

A PICTURE OF WORLD ECONOMIC
CONDITIONS AT THE BEGINNING
OF 1931



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A PICTURE OF WORLD
ECONOMIC CONDITIONS
AT THE BEGINNING OF 1931



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PREFACE

THE increasing international relationships of American business make it more and more important that its leaders should have a clear understanding of what is taking place in the economic life not only of their own country but also of the world at large. The Conference Board seeks to aid this international understanding by assembling the outstanding facts of world economic progress and by presenting them in a compact yet comprehensive picture.

In the accomplishment of this important task the Conference Board has enlisted the interest and co-operation of a large group of leading men of business and professional activity in various countries of the world as Foreign Correspondents of National Industrial Conference Board, Inc. The men who thus participate in the work of the Conference Board are among the most eminent in their countries because of their intimate knowledge of economic conditions, their wide experience, and their international outlook. The international network of correspondence thus established has enabled the Conference Board to prepare the series of volumes of which this book, entitled "A Picture of World Economic Conditions at the Beginning of 1931," is the sixth issue. The co-operation of the Foreign Correspondents with the Conference Board makes these books on world economic conditions a truly international undertaking.

Each book is divided into two parts. Part I is prepared by the National Industrial Conference Board on the basis of official and other authoritative sources of information. It gives a carefully summarized analysis of those contemporary facts regarding industrial production, wages, prices, employment, foreign trade, public and private finance, and other economic factors that give to each country its special importance in the economic commonwealth of nations. The major currents of world economy are here interpreted from the American point of view. Part I also contains a more

extended discussion of economic conditions, problems, and developments in the United States, intended largely for the information of foreign readers of the Conference Board's publications, and particularly for the benefit of its Foreign Correspondents.

Part II contains original articles specially prepared by Foreign Correspondents of the National Industrial Conference Board. Through this contribution American readers obtain the benefit of the judgment and opinion of these distinguished authorities concerning general economic conditions and trends or specific problems in their respective countries, or in regard to questions of broad international interest. Thus, Americans are enabled to see foreign economic situations through the eyes of competent foreign observers.

The National Industrial Conference Board is highly appreciative of the valuable and generous assistance that it is currently receiving from these Foreign Correspondents, which enables it to make its contribution to international understanding. The Conference Board is under special obligation to those Foreign Correspondents who have contributed original articles in time for inclusion in this volume; namely, the Rt. Hon. Reginald McKenna through the article prepared by the Midland Bank, Ltd., and Sir Arthur Balfour for Great Britain; Hon. Charles Rist and Professor André Siegfried for France; Hon. Antonio S. Benni for Italy; Hon. Emil Francqui for Belgium; Mr. E. Heldring for the Netherlands; Messrs. B. Dessau and Ernst Meyer for Denmark; Mr. J. Throne Holst for Norway; Mr. Louis Dapples for Switzerland; Hon. H. Gliwic for Poland; Dr. J. Preiss for Czechoslovakia; Hon. Richard Reisch for Austria; Hon. A. Popovics for Hungary; Mr. S. D. Alexander and Hon. I. Bajloni for Jugoslavia; Mr. A. E. Dymont and Sir Charles B. Gordon for Canada; Mr. S. E. Soulas for Argentina; Sir Lennon Raws for Australia; Baron Takuma Dan and Baron Koyata Iwasaki for Japan; and Mr. Li Ming for China.

The Conference Board was advised of the sending of some other articles, but they did not arrive in time to be included in this book. It is obvious, of course, that not all Foreign Correspondents can be expected to contribute original articles to each book in this series.

PREFACE

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

Under the immediate direction of the President of the Conference Board and with the supervision of the Board's Staff Economic Council, Part I of this book was prepared, and translations of certain articles in Part II were made, by Mr. Vaso Trivanovitch and assistants, of the Conference Board's Research Staff.

MAGNUS W. ALEXANDER

President

New York City
March, 1931

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TABLE OF CONVERSION

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

- Argentina*, par, 96.48 cents per gold peso, or average for certain periods;
- Australia*, par, \$4.86 per pound or average for certain periods;
- Belgium*, par, 2.78 cents per franc or 13.9 cents per belga;
- Brazil*, par, 11.96 cents per paper milreis or average for certain periods;
- Chile*, par, 12.17 cents per gold peso;
- Colombia*, par, 97.33 cents per gold peso;
- Czechoslovakia*, 2.96 cents per crown;
- Denmark*, par, 26.8 cents per crown;
- France*, par, 3.91 cents per franc; pre-war par, 19.3 cents per franc;
- Germany*, par, 23.8 cents per reichsmark;
- Great Britain*, par, \$4.86 per pound sterling;
- Italy*, par, 5.26 cents per lira;
- Japan*, 45.3 cents per yen;
- Mexico*, 48.2 cents per peso or average for certain periods;
- The Netherlands*, par, 40.20 cents per florin;
- Norway*, par, 26.8 cents per krone;
- Russia*, 51.46 cents per ruble;
- Sweden*, par, 26.8 cents per krona.