

**ECONOMIC INTELLIGENCE SERVICE**

**WORLD PRODUCTION  
AND PRICES**

**1937/38**

**LEAGUE OF NATIONS**

**GENEVA**

**1938**

**Series of League of Nations Publications**

**II. ECONOMIC AND FINANCIAL**

**1938. II.A. 11.**

# LEAGUE OF NATIONS

## WORLD PRODUCTION AND PRICES 1937/38

### Corrigendum

Footnote <sup>c</sup> to Table 3 on page 104 and footnote <sup>2</sup> on page 137  
*should read:*

"To represent the value of dairy and meat production,  
statistics of home-grown fodder are employed. These may in  
certain years and certain cases be too low."

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Series of League of Nations Publications

II. ECONOMIC AND FINANCIAL  
1938. II.A. 11. Corrigendum

## PREFACE

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This volume of *World Production and Prices* is somewhat wider in scope than previous editions and is modified in form. It begins with a general review of the interrelationship between the world primary and manufacturing production and the changes in stocks of primary products. The world indices of primary production and stocks are calculated, as in previous editions, on the basis of averages for 1925-1929 = 100. But the former have, in so far as possible, been calculated back to 1920, so as to afford a better view of the general sweep of events. New world indices of the manufacture of capital and consumption goods have been calculated, and new sections added concerning production per head of population and yearly rates of progress.

In Chapter II is discussed the relationship between industrial production and employment and unemployment, while Chapter III is devoted to an analysis of industrial production by principal countries. Chapter IV gives information on production, supply, stocks and consumption of individual primary commodities and on industrial production by main industrial branches. Chapter V contains an analysis of changes in the quantum of trade, and Chapter VI a survey of changes in prices of different categories of goods and of the factors of production. In Chapter VII, a summary is given of industrial profits and a new section on farm income. A summary of the principal facts brought out in this volume will be found on pages 7 to 9.

The absolute figures upon which the world indices are mainly based will be found in the *Statistical Year-Book of the League of Nations, 1937/38*, and previous editions. The appendix table formerly given showing indices of activity in individual industries (Table 4 of Appendix III of the last edition) has been omitted this year for reasons of space; most of the national series are, however, given in the tables on production in individual countries reproduced in the *Statistical Year-Book* (Table 111, pages 178-195 of this year's edition).

A. LOVEDAY,

*Director of the Financial Section  
and Economic Intelligence Service.*

League of Nations,  
Geneva, June 1938.

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## SUMMARY OF PRINCIPAL FACTS

1. World production reached record levels in 1937. As compared with 1929, total primary production was 10% higher, the output of crude foodstuffs 6%, and of industrial raw materials 19%. World visible stocks of primary commodities were 6% lower.

The concurrent increase in world manufacture would appear to have reached some 20%.

The quantum of world trade in 1937 was 3% lower than in 1929, reflecting the decline in the proportion of commodity production internationally exchanged.

SUMMARY OF WORLD INDICES.  
1929 = 100.

	1930	1931	1932	1933	1934	1935	1936	*1937
<b>A. Total primary production . . . . .</b>	99	95	92	95	97	99	104	110
Thereof :								
{ Agricultural . . . . .	101	100	99	101	100	101	104	107
{ Non-agricultural . . . . .	93	80	69	75	86	94	106	119
{ Foodstuffs . . . . .	102	100	100	102	101	101	103	106
{ Raw materials . . . . .	94	85	75	81	87	95	106	119
<b>B. Stocks of primary commodities* . . . . .</b>	112	121	124	123	119	105	97	94
<b>C. Total manufacturing production</b>								
1. Incl. U.S.S.R. . . . .	88	79	69	78	85	96	111	119
2. Excl. U.S.S.R. . . . .	86	74	63	71	77	86	96	103
Thereof :								
Consumption goods* . . . . .	91	87	79	87	89	93	100	104
Capital goods* . . . . .	82	60	43	55	63	77	92	102
<b>D. Quantum of international trade . . . . .</b>	93	86	75	75	78	82	86	97

\* Provisional indices. \* Yearly averages. \* Excluding U.S.S.R.

2. Output of *agricultural* products remained remarkably stable until 1935, but consumption fell considerably during the early years of depression, as is shown by the marked increase in stocks. However, consumption increased rapidly during the period of recovery after 1933/34 and stocks were quickly absorbed.

As shown by the world index of manufacture of *consumption goods* (apart from the U.S.S.R.), consumption of manufactured articles shrank by about a fifth up to 1932, but in 1936 it was as large as in 1929 and in 1937 4% larger.

3. The output of primary commodities of *non-agricultural* origin — while more easily adaptable to changes in demand than that of agricultural products — nevertheless fell less heavily during the depression than that of capital goods for the production of which they mainly serve; stocks accordingly moved in the same manner (although not to the same extent) as those of agricultural products. The expansion in this branch of primary production has been very rapid since 1932, stimulated in part by rearmament, and more capital goods were produced in the world (even excluding the U.S.S.R.) in 1937 than in 1929.

4. Up to 1936, international trade lagged behind production. But, between 1936 and 1937, the quantum of trade rose more than production ; it also fell less in the latter part of 1937 and the first months of 1938. The rapid increase in trade in 1937 has to be attributed in part to the brisk demand exerted in foreign markets by certain countries for armament needs and capital equipment, and in part to the fact that the high prices fetched by primary products during the early part of 1937 permitted raw-material countries to increase their imports even during the latter part of the year. For the year as a whole, the quantum of trade in raw materials is estimated to have been 11-12% above the 1929 level, while the trade in manufactured goods remained 14% below.

5. The production of crude *foodstuffs* (excluding meat and milk) *per head* of population increased between 1920 and 1937 by 19% in the world as a whole ; excluding the U.S.S.R., the increase was somewhat less. Most of this progress came before 1925 ; subsequently, the output of foodstuffs has just kept pace with the population growth.

The output of *manufactured consumption goods* per head in the world (excluding the U.S.S.R.) increased by 32% between 1920 and 1929, but in 1937 was 3% lower than in 1929 owing to the heavy fall in North America ; in Europe it increased by 2% between 1929 and 1937.

*Per caput* production of *capital goods* in the world (apart from the U.S.S.R.) was 36% larger in 1929 than in 1920, but 5% lower in 1937 than in 1929 owing mainly to the influence of North America ; in Europe it increased by 4% in the latter period.

6. Annual percentage rates of increase in production (calculated at compound interest) during the period 1920-1937 differ considerably in Europe and North America. In the latter continent, production had expanded greatly during the world war and up to 1920 ; subsequent advance per head of population was slight. The substantially higher rate of progress in Europe after 1920 reflects in part recovery from the low initial level resulting from the disorganisation of the economic system during the war.

7. The decline in industrial activity during the great depression caused a heavy fall in employment and rise in unemployment, though the number of unemployed was kept down to some extent by recourse to various measures designed to spread available employment over a greater number of workers, principally by shortening hours of work. Owing to the improved efficiency of labour resulting largely from technical improvements, industrial output has increased since 1929, not only per hour worked but also per worker employed, as is shown by the following rough indices for the world apart from the U.S.S.R. (1929 = 100) :

	1930	1932	1935	1936	1937
Output per worker . . . . .	95	89	99	105	104
Output per hour . . . . .	101	110	116	118	119

8. Industrial profits, which had fallen steeply during the depression, increased greatly in most countries during 1937 ; also farm-income appears in this year to have reached its highest level since the beginning of recovery.

9. Prices rose sharply in the last quarter of 1936 and the first quarter of 1937. Partly owing to speculative purchases, prices of raw materials rose more rapidly than those of manufactured products ; a simultaneous rise in wages tended in some countries to decrease the margin of profits. After the spring of 1937, wholesale prices began to decline, followed, with a lag of some months, by a smaller reduction in the cost of living.

10. The upswing in world economic activity which started in 1932 had come to an end by the middle of 1937. The main features of this recent decline may be summed up as follows. The value of industrial shares began to fall at the end of 1936 (United

Kingdom) or the beginning of 1937. Prices of primary commodities began to fall in the spring of 1937. As they have fallen more than prices of manufactured articles there was a marked deterioration in the terms of trade of agricultural countries. Foodstuffs, on the whole, fell less in price than raw materials, and animal foodstuffs less than vegetable foodstuffs. Prices of manufactured or semi-manufactured capital goods were generally maintained at a high level in spite of the shrinkage in demand. Production of many industrial raw materials declined in the second half of 1937 and the first half of 1938, while visible stocks have again begun to accumulate as a result of the concurrent decline in industrial activity.

The agricultural situation towards the middle of 1938 is governed by the prospects of an exceptionally large crop in the United States and fairly good crops elsewhere — even in Europe in spite of the unfavourable weather conditions of the early spring. In consequence of sagging demand, due no doubt in part to the decline in general business activity, the fall in world stocks of crude foodstuffs has ceased and the carry-over, especially of wheat, is expected to increase resulting in continued pressure upon prices.

11. The industrial upswing arrested in 1937 was characterised by greatly different trends of development in different countries. The present situation shows a correspondingly great dispersion of tendencies and, owing to the many and far-reaching structural changes which have taken place since 1929, the necessary basis for forming a judgment concerning future developments is lacking at the moment of writing. In spite of a certain decline, world economy as a whole has so far shown a relatively high degree of resistance to the depressive influences emanating principally from the United States.

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## CHAPTER I

### GENERAL TRENDS OF WORLD PRODUCTION 1920-1937

The purpose of the present chapter is to bring together the main statistics indicative of world production for the period since 1920 and thus supply the basis of some general conclusions as to the development of production during this period. Certain limitations are imposed by the material available, for while relatively complete figures exist for primary production, and in many countries for manufacturing industries, statistics of building are scarce and those of services incomplete or non-existent.

The following survey, therefore, is limited to production of physical goods for which it is possible to obtain some simple quantitative measure. This restriction is a serious one, for services are an increasingly important contributor to national income.<sup>1</sup> As regards the main services for which statistics of production exist — particularly shipping — certain data are, however, given in Chapter V below.

The statistics of production in most countries (the main exception being the U.S.S.R.), chiefly relate to the private sector of economic activity, but especially during the last depression public authorities have entered the field of production on an increasing scale, more particularly through various schemes of public works. It would be desirable to separate these activities from those of private enterprise. But owing to lack of statistical material, this cannot be done, and these public activities are therefore either unavoidably omitted or included in the general indices of production. Because of limitations in scope, representative value and international comparability of the data, attention should be directed to the course or trend of the figures given in the following pages rather than to their level at any particular date.

#### A. INDICES OF PRIMARY PRODUCTION

The world indices of primary production for the period 1925-1937 have been calculated on the same basis, and according to the same methods, as the figures published in last year's issue of this volume.<sup>2</sup> In order to give a connected picture of developments since 1920, certain representative though less comprehensive indices have been added relating to the period 1920-1924. These early indices differ in scope from the subsequent ones mainly on account of the omission of some important foodstuffs — *e.g.*, meat and milk — for

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<sup>1</sup> According to Colin CLARK's calculations of national income in the United Kingdom ("National Income and Outlay", London 1937, page 125), the part derived from transport (other than railways), commerce and services amounted in 1930 to more than 40% of the total. The percentage is higher than that of the aggregate for mining, manufacture and building. In Sweden in the same year, it is estimated that about a fourth of the national income was derived from commerce, independent professions and public administration (Erik LINDAHL and others: "National Income in Sweden, 1860-1930"; Stockholm Economic Studies No. 5, Stockholm, 1937).

<sup>2</sup> Cf. particularly pages 9 and 98. The following minor changes, however, have been introduced in the methods of calculation. Iron and steel have been excluded, and figures are given, instead, of the iron content of iron ore, the manganese content of manganese ore and the chromic acid content of chrome ore. In the general totals of primary production and of agricultural production, fodder crops have been omitted, so as to avoid double countings: they are taken into account indirectly through the inclusion in the totals of animal foodstuffs (represented by meat and milk) into which they are normally transformed. The fodder crops formerly included are retained, however, as an independent group outside the general total.

which sufficiently complete data have been available only since 1923 and 1925 respectively.<sup>1</sup> Certain raw materials of less importance were also not included in the early index.

The omission of meat and milk from the early figures constitutes a flaw in their comparability with the "complete" general index computed for the period 1925-1937; but the sub-index relating to industrial raw materials alone is sufficiently homogeneous for the whole eighteen-year period covered to afford a fairly accurate measure of the changes in that part of primary production since 1920. This is equally true of the sub-index relating to vegetable foodstuffs alone, while the changes in total foodstuffs and total primary production including animal foodstuffs (represented by meat and milk) cannot be measured accurately further back than 1925.

### I. TOTAL PRIMARY PRODUCTION

The general index of world primary production, together with its subdivisions by continental groups, is given in Table 1. For reasons just indicated, double series — (a) excluding, and (b) including, milk and meat — are given throughout.

*Table 1. — GENERAL INDICES OF WORLD PRIMARY PRODUCTION.*  
(a) Excluding meat and milk. (b) Including meat and milk.  
1929=100.

Year*	World				Europe		U.S.S.R.		North America		Latin America		Africa		Asia		Oceania	
	Including		Excluding		Excluding		U.S.S.R.		North America		Latin America		Africa		Asia		Oceania	
	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)
1920.....	70	—	73	—	62	—	37	—	81	—	68	—	53	—	79	—	81	—
1921.....	64	—	67	—	62	—	35	—	60	—	68	—	55	—	81	—	88	—
1922.....	73	—	76	—	72	—	44	—	72	—	72	—	59	—	89	—	86	—
1923.....	79	—	81	—	73	—	64	—	86	—	82	—	72	—	84	—	86	—
1924.....	82	—	83	—	77	—	69	—	83	—	85	—	77	—	90	—	92	—
1925.....	88	90	88	90	86	88	90	86	88	91	83	93	86	87	93	93	91	92
1926.....	89	91	88	90	76	83	101	96	96	97	86	94	81	85	93	93	103	97
1927.....	93	94	92	94	89	92	101	97	94	95	92	97	86	89	96	96	97	96
1928.....	97	98	96	98	91	96	99	98	98	99	106	103	91	94	99	99	106	101
1929.....	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
1930.....	99	99	96	99	92	98	121	107	95	97	97	100	98	98	102	102	112	107
1931.....	92	95	90	96	88	97	113	92	86	92	89	96	87	90	98	98	108	109
1932.....	87	92	85	93	85	96	111	84	71	84	83	93	89	91	98	99	117	119
1933.....	92	95	89	96	90	99	128	88	72	86	86	96	98	98	104	104	110	120
1934.....	94	97	90	97	93	102	134	94	72	85	98	104	106	104	101	101	105	120
1935.....	99	99	94	99	96	103	152	103	80	85	94	104	114	111	104	104	110	123
1936.....	105	104	101	104	97	105	*151	*107	90	94	106	109	115	113	113	112	114	123
1937* ...	115	110	110	109	106	109	(159)	(112)	107	102	109	113	127	122	116	115	121	127

\* Provisional figure.

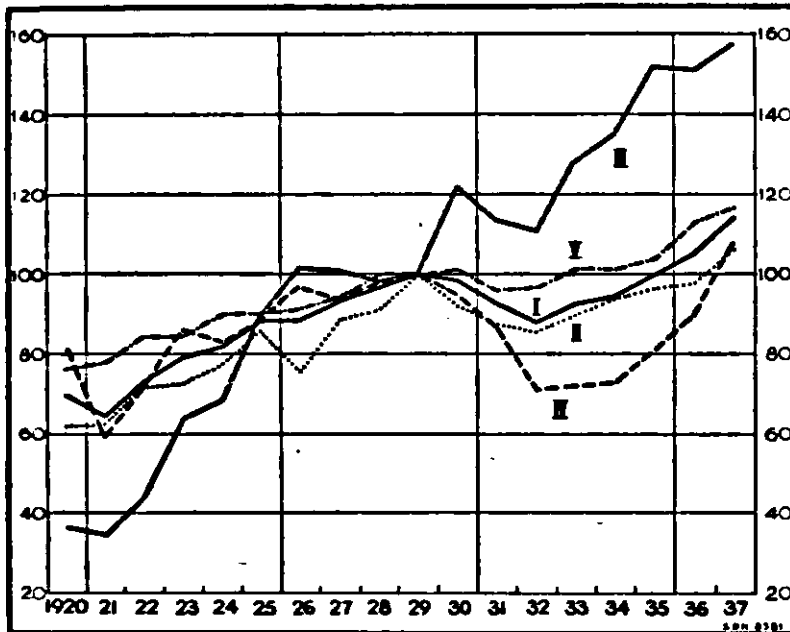
\* As regards crops in the Southern Hemisphere, the twelve-month periods covered extend from the middle of each year shown to the middle of following year. For instance, the crop figures for 1937/38 of the southern hemisphere are added to those for 1937 of the northern one.

<sup>1</sup> Output of these commodities fluctuates less from year to year than that of most other commodities. Had it proved possible to include them throughout, the general index for the period 1920-1924 would probably have been somewhat smoother and possibly a little higher than suggested by the figures shown here. The scope of these early indices is nevertheless fairly wide, the commodities included representing in 1925 (the year in which the two series were linked up with each other) about 92% of the aggregate of the seventy-four products included in the later index (excluding meat and milk). The corresponding percentage amounts also to 92% both in the case of the sub-index for foodstuffs excluding meat and milk (i.e., that of vegetable food production) and in that of the sub-index for industrial raw materials.

World production of primary products during the period since the war has witnessed two distinct recessions — 1921 and 1930-1932 — which together amount to four years; and two periods of increasing output — 1922-1929 and 1933-1937 — together amounting to thirteen years. Between 1920 and 1937, the indices of output (excluding meat and milk) had increased by some 64% including, and some 51% excluding, the U.S.S.R.

*Diagram 1. — INDICES OF PRIMARY PRODUCTION (EXCLUDING MEAT AND MILK) IN THE WORLD AND IN CERTAIN CONTINENTAL SUBDIVISIONS. 1929=100.*

- I. World, including U.S.S.R.
- II. Europe, excluding U.S.S.R.
- III. Union of Soviet Socialist Republics.
- IV. North America.
- V. Rest of world.



The general course of the production of primary products, in its main continental subdivisions, is illustrated by the figures in Table 1, and also by Diagram 1. The most characteristic feature brought out by the material is the difference in development in North America and other parts of the world.

The various continental sub-indices show on the whole a decided upward trend over the eighteen-year period covered, although in varying degree. As was to be expected, the "younger" continents — and Africa in particular — have all shown a great increase, even larger than that in Europe, where, excluding the U.S.S.R., it nevertheless amounted to more than 70%. Even allowing for the fact that production in 1920, owing to the aftermath of the war, was still low in Europe, the expansion is remarkably great, in view of the extent to which raw-material supplies had been exploited in

the past. It undoubtedly reflects, in part, the policy in a number of continental States towards increased self-sufficiency in the production of food and raw materials. The relatively small North-American increase since 1920 (about 30%)<sup>1</sup> is largely explained by the great volume of production at the beginning of the period, consequent upon the exceptional efforts during the war to expand production. Although a certain setback was thus to be expected in the early post-war period, as world production was again tending towards equilibrium, the slow rate of progress in the later part of the period suggests that more permanent forces account for the relative decline in the American rate of progress.

The effects of these various developments on the relative shares of world production falling to the different continental subdivisions are illustrated by Table 2, which contains the percentage figures of distribution of primary production.

<sup>1</sup> That the figure reached is as high as 30% is explained partly by a good harvest in 1937 in certain staple commodities. During the period 1932-1935, production was even below the levels of 1920, and, in 1936, it still exceeded it by only 10%.

Table 2. — CONTINENTAL PERCENTAGE DISTRIBUTION OF WORLD PRIMARY PRODUCTION.  
World=100.

(a) Excluding meat and milk. (b) Including meat and milk.

Date	Europe excluding U.S.S.R.		U.S.S.R.		North America		Latin America		Africa		Asia		Oceania	
	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)
1920-1924 ...	27.1	—	5.8	—	28.7	—	6.6	—	2.6	—	27.0	—	2.2	—
1925-1929 ...	28.1	33.8	9.0	10.5	26.7	27.2	6.6	7.9	3.2	2.5	24.4	15.5	2.0	2.6
1930-1934 ...	28.6	35.7	11.3	10.2	22.3	24.7	6.5	7.8	3.5	2.6	25.6	16.0	2.2	3.0
1935-1937 ...	27.9	35.4	12.4	10.8	22.7	23.9	6.4	7.9	3.8	2.9	24.8	16.1	2.0	3.0
1920.....	25.8	—	4.7	—	33.2	—	6.2	—	2.3	—	25.7	—	2.1	—
1929.....	29.7	34.8	8.6	10.5	26.2	26.7	6.6	7.6	3.4	2.6	23.7	15.3	1.8	2.5
1937 * .....	27.5	34.8	11.9	10.7	24.5	24.8	6.3	7.9	3.8	2.9	24.0	16.0	2.0	2.9

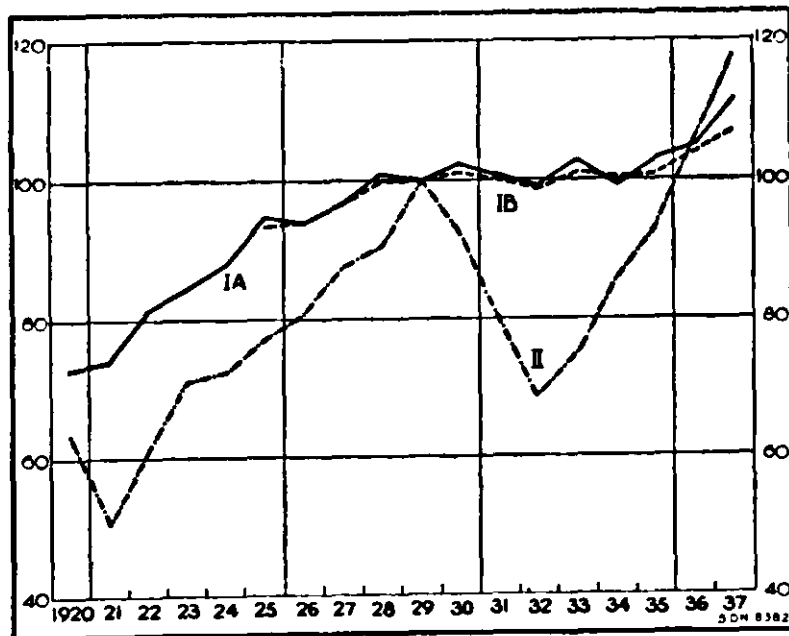
## II. AGRICULTURAL AND NON-AGRICULTURAL PRODUCTION

In order to give a true picture of what has happened, the general indices of world production should be broken down into sub-indices constituted according to the character of the commodities covered. The present chapter deals with general trends of development only, and, for information on production of individual goods or developments in particular countries, reference should be made to subsequent chapters of this volume.<sup>1</sup> The sub-indices here analysed are constituted according to two elementary criteria: that of the *origin* of products (agricultural and non-agricultural) on the one hand and that of *use* of the commodities (foodstuffs, fodder<sup>2</sup> and industrial raw materials) on the other.

Table 3 summarises the indices of agricultural and non-agricultural production in the world since 1920, together with percentages showing the relative importance of the various series in the world total. As will be seen from Diagram 2, the development of the two branches is strikingly different, agricultural production throughout showing much greater stability than that of non-agricultural production.

Diagram 2. — WORLD INDICES OF AGRICULTURAL AND NON-AGRICULTURAL PRIMARY PRODUCTION.  
1929 = 100.

- I A. Agricultural production excluding meat and milk.
- I B. Agricultural production including meat and milk.
- II. Non-agricultural production.



<sup>1</sup> Cf. particularly Chapters III and IV.

<sup>2</sup> As explained above, fodder is not included in the general total, so as to avoid double countings.

Except for a temporary stagnation in 1921, *agricultural* output increased until 1928/29; the production (excluding meat and milk) was then some 35% higher than in 1920. During the period 1928-1934, the volume of production remained practically stationary, but began to increase again in 1935 until in 1937 it was 12% higher than in 1929.<sup>1</sup> The effect of the depression was thus to prevent further increase, but it is worthy of note that it was not till 1935 that the recovery spread to agricultural production in the world as a whole.

*Non-agricultural* production until 1929 developed very much on the same lines as agricultural, though at a more rapid rate, and particularly so in the two years following the slump of 1921. By 1932, however, the non-agricultural branch, which is more sensitive to economic depressions, had dropped more than 30% below the level of 1929, being only some 10% above that of 1920, but 38% above that of 1921. In the five-year period 1933-1937, recovery was rapid, and, in 1937, the volume of production exceeded that of 1929 by some 20% in the world including, and 13% excluding, the U.S.S.R.

**Table 3. — MOVEMENT OF WORLD PRODUCTION (INCLUDING U.S.S.R.) OF AGRICULTURAL AND NON-AGRICULTURAL PRIMARY COMMODITIES AND IMPORTANCE OF EACH IN TOTAL PRIMARY PRODUCTION. 1929=100.**

(a) Excluding meat and milk. (b) Including meat and milk.

Year *	Indices of production					Percentage share in total production	
	Agricultural goods		Non-agricultural goods	Total		Agricultural goods	Non-agricultural goods
	(a)	(b)		(a)	(b)		
1920 .....	74	—	63	70	—	—	—
1921 .....	74	—	50	64	—	—	—
1922 .....	81	—	61	73	—	—	—
1923 .....	84	—	71	79	—	—	—
1924 .....	88	—	72	82	—	—	—
1925 .....	95	93	78	88	90	80.3	19.7
1926 .....	94	94	81	89	91	79.9	20.1
1927 .....	96	96	88	93	94	79.0	21.0
1928 .....	101	100	90	97	98	79.1	20.9
1929 .....	100	100	100	100	100	77.3	22.7
1930 .....	102	101	93	99	99	78.8	21.2
1931 .....	100	100	80	92	95	81.0	19.0
1932 .....	99	99	69	87	92	83.1	16.9
1933 .....	103	101	75	92	95	82.1	17.9
1934 .....	99	100	86	94	97	80.0	20.0
1935 .....	103	101	94	99	99	78.6	21.4
1936 .....	105	104	106	105	104	77.0	23.0
1937 * .....	112	107	119	115	110	75.5	24.5

\* Cf. footnote to Table 1, page 11.

As a result of the different movements of these two branches of primary production, their percentage share in the total has changed from one period to another; that of non-agricultural production increasing during periods of upswing and shrinking heavily during years of depression. Viewing the post-war period as a whole, the relative importance of agricultural production would appear to have decreased perceptibly.

<sup>1</sup> Including meat and milk, the increase was only 7%: 1937 is the first year in which there is a more considerable difference between the two series of agricultural production. As explained in other sections of this chapter, the figures in 1920 were throughout affected by the effects of the great war, and comparisons on their basis, therefore, will often distort long-run trends.

As will be seen from the continental sub-indices summarised in Table 4,<sup>1</sup> agricultural production has increased in all parts of the world, although at a different rate. Apart from the period 1920-1924, when conditions were altogether exceptional, the U.S.S.R. forms a possible exception to this rule, for, since 1929, production has decreased there, and, in 1937 — in spite of a considerable reported increase in population — it still appears to be not much higher than in 1925.<sup>2</sup> The rate of progress in Europe during this period has been about the same as that for the world as a whole.<sup>3</sup> As was to be expected, the greatest

Table 4. — AGRICULTURAL AND NON-AGRICULTURAL PRODUCTION BY CONTINENTAL GROUPS.

(a) Excluding meat and milk. (b) Including meat and milk.

Group and years	World				Europe Excluding U.S.S.R.		U.S.S.R.	North America		Rest of world
	Incl. U.S.S.R.		Excl. U.S.S.R.		(a)	(b)	(b)	(a)	(b)	(b)
<i>Indices of Movement (1929=100):</i>	(a)	(b)	(a)	(b)	(a)	(b)	(b)	(a)	(b)	(b)
<b>Agricultural production :</b>										
1920-1924 . . . . .	80	—	84	—	76	—	—	89	—	—
1925-1929 . . . . .	97	97	96	97	90	93	98	104	100	98
1930-1934 . . . . .	101	100	99	102	96	103	88	94	99	103
1935-1937 . . . . .	107	104	103	105	100	108	94	94	95	110
1920 . . . . .	74	—	78	—	65	—	—	94	—	—
1929 . . . . .	100	100	100	100	100	100	100	100	100	100
1937 * . . . . .	112	107	109	108	103	109	*97	112	102	113
<b>Non-agricultural production :</b>										
1920-1924 . . . . .	64	—	65	—	61	—	—	70	—	—
1925-1929 . . . . .	87	—	88	—	86	—	70	91	—	85
1930-1934 . . . . .	81	—	78	—	82	—	148	72	—	85
1935-1937 . . . . .	106	—	100	—	100	—	261	92	—	121
1920 . . . . .	63	—	65	—	58	—	—	75	—	—
1929 . . . . .	100	—	100	—	100	—	100	100	—	100
1937 * . . . . .	119	—	113	—	110	—	276	105	—	137
<b>Geographical Distribution :</b>										
<b>Agricultural production (including meat and milk) :</b>										
1925-1929 . . . . .	100	—	87.5	—	33.8	—	12.5	22.2	—	31.5
1930-1934 . . . . .	100	—	89.1	—	35.8	—	10.9	21.3	—	32.0
1935-1937 . . . . .	100	—	88.8	—	36.2	—	11.2	19.6	—	33.0
1929 . . . . .	100	—	87.6	—	35.0	—	12.4	21.5	—	31.1
1937 * . . . . .	100	—	88.7	—	35.7	—	*11.3	20.1	—	32.9
<b>Non-agricultural production :</b>										
1925-1929 . . . . .	100	—	97.0	—	33.8	—	3.0	46.1	—	17.1
1930-1934 . . . . .	100	—	93.0	—	35.1	—	7.0	39.3	—	18.6
1935-1937 . . . . .	100	—	90.6	—	32.4	—	9.4	28.2	—	20.0
1929 . . . . .	100	—	96.2	—	34.3	—	3.8	44.3	—	17.6
1937 * . . . . .	100	—	91.2	—	31.9	—	8.8	39.0	—	20.3

<sup>1</sup> More detailed figures will be found in Tables 3 and 4 of Appendix I.

<sup>2</sup> In view of the somewhat incomplete and provisional character of the basic data available concerning the agricultural production (and that of meat and milk in particular) of the U.S.S.R. in recent years, the agricultural indices calculated for these years and for that country are only in the nature of rough approximations to be treated with great reserve.

<sup>3</sup> In later years, the index including meat and milk has gone up considerably faster than that excluding these commodities, indicating a shift towards a relatively greater animal production.

progress has been made by the "younger" continents, while North America falls considerably behind the average for other continents; between 1920 and 1929 the increase was only 7% (as compared with more than 35% in the world as a whole), and production fell after 1933, simultaneously with the introduction of the agricultural restriction scheme, to levels considerably lower than those of 1920, until 1937, when the bumper crop in certain staple commodities (chiefly cotton) brought the level not only above that of 1920, but also above that of 1929.<sup>1</sup>

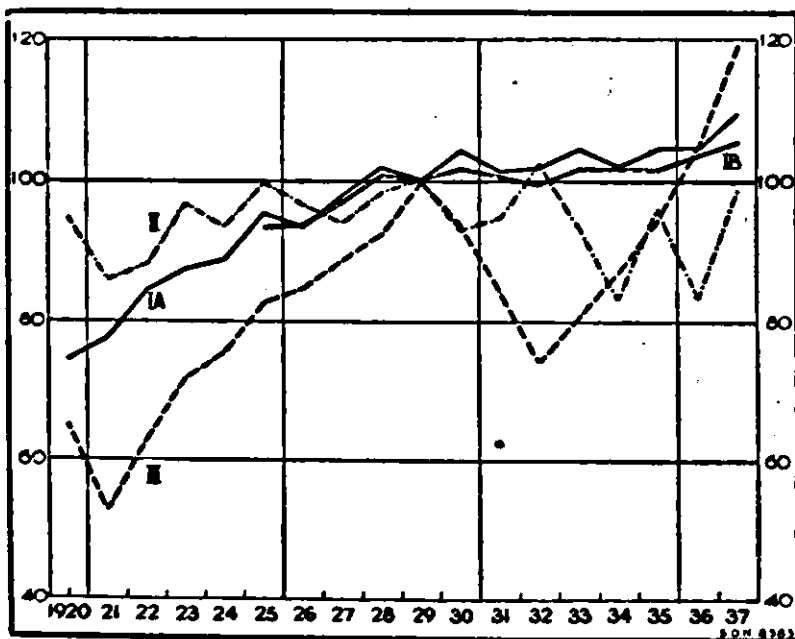
Continental differences in the development of *non-agricultural* production are much more considerable than those of agriculture. The most striking feature brought out by the table is the enormous percentage increase in the U.S.S.R. It is true of course that the initial levels were low, but the figure nevertheless reflects the very rapidly expanding requirements of raw materials for industrial capital goods and forms a contrast to the relatively insignificant expansion of agricultural products which are used mainly for consumption purposes. While in Europe the rate of progress is about the same as for the world as a whole, North America shows a rate of increase far below the average. No other continent suffered such a deep and prolonged depression after 1929; not till 1937 was the 1929 level passed.

As a result of the different tendencies discussed in preceding sections, the relative shares of the various continents in the total world production of agriculture and non-agricultural commodities have been considerably modified, as shown by Table 4.

### III. FOODSTUFFS, FODDER AND INDUSTRIAL RAW MATERIALS

*Diagram 3. — WORLD INDICES OF PRIMARY PRODUCTION OF FOODSTUFFS, FODDER AND INDUSTRIAL RAW MATERIALS. 1929=100.*

- IA. Foodstuffs excluding meat and milk.
- IB. Foodstuffs including meat and milk.
- II. Fodder crops. III. Industrial raw materials.



The classification according to the use of the commodities cuts through that of origin, given above, and throws an interesting sidelight on the characteristic differences in the development of various branches of production. The individual indices for foodstuffs, fodder and industrial raw materials are summarised in Table 5 and illustrated graphically in Diagram 3.<sup>2</sup>

The production of foodstuffs (mainly for human consumption) increased by some 49% between 1920 and 1937. In the latter year, it accounted for 67% of total primary production as compared with 72% in 1925. As will be seen from the diagram, the growth of foodstuffs production was but little affected by industrial fluctuations, apart

<sup>1</sup> The sudden increase in farm-production in 1937 gave rise to great difficulties in the United States, and, on February 16th, 1938, the President approved the so-called Agricultural Adjustment Act of 1938, considerably extending the Federal Government's powers to control farm output and prices.

<sup>2</sup> Details as regards the composition of these various groups will be found in Chapter IV below.

from a certain slowing down in the rate of growth between 1930 and 1934 ; such erratic year-to-year fluctuations as have occurred are mainly due to weather conditions particularly affecting the crops of cereals.

*Table 5. — MOVEMENT OF WORLD PRODUCTION (INCLUDING U.S.S.R.) OF FOODSTUFFS, FODDER AND INDUSTRIAL RAW MATERIALS AND RELATIVE IMPORTANCE OF FOODSTUFFS AND INDUSTRIAL RAW MATERIALS IN TOTAL PRIMARY PRODUCTION.*  
(a) Excluding meat and milk. (b) Including meat and milk.

Year <sup>a</sup>	Indices of production 1929=100				Percentage share in total production (including meat and milk)	
	Foodstuffs		Fodder †	Industrial raw materials	Foodstuffs	Industrial raw materials
	(a)	(b)				
1920.....	74	—	95	65	—	—
1921.....	77	—	86	53	—	—
1922.....	84	—	88	63	—	—
1923.....	87	—	97	71	—	—
1924.....	89	—	87	75	—	—
1925.....	95	93	100	82	72.1	27.9
1926.....	93	94	97	85	71.6	28.4
1927.....	98	97	94	89	71.3	28.7
1928.....	101	100	98	92	71.3	28.7
1929.....	100	100	100	100	69.5	30.5
1930.....	104	102	93	94	71.2	28.8
1931.....	101	100	95	85	73.0	27.0
1932.....	101	100	103	75	75.3	24.7
1933.....	104	102	93	81	74.2	25.8
1934.....	102	101	83	87	72.7	27.3
1935.....	104	101	96	95	70.9	29.1
1936.....	104	103	83	106	69.0	31.0
1937 *.....	110	106	98	119	66.9	33.1

† Not included in total primary production index.

<sup>a</sup> Cf. footnote, to Table I, page 11.

The index for *fodder* crops, although incomplete<sup>1</sup> and not included in the general index, is shown here for the purpose of a rough comparison. Production averaged considerably lower during the last five years than during any other quinquennium in the period under review ; it was on practically the same level in 1937 as in 1920. Before 1929, the fluctuations are due mainly to changes in weather conditions affecting the growth of crops, but it is likely that after that year, and more particularly after 1933, the decline also reflects the influence of agricultural restriction schemes and the decrease in international trade caused by import restrictions and foreign exchange difficulties in importing countries.

The index of *industrial raw materials* shows an increase over the whole period of 83%, which is not far from the double of that of foodstuffs. The short drop in 1921 and the more extended fall in 1930-1932, as well as the rapid expansion in 1922-1929 and

<sup>1</sup> This index fails to cover some important items — hay, fodder-cakes, etc. — and does not include that varying part of the food crops (*e.g.*, wheat and certain root crops) which is, in fact, used for feeding purposes. As shown below (cf. Chapter IV), the movements of the animal-food indices differ considerably from those of the fodder index here given, which mainly reflects the movement of a few important staple crops (maize in particular). The fact that over the period as a whole it fails to rise does not prove that production of fodder *in toto* has not increased; this is chiefly due to the increased self-sufficiency of importing countries as regards fodder and the gradual substitution of other kinds of fodder for the particular crops covered by the present indices.



1933-1937, are, as will be shown below,<sup>1</sup> very similar to those in industrial activity. As will be seen from Table 6, the relative importance of foodstuffs and industrial raw materials in aggregate production varies considerably from year to year; the share of raw materials increasing during years of upswing and decreasing during years of recession. These fluctuations, however, are not so great as to conceal the general long-term tendency for raw materials to gain in relative importance.

**Table 6. — PRODUCTION OF FOODSTUFFS, FODDER AND INDUSTRIAL RAW MATERIALS BY CONTINENTAL GROUPS.**

(a) Excluding meat and milk.

(b) Including meat and milk.

Groups and years	World				Europe excluding U.S.S.R.		U.S.S.R.	North America		Rest of world
	Incl. U.S.S.R.		Excl. U.S.S.R.		(a)	(b)		(b)	(a)	
<i>Indices of Movement</i> (1929=100):	(a)	(b)	(a)	(b)			(a)			(b)
<b>Foodstuffs :</b>										
1920-1924 . . . . .	82	—	86	—	75	—	—	101	—	—
1925-1929 . . . . .	98	97	96	97	90	93	98	105	100	99
1930-1934 . . . . .	102	101	100	103	97	103	87	95	100	105
1935-1937 . . . . .	106	103	102	105	100	108	91	92	94	110
1920 . . . . .	74	—	79	—	63	—	—	99	—	—
1929 . . . . .	100	100	100	100	100	100	100	100	100	100
1937 * . . . . .	110	106	106	107	103	109	94	103	96	112
<b>Fodder :</b>										
1920-1924 . . . . .	90	—	96	—	74	—	50	112	—	93
1925-1929 . . . . .	98	—	98	—	86	—	93	107	—	98
1930-1934 . . . . .	93	—	93	—	90	—	98	91	—	102
1935-1937 . . . . .	93	—	91	—	90	—	106	87	—	101
1920 . . . . .	95	—	101	—	74	—	49	124	—	93
1929 . . . . .	100	—	100	—	100	—	100	100	—	100
1937 * . . . . .	98	—	97	—	93	—	...	102	—	87
<b>Industrial raw materials :</b>										
1920-1924 . . . . .	65	—	67	—	63	—	—	70	—	—
1925-1929 . . . . .	90	—	90	—	86	—	78	93	—	91
1930-1934 . . . . .	84	—	82	—	81	—	129	75	—	92
1935-1937 . . . . .	107	—	101	—	100	—	206	92	—	116
1920 . . . . .	65	—	67	—	59	—	—	77	—	—
1929 . . . . .	100	—	100	—	100	—	100	100	—	100
1937 * . . . . .	119	—	114	—	110	—	219	108	—	127
<b>Geographical Distribution</b>										
<b>Foodstuffs (including meat and milk) :</b>										
1925-1929 . . . . .	100	100	86.2	86.9	29.0	36.5	13.1	12.3	21.5	28.9
1930-1934 . . . . .	100	100	85.5	88.9	29.9	38.7	11.1	10.6	20.8	29.4
1935-1937 . . . . .	100	100	84.4	88.7	29.7	39.4	11.3	9.9	19.1	30.2
1929 . . . . .	100	100	87.4	87.1	31.4	37.8	12.9	11.4	20.9	28.4
1937 * . . . . .	100	100	84.8	88.6	29.4	39.2	11.4	10.7	19.2	30.2
<b>Industrial raw materials :</b>										
1925-1929 . . . . .	100	—	95.7	—	27.1	—	4.3	41.1	—	27.5
1930-1934 . . . . .	100	—	92.4	—	27.3	—	7.6	35.3	—	29.8
1935-1937 . . . . .	100	—	90.4	—	26.4	—	9.6	34.3	—	29.7
1929 . . . . .	100	—	95.0	—	28.2	—	5.0	39.7	—	27.1
1937 * . . . . .	100	—	90.9	—	26.0	—	9.1	36.1	—	28.8

<sup>1</sup> For further details, see also Appendix I, Tables 3 and 4.

The developments described above for the world as a whole are illustrated in some further detail in Table 6, which summarises (chiefly in the form of quinquennial averages) the above broad branch indices by continental subdivisions.<sup>1</sup>

#### IV. INDUSTRIAL RAW MATERIALS CLASSIFIED ACCORDING TO ORIGIN OF PRODUCTS

The important group of industrial raw materials, owing to the mass of heterogeneous commodities it contains, may at this stage be broken into the following three sub-indices: (a) products of agricultural origin (industrial plants), (b) products derived from forests (rubber and wood products, including rayon and staple fibre) and (c) non-vegetable raw materials (all minerals).<sup>2</sup>

Table 7. — PRODUCTION OF INDUSTRIAL RAW MATERIALS CLASSIFIED ACCORDING TO ORIGIN.

Year*	Indices of movement 1929=100						Percentage share of world total (including U.S.S.R.)		
	Products of agricultural origin		Products derived from forests		Products of non-vegetable origin		Products of agricultural origin	Products derived from forests	Products of non-vegetable origin
	Incl. U.S.S.R.	Excl. U.S.S.R.	Incl. U.S.S.R.	Excl. U.S.S.R.	Incl. U.S.S.R.	Excl. U.S.S.R.			
1920.....	72	75	37	38	66	68	—	—	—
1921.....	62	64	39	39	52	53	—	—	—
1922.....	71	73	44	44	63	65	—	—	—
1923.....	74	76	49	50	74	76	—	—	—
1924.....	84	86	55	55	74	76	—	—	—
1925.....	94	95	66	67	80	81	29.3	6.3	64.4
1926.....	96	98	73	73	81	82	29.2	6.8	64.0
1927.....	92	93	80	80	88	89	26.7	7.1	66.2
1928.....	97	97	86	86	91	91	27.1	7.4	65.5
1929.....	100	100	100	100	100	100	23.6	7.9	66.5
1930.....	98	97	97	96	92	91	26.2	8.1	65.7
1931.....	98	97	92	91	78	76	29.8	8.6	61.6
1932.....	91	91	80	87	66	64	31.5	9.3	59.2
1933.....	97	96	106	104	71	68	30.8	10.3	58.9
1934.....	91	91	121	119	82	77	26.8	11.0	62.2
1935.....	97	96	133	131	89	83	26.4	11.0	62.6
1936.....	107	103	147	145	101	94	25.8	11.0	63.2
1937*.....	120	118	175	173	112	105	25.9	11.6	62.5

\* Cf. footnote to Table 1, page 11.

Raw materials of *agricultural origin* are oleaginous products and textile fibres, the latter item weighing most heavily in the group aggregate. Considering the period as a whole, this group has increased by about 70% (up to 1936 inclusive by less than 50%); cyclical variations are small, as in the case of agricultural production in general, while there are marked yearly fluctuations due to natural conditions affecting crops, and, in particular, that of cotton. The great increase in 1936 and 1937 is largely explained by exceptional cotton crops, especially in the United States.

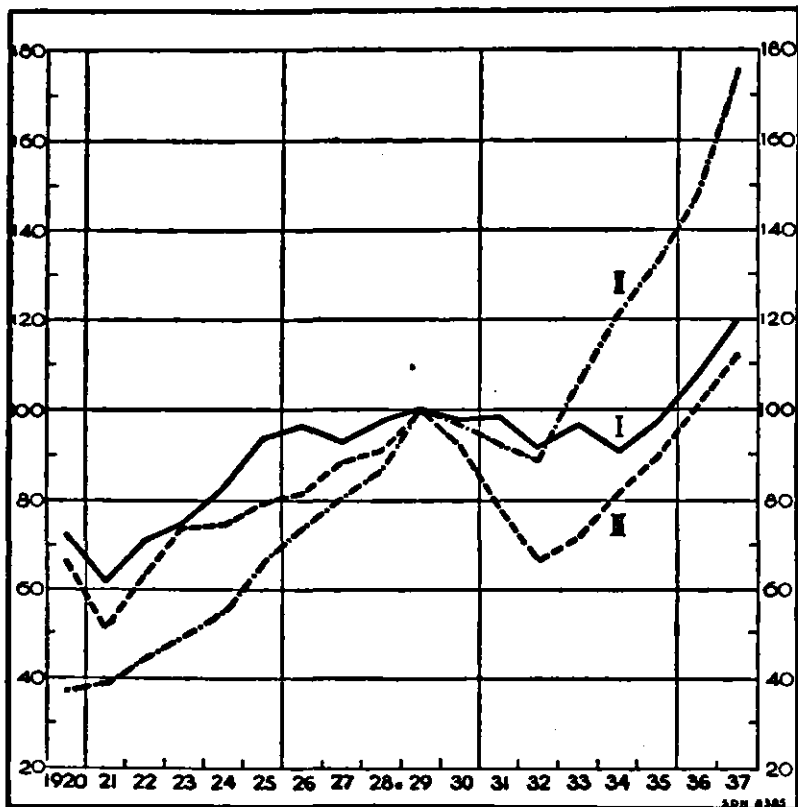
The output of products *derived from forests* has increased with exceptional rapidity — it almost quadrupled over the eighteen-year period considered — owing mainly to the expanding demand for new articles, such as rubber, pulp, rayon and staple fibre. The

<sup>1</sup> For further details, see also Appendix I, Tables 3 and 4.

<sup>2</sup> Hydro-electric power is, however, included in this group.

**Diagram 4. — INDICES OF INDUSTRIAL RAW MATERIAL PRODUCTION CLASSIFIED ACCORDING TO ORIGIN. 1929 = 100.**

- I. Products of agricultural origin.
- II. Products derived from forests.
- III. Products of non-vegetable origin.



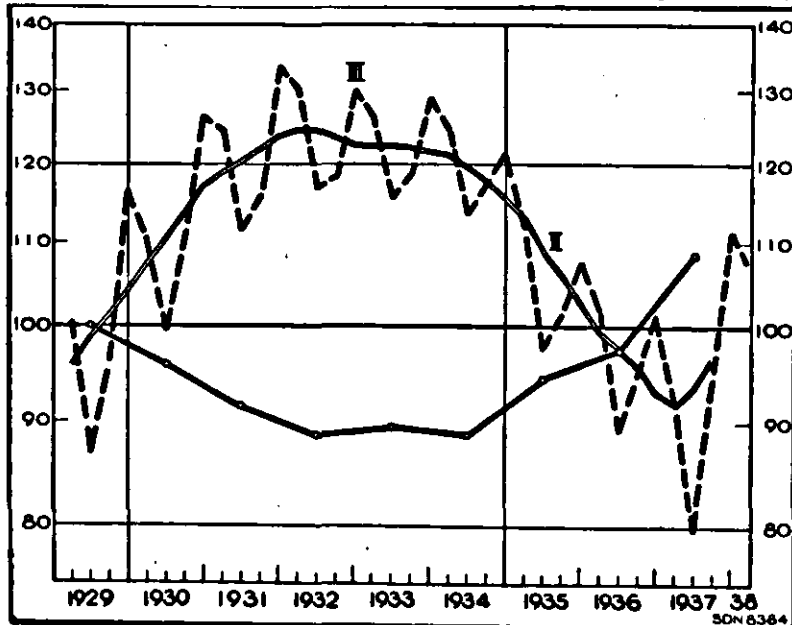
fluctuations in the curve are determined by the business cycle—the adjustment of supply to demand proceeding with less friction than in the case of farm production.

The third group, mainly made up of *minerals* (principally metallic ores), has increased over the period as a whole by almost 70%. The fluctuations are of a cyclical nature, and are more violent than for the two groups discussed above, as is to be expected from the fact that these materials are mainly used in the production of capital goods, while the others depend to a much larger extent on demand from consumption-goods industries. The great expansion in later years reflects demand for armament purposes, although in the meanwhile technical progress and the increased use of waste and scrap have resulted in certain savings of raw material slowing-down the tendency of expansion.

**B. INDICES OF STOCKS OF PRIMARY COMMODITIES**

The economic effects of changes in stocks are considerable, and, in analysing production, it is essential to take such changes into account. Indices of visible stocks of primary commodities, calculated by the Economic Intelligence Service, are given here in continuation of those published last year.<sup>1</sup> Detailed figures are contained in Appendix II; the general world index (excluding U.S.S.R., for which no figures of stocks are available) is represented in Diagram 5, together with the graph of total primary production (excluding the U.S.S.R.).

**Diagram 5. — WORLD PRODUCTION AND STOCKS OF PRIMARY COMMODITIES (EXCLUDING U.S.S.R.). 1929=100; logarithmic scale.**  
 I. Production (excluding meat and milk, but including fodder crops.)  
 II. Stocks (moving average).  
 III. Stocks (original index).



<sup>1</sup> For description of scope of figures used and methods of calculation, cf. particularly *World Production and Prices, 1936/37*, pages 112 and 113.

Diagram 6. — INDICES OF STOCKS AND PRODUCTION OF PRIMARY COMMODITIES BY GROUPS (EXCLUDING U.S.S.R.).

1929=100; logarithmic scale.

I. Production.

II. Stocks (moving average).

A. Agricultural products.

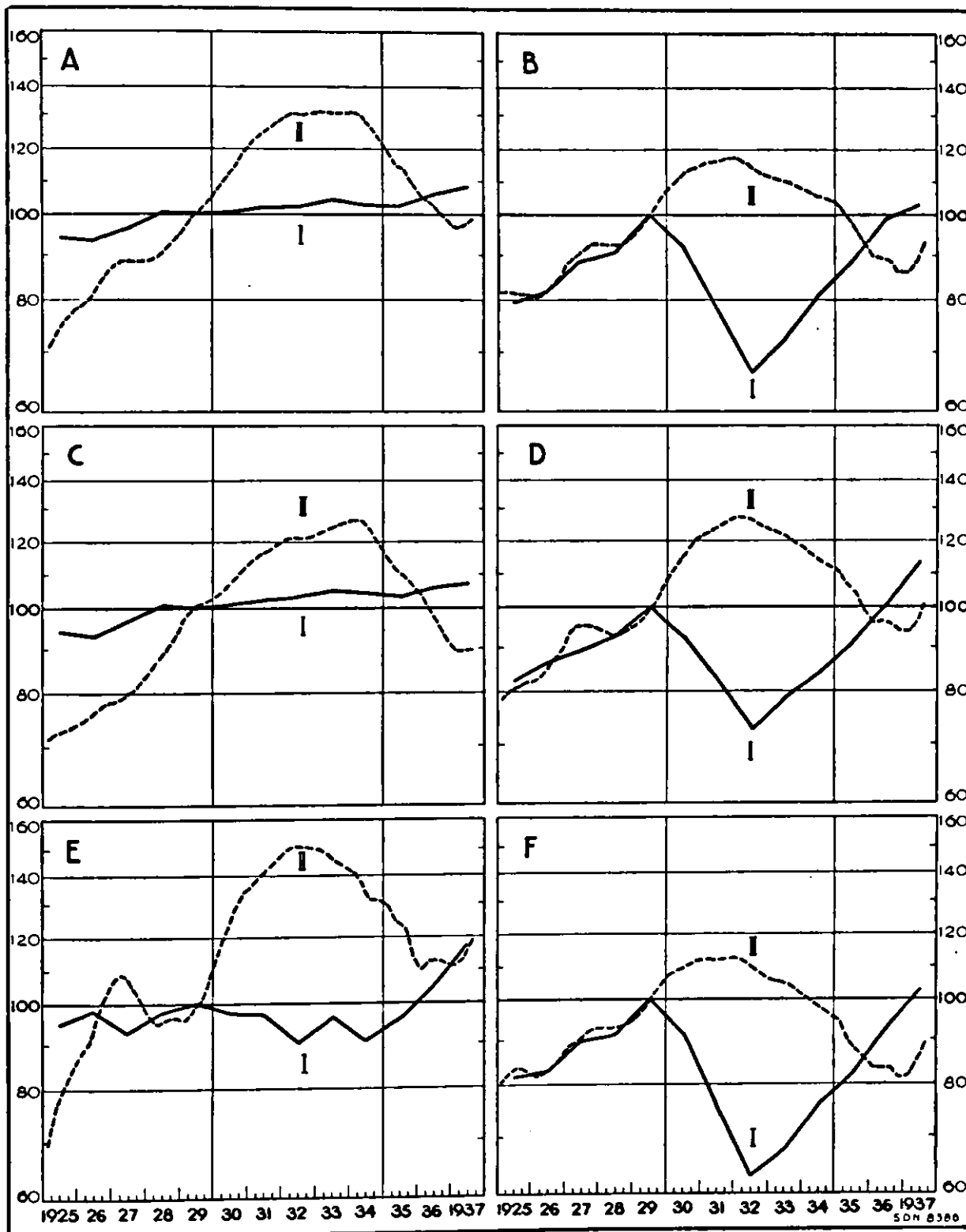
B. Non-agricultural products.

C. Foodstuffs.

D. Industrial raw materials.

E. Raw materials of agricultural origin.

F. Raw materials of mineral origin.

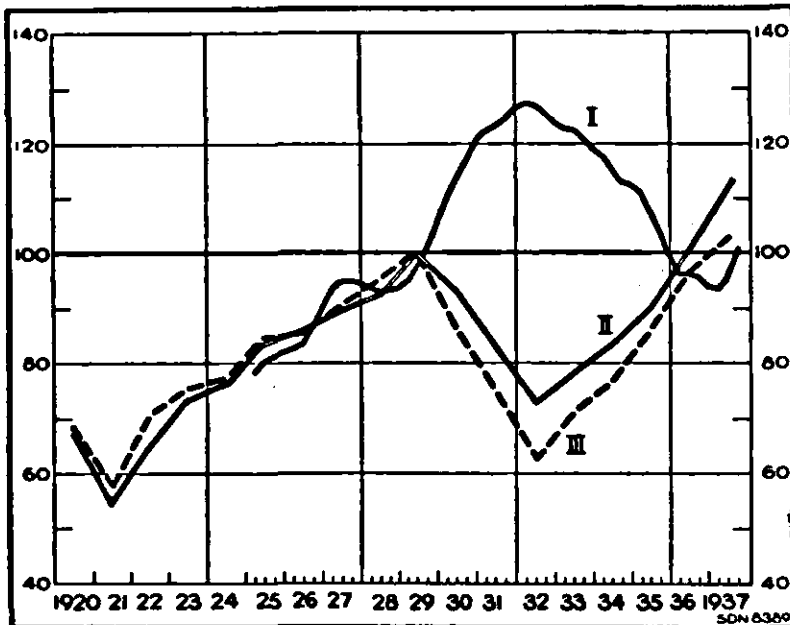


During the period 1925-1932, stocks increased steadily, though there was a minor slowing-down in 1927 and 1928. In spite of the increase in production up to 1929, the discrepancy between the two curves was constantly increasing, and, during the depression, it became very great. After 1932, the two curves again approached each other until they intersected in 1936. According to information relating to the end of 1937 and the beginning of 1938, the tendency has again been reversed, stocks accumulating while production is decreasing.

The general stock index has been broken up into group indices, using as far as possible the same principles as in breaking up the index of primary production; detailed figures are given in Appendix II, illustrated by Diagram on page 21.

**Diagram 7. — INDICES OF MANUFACTURING AND OF STOCKS AND PRODUCTION OF INDUSTRIAL RAW MATERIALS.**  
1929 = 100.

- I. Stocks of raw materials (moving average).
- II. Production of raw materials.
- III. Manufacturing (excluding U.S.S.R.).



As stated above, the production of agricultural products fluctuates much less than that of non-agricultural products over long periods. This greater stability in output is accompanied by greater variations in stocks. Similarly, foodstuffs and raw materials of agricultural origin, while showing relative stability of production, show much greater fluctuations in stocks than raw materials of non-agricultural origin. Indeed, agricultural production, particularly as regards foodstuffs, is less adapted to changes in demand than non-agricultural production. Consequently, accumulations of stocks (and price-falls) are, as a rule, greater in agriculture than in other branches of economic activity.

In order to throw some further light on the question of changes in stocks, Diagram 7 has been drawn, showing the develop-

ment of stocks and production of industrial raw materials on the one hand and that of manufacturing on the other.<sup>1</sup>

The production of industrial raw materials naturally moves in fairly close harmony with manufacturing production. Over longer periods of time, technical improvements are likely to result in certain savings of raw materials, and manufacturing may therefore increase somewhat more rapidly than production of raw materials. Over shorter periods of time, however, output of industrial raw materials, if fully adjusted to demand, should run parallel to manufacturing. Any appreciable discrepancy of movement between the two curves over such periods will be reflected in movements of stocks.

No attempt has been made here to carry the stock index further back than 1925. In 1920, however, there were large excess stocks in certain important raw materials. Throughout the period 1920-1924, the index of manufacturing stood above that of production

<sup>1</sup> As regards foodstuffs, it is not possible to give a similar diagram representing both supply and demand (the difference between which theoretically decides movements of stocks), as the demand for foodstuffs is ultimately determined by the purchasing power and standard of living of the mass of the population.

of raw materials. In 1925, the two indices reached the same level, which was some 20% below that attained later in 1929. These movements suggest that, by 1925, the excess stocks had been gradually worked off, and that — as the three indices increased, until 1929, in roughly the same proportion — a certain balance had been established between primary and secondary production continuing during the period 1925-1929. This equilibrium was upset in 1929; manufacturing production fell faster than that of primary commodities, and stocks increased rapidly. After 1932, manufacturing again increased — until 1936, more sharply than primary production — with the result that, by that year, raw material stocks had shrunk roughly back to the 1929 position. During 1937, stocks of raw materials increased again owing to the drop in manufacturing activity.

An examination of Diagram 7 will show that relatively small maladjustments between apparent supply and demand cause very large fluctuations in the movements of stocks. This is to be explained in part by the fact that, in the downswing, manufacturers let their stocks of raw materials run down, while, in recovery (when prices are generally rising, or expected to rise), they replenish them. Stocks with the manufacturers are not included in the index of visible stocks.

### C. MANUFACTURING

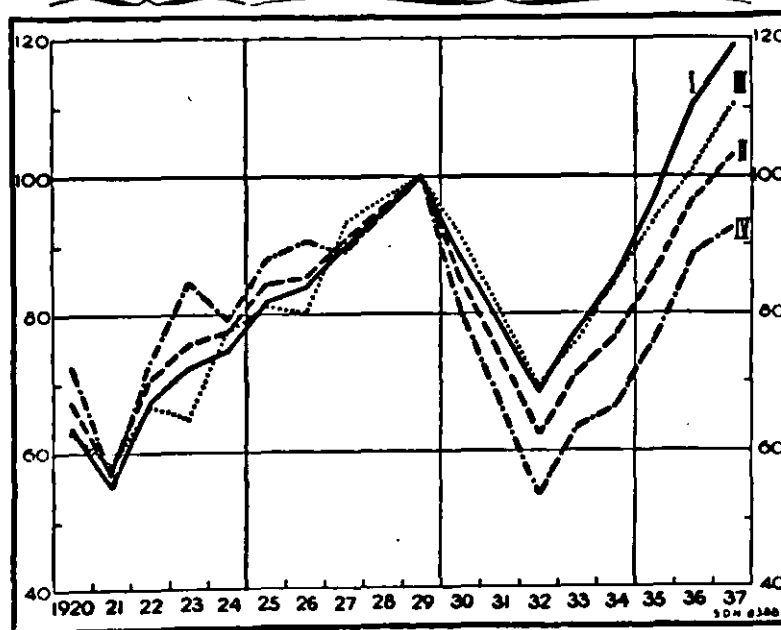
World indices of manufacturing have been calculated for the period 1925-1937 by the Economic Intelligence Service according to methods described in earlier editions,<sup>1</sup> and are reproduced in Table 1 of Appendix III.

For the purpose of Diagram 8,<sup>2</sup> figures for the preceding quinquennium, calculated by the German Institut für Konjunkturforschung, have been linked up with the League index in 1925.<sup>3</sup> Although the early figures differ somewhat in scope and weighting from the League figures, differences are not so great as appreciably to affect the broad conclusions that may be drawn from comparisons covering this eighteen-year period as a whole.

The general course of manufacturing in that period is so well known in its main outline that no detailed commentaries are necessary. The level of output in the world in 1937 is the highest on record and can be estimated (excluding the U.S.S.R.) to be more than 50% higher than in 1920 and some 3% higher than in 1929. The figure including the U.S.S.R.

Diagram 8. — INDICES OF WORLD MANUFACTURING.  
1929=100.

I. World (including U.S.S.R.). III. Europe (excluding U.S.S.R.).  
II. World (excluding U.S.S.R.). IV. North America.  
Institut für Konjunkturforschung. League of Nations.



<sup>1</sup> Cf. particularly *World Production and Prices, 1935/36*, pages 21-22, and the same volume for 1936/37, pages 36-37; mining is excluded here, as it is given above in connection with primary production.

<sup>2</sup> Cf. also Diagram 7 on page 22.

<sup>3</sup> Cf. Sonderheft 31, 1933: "Die Industriegewirtschaft".

can be estimated as being roughly some 85% higher than that of 1920, the difference between the two figures indicating the degree in which the rapid industrialisation of the U.S.S.R. accounts for the growth of manufacture in the world as a whole. The total for Europe (excluding U.S.S.R.) was 10% higher in 1937 than in 1929. The fact that the world total (excluding the U.S.S.R.) for 1937 did not exceed that for 1929 by more than 3% is explained by production in North America (which, in the nineteen-twenties, accounted for more than 40% of total world manufacturing) having lagged behind that of the rest of the world since 1929, decreasing between that year and 1937 by some 7%.

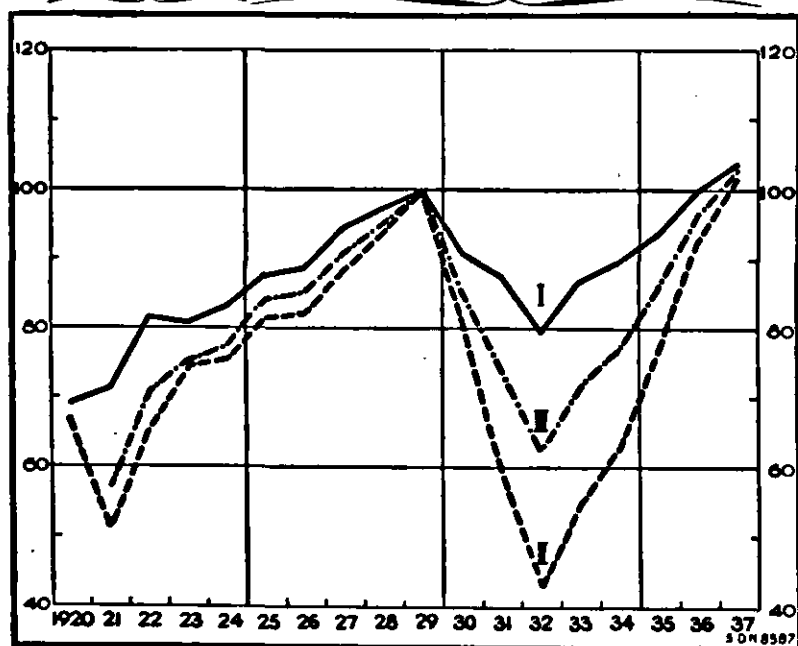
For some years past, a distinction has been made in this volume between the national indices referring to industries producing investment goods and those referring to industries producing consumption goods. An attempt is made in Table 8 opposite to combine these two groups of national indices into world indices by the same methods as are used in calculating the general industrial index. Unfortunately, these groups of world indices are based on rather a narrower range of data than the general index and are therefore not quite comparable with it and probably give a somewhat less accurate reflection of the real trend of events. For the purpose of Diagram 9 the group indices have been linked up, in 1925, with corresponding series for the period 1921-1924 calculated by the German Institut für Konjunkturforschung. The picture offered by this material corresponds fairly

Diagram 9. — ANNUAL WORLD INDICES (EXCLUDING U.S.S.R.) OF MANUFACTURE OF CAPITAL GOODS AND CONSUMPTION GOODS. 1929 = 100.

I. Consumption goods. II. Capital goods.  
III. Manufacturing.

Institut für Konjunkturforschung.

League of Nations.



well with what is known about the behaviour of capital goods and consumption goods in individual countries, consumption-goods industries showing a relatively greater stability, increasing less during an upswing and falling less during a depression than capital-goods production.

This diagram suggests that the dispersion between the two series, capital goods and consumption goods, was considerably greater during the depression after 1929 than during the previous crises. Further, it will be seen from Table 8 that the discrepancy between these series since 1929 has been greater in North America than in Europe, as was to be expected, since the depression there was more serious. It is significant also (see Diagram 10, A) that, towards the middle of 1937 — i.e., on the verge of what threatens to become a new

general depression — the 1929 relationship between the two curves representing world production of capital goods and of current consumption goods was again attained at a level of total production but little higher than in 1929.

The industrial depression in North America (mainly in the United States, for Canada has been less affected) appears to have begun in the consumption-goods industries (see

**Table 8. — WORLD INDICES OF MANUFACTURE OF CAPITAL GOODS (I) AND CONSUMPTION GOODS (II) (EXCLUDING U.S.S.R.).\***  
1929=100.

Year	World		
	I	II	Total
1925..	81.7	87.6	84.2
1926..	82.2	88.5	85.1
1927..	88.2	94.5	90.8
1928..	93.9	97.0	95.1
1929..	100.0	100.0	100.0
1930..	82.0	90.5	85.8
1931..	60.2	87.3	74.3
1932..	43.1	79.4	62.6
1933..	54.7	86.7	71.1
1934..	62.7	89.4	77.0
1935..	76.8	93.4	86.0
1936..	92.3	99.9	96.3
1937*.	101.8	103.6	102.9

**Europe excluding U.S.S.R.**

1925..	73.4	86.2	81.2
1926..	69.8	85.2	80.0
1927..	91.4	94.6	93.3
1928..	93.8	98.2	96.6
1929..	100.0	100.0	100.0
1930..	89.9	93.7	91.4
1931..	71.8	88.6	80.5
1932..	57.7	81.1	69.9
1933..	65.6	87.2	76.4
1934..	77.3	92.4	85.1
1935..	89.0	95.6	92.7
1936..	98.6	107.7	100.9
1937*.	110.4	108.2	110.1

**North America**

1925..	88.4	88.5	87.7
1926..	92.0	91.1	90.5
1927..	85.9	94.2	88.9
1928..	93.9	95.8	94.2
1929..	100.0	100.0	100.0
1930..	74.4	87.0	80.0
1931..	48.8	85.2	67.4
1932..	28.0	76.1	53.4
1933..	42.2	84.2	63.3
1934..	46.0	84.1	66.2
1935..	61.7	88.3	76.1
1936..	82.1	95.5	88.6
1937*.	88.0	96.0	92.3

\* Owing to the omission of automobiles, etc., the average of I and II does not always correspond exactly to the "total" as given above.

**Diagram 10. — MONTHLY INDICES OF MANUFACTURE OF CAPITAL GOODS AND CONSUMPTION GOODS IN THE WORLD (EXCLUDING U.S.S.R.), EUROPE AND NORTH AMERICA, 1936-1938.**  
1929=100.

- A. World (excluding U.S.S.R.).
- B. North America.
- C. Europe (excluding U.S.S.R.).

- I. Total manufacturing.
- II. Consumption goods.
- III. Capital goods.

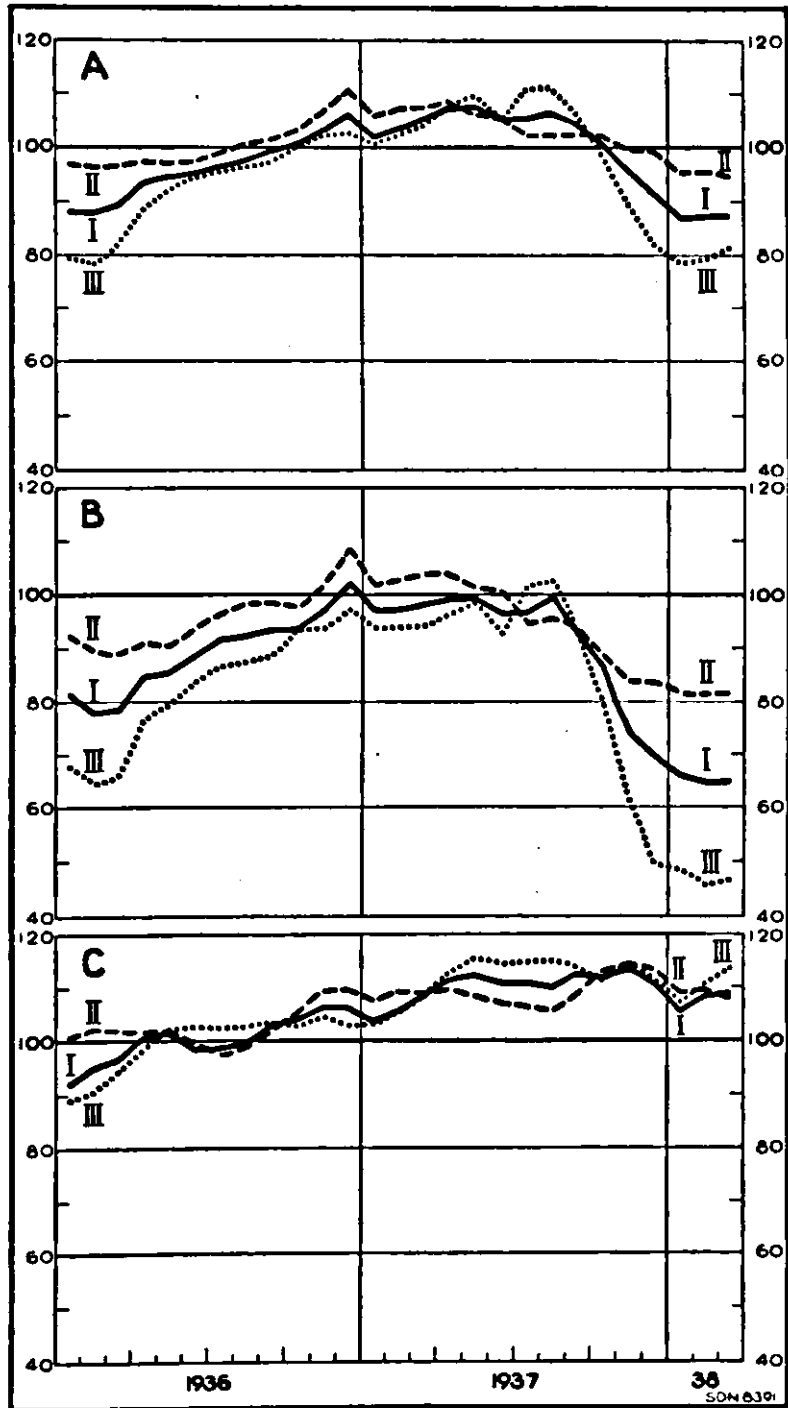




Diagram 10, B) as early as the beginning of 1937. The drop in demand was probably due in part to the exhaustion of the veterans' bonuses. As from September 1937, the decline became particularly marked and indeed extraordinarily rapid in the capital-goods industries. In Europe, consumers' demand was well maintained, or, in fact, continued to improve, up to the end of 1937. On the other hand, capital-goods industries showed clear signs of recession by the middle of 1937, in spite of the enormous activity in armament industries.

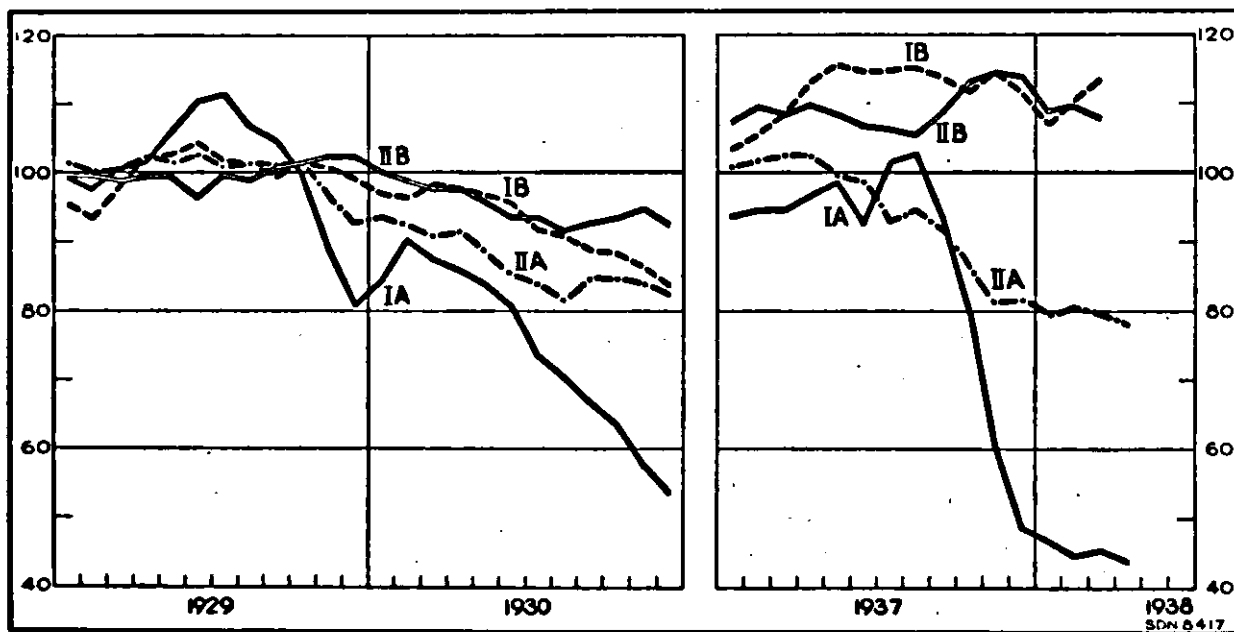
For a detailed discussion of developments within particular countries, reference should be made to later chapters of this volume.<sup>1</sup> In order, however, to give a clearer picture of the significance of the latest phases of the business cycle, Diagram 11 has been added, showing the monthly figures of the two sub-groups discussed above, in the United States and Europe, during the first phase of the general depression of 1929, and during 1937 and the first months of 1938.

Diagram 11. — INDICES OF MANUFACTURE OF CAPITAL AND CONSUMPTION GOODS IN THE UNITED STATES AND EUROPE, 1929/30 AND 1937/38.

1929 = 100.

IA. Capital goods U.S. A.  
IB. " " Europe.

IIA. Consumption goods U.S. A.,  
IIB. " " Europe.



#### D. BUILDING

National statistics of building activity are collected regularly by the Economic Intelligence Service and published in the *Monthly Bulletin of Statistics*.

The statistics, however, do not render it possible to establish uniform international measurements. For the purpose of the general survey, we have therefore had to be content with series relating as far as possible to *total* building activity in a small number of important countries; these may serve to illustrate the trends of developments but are scarcely adequate for the formulation of definite conclusions.<sup>2</sup>

Changes in manufacturing production are of greater amplitude than those in primary production, but building activity fluctuates even more than either. The figures suggest

<sup>1</sup> Cf. particularly Chapter III.

<sup>2</sup> Further details by countries are given in Chapter III below; for a discussion of the character of the statistics used, cf. also *Monthly Bulletin of Statistics*.

Table 9. — INDICES OF TOTAL BUILDING ACTIVITY IN CERTAIN IMPORTANT COUNTRIES.  
1929=100.

Year	Germany <sup>a</sup>	Canada	U.S.A. <sup>b</sup>	France	Italy	United Kingdom	Sweden <sup>c</sup>	Czecho-slovakia <sup>d</sup>
	Buildings completed Number of dwellings	Contracts (Value)	Contracts (Floor space)	Permits (Number)	Permits (Rooms)	Permits (Value)	Buildings completed (Rooms)	Buildings completed <sup>e</sup> (Dwellings)
1920.....	32.0	53.8	59.8	22.0	—	—	29.9	16.2
1921.....	41.8	46.6	57.2	18.7	—	—	41.1	28.6
1922.....	45.7	55.3	84.8	30.1	—	—	45.4	28.8
1923.....	37.2	53.7	87.4	47.2	—	69.4	70.5	40.1
1924.....	34.1	48.9	88.8	60.2	—	79.6	81.5	58.8
1925.....	56.6	54.9	118.1	65.0	—	90.9	86.5	49.9
1926.....	65.1	79.0	111.9	92.7	—	92.5	91.1	58.5
1927.....	90.6	86.0	107.5	65.0	—	87.9	91.5	87.3
1928.....	97.5	97.6	122.7	78.9	68.9	92.3	97.0	134.0
1929.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1930.....	97.5	72.2	63.5	111.4	87.3	102.1	128.7	84.3
1931.....	74.3	46.5	45.9	101.6	52.8	86.2	130.8	107.1
1932.....	47.0	19.9	19.6	81.3	45.1	90.6	119.6	117.2
1933.....	59.7	15.5	18.4	74.0	53.1	114.5	96.4	60.2
1934.....	94.3	19.9	19.2	66.7	88.6	130.7	120.2	48.6
1935.....	77.9	24.9	31.9	55.7	116.2	156.4	180.4	41.0
1936.....	98.1	25.0	51.8	52.8	60.0	160.1	208.8	* 65.0
1937.....	100.5	38.0	56.4	46.3	65.8	151.8	...	* 70.0

<sup>a</sup> Residential building only.

<sup>b</sup> 1920-1924 figures refer to twenty-seven States; since 1925, thirty-seven States.

<sup>c</sup> Permits delivered for the utilisation of new buildings.

<sup>d</sup> Estimate.

that construction activity in 1920 was generally at a low ebb and then rapidly increased until 1928 or 1929. Although the dispersion between the national series is considerable, it would appear as if building increased during this first post-war decade approximately two to three times.

After 1929, the development appears to have been much less uniform, and is characterised by exceptional disparity and irregularity. Any definite general trend is difficult to ascertain, but, in a very general way, it may perhaps be stated that — with the exception of the United Kingdom, the Northern European countries, Germany, South Africa and Chile <sup>1</sup> — the increase in economic activity has not been accompanied by a corresponding increase in building. Particularly in the United States, recovery in building has been irregular and sluggish, while in countries where there has been little or no industrial recovery, building has suffered still deeper depression.

#### E. EVOLUTION OF WORLD PRODUCTION PER HEAD OF POPULATION

Whenever the development of production is considered over a long period of time, it is not possible to neglect the question of its relation to the changes in population. In order to throw light on standards of living, it is usual in studies of consumption to relate the quantities of goods or services available or consumed to a unit of consumption, such as the "adult male".<sup>2</sup> Although, theoretically, this solution has certain advantages, it cannot be adopted here, for even if there existed a generally accepted all-purpose consumption

<sup>1</sup> Cf. *Monthly Bulletin of Statistics*, for more detailed figures than are given here.

<sup>2</sup> The common type of consumption unit is built on the relative energy needs (expressed in calories) of persons of different age and sex.

unit, population statistics in most countries are not sufficiently detailed to permit of the calculation of the number of such units year by year. It is necessary to rest satisfied, therefore, with the cruder method of calculating figures of production *per head* of total population.<sup>1</sup>

In using such figures, however, it should be remembered that they disregard national differences in age and sex distribution in any given year, as well as the changes in this distribution which have taken place in the course of the period considered. They should therefore be regarded only in the nature of rough commonsense measures. It has also to be considered which category of production can appropriately be shown on a *per caput* basis, the main difficulty being caused by the fact that production figures relate to goods (or services) at different *stages* of production. If the purpose is mainly to study the real income, or more widely, the standard of living, it is personal services and production of goods for final consumption which should be used, as the inclusion of raw materials and capital goods in this sum would necessarily involve duplication. As, for practical reasons, services cannot be included in this survey, the following *per caput* series have been calculated: (a) production of foodstuffs, (b) production of manufactured consumption goods and (c) production of automobiles, representing consumers' capital goods.

With respect to the last group, it is known that production of articles such as vacuum cleaners, refrigerators, radio sets and various household appliances have increased greatly since the war. The statistical material permits the inclusion here of motor-cars only as representative of the group, the exclusion of which would have given too unfavourable a picture of the general development. It should be borne in mind, however, that the figures of motor-cars give a rather slender basis for general conclusions, and that the continental sub-totals are subject to considerable limitation, owing particularly to the influence of export trade.

Table 10. — INDICES OF *Per Caput* PRODUCTION OF PRIMARY AND MANUFACTURED PRODUCTS.  
1929=100.

	World								Europe (excluding U.S.S.R.)				North America			
	Including U.S.S.R.				Excluding U.S.S.R.											
	1920	1925	1929	1937	1920	1925	1929	1937	1920	1925	1929	1937	1920	1925	1929	1937
A. Production of crude foodstuffs :																
(a) Excluding meat and milk . . .	84	101	100	100	88	99	100	97	69	97	100	96	113	99	100	97
(b) Including meat and milk . . .	.	98	100	97	.	98	100	99	.	94	100	103	.	101	100	93
B. Production of manufactured consumption goods . . . . .	72	90	100	*104	*76	91	100	97	69	89	100	102	88	94	100	90
C. Production of automobiles . . . . .	.	82	100	92	.	81	100	89	.	69	100	151	45	83	100	84
D. Production of capital goods . . . . .	*73	83	100	116	74	85	100	95	67	76	100	104	81	94	100	82

\* Estimated figure.

<sup>1</sup> For certain (although not all) purposes, figures per "gainfully occupied or employed person" would be preferable; this solution, however, is ruled out by lack of sufficiently accurate population data.

In order to obtain some indication also of the simultaneous changes in the supply of capital equipment, a further series has been calculated giving *per caput* production of producers' capital goods.<sup>1</sup>

It is not possible to mention here more than a few of the most important of the conclusions to which the figures of Table 10 seem to point. Considering the world as a whole — thus including the U.S.S.R. — the *per caput* production of foodstuffs (excluding meat and milk) increased by 19% between 1920 and 1937, and that of manufactured consumption goods by 40%. The manufacture of capital goods increased still more — by some 60%. It should be remembered, however, that, owing to the effects of the great war, production in 1920 was low, and that 1925 affords for many purposes a more suitable basis of comparison. It will be found that *per caput* output of food was practically the same in 1937 as in 1925, while production of manufactured consumption goods had increased by about 15%. These facts considered in conjunction suggest a definite though moderate increase in average standards of consumption. The production of capital goods had increased more sharply, or by some 40%, reflecting in part the rapid industrialisation of the U.S.S.R. The output of consumption goods as a whole (crude foodstuffs and manufactured consumption goods) per head of the population was roughly the same in 1937 as in 1929, the increase in absolute production during this period being just enough to offset the growth in population.

As illustrated by Diagram 12, however, the development differs greatly in the various continental sub-groups; the most outstanding fact being the gradual falling back of North America. The output of food per head was in 1937 substantially smaller than in 1920, and that of manufactured consumption goods only slightly higher. The levels in 1937 were in all cases lower than those of 1929. In Europe, on the other hand, the steep increase up to 1929 was followed by a period of slower though decided progress, except for crude foodstuffs, where levels remained practically stationary.<sup>2</sup> The difference between standards of production in North America and Europe would thus appear to have grown smaller during the period since the war.

The steep *per caput* increase of food production, particularly in Europe, during the period before 1925 (cf. Diagram 12, A), seen in conjunction with the great expansion of this production in the overseas countries during the war, throws an interesting sidelight on the genesis of the agricultural crises which began in these countries well before the general crisis of 1929.

Great care is needed, however, if it is desired to draw more direct inferences as to the effects of these shifts in production on the standards of living or consumption in the various continents. The decrease of American production reflects partly the shrinking of export markets, and to the extent that the decrease in production is due to decreased exports, the standards of consumption in that country have not been reduced. Similarly, the standard

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<sup>1</sup> The population figures used in the calculations in this chapter will be found in various issues of the *Statistical Year-Book of the League of Nations*. Two separate population indices have been calculated:

(a) The first is used in relation to primary production series and includes all countries for which population estimates are available, thus representing changes in total world population. Owing to the uncertainty attaching to the population estimates for Asia (particularly of China), Africa and even large parts of Latin America, these totals have to be considered as rough approximations subject to a considerable margin of error. As a matter of fact, it is assumed that the population of certain countries — the most important being China — has remained unchanged. In so far as the population of these countries has in reality increased (which is uncertain), the index tends to understate the growth of world population.

(b) The second is used in relation to manufacturing production. It has been judged preferable to limit this index to the countries covered by the world manufacturing index, the estimates of the year-to-year changes in these countries being on the whole quite satisfactory for the purpose in view.

<sup>2</sup> It should be recalled, however, that the index of crude foodstuffs does not include a number of important foods — poultry, eggs, vegetables, fruit, etc., and, before 1925, meat and milk. Had it been possible to include these commodities, the production of which is known to have expanded, it is likely that the picture would have been more favourable.

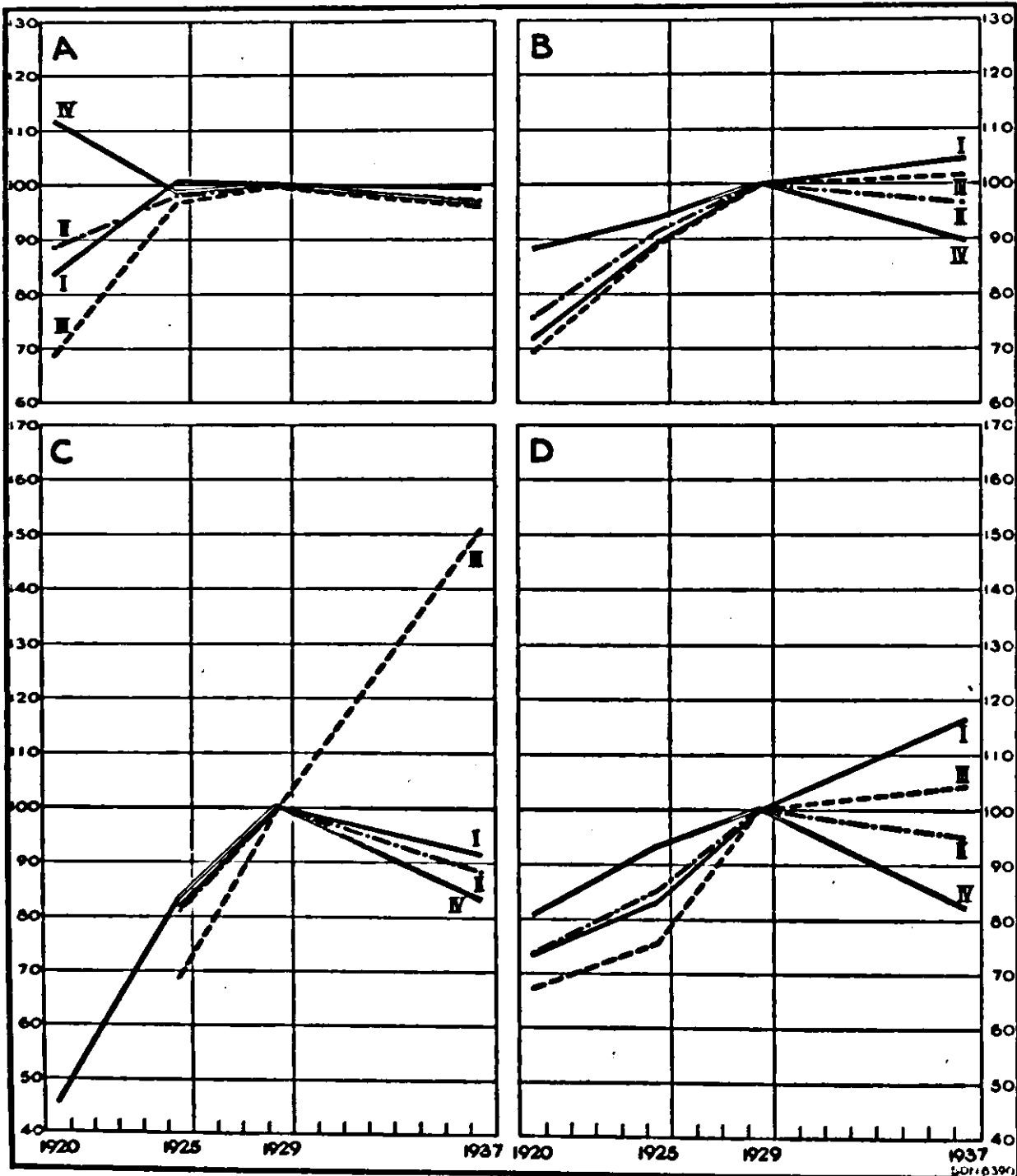
**Diagram 12. — INDICES OF *Per Caput* PRODUCTION OF CERTAIN CATEGORIES OF GOODS BY MAIN CONTINENTAL SUBDIVISIONS. 1929=100.**

**A. Crude foodstuffs (excluding meat and milk).  
C. Automobiles.**

**B. Manufactured consumption goods.  
D. Manufactured capital goods.**

**I. World including U.S.S.R.  
II. World excluding U.S.S.R.**

**III. Europe excluding U.S.S.R.  
IV. North America.**



of consumption in Europe has not increased at a rate corresponding to the increase in production; it has to be balanced against the simultaneous decrease in imports from overseas countries.

#### F. YEARLY PERCENTAGE CHANGES IN PRODUCTIVE ACTIVITIES

It is usual to speak of a normal rate of economic progress or of production, and there actually exist a number of estimates of such rates calculated on the basis of available empirical economic data.<sup>1</sup> A first attempt is made here to calculate in a systematic way some significant rates of world economic progress for the period since 1920.

Before we proceed to these calculations, however, certain general observations should be made as to the nature of the problem involved. The first question concerns the purpose of the calculations, or in other words, what kind of production should be considered? It is obvious that the ultimate purpose of production is to supply goods and services for consumption; considering the problem from this point of view of real income or standard of living, economic progress should be measured in terms of consumption goods and services.

It is a well-known fact, however, that the modern capitalistic system of production is characterised by a prolongation of the period of production, for in order to produce a certain amount of consumption goods, investment — in machines, buildings and means of transportation, distribution, etc. — has first to be made. The rate of progress in the capital-producing industries — although of indirect interest only in judging present standards of living — is of great direct interest from a number of points of view.<sup>2</sup> A separate rate should be calculated, therefore, indicative of production of investment goods. It is important, however, that the two types of rates should not be confused, and that rates should clearly relate to one or the other of the two types.

When considering rates of progress, it is desirable to take into account also changes in the population; the whole type of economy is affected by this factor, and particularly the supply of capital equipment. When the population is increasing, new investments — in the form of dwellings, schools, roads, etc. — have to be made in order to prevent a fall in real income per head, and only an increase beyond what is required for that purpose may be regarded as progress in a real sense. As far as possible, rates of progress of production should therefore be calculated also on a *per caput* basis.<sup>3</sup>

Table 11 gives figures of yearly changes of production (calculated at compound interest) for different periods by main continental sub-groups; the results are also illustrated graphically in Diagram 13.

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<sup>1</sup> Thus, according to Professor Cassel's widely quoted estimates, the rate of economic progress in the western world during the sixty-year period 1850 to 1910 was roughly 3% per annum.

<sup>2</sup> In the past, rates of progress have generally referred to capital goods rather than consumption goods industries, the basic material used being mainly pig-iron production and similar series indicative of activity in the sphere of capital equipment.

<sup>3</sup> It may be useful to call attention, in passing, to the character of rates of progress in still another respect. It is often maintained that a yearly rate of increase of 3% (or any other percentage figure) is to be considered as *normal*. In principle, any uniform yearly percentage increase represents a geometric series of progression (if it is assumed to be 3%, the level is doubled about every twenty-five years). If by normal increase, however, is understood a rate which can be maintained over a long period of time, any uniform percentage increase would, in the long run, tend to absolute levels of production beyond what is practically conceivable. As high an increase as 3% would relatively soon tend to such a situation, and the higher the levels of production already attained, the more difficult it becomes to maintain a uniform relative rate of increase. In reality, it would appear that economic growth — as well as that of population — has a tendency to follow a so-called *logistic* curve — i.e., the rate is slow at the beginning, becomes gradually very steep and is subsequently stabilised somewhere below a theoretical upper limit which is never quite reached. The upper limit, again, is not fixed once and for all, changing with improvements in technique, discovery of new natural resources and so on. In times when techniques are rapidly changing, there is nothing to prevent empirically ascertained growth curves from following (because of a continuous change in the upper limit) a more or less straight line — i.e., representing absolutely equal increases per annum over a prolonged, although obviously not indefinite, period.

Table 11. — YEARLY PERCENTAGE CHANGES OF WORLD PRODUCTION.

(a) Crude figures. (b) Per caput figures.

Geographical area	Period	Production of crude foodstuffs				Manufacture of consumption goods (III)		Manufacture of producers' investment goods (IV)	
		Excluding meat and milk (I)		Including meat and milk (II)		(a)	(b)	(a)	(b)
		(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)
World (including U.S.S.R.) . . . .	1920-1937	2.3	1.0	—	—	3.4	2.2	3.9	2.7
	1920-1929	3.4	2.0	—	—	5.1	3.8	4.9	3.5
	1929-1937	1.1	0.0	0.7	-0.4	1.5	0.5	2.9	1.9
	1925-1929	1.2	-0.1	1.8	0.4	4.1	2.7	6.0	4.6
	1932-1937	1.5	0.4	1.2	0.1	6.3	5.3	19.0	17.9
World (excluding U.S.S.R.) . . . .	1920-1937	1.7	0.6	—	—	2.4	1.4	2.5	1.5
	1920-1929	2.6	1.4	—	—	4.2	3.1	4.6	3.5
	1929-1937	0.7	-0.4	0.9	-0.2	0.4	-0.4	0.2	-0.6
	1925-1929	1.5	0.3	1.7	0.5	3.4	2.3	5.2	4.1
	1932-1937	1.1	-0.1	0.9	-0.2	5.5	4.6	18.8	17.8
Europe (excluding U.S.S.R.) . . . .	1920-1937	2.9	2.0	—	—	3.0	2.3	3.4	2.6
	1920-1929	5.2	4.3	—	—	5.1	4.2	5.4	4.5
	1929-1937	0.3	-0.5	1.1	0.3	1.0	0.2	1.2	0.5
	1925-1929	1.6	0.8	2.4	1.6	3.7	2.9	8.0	7.2
	1932-1937	1.1	0.3	1.1	0.3	5.9	5.2	14.0	13.0
North America . . . .	1920-1937	0.3	-0.9	—	—	1.3	0.1	1.3	0.1
	1920-1929	0.1	-1.3	—	—	2.9	1.4	3.9	2.5
	1929-1937	0.4	-0.4	-0.2	-1.0	-0.5	-1.3	-1.6	-2.4
	1925-1929	1.7	0.3	1.3	-0.1	3.1	1.6	3.1	1.7
	1932-1937	1.1	0.3	-0.2	-0.9	4.9	4.0	25.7	24.8

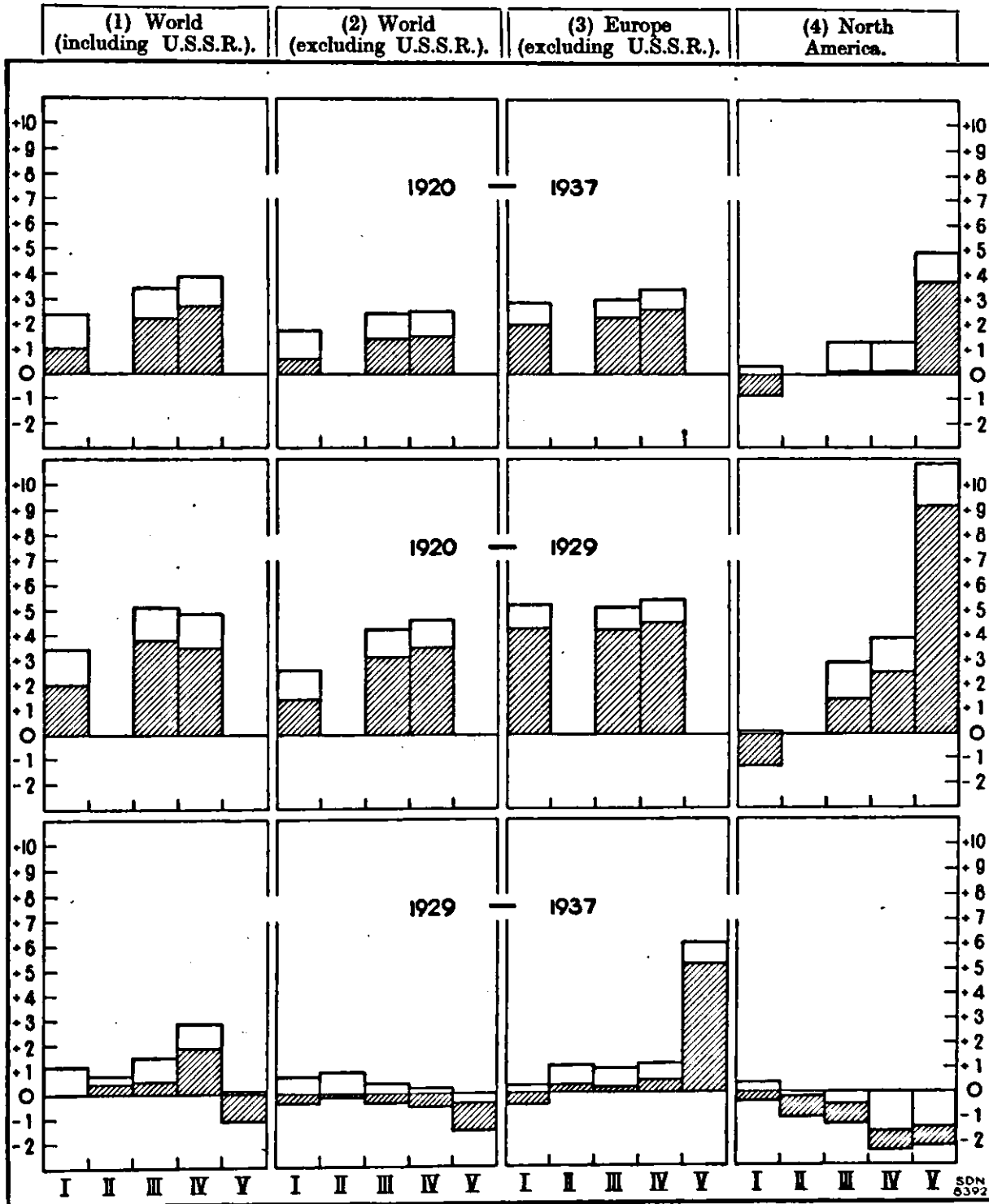
As is to be expected, the *per caput* rates of yearly increase are throughout lower than the crude rates—reflecting the growth of population during the period; it is to be noted, however, that the difference between the two kinds of rates is somewhat different in the various continental subdivisions; it is greater (owing to the great population increase in the U.S.S.R.) in the world including, than in the world excluding, that country; it is greater also in North America than in Europe, but, in the following, the analysis is concerned only with *per caput* figures.

Considering the post-war period as a whole, it is found that production per head of *foodstuffs* (excluding meat and milk) has increased in the world including the U.S.S.R. by 1% per annum, and, excluding the U.S.S.R., by slightly less, or 0.6%. The figure for Europe, 2%, is double that for the world as a whole; in North America, on the other hand, it decreased by not less than 0.9% per annum. The different trends of development in Europe and North America should, of course, be seen in connection with the disorganisation of production in many European countries caused by the war, the initial absolute levels

Diagram 13. — YEARLY PERCENTAGE CHANGES IN WORLD PRODUCTION.

□ Crude figures. ▨ Per caput figures.

- I. Crude foodstuffs (excluding meat and milk).
- II. Crude foodstuffs (including meat and milk).
- III. Manufactured consumption goods.
- IV. Manufactured capital goods.
- V. Automobiles.





of production being accordingly low in 1920 and the great wartime expansion of agriculture in North America resulting in extraordinarily high absolute levels of production in that year, and in a serious lack of balance in the distribution of world production.<sup>1</sup> Considering the development of food production (including meat and milk) not from 1920 but from 1925, a year when a certain adjustment after the wartime disturbances had been achieved, it is found that, between that year and 1937, the yearly rate of *per caput* change was —0.2% including the U.S.S.R. and 0.0% excluding that country; corresponding rates for Europe (excluding the U.S.S.R.) and of North America were 0.7% and —0.9% respectively.

Production of manufactured *consumption goods* increased considerably more than that of food — in the world as a whole by 2.2% per annum. The increases were considerable in the U.S.S.R. and Europe, while, in North America, output per head was practically the same in 1937 as in 1920.<sup>2</sup> As is to be expected in a progressive type of economy, the rate of expansion of *producers' goods* is greater than that of the consumption goods discussed above; it is significant to note, however, that North America takes a position apart, inasmuch as the rate for the capital goods is the same as for manufactured producers' goods. The rate of growth of production of automobiles — owing to the low production in 1920 — falls outside the scale of that for other goods.

The rate of growth is naturally different during different phases of the business cycle; comparing the two complete cycles 1920-1929 and 1929-1937, expansion is throughout greater during the former period. Thus the rates of increase of foodstuffs in the world as a whole were respectively 2.0% and 0.0%; of consumption goods 3.8% and 0.5%; and of producers' investment goods 3.5% and 1.9%. The relatively more unfavourable position of North America in the latter period leaps to the eye.

Considering again the two periods of upswing 1925-1929 and 1932-1937, the most striking feature is offered by the very high figures of growth in the producers' goods. Particularly during the latter period, the figures are enormously high — up to 25% — reflecting, however, largely the great fall in activity in these industries during the preceding depression.

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<sup>1</sup> The high-tariff policy in the United States, and the concurrent drive for self-sufficiency, particularly in foodstuffs, in many European States, of course contributed to hasten the process of adjustment depicted in the different rates of change after 1920.

<sup>2</sup> Again it should be borne in mind that, while manufacturing production in Europe during the war was greatly disorganised, and levels of production in 1920 low as compared with pre-war levels, the American manufacturing production as a whole had expanded by more than 30% during the war period (cf. National Industrial Conference Board, *Conference Board Bulletin*. Vol. XI, No. 3, February 25th, 1937.

## CHAPTER II

### PRODUCTION, EMPLOYMENT AND UNEMPLOYMENT

In order to obtain an idea of how the broad changes in production discussed above have affected employment and unemployment, reference may be made to the world indices of employment, unemployment and aggregate hours of work calculated by the International Labour Office. Owing, however, to the more restricted scope of the relevant labour statistics, comparisons between employment and production — from which certain conclusions as to changes in productivity may also be drawn — must be limited to industrial production and mining only.<sup>1</sup> Further, the comparison has to be confined to the years since 1929 — *i.e.*, the period covered by the International Labour Office indices.

The world index of numbers in actual employment (including workers on short time) in manufacturing industries and mining (including in some cases transport, to a minor

*Table 1. — WORLD INDICES OF INDUSTRIAL PRODUCTION,  
DEGREE OF UNEMPLOYMENT, NUMBERS IN EMPLOYMENT AND OUTPUT PER WORKER EMPLOYED  
(World excluding U.S.S.R.)  
1929=100.*

- I. Original series of employment.
- II. Series of employment weighted (like the index of production) according to estimated net value of production in the base period.

Year	Industrial production	Unemploy- ment	Employment		Output per worker $\frac{(a)}{(d)}$
			I	II	
	(a)	(b)	(c)	(d)	(e)
1929. . . . .	100	100	100	100	100
1930. . . . .	86	164	92	91	95
1931. . . . .	75	235	83	80	93
1932. . . . .	63	291	75	71	89
1933. . . . .	71	277	78	75	96
1934. . . . .	77	225	84	83	93
1935. . . . .	85	196	88	86	99
1936. . . . .	96	151	93	91	105
1937. . . . .	103	111	100	98	104

<sup>1</sup> As regards primary production as a whole and agricultural production in particular, it might appear feasible to utilise for the purpose of comparison the data of the "gainfully occupied or employed" population, which are to be found in the general population censuses. These data, however, are available, as a rule, at ten-yearly intervals only, and do not relate to identical years in all countries. Owing to differences in national classification, they are not strictly comparable from country to country. Moreover, they frequently include the unemployed among those recorded as employed or occupied, whereas no information whatever is given with respect to the number of days or hours worked during a period of time. No attempt, therefore, has been made to utilise these sources in the present connection.

For certain information regarding changes in productivity in agriculture in the United States, see: National Bureau of Economic Research, *Bulletin 67*, November 29th, 1937: "Technical Progress and Agricultural Depression", by E. ALTSCHUL and F. STRAUSS.

extent commerce and very rarely agriculture) is reproduced in Table 1, together with the League index of industrial production (including mining).<sup>1</sup>

During the downswing 1929-1932, employment declined at a considerably slower rate than production; during the succeeding upswing, the opposite holds true. By dividing the index of production (column (a)) by that of employed workers (column (d)) a rough measure of output per worker is obtained (column (e)).<sup>2</sup>

With due reservations as to the tentative nature of these statistics, the index of output per worker suggests that in the whole world (apart from the U.S.S.R.) production per worker employed declined by some 10% between 1929 and 1932. The 1929 level was again reached in 1935, and, in 1937, it appears to have been exceeded by some 4%.

Diagram 1. — INDICES OF INDUSTRIAL PRODUCTION,  
WORKERS IN EMPLOYMENT, DEGREE OF  
UNEMPLOYMENT AND OUTPUT PER WORKER.<sup>3</sup>

(World excluding U.S.S.R.)  
1929=100; logarithmic scale.

- I. Industrial production.
- II. Workers in employment (adjusted).
- III. Output per worker.
- IV. Degree of unemployment.

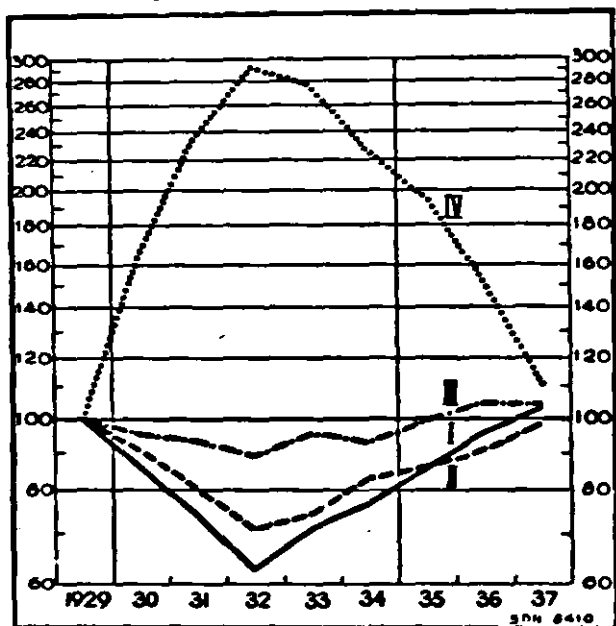


Diagram 1 is significant in throwing light on the relationship between changes in production and those in unemployment. During a depression, available work is "stretched" by recourse to short-time, rotation of work and similar devices; employment is thus given to a greater number of workers than would otherwise have been possible, which explains the apparent drop in output per worker employed during the depression. During the recovery on the other hand, the average hours worked per head were increased, thus limiting the need for new workers and resulting in higher apparent output per worker. Hence, owing to the influence of fluctuation in average hours, unemployment increased less during the depression and decreased less during recovery than would have been the case if average hours had remained constant. Together with the population increase, this circumstance helps to explain why, during the recovery since 1932, production has increased faster than the degree of unemployment has decreased.

But these factors only constitute a partial explanation of the increase in output per man, particularly during the later phases of recovery. As will be seen

<sup>1</sup> A detailed description of the world index of employment will be found in the *International Labour Review*, Geneva, May 1937 and July 1938. As explained in last year's edition of this volume, the scope of the indices of employment and industrial production are not greatly different; but the former is weighted according to the importance of the industrial population of the various countries and the latter according to the estimated net value of their industrial production in the base year. In order to render the two indices more comparable for the purpose in view, the employment index has been recalculated on the basis of the weights of the production index, the "adjusted" employment index thus obtained being shown parallel with the original index of the International Labour Office.

<sup>2</sup> For the purpose of comparison with production, column (d) is to be preferred to (c), as in the former case both international indices are weighted according to the same schedule of weights.

<sup>3</sup> The indices of employment and unemployment are compiled by the International Labour Office. The former, as indicated above, has been reweighted for the present purpose with the weights used in the League index of industrial production.

from Table 2 below, the estimated aggregate men-hours worked in the world (excluding U.S.S.R.) in 1937 remained below the level of 1929, while industrial production was larger. Hence, labour productivity calculated in terms of output per unit of labour must have increased. As will be demonstrated in some detail below, this holds good, not only for young industrial countries, where the efficiency of the average worker may be expected to increase concurrently with the consolidation of the industrial system and the adoption of modern industrial methods, but also for several countries with old-established and highly developed industries. The more or less continuous process of "rationalisation" appears as a rule to have been enhanced during the course of the depression and particularly the early stages of recovery.

*Table 2. — INDICES OF AVERAGE HOURS PER WORKER,  
AGGREGATE HOURS WORKED, INDUSTRIAL PRODUCTION AND OUTPUT PER MAN-HOUR  
(World excluding U.S.S.R.)  
1929=100.*

- I. Original series.
- II. Series of employment weighted according to weights used in index of industrial production.

		1930	1931	1932	1933	1934	1935	1936	1937*
A. Average hours per worker	I	95	91	85	88	88	89	91	90
	II	94	89	81	84	83	85	89	88
B. Aggregate hours worked.	I	88	75	64	69	74	78	85	90
	II	85	71	58	63	69	73	81	86
C. Industrial production . . . . .		86	75	63	71	77	85	96	103
D. Output per man-hour (C divided by B II) . . . . .		101	106	110	114	112	116	118	119

Technical improvements of this kind, it is frequently assumed, have contributed to decrease the demand for labour and have thus tended to increase unemployment. It is true, of course, that a rapid improvement in methods of production may have such effects in the short run, for obviously a smaller number of workers is needed to produce a given volume of goods. On the other hand, the volume of production itself is in the long run affected by increases in efficiency of labour and reductions in costs of production. The resulting increase in total output creates directly and indirectly opportunities of work both in industry itself and in other branches of economic activity. "Rationalisation", understood in this broad sense, is indeed the principal factor contributing to the rise of productivity and thus to national income per head of population.

In the following pages, an attempt is made to illustrate the broad changes in labour productivity which have taken place since 1929. In order to estimate the changes in output per hour worked — the most appropriate measure of changes in actual labour

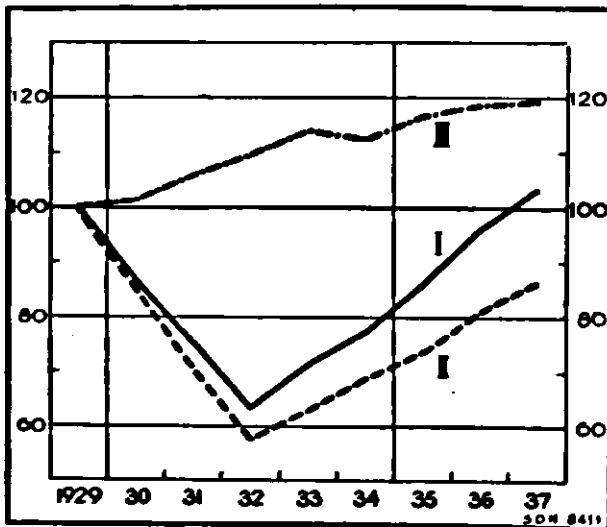
productivity — the indices of industrial production should be compared with a similar index of aggregate hours worked by the workers concerned. A tentative world measure of changes in aggregate hours is published by the International Labour Office.<sup>1</sup> This index is calculated according to the indirect method by multiplying the index of numbers employed (reproduced in Table 1) by a special index of average hours worked per head (per day, week or month) as given in Table 2. The latter index, although less comprehensive in scope than that of workers employed, covers the principal industrial countries except the United Kingdom and the U.S.S.R., and may be taken as a rough measure of changes in average hours worked in the area covered by the employment index (excluding the U.S.S.R.).<sup>2</sup> Thus, the composite index of aggregate hours may be taken as representative of the area covered by the index of workers employed.

By dividing the index of industrial production by that of aggregate hours worked, a rough approximation is obtained of changes in the output per man-hour as shown in Table 2.<sup>3</sup>

**Diagram 2. — WORLD INDICES OF INDUSTRIAL PRODUCTION, AGGREGATE HOURS WORKED AND INDUSTRIAL OUTPUT PER MAN-HOUR WORKED.**

1929=100.

- I. Industrial production.
- II. Aggregate hours worked (series II).
- III. Output per man-hour worked (series II).



It will be noted (cf. Diagram 2) that, since the beginning of the depression, the index of aggregate hours has moved on a lower level than that of industrial production; the discrepancy between the two curves has widened from year to year, reflecting an almost uninterrupted increase in output per man-hour, which, in 1937, to judge by the tentative index here calculated, was some 19% higher than in 1929. It is not unlikely that, during the period of decline in production — i.e., until 1932 inclusive, this increase in relative output was due largely to the weeding-out of comparatively less efficient enterprises and workers as a result of the contraction in the volume of activity.<sup>4</sup> Although it might be expected that this tendency would be reversed during the period of recovery and boom, the output per man-hour nevertheless continued to increase during the five subsequent years at a rate only slightly less rapid than during the period 1930-1932. This continued increase in labour productivity is undoubtedly explained mainly by the

improvements in the technique and organisation of production. Even if this process helps to explain the lag in the recovery of employment as compared with production, by 1937 the total level of production had in most countries increased to a point at which the workers at first rendered superfluous had again been absorbed into production. Considering that the

<sup>1</sup> The figure for 1937 has been calculated by the Economic Intelligence Service.

<sup>2</sup> As it can be assumed that changes in average hours have been relatively slight in the United Kingdom, the inclusion of this country would have tended to increase slightly the index of average hours; the index of aggregate hours would, in fact, have been but slightly higher than is actually shown in Table 2.

<sup>3</sup> As may be concluded from note <sup>2</sup> above, the level of this index might have been slightly lower than is actually shown (though in no year by more than one unit) had it proved possible to include the United Kingdom in the basic index of average hours worked per worker.

<sup>4</sup> This, as shown in the last issue of this volume (*World Production and Prices, 1936/37*, pages 43-44), appears to be true, particularly in the United States of America.

degree of world unemployment in 1937 — as shown by the International Labour Office index of unemployment — was but very slightly higher than in 1929, no large proportion of the unemployment in 1937 could be ascribed primarily to this recent movement of intensified “rationalisation”. This, of course, does not preclude the possibility that the situation in individual countries may present itself under a different aspect. In the United States, for instance, where the increase in the total volume of production up to 1937 was moderate, while the increase in productivity was considerable, the situation may well be different.

*Output per Man and Hour in Individual Countries.*

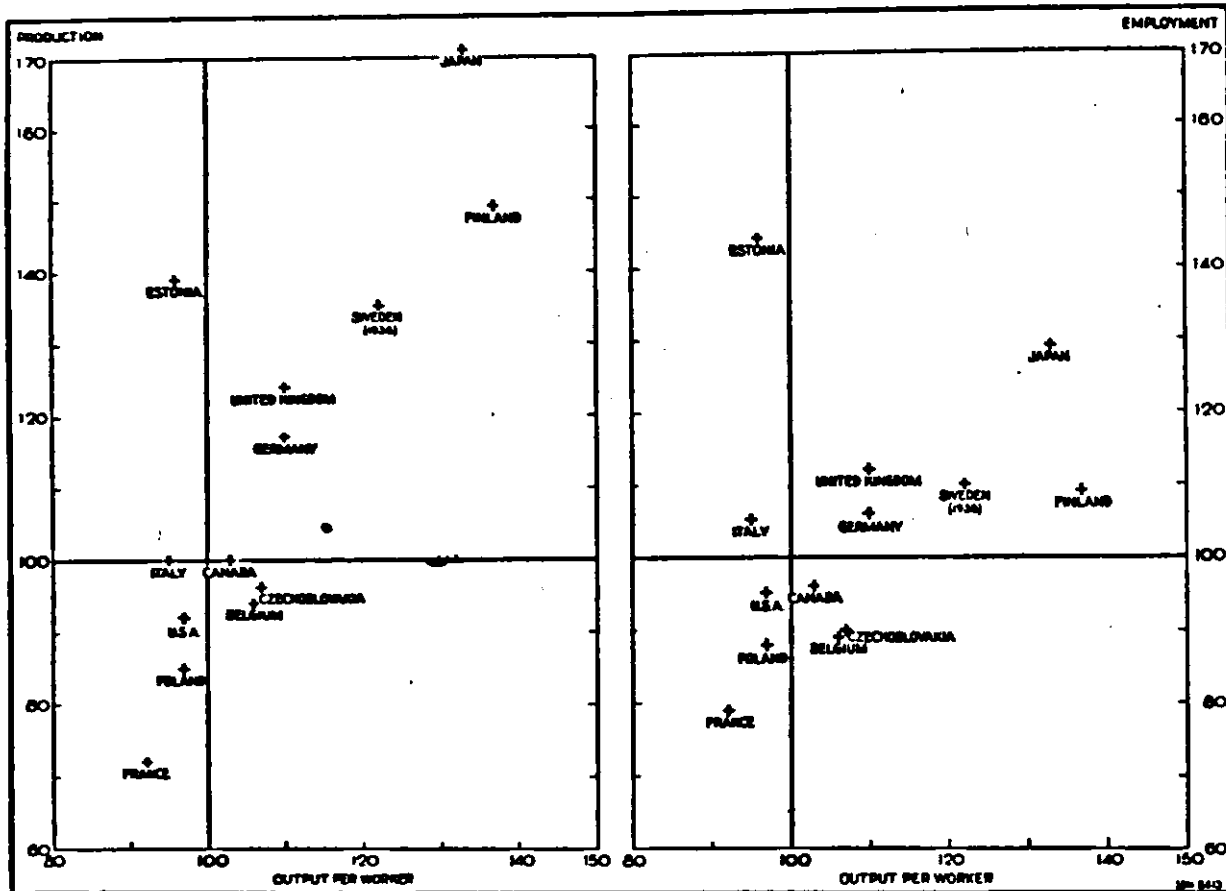
The indices shown in Table 3, which have been calculated by the Economic Intelligence Service on the basis of the data for employment, hours of work and industrial production, which happen to be available for the various countries and which vary considerably in scope and methods of computation, can only be regarded as tentative and approximate. They are believed, however, to depict the general course of developments in the countries concerned.

Table 3. — INDICES OF INDUSTRIAL OUTPUT PER WORKER-EMPLOYED AND PER HOUR WORKED.  
1929=100.

Country	1930	1931	1932	1933	1934	1935	1936	*1937
Output per man								
Germany . . . . .	99	94	90	92	96	104	108	110
Belgium . . . . .	92	92	88	89	93	103	102	106
Canada . . . . .	90	83	80	85	91	97	103	103
Estonia . . . . .	103	103	95	97	99	97	95	96
U.S.A. . . . .	93	92	86	93	84	92	100	97
Finland . . . . .	104	103	107	115	125	123	135	137
France . . . . .	100	96	85	97	92	92	95	92
Italy . . . . .	94	87	85	93	97	100	92	95
Japan . . . . .	105	112	119	126	128	129	130	133
Poland . . . . .	94	93	84	87	91	91	93	97
United Kingdom . . . . .	96	91	91	93	100	104	109	110
Sweden . . . . .	102	101	100	105	114	119	122	...
Czechoslovakia . . . . .	91	87	77	80	89	91	97	107
Output per hour								
Germany . . . . .	103	102	101	100	100	108	110	110
Estonia . . . . .	103	105	99	101	102	100	97	98
U.S.A. . . . .	100	108	117	121	115	119	122	119
Finland . . . . .	111	113	116	123	133	128	140	142
France . . . . .	100	100	93	103	99	99	100	110
Italy . . . . .	98	93	92	98	103	116	108	108
Japan . . . . .	107	114	121	127	128	129	130	132
Poland . . . . .	99	100	95	95	94	91	93	95
Sweden . . . . .	103	108	110	112	117	120	124	...

The situation in 1937 (1929 = 100) with respect to the relation between the volume of production and employment on the one hand and the output per worker employed on the other hand is illustrated for thirteen countries in Diagram 3.

Diagram 3. — RELATION BETWEEN INDICES OF OUTPUT PER MAN,  
PRODUCTION AND NUMBERS EMPLOYED IN 1937 IN CERTAIN COUNTRIES.  
1929=100.



The left-hand part of the diagram displays a striking relationship between the changes in output per worker employed and the changes in total production. In those countries (except Estonia),<sup>1</sup> where production has increased since 1929, the output per worker has also increased in a similar (though, of course, not identical) proportion. On the other hand, in the case of the countries whose industrial production had not recovered to the 1929 level by 1937, the output per worker was either lower than or had increased but little beyond the level for that year.<sup>2</sup> The picture presented by the right-hand part of the diagram, while being similar to that given in the left-hand part, confirms the general observation made with reference to the world indices discussed above — namely, that employment has increased considerably less than production in those countries (except Estonia) whose industrial

<sup>1</sup> To the extent that the Estonian indices of production and employment can be taken as representative of actual conditions, the explanation of the special situation in that country seems to be connected mainly with an expansionist monetary policy, which afforded home industry a high degree of protection against foreign competition; it was profitable to build up industry horizontally, as it were, rather than to invest in already existing establishments with a view to intensifying production. The presence of cheap foreign labour, particularly in the rapidly expanding shale industry, concurrently with relatively high rates of interest on new industrial capital, helps to explain this development, which is probably less unusual than is suggested by the statistics above, most of which refer to industrially more advanced countries.

<sup>2</sup> A notable exception to this rule is afforded by the Netherlands, where the output per worker appears to have increased substantially in 1937, whereas, in 1936, it was no higher than in 1929. Owing to the special character of the Netherlands index of production (being based largely on imports of raw materials), this country is not included in Table 3.

activity has expanded since 1929, and seems, on the whole, to have recovered somewhat less than production in the other countries. The most striking feature brought out by the right-hand part of the diagram is, however, that, in those countries where the output per worker has increased the most, suggesting a more rapid pace of technical improvement since 1929 (though not, of course, a higher absolute level of technical perfection in 1937) than in the other countries, the number of workers employed has also increased the most (again with the notable exception of Estonia).

In order to draw more definite conclusions as to the relative changes in labour productivity, the relation between total production and aggregate hours worked — i.e., the output per man-hour — should be studied. As shown in Table 3, however, the basic data required for such calculations are only available for nine countries. This limitation obviously affects the general validity of the conclusions that may be drawn from the tentative indices given in the table, as well as from

Diagram 5. — INDICES OF INDUSTRIAL PRODUCTION AND OF OUTPUT PER WORKER EMPLOYED AND PER MAN-HOUR IN THE UNITED STATES (MANUFACTURING ONLY). 1929=100.

- I. Output per man-hour.
- II. Output per worker employed.
- III. Manufacturing production.

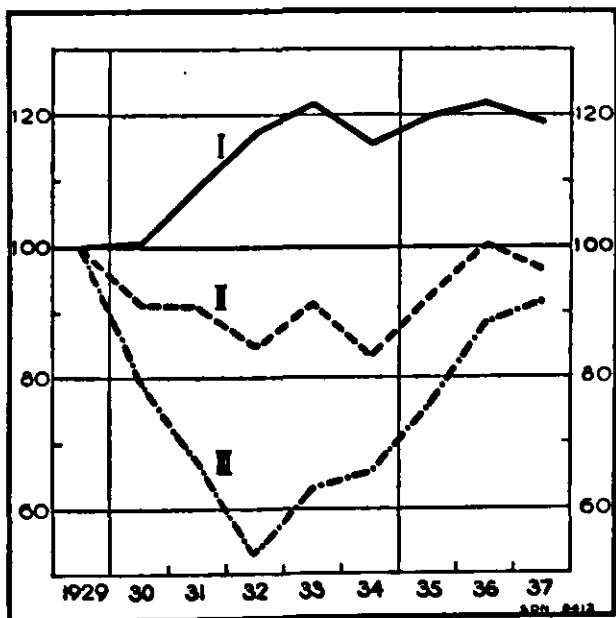


Diagram 4. — RELATION BETWEEN INDICES OF TOTAL PRODUCTION AND OUTPUT PER MAN-HOUR IN 1937 IN CERTAIN COUNTRIES. 1929=100.

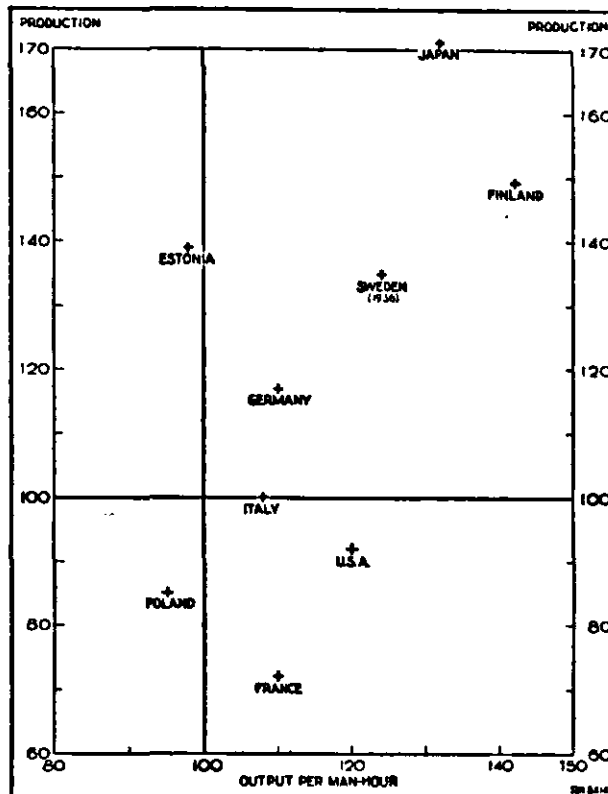


Diagram 4, showing the relation between the volume of production and the output per man-hour in these countries in 1937 as compared with 1929.

The general picture is similar to that afforded by the left-hand part of Diagram 3. Total production seems as a rule to have increased the most in those countries where the output per man-hour has increased the most, and *vice versa* in the case of the countries whose production has not yet recovered to the 1929 level. Notable exceptions to this tendency are afforded, however, by France and the United States of America. The output per worker employed and per man-hour in the latter country, during the period since 1929, as given in Table 3 is reproduced graphically in Diagram 5.

It may be presumed that, during the downswing, less efficient plant and workers were the first to become idle and that, during the upswing, part of these workers and plant were again put to work. It is



likely that the rapid increase in the output per man-hour between 1930 and 1933 and its slowing-down in subsequent years was largely an automatic reflection of such developments. Particularly significant in this respect is the decrease in apparent labour efficiency in 1934 simultaneously with the introduction of the forty-hour week, which obviously (at a given level of production) required the employment of additional workers and/or capital. It is significant that the rate of expansion of manufacturing production in 1934 was very much less than in 1933 and 1935/36, when average hours per worker again increased. This increase in working hours and technical improvements, more than compensate the temporary drop in average labour productivity in 1934. The sudden regulation of hours remains, however, as a contributory factor in explaining the relatively low level at which industrial production remained in 1937 in the United States, compared with other parts of the world, before the outset of the new depression in that country.

The situation in France, where the legal forty-hour week came effectively into operation in 1937, is more complicated; the index of industrial production was very slightly higher in 1937 than in 1936, and no certain conclusions appear possible in view of the great number of different influences at work at this time. As regards Italy, definite conclusions are also difficult owing mainly to the repercussions of the Italo-Ethiopian war.

The data presented require very cautious interpretation, for the relationship between production, labour-productivity and average hours is highly complicated and many independent influences have made themselves felt. The material seems to suggest, however, on the one hand a certain positive connection between increase in industrial production and labour-productivity, and possibly on the other hand (cf. particularly the United States) that a sudden shortening of working hours may tend to decrease, at least momentarily, the rate of industrial expansion, and thus contribute to explain the relatively low levels of production at later dates, even after the immediate effects of the change have been overcome.

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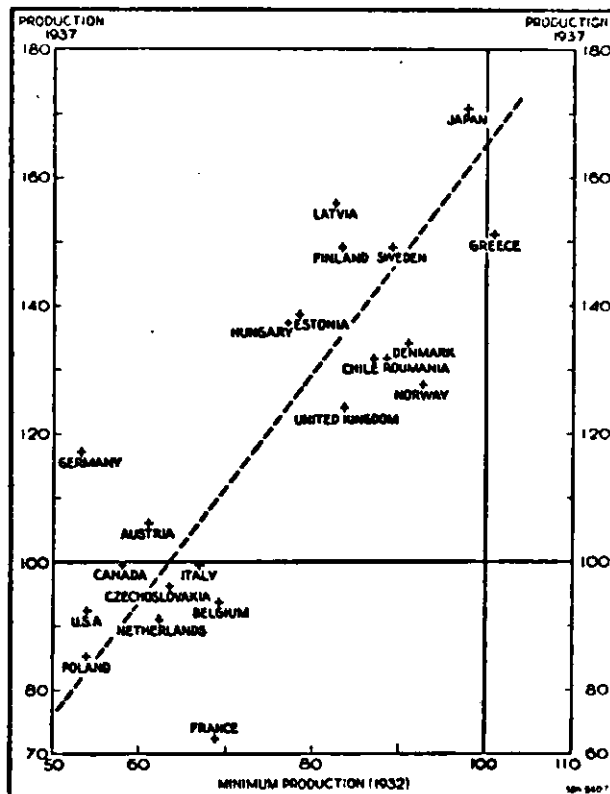
CHAPTER III

INDUSTRIAL PRODUCTION BY PRINCIPAL COUNTRIES

Although — as shown in Chapter I above — world industrial production in 1937 was the highest ever recorded in the world, a certain stagnation and decline became apparent in the latter half of the year, continuing during the first half of 1938. This development, however, is far from being uniform in the different countries, either as regards the maximum levels of production reached or as regards the extent of the recent decline. Indeed, this lack of uniformity is one of the most characteristic features of the present situation, and in order to grasp its nature, it is essential to examine developments in the different countries.<sup>1</sup>

The national indices of industrial production of twenty-six countries are summarised in Table 1, showing for the years 1930-1937, annual indices where available and annual averages of monthly or quarterly indices;<sup>2</sup> in addition, averages for each quarter of 1937 and the first quarter of 1938 are also given. In order to bring out the evidence contained in the table by means of a striking illustration, Diagram 1 has been inserted. It shows, on the basis of 1929 = 100 for each country: (a) along the horizontal axis, the level of its lowest annual production (i.e., that of 1932 in most cases, as will be seen from the table); (b) along the vertical axis, the level of its production in 1937. This form of presentation has the advantage of also illustrating the inter-relation, as disclosed by the scatter of the countries in the diagram, between the production in 1937, the latest boom year on the one hand and that of the worst depression year on the other. Four countries — Spain, New Zealand, the Union of South Africa and the U.S.S.R. — for which 1937 data, at the moment of writing, were not yet available, have been omitted from the diagram, which covers twenty-two countries.

Diagram 1. — INDICES OF INDUSTRIAL PRODUCTION IN THE YEAR OF MINIMUM PRODUCTION (1932) AND IN 1937 IN CERTAIN COUNTRIES. 1929=100.



<sup>1</sup> For further comments on industrial developments in individual countries during the period 1932-1936, reference should be made to previous issues of this volume.

<sup>2</sup> The annual series are often wider in scope than the monthly or quarterly series. For New Zealand and the Union of South Africa, only annual indices are available. For Canada, two series are given, one including and the other excluding building activity, which greatly affects the course of the index for that country.

**Table 1. — MOVEMENT OF INDUSTRIAL PRODUCTION IN INDIVIDUAL COUNTRIES**  
1929=100.

Country	1930	1931	1932	1933	1934	1935	1936	1937	1937				1938
									I-III	IV-VI	VII-IX	X-XII	I-III
<i>Africa:</i>													
Union of South Africa <sup>a</sup>	107	.	.	100	124	144	167	...	.	.	.	.	.
<i>Americas:</i>													
Canada { (A) <sup>b</sup> . . . . .	85	71	58	60	73	81	90	100	94	101	101	102	87
(B) <sup>c</sup> . . . . .	85	73	65	71	84	91	102	112	105	112	115	116	98
U.S.A. . . . .	81	68	54	64	66	76	88	92	98	98	96	77	67
Chile . . . . .	101	78	87	96	105	120	124	132	122	130	134	141	127
<i>Asia:</i>													
Japan . . . . .	95	92	98	113	128	142	151	171	164	172	169	178	168
<i>Europe:</i>													
Germany { Quarterly <sup>d</sup> . . . . .	88	72	58	65	83	95	106	116	108	115	115	124	118
Monthly <sup>e</sup> . . . . .	86	68	53	61	80	94	106	117	108	117	120	123	119
Austria . . . . .	85	70	61	63	70	80	86	106	97	106	113	108	93
Belgium { Annually . . . . .	89	81	69	72	73	82	87	94	.	.	.	.	.
Monthly . . . . .	84	76	63	67	66	72	78	87	88	90	86	84	71
Denmark . . . . .	108	100	91	105	117	125	130	134	134	137	133	131	132
Spain . . . . .	99	93	88	84	85	87	.	.	.	.	.	.	.
Estonia . . . . .	99	91	78	82	96	106	120	139	122	137	150	146	138
Finland . . . . .	91	80	83	96	117	125	137	149	151	145	154	151	156
France . . . . .	100	89	69	77	71	67	70	72	73	74	69	73	69
Greece . . . . .	103	107	101	110	125	141	139	151	137	154	157	156	...
Hungary . . . . .	94	87	77	84	97	111	128	137	136	140	138	135	133
Italy . . . . .	92	78	67	74	80	94	87	100	96	101	96	106	102
Latvia . . . . .	109	89	82	112	130	137	143	156	138	148	155	205	169
Norway . . . . .	101	78	93	94	98	108	118	128	126	128	125	132	130
Netherlands . . . . .	91	79	62	69	70	66	72	91	93	97	93	80	86
Poland . . . . .	82	70	54	56	63	67	72	85	83	85	87	87	93
Roumania . . . . .	97	102	89	103	124	122	130	132	126	125	144	135	117
United Kingdom . . . . .	92	84	83	88	99	106	116	124	122	125	121	127	124
Sweden <sup>f</sup> . . . . .	102	96	89	91	110	123	135	149	142	147	150	152	147
Czechoslovakia . . . . .	89	81	64	60	67	70	80	96	93	98	98	96	85
U.S.S.R. . . . .	131	161	183	198	238	293	382	*424	...	...	...	...	...
<i>Oceania:</i>													
New Zealand <sup>g</sup> . . . . .	106	104	109	113	112	121	129	...	.	.	.	.	.
World (excl. U.S.S.R.) . . . . .	86	75	63	71	77	85	96	103	103	106	106	96	88
World (incl. U.S.S.R.) . . . . .	88	79	69	78	85	96	110	118	...	...	...	...	...

\* Provisional figure.  
<sup>a</sup> Year ending June 30th.  
<sup>b</sup> Including building and electric power generation.  
<sup>c</sup> Excluding building and electric power generation.  
<sup>d</sup> Including foodstuffs.  
<sup>e</sup> Excluding foodstuffs.  
<sup>f</sup> Up to 1936 inclusive: revised annual index of the Kommerskollegium (total industry); 1937/38: Monthly index of *Sveriges Industriförbund* (less comprehensive but covering a representative sample of enterprises in all branches of industry) linked up with the former index in 1935.  
<sup>g</sup> Year ending March 31st of the following year.

The level of production in 1937 (average for the whole year), compared with 1929 = 100, varies (disregarding the U.S.S.R.) between 72<sup>1</sup> in France and 171 in Japan. According to the degree of change between 1929 and 1937, the following three groups of countries may be distinguished :

(1) Increase of more than 20% ; to this group belong, on the one hand, Japan, the United Kingdom and the Northern European countries of the sterling area (Finland, Sweden, Norway and Denmark), and, on the other hand, certain newly industrialised, mainly agricultural countries : Latvia, Estonia, Hungary, Chile, Greece and Roumania ;<sup>2</sup>

(2) Increase of 0-20% ; this group includes Germany, Italy, Canada and Austria ;

(3) Decrease of 0-30% ; this group comprises, in addition to the United States and Czechoslovakia, the members of the former gold bloc : France, Belgium, the Netherlands and Poland.

As will be seen from the graph, the order of countries arranged according to their lowest annual production since 1929 is on the whole strikingly similar to that of their production level in 1937, as summarised above. In other words : the milder the depression, the more pronounced the subsequent upswing or boom. A closer examination of the scatter of countries in the diagram throws some interesting sidelight on this relation, and, for the purpose of this study, countries have been divided into five groups.

The *first* group is characterised, not only by high levels of production during both depression and boom, but also by a degree of expansion between the year of minimum production and 1937 higher than the theoretical average represented by the rough trend line drawn in the diagram. It includes Japan, Latvia, Sweden, Finland, Hungary and Estonia. With the exception of Sweden, they are mainly agricultural countries in course of rapid industrialisation. It should be recalled that the majority of these countries (*e.g.*, Japan, Sweden, Finland and Estonia) abandoned the gold standard at a comparatively early date. The consequent depreciation in the exchange value of their currencies helped to stimulate exports while affording increased protection to the home market industries, particularly those producing consumption goods.<sup>3</sup> In Hungary and Latvia, industrial production for the home market was favoured by the severe import restrictions on manufactured goods ensuing from strict exchange control.

The *second* group includes countries whose industrial production was relatively well maintained in the depression and has subsequently increased quite rapidly, even though the rate of expansion between 1932 and 1937 falls somewhat below the average. These countries are Greece, Denmark, Chile, Roumania, Norway and the United Kingdom.

The conditions favourable to an expansion of industry in the first three countries mentioned, which are mainly agricultural, have been similar to those obtaining in the comparable countries of the first group. As regards the United Kingdom, where currency depreciation and a cheap-money policy in conjunction with increased import duties have offered a powerful stimulus to industry as a whole, the expansion of production in certain branches (*e.g.*, cotton manufacture, coal, shipbuilding) of its century-old industrial system has been hampered by factors of a structural nature, as witnessed by the persistence of large distressed areas in the midst of an otherwise flourishing industry.

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<sup>1</sup> According to the old index covering the whole period since 1929 ; according to the new index available only since 1936, the figure for 1937 would have been 83 instead of 72, as shown in the table and the diagram.

<sup>2</sup> The Union of South Africa and New Zealand, which economically belong to this group, would have appeared in the corresponding part of the diagram had 1937 data been available in their case.

<sup>3</sup> The importance of the home market is illustrated by the expansion of the textile industry, particularly in the industrially newest countries. The index of production for textiles in 1937 (1929 = 100) is as follows : Latvia 216, Chile 206, Finland 176, Sweden 163, Norway 154, Japan 147.

Considering, on the other hand, those countries (shown in the lower left-hand part of the diagram) whose production fell to very low levels in the course of the depression, only Germany and Austria, here taken to form a *third* group, had, by 1937, been able to increase their production (average for the whole year) substantially above the level for 1929. This expansion was achieved in Austria mainly in the export industries as a result of currency devaluation, coupled with a gradual relaxation of exchange control and the related trade restrictions. The larger expansion in Germany was achieved through a policy of Government intervention and control of private productive activity with a view to increased national self-sufficiency, and by large scale expenditure on rearmament and public works.

A *fourth* group is constituted by Canada, Italy, Czechoslovakia, the United States, the Netherlands and Belgium, the industrial production of which was either (Canada and Italy) as large in 1937 (whole year) as in 1929, or had, at any rate in certain quarters of 1937 (cf. Table 1), closely approached the level of the last pre-depression year.<sup>1</sup>

Canada, which owing to her intimate relations with the United States is influenced by developments in that country to a considerable extent, may nevertheless be considered in certain respects to belong to the sterling area, and has in fact followed a monetary policy not very different from that generally adhered to by the other countries of that area. The production index is much affected by the inclusion of building activity, which has remained very depressed throughout the recovery period. Canadian mining and manufacturing production (cf. Table 1) since 1932 has in fact followed a course similar to that of British industrial production, though on a lower level, and has thus fared much better than is suggested by the position of the index including building as shown in the diagram.

In Italy, where, as in Germany, a policy of State-promoted activity was pursued, with much the same effects up to the middle of 1935, industrial expansion was subsequently checked or retarded by the repercussions of the Ethiopian war.

Recovery in the United States which made great strides in 1936 still lagged behind the 1929 level in 1937. In the latter part of the year, for reasons discussed in some detail below, the upswing was reversed into the most rapid decline in industrial activity on record in that country.

In Belgium, Czechoslovakia and the Netherlands, recovery from the depression (protracted in their case by a deflationary policy pursued in conformity with the principles underlying the constitution of the gold bloc) was effectively achieved by means of currency devaluation; this however, was only undertaken<sup>2</sup> at a time when the upswing in most other countries had already proceeded for several years.

The *fifth* group includes Poland and France, both members of the former gold bloc and as such maintaining for years a policy aiming at a reduction in competitive costs by means of deflation. With the introduction of exchange control in Poland in the spring of 1936, however, a reorientation of its economic policy more along German lines was effected, and, since the middle of that year, her industrial production has risen steadily to reach in the spring of 1938 a point only a few per cent below the average for 1929.

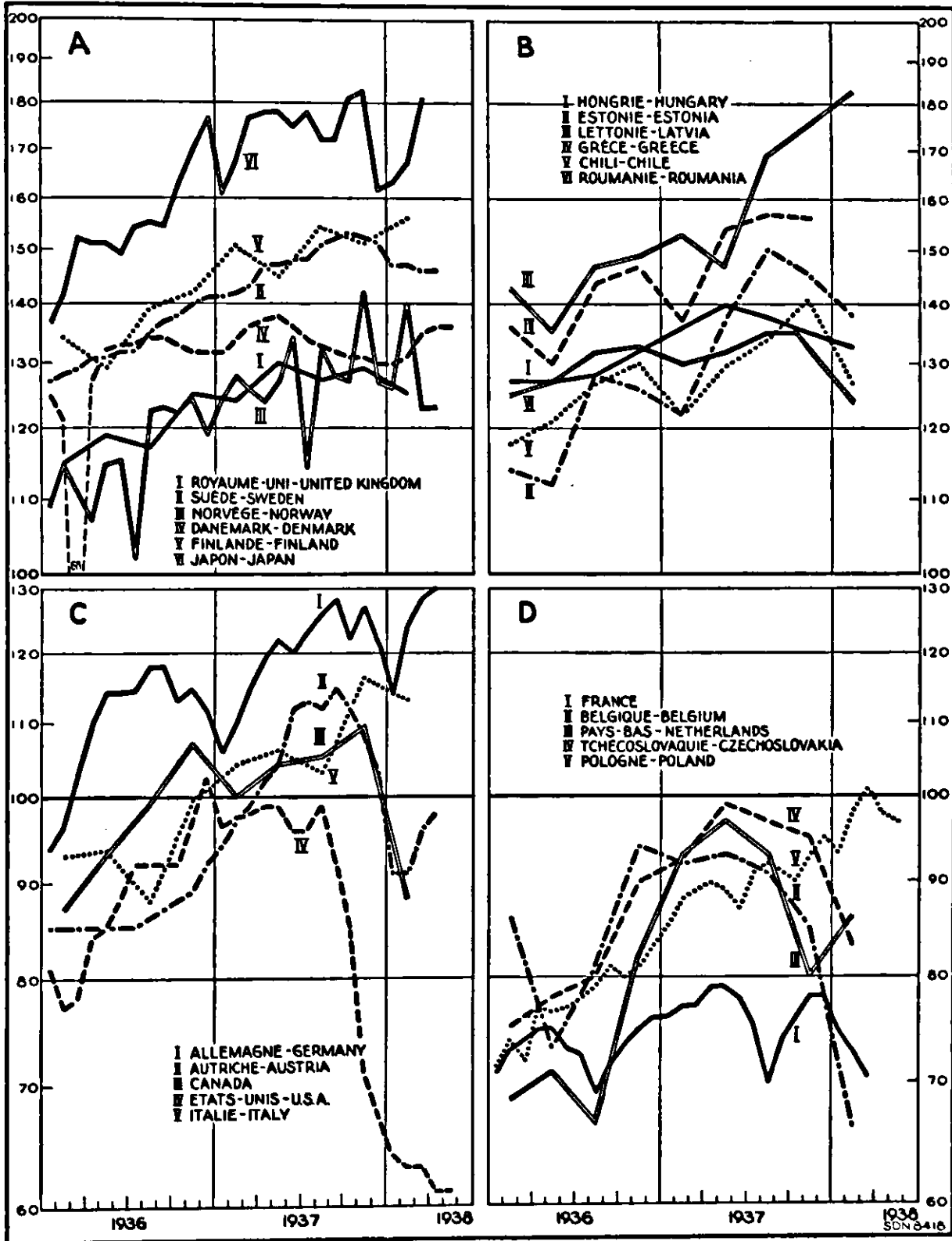
The devaluation in France in the early autumn of 1936 and again in the summer of 1937 had little effect on her industrial production, mainly, it would appear, on account of the considerable increase in the costs of production, which aroused grave concern among *entrepreneurs*. At the same time, extensive labour disputes have occurred with obvious repercussions on the volume of production.

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<sup>1</sup> As regards Belgium, it should be noted that her monthly production index, which is incomplete, understated in 1937 (average for the whole year) the rate of recovery to the extent of 8%, as will be seen from a comparison with the more comprehensive annual index (cf. Table 1).

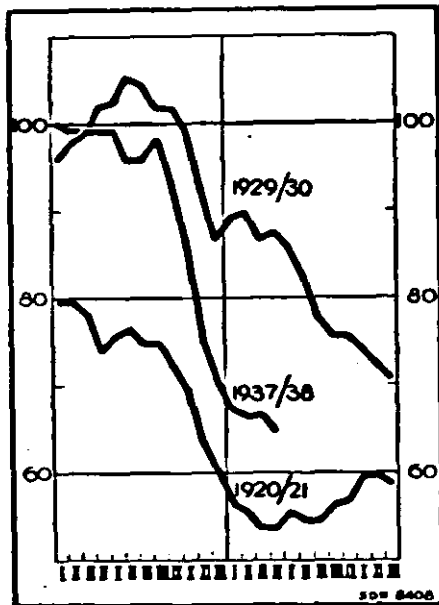
<sup>2</sup> Apart from the first devaluation in Czechoslovakia, which soon proved insufficient and only exercised a small and short-lived effect on industrial production.

Diagram 2. — MANUFACTURING PRODUCTION IN INDIVIDUAL COUNTRIES.  
1929=100; logarithmic scale.



In order to bring out more clearly the tendencies during the last phase of the business cycle, Diagram 2 has been inserted, showing, since the beginning of 1936, the production of those countries whose indices serve as basis for the world index discussed in Chapter I. Building activity and generation of electricity, where covered by the national indices, have been excluded<sup>1</sup> in order to render the indices more comparable internationally. In order to minimise erratic movements, the monthly indices have, in certain cases, been smoothed by means of three-month moving averages. The monthly index for Belgium (quarterly averages shown in the diagram) has been adjusted to the level of its annual index.

**Diagram 3. — INDICES OF GENERAL INDUSTRIAL ACTIVITY IN THE UNITED STATES 1920/21, 1929/30 AND 1937/38. 1929=100.**



The recent decline in production reflected in the world index discussed in Chapter I had its origin in the United States where it has so far been much greater than elsewhere. The maximum in that country was recorded for December 1936 at a level slightly above the average for 1929. After a minor recession in the first quarter of 1937, manufacturing production as a whole remained fairly stationary up to August without showing any decided tendency. In September, a rapid decline set in, which, by December, had brought the index 29% — and, by April 1938, 35% — below the average for 1929. The figures here quoted include mining, whereas the graph relates to manufacturing only.

As shown by Diagram 3, which gives the development of industrial production during the first phase of each of the three major post-war depressions in the United States, the fall is the steepest on record during any six-month period. The curve for the period 1937/38 lies throughout at a lower level than that for 1929/30, and although remaining in the first quarter of 1938 substantially above the level of the corresponding quarter of 1921, it lies below the average for 1920.<sup>2</sup>

Meanwhile, in other countries, there were signs of stagnation and in some cases of recession, but, so far, there has been no decline of a comparable order of magnitude. The position of the individual countries

<sup>1</sup> In a few cases, however, where the consumption of electric motive power in industry is taken into account as one among several indirect gauges of industrial activity, it has been left in.

<sup>2</sup> It would be outside the scope of the present volume to discuss at any length the complex causes underlying the recent American depression; for a detailed analysis, reference should be made to the *World Economic Survey 1937/38* (Chapter I). In view, however, of the decisive influence of the American situation on that of the world as a whole, the following circumstances are worth mentioning.

The rapid expansion in consumers' demand in 1936 had come to a standstill by the end of that year. The previous expansion had been stimulated by special circumstances, the most important being the veterans' bonuses, the tax on undistributed profits and Government expenditure on relief and public works. With the cessation of this extra stimulus, consumers' demand failed to expand further, which in itself — through the mechanism of the anticipations of *entrepreneurs* — reacted on the demand for capital goods.

Simultaneously with this falling demand for capital goods caused by repercussion from the consumers' market, the cost of production of capital goods increased particularly owing to the rise in prices of raw materials — foremost steel and metals — and wage rates. This increase in cost, which was felt particularly in railroading (where profits were already low) and building, contributed in no small degree to the rapid decline in demand for capital goods described above.

The effect of these factors — which, in view of the relatively moderate degree of previous recovery, might not have proved fatal — was enhanced by political differences between the Administration and large sections of the business community, and by strikes and social unrest resulting in a general lack of confidence in future development.

with respect to the figures of maximum production (on the basis of quarterly averages) during 1937 and the first quarter of 1938 may be summed up as follows : <sup>1</sup>

*Quarters in which Maximum Production was reached. <sup>2</sup>*

	1937		1938
II	III	IV	I
Denmark	Greece	Latvia	Poland
Hungary	Estonia	Japan	Finland
U.S.A.	Roumania	Sweden	
Belgium	Austria	Chile	
Czechoslovakia		United Kingdom	
Netherlands		Norway	
France		Germany	
		Italy	
		Canada	
		Bulgaria	

It will be observed that, as in the case of the United States, production in three former gold bloc countries — namely, France, Belgium and the Netherlands — reached its peak in the second quarter of 1937. Except in the United States and the Netherlands, the recession recorded by the last quarter of the year varied between 2% and 5%. <sup>3</sup> It should be remarked also that the situation in France, particularly after the adjustment of the exchange value of the French franc in April 1938, offers a large element of insecurity as to the future course of developments. <sup>4</sup> The decrease in the second group, where maximum production is recorded during the third quarter, has so far been slight; only in Austria had it reached about 5% by the end of the year, in other cases amounting to one or two points only. Half the number of countries considered show the highest figures so far recorded during the fourth quarter of 1937. The information so far available for 1938 suggests, however, that, in many of these countries also, the forces of stagnation or recession are gaining in strength, whereas, in Poland and Finland, the industrial recovery was still proceeding in the first quarter of this year.

The above brief survey suggests that industrial production outside the United States has so far shown a high degree of resistance towards depression — a resistance which is, broadly speaking, positively correlated with the previous level of recovery — *i.e.*, the higher the level of production in 1937 (as compared with 1929) the later the point at which the boom seems to have turned into recession and the milder the following recession. The fact of this past resistance must not, however, be accepted as constituting a prediction of future developments.

<sup>1</sup> The U.S.S.R. and Spain have, owing to lack of data, been omitted from the above statement.

<sup>2</sup> Production in the second quarter of 1937 was in all cases (except in that of Roumania) higher than in the first quarter.

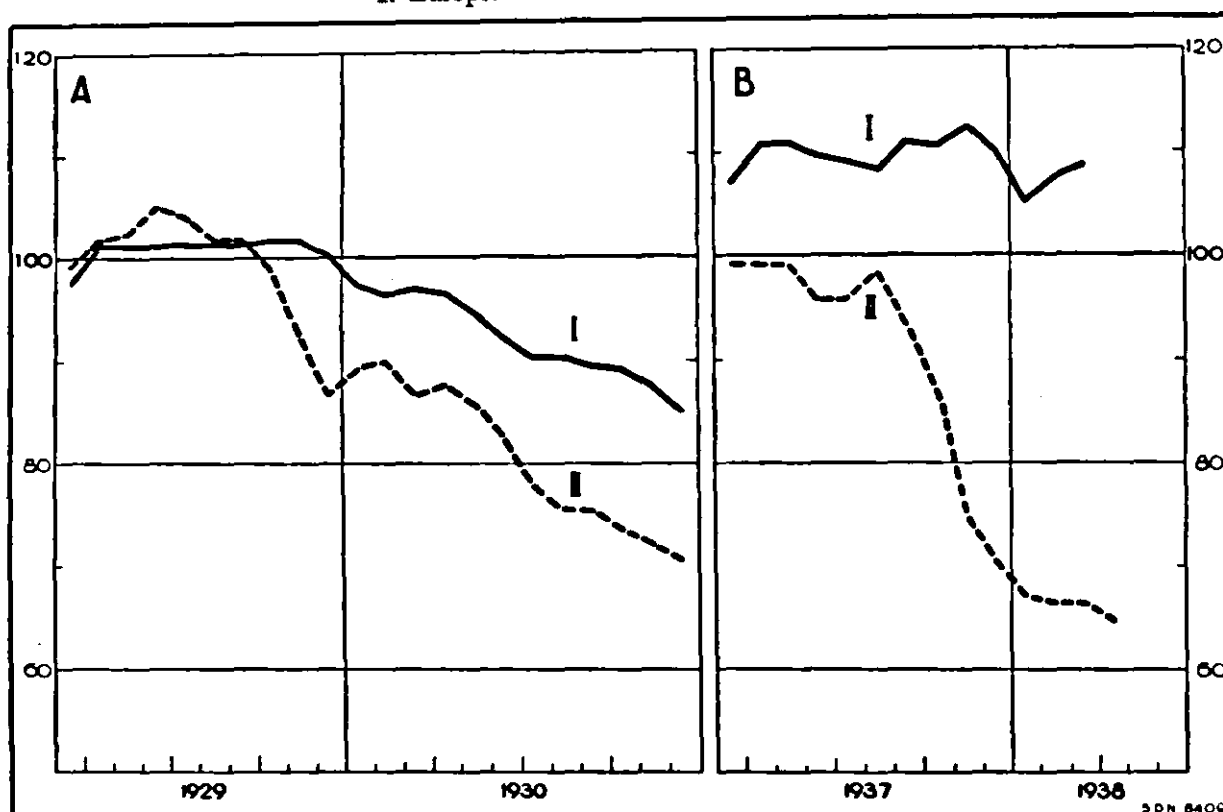
<sup>3</sup> The Netherlands seems to have been particularly exposed to the influence of the unfavourable developments in the United States. The deterioration of employment in the Netherlands, however, although quite marked towards the end of 1937 and the beginning of 1938, has perhaps not been so marked as the decline in their production index by some 20% between July 1937 and March 1938 would appear to suggest. This index is in fact of a somewhat special character inasmuch as it is chiefly based on net imports of industrial raw materials which, in view of the violent fluctuations in their prices with consequent changes in factory stocks during the period considered, may have varied more widely than actual manufacturing production.

<sup>4</sup> As a result of the recent adjustment in the exchange value of the franc, huge amounts of flight capital have been repatriated. In view of the low levels of production, and particularly of expenditure on capital goods in recent years, the introduction into the productive system of these additional sums would presumably have rapid repercussions on investment activity so that recovery would at last be set in motion. Unfortunately, however, this favourable situation has been realised only at a date when a general depression threatens to spread from the United States to the rest of the world and thus to counteract a potential French recovery. These developments are, of course, too recent to have found expression in the statistics of production available at the moment of writing.



In order to afford a comparison of the situation in Europe and North America in 1929/30 and 1937/38, Diagram 4 has been inserted. In the former period (cf. section A), after a lag of some five months, the American depression spread to Europe; the curves then fell together, although the decline in America was steeper. In 1937/38 (cf. section B), the beginning of American decline was concurrent with a slight increase in Europe, but, after a lag of three months, there occurs a small downward movement. At the moment of writing, it is impossible to know whether or not it signifies the turning-point or only a temporary decline.

*Diagram 4.* — INDICES OF INDUSTRIAL PRODUCTION IN THE UNITED STATES AND EUROPE  
(EXCLUDING U.S.S.R.), 1929/30 AND 1937/38. 1929=100.  
I. Europe. II. United States.



In considering this situation, it is necessary to remember other differences between the two periods. Governments have become, as it were, more depression-conscious and have, as in Sweden, already prepared programmes of public works to be put into operation at an early stage of a new depression. In other States, Government control over economic life has been strengthened, thus increasing possibilities of effective State intervention. The present enormous expenditure on rearmament may also (as a first effect) tend to counteract depression, particularly in the production goods industries.

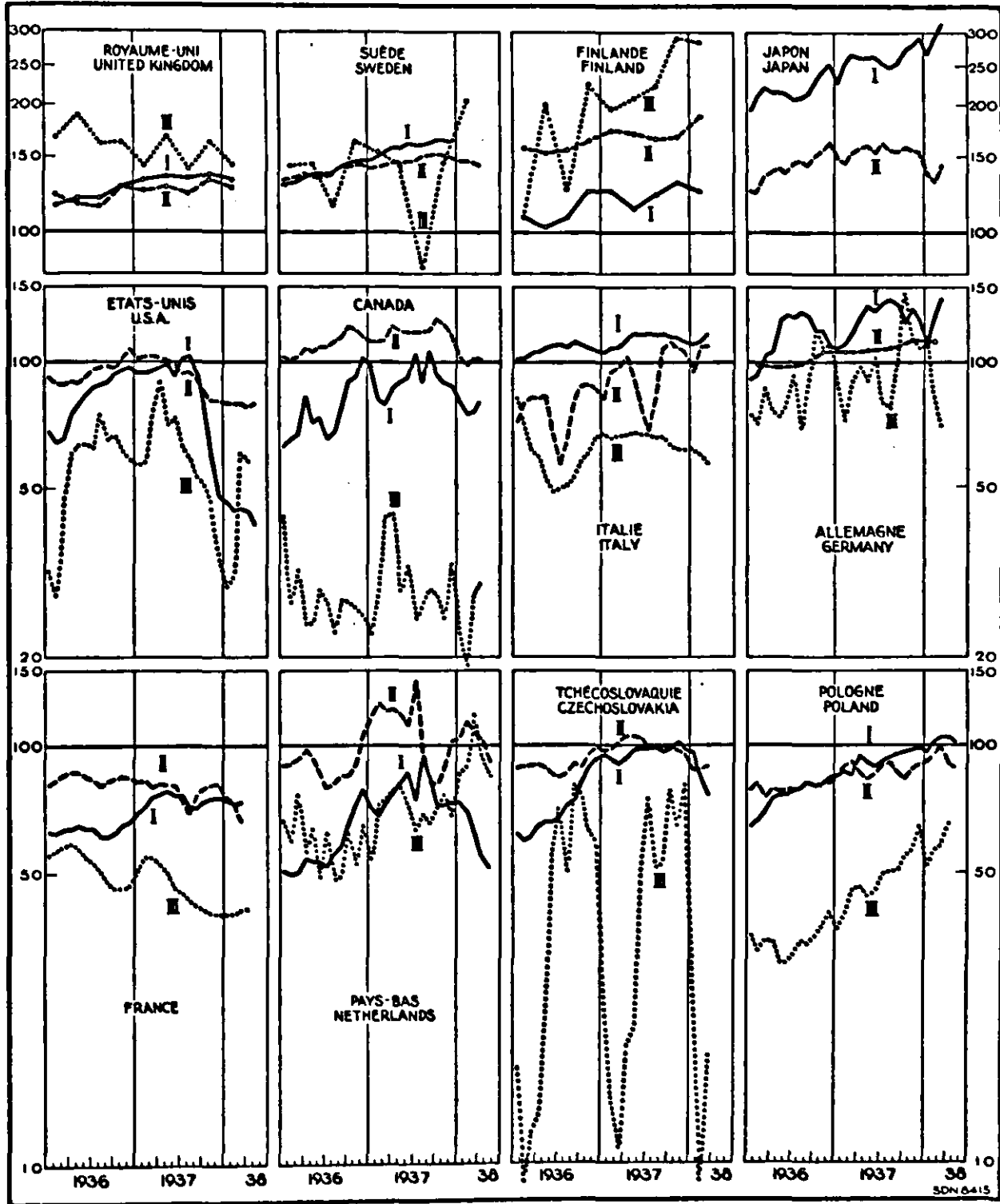
*Production of Capital Goods and Consumption Goods.*

In the previous editions of this volume, attempts were made to calculate for certain countries separate indices for the capital-goods and consumption-goods industries covered by the national production indices; the individual industries were grouped for this purpose, as far as possible according to uniform criteria. These calculations have been continued in the present edition and the results are shown in Table 2 of Appendix III and graphically in Diagram 5 opposite.<sup>1</sup>

<sup>1</sup> For a discussion of methods used, reference should be made to previous issues of this volume; cf. particularly *World Production and Prices, 1936/37*, page 58, and *1935/36*, page 51.

Diagram 5. — INDICES OF PRODUCTION OF CAPITAL AND CONSUMPTION GOODS.  
1929=100 : logarithmic scale.

I. Capital goods.    II. Consumption goods.    III. Building.



The broad picture of developments within the various categories of goods afforded by the world indices given in Chapter I is confirmed by a study of the indices for individual countries. The last depression, as was to be expected, was most severely felt in the capital-goods field ; the indices around 1932 were, in all countries for which figures are available (except Italy, Roumania and U.S.S.R.), lower for these goods than for consumption goods. The lowest levels for the capital-goods industries were registered in the highly industrialised countries, such as the United States and Germany.

As seen from Diagram 5, the figures for capital goods industries except in the United States, Canada and the Netherlands have so far failed to show any decided downward trend characteristic of beginning depression. With the minor exception of Japan, where conditions are exceptional owing to the Sino-Japanese hostilities, the increase has, however, come to a standstill, or a slight recession has begun to set in — as for instance, in the United Kingdom and the Scandinavian countries. Broadly speaking, the position of capital-goods industries has become less favourable than a year ago as compared with those of consumption goods, thus suggesting a new phase in the business cycle.

Building activity is a very sensitive index of changes in the business cycle, and it is therefore necessary before concluding this survey to consider recent developments in this sphere as well. In the absence of any uniform international index, it is useful to classify countries in four groups showing certain common features of development.

The *first* group includes the United Kingdom, Sweden, Finland, Chile and Roumania. The decline after 1929 was relatively mild and of brief duration ; the levels in 1937 were considerably higher than those in 1929. During 1937 and 1938, however, the forces of expansion had generally spent themselves ; in some cases, even a certain recession set in, but in no cases does a definite depression appear as yet to have superseded the boom in the building trade.

The *second* group — United States of America, Canada, New Zealand and Australia — is characterised by a deep and prolonged decline after 1929 and a relatively slight recovery — in no case bringing the level of activity back to that of 1929. In spite of the low levels prevailing by the beginning of 1937, activity has since then considerably declined, particularly in the United States and Canada.

The *third* group is composed of countries belonging to, or connected with, the former gold bloc. Activity was well maintained during the early part of the depression, and Switzerland even enjoyed a boom lasting until 1934. Recovery, however, after the ensuing depression has so far been relatively insignificant, and recently, particularly in France, the already depressed levels have been further reduced. In the *fourth* group — Germany and Italy — recovery from the low levels of 1933 has been actuated by special State measures for promoting building activity of different kinds, connected largely with the policy of public works or armaments. The German activity has continued to expand and has only recently shown any signs of recession. In Italy, recovery was brusquely interrupted by the Italo-Ethiopian war and has not since perceptibly revived.

It is difficult to draw definite conclusions on the basis of this material, but the general economic development since 1929 would seem to have been most favourable in the group of countries which succeeded in limiting the depression in building and achieved early recovery. Likewise, in these countries, there has been least recession recently.

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CHAPTER IV

PRODUCTION, STOCKS AND CONSUMPTION BY GROUPS  
OF COMMODITIES AND INDUSTRIES

The purpose of this chapter is to analyse by groups of commodities or industries the information on world production presented in Chapter I. The production figures for primary commodities are, in certain cases, supplemented by statistics of stocks in order to show the total *supply*. A final section has been added giving some tentative figures of world "consumption" of important individual commodities.

A. PRIMARY PRODUCTION

I. CRUDE FOODSTUFFS

World indices of the main groups of foodstuffs<sup>1</sup> are shown in Table 1; it should be studied in conjunction with the more detailed information given in Table 2 of Appendix I.

Table 1. — WORLD INDICES OF PRODUCTION OF FOODSTUFFS BY MAIN GROUPS.  
1929=100.

Group	1930	1931	1932	1933	1934	1935	1936	*1937
I. Food crops : *								
(a) Incl. U.S.S.R.	106	102	103	106	102	104	*105	*109
(b) Excl. U.S.S.R.	103	101	103	102	98	98	102	106
II. Meat : * *								
(a) Incl. U.S.S.R.	99	97	95	96	99	94	99	98
(b) Excl. U.S.S.R.	99	101	101	105	107	101	105	103
III. Sea-fish . . . .	106	100	101	112	116	*121	*122	...
IV. Milk : *								
(a) Incl. U.S.S.R.	101	102	103	103	103	105	107	108
(b) Excl. U.S.S.R.	103	106	108	110	109	110	112	113
V. Wine and hops.	86	95	100	94	113	120	84	98
VI. Coffee, tea and cocoa . . . . .	97	91	101	103	101	95	107	106
VII. Tobacco . . . .	105	102	87	94	88	98	100	105
Total foodstuffs <sup>b</sup>	102	100	100	102	101	101	103	106

\* Partly estimated.

<sup>a</sup> Excluding production in China (apart from Manchuria).

<sup>b</sup> Cf. also Chapter I.

<sup>1</sup> In accordance with the "Minimum List of Commodities for International Trade Statistics", drawn up in 1935, wine and hops and tobacco are included among foodstuffs.

**Diagram I. — PRODUCTION OF FOODSTUFFS OF VEGETABLE AND ANIMAL ORIGIN AND OF DRINK AND TOBACCO.**

(World, excluding the U.S.S.R.)  
1929=100.

I. Vegetable foodstuffs. II. Animal foodstuffs.  
III. Drink and tobacco.

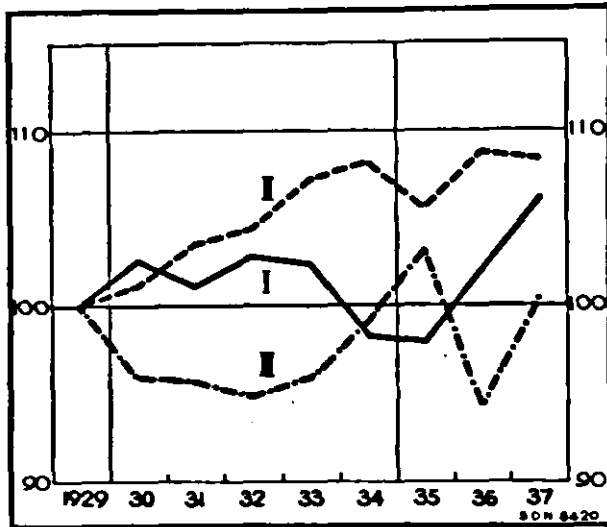


Diagram I shows production in the world (excluding the U.S.S.R.) of (a) vegetable foodstuffs (food crops only), (b) animal foodstuffs, and (c) drink and tobacco.<sup>1</sup> In spite of certain omissions,<sup>2</sup> the three curves illustrate certain broad tendencies of development in food production since 1929. In 1937, the greatest increase, amounting to 8% (1929 = 100), was shown for animal foodstuffs. Production of food crops was 6% higher; that of drink and tobacco together was the same as in 1929. In considering these figures, however, it should be borne in mind that vegetable production in particular is greatly influenced by weather conditions in individual years; the crops in 1937/38 were, on the whole, favourable. The steady rise in animal production was temporarily interrupted in 1935 by a setback, mainly in the United States, caused by slaughtering on an exceptionally large scale in 1934 owing to the serious drought in that year. The drought of 1936

brought a similar though less pronounced setback in 1937. Production of drink and tobacco, which fell appreciably until 1932, recovered more rapidly than that of the other two groups until 1935, when this development — natural in view of the greater sensitiveness to the business cycle of these articles — was interrupted by partial failures of the wine harvest in 1936 and 1937, particularly in France.

In order to obtain a truer idea of what these broad changes represent in terms of consumption and standards of nutrition, the main groups should be further subdivided. The index of vegetable foodstuffs does not include fresh vegetables, the production of which would appear to have increased considerably in later years; but the following sub-indices give an idea of the development of important products in the world, excluding the U.S.S.R. (1929=100):

	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937
Bread-cereals and rice . . . . .	105	100	103	102	104	105	98	98	101	104
Potatoes . . . . .	91	100	98	99	104	98	107	97	105	117
Sugar . . . . .	98	100	99	88	81	85	89	93	103	103

With due regard to variations between good and bad years, the production of bread-cereals and rice appears to be relatively stable, while the production of potatoes — a product of higher nutritive value, the consumption of which is generally increasing with the standard of living — has gone up considerably. The figures for sugar, although decreasing during the crisis, recovered rapidly from 1933<sup>3</sup> onwards. Similarly — as will be seen from Table 1 — the production of milk — the most important protective food — has increased steadily. In view of the great importance of milk products — butter and cheese — an attempt has been made to compile indices for these articles — and of margarine — for the world,

<sup>1</sup> The group "Drink" includes: wine, hops, coffee, tea and cocoa. It does not, therefore, directly correspond to the group "Drink and tobacco", as given in industrial statistics.

<sup>2</sup> The most serious omissions are poultry, eggs, fruit, fresh vegetables and root crops other than potatoes and sugar-beet.

<sup>3</sup> Consumption of sugar, although it is of value only as an energy-producing food, generally increases with advancing standards of living.

excluding the U.S.S.R. The figures are, however, only approximate and, particularly for recent years, are based on incomplete data (1929=100):

	1930	1931	1932	1933	1934	1935	1936
World (excluding U.S.S.R.):							
Butter . . . . .	104	110	113	117	117	118	120
Cheese . . . . .	103	105	105	112	111	114	117
Margarine . . . . .	99	96	91	86	89	94	95

The expansion of butter and cheese production is still more marked than that of milk, amounting in 1936 to 20% and 17% respectively, while the production of margarine decreased by 5%.<sup>1</sup>

To judge by the very rough index given for sea-fishing in Table 1, production has gone up very considerably. The group index for coffee, tea and cocoa has been largely affected by erratic fluctuations, especially in the Brazilian coffee crops. Tea crops are also subject to substantial year-to-year fluctuations; the growth of cocoa production has proceeded at a more even and rapid rate.

Broadly speaking, this brief survey suggests that such relative changes as have taken place in the composition of food production are characteristic of improved standards of nutrition, the increase being greatest in foodstuffs of a high nutritive value in the following order: sea-fish, butter, cheese, potatoes, milk, meat, bread-cereals and sugar. When interpreting these figures in terms of consumption, it should be remembered (1) that stocks of vegetable foodstuffs (mainly cereals) accumulated during the depression until 1933 and were later drawn upon for consumption and (2) that the proportion of wheat and rye used for the feeding of animals has probably increased since 1930. The shifts in consumption would appear to have been greater than the shifts in production discussed above.<sup>2</sup>

#### Individual Commodities.

The development of production of the main individual commodities which enter into the index of food production is examined in some detail below. Diagram 2 shows the *world supply* of certain articles in different years obtained by adding together (1) production during the year, and (2) stocks (generally in the autumn, or at the beginning of each crop year: August, September or October 1st). In order to minimise the influence of a particularly good or bad harvest in the base period for the indices relating to single commodities, the diagrams in this section are shown on the basis of the five-year average 1925/26–1929/30, adopted as base period for the tables of Appendix I.<sup>3</sup>

*Wheat.* — It is customary to consider the “world” crop of wheat excluding the U.S.S.R., China, Iran and Iraq and to include in “world current supplies” net exports from these countries only. This practice is followed here. The main data are as follows:

	Units (000,000's)	1929	1930	1931	1932	1933	1934	1935	1936	*1937
Area harvested . . .	Hectares	101	105	104	106	102	99	100	101	106
Crops . . . . .	Metric tons	98	106	106	105	104	95	97	96	103
Current supplies . . .	Metric tons	99	109	107	105	104	95	98	96	104
End-of-season stocks	Metric tons	25	27	27	31	33	26	21	14	<sup>4</sup> 17

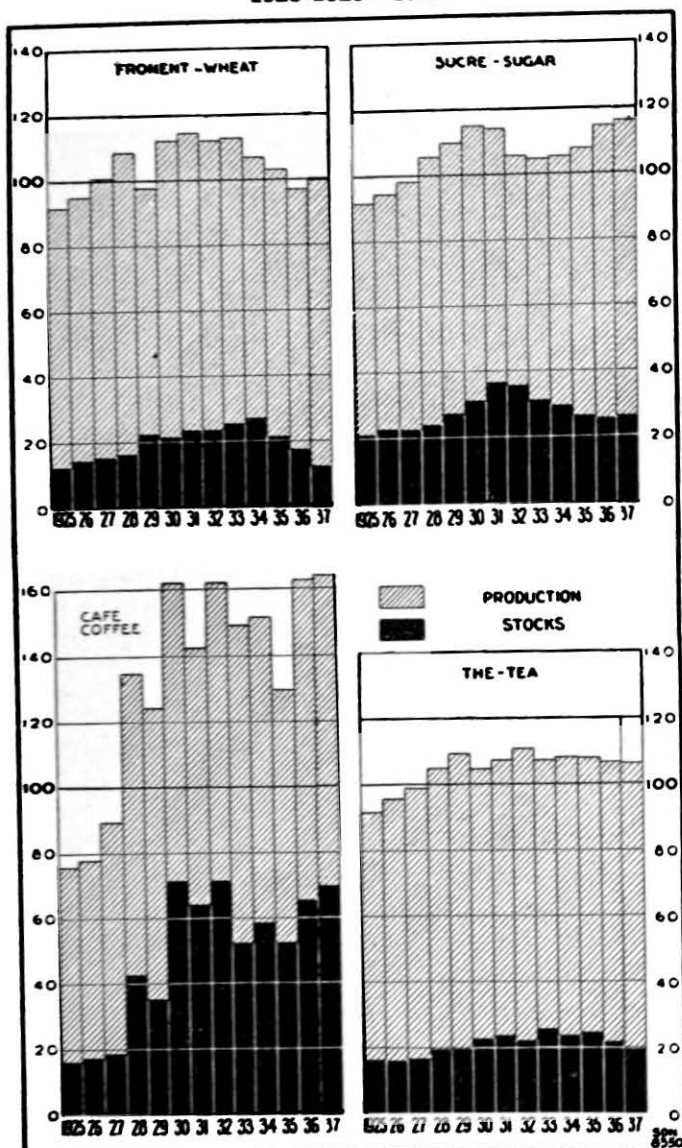
<sup>1</sup> The expansion of butter and cheese production has been aided by various control and marketing schemes which have generally resulted in the diversion of more milk to the production of these articles. A contributing cause to the relative decrease in margarine production is State measures in many countries discouraging its consumption in favour of that of domestic butter; the fall in the price of butter and lard has had a similar result.

<sup>2</sup> These results agree fairly well with those of the Mixed Committee of the League of Nations on nutrition. The reader is referred to the report of this Committee for more detailed information: *Nutrition: Final Report of the Mixed Committee of the League of Nations on the Relation of Nutrition to Health, Agriculture and Economic Policy*, Geneva, 1937. Cf. also Section C below, where consumption figures are given for individual commodities.

<sup>3</sup> As regards dates, cf. footnote to Table 1 of Chapter I above.

<sup>4</sup> Forecast.

**Diagram 2. — INDICES OF WORLD SUPPLY (PRODUCTION AND STOCKS) OF INDIVIDUAL FOODSTUFFS. 1925-1929=100.**



The low figures of production for 1934-1936 were caused by a series of bad harvests; during this period, consumption exceeded production and stocks were gradually worked off. In consequence of rising prices, the cultivated area was extended and in 1937 was some 7% larger than in 1934 or the same as in 1932; the world harvest in 1937 was (in spite of a poor Canadian harvest) a good one, being more than 7% higher than in the preceding year. Consumption was again falling behind production and the increase of some 20% in the end-of-season stocks reveals a new disturbance of the equilibrium between the supply and demand of wheat on the world market. An idea of the extent to which the policy of economic self-sufficiency pursued by importing countries has diminished import requirements and caused a discrepancy between the world's import requirements and exportable supplies is given by the following estimates: <sup>1</sup>

	Metric tons (000,000's).	
	World import requirements	World exportable supplies <sup>2</sup>
1929 . . . . .	17	29
1930 . . . . .	22	36
1931 . . . . .	22	36
1932 . . . . .	17	34
1933 . . . . .	15	30
1934 . . . . .	15	25
1935 . . . . .	14	20
1936 . . . . .	16	19
1937 <sup>3</sup> . . . . .	14	20

The crops of three main groups of countries — the "four major exporters" (Canada, the United States, the Argentine Republic and Australia), the "Danubian exporters" (Bulgaria, Hungary, Roumania and Yugoslavia), and "Importing Europe" (Europe excluding the above four countries, and four other exporters — Poland, Lithuania, Turkey and the U.S.S.R.) — are shown below:

	Metric tons (000,000's).									
	1929	1930	1931	1932	1933	1934	1935	1936	*1937	
Four major exporters	38.5	47.8	45.3	45.0	35.3	32.0	32.5	33.9	38.7	
Danubian exporters .	8.2	9.6	10.1	6.0	10.0	6.8	8.2	10.5	9.8	
Importing Europe .	29.2	24.9	26.5	32.9	35.1	33.0	32.4	27.5	30.0	

**Sugar.** — In spite of steadily increasing production since 1933, demand so expanded that the heavy stocks accumulated in the early part of the depression had been reduced by about 30%, by the end of 1936, and prices in 1937 were the highest reached since the depression began. The new agreements (May 6th, 1937) between the

<sup>1</sup> Institute of Agriculture: *Monthly Crop Report*.

<sup>2</sup> Forecast.

<sup>3</sup> Including the U.S.S.R.

main sugar-producing countries (taking the place of the so-called "Chadbourne Plan" in operation between September 1st, 1930, and September 1st, 1935) fixing the export quotas of the different countries contributed to strengthen the market. The trend towards self-sufficiency, however, is still gaining ground, and available stocks in 1936 were large as compared with the restricted "free market" for sugar. In view of the uncertainty of the political situation (particularly in the Far East) and increasing production, demand began to waver during the second half of 1937, and stocks by the end of the year were expected to be more than 10% higher than at the corresponding date in the previous year. The main data of production are summarised in the following table :

	Quintals (000,000's), refined sugar value.								
	1929	1930	1931	1932	1933	1934	1935	1936	*1937
Output from:									
Controlled area . . . . .	119	107	85	61	58	64	65	80	84
Uncontrolled area . . . . .	137	154	156	157	172	171	185	194	195
Thereof:									
British Empire . . . . .	36	40	43	50	54	56	63	69	61
U.S.A. and Dependencies. . . . .	35	36	40	42	49	35	40	42	43
U.S.S.R. . . . .	10	15	15	8	10	14	20	20	25
Other countries . . . . .	56	63	58	57	59	66	62	63	66
World total output . . . . .	256	261	241	218	230	235	250	274	279
Thereof:									
Cane sugar . . . . .	171	157	161	146	149	147	161	180	176
Beet sugar . . . . .	85	104	80	72	81	88	89	94	103
Stocks (end of season) <sup>1</sup> . . . . .	97	113	110	97	91	82	79	81	* 92

*Coffee.* — Consumption of coffee in 1937 was probably slightly lower than in previous years, while production, owing to a second bumper crop in Brazil, remained on such a high level that, in spite of a wholesale destruction of surplus coffee in that country (in 1937 some 17,400,000 bags of 60 kilogrammes), stocks continued to pile up. In view of the increased financial burden resulting from this situation, a drastic change had to be made in Brazil's coffee policy in 1937. As a consequence of the artificially high prices of Brazilian coffee and a gradual change in taste, world demand had been shifting from the Brazilian coffees towards the "mild" coffees mainly produced by the other Latin-American countries. In face of the situation created by the second bumper crop in 1937, the Government decided upon the greatest destruction of surplus coffee it had hitherto undertaken, and hoped by an agreement with the other American coffee-producers to distribute between them the burden of maintaining coffee prices at existing levels. A Pan-American Conference called for this purpose failed, however, to reach an agreement. In consequence, the Brazilian Government changed its policy, reduced the export tax from 45 to 12 milreis per bag, removed certain foreign exchange restrictions and left Brazilian coffee to compete freely with that of other producing countries. It was hoped that Brazil would thus be able to increase her percentage in world sales (which had been constantly falling); the policy of destruction of surplus coffee, however, was not discontinued. The main statistics of production and stocks are shown in the following table :

	Quintals (000,000's). <sup>2</sup>								
	1929	1930	1931	1932	1933	1934	1935	1936	*1937
Production:									
Brazil . . . . .	15.8	16.3	13.0	15.4	17.8	16.5	11.4	15.8	15.5
Other . . . . .	7.7	7.7	7.5	8.6	8.0	8.3	9.3	9.9	9.3
World . . . . .	23.5	24.0	20.5	24.0	25.8	24.8	20.7	25.7	24.8
End-of-season stocks:									
World . . . . .	18.8	16.9	18.9	13.8	15.4	13.8	17.3	18.3	<sup>4</sup>

<sup>1</sup> August 31st.  
<sup>2</sup> Forecast.  
<sup>3</sup> Production: *Statistical Year-Book of the League of Nations, 1937/38*, Table 33; stocks, see Appendix II, Table 2.  
<sup>4</sup> Stocks on December 31st, 1937: 21.1 million quintals.



*Tea.* — The export (and thus indirectly the production) of tea has been regulated since 1933 by an international agreement which includes the chief exporters (India, Ceylon and the Netherlands Indies). Tea consumption in 1937 continued to increase, and the quotas fixed for the years 1936/37, 1937/38, 1938/39 were 82.5%, 87.5% and 92.5% respectively. The quota for 1937/38 corresponds to an export of some 725 million lb. (3.3 million quintals), but meanwhile exports of countries outside the scheme have increased to some 190 million lb. (0.9 million quintals), thus beginning to exercise a certain pressure on the world market. So far, however, it has been possible to keep visible stocks at a uniformly low level :

	Quintals (000,000's). <sup>1</sup>								
	1929	1930	1931	1932	1933	1934	1935	1936	*1937
World (excl. China) :									
Production . . . . .	4.4	4.2	4.3	4.5	4.1	4.2	4.2	4.4	4.4
Current supplies <sup>2</sup> . . . . .	5.0	4.6	4.7	4.9	4.5	4.7	4.6	4.7	4.8
End-of-year stocks . . . . .	1.3	1.3	1.3	1.4	1.3	1.4	1.2	1.1	1.0

*Meat.* — Estimates of world production of meat are uncertain, but, excluding the U.S.S.R., where live-stock was heavily curtailed in 1930, world production may roughly be estimated as follows (1929=100):

	1930	1931	1932	1933	1934	1935	1936	*1937
World (excluding U.S.S.R.):								
Beef and veal . . . . .	97	95	96	102	112	110	109	109
Pork . . . . .	100	106	104	107	103	93	101	97
Mutton, lamb, goat-meat . . . . .	105	106	107	106	104	98	105	105
Total meat . . . . .	99	101	101	105	107	101	105	103

Production slightly decreased in 1937. The severe droughts in the United States in 1934 and 1936 caused first emergency slaughtering and then a subnormal meat supply. The figures point to a greater expansion recently of production of beef and veal than of other kinds of meat.

## II. FODDER CROPS

As indicated in Chapter I, the index of fodder crops is restricted in scope, covering only barley, oats and maize, indices for which are given in Table 2 below :

Table 2. — WORLD INDICES OF PRODUCTION OF FODDER BY MAIN CROPS.  
1929=100.

	1930	1931	1932	1933	1934	1935	*1936	*1937
Barley . . . . .	96	82	91	90	85	94	86	90
Oats . . . . .	100	86	94	89	85	99	84	95
Maize . . . . .	89	103	109	96	82	96	83	103
Total fodder crops* . . . . .	93	95	103	93	83	96	83	98

\* Figures for 1936 and 1937 are particularly subject to caution owing to absence of official data for the U.S.S.R. Cf. also Chapter I.

The normal variations of these crops, largely concentrated in a few important agricultural areas, have been wide. The low figures for maize in 1934 and 1936 were due mainly to crop failures in the United States.

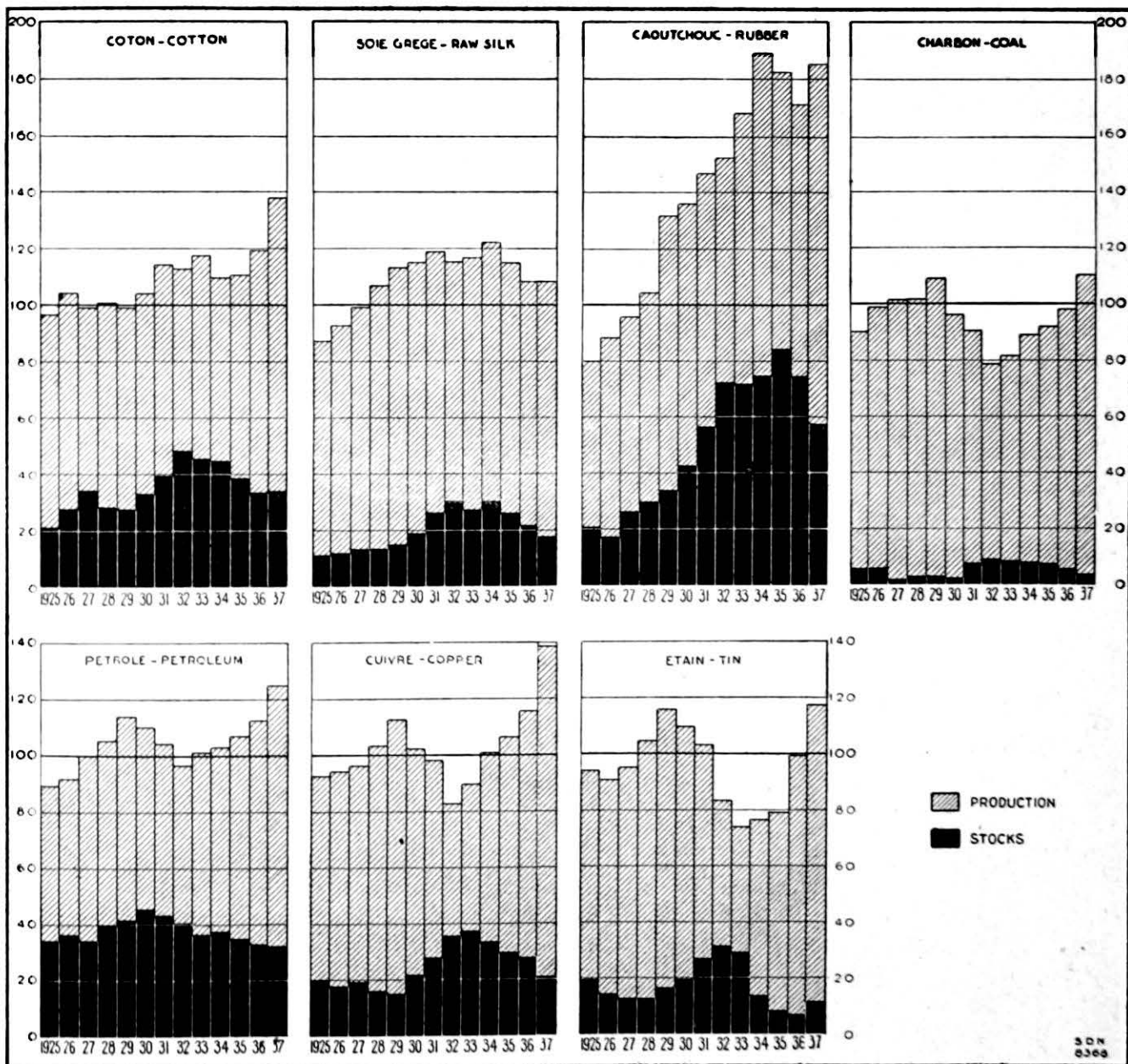
<sup>1</sup> Production and current supplies: *Statistical Year-Book of the League of Nations, 1937/38*, Table 38. Stocks (London and Amsterdam): *International Tea Committee's Monthly Bulletin of Statistics*.

<sup>2</sup> Production plus exports from China.

### III. RAW MATERIALS AND SEMI-MANUFACTURES

World indices of the three main groups of raw materials — commodities of agricultural, forest and non-vegetable origin — were given in Chapter I. In Table 3, these groups are further subdivided into seven sub-groups. A general analysis of the main groups was given in Chapter I, and no further comment is required here. Diagram 3 gives the *world supply* (production+stocks) of certain important commodities contained in these groups.

Diagram 3. — INDICES OF WORLD SUPPLY (PRODUCTION AND STOCKS) OF INDIVIDUAL RAW MATERIALS.  
1925-1929=100.



\* Coal: Supplies in Central Europe; Petroleum: Supplies in the United States.

Table 3. — WORLD INDICES OF PRODUCTION OF RAW MATERIALS AND SEMI-MANUFACTURES BY MAIN GROUPS.  
1929=100.

Group	1930	1931	1932	1933	1934	1935	1936	*1937
Products of agricultural origin (industrial plants):								
I. Oil materials and oils . . . . .	97	100	95	101	92	101	105	119
II. Textile fibres . . . . .	99	99	93	101	98	107	120	137
Products derived from forests:								
III. Rubber (crude) . . . . .	95	92	82	98	117	101	99	131
IV. Wood products (including rayon and staple fibre) . . . . .	97	92	90	107	122	139	157	184
Products of non-vegetable origin:								
V. Fuels and power . . . . .	94	85	78	82	89	95	103	111
VI. Metals and metallic minerals . . . . .	89	65	43	50	66	79	96	117
VII. Non-metallic minerals . . . . .	94	78	63	66	78	86	99	107
Total raw materials* . . . . .	94	85	75	81	87	95	106	119

\* Cf. also Chapter I.

*Individual Commodities.*

The main individual commodities composing the index of raw materials are examined below. The bases of the indices are, for reasons explained above, 1925-1929=100.<sup>1</sup>

*Cotton.* — The two chief classes of cotton crops, American and "outside growths", are shown below in terms of ginned cotton:

	1929	1930	1931	1932	1933	1934	1935	1936	*1937
Production, world (metric tons, 000's) . . . . .	57,500	56,200	59,600	51,700	57,600	51,300	57,300	68,700	82,900
American cotton . . . . .	32,143	30,206	37,066	28,189	28,289	20,894	23,066	26,883	41,062
"Outside growths" . . . . .	25,357	25,994	22,534	23,511	29,311	30,406	34,234	41,817	41,848
Stocks, world, on August 1st (bales, 000's) <sup>2</sup>	9,625	11,715	13,835	17,046	16,076	15,879	13,591	11,846	11,912
American cotton . . . . .	4,919	6,889	9,264	13,229	11,814	10,682	9,176	7,077	6,494
"Outside growths" . . . . .	4,706	4,826	4,571	3,817	4,262	5,197	4,415	4,769	5,418

In spite of restriction of the area cultivated, American farmers in 1937 produced a record crop owing to the increased yield per hectare,<sup>3</sup> and as crops of "outside growths" slightly increased, the world crop in 1937 was about 20% higher than in 1936. Although consumption in the meanwhile increased, prices — in spite of intervention of the United States Government, which offered loans to the farmers on their cotton — decreased, and stocks (which fell during the years 1933-1936) have again begun to accumulate.

<sup>1</sup> Cf. page 55 above.

<sup>2</sup> In actual bales, regardless of weight, including linters.

<sup>3</sup> The previous largest growth was in 1926 with some 40.8 million quintals as against an official estimate of 41.1 millions in 1937. The area cultivated had meanwhile decreased from 18.0 million hectares to 12.7 million hectares, representing a yield per hectare of 216 kg. and 300 kg. respectively.

*Raw Wool.* — The estimated production given below refers to raw wool computed on greasy basis. The five "major exporters" are Australia, the Argentine, the Union of South Africa, New Zealand and Uruguay. Europe and the United States are the two principal consuming areas. Production in the U.S.S.R. is given separately, owing to the greatly different trend of its wool clip. The stocks of raw wool refer to the above five major exporting countries, and those of wool tops to the principal combing establishments in Europe.<sup>1</sup>

	Metric tons (000's).								
	1929	1930	1931	1932	1933	1934	1935	1936	*1937
Production (greasy basis) . . . . .	1,796	1,745	1,745	1,756	1,706	1,668	1,697	1,747	1,779
Five major exporters . . . . .	926	907	941	984	927	900	908	929	926
Europe (excluding U.S.S.R.) . . . . .	260	256	257	261	261	254	253	263	267
United States . . . . .	182	197	211	200	209	205	205	204	206
World (excluding U.S.S.R.) . . . . .	1,617	1,608	1,646	1,691	1,644	1,609	1,625	1,655	1,661
U.S.S.R. . . . .	179	137	99	65	62	58	72	92	118
Stocks :									
Raw wool (five exporters) (end of season) . . . . .	.	*52	99	38	76	53	36	25	...
Wool tops (European continent), July 1st . . . . .	28	19	22	30	31	30	23	.	.

The improvement in the wool market which began in 1935 continued during 1936 and the first part of 1937 ; production reached a new high level and stocks fell to a minimum at the same time as prices were rising. In the latter half of the year, however, demand and prices fell and stocks began to accumulate.<sup>4</sup>

*Raw Silk.* — The estimated world production of raw silk<sup>5</sup> in 1937 was somewhat higher than in the previous year ; consumption fell off somewhat and total world supplies, which had been decreasing since 1934, remained stationary, as is indicated by Diagram 3.

*Rubber.* — The world supply of crude rubber has, since June 1st, 1934, been subject to regulation under a special restriction scheme. Owing to increased demand, the "International Rubber Regulation Committee" increased the "permissible export quota" for 1937<sup>6</sup> first from 75% to 80% and then to 90% of the basic quota for the second half of the year. In 1938, the quota was reduced to 70%, 60% and 45% for the first, second and third quarters respectively. These figures reflect the wide variations in supply and demand during the period. The year began with rising prices, production and consumption ; the peak was reached by the end of March, and markets have since been declining, stocks at the end of 1937 being higher than a year previously. As will be seen from the following figures and Diagram 3, however, the year as a whole showed record figures of both production and absorption.<sup>7</sup>

<sup>1</sup> The wool statistics have been drawn from various publications of the Imperial Economic Committee, London, especially *Wool Intelligence Notes*.

<sup>2</sup> Excluding Uruguay.

<sup>3</sup> Stocks, excluding Germany and Italy, for which countries recent data are not available, were (metric tons, 000's): 1935, 17; 1936, 16; 1937, 10.

<sup>4</sup> No account is taken above of wool recovered from rags ; this item is of some importance and has increased in recent years, particularly in Germany and Italy.

<sup>5</sup> Excluding Chinese home consumption.

<sup>6</sup> The "basic quotas" for the different years are as follows (metric tons, 000's): 1935, 1,136.4; 1936, 1,274.1; 1937, 1,319.3; 1938, 1,356.7.

<sup>7</sup> The data concerning rubber have been taken from the International Rubber Regulation Committee's *Statistical Bulletin* (London), long tons having been converted into metric tons. Data on consumption will be found in Table 6 below.

	Metric tons (000's).								
	1929	1930	1931	1932	1933	1934	1935	1936	*1937
World shipments . . . . .	882	839	813	720	867	1,033	887	869	1,154
World stocks (end of year)	385	511	650	649	674	757	672	516	624

No account is taken in the above figures of synthetic or reclaimed rubber, the production of which continued to expand during the year.

*Wood.* — Wood is represented in the index of primary production by two products: sawn and planed softwood and wood pulp, indices for which are given below (1929=100):

	1930	1931	1932	1933	1934	1935	1936	*1937
Sawn softwood . . . . .	84	66	56	67	75	79	*87	92
Wood pulp . . . . .	97	88	84	95	105	113	126	138

The production of both sawn softwood and wood pulp increased in 1937, the increase in the latter being much the greater. The European branches of the wood industry are subject to a restriction scheme, a "European Timber Trade Convention" having come into operation in 1935. <sup>1</sup> Wood-pulp production is indirectly regulated by several agreements between pulp and paper exporters. Production and demand were falling by the end of 1937.

*Fuel and Power.* — The production of the chief sources of power is illustrated by the following indices (1929=100):

	1930	1931	1932	1933	1934	1935	1936	*1937
World :								
Coal . . . . .	92	81	72	76	83	86	94	98
Petroleum . . . . .	95	92	88	96	101	110	120	135
Hydro-electric power <sup>2</sup> . . . . .	102	98	102	108	115	130	137	147
All sources . . . . .	94	85	78	82	89	95	103	111

In 1937, production increased considerably from all sources; the table, however, illustrates also the relative shifts taking place between the different sources — coal output being slightly lower than in 1929, while production of petroleum is 35% and of hydro-electric power 47% higher than in that year. More detailed figures are given below for coal and petroleum.

*Coal.* — The recent changes in the relative importance of the main coal-producing areas will be seen from the following figures :

	Metric tons (000,000's).									
	1929	1930	1931	1932	1933	1934	1935	*1936	*1937	
Europe (excluding U.S.S.R.) . . . . .	606	561	506	459	464	498	508	531	583	
U.S.S.R. . . . .	42	49	57	65	76	94	109	124	123	
North America . . . . .	565	497	409	334	355	387	394	454	459	
Other areas . . . . .	120	117	108	103	113	125	134	140	145	
World . . . . .	1,333	1,224	1,080	961	1,008	1,104	1,143	1,249	1,310	

<sup>1</sup> Including the principal timber-exporting countries except Norway and the Baltic countries (apart from Latvia, which joined the organisation in 1936, and Finland in 1938).

<sup>2</sup> Hydro-electric energy has been weighted, for the purposes of the above index, by the value of coal needed to produce one unit of electrical energy.

The greater part of the European coal production is subject to strict control. Data relating to stocks are available for three important areas (Germany (including the Saar), Belgium and Polish Upper Silesia), and they are shown, together with the production of this area, in Diagram 3 above.<sup>1</sup> It will be seen that stocks have been small relatively to production, and that consumption has more than kept pace with production since 1933.

*Petroleum.* — The production of crude oil in the United States, the largest producer, and other countries taken together has been as follows :

	Metric tons (000,000's).								
	1929	1930	1931	1932	1933	1934	1935	1936	*1937
United States . . .	138	123	117	108	123	123	135	149	173
Other countries . . .	68	73	72	73	74	85	91	97	106
World . . .	206	196	189	181	197	208	226	246	279

Production in 1937 reached a peak 13% above that in 1936. Consumption was stimulated by the increased use of heavy oil for Diesel engines in transport and shipping, in heating and in industrial use. Oil has also been stored in certain countries for military purposes.<sup>2</sup>

World production of motor fuel, kerosene, gas and fuel oil, lubricants and miscellaneous petroleum and related products — obtained also from natural gas, coal, lignite, shale and alcohol — is as follows :<sup>3</sup>

	Barrels (000,000's).						
	1931	1932	1933	1934	1935	1936	1937
	1,432	1,362	1,467	1,563	1,703	1,865	2,110

By the end of the year 1937, a certain reaction in demand was setting in, and stocks, which were already high, began to accumulate. In the United States, the effects of the decline were to some extent mitigated by State control and co-operation between the oil-producing companies.

*Iron and Steel.* — The world output of pig-iron (including ferro-alloys) and crude steel (ingots and castings) has been as follows :

	Metric tons (000's).								
	1929	1930	1931	1932	1933	1934	1935	1936	*1937
Pig-iron . . . . .	98,590	80,070	55,640	39,570	49,370	62,940	74,170	91,630	104,000
Steel . . . . .	120,710	94,980	69,580	50,690	68,060	82,150	99,330	123,680	135,500

In spite of a setback in the latter half of the year, particularly in the United States, production in 1937 reached a peak level, the output of pig-iron and steel being 13% and 10% higher respectively than in the previous year. In certain countries, and particularly in Germany, there occurred a shortage of iron ore and scrap.

*Non-ferrous Metals.* — The following figures of non-ferrous metals refer, unless otherwise stated, to metal content of ores mined (except in the case of aluminium; figures relating to metal content of bauxite do not exist). The statistics of production of metals in ore differ from those of smelter production in respect of the geographical distribution of output, and also inasmuch as part of the metals mined is not smelted, but is transformed into metallic salts. Hence, indices are given below in preference to absolute figures. Figures of stocks usually refer to visible supplies of metal (whether in ore, in process or finished) with producers, in public warehouses and in transit. They do not always show the movement that would seem to be indicated by the trends of production and consumption.

<sup>1</sup> These stocks are not included in the stock index.

<sup>2</sup> According to a recent estimate, 60,000,000 barrels of petroleum and related products were consumed for military purposes in 1937, a total some 8,000,000 barrels higher than the estimated total for 1936. "World Consumption of Petroleum Products and Related Fuels for Military Purposes", by V. R. GARFAS and others, *The Petroleum Times* (London), February 26th, 1938.

<sup>3</sup> *The Petroleum Times* (London), March 5th, 1938 (V. R. GARFAS and others, Cities Service Company New York).

*Copper.* — The demand for copper fluctuated violently in 1937. Prices at their highest level (March) were 100% above the 1936 average and they subsequently fell below it. The increase in production and consumption is unprecedented in peace time. The output quotas (provided for by an international Agreement dating back to July 1st, 1935) which at the end of 1936 were 105%, were removed in January 1937; in spite of this, stocks remained low. As a result of the subsequent fall in demand, however, restrictions were reintroduced with an output quota of 105% from December 1st, 1937, and of 95% from July 1st, 1938. Stocks by the end of the year had increased and were considerably higher than a year previously. The main figures of production and stocks are as follows (1925-1929=100):

	1929	1930	1931	1932	1933	1934	1935	1936	*1937
Mine production:									
United States . . .	113	80	60	27	22	27	43	69	95
Rest of world . . .	127	119	113	86	107	132	142	144	188
World . . . . .	120	100	87	57	64	80	93	107	142
Smelter production:									
United States . . .	111	81	60	31	25	28	42	66	92
Rest of world . . .	128	121	120	92	115	150	161	159	207
World . . . . .	118	99	86	58	65	82	95	107	143
Stocks (end of year) .	125	161	204	213	191	171	161	118	147

*Tin.* — Like the production of copper, that of tin in 1937 was stimulated by the armaments boom. Following upon the announcement of the British rearmament programme, prices rose sharply; the quota (fixed by the International Tin Committee controlling some 85% of world production), which had been 100%, was increased for the second quarter to 110%, where it remained for the rest of the year. World production during the year reached a new peak, but, owing to falling demand in the latter half, prices fell and stocks again began to accumulate; by the end of the year, they were slightly higher than a year previously. The production quotas, fixed for the first quarter of 1938 at 70%, were later decreased to 55% of standard tonnage for the second quarter, and to 45%, of which 10% for "buffer stocks", for the third quarter.

1925-1929=100.

	1929	1930	1931	1932	1933	1934	1935	1936	*1937
Production:									
Original restricting countries . . .	119.9	109.0	92.3	55.1	45.0	66.5	72.8	99.8	117.2
Rest of the world . . .	93.3	92.8	76.0	96.1	108.7	125.5	152.5	169.3	186.1
World . . . . .	116.5	106.9	90.2	60.3	53.2	74.1	83.0	108.7	126.0
Stocks (end of year)	135.7	190.7	223.9	206.1	96.4	56.1	48.9	78.9	87.5

*Lead.* — The following figures indicate developments in the lead-mining and lead-smelting industries:

1925-1929=100.

	1929	1930	1931	1932	1933	1934	1935	1936	*1937
Mine production . . . . .	105	101	81	73	73	81	85	93	103
Smelter production . . . . .	106	99	82	68	68	77	81	86	97
Stocks (end of the year) <sup>1</sup> . . .	108	161	223	274	315	322	309	243	208

*Zinc.* — Developments in the zinc-mining and zinc-smelting industries are shown by the indices below:

1925-1929=100.

	1929	1930	1931	1932	1933	1934	1935	1936	*1937
Mine production . . . . .	109	99	77	60	76	89	98	109	115
Smelter production . . . . .	111	107	76	60	76	90	103	111	124
Stocks (end of the year) <sup>1</sup> . . .	240	455	449	407	327	385	269	186	256

<sup>1</sup> Stocks in the United States and the United Kingdom.

B. MANUFACTURING.

Unlike the world index of primary production, which relates to fairly homogeneous articles and can therefore be easily subdivided into a number of well-defined sub-indices, the index of world manufacture necessarily relates to a variety of greatly diversified articles at different stages of manufacture. Further, the national production indices on which it is based vary considerably as regards the methods of computation and the classification of the articles covered, which, moreover, differ in quality from country to country. Sub-indices of world manufacture by individual industries are affected in a higher degree by these national differences than is the general world index. Nevertheless, the importance of obtaining at least a rough picture of the movement of world production in different branches of manufacture is such as to justify the attempts made by the Economic Intelligence Service for some years past to calculate sub-indices of this kind.<sup>1</sup> In Table 4, these sub-indices are grouped under headings corresponding to the broad distinction between consumption goods and capital goods as applied in Chapter I. For purposes of comparison, the general world indices for these two categories of goods are likewise shown, but they include, in addition to the branches given in the table, some further industries included in the relevant national indices.

The results are summarised in Table 4.

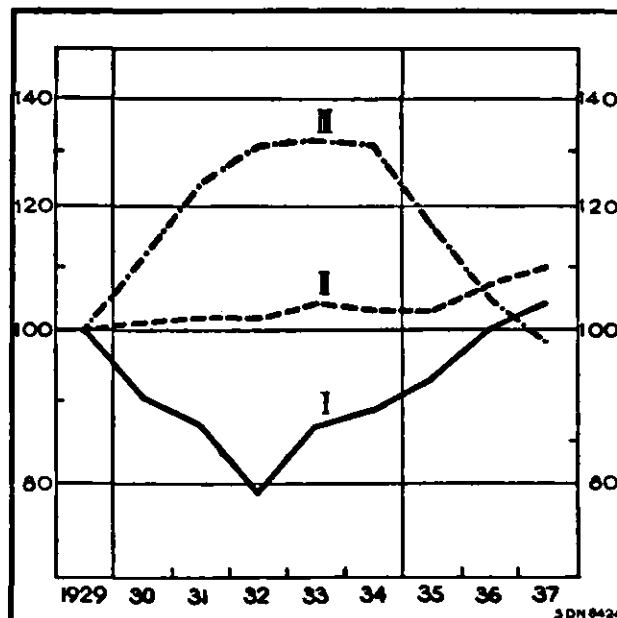
Diagram 4 gives manufacturing production in *consumption-goods industries* (excluding the U.S.S.R.), together with indices of production<sup>2</sup> and stocks of primary products<sup>3</sup> used in the manufacture of these articles.

The raw materials used in these consumption-goods industries are mainly of agricultural origin, the production of which, as shown above, fluctuates but little from year to year. On the other hand, the manufacture of consumption goods, although fluctuating less than that of capital goods, fell considerably during the depression, with the result that stocks increased. The lack of balance between primary and secondary production is particularly great as regards textiles, as is shown by Diagram 5 on page 67.

Diagram 4. — INDICES OF MANUFACTURE OF CURRENT CONSUMPTION GOODS, PRIMARY PRODUCTION AND STOCKS OF CORRESPONDING PRIMARY PRODUCTS.

1929=100; logarithmic scale.

- I. Manufacturing.
- II. Primary production.
- III. Stocks of primary products (moving average).



<sup>1</sup> A few of these indices are based on mill consumption of important raw materials (cotton, wool), but most of them are computed on the basis of relevant production data extracted from the national statistics. The methods of averaging and weighting are those used in the computation of the general world indices, the weights having been adjusted to the relative importance, in each country, of the industry concerned.

<sup>2</sup> Foodstuffs, vegetable oil materials and crude textiles.

<sup>3</sup> Foodstuffs and agricultural raw materials (vegetable oil materials and textile fibres).



**Table 4. — INDICES OF WORLD PRODUCTION OF CERTAIN MANUFACTURING INDUSTRIES.**  
1929=100.

Industry	1930	1931	1932	1933	1934	1935	1936	*1937
<i>A. Consumption-goods Industries.</i>								
<b>I. Food and related industries :</b>								
Food <sup>a</sup> . . . . .	96	96	90	94	100	90	99	98
Brewing <sup>b</sup> . . . . .	95	83	74	74	77	79	81	84
Tobacco . . . . .	101	90	87	91	101	104	112	119
Total . . . . .	98	95	90	93	99	93	101	102
<b>II. Other current consumption goods :</b>								
Textiles :								
Cotton <sup>c</sup> . . . . .	90	98	99	100	103	111	115	...
Wool <sup>d</sup> . . . . .	98	98	96	106	89	98	97	99
Artificial textiles <sup>e</sup> . . . . .	104	115	121	154	180	222	255	321
Total <sup>f</sup> . . . . .	87	88	88	98	98	104	109	113
Leather, boot-and-shoe industry . . . . .	92	89	84	95	100	103	110	108
Wood pulp . . . . .	97	88	84	95	105	113	126	138
Paper . . . . .	95	89	81	89	97	104	115	...
Total con- { including U.S.S.R. sumption goods { excluding U.S.S.R.	92 91	90 87	83 79	90 87	94 89	100 93	109 100	... 104
<i>B. Capital-goods Industries.</i>								
<b>I. Producers' capital goods :</b>								
Iron and steel . . . . .	79	58	42	56	68	82	101	110
Rolling-mill products <sup>g</sup> . . . . .	78	56	40	53	64	77	99	107
Shipbuilding . . . . .	103	58	26	18	35	47	76	96
Saw-mill products . . . . .	84	66	56	67	75	79	87	92
<b>II. Consumers' capital goods :</b>								
Motor-vehicles . . . . .	66	48	31	43	59	81	92	100
Total { including U.S.S.R. capital goods { excluding U.S.S.R.	85 82	67 60	53 43	65 55	76 63	93 77	114 92	... 102
World manufactur- { including U.S.S.R. ing production { excluding U.S.S.R.	88 86	79 74	69 63	78 71	85 77	96 86	111 96	119 103

<sup>a</sup> The index for food covers a relatively small number of countries and is not really representative of world manufacture of food (even excluding the U.S.S.R.). It gives preponderance to the United States, where the principal food industries (largely working for export) have been adversely affected by special circumstances in recent years.

<sup>b</sup> Excluding the United States.

<sup>c</sup> World cotton-mill consumption, excluding Germany and Italy, for which recent data are not available ; year ending July 31st of following year.

<sup>d</sup> Consumption in the nine principal wool-manufacturing countries.

<sup>e</sup> Rayon and staple fibre.

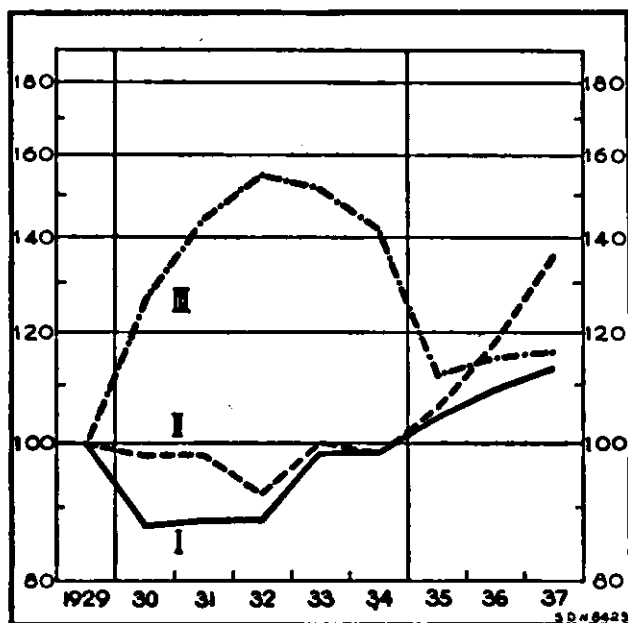
<sup>f</sup> Index compiled by the Institut für Konjunkturforschung (Berlin).

<sup>g</sup> Six principal producing countries.

**Diagram 5. — INDICES OF MANUFACTURE OF TEXTILES AND OF PRODUCTION AND STOCKS OF CRUDE TEXTILE FIBRES.**

1929=100; logarithmic scale.

- I. Manufacturing.
- II. Primary production.
- III. Stocks of primary products (moving average).



The picture afforded by Diagram 6 differs strikingly from that of Diagram 4 — consumption goods. The production of raw materials for plant, etc., adjusts itself much quicker to demand than do the raw materials required for consumers' goods; in consequence, while, during the first phase of the depression, stocks mount rapidly, they are subsequently reduced much more quickly. The greater elasticity of the production of raw materials for producers' goods is connected with the current form of ownership and methods of production. The products are mainly minerals produced on a large scale, and the market is frequently regulated by powerful cartels or special agreements which render it possible to adapt output to changes in industrial demand. The rise in stocks is explained mainly by increases in the

<sup>1</sup> Cf. also the general discussion. Section C of Chapter I above.

<sup>2</sup> Metals and certain non-metallic minerals (asbestos, cement, etc.).

<sup>3</sup> Mineral stocks.

<sup>4</sup> Part of raw materials is, of course, used also in building, manufacture of consumption goods, motor-cars, etc.

The variations in production of those raw materials are mainly accounted for by bad or good harvests of cotton.<sup>1</sup>

Diagram 5 reveals the fact that the adjustment between primary and secondary production, which had been going on since 1932, as shown by the fall in stocks, was reversed in 1936 principally because of the rapid expansion of raw-material production.

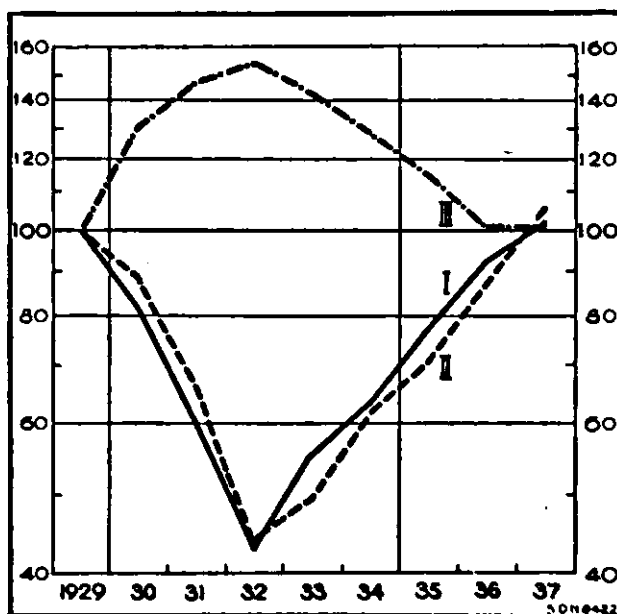
Of the different industries composing the consumption-goods group, brewing — owing to a gradual change in tastes — is decreasing and artificial textile manufacture is greatly increasing in importance. Between 1929 and 1937, the production of such textiles trebled, with marked effects on the demand for pulp. Paper manufacture developed more than that of most consumption goods, but by no means as much as pulp.

The development of the manufacture of producers' *capital goods* and of the production<sup>2</sup> and stocks<sup>3</sup> of raw materials required mainly for such goods are shown in Diagram 6.<sup>4</sup>

**Diagram 6. — INDICES OF MANUFACTURE OF PRODUCERS' CAPITAL GOODS, PRIMARY PRODUCTION AND STOCKS OF CORRESPONDING PRIMARY PRODUCTS.**

1929=100; logarithmic scale.

- I. Manufacturing.
- II. Primary production.
- III. Stocks of primary products (moving average).



highly speculative minerals — such as tin, copper, etc., and to a less extent by iron and steel. By the end of 1935, stocks<sup>1</sup> were about 20% lower than the average in 1929, but began to increase in 1936 — a year earlier than consumption-goods raw materials — and, by the end of 1937, they were again more than 30% higher than in 1929.

Of the different capital-producing industries, iron and steel production in 1937 expanded by about 10%, while shipbuilding, in spite of a rapid recovery after the very serious decline during the crisis, still was 4% beneath the 1929 level. Saw-mill products fell heavily during the depression largely owing to the drastic curtailment of building; the failure of production to regain the pre-depression level is explained in part by the working-off of stocks and in part by the continuously depressed levels of building activity in North America and the former gold bloc countries.

The absolute figures for production of motor-vehicles (including lorries and omnibuses) since 1929 have been as follows :

	Number of Vehicles (000's).								
	1929	1930	1931	1932	1933	1934	1935	1936	1937
North America . . .	5,620	3,510	2,472	1,432	1,986	2,870	4,120	4,616	5,017
Europe . . . . .	689	629	548	522	642	777	893	1,060	1,109
World . . . . .	6,310	4,143	3,025	1,979	2,680	3,722	5,117	5,823	6,336

### C. CONSUMPTION OF PRIMARY COMMODITIES

In spite of their shortcomings, the statistics of production and stocks are the most reliable sources we have for judging changes in consumption of individual commodities or groups of commodities.<sup>2</sup> An attempt is made here to bring together consumption estimates for individual articles which used to be spread over different parts of this volume.

In principle, and provided that complete data are available, estimates are simple : in the world as a whole, consumption equals production during a given period, plus or minus changes in stocks over the same period. In reality, however, severe limitations have to be taken into account. There do not as a rule exist world figures of output of individual manufactured articles, and industrial production must at once be left on one side. But even as regards primary products, difficulties arise : the statistics of production and particularly of stocks are not always sufficiently complete or reliable : moreover such products are not generally consumed directly, but are subjected to further processing. The degree of such processing, however, varies considerably, and one should distinguish between two groups of commodities (a) foodstuffs, in the case of which further processing is comparatively slight, and (b) industrial raw materials, where it is much greater.

For foodstuffs, yearly figures of primary production, plus or minus changes in the end of the year stocks, give a fairly good indication of changes in final consumption. In cases of highly perishable foods (meat, milk and butter)<sup>3</sup> or foods which cannot be stored for more than a season (potatoes) the question of stocks can be neglected in yearly estimates. Corresponding estimates for industrial raw materials show absorption by manufactures. They do not give direct information on ultimate consumption, for not only does the amount of further processing differ greatly as between various products, but they fail also to account for fluctuations in stocks kept by manufacturers as well as in stocks of manufactured articles kept by manufacturers, wholesalers and retailers. The figures of absorption or disappearance of industrial raw materials therefore have their value not so much in indicating changes in actual consumption as in helping to explain the process of adjustment between the various stages of production, which is of special importance in the study of industrial fluctuations.

<sup>1</sup> Unadjusted figures.

<sup>2</sup> Cf. also Section A above.

<sup>3</sup> Cold-storage stocks of butter and meat can be neglected in the present connection.

Table 5 contains data regarding the consumption of eight important foodstuffs (a) in the world as a whole, (b) in Latin and North America, Europe (excluding the U.S.S.R.) and Oceania. Crude indices as well as *per caput* figures have been calculated. The data for the world as a whole are illustrated graphically in Diagram 7. Although these figures are subject to a considerable margin of error, they point, considered together, to certain broad trends of development.

Table 5.—WORLD INDICES OF CONSUMPTION (PRODUCTION ± STOCKS) OF CERTAIN FOODSTUFFS.  
1929=100.

(a) Total world.

(b) Europe (excluding U.S.S.R.), Latin and North America and Oceania.

Product	1932		1933		1934		1935		1936		*1937	
	a	b	a	b	a	b	a	b	a	b	a	b
	Crude indices											
Wheat <sup>a</sup> . . . . .	98	94	102	98	104	95	106	97	103	98	...	...
Sugar . . . . .	99	97	100	96	103	100	111	108	116	111	*113	*113
Potatoes <sup>b</sup> . . . . .	102	104	100	98	108	107	109	96	111	104	123	117
Meat <sup>b</sup> . . . . .	95	101	96	105	99	107	94	100	99	105	98	103
Milk <sup>b</sup> . . . . .	103	109	103	110	103	110	105	111	107	113	108	114
Butter <sup>b</sup> . . . . .	113	114	117	117	117	118	118	118	120	120	...	...
Coffee . . . . .	97	...	104	...	96	...	110	...	108	...	...	...
Tea <sup>c</sup> . . . . .	97	104	95	101	94	96	96	100	95	99	97	101
	Indices per head of population <sup>d</sup>											
Wheat <sup>a</sup> . . . . .	95	91	97	94	98	90	99	91	95	91	...	...
Sugar . . . . .	96	94	95	92	97	95	103	101	107	104	*103	*104
Potatoes <sup>b</sup> . . . . .	98	101	96	94	102	102	102	91	102	97	112	108
Meat <sup>b</sup> . . . . .	92	98	92	101	94	102	87	94	92	98	89	95
Milk <sup>b</sup> . . . . .	99	105	98	105	98	104	98	104	99	105	99	105
Butter <sup>b</sup> . . . . .	109	110	111	112	111	112	110	111	111	112	...	...
Coffee . . . . .	94	..	99	...	91	...	102	...	98	...	...	...
Tea <sup>c</sup> . . . . .	94	100	91	97	89	91	90	94	87	92	89	93

\* Provisional figures.

<sup>a</sup> Wheat. Human consumption only, as estimated by the Secretariat of the Wheat Advisory Committee (*The International Wheat Situation*, January 8th, 1938).

<sup>b</sup> Milk, potatoes, meat and butter: production = consumption.

<sup>c</sup> Milk. Including estimates for countries not shown in Table 18 of the *Statistical Year-Book of the League of Nations 1937/38*.

<sup>d</sup> Tea. Excluding consumption of home-grown tea. Figures refer mostly to net imports.

\* For methods of calculation of the *per caput* figures, cf. Section E of Chapter I above.

The latest year for which relatively complete estimates are available is 1936; in this year, compared with 1929, the *per caput* consumption in the world as a whole would appear to have increased by about 11% for butter, 7% for sugar, 2% for potatoes, while consumption remained practically stationary for milk. Considering the "Western world" only (Europe, Latin and North America and Oceania), milk consumption increased by 5% and butter by 12%. In the world as a whole, wheat consumption per head decreased by 5% (9% in the Western world), meat by 8% (as against 2% in the Western world); consumption of both coffee and tea decreased considerably.

**Diagram 7. — INDICES OF CONSUMPTION (PRODUCTION ± STOCKS) OF CERTAIN FOODSTUFFS.**  
1929=100.

(World, including U.S.S.R.)

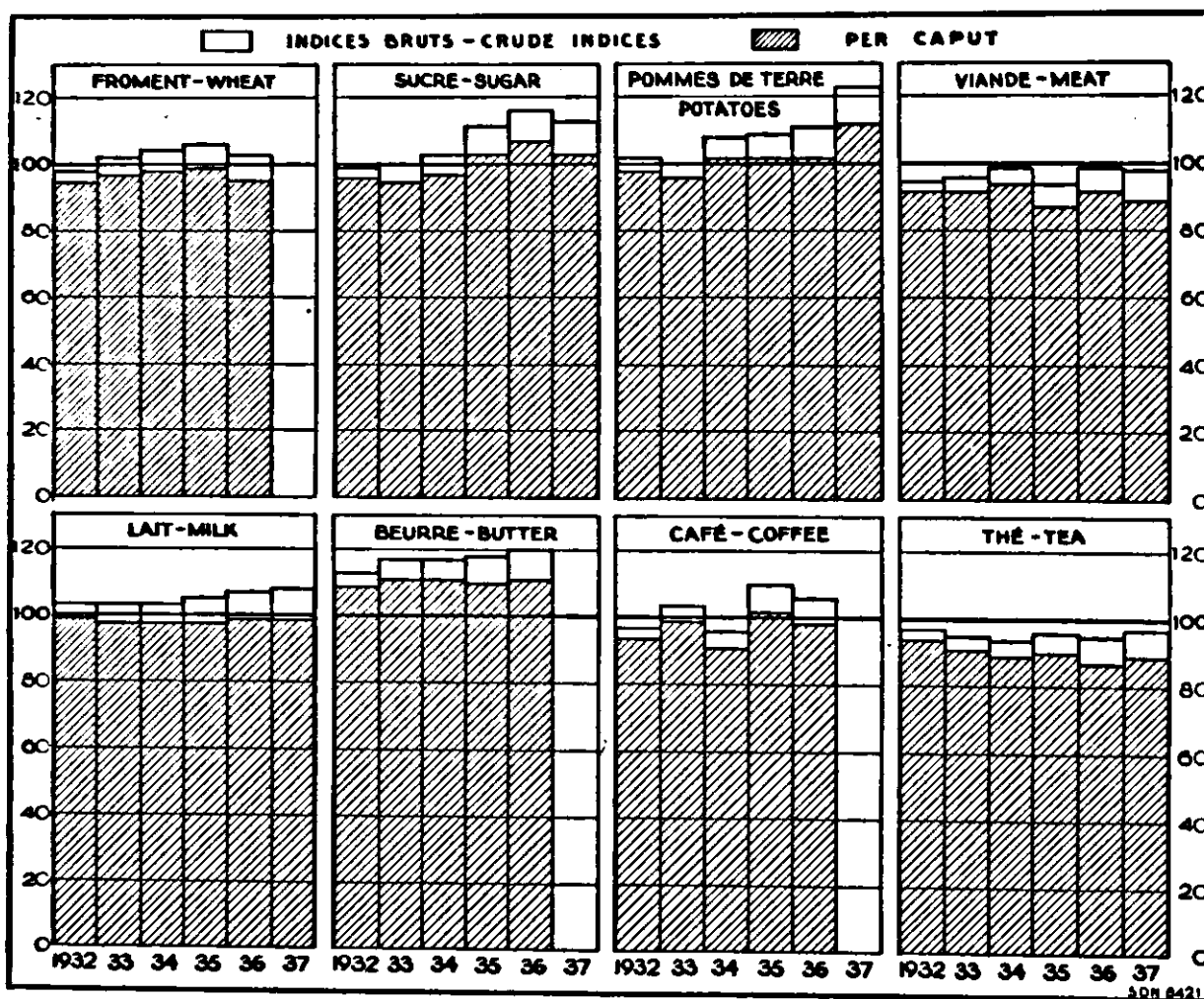
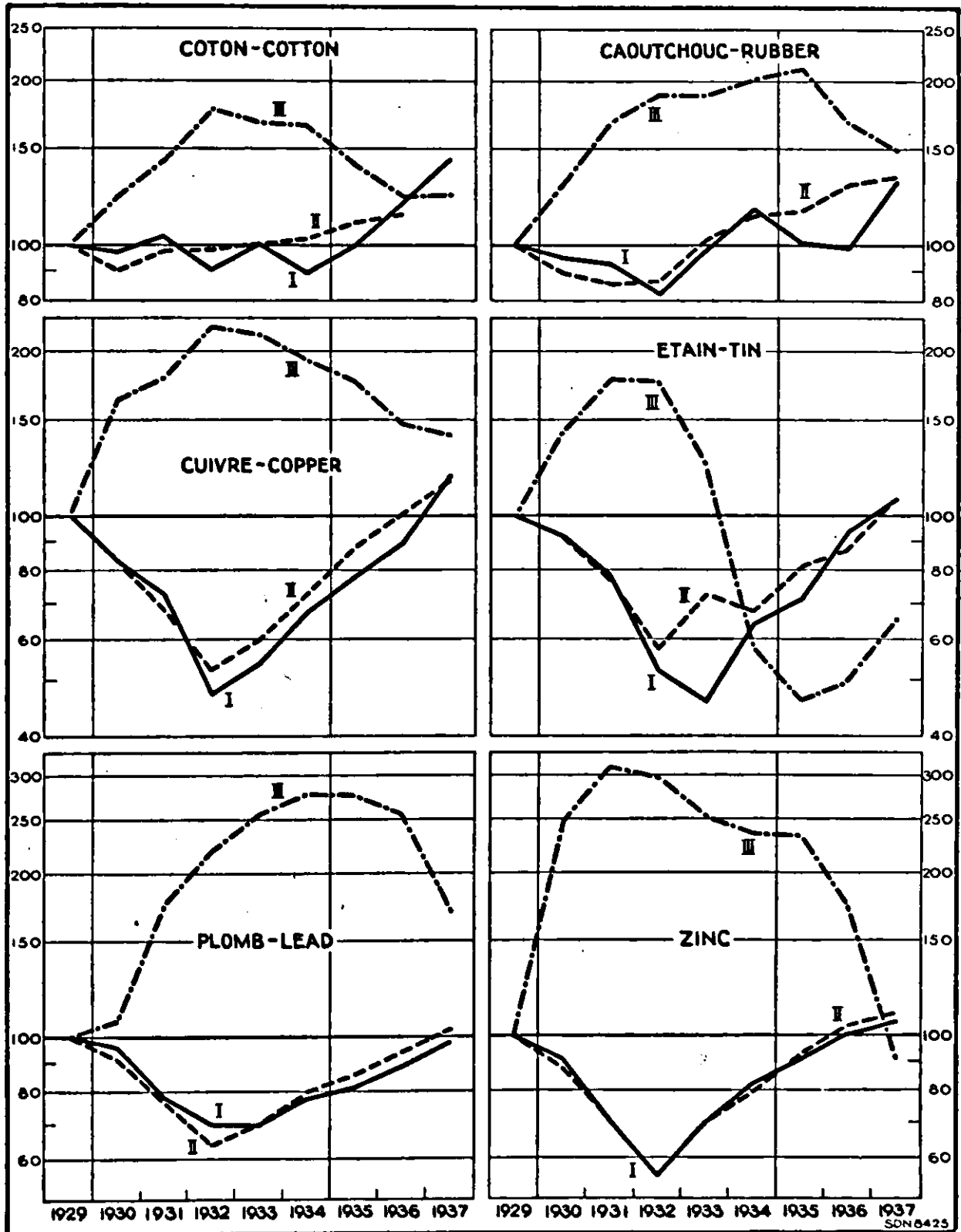


Table 6 (page 72) gives estimated industrial consumption or absorption of eight important industrial raw materials. In Diagram 8, these indices are represented graphically together with indices of stocks and primary production. The table and diagram should be studied in conjunction with the information given in Chapter I above and, in particular, Section B.

Diagram 8. — WORLD INDICES OF INDUSTRIAL CONSUMPTION, PRODUCTION AND STOCKS OF IMPORTANT INDUSTRIAL RAW MATERIALS.

1929=100; logarithmic scale.

- I. Production.
- II. Consumption.
- III. Stocks.



**Table 6. — WORLD INDICES OF INDUSTRIAL "CONSUMPTION" OF CERTAIN INDUSTRIAL RAW MATERIALS. 1929=100.**

	1930	1931	1932	1933	1934	1935	1936	*1937
Cotton <sup>a</sup> . . . . .	90	98	99	100	103	111	115	...
Wood <sup>b</sup> . . . . .	98	98	96	106	89	98	97	99
Rubber <sup>c</sup> . . . . .	89	85	86	102	114	117	130	136
Motor fuel, etc. <sup>d</sup> . . . . .	—	(100)	(95)	(99)	(106)	(114)	(127)	(135)
Copper <sup>e</sup> . . . . .	83	68	52	60	72	87	100	*117
Tin <sup>f</sup> . . . . .	92	77	57	72	67	81	87	108
Lead <sup>g</sup> . . . . .	91	76	64	70	80	85	94	*103
Zinc <sup>h</sup> . . . . .	88	72	56	69	79	93	104	111

\* Provisional figures.

<sup>a</sup> World cotton-mill consumption, excluding Germany and Italy, for which complete data are not available. Years ending July 31st of following year. *International Cotton Bulletin* (Manchester).

<sup>b</sup> Consumption in the nine principal wool-manufacturing countries. Imperial Economic Committee (London): *World Consumption of Wool*.

<sup>c</sup> Total absorption of United States and producing countries, net imports into the United Kingdom adjusted for variations in visible stocks and, since 1934, in manufacturers' stocks, and unadjusted net imports into other countries. *Statistical Bulletin of the International Rubber Regulation Committee*.

<sup>d</sup> Consumption of petroleum products and related fuels (benzole, natural gasoline, alcohol used as motor fuel). Base 1931=100. Estimates of V. R. GARFIAS, R. V. WHEITSEL and J. W. RISTORI, Cities Service Company (New York).

<sup>e</sup> World "apparent" consumption. American Bureau of Metal Statistics (New York): *Year-Book*.

<sup>f</sup> World "apparent" consumption. *Statistical Bulletin of the International Tin Research and Development Council*.

CHAPTER V

CHANGES IN INTERNATIONAL TRADE AND MERCHANT SHIPPING

A. INTERNATIONAL TRADE

It would fall outside the purpose of the present volume to enter upon any detailed analysis of international trade such as is made in the annual *Review of World Trade*.<sup>1</sup> It is of interest, however, to examine to what extent the changes in the production of primary goods and in industrial activity, as discussed in the preceding chapters, are reflected in changes in the quantum of international trade. For this purpose, rough world indices of the movement of the value, average price and quantum of goods entering into international trade, calculated in a manner described in the publication just mentioned and subject to the limitations indicated therein, are given below (1929 = 100) :

	1925	1929	1930	1931	1932	1933	1934	1935	1936	*1937
Value (gold) . .	94.5	100	81.0	58.0	39.0	35.0	34.0	34.5	37.5	46.0
Prices (gold) . .	113.5	100	87.0	67.5	52.5	46.5	43.5	42.5	43.5	47.5
Quantum . . . .	83	100	93	85.5	74.5	75.5	78	82	86	97

\* Provisional figures.

While, owing to declining prices, the gold value of trade declined until 1934, the lowest point in the quantum of world trade, as in production, was reached in 1932. By 1937, the quantum of world trade had risen to a level that was only 3% below that of 1929.

The information concerning the fluctuations in prices and in the quantum of trade is not sufficient to allow quantum indices of the kind given above to be calculated for imports and exports of each continental group of countries. Such information can be given only for Europe and North America and is shown in Table 1.

Table 1. — INDICES OF THE QUANTUM OF GOODS ENTERING INTO THE TRADE OF EUROPE AND NORTH AMERICA. 1929=100.

	Imports								Exports							
	1925	1931	1932	1933	1934	1935	1936	*1937	1925	1931	1932	1933	1934	1935	1936	*1937
Europe . . . . .	85.0	94.5	82.0	80.0	81.5	80.0	81.5	90.5	82.0	83.0	68.5	68.5	69.0	70.5	72.5	83.5
North America	76.5	75.0	61.0	63.0	63.5	76.5	84.5	95.0	84.5	70.5	58.5	58.0	63.5	65.5	71.5	85.0

\* Provisional figures.

<sup>1</sup> Last issue, *Review of World Trade, 1937*, League of Nations, Geneva, 1938.

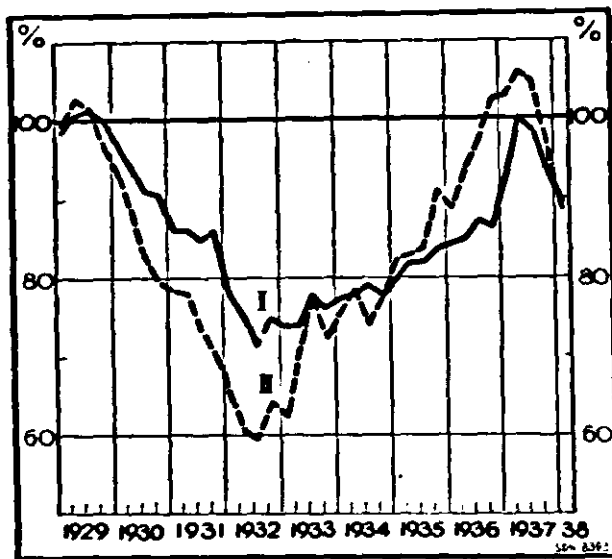


Comparison between the movement of world trade and world industrial activity is facilitated by Diagram 1 below based upon quarterly figures.

As the U.S.S.R. weighs but slightly in the index of world trade, while its inclusion in any international index of industrial activity very markedly affects the general course and level of such an index during the period here considered, that country has not been included in the index represented by curve II in the diagram.

*Diagram 1. — QUARTERLY MOVEMENT OF THE QUANTUM OF WORLD TRADE AND INDUSTRIAL ACTIVITY.*  
1929=100.

- I. Quantum of world trade.
- II. Industrial activity: world, excluding U.S.S.R.



*Note.* — The curve for the quantum of trade has been roughly adjusted for seasonal variations to render it more comparable with that for industrial activity, based on national indices, most of which are thus adjusted.

on the other. Diagram 1 is not suitable for the study of this relationship, not only because numerous primary products — particularly foodstuffs — that are not industrial raw materials enter into world trade, but also because trade in industrial raw materials and in manufactured articles has moved in different orbits. It is of interest therefore to consider the changes in production and trade by main categories of goods (foodstuffs, raw materials, manufactured articles). Rough indices of the quantum of trade in goods belonging to these categories are reproduced below, together with the indices of world production by groups given in Chapter I.

The trade and production indices are not strictly comparable. Thus, manufactured food products are included in group (1) of the trade indices (Foodstuffs), not in group (3) (Manufactured articles). Further, it has not proved possible, in allocating semi-manufactured articles, to employ the same principles throughout. The more important intermediate products — such as yarns or rolled and hammered iron and steel — are, however, considered in the trade indices for manufactured articles as well as in the indices

The difference in level between the two curves up to 1932 is partly explained by the fact that foodstuffs (mainly crude), the trade in which was relatively well maintained during the first years of depression, account for a larger share in the trade index than does food preparation in the index of industrial activity.

The lowest point of both world trade and world industrial activity was reached in the third quarter of 1932. Between that quarter and the last quarter of 1936, the increase in industrial activity amounted to 72% as against only 21% for trade. During the early part of 1937, however, trade increased more rapidly than industrial activity. Both indices attained their apex in the second quarter of 1937, when industrial activity was 6% higher than in 1929 and trade on the level of that year. Thereafter industrial activity has fallen more rapidly than trade. In the fourth quarter of 1937, the index of industrial activity remained above that of trade, but, in the first quarter of 1938, the former index was 12%, but the latter only 10%, below the 1929 average.

Obviously, there is a direct relationship between manufacturing activity on the one hand and trade in both industrial raw materials and manufactured articles

for manufacturing activity. In spite of the lack of correspondence, the figures given may serve as a basis for a rough comparison between the trend of production and trade.

<i>Indices of the Quantum of World Trade. 1929=100.</i>					<i>Indices of World Production. 1929=100.</i>						
	1932	1934	1935	1936	*1937		1932	1934	1935	1936	*1937
(1) Foodstuffs....	89	82	85.5	88	93	(1) Crude foodstuffs <sup>2</sup>	100.1	98.9	100.4	100.2	104.7
(2) Raw materials <sup>1</sup>	81.5	88	91.5	95.5	111.5	(2) Raw materials ..	74.6	87.1	94.7	105.8	119.1
(3) Manufactured articles.....	59	66.5	69.5	75	86	(3) Manufacturing : World, exclud- ing U.S.S.R.	62.6	77.0	86.0	96.3	102.9

*Foodstuffs.* — While production of crude foodstuffs remained from 1932 to 1936 practically at the level of 1929, the trade in foodstuffs was, during the same period, 11% to 18% lower than in 1929. This divergence between the movements of production and trade is to be attributed largely to measures aiming at self-sufficiency adopted in a number of industrial countries. In 1937, trade in foodstuffs rose at a higher rate than production owing largely to exceptional purchases of cereals by certain industrial countries whose domestic supply had declined as a result of poor crops :

*Net Imports of Wheat and Maize into Certain Countries.*  
In metric tons (000's).

Year	Wheat			Maize	
	Germany	Italy	France	Germany	United States
1936 . . . . .	26	533	210	172	786
1937 . . . . .	1,219	1,656	438	2,159	2,045

*Raw Materials.* — Between 1932 and 1936, the relative increase in the index of world production of raw materials was more than twice as great as that in the quantum of raw materials entering into trade — a discrepancy due partly to measures taken by certain countries with a view to increased national self-sufficiency. In particular, Germany raised her production of raw materials, while her exports (as well as domestic stocks) of such materials declined and her imports rose at a much lower rate than her manufacturing activity.

In 1937, the quantum of world trade in raw materials, according to the provisional index for that year, increased by as much as 17% and exceeded the 1929 level by over one-tenth. The production index, on the other hand, shows an increase of only 12-13%. It is doubtful, however, whether in reality trade in raw materials expanded more than production, for the production index given does not include raw metals (pig-iron, crude steel and raw base metals),<sup>3</sup> the trade in which greatly increased in 1937 as a result of armaments and capital equipment activities in numerous countries. With the contraction of domestic demand in the United States for iron and steel, that country became one of the chief suppliers to the world market: her exports of iron and steel scrap rose from 1.9 to 4 million long tons, of pig-iron from 5,000 to 782,000 long tons, and of ingots, billets, blooms, etc., from 21,000 to 329,000 long tons. The great world demand for copper may

<sup>1</sup> Group (2) of the trade indices refers to the articles which in the international (Brussels) classification of 1913 are described as "Materials, raw or partly manufactured". As, however, according to this classification, the bulk of semi-manufactures which are included with group (3) of the production indices are, in fact, also included in group (3) of the trade indices, it has been thought appropriate in this volume to classify group (2) of the trade indices as "Raw materials".

<sup>2</sup> Including fodder crops (barley, oats and maize), which enter into the trade indices for foodstuffs.

<sup>3</sup> The production index for raw materials includes mining (counted at the value of the metal contained in the ores) whereas metal smelter production is reckoned to manufacturing. The trade index for raw materials, on the other hand, includes trade not only in ores but also in metals, raw or refined (*e.g.*, electrolytic copper), but unworked.

be illustrated by the fact that the quantity of copper exported from Chile rose by 60% and from the United States by 35%.

Of the bigger industrial countries, the United Kingdom alone imported more raw materials in 1937 than in 1929. The quantum of such materials imported into the United States, though substantially greater than in 1936, remained 5-10% below the 1929 level. With the decline in the manufacturing activity in the United States, the quantum of raw materials imported fell rapidly in the second half of 1937 — a fact which appears to have been the principal cause of the downward movement of the prices of such materials.

*Manufactured Articles.* — As the products of the manufacturing industry of the U.S.S.R. are almost entirely disposed of in the domestic market, the index for world trade in manufactured articles is shown above at the side of that of manufacturing for the world less the U.S.S.R.

In 1936, the former index was 25%, but the latter only 4%, lower than in 1929. Protective policies naturally account in part for the discrepancy between the two indices, but also the fact that the low level to which the prices of primary products fell during the depression, in relation to manufactured articles, has encouraged the industrialisation of raw material countries.

In 1937, however, the divergence between the two indices narrowed considerably: the trade index rose by about 15% or two to three times as much as the production index. This reversal of the previous trend was due chiefly to the exceptional demand for manufactured goods by raw-material countries and by the United Kingdom. The former countries, whose exports up to the spring of 1937 profited from the rising world demand for primary products, had improved their currency position to an extent permitting them to increase considerably their purchases of manufactured goods; their imports of such goods continued, in fact, to increase in the latter half of 1937, when the prices (and frequently also the quantities sold) of their own export products were declining. The quantum of manufactured goods imported by the United Kingdom was 14% greater than in 1936 and exceeded the previous record level of 1931. In that and certain other countries, armaments contributed to the increase in purchases from abroad. Of the bigger industrial countries, however, the United Kingdom alone imported more manufactured goods in 1937 than in 1929. The quantum of such goods imported in 1937 was less than in 1929 by one-third in France and by almost two-thirds in Germany.

The industrial countries whose export industries profited most from the rise in the demand for manufactured goods in 1937 were the United States, Germany and the small industrial countries of Europe. Exports of such goods from the United States were favoured by the contraction of domestic demand during the latter half of the year and were almost 30% higher in quantum than in 1936. (The increase from 1936 to 1937 in the United States manufacturing activity was only 4%.) German exports of manufactured articles exceeded in quantum the 1936 level by 17%; total German exports of industrial products (including semi-manufactures) is estimated to have risen from 14% of industrial production in 1936 to 17% in 1937. United Kingdom exports of manufactured goods rose in quantum by only 10% and French exports probably by less than 5%.

## B. MERCHANT SHIPPING

Owing to the defectiveness of the information available for numerous countries, it is not possible to compile as complete world statistics for shipping as for trade; but the indices of shipping activity given in Table 2, calculated on the basis of the gross tonnage of the ships cleared in the ports of forty-two countries representing together more than 80% of world trade, may be taken as representative of the broad changes which have taken place. In the case of countries for which figures covering the whole period

under review were available for all ships (with cargo and in ballast), as well as for ships with cargo only, those for all ships were employed. In the case of a few countries, figures for 1937 had to be estimated on the basis of partial information available for that year. At the foot of the table, two other series have been added for purposes of comparison, the one showing the changes of the active tonnage of the world's merchant marine (that is, the tonnage of existing merchant vessels less the tonnage of ships laid up)<sup>1</sup> and the other showing the movement of the quantum of world trade, as given above.

*Table 2. — NET TONNAGE OF SHIPS CLEARED IN FORTY-TWO COUNTRIES, COMPARED WITH THE ACTIVE GROSS TONNAGE OF THE WORLD'S MERCHANT MARINE, AND THE QUANTUM OF WORLD TRADE. 1929=100.*

	1929	1930	1931	1932	1933	1934	1935	1936	*1937
<i>Tonnage of ships cleared in the ports of</i>									
Europe . . . . .	100.0	100.5	92.1	85.7	88.4	91.5	92.3	91.6	97.6
North America . . . . .	100.0	99.7	91.4	82.4	81.8	85.3	86.9	90.5	97.6
Other parts of the world . .	100.0	98.3	90.3	84.8	89.5	93.7	99.1	100.3	98.9
World . . . . .	100.0	99.5	91.3	84.9	87.8	91.4	94.0	94.7	98.1
<i>Active tonnage of the world's merchant marine, June 30th</i>	100.0	99.0	92.0	86.0	87.0	89.8	92.1	95.0	99.5
<i>Quantum of world trade . . .</i>	100.0	93	85.5	74.5	75.5	78	82	86	97

Comparison between the indices shown in Table 2 is facilitated by Diagram 2, in which the figures for the world as a whole have been plotted. The active tonnage in 1937 was the same as in 1929, while the index of tonnage of ships cleared and of quantum of world trade were 2% and 4% below the level of 1929. The decrease in the discrepancy between the curves, which was very wide during the depression, is due to a number of circumstances. The relatively greater increase in the trade curve in the last year seems to indicate that loading capacity of ships has been more completely utilised, offsetting the contrary effect of the lengthening of average trade routes.

<sup>1</sup> The gross tonnage of existing merchant vessels rose from 64.6 million tons in 1925 to 70.1 million tons in 1931, fell to 64.9 million tons in 1935 and rose again to 66.3 million tons in 1937; that of ships laid up fell from 6.6 million tons in 1925 to 3.4 million tons in 1929, rose to 14 million tons in 1932 and fell again to 2 million tons in 1937. The figures refer to the tonnage on June 30th of each year.

*Diagram 2. — TONNAGE OF SHIPS IN OCEAN TRAFFIC AND QUANTUM OF WORLD TRADE. 1929=100.*

- I. Tonnage of ships cleared in all ports.
- II. Active tonnage of the world's merchant marine.
- III. Quantum of world trade.

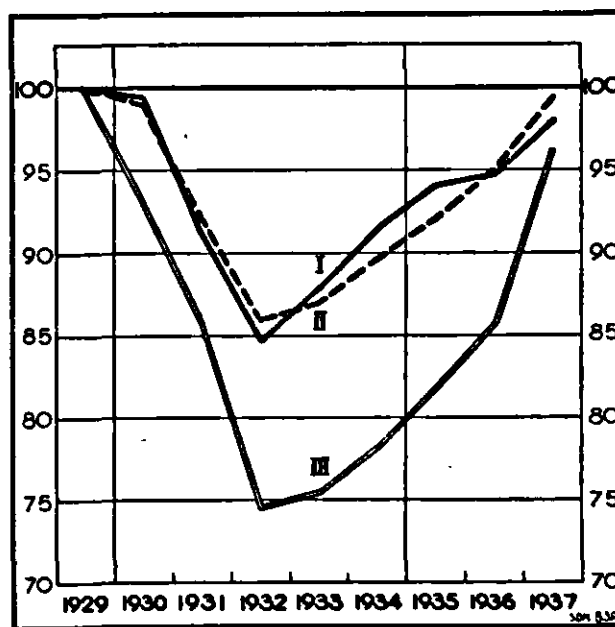


Diagram 3 gives certain important data illustrating developments on the *freight market* — namely, indices of freight rates, quantum of world trade, and absolute figures of laid-up tonnage.

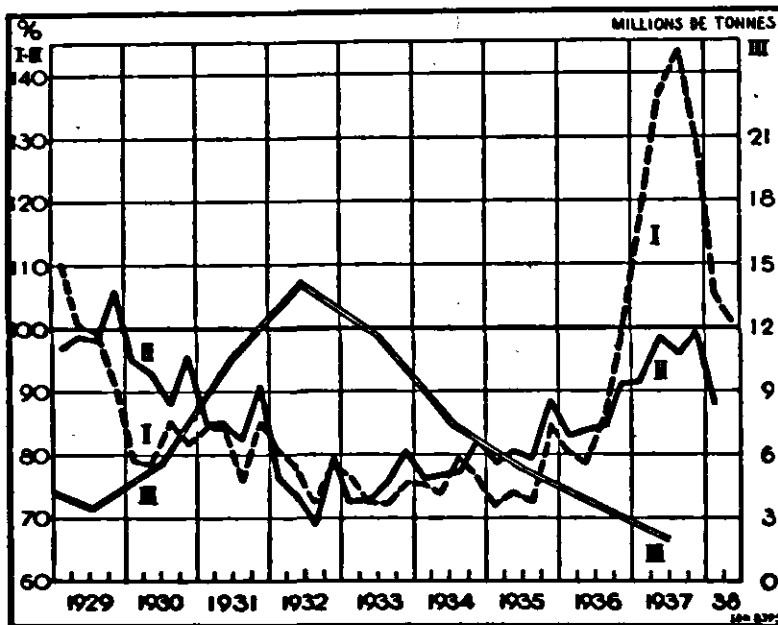


Diagram 3. — FREIGHT RATES, WORLD TRADE AND LAID-UP TONNAGE.

- I. Average shipping freight rates in sterling; quarterly movement (second month of each quarter), according to the *Economist*; 1929=100. Left-hand scale.
- II. Quantum of world trade; quarterly movement; 1929=100. Left-hand scale.
- III. Gross tonnage of laid-up ships. Right-hand scale.

The extraordinary scarcity of tonnage during 1937 is illustrated by the heavy decrease in laid-up tonnage; the demand for tonnage caused by the expansion of international trade resulted in soaring freight rates, which, in the third quarter of 1937, were not less than 43% higher than in 1929. The change in the business outlook by the middle of the year was followed by shrinkage in world trade, particularly in raw materials, and, by the second quarter of 1938, freight rates had again dropped to the level of 1929.

CHAPTER VI

PRICE MOVEMENTS

In the present chapter, attention is concentrated mainly on price movements of primary products and on the relation between industrial costs and selling prices. The trends in the general level of prices, which are here treated only summarily, can be observed in greater detail in Appendix IV, Tables 1 and 2, showing the movement of wholesale-price indices and indices of the cost of living from 1926 to 1938 for all countries for which such indices are available.

A. CHANGES IN THE GENERAL LEVEL OF PRICES

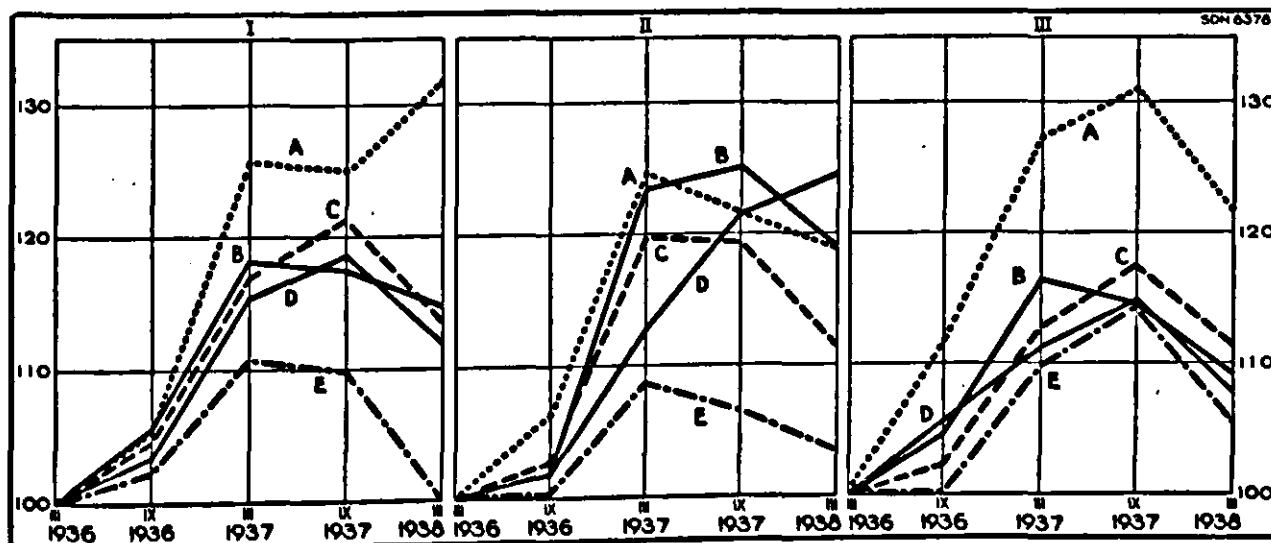
*Wholesale-price Indices.*

The trend of wholesale prices in fifteen countries from March 1936 to March 1938 is illustrated in Diagram 1 below. The high degree of uniformity in price movements in different countries during the first half of this period is brought out by expressing the national indices as percentages of their level in March 1936. The moderate rise which was in evidence from March to September 1936 was followed by a sudden acceleration in the last quarter of 1936 and the first quarter of 1937. This phenomenon was not confined to the countries (four of which are shown in the second section of the diagram) which devalued their currencies in the autumn of 1936; the rise was, on the whole, equally sharp in other countries.

Diagram 1. — WHOLESALE-PRICE INDICES.

Half-yearly intervals, March 1936 = 100.

- |                    |                    |               |
|--------------------|--------------------|---------------|
| I.                 | II.                | III.          |
| A. Japan.          | A. Switzerland.    | A. Chile.     |
| B. Canada.         | B. Netherlands.    | B. Poland.    |
| C. United Kingdom. | C. Belgium.        | C. Argentine. |
| D. Sweden.         | D. Italy.          | D. Australia. |
| E. United States.  | E. Czechoslovakia. | E. India.     |



After March 1937, the diagram discloses a certain diversity of movement in the different countries. In eight of the fifteen countries included, wholesale-price indices continued to rise, though in most cases at a considerably slower rate, while the other seven countries showed a decline. This decline became general in the last six months covered by the diagram (September 1937 to March 1938). Italy and Japan were the only countries included in the diagram where wholesale prices rose further during this period, and where they stood at a higher level in March 1938 than in March 1937.

In the United States, where the rise in prices had been somewhat smaller than in most other countries, the decline was particularly marked. The United States is the only country whose index fell back to the level of March 1936 during the latter part of the period considered. In the three months from September to December 1937, the level of wholesale prices fell by 6.5%. "This reduction was as severe as that in the April-July period of 1930, and has not been exceeded in a similar number of months since the price collapse of 1920/21."<sup>1</sup>

The movement of wholesale prices in two important countries not included in Diagram 1 — France and Germany — calls for special comment.

In the case of France, the rise in prices has been far greater than in any of the countries shown in Diagram 1. The French index of wholesale prices, expressed as a percentage of its level in March 1936, stood at 116.7 in September 1936, 146.2 in March 1937, 167.5 in September 1937, and 168.5 in March 1938. The factors contributing to the striking rise in the general level of wholesale prices in France may be illustrated by the following table showing the net percentage changes in the wholesale-price indices and in their component group-indices in the four half-yearly periods between March 1936 and March 1938 :

*France: Net Percentage Change in Wholesale Prices.*

	March 1936 to September 1936	September 1936 to March 1937	March 1937 to September 1937	September 1937 to March 1938
Weighted index of 126 articles . . . . .	+ 12	+ 31	+ 15	+ 0.6
Agricultural products and foodstuffs . . . . .	+ 13	+ 18	+ 16	+ 1
Vegetable products . . . . .	+ 23	+ 13	+ 17	+ 1
Animal products . . . . .	- 0.7	+ 26	+ 15	+ 1
Industrial products . . . . .	+ 11	+ 44	+ 13	+ 0.3
Minerals and metals . . . . .	+ 11	+ 43	+ 21	+ 8
Textiles . . . . .	+ 10	+ 54	+ 7	- 8
Leather and skins . . . . .	- 3	+ 68	+ 19	- 16
Chemicals . . . . .	+ 6	+ 20	+ 9	+ 9
Additional industrial products :				
Paper . . . . .	+ 8	+ 13	+ 21	+ 24
Wood . . . . .	+ 27	+ 32	+ 17	+ 4
Cement, bricks, glass . . . . .	+ 11	+ 32	+ 11	+ 12
Unweighted index of 45 articles . . . . .	+ 7	+ 32	+ 15	+ 0.2
29 national products . . . . .	+ 10	+ 21	+ 14	+ 4
16 imported products . . . . .	+ 3	+ 59	+ 17	- 7
Price of the £ sterling in francs . . . . .	+ 2	+ 38	+ 32	+ 14

The rate of increase in the French price indices appears to have slowed down since the period September 1936 to March 1937. In the last two periods covered by the table (March 1937 to March 1938), the depreciation of the franc, as reflected in the rise in the price of sterling, was considerably greater than the rise in French wholesale prices. As is shown in another publication of the Economic Intelligence Service<sup>2</sup>, both wholesale prices and the

<sup>1</sup> *Survey of Current Business* (U.S. Department of Commerce), March 1938, page 10.

<sup>2</sup> *Money and Banking, 1937/38* (League of Nations), Vol. I, page 29.

cost of living, expressed in terms of gold on the basis of 1930 = 100, were lower in France than in the United Kingdom in the latter part of 1937. It will be seen from the above table that, owing to the fall in prices in the world market, the price index of imported products declined between September 1937 and March 1938 in spite of the further depreciation of the franc. It was the continued rise in domestic prices that produced the slight increase in the total index which took place between September 1937 and March 1938.

In the case of Germany, the wholesale-price index has become practically fixed, and has shown hardly any variation in recent years. In March 1937, the index was only 2.4% higher than a year earlier. In the succeeding twelve months, it showed a slight decline; in March 1938, it was 2.1% above the level of March 1936. The stability of the German index is largely due to the official control of prices, coupled with quantitative restrictions, by which the supply of an increasing range of commodities has come to be rationed.<sup>1</sup> Changes in the quantity, quality and kind of goods available have reduced the significance of the wholesale-price index in Germany. Though the movements of the total index have thus been confined within extremely narrow limits, there have been movements of some significance in the component indices, which will be noted later (see Diagrams 5 and 8 below).

#### *Price Movements and Industrial Production.*

A comparison between changes in the level of wholesale-prices and the course of industrial production is given for sixteen countries in Diagram 2 below, in which the annual percentage changes in the production indices (based on the figures for the first quarter of each year) are indicated by shaded bars, while the percentage changes in wholesale-price indices (from March of one year to March of the following year) are represented by black bars.

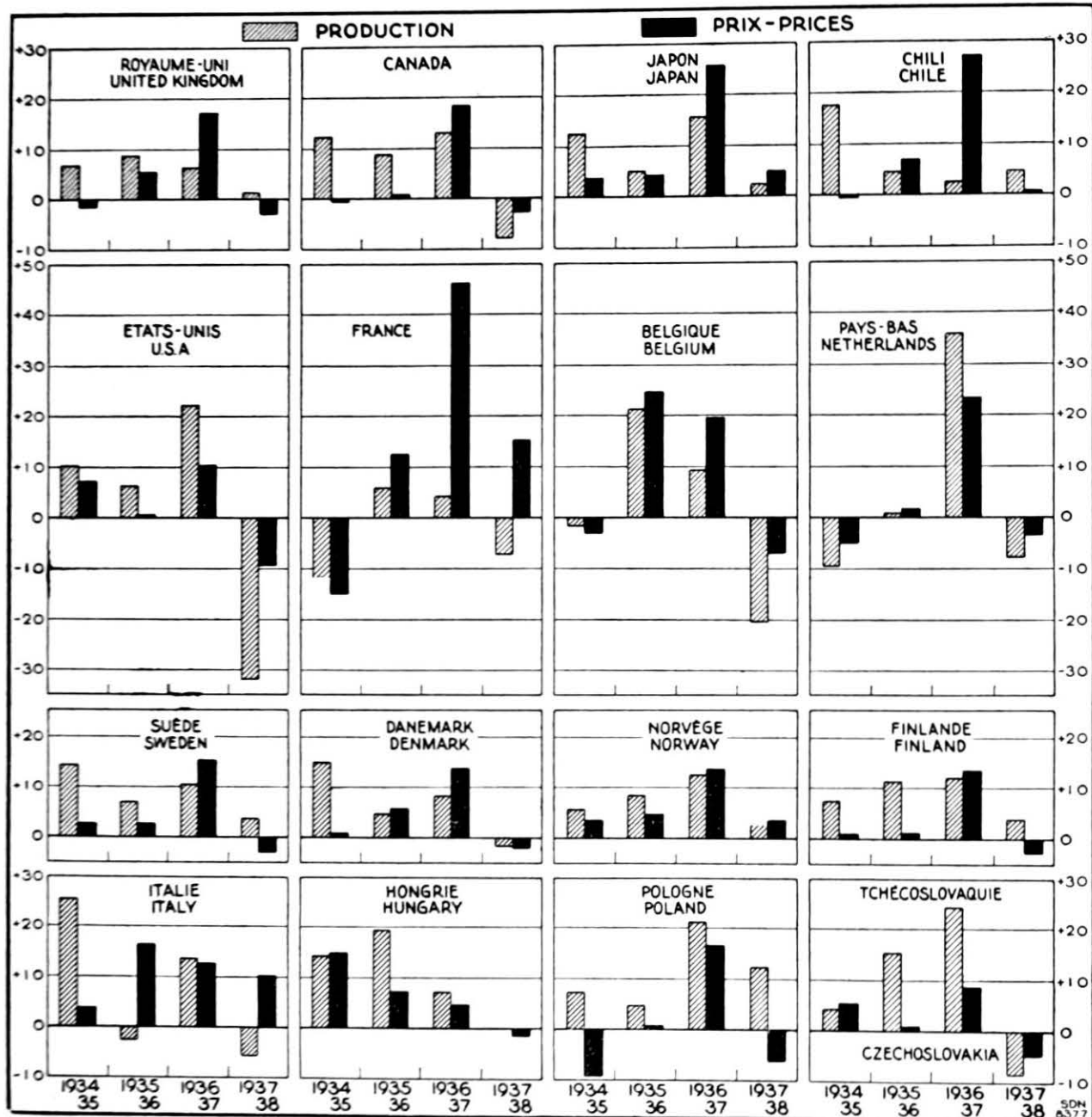
The diagram discloses, on the whole, a marked degree of parallelism between movements of prices and production; the year-to-year changes in both have usually been in the same direction. The exceptions relate chiefly to 1934/35, when wholesale prices declined or failed to rise in several countries where industrial production showed an appreciable recovery. The only countries where both prices and production declined in 1934/35 are Belgium, France and the Netherlands — members of the former "gold bloc". In 1935/36 and 1936/37, all countries except Italy (where production fell off slightly in 1935/36) show an upward movement in both series. A notable feature of the diagram is the fact that, in 1936/37, the increase in wholesale-price indices was greater than the percentage rise in production in ten of the sixteen countries included. In the case of Canada, Finland, Japan, Norway, Sweden and the United Kingdom, production rose more than prices in 1934/35 and 1935/36, while in 1936/37 the rate of increase of wholesale prices was higher than that of production. This change in the relative movement of the two indices is no doubt largely attributable to the fact that in the later stages of economic recovery, when reserves of productive capacity have increasingly been drawn into active use; output becomes generally less elastic and expansion of monetary demand tends to call forth an increase in prices rather than in production.<sup>2</sup>

<sup>1</sup> It may be recalled that, in connection with the introduction of the Four-year Plan, a decree was issued prohibiting all price increases above the level of October 18th, 1936, with certain minor exceptions relating mostly to imported goods. The prohibition of price increases was extended to Austria on March 18th, 1938.

<sup>2</sup> This general observation is not affected by the fact that the movement of wholesale-price indices is, in most cases, influenced to a higher degree by the prices of raw materials than by the prices of finished products; for the former are, of course, dependent to some extent on the volume of industrial activity. Stocks of raw materials, like unemployed labour or idle plant, represent reserves of productive capacity; the reduction of these stocks in 1936, which caused a rise in the prices of raw materials, was largely a result of the rise in industrial production. The movement of the price level of manufactured goods will be considered separately in Section III of the present chapter.



**Diagram 2. — ANNUAL PERCENTAGE INCREASE (+) OR DECREASE (—) IN INDUSTRIAL PRODUCTION\* (FIRST QUARTER TO FIRST QUARTER) AND WHOLESALE PRICES (MARCH TO MARCH).**



\* Including mining, building and electricity production where covered by the national indices.

The six countries where the percentage increase in production was greater than in prices in 1936/37 include the United States, Italy, Poland and Czechoslovakia — countries where the volume of production still remained substantially below the level of 1929.

In 1937/38, the movements of production and prices, as illustrated by Diagram 2, show no uniformity as between the different countries. In six countries, both series declined and the fall in production was in most cases — notably in Belgium, Canada and the United States — more marked than the decline in wholesale prices. There are six cases where production and prices did not move in the same direction in 1937/38 : in Finland, Poland,

Sweden and the United Kingdom, industrial production continued to advance, though at a slower rate, while wholesale prices declined ; and in France and Italy, there was a rather considerable increase in wholesale prices, while production showed, on balance, a downward movement.

*Wholesale Prices and the Cost of Living.*

A brief examination of the indices given in Tables 1 and 2 of Appendix IV will suffice to bring out the main facts regarding the relative movement of wholesale prices and the cost of living. In the period of economic recovery — and particularly in 1936 — the general level of wholesale prices tended to rise at a faster rate than that of retail prices as represented by the cost-of-living indices. The relative stability of the latter was equally marked in 1937. In the course of that year, wholesale prices began to decline in almost every country, and this decline was not accompanied by a corresponding reduction in the cost of living. In many countries, indeed, the two moved, for a time, in opposite directions, as is illustrated in the following table showing the net percentage change in the indices of wholesale prices and cost of living in fourteen countries from July 1937 to January 1938 :

July 1937 to Jan. 1938	Percentage change in		July 1937 to Jan. 1938	Percentage change in	
	Wholesale prices	Cost of living		Wholesale prices	Cost of living
Australia <sup>a</sup> . . . . .	— 2.6	+ 1.5	Greece . . . . .	— 1.1	+ 1.9
Belgium . . . . .	— 5.9	+ 3.9	Norway . . . . .	— 1.2	+ 1.8
Bulgaria . . . . .	— 4.1	+ 2.6	Peru . . . . .	— 0.9	+ 2.8
Canada . . . . .	— 4.2	+ 0.2	Roumania <sup>b</sup> . . . . .	— 1.6	+13.9
Czechoslovakia . . . . .	— 3.4	+ 2.0	Sweden . . . . .	— 3.6	+ 1.6
Denmark . . . . .	— 2.5	+ 1.8	Switzerland . . . . .	— 2.1	+ 0.5
Finland . . . . .	— 1.0	+ 2.6	United Kingdom . . . . .	— 3.4	+ 1.3

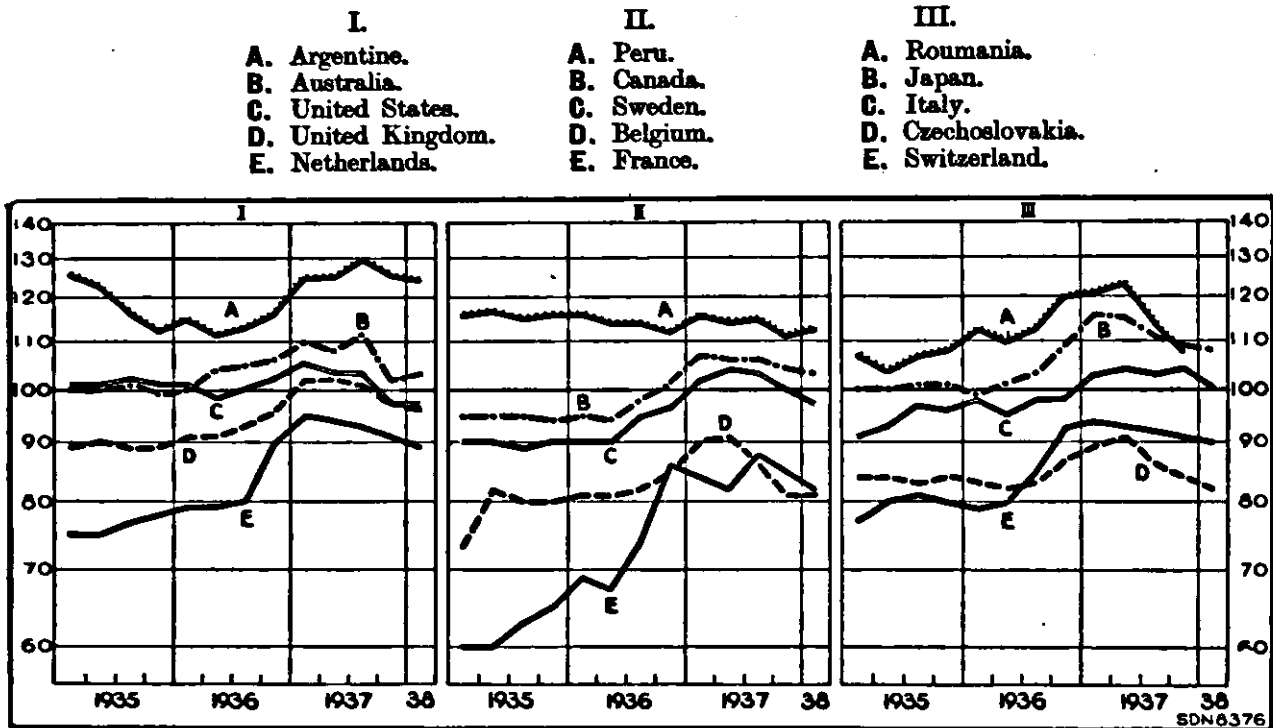
<sup>a</sup> Second quarter to fourth quarter, 1937. <sup>b</sup> June to December, 1937.

Reference to Table 2 of Appendix IV will show, however, that cost-of-living indices in a number of countries included in the above table (such as Belgium, Canada, Sweden, Switzerland and the United Kingdom) have also begun to decline since the end of 1937, though at a slower rate than the indices of wholesale prices.

This lag in the movement of the cost of living relatively to wholesale prices is due to factors which are well known. Increases in raw-material and wage costs, in particular, generally take some time before they are passed on to the stage of retail distribution. On the demand side, the increase in retail prices at a time of falling wholesale prices tends, at first, to meet with little resistance, since the early stage of a business recession need be characterised by no absolute shrinkage of consumers' demand, but only by a slowing-down of the rate of increase in the latter, which may be sufficient to discourage investment activity, and thereby to depress the level of wholesale prices. Furthermore, as will be shown in the second section of this chapter, the fall in wholesale prices during 1937 affected chiefly raw materials, which form an important element in wholesale-price indices, while prices of foodstuffs, which naturally enter largely into the composition of cost-of-living indices, declined less, if at all, in 1937.

The differences in the rate and in the direction of movements in wholesale and retail prices are summarised in Diagram 3 below, showing the changes in the percentage ratio of wholesale-price indices to indices of the cost of living in fourteen countries at quarterly intervals from March 1935 to March 1938.

Diagram 3. — RATIO OF WHOLESALE PRICES TO COST OF LIVING.  
1929=100; logarithmic scale.



In nearly every case, the ratio of wholesale prices to the cost of living reached a maximum between the first and third quarter of 1937. The fall in wholesale prices and the comparative rigidity of retail prices caused a marked decline in this ratio in the latter part of 1937 and the first quarter of 1938. It will be observed that in Sweden, the United Kingdom and the United States, the ratio dropped below the level of 1929.

#### B. PRICES OF PRIMARY PRODUCTS

##### *Agricultural and Non-agricultural Prices.*

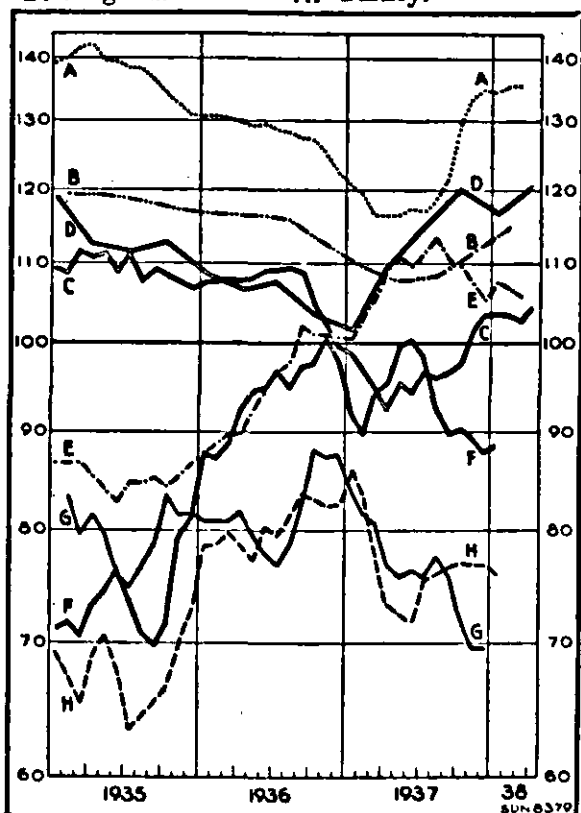
The rise in the general level of wholesale prices prior to 1937 was accompanied by a substantial improvement in the prices of agricultural products relatively to those of non-agricultural products. This change in price relationships in favour of agriculture is brought out by Diagram 4, which traces the recent movement of the ratio of agricultural to non-agricultural prices, expressed as a percentage of that ratio in 1929, in six countries for which separate price indices for the two groups of commodities are available.<sup>1</sup> By the beginning or the middle of 1937, the relationship prevailing in 1929 had been re-established or even surpassed in the United States, Chile and Canada; in the other three countries included in the diagram, the price ratio, though greatly improved, remained less favourable than in 1929. In the course of 1937, the improvement in the agricultural price situation in the six countries shown was arrested or even reversed; in the downward movement of the general level of prices which began in that year, agricultural products fell as much as, or more than, other commodities.

<sup>1</sup> The headings under which these indices are given in the national statistics are: Argentine: agricultural products, non-agricultural products; Canada: Canadian agricultural products, consumers' goods other than food; Chile: national agricultural products, national industrial products; Estonia: selling prices in agriculture, buying prices in agriculture; United States: prices received by farmers, prices paid by farmers.

The reduction in the purchasing-power of agricultural products was particularly sharp in the United States. In January 1937, the ratio stood at the highest level since November 1925.<sup>1</sup> The striking and almost uninterrupted decline which it showed in the succeeding months was principally due to large crops of wheat, cotton and maize. In spite of the sharp decline which occurred in the course of the year, the annual average of the ratio of prices received by farmers to prices paid was slightly (about 0.5%) higher in 1937 than in the preceding year. Owing partly to the better harvest, aggregate farm income, estimated at 8,500 million dollars,<sup>2</sup> was 7.6% higher than in 1936 and higher than in any year since 1929.

**Diagram 5. — RATIO OF EXPORT PRICES TO IMPORT PRICES.**  
1929=100. logarithmic scale.

- |                    |                        |
|--------------------|------------------------|
| A. Germany.        | E. Finland.            |
| B. United Kingdom. | F. Peru.               |
| C. Czechoslovakia. | G. Netherlands Indies. |
| D. Belgium.        | H. Turkey.             |



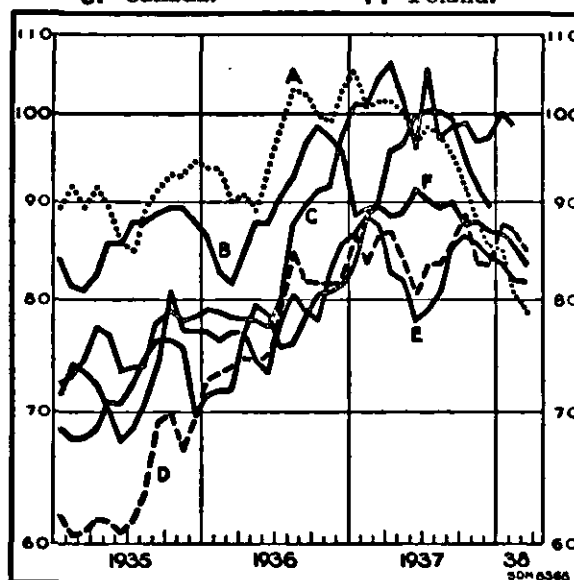
low point was reached in the first or second quarter of 1937, after which the terms of trade of the four industrial countries showed a perceptible improvement.

<sup>1</sup> *Survey of Current Business*, March 1938, page 23.

<sup>2</sup> Including Government payments to farmers which, estimated at 367 million dollars in 1937 were 28% larger than in 1936. (See *Survey of Current Business*, March 1938, pages 22 and 23.)

**Diagram 4. — RATIO OF AGRICULTURAL TO NON-AGRICULTURAL PRICES.**  
1929=100; logarithmic scale.

- |                   |               |
|-------------------|---------------|
| A. United States. | D. Argentine. |
| B. Chile.         | E. Estonia.   |
| C. Canada.        | F. Poland.    |



*Import and Export Prices.*

The price relationships in the foreign trade of agricultural and industrial States clearly reflect the fall in the purchasing-power of agricultural products which set in during 1937 in the domestic markets of many countries. The ratio of export to import prices, which may be taken as an index of the barter terms of trade, had shown a steady rise in agricultural and a corresponding decline in industrial countries during the three or four years previous to 1937. A market change occurred in the course of 1937, as may be observed from Diagram 5, showing the indices of export prices as a percentage of those of import prices (on the basis of 1929 = 100) for eight representative countries where such indices are calculated.

In the four industrial countries included in the diagram (Germany, the United Kingdom, Czechoslovakia and Belgium), the terms of trade became steadily less favourable until the beginning of 1937. Only in Czechoslovakia, however, did they fall below the level of 1929; in the other three countries, they remained more favourable than in 1929. A

Price relationships in the foreign trade of the four predominantly agricultural countries shown (Finland, Peru, the Netherlands Indies and Turkey) moved in the opposite direction. In these countries, the terms of trade showed, on the whole, a substantial improvement in 1935 and 1936, though they did not — except in the case of Finland<sup>1</sup> — recover to the pre-depression level. In the course of 1937, and especially in the latter part of the year, there was a renewed deterioration in the terms of trade of agricultural countries. The rise and subsequent decline in the ratio of export to import prices in the agricultural countries, as illustrated in Diagram 5, has been, on the whole, somewhat less regular than the corresponding movements in the case of industrial countries. This may partly be attributed to the fact that, in the former, the ratio is influenced by the price movement of a relatively small number of principal export products. In industrial countries, there is generally a greater diversity in the composition of imports and exports, and the corresponding price indices are, therefore, more likely to reflect the general trend of prices of agricultural and non-agricultural products.

### Prices of Foodstuffs.

As is well known, Government policy in a number of industrial States has in recent years tended to maintain domestic prices of agricultural products, and especially of foodstuffs, at a relatively high level in comparison with other products.

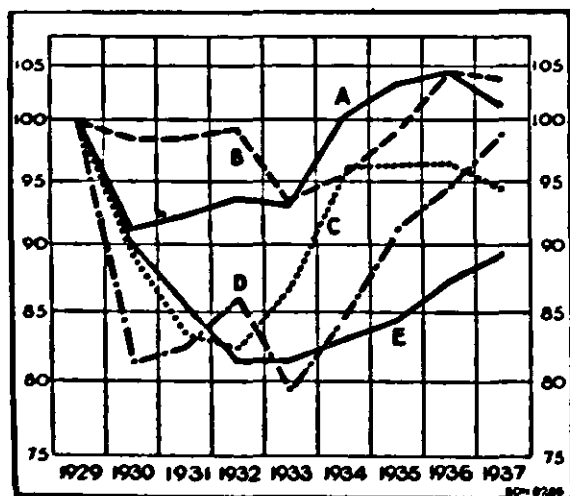
In the *Review of World Trade* (League of Nations), comprehensive annual price indices are published for foodstuffs and manufactured goods entering into total world trade. The ratio of the former to the latter is shown in Diagram 6 below, together with the corresponding ratios of indices of wholesale prices of foodstuffs to those of manufactured goods in four national markets. Though the composition of the various indices used is naturally not uniform, the movement of the ratios plotted in the diagram reveals differences which seem significant. Especially from 1934 onwards, the price relationship between foodstuffs and manufactured articles appears to have been much more favourable to the former

Diagram 6. — PRICE RATIO OF FOODSTUFFS TO MANUFACTURED GOODS, 1929-1937.

Annual averages, 1929=100.

Logarithmic scale.

- A. Germany.
- B. Italy.
- C. Netherlands.
- D. Belgium.
- E. "World Market".



in the four national markets than in the "world market". In the depression years 1930-1933, the ratio showed only a slight fall in Italy, and rose above the level of 1929 in the last two years covered by the diagram. In Germany, the ratio showed almost as great a fall from 1929 to 1930 as the "world market" ratio; but in the years 1934-1937, it has been maintained consistently at or above the level of 1929. In Belgium and the Netherlands likewise, the ratio dropped at first as sharply as on the world market, but was raised substantially above the latter in subsequent years. The national isolation of the market for agricultural products in certain industrial countries has not only maintained their prices at a relatively high level, but has also permitted local influences to have their full effect on the price ratio between foodstuffs and manufactured goods. From 1936 to 1937, for example, when the ratio improved in international trade, it showed a decline in Germany and the Netherlands.

<sup>1</sup> The bulk of Finnish exports consists of forestry products (largely semi-manufactures), which rose more in price than did agricultural products proper.

A feature of price movements during 1937 was the rise in the price of foodstuffs of animal origin. Prices of vegetable foodstuffs, which had shown a marked advance during 1936, rose less or even declined in 1937. The following table illustrates these movements for eight countries where separate wholesale-price indices for vegetable and animal foodstuffs are available.

PRICE MOVEMENTS OF VEGETABLE AND ANIMAL FOODSTUFFS.

Country	Percentage change (January to January)						Price indices in January 1938 (1929=100)	
	Vegetable foodstuffs			Animal foodstuffs			Vegetable foodstuffs	Animal foodstuffs
	1935/36	1936/37	1937/38	1935/36	1936/37	1937/38		
Canada . . . . .	+ 1.3	+29.4	- 0.2	+ 8.3	+ 3.4	+ 2.4	95.4	70.8
France . . . . .	+ 2.2	+62.8	+15.2	+ 6.0	+24.8	+26.1	112.4	105.4
Italy . . . . .	+22.5	+ 7.9	+ 7.3	+14.1	+20.7	+22.3	97.3	95.5
Netherlands . . . . .	+ 0.7	+12.6	+ 0.6	+ 4.9	+ 6.2	+14.4	91.4	70.3
Norway . . . . .	+ 0.8	+10.4	+ 5.1	+ 8.8	+ 4.8	+10.8	95.3	101.4
Sweden . . . . .	- 1.9	+ 8.7	+ 2.7	+ 6.8	+ 1.6	+ 7.0	91.3	97.9
Switzerland . . . . .	+16.9	+44.6	+ 0.8	+ 3.8	+ 7.4	+ 6.0	85.2	82.0
United Kingdom . . . . .	+13.6	+24.4	+ 4.1	- 7.0	+ 3.1	+ 6.6	98.2	79.5

At the beginning of 1938, prices of animal foodstuffs were in most cases lower in relation to the 1929 level than prices of vegetable foodstuffs. The former fell, on the whole, less than the latter in the depression years 1930-1932, partly because they benefit to a greater extent from "protected" domestic markets. The subsequent recovery in their prices seems, however, to have been smaller than in the case of vegetable foodstuffs. This discrepancy in the rate of increase in the two price groups entailed, on the whole, a deterioration of the position of small peasant-farming relatively to large-scale arable farming — a tendency which was partly reversed by the rise in prices of animal foodstuffs in 1937.

On the London market, the wholesale prices of fourteen foodstuffs showed the following net percentage changes from the end of 1936 to the end of 1937 :

Barley (English) . . . . .	+ 37.6	Sugar (refined). . . . .	+ 4.5
Butter (Danish) . . . . .	+ 37.0	Mutton (English). . . . .	+ 2.9
Maize (Argentine) . . . . .	+ 29.1	Cheese (Canadian) . . . . .	+ 2.8
Oats (English) . . . . .	+ 14.0	Wheat (English) . . . . .	- 7.3
Beef (Argentine) . . . . .	+ 13.6	Rice (Burma) . . . . .	- 7.9
Tea (Indian) . . . . .	+ 11.8	Coffee (Costa Rica) . . . . .	-12.7
Bacon (Danish) . . . . .	+ 8.7	Cocoa (Trinidad) . . . . .	-22.2

In some cases, there have been important divergencies between price movements in different markets, and the above figures cannot all be taken as fully representative. In the United States, for example, prices of barley and oats, which on balance showed large gains in the London market, declined by about 40% during 1937 as a result of high crop yields. The price of maize in the United States fell by about 50% during 1937; the crop was over 70% larger than in the preceding year, and the price fall was checked by Government advances to farmers for the financing of stocks. The heavy maize crop in the United States was, in consequence, largely retained for domestic consumption, and did not affect prices in other countries in any marked degree. The American wheat crop, however, which was also considerably higher than in 1936, caused a fairly general fall in wheat prices; certain Canadian qualities were less affected by this decline, as the 1937 crop in Canada was short.

The net rise in the London price of tea during 1937 conceals a substantial fall which occurred in the second half of the year (see Diagram 7 below). The countries adhering to the International Tea Committee—India, Ceylon and the Netherlands Indies—increased their quota for the year beginning on April 1st, 1938, from 87.5% to 92.5% of the standard tonnage.<sup>1</sup>

The fall in the price of coffee was chiefly due to an important change of policy in Brazil. The fall began in August 1937, when a Pan-American Conference of coffee-producing States failed to agree on a common restriction scheme. After the final breakdown of negotiations at the end of October, measures were taken in Brazil tending to remove the restriction policy which had been practised by that country alone. In order to strengthen the competitive position of Brazilian coffee in the world market, the export tax on coffee, the proceeds of which had been used to acquire part of the crop for destruction, was considerably lowered, and the quota of 35% of the foreign-exchange proceeds of coffee exports which had to be surrendered at the official exchange rates was abolished on November 17th, 1937. These measures implied a substantial reduction in the cost of Brazilian coffee to foreign buyers.

#### *Prices of Raw Materials.*

Indices of raw-material prices in various countries are given in the third section of this chapter, where they are compared with prices of manufactured goods. Here it will suffice, therefore, to note the price movements which have taken place in some of the individual commodities which play an important part in the world market.

The prices of twelve such commodities showed the following net percentage changes in the London market from the end of 1936 to the end of 1937:

Coal (Durham) . . . . .	+ 36.4	Copper (standard) . . . . .	— 19.8
Jute ("native firsts") . . . . .	— 2.3	Wool (Queensland) . . . . .	— 20.0
Silk (Italian) . . . . .	— 7.1	Tin (standard) . . . . .	— 22.3
Flax (Livonian) . . . . .	— 8.1	Cotton (American) . . . . .	— 32.2
Hides ("market") . . . . .	— 9.5	Rubber (smoked sheet) . . . . .	— 35.4
Hemp (Manila) . . . . .	— 15.5	Lead (English) . . . . .	— 40.9

With the exception of coal, these commodities showed, on balance, a fall in price during 1937. The fall was especially large in the case of copper, wool, tin, cotton, rubber and lead, ranging from 20% to 40%. The monthly price movement of these six commodities along with ten others is shown in Diagram 7 below, from which it may be seen that prices advanced in every case in the early part of 1937, after which there was a decline of exceptional steepness and rapidity.

The price of cotton was mainly affected by the 1937 crop in the United States, which was the largest on record and over 50% larger than in 1936. The system of Government advances for the holding of stocks was continued, but was unable to check the price-fall. A similar system in force in Egypt was considerably extended during 1937.

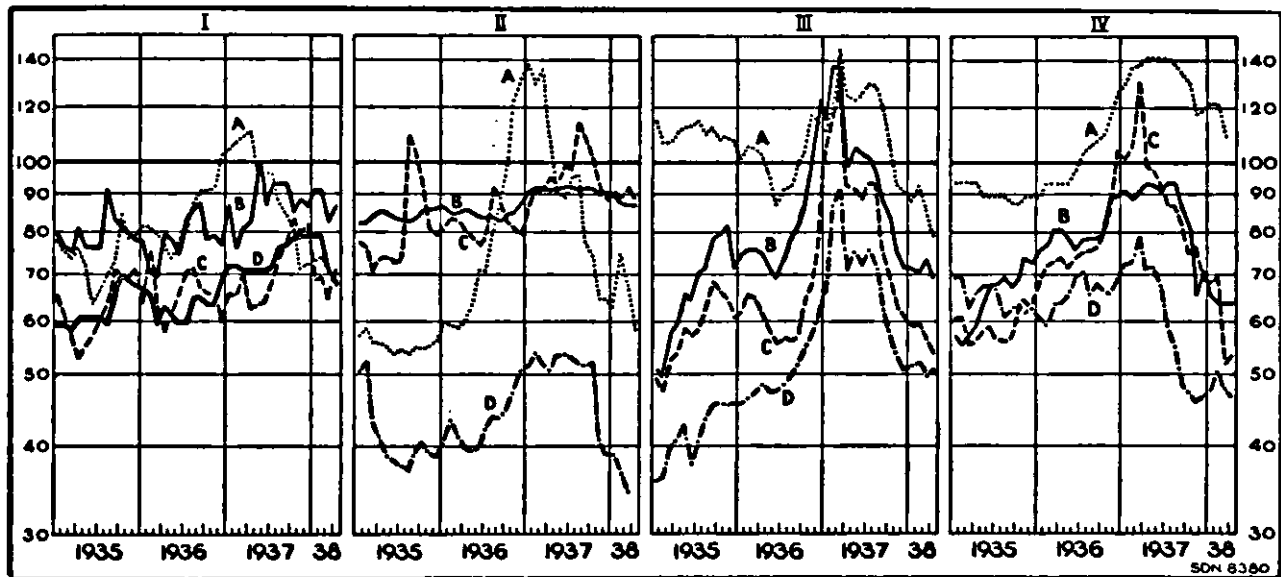
In view of the sharp fall in prices and the accumulation of stocks, the international restriction schemes regulating the supply of certain commodities, which were substantially relaxed during the period of rising prices in 1936 and the early months of 1937, were again rendered more stringent. The copper-restriction scheme, which was suspended in January 1937, was re-imposed by the end of 1937. In the case of rubber and tin, restriction is stricter and more comprehensive than in most other commodities, as it is enforced by the Governments of the principal producing countries, and as "outside"

<sup>1</sup> The "standard tonnage" is not the average volume of exports during 1929-1932, as was erroneously stated in the preceding edition of this volume, but is equal to exports from India in the fiscal year 1929/30, from Ceylon in 1929 and from the Netherlands Indies in 1931.

producers are comparatively unimportant. The International Tin Committee lowered the export quota of tin from 110% of the 1929 level for the second quarter of 1937 to 45% for the third quarter of 1938, while the export quota of rubber was reduced from 90% of estimated capacity for the third quarter of 1937 to 45% for the third quarter of 1938.<sup>1</sup> These measures, however, were unable to prevent the striking fall in the prices of the two commodities which began in the spring of 1937 and continued in the first four months of 1938.

Diagram 7. — PRICES OF PRIMARY PRODUCTS. \*  
1929=100; logarithmic scale.

- |            |            |            |            |
|------------|------------|------------|------------|
| I.         | II.        | III.       | IV.        |
| A. Wheat.  | A. Cocoa.  | A. Tin.    | A. Timber. |
| B. Beef.   | B. Sugar.  | B. Lead.   | B. Wool.   |
| C. Butter. | C. Tea.    | C. Zinc.   | C. Rubber. |
| D. Rice.   | D. Coffee. | D. Copper. | D. Cotton. |



\* Sterling prices quoted in London, except coffee (New York), timber (Sweden) and wheat (Chicago).

#### Changes in Demand.

On the whole, the recent fall in prices of primary products appears to have affected foodstuffs to a smaller degree than industrial raw materials. The price-fall in foodstuffs, which has been practically confined to vegetable foodstuffs, has been due not so much to a decrease in demand as to factors affecting supply, notably the large crops in the United States and the abandonment of coffee restriction in Brazil.

In the case of raw materials, the supply of a number of commodities is controlled by restrictions, which, as was seen in the preceding paragraph, were quickly tightened up when prices began to decline. With the important exception of cotton, the price of which was influenced to a large extent by the bumper crop in the United States, the fall in raw material prices must be attributed chiefly to a decline in demand. This decline represented at first a reaction from the wave of speculative forward buying which characterised the period from September 1936 to March 1937. Before long, however, a contraction of industrial demand also set in.

The sharp recession in productive activity which occurred in the United States in the second half of 1937 appears to have been mainly responsible for the contraction in demand which caused the striking fall in raw-material prices in the world market. The importance

<sup>1</sup> Cf. also Chapter IV, Section A.



of the United States as an importer of raw materials is greater than that of any other single country. In the case of rubber, for example, industrial consumption in the United States in 1936 accounted for more than half of the total world consumption; while in the case of copper, lead and tin, the share of the United States in world consumption was about a third, slightly less than a third and nearly a half respectively. It is not surprising, therefore, that the sudden decline in industrial activity in the United States should have exercised a very disturbing influence on commodity markets throughout the world. Monthly data on industrial consumption in the United States are available for a small number of materials<sup>1</sup>; from these, it appears that the quantities consumed showed the following percentage falls from January 1937 to January 1938:

Wood pulp . . . . .	— 23.7	Rubber . . . . .	— 41.9
Silk. . . . .	— 30.7	Tin. . . . .	— 60.0
Cotton . . . . .	— 35.9	Wool . . . . .	— 60.6

Consumption of rubber in the United States amounted to 156,770 long tons in the first and to 101,850 long tons in the fourth quarter of 1937. The corresponding figures for all other countries combined were 130,960 and 128,670 long tons. The share of the United States in total world consumption of rubber thus dropped from 54.5% in the first to 44.2% in the fourth quarter of 1937.

Coffee — another commodity which is to a large extent dependent on the United States market — appears also to have been affected by a fall in demand in that country; the quantity of coffee imported into the United States during the last six months of 1937 was 10% lower than in the corresponding period of 1936. The effect of this fall on the movement of coffee prices was, however, probably smaller than that of the measures taken in Brazil in the autumn of 1937.

It appears that the prices of commodities which find their principal market in the United Kingdom have, on the whole, been better maintained than the prices of those which are largely dependent on American demand. The price of tea, for example, though it declined in the second half of 1937, closed the year at a higher level than in 1936. The continuance of relatively prosperous conditions in the United Kingdom has probably contributed also to the comparative firmness of prices of foodstuffs of animal origin, such as butter, cheese, beef and mutton. The price of Swedish timber, which is similarly dependent to a large extent on British demand, declined somewhat in the second half of 1937, but still remained far above the level of 1929; current building activity in the United Kingdom was generally well maintained, though there was a falling-off in permits relating to new building plans.

Prices of materials which are largely used by the heavy industries — such as coal, iron and steel — have been widely supported by Government expenditures on armaments. The price movement of iron and steel will be described in the next section. In the case of coal, the rise in price which occurred during 1937 was partly due to increased imports into France in consequence of the application of the forty-hour week in domestic mines. The quantity of French imports of coal was 31% higher in 1937 than in 1936, while the quantity produced in France was lower.

Finally, an important factor affecting the course of prices of certain raw materials in 1937 was the war in the Far East. In the last quarter of 1937, Japanese imports of cotton and wool respectively were 78% and 46% lower in quantity than during the corresponding period of 1936, while imports of metal manufactures were considerably higher.

<sup>1</sup> Published in the *Survey of Current Business*.

### C. INDUSTRIAL COSTS AND SELLING PRICES

#### *Wages, Raw Materials and Finished Goods.*

The important changes which have recently taken place in the price relationship between raw materials and manufactured products are illustrated in Diagram 8 below, covering eight countries for which separate price indices are available for the two groups of commodities. It will be seen that, towards the end of 1936 and early in 1937, the indices of raw-material prices showed a sharp rise relatively to those of manufactured goods. In six of the eight countries included (Belgium, Canada, Italy, Poland, the United Kingdom and the United States), the price indices of raw materials, which had previously been lower than those of finished products in relation to the level of 1929, rose above the price indices of finished products. In the two countries where this was not the case, there was nevertheless a greater rise in raw-material prices than in prices of manufactured goods. In Germany, the former remained lower than the latter relatively to 1929 throughout the period covered by the diagram, but the margin between the two narrowed appreciably in the second half of 1936 and the first three months of 1937. In Sweden, owing no doubt to the relatively high prices received for certain export goods included in the raw-material index (such as timber, wood-pulp, iron-ore), the margin between the two indices was in the other direction during the whole period and showed a widening tendency in the latter part of 1936.

In every case, therefore, there was an increase in raw-material cost per unit of finished output, which reached its climax in the early months of 1937. It is important to note that only a reduction in the profit margin per unit of output, and not a reduction in aggregate profits, can be inferred from this movement. Aggregate profits might have continued to increase, had it been possible to expand production further and thus to spread fixed costs over a larger output. The expansion of output, however, had begun to encounter certain inelasticities in the structure of production, and the rise in raw-material unit costs tended to affect aggregate profits. The actual contraction of the profit margin was probably less sharp than the rise in raw-material prices relatively to prices of finished products would suggest; big producers frequently purchase their raw materials under long-term contracts at prices which are not affected by subsequent fluctuations in current market quotations. If, for this reason, the substantial rise in market quotations of industrial raw materials did not entail a general and immediate reduction in the actual profitability of manufacture, there was probably, nevertheless, a deterioration of the future *prospects* of profit. This deterioration was undoubtedly a check to new investment activity, and was reflected in the striking decline of stock-exchange values which began in the spring of 1937, notably in the United States. As a result, there ensued a falling-off — at least as regards rate of increase — in consumers' purchases of finished goods.

The effects of the sharp rise in raw-material prices between the autumn of 1936 and the spring of 1937 should, moreover, be considered in the light of the fact that this rise was only partly a result of increased industrial demand. That it was largely due to speculative demands on the part of other than industrial buyers is a matter of common knowledge, though not subject to statistical demonstration. Speculative purchases drove up industrial raw material costs beyond the level justified by the volume of current manufacturing operations, and thus tended to restrict the profit prospects of industrialists.

The tension between raw material prices and prices of finished goods was relieved after the spring of 1937 by the decline in the former. This decline, however, caused losses on working stocks acquired during the rise. Moreover, industrialists were now faced by a falling market for their products. As may be seen from Diagram 8, prices of finished goods fell in the second half of 1937 in every country except Germany and Italy. Prices of raw materials fell even more, but the resulting increase in the profit margin per unit of output was probably neutralised by the decline in the volume of business, and hence in aggregate profits, which occurred in several countries, particularly in the United States.

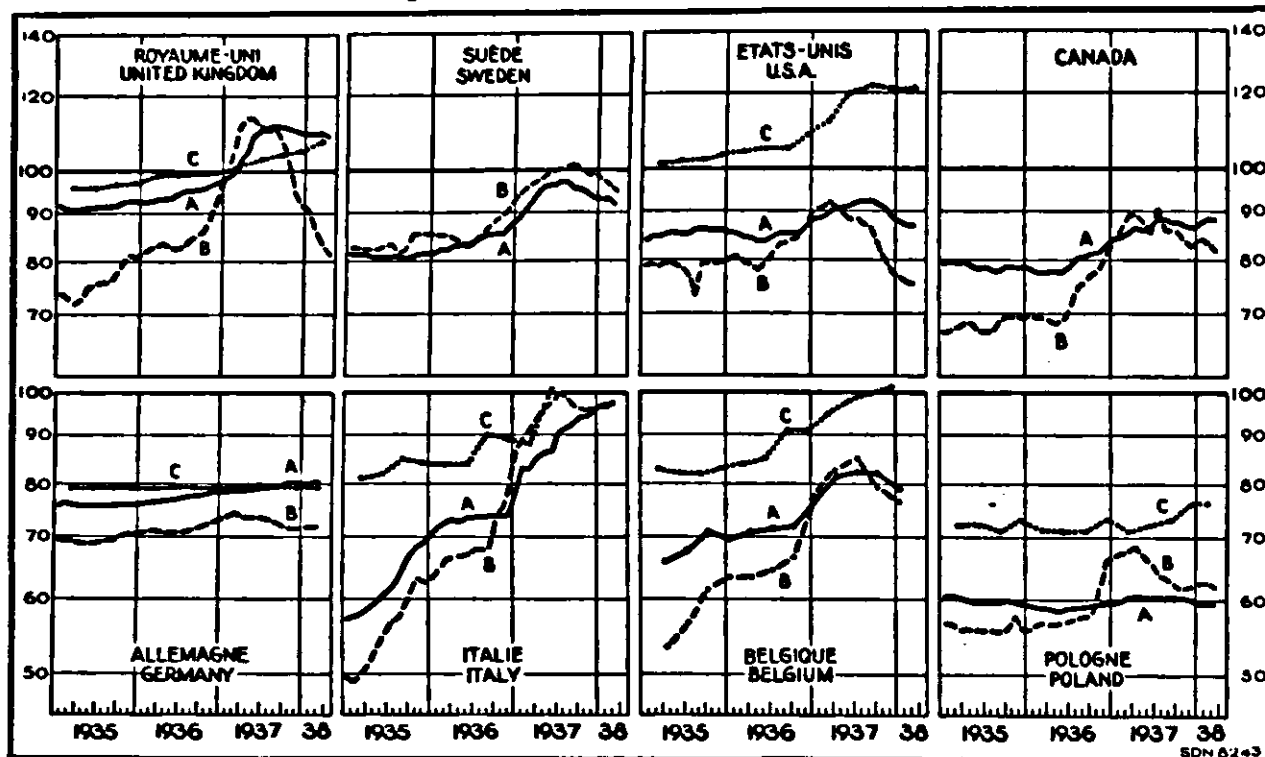
Diagram 8. — SELLING PRICES AND INDUSTRIAL COSTS.  
1929=100.\*

Logarithmic scale.

A. Prices of finished goods.

B. Prices of raw materials.

C. Wage rates.



\* United Kingdom: 1930 = 100.

In some cases, the effect of the sudden rise in raw material prices between the autumn of 1936 and the spring of 1937 was greatly aggravated by a simultaneous increase in wage costs. This can be seen from the comprehensive quarterly indices of wage rates which are plotted for six countries in Diagram 8 above.<sup>1</sup>

The wage index shown for the United States had risen by nearly 29% between June 1933, when it reached the lowest point since 1929, and June 1934. From the latter date to September 1936, the index showed a gradual rise amounting, on balance, to 6%. Owing largely to the pressure exerted by new labour organisations, wages were driven up rapidly in the first half of 1937; the net rise which occurred between September 1936 and September 1937 amounted to over 16%. In all the five countries for which wage indices are shown on the basis of 1929 = 100 in Diagram 8, they are higher than the price indices of manufactured goods; but in the United States, the discrepancy—especially in 1937—is wider than elsewhere. It will be seen from the diagram that, from the beginning of 1935 to the third quarter of 1937, wages rose, on balance, much more rapidly than prices of manufactured goods in the United States. The same is true—though in a less marked degree—in the case of Belgium. In the United Kingdom, on the other hand, the rise in the price level of finished products, especially in the first three quarters of 1937,

<sup>1</sup> These indices, together with those shown in Diagram 9, are taken from the *International Labour Review*, of the International Labour Office. The series here chosen are published under the following headings: Belgium: mines, industries, transport, hourly earnings, general average; France: industries (metals, etc.), Paris region, men and women (skilled and unskilled), hourly rates; Germany: mines, industries, transport, hourly rates, general average; Italy: industries, etc., men and women (skilled and unskilled), hourly earnings; Japan: industries, daily earnings, general average; Poland: mines and industries, men and women (skilled and unskilled), hourly earnings; United Kingdom: Ministry of Labour series, weekly rates; United States: N.L.C.B. series, hourly earnings, general average.

was considerably greater than the increase in wage costs. The German wage index has shown no change since 1934, and its relationship to the price index of manufactured goods has remained very close to the 1929 level.

The recent changes in wage rates in two important countries not shown in Diagram 8 — France and Japan — are traced in Diagram 9 opposite. For these two countries, no separate indices of raw material prices and prices of finished goods are available, and therefore the movement of wages is compared in this case simply with the indices of wholesale prices and of the cost of living.

Wage rates in Japan have shown only a small upward movement since the beginning of 1935. The rise both in wholesale prices and in the cost of living has been much greater.

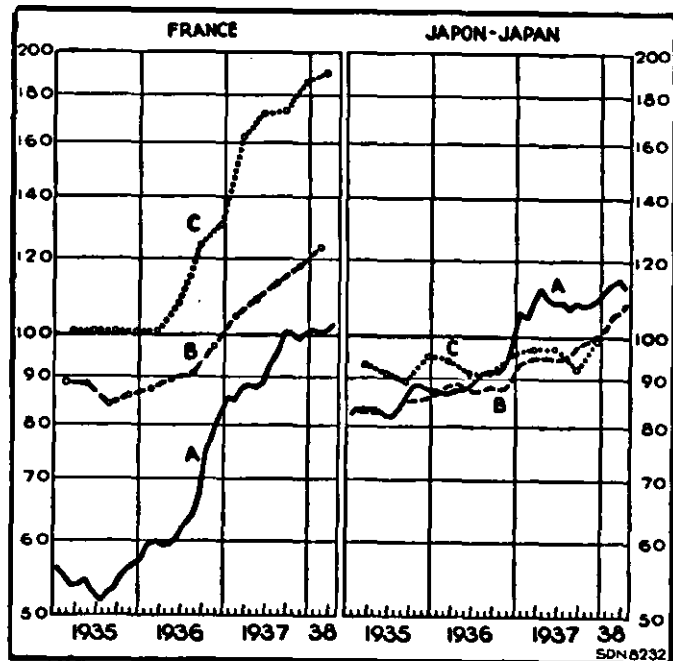
In France, on the other hand, there has been a striking rise in wholesale prices and cost of living, but the increase in money wages has been even greater — greater, in fact, than in any other country shown in Diagrams 8 and 9.<sup>1</sup> In December 1937, wages stood at 184% and wholesale prices at 168% of their level of March 1936, while the cost-of-living index for the last quarter of 1937 stood at 135% of the average for the first quarter of 1936.

The reasons for the exceptionally large increase in wage costs in France are well known and need not be enumerated here. It may only be pointed out that the index of hourly wage rates shown in Diagram 9 does not take into account the paid holidays and social services which recent legislation has accorded to industrial workers. The index does, of course, reflect the adoption of the forty-hour week, which has, indeed, been one of the principal factors contributing to its rise. The law introducing the forty-hour working week was passed on June 21st, 1936. The application of this law was completed in most branches of production in the course of the first half of 1937. The fact that wages continued to rise in the second half of that year is due mainly to the extensive introduction of sliding-scales linking up the movement of wage rates with changes in the cost of living. Similar arrangements have been widely applied in Belgium in recent years, and this accounts to some extent for the substantial increase in Belgian wage rates which, as shown in Diagram 8, took place in 1936 and 1937. The Belgian cost-of-living index rose practically without interruption from the middle of 1936 to January 1938 (see Appendix IV, Table 2).

#### *Prices of Producers' and Consumers' Goods.*

A remarkable feature of price movements in 1937 was the rise in prices of producers' goods relatively to prices of consumers' goods. Separate price indices for the two types of commodities are available for the five countries included in the following table showing the annual percentage changes in these indices during the last three years.

Diagram 9. — WHOLESALE PRICES (A), COST OF LIVING (B) AND WAGE RATES (C) IN FRANCE AND JAPAN.  
1929=100; logarithmic scale.



<sup>1</sup> To facilitate comparison, Diagram 9 is drawn on the same horizontal and vertical scale as Diagram 8.

PRICE MOVEMENTS OF PRODUCERS' AND CONSUMERS' GOODS.

Country	Index number of	Net percentage change (January to January)			Price index in January 1938 (1929 = 100)
		1935	1936	1937	
Canada . . . . .	Producers' equipment . . . . .	+ 0.3	+ 1.9	+ 3.1	99.9
	Consumers' goods . . . . .	+ 1.1	+ 4.7	+ 1.3	83.1
Germany . . . . .	Producers' goods (finished) . . . . .	— 0.6	+ 0.1	— 0.1	81.6
	Consumers' goods (finished) . . . . .	+ 0.9	+ 4.9	+ 3.7	79.0
Japan . . . . .	Producers' goods . . . . .	+ 1.3	+30.9	+ 1.0	105.9
	Consumers' goods . . . . .	+ 3.1	+ 7.1	+ 7.1	106.3
Poland . . . . .	Industrial equipment . . . . .	— 6.2	— 2.3	+ 2.5	73.4
	Consumers' goods . . . . .	— 0.9	+ 2.5	— 0.9	57.2
Sweden . . . . .	Producers' goods . . . . .	+ 5.5	+15.8	+ 8.3	107.5
	Consumers' goods . . . . .	+ 4.0	+ 2.3	+ 6.0	95.3

From the last column of the table, it may be seen that, with the exception of Japan, the price indices of producers' goods in January 1938 were higher than those of consumers' goods in relation to the level of 1929. The net increase during 1937 was greater in the prices of producers' goods than in those of consumers' goods, except in Germany and Japan. The Japanese index of producers' goods, however, includes raw materials. The same is true of the Swedish index; it appears that, in 1937, the rise in Swedish prices of producers' goods other than raw materials was substantially greater than the rise in the total index of producers' goods.

In the United Kingdom, the prices of six manufactured or semi-manufactured producers' goods showed the following net percentage increases between the end of 1936 and the end of 1937 :

Pig iron (Cleveland) . . . . .	+ 32.5	Tin plates (South Wales) . . . . .	+ 16.5
Iron bars (Middlesbrough) . . . . .	+ 26.2	Timber (Swedish) . . . . .	+ 15.0
Steel rails (Middlesbrough) . . . . .	+ 19.1	Cement (Portland) . . . . .	+ 7.7

Among the component series of the wholesale-price index of the Board of Trade (based on 1930 = 100), the group index for iron and steel rose from 112 in January 1937 to 141.4 in November, after which it showed a slight decline to 140.3 in March 1938. In the latter month, it was 35% higher than the index for all articles; a year earlier, the spread had been only 7%. The rise in the prices of iron and steel and other producers' goods in the United Kingdom was undoubtedly due to a large extent to rearmament demand.

In the United States, likewise, prices of important producers' goods rose, on balance, during 1937 and were maintained in the second half of the year in spite of a sharp falling-off in domestic demand. Exports of iron and steel showed a striking increase in 1937, especially in the second half of the year; <sup>1</sup> the maintenance of the prices of such products may have been facilitated in some degree by rearmament demand on the part of European and other countries. The price policy of large producers in the United States was, however, doubtless the principal factor accounting for the stability of prices of producers' goods in the second

<sup>1</sup> See *Review of World Trade, 1937* (League of Nations, Geneva, 1938).

half of 1937, when there was a striking fall in the prices of other commodities and a sharp contraction in industrial activity. During the three months from the end of December 1936 to the end of March 1937, there had been an increase of 5% in the total wholesale-price index of the Bureau of Labour Statistics and an increase of 7% and 8% respectively in the group indices for "building materials"<sup>1</sup> and "metals and metal products"<sup>2</sup>. On April 2nd, 1937, the President declared that prices of durable goods were too high and that Government expenditure would be diverted so as to prevent a further rise. During the following six months, the group indices for nearly all commodities declined, except those for durable goods, which remained practically unchanged, as is shown by the following table:

	Price indices (1929=100) for week ending:			Percentage change	
	April 3rd, 1937	October 2nd, 1937	April 2nd, 1938	3/IV- 2/X/37	3/IV/37- 2/IV/38
All commodities . . . . .	92.7	91.2	82.7	- 1.6	-10.8
Farm products . . . . .	91.5	81.4	65.6	-11.0	-28.3
Foods . . . . .	88.0	87.0	72.7	- 1.1	-17.4
Other commodities :					
Durable :					
Metals and metal products . . . . .	95.6	95.3	95.5	- 0.3	- 0.1
Building materials . . . . .	101.3	100.8	94.5	- 0.5	- 6.7
House-furnishing goods . . . . .	95.8	98.3	94.9	+ 2.6	- 0.9
Non-durable :					
Hides and leather products . . . . .	97.2	99.2	85.6	+ 2.1	-11.9
Textile products . . . . .	86.5	81.7	74.2	- 5.5	-14.2
Chemicals and drugs . . . . .	92.4	86.0	82.4	- 6.9	-10.8
Miscellaneous . . . . .	96.9	93.0	88.9	- 4.0	- 8.3
Fuel and lighting materials . . . . .	93.0	95.7	94.1	+ 2.9	+ 1.2

It will be noticed that on April 2nd, 1938, the price indices for durable goods were higher than those for other commodity groups relatively to 1929. The price index for metals and metal products was 15% higher than the index for all commodities on April 2nd, 1938; a year earlier, it had been only 3% higher. The corresponding "spread" between the index for building materials and that for all commodities widened from 9% on April 3rd, 1937, to 14% on April 2nd, 1938, in spite of the substantial fall in the prices of building materials during the last quarter of 1937 and the first quarter of 1938. Prices of finished steel were raised by 15% between December 1936 and April 1937, after which they remained unchanged until June 1938 in spite of the fact that by the end of 1937 steel production had fallen to less than a third of its level in the first half of the year. The contraction in demand was duly reflected in the price of steel scrap, which is not controlled by producers, and which declined by over 40% between March and December 1937.

As has often been pointed out, the rise in prices of producers' goods and their maintenance at a relatively high level tends to have the same effect as a high interest rate in checking expenditure on new plant and equipment. Mention may, however, be made

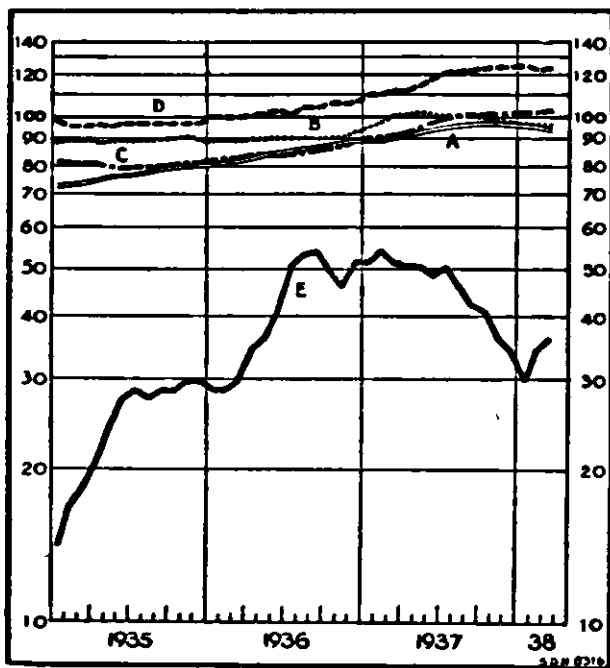
<sup>1</sup> Including bricks and tiles, cement, timber, paint, plumbing and heating equipment, structural steel and other building materials.

<sup>2</sup> Including agricultural implements, iron and steel, motor vehicles, non-ferrous metals, plumbing and heating equipment.

of considerations which have sometimes been adduced in favour of the maintenance of prices of producers' goods. Some observers believe that, in a period of declining trade, there would be little capital expansion or replacement even if prices of producers' goods were allowed to fall, the chief deterrent to spending being the fear of losses even in the use of existing equipment. Further, it is held that a fall in prices of capital goods sets up expectations of a further fall and thus leads *entrepreneurs* to postpone spending. It was

**Diagram 10. — RENTS AND BUILDING COSTS IN THE UNITED STATES.**  
1929=100; logarithmic scale.

- A. Rents.
- B. Prices of building materials.
- C. Construction wage rates (skilled labour).
- D. Construction wage rates (unskilled labour).
- E. Value of construction contracts (residential).<sup>a</sup>



<sup>a</sup> Adjusted for seasonal variations (Federal Reserve index).

partly with a view to dispelling such expectations that, in November 1937, steel producers in the United Kingdom announced their intention of keeping prices of steel unchanged until the end of 1938.

A special case in the price movement of consumers' and producers' goods is the relationship between rents and building costs. This relationship is illustrated in Diagram 10 for the United States, where it has received particular attention in recent years owing to the comparatively low level of building activity in that country.<sup>1</sup>

From the beginning of 1935 to the autumn of 1936, rents rose more rapidly than either labour costs or prices of building materials, and the volume of building activity, though it remained much lower than in 1929, showed a steady and substantial recovery. From September 1936 to September 1937, however, prices of building materials increased by 11.3%, wages of skilled labour by 14.6% and of unskilled labour by 13.2%, while rents rose only by 7.8%. The growth of building activity ceased, and a decline ensued in the latter part of 1937. While industrial wage rates showed a slight decline in the last quarter of 1937 (see Diagram 8 above), building wages continued to increase. Building materials, on the other hand, declined in price after the middle of 1937.

#### Interest Rates.<sup>2</sup>

Though the rate of interest stands on a different plane from industrial production costs proper, it seems convenient to conclude this section with a brief survey of recent changes in the price of capital. The short-term interest rate constitutes a cost in the financing of working capital, which varies with the volume of turnover of the individual firm. The long-term interest rate, however, does not influence the cost of current production, but represents an element in the fixed costs of future activity.

<sup>1</sup> This low level is brought out in Diagram 10. It should be recalled, moreover, that, unlike industrial production, residential building activity had been much higher in 1924-1928 than in 1929, the base year used in the diagram.

<sup>2</sup> The subject of interest rates is here treated only very briefly, as it has recently been fully discussed in another publication of the Economic Intelligence Service—namely, *Money and Banking*, Vol. I (*Monetary Review*). (For a long-period comparison of commodity prices and interest rates see, for example, Diagram 22 in the 1936/37 edition and Diagram 14 in the 1937/38 edition of that publication. The 1936/37 edition contains a detailed review of the movement of interest rates from 1929 to the beginning of 1937.)

Short-term rates showed, in most countries, little or no change during 1937 and remained at the low level to which they had fallen previously. In the United Kingdom, for example, the discount rate on three-month bank bills remained remarkably stable at only a shade above  $\frac{1}{2}\%$ . In the Netherlands, the rate of "private discount" continued the downward movement which it began after the devaluation of the florin, and reached the exceptionally low figure of 0.16% at the beginning of 1938. The principal exceptions to the stable or declining tendency of money rates in 1937 were Belgium, France and the United States. In Belgium, the discount rate on commercial paper, which had been kept unchanged at 1% since the end of 1936, rose to  $1\frac{3}{4}\%$  during the last quarter of 1937. The movement of interest rates in France continued to be somewhat irregular in 1937; the commercial paper rate rose, on balance, from 2.13% in December 1936 to 5.28% in June 1937, after which it declined, on balance, to 3.13% in December 1937. Only a relatively slight increase in money rates took place in the United States in the early months of 1937, the commercial paper rate being raised from  $\frac{3}{4}\%$  to 1% and the acceptance rate from 0.19% to 0.44%; these two rates showed no change in the latter part of the year, but the Treasury bill rate, which is more sensitive to money-market conditions, declined from 0.70% in April to 0.10% in December 1937; and the average rate on bank loans in twenty-seven southern and western cities, which had risen only from 4.14% in December 1936 to 4.21% in April 1937, receded to 4.15% in December 1937.

Recent changes in the price of long-term capital in eighteen countries are illustrated in the following table, which shows the quarterly movement of the yield of Government bonds and — where the data are available — of industrial or miscellaneous bonds from December 1936 to March 1938.

ACTUAL PERCENTAGE YIELD OF BONDS.  
(According to domestic quotations.)

Country	Bonds	December 1936	March 1937	June 1937	September 1937	December 1937	March 1938
Argentina . . . .	Government bonds . .	5.06	4.98	4.98	4.99	4.98	5.00
Australia . . . .	4% Government bonds	4.02	3.93	3.75	3.81	3.74	3.55
Belgium . . . .	3% <i>rente</i> . . . . .	3.55	3.28	3.25	3.28	3.57	3.76
Canada . . . . .	Province of Ontario loans	3.34	3.76	3.49	3.44	3.41	3.28
Czechoslovakia . .	Government bonds . .	4.50	4.48	4.48	4.48	4.48	4.48
Finland . . . . .	State loans . . . . .	4.9	4.8	4.7	4.7	4.7	4.7
France . . . . .	3% <i>rente</i> . . . . .	4.01	4.31	4.34	4.17	4.32	4.44
	Miscellaneous bonds .	5.61	6.20	6.12	6.19	6.16	6.65
Germany . . . . .	Public bonds . . . . .	4.73	4.63	4.57	4.56	4.53	4.51
	Industrial bonds . . .	5.89	5.88	4.90	4.91	4.87	4.86
Hungary . . . . .	5% Forced Loan, 1924	7.03	6.56	6.08	6.34	6.31	6.83
Italy . . . . .	$3\frac{1}{2}\%$ <i>Rendita</i> . . .	4.64	4.78	4.69	4.77	4.69	4.71
Japan . . . . .	Government bonds . .	3.91	3.90	3.93	3.94	3.91	3.89
	Industrial bonds . . .	4.38	4.36	4.42	4.46	4.42	4.36
Netherlands . . .	$2\frac{1}{2}\%$ -3% Government bonds . . . . .	3.08	3.25	3.14	3.09	3.07	2.96
	Miscellaneous bonds .	3.80	3.43	3.34	3.27	3.23	3.25
Poland . . . . .	5% Conversion Loan .	10.35	9.78	9.00	8.87	7.95	7.62
Roumania . . . .	Government bonds . .	11.56	9.80	8.80	7.75	8.52	7.58
Sweden . . . . .	Government bonds . .	3.03	3.05	3.06	3.03	2.98	2.87
	Industrial bonds . . .	3.15	3.22	3.25	3.19	3.05	2.91
Switzerland . . .	State and Railway bonds	3.55	3.52	3.41	3.31	3.22	3.25
United Kingdom .	$2\frac{1}{2}\%$ Consols . . . .	2.96	3.28	3.36	3.39	3.38	3.40
	Industrial bonds . . .	3.93	4.12	4.08	4.10	4.09	3.93
United States . .	Treasury bonds . . .	2.27	2.50	2.64	2.67	2.54	2.45
	Industrial bonds . . .	3.37	3.55	3.51	3.55	3.66	3.58

In a number of countries — such as Canada, France, Italy, Sweden, the United Kingdom and the United States — bond yields rose in the first few months of 1937. Though rates,



on the whole, remained low, their rise was in some cases sudden and sharp : in the United Kingdom, the yield of Consols rose by 12% in the two months from December 1936 to February 1937 ; in the United States, the average yield of Treasury bonds rose by 16% from February to April 1937. This must have been a serious shock to long-term investment schemes. But it should be noted that, both in the United Kingdom and in the United States, the yield of industrial bonds rose less than that of Government bonds ; the rise in the latter was partly due to special factors connected with State finances and did not entail a proportional increase in the cost of industrial borrowing.

In the latter part of 1937 and the first quarter of 1938, bond yields — except in the Argentine, Belgium and France — showed a general tendency to decline. In the case of Japan, this decline may appear surprising in view of the heavy requirements of war finance which the Government had to cover by borrowing ; it may be mentioned, however, that the free market for bonds is extremely narrow in Japan, the bulk of Government securities being held by banks and other financial institutions closely controlled by the State ; little significance can therefore be attached to the slight fluctuations in bond yields which have taken place. In Sweden, the yield of both Government and industrial bonds fell to a record low level in the last quarter of 1937. In the United Kingdom, only industrial bond yields declined between September 1937 and March 1938 ; the yield of Consols remained practically constant.

In spite of the downward tendency of bond yields, the fall in the general level of commodity prices which set in during 1937 undoubtedly rendered borrowing for long-term investment less attractive. The money rate of interest alone is not a sufficient measure of the real cost of borrowing in a period of falling prices, when both the interest and the redemption cost of fixed debts tends to be increased in terms of commodities.

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## CHAPTER VII

### INDUSTRIAL PROFITS AND FARM INCOME

In an analysis of production, special interest attaches to fluctuations in earnings and profits. An attempt has therefore been made to bring together here such material as is available on industrial earnings and farm income

The existing data, however, differ in scope from country to country, are in many cases approximations and are therefore not strictly comparable as regards the size of the absolute figures (Appendix V). But, the series given probably reflect satisfactorily enough the changes from year to year in industrial profits and farm income in each country, and the indices calculated from them may therefore be compared.

*Table 1. — INDICES OF MARKET-VALUE OF INDUSTRIAL SHARES.*  
1929 = 100.

Country	Canada	U.S.A. <sup>1</sup>	Japan <sup>2</sup>	Austria <sup>3</sup>	Belgium <sup>4</sup>	Czechoslovakia	France	Germany	Hungary	Italy	Netherlands	Poland <sup>5</sup>	Sweden <sup>6</sup>	United Kingdom <sup>7</sup>
Number of companies covered	87	351	64	34 <sup>8</sup>	80	*	164	213	18	74	51	7	52 <sup>10</sup>	92
Average														
1929 .....	100.0	100.0	.	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1930 .....	64.3	74.2	74.8	84.0	68.2	81.8	84.6	80.1	76.8	86.2	70.4	70.5	84.4	80.6
1931 .....	36.6	45.9	76.4	64.0	49.5	65.0	58.1	*60.5	*60.6	60.2	52.1	40.3	58.0	62.6
1932 .....	23.7	24.4	103.6	54.5	37.4	51.7	47.0	*40.3	*57.5	44.6	34.5	28.1	50.3	60.4
1933 .....	35.3	35.0	176.7	45.1	36.4	56.6	44.8	51.7	51.9	51.8	38.0	30.2	57.2	74.1
1934 .....	46.4	42.9	222.7	49.4	30.8	60.1	35.4	61.8	48.0	61.1	40.1	29.2	69.7	89.9
1935 .....	54.4	48.0	181.6	65.3	37.4	65.6	36.3	69.6	64.7	68.1	38.7	32.9	72.1	100.7
1936 .....	74.3	67.3	205.8	81.8	47.0	88.4	33.4	77.8	85.7	73.6	45.1	37.9	90.2	115.7
1937 .....	77.4	69.0	251.7	94.3	62.2	111.2	43.8	87.3	106.5	88.7	67.0	44.7	103.7	108.3
1937:														
I-III .....	86.4	79.3	248.0	100.2	66.9	118.4	51.6	84.7	118.0	85.0	68.4	42.3	107.1	117.5
IV-VI ..	81.2	72.8	271.7	93.6	62.5	114.1	42.8	87.4	97.4	89.1	66.4	42.2	104.6	109.8
VII-IX ..	79.0	72.0	238.9	96.2	65.8	114.6	40.7	89.8	109.4	92.1	69.8	45.8	106.8	107.4
X-XII...	63.0	51.9	241.6	87.4	53.3	97.4	40.0	87.4	97.7	88.7	63.4	48.3	96.6	96.3
1938:														
I-III .....	64.8	49.6	269.5	84.0	47.8	91.0	37.8	88.5	81.3	94.3	64.8	56.9	98.1	91.6
III.....	61.4	47.1	267.9	82.9	43.4	86.2	37.1	88.5	66.2	91.1	63.8	54.7	89.8	86.3
IV.....	60.1	44.1	...	...	...	85.9	43.1	89.5	...	82.4	63.5	56.6	...	92.8
V.....	61.2	46.1	253.6	...	...	86.4	43.2	...	...	80.7	64.1	55.4	...	88.5

*Note.* — Unless otherwise stated, the indices have been compiled by Government authorities in each country. <sup>1</sup> Standard Statistics Co. <sup>2</sup> Tokio Stock Exchange Co.; January 1930 = 100. <sup>3</sup> Institut für Konjunkturforschung. <sup>4</sup> National Bank. <sup>5</sup> Institut de Recherches sur le Mouvement des Affaires et des Prix. <sup>6</sup> Affärsvärlden. <sup>7</sup> London and Cambridge Economic Service. <sup>8</sup> Until 1935, thirty-five shares. <sup>9</sup> Including transport company shares. <sup>10</sup> Excluding Swedish Match Co. and L. M. Ericsson Telephone Co. (international corporations particularly affected by the breakdown of the Krueger concern); including some shipping shares.

\* Monthly average of daily rates; \* Monthly average of rates, taking one day in the week; \* Average of highest and lowest rate in the month; \* 15th or middle of month; \* Beginning of following month; \* Last week or end of month; \* Stock Exchange closed — Germany: July 12th, 1931-April 11th, 1932; Hungary: July 14th, 1931-October 21st, 1932.

A. INDUSTRIAL PROFITS

The main statistical sources reflecting the earnings and profits of industry are two: indices of the market value of industrial shares and indices of net profits of industrial establishments. The two supplement each other, and should be used concurrently in order to arrive at a general picture of the earning position of industry.

Indices of the market value of industrial shares — affording the most general and most uniform information — are given in Table 1. In using these indices, it should be remembered that the price of industrial shares is determined by a number of varying influences besides that of the levels of profits actually earned over each period of time. Essentially, these prices express *anticipations* of future earnings capitalised at a certain rate of interest. Although largely influenced by reported earnings, they tend to fluctuate on the one hand with changes in long-term interest rates and on the other hand with changes in the degree of optimism or pessimism with which the investors regard the future. They are sensitive to changes in the general political situation and similar external circumstances.<sup>1</sup>

Table 2. — INDICES OF NET PROFITS (IN NATIONAL CURRENCY) OF MAINLY INDUSTRIAL COMPANIES IN CERTAIN COUNTRIES.  
1929=100.

Period	Germany	Belgium	Canada*	U.S.A.	Finland	France*	Italy*	Japan	United Kingdom	Netherlands*	Sweden	Switzerland*
	Extractive and manufacturing joint-stock companies	All joint-stock companies	All joint-stock companies	120 industrial companies	143 industrial companies	Taxpayers in commerce, trade and finance	Industrial, commercial and financial joint-stock companies	Industrial, commercial and financial companies	Industrial companies	All joint-stock companies	20 leading industrial companies	Industrial joint-stock companies
1929 ...	100.0	100.0	100.0	100.0	100.0	100.0	100	100.0	100.0	100.0	100.0	100.0
1930 ...	...	109.1	119.2	59.3	33.5	91.5	5	51.4	99.4	98.9	79.7	88.8
1931 ...	30.9	75.2	94.6	24.4	36.7	75.1	13	50.5	77.1	87.6	48.3	74.5
1932 ...	—	24.3	69.0	—	88.8	65.4	—	71.7	63.1	64.0	28.0	60.9
1933 ...	—	13.6	56.5	15.7	124.7	62.3	44	94.2	63.4	48.4	44.2	59.0
1934 ...	14.4	23.0	77.8	26.1	162.9	58.5	18	115.1	73.9	46.9	61.7	59.0
1935 ...	49.9	28.6	89.1	44.5	153.8	53.8	52	146.0	85.7	40.2	75.7	44.7
1936 ...	...	52.6	109.2	69.3	205.6	...	78	157.1	96.5	*49.6	91.4	47.2
1937 ...	...	83.2	133.9	*77.1	...	...	...	...	113.2	*79.6	111.8	...
First quarter 1937	...	...	...	75.0	...	...	...	...	106.7	...	...	...
1938 ...	...	...	...	*28.9	...	...	...	...	116.7	...	...	...

NOTE. — For full explanation of the series used, cf. notes and tables in Appendix V.

\* Dividends. — \* Estimates. — \* From 1934 onwards, new enlarged series not strictly comparable with previous figures. The index is calculated on the basis of rates of profits and not, as in other cases, on the basis of absolute figures.

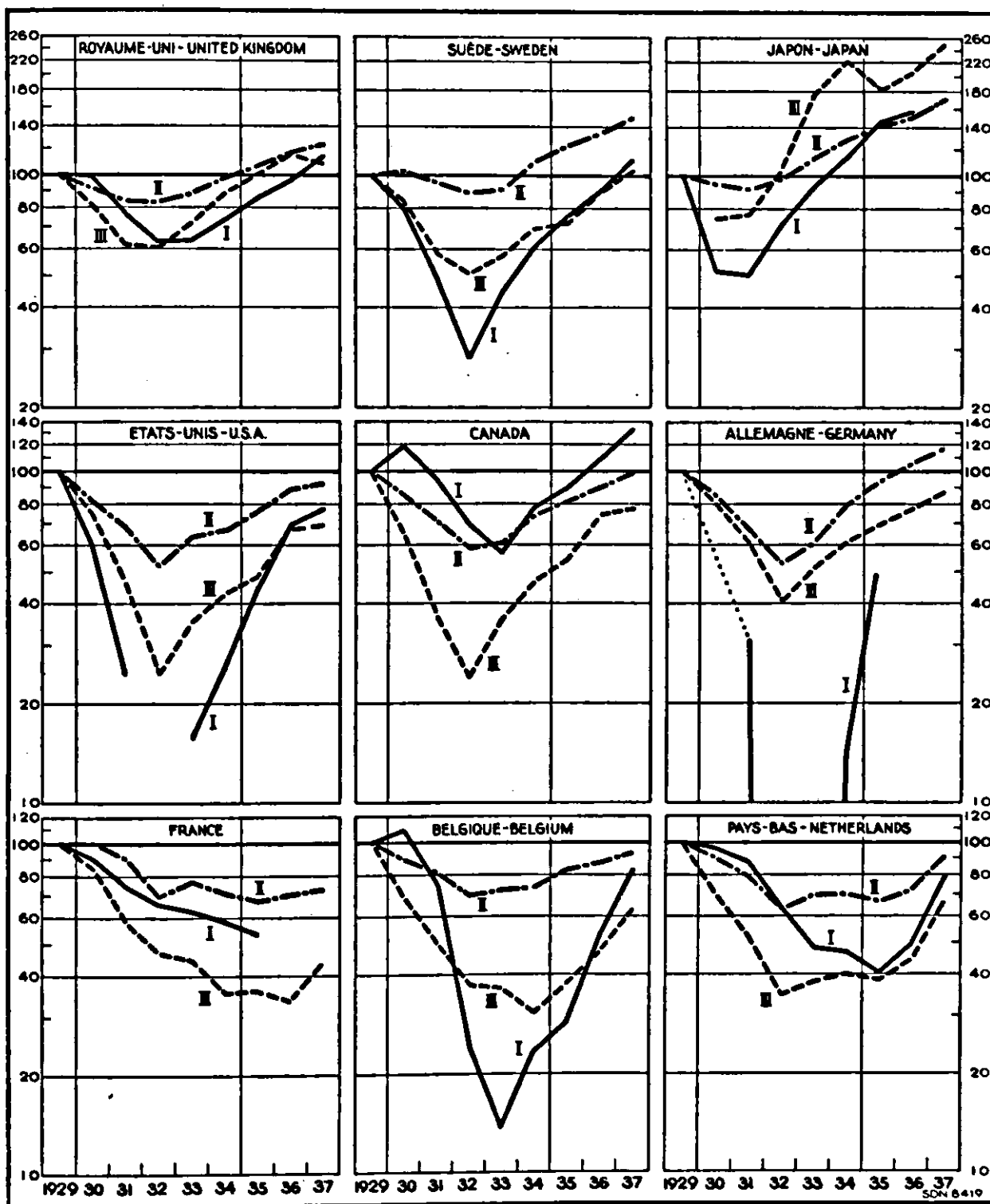
\* Preliminary figures.

Data on industrial net profits for fourteen countries are given in Appendix V, together with brief notes on the scope and nature of the series for each country. For the purpose of this survey, series as far as possible representative of aggregate net profits (reported net profits less reported net losses), have been translated into index numbers on the base of 1929 = 100 and reproduced in Table 2. No account is taken of changes in the level of prices. It is significant that, whereas the annual average of quotations was higher in 1937 than in 1936 (except in the United Kingdom), as were also net profits, the quarterly averages of the share values have shown in most countries a distinct downward trend since the first or second quarter of 1937.

<sup>1</sup> Changes in the proportion of net profits distributed to shareholders also affect the market value of shares.

**Diagram 1. — INDICES OF NET PROFITS OF INDUSTRIAL COMPANIES, INDUSTRIAL PRODUCTION AND MARKET VALUES OF INDUSTRIAL SHARES.**  
1929=100; logarithmic scale.

- I. Net profits.
- II. Industrial production.
- III. Market values of industrial shares.



Indices of share values and industrial profits are reproduced together with industrial production indices in Diagram 1. In the great majority of countries shown, the share value and profit indices reached their lowest levels concurrently with the minimum of industrial production — i.e., generally in 1932 — although, in certain countries — in particular those of the former gold bloc, France, Belgium and Switzerland — the profit and share value indices touched bottom later. In the course of the depression, the share values, which, as pointed out above, partly reflect anticipations of future profits, generally did not fall as much as net profits; in a number of countries, negative profits (i.e., losses in excess of profits) were in fact recorded for certain years. The subsequent recovery in share values and profits has proceeded rather unevenly, and, as a rule, not as far as that in production, comparison being made with 1929 (= 100) in each case. As regards share values, this may be partly due to the fact that, in many countries, the 1929 level had been pushed higher by excessive speculation than was justified by the real earning power of industry. By 1937, it had again been reached or surpassed, however, in Japan, the United Kingdom, Czechoslovakia, Hungary and Sweden (and also in Chile, Denmark, Norway and Switzerland, which are not shown in the table 1.<sup>1</sup>

On the other hand, as shown by the figures in Appendix V, the increase in dividends in the United Kingdom and Sweden, for instance, was considerably smaller than the increase in earnings. Thus, a larger proportion of the disclosed net profits has been put to reserve or written off in recent years than in 1929. Undisclosed business savings are also believed to have increased. As a result, the liquidity position of industry in these countries has been considerably strengthened, while the conservative dividend policy may have helped to check excessive speculation in industrial shares.

The year 1937 — although still showing mounting industrial profits — marks a definite turn in the prices of industrial shares, reflecting an anticipated decrease in earnings in most countries. In New York, the turning-point occurred in March 1937. Among the factors which contribute to explain the slump should be mentioned a sharp reduction in new orders concurrently with increasing costs of raw materials and hourly wage rates, which caused an anticipation of falling profits in key industries, such as building and railroads. This decline in share values was enhanced by the fall in the value of fixed interest securities resulting largely from the policy pursued by the banking system.<sup>2</sup> Moreover, the fact that the sudden increase in dividends in the second half of 1936, caused in part by the tax on undistributed profits introduced in 1936, was not followed by further increases may have caused, by psychological repercussion, a certain reaction in share values as well.

As the year 1937 progressed, the reports on earnings of leading industrial companies in the United States suggested a definite downward trend of profits as compared with the preceding year. Although for the year as a whole, the results were still better than those recorded in 1936, the increase between 1935 and 1936 was some 50% as compared with only about 6% between 1936 and 1937. The reports for the first quarter of 1938, as compared with those for the corresponding quarter a year ago, give full evidence of a continued decline. It is noteworthy that smaller profits for 1937 than for 1936 were recorded in the case of a certain number of consumption goods industries; those producing food products, shoes, textiles, clothing and such durable consumers' goods as motor-cars. There was a decline also in the profits of retail stores, whilst the largest increases occurred in certain engineering and metal industries: aircraft, copper, steel, etc. Somewhat smaller increases were recorded for agricultural implements, electrical equipment and tool industries.

The decline on the London stock market actually began about three months earlier than that in New York. It is difficult to point to any definite cause for this early turn in the London market's anticipations. Possibly, it may be connected with apprehensions

<sup>1</sup> Cf. *Statistical Year-Book of the League of Nations, 1937/38*, Table 130, and *Monthly Bulletin of Statistics*.

<sup>2</sup> Cf. in this connection, *Money and Banking, 1937/38*, Vol. I, page 44.

as to the effects of rearmament on taxes, demands for consumption goods, etc., and with a growing feeling of general international insecurity. Once under way, the decline may have been enhanced by the new tax on profits on the one hand and the Wall Street slump on the other. In contrast with the United States, however, industrial profits have so far not declined; on the contrary, during 1937 and the first quarter of 1938, they reached record levels; in the latter period, profits represented a higher percentage of the paid-up capital than in 1929; it should be recollected, however, that there is a considerable time-lag in these figures. Nearly 70% of the profits shown in 1937 were, in fact, reported before June 30th and were largely earned before March 31st, 1937.

While profits were thus expanding in the United Kingdom, the proportion distributed to shareholders was further reduced in 1937; the companies covered by the statistics retained about one third of their profits, an amount which equalled the entire profits earned in 1931. In the first quarter of 1938, profits in all industries averaged just under 12% of the total share capital, in the textile industry under 8%, in retail trading over 16%. Profits of iron, steel and coal companies were slightly above the average for all companies.

With the exception of Germany, Italy, Japan and Poland, share values fell during the course of 1937 in all other countries for which indices are available, whilst business profits have continued to increase above the level of preceding years.

In Germany, share values seem to have been unaffected by the slump in other countries and the favourable course of profits (which is shown in Appendix V) continued during 1937 in spite of a counteracting rise in costs entailed by a number of factors. Among these factors, the *Reichs-Kredit-Gesellschaft*<sup>1</sup> points to the following: the exchange control, the necessity to extend capacity since the existing plant is fully employed, the increase in wages due to shortage of skilled labour, increased expenditure on amenities for employees, the rise in the price of foreign materials, the technical reorganisation necessitated by the introduction of new synthetic raw materials, delay in the delivery of raw materials and semi-manufactures involving a slowing-up of the productive process. Moreover, the 50% increase in the tax on companies introduced during the autumn of 1936 did not have its full effect until 1937. The policy restricting dividends of companies is being continued, causing an increase in corporate savings.

In Japan, the average profit rate of 190 companies for which recent data are available, showed a downward trend in the second half of 1937 after continued increase for several years. Although the heavy industries were unprecedentedly active, the industries manufacturing consumption goods suffered from increased costs caused by shortage in raw materials and labour, together with a heavier burden of taxation.<sup>2</sup> The proportion of corporate savings appears to have declined.

## B. AGRICULTURAL INCOME

The changes of earnings in agriculture have both directly and indirectly a deep-going influence on the economic situation of the world. The absence of reliable up-to-date and internationally comparable data is therefore particularly to be regretted; in order, however, to throw some light on this aspect of recent economic developments, the Economic Intelligence Service has brought together available data on farm income in a certain number of countries. The original figures, together with explanatory notes, are reproduced in Table 2 of Appendix V, and, in order to bring out tendencies of development, the figures have been converted into index numbers (1929 = 100) in Table 3 of this chapter.

The figures are not strictly comparable, since they sometimes relate to *gross* value, sometimes to *net* values of agricultural production and, in still other cases, to selling receipts of farmers; but the year-to-year changes are believed to reflect the general trend of

<sup>1</sup> Cf. "Germany's Economic Situation at the Turn of 1937/38", Berlin 1938.

<sup>2</sup> Mitsubishi Economic Research Bureau; *Monthly Circular*, March 1938, page 7.

development over the period considered. The movement in income can be assumed to reflect — although in a decreased degree — the trends in agricultural *profits*, to judge by such scattered and partial information as is available on the profit-earning capacity of agriculture. <sup>1</sup>

Table 3. — INDICES OF THE VALUE OF AGRICULTURAL PRODUCTION. <sup>a</sup>  
1929=100. <sup>b</sup>

Country	Character of statistics	1930	1931	1932	1933	1934	1935	1936	1937
Canada	Net value	81	54	48	50	57	61	68	67
U.S.A.	Net value	79	58	45	54	61	71	80	...
	Selling receipts	81	56	41	49	61	68	76	*81
Japan	Gross value <sup>c</sup>	68	57	69	86	75	89	...	...
Germany <sup>▲</sup>	Selling receipts	88	76	65	76	85	89	91	...
Denmark <sup>▲</sup>	Net income <sup>d</sup>	(49)	(33)	(59)	(69)	(71)	(78)	...	...
Estonia <sup>▲</sup>	Net value	87	62	52	61	60	65	...	...
Finland	Gross value <sup>c</sup>	109	113	124	119	122	120	144	...
Netherlands	Net value	83	65	60	66	...	...	...	...
United Kingdom (England and Wales) <sup>b</sup> <sup>▲</sup>	Net value	(100)	(92)	(90)	(98)	(101)	(101)	(109)	...
Sweden	Gross value <sup>c</sup>	90	80	85	88	98	98	97	112
Switzerland	Net value	93	95	85	82	83	80	77	*84
New Zealand <sup>▲</sup>	Gross value	77	68	70	89	84	107	...	...

NOTE. — For explanatory details, cf. also Table 2 of Appendix V.

<sup>a</sup> Certain figures relating to vegetable production in France will be found in Appendix V.

<sup>b</sup> Preliminary figure. <sup>▲</sup> Crop year 1929/30, etc.

<sup>c</sup> England and Wales: 1930=100.

<sup>d</sup> Gross value of vegetable produce and silk, plus value of animals slaughtered.

<sup>e</sup> Estimated income (gross receipts less working expenses) according to Jørgen Pedersen (*Weltwirtschaftliches Archiv* (Kiel), 47. Band, Heft 3, May 1938).

<sup>f</sup> The meat and dairy production is represented by the value of the home-grown fodder consumed by those industries, a figure which is, of course, too low.

Farmers' income dropped greatly in practically all countries during the depression as a result of the fall in prices of farm products — the production, as shown above, remaining in most cases practically stable (the United States being a notable exception) or, in certain cases, even slightly increasing. The minimum was reached in 1931 or 1932, except in France and Switzerland, where minimum figures were recorded as late as in 1935; Poland, included in Table 2 of Appendix V, would appear to show a similar development. <sup>2</sup> The recovery has been somewhat uneven, and has proceeded farthest in countries — the United Kingdom, Sweden, Finland, for instance — in which Governments have been able to introduce effective measures of protection of domestic producers in the home market, and in which exports are nil (United Kingdom) or form a minor part only of total agricultural production.

<sup>1</sup> Cf. in this connection, *World Economic Survey*, 1934/35, page 84.

<sup>2</sup> While the absolute decrease was considerable in France and Poland, it appears to have been relatively slight in Switzerland, owing, no doubt, to the high and increased level of agricultural protection in the latter country.

By 1937, or earlier, the pre-depression level had been exceeded in all these countries and in New Zealand ; but it was not reached in countries exporting a substantial part of their agricultural production, such as Canada, the United States, Japan <sup>1</sup> and Estonia, owing to the relatively depressed prices of agricultural products on the world market. <sup>2</sup>

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<sup>1</sup> Proceeds of raw silk are included in the Japanese figures of agricultural income, which fluctuates in unison with the violent changes in the price of this commodity on the world market.

<sup>2</sup> The index shown for Denmark which relates to estimated *net income* from agriculture is not directly comparable with those shown for other countries. It reflects, however, a very marked recovery by 1935/36 from the extremely low level to which agricultural income in that country had fallen in 1931/32.



# APPENDICES

## Appendix I.

### WORLD INDEX OF PRIMARY PRODUCTION.

#### METHOD OF CALCULATION OF THE COMPOSITE WORLD INDEX OF PRIMARY PRODUCTION.

Full details of the method used and the scope of the index is given in *World Production and Prices, 1936/37*, page 98. It is compiled by the aggregative method, the quantity of each commodity produced each year being multiplied by a representative world price in 1930, expressed in terms of gold dollars.

The base is the average annual production in the quinquennium 1925-1929. The indices refer to quantities produced per calendar year, except as regards certain agricultural products in the Northern Hemisphere and the whole agricultural production in the Southern Hemisphere, the data for which relate to periods of twelve months ending in the July, August or September following the year stated.

The index covers seventy-nine commodities as shown in Table 2 of this Appendix. The absolute figures relating to most of these commodities will be found in the *Statistical Year-Book of the League of Nations, 1937/38*. For many commodities, however, the statistics available are incomplete and have had to be supplemented by estimates.

### Appendix I. Table 1.

#### PRODUCTION AGGREGATES IN TERMS OF DOLLARS ACCORDING TO 1930 PRICES (000,000's omitted).

GROUPS OF PRODUCTS	Average 1925-29	1925	1929	1932	1933	1934	1935	1936	*1937
Food crops . . . . .	11,774.0	11,514.4	11,875.3	12,232.5	12,569.6	12,142.1	12,333.0	*12,439.4	12,996.4
Meat * . . . . .	11,551.0	10,999.5	12,022.3	11,403.3	11,597.2	11,934.8	11,246.3	11,921.7	11,769.9
Sea fish . . . . .	495.1	461.7	544.6	552.6	610.7	634.2	659.8	* 666.2	687.4
Milk * . . . . .	10,900.2	10,408.8	11,280.1	11,573.5	11,619.5	11,652.8	11,837.6	12,059.5	12,174.0
Wine and hops . . . . .	727.1	784.0	782.6	779.7	732.5	882.7	939.2	660.7	767.0
Coffee, tea, cocoa . . . . .	619.6	538.6	705.7	713.7	728.2	715.9	673.6	754.3	747.7
Tobacco . . . . .	848.6	860.7	886.9	776.0	831.7	776.8	871.6	891.3	934.3
Oil materials and oils . . . . .	1,646.9	1,558.9	1,757.9	1,669.3	1,770.5	1,612.2	1,776.3	1,845.3	2,083.8
Textile fibres . . . . .	3,614.0	3,467.4	3,841.3	3,574.2	3,869.3	3,779.4	4,115.3	4,624.6	5,277.7
Rubber . . . . .	162.4	129.3	213.6	174.4	210.0	250.4	214.8	210.4	279.4
Wood products . . . . .	705.3	620.4	804.0	621.1	713.6	790.0	845.3	939.1	1,026.6
Fuel and power . . . . .	6,158.1	5,652.6	6,853.4	5,335.8	5,641.5	6,128.5	6,478.7	7,076.5	7,582.3
Metals . . . . .	2,683.6	2,351.6	3,180.5	1,379.1	1,604.4	2,103.6	2,509.0	3,037.9	3,731.5
Non-metallic min. . . . .	1,165.5	1,031.5	1,331.1	841.6	876.5	1,032.3	1,145.8	1,320.2	1,418.3
<i>Agricultural prod.</i> . . . . .	<i>41,952.5</i>	<i>40,454.5</i>	<i>43,368.8</i>	<i>42,877.4</i>	<i>43,824.6</i>	<i>43,540.3</i>	<i>43,724.3</i>	<i>45,028.2</i>	<i>46,384.8</i>
<i>Non-agricult. prod.</i> . . . . .	<i>11,098.9</i>	<i>9,924.9</i>	<i>12,710.5</i>	<i>8,749.4</i>	<i>9,650.6</i>	<i>10,895.4</i>	<i>11,922.0</i>	<i>13,418.9</i>	<i>15,091.5</i>
<i>Foodstuffs</i> . . . . .	<i>37,739.1</i>	<i>36,347.1</i>	<i>38,976.5</i>	<i>38,866.0</i>	<i>39,574.7</i>	<i>39,545.4</i>	<i>39,449.2</i>	<i>40,315.8</i>	<i>41,118.6</i>
<i>Raw materials</i> . . . . .	<i>15,312.3</i>	<i>14,032.3</i>	<i>17,102.8</i>	<i>12,760.8</i>	<i>13,800.5</i>	<i>14,890.3</i>	<i>16,197.1</i>	<i>18,131.3</i>	<i>20,357.7</i>
<b>Total</b> . . . . .	<b>53,051.4</b>	<b>50,379.4</b>	<b>56,079.3</b>	<b>51,626.8</b>	<b>53,375.2</b>	<b>54,435.7</b>	<b>55,646.3</b>	<b>58,447.1</b>	<b>61,476.3</b>
Fodder crops † . . . . .	(6,225.6)	(6,351.7)	(6,365.8)	(6,525.6)	(5,929.9)	(5,293.3)	(6,117.7)	(5,297.0)	(6,262.7)
<b>TERRITORIAL DIVISIONS</b>									
Europe, excl. U.S.S.R. . . . .	17,916.9	17,128.5	19,550.4	18,746.3	19,300.2	19,883.7	20,178.0	20,493.9	21,403.7
Europe, incl. U.S.S.R. . . . .	23,513.6	22,196.9	25,417.5	23,691.5	24,440.1	25,377.1	26,225.4	26,762.7	27,966.4
North America . . . . .	14,418.1	13,650.3	14,952.8	12,496.9	12,837.7	12,749.6	12,720.4	13,998.4	15,213.7
Latin America . . . . .	4,162.9	3,980.4	4,266.4	3,959.7	4,104.7	4,429.8	4,425.1	4,659.5	4,829.9
Africa . . . . .	1,346.4	1,292.1	1,479.6	1,348.5	1,454.2	1,544.9	1,645.1	1,671.2	1,812.1
Asia . . . . .	8,233.7	7,957.6	8,548.1	8,445.6	8,847.4	8,638.7	8,887.0	9,609.1	9,853.3
Oceania . . . . .	1,376.7	1,302.1	1,414.9	1,684.6	1,691.1	1,695.6	1,743.3	1,746.2	1,800.9
<b>World.</b> . . . . .	<b>53,051.4</b>	<b>50,379.4</b>	<b>56,079.3</b>	<b>51,626.8</b>	<b>53,375.2</b>	<b>54,435.7</b>	<b>55,646.3</b>	<b>58,447.1</b>	<b>61,476.3</b>

\* Partly based on estimates.  
† Series not included in totals.

**Appendix I. Table 2.**

INDICES OF WORLD PRODUCTION OF PRIMARY COMMODITIES.  
Average Annual Production in 1925-1929 = 100.

Products	1925	1927	1929	1930	1931	1932	1933	1934	1935	1936	*1937
<i>Food crops :<sup>1</sup></i>											
Wheat . . . . .	95	101	97	110	104	103	109	104	105	**101	**109
Rye . . . . .	105	102	100	107	94	103	110	96	100	** 91	** 93
Rice . . . . .	100	98	101	101	104	104	106	101	100	109	109
Potatoes . . . . .	95	102	111	112	110	113	111	120	122	**123	**137
Beet sugar . . . . .	90	100	109	133	102	92	103	113	114	120	131
Cane sugar . . . . .	94	99	107	98	101	91	93	92	101	112	110
<i>Fodder crops :<sup>1</sup> †</i>											
Barley † . . . . .	(94)	(91)	(115)	(110)	(94)	(105)	(103)	(98)	(109)	(**99)	(**103)
Oats † . . . . .	(97)	(94)	(103)	(103)	(88)	(96)	(91)	(87)	(101)	(**86)	(**97)
Maize † . . . . .	(107)	(99)	(101)	(90)	(103)	(110)	(97)	(82)	(96)	(84)	(104)
<i>Meat :<sup>1</sup></i>											
Beef * . . . . .	99	100	102	99	92	91	96	105	102	104	...
Veal * . . . . .	100	97	105	101	97	97	96	101	99	100	...
Pig-meat, (pork, bacon, hams, lard) * . . . . .	93	100	105	103	105	103	105	104	95	105	...
Mutton, lamb, goat-flesh * . . . . .	91	102	107	120	114	107	97	96	91	97	...
Sea fish . . . . .	93	98	110	116	111	112	123	128	*133	*135	...
Milk * <sup>1</sup> . . . . .	95	100	103	105	106	106	107	107	109	111	112
<i>Wine and hops :</i>											
Wine . . . . .	108	97	107	92	102	107	99	123	130	90	105
Hops . . . . .	89	99	124	95	74	63	81	91	98	91	105
<i>Coffee, tea, cocoa :</i>											
Coffee . . . . .	80	95	120	123	105	123	132	127	106	131	127
Tea . . . . .	92	100	109	99	102	107	99	102	101	103	...
Cocoa . . . . .	97	104	106	103	106	111	120	116	138	138	141
Tobacco (raw) <sup>1</sup> . . . . .	101	98	104	109	107	91	98	92	103	105	110
<i>Oil materials and oils :</i>											
Cotton-seed . . . . .	105	90	99	98	102	90	101	92	102	122	145
Linseed . . . . .	106	107	83	110	110	88	84	95	91	** 96	** 88
Rape-seed . . . . .	121	102	92	110	100	100	101	99	104	112	111
Hemp-seed . . . . .	107	105	82	74	66	58	58	49	51	51	...
Sesamum . . . . .	88	107	108	121	115	114	113	98	115	119	122
Soya beans . . . . .	92	104	103	115	116	97	104	88	103	103	107
Copra . . . . .	86	91	116	100	99	97	120	119	117	120	122
Ground-nuts . . . . .	86	108	104	120	104	125	130	100	115	127	...
Palm and palm-kernel oil (crude) . . . . .	100	99	105	113	107	120	127	129	155	185	181
Olive oil (crude) . . . . .	78	125	149	54	102	103	93	97	112	87	124
Whale oil (crude) . . . . .	79	90	143	212	280	69	197	195	205	204	...
<i>Textile fibres :</i>											
Cotton (ginned) . . . . .	105	90	99	97	103	90	100	89	99	119	144
Flax (fibre) . . . . .	103	86	116	119	130	113	127	130	145	145	...
Hemp (fibre) . . . . .	107	101	96	90	72	62	60	59	62	70	** 74
Manila hemp (Abaca) . . . . .	97	93	115	105	87	70	73	97	108	105	...
Sisal hemp (Agave) <sup>2</sup> . . . . .	91	100	115	103	104	128	128	121	143	151	147
Mauritius hemp . . . . .	68	54	162	135	68	68	68	34	41	41	34
New Zealand hemp (Phormium) . . . . .	124	97	86	20	19	32	37	33	31	42	48
Jute (fibre) . . . . .	87	99	100	109	54	69	78	83	71	94	84

**Appendix I. Table 2 (concluded).**

INDICES OF WORLD PRODUCTION OF PRIMARY COMMODITIES.

*Average Annual Production in 1925-1929 = 100.*

Products	1925	1927	1929	1930	1931	1932	1933	1934	1935	1936	*1937
<i>Textile fibres (continued) :</i>											
Wool (sheep's, greasy) . . . . .	92	100	106	103	103	104	101	99	100	103	106
Mohair . . . . .	80	107	103	95	93	99	136	110	102	121	91
Silk (raw) . . . . .	87	99	113	110	107	98	103	106	102	101	...
Rayon (artificial silk) . . . . .	62	100	145	151	167	174	223	262	310	340	405
Staple fibre * . . . . .	.	.	(100)	(85)	(117)	(289)	(393)	(733)	(1990)	(4220)	(8610)
<i>Rubber (crude) . . . . .</i>	80	93	132	125	121	107	129	154	132	130	172
<i>Wood products :</i>											
Softwood (sawn and planed) . . . . .	97	102	103	87	69	57	70	78	81	89	...
Mechanical pulp . . . . .	87	99	116	114	104	97	104	120	125	139	...
Chemical pulp . . . . .	84	100	119	115	103	99	115	125	136	152	...
<i>Fuels and power :</i>											
Coal . . . . .	95	103	107	98	87	77	81	89	92	100	105
Lignite . . . . .	91	98	113	96	88	82	83	88	94	102	116
Petroleum . . . . .	86	101	119	113	109	104	113	120	131	142	161
Natural gas (consumption) . . . . .	80	97	129	132	117	109	110	126	136	154	...
Hydro-electric energy * . . . . .	81	100	118	120	115	120	127	135	153	161	173
<i>Metals :</i>											
Iron <sup>2</sup> . . . . .	88	99	120	107	69	42	52	70	84	104	131
Copper <sup>2</sup> . . . . .	88	94	120	100	87	57	64	80	93	107	142
Lead <sup>2</sup> . . . . .	94	103	105	101	82	73	73	81	85	93	102
Zinc <sup>2</sup> . . . . .	86	103	109	99	77	60	76	89	98	109	114
Tin <sup>2</sup> . . . . .	88	98	117	107	90	60	53	74	83	108	126
Aluminium (smelter production) . . . . .	81	96	124	120	98	70	64	77	118	166	224
Nickel <sup>2</sup> . . . . .	86	81	134	133	91	51	106	165	177	203	266
Silver <sup>2</sup> . . . . .	96	100	104	97	76	65	66	75	85	95	104
Manganese <sup>2</sup> . . . . .	76	94	122	113	70	39	56	94	127	161	...
Chrome <sup>4</sup> . . . . .	71	96	145	131	94	67	89	140	175	228	...
Tungsten <sup>5</sup> . . . . .	73	103	135	121	108	58	99	150	186	207	210
Molybdenum <sup>2</sup> . . . . .	52	88	162	154	121	102	239	392	508	706	1170
Vanadium <sup>2</sup> . . . . .	68	122	134	106	75	66	6	12	43	81	...
Antimony <sup>2</sup> . . . . .	90	103	101	79	93	64	68	78	110	134	...
Cadmium . . . . .	42	67	199	206	132	106	193	239	306	363	396
Magnesite (crude) . . . . .	83	97	123	97	81	81	103	135	*155	*182	...
Quicksilver . . . . .	76	110	119	80	73	60	44	54	73	*77	...
<i>Non-metallic minerals :</i>											
Cement . . . . .	86	101	113	107	93	73	72	86	94	112	118
Asbestos . . . . .	90	95	116	97	68	57	76	84	103	141	173
Salt . . . . .	90	100	115	112	107	101	106	112	119	126	...
Graphite . . . . .	86	108	106	85	55	49	60	79	155	158	...
Mica . . . . .	112	86	105	89	89	91	96	103	178	202	...
Sulphur <sup>6</sup> . . . . .	84	106	112	114	97	71	89	91	102	99	117
Natural phosphates (crude) . . . . .	89	103	107	125	89	76	88	105	117	129	...
Natural guano . . . . .	116	91	105	110	80	113	139	146	141	149	...
Chile nitrate of soda (saltpetre) . . . . .	101	64	129	97	45	28	17	45	49	52	...
Potash . . . . .	94	96	118	110	77	65	81	104	121	126	148
Basic slag . . . . .	82	102	118	96	74	55	66	78	88	97	...

\* Partly based on estimates. \*\* In view of the absence of official data for the U.S.S.R., these indices are particularly subject to caution. † Series not included in general indices.

<sup>1</sup> Excluding China, but including certain crops and meat produced in Manchuria.

<sup>2</sup> Including Mexican henequen, West Indian sisal, West and East African sisal, Java and Sumatra sisal and cantala, Philippines maguey.

<sup>3</sup> Metal content of ores mined.

<sup>4</sup> Chromic oxide (Cr<sub>2</sub>O<sub>3</sub>) content of ores mined.

<sup>5</sup> Tungsten trioxide (WO<sub>3</sub>) content of ores mined.

<sup>6</sup> Including sulphur content of pyrites mined.

**Appendix I. Table 3.**

WORLD INDICES OF PRIMARY PRODUCTION.  
Average Annual Production in 1925-1929 = 100.

Continents and Groups of Products	1925	1927	1929	1930	1931	1932	1933	1934	1935	1936	*1937
<b>WORLD.</b>											
<b>GENERAL INDEX</b> . . . . .	95	100	106	105	101	97	101	103	105	110	116
<i>Agricultural products</i> . . . . .	96	100	103	105	103	102	104	104	104	107	111
<i>Non-agricultural products</i> . . . . .	89	100	115	106	91	79	86	98	107	121	136
<i>Foodstuffs</i> . . . . .	96	100	103	105	103	103	105	105	105	107	109
<i>Raw materials</i> . . . . .	92	99	112	105	94	83	90	97	106	118	133
Food crops . . . . .	98	100	101	107	103	104	107	103	105	106	110
Fodder crops † . . . . .	(102)	(96)	(102)	(95)	(97)	(105)	(95)	(85)	(98)	(85)	(101)
Meat * . . . . .	95	100	104	103	101	99	100	103	97	103	102
Sea fish . . . . .	93	98	110	116	111	112	123	128	*133	*135	...
Milk * . . . . .	95	100	103	105	106	106	107	107	109	111	112
Wine and hops . . . . .	108	97	108	92	102	107	101	121	129	91	105
Coffee, tea, cocoa . . . . .	87	98	114	111	104	115	118	116	109	122	121
Tobacco . . . . .	101	98	104	109	107	91	98	92	103	105	110
Oil materials and oils . . . . .	95	104	107	103	107	101	108	98	108	112	127
Textile fibres . . . . .	96	95	106	105	105	99	107	105	114	128	146
Rubber . . . . .	80	93	132	125	121	107	129	154	132	130	172
Wood products . . . . .	88	100	114	108	95	88	101	112	120	133	146
Fuels and power . . . . .	92	102	111	104	94	87	92	100	105	115	123
Metals . . . . .	88	98	119	106	77	51	60	78	94	113	139
Non-metallic minerals . . . . .	89	98	114	108	89	72	75	89	98	113	122
<b>EUROPE (excl. U.S.S.R.).</b>											
<b>GENERAL INDEX</b> . . . . .	96	100	109	106	105	105	108	111	113	114	119
<i>Agricultural products</i> . . . . .	97	99	107	106	108	110	113	114	114	114	117
<i>Non-agricultural products</i> . . . . .	90	104	116	109	95	85	89	100	106	115	129
<i>Foodstuffs</i> . . . . .	97	99	107	106	109	111	113	115	115	115	117
<i>Raw materials</i> . . . . .	91	104	116	105	95	85	89	99	106	114	127
Food crops . . . . .	104	96	110	107	104	110	119	113	110	111	116
Fodder crops † . . . . .	(99)	(90)	(117)	(100)	(100)	(112)	(108)	(106)	(98)	(109)	(108)
Meat * . . . . .	92	101	105	105	110	110	110	114	114	115	114
Sea fish . . . . .	97	96	106	111	102	104	108	102	113	*115	...
Milk * . . . . .	95	100	105	109	112	114	116	117	118	121	122
Wine and hops . . . . .	111	97	107	90	100	100	92	114	122	82	96
Tobacco . . . . .	101	102	110	115	105	89	94	93	101	121	118
Oil materials and oils . . . . .	79	122	145	72	117	96	99	104	121	108	136
Textile fibres . . . . .	88	100	115	111	103	105	115	126	140	158	186
Wood products . . . . .	87	103	115	112	97	98	111	124	129	139	151
Fuels and power . . . . .	95	105	113	105	96	88	90	97	99	104	113
Metals . . . . .	85	102	122	115	83	60	65	79	89	102	122
Non-metallic minerals . . . . .	86	100	116	108	92	81	86	100	110	118	126
<b>EUROPE (incl. U.S.S.R.).</b>											
<b>GENERAL INDEX</b> . . . . .	94	101	108	108	103	101	104	108	112	114	119
<i>Agricultural products</i> . . . . .	96	100	106	106	*104	*102	*105	*106	*109	*109	*112
<i>Non-agricultural products</i> . . . . .	88	104	119	115	103	94	100	115	125	137	150
<i>Foodstuffs</i> . . . . .	96	100	106	107	*103	*102	*105	*107	*108	*108	*111
<i>Raw materials</i> . . . . .	89	103	118	111	103	95	100	113	124	136	148
Food crops . . . . .	101	99	104	110	102	106	118	115	117	...	...
Fodder crops † . . . . .	(97)	(90)	(114)	(103)	(97)	(104)	(110)	(111)	(104)	(...)	(...)
Meat * . . . . .	90	101	108	108	*103	*98	*95	*100	*100	*104	...
Sea fish . . . . .	94	97	108	120	115	113	115	117	*126	...	...
Milk * . . . . .	95	100	104	104	104	103	103	105	*107	*109	...
Wine and hops . . . . .	111	97	107	90	100	100	92	114	122	82	96
Tobacco . . . . .	108	99	101	107	109	95	97	102	*114	...	...
Oil materials and oils . . . . .	83	116	137	82	122	102	103	104	121	115	...
Textile fibres . . . . .	89	99	115	114	113	109	116	120	137	160	...
Wood products . . . . .	86	102	117	116	103	104	118	132	138	149	...
Fuels and power . . . . .	93	105	115	110	105	98	101	111	116	124	132
Metals . . . . .	82	109	137	123	92	73	82	107	127	146	166
Non-metallic minerals . . . . .	85	100	117	112	98	87	91	107	122	133	...

\* Partly based on estimates. † Not included in general indices.

**Appendix I. Table 3 (continued).**

WORLD INDICES OF PRIMARY PRODUCTION.  
Average Annual Production in 1925-1929 = 100.

Continents and Groups of Products	1925	1927	1929	1930	1931	1932	1933	1934	1935	1936	*1937
<b>NORTH AMERICA.</b>											
GENERAL INDEX . . . . .	95	99	104	100	96	87	89	88	88	97	106
<i>Agricultural products</i> . . . . .	96	99	100	101	104	99	98	94	89	95	102
<i>Non-agricultural products</i> . . . . .	91	99	110	98	81	65	72	78	86	102	115
<i>Foodstuffs</i> . . . . .	95	101	100	102	103	100	100	98	91	96	97
<i>Raw materials</i> . . . . .	94	97	108	97	87	69	75	77	84	98	117
Food crops . . . . .	85	109	91	106	100	97	70	68	79	72	89
Fodder crops † . . . . .	(107)	(99)	(94)	(86)	(95)	(108)	(83)	(55)	(90)	(59)	(96)
Meat * . . . . .	99	99	101	97	99	98	108	105	81	94	85
Sea fish . . . . .	91	95	115	107	79	71	76	106	...	...	...
Milk . . . . .	95	101	104	105	108	108	108	105	108	109	110
Wine and hops . . . . .	82	97	116	85	262	297	421	460	672	673	...
Tobacco . . . . .	101	90	113	121	118	77	102	81	97	86	113
Oil materials and oils . . . . .	104	94	96	95	107	87	82	70	89	88	122
Textile fibres . . . . .	102	87	101	97	118	93	99	79	89	100	140
Wood products . . . . .	91	97	111	98	86	70	83	90	100	116	129
Fuels and power . . . . .	91	100	109	98	86	75	81	86	92	103	111
Metals . . . . .	94	95	113	93	60	30	38	48	61	86	116
Non-metallic minerals . . . . .	92	101	106	101	81	51	51	58	61	81	90
<b>LATIN AMERICA.</b>											
GENERAL INDEX . . . . .	96	99	102	103	99	95	99	106	106	112	116
<i>Agricultural products</i> . . . . .	97	101	99	102	101	100	103	109	108	113	114
<i>Non-agricultural products</i> . . . . .	88	90	122	107	86	68	72	91	99	107	127
<i>Foodstuffs</i> . . . . .	97	101	99	102	100	100	103	107	105	110	111
<i>Raw materials</i> . . . . .	91	93	116	105	92	77	84	103	111	118	134
Food crops . . . . .	89	105	91	93	93	92	83	99	82	102	92
Fodder crops † . . . . .	(100)	(100)	(97)	(116)	(110)	(104)	(100)	(131)	(120)	(120)	(93)
Meat * . . . . .	102	101	98	100	97	95	102	106	111	109	...
Sea fish . . . . .	92	99	106	113	120	162	190	183	197	246	...
Milk * . . . . .	101	98	97	110	121	122	117	116	117	117	...
Wine and hops . . . . .	79	115	103	90	58	118	113	83	104	97	...
Coffee, tea, cocoa . . . . .	81	94	119	122	104	120	131	125	106	129	124
Tobacco . . . . .	91	103	110	107	110	84	89	101	87	92	...
Oil materials and oils . . . . .	102	109	76	107	120	86	96	120	104	123	112
Textile fibres . . . . .	96	96	111	101	100	99	117	131	147	150	165
Rubber . . . . .	117	120	77	50	40	23	33	30	43	53	63
Fuels and power . . . . .	88	91	124	123	108	107	110	128	138	143	165
Metals . . . . .	83	97	119	98	82	46	55	75	80	87	112
Non-metallic minerals . . . . .	99	69	128	99	54	41	34	59	66	82	...
<b>AFRICA.</b>											
GENERAL INDEX . . . . .	96	98	110	108	99	100	108	115	122	124	135
<i>Agricultural products</i> . . . . .	98	97	108	106	101	107	113	115	121	121	127
<i>Non-agricultural products</i> . . . . .	87	101	118	116	86	61	83	111	128	142	176
<i>Foodstuffs</i> . . . . .	98	100	107	105	103	111	112	118	121	117	122
<i>Raw materials</i> . . . . .	93	95	114	112	92	84	102	109	124	134	154
Food crops . . . . .	104	100	110	103	103	119	114	124	123	114	114
Fodder crops † . . . . .	(89)	(99)	(110)	(96)	(104)	(85)	(104)	(104)	(92)	(108)	(86)
Meat * . . . . .	94	103	101	99	96	96	100	99	102	106	...
Sea fish . . . . .	71	114	157	143	143	200	271	371	329	357	443
Milk * . . . . .	97	98	105	105	105	104	103	109	113	116	...
Wine and hops . . . . .	103	77	118	124	142	168	156	201	177	114	148
Coffee, tea, cocoa . . . . .	94	107	112	111	115	123	133	131	156	165	171
Tobacco . . . . .	98	121	84	94	95	92	87	100	97	101	...
Oil materials and oils . . . . .	96	96	112	110	88	103	113	113	121	126	...
Textile fibres . . . . .	97	89	112	109	99	96	116	106	122	131	140
Rubber . . . . .	97	110	73	61	49	24	25	37	61	73	97
Fuels and power . . . . .	94	99	104	99	87	78	83	95	104	113	113
Metals . . . . .	84	100	126	120	86	50	81	119	143	159	211
Non-metallic minerals . . . . .	86	109	109	126	90	87	93	104	108	115	127

\* Partly based on estimates. † Not included in general indices.

Appendix I. Table 3 (concluded).

WORLD INDICES OF PRIMARY PRODUCTION.  
Average Annual Production in 1925-1929 = 100.

Continents and Groups of Products	1925	1927	1929	1930	1931	1932	1933	1934	1935	1936	*1937
<b>ASIA.</b>											
<b>GENERAL INDEX</b> . . . . .	97	100	104	106	102	103	107	105	108	117	120
<i>Agricultural products</i> . . . . .	98	100	102	105	102	103	107	101	103	111	111
<i>Non-agricultural products</i> . . . . .	86	99	117	115	107	101	113	134	146	162	186
<i>Foodstuffs</i> . . . . .	99	100	102	104	104	105	107	101	103	110	111
<i>Raw materials</i> . . . . .	92	100	109	110	97	98	108	115	120	132	142
Food crops . . . . .	99	99	101	103	105	103	106	100	100	109	110
Fodder crops † . . . . .	(100)	(100)	(106)	(97)	(96)	(96)	(93)	(98)	(104)	(102)	(...)
Meat * . . . . .	97	99	104	103	103	106	105	107	109	112	...
Sea fish . . . . .	93	101	110	116	122	132	160	156	153	170	...
Milk * . . . . .	99	100	101	102	103	107	104	101	102	102	...
Wine and hops . . . . .	73	107	100	96	59	89	70	98	114	121	...
Coffee, tea, cocon . . . . .	91	100	108	98	101	108	98	101	99	102	...
Tobacco . . . . .	101	100	100	103	97	101	98	91	105	102	95
Oil materials and oils . . . . .	95	104	101	113	103	109	120	96	106	113	123
Textile fibres . . . . .	95	100	105	107	89	95	105	113	117	135	136
Rubber . . . . .	78	92	135	130	126	112	135	162	137	134	178
Wood products . . . . .	82	101	115	113	107	107	121	136	141	148	158
Fuels and power . . . . .	93	99	109	110	104	105	113	126	138	146	152
Metals . . . . .	85	103	114	108	88	67	67	86	103	124	140
Non-metallic minerals . . . . .	84	99	117	115	112	111	127	138	150	169	184
<b>OCEANIA.</b>											
<b>GENERAL INDEX</b> . . . . .	95	99	103	110	112	122	123	123	127	127	131
<i>Agricultural products</i> . . . . .	94	98	103	112	116	126	126	125	128	*128	132
<i>Non-agricultural products</i> . . . . .	98	106	99	96	74	85	89	100	113	118	124
<i>Foodstuffs</i> . . . . .	95	98	103	115	118	130	131	130	134	*133	137
<i>Raw materials</i> . . . . .	94	101	102	99	98	105	104	106	110	114	118
Food crops . . . . .	87	93	97	143	133	147	127	103	111	116	132
Fodder crops † . . . . .	(94)	(108)	(101)	(106)	(95)	(100)	(107)	(106)	(114)	(...)	(...)
Meat . . . . .	101	100	100	100	103	115	119	128	133	131	...
Sea fish . . . . .	95	95	123	118	107	104	104	107	110	...	...
Milk . . . . .	93	99	109	117	126	137	147	146	146	...	...
Wine and hops . . . . .	91	99	92	75	80	89	80	91	99	106	...
Coffee, tea, cocon . . . . .	81	104	114	122	119	119	128	110	142	119	...
Tobacco . . . . .	118	100	100	91	473	473	255	182	274	...	...
Oil materials and oils . . . . .	87	95	115	111	98	93	101	99	106	120	...
Textile fibres . . . . .	92	98	103	100	109	115	110	110	108	109	112
Wood products . . . . .	107	99	86	78	47	43	53	67	87	95	...
Fuels and power . . . . .	104	107	88	83	73	74	77	80	90	96	...
Metals . . . . .	95	106	106	103	77	99	103	120	134	136	...
Non-metallic minerals . . . . .	84	101	111	101	70	65	70	81	99	115	...

\* Partly based on estimates. † Not included in general indices.

**Appendix I. Table 4.**

**PERCENTAGE DISTRIBUTION OF AGGREGATE PRODUCTION OF PRIMARY COMMODITIES,  
BY CONTINENTAL GROUPS.**

*World Totals = 100.*

Groups of Products and Continents	Average 1925-29	1925	1927	1929	1930	1931	1932	1933	1934	1935	1936	*1937
<b>TOTAL PRODUCTION :</b>												
Europe (excluding U.S.S.R.) . . .	33.8	34.0	33.9	34.8	34.1	35.3	36.3	36.2	36.5	36.2	35.1	34.8
Europe (including U.S.S.R.) . . .	44.3	44.1	44.7	45.3	45.4	45.4	45.9	45.8	46.6	47.1	45.8	45.5
North America . . . . .	27.2	27.1	26.9	26.7	25.9	25.8	24.2	24.0	23.4	22.9	23.9	24.8
Latin America . . . . .	7.9	7.9	7.8	7.6	7.7	7.7	7.7	7.7	8.2	7.9	8.0	7.9
Africa . . . . .	2.5	2.5	2.5	2.6	2.6	2.5	2.6	2.7	2.8	3.0	2.9	2.9
Asia . . . . .	15.5	15.8	15.5	15.3	15.7	15.7	16.4	16.6	15.9	16.0	16.4	16.0
Oceania . . . . .	2.6	2.6	2.6	2.5	2.7	2.9	3.2	3.2	3.1	3.1	3.0	2.9
World . . . . .	100	100	100	100	100	100	100	100	100	100	100	100
<b>AGRICULTURAL PRODUCTS :</b>												
Europe (excluding U.S.S.R.) . . .	33.8	34.0	33.6	35.0	33.9	35.3	36.3	36.4	37.1	37.1	36.0	35.7
Europe (including U.S.S.R.) . . .	46.3	46.0	46.4	47.4	46.9	46.4	46.3	46.4	47.5	48.3	47.0	47.0
North America . . . . .	22.2	22.2	22.0	21.5	21.5	22.3	21.5	20.9	20.1	19.0	19.6	20.1
Latin America . . . . .	8.4	8.5	8.5	8.1	8.2	8.2	8.2	8.4	8.8	8.7	8.8	8.7
Africa . . . . .	2.7	2.7	2.6	2.8	2.8	2.6	2.8	2.9	3.0	3.1	3.0	3.1
Asia . . . . .	17.4	17.7	17.5	17.2	17.4	17.1	17.5	17.8	17.0	17.2	18.0	17.5
Oceania . . . . .	3.0	2.9	3.0	3.0	3.2	3.4	3.7	3.6	3.6	3.7	3.6	3.6
World . . . . .	100	100	100	100	100	100	100	100	100	100	100	100
<b>NON-AGRICULTURAL PRODUCTS :</b>												
Europe (excluding U.S.S.R.) . . .	33.8	34.0	34.9	34.3	34.7	35.1	36.5	35.1	34.3	33.4	32.0	31.9
Europe (including U.S.S.R.) . . .	36.8	36.1	38.0	38.1	39.6	41.3	44.0	42.8	43.1	43.0	41.7	40.7
North America . . . . .	46.1	47.1	45.5	44.3	42.5	40.8	37.7	38.5	36.8	36.9	38.7	39.0
Latin America . . . . .	5.7	5.6	5.1	6.1	5.7	5.4	4.9	4.7	5.3	5.2	5.0	5.3
Africa . . . . .	1.9	1.9	1.9	2.0	2.1	1.8	1.5	1.8	2.2	2.3	2.3	2.5
Asia . . . . .	8.4	8.1	8.3	8.5	9.1	9.8	10.7	11.0	11.5	11.4	11.2	11.5
Oceania . . . . .	1.1	1.2	1.2	1.0	1.0	0.9	1.2	1.2	1.1	1.2	1.1	1.0
World . . . . .	100	100	100	100	100	100	100	100	100	100	100	100
<b>FOODSTUFFS :</b>												
Europe (excluding U.S.S.R.) . . .	36.5	36.8	36.1	37.8	36.9	38.3	39.1	39.4	39.9	40.0	39.1	39.2
Europe (including U.S.S.R.) . . .	49.6	49.4	49.5	50.7	50.3	49.5	49.2	49.6	50.4	51.4	50.2	50.6
North America . . . . .	21.5	21.3	21.7	20.9	21.0	21.4	21.0	20.5	20.1	18.8	19.4	19.2
Latin America . . . . .	8.6	8.6	8.7	8.2	8.3	8.3	8.4	8.4	8.8	8.6	8.8	8.7
Africa . . . . .	2.1	2.2	2.1	2.2	2.2	2.2	2.3	2.3	2.4	2.5	2.4	2.4
Asia . . . . .	15.6	16.0	15.5	15.4	15.4	15.7	15.9	16.0	15.1	15.4	16.0	15.9
Oceania . . . . .	2.6	2.5	2.5	2.6	2.8	2.9	3.2	3.2	3.2	3.3	3.2	3.2
World . . . . .	100	100	100	100	100	100	100	100	100	100	100	100

\* Partly based on estimates.

**Appendix I. Table 4 (continued).**

**PERCENTAGE DISTRIBUTION OF AGGREGATE PRODUCTION OF PRIMARY COMMODITIES,  
BY CONTINENTAL GROUPS.**

*World Totals = 100.*

Groups of Products and Continents	Average 1925-29	1925	1927	1929	1930	1931	1932	1933	1934	1935	1936	*1937
<b>RAW MATERIALS :</b>												
Europe (excluding U.S.S.R.) . . .	27.1	26.8	28.4	28.2	27.2	27.2	27.6	26.9	27.6	27.1	26.1	26.0
Europe (including U.S.S.R.) . . .	31.4	30.4	32.7	33.1	33.3	34.4	35.6	34.9	36.4	36.7	36.0	35.1
North America . . . . .	41.1	42.0	40.1	39.7	38.2	37.8	34.0	34.2	32.3	32.7	34.2	36.1
Latin America . . . . .	6.1	6.0	5.7	6.3	6.1	6.0	5.6	5.7	6.5	6.4	6.1	6.1
Africa . . . . .	3.5	3.5	3.3	3.6	3.7	3.4	3.5	3.9	3.9	4.1	4.0	4.0
Asia . . . . .	15.3	15.4	15.5	14.9	16.2	15.7	18.0	18.3	18.0	17.4	17.2	16.4
Oceania . . . . .	2.6	2.7	2.7	2.4	2.5	2.7	3.3	3.0	2.9	2.7	2.5	2.3
World . . . . .	100	100	100	100	100	100	100	100	100	100	100	100
<b>Food crops :</b>												
Europe (excluding U.S.S.R.) . . .	28.7	30.5	27.4	31.4	28.8	28.9	30.5	31.9	31.6	30.2	30.2	30.2
Europe (including U.S.S.R.) . . .	45.5	47.0	44.8	46.9	47.0	45.2	46.3	50.5	50.5	50.6	48.0	48.5
North America . . . . .	11.9	10.4	12.9	10.8	11.8	11.7	11.2	7.9	7.9	8.9	8.1	9.7
Latin America . . . . .	5.2	4.7	5.5	4.7	4.5	4.7	4.6	4.0	5.0	4.1	5.0	4.3
Africa . . . . .	1.8	1.9	1.8	2.0	1.8	1.8	2.0	1.9	2.2	2.1	2.0	1.8
Asia . . . . .	34.0	34.6	33.6	34.1	32.8	34.6	33.7	33.8	32.9	32.6	35.2	33.8
Oceania . . . . .	1.6	1.4	1.4	1.5	2.1	2.0	2.2	1.9	1.5	1.7	1.7	1.9
World . . . . .	100	100	100	100	100	100	100	100	100	100	100	100
<b>Fodder crops † :</b>												
Europe (excluding U.S.S.R.) . . .	24.1	23.3	22.6	27.6	25.4	24.7	25.9	27.2	29.9	23.9	30.8	25.9
Europe (including U.S.S.R.) . . .	33.8	32.1	31.5	37.8	36.5	33.7	33.6	39.2	44.2	35.8	42.9	37.0
North America . . . . .	48.1	50.6	49.6	44.2	43.3	46.9	49.5	42.1	31.2	44.1	33.3	46.0
Latin America . . . . .	8.9	8.7	9.3	8.4	10.8	10.0	8.8	9.3	13.7	10.8	12.5	8.2
Africa . . . . .	3.6	3.1	3.7	3.8	3.6	3.8	2.9	3.9	4.4	3.3	4.5	3.0
Asia . . . . .	5.3	5.2	5.6	5.5	5.5	5.3	4.9	5.2	6.1	5.7	6.4	5.5
Oceania . . . . .	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.3	0.4	0.3
World . . . . .	100	100	100	100	100	100	100	100	100	100	100	100
<b>Meat :</b>												
Europe (excluding U.S.S.R.) . . .	36.6	35.4	36.8	37.1	37.4	39.9	40.7	40.1	40.5	42.8	40.6	...
Europe (including U.S.S.R.) . . .	47.0	44.5	47.2	48.9	49.2	48.0	46.8	44.4	45.4	48.0	47.5	...
North America . . . . .	29.8	30.9	29.4	28.8	28.1	29.3	29.7	31.4	30.2	24.9	27.2	...
Latin America . . . . .	14.7	15.8	14.8	13.9	14.3	14.1	14.2	14.9	15.0	16.8	15.5	...
Africa . . . . .	1.8	1.8	1.9	1.8	1.8	1.7	1.8	1.9	1.8	1.9	1.9	...
Asia . . . . .	3.2	3.3	3.2	3.2	3.2	3.3	3.4	3.3	3.3	3.6	3.5	...
Oceania . . . . .	2.5	3.7	3.5	3.4	3.4	3.6	4.1	4.1	4.3	4.8	4.4	...
World . . . . .	100	100	100	100	100	100	100	100	100	100	100	...
<b>Sea fish :</b>												
Europe (excluding U.S.S.R.) . . .	39.1	40.8	38.5	37.8	37.5	36.1	36.5	34.1	31.2	33.2	33.3	...
Europe (including U.S.S.R.) . . .	46.9	47.5	46.5	46.1	48.4	48.6	47.5	43.8	42.6	44.2	44.1	...
North America . . . . .	18.8	18.3	18.2	19.7	17.3	13.4	12.0	11.6	15.6	16.4	16.3	...
Latin America . . . . .	0.1	0.1	0.2	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.3	...
Africa . . . . .	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	...
Asia . . . . .	33.7	33.5	34.6	33.5	33.7	37.3	39.8	43.8	41.0	38.6	38.7	...
Oceania . . . . .	0.4	0.5	0.4	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	...
World . . . . .	100	100	100	100	100	100	100	100	100	100	100	...

\* Partly based on estimates.  
† Series not included in totals.



**Appendix I. Table 4 (continued).**

**PERCENTAGE DISTRIBUTION OF AGGREGATE PRODUCTION OF PRIMARY COMMODITIES,  
BY CONTINENTAL GROUPS.**

*World Totals = 100.*

Groups of Products and Continents	Average 1925-29	1925	1927	1929	1930	1931	1932	1933	1934	1935	1936	*1937
<i>Milk :</i>												
Europe (excluding U.S.S.R.) . . .	46.8	46.8	46.5	47.4	48.4	49.3	50.2	50.9	51.1	50.7	51.1	...
Europe (including U.S.S.R.) . . .	61.8	61.5	61.7	61.8	61.3	60.3	59.9	59.9	60.7	60.7	61.0	...
North America . . . . .	25.8	25.8	26.0	25.9	25.8	26.2	26.1	26.1	25.4	25.5	25.5	...
Latin America . . . . .	4.0	4.2	3.9	3.7	4.2	4.5	4.6	4.4	4.3	4.3	4.2	...
Africa . . . . .	1.3	1.4	1.3	1.4	1.3	1.3	1.3	1.3	1.4	1.4	1.4	...
Asia . . . . .	3.7	3.8	3.7	3.6	3.6	3.6	3.7	3.6	3.5	3.5	3.4	...
Oceania . . . . .	3.4	3.3	3.4	3.6	3.8	4.1	4.4	4.7	4.7	4.6	4.5	...
World . . . . .	100	100	100	100	100	100	100	100	100	100	100	...
<i>Wine and hops :</i>												
Europe (excluding U.S.S.R.) . . .	85.3	87.6	85.7	84.9	83.1	83.9	79.2	78.1	80.2	80.3	77.4	78.0
Europe (including U.S.S.R.) . . .	85.3	87.6	85.7	84.9	83.1	83.9	79.2	78.1	80.2	80.3	77.4	78.0
North America . . . . .	0.9	0.6	0.9	0.9	0.8	2.2	2.4	3.6	3.3	4.5	6.4	6.2
Latin America . . . . .	5.9	4.3	7.0	5.6	5.8	3.4	6.5	6.6	4.0	4.7	6.3	4.9
Africa . . . . .	7.2	6.9	5.7	7.9	9.7	10.0	11.4	11.2	12.0	10.0	9.1	10.2
Asia . . . . .	0.2	0.1	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.2	0.2
Oceania . . . . .	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.6	0.5
World . . . . .	100	100	100	100	100	100	100	100	100	100	100	100
<i>Coffee, tea, cocoa :</i>												
Europe (including U.S.S.R.) . . .	—	—	—	—	—	—	—	0.1	0.1	0.3	0.3	0.4
Latin America . . . . .	46.9	43.9	44.9	49.2	51.6	47.0	48.9	52.3	50.6	45.6	49.7	48.2
Africa . . . . .	10.7	11.5	11.6	10.4	10.7	11.8	11.4	12.1	12.1	15.3	14.5	15.2
Asia . . . . .	42.2	44.4	43.3	40.2	37.5	41.0	39.5	35.3	37.0	38.6	35.3	36.1
Oceania . . . . .	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1
World . . . . .	100	100	100	100	100	100	100	100	100	100	100	100
<i>Tobacco :</i>												
Europe (excluding U.S.S.R.) . . .	14.0	14.0	14.6	14.7	14.7	13.7	13.6	13.4	14.3	13.8	16.2	15.0
Europe (including U.S.S.R.) . . .	20.5	21.8	20.7	19.7	20.1	20.9	21.2	20.3	22.8	22.6	28.1	26.5
North America . . . . .	28.6	28.4	26.3	30.8	31.6	31.4	24.1	29.7	25.1	27.0	23.5	29.4
Latin America . . . . .	9.2	8.4	9.8	9.8	9.1	9.6	8.6	8.5	10.3	7.9	8.1	8.2
Africa . . . . .	2.8	2.8	3.5	2.3	2.5	2.6	2.9	2.5	3.1	2.7	2.7	2.5
Asia . . . . .	38.8	38.5	39.6	37.3	36.7	35.3	43.0	38.9	38.6	39.7	37.5	33.3
Oceania . . . . .	0.1	0.1	0.1	0.1	—	0.2	0.2	0.1	0.1	0.1	0.1	0.1
World . . . . .	100	100	100	100	100	100	100	100	100	100	100	100
<i>Oil materials and oils :</i>												
Europe (excluding U.S.S.R.) . . .	15.3	12.8	17.9	20.7	10.6	16.7	14.4	14.1	16.2	17.1	14.7	16.4
Europe (including U.S.S.R.) . . .	20.0	17.5	22.3	25.5	15.9	22.7	20.1	19.2	21.2	22.5	20.4	21.8
North America . . . . .	15.6	17.1	14.0	14.0	14.3	15.6	13.4	11.9	11.2	12.8	12.2	15.1
Latin America . . . . .	8.9	9.5	9.3	6.4	9.2	10.0	7.5	7.9	10.9	8.6	9.7	7.8
Africa . . . . .	11.7	11.8	10.8	12.3	12.4	9.7	11.9	12.3	13.5	13.1	13.2	12.6
Asia . . . . .	43.0	43.3	42.9	40.9	47.3	41.3	46.3	47.9	42.4	42.2	43.6	41.9
Oceania . . . . .	0.8	0.8	0.7	0.9	0.9	0.7	0.8	0.8	0.8	0.8	0.9	0.8
World . . . . .	100	100	100	100	100	100	100	100	100	100	100	100
<i>Textile fibres :</i>												
Europe (excluding U.S.S.R.) . . .	11.8	10.9	12.5	12.8	12.5	11.6	12.6	12.6	14.3	14.6	14.6	15.0
Europe (including U.S.S.R.) . . .	19.7	18.4	20.6	21.2	21.5	21.1	21.7	21.3	22.7	23.8	24.7	24.2
North America . . . . .	30.7	32.5	28.1	29.3	28.6	34.3	28.9	28.4	23.3	23.9	24.0	29.4
Latin America . . . . .	6.3	6.2	6.3	6.5	6.0	6.0	6.3	6.8	7.8	8.1	7.3	7.1
Africa . . . . .	6.2	6.3	5.9	6.6	6.5	5.8	6.0	6.7	6.3	6.6	6.4	6.0
Asia . . . . .	29.6	29.4	31.3	29.1	30.2	25.0	28.4	29.1	32.0	30.4	31.2	27.6
Oceania . . . . .	7.5	7.2	7.8	7.3	7.2	7.8	8.7	7.7	7.9	7.2	6.4	5.7
World . . . . .	100	100	100	100	100	100	100	100	100	100	100	100

\* Partly based on estimates.

Appendix I. Table 4 (concluded).

PERCENTAGE DISTRIBUTION OF AGGREGATE PRODUCTION OF PRIMARY COMMODITIES,  
BY CONTINENTAL GROUPS.

World Totals = 100.

Groups of Products and Continents	Average 1925-29	1925	1927	1929	1930	1931	1932	1933	1934	1935	1936	*1937
<i>Rubber :</i>												
Latin America . . . . .	4.5	6.6	5.8	2.6	1.9	1.5	1.0	1.2	0.9	1.5	1.9	1.7
Africa . . . . .	1.3	1.5	1.5	0.7	0.6	0.5	0.3	0.2	0.3	0.6	0.7	0.7
Asia . . . . .	94.2	91.9	92.7	96.7	97.5	98.0	98.7	98.6	98.8	97.9	97.4	97.6
World . . . . .	100	100	100	100	100	100	100	100	100	100	100	100
<i>Wood products :</i>												
Europe (excluding U.S.S.R.) . .	44.8	44.3	46.0	45.3	46.6	45.8	49.7	49.1	49.7	48.2	46.8	...
Europe (including U.S.S.R.) . .	47.5	46.3	48.7	48.7	51.4	51.7	56.3	55.5	56.1	54.9	53.2	...
North America . . . . .	47.6	49.1	46.4	46.5	43.6	43.1	38.1	39.0	38.3	39.6	41.6	...
Latin America . . . . .	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	...
Asia . . . . .	4.4	4.1	4.4	4.4	4.6	4.9	5.3	5.2	5.3	5.1	4.9	...
Oceania . . . . .	0.4	0.4	0.4	0.3	0.3	0.2	0.2	0.2	0.2	0.3	0.2	...
World . . . . .	100	100	100	100	100	100	100	100	100	100	100	...
<i>Fuels and power :</i>												
Europe (excluding U.S.S.R.) . .	32.8	34.1	34.1	33.3	33.2	33.5	33.5	32.2	31.9	30.8	29.8	30.2
Europe (including U.S.S.R.) . .	35.9	36.2	37.2	37.0	38.0	39.8	40.8	39.8	40.2	39.6	38.8	38.6
North America . . . . .	52.3	52.0	51.5	51.1	49.4	47.5	45.4	46.4	45.4	45.5	46.9	47.0
Latin America . . . . .	3.8	3.6	3.4	4.3	4.5	4.3	4.7	4.5	4.9	5.0	4.7	5.1
Africa . . . . .	0.8	0.8	0.8	0.7	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.7
Asia . . . . .	6.4	6.5	6.3	6.3	6.8	7.1	7.7	7.9	8.2	8.4	8.1	7.9
Oceania . . . . .	0.8	0.9	0.8	0.6	0.6	0.6	0.7	0.7	0.6	0.7	0.7	0.7
World . . . . .	100	100	100	100	100	100	100	100	100	100	100	100
<i>Metals :</i>												
Europe (excluding U.S.S.R.) . .	28.0	27.2	29.0	28.8	30.2	30.2	32.7	30.5	28.1	26.6	25.2	24.6
Europe (including U.S.S.R.) . .	31.6	29.6	32.5	33.7	36.6	37.9	44.8	43.1	43.2	43.0	40.7	37.7
North America . . . . .	41.4	44.3	39.9	39.5	36.4	32.4	24.4	26.1	25.6	26.8	31.4	34.7
Latin America . . . . .	10.3	9.7	10.2	10.4	9.5	11.0	9.3	9.5	9.8	8.9	7.9	8.3
Africa . . . . .	5.0	4.8	5.0	5.3	5.6	5.5	4.8	6.7	7.6	7.6	7.0	7.5
Asia . . . . .	9.3	9.0	9.8	9.0	9.5	10.8	12.2	10.5	10.2	10.3	10.2	9.4
Oceania . . . . .	2.4	2.6	2.6	2.1	2.4	2.4	4.5	4.1	3.6	3.4	2.8	2.4
World . . . . .	100	100	100	100	100	100	100	100	100	100	100	100
<i>Non-metallic minerals :</i>												
Europe (excluding U.S.S.R.) . .	43.4	42.4	44.5	44.0	43.4	44.8	48.6	49.8	48.8	48.6	45.3	...
Europe (including U.S.S.R.) . .	46.0	44.0	47.2	47.3	47.9	50.7	55.3	55.9	55.8	57.3	54.2	...
North America . . . . .	33.0	34.4	34.2	30.5	31.0	30.1	23.3	22.5	21.7	20.5	23.6	...
Latin America . . . . .	9.7	10.8	6.8	10.8	8.9	6.0	5.5	4.4	6.5	6.5	7.0	...
Africa . . . . .	2.6	2.5	2.9	2.5	3.0	2.6	3.1	3.2	3.0	2.9	2.6	...
Asia . . . . .	7.8	7.4	7.9	8.0	8.3	9.8	12.0	13.1	12.1	11.9	11.6	...
Oceania . . . . .	0.9	0.9	1.0	0.9	0.9	0.8	0.8	0.9	0.9	0.9	1.0	...
World . . . . .	100	100	100	100	100	100	100	100	100	100	100	...

\* Partly based on estimates.

**Appendix I. Table 5.**

PERCENTAGE DISTRIBUTION OF AGGREGATE PRODUCTION OF PRIMARY COMMODITIES,  
BY GROUPS OF PRODUCTS.

*Total Production of Each Continent = 100.*

Continents and Groups of Products	1925-29	1925	1927	1929	1930	1931	1932	1933	1934	1935	1936	*1937
<b>WORLD.</b>												
<i>Agricultural products</i> . . . . .	79.1	80.3	79.0	77.3	78.8	81.0	83.1	82.1	80.0	78.6	77.1	75.5
<i>Non-agricultural products</i> . . . . .	20.9	19.7	21.0	22.7	21.2	19.0	16.9	17.9	20.0	21.4	22.9	24.5
<b>TOTAL PRODUCTION</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<i>Foodstuffs</i> . . . . .	71.1	72.1	71.3	69.5	71.2	73.0	75.3	74.2	72.7	70.9	69.0	66.9
<i>Raw materials</i> . . . . .	28.9	27.9	28.7	30.5	28.8	27.0	24.7	25.8	27.3	29.1	31.0	33.1
<b>TOTAL PRODUCTION</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
Food crops . . . . .	22.2	22.8	22.3	21.2	22.6	22.6	23.7	23.6	22.3	22.2	21.3	21.1
Meat . . . . .	21.8	21.8	21.8	21.4	21.4	21.8	22.1	21.7	21.9	20.2	20.4	19.2
Sea fish . . . . .	0.9	0.9	0.9	1.0	1.0	1.0	1.1	1.1	1.2	1.2	1.1	1.1
Milk . . . . .	20.5	20.7	20.6	20.1	20.5	21.6	22.4	21.8	21.4	21.3	20.6	19.8
Wine and hops . . . . .	1.4	1.6	1.3	1.4	1.2	1.4	1.5	1.4	1.6	1.7	1.1	1.2
Coffee, tea, cocoa . . . . .	1.2	1.1	1.2	1.3	1.2	1.2	1.4	1.4	1.3	1.2	1.3	1.2
Tobacco . . . . .	1.6	1.7	1.6	1.6	1.7	1.7	1.5	1.5	1.4	1.6	1.5	1.5
Oil materials and oils . . . . .	3.1	3.1	3.2	3.1	3.0	3.3	3.2	3.3	3.0	3.2	3.2	3.4
Textile fibres . . . . .	6.8	6.9	6.5	6.8	6.8	7.1	6.9	7.3	6.9	7.4	7.9	8.6
Rubber . . . . .	0.3	0.3	0.3	0.4	0.4	0.4	0.3	0.4	0.5	0.4	0.4	0.5
Wood products . . . . .	1.3	1.2	1.3	1.4	1.4	1.2	1.2	1.3	1.4	1.5	1.6	1.7
Fuels and power . . . . .	11.6	11.2	11.8	12.2	11.5	10.9	10.3	10.6	11.3	11.6	12.1	12.3
Metals . . . . .	5.1	4.7	5.0	5.7	5.1	3.9	2.7	3.0	3.9	4.5	5.2	6.1
Non-metallic minerals . . . . .	2.2	2.0	2.2	2.4	2.2	1.9	1.7	1.6	1.9	2.0	2.3	2.3
<b>TOTAL PRODUCTION</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>EUROPE (excl. U.S.S.R.).</b>												
<i>Agricultural products</i> . . . . .	79.1	80.3	78.3	77.7	78.4	81.1	83.0	82.7	81.2	80.3	79.0	77.5
<i>Non-agricultural products</i> . . . . .	20.9	19.7	21.7	22.3	21.6	18.9	17.0	17.3	18.8	19.7	21.0	22.5
<b>TOTAL PRODUCTION</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<i>Foodstuffs</i> . . . . .	76.8	78.1	76.0	75.3	77.1	79.2	81.2	80.8	79.3	78.3	77.0	75.3
<i>Raw materials</i> . . . . .	23.2	21.9	24.0	24.7	22.9	20.8	18.8	19.2	20.7	21.7	23.0	24.7
<b>TOTAL PRODUCTION</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
Food crops . . . . .	18.9	20.5	18.0	19.1	19.1	18.5	19.9	20.8	19.3	18.5	18.3	18.3
Meat . . . . .	23.6	22.8	23.7	22.8	23.4	24.7	24.7	24.1	24.3	23.9	23.7	22.6
Sea fish . . . . .	1.1	1.1	1.0	1.0	1.1	1.0	1.1	1.1	1.0	1.1	1.1	1.0
Milk . . . . .	28.4	28.4	28.3	27.3	29.1	30.2	30.9	30.7	30.0	29.8	30.0	29.1
Wine and hops . . . . .	3.4	4.0	3.4	3.4	2.9	3.3	3.3	3.0	3.6	3.7	2.5	2.8
Tobacco . . . . .	0.7	0.7	0.7	0.7	0.7	0.7	0.6	0.6	0.5	0.6	0.7	0.7
Oil materials and oils . . . . .	1.4	1.2	1.7	1.9	0.9	1.6	1.3	1.3	1.3	1.5	1.3	1.6
Textile fibres . . . . .	2.4	2.2	2.4	2.5	2.5	2.3	2.4	2.5	2.7	3.0	3.3	3.7
Wood products . . . . .	1.8	1.6	1.8	1.9	1.8	1.6	1.6	1.8	2.0	2.0	2.2	2.2
Fuels and power . . . . .	11.3	11.3	11.9	11.7	11.2	10.3	9.5	9.4	9.8	9.9	10.3	10.7
Metals . . . . .	4.2	3.7	4.3	4.7	4.5	3.3	2.4	2.5	3.0	3.3	3.7	4.3
Non-metallic minerals . . . . .	2.8	2.5	2.8	3.0	2.8	2.5	2.3	2.2	2.5	2.7	2.9	3.0
<b>TOTAL PRODUCTION</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

\* Partly based on estimates.

Appendix I. Table 5 (continued).

PERCENTAGE DISTRIBUTION OF AGGREGATE PRODUCTION OF PRIMARY COMMODITIES,  
BY GROUPS OF PRODUCTS.

Total Production of Each Continent = 100.

Continents and Groups of Products	1925-29	1925	1927	1929	1930	1931	1932	1933	1934	1935	1936	*1937
<b>EUROPE (incl. U.S.S.R.).</b>												
<i>Agricultural products</i> . . . . .	82.6	83.9	82.1	80.9	81.5	82.8	83.8	83.3	81.5	80.5	*79.1	*78.0
<i>Non-agricultural products</i> . . . . .	17.4	16.1	17.9	19.1	18.5	17.2	16.2	16.7	18.5	19.5	*20.9	*22.0
<b>TOTAL PRODUCTION</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<i>Foodstuffs</i> . . . . .	79.5	80.8	79.0	77.7	78.9	79.5	80.8	80.3	78.6	77.3	*75.6	*74.5
<i>Raw materials</i> . . . . .	20.5	19.2	21.0	22.3	21.1	20.5	19.2	19.7	21.4	22.7	*24.4	*25.5
<b>TOTAL PRODUCTION</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
Food crops . . . . .	22.8	24.4	22.4	21.9	23.4	22.5	23.9	26.0	24.2	23.8	...	...
Meat . . . . .	23.1	22.1	23.1	23.1	23.1	23.1	22.5	21.0	21.3	20.6	...	...
Sea fish . . . . .	1.0	1.0	0.9	1.0	1.1	1.1	1.1	1.1	1.1	1.1	...	...
Milk . . . . .	28.7	28.8	28.5	27.5	27.6	28.7	29.2	28.5	27.9	27.4	...	...
Wine and hops . . . . .	2.6	3.1	2.6	2.6	2.2	2.6	2.6	2.3	2.8	2.9	...	...
Tea . . . . .	—	—	—	—	—	—	—	—	—	—	...	...
Tobacco . . . . .	0.7	0.8	0.7	0.7	0.7	0.8	0.7	0.7	0.7	0.8	...	...
Oil materials and oils . . . . .	1.4	1.2	1.6	1.8	1.1	1.6	1.4	1.4	1.3	1.5	...	...
Textile fibres . . . . .	3.0	2.9	3.0	3.2	3.2	3.3	3.3	3.4	3.4	3.7	...	...
Wood products . . . . .	1.4	1.3	1.4	1.5	1.5	1.4	1.5	1.6	1.7	1.8	...	...
Fuels and power . . . . .	9.4	9.2	9.9	10.0	9.6	9.5	9.2	9.2	9.7	9.8	...	...
Metals . . . . .	3.6	3.2	3.6	4.2	4.1	3.2	2.6	2.8	3.6	4.1	...	...
Non-metallic minerals . . . . .	2.3	2.0	2.3	2.5	2.4	2.2	2.0	2.0	2.3	2.5	...	...
<b>TOTAL PRODUCTION</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	...	...
<b>NORTH AMERICA.</b>												
<i>Agricultural products</i> . . . . .	64.5	65.7	64.6	62.3	65.2	70.0	73.6	71.4	68.6	65.4	62.9	61.3
<i>Non-agricultural products</i> . . . . .	35.5	34.3	35.4	37.7	34.8	30.0	26.4	28.6	31.4	34.6	37.1	38.7
<b>TOTAL PRODUCTION</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<i>Foodstuffs</i> . . . . .	56.4	56.8	57.4	54.6	57.6	60.4	65.3	63.3	62.3	58.4	55.8	51.8
<i>Raw materials</i> . . . . .	43.6	43.2	42.6	45.4	42.4	39.6	34.7	36.7	37.7	41.6	44.2	48.2
<b>TOTAL PRODUCTION</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
Food crops . . . . .	9.8	8.8	10.7	8.6	10.3	10.2	10.9	7.7	7.6	8.7	7.2	8.3
Meat . . . . .	23.9	24.9	23.9	23.2	23.2	24.7	27.1	28.4	28.2	22.0	23.2	19.3
Sea fish . . . . .	0.6	0.6	0.6	0.7	0.7	0.5	0.5	0.5	0.8	0.9	0.8	0.7
Milk . . . . .	19.5	19.7	19.9	19.5	20.5	21.9	24.2	23.7	23.2	23.8	22.0	20.3
Wine and hops . . . . .	—	—	—	—	—	0.1	0.1	0.2	0.2	0.3	0.3	0.3
Tobacco . . . . .	1.7	1.8	1.5	1.8	2.0	2.0	1.5	1.9	1.5	1.9	1.5	1.8
Oil materials and oils . . . . .	1.8	2.0	1.7	1.7	1.7	2.0	1.8	1.6	1.4	1.8	1.6	2.1
Textile fibres . . . . .	7.7	8.3	6.7	7.5	7.5	9.4	8.3	8.6	6.9	7.7	7.9	10.2
Wood products . . . . .	2.3	2.2	2.3	2.5	2.3	2.1	1.9	2.2	2.4	2.6	2.8	2.8
Fuels and power . . . . .	22.3	21.5	22.6	23.4	21.9	20.0	19.4	20.4	21.8	23.2	23.7	23.4
Metals . . . . .	7.7	7.6	7.4	8.4	7.2	4.8	2.7	3.3	4.2	5.3	6.8	8.5
Non-metallic minerals . . . . .	2.7	2.6	2.7	2.7	2.7	2.3	1.6	1.5	1.8	1.8	2.2	2.3
<b>TOTAL PRODUCTION</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

\* Partly based on estimates.

Appendix I. Table 5 (continued).

PERCENTAGE DISTRIBUTION OF AGGREGATE PRODUCTION OF PRIMARY COMMODITIES,  
BY GROUPS OF PRODUCTS.

Total Production of Each Continent = 100.

Continents and Groups of Products	1925-29	1925	1927	1929	1930	1931	1932	1933	1934	1935	1936	*1937
<b>LATIN AMERICA.</b>												
<i>Agricultural products</i> . . . . .	84.8	86.1	86.2	81.9	84.3	86.7	89.2	89.0	87.0	85.9	85.5	83.4
<i>Non-agricultural products</i> . . . . .	15.2	13.9	13.8	18.1	15.7	13.3	10.8	11.0	13.0	14.1	14.5	16.6
<b>TOTAL PRODUCTION</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<i>Foodstuffs</i> . . . . .	77.6	78.7	79.1	74.7	77.1	79.1	82.0	80.9	78.3	76.7	76.4	74.1
<i>Raw materials</i> . . . . .	22.4	21.3	20.9	25.3	22.9	20.9	18.0	19.1	21.7	23.3	23.6	25.9
<b>TOTAL PRODUCTION</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
Food crops . . . . .	14.7	13.7	15.6	13.1	13.2	13.9	14.3	12.4	13.6	11.4	13.4	11.6
Meat . . . . .	40.8	43.5	41.5	39.2	39.7	40.2	40.9	42.2	40.6	42.6	39.7	40.5
Sea fish . . . . .	—	—	—	—	—	—	—	—	—	—	—	—
Milk . . . . .	10.4	11.0	10.3	9.9	11.2	12.8	13.4	12.4	11.3	11.4	10.9	10.4
Wine and hops . . . . .	1.1	0.8	1.2	1.1	0.9	0.6	1.3	1.2	0.8	1.0	0.9	0.8
Coffee, tea, cocoa . . . . .	7.0	6.0	6.6	8.1	8.3	7.4	8.8	9.3	8.2	7.0	8.0	7.5
Tobacco . . . . .	1.9	1.8	2.0	2.0	2.0	2.1	1.7	1.7	1.8	1.6	1.5	1.6
Oil materials and oils . . . . .	3.5	3.7	3.9	2.6	3.7	4.3	3.2	3.4	4.0	3.4	3.9	3.4
Textile fibres . . . . .	5.4	5.5	5.2	5.9	5.3	5.5	5.7	6.4	6.7	7.5	7.3	7.7
Rubber . . . . .	0.2	0.2	0.2	0.1	0.1	0.1	—	0.1	—	0.1	0.1	0.1
Wood products . . . . .	—	—	—	—	—	—	—	—	—	—	—	—
Fuels and power . . . . .	5.6	5.2	5.1	6.8	6.7	6.1	6.3	6.3	6.8	7.3	7.2	8.0
Metals . . . . .	6.7	5.8	6.5	7.8	6.3	5.5	3.2	3.7	4.7	5.0	5.1	6.4
Non-metallic minerals . . . . .	2.7	2.8	1.9	3.4	2.6	1.5	1.2	0.9	1.5	1.7	2.0	2.0
<b>TOTAL PRODUCTION</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>AFRICA.</b>												
<i>Agricultural products</i> . . . . .	84.2	85.7	83.7	83.0	83.0	86.2	90.3	87.9	84.7	83.4	81.9	79.3
<i>Non-agricultural products</i> . . . . .	15.8	14.3	16.3	17.0	17.0	13.8	9.7	12.1	15.3	16.6	18.1	20.7
<b>TOTAL PRODUCTION</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<i>Foodstuffs</i> . . . . .	60.3	61.6	61.5	58.7	58.8	63.0	66.9	62.5	62.2	59.7	57.1	54.7
<i>Raw materials</i> . . . . .	39.7	38.4	38.5	41.3	41.2	37.0	33.1	37.5	37.8	40.3	42.9	45.3
<b>TOTAL PRODUCTION</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
Food crops . . . . .	15.7	17.1	16.0	15.7	15.1	16.4	18.7	16.6	17.0	15.8	14.5	...
Meat . . . . .	15.9	15.5	16.7	14.6	14.6	15.4	15.2	14.7	13.7	13.2	13.5	...
Sea fish . . . . .	—	—	—	—	—	—	0.1	0.1	0.1	0.1	0.1	...
Milk . . . . .	11.0	11.1	11.0	10.5	10.6	11.7	11.4	10.5	10.4	10.1	10.2	...
Wine and hops . . . . .	3.9	4.2	3.1	4.2	4.5	5.6	6.6	5.6	6.8	5.7	3.6	...
Coffee, tea, cocoa . . . . .	4.9	4.8	5.3	5.0	5.1	5.7	6.0	6.1	5.6	6.3	6.5	...
Tobacco . . . . .	1.8	1.8	2.2	1.4	1.6	1.7	1.7	1.5	1.6	1.4	1.4	...
Oil materials and oils . . . . .	14.3	14.3	14.1	14.6	14.6	12.8	14.8	15.0	14.1	14.2	14.5	...
Textile fibres . . . . .	16.7	16.9	15.2	17.0	16.9	16.8	16.0	17.9	15.5	16.6	17.6	...
Rubber . . . . .	0.1	0.1	0.2	0.1	0.1	0.1	—	—	—	0.1	0.1	...
Fuels and power . . . . .	3.5	3.5	3.6	3.4	3.2	3.1	2.7	2.7	2.9	3.0	3.2	...
Metals . . . . .	9.9	8.7	10.1	11.3	11.1	8.6	4.9	7.4	10.3	11.5	12.7	...
Non-metallic minerals . . . . .	2.3	2.0	2.5	2.2	2.6	2.1	1.9	1.9	2.0	2.0	2.1	...
<b>TOTAL PRODUCTION</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>...</b>

\* Partly based on estimates.

Appendix I. Table 5 (concluded).

PERCENTAGE DISTRIBUTION OF AGGREGATE PRODUCTION OF PRIMARY COMMODITIES,  
BY GROUPS OF PRODUCTS.

Total Production of Each Continent = 100.

Continents and Groups of Products	1925-29	1925	1927	1929	1930	1931	1932	1933	1934	1935	1936	*1937
<b>ASIA.</b>												
<i>Agricultural products</i> . . . . .	88.7	89.9	88.8	87.3	87.7	88.2	88.9	88.2	85.6	84.7	84.3	82.4
<i>Non-agricultural products</i> . . . . .	11.3	10.1	11.2	12.7	12.3	11.8	11.1	11.8	14.4	15.3	15.7	17.6
<b>TOTAL PRODUCTION</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<i>Foodstuffs</i> . . . . .	71.5	72.9	71.4	70.2	70.3	73.0	72.9	71.6	69.0	68.3	67.6	66.2
<i>Raw materials</i> . . . . .	28.5	27.1	28.6	29.8	29.7	27.0	27.1	28.4	31.0	31.7	32.4	33.8
<b>TOTAL PRODUCTION</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
Food crops . . . . .	48.6	50.0	48.4	47.4	47.5	49.8	48.8	48.1	46.2	45.2	45.6	44.6
Meat . . . . .	4.5	4.5	4.4	4.5	4.4	4.5	4.6	4.4	4.5	4.5	4.3	4.2
Sea fish . . . . .	2.0	1.9	2.0	2.1	2.2	2.4	2.6	3.0	3.0	2.9	2.7	2.9
Milk . . . . .	4.9	5.0	4.9	4.8	4.7	5.0	5.1	4.7	4.7	4.6	4.3	4.2
Wine . . . . .	—	—	—	—	—	—	—	—	—	—	—	—
Coffee, tea, cocoa . . . . .	3.2	3.0	3.2	3.3	3.0	3.1	3.3	2.9	3.1	2.9	2.8	2.7
Tobacco . . . . .	4.0	4.2	4.0	3.9	3.9	3.8	3.9	3.7	3.5	3.9	3.5	3.1
Oil materials and oils . . . . .	8.6	8.5	9.0	8.4	9.2	8.7	9.2	9.6	7.9	8.5	8.3	8.9
Textile fibres . . . . .	13.0	12.8	13.0	13.1	13.1	11.3	12.0	12.7	14.0	14.1	15.0	14.8
Rubber . . . . .	1.9	1.5	1.7	2.4	2.3	2.3	2.0	2.3	2.9	2.4	2.1	2.8
Wood products . . . . .	0.4	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5
Fuels and power . . . . .	4.8	4.6	4.8	5.1	5.0	4.9	4.9	5.0	5.8	6.1	6.0	6.1
Metals . . . . .	3.0	2.7	3.1	3.4	3.1	2.6	2.0	1.9	2.5	2.9	3.3	3.5
Non-metallic minerals . . . . .	1.1	1.0	1.1	1.2	1.2	1.2	1.2	1.3	1.4	1.5	1.6	1.7
<b>TOTAL PRODUCTION</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>OCEANIA.</b>												
<i>Agricultural products</i> . . . . .	90.9	90.5	90.2	91.2	92.0	93.9	93.6	93.4	92.6	91.8	91.6	91.4
<i>Non-agricultural products</i> . . . . .	9.1	9.5	9.8	8.8	8.0	6.1	6.4	6.6	7.4	8.2	8.4	8.6
<b>TOTAL PRODUCTION</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<i>Foodstuffs</i> . . . . .	70.7	71.0	70.1	70.8	73.6	74.3	74.8	75.3	74.6	74.5	73.8	73.7
<i>Raw materials</i> . . . . .	29.3	29.0	29.9	29.2	26.4	25.7	25.2	24.7	25.4	25.5	26.2	26.3
<b>TOTAL PRODUCTION</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
Food crops . . . . .	13.4	12.2	12.5	12.6	17.4	15.8	16.1	13.9	11.2	11.7	12.2	...
Meat . . . . .	29.3	31.2	29.6	28.5	26.6	27.0	27.5	28.3	30.4	30.8	30.1	...
Sea fish . . . . .	0.1	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.2	0.2	...
Milk . . . . .	27.0	26.6	27.0	28.7	28.6	30.4	30.3	32.2	32.2	31.1	30.7	...
Wine and hops . . . . .	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.3	...
Coffee, tea, cocoa . . . . .	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	...
Tobacco . . . . .	—	—	—	—	—	0.1	0.1	0.1	—	0.1	0.1	...
Oil materials and oils . . . . .	1.0	0.9	0.9	1.1	1.0	0.9	0.8	0.8	0.8	0.8	1.0	...
Textile fibres . . . . .	19.7	19.1	19.6	19.8	18.0	19.2	18.5	17.7	17.6	16.9	16.8	...
Rubber . . . . .	—	—	—	—	—	—	—	—	—	—	—	...
Wood products . . . . .	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	...
Fuels and power . . . . .	3.5	3.9	3.8	3.0	2.7	2.3	2.1	2.2	2.3	2.5	2.7	...
Metals . . . . .	4.6	4.6	5.0	4.7	4.4	3.2	3.7	3.9	4.5	4.9	4.9	...
Non-metallic minerals . . . . .	0.8	0.7	0.8	0.9	0.7	0.5	0.4	0.4	0.5	0.6	0.7	...
<b>TOTAL PRODUCTION</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>...</b>

\* Partly based on estimates.

## Appendix II. Table 1.

### WORLD INDEX OF STOCKS OF PRIMARY COMMODITIES, ADJUSTED FOR SEASONAL VARIATIONS.

*Note.* — The world index given below refers, as far as possible, to visible stocks, and covers twenty-four primary commodities, all of which are included in the world index of primary production.

The index is compiled by the aggregative method, employed in the calculation of the world index of primary production and explained in the Introductory Note to Appendix I above. The prices used to calculate the aggregates are the same as those used in the world index of primary production. The base is the quarterly level of stocks in 1929.

The index is quarterly, and has been adjusted for seasonal variations by the method of moving averages.

The commodities included in the general index, and their grouping for the purpose of the sub-indices, are as follows:  
 (A) *Agricultural products*: (1) Foodstuffs: wheat, rye, rice, sugar, wine, coffee, tea, cocoa, tobacco, together with barley, oats and maize (in view of the absence of meat and milk). (2) Raw materials of agricultural origin: linseed, cotton, wool, raw silk.

(B) *Non-agricultural products*: rubber, petroleum, iron ore, copper, lead, zinc, tin, cement.

The aggregate of (A(2)) and (B) constitutes the group of *Raw materials*.

The actual series employed are indicated in Appendix II, Table 2.

1929 = 100.

End of	End-of-quarter indices												
	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937
(i) <i>Total Stocks.</i>													
March .....	75.5	79.0	87.3	89.7	95.9	107.5	119.0	124.5	122.7	121.2	112.7	99.3	91.9
June .....	77.0	80.4	88.7	90.3	98.7	110.7	120.4	124.4	122.7	119.6	108.9	97.6	93.2
September ..	77.8	82.7	89.3	91.9	101.3	113.9	122.0	123.5	122.2	117.6	106.0	95.6	96.4
December ..	78.5	85.1	89.7	93.5	104.0	117.1	123.9	122.8	121.6	115.2	102.5	93.0	<sup>1</sup>
(ii) <i>Stocks of Agricultural Products.</i>													
March .....	70.8	78.2	87.3	87.9	96.4	107.0	121.5	129.2	130.7	130.7	119.6	105.9	96.3
June .....	73.5	80.0	88.1	89.1	99.2	110.6	123.5	130.2	130.8	129.6	115.7	103.7	96.8
September ..	75.2	82.9	87.9	91.7	101.1	114.4	125.5	130.0	130.6	126.2	113.6	100.9	98.8
December ..	76.7	85.6	87.8	93.9	103.3	118.7	127.3	130.1	130.6	123.2	109.4	98.2	...
(iii) <i>Stocks of Foodstuffs.</i>													
March .....	71.2	74.1	78.1	84.0	96.8	103.7	114.3	120.4	122.2	125.9	115.1	103.9	89.6
June .....	72.2	75.1	79.0	86.6	100.0	105.4	116.2	121.0	123.3	125.9	111.8	99.8	89.4
September ..	72.7	76.6	80.6	90.0	101.3	108.2	117.8	120.8	124.2	123.8	109.5	95.6	89.7
December ..	73.2	77.7	82.3	92.9	102.0	111.9	119.1	121.1	125.2	119.5	106.9	92.0	<sup>1</sup>
(iv) <i>Stocks of Raw Materials of Agricultural Origin.</i>													
March .....	69.6	87.3	107.9	96.4	95.8	114.3	137.6	148.8	149.5	141.0	129.5	109.9	111.0
June .....	76.3	90.8	108.4	94.4	97.5	122.2	139.9	150.8	147.5	137.4	124.3	112.2	113.3
September ..	80.7	97.0	104.0	95.7	100.8	128.0	142.7	150.7	144.8	131.4	122.5	114.5	119.1
December ..	84.2	103.1	100.0	96.1	106.0	133.9	145.6	150.3	142.6	131.1	114.7	111.6	...
(v) <i>Stocks of Non-agricultural Products.</i>													
March .....	81.5	80.2	87.4	92.3	95.2	108.3	115.4	117.6	111.2	107.4	102.6	89.7	85.6
June .....	81.5	81.0	89.6	92.1	98.1	110.9	115.9	116.0	110.8	105.2	99.0	88.9	87.9
September ..	81.1	82.7	91.2	92.1	101.5	113.1	116.8	114.0	110.0	104.9	95.1	87.9	92.9
December ..	81.0	84.7	92.4	93.0	105.1	114.7	117.7	112.3	108.5	103.8	92.4	85.7	...
(vi) <i>Stocks of All Raw Materials (iv plus v).</i>													
March .....	78.3	82.3	93.2	93.6	95.4	110.1	122.1	127.1	122.8	117.6	110.7	95.8	93.3
June .....	80.2	83.9	94.9	92.9	97.9	114.3	123.2	126.6	122.0	115.0	106.7	95.9	95.6
September ..	81.1	86.8	94.9	93.2	101.3	117.6	124.7	125.2	120.6	113.0	103.4	95.3	100.9
December ..	82.0	89.9	94.6	93.9	105.4	120.5	126.2	123.8	118.9	112.1	99.2	93.6	<sup>1</sup>

<sup>1</sup> Unadjusted indices were as follows:

	1937				1938
	March	June	September	December	March
Total stocks .....	91.9	79.7	94.8	111.3	107.8
Stocks of foodstuffs .....	96.6	74.6	85.3	100.6	96.5
Stocks of all raw materials . . .	88.6	83.3	101.6	118.9	115.9

*Source.* — Calculation of the Economic Intelligence Service.

## Appendix II. Table 2.

### INDICES OF STOCKS OF INDIVIDUAL PRIMARY COMMODITIES.

Note. — Unless otherwise stated, the figures in the first column (*italics*) show, in absolute quantities, the average level of stocks in 1929; those in the columns 1930-1937 are indices based on that level and refer to stocks at the end of year stated. Where data for 1929 are not available, the average level of stocks in the nearest year has been taken as base; the indices so obtained, as well as the corresponding quantitative base figures, are given in brackets.

For a detailed description of the nature and scope of the different series, see *World Production and Prices, 1936/37*, page 113.

Product	Average 1929 Metric tons (000's) <sup>1</sup>	End-of-year indices; average 1929 = 100,							
		1930	1931	1932	1933	1934	1935	1936	1937
<b>FOODSTUFFS</b>									
Wheat: Total world stocks . . . . .	<i>a) 26,046</i>	a) 96	a) 104	a) 104	a) 118	a) 125	a) 99	a) 81	a) 55
Four chief exporters . . . . .	<i>a) 14,424</i>	a) 101	a) 115	a) 121	a) 138	a) 128	a) 95	a) 70	a) 42
Lower Danube . . . . .	<i>a) 2,041</i>	a) 59	a) 76	a) 65	a) 36	a) 72	a) 27	a) 33	a) 47
European importers . . . . .	<i>a) 6,559</i>	a) 93	a) 77	a) 79	a) 116	a) 156	a) 143	a) 119	a) 81
World exportable stocks . . . . .	<i>a) 12,200</i>	a) 97	a) 111	a) 116	a) 139	a) 129	a) 84	a) 43	a) 20
World visible supply † . . . . .	<i>13,128</i>	121	126	123	110	106	100	65	69
Rye: Visible supply † . . . . .	<i>423</i>	197	161	82	112	106	84	43	48
Germany † . . . . .	<i>(553)</i>	.	.	(100)	(186)	(255)	(224)	(150)	(258)
Rice: Japan † . . . . .	<i>423.5</i>	57	141	149	205	251	192	89	105
U.S.A. † . . . . .	<i>76.1</i>	100	118	128	158	138	187	158	131
Barley: Visible supply † . . . . .	<i>850</i>	147	59	52	96	86	89	97	72
Germany † . . . . .	<i>(137)</i>	.	.	(100)	(189)	(178)	(109)	(85)	(195)
Oats: Visible supply † . . . . .	<i>697</i>	116	78	86	154	98	122	117	90
Germany † . . . . .	<i>(80)</i>	.	.	(100)	(123)	(108)	(220)	(166)	(241)
Maize: Visible supply † . . . . .	<i>1,166</i>	109	144	140	237	173	104	146	175
Argentina . . . . .	<i>204</i>	.	176	162	196	147	300	300	...
Sugar: Total stocks . . . . .	<i>b) 9,398</i>	b) 114	b) 134	b) 130	b) 114	b) 108	b) 97	b) 93	b) 96
Visible supply † . . . . .	<i>4,790</i>	149	182	185	177	167	132	114	129
Wine <sup>2</sup> : France † . . . . .	<i>(12,381)</i>	(100)	(96)	(94)	(100)	(161)	(111)	(110)	(95)
Coffee: World stocks . . . . .	<i>1,135</i>	170	195	162	101	101	158	c) 191	186
Visible supply † . . . . .	<i>309.9</i>	100	124	107	147	129	152	151	135
Tea: United Kingdom † . . . . .	<i>107.6</i>	121	114	131	122	127	112	99	92
Amsterdam † . . . . .	<i>4</i>	76	100	72	84	83	55	77	67
Cocoa: Europe and New York † . . . . .	<i>90</i>	.	67	106	130	115	133	101	140
Tobacco (leaf): U.S.A. † . . . . .	<i>792.7</i>	106	115	123	125	127	136	126	127
<b>RAW MATERIALS</b>									
Linseed: Visible supply † . . . . .	<i>141.9</i>	104	77	146	79	70	82	101	107
Cotton <sup>3</sup> : Total world stocks . . . . .	<i>a) 9,625</i>	a) 122	a) 144	a) 177	a) 167	a) 165	a) 141	a) 123	a) 124
World visible supply † . . . . .	<i>5,925</i>	167	172	178	170	132	131	135	153
Mill stocks . . . . .	<i>6,079</i>	a) 89	a) 85	a) 88	a) 99	a) 105	a) 93	a) 97	a) 120
Wood: raw: 5 exporting countries <sup>4</sup>	<i>d) (51.7)</i>	.	d) (100)	d) (192)	d) (73)	d) (147)	d) (103)	d) (70)	d) (49)
Visible supply † . . . . .	<i>107.8</i>	143	166	179	134	209	157	164	200
logs: Europe (continent) . . . . .	<i>26.2</i>	94	77	100	118	95	83	53	57
Raw silk: Visible supply † . . . . .	<i>7.3</i>	195	229	199	211	188	173	148	133
Rubber: World stocks . . . . .	<i>e) 355.1</i>	133	161	169	175	196	174	134	162
Visible supply † . . . . .	<i>e) 267</i>	172	224	224	235	259	223	165	191
Coal: 5 European countries . . . . .	<i>5,118</i>	389	499	464	444	415	328	193	120
U.S.A., consumers' stocks . . . . .	<i>24,038</i>	99	95	79	88	92	99	116	125
Petroleum <sup>5</sup> : U.S.A. total † . . . . .	<i>613,592</i>	98	91	83	84	79	75	72	79
Iron Ore: U.S.A. † . . . . .	<i>30,085</i>	132	128	106	117	116	106	106	138
France + N. Africa † . . . . .	<i>3,249</i>	155	168	177	158	150	147	114	76
Copper: World stocks . . . . .	<i>344.2</i>	159	201	210	188	168	159	117	145
Refined, N.+S.America † . . . . .	<i>80.6</i>	414	613	645	530	386	280	174	293
Lead: U.S.A. total † . . . . .	<i>108.6</i>	133	192	220	247	262	262	206	174
United Kingdom † . . . . .	<i>6.9</i>	933	1,478	2,278	3,289	2,189	789	689	789
Zinc: U.S.A. + U.K. visible supply † . . . . .	<i>46</i>	209	304	276	222	261	183	126	174
Tin: World stocks † . . . . .	<i>24.0</i>	154	181	167	78	45	40	64	71
Cement: U.S.A. † . . . . .	<i>6,982</i>	99	89	75	72	79	80	80	89

† Series included in world index of stocks of primary commodities. — (a) 31.VII. — (b) 31.VIII. — (c) 31.I.37. — (d) 30.VI. — (e) End-of-year stocks.

<sup>1</sup> Except for wine (hl., 000's), cotton (bales, 000's) and petroleum (barrels, 000's).

<sup>2</sup> Base: <sup>a</sup> 1922; <sup>b</sup> 1930; <sup>c</sup> 1931. <sup>3</sup> Excluding stocks: <sup>a</sup> in Germany; — <sup>b</sup> in Germany and Italy; — <sup>c</sup> in Italy.



**Appendix III. Table 1.**

**WORLD INDEX OF INDUSTRIAL PRODUCTION.**

*Note.* — The indices represent weighted arithmetic averages of the available national indices of industrial activity, excluding building and electric-power generation. The weights employed have been determined in accordance with the relative industrial importance in 1925-1929 of the countries concerned, as estimated mainly on the basis of the net value of their industrial production. The average level of the monthly indices for Europe and the world is slightly lower than that of the corresponding annual indices. The difference is due to the fact that the monthly indices of certain countries are less comprehensive in scope than their annual indices.

1929 = 100.

Mining and manufacturing								Manufacturing only									
Annual indices	Months	Monthly indices						Annual indices	Months	Monthly indices							
		1933	1934	1935	1936	1937	1938			1933	1934	1935	1936	1937	1938		
<i>World.</i>																	
1925	81.9	I	69.2	81.2	91.3	102.3	...	...	1925	81.9	I	67.9	80.3	91.1	101.3	...	...
1926	83.5	II	68.9	83.0	92.0	102.4	...	...	1926	83.7	II	67.6	82.8	91.9	101.8	...	...
1927	89.5	III	69.0	86.2	93.0	102.8	...	...	1927	89.4	III	67.3	85.6	92.0	103.2	...	...
1928	93.8	IV	71.7	85.9	92.4	107.4	...	...	1928	94.3	IV	71.4	86.1	93.1	107.6	...	...
1929	100.0	V	77.0	87.1	93.0	108.1	...	...	1929	100.0	V	76.9	87.5	93.5	108.9	...	...
1930	88.4	VI	82.7	85.8	92.0	107.4	...	...	1930	88.0	VI	83.6	86.4	92.3	108.9	...	...
1931	79.1	VII	85.3	81.7	90.8	107.8	...	...	1931	78.7	VII	86.3	81.5	91.9	108.8	...	...
1932	69.0	VIII	83.2	80.5	93.0	109.3	...	...	1932	68.7	VIII	83.5	80.7	94.1	110.9	...	...
1933	77.7	IX	82.7	81.9	96.4	113.7	...	...	1933	77.5	IX	82.6	81.6	98.2	114.8	...	...
1934	85.0	X	79.9	84.7	101.8	116.2	...	...	1934	85.1	X	80.0	84.7	102.3	117.1	...	...
1935	95.7	XI	77.9	86.2	104.0	119.2	...	...	1935	96.5	XI	77.1	86.4	104.0	120.1	...	...
1936	109.7	XII	78.8	90.5	105.6	121.1	...	...	1936	110.7	XII	77.8	90.7	104.5	121.9	...	...
1937	118.4								1937	119.0							
<i>World, excluding the U.S.S.R.</i>																	
1925	84.1	I	62.6	73.7	82.4	89.0	100.8	87.8	1925	84.2	I	61.2	72.8	82.1	88.0	101.7	86.6
1926	85.0	II	62.3	75.6	82.3	88.3	102.8	88.5	1926	85.1	II	61.0	75.1	82.2	87.7	103.3	87.3
1927	90.8	III	62.3	78.6	82.9	88.8	104.9	88.8	1927	90.8	III	60.5	78.0	81.8	89.2	105.1	87.3
1928	94.6	IV	65.1	78.7	82.9	93.5	106.7	...	1928	95.1	IV	64.8	78.9	83.6	93.7	107.3	...
1929	100.0	V	71.1	79.6	83.3	93.8	106.8	...	1929	100.0	V	71.0	80.0	83.7	94.6	107.6	...
1930	86.3	VI	76.5	77.8	82.4	93.5	104.6	...	1930	85.8	VI	77.4	78.4	82.7	95.1	105.3	...
1931	74.8	VII	80.5	75.0	82.4	95.9	104.5	...	1931	74.3	VII	81.5	74.8	83.5	96.8	105.3	...
1932	63.0	VIII	77.2	73.5	83.6	96.0	105.1	...	1932	62.6	VIII	77.6	73.7	85.2	97.8	106.4	...
1933	71.8	IX	75.1	73.5	85.1	98.3	104.0	...	1933	71.1	IX	75.0	73.1	86.9	99.5	104.4	...
1934	77.0	X	72.7	75.1	89.3	99.3	101.0	...	1934	77.0	X	72.7	75.1	89.8	100.3	100.9	...
1935	85.4	XI	71.5	76.2	90.9	102.5	96.2	...	1935	86.0	XI	70.7	76.4	90.9	103.4	95.3	...
1936	95.5	XII	72.5	80.2	92.6	105.5	92.2	...	1936	96.3	XII	71.4	80.5	91.7	106.3	91.2	...
1937	102.6								1937	102.9							
<i>Europe, excluding the U.S.S.R.</i>																	
1925	81.7	I	68.9	79.7	85.7	93.3	102.5	105.1	1925	81.2	I	67.6	79.2	86.0	92.5	103.4	105.4
1926	79.5	II	70.2	81.2	87.0	94.9	104.8	107.5	1926	80.0	II	69.0	81.0	87.5	95.2	105.7	108.0
1927	93.4	III	71.9	84.1	88.8	96.2	107.0	108.7	1927	93.3	III	71.3	84.4	87.1	96.9	108.2	108.9
1928	96.2	IV	72.8	83.2	90.1	98.9	110.6	...	1928	96.6	IV	72.8	83.7	91.3	100.2	111.7	...
1929	100.0	V	74.6	83.9	91.5	99.9	110.7	...	1929	100.0	V	75.0	84.6	92.9	101.4	112.2	...
1930	91.6	VI	74.5	82.8	89.2	97.3	109.4	...	1930	91.4	VI	74.8	83.5	90.4	98.9	110.9	...
1931	80.7	VII	75.0	82.7	88.9	97.7	108.9	...	1931	80.5	VII	75.4	83.4	90.1	98.9	110.6	...
1932	70.2	VIII	75.2	81.9	89.6	98.4	108.2	...	1932	69.9	VIII	75.8	82.6	90.9	99.8	110.0	...
1933	76.3	IX	76.9	83.8	92.1	101.4	111.0	...	1933	76.4	IX	77.3	84.4	93.2	103.0	112.6	...
1934	84.5	X	78.5	85.1	95.1	103.1	110.6	...	1934	85.1	X	78.5	85.6	96.1	104.0	111.8	...
1935	91.7	XI	79.7	86.5	95.6	105.5	112.5	...	1935	92.7	XI	79.3	86.5	96.3	106.3	113.5	...
1936	99.5	XII	79.0	85.6	94.1	105.4	110.1	...	1936	100.9	XII	78.3	85.7	94.5	106.1	110.9	...
1937	108.7								1937	110.1							
<i>North America.</i>																	
1925	86.9	I	54.7	65.9	76.7	82.9	96.4	68.9	1925	87.7	I	52.9	64.1	75.6	81.1	97.0	65.4
1926	90.5	II	53.0	68.4	75.3	79.7	97.9	67.9	1926	90.5	II	51.2	67.4	74.2	77.7	97.6	64.2
1927	88.9	III	50.8	71.2	74.3	78.9	99.4	68.0	1927	88.9	III	47.4	69.2	73.1	78.7	98.3	64.2
1928	93.4	IV	55.8	72.0	73.1	85.7	99.7	66.7	1928	94.2	IV	54.7	71.6	72.7	84.5	99.4	62.7
1929	100.0	V	65.7	73.2	72.6	85.5	99.8	...	1929	100.0	V	64.8	73.0	71.6	85.2	99.4	...
1930	80.9	VI	76.5	70.6	73.1	87.3	96.8	...	1930	80.0	VI	77.9	70.4	72.0	88.5	96.4	...
1931	68.4	VII	83.6	65.0	73.2	91.3	96.9	...	1931	67.4	VII	85.1	63.4	73.8	91.7	96.4	...
1932	54.4	VIII	76.9	62.7	75.0	91.0	99.1	...	1932	53.4	VIII	76.8	61.8	75.5	92.7	99.4	...
1933	64.3	IX	71.3	61.2	75.6	92.7	94.3	...	1933	63.3	IX	70.4	59.4	77.8	93.2	93.0	...
1934	67.3	X	64.7	62.6	80.7	92.7	88.3	...	1934	66.2	X	64.5	61.6	80.3	93.3	86.4	...
1935	76.4	XI	61.9	63.4	83.5	96.5	77.2	...	1935	76.1	XI	59.6	63.2	82.5	97.0	73.6	...
1936	88.9	XII	63.8	71.9	88.1	102.1	72.6	...	1936	88.6	XII	62.0	71.7	85.5	102.5	69.1	...
1937	93.4								1937	92.3							

Source. — Calculation of the Economic Intelligence Service.

### Appendix III. Table 2.

#### COMPOSITE INDICES OF PRODUCTION OF INVESTMENT AND CONSUMPTION GOODS.

P. I. = Producers' investment goods.      Aut. = Automobiles.  
C. = Current consumption goods.          B. = Building.

1929 = 100.

Years	Canada				United States				Japan		U.S.S.R.		Germany			
	P. I.	Aut.	B.	C.	P. I.	Aut.	B. <sup>1</sup>	C.	P. I.	C.	P. I.	C.	P. I.	Aut.	B.	C.
1929 .....	100	100	100	100	100	100	100	100	(1930 = 100)		100	100	100	100	100	100
1930 .....	75.9	58.4	79.0	90.5	74.3	63.0	59.3	86.8	100	100	141.9	120.7	76.7	72.4	103.2	94.3
1931 .....	46.5	31.4	55.6	85.8	48.9	44.4	49.1	85.2	91.3	100.1	183.3	141.2	49.2	51.3	67.7	88.0
1932 .....	27.3	23.1	26.3	78.7	28.0	25.9	19.0	75.9	104.4	105.5	213.2	155.9	35.3	31.4	34.8	77.7
1933 .....	35.8	25.1	17.3	84.1	42.4	35.6	18.8	84.2	134.4	117.6	234.8	164.9	45.9	65.5	34.3	82.5
1934 .....	55.2	44.5	21.8	94.3	45.6	51.1	16.6	83.4	168.0	127.8	292.6	188.9	77.3	104.9	49.6	92.0
1935 .....	62.0	65.9	29.7	98.0	61.7	71.1	35.0	87.6	194.7	138.5	368.0	224.9	106.7	149.4	61.9	92.6
1936 .....	76.3	61.8	27.8	109.7	82.3	83.0	57.4	94.5	218.4	141.8	485.7	286.0	116.6	177.6	87.7	100.4
1937 .....	91.5	75.5	35.4	117.6	87.9	91.9	61.0	94.5	262.2	154.9	...	...	127.5	214.4	97.2	108.4
<b>Quarters</b>																
1933 I .....	24.4	20.1	13.9	66.9	25.9	26.4	11.4	72.8	126.0	108.2	.	.	35.9	35.4	31.1	79.7
1933 II .....	24.9	30.4	11.8	81.2	40.0	39.0	23.2	89.8	130.7	113.5	.	.	45.3	85.4	32.6	79.9
1933 III .....	46.5	32.0	18.7	96.6	60.3	45.4	20.7	95.4	131.0	123.3	.	.	49.7	77.3	34.4	82.8
1933 IV .....	49.4	21.4	24.7	90.6	43.0	29.6	19.8	80.0	149.5	125.2	.	.	52.6	64.0	36.8	88.0
1934 I .....	57.4	44.7	23.5	84.0	48.1	51.1	15.0	83.4	156.3	118.1	268.3	179.4	68.5	67.0	44.1	91.2
1934 II .....	51.1	63.4	17.8	95.0	57.6	60.3	19.3	83.3	170.9	124.6	290.3	177.4	75.7	137.0	48.8	92.0
1934 III .....	56.5	46.1	23.4	100.3	36.5	46.9	15.1	80.5	130.2	293.0	160.6	160.6	82.4	127.1	53.0	90.6
1934 IV .....	54.8	18.8	22.3	99.0	41.2	41.7	16.9	86.1	184.6	138.6	320.9	236.4	82.8	88.8	52.9	94.1
1935 I .....	54.8	76.7	38.5	86.8	57.8	77.3	19.5	86.8	189.1	129.6	331.7	212.3	92.8	136.4	47.0	94.5
1935 II .....	55.8	73.3	22.9	97.3	53.4	73.1	40.0	85.7	193.1	138.3	356.8	202.6	111.3	166.3	42.1	90.7
1935 III .....	64.2	45.1	34.8	102.4	62.8	51.6	38.2	86.7	187.0	141.7	370.2	198.8	113.1	157.2	73.1	91.4
1935 IV .....	71.1	85.0	22.6	106.3	72.6	76.1	42.2	90.8	209.8	143.9	413.4	286.0	108.6	137.5	85.4	94.4
1936 I .....	65.1	55.4	33.9	101.7	66.0	76.1	36.1	89.3	209.1	130.3	450.0	265.2	96.0	164.0	77.4	98.6
1936 II .....	76.0	60.7	25.8	107.3	79.6	88.2	62.8	90.3	214.7	138.8	489.8	264.8	124.2	196.6	76.5	97.4
1936 III .....	69.8	89.4	25.6	111.6	88.1	84.5	68.2	97.0	210.7	145.4	481.7	263.3	129.3	185.7	83.9	99.2
1936 IV .....	94.5	77.9	25.9	118.0	95.4	79.4	62.4	101.7	240.9	156.3	521.6	340.2	115.3	164.6	112.8	106.5
1937 I .....	85.8	80.0	33.4	112.5	94.2	89.1	63.3	101.7	250.0	149.5	...	...	112.8	189.9	83.5	106.4
1937 II .....	89.9	67.6	41.4	118.8	96.0	97.5	78.8	100.3	262.5	157.4	...	...	132.5	229.1	97.2	104.8
1937 III .....	100.4	66.7	31.8	117.6	99.3	104.0	58.3	93.1	251.3	157.6	...	...	137.8	226.8	85.9	108.7
1937 IV .....	89.8	87.7	33.6	121.5	62.8	77.0	43.7	82.8	284.0	156.2	...	...	127.0	211.6	122.4	113.8
1938 I .....	77.0	66.7	28.1	100.7	45.4	44.7	41.0	80.0	290.6	137.4	...	...	126.3	218.4	87.7	113.0
<b>Years</b>																
Years	Belgium			Denmark		Estonia		Finland			France					
	P. I.	B. <sup>2</sup>	C.	P. I.	C.	P. I.	C.	P. I.	B. <sup>4</sup>	C.	P. I.	Aut.	B.	C.		
1929 .....	100	100	100	100	100	100	100	100	100	100	100	100	100	100		
1930 .....	84.9	87.3	88.5	111.2	107.3	97.6	99.0	81.5	59.9	98.8	99.8	97.4	111.4	95.7		
1931 .....	75.4	93.4	82.3	93.5	104.2	90.6	90.4	67.5	113.4	90.7	84.9	83.0	101.6	87.6		
1932 .....	62.7	93.2	72.7	69.2	109.4	76.2	77.6	68.4	36.0	95.3	59.4	65.1	81.3	71.6		
1933 .....	64.1	92.6	73.5	83.2	121.9	79.3	80.7	79.0	44.8	109.6	68.4	71.1	74.0	85.8		
1934 .....	72.1	77.0	62.9	100.9	129.2	103.8	90.6	105.5	102.0	125.9	62.0	69.0	66.7	79.9		
1935 .....	77.8	99.5	81.2	112.1	135.4	112.1	100.6	102.0	120.8	139.6	61.3	61.3	55.7	76.5		
1936 .....	80.2	92.4	87.8	116.8	140.6	129.8	111.4	111.5	165.8	158.4	63.8	72.3	52.8	82.2		
1937 .....	89.8	85.8	90.7	122.4	140.6	169.9	118.3	123.7	229.7	170.3	74.1	71.5	46.3	79.0		
<b>Quarters</b>																
1933 I .....	.	97.5	.	.	.	.	.	73.0	58.7	102.5	63.6	76.0	75.6	81.1		
1933 II .....	.	109.9	.	.	.	.	.	77.2	24.2	112.6	70.5	74.9	75.3	87.2		
1933 III .....	.	94.9	.	.	.	.	.	83.1	39.8	112.9	72.1	66.7	73.7	91.2		
1933 IV .....	.	65.8	.	.	.	.	.	81.3	79.6	107.9	67.3	67.1	70.2	89.0		
1934 I .....	.	76.5	.	.	.	.	.	97.2	58.3	122.7	63.9	69.4	70.7	88.8		
1934 II .....	.	92.4	.	.	.	.	.	102.6	143.6	130.6	61.8	69.6	68.3	82.9		
1934 III .....	.	77.0	.	.	.	.	.	113.0	128.1	123.7	61.9	70.9	65.6	75.6		
1934 IV .....	.	62.0	.	.	.	.	.	108.1	77.8	125.1	60.8	66.3	61.5	73.0		
1935 I .....	.	76.1	.	107.2	128.5	99.6	95.0	100.5	124.5	139.9	60.3	61.1	61.3	73.4		
1935 II .....	.	133.1	.	109.9	128.5	116.4	94.0	93.6	126.7	138.1	60.3	63.6	53.9	75.3		
1935 III .....	.	105.6	.	111.5	130.5	125.6	108.0	98.8	136.7	134.8	60.8	60.8	53.9	76.9		
1935 IV .....	.	83.2	.	111.2	132.3	106.9	106.3	108.2	95.4	145.2	61.4	60.0	53.7	80.2		
1936 I .....	.	100.0	.	*108.9	*133.9	110.8	110.7	109.1	109.0	158.5	63.1	66.2	56.6	83.5		
1936 II .....	.	104.3	.	119.0	140.3	127.3	102.0	101.6	200.4	154.3	64.4	68.7	56.4	85.7		
1936 III .....	.	93.0	.	123.4	141.0	146.8	117.4	108.5	125.6	156.7	61.9	65.0	50.1	81.8		
1936 IV .....	.	71.8	.	122.8	139.6	134.5	115.6	124.7	228.4	166.0	64.9	80.3	46.6	84.5		
1937 I .....	.	86.4	.	121.8	142.7	134.7	110.5	124.8	195.0	174.5	72.8	80.1	53.4	81.3		
1937 II .....	.	98.6	.	126.2	145.5	174.6	115.0	114.5	210.4	171.1	77.0	66.7	49.3	81.2		
1937 III .....	.	86.1	.	123.0	138.5	196.2	124.1	123.3	223.2	167.6	72.5	67.6	43.1	74.3		
1937 IV .....	.	72.2	.	119.6	137.2	179.3	123.5	130.9	290.1	170.3	74.7	71.9	40.1	80.3		
1938 I .....	.	81.1	.	119.5	141.9	166.9	116.8	124.6	285.7	190.1	73.0	74.9	40.1	71.5		

<sup>1</sup> Contracts awarded relating to floor-space of residential building in 37 States (F. W. Dodge Corporation). <sup>2</sup> Number of building permits (including rebuilding and alterations) in 115 towns and localities. <sup>3</sup> Excluding March, when production fell heavily on account of an extensive lock-out. <sup>4</sup> Building permits Helsinki (cubic space).

Sources: National indices, except series P. I. for the United States, as well as series P. I. and C. for Canada, Japan, Germany, Belgium, Estonia, Finland, France, Italy, Latvia, Poland, the United Kingdom, Sweden and Czechoslovakia, which have been calculated by the Economic Intelligence Service.

### Appendix III. Table 2 (concluded).

COMPOSITE INDICES OF PRODUCTION OF INVESTMENT AND CONSUMPTION GOODS.

P. I. = Producers' investment goods.  
C. = Current consumption goods.

Aut. = Automobiles.  
B. = Building.

1929 = 100.

Years	Italy				Latvia		Norway			Netherlands		
	P. I.	Aut.	B.	C.	P. I.	C.	P. I.	B. <sup>a</sup>	C.	P. I.	B. <sup>a</sup>	C.
1929 .....	100	100	100	100	100	100	100	100	100	100	100	100
1930 .....	95.9	81.8	87.3	90.0	114.1	111.6	106.3	105.4	96.1	86.6	110.6	96.3
1931 .....	85.8	64.5	52.8	81.3	94.7	89.4	74.9	108.6	81.9	62.9	103.3	98.5
1932 .....	75.5	69.9	45.1	68.1	60.9	87.2	88.3	154.8	97.4	45.9	71.5	83.0
1933 .....	80.4	76.0	53.1	76.8	72.8	122.0	93.1	123.9	94.7	55.2	117.1	85.9
1934 .....	80.8	78.0	88.6	75.7	95.0	141.7	98.1	145.0	97.4	55.8	100.1	86.1
1935 .....	99.2	111.1	116.2	83.1	100.4	149.9	109.1	165.8	106.4	47.2	80.0	89.6
1936 .....	107.7	142.3	60.0	78.2	118.3	154.3	121.9	240.8	113.9	57.3	59.0	90.0
1937 .....	113.1	168.8	65.8	94.4	138.1	168.9	131.9	...	119.4	77.2	70.0	108.1
Quarters												
1933 I .....	73.4	72.7	47.0	73.3	.	.	93.1	111.3	89.7	52.9	125.6	94.3
II .....	82.8	74.9	55.6	80.2	.	.	96.8	109.8	98.2	53.1	121.6	84.5
III .....	85.0	80.9	57.0	79.8	.	.	82.2	99.8	89.9	61.7	120.7	80.0
IV .....	78.1	75.5	52.8	74.7	.	.	100.0	174.5	101.1	53.1	100.9	84.0
1934 I .....	74.3	73.4	68.4	67.5	.	.	100.9	139.4	90.5	55.8	112.3	98.5
II .....	81.1	78.9	93.3	74.3	.	.	102.0	98.1	96.5	60.5	101.5	90.4
III .....	85.9	83.3	99.2	75.7	.	.	103.0	162.2	92.7	57.7	99.4	72.1
IV .....	82.8	76.3	93.6	83.8	.	.	104.3	180.1	100.2	49.3	87.2	83.7
1935 I .....	84.1	89.2	108.4	86.1	.	.	103.9	128.5	100.7	43.6	96.5	97.3
II .....	98.0	100.5	130.5	89.3	.	.	107.3	191.9	105.4	43.5	84.5	99.3
III .....	109.0	121.0	117.5	72.0	.	.	99.1	114.3	96.2	49.7	81.5	78.0
IV .....	105.7	133.4	108.3	83.0	.	.	109.3	228.6	112.5	52.0	57.7	84.0
1936 I .....	102.5	136.1	72.0	78.6	84.2	150.0	113.6	171.1	108.9	49.8	67.7	91.9
II .....	108.2	140.5	53.8	78.1	125.7	137.2	112.8	236.3	112.6	53.3	56.2	92.1
III .....	111.3	144.1	51.8	68.2	141.7	140.3	120.4	231.8	107.4	54.5	53.0	82.0
IV .....	108.6	148.3	62.1	87.9	118.9	193.9	124.3	324.1	117.4	71.6	59.4	94.1
1937 I .....	107.1	165.4	66.9	91.8	97.8	149.8	130.4	261.3	114.5	70.1	66.4	121.0
II .....	115.6	176.3	67.5	90.2	146.5	149.8	132.4	247.4	120.0	81.8	76.9	116.6
III .....	116.0	173.2	66.2	86.3	167.2	154.1	130.1	114.5	116.3	84.5	65.4	105.2
IV .....	113.0	160.7	62.4	109.3	157.9	223.3	134.6	...	127.0	72.2	71.4	89.9
1938 I .....	113.1	155.4	59.1	104.3	121.0	185.2	141.0	...	109.5	67.4	97.9	107.9

Years	Poland			Roumania		United Kingdom				Sweden			Czechoslovakia		
	P. I.	B.	C.	P. I.	C.	P. I.	Aut.	B. <sup>a</sup>	C.	P. I.	B. <sup>a</sup>	C.	P. I.	B. <sup>a</sup>	C.
1929 .....	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
1930 .....	81.1	67.3	85.6	96.4	99.1	91.7	94.6	105.7	92.0	97.1	107.4	101.4	85.2	65.5	92.0
1931 .....	60.5	39.2	76.8	96.6	98.9	73.3	87.8	91.5	91.3	89.3	85.9	100.1	70.6	75.0	87.1
1932 .....	43.2	21.4	65.5	100.9	81.3	69.6	103.0	105.9	94.7	81.6	78.8	99.0	42.5	87.6	74.6
1933 .....	49.6	18.1	65.1	104.1	111.6	77.7	123.3	140.8	98.9	85.3	47.9	105.8	43.0	62.4	70.1
1934 .....	58.9	23.9	72.5	121.5	131.0	93.1	145.8	157.2	107.9	112.0	102.5	119.1	49.0	50.3	79.8
1935 .....	65.6	26.8	76.1	124.3	122.1	103.1	178.5	177.2	114.2	125.3	126.4	128.6	59.0	35.5	79.7
1936 .....	75.7	33.9	79.0	133.0	129.9	121.2	201.5	169.6	121.6	137.4	141.1	137.3	71.2	44.0	89.1
1937 .....	92.6	48.0	87.5	132.2	134.4	134.3	208.2	152.8	127.6	158.1	130.9	147.4	96.5	45.2	99.7
Quarters															
1933 I .....	43.2	14.2	53.8	96.3	85.0	73.1	126.7	124.5	93.2	.	.	.	38.0	49.3	69.9
II .....	49.5	18.6	67.1	97.8	109.2	77.5	140.2	149.4	98.0	.	.	.	47.4	40.2	67.1
III .....	52.8	20.0	69.3	109.4	130.3	76.6	94.6	143.4	99.2	.	.	.	44.9	77.7	67.8
IV .....	52.5	21.6	70.2	112.0	121.9	83.4	131.8	145.8	104.9	.	.	.	42.2	81.8	75.1
1934 I .....	53.2	16.5	73.8	112.4	121.4	89.3	170.7	154.6	109.0	97.3	74.2	118.6	42.0	14.1	76.9
II .....	61.4	25.7	73.9	125.5	120.6	91.9	155.4	175.1	106.9	108.0	104.6	122.5	53.4	40.9	83.6
III .....	59.9	26.1	69.0	126.6	143.2	91.2	106.0	139.7	104.6	114.0	89.2	123.0	50.4	77.7	79.7
IV .....	61.6	26.9	74.3	127.9	135.2	99.9	151.1	159.7	113.2	118.3	141.7	126.5	48.9	76.0	76.2
1935 I .....	63.0	20.3	74.4	122.0	116.5	103.2	202.7	171.9	113.1	119.4	168.8	126.8	53.9	21.9	75.9
II .....	64.3	24.9	75.8	118.8	109.2	101.8	175.4	185.6	112.3	123.8	142.0	127.8	54.2	21.7	77.8
III .....	68.3	26.8	76.7	125.4	136.0	101.0	154.7	165.9	111.2	127.3	84.1	127.5	59.9	50.0	76.5
IV .....	68.4	35.0	77.8	130.6	126.6	106.7	181.1	185.5	124.0	130.8	111.8	131.6	65.3	48.5	88.1
1936 I .....	66.7	33.7	78.0	129.4	121.0	115.3	213.4	168.5	121.7	130.7	142.0	133.2	60.5	12.5	88.7
II .....	75.5	31.4	77.9	131.0	116.5	120.4	216.3	189.0	119.0	136.0	143.0	135.6	65.8	30.7	87.5
III .....	79.4	33.1	79.6	135.9	139.7	119.9	165.9	159.7	116.3	138.7	116.8	138.3	71.1	66.8	87.2
IV .....	81.7	37.3	81.1	136.0	142.7	129.0	210.5	161.2	128.7	144.6	162.6	142.8	87.8	65.9	93.9
1937 I .....	85.8	39.9	88.7	129.5	124.4	132.3	235.1	142.1	126.1	150.0	152.6	142.1	92.2	16.9	99.1
II .....	91.7	44.6	85.1	126.9	123.1	135.5	232.8	167.9	127.7	158.8	142.8	146.6	96.6	30.0	104.4
III .....	93.7	49.4	88.8	134.9	147.1	133.4	177.0	139.9	123.3	160.6	81.5	149.9	97.7	59.6	98.2
IV .....	97.8	58.1	87.0	137.6	143.3	135.8	187.8	161.4	133.5	163.1	146.8	151.0	99.1	74.3	96.8
1938 I .....	99.7	58.2	95.2	130.1	107.0	132.4	215.2	141.7	127.7	...	204.1	146.5	86.3	18.3	87.5

<sup>a</sup> Net increase in number of dwellings in boroughs of more than 2,000 inhabitants.    <sup>b</sup> Number of dwellings started on new ground.    <sup>c</sup> Estimated cost of plans approved for dwelling-houses by 146 local authorities.    <sup>d</sup> Building permits delivered for number of rooms (dwellings) in 11 larger towns.    <sup>e</sup> Number of permits delivered for the utilisation of new buildings in 38 principal towns.

### Appendix IV. Table I.

#### INDICES OF WHOLESALE PRICES.

*Note.* — Unless otherwise indicated the indices are compiled by Government authorities in each country. Their original base is given in *Monthly Bulletin of Statistics* (League of Nations), No. 11, 1935.

1929=100.

Country	Union of S. Africa	Albania	Austria	Argentine Banco Central de la Republica	Australia Melbourne	Belgium	Brazil	Bulgaria	Canada	Chile	China <sup>1</sup> Shanghai
<b>Average</b>											
1926	106.3	.	94.6	103.7	101.6	87.4	.	90.0	104.6	.	95.7
1927	106.9	100.0	102.3	101.8	100.8	99.5	.	90.1	102.2	.	99.9
1928	103.8	103.6	100.0	102.2	99.4	99.1	103.1	97.0	100.8	100.1	97.3
1929	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1930	88.5	88.0	90.0	95.6	88.5	87.4	74.2	81.2	90.6	86.7	109.9
1931	85.8	90.3	83.9	92.3	79.2	73.6	74.2	66.8	75.4	79.5	121.2
1932	79.0	73.6	86.2	92.8	78.3	62.5	73.2	58.3	69.8	119.7	107.6
1933	80.2	57.2	83.1	88.8	78.2	58.9	68.0	52.4	70.2	179.8	99.3
1934	87.7	51.1	84.6	102.3	81.6	55.6	68.0	53.4	74.9	178.6	92.9
1935	81.8	56.2	84.4	100.6	81.5	63.1	70.1	54.4	75.4	178.4	92.0
1936	85.0	62.6	83.9	102.9	85.6	69.1	81.4	55.4	78.0	197.3	103.8
1937	87.0	64.6	87.0	116.8	91.9	80.4	...	62.8	88.4	236.3	123.5
	(a)	(c)	(b)	(a)	(a)	(d)		(e)	(a)	(a)	(b)
1932 III	83.0	80.0	86.9	95.5	79.8	64.4	.	.	72.2	85.3	112.5
VI	81.4	71.9	88.5	93.4	77.1	60.4	.	.	69.5	117.8	108.7
IX	76.8	66.0	84.6	91.7	79.9	62.6	.	.	68.9	146.0	105.1
XII	74.9	68.5	83.1	88.7	75.8	61.3	.	.	66.9	175.6	102.9
1933 III	75.3	61.9	82.3	87.9	73.9	59.2	.	.	67.3	178.5	102.1
VI	77.6	54.9	83.9	88.5	79.8	59.6	.	.	70.6	186.0	100.0
IX	82.1	52.2	83.1	87.6	82.1	58.3	.	.	72.1	182.8	96.1
XII	86.0	54.3	83.2	96.7	79.7	56.9	.	.	72.2	167.4	94.2
1934 III	91.4	49.7	87.0	100.2	80.9	56.2	.	.	75.4	175.1	92.4
VI	89.7	51.1	84.9	102.0	81.1	55.5	.	.	75.3	182.8	91.6
IX	84.4	51.8	83.2	104.4	82.8	55.2	.	.	75.2	183.3	93.1
XII	85.0	51.1	83.9	102.3	80.9	55.0	.	.	74.4	177.7	94.7
1935 III	.	53.1	84.0	100.7	79.9	54.5	67.0	.	75.2	175.0	92.2
IV	80.0	53.2	83.5	100.2	80.1	62.4	66.0	.	75.8	174.1	91.8
V	.	54.1	84.6	100.0	80.9	64.9	66.0	.	75.5	176.4	90.9
VI	.	55.4	85.3	99.7	81.3	65.2	66.0	.	74.7	176.5	88.1
VII	81.9	54.9	86.1	99.2	82.0	65.0	69.1	.	74.7	178.0	86.6
VIII	.	55.8	85.6	99.3	83.1	64.9	70.1	.	75.0	178.4	87.9
IX	.	57.5	84.5	100.2	82.9	65.8	71.1	.	75.7	179.9	87.2
X	82.8	61.1	83.7	102.2	83.1	67.5	77.3	.	76.5	181.2	90.0
XI	.	61.7	83.9	102.2	82.0	68.4	75.3	.	76.0	182.7	98.9
XII	.	62.9	83.5	102.4	81.0	68.0	75.3	.	75.9	182.0	98.9
1936 I	85.8	62.8	83.3	102.6	81.8	68.3	74.2	54.1	76.3	183.8	99.8
II	.	63.2	82.6	101.6	81.3	68.4	78.4	53.7	75.8	184.6	100.9
III	.	64.1	82.5	101.9	82.4	67.9	80.4	53.2	75.7	186.9	101.8
IV	86.0	64.5	83.0	101.7	84.0	67.4	80.4	54.2	75.5	187.0	102.7
V	.	62.2	83.2	101.5	84.4	66.9	81.4	53.9	75.1	191.2	101.2
VI	.	62.1	84.0	101.2	84.5	67.0	82.5	53.9	75.6	194.6	101.5
VII	83.1	61.8	84.5	102.5	86.1	67.7	82.8	54.5	77.8	198.6	102.6
VIII	.	61.6	83.9	104.3	87.9	68.4	85.9	55.3	79.7	202.6	102.8
IX	.	61.7	84.2	104.0	87.2	69.8	77.8	56.0	79.9	208.9	102.4
X	85.1	62.0	85.3	103.6	88.2	70.7	79.4	57.9	80.6	210.7	105.0
XI	.	62.4	85.1	104.1	89.9	72.3	78.4	58.7	80.8	207.5	108.1
XII	.	62.8	85.6	106.4	89.4	74.9	74.2	59.3	83.4	210.7	113.7
1937 I	86.7	64.1	86.5	109.1	91.2	77.3	79.4	59.6	85.5	218.9	116.4
II	.	65.3	85.9	110.5	89.7	79.3	79.4	59.7	86.7	226.4	117.6
III	.	61.7	86.4	114.9	91.6	81.4	79.4	60.2	89.4	237.8	117.7
IV	85.0	66.0	87.2	117.4	91.9	81.8	86.6	61.6	90.1	240.9	118.6
V	.	64.7	88.8	118.7	92.1	81.4	87.6	61.7	89.0	241.9	119.7
VI	.	63.1	88.6	118.9	92.2	81.9	86.6	61.9	88.5	240.3	120.7
VII	87.4	63.7	88.8	120.1	94.5	82.5	82.5	63.9	91.5	241.7	120.4
VIII	.	63.8	87.7	119.3	95.4	82.3	79.4	64.2	89.5	245.3	122.3
IX	.	64.7	86.9	119.7	94.6	81.1	81.4	64.7	88.9	244.9	124.3
X	89.1	65.9	86.7	119.7	92.3	80.8	81.4	65.7	88.6	239.2	127.4
XI	.	65.7	85.5	117.0	89.0	77.9	...	65.0	86.9	232.6	134.3
XII	.	66.8	85.0	115.9	87.7	77.4	...	65.2	86.5	224.6	135.3
1938 I	92.5	66.2	85.5	116.6	88.5	77.6	...	64.8	87.7	224.3	133.6
II	.	65.7	85.2	115.4	88.7	77.2	...	63.7	87.4	224.0	132.4
III	.	64.0	85.4	112.5	88.9	75.7	...	63.0	86.9	224.1	133.2
IV	89.8	65.3	85.2	112.1	90.1	75.2	...	63.3	86.1	224.6	136.7
V	.	...	83.8	...	91.0	74.1	...	63.6	84.0	...	135.8
VI	.	...	83.8	...	...	73.9	...	...	...	...	138.9

(a) Monthly average. (b) 15th or middle of month. (d) Second half of month. (e) Last week or end of month.

<sup>1</sup> National Tariff Commission.

**Appendix IV. Table 1 (continued).**

**INDICES OF WHOLESALE PRICES.**

1929=100.

Country	Czecho- slovakia	Denmark	Danzig	Egypt Cairo	Estonia	Finland	France	Germany	Greece	Hungary	India Calcutta
<b>Average</b>											
1926	103.4	108.3	108.0	113.8	97.4	102.0	110.8	98.0	.	102.5	105.0
1927	106.0	101.9	107.8	104.3	97.4	103.1	102.4	100.3	.	109.1	105.0
1928	106.1	101.9	104.5	103.4	103.4	104.1	102.9	102.0	.	111.6	102.8
1929	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1930	88.8	86.1	89.7	89.7	87.2	91.8	88.4	90.8	90.9	79.3	82.3
1931	80.6	75.9	78.4	83.6	77.8	85.7	80.0	80.8	81.2	78.5	68.1
1932	74.5	77.8	67.5	72.4	70.9	91.8	68.2	70.3	97.5	76.0	64.5
1933	72.2	83.3	66.2	61.2	72.6	90.8	63.6	68.0	110.3	62.7	61.7
1934	74.0	90.7	64.8	75.0	72.6	91.8	60.0	71.7	108.7	65.3	63.1
1935	77.2	92.6	86.0	81.9	71.8	91.8	54.0	74.2	110.6	74.1	64.5
1936	77.4	97.2	102.1	73.3	77.8	93.4	65.5	75.9	112.5	73.6	64.5
1937	82.0	110.2	107.4	76.0	86.3	104.6	92.7	77.2	126.0	78.0	72.3
	(f)	(a)	(c)	(a)	(a)	(a)	(e)	(a)	(a)	(e)	(e)
1932 III	75.4	77.8	69.1	80.2	73.5	93.9	70.8	72.7	83.2	81.8	66.7
VI	73.4	75.0	65.7	69.8	69.2	88.8	67.8	70.1	104.9	79.3	61.0
IX	74.6	78.7	66.6	67.3	69.2	91.8	65.9	69.3	104.6	74.4	64.5
XII	72.4	78.7	65.6	65.5	69.2	91.8	65.9	67.8	109.5	66.9	62.4
1933 III	70.9	82.4	65.4	60.3	68.4	90.8	62.2	66.4	111.4	67.8	58.2
VI	73.6	82.4	66.2	57.8	67.5	90.8	64.3	67.7	109.8	65.3	63.1
IX	72.1	85.2	66.3	58.6	77.8	91.8	63.3	69.2	109.6	57.9	62.4
XII	70.9	86.1	66.1	62.9	75.6	90.8	64.9	70.1	108.4	58.7	63.1
1934 III	72.6	89.8	64.9	68.1	75.2	91.8	62.8	69.9	107.4	61.2	62.4
VI	76.5	88.0	64.7	72.4	72.6	90.8	60.4	70.8	106.9	66.9	63.6
IX	75.3	93.5	64.5	67.9	69.2	91.8	58.2	73.2	110.5	68.6	63.1
XII	76.0	92.6	65.0	84.5	70.9	91.8	54.9	73.6	110.1	69.4	62.4
1935 III	76.3	90.7	64.5	82.8	70.1	91.8	53.4	73.4	110.3	70.2	61.7
IV	77.0	90.7	64.3	79.3	68.4	91.8	53.6	73.5	109.7	71.1	62.4
V	77.4	90.7	65.7	79.3	69.2	91.8	54.2	73.5	109.0	72.7	64.5
VI	79.1	90.7	69.3	81.0	70.1	91.8	52.6	73.8	108.6	71.9	64.5
VII	77.2	90.7	63.6	81.9	69.2	91.8	51.4	74.2	109.7	74.4	64.5
VIII	77.2	93.5	97.7	82.8	70.9	91.8	52.6	74.6	110.3	73.6	63.1
IX	77.0	94.4	99.9	79.3	71.8	92.9	53.0	74.6	110.9	76.0	63.1
X	77.5	95.4	101.9	82.8	75.2	93.9	54.5	74.9	112.6	78.5	66.0
XI	77.4	95.4	102.6	81.0	76.1	92.9	55.5	75.1	112.6	78.5	65.2
XII	77.9	95.4	102.4	81.0	76.1	92.9	56.5	75.4	113.7	80.2	66.0
1936 I	77.1	95.4	101.0	79.3	76.9	91.8	57.3	75.5	112.9	77.7	65.2
II	77.8	96.3	99.4	76.7	76.9	92.9	59.3	75.5	113.4	76.9	64.5
III	77.0	95.4	99.9	75.9	76.9	92.9	60.0	75.5	113.2	75.2	64.5
IV	77.0	94.4	99.8	72.4	75.2	91.8	59.2	75.6	112.3	72.7	65.2
V	76.5	95.4	99.8	72.4	75.2	91.8	59.6	75.7	111.3	71.1	63.8
VI	76.6	95.4	100.2	71.6	76.1	91.8	60.3	75.8	110.5	70.2	63.8
VII	75.7	96.3	100.6	71.6	76.1	92.9	62.4	75.9	110.5	71.1	64.5
VIII	75.9	98.1	102.4	70.7	76.9	92.9	64.0	76.2	111.3	71.1	63.8
IX	77.1	99.1	103.5	73.3	78.6	93.9	67.0	76.1	111.5	71.9	64.5
X	78.2	100.9	105.5	72.4	79.5	94.9	75.1	76.0	112.6	75.2	66.0
XI	79.1	101.9	106.4	71.6	80.3	95.9	78.5	76.1	114.0	73.6	66.0
XII	80.7	102.8	107.3	72.4	81.2	96.9	82.8	76.5	116.7	76.0	66.7
1937 I	81.6	104.6	107.8	75.9	83.8	100.0	85.8	76.7	119.8	79.3	69.5
II	82.6	106.5	109.2	77.6	84.6	103.1	85.0	76.9	122.5	76.9	69.5
III	83.7	108.3	111.9	76.7	86.3	105.1	87.7	77.3	125.8	78.5	70.9
IV	82.7	111.1	109.3	75.9	86.3	105.1	88.0	77.1	127.0	77.7	73.0
V	82.4	112.0	107.4	75.0	84.6	106.1	87.7	77.2	128.3	78.5	73.0
VI	85.5	111.1	106.7	75.0	86.3	105.1	88.8	77.3	126.5	77.7	72.3
VII	83.1	113.0	107.6	75.9	87.2	105.1	92.8	77.6	127.5	77.7	73.8
VIII	82.7	112.0	107.6	75.9	88.0	105.1	96.2	77.8	127.4	77.7	74.5
IX	82.0	112.0	108.0	75.9	87.2	106.1	100.5	77.4	127.1	79.3	73.8
X	81.5	113.0	106.6	76.7	88.0	106.1	100.2	77.2	127.4	76.9	73.8
XI	80.2	112.0	104.4	75.9	87.2	104.1	99.0	76.9	126.6	77.7	73.0
XII	80.3	111.1	102.0	75.9	86.3	104.1	100.6	76.9	126.2	78.5	71.6
1938 I	80.3	110.2	101.3	75.9	87.2	104.1	101.4	77.0	126.1	77.7	70.2
II	80.0	108.3	99.4	77.6	87.2	103.1	100.6	77.0	126.3	76.9	68.8
III	79.6	106.5	99.5	76.7	86.3	102.0	101.1	77.1	126.5	77.7	68.1
IV	80.1	104.6	98.1	77.6	85.5	101.0	102.6	77.0	126.2	83.5	66.7
V	80.1	103.7	...	78.4	85.5	100.0	104.3	76.8	124.6	81.8	66.7
VI	80.4	102.8	...	...	...	...	105.3	77.0	...	...	66.7

(a) Monthly average. (c) 10th and 20th of month. (e) Last week or end of month. (f) First or beginning of following month.

**Appendix IV. Table 1 (continued).**

INDICES OF WHOLESALE PRICES.  
1929=100.

Country	Indo-China Saigon	Italy National Index	Japan <sup>1</sup> Tokio	Latvia Riga	Mexico <sup>2</sup>	Norway	New Zealand	Nether- lands	Nether- lands Indies	Peru	Poland
<b>Average</b>											
1926	85.6	.	107.7	.	.	132.9	104.4	108.1	109.2	109.4	.
1927	92.8	.	102.2	.	.	112.1	99.3	103.1	104.1	109.1	.
1928	96.7	104.8	102.8	107.3	.	105.4	100.3	102.5	100.6	103.3	103.8
1929	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1930	100.0	89.5	82.4	85.0	103.4	92.0	97.4	89.9	89.6	95.9	88.8
1931	84.3	78.1	69.6	70.7	89.7	81.9	90.5	76.5	70.3	94.3	77.5
1932	75.8	73.0	73.3	71.0	84.3	81.9	87.2	64.8	56.5	91.7	68.0
1933	69.3	66.5	81.6	69.8	89.8	81.9	87.9	63.1	48.9	97.0	61.4
1934	62.7	65.0	80.8	69.2	94.7	83.2	89.4	63.2	46.2	101.3	57.9
1935	61.4	71.5	84.4	72.6	94.5	85.2	93.1	61.7	44.8	101.8	55.1
1936	64.1	80.1	89.9	75.6	100.4	89.9	94.0	64.0	46.2	103.4	56.1
1937	86.4	93.4	108.4	94.2	118.3	104.6	101.4	76.4	61.3	110.1	61.7
		(a)	(a)	(a)		(b)	(b)	(a)	(a)	(b)	(c)
1932 III	78.4	.	72.1	73.7	.	81.9	89.1	.	60.6	88.2	70.5
VI	75.8	.	66.6	71.7	.	80.5	87.9	.	55.8	94.4	70.2
IX	74.5	.	76.2	70.1	.	82.6	88.1	.	54.4	93.7	65.5
XII	72.6	.	84.0	70.1	.	82.6	85.6	.	51.7	93.2	62.0
1933 III	69.3	67.0	80.7	69.9	86.9	81.2	88.4	.	49.6	93.5	62.1
VI	69.3	65.6	81.7	70.7	89.4	81.2	88.8	.	49.6	96.9	62.4
IX	68.0	65.0	83.0	69.7	91.8	82.6	88.5	.	47.5	99.2	60.3
XII	65.4	66.8	79.8	69.0	92.8	81.9	88.7	.	46.2	100.5	59.8
1934 III	62.7	65.2	80.5	69.2	95.2	81.9	90.1	.	46.8	99.1	59.5
VI	61.4	63.7	79.4	68.4	94.1	82.6	89.9	.	46.2	102.2	57.9
IX	62.7	64.7	81.5	69.2	95.1	84.6	89.9	.	46.2	102.8	57.1
XII	62.1	65.2	82.4	69.2	94.8	83.9	89.9	.	46.2	99.8	55.5
1935 III	61.4	67.7	83.5	71.7	94.6	84.6	91.7	60.8	44.8	103.0	54.1
IV	62.1	68.9	83.0	70.9	93.4	83.9	91.9	61.1	44.8	102.6	54.2
V	62.7	69.6	83.0	70.9	93.1	83.9	91.7	61.1	45.5	102.5	54.6
VI	62.1	70.6	82.0	70.9	93.6	84.6	92.3	61.1	44.8	103.1	54.6
VII	61.4	71.5	82.0	70.9	94.5	85.2	93.1	60.8	44.1	102.7	54.9
VIII	61.4	72.6	83.2	70.9	94.8	85.9	93.6	61.0	44.1	101.6	55.6
IX	61.4	74.8	85.9	71.7	96.3	85.9	95.4	62.0	44.8	100.5	56.3
X	62.1	76.1	88.3	72.6	95.3	87.3	96.4	63.5	45.5	101.2	56.6
XI	62.1	77.6	88.1	73.4	94.3	87.3	95.4	62.9	45.5	101.3	56.6
XII	61.4	77.9	87.3	73.4	93.8	87.9	95.0	62.7	44.8	101.9	54.7
1936 I	60.1	77.9	87.3	73.4	93.4	87.9	94.4	62.6	44.8	102.9	54.1
II	60.1	78.1	86.9	73.4	93.9	88.6	93.0	62.2	44.8	103.3	54.2
III	62.1	79.0	86.8	72.6	94.6	88.6	93.1	61.7	44.1	103.0	54.1
IV	61.4	79.6	87.5	71.7	96.5	88.6	93.6	61.3	44.1	103.7	55.0
V	62.1	79.2	87.5	70.9	97.7	88.6	93.5	61.2	44.1	103.4	55.8
VI	61.4	79.5	88.1	71.7	98.2	88.6	94.0	61.8	44.1	103.0	56.0
VII	62.7	78.3	89.8	72.6	100.9	88.6	93.8	62.5	44.1	103.7	55.7
VIII	64.7	79.6	91.3	73.4	102.9	89.9	94.7	62.9	44.1	103.8	56.0
IX	65.4	80.6	91.4	74.2	106.5	91.3	95.5	62.8	44.8	103.5	56.8
X	68.0	80.8	91.2	81.7	106.8	91.3	95.8	68.4	50.3	103.4	57.6
XI	71.9	81.5	92.6	85.1	107.8	91.9	95.9	69.7	52.4	103.2	58.3
XII	75.8	82.8	97.8	86.7	105.5	94.0	97.4	71.2	55.1	103.2	59.1
1937 I	81.0	85.5	106.1	87.6	110.0	96.6	97.4	73.2	58.6	104.5	60.6
II	81.0	87.3	104.8	88.4	112.6	98.7	98.6	74.2	60.6	107.2	62.2
III	81.0	89.2	109.1	90.9	112.9	100.7	98.9	76.2	62.0	109.9	62.9
IV	81.7	90.3	112.8	92.6	115.8	103.4	99.5	77.3	63.4	112.1	62.4
V	81.0	92.0	109.8	93.4	118.6	105.4	100.9	76.9	63.4	112.6	62.2
VI	81.7	93.9	106.4	93.4	124.0	105.4	101.7	76.5	62.0	110.8	62.6
VII	85.6	94.7	108.7	92.6	125.2	107.4	101.6	77.7	62.7	110.9	62.8
VIII	88.9	95.6	107.0	95.9	123.2	107.4	102.5	77.8	62.0	110.8	61.9
IX	92.2	96.1	108.5	97.6	123.3	108.1	102.4	77.1	62.0	111.6	61.9
X	96.1	97.5	107.6	97.6	122.6	108.1	102.8	77.2	60.6	110.6	60.6
XI	93.5	99.7	108.1	96.7	122.6	107.4	105.1	76.5	59.3	110.7	60.6
XII	93.5	101.0	109.7	95.9	118.7	106.7	105.2	75.8	59.3	109.1	60.3
1938 I	93.5	99.8	111.6	95.1	...	106.1	103.0	75.4	59.3	110.0	60.2
II	94.8	98.2	113.4	95.1	...	105.4	102.7	74.4	58.6	110.8	59.9
III	96.7	98.3	114.4	95.1	...	104.0	102.3	73.4	57.9	109.9	59.1
IV	97.4	99.6	112.3	94.2	...	103.4	102.1	72.7	57.9	109.9	59.4
V	99.3	100.3	113.2	95.1	...	103.4	101.8	72.1	...	109.3	59.1
VI	99.3	100.8	115.7	...	...	102.7	101.9	71.8	...	109.3	59.0

(a) Monthly average. (b) 15th or middle of month. (c) Last week or end of month.  
<sup>1</sup> Bank of Japan. <sup>2</sup> Banco de Mexico.

**Appendix IV. Table 1 (concluded).**

INDICES OF WHOLESALE PRICES.  
1929=100.

Country	Portugal <sup>1</sup>	Roumania	Spain Whole country	Sweden	Switzer- land	Turkey	United Kingdom	U.S.A.	Vene- zuela	Yugo- slavia <sup>2</sup>
<b>Average</b>										
1926			104.4	106.4	102.3		108.5	104.9	109.6	
1927	c) 96.3	.	100.1	104.3	100.7	95.8	103.7	100.1	105.4	102.8
1928	c) 100.3	.	97.0	105.7	102.4	98.4	102.8	101.5	105.1	105.6
1929	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1930	c) 94.7	78.4	99.6	87.1	89.6	75.9	87.5	90.7	94.0	86.1
1931	c) 85.2	60.2	100.7	79.3	77.7	65.2	76.8	76.6	90.1	72.5
1932	86.2	54.0	99.4	77.9	68.0	56.0	74.9	68.0	84.3	64.8
1933	83.5	52.3	94.9	76.4	64.5	49.2	75.0	69.3	76.4	64.0
1934	90.3	52.4	97.4	81.4	63.6	51.0	77.1	78.7	71.7	62.8
1935	82.9	60.0	97.9	82.9	63.6	55.8	77.9	83.9	67.3	65.5
1936	85.9	68.5	.	85.7	67.7	62.0	82.7	84.8	71.6	68.0
1937	101.5	78.2	.	97.9	78.8	64.5	95.2	90.6	78.0	74.3
	(b)	(a)	(b)	(a)	(c)	(a)	(a)	(a)		
1932 III	88.8	.	102.6	77.9	69.9	59.1	76.8	69.3	86.6	67.4
VI	85.8	.	99.5	77.1	66.9	56.4	72.8	67.1	84.0	64.5
IX	84.1	.	97.6	78.6	67.1	52.2	75.2	68.5	83.2	61.4
XII	85.5	.	96.9	77.1	65.0	52.5	74.3	65.7	81.7	64.4
1933 III	82.6	.	95.5	75.0	63.7	50.3	72.4	63.2	77.0	66.6
VI	80.9	.	93.4	75.7	64.6	49.8	75.5	68.2	78.3	65.7
IX	83.6	.	94.5	77.9	64.3	48.4	76.9	74.3	75.8	60.3
XII	87.7	.	96.5	78.6	64.7	47.5	76.7	74.3	75.2	61.9
1934 III	93.8	.	99.2	80.0	64.4	48.4	77.2	77.3	74.4	62.9
VI	90.9	.	96.8	81.4	63.0	48.4	77.0	78.3	68.9	65.2
IX	87.3	.	95.2	81.4	63.1	51.7	77.4	81.4	69.4	62.8
XII	87.9	.	98.1	82.1	63.0	55.9	76.9	80.7	73.3	61.9
1935 III	87.4	57.6	98.4	82.1	61.2	53.8	76.1	83.2	67.8	62.6
IV	86.3	58.2	98.6	82.1	61.7	51.8	76.6	84.1	67.9	62.5
V	84.9	58.5	98.2	82.1	62.0	51.2	77.2	84.2	68.2	63.6
VI	82.5	59.3	96.3	82.9	62.7	51.6	77.5	83.7	68.5	63.5
VII	80.7	58.8	96.1	82.9	63.7	53.5	77.1	83.3	66.2	62.9
VIII	77.5	60.8	96.0	82.1	64.7	54.4	77.5	84.5	66.5	64.4
IX	77.8	61.2	96.4	82.1	65.2	55.0	78.5	84.7	66.1	67.4
X	79.9	61.8	97.0	83.6	66.1	56.6	79.9	84.5	64.2	69.6
XI	80.8	63.6	99.4	84.3	65.7	60.6	79.9	84.6	65.4	70.8
XII	80.7	66.4	99.5	84.3	65.2	64.1	80.1	84.9	67.3	71.2
1936 I	79.6	69.5	98.5	84.3	64.5	61.2	80.4	84.6	68.8	70.7
II	79.5	69.3	98.1	84.3	64.4	61.5	80.3	84.6	67.9	69.6
III	82.9	67.7	98.3	84.3	64.4	62.0	80.3	83.5	66.1	69.6
IV	85.9	68.0	98.0	84.3	65.1	61.3	80.5	83.6	70.9	68.7
V	85.7	67.0	.	84.3	65.2	60.9	80.5	82.5	70.6	66.6
VI	86.0	66.7	.	84.3	65.1	61.5	81.1	83.1	73.2	65.0
VII	85.7	65.7	.	85.0	65.9	59.8	82.0	84.5	73.0	65.2
VIII	86.8	67.3	.	85.7	66.1	60.0	83.4	85.6	71.2	65.6
IX	87.5	67.6	.	87.1	68.6	61.8	84.2	85.6	72.7	66.6
X	89.2	69.4	.	87.9	73.0	62.4	85.5	85.5	73.2	68.5
XI	89.1	70.7	.	88.6	74.5	63.0	86.1	86.5	74.7	69.4
XII	94.0	72.2	.	90.0	75.6	64.2	88.3	88.4	77.1	70.8
1937 I	97.5	73.9	.	92.1	76.8	66.6	90.1	90.1	76.5	70.0
II	99.9	74.6	.	94.3	78.9	67.3	91.0	90.6	79.0	70.5
III	99.9	74.6	.	97.1	80.2	66.2	94.0	92.1	78.9	71.7
IV	100.9	78.5	.	98.6	80.0	65.3	95.4	92.3	75.8	71.9
V	103.2	80.2	.	99.3	79.7	64.3	96.9	91.7	76.0	72.2
VI	102.4	80.0	.	99.3	79.4	63.3	96.8	91.5	76.5	71.7
VII	102.9	80.7	.	100.0	79.6	62.5	97.6	92.2	78.2	73.3
VIII	101.8	80.3	.	100.0	78.5	63.2	97.5	91.8	79.1	74.9
IX	101.3	78.9	.	100.0	78.3	63.7	97.4	91.7	78.8	77.6
X	102.7	79.2	.	99.8	78.5	64.1	96.8	89.6	78.0	79.5
XI	102.7	78.5	.	97.9	77.6	63.6	95.0	87.4	79.2	79.0
XII	103.2	78.7	.	97.1	77.6	61.9	94.2	85.7	79.5	79.4
1938 I	102.7	78.7	.	96.4	77.9	61.6	94.3	84.9	74.2	79.7
II	101.6	78.4	.	95.7	77.5	61.8	92.6	83.7	72.7	79.4
III	100.4	79.0	.	94.3	76.6	62.5	91.2	83.6	73.9	78.1
IV	100.9	...	.	93.6	76.6	62.0	90.3	82.6	74.3	78.8
V	...	...	.	92.9	75.7	62.0	89.3	82.0	73.8	79.6
VI	...	...	.	...	75.8	...	88.2	82.1	74.1	78.9

(a) Monthly average. (b) 15th or middle of month. (c) June. (e) Last week or end of month.

<sup>1</sup> Banco de Portugal. <sup>2</sup> National Bank.

### Appendix IV. Table 2.

#### INDICES OF COST OF LIVING.

Note. — Unless otherwise indicated, the indices are compiled by Government authorities in each country. Their original base is given in *Monthly Bulletin of Statistics* (League of Nations) No. 11, 1935.

1929=100.

Country	Union of S. Africa	Austria	Argentine	Australia	Belgium	Brazil	Bulgaria	Canada	Chile	China	Czechoslovakia
Towns	9	Vienna	Buenos-Aires	30	59	Rio de Janeiro	12 (67) <sup>1</sup>	60	Santiago	Shanghai	Prague
Composition	A,B,D,E	A-E	A-E	A-E	A-E	A-E	A-E	A-E	A-E	A-E	A-E
1926	99.6	92.8	.	98.0	74.9	.	89.4	100.1	.	92.7	.
1927	100.2	95.5	100.0	97.2	92.5	.	95.7	98.5	.	98.9	.
1928	100.3	97.3	98.6	97.8	94.5	100.8	97.8	99.0	(98.3)	95.0	.
1929	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1930	97.6	100.0	101.5	94.6	103.6	90.9	91.5	99.3	98.9	112.9	97.8
1931	94.0	95.5	86.9	84.8	93.0	87.7	79.9	89.7	98.2	116.7	93.4
1932	89.9	97.3	77.6	80.7	83.6	88.0	73.4	81.4	104.4	110.4	91.7
1933	87.5	94.8	82.7	78.3	82.6	87.2	68.2	77.6	129.6	99.4	90.7
1934	88.6	94.5	77.6	79.6	79.4	94.1	63.7	78.7	129.7	98.3	89.6
1935	88.1	94.4	82.8	80.9	79.9	99.2	59.5	79.2	132.4	98.9	92.3
1936	88.5	94.4	90.5	82.7	84.7	113.8	57.0	80.9	143.6	105.0	93.1
1937	90.6	94.3	92.8	84.9	91.8	...	58.1	83.4	161.7	122.2	94.3
		(b)	.	(b)	.	.	(a)	(c)	(a)	.	(b)
1932 III	91.1	97.3	.	82.3	83.4	.	74.7	83.2	92.6	117.9	92.8
VI	90.0	98.2	.	81.4	81.7	.	73.5	80.2	99.9	112.4	92.9
IX	88.6	97.3	.	80.2	83.5	.	72.6	79.9	117.4	109.5	91.1
XII	87.5	96.4	.	79.0	85.5	.	72.3	78.9	123.5	100.1	93.1
1933 III	86.4	94.0	.	77.9	83.2	.	72.2	77.8	124.0	103.1	90.4
VI	87.6	95.3	.	78.3	80.6	.	66.9	76.9	132.1	97.7	92.0
IX	87.5	94.7	.	78.6	82.8	.	66.9	77.7	135.6	98.2	90.0
XII	89.6	95.7	82.9	78.5	83.4	.	66.5	78.1	129.8	95.1	89.3
1934 III	88.6	94.4	78.6	78.9	79.3	.	66.6	79.3	126.2	91.7	89.1
VI	88.9	94.5	74.6	79.8	76.6	.	64.3	78.3	130.5	91.3	91.1
IX	89.3	94.8	78.8	79.6	80.1	.	64.5	79.2	132.8	109.5	89.8
XII	88.3	94.3	79.5	79.9	79.4	.	62.4	78.8	135.9	102.3	89.0
1935 III	88.3	93.5	79.7	.	74.9	97.7	61.9	78.6	130.3	97.1	90.4
IV	88.6	93.2	81.2	.	75.9	98.0	60.2	78.6	131.5	98.3	90.6
V	88.6	93.3	81.4	80.6	76.8	98.1	59.9	78.9	132.3	97.9	91.2
VI	88.9	95.5	81.0	.	78.7	98.3	60.1	78.8	132.3	98.1	93.6
VII	88.2	94.8	82.1	.	79.5	100.3	60.5	79.5	132.6	97.5	94.0
VIII	87.9	94.5	83.2	81.4	80.4	100.3	59.7	79.7	132.2	96.9	94.0
IX	87.6	94.6	85.9	.	82.7	100.5	59.5	80.3	133.0	97.7	93.2
X	87.5	95.3	87.0	.	84.4	100.7	57.8	80.7	133.3	96.3	92.9
XI	87.7	95.1	87.5	81.6	85.6	100.5	58.2	80.6	133.6	101.2	92.7
XII	87.9	95.0	90.7	.	84.9	100.5	58.3	80.5	134.6	101.3	93.1
1936 I	88.3	95.1	89.0	.	85.2	110.1	58.1	80.2	133.5	102.9	93.3
II	88.3	94.5	87.4	81.6	85.4	110.6	58.4	80.5	134.5	103.8	93.4
III	88.3	94.1	89.0	.	84.1	110.4	58.1	79.7	136.9	105.7	93.8
IV	88.6	93.7	92.4	.	83.4	110.0	56.3	80.1	138.9	103.5	93.3
V	88.8	94.0	89.3	82.0	82.1	110.4	56.2	80.1	142.7	103.0	93.6
VI	88.9	95.3	90.6	.	82.9	114.3	56.3	80.5	144.3	103.6	93.8
VII	88.3	94.1	92.2	.	81.7	116.2	56.6	81.1	145.6	104.0	92.9
VIII	88.1	94.3	92.8	83.2	83.9	115.9	56.0	81.2	146.8	107.0	92.8
IX	88.0	94.5	92.0	.	85.3	118.1	56.1	81.2	148.9	105.2	92.5
X	88.1	94.5	91.2	.	86.7	117.2	56.6	81.5	150.6	105.7	92.7
XI	88.8	94.8	90.2	83.8	88.0	117.5	57.0	81.8	150.0	106.5	92.8
XII	88.7	94.6	90.7	.	88.2	116.9	57.3	81.8	150.3	108.9	92.5
1937 I	88.8	94.3	89.4	.	89.2	118.5	57.5	81.9	149.3	111.3	93.2
II	88.9	94.3	90.1	84.0	90.1	118.3	57.8	82.0	147.4	111.3	93.7
III	89.5	94.1	92.4	.	89.7	119.4	57.7	82.3	151.5	108.2	93.7
IV	89.8	93.9	93.5	.	88.8	119.8	57.7	82.5	157.3	108.8	93.7
V	90.0	94.1	93.3	84.5	88.8	121.6	57.8	83.0	161.6	110.0	94.0
VI	90.5	95.0	95.3	.	90.0	...	58.3	83.0	163.9	110.3	95.0
VII	90.4	94.4	93.8	.	92.1	...	58.6	83.2	166.3	111.2	94.8
VIII	90.7	94.1	92.9	85.2	92.8	...	58.6	83.8	168.0	124.7	94.4
IX	90.9	94.2	92.4	.	94.5	...	58.7	83.7	171.2	136.9	94.9
X	91.4	94.5	94.0	.	94.9	...	59.2	84.3	169.5	129.3	94.5
XI	92.1	94.5	93.8	85.8	95.4	...	59.8	84.3	169.4	148.8	94.8
XII	92.7	94.3	92.9	.	95.3	...	60.0	84.4	165.2	155.0	95.0
1928 I	94.2	94.4	91.9	.	95.7	...	59.9	84.2	162.8	143.3	96.7
II	94.0	94.1	91.3	86.0	95.0	...	59.9	84.0	162.1	146.9	96.9
III	94.0	93.5	91.6	.	93.6	...	59.7	84.3	164.7	139.4	97.1
IV	94.0	93.6	91.8	...	92.0	...	59.5	84.4	167.9	137.3	97.5
V	94.2	93.7	91.9	...	92.4	...	59.7	84.3	...	130.6	97.6
VI	...	93.7	...	...	93.9	...	...	...	...	132.2	98.4

A : Foodstuffs ; B : Heating and lighting ; C : Clothing ; D : Rent ; E : Miscellaneous other expenses.

(a) Monthly average. — (b) 15th or middle of month. — (c) Last week or end of month.

<sup>1</sup> 1926-1937 : 65 towns. Monthly figures : 12 towns.



Appendix IV. Table 2 (continued).

INDICES OF COST OF LIVING.  
1929=100.

Country	Danzig	Denmark	Egypt	Estonia	Finland	France	Germany	Greece	Hungary	Indo-China	Ireland
Towns	1	Whole country	Cairo	Tallinn	21	Paris	72	44 <sup>1</sup>	Buda-pest	Saigon	105
Composition	A-E	A-E	A, C-E	A-E	A-E	A-E	A-E	A-E	A-D	A, D, E	A-E
1926	94.4	.	106.0	90.6	96.6	90.8	92.3	(84.9)	86.9	87.6	105.1
1927	98.3	102.0	101.3	89.7	98.5	92.4	96.1	(93.1)	94.6	91.2	99.4
1928	99.2	101.0	100.7	95.7	100.7	93.3	98.5	(97.1)	99.5	93.8	98.9
1929	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1930	95.2	95.0	98.0	88.9	92.2	104.5	96.2	(87.5)	90.5	107.1	97.2
1931	87.5	90.1	91.4	85.5	84.8	102.3	88.4	86.9	85.7	92.9	91.5
1932	79.5	89.5	87.4	80.3	83.7	94.6	78.3	92.2	83.3	81.4	89.2
1933	77.2	92.5	82.8	75.2	81.7	93.5	76.6	99.0	77.3	75.2	85.8
1934	76.2	96.3	84.1	74.4	80.2	92.8	78.6	100.7	75.8	69.0	86.9
1935	84.6	99.4	85.7	75.2	81.4	86.9	80.0	101.7	77.7	69.0	88.6
1936	93.0	100.9	86.1	83.8	81.5	91.1	80.8	105.4	82.0	69.9	90.9
1937	97.3	104.5	85.2	89.0	85.8	111.3	81.2	113.6	87.3	83.2	96.8
	(a)	(f)		(e)	(a)		(a)	(a)	(e)		(b)
1932 III	80.3	89.3	88.7	82.9	85.1	96.0	79.4	86.2	83.1	85.0	92.0
VI	80.8	86.8	86.1	81.2	81.9	96.2	78.3	85.1	84.2	83.2	90.3
IX	77.3	90.5	84.8	79.5	82.9	93.0	77.3	95.6	84.1	80.5	86.9
XII	76.9	89.6	86.1	76.1	83.4	92.8	76.7	97.6	80.8	78.8	88.1
1933 III	77.3	91.3	84.8	75.2	81.3	94.1	75.4	98.6	79.3	77.0	85.8
VI	76.5	92.7	82.1	72.6	80.4	92.8	76.6	98.1	78.4	76.1	84.1
IX	77.4	94.1	82.8	77.8	82.5	92.8	76.9	99.0	76.0	76.1	84.7
XII	76.7	94.1	80.8	76.9	80.9	94.6	78.3	101.4	74.8	72.6	88.6
1934 III	76.4	95.4	82.8	76.1	80.1	94.6	77.9	100.0	75.3	70.8	86.4
VI	77.5	96.4	82.8	75.2	78.9	93.9	78.3	99.6	77.0	69.0	84.7
IX	75.4	97.5	87.4	72.7	80.6	91.9	79.0	101.0	76.1	68.1	86.4
XII	75.8	97.9	86.1	72.7	81.7	90.7	79.4	101.7	75.1	69.0	89.2
1935 III	75.5	98.9	85.4	74.4	79.9	88.9	79.4	100.8	76.2	69.0	.
IV	75.6	.	85.4	74.4	80.0	.	79.4	100.7	76.1	.	.
V	82.2	.	84.1	73.5	79.5	88.1	79.8	101.3	76.2	70.8	85.8
VI	85.2	100.0	84.1	72.7	80.2	.	79.9	100.6	76.8	.	.
VII	88.4	.	86.1	74.4	81.3	.	80.7	100.7	79.0	.	.
VIII	89.6	.	85.4	74.4	82.6	84.4	80.8	101.1	79.7	68.1	88.6
IX	90.1	99.6	86.1	75.2	82.5	.	80.2	101.7	79.4	.	.
X	92.2	.	88.1	79.5	83.3	.	79.8	103.2	79.2	.	.
XI	92.2	.	87.4	80.3	83.3	86.0	79.9	103.5	79.0	68.1	92.0
XII	92.7	100.3	87.4	80.3	82.6	.	80.2	103.8	79.5	.	.
1936 I	92.3	.	86.8	80.3	81.0	.	80.7	105.4	80.9	.	.
II	92.0	.	87.4	82.1	81.4	87.4	80.6	104.9	81.3	68.1	90.3
III	91.8	100.5	87.4	82.1	81.4	.	80.6	104.7	81.6	.	.
IV	91.5	.	86.1	82.9	80.7	.	80.7	104.6	82.1	.	.
V	91.7	.	86.1	82.9	80.2	89.4	80.7	104.1	82.0	.	89.2
VI	93.8	101.0	86.1	84.6	80.3	.	80.8	103.7	81.3	69.0	.
VII	91.8	.	86.1	84.6	80.7	.	81.3	104.0	81.0	.	.
VIII	93.3	.	84.1	85.5	81.6	90.6	81.4	105.3	82.5	69.0	90.3
IX	93.2	101.2	85.4	85.5	82.0	.	80.7	106.0	82.6	.	.
X	95.6	.	84.8	85.5	82.3	.	80.7	107.0	83.0	.	.
XI	94.9	.	85.4	84.6	82.7	97.1	80.7	107.4	82.3	75.2	94.3
XII	95.5	101.7	85.4	86.3	83.1	.	80.7	108.1	83.2	.	.
1937 I	96.1	.	86.1	88.6	83.3	.	80.8	111.8	86.4	.	.
II	96.3	.	86.1	88.6	.	104.5	81.0	112.7	87.1	80.5	94.9
III	96.6	103.3	85.4	88.4	.	.	81.2	112.7	87.0	.	.
IV	97.3	.	85.4	88.0	85.0	.	81.2	113.6	86.7	.	.
V	97.7	.	84.8	87.2	.	109.0	81.2	114.6	86.6	78.8	94.9
VI	97.8	104.6	84.1	88.9	.	.	81.4	114.0	86.8	.	.
VII	97.6	.	84.8	88.9	85.9	.	82.0	112.9	87.0	.	.
VIII	97.5	.	84.8	88.0	.	113.3	81.8	114.1	87.1	84.1	96.6
IX	97.6	105.9	84.8	88.9	.	.	81.2	113.7	88.2	.	.
X	97.8	.	85.4	89.7	89.1	.	81.0	114.0	88.2	.	.
XI	97.3	.	85.4	90.6	.	118.3	81.0	114.9	87.9	88.5	100.6
XII	97.7	106.5	84.8	92.3	.	.	81.0	114.6	88.4	.	.
1938 I	97.8	.	85.4	94.0	88.1	.	81.1	115.0	89.2	.	.
II	97.3	.	86.1	94.0	.	123.7	81.3	115.3	88.3	89.4	98.3
III	96.8	106.6	86.1	94.9	.	.	81.5	114.2	88.4	.	.
IV	97.0	.	87.4	94.0	86.9	.	81.6	113.4	89.0	.	.
V	97.4	.	87.4	93.2	.	...	81.8	112.8	89.0	...	97.2
VI	...	...	...	...	.	.	81.8	...	...	...	.

A : Foodstuffs ; B : Heating and lighting ; C : Clothing ; D : Rent ; E : Miscellaneous other expenses.

(a) Monthly average. — (b) 15th or middle of month. — (c) Last week or end of month. — (f) First or beginning following month.

<sup>1</sup> Until end of 1930 : 106 towns, excluding clothing and rent.

Appendix IV. Table 2 (continued).

INDICES OF COST OF LIVING.  
1929=100.

Country	Italy	Japan	Latvia	Lithuania	Luxemburg	Norway	Netherlands	New Zealand	Palestine	Peru
Towns	50	Tokio <sup>1</sup>	Riga	84	9	31	Amsterdam	25	8	Lima
Composition	A-E	A, C, E	A-E	A-E	A-C, E	A-E	A-E	A-E	A, B, E	A-E
1926	.	109.7	.	105.2	70.7	(124.1)	100.1	100.6	121.6	114.0
1927	99.9	103.9	.	105.4	89.1	(112.0)	99.8	99.7	114.1	109.6
1928	98.3	101.5	.	102.2	93.1	104.2	100.7	100.2	106.5	102.7
1929	100.0	100.0	.	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1930	96.6	85.5	100.0	86.0	101.7	97.0	95.8	97.7	86.6	95.8
1931	87.3	74.7	91.0	78.3	91.0	92.2	89.9	90.2	79.9	89.6
1932	83.1	75.4	79.0	65.8	79.1	89.8	83.9	83.5	81.8	85.6
1933	79.6	80.3	76.0	56.3	78.8	88.6	83.0	79.2	79.3	83.4
1934	75.5	82.0	72.0	52.6	75.9	89.2	83.4	80.5	79.7	85.2
1935	76.6	83.6	73.0	45.3	74.5	91.0	81.1	83.2	79.1	86.1
1936	82.6	87.8	73.0	46.6	74.8	93.4	78.6	86.1	83.5	90.4
1937	90.7	96.1	79.0	52.2	79.4	99.9	81.8	91.7	87.6	96.5
	(f)	(b)	(a)		(f)		(e)	(b)		
1932 III	84.8	75.2	78.0	70.3	78.5	90.4	84.0	87.2	82.2	84.9
VI	84.0	72.6	80.0	67.4	78.0	89.8	83.9	83.6	80.3	86.1
IX	81.0	76.1	77.0	62.3	79.1	89.8	84.0	81.8	79.7	86.1
XII	82.5	80.5	76.0	59.9	79.4	89.2	83.5	80.3	81.0	84.9
1933 III	80.7	79.5	73.0	57.1	78.1	88.6	82.1	79.4	79.6	82.1
VI	79.5	78.4	78.0	57.0	78.5	88.6	81.8	79.3	76.7	84.1
IX	78.7	80.9	76.0	54.5	78.8	89.2	83.1	79.3	79.0	84.8
XII	79.8	82.0	72.0	54.5	78.6	88.0	84.9	79.7	83.3	83.8
1934 III	78.6	82.1	70.0	56.4	75.0	87.4	84.3	80.3	78.4	83.8
VI	73.5	81.5	77.0	54.4	74.5	89.2	83.3	80.6	77.6	85.5
IX	73.4	82.4	70.0	49.5	76.1	89.8	83.4	80.3	82.4	85.8
XII	74.5	82.6	69.0	48.5	74.6	89.8	82.7	81.1	81.5	84.9
1935 III	74.5	82.6	68.0	46.5	72.9	89.8	81.4	82.4	78.4	86.2
IV	75.5	82.4	71.0	46.5	72.3	89.8	.	82.6	78.5	85.3
V	75.9	82.4	72.0	45.8	73.0	90.4	.	83.2	78.1	86.2
VI	76.4	81.8	79.0	44.7	74.2	90.4	80.9	83.3	78.4	86.4
VII	76.6	82.4	79.0	44.1	74.7	91.0	.	82.9	79.0	86.1
VIII	76.4	83.7	76.0	43.9	74.9	91.6	.	83.3	78.4	86.8
IX	76.6	85.1	73.0	44.0	75.4	91.6	80.8	83.6	78.7	86.2
X	78.5	85.0	81.0	44.1	76.0	92.2	.	85.0	79.4	86.7
XI	79.6	85.4	76.0	44.8	75.7	92.2	.	84.8	79.3	87.9
XII	80.6	85.6	69.0	45.0	75.0	92.2	81.4	84.2	79.7	87.9
1936 I	81.1	86.4	66.0	45.3	75.2	92.2	.	83.7	80.1	88.8
II	90.9	87.7	68.0	45.5	74.7	92.2	.	83.6	79.0	89.2
III	81.0	88.2	69.0	45.5	73.7	92.8	78.1	83.5	79.3	89.2
IV	81.3	88.4	71.0	45.7	73.2	93.4	.	84.2	78.4	89.7
V	82.6	88.3	72.0	45.6	73.9	93.4	.	84.9	80.3	90.3
VI	82.9	87.0	75.0	45.7	74.5	93.4	78.1	85.2	83.6	90.3
VII	82.6	86.9	75.0	46.5	74.5	93.4	.	85.4	87.6	90.6
VIII	82.2	87.7	73.0	46.8	75.4	92.8	.	86.6	87.7	90.9
IX	82.6	88.1	72.0	47.8	75.3	93.4	78.6	87.4	89.6	91.2
X	84.3	87.5	82.0	48.5	75.3	93.4	79.5	87.3	85.5	91.5
XI	84.5	87.6	76.0	48.3	76.1	93.4	79.7	87.7	85.6	91.5
XII	85.4	89.6	72.0	48.5	75.7	94.6	79.5	88.3	85.2	91.7
1937 I	85.9	93.6	69.0	50.3	77.2	95.2	79.9	88.1	92.4	92.3
II	86.2	94.1	71.0	52.5	77.7	95.8	79.7	89.6	90.4	94.6
III	87.8	94.3	72.0	52.3	77.5	97.0	79.9	89.9	88.4	94.6
IV	89.2	94.8	74.0	52.1	77.8	98.2	81.0	90.7	91.0	96.0
V	90.0	94.8	78.0	52.1	77.5	98.2	81.1	91.5	86.7	96.8
VI	91.8	94.5	84.0	52.4	79.6	100.0	82.1	91.3	84.6	96.8
VII	92.2	95.0	83.0	52.9	80.4	101.2	82.6	91.7	85.5	97.0
VIII	93.1	95.9	82.0	52.3	81.1	101.2	82.8	92.3	86.7	97.3
IX	94.9	97.9	81.0	52.1	80.9	102.4	82.7	93.0	86.5	97.3
X	95.8	98.8	83.0	51.8	81.4	103.0	83.2	93.4	86.2	98.0
XI	97.2	99.2	86.0	51.7	80.8	103.0	83.2	94.1	86.7	98.0
XII	98.0	100.6	81.0	52.3	80.8	103.0	83.0	94.5	85.5	98.5
1928 I	98.1	101.8	78.0	52.3	80.9	103.0	82.8	93.8	86.2	99.5
II	98.1	105.0	80.0	52.2	81.3	103.6	82.6	93.9	86.2	99.2
III	97.6	106.2	81.0	52.4	80.5	103.0	82.1	93.8	86.5	98.5
IV	98.6	106.9	84.0	52.6	80.8	103.0	82.3	94.2	83.6	98.5
V	97.7	106.9	86.0	52.7	81.3	103.0	82.8	94.2	82.8	99.1
VI	...	106.5	...	...	82.0	103.6	...	94.3	83.4	98.5

A : Foodstuffs ; B : Heating and lighting ; C : Clothing ; D : Rent ; E : Miscellaneous other expenses  
(a) Monthly average. — (b) 15th or middle of month. — (c) Last week or end of month. — (f) First or beginning of following month.

<sup>1</sup> Bank of Japan.

Appendix IV. Table 2 (concluded).

INDICES OF COST OF LIVING.  
1929=100.

Country	Poland	Portugal	Roumania	Spain	Sweden	Switzerland	Turkey	United Kingdom	U.S.A.	Yugoslavia
Towns	Warsaw	Continent	Bucharest	Madrid	49 <sup>1</sup>	34	Istanbul	39-509	51-173 <sup>2</sup>	3 <sup>3</sup>
Composition	A-E	A, B, E	A-B	A, B, E	A-E	A-E	A-E	A-E	A-E	A-E
1926	.	.	.	103.3	(101.2)	100.6	.	104.9	104.2	.
1927	.	.	.	104.4	(100.8)	99.4	.	102.4	101.9	.
1928	99.5	.	.	97.2	(101.2)	100.0	.	101.2	100.5	.
1929	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1930	91.6	95.0	88.4	102.8	(97.1)	98.1	92.1	96.3	96.6	92.1
1931	82.4	84.3	72.7	107.2	(93.5)	93.2	87.1	89.6	87.1	84.7
1932	74.4	82.6	62.2	103.1	92.4	85.7	84.9	87.8	77.8	76.6
1933	67.2	82.5	56.1	99.5	90.6	81.4	75.8	85.4	74.8	66.2
1934	62.3	83.4	52.8	101.8	91.2	80.1	74.7	86.0	79.3	61.0
1935	59.7	83.9	56.9	99.1	91.8	79.5	69.3	87.2	82.5	60.4
1936	57.7	85.6	61.1	.	92.9	80.7	69.5	89.6	84.7	60.9
1937	61.7 (e)	106.4 (b)	67.2	.	95.3 (f)	84.9	70.6 (a)	93.9 (f)	88.4 (b)	65.1 (f)
1932 III	75.5	81.3	63.8	106.6	92.4	88.2	86.9	87.8	79.9	78.4
VI	77.6	80.6	61.1	98.9	91.8	85.7	86.6	87.2	77.5	75.3
IX	72.1	83.3	61.1	99.4	91.8	84.5	82.0	87.2	76.5	75.2
XII	69.8	84.7	60.0	99.1	90.6	83.2	82.7	86.6	74.8	71.1
1933 III	69.0	81.8	56.8	101.4	90.0	82.0	76.8	83.5	71.7	69.1
VI	67.8	81.3	56.1	98.8	90.0	81.4	75.2	84.1	73.0	66.1
IX	65.5	82.9	55.0	100.8	90.6	81.4	74.4	86.0	78.1	61.7
XII	65.8	82.8	56.8	99.0	90.0	81.4	76.3	86.6	77.3	63.7
1934 III	64.1	81.6	53.7	102.9	90.0	80.8	76.7	84.8	78.7	62.6
VI	61.6	82.3	51.3	100.2	91.2	80.1	74.4	86.0	79.1	60.7
IX	61.5	86.5	52.1	99.8	91.2	80.1	71.5	87.2	80.7	59.0
XII	59.3	84.1	53.9	101.4	91.2	80.1	71.4	87.3	80.2	59.9
1935 III	58.2	83.1	54.4	101.1	91.2	78.9	69.0	84.8	81.9	60.4
IV	58.1	84.5	55.2	103.8	.	78.9	68.5	84.8	82.7	60.7
V	58.7	83.7	57.2	98.6	.	78.3	69.2	85.4	82.5	61.1
VI	59.5	83.6	57.5	94.0	91.8	78.9	68.9	87.2	82.5	61.4
VII	61.4	84.2	57.3	97.3	.	79.5	67.9	87.2	82.3	60.1
VIII	60.8	83.5	56.7	97.2	.	80.1	67.6	87.2	82.3	59.2
IX	61.3	84.9	57.4	98.9	92.4	80.1	67.6	88.4	82.6	59.3
X	61.4	85.3	59.0	98.0	.	80.1	69.2	89.6	82.9	59.8
XI	61.1	82.6	59.7	98.6	.	80.7	71.0	89.6	83.3	60.9
XII	58.0	84.4	61.4	97.8	92.9	80.7	72.2	89.6	83.8	63.9
1936 I	57.2	83.5	61.3	97.6	.	80.7	70.9	89.6	83.8	63.3
II	56.6	83.1	61.3	97.3	.	80.7	71.2	89.0	83.4	60.9
III	56.6	82.7	60.4	97.2	92.9	80.7	71.0	87.8	83.1	60.7
IV	57.5	82.0	61.9	97.4	.	80.7	70.3	87.9	83.3	60.5
V	58.2	85.2	61.5	.	.	80.7	68.7	87.8	83.7	59.1
VI	57.6	86.3	61.0	.	92.9	80.7	68.8	89.0	85.0	59.3
VII	57.7	87.4	61.9	.	.	80.7	69.1	89.0	85.1	59.6
VIII	57.3	88.4	60.1	.	.	80.7	68.5	89.6	85.5	60.1
IX	57.5	87.8	59.9	.	92.4	80.7	68.6	90.2	85.8	61.0
X	58.5	88.7	61.2	.	.	82.0	68.1	92.1	85.6	62.6
XI	58.7	86.6	61.8	.	.	82.0	68.9	92.1	85.7	63.1
XII	59.2	86.0	61.1	.	92.9	82.0	69.8	92.1	86.0	63.5
1937 I	60.6	107.4	62.3	.	.	82.9	71.5	92.1	86.8	63.4
II	62.0	101.7	63.1	.	.	84.7	71.8	92.1	87.1	63.0
III	62.1	102.6	62.3	.	94.7	84.7	70.5	92.1	87.8	63.5
IV	61.0	103.7	64.0	.	.	84.9	70.4	92.7	88.2	64.7
V	61.6	106.9	66.5	.	.	84.7	70.1	92.7	88.7	65.7
VI	62.1	107.9	65.1	.	95.3	85.2	69.3	94.5	88.8	66.4
VII	61.4	107.8	66.2	.	.	85.2	70.0	94.5	88.8	66.4
VIII	61.0	107.7	68.5	.	.	85.1	69.7	94.5	88.9	65.3
IX	62.4	107.3	70.2	.	97.1	85.1	70.2	96.3	89.3	65.2
X	61.7	108.3	71.6	.	.	85.5	71.5	97.6	89.4	65.7
XI	62.1	107.8	72.6	.	.	85.6	71.3	97.6	88.9	67.2
XII	61.8	107.5	74.2	.	97.1	85.6	71.0	97.0	88.5	68.5
1938 I	61.1	108.8	76.6	.	.	85.6	71.7	95.7	87.4	68.6
II	60.9	108.9	75.2	.	.	85.3	71.5	95.1	86.6	68.3
III	60.5	109.1	74.1	.	97.1	85.1	71.5	93.9	86.6	68.9
IV	60.6	...	76.3	.	.	84.8	70.5	95.1	86.7	69.0
V	60.7	...	...	.	.	84.7	...	94.5	86.4	70.3
VI	60.5	...	...	.	...	85.0	...	97.0	...	70.6

A : Foodstuffs ; B : Heating and lighting ; C : Clothing ; D : Rent ; E : Miscellaneous other expenses.

(a) Monthly average. — (b) 15th or middle of month. — (c) Last week or end of month. — (f) First or beginning of following month.

<sup>1</sup> K. Socialstyrelsen. <sup>2</sup> National Industrial Conference Board. <sup>3</sup> 8 towns of Croatia and Slavonia. Source : " Index " Zagreb.

### Appendix V. Table 1.

#### STATISTICS OF INDUSTRIAL PROFITS.

Year	Canada	United States										
	All joint-stock companies	Principal industrial, commercial and financial companies				Leading industrial and commercial companies			120 industrial companies	All manufacturing companies		
	Dividends (000,000's)	Number of companies	Net profits		Rate of profits on nominal capital %	Number of companies	Net profits		Index of net profits	Net profits (after tax) \$ (000,000's)	Nominal capital \$ (000,000's)	Rate of profits on nominal capital %
			Current years' reports	Same companies, preceding year			Current year's reports	Same companies, preceding year				
			\$ (000,000's)				\$ (000,000's)					
(a)	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	
1929 ..	239	1,520	4,150	3,549	12.8	719	3,006	2,542	100.0	3,862	50,017	7.72
1930 ..	285	1,900	3,516	5,983	5.7	719	1,704	3,008	59.3	801	52,695	1.52
1931 ..	226	1,620	1,329	3,010	2.6	719	667	1,704	24.4	988	52,122	Negative
1932 ..	165	1,810	97	1,275	0.2	758	— 10	667	(Net loss)	—1,906	47,640	Negative
1933 ..	135	1,925	1,045	151	2.1	743	673	17	15.7	3	43,976	Negative
1934 ..	186	1,935	1,733	1,314	3.6	659	911	599	26.1	714	43,342	1.65
1935 ..	213	2,010	2,541	1,789	5.1	700	1,327	896	44.5	*1,449	*38,152	*3.80
1936 ..	261	2,140	3,633	2,473	7.4	727	1,970	1,311	69.3	...	...	...
1937 ..	320	2,280	3,505	3,747	6.7	700	2,115	1,975	*77.1	...	...	...
First quarter:												
1937 ..	...	280	309	.	12.0	306	381	.	75.0	...	...	...
1938 ..	...	280	100	.	3.7	306	129	.	*28.9	...	...	...

\* Preliminary figures.

Year	Czecho-slovakia	Japan		Germany				Belgium			
	Industrial and commercial joint-stock companies and limited liability companies	Industrial, commercial and financial companies		Extractive and manufacturing joint-stock companies <sup>1</sup>			Industrial joint-stock companies <sup>2</sup>	All joint-stock companies			
		Net profits Crown (000,000's)	Net profits Yen (000,000's)	Rate of profits on paid-up share capital %	Number of companies: columns (b)-(d)	Net profits		Rate of profits on capital %	Net profits RM (000,000's)	Net profits	
						Current year's reports	Com-parable companies, preceding year			Francs (000,000's)	% on paid-up capital
					RM (000,000's)						
(a)	(a)	(b)	(a)	(b)	(c)	(d)	(e)	(a)	(b)		
1929 ...	454	531	10.3	1,849	605	805	4.5	.	5,796	20.2	
1930 ...	522	273	5.2	1,785	193	.	1.4	.	6,324	14.4	
1931 ...	150	268	5.3	1,690	—983	249	Negative	.	4,358	8.9	
1932 ...	—207	381	7.5	1,594	—355	—817	Negative	.	1,410	2.8	
1933 ...	— 78	500	9.5	1,755	94	—415	0.9	70	789	1.6	
1934 ...	—139	611	10.7	1,940	405	116	3.6	344	1,334	2.7	
1935 ...	104	775	12.4	1,924	508	402	4.5	637	1,655	3.7	
1936 ...	...	834	12.7	...	...	...	...	890	3,047	6.8	
1937 ...	...	...	...	...	...	...	...	...	4,821	10.5	
First quarter:											
1937 ...	...	*406	*12.6	...	...	...	...	...	...	...	
1938 ...	...	*497	*14.0	...	...	...	...	...	...	...	

<sup>1</sup> July 1st-June 30th — i.e., 1929/30, 1931/32, etc.  
<sup>2</sup> October 1st-September 30th — i.e., 1933/34, etc.  
<sup>3</sup> March-August 1936. — <sup>4</sup> March-August 1937.

**Appendix V. Table 1 (continued).**

**STATISTICS OF INDUSTRIAL PROFITS.**

Year	Finland		France	Italy <sup>1</sup>			Nether-lands	Poland
	143 industrial companies		Industry, trade, banking, etc.	Industrial, commercial and financial joint-stock companies			All joint-stock companies	All joint-stock companies
	Net profits		Estimated net profits Francs (000,000, 000's)	Number of companies	Net profits Lire (000,000's)	Rate of profits on paid-up capital %	Dividends (incl. bonuses) Florins (000,000's)	Net profits Zloty (000,000's)
	Marks (000,000's)	% on capital						
(a)	(b)	(a)	(a)	(b)	(c)	(a)	(a)	
1929 .....	251	5.2	39.0	2,983	1,859	6.1	450	93.4
1930 .....	84	1.7	35.7	3,018	86	0.3	436	— 57.4
1931 .....	92	1.9	29.3	2,907	268	0.8	394	— 153.3
1932 .....	223	4.8	25.5	2,797	— 426	Negative	288	— 154.1
1933 .....	313	6.6	24.3	10,952	441	1.1	218	— 31.8
1934 .....	409	8.5	22.8	12,015	1,290	3.2	211	— 77.2
1935 .....	386	7.4	21.0	13,053	1,948	4.8	181	— 89.0
1936 .....	516	9.2	...	...	...	...	* 223	...
1937 .....	...	...	...	...	...	...	* 358	...
First quarter:								
1937 .....	...	...	...	...	...	...	...	...
1938 .....	...	...	...	...	...	...	...	...

<sup>1</sup> Figures for the period 1929-1933 are of a more restricted scope (cf. note below) and are not comparable with figures for subsequent years. The figures since 1934 relate to the year beginning July 1st and ending June 30th — i.e., 1933/34, 1934/35, etc.  
\* Preliminary figures.

Year	United Kingdom							Sweden			Switzerland		
	Industrial and financial companies							20 leading industrial companies			Industrial joint stock companies		
	Number of companies	Net profits		Rate of profits on preferred and ordinary capital %	Distribution of net profits (column (b))			Index of net profits	Net profits Crowns (000,000's)	Dividends		Dividends	
		Current year's reports	Same companies, preceding year £ (000,000's)		Ordinary dividend %	Preference dividend %	To reserve etc. %			Crowns (000,000's)	% of own capital	Francs (000,000's)	% on paid-up capital
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(a)	(b)	(c)	(a)	(b)	
1929 ..	1,770	194.7	194.6	10.5	61.2	19.8	19.0	100.0	106.3	83.1	9.7	161	7.6
1930 ..	1,932	197.5	198.8	9.8	60.2	21.9	17.9	99.4	84.7	67.6	7.8	143	6.5
1931 ..	2,009	160.1	206.6	7.2	62.5	27.2	10.3	77.1	51.3	39.1	4.5	120	5.8
1932 ..	1,998	143.3	175.0	5.8	64.4	28.2	7.4	63.1	29.8	33.1	3.8	98	4.8
1933 ..	1,945	141.4	140.8	6.7	60.6	27.9	11.5	63.4	47.0	37.8	4.4	95	4.6
1934 ..	1,975	168.8	144.8	7.2	56.1	24.2	19.7	73.9	65.6	57.1	6.7	95	4.7
1935 ..	2,116	203.2	175.3	8.5	54.9	22.7	22.4	85.7	80.4	56.6	6.6	72	3.9
1936 ..	2,186	239.1	212.2	9.7	53.9	20.1	26.0	96.5	97.2	65.8	7.6	76	4.1
1937 ..	2,279	281.4	240.3	7.2	53.9	17.9	28.2	113.2	118.9	74.3	* 9.3	...	...
First quarter:													
1937 ..	628	94.7	.	11.1	56.6	19.8	23.6	106.7	...	...	...	...	...
1938 ..	646	100.4	.	11.9	53.3	17.0	29.7	116.7	...	...	...	...	...

\* In 1937, in addition, refund of capital amounting to 80 million crowns, representing 9% of the capital at the beginning of the year.

Appendix V. Table 1 (Concluded).

STATISTICS OF INDUSTRIAL PROFITS.  
SCOPE AND SOURCES OF SERIES.

**Germany:** The statistics summarised in columns (a)-(d) are compiled by the *Reich Statistical Office (Abschlüsse deutscher Aktiengesellschaften)*.

In addition, the *Institute for Business Research* has recently published (*Wochenbericht*, December 22nd, 1937) a special analysis of the balance-sheets of about 1,500 industrial companies for which comparable figures are available in selected years:

Year	Number of companies	Capital and reserves	Net profits (RM 000,000's)	Net losses	Balance	Balance as % of capital stock and reserves
1928	1,424	11,362	645	62	+ 583	+ 5.1
1932	1,595	11,157	245	780	- 535	- 4.8
1935	1,451	9,883	482	21	+ 461	+ 4.7
1936	1,486	10,238	586	71	+ 515	+ 5.0

The Institute has recalculated, for recent years, these yearly figures on the basis of the year October 1st to September 30th, as shown in column (d) of the table.

**Belgium:** The figures, compiled by the *Belgian National Bank (Bulletin d'information et de documentation)* cover all joint-stock companies in Belgium and the Belgian Congo.

**Canada:** Figures compiled by *Financial Post Business Year-Book* covering all joint-stock companies.

**United Kingdom:** The statistics summarised in the table are compiled by *The Economist*. They relate to a sample of companies which are nearly all registered in the United Kingdom, but whose operations are not necessarily confined to that country. Though, in addition to purely industrial concerns, certain overseas plantation companies (rubber and tea), as well as investment trusts and similar financial corporations, are included, these enterprises account for only a small proportion of the total capital and profits of the companies covered by the statistics. The profits of these companies represented, in 1937, about 5% of the net national income and something like one-fourth of the total profits assessed for income tax under Schedule D. The index shown in column (h) is calculated by means of the chain-linking method.

**United States:** (a) The statistics summarised in columns (a)-(d) are compiled by the *National City Bank of New York* from the reports published by the principal industrial, commercial and financial companies whose shares and bonds are publicly quoted.

(b) The statistics relating to leading industrial and commercial companies given in columns (e)-(g) are compiled by the *Federal Reserve Bank of New York*.

(c) The index of profits given in column (h), compiled by *Standard Statistics Company*, has been converted on the basis of 1929 = 100.

(d) The statistics in columns (i)-(k) are compiled from the *Statistics of Income* published by the United States Treasury Department (*Bureau of Internal Revenue*).

**Finland:** The figures have been compiled by the *Bank of Finland (Monthly Bulletin, March 1938)*.

**France:** In the absence of compilations of industrial profits, the private estimate made by M. L. Dugé de Bernonville (*Revue d'économie politique*) is given here. It is based on the declared profits of all taxpayers, subject, in the sense of the French law, to the schedular tax on industrial and commercial profits. The official data of taxable income have been adjusted by the author on the basis of information supplied in his comments on the estimates of the French national income.

**Italy:** Two series (compiled by the *Associazione fra le Società Italiane per azioni*) are given: the one, 1929-1933, printed in *italics*, relates to industrial joint-stock companies and was discontinued in 1934; the other, covering the subsequent years, includes all industrial, commercial and financial joint-stock companies (*Statistical Year-Book* and *Monthly Bulletin of Statistics*).

**Japan:** The statistics given are compiled by the *Mitsubishi Economic Research Bureau* and relate to some 350 industrial, commercial and financial companies.

**Netherlands:** The figures have been calculated by the *Economic Intelligence Service* on the basis of official statistics of the yield of the tax on dividends and bonuses.

**Poland:** Figures compiled by *Central Statistical Office (Petit annuaire statistique de la Pologne)*.

**Sweden:** The figures have been supplied direct to the Economic Intelligence Service by the courtesy of *Affärsvidden, Stockholm*. They cover twenty leading companies, of which twelve produce mainly for export, six mainly for the home market, and two for both in about equal proportion. These twenty companies held, in 1937, almost 60% of the total share capital of the ninety-one industrial companies listed on the Stockholm stock exchange.

**Switzerland:** Figures compiled by the *Federal Statistical Office (Die Volkswirtschaft)*.

**Czechoslovakia:** Figures compiled by the *Central Statistical Office (Statistical Year-Book)*.

Appendix V. Table 2.  
VALUE OF AGRICULTURAL PRODUCTION.

Year	Canada	United States		Japan	Germany	Estonia	Finland
	Net value Million \$	Net value Million \$	Selling receipts Million \$	Gross value <sup>1</sup> Million yen	Selling receipts Milliard RM.	Net value Million crowns	Gross value <sup>2</sup> Million marks
1929....	1020	11,941	10,479	3,239	◆ 9.8	◆ 223	4,281
1930....	824	9,454	8,451	2,195	8.6	194	4,676
1931....	549	6,968	5,899	1,838	7.4	139	4,820
1932....	493	5,337	4,328	2,227	6.4	116	5,312
1933....	513	6,406	5,117	2,774	7.4	136	5,116
1934....	585	7,276	6,348	2,444	8.3	134	5,223
1935....	618	8,508	7,090	2,884	8.7	145	5,119
1936....	690	9,530	7,920	...	8.9	...	6,146
1937....	682	...	*8,521	...	...	...	...

Year	France	Netherlands	United Kingdom (England and Wales)	Sweden	Switzerland	New Zealand	Poland
	Net value <sup>4</sup> Milliard francs	Net value Million florins	Net value Million £	Gross value <sup>5</sup> Million crowns	Net value Million francs	Gross value Million £NZ	Net value <sup>6</sup> Million zloty
1929....	84	986	◆ ...	1,059	1,479	57	10,445 <sup>3</sup>
1930....	71	821	203	950	1,371	44	...
1931....	64	637	187	851	1,403	39	...
1932....	58	594	183	899	1,262	40	4,235
1933....	56	650	199	930	1,220	51	3,854
1934....	47	...	206	1,037	1,223	48	3,851
1935....	43	...	206	1,039	1,189	61	3,787
1936....	56	...	221	1,029	1,146	...	...
1937....	...	...	...	1,183	*1,247	...	...

\* Preliminary figure. — ◆ Crop year 1929/30, etc. — <sup>1</sup> Gross value of vegetable produce and silk, plus value of animals killed. — <sup>2</sup> The meat and dairy production is represented by the value of the home-grown fodder consumed by those industries, a figure which is, of course, too low. — <sup>3</sup> 1928.

SCOPE AND SOURCES OF SERIES.

Gross value = value of vegetable and animal products sold or retained for home use, including amount of crops retained for cattle-feed or seed.

Net value = value of vegetable and animal products sold or retained for home use, less amount of crops retained for cattle-feed or seed.

Selling receipts = value of vegetable and animal products sold off the farms.

Canada : Dominion Bureau of Statistics, *Monthly Bulletin of Agricultural Statistics*, March 1937.

United States : Department of Agriculture, *Agricultural Statistics, 1937*; Department of Commerce, *Survey of Current Business*, March 1938.

Japan : Central Statistical Office, *Résumé statistique de l'Empire du Japon*.

Germany : Institut für Konjunkturforschung, *Halbjahrsberichte zur Wirtschaftstage*, November 1937; *Wochenbericht*, January 12th, 1938.

Estonia : Central Statistical Office : *Annuaire de la statistique agricole, 1937*.

Finland : Central Statistical Office : *Annuaire statistique, 1937*.

France : Estimates of M. Dugé de Bernonville, *Revue d'économie politique, 1937*.

Netherlands : *Economisch-Statistische Berichten*, June 19th, 1935.

Poland : Central Statistical Office, *Petit annuaire statistique de la Pologne, 1937*.

United Kingdom : Ministry of Agriculture, *The Agricultural Market Report*, March 25th, 1938.

Sweden : Central Statistical Office : *La récolte en 1937* (preliminary report).

Switzerland : Central Statistical Office : *Annuaire statistique, 1936*; *Die Volkswirtschaft*, January 1938.

Australia : Central Statistical Office, *Production Bulletin*, No. 30.

New Zealand : Central Statistical Office, *Year-Book, 1938*.