of a series of trade or currency restrictions, in numerous cases aiming more or less directly at the reduction of trade balances between countries. The routes by which transfers were made from debtor to creditor countries changed. This is seen most clearly in imperial and colonial trade. In 1928, the United Kingdom, France, Belgium and the Netherlands had an aggregate active balance of \$602 million with their dominions and oversea territories; in 1938, they had a passive balance of \$686 million.² This change of \$1,288 million is due in part to the reduction or discontinuation of capital exports from the mother countries, but in part to the fact that in 1938 the dominions and oversea territories transferred a large portion of what they owed direct through their trade with the mother country, instead of indirectly. At the same time European countries and the United States which previously had been the channels for indirect transfers paid for their imports of primary goods to an increasing extent through exports to the countries supplying them. Germany's import balance from continents other than Europe fell from 110% of the corresponding balance of the United Kingdom in 1928 to 26% in 1938 (*cf.* Table 16). The balances of trade between European countries were in numerous cases heavily reduced, and those that remained were frequently earmarked to a great extent for the service of debts between the countries concerned, and thus not available for triangular operations. The group composed of Poland and South-Eastern Europe, which in 1928, thanks to capital imports, was able to finance a large net import both from Europe and other continents, had in 1938 to secure an export surplus to Europe in order to maintain a small import balance with other continents.

Certain of the causes and implications of these changes will be considered in a subsequent section in connection with the direction of the imports and exports of various European countries. But before going into this, there is reason to stress the fact that the modifications

¹ The production of animal foodstuffs, however, to a great extent dependent upon the supply of cereals from overseas, presents a certain similarity with a manufacturing industry, and the bulk of the timber exported was sawn timber.

² *Cf.* Table 12.

in the commercial and monetary policy of practically all countries cannot be regarded as the original cause of the disturbance in trade. These modifications were considered, by the countries making them, as measures of legitimate defence against disturbances to which they were exposed through no fault of their own. Though this view may not always have been justified, it has become increasingly clear that the apparent prosperity reflected in trade during the years 1925-1929 concealed profound maladjustments inherited from the 1914-1918 war, which were bound to have far-reaching effects upon business transactions between countries.

Perhaps the most serious of these defects in post-war revival lay in the international credit operations which contributed so largely to it. On the one hand, there was excessive borrowing by countries of Central and South-Eastern Europe, partly for non-productive purposes which did not create a new surplus of exportable goods for the service of the loans. On the other hand, the amounts lent were to a large extent financed, directly or indirectly, by short-term funds which, as a result of the post-war instability of currencies, were migrating from country to country in search of profitable investment or refuge from depreciation. The granting of new loans was discontinued and the withdrawal of short-term credits began when, in 1928, the last of the important European currencies—the French franc—was legally stabilised, and when, simultaneously, economic conditions in a number of debtor countries showed signs of becoming precarious.

In the landslide of the next few years, numerous countries tried to protect themselves through isolationist or discriminatory measures, and the earlier organisation of international trade was partly wrecked. As a result, a set of permanent difficulties arose: foreign debts were repudiated in some countries and foreign investments depreciated; currencies became unstable and there was a continuous exodus of flight capital from Europe to the United States; and with the decline in triangular trade in Central and Eastern Europe, there arose a shortage of funds available for the purchase of raw materials from other continents. In Europe more than elsewhere, the attempts of countries to attain greater independence in their foreign commercial relations have only brought to light how much countries depend economically upon each other.

Direction of Trade and Distribution of Trade Balances

The tendencies of European trade, and particularly those connected with trade balances, are reflected in the changes in the direction of imports and exports. The synoptic Tables 17 and 18 show the percentage distribution of the trade of each European country (excluding Albania, Iceland and minor territories)¹ in 1928 and 1938 with four groups of countries: (i) highly industrialised European countries; (ii) the rest of Europe; (iii) the British Dominions, India and European overseas territories; (iv) the rest of the world.

Table 17.

EUROPEAN COUNTRIES: DIRECTION OF IMPORTS.

Country	Imports in new \$ gold (000,000's)		Percentage share of imports derived from:							
			Highly industrialised European countries		Rest of Europe (excl. U.S.S.R.)		British Dominions, India and European overseas territories		Rest of World	
			1928	1938	1928	1938	1928	1938	1928	1938
<i>Highly industrialised countries:</i>										
United Kingdom.....	8,860	4,196	24	16	16	16	25	40	35	28
Germany.....	5,647	2,195	33	29	16	25	18	17	33	29
France.....	3,560	1,326	36	29	7	5	27	40	30	26
Belgium-Luxemburg.....	1,505	770	60	48	6	6	13	21	21	25
Netherlands.....	1,827	778	57	52	5	7	14	17	24	24
Italy.....	1,987	585	39	46	10	17	16	14	35	23
Sweden.....	775	520	61	60	14	16	2	2	23	22
Switzerland.....	867	363	68	65	6	9	8	6	18	20
Czecho-Slovakia.....	961	291	50	45	34	23	5	12	11	20
Austria.....	772	243	55	31	30	41	4	8	11	20
<i>Other countries:</i>										
Denmark.....	748	358	66	76	6	8	5	2	23	14
Spain.....	982	152	47	*46	4	*8	14	*15	35	*31
Norway.....	459	289	64	68	13	11	5	5	18	16
Poland-Danzig.....	639	247	70	56	6	9	5	13	19	22
Ireland.....	487	201	85	61	1	6	3	14	11	19
Hungary.....	358	124	75	71	19	19	2	2	4	8
Finland.....	342	183	71	72	9	12	1	2	19	14
Roumania.....	332	136	80	81	12	9	.	1	8	9
Yugoslavia.....	233	114	74	75	15	9	2	5	9	11
Greece.....	273	132	48	55	18	20	10	11	24	14
Portugal.....	203	100	69	56	6	6	8	16	17	22
Turkey.....	193	119	70	74	9	6	4	2	17	18
Bulgaria.....	87	60	84	81	12	14	1	1	3	4
Latvia.....	101	44	68	71	16	8	4	6	12	15
Lithuania.....	49	38	73	78	16	5	1	5	10	12
Estonia.....	60	29	59	67	12	11	4	6	25	16

* 1935 (1938 not available).

¹ The countries are arranged in the same order as in Table 4, i.e., according to the magnitude of their total trade in 1935.

This was a decade of dramatic change. Trade between European industrial countries heavily declined, owing in part to efforts to increase domestic industrial activity during the depression and to reserve the supply of foreign currency for the purchase of primary goods. Other European countries were subject to varying influences. Certain countries had to increase the share of their imports from industrial countries with which they had an active trade balance, as in the case of Denmark, whose imports from the United Kingdom rose from 14 to 35% of total imports. Others, such as Roumania, Yugoslavia and Turkey, were affected by the German trade push towards the southeast. In others again—for instance in Poland, Ireland, Hungary and Portugal, where industrial production was expanding rapidly, the most notable change was the increased share of imports obtained from continents other than Europe. Owing to the disorganisation of triangular trade, some countries—for instance, Poland and Hungary—had to finance these imports by diverting a part of their exports to these continents.

Table 18.

EUROPEAN COUNTRIES: DIRECTION OF EXPORTS.

Country	Exports in new \$ gold (000,000's)		Percentage share of exports absorbed by:							
			Highly industrialised European countries		Rest of Europe (excl. U.S.S.R.)		British Dominions, India and European overseas territories		Rest of World	
			1928	1938	1928	1938	1928	1938	1928	1938
<i>Highly industrialised countries:</i>										
United Kingdom.....	5,962	2,300	20	17	13	18	43	46	24	19
Germany.....	4,951	2,117	51	41	21	28	6	9	22	22
France.....	3,458	875	56	47	8	8	22	31	14	14
Belgium-Luxemburg.....	1,454	729	63	61	8	9	10	11	19	19
Netherlands.....	1,352	571	67	62	8	8	17	18	8	12
Italy.....	1,336	546	46	38	14	14	11	29	29	19
Sweden.....	715	463	53	57	24	22	5	4	18	17
Switzerland.....	691	301	58	60	12	11	10	8	20	21
Czecho-Slovakia.....	1,062	355	55	48	31	26	3	7	11	19
Austria.....	526	146	54	44	34	38	3	6	9	12
<i>Other countries:</i>										
Denmark.....	701	338	86	87	10	7	1	2	3	4
Spain.....	692	102	68	*64	4	*7	5	*6	23	*23
Norway.....	304	190	59	70	11	12	6	3	24	15
Poland-Danzig.....	477	225	81	73	14	12	1	3	4	12
Ireland.....	376	116	98	98	—	—	1	1	1	1
Hungary.....	244	155	75	76	22	14	1	3	2	7
Finland.....	267	181	77	77	6	7	3	2	14	14
Roumania.....	278	158	60	65	33	21	.	6	7	8
Yugoslavia.....	192	116	75	79	21	11	2	2	2	8
Greece.....	134	90	71	64	4	12	1	1	24	23
Portugal.....	78	50	61	58	6	9	11	15	22	18
Turkey.....	150	115	61	70	9	9	4	2	26	19
Bulgaria.....	76	68	73	82	22	12	1	1	4	5
Latvia.....	85	44	77	88	11	4	1	2	11	6
Lithuania.....	44	40	85	86	11	4	—	2	4	8
Estonia.....	58	28	74	76	19	13	—	1	7	10

* 1935 (1938 not available).

In the following tables the various changes, and their effect upon the balance of trade, will be analysed in greater detail.

United Kingdom.

Europe's share in both the imports and the exports of the United Kingdom has in recent years been just over one-third. In no other European country is the relative importance of Europe so small. For generations, the British export industry was occupied with the delivery of goods that were the counterpart of capital exports and thereby adapted itself to the demand from continents other than Europe.¹ This fact, and the political and cultural ties with the British Dominions and colonial empire, help to explain Europe's small share in the exports of the United Kingdom. The predominance of continents other than Europe as suppliers to the United Kingdom is largely due to the nature of her demand, and particularly to her extensive requirements of foreign foodstuffs, which in recent years have represented about two-fifths of the import value. Yet the United Kingdom imported more European goods than any other country. In particular, she absorbed the products of small but highly developed European countries whose economic orientation has been to a great extent determined by the British demand. Thus, in 1938 her imports from Denmark exceeded those from Germany by 30%, and her imports from both the Netherlands and Sweden exceeded those from France. Before 1932 Europe, and also the United States, played a greater rôle as suppliers to the United Kingdom than in the last few years. Trade with these two areas, from which only a small share of the British income in respect of interest and services is derived, accounted for almost the whole import surplus in 1928.

As is shown by Table 19 and Diagram 9, the direction of trade and the geographical distribution of the balance of trade changed greatly between 1928 and 1938. The financial crisis of 1931 occasioned a heavy inflow of manufactured goods into the United Kingdom, which was the only free import market in the world and the attractiveness of which had increased with the introduction during the preceding few years of higher tariffs in the United States and elsewhere. The resulting financial and economic disturbances occasioned various countervailing measures: the depreciation of sterling and the introduction of tariffs and

Table 19.

UNITED KINGDOM: DIRECTION OF TRADE AND DISTRIBUTION OF TRADE BALANCES.

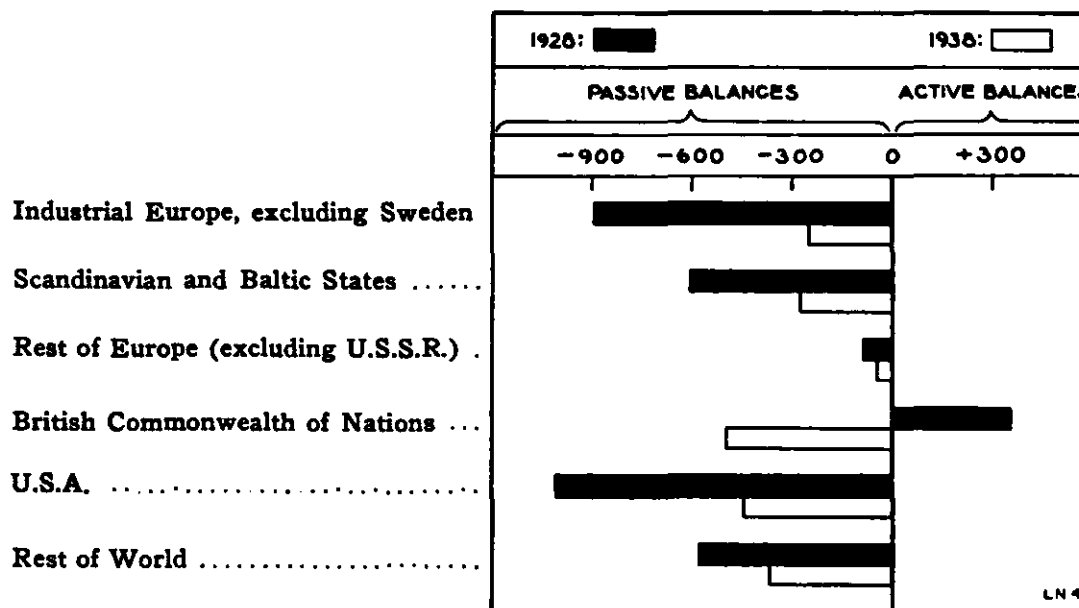
Group	Share of imports		Share of exports		Balance of trade in new \$ gold (000,000's)	
	1928	1938	1928	1938	1928	1938
	%	%	%	%		
Industrial Europe, excluding Sweden.....	22	13	18	15	- 899	- 249
Scandinavian and Baltic States.....	10	12	5	10	- 608	- 274
Rest of Europe (excluding U.S.S.R.).....	8	7	10	10	- 81	- 48
British Commonwealth of Nations.....	23	36	40	44	+ 348	- 508
United States.....	16	13	6	4	-1,082	- 446
Rest of world.....	21	19	21	17	- 576	- 369
Total.....	100	100	100	100	-2,898	-1,894

¹ To what extent British capital exports have been absorbed by these continents is evident from the fact that, of British investments abroad, 61% are in "British countries" (chiefly the Dominions), 32% in other countries outside Europe and only some 7% in Europe (*cf. Balance of Payments, 1937*, page 195. The figures refer to information available concerning the geographical distribution in 1936 of 86% of the total British investments overseas).

other trade regulations in the United Kingdom, and of a system of trading preferences between that country and other members of the British Commonwealth of Nations. The influx of foreign goods was thus checked, and the competitive power of the export industry was increased.

Diagram 9.

UNITED KINGDOM: BALANCES OF TRADE IN 1928 AND 1938, IN NEW \$ GOLD (000,000's). (SPECIAL TRADE.)



With the general improvement in business conditions during the next few years, imports of manufactured goods again rose to pre-depression levels; but trade did not revert to its own channels. Imports from industrial Europe failed to recover their previous position; trade continued to be conducted less with Europe and the United States, and more within the Commonwealth, imports from which amounted to 36% in 1938 as against 23% in 1928. In exports, the shares of British countries and of Europe expanded, and those of the United States and the rest of the world declined. But the export surplus which the United Kingdom had had in 1928 with British countries became by 1938 a large deficit.

The redistribution of trade is not the result of British economic policy alone but of measures taken in numerous countries with a view chiefly to combating internal economic difficulties. It has meant that certain industrial countries that previously financed their imports of primary goods by exports either to the United Kingdom or to countries which in their turn had an export surplus with that country, have in recent years expanded their sales to raw material countries outside the British Commonwealth of Nations in order to pay for imports from these countries. The British export industry has, in consequence, encountered increased competition from other suppliers in recent years, particularly in Latin America.

Germany.

German exports, though in an even higher degree than the British consisting of manufactured goods, were mainly designed for the industrial or otherwise highly developed countries of Central and Northern Europe. In 1928 Germany disposed of 60% of her total exports (and almost 80% of her exports to Europe) in Europe's industrialised countries, Scandinavia and the Baltic States, which only absorbed 29% of British exports. Moreover,

in relation to their population, the small countries proved far more important clients than the big; the Netherlands, for example, absorbed 10%, Switzerland and Czecho-Slovakia each 5%, and Belgium, Sweden and Denmark each 4% of Germany's exports, while the United Kingdom accounted for only 10%, France for 6% and Italy for 4%.

The diversification of Germany's export industries accounts in part for this orientation of her sales. Many of these industries have developed from protected home market industries and have enjoyed the advantage of a much larger domestic market than the smaller European countries could provide. This advantage is decisive in the case of numerous goods absorbed in relatively large quantities by small but economically highly developed European countries—goods satisfying secondary needs and each of them the object of a restricted demand, but manufactured under conditions of increasing return. Other reasons for Germany's competitive

Table 20.

GERMANY: DIRECTION OF TRADE AND DISTRIBUTION OF TRADE BALANCES.

Group	Share in imports		Share in exports		Balance of trade in new \$ gold (000,000's)	
	1928	1938	1928	1938	1928	1938
	%	%	%	%		
Industrial Europe, excluding Sweden	31	24	48	36	+ 553	+ 238
Scandinavian and Baltic States	7	13	12	14	+ 177	+ 20
Danube and Balkan	4	12	5	13	+ 31	+ 18
British Dominions, India and European oversea territories	18	17	6	9	- 721	- 191
United States	15	7	7	3	- 496	- 103
Rest of World	25	27	22	25	- 359	- 60
Total	100	100	100	100	- 815	- 78

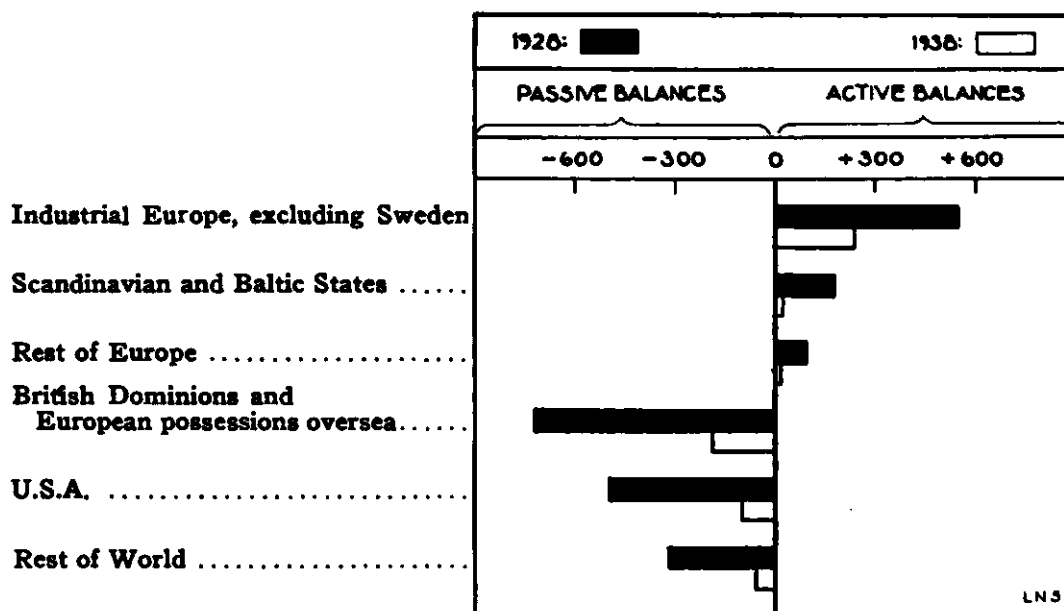
strength in these countries were her central geographical position, the speed of railway communications and the facility with which personal contact between buyer and seller could be established.

Germany's purchases from the same countries, though including such important items as Dutch cheese, Danish butter, Swedish and French iron ore and Scandinavian pulp and timber, were much smaller, both absolutely and relatively. Her trade with this section of Europe thus resulted in a large export surplus. But her trade with continents other than Europe, which were her main suppliers of primary goods, normally resulted in a deficit met by the export surplus with Northern and Western Europe (Diagram 10).

The war of 1914-1918 had left Germany in a state of impoverishment; but from 1924 onwards the strain on her balance of payments was relaxed by the profuse inflow of foreign capital. Difficulties arose from the accumulation of a heavy debt burden, necessitating large interest payments abroad, and from the discontinuation of the inflow of long-term capital in 1928 and of short-term capital two years later. The financial crisis of 1931 was accompanied by large withdrawals of foreign short-term credits from Germany; but the bulk of the amounts lent was immobilised by the German exchange control and the Standstill Agreements. The strain on the balance of payments continued, however, on account of the new wave of trade and currency restrictions introduced at the same time in numerous other countries.

Diagram 10.

GERMANY: BALANCES OF TRADE IN 1928 AND 1938, IN NEW \$ GOLD (000,000's).



An alleviation was obtained when reparation payments came to an end in 1932. But two years later Germany declared a transfer moratorium, and several creditor countries had to introduce clearings with Germany in order to secure at least a portion of the debt service payments due to them. Thereafter, German exports were to an increasing extent directed to raw material exporting countries (particularly in South Eastern Europe and Latin America) with a view to financing imports from them independently of the trade surplus with Western and Northern Europe.

This redistribution of trade, which led to a heavy decline in the active and passive balances with various areas (*cf.* Diagram 10), was pursued irrespective of purely economic considerations. Certain primary goods were bought at prices much above the world market prices.

France.

Europe absorbed in 1928 64% of French exports and supplied 43% of French imports. In her trade with Europe, France had a large export surplus, while her trade with other continents resulted in a deficit. France was, however, much less dependent than Germany upon her export surplus to Europe. For a few years up to 1928, French exports had been flourishing, supported by the low exchange value of the franc; there had been a heavy surplus on account of current transactions with foreign countries, owing largely to the expenditure of foreign tourists and to reparation receipts, and a considerable outflow of short-term capital.

From 1928 onwards, the legal stabilisation of the franc occasioned heavy withdrawals of funds from abroad in the form of gold; the expenditure of foreign tourists is estimated to have fallen from 10 milliard francs in 1929 to 3 milliard in 1932; reparation receipts, which had yielded 7 milliard in 1929 were discontinued in 1932; the competitive power of the export industry declined with the fall in prices elsewhere; and trade restrictions very severely affected the trade in luxury goods such as matured wines, perfumery, millinery, furs and fine textile products, which had long been characteristic of French exports. Exports to

the neighbouring industrial countries, Belgium, Germany, Switzerland and the United Kingdom, fell between 1928 and 1932 from 24.7 to 7.4 milliard francs, and the export surplus to the same countries of 9.4 milliard francs in the former year was replaced by an import surplus of 1.7 milliard in the latter.

Table 21.

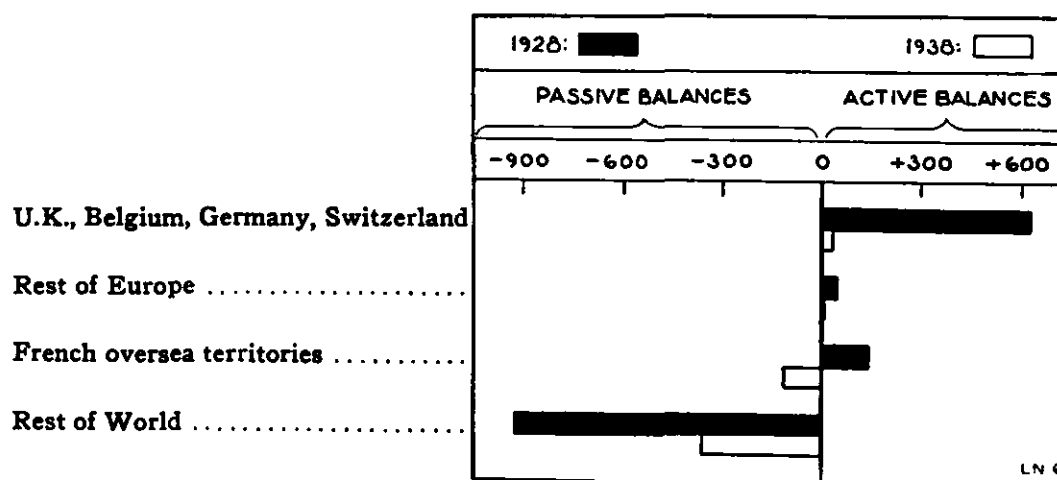
FRANCE: DIRECTION OF TRADE AND DISTRIBUTION OF TRADE BALANCES.

Group	Share in imports		Share in exports		Balance of trade in new \$ gold (000,000's)	
	1928	1938	1928	1938	1928	1938
	%	%	%	%		
United Kingdom, Germany, Belgium, Switzerland	28	23	47	39	+ 625	+ 29
Other industrial European countries	8	6	9	8	- 12	-
Rest of Europe (excluding U.S.S.R.)	7	5	8	8	+ 52	+ 3
French oversea territories	13	27	18	27	+ 148	- 118
British Dominions, India and British oversea territories	12	10	3	3	- 307	- 112
Rest of world	32	29	15	15	- 608	- 246
Total	100	100	100	100	- 102	- 444

The policy of price deflation pursued in France proved insufficient to cope with this situation, and imports were restricted, largely by means of quotas. An export surplus was thus established with the industrial countries just mentioned, but did not attain the same importance as previously (*cf.* Diagram 11).

Diagram 11.

FRANCE: BALANCES OF TRADE IN 1928 AND 1938, IN NEW \$ GOLD (000,000's).



Trade with the French oversea territories, which like the mother country adhered to the "gold bloc," and which were partly assimilated with the French Customs area or otherwise enjoyed special facilities in their trade with the mother country, was maintained at relatively high figures during the depression. Between 1928 and 1932, their share in French imports rose from 13% to 21%, and in exports from 18% to 32%. After 1932, their share in imports

continued to increase and was 27% in 1938, while the share in exports fell off somewhat to 28%. As a result, the balance of trade of France with these territories became passive—a change similar to that observed in the case of the United Kingdom—and the yield of the growing French investments there was apparently transferred directly through bilateral trade.

Italy.

Italy's population exceeds that of France; but the value of her trade (imports and exports) was only just over half the value of French trade in 1938 and has for some years been less than that of Belgium and the Netherlands. Like France, Italy suffered during the depression years from the rapid decline in the income from the "invisible" current items in her accounts—particularly the expenditure of foreign tourists and the remittances from emigrants abroad, which had previously covered a large portion of her trade deficit. The import restrictions she introduced aimed at increasing her self-sufficiency, and in 1932 her trade in foodstuffs began to result in an export surplus (which does not mean that she became self-sufficient in foodstuffs). Trade was further affected by the exchange régime established late in 1934, by a rigid control of imports from the early part of 1935, and by the Italo-Ethiopian war. Table 22 indicates the nature of the chief changes in the direction of Italy's trade, and in the distribution of her balance of trade, between 1928 and 1938:

(i) There was a reorientation of trade towards Germany and away from Belgium, France and the United Kingdom, whose aggregate share in both imports and exports fell by over half;

(ii) The heavy import balance with the last three countries fell by 97%, while that of Germany increased;

(iii) Some increase took place in the trade with other European industrial countries and in imports from European agricultural countries; the balance of trade with these groups tended to become passive, or less active than before, thus moving in a direction contrary to that of Italy's total balance of trade;

(iv) While imports from Italy's oversea territories remained unimportant, exports to these territories increased from 2% to 23% of total exports, and the result was a heavy export surplus in this trade;

(v) Trade with the rest of the world, and the deficit in this trade, was greatly reduced.

Table 22.

ITALY: DIRECTION OF TRADE AND DISTRIBUTION OF TRADE BALANCES.

Group	Share of imports		Share of exports		Balance of trade in new \$ gold (000,000's)	
	1928	1938	1928	1938	1928	1938
	%	%	%	%		
Germany, Austria*	12	27	16	19	- 34	- 53
Belgium, France, United Kingdom	21	10	21	10	- 139	- 4
Other European industrial countries	5	9	5	9	+ 10	- 3
Rest of Europe (excluding U.S.S.R.)	10	17	18	15	- 8	- 24
Italian oversea territories	1	2	2	23	+ 14	+ 123
Rest of world	51	35	38	24	- 499	- 78
Total	100	100	100	100	- 656	- 39

* In 1928, imports from Austria represented 2.1% of total imports, exports to Austria 3.0% of total exports, and there was an excess of imports from Austria over exports to that country of (new) \$2.6 million. Similar figures for 1938 are not available.

It is interesting to note that the balance resulting from trade with Italy's own oversea territories was modified in a direction opposite to that observed in the case of the United Kingdom and France. Certain reasons for this difference may be indicated. First, Italian investments in her oversea territories have so far been relatively small, and the transfer of resultant interest on earnings, which was undoubtedly more than offset by fresh capital exports from Italy, did not present any difficulty; secondly, a large portion of the recent increase in exports to oversea territories probably represented Government supplies; thirdly, the exports of the oversea territories were deliberately directed towards countries other than Italy in order to obtain foreign currency which was of greater value to the mother country than the products themselves.

Other Industrial Countries.

The countries of this group—Austria, Belgium, Czecho-Slovakia, the Netherlands, Sweden and Switzerland—have a much smaller population than those considered above. Their production is less diversified and they are greatly dependent upon foreign supplies even of manufactured goods. Thus in 1928 their imports from European industrial countries, as may be seen by reference to Table 17, ranged from between 50% to 68% of their total imports while none of the larger industrial countries we have considered obtained more than 39% of their total imports from other European industrial countries. Their export trade was, however, very highly developed and even after 1930, when trade was hampered by government regulations on all sides, they were competitively strong enough to maintain their exports at the level needed to secure their essential imports of manufactured products.

Table 23 shows the relative importance of the principal markets employed by these six countries in 1928 and 1938. In 1928 Germany was the chief source of supply for all the countries except Belgium (which relied more upon France), and the chief export market for Austria, Czecho-Slovakia and Switzerland. For Belgium, the Netherlands and Sweden, the United Kingdom was the major export market. The United Kingdom's share in the exports of all these countries was greater than in their imports; the opposite is true of Germany, except in the case of Belgium. In five cases out of six, trade with the United Kingdom resulted in an export surplus and trade with Germany in an import surplus.¹ Belgium and Switzerland also had a considerable import surplus in their trade with France.

During the period under review, the trading position of Austria and Czecho-Slovakia differed in certain respects from that of the other countries of the group. They were no creditor countries: Czecho-Slovakia had at her formation as an independent state inherited a considerable debt (which she was, however, able to reduce particularly before the economic depression), and Austria borrowed heavily abroad. The manufacturing industries of the two countries, originally erected for a much bigger domestic market, were handicapped by the necessary adjustment to the new conditions created by the splitting of the former Austro-Hungarian Empire. Each of the succession states was anxious to create its own manufacturing industry behind protective tariffs, and at the same time they tended to shift the sources of supply for goods that could not be manufactured at home to countries outside the former Empire, particularly Germany.

After 1931, both Austria and Czecho-Slovakia were adversely affected by the spread of exchange control and clearing agreements in their chief selling markets in Central and Eastern Europe and both, particularly Czecho-Slovakia, found difficulty in acquiring "free" currency for the purchase of new materials required by industry. These difficulties were all the more serious because their trade with the United Kingdom was small and during the later part of the period under review the United Kingdom was by far the most important market in which

¹ The export surplus to Germany recorded by Belgium may be a statistical illusion. According to German statistics, Belgium imported more from Germany than she exported to that country (*cf.* Annex III).

Table 23.

**AUSTRIA, BELGIUM-LUXEMBURG, CZECHO-SLOVAKIA, NETHERLANDS, SWEDEN, AND SWITZERLAND:
DIRECTION OF TRADE AND DISTRIBUTION OF TRADE BALANCES.**

	Austria		Belgium-Luxemburg		Czecho-Slovakia		Netherlands		Sweden		Switzerland	
	1928	1937 ^a	1928	1938	1928	1938	1928	1938	1928	1938	1928	1938
Imports: percentage share of:												
United Kingdom.....	3	5	11	8	4	5	10	8	16	18	8	6
Germany.....	20	16	13	11	25	16	27	21	31 ^b	24 ^b	23	23
France.....	3	3	21	14	4	5	4	5	4	3	18	14
Other European industrial countries ^b	29 ^d	24 ^d	15 ^e	14 ^e	17 ^f	19 ^f	16 ^g	18 ^g	10	15	19	22
Rest of Europe (excluding U.S.S.R.).....	30	32	6	7	34	23	5	7	14	16	6	9
Other continents.....	15	20	34	46	16	32	38	41	25	24	26	26
Total.....	100	100	100	100	100	100	100	100	100	100	100	100
Exports: percentage share of:												
United Kingdom.....	4	5	17	14	7	9	22	23	25	24	14	11
Germany.....	18	15	14	12	22	14	24	15	13 ^b	18 ^b	18	16
France.....	2	4	13	15	1	3	6	6	6	3	7	9
Other European industrial countries ^b	30 ^d	32 ^d	19 ^e	20 ^e	25 ^f	22 ^f	15 ^g	18 ^g	9	12	19	24
Rest of Europe (excluding U.S.S.R.).....	34	30	8	9	31	26	8	8	24	22	12	11
Other continents.....	12	14	29	30	14	26	25	30	23	21	30	29
Total.....	100	100	100	100	100	100	100	100	100	100	100	100
Trade balance, in new \$ gold (000,000's), with:												
United Kingdom.....	- 4	—	+ 77	+ 39	+ 32	+ 17	+123	+ 65	+ 53	+ 18	+ 26	+ 12
Germany.....	- 52	- 10	+ 12	+ 2	- 87	+ 4	-179	- 81	-151 ^b	- 39 ^b	- 77	- 38
France.....	- 10	+ 2	-129	+ 1	- 26	- 5	+ 1	- 3	+ 14	—	-109	- 25
Other European industrial countries ^b	- 66 ^d	+ 5 ^d	+ 57 ^e	- 9 ^e	+101 ^f	+ 23 ^f	- 80 ^g	- 44 ^g	- 8	- 26	- 40	- 9
Rest of Europe (excluding U.S.S.R.).....	- 53	- 19	+ 21	+ 58	+ 89 ^a	+ 24	+ 20	- 7	+ 57	+ 16	+ 26	- 2
Other continents.....	- 61	- 22	- 90	-140	- 8	+ 1	-360	-137	- 26	- 27	- 25	- 4
Total.....	-246	- 44	- 52	- 49	+101	+ 64	-475	-207	- 61	- 58	-199	- 66

^a For Austria, the year 1937 has been chosen, as the figures available for 1938 do not include trade with Germany.

^b Austria, Belgium-Luxemburg, Czecho-Slovakia, Italy, Netherlands, Sweden, Switzerland.

^c Including Austria (as trade with Austria is not recorded separately in 1938).

^d Of which:

	Imports %		Exports %		Balances, new \$ (000,000's)	
	1928	1937	1928	1937	1928	1937
Czecho-Slovakia.....	18	11	13	7	-76	-14
Italy.....	3	5	8	14	+18	+17
Switzerland.....	5	3	6	5	- 6	+ 3
^e Of which:	1928	1938	1928	1938	1928	1938
Netherlands.....	12	9	13	12	+20	+18
^f Of which:						
Austria.....	8	3	15	6	+84	+10
^g Of which:						
Belgium.....	11	11	9	10	-87	-31

goods could be disposed of against "free" currency. The other countries in this group with their close attachments to the United Kingdom were more fortunately placed.

During the period of relatively free trade before the economic depression, Sweden became a creditor country, lending abroad and repaying its old debts, and Belgium, the Netherlands and Switzerland added considerably to their foreign investments. During the 'thirties when new investments abroad were reduced or discontinued, these four countries were able to effect part of their necessary purchases abroad from the yield of their foreign investment, but gradually this yield fell off and their imports shrank. The decline in their trade with Germany was due in part to this cause, in part to the fact that Germany diverted her trade to countries producing primary goods. Swedish exports absorbed by Germany increased, however, as they consisted to a large extent of raw materials (*e.g.* iron ore) and semi-manufactures much required by that country. Except where special circumstances were at play, trade of the four countries with the United Kingdom and France also declined.

As Table 23 shows, this reduction of trade with the bigger industrial countries was partly offset by a relative increase in trade with the smaller—that is, the four countries increased rela-

tively trade among themselves and with Austria, Czecho-Slovakia and Italy. This trade, calculated as a percentage of that with all European industrial countries, was as follows :

	Belgium-Luxemburg		Netherlands		Sweden		Switzerland	
	1928	1938	1928	1938	1928	1938	1928	1938
	%	%	%	%	%	%	%	%
Imports.....	26	30	27	35	16	25	29	34
Exports.....	31	32	22	30	18	20	18	24

This change in the orientation of trade suggests that the big European industrial countries (Germany, the United Kingdom and France), while increasing their industrial self-sufficiency, lost in competitive power. In the smaller countries, the limitation of the domestic markets checked the tendency towards self-sufficiency; but owing to their successful competition with the bigger countries, they appear to have become more complementary to each other in their manufacturing industry.

The movement of the trade balances of these four countries (*cf.* the lower part of Table 23) portrays the disorganisation of multilateral trade discussed in a preceding chapter. In particular, active balances with the United Kingdom and passive balances with Germany were reduced. During the latter part of the 'thirties, the passive balances with Germany of the Netherlands, Sweden and Switzerland were largely earmarked for the transfer of interest payments due by Germany.

Scandinavian and Baltic States (excluding Sweden).

In the countries of this, as of the preceding, group relatively small populations and a great dependence upon foreign trade are combined with a relatively high degree of economic development.¹ As agriculture, forestry and other extractive industries preponderate, trade was carried on chiefly with countries possessing highly developed industries. The principal feature of trade up to 1939 was the high dependence upon Germany as source of supply and upon the United Kingdom as export market.

The aggregate share of the United Kingdom and Germany in imports varied in 1928 as well as 1938 between 40% and 60%. The same two countries usually accounted together for an even higher share in exports than in imports—in several cases (Denmark, 1928 and 1938, Latvia 1938 and Lithuania 1928) for more than 75%.

Between 1928 and 1938 the share of the United Kingdom in the imports of all the six countries increased very considerably. Simultaneously, the share of Germany declined, except in the case of Estonia. The increased importance of the United Kingdom was due in part to her favourable bargaining position—a fact of special importance during a period when the direction of trade was determined to a large extent by Government measures. The United Kingdom was the principal export market for the countries under review; and their trade with the United Kingdom resulted in an export surplus available for financing net imports from other countries. Only Norway had an import balance with the United Kingdom; but this balance was undoubtedly more than offset by freights earned by Norwegian ships engaged in shipping to British ports and by payments for whale oil sold to the United Kingdom directly from fishing grounds and thus not included in Norwegian export returns.

The increase in the United Kingdom's share in the imports of these countries naturally tended to reduce their sterling export surpluses. This tendency was, however, to some extent

¹ In the younger states Estonia, Latvia and Lithuania the economic development is naturally less advanced than in the other countries of this group. Lithuania in particular stands close to the agricultural countries of Eastern and South-Eastern Europe, dealt with further on, not only geographically but also economically, owing particularly to the rapid growth in her population. In all three countries agriculture is adversely affected by the unreliability of precipitations, and average unit yields of cereals are low. On the other hand, conditions differ from those in Eastern and South-Eastern Europe on account of the greater cultivated area per head of population (*cf.* Diagram 4), and in Estonia and Latvia on account of the slow increase in population.

Table 24.

SCANDINAVIAN AND BALTIC STATES, EXCLUDING SWEDEN: DIRECTION OF TRADE AND DISTRIBUTION OF TRADE.

	Denmark		Estonia		Finland		Latvia		Lithuania		Norway	
	1928	1938	1928	1938	1928	1938	1928	1938	1928	1938	1928	1938
Imports: percentage share of:												
United Kingdom	14	34	11	18	12	22	9	19	7	31	19	23
Germany	*33	*25	30	31	37	20	41	39	51	24	*22	*17
Rest of Europe (excluding U.S.S.R.)	25	25	30	29	31	42	34	21	31	28	36	39
Other continents	28	16	29	22	20	16	16	21	11	17	23	21
Total	100	100	100	100	100	100	100	100	100	100	100	100
Exports: percentage share of:												
United Kingdom	55	56	35	34	35	45	27	43	20	39	26	28
Germany	*21	*20	26	31	16	15	26	33	58	27	*14	*15
Rest of Europe (excluding U.S.S.R.)	20	19	31	24	31	25	35	16	18	24	30	39
Other continents	4	5	8	11	18	15	12	8	4	10	30	18
Total	100	100	100	100	100	100	100	100	100	100	100	100
Trade balance, in new \$ gold (000,000's) with:												
United Kingdom	+ 307	+ 64	+ 14	+ 4	+ 52	+ 40	+ 14	+ 10	+ 6	+ 4	- 9	- 14
Germany	*- 103	*- 22	- 3	- 0.2	- 84	- 10	- 19	- 2	+ 0.2	+ 1	*- 57	*- 21
Rest of Europe (excluding U.S.S.R.)	- 54	- 25	+ 0.3	- 2	- 21	- 32	- 4	- 2	- 8	- 1	- 71	- 37
Other continents	- 186	- 37	- 13	- 3	- 22	- 2	- 6	- 6	- 4	- 2	- 17	- 28
Total	- 36	- 20	- 2	- 1	- 75	- 4	- 15	-	- 6	+ 2	- 154	- 100

* Including Austria (as trade with Austria is not recorded separately in 1938).

offset in three cases by a simultaneous growth in the United Kingdom's share in their exports. Finnish exports to the United Kingdom rose from 35% to 45% of total exports, Latvian from 27% to 43% and Lithuanian from 20% to 39%. The British market was indeed of vital importance to these countries, especially to Latvia and Lithuania, as too serious a decline in their supply of free currency would have checked their industrial development.

During the period under review Germany's importance as a source of supply was reduced, but her share in the exports of three of the countries under consideration (Estonia, Latvia and Norway) increased. The aggregate trade deficit with Germany of all six countries fell from \$266 million in 1928 to \$54 million in 1938; simultaneously the aggregate trade surplus with the United Kingdom fell from \$384 to \$108 million.

None of this group is a creditor country, but the economic development of all of them has been greatly promoted by earnings from abroad on account of shipping and other services performed. They are, however, in a somewhat earlier stage of economic growth than the small industrial countries previously considered, and during the 'thirties were undergoing a process of industrialisation which explains at once their reduced dependence upon Germany as supplier of manufactured goods and their increased dependence upon the United Kingdom as an export market and hence as supplier of currency required for the purchase of primary products. The countries of both the groups founded their prosperity upon multilateral trade, and particularly upon an export surplus with the United Kingdom. It was natural, therefore, that they regarded the general tendency towards bilateralism in trade which characterized the years immediately preceding the outbreak of war with growing concern.

Agricultural Countries of Eastern and South-Eastern Europe.

Albania, Bulgaria, Greece, Hungary, Poland, Roumania, Turkey and Yugoslavia together represent a third of Europe's area, over a fourth of its population but only 6% of its imports and 8% of its exports. Their trade requires to be considered in the light of their general economic conditions. Table 25 gives a selection of illustrative figures concerning popula-

tion and agriculture in seven of them¹ and, by way of comparison, in seven countries of Western and Northern Europe.

Population increases on an average about three times as fast in Eastern and South-Eastern as in Western and Northern Europe, and in view of the size of their younger age groups is likely to continue to grow faster for many years. The density of agricultural population per cultivated acre is high; yet, agriculture is not highly developed. Capital equipment is insufficient, the number of live-stock per acre of farm land (except in Poland) is very small, and consequently agricultural production is small also. The production of meat and dairy products per head of population, even if it were proportionate to the number of live-stock kept, would have been only a half or a third of the corresponding production in Western and Northern Europe; and the same relationship holds true for the yield of cereals per acre.

Table 25.

EUROPEAN COUNTRIES: MOVEMENT OF POPULATION AND CONDITIONS OF AGRICULTURE.

Country	Increase in population 1932-1937 %	Age-group 0-14 years: percentage of total population	Net reproduction rate	Population occupied in agriculture: percentage of total occupied population	No. of persons occupied in agriculture per km ² of cultivated area	No. of cattle per km ² of cultivated area, permanent meadow and pasture	Average yield of wheat 1933-1937: metric quintals per ha
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Seven agricultural countries of Eastern and South-Eastern Europe:							
Bulgaria.....	6.2	35	1.2	81	66	.	12
Greece.....	7.0	32	1.2	54	61	28	9
Hungary.....	3.0	27	0.8-1	53	34	23	14
Poland.....	5.8	33	1-1.2	76	54	41	12
Roumania.....	6.0	36	1.2	78	57	23	9
Turkey.....	12.6	41	10
Yugoslavia.....	7.7	35	.	79	63	28	11
Seven countries of Western and Northern Europe:							
Belgium.....	1.8	22	0.8	17	53	88	27
Denmark.....	4.2	25	0.8-1	35	21	93	31
France.....	0.2	25	0.8-1	36	33	45	15
Germany.....	3.2	24	0.8-1	29	46	71	22
Netherlands.....	5.6	29	1-1.2	21	61	109	30
Sweden.....	1.6	22	0.8	36	27	61	24
United Kingdom.....	2.0	22	0.8	6	26	43	23

Note. The figures in this table are derived from the *Statistical Year-Book of the League of Nations*, the *International Year-Book of Agricultural Statistics* (International Institute of Agriculture) and *Population and Agriculture with Special Reference to Agricultural Overpopulation* (Ser.L.o.N.P., European Conference on Rural Life, No. 3). The figures in cols. 2 and 4-6 refer to different years (in most cases in the 'thirties) and are thus not strictly comparable. Those in col. 3 are quoted in *Population and Agriculture* etc. from works by R. R. Kuczynski, D. V. Glass and C. P. Blacker.

In industrial countries the agricultural population has tended to decline; but in these regions of South and South-Eastern Europe it would appear to have been increasing in recent years.² Industrial development, although rapid, has, largely owing to scarcity of capital, not been on a scale large enough to absorb the additional hands coming on the labour market. Lack of capital has at the same time impeded the use of more intensive methods of agriculture. Emigration, which afforded an important outlet for surplus population before 1914 had been greatly restricted and meanwhile the difficulties of bringing new land under the plough in-

¹ For convenience, Albania has been excluded.

² Thus, between 1920 and 1935, Poland's farm population rose by 15%; Bulgaria's rose by 23% between 1920 and 1935 and Hungary's by 3%. Between 1910 and 1935, Bulgaria's farm population rose by 37% and Hungary's by 8%. (Warriner: *Economics of Peasant Farming*, p. 47.)

creased. In consequence, a portion of the agricultural population remained almost unoccupied and production for sale off the farm was limited.¹

The new frontiers drawn after 1918 greatly affected the direction of trade in this part of Europe. Economic ties between the Successor States gradually loosened and the trade of Hungary and Yugoslavia with Austria and Germany declined.

	Imports			Exports		
	1922	1928	1938	1922	1928	1938
Aggregate percentage share of Austria and Czecho-Slovakia in the trade of:						
Hungary.....	53	39	18	53	52	22
Yugoslavia.....	49	35	18	31	27	14

Trade became more widely distributed in the 'twenties and was later diverted largely to Germany. Indeed, the outstanding change in the direction of trade of all these countries, with the exception of Poland and Albania, was the growth of the importance of their transactions with Germany. This fact is brought out in Table 26, which also shows the decline in the competitive power of Austria and Czecho-Slovakia and of certain other industrial countries, particularly Italy. The expansion of trade with Germany was due largely to that country's willingness to buy many products at prices higher than those prevailing on the world market. But the growing industrialisation of these countries, which had been aided by capital imports in the 'twenties and continued thereafter, rendered it necessary for them to purchase raw materials outside Europe and trade with Germany produced little free currency with which to do so. As the table shows the aggregate imports from Germany and exports to Germany of these six countries in 1938 practically cancelled out.

Table 26.

AGRICULTURAL COUNTRIES OF SOUTH-EASTERN EUROPE: DIRECTION OF TRADE, AND DISTRIBUTION OF TRADE BALANCES.

Note. The figures refer to the aggregate trade of Bulgaria, Greece, Hungary, Roumania, Turkey and Yugoslavia.

Country or group	Share of imports		Share of exports		Balance of trade, in new \$ gold (000,000's)	
	1928	1938	1928	1938	1928	1938
Germany ^a	17	35	16	34	- 69	+ 1
Austria ^a	11	5	16	7	+ 11	+ 14
Czecho-Slovakia.....	14	7	8	6	- 113	- 8
Total (3 countries).....	42	47	40	47	- 171	+ 7
United Kingdom.....	8	9	6	8	- 63	- 7
Italy.....	8	6	13	7	+ 23	+ 11
Other European industrial countries.....	13	8	10	8	- 78	+ 3
Agricultural countries of S.E. Europe ^b	12	6	15	7	- 9	- 7
Rest of Europe.....	5	9	6	7	+ 6	+ 19
Other continents.....	12	15	10	16	- 98	- 8
Total.....	100	100	100	100	- 390	+ 18

^a As in 1938 two of the countries considered (Roumania and Bulgaria) did not show separately their trade with Germany (old territory) and Austria, the distribution of the trade with these two territories had in part to be estimated. The error, if any, is likely to be insignificant.

^b The figures on this line refer to the intra-trade between the countries considered.

¹ The above analysis naturally does not apply in the same degree to all the countries considered. In Turkey, for example, though the population has grown faster than in the other countries, the increase in the area under cultivation has been still more rapid, and there is no agricultural over-population. Hungary, owing to the slow increase in her population and the comparatively high development of her manufacturing industry, also occupies a favoured position.

They attempted therefore to increase their sales to continents other than Europe and, in fact, the share of these continents in their aggregate exports rose from 10% in 1928 to 16% in 1938. Greece and Turkey had a market for their tobacco in the United States and Hungary was not unsuccessful in disposing of manufactured goods all over the world. But in general the development of this extra-European trade did not prove easy and constant efforts were made by these countries to find additional outlets for their products in the industrial countries of Western Europe.

The course of events in Poland differed somewhat from that in the rest of Eastern and Southern Europe. Trade with Germany, particularly exports, fell considerably between 1928 and 1938, exports to the United Kingdom expanded and an export surplus was obtained with that and with other industrial countries. At the same time Poland also took steps to increase her exports to other continents in order to pay for her oversea imports, which rose during the period from 24% to 35% of her total imports by value.

Table 27.

POLAND: DIRECTION OF TRADE AND DISTRIBUTION OF TRADE BALANCES.

Country or group	Share of Poland's imports		Share of Poland's exports		Balance of trade, in new \$ gold (000,000's)	
	1928	1938	1928	1938	1928	1938
Germany and Austria	34	23	46	24	+ 9	- 3
United Kingdom	9	11	9	18	- 17	+ 13
Other European industrial countries	27	22	26	30	- 49	+ 15
Rest of Europe	6	9	14	12	+ 27	+ 9
U.S.A.	14	12	1	5	- 85	- 18
Rest of world	10	23	4	11	- 47	- 38
Total	100	100	100	100	- 162	- 22

Rest of Europe.

There remain for consideration Spain, Portugal and Ireland. All the three countries are chiefly agricultural; but they are not in the same way as the countries of South-Eastern Europe faced by the problem of feeding rapidly growing populations from restricted areas of land. Ireland's population has been stationary or even slightly declining; Ireland, moreover, possesses considerable foreign investments and there seems to be some evidence that she may have drawn upon them for her recent measures of industrialisation. Portugal, too, is a creditor country, and both Portugal and Spain possess oversea territories able to supply important raw materials and to absorb, should occasion arise, an excess of population in the mother countries. Further, the three countries have a more favourable geographical position for foreign trade than the majority of countries in South-Eastern Europe. Naturally, these favourable factors have not afforded a complete protection against trading difficulties, and Spain in particular was adversely affected by the disturbances in international trade that began around 1929.

Spain's chief trading partner in 1928 was France, which accounted for 24% of her exports and 14% of her imports; with France she had a favourable balance of trade amounting to \$35 million. The bulk of the products exported by Spain could, however, also be supplied by the French territories in North Africa or be produced within France. With the closer attachment of these territories to the mother country and the introduction of new protectionist

measures in France, the French share in Spanish exports were halved by 1935¹—the year preceding the outbreak of civil war. This decline is indicative of one of the graver evils of the tendency towards bilateralism in trade—the special vulnerability of that one of the two negotiating countries whose trade with the other is positive. Spanish restrictive measures reduced France's share in Spanish imports from 14% to 6% but could not prevent the surplus of exports from falling to \$6 million. Spain also experienced great difficulties in trade with other countries with which she had enjoyed an export surplus. Thus, Italy's share in exports fell from 8% in 1928 to 3% in 1935, and the excess of exports to that country (\$25 million in 1928) was replaced by a small deficit. These changes took place during a period when the deficit in Spain's total trade was being heavily reduced (*cf.* Table 28). An alternative market for some Spanish products was found in Germany which acquired at the same time the largest share in Spain's imports. But total exports fell heavily and the obstructions which impeded triangular trade contributed considerably to the economic pressure experienced by Spain before the civil war.

In Portugal similar difficulties arose and were met by increased domestic production of certain foodstuffs and manufactures that had previously been derived from abroad. Cereal imports, which in the 'twenties had accounted for about a tenth of imports, were almost discon-

Table 28.

SPAIN, PORTUGAL AND IRELAND: DIRECTION OF TRADE AND DISTRIBUTION OF TRADE BALANCES.

	Spain				Portugal				Ireland			
	Imports		Exports		Imports		Exports		Imports		Exports	
	1928	*1935	1928	*1935	1928	1938	1928	1938	1928	1938	1928	1938
Percentage shares in trade:												
United Kingdom.....	10	10	20	22	31	17	21	21	78	50	96	93
Germany.....	10	14	7	13	13	17	11	13	3	4	1	4
Other European industrial countries ^b	*27	*22	*41	*29	25	22	28	24	4	7	1	1
Rest of Europe (excluding U.S.S.R.).....	4	9	4	7	6	6	7	9	2	6	—	—
Other continents.....	49	45	28	29	25	38	33	33	13	33	2	2
	1928		1935		*1928		*1938		1928		1938	
Trade balances, in new \$ gold (000,000's), with:												
United Kingdom.....	+ 41		+ 11		(- 46)		(- 7)		- 17		+ 8	
Germany.....	- 42		- 15		(- 18)		(- 10)		- 13		- 3	
Other European industrial countries ^b	+ 28		- 8		(- 29)		(- 10)		- 17		- 13	
Rest of Europe (excluding U.S.S.R.).....	- 22		- 13		(- 2)		(- 2)		- 5		- 6	
Other continents.....	- 295		- 74		(- 30)		(- 21)		- 59		- 71	
Total.....	- 290		- 95		(- 125)		(- 50)		- 111		- 85	

* Information for later years not available.

^b Austria, Belgium-Luxemburg, Czecho-Slovakia, France, Italy, Netherlands, Sweden, Switzerland.

^c Of which France 14 in 1928 and 6 in 1935.

^d Of which France 24 in 1928 and 12 in 1935.

^e The balances are put in brackets as they are misleading owing to the under-valuation of exports.

^f Of which France + 35 in 1928 and + 5 in 1935.

¹ The figure refers to 1935, *i.e.*, the last year not affected by the civil war in Spain. Complete statistical information for the following few years is not available.

tinued, and the quantity of raw wool and cotton imported rose by about half at the expense of imports of yarns and fabrics. The share of the United Kingdom in imports fell between 1928 and 1938 from 31% to 17% and a reduction also took place in the share of certain other industrial countries, though Germany's share increased; the share of continents other than Europe rose from 25% to 38%.

In Ireland too, which during several years up to 1938 was involved in a trade dispute with the United Kingdom, manufacturing industry developed rapidly as a result of protective measures. Imports from the United Kingdom, which in 1928 had represented as much as 78% of total imports fell rapidly to 50% ten years later—a decline offset largely by an increase in the share of imports from raw material producing countries, particularly outside Europe. The United Kingdom remained, however, the only important buyer of Irish products, and the trade deficit with that country turned into a surplus, which helped to finance the import of raw materials. Amongst the European countries undergoing a process of industrialisation, Ireland occupied a very favourable position, as almost all her exports yielded “free” currency, and, in addition, considerable amounts of such currency accrued to her on balance from the “invisible” items in her international accounts. There is a striking contrast, therefore, between Ireland and the countries of South-Eastern Europe which, owing to their geographical position and other factors, were very largely dependent upon export markets with which trade could only be conducted on a bilateral basis and which, moreover, owed considerable amounts abroad in the service of loans received.

The above analysis of the direction of trade has brought to light certain general tendencies of vital consequence. In certain cases the movement followed similar lines in different European countries, while in others there were movements in different directions which can be traced back to a common cause. For the convenience of the reader these various changes, of which some will be further illustrated in the following section, dealing with Europe's trade in a number of primary products, will be summarised on pages 78-81.

Europe's Trade in Certain Products

The absolute dependence of Europe—or of any other large area—on outside sources of supply is necessarily limited. Some minerals, some tropical products are indispensable or almost indispensable and not indigenous; but the magnitude of Europe's purchases of most goods is determined, as the foregoing analysis shows, upon the commercial policy pursued by the various European States, and in any particular year by business conditions, harvest yields and stocks in hand. Purchases of goods from other continents, therefore, vary more or less widely from year to year and the significance of figures relating to any one year must not be exaggerated. In Annex IV the imports and exports of 75 staple commodities are shown for the year 1935. Although this year was one in which trade was still at a relatively low level—the quantum of European imports being about one-fifth lower than it had been in 1929—it is perhaps the most suitable for selection. Trade had by then revived to a considerable extent from the 1929-32 depression, while the restrictive tendencies of the commercial policy of the 'thirties were not yet full blown and war economies were only affecting trade to a comparatively trivial extent.

The articles chosen represent 54% of Europe's total imports during the year; as they are, with few exceptions, foodstuffs and raw materials, which alone can be conveniently segregated for purposes of general analysis, their contribution to Europe's exports is much less (27%). The detailed information in Annex IV is summarised in Tables 31, 36, 37, 41, and 42, in such a way as to show import and export balances for Europe and its industrial and agricultural sections, but not total imports and exports of individual countries.

The total quantity imported by all European countries exceeded that exported in the case of 55 of the 75 articles considered. For the measurement of the relative importance of the supply of various products from other continents, the import balances by value have to be compared; but these are to some extent misleading, as goods entering into intra-European trade are recorded at a higher value in imports (which includes the cost of transport between the countries concerned) than in exports. Eight of the products considered—chiefly products traded to a considerable extent within Europe and involving relatively high transport costs—show an import surplus by value, and an export surplus by quantity. By value, therefore, imports exceeded exports in the case of 65 articles.

	Europe's import balance in \$(000,000's)		Europe's import balance in \$(000,000's)
Cotton.....	551	Maize.....	145
Wool (greasy and scoured).....	318	Tea.....	128
Wheat.....	274	Tobacco.....	128
Wood (conifers and other).....	203	Copper, unworked.....	121
Beef, veal, mutton, lamb.....	182	Butter.....	107
Coffee.....	171	Petroleum, crude.....	103
Petrol.....	152		
		Total of above 15 articles ¹	2,583
		50 other articles (of which none over 100) ..	1,588
		Grand Total.....	4,171

Cotton and wool accounted for over one-fifth of these 65 articles. But the foodstuffs group was much more important than the textiles group.

¹Wool is counted as two "articles" (wool, greasy, and wool, scoured), as is wood (conifers and other).

Foodstuffs, Fodder and Fertilisers.

Europe's gross imports of all foodstuffs and live animals in 1935, amounting to \$3,330 million, were over twice as great as her net imports of the same products. Of this gross amount, \$1,580 million represented imports by the United Kingdom and \$1,460 million imports by other industrial countries; the rest of Europe accounted for only \$290 million or less than a tenth of the total.

Table 29 shows the gross imports and exports of foodstuffs by different countries or groups of countries in a way that permits of separating the United Kingdom and Ireland from Continental Europe, and industrial from agricultural countries. Separate totals are given for the 28 articles of food included in Annex IV and for all other foodstuffs. The last-mentioned group includes such items as fish, milk, certain canned foods and vegetables.

Table 29.
EUROPE'S TRADE IN FOODSTUFFS AND LIVE ANIMALS, 1935.
IN \$ (000,000's).

	United Kingdom	Ireland	Continental Europe				Total Europe (excluding U.S.S.R.)
			Germany	8 other industrial countries	Other countries	Total	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Imports:							
28 products specified in Annex IV ^a	1,177	31	238	640	166	1,044	2,252
Other products.....	403	15	182	400	78	660	1,078
Total.....	1,580	46	420	1,040	244	1,704	3,330
Exports:							
28 products specified in Annex IV ^a	36	50	6	291	427	724	810
Other products.....	107	35	25	305	328	658	800
Total.....	143	85	31	596	755	1,382	1,610

^a Nos. 1-21 and 30-36. The figures in columns 1 and 7 are lower than the totals which may be calculated from Annex IV, as re-exports from the United Kingdom (\$40 million) have been deducted (*cf.* the Introductory Note to Annex IV).

Europe's recorded import balance of foodstuffs and live animals in 1935 amounted to \$1,720 million—a figure which, for reasons indicated above, should be considered slightly too high. Five-sixths of this balance was due to the United Kingdom. Continental Europe found it necessary in this year to purchase food from other parts of the world to the value of over \$300 million.

The import balance for foodstuffs alone, however, does not show closely the dependence upon foreign supplies in the food balance of the territory considered, for into this group do not enter fodder proper (for instance, oil cake) or oilseeds; and domestic vegetable crops, particularly in western and northwestern Europe, depend upon imports of artificial manure or materials used for their production (such as raw phosphates). Table 30, therefore, shows trade balances for foodstuffs and a number of related products.

Table 30.
ACTIVE (+) OR PASSIVE (-) TRADE BALANCES IN 1935 FOR
FOODSTUFFS AND CERTAIN RELATED PRODUCTS.
\$ (000,000's).

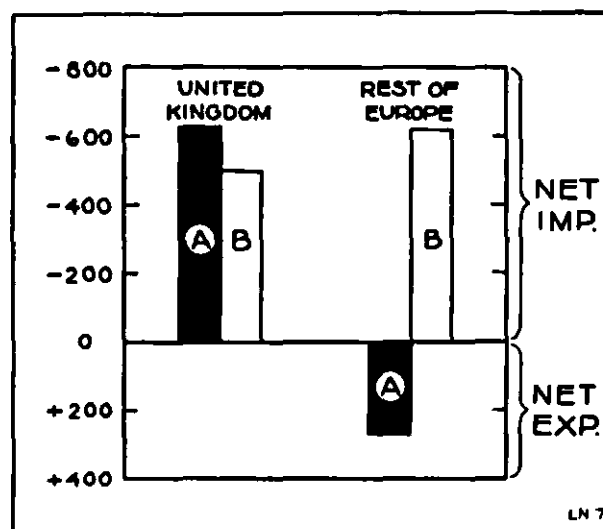
Products ^a	United Kingdom	Ireland	Continental Europe					Total Europe (excluding U.S.S.R.)
			Germany	8 other industrial countries	Denmark	Other countries	Total	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8) = (1) + (2) + (7)
Total foodstuffs ^b	- 1,437	+ 39	- 389	- 444	+ 169	+ 342	- 322	- 1,720
Of which:								
6 animal products (Nos. 1-6) ^c	- 630	+ 50	- 91	+ 70	+ 173	+ 74	+ 226	- 354
15 vegetable products other than oils (Nos. 7-21)	- 503	- 30	- 136	- 419	- 72	+ 63	+ 564	- 1,097
7 vegetable fatty oils (Nos. 30-36) ^d	- 8	- 1	- 5	- 1	+ 7	+ 18	+ 19	+ 10
All other foodstuffs	- 296	+ 20	- 157	- 94	+ 61	+ 187	- 3	- 279
Tobacco (No. 22)	- 77	- 4	- 48	- 52	- 5	+ 58	- 47	- 128
Six oilseeds (Nos. 23-28)	- 59	-	- 60	- 147	- 18	- 14	- 239	- 298
Oilseed cake and meal (No. 29)	- 13	- 1	- 9	- 12	- 12	- 2	- 35	- 49
Whale oil (No. 37)	- 8	-	- 17	- 4	- 2	- 1	- 24	- 32
Various fertilisers (Nos. 69-74) ^e	-	- 2	+ 18	- 26	- 9	- 20	- 37	- 39
All above products	- 1,594	+ 32	- 505	- 685	+ 123	+ 363	- 704	- 2,266

^a The numbers given are those in Annex IV or in Tables 31 and 36.
^b Including live animals.
^c Including live cattle.
^d The definition of Foodstuffs employed in this volume is that of the former International (Brussels) Classification, which includes under this heading vegetable fatty oils, though such oils are partly used for technical purposes. Animal oils (e.g., whale oil) are classified under Raw Materials.
^e Including raw phosphate.

Continental Europe's net imports of all foodstuffs and other products considered in Table 30 exceeded \$700 million. The corresponding figure for the United Kingdom alone was \$1,594 million. A very considerable portion of the foodstuffs imported from other continents are stimulants or flavourings, such as coffee, tea and spices, most of which have little or no nutritional value. Of these, coffee is by far the most important, the net import into Continental Europe amounting in 1935 to \$166 million; of tea, the United Kingdom and Ireland imported to the value of \$115 million net, and Continental Europe, \$15 million.

An interesting fact brought out by Table 30 is that the trade of the United Kingdom differed from that of the rest of Europe in as much as she had a big import balance of animal foodstuffs:

Diagram 12.
TRADE BALANCES IN CERTAIN FOODSTUFFS,
IN \$(000,000's), IN 1935.
A: 6 important animal foodstuffs
B: 15 important vegetable foodstuffs



	United Kingdom			Rest of Europe		
	Imports	Exports	Balance	Imports	Exports	Balance
Six animal foodstuffs ^a	633	3	- 630	164	440	+ 276
Fifteen vegetable foodstuffs ^a	523	20	- 503	858	264	- 594
Total	1156	23	- 1133	1022	704	- 318

^a The foodstuffs considered are those numbered 1-6 and 7-21 in Annex IV or Table 31.

While the bulk of the United Kingdom's import surplus of foodstuffs was on account of animal foodstuffs, the rest of Europe had a large export surplus of such foodstuffs, to which Denmark and Ireland together contributed some four-fifths.

The production of animal foodstuffs may be regarded as a manufacturing process, into which fodder, and certain foodstuffs used as fodder, enter as raw materials. It is characteristic that Denmark's and Ireland's export balances in animal foodstuffs are largely offset by an excess of imports of vegetable foodstuffs, fodder and fertilisers (Table 30). Denmark has normally a considerable import of oilseeds, which are turned into oil and oil cake; but while she exports oil on balance, her production of oil cake does not meet her requirements. Even in the industrial countries of Continental Europe, the large imports of cereals and oilseeds must be attributed in part to the production of animal foodstuffs for domestic consumption or export.

There is another and deep-lying causal relationship between the United Kingdom's import of animal foodstuffs from certain countries of Continental Europe and the import by these countries of vegetable foodstuffs and fodder from other continents. Animal foodstuffs account for a large share in the import surplus of the United Kingdom in her trade with Europe and thus play an outstanding part in the system of multilateral trade described in a preceding section.¹ Not only the United Kingdom and the European countries supplying her, profited from this trade when the system was functioning, but also Germany and the agricultural countries in other continents. In recent years, a growing share of Europe's exports of animal foodstuffs has been absorbed by Germany; but this trade has formed part of a bilateral exchange of goods and has accordingly not provided the same indirect stimulus to other trading transactions.

When studying Table 31, showing Europe's net imports or exports of the first 22 articles² in Annex IV, particular attention should be paid to the import and export balances in columns 3 and 4, which show roughly to what extent Europe's industrial section is able to meet its requirements of the foodstuffs under consideration by imports from the agricultural section.

In the case of live cattle (which are sold chiefly for slaughter), the imports of the industrial countries, as a whole, were met by the supply from Europe's agricultural countries. Owing to difficulties of transport, this trade is usually carried on only by neighbouring countries; and it is frequently disturbed by restrictions imposed to prevent the spread of cattle diseases. Only a fraction of one per cent of the beef and veal consumption in industrial Europe is met by imports of cattle. A similar portion is met by imports of beef from Latin America, chiefly by the United Kingdom. The imports into the United Kingdom of meat from the British Dominions and India (article 2, column 5), consist chiefly of Australia and New Zealand mutton and lamb. The United Kingdom accounted for 90% of Europe's total imports of beef, veal, mutton and lamb in 1935 (over one million tons).

The fact that Europe's net imports of other animal foodstuffs was so small does not imply that European trade in them was small. But, as Table 32 shows, a large portion of the requirements of the industrial countries was covered by agricultural Europe. The basic figures employed for this table are not the net imports of the continent of Europe, but the sum of the gross imports of each European country. The United Kingdom, it will be noted, accounted for over one-half of the quantity of eggs, nearly two-thirds of the quantity of cheese and about 90% of the quantity of pork and butter. Her purchases represent not far from four-fifths of the total import value of these articles. The gross value of the imports of all the other countries only amounted to \$130 million. As Ireland did not import these products, this figure also represents the gross imports of Continental Europe.³ On balance, Continental Europe had a net

¹ Cf. pages 33-36.

² Tobacco, though no foodstuff, has been included in this table; on the other hand, it has been thought useful to consider trade in vegetable fatty oils together with that in oilseeds, oil cake and whale oil, which statistically belong to "materials, raw or partly manufactured" (cf. Table 36).

³ That is, Europe excluding the United Kingdom and Ireland.

Table 31.

EUROPE'S NET IMPORTS AND EXPORTS IN 1935 OF CATTLE, CERTAIN FOODSTUFFS AND TOBACCO.

Article	Net imports to (-) or net exports from (+):				Net imports from (-) and net exports to (+):			
	Total Europe	Of which:		British Dominions and India	European over-sea territories	Other countries outside Europe	Unspecified (recorded balance in intra-European trade)	
		10 industrial countries	Other countries					
	\$(000,000's)	Metric tons (000's)						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1. Cattle.....	+ 3	+ 94 ^a	- 889 ^a	+ 983 ^a	-	+ 13 ^a	+ 29 ^a	+ 52 ^a
2. Beef, veal, mutton, and lamb.....	- 182	- 976	-1,003	+ 27	- 418	- 13	- 560	+ 15
3. Pork.....	- 42	- 128	- 437	+ 309	- 90	+ 2	- 43	+ 3
4. Butter.....	- 107	- 263	- 486	+ 223	- 250	+ 6	- 19	-
5. Cheese.....	- 5	- 66	- 88	+ 22	- 120	+ 18	+ 28	+ 8
6. Eggs in the shell.....	- 20	- 33	- 173	+ 140	- 18	- 7	- 21	+ 13
7. Potatoes.....	- 10 ^b	+ 20 ^b	- 143	+ 163	+ 7	+ 54	+ 35	- 76
8. Wheat.....	- 274	-8,392	-7,855	- 537	-3,983	- 565	-2,978	- 866
9. Wheat flour.....	- 9	- 37	- 50	+ 13	- 335	+ 166	+ 18	+ 114
10. Rye.....	- 6	- 147	- 418	+ 271	+ 43	+ 1	- 131	- 60
11. Barley.....	- 42	-1,599	-2,129	+ 530	- 180	- 192	-1,158	- 69
12. Oats.....	- 21	- 723	- 846	+ 123	- 195	- 29	- 502	+ 3
13. Maize.....	- 145	-6,471	-6,467	- 4	- 317	- 794	-5,077	- 283
14. Rice.....	- 34	- 864	- 700	- 164	- 408	- 402	- 202	+ 148
15. Bananas.....	- 59	- 641	- 593	- 48	-	- 464	- 144	- 33
16. Citrus fruits.....	- 81	- 659	-1,238	+ 579	- 76	- 288	- 284	- 11
17. Sugar: unrefined.....	- 94	-2,539	-2,496	- 43	- 401	- 653	-1,439	- 46
18. refined.....	+ 27	+ 446	+ 703	- 257	+ 33	+ 301	+ 39	+ 73
19. Coffee, not roasted.....	- 171	- 704	- 554	- 150	- 7	- 113	- 559	- 25
20. Tea and maté.....	- 128	- 221	- 206	- 15	- 129	- 95	- 7	+ 10
21. Cocoa beans.....	- 49	- 364	- 327	- 37	- 1	- 301	- 44	- 18
22. Tobacco.....	- 128	- 262	- 315	+ 53	- 8	- 76	- 148	- 30

^a Head (000's).

^b There was a net import of potatoes by value, but a net export by quantity. The apparent contradiction between the two figures appears to be explained largely by the relatively high cost of freight, included in import value but not in export value.

General note to Tables 31, 36, 37, 41 and 42. The numerotation of the articles is the same as in Annex IV. The division of the quantitative balances by certain groups of countries of provenance and destination (columns 5-8) is somewhat uncertain. It is obvious, for example, that if one disregards such small balances as may be due to variations in the amount of goods *en route* at the beginning and the end of the year, there should be no quantitative import or export balances in the trade of European countries among themselves. The recorded balances in intra-European trade, as shown in the 8th column of the tables, therefore reflect largely the uncertainty attaching to the figures chiefly on account of discrepancies in the statistical methods employed.

For figures concerning the imports and exports of Continental Europe (that is, Europe less the United Kingdom and Ireland) of the products considered, see the last two pages of Annex IV.

export amounting to \$225 million and furnished the United Kingdom with not far from half her import requirements of these foodstuffs. The greater part of Europe's exports to the United Kingdom came from other industrial countries and Denmark and Ireland. The typical agricultural countries of the continent contributed but a minor share. The following figures for the four articles make the position clear :

1. Gross value of imports by European countries	\$562 million
2. " " " " " the United Kingdom	\$431 "
3. " " " " " Continental Europe and Ireland	\$131 "
4. " " " exports " Continental Europe and Ireland	\$381 "

Table 32.
EUROPE'S IMPORTS OF CERTAIN ANIMAL FOODSTUFFS IN 1935.

		Pork	Butter	Cheese	Eggs
Aggregate gross import of European countries: in \$(000,000's)		180	232	63	86
in metric tons (000's) . . .		500	569	216	286
Percentage distribution of quantity:		%	%	%	%
by importing European countries	United Kingdom	90	86	64	52
	Germany	7	13	13	23
	Other industrial countries	3	1	22	13
	Other countries	—	—	1	12
	Total	100	100	100	100
by supplying countries ^a	Europe's industrial countries ^b	12	13	37	26
	Denmark	40	23	2	23
	Ireland	7	4	—	7
	Other European countries	13	10	5	28
	Countries of other continents	28	50	56	16
Total	100	100	100	100	

^a Certain of the figures for European countries are estimated. The error, if any, is likely to be negligible.
^b The chief industrial countries exporting the articles considered were Sweden (pork, butter), Netherlands, France, Italy and Switzerland (cheese), and Belgium (eggs).

Several countries in eastern Europe were beginning to develop their trade in animal foodstuffs during the early 'thirties; but this movement was checked by the new tendencies of commercial policy, in particular, by the increasing extent to which the United Kingdom began to meet her requirements from the British Dominions (for instance, bacon from Canada, and butter from Canada, Australia and Oceania).

Wheat was by far the most important of Europe's net imports of the vegetable foodstuffs included in Table 31. The trade in potatoes is large but it takes place mainly between neighbouring countries and Europe buys but little from outside. The United Kingdom, which is the principal importer, usually derives the bulk of her requirements from the Netherlands and the Channel Islands.¹ The biggest cereal importers are the United Kingdom, Belgium, the Netherlands and Switzerland; but considerable quantities are imported also by Denmark and Ireland, whose own agriculture is to a large extent engaged in the production of animal foodstuffs for export. Owing to variations in climate conditions, it may in certain cases be misleading to estimate Europe's dependence upon supplies from other continents from figures for any single year. Table 33 shows Europe's production, net import and estimated consumption of cereals and rice for two periods of five years: 1927-1931 and 1933-1937. In view of the importance of the U.S.S.R. as a supplier of cereals to Europe proper, figures are given also for the total territory of Europe and that country.

In the earlier period, one-third of the maize Europe consumed and well over one-quarter of the wheat came from other continents. In the second period, her own production of wheat had been increased by 10%, her consumption had fallen slightly and only 17% of it was covered by imports from the rest of the world; her imports fell off by 40%. The reduction in maize imports was small owing in part to the fact that with the development of animal husbandry consumption increased. Net imports of oats and rye were quite small in both periods (2-4% of consumption), a large proportion of the imported rye coming from the U.S.S.R. Consumption of both these cereals and of barley tended to decline. In the aggregate of cereals imported there was a drop of about one-third between the two periods.

¹ The trade of the Channel Islands is not included in Annex IV and Table 31. Their export of potatoes in 1935 amounted to 86,000 tons

Table 33.
EUROPE'S PRODUCTION OF, AND TRADE IN, CEREALS AND RICE.

	Metric tons (000,000's)						Net imports as percentage of consumption	
	1927-1931			1933-1937			1927-1931	1933-1937
	Pro-duction	Net im-ports	Con-sump-tion ^a	Pro-duction	Net im-ports	Con-sump-tion ^a		
<i>Europe excluding U.S.S.R.</i>							%	%
Wheat ^b	40.0	15.6	55.6	44.6	9.4	54.0	28.1	17.3
Rye ^b	22.4	0.8	23.2	21.2	0.1	21.3	3.5	0.5
Barley.....	17.5	2.2	19.7	16.4	1.4	17.8	11.4	8.2
Oats.....	26.5	0.9	27.4	24.1	0.6	24.7	3.3	2.3
Maize.....	14.8	7.5	22.3	18.3	6.9	25.2	33.6	27.5
Rice.....	1.0	0.8	1.8	1.2	1.2	2.4	43.1	50.5
<i>Europe including U.S.S.R.</i>								
Wheat ^b	61.9	14.5	76.4	77.4	8.8	86.2	18.9	10.2
Rye ^b	44.3	0.4	44.7	43.1	—	43.1	0.9	—
Barley.....	23.3	1.8	25.1	24.0	1.1	25.1	7.1	4.5
Oats.....	41.1	0.7	41.8	41.6	0.5	42.1	1.7	1.1
Maize.....	18.2	7.4	25.6	22.0	6.9	28.9	29.0	23.8
Rice.....	1.3	0.8	2.1	1.5	1.2	2.7	40.5	45.9

^a Total of production and net import (i.e., disregarding changes in domestic stocks).

^b The figures for net imports include flour (in terms of grain).

The changes in imports and consumption of wheat are shown in greater detail in Table 34. From 1927-31 to 1933-37 the net imports of Italy, Germany and France fell from four to one million tons, while those of the United Kingdom declined but slightly. Several of the countries which had previously imported wheat on balance—Czecho-Slovakia, France, Germany, Poland, Spain, Sweden—became occasional net exporters by the middle of the 'thirties, while in others—for instance, Italy—imports fell to a very low level. From about 1937 this movement appears to have been reversed;¹ but this change would seem to have been due to the building-up of emergency stocks of foodstuffs in the various countries rather than to a return to a more liberal trade policy.

The drop in Europe's net imports of wheat was offset largely by the United States, whose net exports amounted to some 4 million tons annually during the 'twenties but fell rapidly until they became almost insignificant in 1935-1936. (By 1938, they had again risen to 3 million tons.) The chief other suppliers were Canada, Australia and the Argentine; there was also during the 'thirties a growing import by France from her possessions in North Africa. For cereals other than wheat or rice the Argentine is usually the chief source of supply, and imports from countries forming part of European "empires" are small. Rice is derived from India, French Indo-China and Siam.

The decline in Europe's imports of cereals should not be taken as illustrative of a general tendency affecting all foodstuffs. It is true that strong measures for the protection of domestic production of various foodstuffs were taken, particularly in the early 'thirties, in almost all importing countries; but this is only one of the factors affecting imports. In Europe, increased production of vegetable foodstuffs must result rather from more intense cultivation than from an extension of the area; further, in Europe's industrial section the consumption of foodstuffs in general—as distinguished from that of cereals—has long tended to increase at a rate ex-

¹ Cf. figures in *Review of World Trade, 1938*, page 49

Table 34.

EUROPE'S PRODUCTION OF, AND TRADE IN, WHEAT.

Note. The specified countries are arranged in the order of magnitude of their net imports of wheat in 1927-1931.

Countries	Metric tons (000,000's)						Net imports as percentage of consumption	
	1927-1931			1933-1937			1927-1931	1933-1937
	Pro-duction	Net im-ports ^a	Con-sump-tion ^b	Pro-duction	Net im-ports ^a	Con-sump-tion ^b		
United Kingdom.....	1.3	5.9	7.2	1.7	5.6	7.3	82.3	76.9
Italy.....	6.2	2.0	8.2	7.3	0.5	7.8	24.3	6.6
Germany.....	3.7	1.6	5.3	5.1	0.3	5.4	30.7	5.9
France.....	7.5	1.4	8.9	8.1	0.2	8.3	15.3	2.3
Belgium-Luxemburg.....	0.4	1.2	1.6	0.5	1.1	1.6	74.2	70.5
Netherlands.....	0.2	0.8	1.0	0.4	0.6	1.0	82.9	58.5
Switzerland.....	0.11	0.48	0.59	0.15	0.47	0.62	81.5	75.9
Total, 7 countries.....	19.4	13.4	32.8	23.2	8.8	32.0	40.8	27.5
Rest of Europe.....	20.6	2.2	22.8	21.4	0.6	22.0	9.6	2.7

^a Including wheat flour (in terms of grain).

^b Total of production and net import (i.e., disregarding changes in domestic stocks).

ceeding the growth of population. There has thus been a rise in the standards of nutrition; but such a rise is reflected less in larger quantities consumed than in a shift over to more expensive foodstuffs. In fact this shift has implied a decrease in the human consumption of cereals which is very marked over long periods and is noticeable even over the short period covered by Table 33. The decline in the consumption of bread cereals contrasts with the increase in maize, which is used chiefly as fodder, and in rice. It may be observed that the prices of these two commodities were not as a rule raised by measures of protection as climatic conditions in most countries in Europe do not permit of their cultivation.

Europe's production of animal foodstuffs rose rapidly during the period under review. Thus, between 1925 and 1937, the continent's production of meat increased by 25% and of milk by 27%, as against an increase in "fodder crops" (barley, oats and maize) of 9% and of other cereals and sugar of 4%.¹ To a small extent this expansion took place at the expense of imports of those animal foodstuffs—for instance, meat—which were subjected to severe trade restrictions. Europe's production of butter appears to have risen by about a third between 1928 and 1937, and her net imports of butter increased from an annual average of 159,000 metric tons in 1927-1931 to 254,000 in 1933-1937, or by 60%. This increase was rather exceptional, however, and appears to have been partly due to the fact that butter tended to replace certain other animal foodstuffs.

Figures for other articles of food further illustrate the improvement in the nutrition standards of industrial Europe during this period, in spite of the economic depression and increased unemployment. Thus the imports of bananas—almost exclusively into industrial countries—increased about 20% between 1927/31 and 1933/37, and net imports of citrus fruit more than trebled. Before the 1914-1918 war, Europe was a net exporter of citrus fruit; but both Spanish exports, which had increased during the 'twenties, and Italian exports became stationary even before political disturbances caused a decline in the middle of the 'thir-

¹ Cf. *World Production and Prices, 1938/39* (Ser.Lo.P.N. 1939.II.A.17.).

ties. Meanwhile imports of several European countries increased rapidly, as is shown below, and to an increased extent, Europe became dependent upon the supply from Palestine and the United States. Net imports rose from 6% of the estimated consumption in 1927-1931 to 26% in 1933-1937.

**NET IMPORTS OF CITROUS FRUIT BY CERTAIN EUROPEAN COUNTRIES,
IN METRIC TONS (000's)**

	1927	1930	1935	1937	1938
United Kingdom.....	468	588	630	663	580
Germany.....	269	424	299	154	146
France.....	132	227	292	263	221
Netherlands.....	44	74	74	87	84
Belgium.....	27	71	67	80	92
Switzerland.....	20	30	35	37	35
Sweden.....	14	29	37	42	46

Note. The figures for some of the countries shown exclude certain less important kinds of citrous fruit.

A similar tale is told by the sugar statistics. Within a comparatively short period, the trade in beet sugar between European countries was drastically reduced, as is evident from the following figures:

Table 35.
EUROPE'S TRADE IN SUGAR.
ANNUAL AVERAGES IN METRIC TONS (000's).

	Imports		Exports	
	1927-1931	1933-1937	1927-1931	1933-1937
1. Countries with a considerable exporting refining industry, based upon imported raw cane sugar:				
United Kingdom.....	1,919	2,127	145	346
France.....	412	379	148	251
Belgium-Luxemburg.....	72	100	17	109
Netherlands.....	203	126	57	60
Total, 4 countries.....	2,606	2,732	367	766
2. Countries with a considerable export of beet sugar:				
Czecho-Slovakia.....	1	—	562	206
Poland.....	6	—	279	87
Germany.....	59	14	161	5
Hungary.....	—	—	84	23
Total, 4 countries.....	65	14	1,086	321
3. Other countries.....	984	626	373	47
Total Europe.....	3,655	3,372	1,826	1,134
Europe's net imports.....	1,829	2,238		

While the first group of countries more than doubled their sugar exports, which consist chiefly of refined cane sugar, the chief beet sugar exporters (group 2) suffered a loss in their trade of 70%. With the decline in Europe's intra-trade in beet sugar, her total sugar imports fell off, but her net imports rose by 21%, or from 22 to 25% of the estimated sugar consumption. The continent thus became more dependent upon the supply of cane sugar from the outside world.

Diagram 13.

EXPORTS OF SUGAR. ANNUAL AVERAGES IN METRIC TONS (000's).

The countries in the *upper row* are Europe's chief refiners of imported cane sugar, and those in the *lower row* Europe's chief exporters of beet sugar.

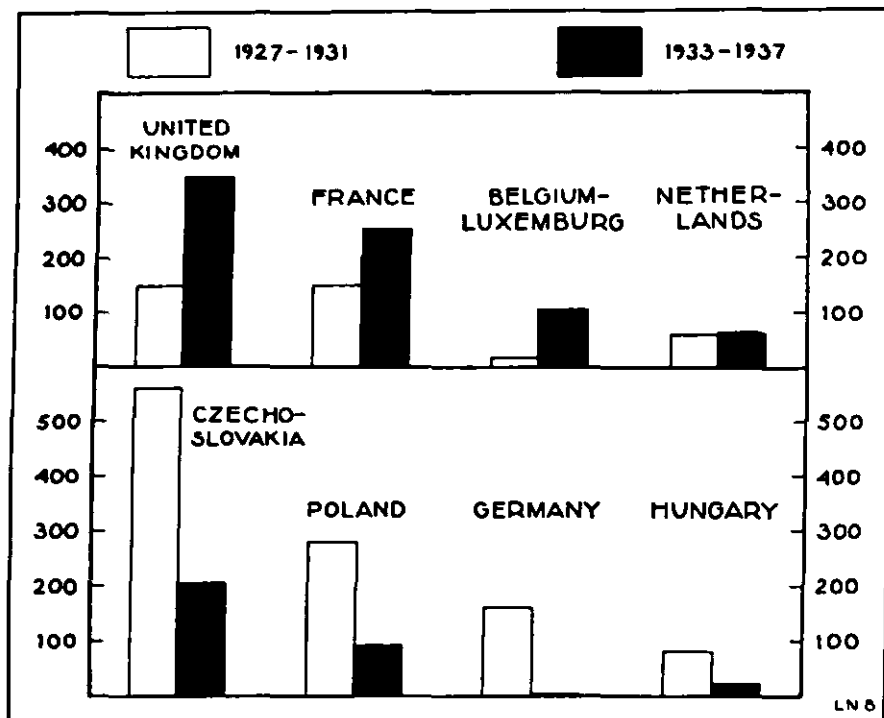
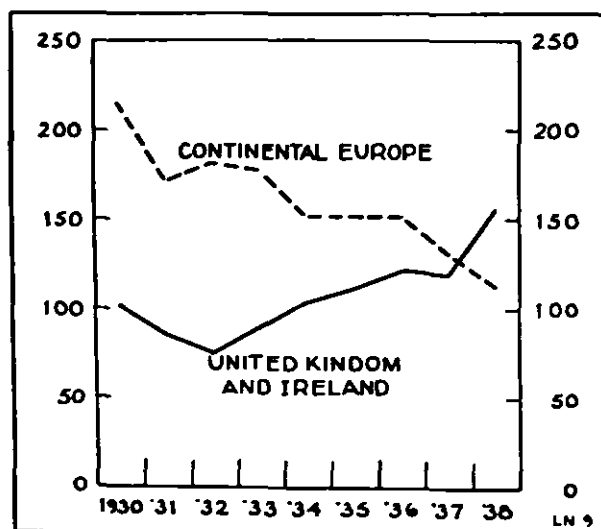


Diagram 14.

EUROPE'S NET IMPORTS OF RAW TOBACCO.

Note. The diagram shows import balances in metric tons (000's). The curve for the United Kingdom and Ireland is almost entirely determined by the net imports of the United Kingdom. In neither of these two countries is there a domestic production of tobacco of importance.



Coffee and tea have been subjected both to measures restricting the supply from exporting countries and to increased fiscal duties in the importing countries. Europe's net imports of coffee over the period just referred to rose by only 1% in quantity, and those of tea fell by 7%. Those of cocoa, on the other hand, increased by one-tenth. Of tobacco Europe's production corresponds to well over half the quantity consumed. A decline in the average annual net imports from 285,000 metric tons in 1927-1931 to 262,000 in 1933-1937 was largely offset by a rise in production. Consumption thus remained almost unchanged; but there was a marked displacement in favour of

the United Kingdom whose imports rose during the 'thirties while those of Continental Europe declined (Diagram 14). This change in relative consumption of tobacco, which is typical of many other commodities reflects, of course, on the one hand the successful recovery from the depression achieved in the United Kingdom, and the effect of armaments expenditure on the standard of living in certain other countries.

Import and export balances for a number of important oilseeds and fatty oils are given in Table 36. For her supply of vegetable fatty oils other than olive oil Europe almost wholly depends upon imports of oilseeds from other continents. She does not produce groundnuts, copra or palm kernels, and her share in the world production of linseed is only 8% and of cottonseed and soya beans 1%. India is the chief supplier of groundnuts, but considerable quantities are obtained from British and French possessions in Africa which are also the chief exporters

Table 36.
EUROPE'S NET IMPORTS AND EXPORTS IN 1935 OF CERTAIN OILSEEDS AND FATTY OILS.
Cf. General note given under Table 31.

Article	Net imports to (-) or net exports from (+):			Net imports from (-) and net exports to (+):				
	Total Europe	Of which:		British Dominions and India	European over-sea territories	Other countries outside Europe	Unspecified (recorded balance in intra-European trade)	
		10 industrial countries	Other countries					
	\$(000,-000's)	Metric tons (000's)						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
23. Groundnuts.....	- 98	-1,798	-1,693	- 105	- 674	- 780	- 305	- 39
24. Copra.....	- 44	- 764	- 558	- 206	- 60	- 545	- 77	- 82
25. Palm kernels.....	- 29	- 626	- 568	- 58	-	- 580	- 4	- 42
26. Soya beans.....	- 40	-1,202	- 932	- 270	- 2	-	- 861	- 339
27. Linseed.....	- 69	-1,496	-1,420	- 76	- 89	- 8	-1,371	- 28
28. Cottonseed.....	- 18	- 667	- 665	- 2	-	- 175	- 492	-
29. Oilseed cake and meal.....	- 49	-1,311	-1,283	- 28	- 312	- 86	-1,006	+ 93
30. Olive oil.....	+ 12	+ 37	- 42	+ 79	+ 3	- 42	+ 72	+ 4
31. Groundnut oil.....	+ 10	+ 77	+ 72	+ 5	+ 10	+ 35	+ 26	+ 6
32. Palm and palm-kernel oils.....	- 16	- 207	- 207	-	+ 3	- 235	+ 27	- 2
33. Coconut oil.....	-	- 7	- 20	+ 13	- 1	- 14	+ 3	+ 5
34. Soya bean oil.....	- 3	- 39	- 49	+ 10	+ 2	+ 10	- 45	- 6
35. Linseed Oil.....	+ 3	+ 36	+ 43	- 7	+ 10	+ 12	+ 16	- 2
36. Cottonseed oil.....	+ 4	+ 33	+ 33	-	+ 9	+ 1	+ 22	+ 1
37. Whale oil.....	- 32	- 486	- 419	- 67	- 4	- 76	- 73	- 333 ^a

^a The high import balance of intra-European trade in whale oil is due to the fact that large quantities brought by European ships directly from fishing grounds are recorded as imported from Europe but do not appear in the export statistics of any country.

of palm kernels. Copra is derived mainly from the Netherlands Indies. Other important oilseeds are obtained principally from countries not politically attached to Europe—soya beans, for instance, from Manchuria, linseed from the Argentine and cottonseed from Egypt.

The United Kingdom did not play the same outstanding part in Europe's imports of oils and oilseeds as in those of foodstuffs. While Germany's trade deficit in foodstuffs was only 27% of that of the United Kingdom in 1935, her deficit in the oils and oilseeds (including oilseed cake and meal) considered in Table 36, amounting to \$91 million, exceeded that of the United Kingdom by \$3 million. The combined deficit of the United Kingdom and Ireland was only a third of that of Continental Europe.¹

Europe's imports of oilseeds was maintained on a high level throughout the economic depression. Imports of certain oils increased—net imports of palm oil, the production of which was rapidly expanded in the Netherlands Indies, rose from an annual average of 164,000 tons in 1927-1931 to 251,000 tons in 1933-1937. The general tendency, however, was to expand oil production from imported seeds more rapidly than consumption. Thus, Europe changed from a net importer to a net exporter of cottonseed oil owing to the rapid increase in production in the United Kingdom, which absorbs the great bulk of the cottonseed that enters into international trade. Europe's net exports of groundnut oil rose from 24,000 tons annually in 1927-1931 to 78,000 tons in 1933-1937; the Netherlands and the United Kingdom, which had both imported such oil, became net exporters.

¹ Cf. Table 30.

Europe's production of olive oil, which is based upon domestic supplies of olives, tended to increase during the 'thirties; but exports could not be maintained in view of the heavy demand. Italy changed from a net exporter to a net importer during the early 'thirties; simultaneously Spanish exports fell off rapidly and the net imports of several other European countries rose. Europe's net exports fell from an average of 72,900 metric tons in 1927-1931 to 23,300 tons in 1933-1937, or from 9 to 3% of her production, while those of Africa rose from 33,500 to 40,000 tons.

Import and export balances for the chief fertilisers entering into trade are shown in Table 37. Of Europe's total net imports of these products, \$39 million by value, natural phosphates (which constitute a raw material for the production of superphosphate) accounted for \$36 million. Europe depends almost wholly upon the supply of raw phosphates from other continents. In the case of nitrogenous fertilisers, on the other hand, Europe's own production has become increasingly important, and imported Chile-salpeter (grouped with certain other nitrates in art. 69 in the table) covered only a small portion of total consumption during the 'thirties. The production of sulphate of ammonia for export to other continents suffered a setback, however, during the 'thirties owing to the rapid rise in production in the Far East (Japan, Korea, Manchuria). For her consumption of potassium salts used as fertilisers Europe does not depend upon outside supplies and exports on balance to other continents. But the virtual monopoly she once had is rapidly disappearing with the development of production elsewhere, particularly in the United States and the U.S.S.R.

Table 37.

EUROPE'S NET IMPORTS AND EXPORTS IN 1935 OF CERTAIN FERTILISERS, INCLUDING NATURAL PHOSPHATES.

Cf. General note given under Table 31.

Article	Net imports to (-) or net exports from (+):				Net imports from (-) and net exports to (+):			
	Total Europe	Of which:		British Dominions and India	European overseas territories	Other countries outside Europe	Unspecified (recorded balance in intra-European trade)	
		10 industrial countries	Other countries					
	\$(000,000's)	Metric tons (000's)						
69. Nitrates of sodium, calcium, ammonium	- 15	- 303	- 257	- 46	+ 5	+ 8	- 273	- 43
70. Sulphate of ammonia	+ 11	+ 586	+1,063	- 477	+ 94	+ 124	+ 358	+ 10
71. Natural phosphates	- 36	-4,571	-3,368	-1,203	+ 6	-2,948	-1,459	- 170
72. Basic slag	- 3	+ 68	+ 159	- 91	+ 28	+ 2	- 29	+ 67
73. Superphosphates	+ 1	+ 201	+ 361	- 160	+ 12	+ 20	+ 379	- 210
74. Potash fertilisers	+ 2	+ 38	- 81	+ 119	+ 38	+ 16	+ 519	- 535

The use of fertilisers has contributed largely to the rapid increase during the last two generations in the unit yields of cereals and other crops in western and northern Europe. As was found in a preceding section (*cf.* Table 25), unit yields of wheat are some 2-3 times greater there than in south-eastern Europe, where the use of fertilisers is very limited. The figures in Table 38 show that seven agricultural countries in south-eastern Europe, with almost

a quarter of Europe's cultivated area, while importing no superphosphates accounted for less than 2% of its production of them. They had no production worth mentioning, and hardly any imports, of other fertilisers. Further, as the number of cattle per unit of area was much smaller in these countries than in other parts of Europe, their supply of natural manures was also scanty.

Table 38.

EUROPEAN COUNTRIES, 1935: ARABLE LAND, PRODUCTION OF, AND TRADE IN, CERTAIN FERTILISERS.

Countries or groups	Arable land in ha (000,000's)	Production in metric tons (000's)						Net imports (-) or exports (+) in metric tons (000's)					
		Natural phosphates	Super-phosphates	Basic slag	Sulphate of ammonia	Nitrates of sodium and calcium	Potash in terms of K ₂ O	Natural phosphates	Super-phosphates	Basic slag	Sulphate of ammonia	Nitrates of sodium, calcium, ammonium	Potash fertilisers
United Kingdom.....	5.3	—	469	276	455	—	—	- 390	- 8	+ 20	+ 258	- 13	- 191
Germany.....	19.4	—	711	2,025	. ^d	. ^d	1,599	- 741	- 26	- 592	+ 437	+ 70	+1,084
8 other industrial countries of Continental Europe ^a	48.3	76	3,392	2,151	879	209	370	-2,237	+ 395	+ 731	+ 368	- 314	- 974
Scandinavian and Baltic States (excluding Sweden) ^b	11.9	12	538	—	—	356	—	- 314	- 154	- 48	- 44	+ 162	- 172
Ireland.....	1.5	—	105	—	—	—	—	- 65	- 15	- 8	- 26	- 1	- 32
Spain and Portugal.....	17.5	20	1,349	—	17	—	121	- 712	- 13	- 23	- 448	- 240	+ 241
Poland.....	18.6	12	71	—	61	41	73	- 50	+ 21	- 12	+ 52	+ 13	+ 83
7 countries of south-eastern Europe ^c	40.0	—	108	—	—	—	—	- 62	+ 1	—	- 10	+ 20	- 1
Total Europe.....	162.5	120	6,743	4,452	.	.	2,163	-4,571	+ 201	+ 68	+ 586	- 303	+ 38

^a Austria, Belgium-Luxemburg, Czecho-Slovakia, France, Italy, Netherlands, Sweden, Switzerland.

^b Denmark, Estonia, Finland, Latvia, Lithuania, Norway.

^c Albania, Bulgaria, Greece, Hungary, Roumania, Turkey, Yugoslavia.

^d German production (in thousands of metric tons) of sulphate of ammonia amounted to 2,260 in 1929 and 965 in 1932, and of nitrates of sodium and calcium to 230 in 1929. Figures for more recent years are not available.

In Poland too, where the soil is relatively poor, fertilisers have not been much used and as the table shows, a substantial share of the production of superphosphates, sulphate of ammonia, nitrates and potash fertilisers was exported.

Industrial Raw Materials, etc.

Europe's gross imports in 1935 of "Materials, raw and partly manufactured," including certain products (tobacco, oil-seeds, fertilisers, etc.) considered above, amounted to \$5,180 million, and her net imports of these materials to \$2,870 million (Table 39). The United Kingdom accounted for less than a third of these net imports, as against five-sixths of the net imports of foodstuffs and live animals. Germany's share was one-fourth and that of other industrial countries 41%.

Raw materials obviously cannot be substituted for each other to the same extent as foodstuffs, and for conclusions concerning the dependence upon foreign supplies, figures concerning the total trade in raw materials are not very illuminating. Trade balances for the raw materials considered in Annex IV (which represent about three-fourths of Europe's trade in such materials) are summarised in Table 40. It will be seen that Europe had a considerable export surplus of wood-pulp and a smaller surplus of raw iron, and that the chief import balances occurred in raw textiles, mineral oils, wood, and base metals and ores. The United Kingdom and Ireland, taken together, had an export surplus of coal and coke and Continental Europe an excess of imports, while the reverse is true, for example, of wood-pulp and raw iron.

Six raw textiles accounted for a net import of \$1 milliard in 1935 or over a third of Europe's total net imports of raw materials; cotton and wool amounted to \$551 and

Table 39.
EUROPE'S TRADE IN MATERIALS, RAW AND PARTLY MANUFACTURED, 1935.
IN \$ (000,000's).

	United Kingdom	Ireland	Continental Europe				Total Europe (excluding U.S.S.R.)
			Germany	8 other industrial countries	Other countries	Total	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Imports:							
46 products specified in Annex IV ^a	1,066	30	722	1,695	511	2,928	4,024
Other products.....	228	10	308	481	129	918	1,156
Total	1,294	40	1,030	2,176	640	3,846	5,180
Exports:							
46 products specified in Annex IV ^a	254	5	218	613	450	1,281	1,540
Other products.....	138	2	94	373	163	630	770
Total	392	7	312	986	613	1,911	2,310

^a Nos. 22-29, 37-46 and 48-75. The figures in columns 1 and 7 are lower than the totals which may be calculated from Annex IV, as re-exports from the United Kingdom (\$112 million) have been deducted (*cf.* the Introductory note to Annex IV).

Table 40.
ACTIVE (+) OR PASSIVE (-) TRADE BALANCES IN 1935 FOR MATERIALS RAW OR PARTLY MANUFACTURED.
IN \$ (000,000's).

Products	United Kingdom	Ireland	Continental Europe				Total Europe (excluding U.S.S.R.)
			Germany	8 other industrial countries	Other countries	Total	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Various products considered in Table 30 (tobacco, No. 22; 6 oilseeds and oilcake, etc., Nos. 23-29; whale oil, No. 37; and fertilisers, Nos. 69-74)....	- 157	- 7	- 116	- 241	- 25	- 382	- 546
Cattle hides, raw (nos. 38, 39).....	- 15	+ 1	- 26	- 14	- 20	- 60	- 74
Six raw textiles (nos. 40-46).....	- 318	+ 2	- 215	- 366	- 105	- 686	-1,002
Rubber, raw (no. 48).....	- 35	-	- 17	- 32	- 7	- 56	- 91
Wood (nos. 49, 50).....	- 168	- 5	- 83	- 26	+ 79	- 30	- 203
Wood-pulp (nos. 51, 52).....	- 45	-	+ 4	+ 37	+ 47	+ 88	+ 43
Coal and coke (nos. 53, 54).....	+ 167	- 12	+ 109	- 264	- 45	- 200	- 45
Petroleum, crude, petrol, gas and fuel oils (nos. 55-57)	- 126	- 4	- 48	- 158	+ 23	- 183	- 313
Four ores (nos. 58-60, 66).....	- 52	-	- 59	+ 7	+ 6	- 46	- 98
Iron, raw (nos. 61-63).....	- 7	-	+ 1	+ 33	- 15	+ 19	+ 12
Copper, lead, tin, zinc, unworked (nos. 64, 65, 67, 68)	- 54	-	- 53	- 61	+ 3	- 111	- 165
Sulphur (no. 75).....	- 2	-	- 1	+ 3	- 3	- 1	- 3
Materials not specified in Annex IV.....	- 90	- 8	- 214	- 108	+ 35	- 287	- 385
Total materials raw or partly manufactured...	- 902	- 33	- 718	-1,190	- 27	-1,935	-2,870

\$318 million respectively (Table 41). There is a growing cotton production in south-eastern Europe (chiefly Turkey), but it represented less than 1½% of Europe's consumption in 1927-1931 and less than 4% in 1933-1937. This "consumption" includes cotton absorbed in the production of piece goods subsequently exported to other continents. Such exports fell rapidly during the 'twenties and early 'thirties with the increased production in the importing countries and intensified competition from Japan. Most adversely affected were Europe's export of simple qualities sold at prices allowing for a very low margin above the cost of raw cotton.¹ As the average quality of Europe's exports of cotton piece goods thus rose, the share of raw cotton in the price declined. Europe's production of wool amounted to about a quarter of her consumption during both the periods considered above. Her production of raw silk, chiefly Italian, suffered a set-back during the 'thirties on account of competition from the rayon industry, which more than doubled its output during the ten years ending 1937. Imports of raw silk also declined, though not to the same extent as production, and the share of imports in Europe's consumption (estimated on the basis of the unrefined figures available) rose from 42% in 1927-1931 to 48% in 1933-1937. A fluctuating share of Europe's consumption of flax is derived from the U.S.S.R., which is the only non-European flax producer of importance. Of ordinary hemp, which is grown in Italy and eastern Europe, Europe produces more than she consumes, and is the chief supplier to most non-European markets, as the big production in the U.S.S.R. is almost wholly absorbed by that country. On the other hand, Europe imports considerable amounts of hard hemp (particularly Manila hemp).²

Table 41.

EUROPE'S NET IMPORTS AND EXPORTS IN 1935 OF CERTAIN ANIMAL AND VEGETABLE PRODUCTS.

Cf. General note given under Table 31.

Article	Net imports to (-) or net exports from (+):				Net imports from (-) and net exports to (+):			
	Total Europe	Of which		British Dominion and India	European overseas territories	Other countries outside Europe	Unspecified (recorded balance in intra-European trade)	
		10 industrial countries	Other countries					
	\$ (000,000's)	Metric tons (000's)						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
38-39. Cattle hides, raw	- 74	- 270	- 215	- 55	- 49	- 34	- 186	- 1
40-41. Wool	- 318	- 750	- 720	- 30	- 637	- 8	- 177	+ 72
42. Silk, raw	- 22	- 8	- 5	- 3	-	-	- 5	- 3
43. Flax	- 21	- 65	- 103	+ 38	-	-	- 71	+ 6
44. Hemp	- 37	- 185	- 193	+ 8	- 21	- 96	- 65	- 3
45. Jute	- 53	- 633	- 535	- 98	- 636	- 7	- 3	+ 13
46. Cotton	- 551	- 1,761	- 1,496	- 265	- 260	- 100	- 1,473	+ 72
47. Yarns of artificial fibres ..	+ 8	+ 12	+ 29	- 17	+ 5	+ 1	+ 14	- 8
48. Rubber, raw	- 91	- 319	- 294	- 25	- 17	- 336	+ 18	+ 16
49-50. Wood	- 203	- 10,813	- 23,100	+ 12,287	- 1,473	- 132	- 11,201	+ 1,993
51-52. Wood-pulp	+ 43	+ 1,542	- 58	+ 1,600	+ 50	- 1	+ 1,539	- 46

¹ Cf. *Review of World Trade, 1937*, page 65. The reduction between 1929 and 1937 in the quantity of cotton piece goods exported by the United Kingdom was 69% for grey, unbleached qualities, 56% for white, bleached, 31% for piece goods dyed in the piece, 14% for printed piece goods and 11% for "coloured cottons."

² Table 41, as well as Annex IV, includes hard hemp under "hemp."

The importance of cotton as Europe's most considerable import article is further increased by the fact that only about a fifth of the quantity imported was obtained from territories politically attached to Europe (Table 41). It is true that India is the world's biggest cotton producer after the United States, but Indian cotton, which is of the short staple variety, is grown chiefly for domestic consumption and for sale to other Asiatic markets. The great bulk of Europe's purchases of cotton was derived from the United States, Egypt and certain Latin American countries, particularly Brazil, whose production increased rapidly during the 'thirties and encroached upon the United States share in the supply.

The situation is widely different in the case of wool. About five-sixths of Europe's net imports of wool were usually derived from three British Dominions—Australia, New Zealand and the Union of South Africa—the remainder being obtained chiefly from Latin America (the Argentine and Uruguay).

For her surplus requirements of raw silk Europe depends upon the Far East (Japan and China); and India is the only important supplier of jute.

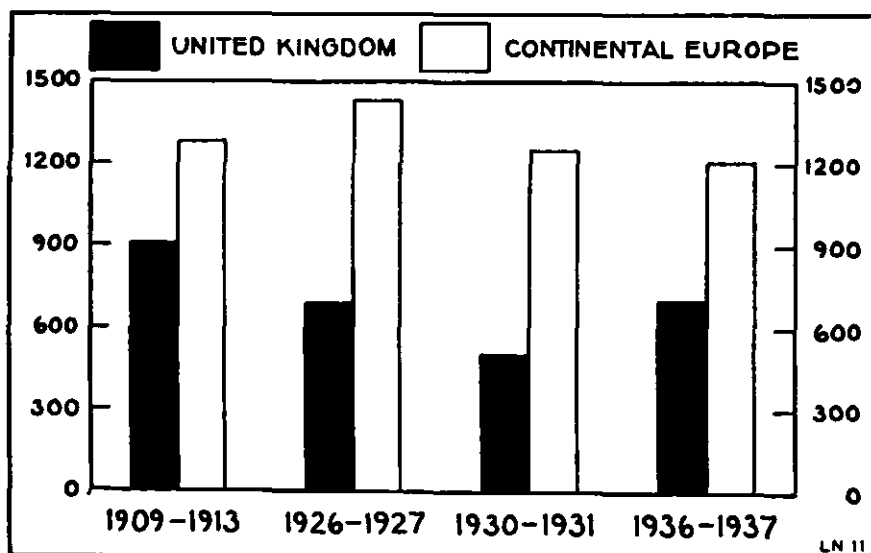
As the textile industry is usually among the first to be founded by countries undergoing a process of industrialisation, even the states which are not included in Europe's industrial section, as defined in this volume, are considerable importers of textile fibres. They absorbed over one-fifth by weight of Europe's imports of cotton (see Table 41). Their share in wool imports is much lower (4%), as their wool industry is based upon their home clip to a much greater extent than that of the industrial countries. In recent years only four European countries have been net exporters of wool (Albania, Iceland, Ireland and Turkey). Of flax there is usually a net export from Europe's agricultural to its industrial section, but the chief trade is carried on between industrial countries, a large proportion of the French and Netherlands production of raw flax being imported by Belgium for processing and further manufacture.

If annual fluctuations are disregarded, Europe's imports of the two chief fibres—cotton and wool—did not change considerably during the fifteen years preceding the present war. Cotton imports were almost unchanged—a fact which, considering the heavy decline in Europe's exports of cotton piece goods, suggests that consumption for the continent's domestic purposes increased. Wool imports fell off by a few per cent, but this is accounted for chiefly by the fact that relatively more scoured wool was imported (scouring reduces the weight of wool by about half).

The distribution of imports by country, however, has undergone radical changes. The United Kingdom's net imports of cotton, which in 1909-1913 had represented 71%, and in 1926-1927, 48% of those of Continental Europe, fell to 40% in 1930-1931. This drop was due to increased foreign competition in the market—both domestic and foreign—in which she sold her cotton manufactures. Her share, however, rose subsequently to 58% in 1936-

Diagram 15.

EUROPE'S NET IMPORTS OF RAW COTTON.
Annual averages in metric tons (000's)



1937 as a result of the protection afforded on the home market by the tariff of 1931 and the stimulus afforded to exports by the depreciation of sterling (Diagram 15). The annual movement since 1927, as illustrated in Diagram 16, shows that this increase did not take place at the expense of the agricultural or minor industrial countries of Continental Europe (their imports rose substantially after the depression years), but was offset by smaller imports of raw cotton into Germany, France and Italy. The French textile industry in particular suffered from trade restrictions imposed in its chief export markets in 1931 and 1932 and found but a meager compensation in expanded sales to the French oversea territories. Germany and Italy reduced their cotton imports a few years later when they reorganised their production and trade (partly for political reasons) and extended the use of staple fibre, their production of which rose from 9,000 tons in 1933 to 166,000 tons in 1937. A similar, though even more marked, change took place in the distribution of wool import during the 'thirties (Diagram 18): United Kingdom imports, particularly of scoured wool, increased, while that of Germany and France fell off. During the late 'twenties France, Germany and Italy imported together more than twice as much wool as the United Kingdom and 50% more cotton; ten years later their aggregate imports only just equaled those of the United Kingdom.

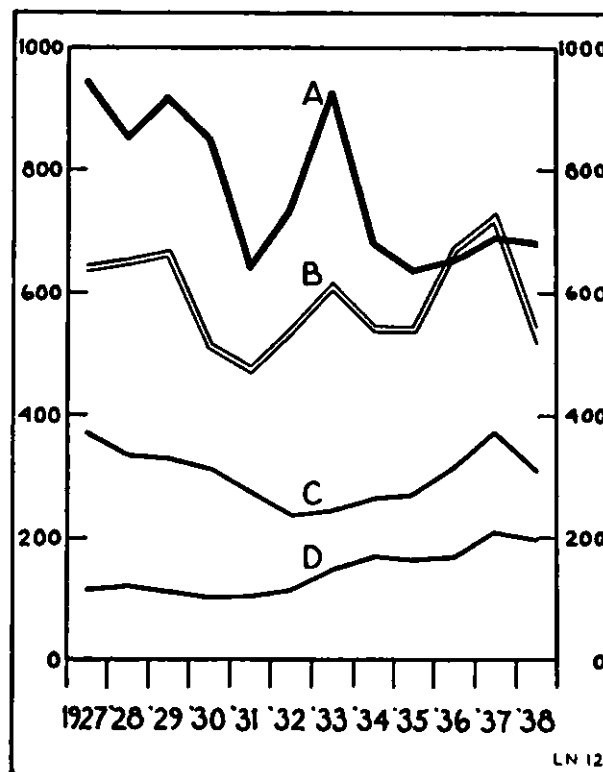
With the extended use of motor-cars Europe has become increasingly dependent upon the supply of rubber from other continents—chiefly Asia, as the British Malaya and the Netherlands Indies account for nine-tenths of the world's supply. Imports of rubber fell off temporarily during the depression years 1931 and 1932, but average imports during 1936-1938 exceeded those of 1927-1929 by 75%. In the late 'thirties, however, certain countries imported largely for stock. Thus in 1936-1938 Germany imported more rubber than any other European country (27% of the total for the continent), though she had less motor vehicles than the United Kingdom or France and moreover imposed a duty on rubber and was developing the production of synthetic rubber. During these three years (1936-1938) the United Kingdom accounted for 23% of Europe's imports, France for 20%, Italy for 7% and other countries for 23%. In the aggregate Europe retained for domestic consumption about two-thirds of the amount imported by the United States.

In recent prewar years international trade in wood, measured by value, has exceeded that in other vegetable raw materials and semi-manufactures except cotton. Europe accounted for as much as 78% of world imports of wood in 1937; and Europe together with the U.S.S.R. formed an almost self-

Diagram 16.

EUROPE'S NET IMPORTS OF RAW COTTON.
Annual movement in metric tons (000's)

- A: Germany, France and Italy
- B: United Kingdom
- C: Six other European industrial countries (Austria, Belgium-Luxemburg, Czecho-Slovakia, the Netherlands, Sweden, Switzerland)
- D: Other European (chiefly agricultural countries, except Spain).



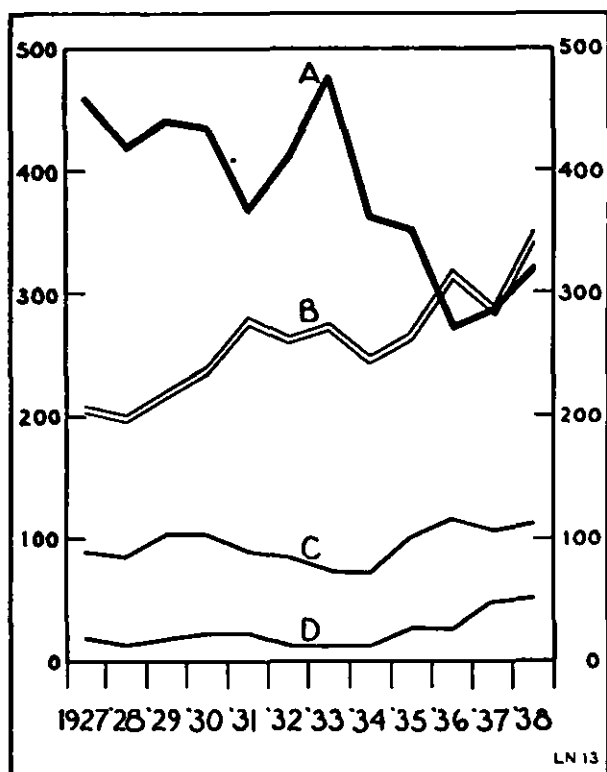
Note. Spain is excluded from the group represented by curve D, as figures for her imports, which did not vary considerably during the period 1927-1935, are not available for later years.

Diagram 17.

EUROPE'S NET IMPORTS OF WOOL (IN TERMS OF GREASY WOOL).

Annual movement in metric tons (000's)

- A: Germany, France and Italy
 B: United Kingdom
 C: Six other European industrial countries (Austria, Belgium-Luxemburg, Czecho-Slovakia, the Netherlands, Sweden, Switzerland)
 D: Other European (chiefly agricultural) countries, except Spain.



Note. Concerning the exclusion of Spain from group D, see note to Diagram 16.—The quantities considered refer to greasy wool. Whenever possible, quantities of scoured wool have been converted into equivalents for greasy wool on the assumption that scouring reduces the weight by 50%. In the case of France and certain countries of relatively small importance, however, only figures for the total trade in wool were available and it had to be assumed that all the wool was greasy.

consumption of paper and new uses found for pulp, particularly in the rayon and staple fibre industries. Between 1929 and 1937 the quantity of pulp entering into world trade rose by not far from half and its value from 0.7 to 1.1% of world exports. During the 'thirties, Europe furnished five-sixths of the quantities entering into trade and had an excess of exports, particularly to the United States, which absorbed nearly a third of world exports or roughly the same quantity as the United Kingdom. Other net importers were France, Belgium and the Netherlands. All the chief importing countries tended to increase their purchases during the 'thirties. Germany, Austria and Czecho-Slovakia were net exporters, but their sales were small in comparison with those of three northern states rich in forests—Sweden, Finland and Norway, which together accounted for nine-tenths of Europe's exports.

sufficing unit.¹ Trade in tropical woods, and also in other hard woods, is comparatively small; trade in soft woods represented as much as 92% (by value) of Europe's wood imports in 1937. In the same year, 73.5% of Europe's imports of wood represented sawn goods, 8% pulp wood, 4.5% pit props, 7.5% saw logs and 6.5% other categories of wood. The chief suppliers besides the U.S.S.R., which during the 'thirties furnished about a quarter of Europe's requirements of imported wood, are the Scandinavian and Baltic countries, Poland, Czecho-Slovakia, Roumania and Yugoslavia. The flow of the timber trade was from the north-east to the south-west. The United Kingdom was the chief importer, and the trend of the purchases, as compared with those of Continental Europe, was similar to that revealed above in the case of a number of other important primary products.² In 1928, imports of sawn timber into the United Kingdom were less than half of the gross imports of other European countries taken together, but later their quantity rose to a higher level than during the 'twenties and came to surpass the declining imports of the rest of Europe (Diagram 18). The biggest reductions are recorded for France and Italy, but in Germany, Belgium and the Netherlands imports also fell much below the level of the 'twenties. Germany, whose domestic requirements from the middle of the 'thirties were very high, made up for the reduction in imports by drawing more heavily upon her domestic resources of timber.

The importance of international trade in pulp increased considerably with the growing

¹ The chief statistical data concerning wood here given, as well as those employed for Diagram 18, are derived from the *Year-Book of World Timber Trade*, published by the Comité International du Bois.

² e.g., wheat (page 61), tobacco (Diagram 14), cotton (Diagram 16), wool (Diagram 17).

Figures for the net exports in 1935 of a number of mineral products are shown in Table 42. In several of these products there is a considerable trade within Europe, and in some cases, the transport costs included in the import values rendered Europe's recorded balance of trade in the articles considered passive though by quantity there was an excess of exports to other continents.

Of Europe's gross exports of coal in 1935, 86 million metric tons,¹ 85% were disposed of within the continent. Like several other mineral products, coal is produced and exported chiefly by industrial countries: such countries accounted for 89% of Europe's coal exports during the year, and though the bulk of the trade was between industrial countries, there was a net export from the industrial, and a net import into the agricultural section

Diagram 18.
EUROPE'S IMPORTS OF SAWN TIMBER.
In million standards

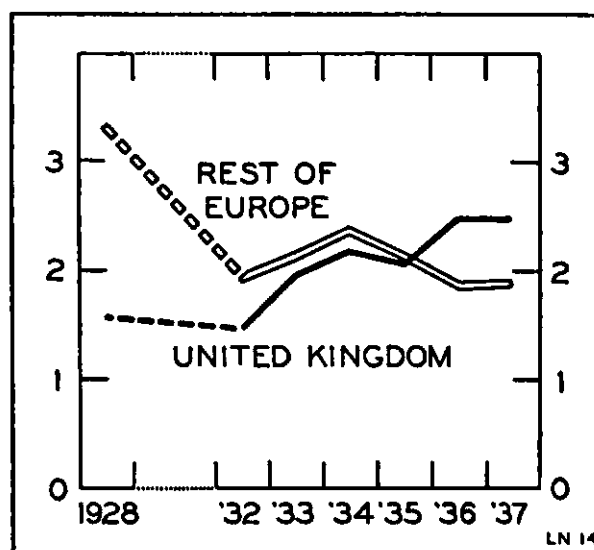


Table 42.

EUROPE'S NET IMPORTS AND EXPORTS IN 1935 OF CERTAIN MINERAL PRODUCTS.

Cf. General note given under Table 31.

Article	Net imports to (-) or exports from (+):				Net imports from (-) or net exports to (+):			
	Total Europe	Of which		Other countries	British Dominion and India	European overseas territories	Other countries outside Europe	Unspecified (recorded balance in intra-European trade)
		10 industrial countries						
	\$(000,000's)	Metric tons (000's)						
53. Coal	- 38	+ 15,581	+ 19,669	- 4,088	+ 1,915	+ 2,707	+ 6,973	+ 3,986
54. Coke	- 7	+ 846	+ 3,175	- 2,329	+ 19	+ 28	+ 434	+ 365
55. Petroleum: crude	- 103	- 9,191	- 9,165	- 26	- 21	- 486	- 8,308	- 376
56. Petrol	- 152	- 6,418	- 7,235	+ 817	-	- 2,434	- 3,951	- 33
57. Gas and fuel oil	- 58	- 4,575	- 6,468	+ 1,893	- 1	- 1,952	- 3,190	+ 568
58. Bauxite	- 2	+ 54	+ 312	+ 366	-	- 6	+ 26	+ 34
59. Iron ore	- 32	- 2,513	- 5,106	+ 2,593	+ 12	- 2,975	- 11	+ 461
60. Manganese ore	- 16	- 1,537	- 1,408	- 129	- 502	- 425	- 536	- 74
61. Pig iron	- 0.2	+ 44	+ 222	- 178	- 61	+ 10	+ 38	+ 57
62. Iron and steel: ingots, blooms, etc.	+ 29	+ 833	+ 1,018	- 185	- 13	+ 108	+ 300	+ 438
63. Iron and steel scrap	- 17	- 930	- 435	- 495	- 7	- 44	- 743	- 136
64. Copper, unworked (including refined)	- 121	- 810	- 815	+ 5	- 161	- 271	- 364	- 14
65. Lead, unworked	- 32	- 471	- 497	+ 26	- 319	- 25	- 103	- 24
66. Tin ore	- 48	- 73	- 75	+ 2	- 1	- 31	- 43	+ 2
67. Tin, unworked	- 1	+ 1	+ 7	- 6	- 1	- 26	+ 26	+ 2
68. Zinc, unworked	- 11	- 125	- 207	+ 82	- 108	- 23	+ 8	- 2
75. Sulphur	- 3	- 151	- 51	- 100	+ 64	+ 21	- 183	- 53

¹ The figures do not include bunker coal sold to domestic or foreign ships. United Kingdom sales of bunker coal alone amounted to 12.7 million metric tons in 1935.

of Europe. Continental Europe normally depends to a certain extent upon the coal supply from the United Kingdom. In 1935 there was a net import of coal into Continental Europe of 21.4 million tons, or about 7% of the estimated consumption. Coal deposits have indeed been one of the chief factors determining the location of industry during the last century. Its importance in this respect has probably been reduced by improved transport facilities and the growing use of electric power, which has facilitated industrialisation of younger countries, particularly those with resources of hydraulic power. In Europe's production of electricity during the 'thirties, termo-electric energy accounted for about three-fifths and hydro-electric energy for two-fifths. In the course of the 'twenties and 'thirties, Europe's production of electric energy trebled; the average rate of increase was greater, however, for termo-electric than for hydro-electric energy, owing in part to the rapid improvement in the technique of generating the former.¹

Europe's production of coal fell by 4% between the boom years 1929 and 1937, but the aggregate coal exports from the continent's exporting countries (including the United Kingdom) declined by as much as 12%. The difference between these two percentages cannot be accounted for by reduced purchases by those coal importing countries in which the generation of hydro-electric power made most progress—in fact, in several of these countries, for instance Finland, France, Sweden and Switzerland, coal imports were maintained or increased—but rather to the general tendency during the 'thirties to suppress the mutual exchange between countries of goods that could be supplied in sufficient quantities from domestic production. The chief reductions in coal imports are in fact recorded by Germany, Belgium and the Netherlands which were net exporters of coal. There occurred, however, over the period in question a considerable deterioration in the competitive power of the United Kingdom in the coal market: her exports fell off by a third, from 61 million metric tons in 1929 to 41 million in 1937. The United Kingdom accounts, in fact, for the whole decline in Europe's coal exports between these two years.

The trade figures for mineral oils in Annex IV and Table 42 refer only to crude petroleum, petrol and gas and fuel oil. Europe's aggregate net imports of these oils exceeded 20 million tons in 1935; other mineral oils, such as kerosene and lubricating oils, accounted for a further net import of 2-3 million tons. Europe's production of crude petroleum and shale oil in the same year did not reach 10 million tons, or 4½% of world production; moreover, it declined during the late 'thirties with the fall in Roumania's production, though increased quantities were obtained by certain minor producers (Albania, Austria, Germany, Hungary). Even up to 1936 when Europe's production of mineral oils increased, her dependence upon foreign supplies grew with the steady and rapid rise in consumption. Between 1927 and 1937 the industrial countries, which account for almost the whole of Europe's net imports of mineral oils, almost trebled their aggregate imports of the three varieties considered in Table 42. An outstanding factor illustrated in Diagram 19 is the change in the proportion between raw petroleum and petrol imported. During the late 'twenties imports of petrol tended to rise at the expense of raw petroleum, but thereafter this tendency was reversed: several countries shifted over to raw petroleum for refining at home, thereby avoiding part of the currency outlay involved in importing refined oils and at the same time obtaining the various by-products of the refinement industry. The most outstanding example is France who began to import large quantities of raw petroleum in the middle of the 'thirties when the new Iraq production entered the market. Simultaneously her imports of petrol, fuel oils, kerosene and lubricating oils fell off heavily. Part of the refined petroleum products were exported. The United Kingdom increased her imports of raw petroleum after 1931, but—unlike other European countries—not at as rapid a rate as her imports of petrol. The smallness of Germany's imports of mineral oils is explained partly by her increased domestic production not only of raw petroleum

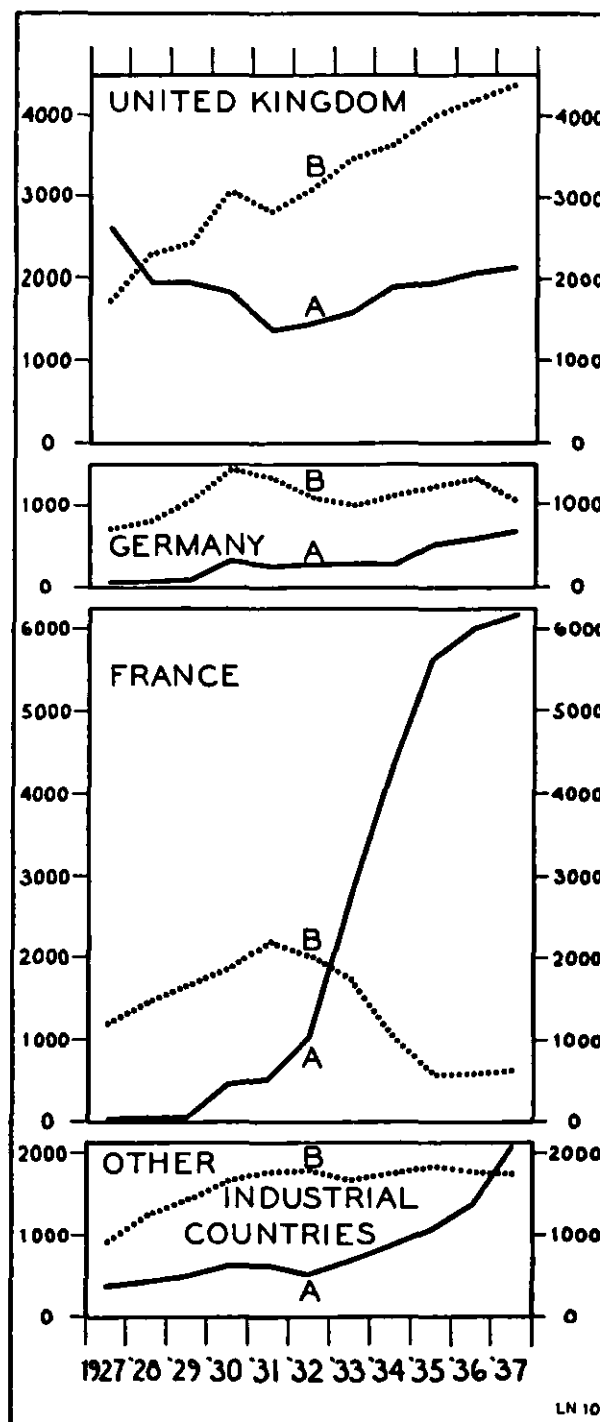
¹ The following figures, though referring to the United States, are characteristic of this improvement: the consumption of coal (and coal equivalent of other fuel) in the United States per Kwh was 3.39 lbs. in 1920, 2.4 lbs. in 1923, 1.09 lbs. in 1929, 1.43 lbs. in 1937 and 1.41 lbs. in 1938 (*Statistical Abstract of the United States*, 1939, p. 378).

(which rose from 101,000 tons in 1929 to 647,000 in 1939) but also of synthetic petroleum obtained from coal and of benzol and alcohol used as motor spirits.

For her supply of iron and iron ore, Europe is not dependent to any considerable extent upon other continents. It is true that during 1935 (the year considered in Table 42) her imports of iron ore exceeded her exports by 2.5 million metric tons; but these net imports, derived chiefly from Europe's possessions in North Africa, represented only about a twentieth of consumption. Net imports of iron scrap amounted to less than one million tons. Of pig iron and raw steel, on the other hand, there was a net export—very small, however, in relation to the quantity produced. By quantity and value, Europe's exports of semi-manufactured iron and steel not included in Table 42—bars, girders, plates and wire—were much bigger. Continental Europe recorded a net export of iron ore of 2.1 million tons in 1935 (6-7% of her production) and of raw steel of 1.1 million tons (3% of production) but a net import of scrap amounting to 0.7 million tons; of pig iron there was also a small net import (10,000 tons) not reaching 0.1% of production. The trade within Europe of all the products mentioned was large and of fundamental importance to the participating countries. Iron production is usually most economically located near to coal mines; Europe's chief coal producing countries are therefore also big producers of raw iron, and iron ore is exported from countries rich in ore to countries rich in coal. Thus, the German and Belgian, and to a lesser extent the British, iron production was highly dependent upon the supply of French, Scandinavian, Spanish and North-African ore; the French iron industry, on the other hand, normally absorbs only part of the iron ore produced in France. To a considerable and indeed growing extent, Europe's production of iron and steel is based upon the supply of scrap, and several European countries poor in iron ore and coal have begun to produce iron and steel largely from domestic or imported scrap. Production in these countries is very small, however, and there were few signs of a change in the location of Europe's iron and steel industry. On the other hand production has increased in several countries outside Europe, particularly the U.S.S.R. but

Diagram 19.

EUROPE'S INDUSTRIAL COUNTRIES: IMPORTS OF
RAW PETROLEUM AND PETROL.
In metric tons (000's)
A: Raw Petroleum; B: Petrol.



Note. The last group of countries shown ("Other industrial countries") comprises Austria, Belgium-Luxemburg, Czecho-Slovakia, Italy, Netherlands, Sweden and Switzerland.

also for example India, Australia, Japan and Manchuria. Between 1929 and 1937, production of iron ore and pig iron fell off in Europe by 13 and 4% respectively, but rose elsewhere by 28 and 13%; and production of raw steel rose in Europe by 4% as against 18% in other continents. As production has increased particularly in countries which were importers of iron, and as further the United States has competed successfully with Europe in the export markets for iron, Europe's net exports of iron and steel have tended to decline. The following figures, showing the rapid decline since 1929 in the share of exports to steel output in three leading European countries, are representative of this tendency:

PERCENTAGE OF EXPORTS TO STEEL OUTPUT.¹

	1913	1929	1935	1937	1939
United Kingdom	64.8	45.3	24.1	19.8	12.9
Germany	35.7	35.7	19.3	18.8	7.4
France	12.5	43.9	41.3	29.2	16.7

Europe's trade in bauxite is of particular interest in view of the rapid growth in the consumption of aluminum. During 1935 there was (by quantity) a small excess of exports of bauxite, representing less than 5% of Europe's production. Though that production doubled during the following four or five years, it did not keep pace with Europe's production of virgin aluminum, and certain European countries became increasingly dependent upon imports of bauxite from other continents. Economic factors tend to locate production of aluminum where there is an abundant supply of hydro-electric power, and countries such as Norway, Switzerland and Canada are accordingly big producers and exporters of aluminum, though they have to import bauxite and other minerals used in its production. Germany normally produced more aluminum than she consumed, but for her production she has been largely dependent upon an increasing import of bauxite. France exported both bauxite and aluminum during the 'thirties; the United Kingdom, on the other hand, lacking domestic supplies of bauxite and with an aluminum production meeting only a minor share of the domestic consumption, imports both the ore and the metal.

In the case of most other ores and metals, Europe depends to a great extent upon supplies from other continents. Of manganese ore, important particularly in production of war material, the great bulk of Europe's consumption is normally met by imports from the U.S.S.R., India, the Union of South Africa and the Gold Coast; in several industrial countries of Europe, for instance, the United Kingdom, France, Belgium and the Netherlands, there is no production of such ore. Europe's net imports of copper in 1935 amounted to about four-fifths

CONTINENTAL EUROPE: PRODUCTION OF COPPER, LEAD AND ZINC AND OF THE CORRESPONDING ORES.

	Metric tons (000's)								
	Copper			Lead			Zinc		
	1929	1935	1938	1929	1935	1938	1929	1935	1938
(i) Primary production of metal . . .	127	211	245	424	375	445	637	549	693
(ii) Metal content of ore produced . .	150	144	157	280	255	295	452	406	528
(iii) Difference, representing metal content of estimated net imports (-) or exports (+) of ore, and changes in stocks of ore . . .	+ 23	- 67	- 88	-144	-120	-160	-185	-143	-165
(iv) Estimated share of primary metal produced from imported ore . . .	—	32%	36%	34%	32%	34%	29%	26%	24%

¹ Figures quoted from *The Mineral Industry, its Statistics, Technology and Trade during 1939*, edited by G. A. Roush, A.B., M.S. (McGraw-Hill Book Co., Inc., New York and London, 1940).

of the quantity of primary metal consumed. Her imports of lead amounted to somewhat over half and of zinc to about a sixth; moreover, a part of Europe's production of these three metals was derived from ores imported from other continents. For Continental Europe this part may be estimated, from a comparison between figures for its primary production of metal and the metal content of the corresponding ores produced, at nearly a third in the case of copper and lead, and over a fourth in the case of zinc (in 1935). The large increase in the production of copper during the 'thirties was rendered possible only by imports of copper ore.

Of tin there was a small excess of exports from Europe to other continents; but Europe's production, located chiefly in the United Kingdom and the Netherlands, is based almost wholly upon imported ores: the tin content of Europe's ore production amounted only to 6% of her production of tin, and the corresponding figure for Continental Europe was still lower.

The trend of trade in base metals during the 'thirties presents certain similarities to that in other primary products. Net copper imports by the United Kingdom roughly doubled between the two boom years 1929 and 1937, while those of Germany remained unchanged and those of France fell off with the decline in her industrial activity. In the case of lead, an increase in the United Kingdom net imports of nearly a quarter contrasts with a decline in those of Germany by a third and of France by nearly a fifth. The United Kingdom imports of zinc rose by over a fourth and those of Germany fell off by a similar amount. The decline in Germany's imports of metals was partly offset, however, by larger imports of ores: her net import of lead ore rose over the period considered by over half, and she shifted over from net exporter to net importer of zinc ore. Germany's production of zinc rose from 102,000 tons in 1929 to 163,000 tons in 1937 and in 1939 came to surpass that of Belgium, which until then had produced more zinc than any other European country.

An outstanding change during the 'thirties, due in part to the reorientation of trade policies, was the increased importance of Belgium and the Netherlands as producers of metals for export. Belgium increased tenfold her production of black copper from imported ores between 1929 and 1937, thus becoming Europe's most important producer, and also increased considerably her imports of black copper from the Congo for refinement and subsequent export. She also changed over from a net importer to a net exporter of lead and tin, and doubled her net exports of zinc. The Netherlands increased her smelter production of tin from 700 to 27,000 tons, thereby encroaching upon production in the United Kingdom, which fell from 56,000 to 34,000 tons. While net exports of tin from the United Kingdom fell from 28,000 to 7,000 tons, the Netherlands turned a net import of 700 tons into a net export of 25,000 tons.

Summary of Tendencies During the 'Thirties

The preceding pages have shown that Europe's trade during the 'thirties underwent changes much more fargoning and drastic than would normally occur during a decade. Most of these changes were initiated by the economic depression that began in 1929. The disorganisation of markets, the general fall in prices and the growth of unemployment put governments before the task of restoring economic activity. In endeavouring to do so, they intensified the economic control they exercised. But one difficulty immediately presented itself. As each country could, as a rule, exercise its control only within its own frontiers, the national measures against the depression tended to aim, not at restoring earlier economic relationships, but rather at creating new national equilibria by such means as governments could easily apply. But the depression was essentially international, and no collective international measures to combat it were applied. The device nearest at hand was to engage part of the unused national resources, particularly labour, in producing goods previously imported. By reducing—at least apparently—disturbing influences upon their economy originating abroad, they created what was considered a better or safer balance between the various branches of national production. Agricultural production, particularly of cereals, in Europe's industrial countries thus increased, and the industrialisation of Europe's agricultural countries was hastened.

It is not possible, however, to interpret the trends of trade during the 'thirties in the sole light of this general, somewhat blind, striving for increased self-sufficiency. There was indeed a very marked difference in the conditions under which agricultural and industrial countries had to approach the problem of regulating their production and trade. The price fall brought about by the depression was much greater for primary products than for manufactured goods. Price movements, in industrial as well as agricultural countries, therefore were more favourable (or less unfavourable) to manufacturing than to agriculture and the extractive industries. Industrialisation of agricultural and mining countries was thus not brought about by tariff protection and other government measures alone. It was favoured by the price changes in the world market, though it was checked to a certain extent by the reduction in the supply of capital from the chief capital exporting countries, and by the difficulties which debtor countries had in marketing their products.

The development of agricultural production in industrial countries depended to a much greater extent upon import restrictions and price regulation.¹ But in spite of this protection the import of numerous agricultural products into industrial countries rose. The increase in Europe's net imports of butter, rice, bananas, citrous fruit, sugar and cocoa and the decline in Europe's net exports of olive oil are illustrative of this tendency (pages 62-66). In many instances there was a price-determined shift in consumption from highly protected home-produced foodstuffs to imported foodstuffs of other kinds often of greater nutritional value. But trade in several important staple products of food, particularly cereals, was adversely affected, and in many European countries food imports, taken as a whole, were much reduced. The poor suffered; those able to purchase a mixed diet gained.

The fall in the prices of goods entering into trade was undoubtedly caused by disturbances in the economy of the chief countries exporting primary products that occurred when the flow of credit from the world's chief capital exporting countries was stemmed and temporarily reversed. The scarcity of foreign currency with which imports could be

¹Statistical evidence supporting this point may be found in *Review of World Trade, 1938*, pages 41-43.

financed or debt service payments discharged became one of the primary concerns of debtor countries, while in creditor countries domestic industries were severely threatened by the influx of foreign products. In this situation two tendencies developed—one towards a closer economic attachment between certain European countries and their agricultural and mining oversea dominions and colonies, and the other towards bilateralism in trade.

These tendencies were brought about more by government measures than by the automatic reactions that had earlier played so important a part in international trade. When the impact of capital withdrawals had exhausted itself and the financial panic subsided, vested interests had been created on the basis of the new orientation of production and trade, anxious to consolidate the situation created by recent government protection measures. Moreover, at that time trade began to be governed to an increasing extent by considerations of a purely political nature, not designed to favour the return to the trade relationships that existed before the depression.

Owing to the magnitude of her trade, and particularly of her import surplus, the United Kingdom exercised an important influence on the trends of trade during the 'thirties, especially in the early years of that decade. It will be recalled that she expanded her trade with, and particularly her imports from, her oversea Empire, and turned her export surplus with the British Commonwealth into a considerable deficit, thereby securing the transfer of the bulk of the interest payments due to her without triangular transactions involving trade with other nations (page 41). As the depression passed and the general economic and financial policy she pursued permitted of a rapid and fargoeing recovery, industry developed, domestic consumption expanded, and she imported increasing quantities of primary goods and absorbed a growing portion of Europe's net imports of such important articles as wheat, meat, tobacco, wool, cotton, timber, copper, lead and zinc (pages 61, 64, 71-73, 77). Gradually, her imports of manufactured goods also increased until they exceeded the pre-depression level. The increase in the imports of primary products and the resulting change in the direction of imports and in transfer routes was not due to these causes alone, but was connected also with the change in her capital balance. During the 'twenties she made heavy capital investments abroad, chiefly in countries exporting primary products, but during the 'thirties there was, on balance, an inward movement of capital to the United Kingdom, causing an increase in imports.

Meanwhile other influences were making themselves felt. The improved barter terms of trade enjoyed by Europe's industrial countries facilitated their acquisition of oversea products. Continental countries with overseas territories also expanded their exchange with these territories. France had, in fact, embarked upon this policy during the 'twenties, though it was not until the 'thirties that her trade with her oversea territories resulted in a growing import balance. But, and the point should not be overlooked, the closer ties with the other members of the British Commonwealth did not prevent an expansion of trade between the United Kingdom and European exporters of primary products. It is true that export balances of several such countries to the United Kingdom were reduced. But the Scandinavian and Baltic States, whose dependence upon the British market is exceptionally great, were able to increase the share of their exports to the United Kingdom (page 49), owing in part to the expanding market in that country for timber (page 73); and Poland and the countries of South-Eastern Europe, taken as a group, were able to turn a heavy import balance with the United Kingdom into an export surplus (page 51). At the same time the position of certain British export industries depending largely upon the European market tended to weaken: thus a part of the export market for coal was lost to Germany (page 74), and the Netherlands replaced the United Kingdom as an exporter of tin (page 77).

The gradual adjustment of trade to the development of reciprocity in commercial policies based on a price economy was, however, arrested by the introduction of bilateral clearing and barter which became so widespread after 1934, when Germany declared a transfer moratorium on her foreign debts.

Trade between numerous countries was from that time conducted on a strictly bilateral basis. German exports, which had earlier been disposed of very largely in industrial states to which Germany was indebted, were from that time to an increasing extent diverted to agricultural countries in Europe and Latin America in exchange for primary products, although it was the market in the United Kingdom and northern Europe that offered the greatest opportunities for trade. The magnitude of Germany as a market for crude products and the export difficulties experienced by the countries in question facilitated this policy, and particularly in South-Eastern Europe there was a notable expansion of trade with Germany (page 51).

The network of clearing and payments agreements included, besides the countries just mentioned, certain European industrial states which were anxious to secure some payment on debt service due to them by Germany or by other states whose trade was becoming rapidly absorbed by Germany. The diversion of Germany's exports in the direction of raw material exporting states implied, however, a reduction in the exchange of goods between her and these industrial countries. In order to maintain an import balance with Germany corresponding even to the reduced income from their investments there, they had in several instances to cut down their exports to that country. As the trade of some of the minor industrial countries with the United Kingdom and France had already declined owing to the change in the trade policy of these countries, there was a general fall in the exchange of goods between the greater and lesser industrial countries of Europe. The latter, though handicapped by the smallness of their domestic markets, which did not permit them to increase their self-sufficiency to the same extent as the bigger countries, managed to maintain their trade with some degree of success during this period of hampered international transactions. Their trade with each other increased in importance; the manufacturing industry of each gradually dovetailed into those of the others (page 48). Except Austria and Czecho-Slovakia, they were not faced by any insurmountable difficulties in the acquisition of raw materials. Austria and Czecho-Slovakia, which had already undergone a difficult adjustment process during the 'twenties and which were both indebted abroad, had difficulties in reaching the export markets willing to pay in free currency (page 46).

The majority of Europe's agricultural countries fared badly in their foreign trade during the 'thirties. Prices moved adversely to them and they were faced with serious difficulties in obtaining sufficient foreign exchange for the purchase of the raw materials they needed for their growing industries. Their exchange difficulties increased when several of them were pulled into the orbit of the German trading system. It then became a primary interest for them to maintain and, if possible, develop their trade with countries in which the proceeds of their exports could be freely employed, particularly the United Kingdom. The Baltic countries were able to achieve this result with some success. Poland and the south-eastern states were in a less favourable situation; but as was mentioned above, they managed nevertheless to improve considerably their trade balance with the United Kingdom. They also managed to direct a greater share of their exports to countries outside Europe, and were thus able to increase their purchases in such countries. But they remained the object of conflicting tendencies. To an increasing extent their exchange with the industrial countries of Continental Europe was forced into the channels of bilateralism, which compelled them to import manufactured goods in exchange for their own products, leaving but small surpluses for the purchase of raw materials. Their industrialisation was thus hindered (page 51). It has indeed become increasingly clear that Germany opposes their industrialisation, despite their population pressure.

Gradually, political and strategical considerations came to exercise a greater influence upon Europe's trade than those of a commercial nature. The trading position of Italy and Spain, which had previously showed signs of weakness, deteriorated rapidly as a result of the Italo-Ethiopian war and the Spanish civil war. In Germany the reorientation of exports was coupled with efforts to develop the production at high cost of domestic raw materials

or synthetic products replacing imported raw materials. The efforts were made rather in order to reduce the need for foreign supplies in time of war than to obtain financial or economic advantages in time of peace. During 1937, 1938 and the greater part of 1939, certain of Europe's industrial countries raised their imports of foodstuffs and indispensable raw materials in order to build up emergency stocks, while their exports were hampered as a growing share of their productive forces were engaged in armaments. The loss of markets for European goods in other continents thus began well before the outbreak of the war.

**ANNEXE I.—VALEUR DU COMMERCE MONDIAL EN MILLIONS DE NOUVEAUX
DOLLARS—OR.**

ANNEX I.—VALUE OF WORLD TRADE IN NEW \$ GOLD (000,000'S).

Continent et pays	Importations—Imports				Exportations—Exports				Continent and country
	1928	1932	1935	1938	1928	1932	1935	1938	
Europe:									Europe:
Albanie.....	11	8	4	5	5	2	2	3	Albania
Allemagne.....	5,647	1,882	1,677	2,195	4,951	2,315	1,722	2,117	Germany
Autriche.....	772	303	227	243	526	166	169	146	Austria
Belgique-Luxembourg.....	1,505	761	622	770	1,454	696	577	729	Belgium-Luxemburg
Bulgarie.....	87	42	36	60	76	41	39	68	Bulgaria
Danemark.....	747	351	280	358	701	345	267	338	Denmark
Espagne.....	982	319	286	152	692	241	191	102	Spain
Estonie.....	60	17	19	29	58	19	22	28	Estonia
Finlande.....	341	92	116	183	267	121	136	181	Finland
France.....	3,560	1,983	1,392	1,326	3,458	1,311	1,028	875	France
Grèce.....	273	110	101	132	134	57	67	90	Greece
Hongrie.....	358	97	118	124	244	99	133	155	Hungary
Irlande.....	487	247	182	201	376	150	97	116	Ireland
Islande.....	29	12	10	10	36	15	10	11	Iceland
Italie.....	1,987	718	645	585	1,336	592	433	546	Italy
Lettonie.....	101	27	33	44	85	32	32	44	Latvia
Lithuanie.....	49	28	22	38	44	32	26	40	Lithuania
Malte.....	31	19	17	15	2	1	1	1	Malta
Norvège.....	459	208	202	289	304	171	148	190	Norway
Pays-Bas.....	1,827	887	637	779	1,352	577	459	571	Netherlands
Pologne-Dantzig.....	639	163	164	247	476	205	176	225	Poland-Danzig
Portugal.....	203	92	103	100	78	43	41	50	Portugal
Roumanie.....	332	116	98	136	278	170	149	158	Roumania
Royaume-Uni.....	8,860	3,853	3,453	4,196	5,962	2,166	2,098	2,300	United Kingdom
Suède.....	775	361	375	520	714	294	330	463	Sweden
Suisse.....	867	559	410	363	691	251	258	301	Switzerland
Tchéco-Slovaquie.....	961	374	281	291	1,062	367	309	355	Czecho-Slovakia
Turquie.....	193	69	70	119	150	81	77	115	Turkey
Yougoslavie.....	233	78	83	114	192	83	92	116	Yugoslavia
Autres pays (sauf U.R.S.S.).....	2	5	5	5	—	2	2	2	Other countries (excluding U.S.S.R.)
Total Europe (sans U.R.S.S.).....	32,378	13,781	11,671	13,629	25,704	10,645	9,091	10,436	Total Europe (excluding U.S.S.R.)
Reste du monde.....	26,448	9,870	9,059	10,575	29,899	11,173	10,481	12,225	Rest of world
dont:									of which:
U.R.S.S.....	830	613	210	268	705	501	320	251	U.S.S.R.
Afrique.....	2,741	1,365	1,336	1,500	2,597	1,468	1,397	1,454	Africa
Amérique du Nord.....	9,033	2,931	2,611	2,647	10,997	3,546	3,114	4,033	North America
Amérique latine.....	4,426	1,268	1,375	1,830	5,486	1,993	1,954	2,123	Latin America
Asie (sans U.R.S.S.).....	7,863	3,224	2,980	3,575	8,475	2,995	3,037	3,576	Asia (excluding U.S.S.R.)
Océanie.....	1,555	469	547	755	1,639	670	659	788	Oceania
Total mondial.....	58,826	23,651	20,730	24,204	55,603	21,818	19,572	22,661	World total

Note. The figures refer to special trade in merchandise only. From this rule there are certain exceptions which do not, however, affect the figures for Europe. Gold and silver are included in the case of certain non-European countries that are producers of precious metals. The value of gold and silver thus entering into the world total was:

	New \$ gold (000,000's)			
	1928	1932	1935	1938
Imports.....	19	4	10	2
Exports.....	561	595	587	584

For details concerning the methods of compilation and reservations regarding accuracy, reference should be made to *Review of World Trade, 1938* (Ser. L.o.N.P. 1939.II.A.11.).
The countries are given in French alphabetical order.

ANNEX II. TRADE OF EUROPEAN COUNTRIES WITH THE BRITISH DOMINIONS, INDIA AND EUROPEAN OVERSEA TERRITORIES.

Figures in new \$ gold (000,000's).

Owing to incomplete record of countries of provenance and destination, the figures in some cases exclude the trade with certain oversea territories and dominions, but it is believed that the error on this account is not very great. The chief omissions are indicated in the notes (next page).

The comparability between the figures for different countries is naturally affected by the various methods of recording countries of provenance and destination (*cf.* the Introductory Note to Annex III).

Trade with the colonies, protectorates, mandates and other oversea territories of:												Commerçe total avec les Dominions britanniques, l'Inde et les territoires d'outre-mer des pays européens.			Country
Italie—Italy			Espagne—Spain			Portugal			Tous les sept pays (ensemble) All the seven countries (total)			Total trade with the British Dominions, India and the oversea territories of European countries.			
1928	1935	1938	1928	1935	1938	1928	1935	1938	1928	1935	1938	1928	1935	1938	
															<i>Imports</i>
0.1	—	0.4	5.2	4.5	14.6	6.7	2.1	3.1	377.2	130.5	226.7	1,032.7	228.3	377.6	Germany
—	—	0.1	—	0.1	0.2	0.1	—	—	11.2	6.3	9.9	34.2	14.2	20.2	Austria
—	—	—	0.1	—	0.3	1.5	3.3	3.3	75.2	64.7	101.4	199.0	118.8	164.6	Belgium-Luxemburg
—	—	—	—	—	—	—	—	—	0.2	0.1	0.3	0.6	0.5	0.8	Bulgaria
—	—	—	—	—	0.2	—	—	—	16.7	4.5	5.1	36.9	6.2	7.8	Denmark
—	—	—	24.3	10.5	—	—	—	—	75.3	25.9	—	138.5	40.6	—	Spain
—	—	—	—	—	—	—	—	0.1	0.2	0.5	1.0	2.1	1.0	1.7	Estonia
—	—	—	0.1	—	—	—	—	—	0.3	0.3	0.9	4.2	2.0	3.2	Finland
0.2	—	0.1	—	6.5	—	—	—	—	597.6	398.7	383.1	954.2	523.9	500.8	France
0.1	—	—	—	—	—	—	—	—	4.1	3.4	3.5	28.2	6.3	14.9	Greece
—	—	—	—	—	—	—	—	—	1.8	0.8	0.9	7.3	2.5	2.2	Hungary
—	—	—	—	—	0.3	—	—	—	0.8	1.9	7.1	11.6	11.9	28.0	Ireland*
110.4	118.9	118.3	—	0.2	—	2.1	3.3	4.1	61.3	52.6	46.8	317.1	86.0	79.2	Italy
—	—	—	—	—	—	—	—	—	0.5	1.2	1.7	4.3	1.6	2.9	Latvia
—	—	—	—	—	—	—	—	—	0.2	0.5	1.2	0.5	0.7	1.8	Lithuania
—	—	—	—	0.1	0.1	—	—	—	4.1	1.3	4.1	23.8	8.3	14.6	Norway
0.1	—	—	10.3	0.4	0.2	2.9	0.3	1.6	166.8	63.9	97.4	247.0	81.0	128.4	Netherlands
—	—	—	—	0.2	—	0.1	—	0.1	4.3	7.0	14.8	31.8	19.0	32.1	Poland-Danzig
—	—	—	—	—	—	15.5	8.6	10.3	15.6	11.2	11.6	15.6	13.8	16.0	Portugal
—	—	—	—	—	—	—	—	—	—	0.5	1.1	—	0.7	1.1	Roumania*
0.4	0.1	0.1	28.2	10.3	12.1	3.7	0.5	0.6	564.0	342.4	467.8	2,217.1	1,244.7	1,662.7	United Kingdom
—	—	—	—	0.1	0.1	0.4	—	—	1.3	1.1	2.5	18.0	4.7	8.4	Sweden
—	—	—	—	—	—	—	—	—	11.1	4.5	6.0	66.5	16.3	20.1	Switzerland
—	—	—	10.1	10.2	—	—	0.2	0.2	10.2	12.0	17.1	51.5	28.0	35.3	Czecho-Slovakia
—	—	—	—	—	—	—	—	—	2.5	0.4	1.1	7.2	1.0	2.9	Turkey
—	—	—	—	0.1	—	—	—	—	1.8	1.5	2.4	5.9	4.0	5.2	Yugoslavia
11.3	9.0	9.0	58.3	33.2	28.1	33.0	18.3	23.4	2,004.3	1,137.7	1,415.5	5,455.8	2,466.0	3,132.5	Total (26 countries)
—	—	—	—	—	—	—	—	—	5.5	0.3	—	63.7	6.2	15.7	U.S.S.R.
															<i>Exports</i>
0.1	—	2.1	4.0	1.5	7.3	7.2	1.7	3.1	125.7	48.7	79.9	312.9	131.7	186.8	Germany
0.2	0.2	0.1	0.1	—	—	—	—	—	6.9	4.0	2.6	17.4	8.6	8.1	Austria
—	0.1	—	2.7	1.6	0.7	3.5	1.2	2.1	76.4	30.9	42.4	150.6	59.7	80.4	Belgium-Luxemburg
—	—	—	—	—	—	—	—	—	0.6	1.1	0.5	0.6	1.1	0.5	Bulgaria
—	—	—	—	—	—	—	—	—	3.8	1.5	2.2	7.2	3.4	4.6	Denmark
—	—	—	27.5	7.9	—	—	—	—	31.5	10.1	—	38.0	12.4	—	Spain
—	—	—	—	—	—	—	—	—	—	0.1	—	0.1	0.2	0.2	Estonia
—	—	—	0.4	0.2	0.1	0.1	0.3	0.5	0.9	0.9	1.2	7.5	2.6	3.9	Finland
0.7	—	0.1	—	2.5	0.1	—	—	—	650.5	360.9	248.5	750.0	377.3	266.9	France
—	—	—	—	—	—	—	—	—	1.3	0.6	0.6	1.6	0.7	0.8	Greece
—	—	—	—	—	—	—	—	—	0.5	2.3	2.0	1.4	4.2	4.8	Hungary
—	—	—	—	—	0.1	—	—	—	1.1	0.5	0.5	3.3	1.3	1.0	Ireland*
124.6	116.7	110.6	1.1	0.5	—	1.4	0.8	1.0	73.9	75.2	122.7	141.5	91.3	140.9	Italy
—	—	—	—	—	—	—	—	—	0.2	0.5	0.5	0.6	0.9	0.9	Latvia
—	—	—	—	—	—	—	—	—	—	0.3	0.7	—	0.4	0.9	Lithuania
—	—	—	—	0.1	—	—	—	0.2	0.9	0.8	1.4	17.5	6.3	5.5	Norway
0.1	—	—	11.2	1.4	0.4	2.2	0.5	0.7	170.4	41.3	77.3	225.7	55.6	100.4	Netherlands
—	—	—	—	0.1	—	—	—	—	2.1	4.9	4.5	3.1	8.0	7.6	Poland-Danzig
—	—	—	—	0.2	0.1	8.5	5.1	6.0	8.5	6.3	6.5	8.5	6.9	7.5	Portugal
—	—	—	—	—	—	—	—	—	2.3	4.8	8.9	2.4	4.8	8.9	Roumania*
0.7	0.9	0.1	15.8	6.7	1.5	35.0	9.9	9.5	721.8	256.2	297.6	2,582.4	928.5	1,064.1	United Kingdom
—	—	—	1.3	0.3	0.2	0.4	0.3	0.5	8.8	3.9	3.4	35.7	17.3	19.2	Sweden
—	—	0.1	—	—	—	—	—	—	16.3	5.0	6.6	64.2	16.2	23.6	Switzerland
—	0.2	0.1	10.2	10.2	—	—	—	—	7.6	9.4	9.6	30.0	19.1	24.1	Czecho-Slovakia
—	0.9	0.1	0.2	0.1	—	—	—	—	5.6	2.7	1.1	5.6	2.7	2.0	Turkey
0.4	—	—	—	—	—	—	—	—	2.9	3.0	2.3	3.7	3.1	2.8	Yugoslavia
26.8	63.0	110.3	54.5	23.3	10.5	58.3	20.3	24.3	1,920.5	875.9	923.5	4,411.5	1,764.6	1,966.4	Total (26 countries)
—	0.7	—	—	—	—	—	—	—	1.0	4.0	0.4	5.7	8.9	2.8	U.S.S.R.

For foot-notes, see overleaf.

NOTES TO ANNEX II

- ¹ Netherlands Indies only.
- ² The Canary Islands only.
- ³ Trade returns group the Union of South Africa with territories of the United Kingdom, and Ceylon with British Dominions and India.
- ⁴ Excluding the Union of South Africa.
- ⁵ Including the Union of South Africa; excluding colonies etc. in Asia except Palestine.
- ⁶ British Malaya, Hongkong and Palestine only.
- ⁷ Lybia only.
- ⁸ Trade returns group the Union of South Africa with territories of the United Kingdom, but British Malaya with British Dominions and India.
- ⁹ Figures for general trade (*i.e.*, including re-exports).
- ¹⁰ Excluding New Zealand.
- ¹¹ Trade with Ethiopia (which is not included among Italy's oversea territories) was in 1928 and 1938: imports 0.2 and 1.7; exports 0.1 and 15.5. Similar figures for 1935 are not available.
- ¹² Algeria only.

- ¹³ Excluding certain minor colonies etc.
- ¹⁴ Excluding the Canary Islands.
- ¹⁵ The figures are incomplete.
- ¹⁶ Trade returns group British Malaya with British Dominions and India.
- ¹⁷ Trade returns group Ceylon with British Dominions and India.
- ¹⁸ Including certain colonies of the United Kingdom, France and Portugal, which in Swiss statistics are grouped with Canada, India and (in 1928) the Union of South Africa.
- ¹⁹ Only British Malaya, Jamaica, Lesser Antilles (also non-British) and, in 1935 and 1938, Palestine.
- ²⁰ Including certain colonies of the United Kingdom.
- ²¹ French colonies etc. in Africa only.
- ²² Spanish Morocco only.
- ²³ India only.
- ²⁴ Palestine only (in 1938, Palestine, Ceylon and Cyprus only).
- ²⁵ Syria only.
- ²⁶ Trade returns group Ceylon with British Dominions and India.

Annex III

TRADE BALANCES OF EUROPEAN COUNTRIES.

The table shows the balances of the countries mentioned across the top of the table with the countries or territories indicated in the side column, after conversion to new gold dollars. The countries are listed in the alphabetical order of their French names. Unless otherwise indicated, the figures refer to special trade in merchandise only. The inclusion in some cases of other categories of trade (*c.g.*, bullion and specie, or re-exports; *cf.* the notes after the table) is generally due to the absence of information concerning imports and exports by countries for special trade in merchandise alone. In such cases, the total balance naturally differs from that which may be calculated from the import and export figures in Annex I.¹ In the case of the United Kingdom, balances are given both for special trade (*i.e.*, retained imports and exports of produce and manufactures of the United Kingdom) and general trade (total imports and exports, including exports of imported merchandise). Since certain countries record as imported from the United Kingdom a portion of the oversea goods sent to them through that country and included among its re-exports, the figures for their balances with the United Kingdom correspond more closely to that country's balance with them in general trade than in special. When adding up the balances for all the countries shown at the top of the table with the exception of the U.S.S.R. (*cf.* the last few columns of the table), two sets of totals have been calculated, one using the balances in the special trade, and the other the corresponding balances in the general trade, of the United Kingdom.

The totals in question are not quite comprehensive, as the trade balances of Iceland, Malta and a few minor territories (representing, however, only about 0.1% of European trade) are not included.

The line representing balances with "Other European countries" refers, in addition to territories not specified in the side columns (Gibraltar, Iceland, Malta, European free ports, etc.) to certain categories of trade (generally of small importance) not specified geographically, in cases where there was reason to consider the transactions in question as European. To this group have been assigned, for example, certain recorded imports of fish or whale oil from deep sea fishing grounds (as these goods are likely to have been bought from European ships); certain ships' stores and bunkers included in the recorded trade (when the buying ships were likely to be European) etc.

Beneath the line showing the total balance with Europe, balances are shown for five non-European countries or groups of countries, namely (i) the U.S.S.R.; (ii) the British Dominions and India; (iii) European territories overseas, under which heading are included colonies, protectorates, oversea territories and territories under suzerainty or mandate, etc.; (iv) the United States of America; (v) "Other countries," the balances for which have been calculated as the difference between those for other groups and the total trade balance, and which accordingly include certain categories of trade not recorded by countries in trade returns. In cases where the specification by countries was not complete, it also proved necessary to assign to "Other countries" certain trade which was undoubtedly conducted with countries or groups specified in the table.

The geographical distribution of the total trade balance of a country depends to a certain extent upon the method it employs for recording countries of provenance and destination. The methods fall into three groups:

Imports may be divided according to countries of: $\left\{ \begin{array}{l} \text{consignment} \\ \text{origin} \\ \text{purchase} \end{array} \right.$ Exports may be divided according to countries of: $\left\{ \begin{array}{l} \text{consignment} \\ \text{consumption} \\ \text{sale} \end{array} \right.$

The methods employed by the countries whose balances are recorded are indicated below:

	Imports	Exports			
Albania 1928.....	consignment }	consignment	Latvia.....	origin	consignment
1935, 1938.....	origin }		Lithuania.....	origin	consignment
Germany.....	origin	consumption	Norway ²	purchase	sale
Austria.....	origin	consumption	Netherlands.....	consignment	consignment
Belgium.....	consignment	consignment	Poland.....	origin	consumption
Bulgaria.....	consignment	consignment	Portugal, 1928, 1935.....	purchase	consignment
Denmark.....	purchase	sale	1938.....	origin	consumption
Spain.....	origin	consignment	Roumania.....	consignment	sale
Estonia.....	origin	consumption	United Kingdom.....	consignment	consignment
Finland ³	purchase	sale	Sweden ³	purchase	sale
France 1928.....	consignment }	consignment	Switzerland.....	origin	consumption
1935, 1938.....	origin }		Czecho-Slovakia.....	consignment	sale
Greece.....	consignment	consumption	Turkey, 1928.....	consignment	sale
Hungary.....	origin	consignment	1935, 1938.....	origin	consumption
Ireland 1928, 1935.....	consignment }	consignment	Yugoslavia.....	consignment	consignment
1938.....	origin }		U.S.S.R.....	consignment	consignment
Italy.....	origin	consumption			

¹ For these and other reasons, there is also a slight discrepancy between the trade balances in the intra-trade of Europe, as shown in Table 6 and the corresponding balances in this Annex.

² Including "countries of destination" (even "final destination" or "real destination"). In practice, distinction between "country of consignment" and "country of consumption" for exports is difficult to draw, particularly as the country of consumption may be unknown when the goods are exported.

³ For Finland and Norway in 1935 and 1938, and for Sweden in 1938, information is also available concerning imports by country of origin and exports by country of consumption. This information was not utilised for the table, as it was thought preferable that the figures for the three years should be comparable when possible.

ANNEX III. TRADE BALANCES OF EUROPEAN COUNTRIES.

In new \$ gold (000,000's).

Année	du commerce spécial in special trade			du commerce général in general trade			Year
	1928	1935	1938	1928	1935	1938	
Total (27 pays européens, non compris l'U.R.S.S.) en employant pour le Royaume-Uni, les balances: Total (27 European countries, not including (U.S.S.R.) utilizing, for the U.K. the balances:							
<i>Balances avec:</i>							<i>Balances with:</i>
Albanie.....	+ 1.5	+ 1.7	+ 1.9	+ 1.5	+ 1.7	+ 1.9	Albania
Allemagne.....	-1106.7	- 419.2	- 350.8	- 908.0	- 387.4	- 327.0	Germany
Autriche.....	+ 200.8	+ 30.0	+ 18.1	+ 204.2	+ 31.5	+ 19.8	Austria
Belgique-Luxembourg.....	- 136.7	- 21.1	- 71.7	- 57.7	- 0.5	- 51.7	Belgium-Luxembourg
Bulgarie.....	+ 4.0	- 4.6	- 15.5	+ 3.9	- 4.5	- 15.7	Bulgaria
Danemark.....	- 301.9	- 82.7	- 103.5	- 298.5	- 80.1	- 101.2	Denmark
Espagne.....	- 54.1	- 24.4	+ 3.1	- 55.9	- 24.8	+ 3.7	Spain
Estonie.....	- 12.0	- 8.1	- 3.2	- 12.0	- 7.2	- 2.2	Estonia
Finlande.....	- 45.3	- 54.0	- 55.0	- 42.3	- 52.2	- 54.1	Finland
France.....	- 712.9	- 15.7	- 33.9	- 591.6	+ 12.2	- 0.1	France
Grèce.....	+ 80.5	+ 8.2	+ 26.4	+ 80.2	+ 9.3	+ 26.6	Greece
Hongrie.....	+ 63.5	- 20.8	- 32.6	+ 63.4	- 21.0	- 32.9	Hungary
Irlande.....	- 40.3	+ 23.1	+ 11.8	+ 30.2	+ 44.4	+ 35.3	Ireland
Italie.....	+ 151.9	+ 99.3	+ 36.4	+ 161.6	+ 103.7	+ 36.8	Italy
Lettonie.....	- 34.5	- 12.5	- 14.9	- 33.5	- 12.0	- 14.4	Latvia
Lithuanie.....	+ 8.6	- 4.5	- 4.6	+ 8.8	- 4.7	- 4.4	Lithuania
Norvège.....	+ 23.5	- 0.9	+ 10.6	+ 22.4	- 0.1	+ 9.6	Norway
Pays-Bas.....	- 35.0	+ 4.8	+ 26.4	- 3.3	+ 12.1	+ 32.0	Netherlands
Pologne-Dantzig.....	- 29.1	- 65.1	- 50.6	- 23.0	- 59.3	- 41.0	Poland-Danzig
Portugal.....	+ 13.0	+ 13.4	+ 6.6	+ 12.3	+ 13.7	+ 7.3	Portugal
Roumanie.....	- 49.3	- 62.3	- 38.7	- 49.4	- 62.7	- 38.9	Roumania
Royaume-Uni.....	+ 851.9	+ 183.0	+ 295.5	+ 851.9	+ 183.0	+ 295.5	United Kingdom
Suède.....	- 118.1	- 29.1	- 100.3	- 110.4	- 25.8	- 95.9	Sweden
Suisse.....	+ 219.2	+ 126.8	+ 56.8	+ 219.9	+ 129.7	+ 58.9	Switzerland
Tchéco-Slovaquie.....	- 235.0	- 56.7	- 69.5	- 236.7	- 56.0	- 68.1	Czecho-Slovakia
Turquie.....	+ 50.4	- 13.1	+ 16.7	+ 45.4	- 13.3	+ 15.8	Turkey
Yougoslavie.....	+ 26.3	- 31.2	- 8.2	+ 26.7	- 31.2	- 8.3	Yugoslavia
Autres pays européens.....	+ 53.8	+ 28.4	+ 15.2	+ 64.0	+ 33.6	+ 21.2	Other European countries
Total de l'Europe.....	-1162.0	- 407.3	- 427.5	- 625.9	- 267.9	- 291.5	Total Europe
U.R.S.S.....	- 193.5	- 211.4	- 97.4	- 205.7	- 190.9	- 61.6	U.S.S.R.
Dominions brit. et Inde.....	- 960.3	- 439.6	- 674.4	-1292.6	- 532.5	- 786.2	British Dominions and India
Terr. europ. outre-mer.....	- 83.8	- 261.8	- 492.0	- 256.1	- 298.7	- 511.5	European territories overseas
Etats-Unis.....	-2694.3	- 547.9	- 952.8	-2599.1	- 543.1	- 942.8	U.S.A.
Autres pays.....	-1541.4	- 667.7	- 489.3	-1655.9	- 702.6	- 539.8	Other countries
Monde.....	-6635.3	-2535.7	-3133.4	-6635.3	-2535.7	-3133.4	World

NOTES TO ANNEX III

Germany. The tables in German trade returns showing the division by countries in German trade for 1928 refer to uncorrected figures, over-estimating the import value by 21.5 (51.1 million marks), and under-estimating the export value by 89.1 (220.8 million marks). When calculating the balances of the present table, the import and export figures have been adjusted so as to agree with the corrected totals, on the assumption that the errors were uniformly distributed. The balances shown for 1935 exclude - \$5.4 on account of imports from Russia entered in the trade returns for that year but properly belonging to 1934. The balances for 1938 are those of the "Altreich" (with countries other than Austria).

Austria. The export balance with "Other European countries" in 1928 refers to German Free Ports, Trieste and Liechtenstein.

Belgium-Luxembourg. Including bullion and specie. The total balances for merchandise proper are - 51.5 in 1928, - 44.3 in 1935 and - 41.5 in 1938. The balances with "Other European countries" include:

	1928	1935	1938
Ships' stores.....	+ 4.5	+ 3.9	+ 3.4
Unknown origin and destination.....	- 0.4	- 0.1	- 0.5

Bulgaria. Exports to unknown destination account for + \$0.3 of the balance with "Other European countries" in 1928.

Denmark. The figures for 1928 and 1935 refer to general trade. The total balances in special trade are - 46.3 in 1928 and - 16.1 in 1935. The balance with "Other European countries" includes Iceland (1928, + 4.0; 1935, + 1.1; 1938, + 0.2).

Spain. The figures for 1928 include bullion and specie. The total balance in merchandise trade for that year is - 289.5. Figures for 1938 are not available. The balance with "Other European countries" in 1928 refers chiefly to Gibraltar and Andorra.

Finland. Including bullion and specie. The balances in merchandise trade are - 75.0 in 1928, + 21.2 in 1935 and - 1.4 in 1938.

France. The balance with "Other European countries" includes ships' stores (1928, + 3.1; 1935, + 3.2; 1938, + 1.8).

Hungary. The balances with "Other European countries" refer chiefly to free ports.

Ireland. The balances refer to general trade.

Italy. The balances for 1928 refer to statistics compiled according to the "old system"; the total balance according to the "new system" is - 651.4. The balances with "Other European countries" include:

	1928	1935	1938
Malta, Gibraltar.....	+ 3.5	+ 1.0	+ 1.3
Arctic and Antarctic Oceans.....	-	-	- 0.2
Trieste, Fiume.....	+ 9.6	+ 2.4	- 0.5
Returned goods.....	- 2.3	- 0.5	-
Ships' stores.....	-	- 0.3	-
Aegean Islands.....	+ 1.2	- 0.3	+ 3.6

Lithuania. In 1935 and 1938, including bullion and specie. The total balances in merchandise trade during these years are + 4.2 and + 1.6 respectively.

Norway. The balances refer to general trade.

Netherlands. The balances with "Other European countries" include:

	1928	1935	1938
"Sea".....	- 0.4	- 1.9	- 3.7
Ships' stores and bunkers.....	-	+ 1.5	+ 3.4

In 1928, ships' stores and bunkers are included in the figures shown against the respective countries.

Poland. The balances with "Other European countries" include:

	1928	1935	1938
Ships' stores.....	-	+ 1.6	+ 4.7
For order.....	+ 1.1	+ 0.7	+ 0.3
Direction unknown.....	- 0.1	-	-

Portugal. Of the balances with "Other European countries" exports to unknown destination account for + 4.1 in 1928, + 1.5 in 1935 and + 0.8 in 1938.

Romania. Including bullion and specie. The balances with "Other European countries" include:

	1928	1935	1938
Gibraltar and Malta.....	+ 9.3	+ 1.1	+ 1.2
Ships' stores.....	+ 1.5	+ 3.2	+ 3.0

United Kingdom. For explanation of "special" and "general" trade, see the introductory note. The balances with "Other European countries" include:

	1928	1935	1938
In special trade:			
Malta, Gibraltar, Channel Islands...	+ 15.2	+ 13.5	+ 12.9
Whale fisheries.....	+ 0.4	- 3.2	- 10.2
Deep sea fisheries.....	- 11.6	- 2.3	- 2.3
In general trade:			
Malta, Gibraltar, Channel Islands...	+ 25.0	+ 19.6	+ 18.5
Whale fisheries.....	+ 0.4	- 4.1	- 10.2
Deep sea fisheries.....	- 11.6	- 2.3	- 2.3

Switzerland. Including, in 1928, all bullion; in 1935 and 1938, silver bullion and gold bullion other than for banking transactions. The total

balances for merchandise trade are - 176.5 in 1928, - 151.8 in 1935 and - 62.7 in 1938; these balances (as well as those shown in the table) for 1935 and 1938 include re-exports of nationalised goods (excluded from exports and deducted from imports in 1928) and improvement and repair trade (excluded in 1928).

Czecho-Slovakia. Including bullion and specie. The total balances in merchandise trade are + 100.9 in 1928, + 28.4 in 1935 and + 64.3 in 1938.

Turkey. Including bullion and specie (but not gold bullion for banking transactions). The total balances for merchandise proper are - 43.2 in 1928, + 6.3 in 1935 and - 3.8 in 1938. The balance with "Other European countries" in 1938 includes + 0.4 on account of exports to unknown destination.

Yugoslavia. Including bullion and specie. The total balances for merchandise proper are - 41.3 in 1928, + 9.6 in 1935 and + 2.0 in 1938.

U.S.S.R. The balances shown for 1928 refer to the financial year I.X.1927 - 30.IX.1928. The total balance for the calendar year 1928 is - 125.3.

Total (27 European countries, not including U.S.S.R.). Cf. the introductory note. The balances for 1938 exclude Spain.

ANNEX IV.

TRADE IN CERTAIN PRODUCTS, 1935.

The tables show trade during 1935 in 75 specified products, chiefly foodstuffs and raw materials, representing together 54% of Europe's total imports and 27% of its total exports during the year. The first of the two lines against each product represents imports, the second (with figures in italics) exports. Data are given for all European countries with the exception of Gibraltar, Iceland, Malta, free ports and a few other small territories. The countries are listed in the alphabetical order of their French names. At the end of the tables, totals are shown for ten industrial countries (*i.e.*, Austria, Czecho-Slovakia, Belgium, France, Germany, Italy, the Netherlands, Sweden, Switzerland and the United Kingdom), for the rest of Europe and for Europe as a whole and, finally, for Continental Europe (*i.e.*, Europe less the United Kingdom and Ireland). The totals exclude the trade of the small territories not shown elsewhere in the table. The information refers to special trade, except in a few cases. Thus, as retained imports into the United Kingdom are not specified by articles and countries, the figures given for that country refer to total imports (*i.e.*, retained exports plus re-exports) and total exports (exports of domestic goods plus re-exports). For similar reasons, the import figures for Ireland refer to total imports, though it was not thought necessary to include the relatively small Irish re-exports in the export figures.

Besides the total quantity, in thousands of metric tons (except in the case of cattle and wood) and value of imports and exports, the tables show how the quantity is divided between the following groups of countries of provenance and destination: (i) Europe (excluding U.S.S.R.); (ii) British Dominions and India; (iii) European oversea territories (colonies, protectorates, mandates, etc.), and (iv) Other countries (chiefly the United States, the Latin American republics, the U.S.S.R., Japan and China). This information concerning the direction of trade is influenced, of course, by the differences in the methods employed by the various European countries in recording countries of provenance and destination, of which a record is given in the introductory note to Annex III above. In particular, this difference in methods is largely responsible for the fact that total imports of each article by European countries from Europe does not always agree closely with total exports of the corresponding article from European countries to Europe (*cf.* the figures for "Total Europe" at the end of the tables).

In numerous cases, when the specification in trade returns by articles or countries did not permit of the extraction of the information desired, it proved necessary to have recourse to estimates. These estimates were frequently based on the statistics of the countries of provenance and destination in the trade of the country examined. Usually, the estimates refer only to a minor portion of the trade under consideration and are believed to be fairly correct. Those figures which to a considerable extent are based on estimates are marked with an asterisk (*).

Hemp (item 44) includes hard hemp (*e.g.*, Manila hemp). The quantities shown for pulp (items 51, 52) refer, when possible, to dry weight (the actual weight of wet pulp was reduced by 50%). The export figures for coal (item 53) and mineral oils (items 55-57) do not include the sale of bunker fuel to domestic or foreign ships, except in cases when such sales were grouped in trade returns with other exports of fuel.

Additional information and explanations for individual articles are given in notes after the tables. In order not to complicate unnecessarily the study of the tables, the reference numbers in the tables are entered only against the figure for the total quantity imported or exported even when the note also refers to the other figures for the article in question.

The names of the products are given in French and English on alternate pages, the item numbers being the same.

ANNEXE IV. COMMERCE DE CERTAINS ARTICLES, 1935 (suite).

Les importations sont indiquées en caractères ordinaires, les exportations en italiques. Quantités en milliers de tonnes métriques, sauf indication contraire.

Article	Tchéco-Slovaquie						Turquie						Yougoslavie					
	Total		dont (quantité)				Total		dont (quantité)				Total		dont (quantité)			
	Quantité	Millions de \$	Europe sans U.R. S.S.	Domin. brit. et Inde	Terr. europ. outrem.	Autres pays	Quantité	Millions de \$	Europe sans U.R. S.S.	Domin. brit. et Inde	Terr. europ. outrem.	Autres pays	Quantité	Millions de \$	Europe sans U.R. S.S.	Domin. brit. et Inde	Terr. europ. outrem.	Autres pays
1. Gros bétail (milliers de têtes).....	1.0	0.1	1.0	—	—	—	91.29	1.20	81.78	—	3.68	5.83	50.6	1.47	47.0	—	3.6	—
2. Viande: boeuf, veau, mouton, agneau.....	0.3	0.3	0.3	—	—	—	—	—	—	—	—	1.6	0.26	1.6	—	—	—	—
3. porc.....	0.1	0.1	0.1	—	—	—	—	—	—	—	—	5.6	1.33	5.6	—	—	—	—
4. Beurre.....	1.3	0.6	1.3	—	—	—	—	—	—	—	—	0.2	0.06	0.2	—	—	—	—
5. Fromage.....	1.2	0.6	1.2	—	—	—	0.1	0.02	0.08	—	0.02	2.0	0.50	1.7	—	—	—	0.3
6. Oeufs en coque.....	*6.0	1.1	*6.0	—	—	—	6.1	1.12	6.0	—	0.06	0.04	11.1	2.39	11.1	—	—	—
7. Pommes de terre.....	6.9	0.5	6.9	—	—	—	—	—	—	—	—	0.4	0.02	0.4	—	—	—	—
8. Froment.....	95.4	2.9	95.4	—	—	—	0.1	0.01	—	0.1	—	0.6	0.01	0.6	—	—	—	—
9. Farine de froment.....	0.2	0.01	0.2	—	—	—	64.6	2.24	55.2	—	8.3	1.1	30.3	0.92	30.3	—	—	—
10. Seigle.....	0.8	0.04	0.4	0.2	—	0.2	0.1	—	0.02	—	—	2.3	0.08	2.3	—	—	—	—
11. Orge.....	0.2	0.01	0.2	—	—	—	1.0	0.02	0.4	—	—	0.6	2.0	0.04	2.0	—	—	—
12. Avoine.....	0.1	0.03	0.8	—	—	—	—	—	—	—	—	0.8	0.03	0.8	—	—	—	—
13. Maïs.....	45.7	1.8	45.2	—	—	0.5	52.3	1.60	52.3	—	—	5.4	0.15	5.4	—	—	—	—
14. Riz.....	0.1	0.1	0.1	—	—	—	13.3	0.40	13.3	—	—	—	5.8	0.14	5.8	—	—	—
15. Bananes.....	6.0	0.2	6.0	—	—	—	0.4	0.01	0.4	—	—	—	20.0	1.10	8.5	3.3	0.1	8.1
16. Agrumes.....	121.8	3.0	121.8	61.5	1.1	1.6	—	—	—	—	—	0.1	0.03	0.1	—	—	0.3	—
17. Sucre: non raffiné.....	66.8	3.6	2.6	—	0.5	0.4	—	—	—	—	—	11.2	0.71	9.7	—	—	1.4	0.1
18. raffiné.....	39.7	3.6	35.7	0.1	3.2	0.7	0.1	—	0.03	—	0.07	—	—	—	—	—	—	—
19. Café non torréfié.....	—	—	—	—	—	—	2.2	0.24	0.3	—	—	1.9	0.1	0.01	0.1	—	—	—
20. Thé et maté.....	196.2	5.7	181.2	—	10.0	5.0	—	—	—	—	—	—	—	—	—	—	—	—
21. Cacao en fèves.....	11.2	3.2	0.5	0.1	0.1	10.5	4.4	1.04	—	—	—	4.4	6.6	1.44	0.6	—	0.7	5.3
22. Tabac brut.....	0.5	0.4	0.3	0.1	0.1	—	0.6	0.40	0.2	0.3	—	0.1	0.2	0.12	0.1	0.01	0.10	—
23. Arachides.....	13.3	1.7	2.9	—	8.9	1.5	—	—	—	—	—	0.9	0.12	0.2	—	—	0.7	—
24. Coprah.....	11.6	8.9	8.3	—	1.1	2.2	—	—	—	—	—	—	—	—	—	—	—	—
25. Noix de palme.....	47.8	3.6	—	28.4	12.4	7.0	21.9	14.95	14.3	—	—	7.6	6.1	3.65	5.9	—	—	0.2
26. Fèves de soya.....	33.8	2.4	0.3	9.6	23.9	—	12.6	0.16	0.8	0.6	—	—	0.4	0.03	0.4	—	—	—
27. Graines: de lin.....	31.1	1.6	—	0.1	31.0	—	—	—	—	—	—	—	—	—	—	—	—	—
28. de coton.....	26.9	1.4	1.1	0.1	—	25.7	—	—	—	—	—	—	0.2	0.01	0.2	—	—	—
29. Tourteaux, etc.....	—	—	—	—	—	—	—	—	—	—	—	—	8.4	0.41	0.2	0.1	—	8.1
30. Huile: d'olive.....	6.1	0.3	6.1	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
31. d'arachides.....	25.9	0.7	25.9	—	—	—	49.6	0.56	47.5	—	—	2.1	124.6	0.47	24.3	—	—	0.3
32. de palme et palmiste.....	0.8	0.2	0.8	—	—	—	6.7	1.44	6.4	—	—	0.3	0.1	0.01	0.1	—	—	—
33. de coco.....	1.0	0.1	1.0	—	—	—	—	—	—	—	—	—	0.2	0.03	0.2	—	—	—
34. de soya.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
35. de lin.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
36. de graines de coton.....	0.8	0.1	0.8	—	—	—	—	—	—	—	—	—	0.1	0.01	0.1	—	—	—
37. de baleine.....	0.1	0.01	0.1	—	—	—	—	—	—	—	—	—	0.1	0.01	0.1	—	—	—
	117.4	1.4	15.7	—	—	1.7	—	—	—	—	—	2.3	0.26	1.4	—	—	—	0.9

**ANNEXE IV. COMMERCE DE CERTAINS ARTICLES, 1935
(suite).**

Les importations sont indiquées en caractères ordinaires, les exportations en italiques.

Quantités en milliers de tonnes métriques, sauf indication contraire.

Articles	Continental Europe					
	Total		dont (quantité)			
	quan- tités	milliers de t	Europe sans U.R. S.S.	Domin. brit. et Inde	Terr. europ. d'outre- mer	Autres pays
1. Gros bétail (<i>milliers de têtes</i>)	366.6 <i>454.4</i>	20.5 <i>23.8</i>	358.5 <i>399.1</i>	—	8.0 <i>20.0</i>	0.1 <i>35.3</i>
2. Viande: boeuf, veau, mouton, agneau	84.5 <i>33.0</i>	12.6 <i>8.0</i>	26.7 <i>31.6</i>	0.1	8.6 <i>0.8</i>	49.1 <i>0.6</i>
3. porc	49.8 <i>330.2</i>	14.3 <i>126.3</i>	47.5 <i>325.1</i>	0.2	—	2.1 <i>3.8</i>
4. Beurre	81.0 <i>272.5</i>	39.4 <i>114.6</i>	79.5 <i>258.0</i>	—	—	1.5 <i>8.3</i>
5. Fromage	77.9 <i>146.3</i>	29.8 <i>56.4</i>	77.4 <i>100.0</i>	0.1 <i>0.7</i>	— <i>18.0</i>	0.4 <i>27.6</i>
6. Oeufs en coque	138.2 <i>231.3</i>	47.3 <i>60.7</i>	121.3 <i>229.6</i>	—	7.7 <i>0.8</i>	9.2 <i>0.8</i>
7. Pommes de terre	441.4 <i>605.1</i>	17.5 <i>19.5</i>	387.8 <i>461.3</i>	—	52.6 <i>5.8</i>	1.0 <i>104.7</i>
8. Froment	4867.1 <i>1964.7</i>	165.9 <i>53.0</i>	1230.9 <i>1123.3</i>	877.5	550.3 <i>8.9</i>	2208.4 <i>832.5</i>
9. Farine de froment	250.6 <i>498.3</i>	14.8 <i>16.3</i>	144.3 <i>278.6</i>	30.1	56.7 <i>170.4</i>	19.5 <i>49.3</i>
10. Seigle	850.0 <i>709.4</i>	20.4 <i>14.4</i>	611.6 <i>551.7</i>	12.6 <i>58.4</i>	1.3 <i>2.2</i>	224.5 <i>97.1</i>
11. Orge	1393.0 <i>673</i>	37.7 <i>16.3</i>	636.3 <i>658.0</i>	32.0	178.7	546.0 <i>15.0</i>
12. Avoine	714.5 <i>170.5</i>	20.5 <i>4.2</i>	163.5 <i>166.0</i>	17.2	27.5 <i>0.3</i>	506.3 <i>4.2</i>
13. Maïs	4253 <i>1079.2</i>	100.9 <i>22.0</i>	1222.3 <i>1063.4</i>	122.6	529.6 <i>1.9</i>	2378.5 <i>13.9</i>
14. Riz	1150.5 <i>313.8</i>	48.5 <i>17.3</i>	187.8 <i>254.7</i>	337.8 <i>0.3</i>	432.9 <i>45.0</i>	192.0 <i>13.8</i>
15. Bananes	344.5 <i>0.6</i>	35.2 <i>0.1</i>	40.8 <i>0.6</i>	0.1	237.8	65.8 <i>—</i>
16. Agrumes	1052.1 <i>1039.3</i>	90.2 <i>59.9</i>	815.3 <i>1029.0</i>	2.5 <i>0.7</i>	88.6 <i>2.5</i>	145.7 <i>7.1</i>
17. Sucre: non raffiné	712.1 <i>115.9</i>	36.4 <i>2.6</i>	137.2 <i>106.5</i>	—	229.7 <i>8.5</i>	345.2 <i>0.9</i>
18. raffiné	448.3 <i>643.1</i>	19.2 <i>35.8</i>	379.2 <i>312.5</i>	5.4	40.7 <i>282.6</i>	28.4 <i>42.6</i>
19. Café non torréfié	670.7 <i>7.7</i>	168.0 <i>2.1</i>	30.1 <i>7.6</i>	6.2	95.9	538.5 <i>0.1</i>
20. Thé et maté	26.9 <i>0.2</i>	15.1 <i>0.1</i>	4.1 <i>0.1</i>	2.8	6.6 <i>0.1</i>	13.4 <i>—</i>
21. Cacao en fèves	272.1 <i>2.3</i>	38.3 <i>0.4</i>	22.6 <i>2.3</i>	0.8	206.3	42.4 <i>—</i>
22. Tabac brut	269.8 <i>118.7</i>	120.8 <i>73.5</i>	103.1 <i>71.7</i>	0.7	65.5 <i>1.3</i>	100.5 <i>45.7</i>
23. Arachides	1592.2 <i>6.3</i>	88.6 <i>0.5</i>	40.3 <i>1.4</i>	582.6	722.1 <i>4.6</i>	247.0 <i>0.3</i>
24. Coprah	644.2 <i>0.1</i>	37.9 <i>—</i>	84.3	59.3	423.8	76.8 <i>0.1</i>
25. Noix de palme	465.8 <i>1.0</i>	21.6 <i>1.0</i>	42.7 <i>1.0</i>	0.2	418.4	4.5 <i>—</i>
26. Fèves de soya	1048.3 <i>7.5</i>	34.7 <i>0.4</i>	346.3 <i>7.5</i>	2.0	—	700.0 <i>—</i>
27. Graines: de lin	1265.1 <i>31.8</i>	58.6 <i>1.9</i>	59.3 <i>31.7</i>	29.6	8.3 <i>0.1</i>	1167.9 <i>—</i>
28. de coton	4.9 <i>2.1</i>	0.1 <i>—</i>	1.7 <i>2.1</i>	—	0.8	2.4 <i>—</i>
29. Tourteaux, etc.	1822.7 <i>952.9</i>	52.0 <i>17.5</i>	942.9 <i>929.5</i>	54.5	78.7 <i>2.3</i>	746.6 <i>21.1</i>
30. Huile: d'olive	74.1 <i>122.3</i>	17.5 <i>32.2</i>	26.2 <i>37.2</i>	—	47.5 <i>8.9</i>	0.4 <i>73.4</i>
31. d'arachides	20.7 <i>93.5</i>	3.2 <i>13.3</i>	19.4 <i>27.9</i>	0.1 <i>0.2</i>	0.4 <i>34.9</i>	0.8 <i>30.5</i>
32. de palme et palmiste	177.3 <i>50.3</i>	14.4 <i>4.3</i>	23.9 <i>24.5</i>	2.8 <i>0.5</i>	148.7 <i>0.3</i>	1.9 <i>25.0</i>
33. de coco	51.9 <i>59.4</i>	4.8 <i>5.8</i>	40.0 <i>48.9</i>	2.0 <i>0.2</i>	7.8 <i>6.0</i>	2.1 <i>4.3</i>
34. de soya	54.1 <i>35.2</i>	6.2 <i>4.1</i>	27.1 <i>27.1</i>	—	—	27.0 <i>3.9</i>
35. de lin	37.3 <i>104.0</i>	3.9 <i>9.4</i>	36.9 <i>81.2</i>	—	—	0.4 <i>12.7</i>
36. de graines de coton	8.2 <i>2.0</i>	0.9 <i>0.3</i>	4.1 <i>0.2</i>	—	0.1	4.0 <i>1.8</i>
37. de baleine	445.6 <i>83.3</i>	30.5 <i>5.9</i>	372.0 <i>79.7</i>	1.2	0.1 <i>1.0</i>	72.3 <i>2.6</i>

ANNEX IV. TRADE IN CERTAIN PRODUCTS, 1935
(continued).

Imports are shown in ordinary type; exports in italics.
Quantities in thousand metric tons unless otherwise stated.

	Continental Europe					
	Total		Of which (quantity)			
	quantity	\$ (millions)	Europe excl. U.S. S.R.	Brit. Domin. & India	Europ. overs. terr.	Other countries
38. Peaux brutes de gros bétail: vertes	343.2	93.9	111.9	31.7	26.9	172.7
39. sèches.....	<i>130.9</i>	<i>34.2</i>	<i>121.2</i>	<i>1.2</i>	<i>0.1</i>	<i>8.4</i>
40. Laine en suint.....	560.2	254.1	98.6	315.9	4.8	140.9
41. lavée à fond.....	<i>63.3</i>	<i>36.0</i>	<i>60.3</i>	—	<i>0.7</i>	<i>2.3</i>
42. Soie grège.....	9.3	27.1	5.1	—	—	4.2
43. Lin.....	252.7	33.2	200.9	0.2	—	51.6
44. Chanvre.....	178.8	47.5	74.8	13.4	64.3	27.0
45. Jute.....	484.7	40.3	15.1	457.8	6.9	4.9
46. Coton.....	1337.6	417.7	103.1	181.3	57.6	995.6
47. Fils de fibres artificielles.....	48.6	53.7	46.6	0.1	—	1.9
48. Caoutchouc brut.....	214.9	57.7	25.0	12.0	165.4	12.7
49. Bois: conifères (milliers de m ³).....	<i>13.1</i>	<i>1.7</i>	<i>12.6</i>	—	<i>0.3</i>	<i>0.2</i>
50. autres (milliers de m ³).....	22656.9	235.6	14733.0	23.6	473.4	7426.9
51. Pâte de bois: mécanique.....	<i>27323.8</i>	<i>205.3</i>	<i>25700.5</i>	<i>359.6</i>	<i>566.8</i>	<i>695.0</i>
52. chimique.....	1550.8	61.0	1506.3	18.7	—	25.8
53. Houille.....	<i>4552.2</i>	<i>149.2</i>	<i>2892.9</i>	<i>85.4</i>	<i>0.5</i>	<i>1573.4</i>
54. Coke.....	68356.8	370.9	67015.4	—	290.0	1051.4
55. Pétrole brut.....	<i>46901.3</i>	<i>189.7</i>	<i>43206.7</i>	<i>202.0</i>	<i>528.4</i>	<i>2964.2</i>
56. Essences de pétrole.....	12426.9	74.7	12414.9	—	—	12.0
57. Huiles à gaz et "fuel oils".....	<i>10803.7</i>	<i>56.1</i>	<i>10511.4</i>	<i>10.8</i>	<i>10.3</i>	<i>271.2</i>
58. Bauxite.....	7557.1	85.7	740.8	21.3	325.4	6469.6
59. Minerai de fer.....	<i>343.4</i>	<i>3.1</i>	<i>343.4</i>	—	—	—
60. Minerai de manganèse.....	4702.2	112.2	2084.9	—	428.4	2188.9
61. Fonte de fer.....	<i>2155.4</i>	<i>43.9</i>	<i>1990.2</i>	—	<i>80.8</i>	<i>84.4</i>
62. Fer et acier: lingots, blooms, etc...	5058.9	59.5	1884.4	1.0	444.1	2729.4
63. Déchets de fer, ferraille.....	<i>3613.2</i>	<i>27.6</i>	<i>2603.4</i>	—	<i>24.5</i>	<i>985.3</i>
64. Cuivre non ouvré, y compris raffiné	540.7	4.5	540.7	—	—	—
65. Plomb non ouvré.....	<i>792.1</i>	<i>3.7</i>	<i>765.5</i>	—	<i>0.3</i>	<i>26.3</i>
66. Minerai d'étain.....	27034.7	75.0	25911.4	22.5	984.4	116.4
67. Etain non ouvré.....	<i>29122.4</i>	<i>62.4</i>	<i>28772.8</i>	<i>34.0</i>	<i>6.0</i>	<i>209.6</i>
68. Zinc, non ouvré.....	1329.6	12.7	95.1	328.0	368.3	520.2
69. Nitrates de sodium, calcium, ammonium.....	<i>24.0</i>	<i>0.4</i>	<i>23.9</i>	—	—	<i>0.1</i>
70. Sulfate d'ammonium.....	735.2	13.2	655.9	7.5	—	71.8
71. Phosphates naturels.....	<i>725.7</i>	<i>12.2</i>	<i>644.0</i>	<i>0.1</i>	<i>3.2</i>	<i>78.4</i>
72. Scorries de déphosphoration.....	513.6	16.4	511.1	—	—	2.5
73. Superphosphates.....	<i>1610.9</i>	<i>49.2</i>	<i>1179.4</i>	<i>25.0</i>	<i>107.5</i>	<i>299.0</i>
74. Engrais potassiques.....	2234.8	33.4	1632.5	8.6	47.7	546.0
75. Soufre.....	<i>1548.0</i>	<i>19.5</i>	<i>1523.3</i>	—	<i>0.3</i>	<i>24.4</i>
	745.2	114.8	233.2	78.5	192.6	240.9
	<i>188.5</i>	<i>34.6</i>	<i>159.7</i>	<i>0.2</i>	<i>0.2</i>	<i>28.4</i>
	287.4	21.1	133.3	8.3	25.2	120.6
	<i>112.6</i>	<i>9.0</i>	<i>104.7</i>	—	<i>0.3</i>	<i>7.6</i>
	30.0	20.3	0.4	—	22.2	7.4
	<i>1.8</i>	<i>0.7</i>	<i>1.8</i>	—	—	—
	42.1	45.6	18.2	2.3	20.0	1.6
	<i>26.7</i>	<i>27.9</i>	<i>19.2</i>	—	<i>0.4</i>	<i>7.1</i>
	204.7	16.1	173.1	6.6	7.5	17.5
	<i>226.8</i>	<i>15.9</i>	<i>198.9</i>	<i>4.4</i>	<i>0.1</i>	<i>23.4</i>
	880.6	32.7	328.3	12.0	—	540.3
	<i>591.8</i>	<i>17.6</i>	<i>286.5</i>	<i>4.7</i>	<i>4.6</i>	<i>296.0</i>
	513.9	16.9	478.3	1.2	—	34.4
	<i>868.3</i>	<i>21.7</i>	<i>439.8</i>	<i>4.9</i>	<i>54.6</i>	<i>369.0</i>
	4163.9	33.0	188.8	—	2564.8	1410.8
	<i>47.3</i>	<i>0.3</i>	<i>39.2</i>	<i>6.1</i>	—	<i>2.0</i>
	1557.0	17.8	1514.4	—	—	42.6
	<i>1611.8</i>	<i>15.0</i>	<i>1577.2</i>	<i>16.6</i>	<i>0.6</i>	<i>17.4</i>
	398.5	5.9	370.9	—	—	27.6
	<i>623.1</i>	<i>7.3</i>	<i>183.3</i>	<i>11.7</i>	<i>19.1</i>	<i>409.0</i>
	1533.7	25.0	1435.4	0.1	1.4	96.8
	<i>1794.3</i>	<i>32.4</i>	<i>1115.2</i>	<i>37.6</i>	<i>21.5</i>	<i>620.0</i>
	367.3	8.9	224.8	—	0.1	142.4
	<i>302.5</i>	<i>7.8</i>	<i>204.9</i>	<i>63.6</i>	<i>20.1</i>	<i>13.9</i>

For foot-notes to the tables, see overleaf.

NOTES TO ANNEX IV

Germany

¹ Excluding firewood (imports 28.4 thousand tons, \$0.2 million, all from Europe; exports 47.8 thousand tons, \$0.4 million, all to Europe.

Austria

¹ Excluding firewood (imports 12.5 thousand tons, value 0.1, all from Europe; exports 42.7 thousand tons, value 0.29, all to Europe.

Belgium-Luxemburg

¹ Fish oil and fats, also hydrogenated.
² Including cotton waste.
³ Imports exclude firewood (15.2 thousand tons, \$0.3 million, all from Europe.
⁴ Exports of mechanical wood-pulp is included under item 52.
⁵ Including copper scrap.

Bulgaria

¹ Chiefly dry hides.

Denmark

¹ Of which greasy wool, 0.3, and scoured wool 2.4.
² Crude petroleum is included under item 57.

Spain

¹ The figures for groundnuts (item 23) include soya beans (item 26), cotton seed (item 28) and certain other oleaginous seeds.
² The figures for copra (item 24) include palm kernels (item 25).
³ "Oils of animal origin," except cod liver oil.
⁴ Including cotton waste.

Finland

¹ Including seal and fish oil, etc.
² Dry hides exported are included with wet (item 38).

France

¹ Exports of "powdered sugar" (43.6 thousand tons, \$2.9 million), of which a portion may have been unrefined, is included under item 18.
² Including dregs and beet pulp.
³ Including cotton waste.
⁴ Including waste and reclaimed rubber.
⁵ Including "phosphated fertilisers, composed and prepared."

Greece

¹ Including olive kernel oil, 7.58 thousand tons (\$1.05 million), of which 1.13 to Europe and 6.65 to "other countries."
² The figures for natural phosphates (item 71) include potash fertilisers (item 74).

Hungary

¹ The figures for palm and palm kernel oils (item 32)-include coconut oil (item 33).
² Including seal and fish oil, etc.
³ Including flax tow and waste.
⁴ Exports of sulphate of ammonium (item 70) are included under item 69.

Ireland

¹ The import figures refer to total imports (i.e., they include goods subsequently re-exported); the export figures, on the other hand, refer to Irish produce only.

Italy

¹ Pork, fresh and frozen, is included with item 2; the figures against item 3 refer to hams only.
² "Oils of fish and marine animals."

Latvia

¹ Including fish oil and fat.
² Including certain semi-manufactures of zinc.

Lithuania

¹ "Liquid oils of marine animals and fish, for technical purposes."
² Including imports of horse and calf hides.

Norway

¹ The figures against item 18 may include a certain amount of unrefined sugar.
² Not including exports of seal and fish oil (35.0 thousand tons) or hardened oil, prepared, it appears, largely from whale and fish oil (53.1 thousand tons).
³ Including imports of horse and calf hides.
⁴ Including spun silk.
⁵ Imports of wood: conifers are included under item 50.

Netherlands

¹ Including imports of certain meat the nature of which is not indicated.
² Items 32-34 do not include hardened oils. Total trade in such oil was: imports 0.9 thousand tons (\$0.1 million); all from Europe; exports 5.7 thousand tons (\$0.7 million), of which to Europe 4.2, to the British Dominions and India 0.2, to European territories overseas 1.0 and to other countries, 0.3.
³ "Fish oil, also hardened."
⁴ Including cotton waste.
⁵ Including waste and reclaimed rubber.

Poland

¹ Including oils of other marine animals.
² Including cotton waste.

Portugal

¹ Pork is included under item 2.
² Including raw cocoa not in beans.
³ The figures against items 26-28 include groundnuts and certain other oleaginous seeds. In the totals for Europe these have been attributed to item 23.
⁴ Oil imported for food purposes only.
⁵ Unrefined palm oil only.
⁶ Refined coconut oil only.
⁷ "Animal oils and fats, also hydrogenated."
⁸ Including hides other than cattle.
⁹ Export of scoured wool is included under item 40.
¹⁰ Including cotton waste.
¹¹ Of which conifers, about 395 thousand cubic meters.
¹² Imports of coke and lignite are included under item 53.
¹³ The exports of coal represent bunkers for the use of national and foreign ships.

Roumania

¹ Item 24 includes palm nuts and kernels, etc.
² "Fish oils and fats for industrial purposes, denatured."
³ Including cotton waste.
⁴ Petroleum coke only.

United Kingdom

¹ The import figures refer to total imports (retained imports plus re-exports) and the export figures to total exports (exports of domestic goods plus re-exports).
² Including horse-meat, etc.
³ Including "shorts, smalls, not denatured and stalks."
⁴ Excluding hardened whale oil.
⁵ Exported wet hides are included under item 39.
⁶ Including exported wet hides.
⁷ Including Manila hemp (the import of Manila hemp "not further dressed after scutching or decorticating" was 41.7 thousand tons; \$3.1 millions).
⁸ Including cotton waste.
⁹ Chiefly artificial silk.
¹⁰ Including waste and reclaimed rubber.
¹¹ Sleepers (even of soft wood) are included under item 50.
¹² All wood exported (even conifer) is included under item 50.
¹³ Including conifer.
¹⁴ Excluding coal and coke briquettes: 718; 3.2; 156; —; 222; 300.

Sweden

¹ Including sesame oil.
² Palm kernel oil is included under item 33.
³ Including other animal oil, hardened.

Switzerland

¹ Exports of beef, veal, etc. are included under item 3.
² Including pineapples, pomegranates, etc.
³ The totals against items 23-28 represent "oleaginous seeds and fruits." In the totals for Europe (industrial countries etc.) these have been attributed to item 23.
⁴ Items 32-34 include cotton seed oil (item 36) and certain non-specified vegetable oils. In the totals for Europe (industrial countries etc.) these have been attributed to item 32.
⁵ "Animal oils of all kinds."
⁶ Flax, ramie and manila hemp are included under item 44.
⁷ Including rubber waste.
⁸ Pig iron is grouped with billets, blooms, etc. (item 62).
⁹ Including bones, ashes, etc.
¹⁰ Including certain other fertilisers ("engrais préparés").

Czecho-Slovakia

¹ Including seal and fish oils.
² Including silk waste and spun silk.
³ Including ramie.
⁴ Including cotton waste.
⁵ Including waste and reclaimed rubber.

Turkey

¹ Item 24 includes palm kernels.
² Including certain vegetable waste products.
³ Item 32 includes coconut oil, soya bean oil and certain other vegetable oils.
⁴ Item 44 includes flax, jute, ramie and certain other raw textiles.
⁵ Item 62 includes pig iron.
⁶ Nitrates of sodium only.

Yugoslavia

¹ Including certain agricultural waste products.
² Fish oils and fats, including spermaceti.
³ The export figures against item 44 include flax tow and waste.
⁴ Item 62 includes pig iron.

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