

MAJOR FORCES IN WORLD BUSINESS DEPRESSION



INTERNATIONAL INDUSTRIAL CONFERENCE BOARD, Inc.
247 PARK AVENUE, NEW YORK

1931

**MAJOR FORCES IN
WORLD BUSINESS DEPRESSION**

STUDIES OF INTERNATIONAL PROBLEMS

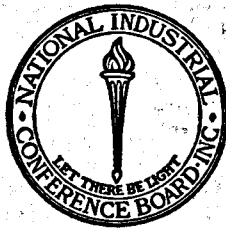
PUBLISHED BY THE
NATIONAL INDUSTRIAL CONFERENCE
BOARD, INC.

247 Park Avenue, New York

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PREFACE

THE whole world is in the grip of a depression the effects of which are still developing and the final stages of which the wisest man finds it difficult to foresee. While it would be futile to attempt to depict and interpret with any degree of finality the conditions of the moment, it is possible to go behind them and discover some leading forces that have produced the present ferment in the economic life of practically all nations. Moreover, the developments of the summer of 1931 have shed new light upon certain underlying causes the full significance of which was perhaps less clearly discernible when the Preliminary Study of Major Forces in World Business Depression was prepared in April of this year. The present publication is the revision of that preliminary study in the light of later developments. It embodies also certain suggestions made by eminent men of affairs in all parts of the world, who have courteously examined the original publication and given the National Industrial Conference Board the benefit of their views on various subjects treated in the pamphlet.

In recent years the National Industrial Conference Board has published at this season a volume on world economic conditions in the preceding summer. For the moment, when the economic life of the nations seems to have broken loose from its moorings, it does not appear advisable to attempt to paint a picture of world economic conditions. Instead, the present publication is offered as a substitute for such a picture and at the same time as a definite revision of the preliminary study bearing the same title that was issued in the early part of the current year.

Many forces have operated to produce the world-wide business depression. From country to country the character and the severity of the depression have been modified by such factors as geographical location, natural resources, character and size of the population, social and political

conditions, tariffs and subsidies, relations with foreign countries, and similar circumstances.

The purpose of the present study is to examine the major forces in the world business depression and to show how and in what degree different countries have contributed to this depression and are affected by it. In so doing it would not be practicable to give in detail the statistical material required to support the conclusions stated. This material is conveniently presented and analyzed in a series of books that have been issued semi-annually by the National Industrial Conference Board in co-operation with its Foreign Correspondents. The most recent of these is entitled "A Picture of World Economic Conditions at the Beginning of 1931." The present manuscript is in a sense and in part an outgrowth and a summary of those studies.

The picture here sketched is presented as it appears to American observers, although, as previously indicated, the Conference Board has had the benefit of the advice and counsel of men of affairs in many countries. With the aid of these leaders in industry, commerce, and finance abroad, the statements contained in the present publication have, it is believed, been more adequately fitted to the situations which they endeavor to describe.

There is no wish on the part of the Conference Board either to magnify or to minimize the difficulties from which business is suffering in practically all parts of the world. The economic problems of the modern world are international in scope. Year by year the economic ties that bind the United States to the rest of the world grow stronger, and year by year the need of American business for accurate information on world affairs grows more imperative. The Conference Board desires to call attention to the existence of numerous forces, seldom clearly recognized, which affect economic life in its various branches and to emphasize the almost bewildering interrelation of many economic and political factors in all parts of the world. A clear recognition of the obstacles to normal business conduct must precede the attempt to find solutions and remedies.

In the preparation of its studies the National Industrial Conference Board avails itself of the experience and judg-

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ment 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 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 supervision of its Staff Economic Council, this study was prepared by Mr. Vaso Trivanovitch and assistants, of the Conference Board's Research Staff.

MAGNUS W. ALEXANDER

President

New York City
September, 1931

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