# Germany and World Trade

Address delivered by

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Between 1850 and 1910 world trade increased from 16,000 million to 160,000 million marks (Annex 1). I should like to take this fact and all its effects in the economic, social, and cultural spheres as the basis of my address on world trade.

The two figures mentioned are evidence of such an astonishing development that it is today particularly worth while recalling the most important reasons for this development. The stimulus was undoubtedly given by modern technics, which have improved the material conditions of human life to an enormous extent since the end of the 18th century (Annex 2). I need only mention such revolutionary discoveries as the loom, the steam engine, and the dynamo, the modern technics of blast furnaces, and the triumphal progress of chemistry. The innumerable technical achievements have increased production and the possibilities of production in the industrial countries far beyond their own requirements, and compelled them to market their products in undeveloped countries. Only so was it possible to feed the greatly increased populations in the industrial countries (Annex3). Thanks to this development, the "right to work" was in pre-war times never a problem in the sense that it is today. During the sixty-five years from 1850 to 1914 employment in Great Britain never dropped below 88 per cent; as a rule it was between 92 and 97 per cent (Annex 4). On the other hand, however, technics brought all countries and continents closer together, and made the world one single large market. I will mention a few figures connected with the technical side of transport which will demonstrate the tremendously rapid development. In 1830 the world's network of railway lines measured about 300 kilometres; in 1875 it had already increased to 300,000 kilometres and in 1905 to 900,000 kilometres. The world's steamer tonnage was 210,000 tons in 1850, and 45,000,000 tons in 1914. The first oversea cable was laid in 1866, and in 1914 the world network of cables extended over more than 500,000 kilometres (Annex 5).

In the past century the businessman knew how to make practical use of technical progress. The inventive genius of the technician found a worthy partner in the enterprising spirit of the trader. Attracted by the possibilities of profit, and spurred on by competition, the great commercial houses conquered the world market. Wherever there was a demand accompanied by purchasing power — from that of valuable machines for the United States to that of glass beads for negro tribes — the businessman knew how to discover it. But he was also master of the far greater art of constantly maintaining connections, once they had been made. He, again, was supported by the financiers, for the enormous expansion of international trade required equally enormous capital resources. The natural development of international trade also guided these streams of capital into a natural bed. The undeveloped countries had need of credit in order to acquire purchasing power. Credit placed them in a position to exploit their natural sources of raw material; by the delivery of raw material they were able to pay interest on the credits and gradually to repay them. The stream of capital and the stream of goods corresponded with each other in almost ideal fashion.

To explain the further factors of the international economic expansion of the pre-war period would mean going too much into details. It will suffice to mention the standardization of currency conditions, which ended in the victory of the gold standard, and the development of regularized international legal relations, which guaranteed the protection of private property.

But the decisive reason for the tremendous boom in international trade was, nevertheless, not to be found in the technical, nor in the economic, but in the political sphere. It is a false doctrine to assume that the history of mankind in the last century was determined by technics or business. The primacy was always in the sphere of politics and must logically remain there. But politics in those days were just as much concerned with furthering international trade as they are now unfortunately devoted to the opposite principle. Since the Napoleonic wars, the world, regarded as a whole, has experienced a period of peaceful development. The wars which interrupted it were more superficial disturbances than deep incisions. From the point of view of commercial policy, the generally friendly attitude towards trade was less marked by the principle of free trade, which only prevailed to some extent for less than a decade, than by a determination to promote foreign trade as a whole, which took the form of long-term commercial treaties and the development of the principle of most favoured nation treatment in almost all countries except the United States.

Of course, the development of the pre-war period did not take place without reverses, but no reverse was strong enough to have been able to send the curve downwards. Even in the years of severe depression after the Napoleonic wars, international trade increased again, although progress was only slow. Wars like the Crimean War, the American Civil War, and the Franco-German War of

1870—71, or crises like those of 1857 or 1873, could not interfere lastingly with international trade. This adds to the appalling effect of the fact that, at present, international trade has decreased by two-fifths in terms of value and by one-sixth in terms of volume as compared with 1913 (Annex 1). In two decades world trade has, therefore, not only not expanded, but has actually shrunk very considerably. The reasons which have led to such a catastrophe must be very serious.

The first tendency is to seek for the reasons in the economic sphere, and to ascribe at least part of the blame to the "structural changes in the world economic system". Every tremendous upward movement also contains destructive factors, and it will always be a question whether the tendencies to prosperity are stronger in the long run than the tendencies to decay. If the principal economic factors are examined separately, the first thing that will be ascertained is that the intensity of technical progress has abated relatively. Of course, technics have by no means come to a standstill; on the contrary they have been developed strongly and in manifold ways; but such revolutionary inventions as those of the loom, the steam-engine, the locomotive, and the electric dynamo have hardly occurred in recent decades. But, above all, the inventions of recent times have no longer caused even approximately such a consumption of material as is instanced, for example, by the development of railways. The increased precision of present day machines and apparatus cannot provide a sufficient adjustment, especially as a very considerable part of modern inventions are deliberately designed with a view to a more economical utilization of raw materials.

A further factor is the competition between the industrial countries, which has increased beyond healthy limits (Annex 6). As late as the middle of last century

Great Britain was the only really industrial country; then she was followed by Belgium and Germany, and, later, by most of the other European countries, so that since the turn of the century the whole of Europe has constituted a system of national economies in keen competition with each other. This state of competition led to a bitter struggle for markets which, finally, was largely responsible for the outbreak of the World War. During the World War and in the years that followed this tendency became still more acute. The European industrial countries were joined by the United States and, lately, by Japan as very serious competitors. But the South American states and various British dominions are also visibly undergoing a process of industrialization.

This has given rise to a fundamental dislocation in the structure of international trade. The exchange of oversea raw materials for European finished goods — originally the most important section of international trade — has been backward in development; instead of this, the exchange of finished goods for finished goods — especially in Europe itself — has much increased. That complicates the organic structure of international business relations, but there is no reason why it should yet prejudice international trade as such; for even in the finished goods industries there are considerable differences between the various countries which provide rather more than less possibilities for exchange. The newly industrialized countries, above all, are still far from having at their disposal the technical experience of the old and have to devote their industrial development on the whole to the production of technically simpler mass consumption goods. In the sphere of the manufacture of production goods, and also of high class and luxury articles, the old industrial countries still take the lead, and they will continue to do so as long as they succeed in maintaining the superiority of their technics and of their technicians. The two greatest industrial countries in Europe, Great Britain and Germany, doubled their exports of consumption goods in the twenty-five years from 1904 to 1929, and, on the other hand, far more than trebled that of production goods (Annex 7). The real danger is to be found elsewhere. International business has become very susceptible to crises owing to this structural shift. The exchange of raw materials and finished goods which was formerly characteristic of international business still maintains its position, even in times of crises, with considerable tenacity. The present prevailing exchange of finished goods for finished goods shrinks much more easily at times of crisis. And when, in addition, a crisis makes it necessary to reduce the exchange of commodities, the slightest restrictions are naturally applied to the vital consumption goods which are now, in many cases, manufactured in the raw material countries themselves, whereas the greatest restrictions are applied to all other goods which are not, or at least temporarily not, vital, but to which the centre of gravity of international trade has meanwhile shifted (Annex 8).

The same tendency is shown by another factor which may be described as excessive insistence upon the principle of the international division of labour. International trade as such provides the countries engaged in it with the great advantage that the meeting of their requirements is placed on an incomparably broader basis. Bad harvests in Europe, for instance, could be easily adjusted by harvest surpluses in the Argentine or Canada. It was international trade that first banished the so dreaded spectre of a famine from the world. But, however advantageous a sound division of labour is, an exaggeration of this principle can have an equally disadvantageous effect. The more the individual national economy is adapted to export business, and the more countries take part in international trade, the greater becomes the susceptibility to crises in the various national economies. Before the World War, just as before the world crisis, about one-fifth of the German workers worked for the export trade. In Great Britain this proportion is probably considerably greater, and at least similar conditions prevail in the other European industrial countries. A crisis in international trade was therefore bound to affect considerable parts of the various national economies, to accentuate the individual crisis in these national economies, and hence, again, — in the course of a shrinkage of imports — to contribute to a further accentuation of the crisis in international trade. Furthermore, if the industry of a country is allowed to become too dependent upon obtaining a certain commodity from abroad, then a disturbance which is slight in itself, for instance a special crisis or a war confined to two smaller countries, may produce disturbances in the whole of international business. It is one of the most valuable, but unfortunately also most dearly bought experiences of our times that the foreign trade of a country must have its roots in a strong domestic market. This is moreover confirmed by a number of other reasons. To mention only a single example, an export article can be priced all the more cheaply, the greater the quantity of the same article is that can be sold in the domestic market.

In the realization of this fact lies the sound core of the tendencies to self-sufficiency which have now made their appearance in all parts of the world. They have been further strengthened by the recognition of the fact that modern wars will to a large extent be economic wars. The socalled sanctions, that very problematical invention of the League of Nations, are bound to have effects on international business which it is still impossible to foresee in detail. They increase the desire for self-sufficiency. In addition to this "defence autarky" as I should like to call it, a "prestige autarky" has also made its appearance. The Treaty of Versailles created a number of new states which are not absolutely sure of being able to exist by themselves, but which seek to approach this state by autarkical methods. The final form of autarky, which is most threatening in its effects, is the "compulsory autarky" which I shall deal with fully later on.

Hence it cannot be denied that a number of factors of an economic kind tend to prejudice international business. But all these factors taken together are not powerful enough to have been able to cause the present collapse. In particular, it must not be forgotten that there is no economic tendency which would not as such give rise to a sound counter-tendency. World trade is so much in the interest of all concerned that, if things had taken a comparatively normal course, a farreaching consolidation ought to have occurred. If, for example, mass consumption goods display a retrograde tendency in world trade, nothing is more natural than to suppose that on the other hand the proportion of high class goods ought to increase considerably; for human needs always tend to become more refined. The present cult of autarky and primitive conditions is quite incompatible with a sound development of world business. Even the susceptibility to crises would normally have been very much reduced partly by the natural upward trends and partly by international cartel agreements. But things have not taken their normal course. The World War occasioned a violent upheaval. Nevertheless, the economic powers of recovery would certainly have been strong enough to repair the interrupted line of development at some point or other. But the decision came from outside. The policy of the Powers which emerged from the World War as victors artificially prevented this restoration. The economic factors mentioned, together with the World War, might perhaps have been able to cause a flattening of the line of international economic development, or at most a temporary drop in the curve. Both would have been bearable. But we are now confronted with an utterly different and much more dangerous fact. Measured by the rate of progress in prewar times, the estimated value of world trade ought now to be between 300 000 and 400 000 million reichsmarks. It might have been bearable if it had dropped temporarily by 10, 20 or even 30 per cent. But in reality it has been not only sent back to the starting-point of 1913 but has dropped considerably below this level. Such a breakdown is only to be explained as the result of politics.

The Versailles policy was obviously intended to perpetuate the political constellations resulting from the victory of the Allies and the collapse of the Central European Powers. Such a policy is anti-economic in two respects. In the first place, world business is based on the principle of equal rights, and does not admit of discrimination between the privileged and the oppressed. In the second place, the principle of Versailles is purely static; business, on the other hand, is dynamic, and can only be dynamic. One of the two principles was bound to break down; it was impossible for them to coexist. Politics first proved to be the stronger, and the world crisis was the inevitable result.

Reparations were the economic expression of the despotic will of the victor countries. They were originally intended to make Germany pay the whole cost of the World War; later on however, their object was to keep Germany in financial bondage for generations to come. This shattered the foundations of world business. World business is exactly like a system of national economy, in that it can only exist if it is supported by sound finances.

This financial foundation was thoroughly sound before the War; international debts were of economic origin, and hence the payment of interest and amortisation could be made in the form of goods. The reparations were political claims which aimed at services without counter-services. They have transferred the main part of world indebtedness to Germany. But Germany is a finished-goods country, dependent upon the import of raw materials, and can only transfer the profits from the working-up process. Her capacity to pay debts must therefore be strictly limited. The burden of reparations was so heavy that the world would have had to be flooded with German finished goods if the payment of the reparations was really to be rendered possible. It was natural that the industries of the victor Powers should oppose this. As early as 1923 this dilemma was clearly visible. An attempt was first made to avoid it by means of granting credits. In this way world business carried on for a few more years, but this postponement only made the ultimate collapse more certain; for credit, already shaky in its foundations, inevitably proved to be a very bad investment. This mistake was so tremendous that we are still suffering from the results.

The results of this shook, first of all, another of the supports of world business, namely the currencies. The currency of a country can only remain sound if the country's balance of payments is equalized. But as a matter of fact, the unnatural complications of the international indebtedness made it impossible to equalize the balance of payment of the main creditor country, the United States, and that of the main debtor country, Germany. Such repercussions of an over-expansion of credit affected numerous other countries, including even Great Britain. Owing to the excessive extent of the international short-term credits and the intolerable burden of the debt service for the long-term credits, currencies either broke down or ceased to function in the crisis. The fatal remedy of devaluation then reduced the international economic situation to absolute disorder.

Everything else was merely the logical result of the collapse of the structure of international credit and currencies. The primitive instinct of self-preservation compelled every state to endeavour to throttle the import of foreign goods to the maximum extent, and, on the other hand, to speed up the export of its own goods by every possible means. But imports and exports are interdependent. A throttling of imports even in one country must cause a reduction of exports in the long run. If all countries wish to restrict their imports and increase their exports, the result can only be all the more negative. Hence all quotas and devaluations of currency proved in the end to be useless and harmful, and world trade shrank rapidly. The shrinkage of world trade then automatically made it impossible for the debtor countries, especially Germany, to meet their obligations; for they could market less goods than in the past and only at a lower price. Hence the German transfer moratorium was inevitable. The moratorium, again, was met by clearing arrangements on the part of those countries whose trade balance with Germany was passive, and who could therefore retain their interest out of the money due to Germany for imports from Germany. That could only be done at the cost of those countries, especially the United States, whose balance of trade with Germany made this impossible. Hence one group of countries deprived the other of the still remaining ways of obtaining interest. But, even for the favoured countries, the clearing system, as Germany had always pointed out, proved to be a destructive factor, for, owing to its necessarily bureaucratic management, it rendered the exchange of commodities more difficult, thus reducing the turnover, and led especially to a tendency to equalize the balance of goods in disregard of the balance of payments (Annexes 9 and 10). Hence it aggravated instead of improving the situation of the creditors. The result was a truly diabolical vicious circle, and from the Treaty of Versailles to the clearing difficulties there runs a single unbroken line of international economic decay (Annex 11).

This survey of the past has also shown that the present world economic crisis is due only to a very small extent to economic causes; a much larger part has been played by political factors. It has also shown that the various measures which have up till now been adopted by the states, in so far as they affect international trade — increases in tariffs, quotas, devaluation of currencies, clearing measures, etc. — have not improved the situation but rather made it more acute. The final result is deplorable. Since 1929, that is to say for six years, the crisis has spread like a ravaging disease. World trade has sunk in value from 284,000 million reichsmarks in 1929 to 96,000 millions in 1934. The world price index has sunk in the same period from 100 to 45, and the world unemployment figures amount since the beginning of 1931, that is to say for the last five years, to more than twenty million and tenaciously continue to fluctuate between twenty and twenty-five million (Annex 12). Unfortunately one cannot give a statistical calculation of what all that means to the prosperity of the nations, but the figure would be appalling. It would be still more appalling if one were to consider that culture also declines with a decreasing prosperity. And finally one cannot, unfortunately, disguise the fact that the crisis has principally affected the white race. Japan's share in world trade has almost trebled since before the War; from 1930 to 1934 alone it has increased by more than 30 per cent (Annex 6).

If we return to the present we shall see that the still very shaky signs of improvement have as yet unfortunately not come from the political but from the economic side. In spite of the pessimistic prophecies which many autarky fanatics have made about world trade it is just the economic forces of recovery which are endeavouring to assert themselves, in spite of all political hindrances. For about a year world trade has at least not become noticeably worse. A number of countries have reached a minimum level of imports below which it will hardly be possible to go. All endeavours towards autarky cannot alter this fact. Further, a number of countries have experienced domestic booms. In Great Britain this is largely due to natural causes, but elsewhere — especially in the United States and in Germany — they are largely the result of measures which have been taken by the state (Annexes 13, 14 and 15). Between 1932 and 1934 world industrial production has increased by 24 per cent, while world trade has decreased in terms of value and only increased very slightly in terms of quantity (Annex 16). These domestic booms must more and more lead to an increase in the demand for imports and later necessitate an increase of exports. Hand in hand with this comes a decrease in the stock of supplies, at first in the case of the consumer and the middleman and then in the case of the producer. In this way the enormous excess of supplies on the world raw material market has decreased noticeably in the last twelve months (Annex 17). This has resulted in a rise in prices, which has already been considerable in the case of a few articles of world trade (Annex 18).

The question of commodities, however, can only be of secondary importance in view of the course which the world crisis has taken so far. What is decisive is, on the one hand, the financial undermining of the market and, on the other hand, the policy of the most important trading countries. On the financial side the solving of the debt problem has made a certain further progress. That Germany, the largest debtor country, has since the end of 1930 diminished her foreign indebtedness by about half is a noteworthy achievement. But what is perhaps of even greater importance is the fact that, in spite of the exhaustion of all foreign reserves and in spite of the catastrophic state of world trade, we are able even today to continue to decrease at least our commodity debts, even though only to a very slight extent. In the case of the other debtor states too, especially those in South-America, the debt situation and the debt service have improved noticeably (Annex 19). But it would not do to place too much value on this fact. It merely shows that the will of the debtors to do everything possible to meet their obligations remains unimpaired. Unfortunately, however, it does not mean that the burden of indebtedness and, above all, the rates of interest, which have become more and more out of proportion to the times, have diminished as they should have. If world business is really waiting for its very weakest members to solve the very hardest problems, then the crisis is liable to last for decades yet. I do not believe that it can last so long.

But I do believe that it could be wound up very quickly if the creditor countries for their part would at last give up the policy of tightening the screw. It is true that this policy has had its good effects too, even if only in a negative sense. The very painfulness of the process has at last brought about a recognition of the fact that the economic interdependence of the countries on one another is in the long run more powerful than a policy which seeks to disregard it. Gilbert C. Layton was right when he said: "Perhaps the very exaggeration of the present system, in which nobody wants commodities and everybody wants money, will result in its being done away with". The clearing system which was forced upon Germany has given a lesson in economics to the world, which has certainly been expensive but has at least been convincing. It should only be a short step from the realization of the fact that measures of compulsion only make the situation worse, to the further realization that a voluntary recognition of what is economically possible is of advantage to both parties. But even where, much as we regret it, we have only been able to meet a small part of our interest obligations, as a result of the compulsory clearing system, this system, with its inevitable results for the exchange of commodities, has contributed to a clearing up of the situation (Annex 20). The trade balance of the United States, which, since the end of the War, has been the key to the world economic situation, has this year for the first time shown a tendency towards passivity (Annex 21). This development can, if it continues, lead to the decisive step for the solution of the world crisis; for creditor countries *must* realize that their demands can only be met in the form of commodities or else must be cancelled. It is not for me to go into the question how far this healthy development in the American balance of trade is due to the force of circumstances and how far it is due to the American trade policy; what is important is the fact itself — and this fact is as yet the most favourable symptom in the present economic situation.

It is of course too early to adopt an attitude of optimism merely on account of one symptom. Everything will depend on how far and how quickly the recognition of the connection between delivery of goods and payment of debts is translated into practice. If it is, however, the balances of payment both of the creditor and the debtor countries will once more be put on a sound basis. This means nothing less than that in this way there will at last be a possibility of an international stabilization of currency. The credit crisis of 1931 pulled out the borrowed pillars from the building of payment balances and thus the currency building inevitably crashed as well. In the same way the latter building can only be re-erected when the former has also been rebuilt. So long as the payment balances are in ruins every attempt to regulate the currencies of the world must be in vain. If, however, the payment balances are really balanced then it will not be much more than a technical question, the solution of which will not be difficult, to stabilize the currencies.

It is really hardly necessary to emphasize especially that the same factors which speak in favour of the possibility of a stabilization of currencies apply also to the possibility of doing away with the hindrances to trade. But whether the favourable symptoms which have been observable so far receive lasting support, so that a new system of world economy can develop, or whether they are destroyed by new mistakes, is in the end a question of policy, and here we have to reckon with an unknown and decidedly uncertain factor. World business was formerly influenced extensively by the private merchants. The politicians gave them a free hand so far as that was conformable to the interests of the state, if not at last even farther. Today the very opposite is the case. Politics not only take precedence but even practically play the rôle of dictator. This is all to the good when the governments have an understanding of economic cause and effect; it is all to the bad when this understanding is missing. Since Versailles it has been completely missing and world business has been ruined by this lack. In the history of world business debt problems have always cropped up again and again. They have been able to impede world business but not to stop it. When such problems became acute the private businessmen of the creditor and debtor countries got together round a table and agreed upon a fair solution. The creditor cancelled some of his demands and thus kept the business, the debtor retained his purchasing power and was soon able to pay. The means which politicians adopt to solve such problems can be seen from the tariffs, quotas, import prohibitions, devaluation of currencies, and clearing "agreements". What the result has been can be seen from the present state of affairs in world business. I should be a hundred-per-cent optimist with regard to the further economic developments if I knew that the politicians had learned to think economically in the course of the world crisis. I admit that here too are hopeful signs. Among other things we have Great Britain's trade policy to thank that the best and fairest was got out of the Anglo-German clearing arrangement that could possibly be got from such an unfortunate system. But I cannot yet dare to generalize from specific instances. I am especially afraid that the governments of many countries are endeavouring to reserve especial advantages for themselves, particularly in the sphere of currency parity, in the world economy of the future which is perhaps now developing. But there are no such special advantages. World business functions between equal partners or not at all.

Now that the kernel of the world crisis, the debts problem, has been taken over by the governments the key to the whole situation is to be found in politics alone. If the politicians are willing to clear the way for the sound tendencies of world business the world crisis will soon be a thing of the past; but if they stick to the method of applying compulsion then we shall continue to go downhill. This key-position of politics makes it incumbent upon me, as Acting Minister for Economic Affairs in the New Germany, to state publicly the German political attitude to world business. It arises quite simply out of the actual situation. Germany is a typical processing country. As such she must be in favour of world business and reject autarky. Autarky always means poverty and it must mean it especially for Germany. Of course Germany wishes to create and secure a strong domestic market but it is just for the sake of this domestic market that she places so much value on a healthy foreign trade.

But Germany is unfortunately also a debtor country and as such is condemned to the rôle of playing second fiddle. Germany *wants* to pay her debts. She can only pay them in the form of delivery of commodities. Acceptance of these commodities, however, is a matter for the creditor countries. We can only see that the prices of our exports are not higher than the world market prices. We have done that; we can do no more. We shall apply every facilitation granted us in the market to a fair quota for the improvement of our debt service. We have recently demonstrated our good will in this respect in the new regulation of the debt service on the American Dawes and Young loans. I cannot and must not disguise the fact that the difficulties in the way of our debt service are continually increasing. As we have no reserve of credits from abroad we can only pay out of our active balance of trade and out of our receipts for services rendered. By means of our "New Plan" and the procedure for equalizing exchange disadvantages in export and at great sacrifice to ourselves we have managed to balance our exports and imports and have recently even succeeded in bringing about a slightly favourable balance of trade. This success is however being threatened by the rising tendency in the price of raw materials on the world market. It is a well-known fact that the prices for raw materials always rise much more quickly than the prices for finished goods. As we import raw materials and export finished goods made from them we are more and more adversely affected by the spread between the rising prices of raw materials and the prices of finished goods which cannot immediately follow this rise. This inevitably results in a decrease in our profits from foreign trade, which in its turn threatens the continuance of our debt service anew. This danger can only be met if the creditor countries allow a period of grace for the payment of considerable portions of our debts until the prices of finished goods have gone up too, or else if the other countries considerably increase their purchases from Germany so that the shrinking profits can be balanced by increased sales.

How much our position of debtor country forces us to play a passive part in world trade can perhaps best be seen from the fact that the other countries, according to whether they lay weight on creditor or trade interests, confront us with two diametrically opposed demands. Firstly we are expected to limit our imports so as better to be able to pay our debts, and secondly we are expected not to limit our exports so as not to disturb world trade. As far as the second demand is concerned Secretary of State Hull attacked those states which, instead of buying good and inexpensive commodities from abroad, manufacture poor substitutes at home and content themselves with them. Mr. Hull is quite right, only unfortunately he forgot that other states have forced clearing agreements on us. We are powerless in the face of the fact that these agreements have deprived us of accessible foreign currency for which, up till now, we used to buy raw materials from overseas, including America. We cannot however accept this development in a fatalistic manner. Apart from coal and potash we have no raw materials of our own worth mentioning, but we need raw materials. Without them we can hardly exist, to say nothing of exporting and paying our debts. Therefore under the pressure of the clearing system we were compelled to urge a system of exchange of commodities with those countries with which our trade balance is passive. Much against our will we have in our New Plan been forced to introduce an important shifting in our trade relations. We are bound to procure our raw materials from those countries which are prepared to take our goods in exchange. That our commercial treaty relations with the United States are at present not of the most satisfactory is due principally to this state of affairs. The reproach has been levelled at us in the United States that the organic exchange relationships in world trade are being upset. The reproach is quite justified. But how can we purchase American cotton when we have no way of obtaining means of payment? In international trade one can purchase: 1. by means of barter, 2. for foreign currency, 3. on credit. The United States will not accept goods in barter, the European compulsory clearing system deprives us of available foreign currency, and the same system has destroyed the basis of credit. We know just as well as the Americans that barter between a number of parties is infinitely preferable to barter between two parties, but we are simply not in the position to put this knowledge into practice. And thus the American reproach, that our measures are reacting unfavourably on American trade, does not go to the heart of the matter; it takes no notice of the situation into which Germany has been forced.

The other demand, that we should throttle our imports, is contrary to all reason. Imports and exports are always closely connected with one another, and especially so in this age of clearing agreements and barter. The foreign trade representatives of other governments with which we have to conduct negotiations almost continuously take up the very illuminating standpoint: if Germany buys less from us we will buy less from her. The method of throttling imports is however not only very hard to carry out, but is for a processing country like Germany the most mistaken policy one could think of. Without imports no export is possible, and without exports we cannot possibly meet our obligations. In spite of this we have, under pressure from the creditor states, continually had to limit our imports. Measured by our industrial capacity on the one hand and by our limited supply of raw materials on the other our decrease in imports ought to be the smallest of all states which can in any way be compared with us (Annex 22). In reality it is the largest. Today, however, our imports have reached a level under which it is impossible to go if we are not to be excluded to a large extent from world trade for lack of raw materials. On the contrary, in view of the rising costs of raw materials our imports will even have to increase in value. If the world wishes to forbid us that, if it believes that world trade can be revived by driving us still further into a state of compulsory autarky, then we shall know how to put up with that too, but nobody can expect us to do this of our own accord.

Germany's attitude to world business is thus clear and unambiguous. . If an economic revival comes, or rather, if the politicians allow such a revival to come about, then we shall honourably cooperate to support it in all spheres. We should be especially glad if the world were to give up the wretched system of short term trade agreements in order to give a more solid basis to world trade by means of long term trade arrangements. If the politicians do not allow the revival, if they remain true to the destructive policy they have adopted up till now, we shall know how to make the best of that too. We are no longer the same as formerly. National Socialism has made possible an enormous concentration of all the forces for the good in our nation. Supported by this pillar of strength we are in the position to wait till the world has realized that a world economy without a consumer of the importance of Germany is not conceivable. I have no doubt that this will be realized.

If in the course of time a new system of world economy develops, Germany will still have to face two great problems, her foreign debts and her shortage of raw materials. In neither case, however, is she in a one-sided position. The creditors have as much, if not more, interest in the payment of these debts. Without raw materials, however, no export, and thus no meeting of obligations, is possible. For the rest, the recognition is dawning that the raw material problem is a world-wide problem. The remarks to this effect made by the British Foreign Minister in Geneva on the one hand and the Italian colonial war on the other are evidence of the fact that the importance of this question is being recognized.

But Germany's contribution to a coming system of world economy would show far more on the credit than on the debit side. In the first place she has her newly regained political equality to throw into the balance. The time of the suppressive system of Versailles is already a thing of the past. The restored political balance in the world is the necessary basis, and one which has long been lacking, for economic cooperation. The second factor on the credit side is our position as a large consumer. Our purposeful internal economic policy has restored this position after years of paralysis and has seen to it that a genuine and healthy demand for world commodities has been revived. The satisfying of this demand could be an important factor in a world economic revival; for demand has always been the activating impulse in economic development. How great this particular demand is can be seen from the fact that Germany is still the third largest importer in the world. She is also the third largest exporter and supplies the world with a number of commodities which as yet were only produced in Germany. But the greatest factor on the credit side is the will to live of our people, which has been newly awakened by our Leader Adolf Hitler, and is also the guarantee that the ability and capacity which Germany has always shown in the sphere of economics and especially in that of technics will develop in accordance with the development in the other countries which play a prominent rôle in world trade.

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**Annex 1**

# Development of World Trade

(Imports and Exports)

## A. Pre-war Years[1]

| | German Estimate in 1000 mill. ℛℳ | British Estimate in mill. £ | American Estimate in mill. $ |
|---|---|---|---|
| 1720 | — | 88 | — |
| 1780 | — | 186 | — |
| 1800 | 6 | 300 | 1,500 |
| 1820 | 6—7 | 340 | 1,660 |
| 1830 | 7—8 | 407 | 1,981 |
| 1850 | 16 | 832 | 4,049 |
| 1860 | 29 | 1,489 | 7,246 |
| 1870 | 57.7[2] | 2,191 | 10,663 |
| 1880 | 67.8[3] | 3,033 | 14,761 |
| 1910 | 164.7[4] | 7,500 | 40,420[5] |

## B. Post-war Years[6]

| | Value in 1000 mill. ℛℳ | Volume in 1000 mill. ℛℳ |
|---|---|---|
| 1913 | 160 | 160 |
| 1925 | 268 | 175 |
| 1929 | 284 | 208 |
| 1931 | 164 | 163 |
| 1933 | 100 | 133 |
| 1934 | 96 | 137 |
| 1935 (estimate) | 90—100 | ? |

1) According to Handwörterbuch der Staatswissenschaften, Erg. Bd., Art. Weltwirtsch.
2) For 1873.
3) For 1883.
4) For 1912.
5) For 1913.
6) According to data given by Statistisches Reichsamt. The volume of world trade has been computed from the price-index of the Statistisches Reichsamt eliminating the price variations from the above figures (Statistisches Jahrbuch 1933, page 104).

Annex 2

# Data concerning the Development of Technics before the War

## 1. Inventions

| | | |
|---|---|---|
| About | 1750 | spinning-engine |
| „ | 1790 | steam-engine |
| „ | 1785 | power-loom |
| „ | 1866 | dynamo-electric machine |
| „ | 1866 | telephone |
| | 1879 | electric glow lamp |
| | 1897 | wireless telegraphy |

## 2. The Building of Railways gave work to

| | | | | |
|---|---|---|---|---|
| 600,000 | men, | yearly | average | 1841/50 |
| 3,000,000 | „ | „ | „ | 1871/80 |
| 5,000,000 | „ | „ | „ | 1901/13 |

## 3. Coal Production of the World

| | | | |
|---|---|---|---|
| 1800 | 15 | mill. | tons |
| 1850 | 75 | „ | „ |
| 1875 | 280 | „ | „ |
| 1895 | 585 | „ | „ |
| 1913 | 1,258 | „ | „ |

## 4. Production of Iron of the World

| | | | |
|---|---|---|---|
| 1800 | 0.4 | mill. | tons |
| 1850 | 4.2 | „ | „ |
| 1870 | 12.0 | „ | „ |
| 1900 | 40.9 | „ | „ |
| 1913 | 80.0 | „ | „ |

**Annex 3**

# Development of Foreign Trade and Movement of Population in Principal Industrial States

## A. Pre-war Time

| | 1900 | | | 1910 | | |
|---|---|---|---|---|---|---|
| | Foreign Trade[3]) 1000 mill. M | Share in World Trade[1]) % | Popul-ation[3]) mill. | Foreign Trade[3]) 1000 mill. M | Share in World Trade[1]) % | Popul-ation[3]) mill. |
| Germany[4]) . . . . . | 11.1 | 12.0 | 56.4 | 17.6 | 12.0 | 64.9 |
| Great-Britain . . . | 17.9 | 19.3 | 38.2 | 24.7 | 16.9 | 42.1 |
| USA. . . . . . . . . | 9.4 | 10.2 | 76.0 | 13.9 | 9.5 | 92.0 |
| Japan . . . . . . . . | 1.0 | 1.1 | 43.8 | 1.9 | 1.3 | 49.6 |

## B. Post-war Time

| | 1920 | | | 1930 | | |
|---|---|---|---|---|---|---|
| | Foreign Trade[3]) 1000 mill. M | Share in World Trade[1]) % | Popul-ation[3]) mill. | Foreign Trade[3]) 1000 mill. M | Share in World Trade[1]) % | Popul-ation[3]) mill. |
| Germany[5]) . . . . . | 7.6 | 2.8 | 59.9 | 22.4 | 9.8 | 66.0 |
| Great-Britain . . . | 53.6 | 19.4 | 44.0 | 31.1[2]) | 13.6 | 46.0 |
| USA. . . . . . . . . | 56.7 | 20.5 | 105.7 | 28.9 | 12.4 | 122.8 |
| Japan . . . . . . . . | 9.1 | 3.3 | 56.7 | 6.2 | 3.4 | 64.5 |

[1]) According to Inst. f. Konjunkturforschung Vierteljahrsheft 1, A., 10th ann. issue, page 17. sq.
[2]) Excluding Irish Free State.
[3]) According to Stat. Jahrbuch für das Deutsche Reich.
[4]) Pre-war Germany.
[5]) Post-war Germany (excl. Saar District).

<u>Annex 4</u>

# Employment in Pre-war Years

**1. In principal groups of German industry** (incl. mining and building trade)

| | | | |
|---|---|---|---|
| in 1882 | 5.9 | million | people |
| 1895 | 8.0 | „ | „ |
| 1907 | 10.9 | „ | „ |

were employed[1]).

**2. Variations in volume of employment of industrial workers in Great-Britain 1850—1914[2]):**

| | | | | |
|---|---|---|---|---|
| 1850—59 | between | 83.1 | and | 98.3 % |
| 1860—69 | „ | 91.6 | „ | 93.1 % |
| 1870—79 | „ | 88.6 | „ | 99.1 % |
| 1880—89 | „ | 89.8 | „ | 97.9 % |
| 1890—99 | „ | 92.5 | „ | 93.0 % |
| 1900—09 | „ | 92.2 | „ | 97.5 % |
| 1910—14 | „ | 95.3 | „ | 97.9 % |

1) Wörterbuch der Volkswirtschaft, III. Aufl., Art. Gewerbestatistik.
2) Wagemann, Struktur und Rhythmus der Weltwirtschaft, Berlin 1931, p. [illegible].

**Annex 5**

# Important Data
# Concerning the Development of world Traffic[1]

1. Length of railway lines:

| | |
|---|---|
| 1814 | first railway engine |
| 1830 | 332 km |
| 1845 | 16,990 „ |
| 1875 | 295,413 „ |
| 1905 | 905,695 „ |
| 1927 | 1,249,000 „ |

2. Tonnage of steamships in the most important seagoing countries:

| | |
|---|---|
| 1807 | first steamship |
| 1831 | 32,200 t |
| 1850 | 237,000 „ |
| 1878 | 3,798,580 „ |
| 1914 | 45,404,000 „ |
| 1930 | 59,927,000 „ |

3. World network of cables:

| | |
|---|---|
| 1833 | invention of telegraphy |
| 1866 | first submarine cable |
| 1914 | total cable system 540,000 km |
| 1925 | „ „ „ 614,000 „ |

[1] According to Handwörterbuch der Staatswissenschften, Erg. Bd. Art. Weltwirtsch.; Wörterbuch der Volkswirtschaft Art. Telegraphie und Art. Verkehrsstatistik.

## Share of the Continents and the Principal Countries in the World Turnover [1] [2]

in %

| | 1890 | 1900 | 1905 | 1910 | 1913 | 1920 | 1925 | 1929 | 1930 | 1931 | 1932 | 1933 | 1934 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Europe** | 73.2 | 72.3 | 68.9 | 68.8 | 61.0 | 49.2 | 52.3 | 52.8 | 56.4 | 58.6 | 57.2 | 56.3 | 55.7 |
| Germany | 11.0 | 12.0 | 12.0 | 12.0 | 12.9 | 2.8 | 8.2 | 9.5 | 9.8 | 10.0 | 9.5 | 9.1 | 9.0 |
| Great Bretain | 20.6 | 19.3 | 17.5 | 16.9 | 15.0 | 19.4 | 14.9 | 13.2 | 13.6 | 13.8 | 13.6 | 13.9 | 14.2 |
| France | 11.2 | 9.9 | 8.7 | 9.4 | 7.7 | 8.3 | 6.9 | 6.3 | 6.9 | 7.3 | 7.5 | 7.7 | 7.0 |
| Italy | 2.5 | 2.9 | 2.8 | 3.1 | 3.1 | 2.9 | 2.8 | 2.9 | 2.9 | 2.9 | 3.0 | 2.9 | 2.9 |
| Russia, from 1920 U. of S. R. | 3.5 | 3.1 | 3.3 | 3.8 | 3.9 | 0.0 | 1.2 | 1.4 | 2.0 | 2.5 | 2.5 | 1.8 | 1.5 |
| **America** | 14.3 | 14.9 | 17.4 | 17.7 | 21.6 | 32.1 | 26.0 | 25.7 | 23.0 | 20.8 | 20.5 | 20.1 | 19.9 |
| United States of America | 9.3 | 10.2 | 9.8 | 9.5 | 10.9 | 20.5 | 14.3 | 14.0 | 12.4 | 11.4 | 11.0 | 10.5 | 9.8 |
| Canada | 1.2 | 1.7 | 1.7 | 2.0 | 2.8 | 3.3 | 3.4 | 3.6 | 3.4 | 3.0 | 3.2 | 2.9 | 3.1 |
| Argentina | 1.3 | 1.2 | 1.9 | 2.0 | 2.5 | 2.7 | 2.5 | 2.6 | 2.1 | 2.0 | 1.9 | 2.1 | 2.1 |
| Brazil | . | . | 1.3 | 1.5 | 1.7 | 1.3 | 1.4 | 1.3 | 1.0 | 0.9 | 1.1 | 1.3 | 1.3 |
| Chile | 0.7 | 0.5 | 0.6 | 0.6 | 0.7 | 0.5 | 0.6 | 0.7 | 0.6 | 0.5 | 0.2 | 0.3 | 0.4 |
| **Asia** | 8.1 | 7.9 | 8.8 | 8.2 | 11.5 | 13.4 | 15.1 | 15.0 | 14.3 | 14.5 | 15.0 | 15.6 | 16.4 |
| British India | 3.7 | 3.0 | 3.5 | 3.3 | 3.5 | 3.3 | 3.5 | 3.1 | 2.9 | 2.6 | 2.7 | 2.7 | 2.7 |
| Japan | 0.6 | 1.1 | 1.5 | 1.3 | 1.8 | 3.3 | 3.1 | 3.6 | 3.4 | 3.9 | 3.9 | 4.0 | 4.4 |
| **Africa** | 2.2 | 2.5 | 2.9 | 3.0 | 3.5 | 3.4 | 3.5 | 3.9 | 4.0 | 4.1 | 4.8 | 5.2 | 5.3 |
| Egypt | 0.6 | 0.7 | 0.8 | 0.8 | 0.7 | 1.1 | 0.9 | 0.8 | 0.7 | 0.7 | 0.7 | 0.8 | 0.8 |
| Sout African Union | . | . | 0.9 | 0.7 | 1.3 | 1.0 | 1.1 | 0.9 | 0.8 | 0.9 | 0.9 | 1.0 | 1.2 |
| **Australia** | 2.2 | 2.4 | 2.0 | 2.3 | 2.4 | 1.9 | 3.1 | 2.6 | 2.3 | 2.0 | 2.5 | 2.7 | 2.7 |
| Australian Commonwealth | 1.8 | 1.9 | 1.5 | 1.8 | 1.9 | 1.3 | 2.3 | 1.9 | 1.6 | 1.3 | 1.7 | 2.0 | 1.9 |

[1] According to Inst. f. Konjunkturforschung 10th ann. issue 1935, No. 1 part A page 18, 1934 according to Statistisches Jahrbuch of 1935.
[2] Territorial area as in the respective years; pre-war time general trade, post-war time special branches of trade.

# Export of Capital Goods and Consumption Goods from Germany and Great Britain from 1904 to 1929[1]

(in million M or ℛℳ)

## Capital Goods

| | Germany | Great Britain | Total |
|---|---|---|---|
| 1904 | 1,361[2] | 1,418 | 2,779 |
| 1913 | 3,479[2] | 2,651 | 6,130 |
| 1929 | 5,371 | 4,169 | 9,540 |
| | | Increase | 243.3 % |

## Consumption Goods

| | Germany | Great Britain | Total |
|---|---|---|---|
| 1904 | 2,129 | 3,325 | 5,454 |
| 1913 | 3,252 | 5,335 | 8,587 |
| 1929 | 4,379 | 7,084 | 11,463 |
| | | Increase | 110.1 % |

[1] Wagemann, Struktur und Rhythmus der Weltwirtschaft, Berlin 1931, p. 390.
[2] Pre-war Germany.

**Annex 8**

## Fluctuations in the Production of Capital Goods and Consumption Goods in Germany[1])

| | Capital Goods | Consumption Goods | Ratio |
|---|---|---|---|
| Decrease 1925/26 . . . . . . . | 16 % | — 13 % | 1 : 0.8 |
| Increase 1926/29 . . . . . . . . . | + 58 % | + 43 % | 1 : 0.7 |
| Decrease 1929/32 . . . . . . . . | — 56 % | 29 % | 1 : 0.5 |
| Increase 1932/35[2]) . . . . . . . | + 71 % | + 36 % | 1 : 0.5 |

**Annex 9**

## Foreign Trade of Germany with Countries with which a Clearing or Payment Agreement has been concluded[3])

(as of middle of 1935)

| Year | German Imports | | German Exports | | Trade balance[4]) | |
|---|---|---|---|---|---|---|
| | mill. RM | per cent of total imports | mill. RM | per cent of total exports | with clearing countries (mill. RM) | with other countries (mill. RM) |
| 1929 | 8,126 | 60.4 | 10,078 | 74.7 | + 1,952 | — 1,916 |
| 1930 | 6,397 | 61.6 | 9,252 | 76.9 | + 2,855 | — 1,212 |
| 1931 | 4,132 | 61.4 | 7,168 | 74.7 | + 3,036 | 164 |
| 1932 | 2,754 | 59.0 | 4,092 | 71.3 | + 1.338 | 265 |
| 1933 | 2,478 | 58.9 | 3,652 | 75.0 | + 1,174 | 507 |
| 1934 | 2,795 | 62.8 | 3,298 | 79.1 | + 503 | — 787 |
| 1. half 1935[5]) | 1,521 | 71.5 | 1,548 | 78.9 | + 27 | 192 |

According to Inst. f. Konjunkturforschung 8th ann. issue 1935, No. 39, p. 161

[1]) According to Vierteljahrsheft zur Konjunkturforschung, 10th. ann. issue No. 1, part A, p. 44.
[2]) not yet concluded.
[3]) For the countries in question see annex 10.
[4]) Import (—) or export (+) surplus.
[5]) From March inclusive of Saar territory.

# Germany's Trade Balance with Countries with which a Clearing or Payment Agreement has been concluded [1])

(— = import surplus; + = export surplus)
mill. RM

| | 1930 | 1931 | 1932 | 1933 | 1934 | first half of 1935 [5]) |
|---|---|---|---|---|---|---|
| | | | Exclusive of Colonies | | | |
| Great Britain [2])... | + 580 | + 681 | + 187 | + 168 | + 177 | + 31 |
| Netherlands, Belgium-Luxemburg, France, Switzerland, Italy [3])... | +2,042 | +1,755 | +1,171 | +1,061 | + 638 | +249 |
| Scandinavian Countries..... | + 477 | + 556 | + 222 | + 141 | + 114 | ± 0 |
| Countries of North-Eastern Europe . | + 64 | + 59 | + 17 | + 5 | — 2 | + 9 |
| Austria and South-Eastern Countries [4]) | + 293 | + 380 | + 170 | + 58 | — 50 | — 12 |
| South America .. | — 105 | — 105 | — 162 | — 63 | — 108 | —118 |
| | | | Inclusive of Colonies | | | |
| Great Britain.... | + 312 | + 514 | + 55 | + 76 | + 79 | + 5 |
| Netherlands, Belgium-Luxemburg, France, Switzerland, Italy .... | +1,830 | +1,626 | +1,046 | + 949 | + 491 | + 181 |

[1]) According to Wochenbericht des Inst. f. Konjunkturforschung, 8th ann. issue 1935, No. 39.
[2]) An agreement has been concluded with Great Britain which provides for payment in effective foreign exchange, subject to the stipulation that only 55 % of the foreign exchange resulting from German exports to Great Britain shall be released for payment of imports from Great Britain.
[3]) Italy with foreign possessions.
[4]) Inclusive of Czechoslovakia.
[5]) From March inclusive of Saar territory.

# World Trade Classified by Groups of Commodities[1])

Prices, Values, Volume

| Year | Total | | | | Food | | | | Raw materials | | | | Finished goods | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | prices [2]) | values [3]) | | volume [4]) | prices [5]) | values [3]) | | volume [4]) | prices [5]) | values [3]) | | volume [4]) | prices [5]) | values [3]) | | volume [4]) |
| | 1929 =100 | 1000 mill. RM | 1929 =100 | 1929 =100 | 1929 =100 | 1000 mill. RM | 1929 =100 | 1929 =100 | 1929 =100 | 1000 mill. RM | 1929 =100 | 1929 =100 | 1929 =100 | 1000 mill. RM | 1929 =100 | 1929 =100 |
| 1929 | 100.0 | 284.1 | 100.0 | 100.0 | 100.0 | 70.4 | 100.0 | 100.0 | 100.0 | 101.7 | 100.0 | 100.0 | 100.0 | 112.0 | 100.0 | 100.0 |
| 1930 | 87.0 | 228,7 | 80.5 | 92.5 | 84.0 | 58.1 | 82.5 | 98.2 | 82.0 | 78.2 | 76.9 | 93.8 | 94.0 | 92.4 | 82.5 | 87.8 |
| 1931 | 67.5 | 164.1 | 57.8 | 85.6 | 64.5 | 44.9 | 63.8 | 98.9 | 59.0 | 53.0 | 52.1 | 88.3 | 77.5 | 66.2 | 59.1 | 76.3 |
| 1932 | 53.0 | 109.9 | 38.7 | 73.0 | 49.5 | 32.1 | 45.6 | 92.1 | 43.5 | 36.0 | 35.4 | 81.4 | 64.0 | 41.8 | 37.3 | 58.3 |
| 1933 | 47.0 | 99.9 | 35.2 | 74.9 | 43.5 | 26.5 | 37.6 | 86.4 | 40.0 | 35.7 | 35.1 | 87.8 | 56.0 | 37.7 | 33.7 | 60.2 |
| 1934 | 45.0 | 96.4 | 33.9 | 75.3 | 44.0 | 24.0[6]) | 34.1 | 77.5 | 40.0 | 35.4[6]) | 34.8 | 87.0 | 50.0 | 37.0[6]) | 33.0 | 66.0 |

1) According to Vierteljahrshefte des Inst. f. Konjunkturforschung, 10th ann. issue, No. 1, part A (Does not agree exactly with the data of the Statistisches Reichsamt owing to differences in the method of calculation).

2) Index of the League of Nations.

3) Data of Statistisches Reichsamt.

4) $\frac{\text{Values.}}{\text{Prices.}}$

5) Calculated by Inst. f. Konjunkturforschung on the basis of the import and export prices of the principal countries (adjusted to the price indices calculated by the League of Nations for the entire world trade).

6) Estimate of the Inst. f. Konjunkturforschung.

# Unemployment in 12 of the More Important Countries[1]

(in 1000)

| Country | Population in mill. | Monthly averages | | End of Month | | | Latest Number | in |
|---|---|---|---|---|---|---|---|---|
| | | 1932 | 1933 | June 1934 | Dec. 1934 | June 1935 | | |
| World[2] | | 25,900[3] | 25,500[3] | 20,500 | 23,000 | | 22,800 | March |
| USA.[4] | 125.7 | 11,480 | 11,904 | 10,310 | 11,329 | 11,500 | 11,500 | July |
| Japan[5] | 67.2 | 486 | 409 | 372 | 366 | | 352 | May |
| Germany[5] | 66.0 | 5,575 | 4,804 | 2,481 | 2,605 | 1,877[6] | 1,714[6] | Sept. |
| Great Britain[7] | 46.5 | 2,829 | 2,567 | 2,124 | 2,086 | 2,004 | 1,953 | Sept. |
| Italy[5][8] | 42.2 | 1,006 | 1,019 | 831 | 962 | 638 | 628 | Aug. |
| France[5][9] | 41.9 | 274 | 276 | 311 | 419 | 403 | 373 | Sept. |
| Poland[5] | 33.0 | 256 | 250 | 306 | 414 | 365 | 270 | Aug. |
| Roumania[10] | 18.7 | 39 | 29 | 14 | 17 | 11 | 11 | July |
| Czechoslowakia | 14.7 | 554 | 738 | 583 | 752 | 606 | 572 | Sept. |
| Yugoslavia[5] | 13.9 | 15 | 16 | 9 | 16 | 11 | 12 | Aug. |
| Canada[11] | 10.5 | 38 | 34 | 29 | 29 | 25 | 25 | July |
| Hungaria[5] | 8.8 | 49 | 42 | 32 | 34 | 32 | 32 | June |

1) According to Vierteljahrshefte des Inst. f. Konjunkturforschung 1935, No. 3, part B, p. 85.
2) 25 countries; of those specified below Japan is not included (Source: Wirtschaft und Statistik 1934, p. 683 and 1935 p. 408).
3) Quarterly average.
4) Estimates of the American Federation of Labour.
5) According to the statistics of the Labour Offices.
6) Inclusive of Saar territory.
7) Insured unemployed.
8) Wholly unemployed.
9) Unemployed receiving benefit.
10) Registered in the Labour Offices of the state, exclusive of members of trade unions.
11) Unemployed members of trade unions.

Annex 12

## Development of Industry and Trade

(According to Institut für Konjunktur-

| | Production September | | Building activity September | | Imports[13] September | |
|---|---|---|---|---|---|---|
| | 1933 | 1935 | 1933 | 1935 | 1933 | 1935 |
| **a) Sterling block:** | | | | | | |
| Great Britain . . . | 87.9 | 104.3 | 181.8[1]<br>123.5[2] | 194.1[1]<br>225.4[2] | 718.0 | 699.6 |
| Australia . . . . . | – | — | — | — | 63.5[4] | 85.6[4] |
| Canada . . . . . . | 89.5[4] | 110.3[4] | 27.2[4] | 69.8[4] | 112.0[4] | 123.0[4] |
| Denmark . . . . . | 105.0[9] | 123.0 | — | – | 68.8 | 68.0 |
| Sweden . . . . . . | 87.0[9] | 120.0[9] | — | — | 66.4 | 78.8 |
| b) Japan . . . . . . . | 136.4[11] | 168.7[11] | — | — | 104.3 | 98.1 |
| c) USA . . . . . . . . | 75.0[3] | 87.0[4] | 24.0[4] | 37.0[4] | 407.8 | 400.6 |
| **d) Gold block:** | | | | | | |
| France . . . . . . . | 111.0[4] | 93.0[4] | 91.0[4] | 66.0[4] | 350.3 | 247.3 |
| Poland . . . . . . . | 57.5[4] | 66.8[4] | 17.3[3] | 28.4[4] | 34.3 | 30.0 |
| Switzerland . . . . | 1,273.0[4][5] | 1,214.0[4][5] | 1,105.0[5] | 350.0[1] | 110.5 | 77.2 |
| e) Germany . . . . . . | 62.9[4] | 95.2[4] | 47.6[8][12] | 96.7[8][14] | 337.0 | 317.9 |
| Italy . . . . . . . . | 82.3[4] | 95.2[4] | 105.7[4] | 162.0[4] | 128.7 | 135.6 |
| f) Belgium . . . . . . | 92.5[3] | 94.4[6] | 2,355.0[3] | 2,892.0[6] | 140.6 | 119.4 |
| Austria . . . . . . . | 86.0[4] | 104.0[4] | — | — | 43.7 | 48.8 |
| Czechoslowakia . . | 60.9[6] | 70.4[6] | — | — | 60.7 | 64.0 |

[1]) Living houses.
[2]) Other buildings.
[3]) Monthly average for 1933.
[4]) August.
[5]) Goods traffic on the Swiss Federal Railways (in 1000 t)
[6]) July.
[7]) Wholly unemployed and part-time workers in per cent of the insured.

## in Various Groups of Countries

forschung, Vierteljahrshefte, part B)

| Exports[13]) September 1933 | Exports[13]) September 1935 | Prices of stocks September 1933 | Prices of stocks September 1935 | Wholesale-prices September 1933 | Wholesale-prices September 1935 | Unemployed September 1933 | Unemployed September 1935 |
|---|---|---|---|---|---|---|---|
| | | | | | | in millions | |
| 425.0 | 418.5 | 67.8[8]) | 73.0 | 85.7[8]) | 89.6 | 2.38 | 1.95 |
| 59.2[4]) | 59.5[4]) | — | — | — | — | 0.107[10]) | 0.077[10]) |
| 129.2[4]) | 175.0[4]) | 50.6[8]) | 78.5[4]) | 71.4 | 74.3[4]) | 0.032[6]) | 0.025[6]) |
| 64.3 | 59.3 | — | — | 83.7 | 88.9 | 20.9[8]) | 15.2[8]) |
| 79.6 | 73.8 | 37.4[8]) | 52.1 | 73.6 | 77.7 | 0.082[6]) | 0.047[6]) |
| 139.8 | 163.7 | 103.3[9]) | 104.3[4]) | 80.7 | 80.9[4]) | 0.429[9]) | 0.352[9]) |
| 446.2 | 485.2 | 42.3[8]) | 56.7 | 73.2 | 83.2[4]) | 11.8[6]) | 11.5[6]) |
| 260.4 | 193.5 | 55.8[8]) | 42.8 | 397.0 | 333.0 | 0.257 | 0.405 |
| 44.2 | 35.9 | 19.9[8]) | 20.9[4]) | 59.1[8]) | 54.2 | 0.206[4]) | 0.270[4]) |
| 58.0 | 49.4 | 54.1[8]) | 45.6 | 62.8 | 63.8 | 0.049 | 0.069 |
| 432.3 | 373.0 | 45.4[8]) | 62.5 | 67.8 | 73.1 | 3.85 | 1.71 |
| 102.4 | 89.3 | 47.6[8]) | 69.0[4]) | 59.7 | 69.9[4]) | 0.89[4]) | 0.63[4]) |
| 141.1 | 110.8 | 31.2[8]) | 32.1 | 496.0 | 560.0 | 29.8[4])[7]) | 26.6[4])[7]) |
| 37.1 | 37.5 | 41.2[8]) | 63.1 | 83.1 | 84.6 | 0.279 | 0.205 |
| 68.2 | 67.7 | 57.0[8]) | 69.7 | 68.1 | 72.8 | 0.623 | 0.572 |

[8]) Percentage of trade union members.
[9]) May.
[10]) 2nd quarter.
[11]) June
[12]) Production index of building materials.
[13]) In million ℛℳ.

## Annex 14

# Development of Industry and Trade in Various Groups of Countries

Percentage of development as of September 1935 against September 1933 computed from the figures of the Inst. f. Konjunkturforschung, Vierteljahrshefte, part. B

| | Production | Building activity | Prices of stocks | Yield of fixed interest securities | Unemployment |
|---|---|---|---|---|---|
| a) **Sterling block:** | | | | | |
| Great Britain . . . | + 18.7 | + 6.8[9]) + 82.5[10]) | + 7.7[2]) | — 16.8[2]) | — 18.1 |
| Canada . . . . . . . | + 23.2[1]) | + 156.6[1]) | + 55.1[5]) | — 18.4[5]) | — 21.9[8]) |
| Denmark . . . . . . | + 17.1[2]) | | | — 8.2[2]) | — 27.3 |
| Sweden. . . . . . . | + 37.9[3]) | | + 39.3[2]) | — 18.6[2]) | — 42.7[4]) |
| b) Japan . . . . . . . . | + 23.7[4]) | | + 1.0[5]) | — 7.5[2]) | 17.9[3]) |
| c) USA. . . . . . . . . . | + 16.0[5]) | + 54.2[1]) | + 34.0[2]) | — 16.0[7]) | — 2.5[8]) |
| d) **Gold block:** | | | | | |
| France . . . . . . . | — 16.2[1]) | — 27.5[1]) | — 23.3[2]) | — 20.0[2]) | + 57.6 |
| Poland . . . . . . . | + 16.2[1]) | + 64.2[5]) | + 5.0[5]) | — 28.5[2]) | + 31.1[1]) |
| Switzerland . . . . | — 4.6[1]) | — 68.3[5]) | — 15.6[2]) | + 23.6[2]) | + 40.8 |
| e) Germany . . . . . . | + 51.4[1]) | + 103.2[7])[11]) | + 37.7[2]) | — 34.4[2]) | — 55.6 |
| Italy. . . . . . . . . | + 15.7[1]) | + 53.3[1]) | + 45.0[5]) | + 15.4[5]) | — 29.2[1]) |
| f) Belgium . . . . . . | + 2.1[7]) | + 22.8[7]) | + 2.9[2]) | — 14.1[2]) | — 10.7[1]) |
| Austria . . . . . . . | + 20.9[1]) | | + 53.2[2]) | — 25.1[5]) | — 26.5 |
| Czechoslovakia . . | + 15.6[8]) | | + 22.3 | — 15.3[2]) | — 8.2 |

[1]) Development as of August 1935 against August 1933.
[2]) Development as of September 1935 against monthly average of 1933.
[3]) Development as of May 1935 against May 1933.
[4]) Development as of June 1935 against June 1933.
[5]) Development as of August 1935 against monthly average of 1933.
[6]) Goods traffic on the Swiss Federal Railways.
[7]) Development as of July 1935 against monthly average of 1933.
[8]) Development as of July 1935 against July 1933.
[9]) Living houses.
[10]) Other buildings.
[11]) Index of production of building materials.

# Index Figures of the Production of the Principal Countries [1] [2]

(1928 = 100)

| | 1932 (monthly average) | 1933 (monthly average) | 1934 June | 1934 Decemb. | 1935 June | 1935 August |
|---|---|---|---|---|---|---|
| World | 76.8 | 86.6 | 97.1 | 102.3 | 103.3 | 103.2 |
| Germany (exclusive of foods and luxuries) | 54.0 | 61.5 | 81.2 | 84.3 | 93.7[3] | 95.2[3] |
| Belgium | 63.1 | 67.2 | 67.2 | 67.5 | 68.9 | — |
| Denmark | 98.0 | 113.0 | 116.6 | 125.3 | 129.6 | 132.8 |
| France | 76.0 | 84.9 | 82.1 | 73.5 | 73.5 | 73.5 |
| Great Britain | 88,0 | 93.2 | 103.3 | 110.4 | 109.9 | — |
| Italy | 73.0 | 80.5 | 85.7 | 89.7 | 102.1 | 95.2 |
| Norway | 102.7 | 102.5 | 110.7 | 112.7 | 121.1 | 109.6 |
| Roumania | 94.8 | 109.9 | 134.8 | 124.2 | 117.2 | — |
| Sweden | 83.8 | 86.8 | 107.7 | 109.6 | 115.4 (May) | — |
| Czechoslovakia | 66.3 | 62.6 | 71.6 | 70.0 | 70.9 | — |
| Chile | 85.4 | 94.7 | 104.1 | 120.5 | 127.9 | — |
| Japan | 117.1 | 136.7 | 156.6 | 173.0 | 168.7 | — |
| Canada | 62.8 | 65.2 | 80.8 | 77.2 | 84.6 | 93.6 |
| United States of Amerika | 57.9 | 69.4 | 74.8 | 77.5 | 77.5 | 77.5 |

[1] The index figures specified by the various countries have been recalculated by the Inst. f. Konjunkturforschung on the basis of 1928 = 100.

[2] According to the Vierteljahrshefte des Instituts für Konjunkturforschung 10th ann. issue 1935, No. 3, part B.

[3] Inclusive of Saar territory.

## Annex 16

# World Production and World Trade [1]

(1929 = 100)

| Year | Agricultural world production [2] | | | Industrial world production | | World trade (volume) | | Goods railway traffic in 15 countries (in ton-km) |
|---|---|---|---|---|---|---|---|---|
| | total | food | raw-mate-rials | total | excl. of Russia | total [2] | finished goods [3] | |
| 1932 | 100.0 | 101.0 | 91.4 | 71.4 | 66.1 | 73.9 | 58.3 | 57.9 |
| 1933 | 99.0 | 100.0 | 95.2 | 80.5 | 74.8 | 74.9 | 60.1 | 60.0 |
| 1934 | 95.1 [4] | 96.1 [4] | 91.4 [4] | 88.5 | 81.8 | 75 3 | 66.1 | 65.1 |

## Annex 17

# Stocks of Raw Materials on the World Markets at the End of June [5]

| Commodity | Unit | 1929 | 1932 | 1933 | 1934 | 1935 |
|---|---|---|---|---|---|---|
| Wheat | 1,000 t | 9,558 | 12,604 | 13,254 | 13,791 | 10,854 |
| Coffee | 1,000 „ | 847 | 1,891 | 1,381 | 1,628 | 1,382 |
| Cotton | 1,000 „ | 1,015 | 1,861 | 1,892 | 1,670 | 1,134 |
| Rubber | 1,000 „ | 294 | 593 | 637 | 670 | 693 |
| Coal | 1,000 „ | 2,958 | 21,492 | 20,973 | 18,792 | 16,792 |
| Mineral oil | mill. hl | 603 | 504 | 482 [6] | 501 | 468 |
| Lead | 1,000 t | 49 [7] | 180 | 202 | 244 | 227 |
| Tin | 1,000 „ | 24 | 59 | 47 | 20 | 16 |

[1] According to the Inst. f. Konjunkturforschung, 10th ann. issue, No. 1, part A.
[2] Data of League of Nations.
[3] Calculation of the Inst. f. Konjunkturforschung.
[4] Estimate of the Inst. f. Konjunkturforschung.
[5] According to Wirtschaft und Statistik und Wochenbericht des Inst. f. Konjunkturforschung IV, page 91, V, page 89, VI, page 31.
[6] Owing to alterations made in the reporting system the new data are not directly comparable with the older data.
[7] Estimate for March.

Annex 18

# Wholesale Prices in Foreign Markets[1])

(Monthly averages)

| Commodity | Place | Quantity | Currency | 1929 June | 1929 Dec. | 1932 June | 1932 Dec. | 1935 June | 1935 Sept.[3]) |
|---|---|---|---|---|---|---|---|---|---|
| Wheat, gazette average unif. | London | 112 lbs | s d | 9.7½ | 9.4¾ | 6.4 | 5.4 | 5.6 | 4.8 |
| Sugar, Cuba 96$^0$ excl. of duty | New York | 1 lb | cts | [2]) | [2]) | 0.75 | 0.84 | 2.42 | 2.60 |
| Coffee, Rio 7 | „ „ | 1 lb | cts | 16.75 | 9.94 | 8.14 | 8.25 | 6.94 | 6.53 |
| Copra, Ceylon | London | long tons[5]) | £ s d | 22 0.7½ | 24.2.6 | 14.18.0 | 16.7.0 | 13.7.6 | |
| Coal, Northumberland unscr. | New Castle | long tons[5]) | s d | 14.3 | 15.6 | 12.4 | 12.4 | 13.6 | 13.6 |
| Petrol 60/62 Beaumé f. o. b. | New Orleans | am. gall | cts | 9.51 | J.-D.[4]) | 4.25 | 3.94 | 5.20 | 4.89 |
| Pig iron, Cleveland 3 | Great Britain | long tons[5]) | s d | 71.10½ | 72.6 | 58.6 | 58.6 | 67.6 | 67.6 |
| Copper, electrolytical | New York | 1 lb | cts | 18.00 | 17.75 | 5.38 | 5.00 | 7.39 | 8.24 |
| Tin | „ | 1 lb | cts | 44.13 | 39.72 | 19.63 | 22.68 | 51.08 | 49.10 |
| Zinc | „ | 1 lb | cts | 6.98 | 5.99 | 2.80 | 3.13 | 4.30 | 4.68 |
| Lead | „ | 1 lb | cts | 7.00 | 6.25 | 3.00 | 3.00 | 4.03 | 4.41 |
| Cotton, middle upl. | „ | 1 lb | cts | 18.81 | 17.28 | 5.27 | 5.95 | 11.89 | 10.80 |
| Wool N. S. W. gr. sup. | London | 1 lb | d | 23.00[4]) | 17.00[4]) | 10.00 | 11.50 | 13.50 | 15.00 |
| Ox-hides, best quality | „ | 1 lb | d | 6⅜ | 6¼ | 3.63 | 4¼ | 5⅞ | 6.00 |
| Rubber, Plant. crepe | New York | 1 lb | cts | 21.57[4]) | 16.52[4]) | 3.63 | 4.00 | 12.79 | 11.74 |

[1]) Source: Wirtschaft und Statistik.
[2]) Formerly quoted incl. of duty.
[3]) Partly subject to seasonal fluctuations.
[4]) Source: Statistisches Jahrbuch für das Deutsche Reich.
[5]) Long tons = 2240 lbs

**Annex 19**

## Foreign Loans in Default on the London Market[1]

| | Early in 1933 | Early in 1935 |
|---|---|---|
| South America . . . . | 118.0 Mill. £<br>11.2 „ $ | 87.2 Mill. £<br>11.2 „ $ |
| Central America . . . | 13.7 „ £<br>84.2 „ $ | 12.8 „ £<br>84.2 „ $ |
| Central and Eastern Europe . . . . . . . . | 42.8 „ £ | 11.0 „ £[2] |
| China . . . . . . . . . | 12.0 „ £ | 9.9 „ £ |

from: Sonderbeilage zu Wirtschaft und Statistik, 15th ann. issue 1935, No. 12.

[1] Excl. of the Russian pre-war debts quoted in London to the amount of 162,0 mill. £.
[2] Excl. of the Austro-Hungarian pre-war debts to the amount of 701.0 mill. hfl., 113.3 mill. kr. and 11.3 mill. £ now in the charge of the Caisse Commune, the service of which could only be carried out in part.

**Annex 20**

# Germany's Foreign Overseas Trade[1]

(January - September)

(mill. RM)

| Year | Imports | Exports | Import surplus |
|---|---|---|---|
| 1928 | 5,266.0 | 2,334.4 | 2,931.6 |
| 1929 | 4,929.7 | 2,722.2 | 2,207.5 |
| 1930 | 3,605.7 | 2,079.9 | 1,525.8 |
| 1931 | 2,334.9 | 1,438.6 | 896.3 |
| 1932 | 1,575.0 | 810.3 | 764.7 |
| 1933 | 1,458.1 | 793.0 | 665.1 |
| 1934 | 1,512.5 | 706.7 | 805.8 |
| 1935 | 1,254.2 | 855.1 | 399.1 |

[1]) According to Statistisches Reichsamt, return on external trade.

Annex 21

# Development of the Balance of Foreign Trade of the USA.

(mill. RM)

## Monthly averages

| | |
|---|---|
| 1928 | + 362 |
| 1929 | + 295 |
| 1930 | + 273 |
| 1931 | + 109 |
| 1932 | + 101 |
| 1933 | + 61 |
| 1934 | + 98 |

## 1935

| | |
|---|---|
| January | + 12 |
| February | + 20 |
| March | + 16 |
| April | — 14 |
| May | — 13 |
| June | + 34 |
| July | — 10 |
| August | + 5 |

(Calculated by the Volkswirtschaftliche und Statistische Abteilung der Reichsbank).

# Development of Foreign Trade of Important Countries
## (in national currencies) [1])

| | imports | | | | | exports | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1929 | 1932 | 1933 | 1934 | development 1934/1929 in % | 1929 | 1932 | 1933 | 1934 | development 1934/1929 in % |
| **Gold block countries** | | | | | | | | | | |
| France 1000 mill. frs . | 58.29 | 29.81 | 28.43 | 23.06 | — 60.4 | 50.07 | 19.71 | 18,47 | 17.82 | — 64.4 |
| Netherlands 1000 mill. fl . . . . . . . | 2.755 | 1.299 | 1.209 | 1.038 | — 62.3 | 1.989 | 0.846 | 0.726 | 0.712 | — 64.2 |
| Switzerland 1000 mill. frs . . . . . . | 2.784 | 1.763 | 1.595 | 1.435 | — 48.5 | 2.105 | 0.801 | 0.853 | 0.844 | — 59.9 |
| **Sterling block countries** | | | | | | | | | | |
| Great Britain mill. £ . | 1,220.8 | 650.6 | 625.9 | 681.1 | — 44.2 | 729.3 | 365.0 | 367.9 | 396.1 | — 45.7 |
| Sweden 1000 mill. kr . | 1.783 | 1.155 | 1.096 | 1.299 | — 27.1 | 1.812 | 0.947 | 1.079 | 1.294 | — 28.6 |
| USA. 1000 mill. $ . . . . | 4.399 | 1.325 | 1.433 | 1.635 | — 62.8 | 5.241 | 1.576 | 1.647 | 2.101 | — 59.9 |
| Japan 1000 mill. Yen . | 2.213 | 1.428 | 1.912 | 2.277 | + 2.9 | 2.104 | 1.366 | 1.832 | 2.139 | + 1.7 |
| Italy 1000 mill. Lire . . | 21.300 | 8.268 | 7.432 | 7.675 | — 64.0 | 14.889 | 6.812 | 5.991 | 5.224 | — 64.9 |
| Germany 1000 mill. RM | 13.435 | 4.667 | 4.204 | 4.451 | — 66.9 | 13.482 | 5.739 | 4.871 | 4.167 | — 69.1 |

[1]) According to Recueil de Statistique de l'Institut International de Commerce.

**Annex 23**

# World Production of Important Commodities [1]

| | 1932 | 1933 | 1934 | | 1935 | |
|---|---|---|---|---|---|---|
| | monthly average | | June | Decemb. | June | August |
| Coal (1000 t) | 76,434 | 79,699 | 80,387 | 90,349 | 83,974 | 81,626 |
| Pig iron ,, | 3,174 | 3,959 | 5,668 | 4,983 | 5,583 | 6,025 |
| Steel ,, | 4,113 | 5,497 | 7,602 | 6,528 | 7,166 | 8,236 |
| Tin ,, | 8.2 | 7.6 | 9.8 | 10.8 | 7.4 | 11.6 |
| Zinc ,, | 66.0 | 83.6 | 90.3 | 109.3 | 106.3 | 109.8 |
| Lead ,, | 96.1 | 98.0 | 107.8 | 116.4 | 106.5 | July 114.8 |
| Mineral Oil (Mill. barrels) (Crude oil) | 108.1 | 118.1 | 141.4 | 138.0 | 137.2 | 135.2 |

[1] According to Inst. f. Konjunkturforschung, 10th ann. issue 1935, No. 3, part B.

# Gold Value of Depreciated Currencies[1])

(Old gold parity = 100)

| | monthly average | | 1934 | | 1935 | |
|---|---|---|---|---|---|---|
| | 1932 | 1933 | June | Decemb. | June | Septemb. |
| Denmark . . . . . . | 70.3 | 55.8 | 49.9 | 48.9 | 48.7 | 48.9 |
| Great Britain . . . | 72.0 | 68.1 | 61.6 | 60.4 | 60.0 | 60.3 |
| Sweden . . . . . . | 68.9 | 64.5 | 57.7 | 56.5 | 56.2 | 56.4 |
| Argentina . . . . . | 60.6 | 59.4 | 47.1 | 46.1 | 45.9 | 46.0 |
| Australia . . . . . . | 57.5 | 54.2 | 49.1 | 47.9 | 47.6 | 47.8 |
| Brazil . . . . . . . . | 59.5 | 53.3 | 42.1 | 40.7 | 41.2 | 41.4 |
| Japan . . . . . . . . | 56.4 | 40.4 | 35.6 | 34.3 | 34.5 | 34.5 |
| Canada . . . . . . . | 88.1 | 73.2 | 59.8 | 60.2 | 59.2 | 59.0 |
| Union of South Africa . . . . . . | 97.9 | 67.6 | 60.9 | 59.7 | 59.4 | 59.6 |
| United States of America . . . . . | 100.0 | 80.8 | 59.3 | 59.5 | 59.2 | 59.4 |

[1]) According to Vierteljahrshefte des Inst. f. Konjunkturforschung, 10th ann. issue 1935, No. 3, part B.

## Business Situation of Important

| Country | the lowest level of the crisis | |
|---|---|---|
| Japan | 4th quarter 1931 | greatly improved |
| Union of South Africa | 4th „ 1932 | „ „ |
| Sweden | 3rd „ 1932 | „ „ |
| Great Britain | 3rd „ 1932 | „ „ |
| Italy | 3rd „ 1932 | „ „ |
| Germany | 3rd „ 1932 | „ „ |
| Australian Commonwealth | 4th „ 1931 | „ „ |
| Canada | 1st „ 1933 | improved |
| Argentina | 4th „ 1932 | „ |
| Norway | 3rd „ 1933 | „ |
| Denmark | 2nd „ 1932 | „ |
| Chile | 2nd „ 1933 | „ |
| Austria | 1st half year 1933 | „ |
| Yogoslavia | 1st „ „ 1932 | „ |
| United States of America | 1st quarter 1933 | „ |
| Brazil | 4th „ 1932 | „ |
| British India | 2nd „ 1932 | „ |
| Belgium | 1st „ 1935 | slightly improved |
| Hungary | 1st half year 1933 | „ „ |
| Roumania | 1st quarter 1935 | „ „ |
| Bulgaria | 2nd half year 1933 | „ „ |
| Czechoslovakia | 1st quarter 1933 | „ „ |
| Poland | 1st „ 1933 | „ „ |
| Dutch East Indies | 3rd „ 1933 | not much changed |
| Spain | 1933 | „ „ „ |
| France | — | lowest level probably not yet reached |
| Netherlands | — | |
| Switzerland | — | |
| China | — | |

[1]) According to Vierteljahrshefte zur Konjunkturforschung, 10th ann. issue 1935, No. 2, part A.

[2]) The business situation is gauged on the basis of the estimated development of the national income. The estimates were based in the case of industrial countries mainly on the industrial production, the employment of the population and the prices. In the case of agrarian states the criteria were, besides the available figure of production, above all the foreign trade and the prices.

## Countries in the Summer of 1935[1][2]

| Situation as against the last high level of business activity | | | the situation in the summer of 1934 | Present tendency |
|---|---|---|---|---|
| 3rd quarter | 1929 | decidedly better | greatly improved | upward |
| 4th " | 1929 | " " | improved | " |
| 1st " | 1930 | " " | " | " |
| 3rd " | 1929 | slightly better | " | " |
| 2nd " | 1929 | declined | greatly improved | " |
| 2nd " | 1929 | " | " " | " |
| | 1928 | " | slightly improved | " |
| 1st quarter | 1929 | " | improved | " |
| 1st " | 1929 | " | " | " |
| 1st half year | 1930 | " | " | " |
| 3rd quarter | 1930 | " | slightly improved | stagnant |
| 4th " | 1929 | greatly declined | improved | upward |
| 3rd " | 1929 | " " | " | slightly upward |
| [illegible] half year | 1929 | " " | " | " " |
| [illegible] quarter | 1929 | " " | slightly improved | upward |
| " | 1928 | " " | " " | " |
| " | 1929 | " " | " " | stagnant |
| " | 1929 | " " | " " | upward |
| [illegible] half year | 1929 | " " | " " | slightly upward |
| [illegible]nd " " | 1929 | " " | " " | " " |
| " " | 1929 | " " | " " | " " |
| [illegible] quarter | 1929 | " " | not much changed | " " |
| [illegible]th " | 1928 | " " | " " " | stagnant |
| | 1927 | | " " " | " |
| 2nd quarter | 1931 | " " | slightly declined | " |
| 1st " | 1930 | " " | declined | downward |
| 4th " | 1929 | " " | " | " |
| [illegible]th " | 1929 | " " | " | " |
| | 1931 | " " | greatly declined | " |

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