

ECONOMIC INTELLIGENCE SERVICE

**WORLD PRODUCTION
AND PRICES**

1938/39

LEAGUE OF NATIONS

GENEVA

1939

Series of League of Nations Publications

II. ECONOMIC AND FINANCIAL
1939. II.A. 17. ✓

PREFACE

In general form and scope, this edition of *World Production and Prices* is similar to that of last year. A quite brief introductory chapter drawing attention to certain changes in industrial structure has, however, been added ; and a new section has been entered in Chapter II dealing with the production of intermediary products and semi-manufactured raw materials. In the chapter on international trade, an attempt has been made to bring out rather more clearly than heretofore the nature of the relationship between trade and production.

A summary of the principal conclusions to which the figures analysed in this volume point will be found on pages 7 and 8.

For a reference to the absolute figures upon which the world indices are mainly based, recourse should be had to the *Statistical Year-Book of the League of Nations, 1938/39*, and previous editions.

A. LOVEDAY,

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

League of Nations,
Geneva, June 1939.

CONTENTS

	Page
SUMMARY OF PRINCIPAL FACTS	7
<i>Chapter I.</i> — SURVEY OF RECENT CHANGES IN STRUCTURE OF WORLD PRODUCTION	9
<i>Chapter II.</i> — GENERAL TRENDS OF WORLD PRODUCTION, 1920-1938	12
A. Indices of Primary Production	12
B. Indices of Stocks of Primary Commodities	21
C. Intermediary Products	23
D. Manufacturing	26
E. Building	27
<i>Chapter III.</i> — PRODUCTION, EMPLOYMENT AND UNEMPLOYMENT	30
<i>Chapter IV.</i> — INDUSTRIAL PRODUCTION BY PRINCIPAL COUNTRIES	38
<i>Chapter V.</i> — PRODUCTION, STOCKS AND CONSUMPTION BY GROUPS OF COMMODITIES AND INDUSTRIES	47
A. Primary Production	47
B. Manufacturing	57
C. Consumption of Primary Commodities	60
<i>Chapter VI.</i> — PRODUCTION AND TRADE :	
A. International Trade	63
B. Merchant Shipping	68
<i>Chapter VII.</i> — PRICE MOVEMENTS :	
A. Changes in the General Level of Prices	70
B. Prices of Primary Products	75
C. Industrial Costs and Selling Prices	79
<i>Chapter VIII.</i> — INDUSTRIAL PROFITS AND FARM INCOME	81
A. Industrial Profits	82
B. Agricultural Income	85
<i>Appendices :</i>	
I. Primary Production	87
II. Stocks of Primary Commodities	101
III. Industrial Production	103
IV. Prices	106
V. Industrial Profits and Farm Income	110

SUMMARY OF PRINCIPAL FACTS

1. World production in 1938 fell slightly below the record levels reached in 1937. Output of crude foodstuffs was 1% higher, but total primary production decreased by almost 2% and that of industrial raw materials by about 10%. World visible stocks of primary products increased by 14%.

World output of semi-manufactured raw materials — intermediary products — decreased by 9% and of manufactured products by 7% (11%, excluding U.S.S.R.). The quantum of world trade fell by 8%.

SUMMARY OF WORLD INDICES
1929=100.

	1930	1931	1932	1933	1934	1935	1936	1937	*1938
A. <i>Total primary production</i>	99	96	92	95	97	99	104	110	108
Thereof :									
{ <i>Agricultural</i>	101	100	99	101	101	101	104	109	108
{ <i>Non-agricultural</i>	93	79	67	73	83	90	102	115	106
{ <i>Foodstuffs</i>	101	100	100	102	102	101	104	108	109
{ <i>Rawmaterials</i>	94	84	74	79	85	92	103	116	105
B. <i>Stocks of primary commodities</i> *	112	121	124	123	119	105	97	94	108
C. <i>Intermediary production</i>	89	76	63	73	84	97	113	128	117
D. <i>Total manufacturing production</i> :									
1. <i>Incl. U.S.S.R.</i>	88	79	70	78	86	97	112	120	112
2. <i>Excl. U.S.S.R.</i>	86	74	63	72	78	87	97	104	93
Thereof :									
<i>Consumption goods</i> ^b	91	87	80	87	90	94	101	105	99
<i>Capital goods</i> ^b	82	61	43	55	64	77	93	103	85
E. <i>Quantum of international trade</i>	93	86	75	75	78	82	86	97	89

* Provisional indices.

* Yearly averages.

^b Excluding U.S.S.R.

2. Output of agricultural products remained almost unchanged in 1938, decreasing by less than 1%. Consumption, however, was considerably reduced and visible stocks increased by 14%.

World manufacture of consumption goods (excluding the U.S.S.R.) decreased by about 6%. Consumption therefore declined.

3. Production of non-agricultural primary commodities serving mainly as raw materials for capital goods fell by some 8% as a result of the industrial recession.

World manufacture of capital goods (excluding the U.S.S.R.) fell to a greater extent, namely by 17%. This decline mainly reflects the heavy fall of production in North America.

4. International trade in 1938 fell more than world production. The decrease in raw-material imports into the United States consequent upon the industrial recession in that country was partly offset by a brisk demand for raw materials in many European countries, resulting largely from armament expenditure and the building-up of emergency stocks as a measure of war preparedness. For the year as a whole, the quantum of trade in raw materials is estimated to have been 12% below the 1937 level; the quantum of trade in manufactured goods fell by 6%.

5. The decline in industrial activity in 1938 caused world employment to fall, though the number of unemployed did not rise correspondingly, owing to various measures of rationing work and the increase of men in the armed forces. Output per worker declined some 5% while output per hour probably slightly increased.

6. Industrial profits in 1938, which, however, were earned largely in 1937, remained, on the whole, at a high level. No more striking changes appear to have taken place in farm-income.

7. The general fall in wholesale prices which began in 1937 was arrested towards the end of 1938 or during the first quarter of 1939, and in the spring of this year signs of a reversal of the trend have become apparent. Industrial raw material prices, which were the first to fall and which fell further than those of most crude foodstuffs and very much further than those of manufactured articles, were also the first to show signs of recovery.

Wholesale prices in many primarily agricultural and mining countries began to recover in the course of 1938, while those of most industrial countries have been much slower to react, and had by May 1939 recovered but slightly, if at all.

8. The influence on the cost of living of the fall in wholesale prices since 1937 has been strikingly small. The cost-of-living indices generally reached their apex only in the course of 1938 and their subsequent decline, if any, has been comparatively insignificant. In a substantial number of countries they continued to rise throughout the year, and in the first quarter of 1939 the indices generally stood higher than in any quarter of 1938 or 1937.

9. The minor industrial recession beginning in the middle of 1937 came to an end by the middle of 1938 and world industrial production during the second half of 1938 and the first half of 1939 shows a clearly rising tendency. The development, however, has varied greatly in different countries in the past twelve months. The improvement in the United States during the latter half of 1938 was checked at the end of the year and activity declined during the spring of this year. In most other countries — largely under the impetus of armament expenditure — industrial output continued to expand.

CHAPTER I

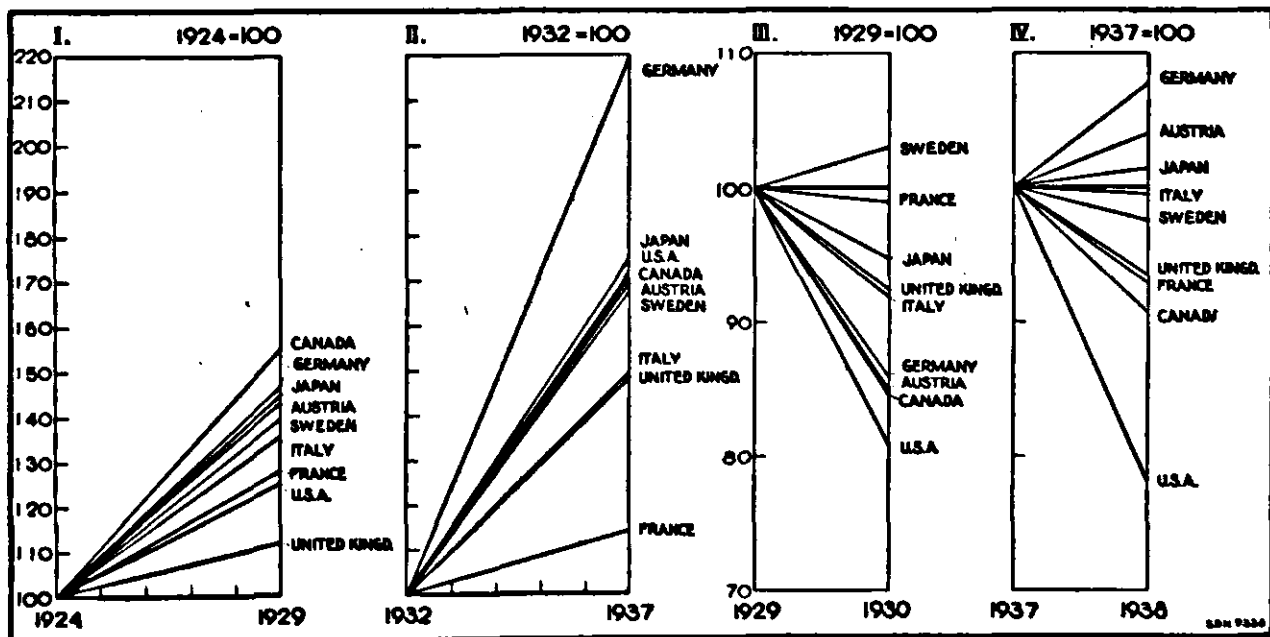
SURVEY OF RECENT CHANGES IN STRUCTURE OF WORLD PRODUCTION

Last year's edition of this publication contained an analysis of world production during the period 1920-1937 — a period covering two full business cycles. Emphasis was laid on variations of a cyclical nature, but it was shown that, beneath these more superficial manifestations, far-reaching changes in the economic structure itself were taking place; each succeeding phase of the cycle left its mark and the cumulative effect of these successive changes modified the course of later cycles.

It is not necessary to repeat this analysis here; the following chapters are chiefly concerned with the period since the peak of the boom in 1937. In order, however, to understand the irregular and often confusing character of the data, it is essential to keep in mind the nature of the underlying structural changes in the world's economy. An attempt is made here to bring out, though necessarily in a summary fashion, some of the most important facts essential to an understanding of the economic development during the past year. Economic analysis necessarily rests on the assumption of a given economic framework, and any important change in this framework may necessitate a corresponding modification in the method of analysis.

In the analysis employed in previous issues of this volume, main emphasis was laid on the trends of development — particularly as regards economic fluctuations — common to the various members of a world economy. This type of unified international analysis corresponded in the past to a real situation; the world was in many respects an economic unit, and booms and depressions were essentially international phenomena. They struck countries with varying force and with certain time-lags, but countries were so closely knit together that any major movement spread — by the channels of trade, monetary

Diagram 1. — INDICES OF INDUSTRIAL PRODUCTION IN 1924-1929, 1932-1937, 1929-1930 AND 1937-1938 IN CERTAIN IMPORTANT INDUSTRIAL COUNTRIES



transactions and migration of capital and labour — throughout the world economy. Many “frictions” and imperfections remained, of course, and prevented full communication, but these could be considered rather as exceptions than as typical, and the degree of unity was such that, for most practical purposes, it was natural to think in terms of a unified world economy. World averages of trade, production, employment and so on gave reasonably correct expression to a common trend. This is no longer so; international frictions are increasing, and differences in national development are becoming ever greater.

The breaking-up of the world economy into several economically more or less independent blocs can be illustrated in many ways, and a typical instance is offered by the national indices of industrial production. Diagram 1 gives such indices at different stages of the business cycle in the 1920's and the 1930's.

During the period of upswing from 1924-1929, increases in industrial production only ranged between 12% and 55%; during the corresponding period 1932-1937, they moved within a range of 14% to nearly 120%. The same tendency towards a wider range of movement holds true for the two years of downswing, 1930 and 1938. Moreover, whereas in 1930 only one country with a relatively small population (Sweden) showed an increase, in 1938 three countries, including two of first industrial importance (Germany and Japan), showed increased activity; the spread between the countries thus represents much greater absolute differences in production in the latter year.

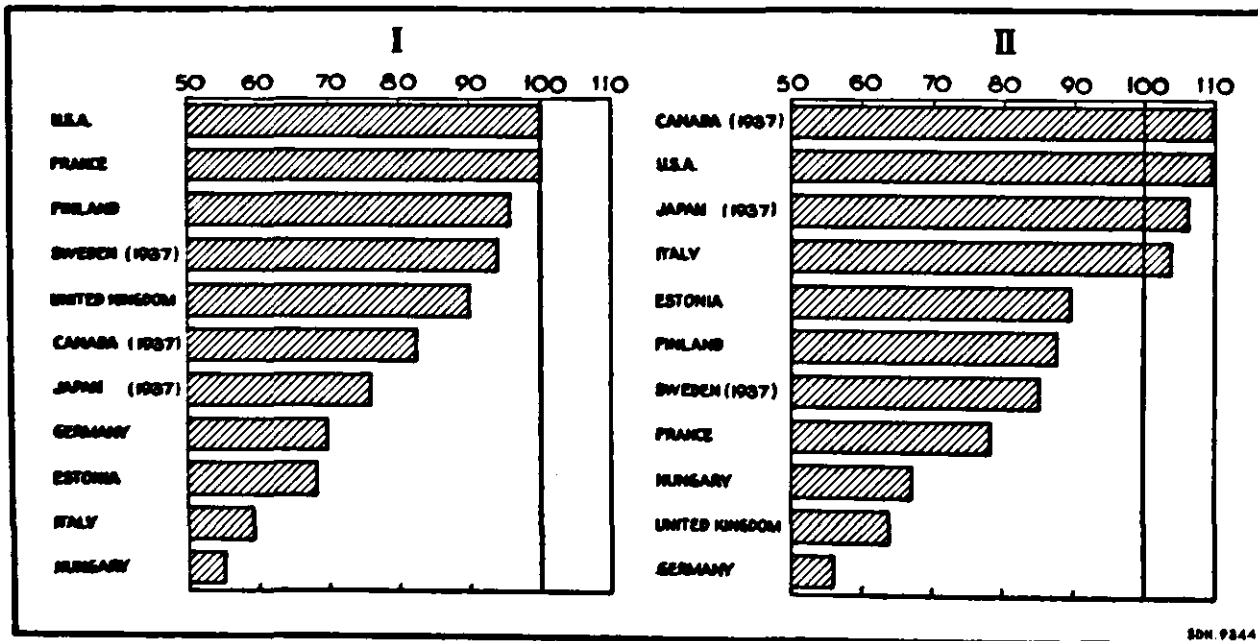
An important condition of a unified world economy is a common monetary system and the splitting-up of that economy which has taken place is closely connected with the breakdown of the international gold standard. Such a standard was *de facto* restored during the decade 1920-1929; only to vanish during the great depression beginning in 1929. Exchange control, restrictions on capital exports, import quotas and other restrictions on trade were introduced in one country or another and, by these means, the flow of goods, the movement of capital, the exchangeability of money were obstructed.

Diagram 2. — RELATIVE CHANGES IN IMPORTS, EXPORTS AND INDUSTRIAL PRODUCTION IN 1938

1929 = 100.

I. Ratio of imports (quantum)
index to production index.

II. Ratio of exports (quantum)
index to production index.



As a result of these and other interferences with the free play of the price economy, the development within individual countries became less dependent on developments in others. An example of the loosened connection between international and national factors is offered by the different trends of production and international trade.¹ Diagram 2 compares the changes in production since 1929 with those in the quantum of imports and exports. In each case, the trade indices for 1938 on the basis of 1929 = 100 are expressed as percentages of the production index for 1938 (likewise based on 1929 = 100).

In most countries, imports and exports have failed to keep pace with the growth of production since 1929; trade in 1938 forms, in consequence, a smaller percentage of world production than it did.

While the abandonment of the gold standard was the direct result of the depression, it rendered possible attempts to control the business cycle on a national scale by means such as public works financed by loans, long-term balancing of the budget, easy money, open market operations, regulation of agricultural production, prices and trade. The measures adopted all tended to increase the Government's influence on production and economic life in general, and the influence has been still further developed as a result of the concentration of effort upon armaments.² Purely economic motives are more and more subordinated to the needs of greater war preparedness. The preponderance of non-economic motives, together with the different methods used in furthering them, naturally gives birth to different economic trends in the various countries.³

This disparity and dissimilarity in world trends is likely to be further accentuated as long as these underlying forces continue to operate.⁴

For these and still other reasons, an international economic analysis must lay its emphasis not so much on broad uniform tendencies as on the disparate trends of the separate economic constellations which are now emerging.⁵ It can do little more than register changes going on, emphasising the uncertainties in the situation.

¹ Cf., in this connection, Chapter VI below.

² The means employed to finance armaments are, to a large extent, those used by the active business-cycle policy. The mobilisation of national resources for armament purposes has, in many countries, solved the problem of unemployment, and, in others, unemployment is rapidly falling. The problem of the near future is likely to be the insufficiency of existing resources rather than that of unused capacity, which has until now been the great economic problem of the post-war period.

³ Cf., in this connection, particularly Chapter IV below; it should be noted also that the de-centralisation of industrial production appears to have been facilitated by technical developments in the arts of production, such as the spread of electricity, the greater use of internal combustion engines, etc.

⁴ An illustration of this greater resistance of the individual members of the world economy to influences emanating from any part of the system is offered by the position of the United States of America in the generation of business fluctuations (cf., in particular, Chapter IV below). During the post-war period, the booms or depressions mostly had their origin in the United States, spreading gradually to other parts of the world. This was the case in 1929-1932; but, during the period 1937/1938, the highly irregular American development has, as shown particularly in Chapter IV below, exercised a much smaller influence on the business fluctuations in other countries.

⁵ The significance of world indices of production and income has changed. They contain a growing proportion of "non-productive" items, and a comparison with previous figures easily becomes misleading.

CHAPTER II

GENERAL TRENDS OF WORLD PRODUCTION, 1920-1938

The present chapter brings together the main statistics indicative of world production during the period since 1920. A detailed analysis of the evolution of world production between 1920 and 1937, and more particularly of the two production cycles 1920-1929 and 1929-1937, will be found in the last edition of this volume. Attention will here be directed mainly to developments since 1937.

Important limitations to this analysis are imposed by the statistical data available, for, while almost complete figures exist for primary production and while fairly satisfactory indices exist for manufacturing production in many countries,¹ statistics of building are scarce and those of services incomplete or non-existent. The following survey is therefore limited to the production of those physical goods at different stages of production for which it is possible to obtain a quantitative measure. As regards the main services for which statistics exist — particularly shipping — reference should be made to Chapter VI below. Owing to limitations in the scope,² representative value and international comparability of the data, attention should be directed to the course or trend of the indices given below rather than to their level at any particular date.

A. INDICES OF PRIMARY PRODUCTION

The world indices of primary production for the period 1920-1938 have, with some minor adjustments and additions, been calculated on the same basis and according to the same methods as the figures published in last year's issue of the present volume.³

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 indicated in last year's issue of this volume double series — (a) excluding, and (b) including, milk and meat — are given throughout.⁴ World production of primary products, including meat and milk,⁵ fell in 1938 by nearly 2% including and nearly 3% excluding the U.S.S.R.

¹ In addition, a tentative and as yet somewhat incomplete world index relating to the intermediary stage between raw-material production and the manufacture of finished goods has been computed this year for the first time; cf. section C below.

² 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.

³ Cf., in particular, pages 10-11. A new sub-group, "Fruit and vegetables", has been added this year; it includes potatoes (formerly given with "Food crops") and dried beans and apples, pears, oranges (including tangerines), lemons (including limes), grapefruit, table grapes and bananas (export figures only). Rayon and staple fibre have been excluded from the total index (but not from the textile group index) so as to avoid double counting with wood-pulp, from which they are produced. The number of commodities included in the index has risen from seventy-nine to eighty-five as a result of these changes.

⁴ Cf. *World Production and Prices, 1937/38*, page 11. Output of meat and milk 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 is 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 86% of the aggregate of the eighty products included in the later index (excluding meat and milk). The corresponding percentage amounts to 85% in the case of the sub-index for foodstuffs excluding meat and milk (i.e., that of vegetable food production) and to 87% in that of the sub-index for industrial raw materials.

⁵ In the following comments concerned with recent developments, the series excluding meat and milk given in the tables for purposes of comparison with years prior to 1925 are disregarded.

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.											
	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)
1920.....	70	—	73	—	62	—	37	—	82	—	68	—	54	—	79	—	81	—
1921.....	64	—	67	—	62	—	35	—	60	—	68	—	56	—	81	—	87	—
1922.....	73	—	76	—	72	—	44	—	73	—	73	—	59	—	89	—	86	—
1923.....	80	—	81	—	73	—	64	—	87	—	82	—	73	—	85	—	85	—
1924.....	82	—	83	—	77	—	69	—	84	—	85	—	78	—	91	—	91	—
1925.....	89	90	89	91	86	88	90	87	89	92	84	93	86	88	93	94	90	92
1926.....	90	91	88	91	77	83	102	96	98	98	87	95	82	86	93	94	101	96
1927.....	93	95	93	94	90	92	101	97	94	96	93	97	86	89	96	97	97	97
1928.....	97	98	97	98	90	95	99	98	99	99	106	103	92	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	97	98	92	97	121	107	96	97	97	100	98	98	102	102	111	107
1931.....	93	96	91	96	88	96	113	93	88	93	90	97	88	90	98	98	108	109
1932.....	88	92	86	93	85	96	110	84	72	84	86	94	91	93	98	99	117	119
1933.....	92	95	89	96	89	98	127	88	72	86	92	99	99	99	103	103	110	119
1934.....	94	97	90	97	93	101	135	94	73	86	100	104	105	104	100	100	104	119
1935.....	98	99	94	98	94	102	151	103	81	85	96	105	113	110	102	102	109	123
1936.....	105	104	100	103	96	104	155	110	89	93	108	110	115	112	111	110	113	124
1937.....	115	110	109	109	104	108	178	123	108	103	112	113	130	125	114	112	121	129
1938 * ..	110	108	104	106	105	109	(167)	(120)	93	95	115	114	126	121	110	108	113	126

* Provisional figures.

* 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 of the Southern Hemisphere for 1938/39 are added to those for 1938 of the Northern Hemisphere.

The figures of primary production in the various continental sub-groups, as given in Table 1, are also illustrated in Diagram 1. Production in 1938 increased slightly in Europe and Latin America and fell in the other continental groups (in North America by nearly 8%). The effects of these changes on the relative shares of world production falling to the different continental subdivisions are illustrated in Table 2, giving figures of percentage distribution of primary production. The most significant fact brought out by the table is the continued relative increase of Europe's share in world primary production and the continued decline of North America's share.

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

- A. World, including U.S.S.R. B. Europe, excluding U.S.S.R.
- C. Union of Soviet Socialist Republics.
- D. North America. E. Rest of world.

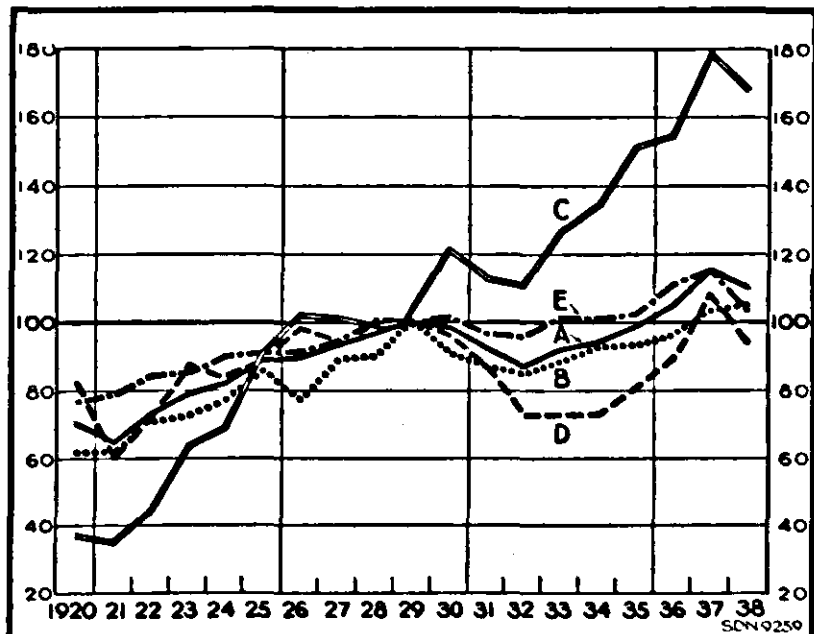


Table 2. — CONTINENTAL PERCENTAGE DISTRIBUTION OF WORLD PRIMARY PRODUCTION
World=100.

(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 ...	29.1	33.2	8.7	10.3	26.2	26.7	6.5	7.9	3.4	2.5	24.2	16.9	1.9	2.5
1930-1934 ...	28.9	35.0	11.1	9.9	22.4	24.2	6.9	7.9	3.6	2.7	24.9	17.3	2.2	3.0
1935-1938 ...	28.0	34.6	13.0	11.1	22.5	23.4	7.0	8.0	3.9	3.0	23.6	17.0	2.0	2.9
1920.....	25.8	—	4.7	—	33.2	—	6.2	—	2.3	—	25.7	—	2.1	—
1929.....	30.1	34.4	8.5	10.2	26.0	26.1	6.9	7.6	3.5	2.6	23.1	16.6	1.9	2.5
1937.....	27.0	33.7	13.2	11.4	24.4	24.3	6.7	7.9	3.9	3.0	22.8	16.8	2.0	2.9
1938 *.....	28.8	34.8	13.0	11.4	22.0	23.1	7.3	8.1	3.9	3.0	23.1	16.7	1.9	2.9

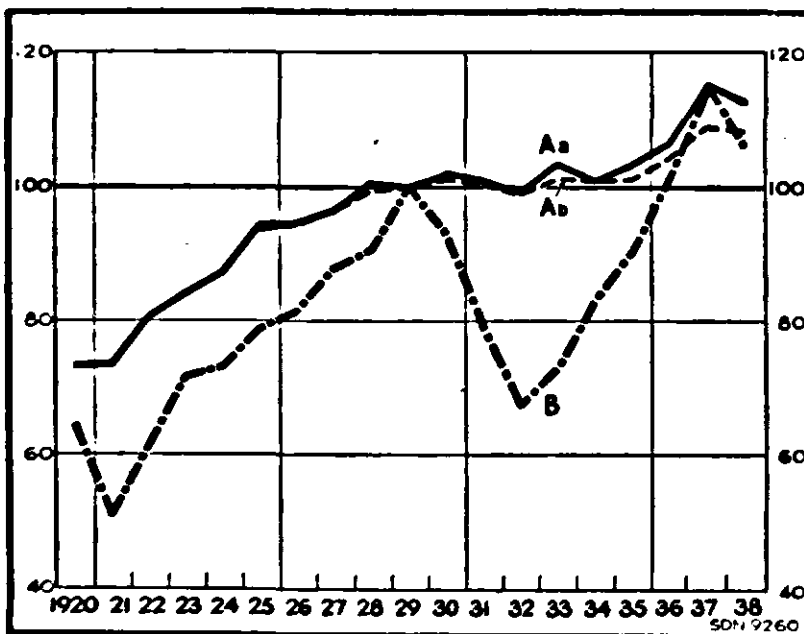
* Provisional figures.

II. AGRICULTURAL AND NON-AGRICULTURAL PRODUCTION

In order to understand what has really happened, however, the general indices of world production should be broken down into sub-indices constituted according to the character of the commodities included. The present chapter deals with general trends of development only; reference should be made to subsequent chapters of this volume¹ for information

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

- Aa. Agricultural production excluding meat and milk.
- Ab. Agricultural production including meat and milk.
- B. Non-agricultural production.



on production of individual goods or developments in particular countries. 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, fodder² 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 also from Diagram 2, agricultural production, which had risen less up to the 1937 boom, fell less in 1938 than did non-agricultural production; the rate of decrease in 1938 was less than 1% for total agricultural production while it was nearly 8% for

¹ Cf. particularly Chapters IV and V.

² Fodder is not included in the general total, so as to avoid double countings.

non-agricultural production; both curves, however, remained 8% and 6% respectively above the 1929 level. As usual during a period of industrial recession, the relative share of agricultural production in total primary production increased in 1938.

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

Year ^a	Indices of production (1929=100)					Percentage share in total production	
	Agricultural goods		Non-agricultural goods	Total		Agricultural goods	Non-agricultural goods
	(a)	(b)		(a)	(b)		
1920	73	—	64	70	—	—	—
1921	73	—	51	64	—	—	—
1922	81	—	62	73	—	—	—
1923	84	—	72	80	—	—	—
1924	87	—	73	82	—	—	—
1925	94	93	79	89	90	81.4	18.6
1926	94	94	81	90	91	81.1	18.9
1927	97	97	88	93	95	80.2	19.8
1928	100	100	91	97	98	80.3	19.7
1929	100	100	100	100	100	78.7	21.3
1930	102	101	93	99	99	80.1	19.9
1931	101	100	79	93	96	82.4	17.6
1932	99	99	67	88	92	84.4	15.6
1933	103	101	73	92	95	83.7	16.3
1934	101	101	83	94	97	81.8	18.2
1935	103	101	90	98	99	80.5	19.5
1936	106	104	102	105	104	79.2	20.8
1937	116	109	115	115	110	77.9	22.1
1938 *	112	108	106	110	108	79.1	20.9

* Provisional figures.

^a Cf. footnote to Table 1, page 13.

Table 4 shows the indices of agricultural and non-agricultural production subdivided by continental groups, together with their percentage share in total primary world production.¹ *Agricultural* production in Europe (excluding the U. S. S. R.) increased in 1938 by nearly 3%, excluding meat and milk, and by about 1% including these commodities, the most important increase being for cereal production, consequent mainly upon the policy of self-sufficiency in food. The production in the Union of Soviet Socialist Republics appears to have declined by some 3%-4%.² The crops in 1937, however, were unusually good, and the level in 1938 was still some 7% higher than in 1929. In North America, the decline in 1938 was less than 1%, and production remained on almost the same high level attained in 1937, in spite of the heavy fall in the 1938/39 cotton crop in the United States. The decline in the rest of the world was insignificant; the poor harvest of maize in the Argentine was compensated by good crops in other parts of the world.

¹ More detailed figures are contained in Tables 3-5 of Appendix I below.

² In view of the incomplete and approximate character of the figures of agricultural production (and that of meat and milk in particular) in the Union of Soviet Socialist Republics, the relevant indices for recent years are in the nature of rough approximations only, and are given here with great reserve.

Table 4. — AGRICULTURAL AND NON-AGRICULTURAL PRODUCTION 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)	(b)	(b)
<i>Indices of Movement (1929=100):</i>	(a)	(b)	(a)	(b)	(a)	(b)	(b)	(a)	(b)	(b)
Agricultural production:										
1920-1924	80	—	83	—	74	—	—	90	—	—
1925-1929	97	95	96	94	90	93	98	105	100	98
1930-1934	101	100	99	102	96	102	88	97	100	104
1935-1938	109	106	105	106	101	108	*101	100	97	110
1920	73	—	78	—	64	—	—	95	—	—
1929	100	100	100	100	100	100	100	100	100	100
1937	116	109	110	109	103	109	*111	118	102	113
1938*	112	108	108	108	106	110	(107)	107	101	111
Non-agricultural production:										
1920-1924	64	—	66	—	62	—	—	71	—	—
1925-1929	88	—	89	—	87	—	70	91	—	85
1930-1934	79	—	76	—	81	—	148	70	—	83
1935-1938	103	—	97	—	97	—	263	88	—	116
1920	64	—	66	—	58	—	—	76	—	—
1929	100	—	100	—	100	—	100	100	—	100
1937	115	—	108	—	105	—	268	103	—	129
1938*	106	—	99	—	104	—	279	85	—	125
Geographical Distribution:										
Agricultural production (including meat and milk):										
1925-1929	100	—	88.0	—	33.3	—	12.0	21.8	—	32.9
1930-1934	100	—	89.5	—	35.2	—	10.5	20.9	—	33.4
1935-1938	100	—	88.6	—	35.4	—	*11.4	19.4	—	33.8
1929	100	—	88.1	—	34.6	—	11.9	21.1	—	32.4
1937	100	—	87.9	—	34.6	—	*12.1	19.8	—	33.5
1938*	100	—	88.3	—	35.4	—	(11.7)	19.7	—	33.2
Non-agricultural production:										
1925-1929	100	—	96.9	—	33.1	—	3.1	46.5	—	17.4
1930-1934	100	—	92.7	—	34.1	—	7.3	39.8	—	18.8
1935-1938	100	—	90.1	—	31.7	—	9.9	38.3	—	20.1
1929	100	—	96.1	—	33.5	—	3.9	44.7	—	17.9
1937	100	—	90.9	—	30.6	—	9.1	40.1	—	20.2
1938*	100	—	89.8	—	32.8	—	10.2	35.9	—	21.1

* Provisional figures.

There were more considerable variations in *non-agricultural* production. Production in Europe remained practically unchanged at the level attained in 1937, and that of the Union of Soviet Socialist Republics increased. The industrial recession, mainly in the United States, resulted, however, in a large decline in North America, the index falling from 103 to 85, or by more than 17%. Production in the rest of the world was relatively well maintained, dropping only by 3%. The fall in primary production in 1938, therefore, was mainly accounted for by the decline in non-agricultural primary production in North America.

The distribution of agricultural production between the different continental subdivisions of the world changed but little in 1938, compared with 1937, Europe's share increasing slightly on balance. In non-agricultural production, North America lost further

ground, particularly to Europe, whose share, however, was still somewhat smaller in 1938 than in 1929, while those of the Union of Soviet Socialist Republics and the "rest of the world" were considerably larger than in that year.

III. FOODSTUFFS, FODDER AND INDUSTRIAL RAW MATERIALS

The classification of the primary commodities by use cuts across that by origin 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 3.¹

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*	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	66	—	—
1921.....	77	—	86	53	—	—
1922.....	84	—	88	63	—	—
1923.....	87	—	97	72	—	—
1924.....	88	—	87	76	—	—
1925.....	95	93	100	83	73.5	26.5
1926.....	94	94	97	85	73.1	26.9
1927.....	98	97	94	89	72.9	27.1
1928.....	101	100	98	92	72.8	27.2
1929.....	100	100	100	100	71.2	28.8
1930.....	103	101	93	94	72.8	27.2
1931.....	101	100	95	84	74.7	25.3
1932.....	102	100	103	74	77.0	23.0
1933.....	105	102	93	79	76.0	24.0
1934.....	103	102	83	85	74.7	25.3
1935.....	105	101	96	92	73.1	26.9
1936.....	106	104	83	103	71.3	28.7
1937.....	115	108	99	116	69.6	30.4
1938*.....	115	109	100	105	71.8	28.2

* Provisional figures.

* 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 V), 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.

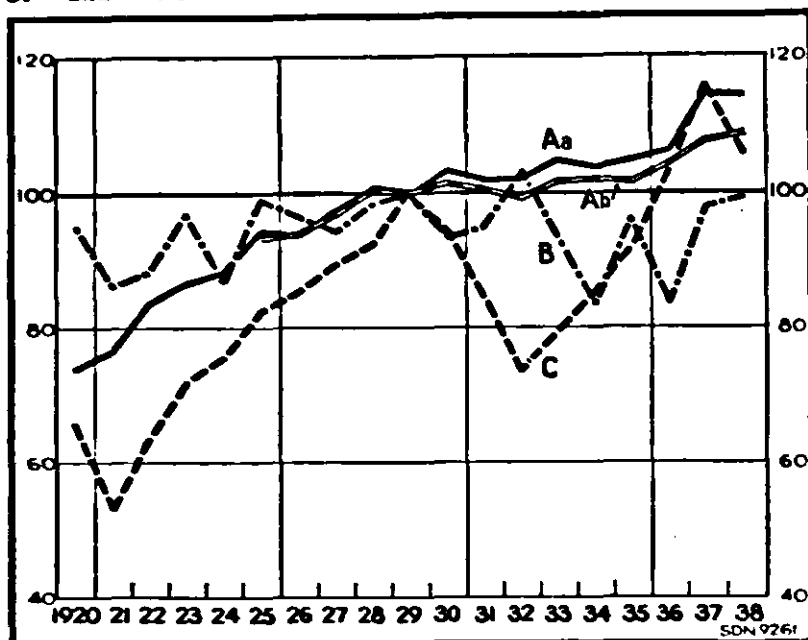
^a Cf. footnote to Table 1, page 13.

^b Not included in total primary production index.

¹ Details as regards the composition of these various groups will be found in Chapter V below.

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

- Aa. Foodstuffs excluding meat and milk.
- Ab. Foodstuffs including meat and milk.
- B. Fodder crops.
- C. Industrial raw materials.



The production of *foodstuffs* (mainly for human consumption) increased slightly in 1938, the output of vegetable foodstuffs maintaining the high level reached in 1937, while that of animal products steadily gained in relative importance and continued to increase in spite of the industrial recession. As usual, agricultural output was relatively insensitive to changes in business activity; but prices of the main agricultural crops fell heavily during 1938, once more reviving the persistent problem of overproduction in agriculture.

The index for *fodder crops*, although incomplete and not included in the general total of world primary production, is shown here for purposes of rough comparison. Including a few staple crops only (and maize in particular), it is sensitive to temporary variations

in crops following changes in weather conditions. Too much importance should therefore not be attached to the slight increase in 1938, bringing production back to the 1929 level. The increase in the aggregate, in spite of a slight fall in the production of maize (mainly in America), reflects an expansion of the production of oats and barley in European countries resulting from their attempts to secure self-sufficiency.

The index of *industrial raw materials* fell from 116 to 105, or by 9.5%; as will be seen below, this figure is but slightly lower than the fall in the index of manufacturing production, confirming again the close interdependence between the fluctuations in production of industrial raw materials and in manufacture. As a natural effect of the greater decrease in the production of industrial raw materials as compared with agricultural production, the former's relative importance in total production decreased during 1938.

The world indices discussed above are given with subdivision by continental sub-groups in Table 6.¹

Foodstuff production in 1938 increased or remained stationary everywhere except in the U.S.S.R. The European increase was due, not only to relatively good crop yields, but also to the policy of self-sufficiency in food adopted in some of the principal importing countries. In the Union of Soviet Socialist Republics, the harvest in 1937 appears to have been unusually favourable, and a certain fall in 1938 was to be expected; in marked contrast to the enormous increase in the output of industrial raw materials and the rapid growth of population, food production appears to have increased but little and to have been lower per head in 1938 than in 1929. The relative stagnation in food production probably reflects the difficulties encountered in organising agriculture on a collective basis concurrently with carrying out industrialisation on a large scale in a country originally poor in capital.

¹ For further details, see also Appendix I, Tables 3 and 4, below.

The fall in the production of industrial raw materials, as was to be expected, was most heavy in North America, amounting to more than 20%. The fall in Europe and in the "rest of the world" was less than half this figure, and in the Union of Soviet Socialist Republics an increase of some 3% is to be recorded.

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)		(a)	(b)	
<i>Indices of Movement</i> (1929=100):	(a)	(b)	(a)	(b)	(a)	(b)	(b)	(a)	(b)	(b)
Foodstuffs :										
1920-1924	82	—	86	—	73	—	—	103	—	—
1925-1929	97	94	96	94	90	93	98	106	100	99
1930-1934	103	101	101	103	97	103	87	99	101	104
1935-1938	110	105	105	106	102	108	*98	104	98	110
1920	74	—	78	—	62	—	—	101	—	—
1929	100	100	100	100	100	100	100	100	100	100
1937	115	108	108	108	103	109	*108	113	99	112
1938 *	115	109	111	109	107	111	(103)	118	103	112
Fodder :										
1920-1924	90	—	96	—	74	—	50	112	—	93
1925-1929	*98	—	98	—	86	—	93	107	—	98
1930-1934	93	—	93	—	90	—	98	91	—	102
1935-1938	94	—	93	—	92	—	105	90	—	102
1920	95	—	101	—	74	—	49	124	—	93
1929	100	—	100	—	100	—	100	100	—	100
1937	99	—	98	—	93	—	107	103	—	94
1938 *	100	—	99	—	97	—	104	100	—	100
Industrial raw materials :										
1920-1924	66	—	68	—	64	—	—	68	—	—
1925-1929	90	—	91	—	87	—	78	93	—	91
1930-1934	83	—	81	—	80	—	128	74	—	91
1935-1938	104	—	99	—	97	—	209	89	—	113
1920	66	—	68	—	60	—	—	67	—	—
1929	100	—	100	—	100	—	100	100	—	100
1937	116	—	111	—	113	—	216	107	—	122
1938 *	105	—	99	—	103	—	223	85	—	115
Geographical Distribution										
Foodstuffs (including meat and milk) :										
1925-1929	100	—	87.5	—	35.8	—	12.5	21.1	—	30.6
1930-1934	100	—	89.4	—	37.9	—	10.6	20.5	—	31.0
1935-1938	100	—	88.5	—	38.1	—	*11.5	19.0	—	31.4
1929	100	—	87.7	—	37.2	—	12.3	20.5	—	30.0
1937	100	—	87.7	—	37.6	—	*12.3	18.9	—	31.2
1938 *	100	—	88.3	—	37.9	—	(11.7)	19.5	—	30.9
Industrial raw materials :										
1925-1929	100	—	95.6	—	26.5	—	4.4	41.3	—	27.8
1930-1934	100	—	92.2	—	26.4	—	7.8	35.6	—	30.2
1935-1938	100	—	89.9	—	25.7	—	10.1	34.2	—	30.0
1929	100	—	95.0	—	27.5	—	5.0	39.9	—	27.6
1937	100	—	90.6	—	24.8	—	9.4	36.8	—	29.0
1938 *	100	—	89.3	—	26.9	—	10.7	32.3	—	30.1

* Provisional figures.

IV. INDUSTRIAL RAW MATERIALS CLASSIFIED ACCORDING TO ORIGIN OF PRODUCTS

The important group of industrial raw materials, owing to the mass of heterogeneous commodities contained in it, may usefully be divided into the following three sub-indices : (a) products of agricultural origin (industrial plants), (b) products derived from forests (rubber and wood products) and (c) non-vegetable raw materials (all minerals).¹

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

Year ^a	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	48	49	66	68	—	—	—
1921.....	62	64	50	50	52	53	—	—	—
1922.....	71	73	56	56	63	65	—	—	—
1923.....	74	76	60	61	74	76	—	—	—
1924.....	84	86	64	64	74	76	—	—	—
1925.....	94	95	74	74	80	81	29.6	5.4	65.0
1926.....	96	98	81	82	82	82	29.5	5.8	64.7
1927.....	92	93	84	85	88	89	27.1	5.7	67.2
1928.....	97	97	87	88	91	91	27.6	5.7	66.7
1929.....	100	100	100	100	100	100	26.2	6.1	67.7
1930.....	98	97	94	93	92	91	27.2	6.1	66.7
1931.....	98	97	85	83	78	76	30.6	6.1	63.3
1932.....	91	91	78	76	66	64	32.5	6.4	61.1
1933.....	97	96	91	89	71	68	32.0	6.9	61.1
1934.....	91	91	102	100	81	76	28.0	7.3	64.7
1935.....	97	96	105	102	89	83	27.7	6.9	65.4
1936.....	108	105	114	110	101	94	27.3	6.7	66.0
1937.....	120	117	130	127	113	107	27.1	6.8	66.1
1938*.....	103	99	116	112	105	98	25.7	6.7	67.6

* Provisional figures.

^a Cf. footnote to Table I, page 13.

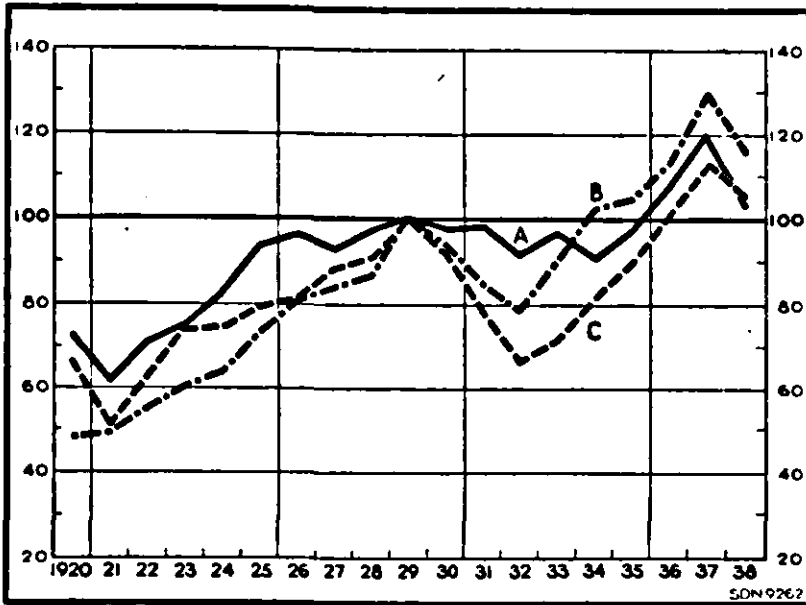
Raw materials of *agricultural origin* are oleaginous products and textile fibres, the latter item weighing most heavily in the group aggregate. Production fell by 14% during 1938; in considering this relatively heavy fall, it should be recalled that, while generally, as is the case with agricultural production, cyclical variations are small, there are marked yearly fluctuations due to natural conditions affecting crops, and, in particular, that of cotton, which weighs heavily in this group. The figures in 1936 and 1937 were swollen by the exceptionally heavy cotton crops in the United States of America, and the fall in the group figure in 1938 is largely explained by a greatly reduced cotton crop in that country.

The output of *products derived from forests* — including a number of new raw materials, such as rubber and pulp — decreased during 1938 by over 10%. This decrease is more directly due to the falling industrial demand for a number of important consumers' goods, for this branch of primary production is very sensitive to changes on the demand side.

¹ Hydro-electric power is, however, included in this group.

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

- A. Products of agricultural origin.
- B. Products derived from forests.
- C. Products of non-vegetable origin.



The third group is mainly made up of *minerals*, and the decrease during 1938 amounted to only 7%. This fact is remarkable, as the demand for minerals is very sensitive to changes in industrial production — in particular of capital goods. That the decrease in 1938 was smaller than for goods used in the production of consumers' goods is explained by the enormously increased demand for metal for armaments, largely compensating the fall in demand for other purposes.

B. INDICES OF STOCKS OF PRIMARY COMMODITIES

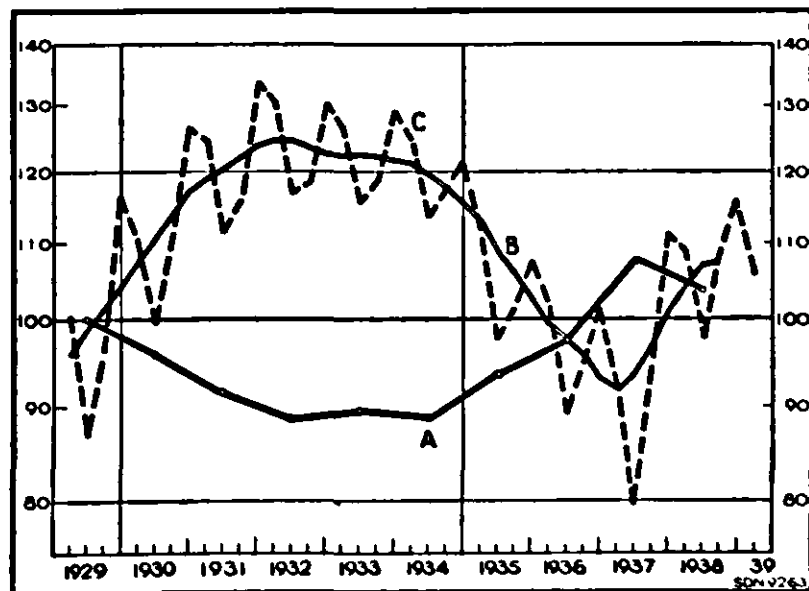
Indices of visible stocks of primary commodities, calculated by the Economic Intelligence Service, are given here

in continuation of those published in previous years.¹ 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 U.S.S.R.).

Stocks, which had declined steadily since 1932, began to increase in 1937 simultaneously with the decline in industrial activity. The minimum for the seasonally adjusted stock index was reached in the first quarter of 1937 at 92% of the 1929 level; it then increased quarter by quarter to 107 in the third quarter of 1938, the last for which adjusted figures are available. To judge, however, from the unadjusted index which can be carried six months further, it would appear that the increase in stocks has come to a standstill or even turned into a decline during the first quarter of 1939. The unadjusted figures for March 1938 and 1939 were 109 and 105

Diagram 5. — WORLD PRODUCTION AND STOCKS OF PRIMARY COMMODITIES (EXCLUDING U.S.S.R.)
1929 = 100; logarithmic scale.

- A. Production (excluding meat and milk but including fodder crops).
- B. Stocks (moving average).
- C. Stocks (original index).



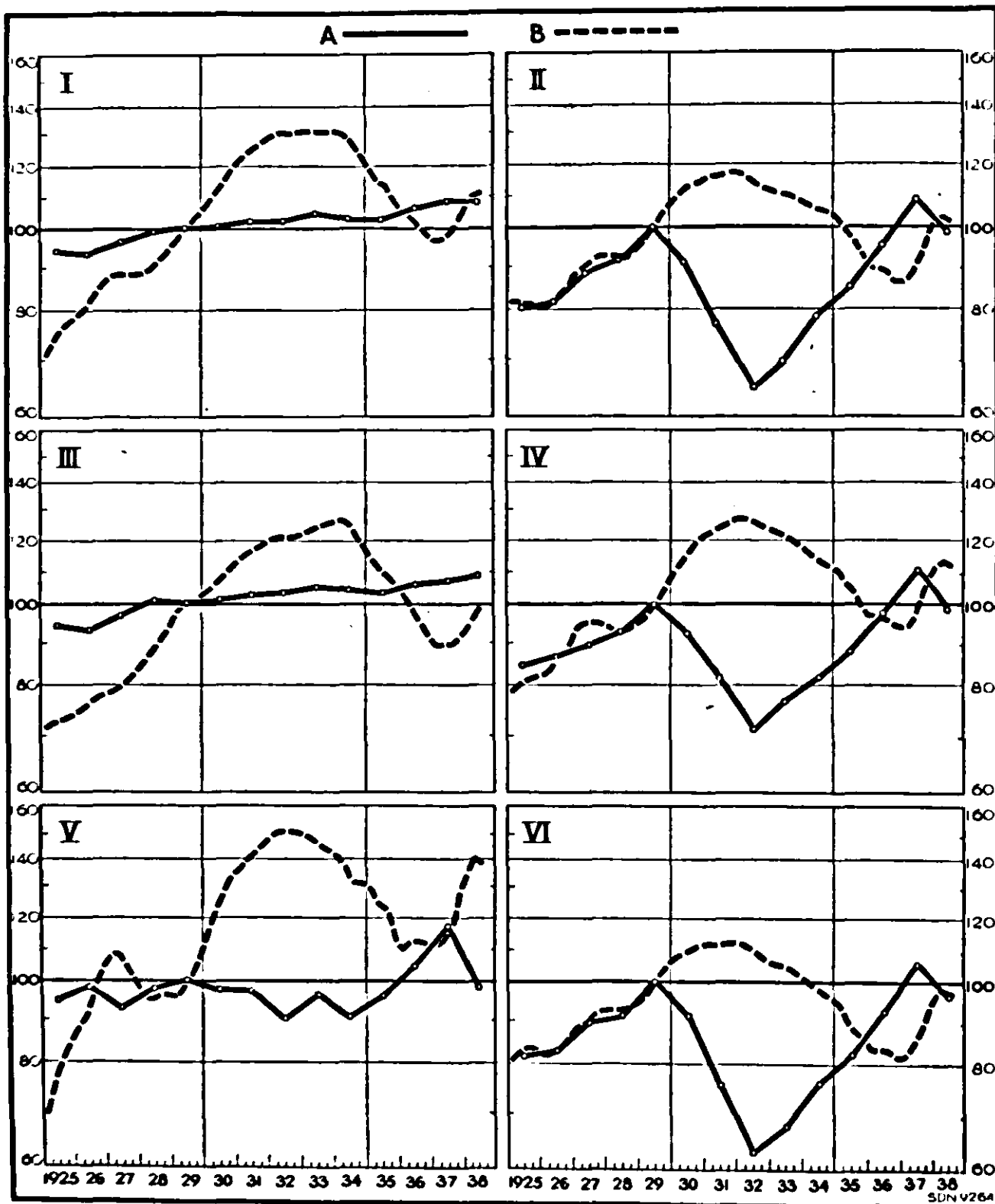
¹ For a description of the scope of the figures used and of the methods of calculation, cf. particularly *World Production and Prices, 1936/37*, pages 112 and 113.

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

1929 = 100; logarithmic scale.

- A. Production.**
 I. Agricultural products.
 III. Foodstuffs.
 V. Raw materials of agricultural origin.

- B. Stocks (moving average).**
 II. Non-agricultural products.
 IV. Industrial raw materials.
 VI. Raw materials of mineral origin.



respectively. This reversal, whether permanent or not, is due not only to the progressive industrial recovery in the world as a whole, but also to the laying-up of emergency stocks in many countries in case of war.

The general stock index has also been broken up into group indices, as far as possible in the same manner as the index of primary production; detailed figures are given in Appendix II, illustrated in the text by Diagram 6.

Agricultural production reacted less to the business recession in 1938 than non-agricultural production; stocks of agricultural products in consequence increased more. The rise in stocks of foodstuffs was very much less than that of raw materials of agricultural origin, although the production of foodstuffs increased slightly and that of raw materials declined. Consumption of foodstuffs was not greatly affected, moreover, by business conditions. Considerable quantities of foodstuffs were bought for the emergency stocks referred to above. The adaptability of production of non-agricultural commodities is generally greater than agricultural, and the increases in stocks were more moderate; in this case, too, the laying-up of emergency stocks has contributed to prevent stocks held by producers from rising as much as they would otherwise have done.

C. INTERMEDIARY PRODUCTS

With advancing industrialisation, the period of production is generally extended thus the intermediary stages of manufacture acquire increasing importance. Processes are invented for the transformation — for new uses — of raw materials of low specific value into manufactured materials competing successfully with primary raw materials of different origin and higher specific value. Typical examples of this evolution are afforded by rayon and staple fibre (competing with natural fibres, wool and silk) and various synthetic "raw materials". Further, the reclaiming of metals, wool and other materials from old or worn-out manufactured goods steadily gains in importance with the increase in the total quantity of manufactured goods in existence. Such reclaimed materials (representing semi-manufactured in the same sense as the manufactured "raw materials" referred to above) compete with the fresh supply of the kind of primary raw materials from which they were originally derived.

In practice, owing to the character of the production data available, it is difficult to draw any satisfactory lines of demarcation on the one hand between primary raw

Table 8. — GENERAL INDEX OF WORLD INTERMEDIATE PRODUCTION
1929 = 100.

	1930	1931	1932	1933	1934	1935	1936	1937	*1938
World, incl. U.S.S.R..	89	76	63	73	84	97	113	128	117
World, excl. U.S.S.R.	88	73	60	70	80	91	106	119	108
Europe, excl. U.S.S.R.	89	75	65	74	89	99	110	123	122
U.S.S.R.	129	143	148	167	217	258	319	358	380
North America	85	69	52	61	66	77	94	104	85
Latin America	99	94	79	91	111	120	128	155	162
Africa	105	96	91	115	155	170	169	230	222
Asia	97	93	95	112	134	157	185	217	208
Oceania	96	77	80	96	99	119	127	157	160

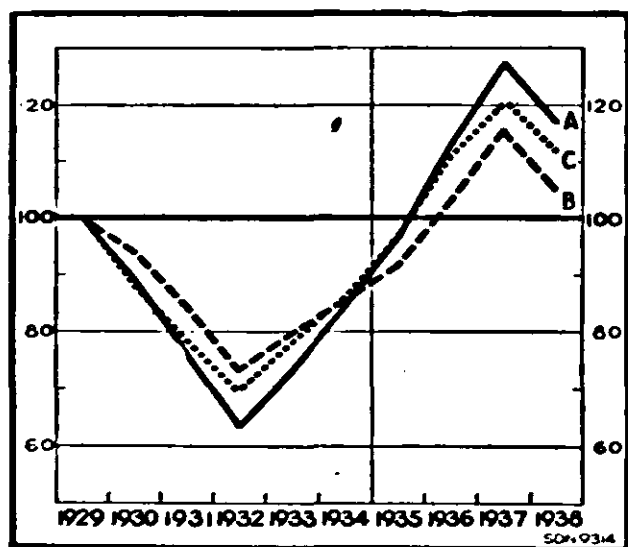
* Provisional figures.

materials and semi-manufactures and on the other hand between semi-manufactured and finished goods. Nevertheless, such distinctions are of importance from several points of view. Advanced processing of raw materials frequently requires large-scale investment in plant and equipment. Owing to the time required in construction, rapid expansion is difficult to achieve in certain branches when full employment is reached. In times of brisk demand, great and rapid rises in the prices of intermediary products are frequent, and "bottle-necks" occur. This stage of production thus combines features of both primary production and manufacturing, particularly of capital goods. In order to achieve a well-balanced analysis of production, it is important to obtain some measure, if only a rough one, of development in this important branch of economic activity.

A first attempt is made here to compute a special world index of intermediary products. Naturally, it is neither complete, nor — for reasons just indicated — is the distinction between articles at different stages of production so clear-cut as to prevent a certain amount of overlapping with the primary production index on the one hand and the manufacturing index, particularly on the capital producing side, on the other. It is believed, however, that the index represents the general trend of changes in this kind of production.¹

Diagram 7. — WORLD INDICES OF SEMI-MANUFACTURED RAW MATERIALS, INDUSTRIAL RAW MATERIALS AND MANUFACTURING PRODUCTION
1929 = 100.

- A. Semi-manufactured raw materials.
- B. Industrial raw materials.
- C. Manufacturing.



The main indices subdivided by continental groups are reproduced in Table 8 and illustrated by Diagram 7, which also gives, by the way of comparison, indices of manufacture and of primary production of industrial raw-materials. Considering the period since 1929 as a whole, it is found that the output of intermediary products, like that of industrial raw materials, follows roughly the course of manufacturing production. Semi-manufactures, however, fall at a more rapid rate than primary production during the downswings and recover more rapidly during the upswing. The discrepancy between the two curves, however, might be directly accounted for by the damping influence exercised on the latter by compensatory variations in stocks of raw materials, stocks of semi-manufactures being as a rule small in proportion to total output.²

The indices of semi-manufactures by geographical subdivisions reflect the general tendency discussed above in connection

¹ The method used in the calculation of this index is, *mutatis mutandis*, identical with that used in the calculation of the index of primary production. The prices used as weights are based on 1930 quotations converted into gold dollars. The index covers some twenty commodities, representing, in 1938, an aggregate value of a little more than 50% of that of the industrial raw materials covered by the primary production index. The list of articles covered is as follows: pig iron (not used for steel-making) and steel; smelter production of copper, lead, zinc, tin and aluminium; cement; wood-pulp (two commodities, excluded from the general total); rayon and staple fibre; chemicals (three commodities); manufactured fuels and lubricating oils (five commodities). The main omissions are in the consumption sphere, where it has been impossible to include yarn, leather and flour, etc., and where, in consequence, new raw materials — such as rayon and staple fibre — weigh heavily. It has proved impossible also to include some synthetic raw materials, such as synthetic rubber. Reclaimed raw materials (wool from rags, etc.) are not included, with the exception of iron scrap, automatically included with steel, and secondary copper in the United States. Certain of the most important component series are reproduced in Chapter V below.

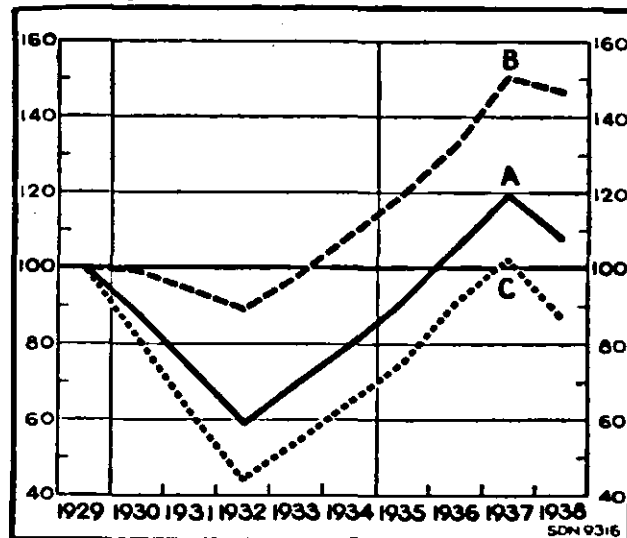
² This is mainly explained by the fact that the current output of semi-manufactures can be adapted more easily than raw material production to changes in demand.

with primary production; the series for Europe follows closely that for the world; production in North America is falling behind while it increases steeply in the Union of Soviet Socialist Republics and in the "rest of the world". Of particular interest are the figures for the industrially new continents — Latin America, Africa, Asia and Oceania. They all show a substantial increase since 1929 and are little, if at all, affected by the recent industrial recession. These figures testify more clearly than those which have hitherto been available to the rapidity of industrial expansion in the newly industrialised areas outside Europe and North America; it is significant also that this development should be most clearly discernible in the industries representative of that intermediary stage of manufacturing which is most closely related to the production of primary raw materials.

Diagram 8 analyses the index of semi-manufactures subdivided into articles intended mainly for capital goods (whether producers' equipment or consumers' capital goods) and those intended for goods currently consumed.¹ Reference should be made in this connection to the relevant parts of the section below, which discusses developments in manufacturing industry. The diagram shows, as was to be expected, that the curve relating to capital goods is more sensitive to business fluctuations than that relating to consumption goods. Considering the period as a whole, it is noticeable that the latter curve shows a rapidly rising trend, whereas the former, after falling sharply during the depression, had not fully recovered to its previous level when the new recession set in. In part, this striking difference may be accounted for by the composition of the indices; had it been possible to include a wider range of semi-manufactures belonging to the common consumption-goods sphere (intermediary products for food manufacture, yarn, etc.) the curve would probably have moved on a somewhat lower level, in spite of the fact that a number of new "manufactured raw materials" (e.g., synthetic products),

Diagram 8. — ANNUAL WORLD INDICES (EXCLUDING THE U.S.S.R.) OF OUTPUT OF SEMI-MANUFACTURED PRODUCTS FOR TRANSFORMATION INTO CAPITAL GOODS AND GOODS CURRENTLY CONSUMED
1929 = 100.

- A. Semi-manufactured products, total.
- B. Products for goods currently consumed.
- C. Capital goods, products.



¹ The subdivision into capital and consumption goods has been made in conformity with the classification adopted by the League's Committee of Statistical Experts in its report: *Indices of Industrial Production* (Studies and Reports on Statistical Methods, No. 6, Geneva, 1939). This classification, which, in view of the character of the statistics available, relates to branches of industry rather than individual commodities, is based on two criteria in combination — namely, the ultimate principal use and the degree of durability of the goods produced by the different industries. The Committee remarks (page 10 of the above report) that the "distinction between industries concerned mainly with capital goods and the industries producing mainly goods currently consumed . . . coincides largely with the distinction expressed by the use of the terms *durable* and *non-durable* goods".

For the purpose of this classification as applied to production indices, which usually cover several or all stages of production, the above distinction is to be related, for reasons of consistency, not only to finished goods (as a rule incompletely represented in the indices), but also to semi-manufactures and even to primary commodities, when covered. Industries producing materials intended mainly for capital goods or mainly for consumption goods are therefore in this classification included with capital goods industries or consumption goods industries respectively. In this connection, oils and fats, chemicals and fuels, which are consumed only in part by the general public (or transformed into products thus consumed), are considered as consumption goods. It is true that the remaining part of these commodities are used up in the capital goods industries, but as they ultimately form no material part of the products of these industries (and are thus "non-durable" once they are actually used), their inclusion among goods currently consumed was considered justified by the Committee.

the output of which is known to have increased rapidly in recent years, are also excluded for lack of adequate production data.

It should be remembered, however, that the group of goods currently consumed contains several important articles which are largely consumed by industry itself in the process of production — manufactured oils, chemicals, etc. The great relative increase in this group as compared with capital goods materials (mainly metal products) reflects a far-reaching change in the methods of production. At the same time as more rational methods of production and construction made it possible to economise in the use of basic raw materials by elimination of waste, reclaiming of metals, etc., and as the proportion of total production constituted by highly finished articles such as radio sets, modern household utensils, etc., increases, the relative share of primary raw materials in manufacture tends to decrease as compared with labour and commodities of industrial consumption (such as power and lubricants). The great increase in the curve representative of goods currently consumed is a typical instance of this tendency. It also reflects the growing transport demand for motor fuel and lubricants.

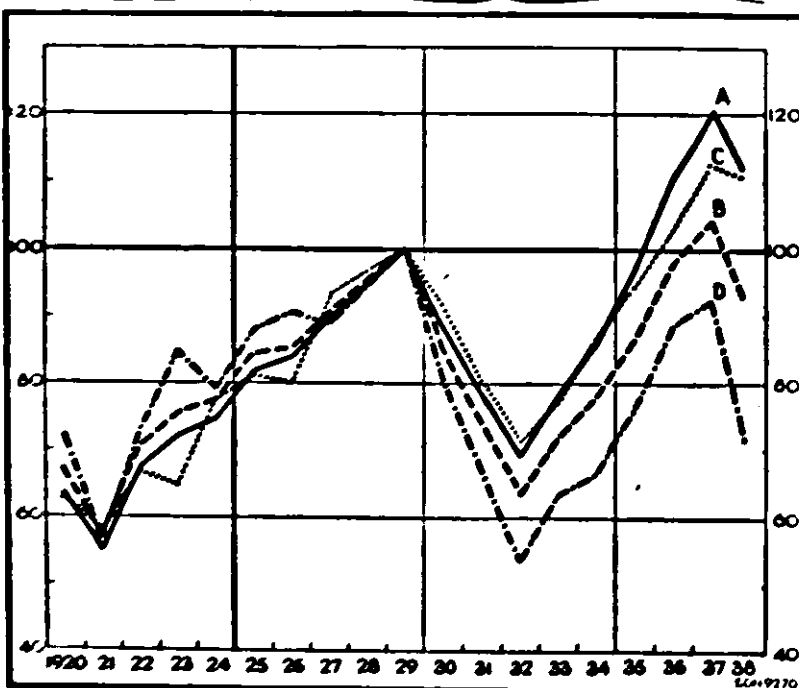
D. MANUFACTURING

World indices of manufacturing have been calculated by the Economic Intelligence Service according to methods described in earlier editions of this volume ¹ and are produced in Table 1 of Appendix III below. The general index of manufacturing during the period 1925-1938 is given in Table 9 and illustrated graphically in Diagram 11.

World manufacturing in 1938 decreased by nearly 7%, including, and by some 11% excluding, the U.S.S.R. The main decreases fell on North America, where the index dropped from 92.3 in 1937 to 71.7 in 1938, or by 22%. In Europe, the record level of 113 reached in 1937 was practically maintained in 1938, the index falling two points only. Production in the rest of the world even slightly increased.

Diagram 9. — INDICES OF WORLD MANUFACTURING
1929 = 100.

A. World (including U.S.S.R.). C. Europe (excluding U.S.S.R.).
B. World (excluding U.S.S.R.). D. North America.
Institut für Konjunktur-
forschung. League of Nations.



As usual, a distinction is made in this volume between producers' capital goods ² and goods currently consumed. ³ Relevant annual data are given in Table 9 and illustrated for

¹ Cf. particularly *World Production and Prices, 1935/36*, pages 21-22, and *1936/37*, pages 36-37; mining is excluded from the present section, as it is included with primary production discussed above.

² Thus, excluding consumers' capital goods, such as private motor-cars, refrigerators, radio sets, etc., works of construction, whether for residential, industrial, commercial or other purposes, are also excluded, building and construction not forming part of manufacturing industry proper.

³ For a discussion of methods, scope, etc., cf. *World Production and Prices, 1937/38*, page 24; as regards the basic criteria adopted for the distinction between capital and consumption goods, see footnote ¹, page 25, section C above.

the world as a whole (excluding the U.S.S.R.) in Diagram 10.

World production of capital goods and goods currently consumed in 1938 fell by 17% and 5% respectively, thus showing the typical development during the first stage of an industrial depression usually characterised by a greater relative shrinkage in production of capital goods than of goods currently consumed. In order, however, to get a clearer picture of the evolution of production, it is necessary to consider the development in different parts of the world; this development is illustrated graphically, on the basis of monthly data (1937 = 100), in Diagram 11.

As seen from the diagram, the decline in manufacturing is practically limited to North America, particularly the United States. The evolution of production in that country during 1937 was discussed in last year's issue of the present volume, and it is not necessary to repeat in detail what was said there. It should be recalled,

however, that, after the extraordinarily rapid decline of capital-goods production from August 1937 to the beginning of 1938, output was stabilised during the spring and early summer at about half of the average level for 1937; the recovery beginning in June carried the level back to 90% of the 1937 level in November 1938, when recession again set in. The fluctuations in the goods currently consumed sphere were less violent and, as a result, the discrepancy between the two curves augmented very considerably during the last half of 1937 and the first part of 1938; during the upswing in the latter part of 1938, the discrepancy diminished, but the renewed recession in the capital production from December 1938 interrupted this recovery before capital production had reached its relative position of 1937; and the discrepancy has since considerably widened.

The trend in Europe, which for manufacture as a whole turned markedly upwards as from August 1938, was characterised by unusual evenness in the relation between capital goods and goods currently consumed production; the relative position of the two curves hardly changed during the first half of 1938, although, by the end of the year, capital production appeared to increase at a somewhat more rapid rate, reflecting the speeding-up in the armament industries. The development, however, was different in the various countries, as brought out in the more detailed analysis given in Chapter IV below.

E. 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 make it possible to establish uniform international measurements. A general survey, therefore, has to be limited to 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 development, but are scarcely adequate for the formulation of definite conclusions.¹

¹ Further details by countries are given in Chapter IV below: for a discussion of the character of the statistics used, cf., also *Monthly Bulletin of Statistics*.

Diagram 10.— ANNUAL WORLD INDICES (EXCLUDING U.S.S.R.) OF MANUFACTURE OF CAPITAL GOODS AND CONSUMPTION GOODS
1929 = 100.

- A. Manufacturing.
- B. Consumption goods.
- C. Capital goods.

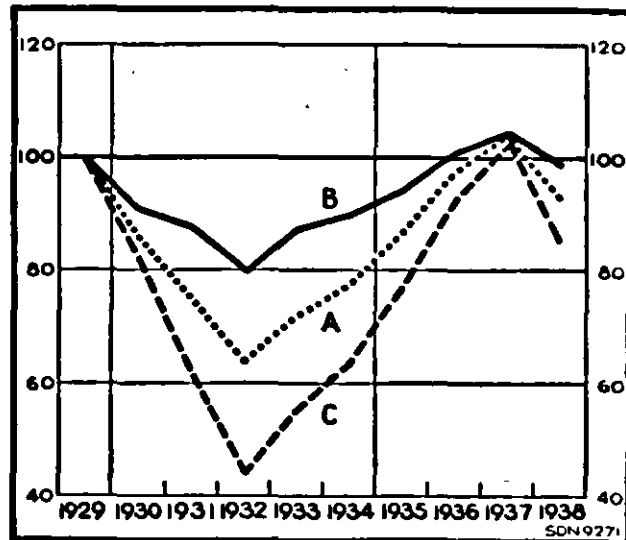


Diagram 11. — MONTHLY INDICES OF MANUFACTURE OF CAPITAL GOODS AND CONSUMPTION GOODS IN THE WORLD (EXCLUDING U.S.S.R.), EUROPE AND NORTH AMERICA. 1937-1939

1937 = 100.

- I. World (excluding U.S.S.R.).
- II. North America.
- III. Europe (excluding U.S.S.R.).
- A. Total manufacturing.
- B. Consumption goods.
- C. Capital goods.

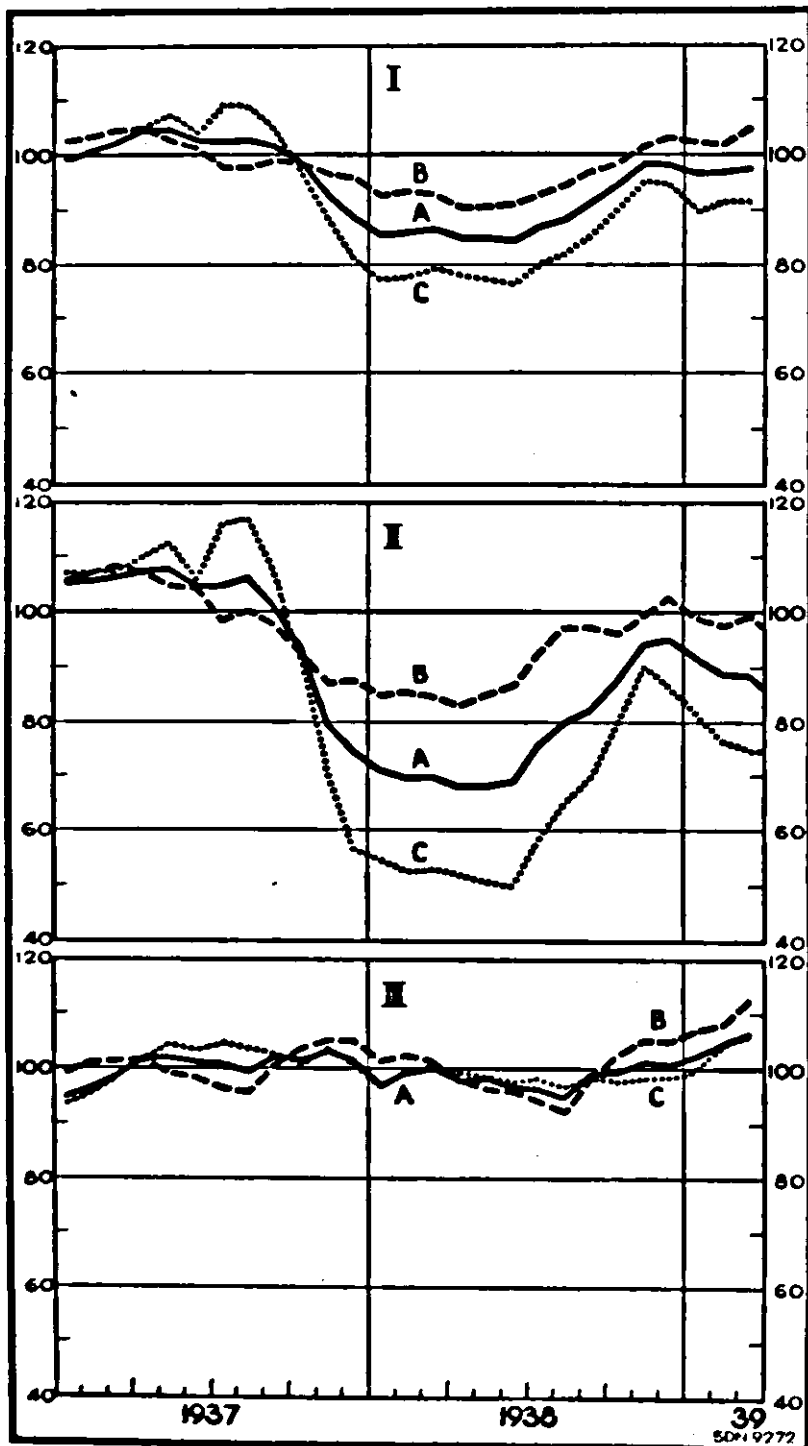


Table 9. — WORLD INDICES OF MANUFACTURE OF CAPITAL GOODS (I) AND CONSUMPTION GOODS (II) (EXCLUDING U.S.S.R.)^a 1929=100.

Year	I	II	Total
World			
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	95.3
1929..	100.0	100.0	100.0
1930..	82.5	90.7	86.0
1931..	61.3	87.2	74.4
1932..	43.4	79.9	63.5
1933..	55.1	87.4	71.8
1934..	63.9	89.9	77.8
1935..	77.2	94.0	86.8
1936..	92.8	100.7	97.3
1937..	102.9	104.7	104.2
1938..	84.9	99.1	92.9
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	97.0
1929..	100.0	100.0	100.0
1930..	90.6	94.5	91.9
1931..	74.2	88.9	80.5
1932..	59.3	83.1	71.7
1933..	67.0	89.0	78.0
1934..	79.5	94.0	86.7
1935..	91.2	97.5	94.3
1936..	101.2	104.0	103.0
1937..	113.6	111.2	112.8
1938..	109.8	109.7	110.8
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..	74.7	86.6	80.0
1931..	48.9	84.7	67.4
1932..	27.2	75.4	53.4
1933..	41.7	83.8	63.3
1934..	46.3	83.6	66.2
1935..	60.5	87.9	76.1
1936..	80.6	95.0	88.6
1937..	87.6	95.5	92.3
1938..	55.2	86.8	71.7

^a Owing to the omission of motor-cars, etc., the average of I and II does not always correspond exactly to the "total" as given above.

Table 10. — INDICES OF TOTAL BUILDING ACTIVITY IN CERTAIN IMPORTANT COUNTRIES
1929=100.

Year	Germany *	Canada	U.S.A. *	France	Italy	United Kingdom	Sweden *	Czecho-Slovakia *
	Buildings completed (Number of apartments)	Contracts (Value)	Contracts (Floor space)	Permits (Number)	Permits (Number)	Permits (Value)	Buildings completed (Rooms)	Buildings completed * (Number of apartments)
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	110.7	87.3	102.1	128.7	84.3
1931.....	74.3	46.5	45.9	100.6	52.8	86.2	130.8	107.1
1932.....	47.0	19.9	19.6	78.2	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	67.4	88.6	130.7	120.2	48.6
1935.....	77.9	24.9	31.9	57.7	116.2	156.4	180.4	41.0
1936.....	98.1	25.0	51.8	55.2	60.0	160.1	208.8	* 65.0
1937.....	100.5	38.0	56.4	52.1	65.8	151.8	209.5	* 70.0
1938.....	90.2	35.6	54.7	48.4	63.2	134.0	*240.0	...

* Estimate.

* Residential building only.

* 1920-1924 figures refer to twenty-seven States; since 1925, thirty-seven States.

* Permits delivered for the utilisation of new buildings.

To judge by the figures given in Table 10, supplemented by the more detailed ones published quarterly in the *Monthly Bulletin of Statistics*, building activity in the world decreased slightly in 1938 as a whole.¹ The decrease is marked in all the principal countries and the main exceptions to the rule are Scandinavia, Australia, New Zealand, the Netherlands and Switzerland. It should be noted, however, that the decreases recorded during 1938, though more marked than the fall in industrial activity,² were throughout less violent than at the beginning of previous regressions. The maintenance of building at relatively high levels in recent years has been influenced by support given in many cases to building activity by the public authorities as a means both of combating depression and of improving housing conditions among the masses.

¹ Cf. also Chapter IV below. The tendency during the last half of 1938 and during the beginning of 1939 has again changed in certain countries.

² Past experience has shown that, generally speaking, building activity — a typical branch of capital-goods production — falls more than industrial production in a depression or a more than momentary recession in economic activity.

CHAPTER III

PRODUCTION, EMPLOYMENT AND UNEMPLOYMENT

In order to obtain an idea of the relation between changes in production on the one hand and changes in employment and unemployment on the other hand, reference should be made to the world indices of employment, unemployment and 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 conclusions might be drawn as to changes in productivity — have to be confined to industrial production and mining.

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 extent commerce and, very rarely, agriculture) is shown in Table 1, together with the League Index of Industrial Production (including mining).¹ By dividing the index of production (column (a)) by that of employed workers (column (d)), one obtains a rough measure of output per worker (column (e)).

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

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

Year	Industrial production	Unemployment ^a	Employment		Output per worker $\frac{(a)}{(d)}$
			I	II	
	(a)	(b)	(c)	(d)	(e)
1929.	100	100	100	100	100
1930.	86	174	91	90	96
1931.	75	266	81	78	96
1932.	64	347	73	70	92
1933.	72	334	77	74	97
1934.	78	276	86	84	93
1935.	86	247	90	89	97
1936.	96	213	96	93	104
1937.	104	174	105	103	101
1938.	93	187	104	96	96

^a The International Labour Office series giving for the United States the general series of unemployment calculated by the *American Federation of Labor*, and weighted according to total gainfully occupied population.

¹ A detailed description of the world indices of employment and unemployment will be found in the *International Labour Review*, Geneva, January 1939. The indices used in the previous editions of this volume have been revised. The original index of unemployment has been altogether discontinued; instead, the International Labour Office calculates a world percentage of unemployment, obtained by averaging the national percentages of unemployment and using as weights the total occupied population. The arithmetic mean is employed in averaging, instead of the geometric one, as previously. The world percentage has been put into the form of index numbers, on the basis of 1929 = 100, by the Economic Intelligence Service. The practical significance of changes in weights and methods of averaging is comparatively small. The discrepancy between

In 1938, both employment and production decreased, but, while the former fell 7%, the latter fell some 10%. Hence output per worker employed fell between 4 and 5% or from 101 to 96 on the 1929 basis. A drop in output per worker is a regular phenomenon during an industrial recession, as work is spread over as many workers as possible and average hours per worker employed are decreased. This practice of spreading work also partly explains why world unemployment in 1938 did not increase in the same proportion as production declined; another contributory cause was the increase in number of men in the armed forces.

In analysing the relation between production and the labour market, it is also essential to know how output per unit of time worked — *i.e.*, in practice the man-hour — has evolved. For the world as a whole it is difficult, if not impossible, to construct a reliable measure, but, on the basis of such partial data as exist, approximate estimates of the development from year to year may be attempted.

There exist two methods — the direct and indirect — of constructing the international indices of aggregate hours which are needed to obtain (by a division into indices of production) corresponding indices of output per hour. The latter method has been employed in previous editions of this volume; it consists briefly in constructing first an international measure of average hours, which is, in turn, multiplied by an index of numbers of workers in employment. The weakness of this method is the limited number of countries which compile statistics of hours. The index of average hours covers only nine important industrial countries. The most important reductions in hours in recent years have taken place in France, Italy and the United States, these countries having introduced a legal forty-hour week. These three countries are included in the hour index and it is possible, owing to their preponderant weight in the index, that in later years it tends to over-represent reductions in average hours.

the old and the new index is almost entirely accounted for by the substitution, in the case of the United States, of the American Federation of Labor's new estimate of total unemployment for the trade union unemployment percentages used hitherto. This new estimate, which puts unemployment in 1929, compared with later years, proportionally lower than does the trade union percentage, has raised the level of the world index. The index for the world excluding the United States remains practically unchanged. Owing to the uncertain nature of the basic unemployment percentage in 1929, importance should not be attached so much to the level reached by the index in the course of the depression as to its relative changes from year to year in the course of the recovery until 1937 and the recent recession.

The series of numbers employed has been extended to cover twenty-four countries. The method of calculation is, *mutatis mutandis*, the same as for the index of unemployment.

As explained in previous editions of this volume, the scope of the indices of numbers in employment and of industrial production is practically the same. In order, however, to render the two indices more comparable for the purposes of this chapter, the employment series have been recalculated by the Economic Intelligence Service on the basis of the weights used for the industrial production index. The adjusted employment indices thus obtained are shown parallel with the original series as calculated by the International Labour Office.

Diagram 1. — INDICES OF INDUSTRIAL PRODUCTION, WORKERS IN EMPLOYMENT, DEGREE OF UNEMPLOYMENT AND OUTPUT PER WORKER

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

- A. Industrial production.
- B. Workers in employment (adjusted).
- C. Output per worker.
- D. Degree of unemployment.

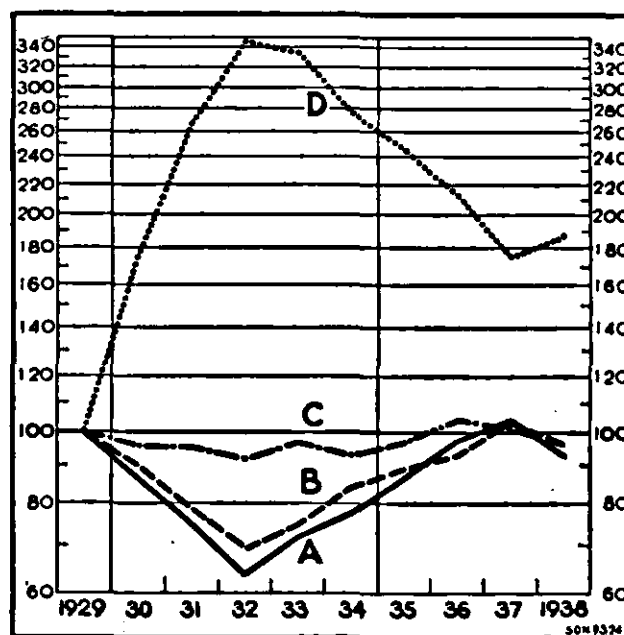
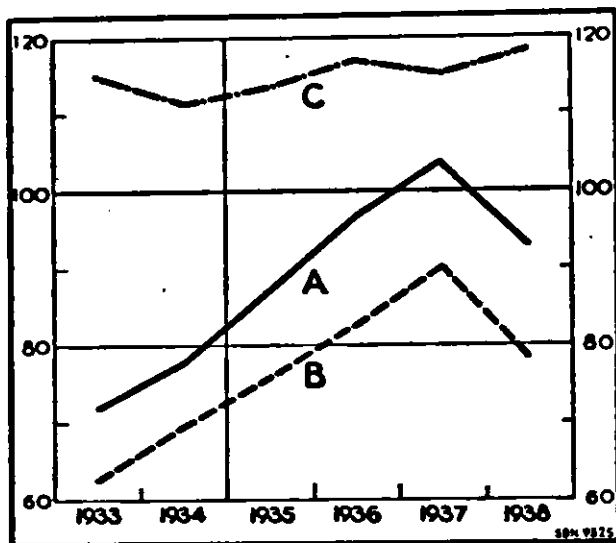


Diagram 2. — INDICES OF INDUSTRIAL PRODUCTION, AGGREGATE HOURS WORKED AND INDUSTRIAL OUTPUT PER MAN-HOUR WORKED (World, excluding the U.S.S.R.) 1929 = 100.

- A. Industrial production.
- B. Aggregate hours worked (series II).
- C. Output per man-hour worked.



The direct method consists in first calculating national indices of aggregate hours and averaging the results; theoretically, this method is the most satisfactory, provided that it covers a sufficient and representative number of countries.¹ The International Labour Office has this year discontinued the compilation of an international index of average hours worked; instead it has compiled — for twelve countries — an index of aggregate hours worked.² The International Labour Office has been good enough to supply the Economic Intelligence Service with preliminary and provisional figures of this new index.

In the circumstances, it has been thought useful to give here calculations according to both methods. Table 2 for the period 1933-1938 (including five years of marked recovery followed by a year of recession) shows the results of calculation according to the indirect method, illustrated in Diagram 2. Table 3 gives for the same period corresponding estimates according to the

direct method for twelve countries. The index of industrial production is limited to the same twelve countries.

Table 2. — INDICES OF AVERAGE HOURS PER WORKER, AGGREGATE HOURS WORKED, INDUSTRIAL PRODUCTION AND OUTPUT PER MAN-HOUR (Indirect method, twenty-four countries, not including the U.S.S.R.) 1929 = 100.

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

		1933	1934	1935	1936	1937	*1938
A. Average hours per worker	I	88	88	89	91	90	86*
	II	84	83	85	89	88	82*
B. Aggregate hours worked.	I	68	75	80	88	95	90
	II	62	70	76	82	90	79
C. Industrial production		72	78	86	96	104	93
D. Output per man-hour (C divided by B. II)		115	112	113	117	115	118

- * Provisional indices.
- * Figure calculated by the Economic Intelligence Service.

¹ In attempting to obtain a measure of the trend of total hours worked in the industrial world as a whole, it should be recalled that the variations in numbers employed are the most important; the variations in average hours — being in the nature of a characteristic pertaining to the sample — can theoretically be obtained on a less important sample than numbers employed; a minor uncertainty in the index of average hours may be of less importance than a restriction in the sample used of numbers employed. In considering the two methods, the greater precision of the direct method for a limited sample of countries has to be weighed against the disadvantage of its smaller degree of representativeness.

² Cf. *International Labour Review*, Geneva, July 1937.

Table 3. — INDICES OF AGGREGATE HOURS WORKED, INDUSTRIAL PRODUCTION AND OUTPUT PER MAN-HOUR
(Direct method, twelve countries, not including the U.S.S.R.)
1929 = 100.

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

	1933	1934	1935	1936	1937	*1938
A. Aggregate hours worked	71	79	84	91	99	97
	66	72	77	85	91	81
B. Industrial production	71	77	86	96	103	92
D. Output per man-hour (B divided by A.II)	108	107	111	113	113	113

* Provisional indices.

Disregarding here the absolute level of the indices of output per man-hour in 1938, the hour estimates show a slight increase in that year as compared with 1937.¹ This development is quite normal in a period of industrial decline, for it is as a rule the least able workers who are the first to be laid off, the least efficient plants which are closed down first, etc. As a result also of the shorter hours worked by those still in employment, productivity tends to rise.²

It is necessary, however, to emphasise also the unusual nature of the development in 1938. Previously, the general averages had as a rule expressed a more or less uniform trend in the various countries; in 1938, the situation was quite different and, as the changes in productivity in each country were relatively small as compared with changes in the basic series, the general world average was a more or less arbitrary mean of conflicting tendencies. In order, therefore, to obtain a realistic idea of developments in this year, attention should be given not so much to this general average as to the trend in individual countries.

Output per Man-hour in Individual Countries.

The indices shown in Table 4 have been calculated by the Economic Intelligence Service on the basis of data for employment and hours worked supplied by the International Labour Office. These data vary considerably in scope and methods of computation from country to country, and should be regarded as tentative and approximate. They are believed, however, to depict at any rate the tendency of year-to-year changes in the countries covered. The main results are illustrated graphically in Diagram 3.

Output per *worker* fell in 1938 in Canada, the United States, France, Italy, Japan and Sweden. It remained practically stable in Germany, Finland, Poland and the United Kingdom, and increased in Estonia.

Output per *man-hour* showed a slightly different movement; it fell in France, Italy, Japan and Hungary, remained more or less unchanged in Germany, Denmark, Sweden and Poland, and increased in the United States, Finland and Estonia. Thus it is again impossible to discern a common international trend; the material is too uncertain and too restricted in scope to permit a reliable classification by groups of countries. Nevertheless, some tentative conclusions are suggested by this material.

¹ This increase is veiled in Table 3 by the rounded-off integral numbers shown. Including one decimal point, the index figures for the output per hour during 1937 and 1938 in the twelve countries covered by that table were 112.6 and 113.0 respectively.

² A striking illustration of such a development during the first years of the great depression is provided by the figures of output per man-hour in United States manufacturing industries. — Cf. *World Production and Prices, 1936/37*, pages 43-44.

**Table 4. — INDICES OF INDUSTRIAL OUTPUT PER WORKER EMPLOYED
AND PER HOUR WORKED**
1929 = 100.

Country	1930	1931	1932	1933	1934	1935	1936	1937	*1938
	Output per man								
Germany	99	94	90	92	96	102	106	106	107
Canada	94	90	83	89	97	100	104	104	98
Estonia	102	104	96	99	99	97	95	96	99
United States	93	92	86	92	82	88	95	92	88
Finland	104	103	107	115	125	123	137	143	143
France	99	93	89	102	98	99	105	104	94
Italy	94	87	85	93	97	100	92	95	89
Japan	105	112	119	126	128	129	130	133	122
Poland	104	108	100	106	107	108	109	115	115
United Kingdom	100	99	99	98	105	110	113	112	111
Sweden	103	105	103	107	120	127	132	137	134
Czecho-Slovakia	91	87	77	80	89	91	97	107	95
	Output per hour								
Germany	103	102	99	99	99	106	107	106	106
Denmark	108	100	99	103	103	101	101	101	102
Estonia	104	108	104	106	102	103	100	100	103
United States	96	99	100	112	109	111	114	112	116
Finland	111	113	116	123	133	128	142	147	150
France	96	93	95	110	106	109	117	133	121
Hungary	105	110	118	125	127	126	130	129	116
Italy	98	93	92	98	103	116	108	109	103
Japan	112	111	114	119	118	123	120	121	111
Norway	101	98	102	104	101	103	103	109	108
Poland	106	111	110	118	115	115	119	121	120
Sweden	104	112	114	116	123	128	132	136	134

* Provisional indices.

SOURCE: I.L.O. *Year-Book of Labour Statistics*, Geneva, 1939.

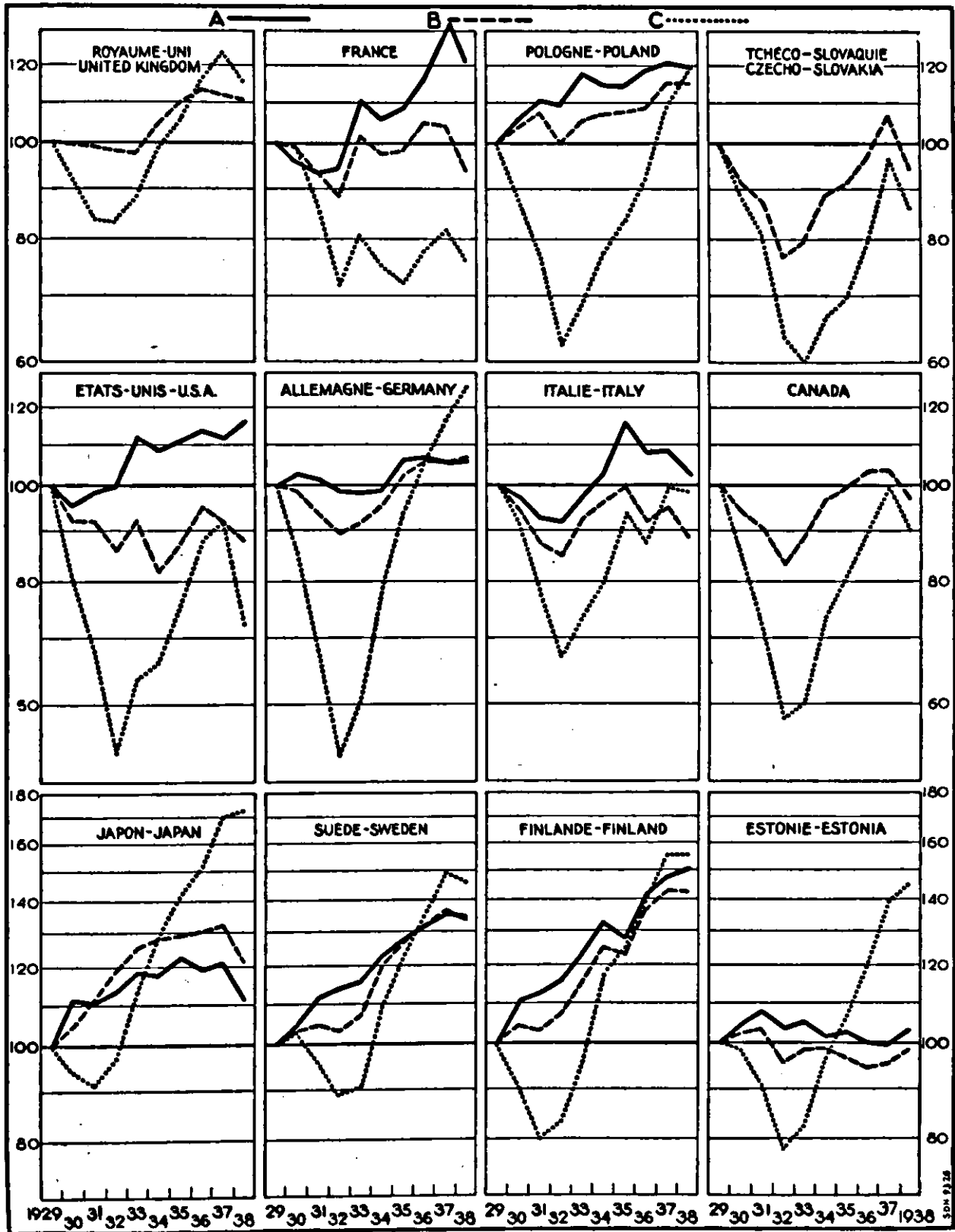
It should be noted that in Germany, Italy and Japan, whose economic policies have many features in common, since State intervention in economic life has been pushed very far and a shortage of one or all of the main production factors — capital, raw materials and labour — has developed, the output of industry per hour worked has either been falling, as in Italy and Japan since 1935, or has ceased increasing, as in Germany since 1936. Further industrial expansion in their case seems only possible by means of increased saving brought about by reduced consumption, a transfer of industrially inexperienced labour from other activities at the expense of those activities, or an extension of the working-hours of those already employed in industry. At the same time, the upkeep of existing machines is rendered difficult by continuous working of plant at or near full capacity — hence the tendency to stagnation or to a fall in labour productivity.¹

An even development of productivity, disregarding such minor fluctuations as result from "normal" cyclical variations in business, requires a constant flow of new investment. In this respect, industrial evolution in Sweden offers an interesting illustration. In spite

¹ A theoretical consideration of a certain importance, particularly in a comprehensive theory of the business cycle, may here be mentioned. Once productivity at a stage of full employment begins to fall, the process tends to continue at an increasing pace; the supply of savings and consumption tend to fall and the necessary investment for upkeep of capital and building of new equipment requires a proportionally greater and greater reduction of the "propensity to consume".

Diagram 3. — INDICES OF INDUSTRIAL PRODUCTION AND OUTPUT PER MAN AND PER MAN-HOUR
1929 = 100.

A. Output per man-hour. B. Output per worker employed. C. Industrial production.



of a very considerable industrial expansion since 1929, the output per hour increased without interruption during the whole of the period since that year, except during the slight industrial recession in 1938. The explanation of this fact is to be sought on the one hand in the very low rates of industrial borrowing permitted by the liquid state of the Swedish capital market and on the other hand in the economic policy which made it profitable to invest intensively in industry. This combination of factors made it possible to reap the full benefits of an increasing scale of production.

Although in many respects similar — and in particular as regards the liquidity of the capital market — the situation in the United States offers a somewhat different picture. The financial position of that country is, of course, strong enough to have permitted of any desirable technological improvements in the productive apparatus. Considerable investment has also taken place and output per hour is now much higher than in 1929.¹ On the other hand, the industrial depression and the slow recovery resulted in a low absolute level of production. While this, by favouring the concentration of production in the more efficient portions of plant and labour, may have tended to contribute to raise output per hour, it had, through its repercussions on business confidence, the effect of slowing-down the rate of new investment. It is therefore difficult to know whether increases in productivity would have been higher or lower if industrial recovery had been more pronounced.²

As regards the United Kingdom, the figures given in the table are based on current statistics (of employed men only) and do not take into account changes in working-hours.³ No great importance can be attached, therefore, to the fact that the output figures did not increase in 1938 but even slightly decreased. As the United Kingdom is now fast approaching a stage of full employment, however, further substantial gains in productivity may prove more difficult to obtain. As, under the influence of rearmament demand, marginal workers and marginal plant will be pressed into service, and plant and labour already employed worked harder, there will be a tendency for a decreased output per hour. Unless new investment can keep step with this expansion and thus permit the economy as a whole to reap the benefits of the larger scale of production, there may occur a stagnation or even a decrease in the rapid productivity gains characteristic of the last decade.

The development in France is less clear. The level of output per hour was relatively high in 1937 (24% higher than in 1929), but it decreased in 1938 by more than 7%, in spite of a concurrent fall in the level of industrial output. This situation would appear, however, to be largely due to the reorganisation of economic life (cf. Chapter IV below) and to the great uncertainty prevailing on the capital market during the greater part of the year.

¹ The figures given in Table 4 probably under-estimate very considerably the gains in productivity which have actually taken place since 1929. The figures in Table 4 are based on current indices of employment and production, and are therefore relatively limited in scope. Estimates for the whole of industry based on a sample of census industries (cf. *National Bureau of Economic Research*, Bulletin 70, September 1938, "Employment Opportunities in Manufacturing Industries in the United States", by Frederick C. MILLS) give very much higher increases in hourly output. Thus the increase between 1929 and 1935, while 11% according to the current statistics, was not less than 27% as calculated by the *National Bureau of Economic Research*.

² Judging by Mr. MILLS' study quoted in the preceding footnote, it would appear that the limiting influence caused by the decrease in new investment exercised a deciding influence in the case of the United States. For, as Mr. MILLS points out, "the productivity gains, by groups, varied widely. The greatest gains occurred among . . . the groups in which production in 1935 exceeded or fell only slightly below the 1924 level. High output is conducive to gains in productivity. Declines in output may stimulate more effective internal organisation and the installation of better equipment, but the full gains are not usually reached until a high level of production is attained." This conclusion would appear to hold good only under conditions of unused capacity or, if a stage of full employment is reached, when there is a sufficient supply of the new investment necessary for a rationalisation of the productive apparatus.

³ Cf. in this connection *London and Cambridge Economic Service*, Special Memorandum No. 47: "Output, Employment and Wages in the United Kingdom, 1924, 1930, 1935" (London, 1938). This study contains an estimate of physical productivity and employment based on censuses of industrial production. The physical output per operative is estimated to have increased by about 7% from 1924 to 1930, and between 15 and 25% between 1930 and 1935. Table 4 gives for the latter period a figure of only 10%.

Although no general or definite conclusions can be drawn on the basis of the scattered national data discussed above, the material seems to suggest, nevertheless, that several of the principal industrial countries are approaching a stage where the rapid gains in productivity of the last decade are drawing to a close unless investment in industrial plant and equipment can keep step with the increase in the demand for industrial products, particularly in the armament industries. During the depression of 1929-1932, the fruits of very active investment during the period leading up to the 1929 crisis were ripening, and after 1932 the growing utilisation of unused capacity conduced towards a relatively effortless gain in productivity. As the principal countries have now reached or are approaching a stage of full employment, the question of new industrial investment will again come to the fore.

CHAPTER IV

INDUSTRIAL PRODUCTION BY PRINCIPAL COUNTRIES

The recovery in world industrial production which began in 1932 came to an end in 1937 and was followed by a slight recession during 1938. Production developments in the different countries during the last year and a-half have been so discordant, however, as to deprive the general world averages of much of their former significance. It is therefore the more necessary to examine in some detail the happenings in individual countries and groups of countries.¹ The indices of industrial production in twenty-nine countries are reproduced in Table 1, which shows for the years 1930-1938 annual indices where available and annual averages of monthly or quarterly indices; ² quarterly averages are added for 1938 and the first quarter of 1939.

Diagram 1 has been inserted in order to bring out clearly recent tendencies. It shows, on the basis of 1937 = 100, the production of those countries whose indices serve as basis for the world index discussed in Chapter II. Building activity and the generation of electricity, where covered by the national indices, have been excluded ³ in order to render the indices more comparable internationally. The monthly index for Belgium (quarterly averages shown in the diagram) has been adjusted to the level of that country's annual index.

The recent decline in world production had its origin in the *United States*. During the greater part of the post-war period, the evolution of the economic situation in that country has greatly influenced the course of business elsewhere, at any rate in what may be termed the free sector of the world economy. In studying the conditions of industry in the different countries, it is therefore useful to examine first the developments in the *United States*.⁴

The low point of industrial production was reached in that country in May 1938; the general index stood at 63.9 (1929 = 100) as compared with nearly 100 in the spring of 1937. It increased rapidly without interruption during the rest of the year until it reached 87.4 in December. Subsequently, a certain reaction set in and the figure dropped to 82.4 in February and March and 77.3 in April and May 1939. It would fall outside the scope of this volume to discuss the causes of this development in detail.⁵

Some of the main factors determining the turn of the trend in 1937 were, however, stated in last year's edition of this publication and may be briefly summarised here. A deciding factor was the decline, by the end of 1936, of consumers' purchasing power caused by the decrease in Government spending and subsidies. The upswing had by that time, compared with 1929, been most marked in the consumption-goods industries and the situation was rendered more unstable by the concurrent increase in costs of production of capital goods and particularly of building. In 1938, the basic situation was reversed. The deciding factor seems to have been the change of policy on the part of the Government.

¹ For further comments on developments in individual countries, see also the previous issues of this volume.

² 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.

³ 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.

⁴ It should not be overlooked, however, that one of the most significant traits in the trend during the last years is the gradually decreasing influence of American developments on the world as a whole.

⁵ Cf. in this connection *World Economic Survey, 1938/39*, Chapter I.

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

Country	1930	1931	1932	1933	1934	1935	1936	1937	1938	1938				1939
										I-III	IV-VI	VII-IX	X-XII	I-III
<i>Africa:</i>														
Union of South Africa ^a	107	.	.	100	124	144	167	...	...	.	.	.	.	.
<i>America:</i>														
Canada { (A) ^b	85	71	58	60	73	81	90	100	90	87	88	89	96	90
(B) ^c	85	73	65	71	84	91	102	112	101	98	99	100	108	101
United States	81	68	54	64	66	76	88	92	72	67	64	73	85	83
Chile	101	78	87	96	105	120	124	132	137	127	134	142	143	122
Mexico . . . . .	.	.	.	.	106	134	141	147	...	133	117	...	...	...
<i>Asia:</i>														
Japan	95	92	98	113	128	142	151	171	173	170	175	168	180	173
<i>Europe:</i>														
Germany { Quarterly ^d	88	72	58	65	83	95	106	116	124	117	121	123	133	129
Monthly ^e	86	68	53	61	80	94	106	117	126	119	125	129	132	131
Austria	85	70	61	63	70	80	86	103	...	97	106	118	...	...
Belgium { Annual ^f	89	81	69	72	73	82	87	96	80	.	.	.	.	.
Monthly ^g	84	76	63	67	66	72	78	87	70	71	67	66	76	74
Bulgaria . . . . .	.	.	.	.	.	.	148 ^h	143	155	120	131	192	178	122
Denmark	108	100	91	105	117	125	130	136	135	132	136	134	137	139
Spain	99	93	88	84	85	87	.	.	.	.	.	.	.	.
Estonia	99	91	78	82	96	106	120	139	145	138	137	151	155	157
Finland	91	80	83	96	117	125	139	156	156	165	152	152	154	170
France { Annual ⁱ	100	89	77	83	78	76	80	83	79	.	.	.	.	.
Monthly ^j	99	86	72	81	75	72	78	82	76	79	76	71	79	85
Greece	103	107	101	110	125	141	139	151	165	154	165	172	170	...
Hungary	95	87	82	88	99	107	118	130	126	122	110	126	148	145
Ireland . . . . .	.	102	.	.	.	.	143	146	...	.	.	.	.	.
Italy	92	78	67	74	80	94	87	100	98	102	99	88	105	106
Latvia	109	89	82	112	130	137	143	161	175	169	158	170	204	175
Norway	101	78	93	94	98	108	118	130	127	130	127	119	132	130
Netherlands { Annual ^k	102	96	84	91	93	90	91	*103	*104	.	.	.	.	*108
Monthly ^l	92	84	68	75	78	75	83	107	90	94	78	85	102	105
Poland	88	77	63	69	77	83	93	109	118	117	116	118	121	121
Roumania	97	102	89	103	124	122	130	132	132	117	123	144	144	...
United Kingdom	92	84	83	88	99	106	116	124	116	123	113	109	117	122
Sweden ^m	102	96	89	91	110	123	135	149	146	150	147	143	145	149
Czecho-Slovakia	89	81	64	60	67	70	80	96	...	85	88	...	...	...
U.S.S.R.	131	161	183	198	238	293	382	*424	*477	...	...	...	...	...
<i>Oceania:</i>														
New Zealand ⁿ	106	104	109	113	112	121	129	126	...	.	.	.	.	.
World (excl. U.S.S.R.)	86	75	64	72	78	86	96	104	93	90	88	92	100	101
World (incl. U.S.S.R.)	89	79	70	78	86	96	111	119	112	...	...	...	...	...

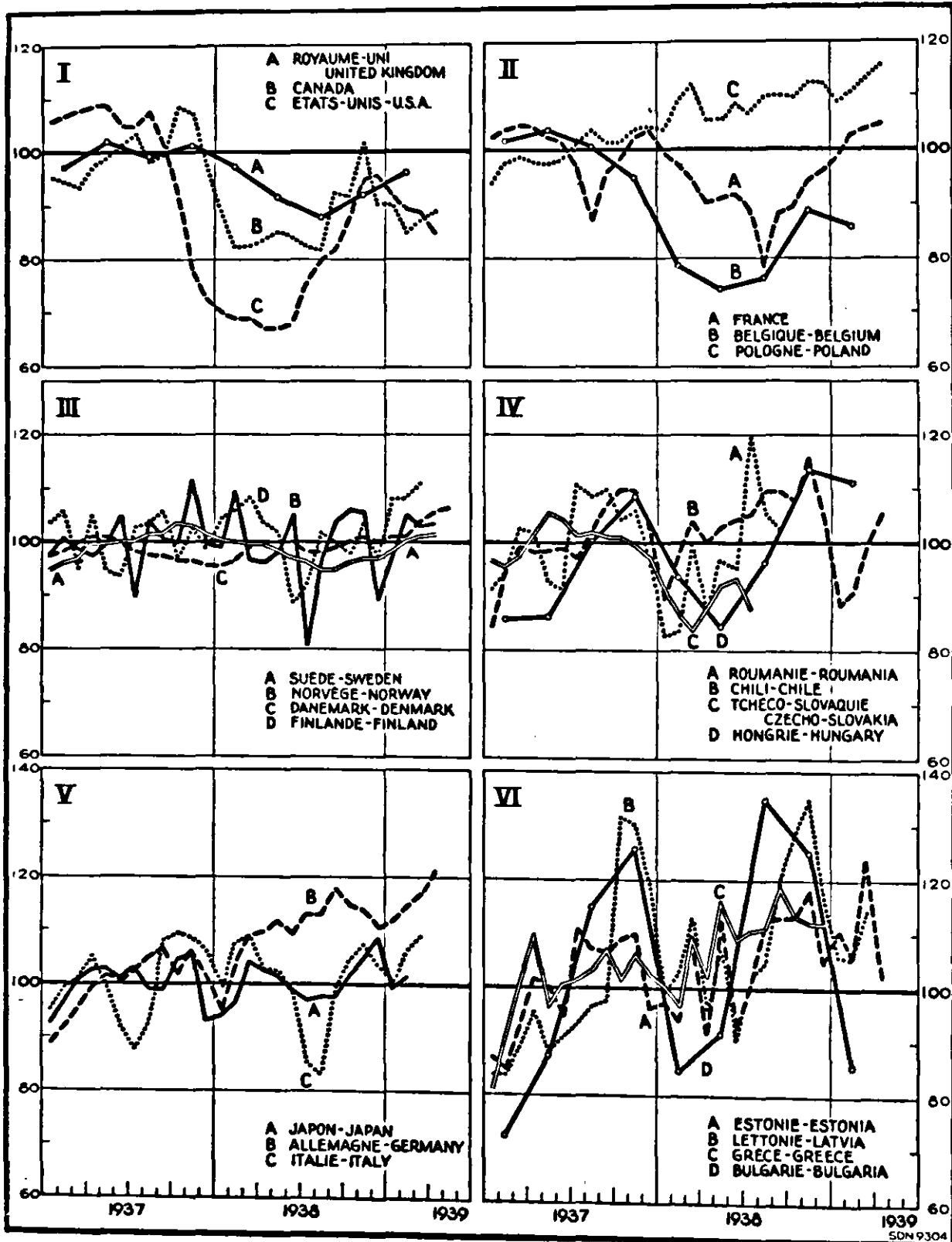
- * Provisional figure.
- ^a Year ending June 30th.
- ^b Including building and electric power generation.
- ^c Excluding building and electric power generation.
- ^d Including foodstuffs.
- ^e Excluding foodstuffs.
- ^f Two months only.
- ^g Six months.

^h The monthly index for the Netherlands is entirely based on retained imports of raw materials. Such indices are open to objection from various points of view, in particular: (1) imports proceed changes in production as they follow the entrepreneur's anticipation of future developments; (2) in countries (such as the Netherlands) which have reached a stage of highly advanced manufacture (radios, electric bulbs, etc.) the relative need of raw materials as compared with labour tends to decrease; over a period of time, therefore, the index, as a measure of production, acquires a downward bias.

ⁱ Up to 1937 inclusive: revised annual index of the *Kommerskollegium* (total industry); 1938/39: Monthly index of *Sveriges Industriörbund* (less comprehensive, but covering a representative sample of enterprises in all branches of industry) linked up with the former index in 1936.

^j Year ending March 31st of the following year.

Diagram 1. — MANUFACTURING PRODUCTION IN INDIVIDUAL COUNTRIES
1937 = 100.



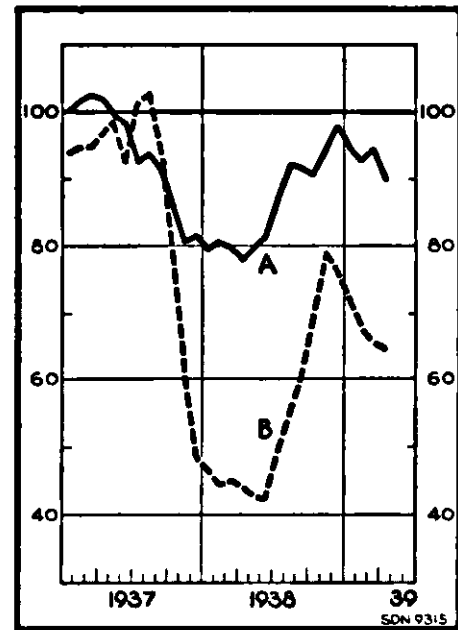
which re-instituted a programme designed to combat the depression by various measures such as increased spending on public works financed by loans, increased currency supply and widening of the credit basis for the national economy through relaxation of the cash reserve requirements of the banking system.¹ This policy was favoured by a simultaneous fall in prices of raw materials and reduced building costs, which helped to expand building activity, particularly in the residential section. Moreover, the internal political tension diminished, and business confidence improved. The recovery was also very rapid; industrial production increasing by 37% during the second half of 1938.

The subsequent recession during the first quarter of 1939 is probably in part due to seasonal influences, but it is still too early to express any more definite opinions as to its real significance.² As shown by Diagram 2, however, the recovery in the industries producing capital goods, though exceptionally rapid between June and November 1938, was less than in goods currently consumed; the difficulty of achieving a lasting revival of investment activity no doubt constitutes an element of instability in the American situation. While such a revival may fail to take place as long as the international political tension prevents the return of full business confidence, it appears likely, nevertheless, that the effects of the decline in private investment will be offset, at least in part, by increased Government expenditure on armaments. Disregarding these elements of insecurity, the American experience during 1938 stands out as the first example of a Government having succeeded by means of an active business-cycle policy, if not altogether in averting, at any rate in mitigating, what threatened to become a major depression.

Industrial production outside the United States showed a remarkable resilience, if not resistance, to the depressive influences in 1938. In some countries, expansion continued — though at a slower rate — with but a brief, chiefly seasonal, interruption at the beginning of the year, as in Germany, Greece, Latvia and Chile, or after a more prolonged period of stagnation, as in Japan, Poland and Estonia. In other countries, such as Canada, Austria, Bulgaria, Denmark and Roumania, where production had been falling since the latter part of 1937, the trend was reversed early in 1938. In other countries again, such as the United Kingdom, Belgium, the Netherlands, Sweden, Norway and Finland, which appear to have been influenced in a fairly marked degree by the evolution in the United States, though experiencing a less severe setback, and also in France and Italy, the up-turn in business occurred only in the third or fourth quarter of 1938. In practically every country for which data are available, the trend of industrial activity (disregarding the seasonal fluctuations) was rising in the last quarter of 1938 and — with the exception of the United States — in the first quarter of 1939, in spite of the international political unrest which tended to undermine business confidence and might thus have been expected to put a brake on

Diagram 2. — INDICES OF PRODUCTION OF CAPITAL AND CONSUMPTION GOODS IN THE UNITED STATES, 1937-1939
1929 = 100.

A. Consumption goods.
B. Capital goods.



¹ For further details, see *Money and Banking, 1938/39*, Vol. I — *Monetary Review*, pages 45-49 (League of Nations, Geneva, 1939).

² The fact that the stagnation in industrial activity has continued during the spring suggests, however, that the decline since December has been of a preponderatingly non-seasonal character. The slump in the stock market in April and May introduces a further element, largely psychological, retarding such tendencies of recovery as exist.

recovery and on the expansion of the demand for capital goods from the private sector of economic life. The increasing rate of armament and the laying-up of stocks of consumption goods may have contributed to the rise of industrial output in Europe.¹

For the purpose of a summary analysis of developments in the individual countries, it is convenient to divide them into four groups.

The *first* group includes the United States (already discussed in some detail above), Canada and three countries of the former gold *bloc* — namely, France, and Belgium, and possibly the Netherlands.

Production in most of these countries (*e.g.*, the United States, France and Belgium) had by 1937 not yet recovered to the 1929 level, and in all of them the decline during the course of the recent recession was greater than in the case of any of the other countries² shown in Table 1. The drop in the production index between the highest point reached in 1937 and the lowest point touched in 1938 was 35% in the United States, 30% in Belgium, 25% in France and 20% in Canada. In Canada, the upward turn in production in 1938 set in three months earlier than in the United States, and six months earlier than in Belgium and France.

The course of industrial production in France, though influenced to some extent by that in the United States, was determined in the main by special national factors, largely of a political nature. In spite of an appreciable capital repatriation resulting from the Government programme of May 1938, which provided, *inter alia*, for an attenuation of the previous legislation on certain points which entrepreneurs considered harmful to industrial enterprise, no distinct revival of production had taken place by October of last year.

A more elaborate programme definitely planned to bring about economic recovery, which was introduced at the beginning of November, appears, however, to have had immediate results. This plan provided both for an extension of the productive capacity of industry and for a reduction of the deficit in the State budget. Appropriations for the 1939 budget were reduced by scrapping the larger part of the public works programme and by administrative reorganisation. Taxation was increased and the estimated budget deficit reduced from 55 million francs to about 35 million francs. In order to increase industrial productivity, the forty-hour week was practically abolished; overtime was permitted up to a total of forty-eight working-hours per week and wage rates for overtime were cut.

The index of industrial production rose by 5% in November and continued to rise gradually during the subsequent months; by March 1939, it stood some 15% above its level for October 1938. By April, the Exchange Stabilisation Fund is stated³ to have gained 23 milliard francs in gold, as a result of the continued reflux of capital since October 1938. Concurrently, interest rates had fallen sharply.

In April 1939, these measures were followed by a series of new decrees intended mainly to increase the preparedness of the French economy in the event of war. Payment for overtime was abolished for hours up to forty-five a week, measures were taken to direct labour to industries where it was most urgently needed, and increases in taxation, intended to pay for new expenditure, were authorised, so as to prevent expansion of consumption when a state of full employment was approached. At the time of writing, it is too early to

¹ The political tension influences economic activity in different, often contrary, ways; it is *a priori* impossible to foresee the net result. In the capital sphere, fresh demand is obviously created by armament expenditure tending to counteract such decreases in demand from private industry as are caused by anxiety as to the future. In the consumption sphere, demand for certain goods — mainly durable consumers' goods — is no doubt adversely affected, while in other cases uncertainty itself may cause both producers and consumers to stock more heavily essential consumption goods in order to meet an expected stringency; where inflation is feared, people may also prefer to keep goods instead of cash or other obligations fixed in money.

² With the partial exception of Italy, whose production index, though declining less than those of the United States, France and Belgium, dropped somewhat more than that of Canada.

³ Speech by the Minister of Finance before the Finance Committee of the Chamber of Parliament in May 1939.

foresee the full effects of all the new measures. Considering, however, the present low level of production,¹ on the one hand, and the extension of the working-week and the plentiful supply of capital, on the other hand, there is no doubt a considerable margin of unused capacity which would allow of rapid industrial expansion.

The movement of industrial production in Belgium resembles fairly closely that in France. The monthly index, which, however, is not fully representative of industry as a whole,² fell from an average of 87 (1929 = 100) in 1937 to 64 in August 1938, to rise subsequently to 79 in November. The average for the first quarter of 1939, however, was only 6% higher than that for the corresponding period of the previous year.

In the Netherlands, the monthly index representing retained imports of industrial raw materials fell on an average by 16% between 1937 and 1938; but, by the first quarter of 1939, it had risen some 12% above the level for the corresponding quarter of 1938 and was again almost as high as the average for 1937. Recently, a new annual index has become available which is based chiefly on direct production data supplemented by employment figures in the case of about a quarter of the industries covered for which production data are lacking. This index, for which the figures for the last two years are still provisional, suggests that the quantum of Dutch industrial production was fully maintained or even slightly increased in 1938 compared with 1937; the figure for the first quarter of 1939 indicates a further increase. The Netherlands would thus appear to take a position between the first group and the following.

The *second* group of countries here distinguished includes the United Kingdom and the four Scandinavian States. Production in these countries during 1937 was roughly 25-50% greater than in 1929; the decline after 1937 was smaller than in the preceding group, the percentage decrease for 1938 as a whole varying between some 6% in the United Kingdom and 1-2% in the Scandinavian countries. Since the middle of 1938, production has again increased, approaching and, in Denmark, Norway and Finland, exceeding the 1937 average.

In the United Kingdom, the export trade, especially textiles and shipbuilding, was affected by the depression abroad and by the decline in shipping during the year; there were signs also of a slackening in the demand for domestic consumption goods. On the other hand, the enormously increased demand for certain capital goods caused by rearmament has tended to counteract these factors much in the same way as did the "pump-priming" measures introduced in the United States. During 1939, economic development is likely to be increasingly dominated by the rearmament expenditures now financed on a growing scale by loans rather than taxes.

Production in the Scandinavian countries was better maintained during 1938 than in the United Kingdom. In Sweden, the domestic market was active, owing largely to the building boom; but decreased foreign demand for certain export products such as wood-pulp, a product of great importance also in Finnish and Norwegian exports, seriously affected activity in this sector of industry. Increased armaments both at home and abroad created a demand for some of the chief industrial products — especially iron and engineering products — and contributed to maintain activity at a high level.

The *third* group distinguished includes the following countries: Germany, Italy, Japan, Poland and the Union of Soviet Socialist Republics. The industrial activity of these countries in 1938 appears to have been little, if at all, affected by outside conditions, and continued to increase throughout the year except in Italy. The indices for Japan rose on an average, though slightly, between 1937 and 1938, but both in this country and in Poland

¹ Taking output in 1929 as a basis of comparison, industrial production in France still remained, in March 1939, at a lower level than in any other reporting country, except Belgium and the United States.

² It only covers a limited number of branches and among them those which are working largely for exports and are therefore particularly susceptible to the worsening of international trade relations. As will be seen from the more comprehensive annual index shown in Table 1, general industrial activity in 1937 and 1938 was in fact maintained at a considerably higher level than the monthly index suggests.

production remained stationary during the greater part of 1938, and in Italy a fairly marked decline took place during the second and third quarters of the year, which was almost made good, however, by a rapid increase in the fourth quarter.

The influence of recession elsewhere on the production of these countries was perhaps most direct in the case of Poland. During the first quarter of 1939, however, Poland's production resumed its previous rapid increase. The relative stagnation in Japanese production during 1938 appears to be chiefly accounted for by the protracted war in China, involving the expenditure on military operations of huge amounts of capital thereby withdrawn from productive use in industry, and also the absorption by the armies of part of the industrial labour force. In the case of Italy, the financial strain and the currency situation, which have affected the country's capacity to import raw materials, have persisted since the Ethiopian war and were further increased by the intervention in Spain, may largely explain the industrial evolution in 1938.

Part of the recent increase in the German index is accounted for by the addition of Austrian production figures since the "Anschluss".¹ The greater part of the rise in the index in 1938 reflects, however, increased production within the confines of the old Reich. This increase relates mainly to the production of capital goods and especially of those serving for armaments purposes. The increase was achieved above all by continued credit expansion, the inflationary effects of which were counteracted, however, by strict control of wages and prices, by the taxation policy and by rationing consumption goods. The stage of full employment of the productive resources was closely approached, if not reached, in 1938, a situation which involves special problems with regard to the near future. Unemployment has practically disappeared and there has developed an increasing shortage of labour. Further limitations arise from the shortage of certain raw materials, particularly imported ones, and the difficulties encountered in creating domestic substitute materials in sufficient quantities. Henceforward, and in spite of the fresh supplies of productive capacity and foreign exchange obtained by the incorporation of Czecho-Slovakia, expansion is bound to be of a different kind; the rate of further expansion depends mainly on the possibility of expanding and broadening the basis of the industrial structure by investment in new equipment and increases in working capital and stocks.

In the Union of Soviet Socialist Republics, the second five-year plan was completed in 1937; like the first five-year plan, it was directed mainly towards the improvement of plant and equipment. Industrial output on the whole increased by 121%, capital goods by 140% and consumers' goods by 100%.² Whilst the planned production was exceeded as regards capital goods, it was not quite fulfilled as regards consumption, owing mainly to unsatisfactory output in light industry. The third five-year plan, introduced in 1938, provides for an 88% increase in total industrial production up to 1942 inclusive, a doubling of the output of capital goods and an increase of about 70% in that of consumption goods. The emphasis is thus still on the creation of industrial equipment.³

The *fourth* group of countries includes Chile, Greece, Latvia, Estonia, Hungary, Roumania and Bulgaria. The industrial systems of all these countries are young and growing; the level of their production was already high in 1937 compared with 1929, and continued to increase during 1938 without being noticeably affected by the downward trend in other countries. The percentage increases in 1938 are on the average higher in these countries than in those of the preceding group, fluctuating from 4% in Chile

¹ The index figures prior to March 1938 have not been "adjusted".

² These figures appear to be subject to certain reservations; small enterprises, which were relatively more important in earlier years, are excluded throughout; the special "fixed rouble" prices used as weights in the calculations are said to give too much weight to new industries; and the figures do not make full allowance for wastage or low quality, or for the, by Western standards, insufficient maintenance of plant. Cf. *Economist*, April 22nd, 1939, page 184.

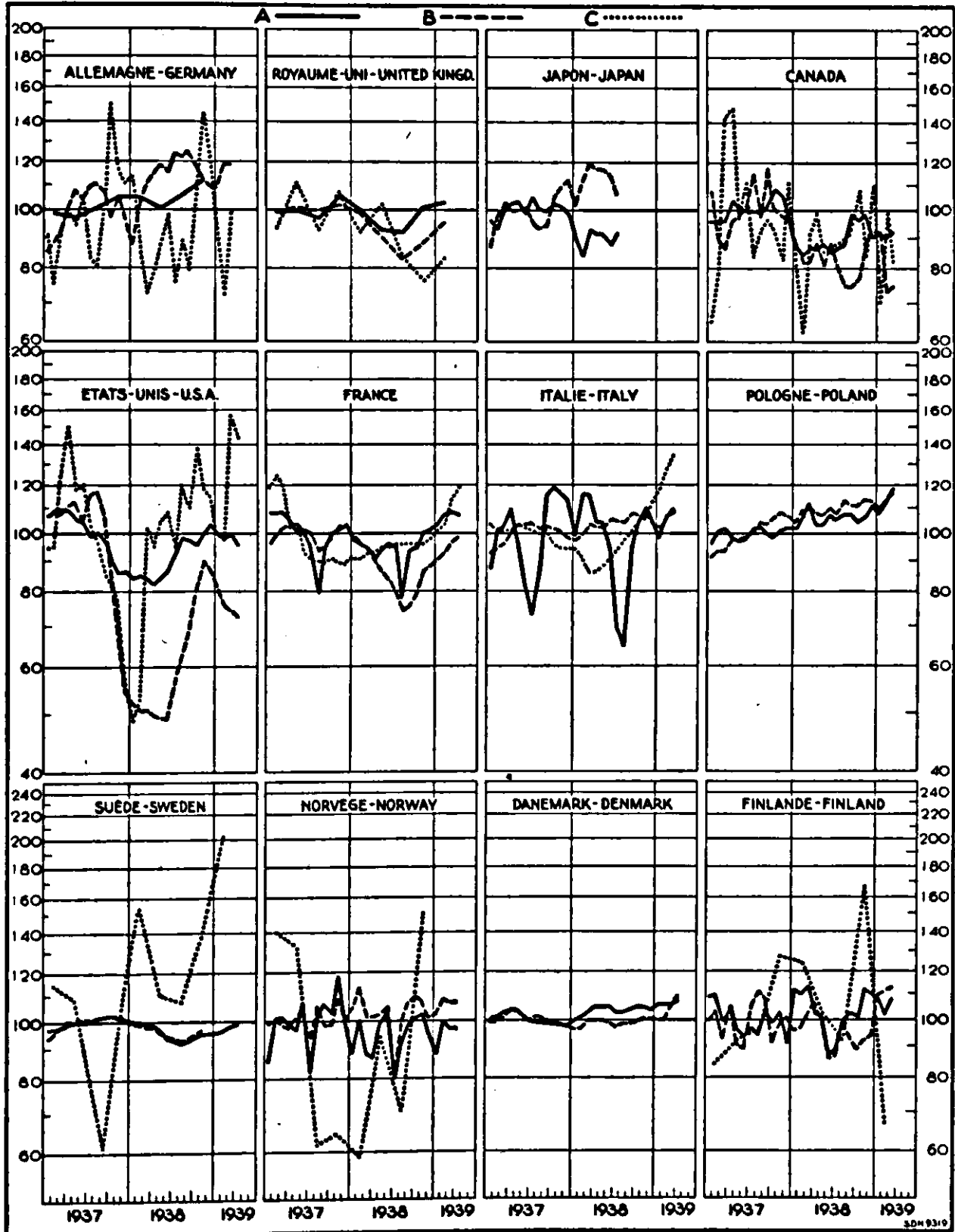
³ Cf. V. MOLOTOV: *The Third Five-year Plan for the National Economic Development of the U.S.S.R.*, Moscow, 1939.

Diagram 3. — INDICES OF PRODUCTION OF CAPITAL AND CONSUMPTION GOODS
1937 = 100; logarithmic scale.

A. Consumption goods.

B. Capital goods.

C. Building.



to more than 9% in Greece. Industry in these countries works mainly for the home market, textiles being of special importance. Expansion has in most cases been favoured by a protectionist policy, exchange control and various other measures for encouraging domestic industry.

Production of Capital Goods and Goods currently consumed.

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 3.¹

Activity in the capital-goods industries continued during 1938 as a whole on a relatively satisfactory level as compared with that of goods-currently-consumed industries, with the main exception of the United States.² In the United Kingdom and the Scandinavian countries, the trends of production in the two categories of industry went fairly parallel, without any noticeable discrepancies arising. In Germany, the increase continued in both branches, but, as already mentioned, it was more marked in capital goods. The relative increase of capital-goods production was particularly marked in Poland and some industrially new countries, such as Estonia.

In conclusion, therefore, although in 1938 as compared with 1937 the capital-goods industries were on the whole in a slightly less favourable relative position, the situation has not evolved in a way characteristic of depression; with the chief exception of the United States, the curves for the two branches moved in very much the same relationship to each other as during the preceding boom period.

As regards building activity, often a sensitive index of the business cycle, the trend is still more obscure. In the United Kingdom, activity continued to decline during 1938 and the index of the number of building permits fell from an average of 220 in 1936 (1929 = 100) to 150 in the last quarter of 1938. Total building permits or contracts recorded also declined, although moderately, in Belgium, Canada, France, Japan, Hungary and Poland; buildings completed increased in Germany (although residential building declined greatly); building permits or contracts recorded remained practically stable in Italy, the Argentine and the United States. In the last-mentioned country, a marked recovery set in during the second half of 1938, leaving the average for total contracts recorded but slightly below that of 1937. Building, mainly for residential purposes, increased somewhat in Australia, New Zealand, the Scandinavian countries, the Netherlands and Switzerland.

Broadly speaking, the changes in building activity since 1937 have been relatively small—far smaller than those generally characterising a turn of the business cycle. Moreover, there is no clear relation between the fluctuations in industrial production and those in building activity. In some cases they move together and in others in the opposite direction. The figures of building activity therefore confirm the general impression of an undecided tendency of economic activity in general.

¹ For a discussion of the 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.

² In the case of the Netherlands, the monthly index, which, as previously mentioned, represents retained imports of raw materials, also showed a much larger decline for capital goods than for consumption goods in 1938. This development is contradicted, however, by the new annual index, according to which the capital-goods industries continued to recover quite markedly in 1938 while the production of the consumption-goods industries remained practically stable.

CHAPTER V

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 II. 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 gives tentative figures of world "consumption" of important commodities.

A. PRIMARY PRODUCTION

I. CRUDE FOODSTUFFS

World indices of the main groups of foodstuffs¹ are shown in Table 1; it should be studied in conjunction with the more detailed information given in Table 2 of Appendix I. The group "Food crops" has been subdivided into two groups, one representing cereals and sugar, and the other fruit and vegetables.

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

Group	1930	1931	1932	1933	1934	1935	1936	1937	*1938
I. Food crops :*									
(a) Including U.S.S.R.	105	102	103	106	104	104	*107	*116	*116
(b) Excluding U.S.S.R.	102	102	103	103	100	99	103	108	112
Thereof :									
Cereals and sugar	103	101	102	104	97	98	102	104	113
Fruit and vegetables.	96	103	104	100	111	101	108	120	111
II. Meat : **									
(a) Including U.S.S.R.	99	97	95	96	99	94	99	98	100
(b) Excluding U.S.S.R.	99	101	101	105	107	101	105	103	104
III. Sea-fish	106	100	101	112	119	121	*130	...	...
IV. Milk : *									
(a) Including U.S.S.R.	101	102	102	103	103	105	106	107	109
(b) Excluding U.S.S.R.	103	106	107	109	108	109	111	112	113
V. Wine and hops	86	95	100	94	113	120	84	102	107
VI. Coffee, tea and cocoa	97	91	101	103	102	95	107	108	103
VII. Tobacco	105	102	87	94	88	98	100	104	100
Total foodstuffs ^b	101	100	100	102	102	101	104	108	109

* Partly estimated.
 * Excluding production in China (apart from Manchuria).
^b Cf. also Chapter II.

¹ 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 1. — PRODUCTION OF CEREALS, FRUIT AND VEGETABLES, AND FOODSTUFFS OF ANIMAL ORIGIN
(World excluding the U.S.S.R.)
1929 = 100.

- A. Cereals and sugar.
- B. Fruit and vegetables.
- C. Animal foodstuffs.

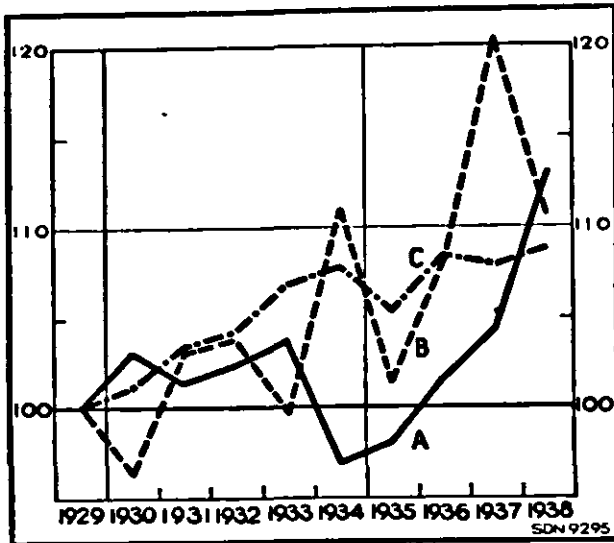


Diagram 1 shows world production (excluding the U.S.S.R.) of A cereals and sugar, B fruit and vegetables and C animal foodstuffs.

In 1938, cereal production reached a record level, being 13% above the 1929 figure. This was mainly due to the record crop of wheat in the chief producing countries, the world average being 8% above the previous maximum in 1928. The average index for fruit and vegetables is affected even more than cereals by variations in climatic conditions. The production of vegetables and fruits has, however, tended to increase more than that of cereals; the level in 1937 was no less than 20% above that of 1929. This was chiefly due to a record crop of potatoes and apples. The drop in 1938 was caused by more normal crops of potatoes and a failure of the apple crop in some European countries and the United States of America.

Production of animal products increased but little in 1938, the animal foodstuffs index falling short in that year of the index for cereals and sugar, owing to the big rise in the latter, while, for the period as a whole, animal production displayed a more rapidly rising trend. Production of wine and hops, which had dropped greatly in 1936 and 1937 owing to failure of the French wine harvest, recovered in 1938 and was 7% higher than in 1929, while still some 10% below the maximum reached in 1935; tobacco crops, on the other hand, show a minor decrease accounted for by a less favourable crop yield.

Production of milk, the main protective food, which has increased gradually since 1929, rose in the world, excluding the U.S.S.R., by another point in 1938 and stood 13% above the 1929 level. In view of the great importance of milk products — butter and cheese — as well as of margarine, tentative, and for later years somewhat incomplete, world indices (excluding the U.S.S.R.) have been calculated (1929 = 100):

World (excluding U.S.S.R.):	1930	1931	1932	1933	1934	1935	1936	1937
Butter	103	109	113	113	116	116	116	118
Cheese	103	105	105	111	111	114	116	122
Margarine	101	96	91	86	85	93	96	93

The indices show a continued and more marked increase in the production of butter and cheese than in that of milk, and a fall in margarine production;¹ the latter movement is a result chiefly of Government measures in some margarine-consuming countries to restrict consumption in favour of domestic butter.

The group index for coffee, tea and cocoa shows a minor drop in 1938.

Broadly speaking, the development of food production in 1938 continues the trend characteristic of the post-war period as a whole. With exceptions for such fluctuations as are occasioned by climatic conditions, the general expansion has continued unaffected by the industrial fluctuations, and is particularly marked in the case of the principal protective foods — fruit and vegetables, milk and milk products. No recent figures, however, are available for sea-fishing, which, up to 1936, also showed rapid expansion.

¹ In 1938, the margarine index rose again to 98, probably under the influence of a rise in the price of butter.

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 1st, September 1st 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.¹ An asterisk denotes provisional or partly estimated figures.

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	*1938
Area harvested . . .	Hectares	102	106	104	106	102	99	100	101	106	113
Crops	Metric tons	98	106	106	105	103	95	97	96	104	122
Current supplies . . .	Metric tons	99	109	107	105	104	95	98	96	105	123
End-of-season stocks .	Metric tons	25	27	27	31	33	26	21	14	16	*31

In spite of the substantial increase in production and a consequent increase in stocks and fall in price of wheat during 1937, the cultivated area continued to expand in 1938, being in that year some 7% higher than in 1937. As yields per acre were high, production soared to a record level some 17% above that of 1937; current supply and stocks increased greatly. The disturbance caused by the increased production should be seen in the light of the policy of economic self-sufficiency, which decreased import requirements of wheat. The following figures compare the world's estimated import requirements and exportable supplies.

	Metric tons (000,000's)	
	World import requirements	World exportable supplies ^a
1929	17	29
1930	22	37
1931	22	37
1932	17	34
1933	15	31
1934	15	25
1935	14	20
1936	16	19
1937	14	19
1938 ^a	16	32

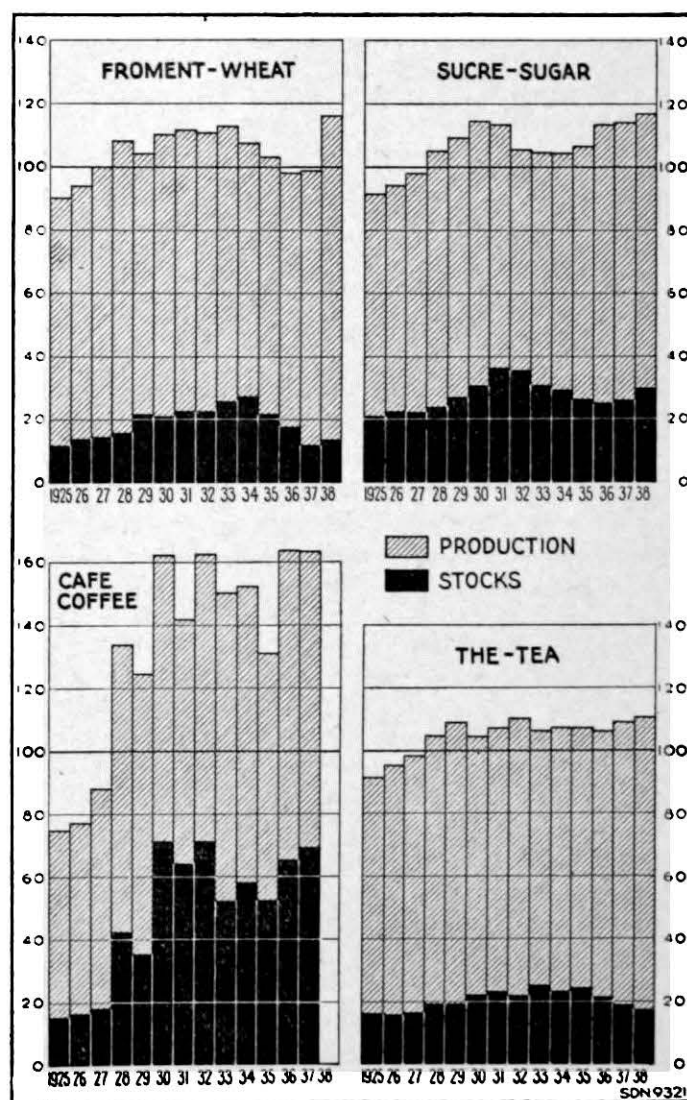
While world import requirements increased by some 2 million tons, or 14%, exportable supplies increased by 13 million tons, or 68%. The crops of three main groups of countries — the "four major exporters" (Canada, the United States of America, the Argentine

¹ As regards dates, *c/f.* footnote to Table 1 of Chapter II.

² Forecast.

³ Including the U.S.S.R.

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



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	*1938
Four major exporters	38.5	47.8	45.3	45.0	35.3	32.0	32.5	33.9	38.9	47.7
Danubian exporters	8.2	9.6	10.1	6.0	10.0	6.8	8.2	10.5	9.8	12.7
Importing Europe	29.2	24.9	26.5	32.9	35.1	33.0	32.4	27.5	30.2	35.1

Sugar. — In spite of a poor harvest of European beet sugar in 1938 and a slight decrease in total output of sugar, the fall in prices which had begun in the second half of 1937 continued during 1938. End-of-season stocks increased by some 3%, a fact which should be seen in conjunction with the restricted "free market" for sugar. In July 1938, the International Sugar Council reduced the export quotas to this market by 412,500 tons to 3,270,000 tons. 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	*1938
Output from :										
Controlled area	118	107	85	61	58	64	65	79	85	81
Uncontrolled area	137	154	155	157	172	170	185	195	190	190
Thereof :										
British Empire	36	40	43	50	54	56	63	69	61	57
U.S.A. and Dependencies	35	36	40	42	49	34	40	43	42	47
U.S.S.R.	10	15	15	8	10	14	20	20	24	22
Other countries	56	63	57	57	59	66	62	63	63	64
World total output	255	261	240	218	230	234	250	274	275	271
Thereof :										
Cane sugar	170	157	160	146	149	146	159	180	173	174
Beet sugar	85	104	80	72	81	88	91	94	102	97
Stocks (end of season)	97	113	110	97	91	82	79	81	93	96

Coffee. — Consumption of coffee increased somewhat in 1937, aided by the drastic change in the Brazilian coffee policy in 1937 and the subsequent fall in prices, while world production fell slightly.

The proportion of Brazilian production to total fell further from 62.5% in 1937 to 61.7% in 1938.

There has been a minor reduction in stocks, which, by the end of 1938, are estimated to have fallen below the 1936 level. Production, however, remains higher than world demand, and the reductions in stocks have been possible only through a continuation of the Brazilian policy of wholesale destruction of coffee.

The main statistics of production are shown below :

	Quintals (000,000's)									
	1929	1930	1931	1932	1933	1934	1935	1936	1937	*1938
Production :										
Brazil	15.8	16.3	13.9	15.4	17.8	16.5	11.4	15.8	15.5	14.0
Other	7.7	7.7	7.5	8.6	8.0	8.3	9.3	10.0	9.3	8.7
World	23.5	24.0	20.5	24.0	25.8	24.8	20.7	25.8	24.8	22.7

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). Consumption in 1938 remained on about the same level as in 1937; the quotas fixed for the years 1937/38, 1938/39 and 1939/40 were 87.5%, 92.5% and 90% respectively of the standard rates.¹

¹ Standard exports for the first period of regulation (1933-1938) were 807.7 million lb. (3,663 thousand quintals), and for the second (1938-1943) 808.4 million lb. (3,667 thousand quintals).

Production increased slightly, but it proved possible to keep stocks at their uniformly low level. The main statistics are as follows :

	Quintals (000,000's)									
	1929	1930	1931	1932	1933	1934	1935	1936	1937	*1938
World (excluding China) :										
Production	4.4	4.2	4.3	4.5	4.1	4.2	4.2	4.4	4.6	4.8
Current supplies ¹	5.0	4.6	4.7	4.9	4.5	4.7	4.6	4.7	5.0	5.2
End-of-year stocks ²	1.3	1.3	1.3	1.4	1.3	1.4	1.2	1.1	1.0	1.1

Meat. — Estimates of world production of meat are uncertain, but, excluding the U. S. S. R., world production may roughly be estimated as follows (1929 = 100) :

	1930	1931	1932	1933	1934	1935	1936	1937	*1938
World (excluding U.S.S.R.):									
Beef and veal	97	95	96	102	112	109	110	110	109
Pork	100	106	104	107	103	93	101	97	100
Mutton, lamb, goat-meat	105	106	107	106	104	102	102	104	106
Total meat.	99	101	101	105	107	101	105	103	104

Production of beef and veal, which had increased most up to 1937, appears to have decreased slightly in 1938, and that of pork, mutton, lamb and goat-meat to have increased, giving a slightly higher total for 1938 than the previous year.

II. FODDER CROPS

As indicated in Chapter II, 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	*1938
Barley	96	82	91	90	85	94	86	91	97
Oats	100	86	94	89	85	99	84	95	98
Maize	89	103	109	96	82	96	83	103	101
Total fodder crops *	93	95	103	93	83	96	83	99	100

* Figures for the period 1936-1938 should be accepted with reserve owing to absence of official data for the Union of Soviet Socialist Republics. Cf. also Chapter II above.

III. CRUDE AND SEMI-MANUFACTURED RAW MATERIALS

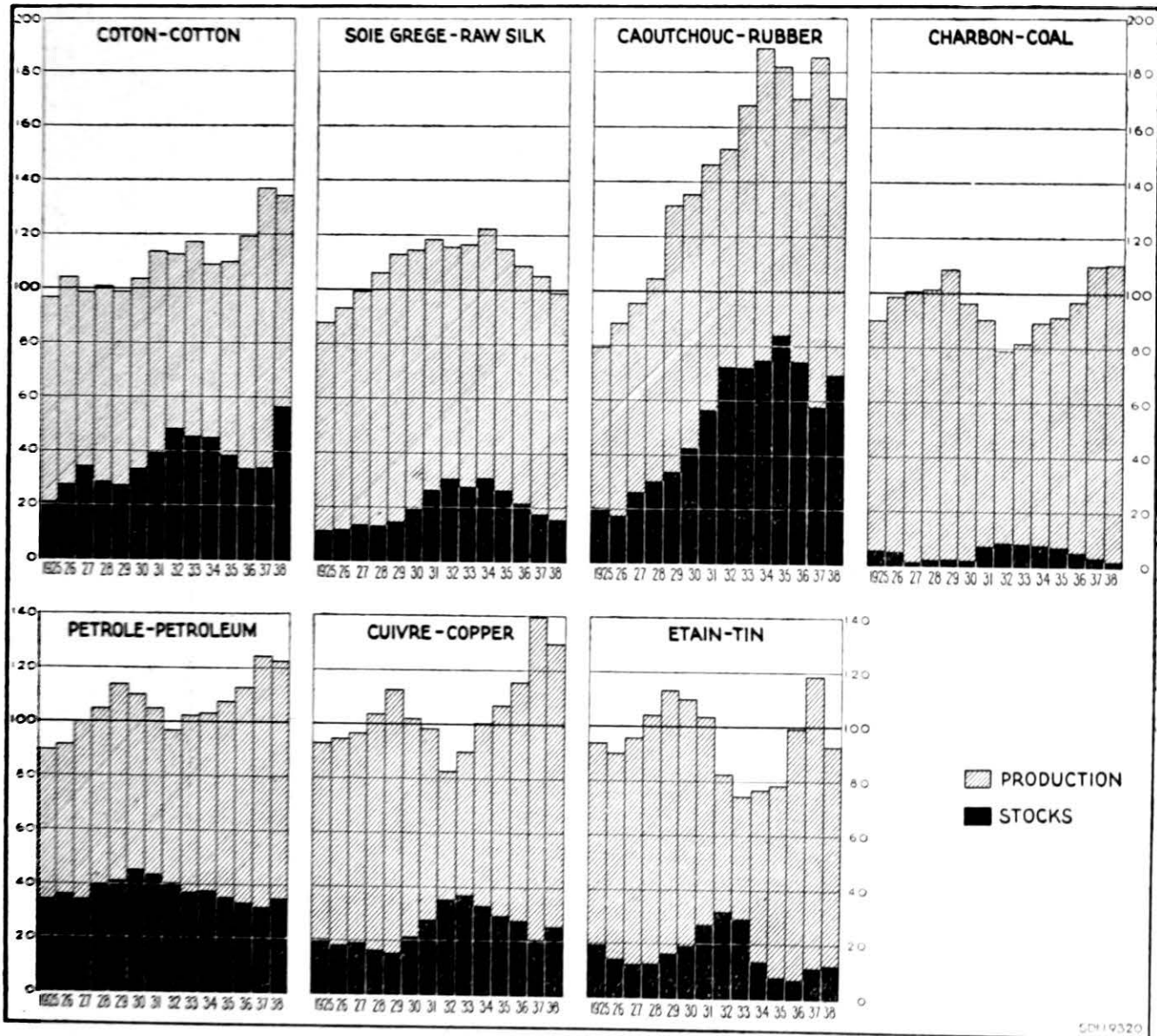
World indices of raw materials, crude and semi-manufactured, were given in Chapter II, the former subdivided according to origin of products. In Table 3, the indices are further subdivided into thirteen sub-groups. Diagram 3 gives the *world supply* (production and stocks) of certain important commodities included in the indices.

¹ Production plus exports from China.

² United Kingdom and Amsterdam.

It would be going too far to comment in detail on the material contained in Table 3. It illustrates clearly, however, the great expansion in later years of the semi-manufactured commodities as compared with crude commodities; the former group includes some new materials the production of which has been rapidly expanding — in particular, rayon and staple fibre, liquid fuels and lubricating oils and chemicals.

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



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.

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

Group	1930	1931	1932	1933	1934	1935	1936	1937	*1938
<i>Products of agricultural origin (industrial plants):</i>									
I. Oil materials and oils	97	100	95	101	92	101	107	121	108
II. Textile fibres	99	99	93	101	99	107	120	137	119
<i>Products derived from forests:</i>									
A. Crude:									
III. Rubber	95	92	82	98	117	101	99	131	104
IV. Sawn soft-wood	84	66	56	67	75	81	90	92	92
B. Semi-manufactured:									
V. Wood-pulp	97	88	84	95	105	113	126	140	127
IV. Rayon and staple fibre	104	115	121	154	182	224	255	321	299
<i>Products of non-vegetable origin:</i>									
A. Crude:									
VII. Crude fuels and power	94	85	78	82	89	94	103	111	106
VIII. Metallic ores	89	65	43	50	66	79	97	120	102
IX. Non-metallic minerals (excl. cement)	93	73	62	68	79	89	97	110	108
B. Semi-manufactured:									
X. Metals	81	62	45	56	68	82	99	112	95
XI. Cement	95	82	66	64	76	84	101	108	109
XII. Liquid fuels and lubricating oils	101	98	92	98	107	115	128	143	143
XIII. Chemicals	98	81	75	90	101	112	122	129	125
<i>Total raw materials:</i>									
A. Crude									
B. Semi-manufactured	94	84	74	79	85	92	103	116	105
	89	76	63	73	84	97	113	128	117

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

	1930	1931	1932	1933	1934	1935	1936	1937	*1938
Production, world (metric tons, 000's)	58,200	59,600	51,700	57,600	51,300	57,500	68,700	82,800	62,400
American cotton	30,206	37,066	28,189	28,289	20,894	23,066	26,883	41,076	25,892
"Outside growths"	25,994	22,534	23,511	29,311	30,406	34,434	41,817	41,724	36,508
Stocks, world, on August 1st (bales, 000's)	11,715	13,835	17,046	16,076	15,879	13,591	11,846	11,903	19,849
American cotton	6,889	9,264	13,229	11,814	10,682	9,176	7,077	6,485	14,274
"Outside growths"	4,826	4,571	3,817	4,262	5,197	4,415	4,769	5,418	5,575

World consumption of cotton decreased by about 14% in 1938; on the other hand, the American record crop in 1937 was followed by a more normal crop, and world production is estimated to be as much as 25% below that of 1937. Nevertheless, stocks, which had begun to accumulate in 1937, increased to record levels, particularly in America, where the Government, which has been granting loans on cotton to the farmers, now holds large quantities in stock.

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 of America are the two principal consuming areas. Production in the Union of

Soviet Socialist Republics 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.¹

	Metric tons (000's)									
	1929	1930	1931	1932	1933	1934	1935	1936	1937	*1938
Production (greasy basis), world	1,785	1,730	1,732	1,739	1,686	1,655	1,680	1,739	1,773	1,780
Five major exporters	926	906	943	986	929	899	905	932	925	908
Europe (excluding U.S.S.R.)	260	256	257	261	260	255	253	264	273	280
United States	182	197	211	200	209	205	205	204	206	208
World (excluding U.S.S.R.)	1,606	1,591	1,643	1,680	1,631	1,597	1,608	1,647	1,655	1,642
U.S.S.R.	179	139	89	59	55	58	72	92	118	138
Stocks :										
Raw wool (five exporters)										
(end of season) . . . . .	.	52 ²	99	38	76	53	36	25	75	...
Wool tops (European continent), July 1st	28	19	22	30	31	30	23	.	.	.

Following the decrease in demand, stocks accumulated and prices fell heavily during the latter part of 1937 and the beginning of 1938. Production, however, remained on the same level as in 1937, and stocks would no doubt have further increased had it not been for the low level of prices which has stimulated the use of wool as compared with other textile fibres.⁴

Raw Silk. — The estimated world production of raw silk⁵ in 1938 was somewhat lower than in the previous year; consumption and prices, however, were comparatively well maintained, and stocks did not rise above the relatively low 1937 level.

Rubber. — World shipments of crude rubber have, since 1934, been subject to regulation under a special restriction scheme. A new scheme for the period 1939-1943 fixed the basic quota for 1939 at 186,700 metric tons more than that for 1938.⁶ The permissible quantum averaged 55% of the basic quota during 1938 and was fixed at 45% for the last quarter. Consumption and prices fell during the year — mainly owing to decreased demand from the United States — but stocks at the end of 1938 were slightly lower than a year previously.⁷ The new scheme authorises the planting during 1939 and 1940 of another 5% of the total of the old cultivated area. Restrictions on replanting were removed.

	Metric tons (000's)									
	1929	1930	1931	1932	1933	1934	1935	1936	1937	*1938
World shipments	882	839	813	720	867	1,033	887	869	1,155	915
World stocks (end of year)	385	511	650	649	674	757	669	510	624	587

No account is taken in the above figures of the expanding production of synthetic or reclaimed rubber.

Wood. — For lack of data on primary production, the cut of timber for industrial purposes is represented in the index of primary production by two secondary production series supplementing each other — namely, output of sawn and planed softwood and of wood-pulp, indices for which are given below (1929=100) :

	1930	1931	1932	1933	1934	1935	1936	1937	*1938
Sawn softwood	84	66	56	67	75	81	90	92	92
Wood-pulp	97	88	84	95	105	113	126	140	127

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

² Excluding Uruguay.

³ Stocks excluding Germany and Italy, for which countries recent data are not available, were (metric tons, 000's): 1935, 17; 1936, 16; 1937, 10; 1938, 13.

⁴ 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.

⁵ Excluding Chinese home consumption.

⁶ The basic quota for 1938 was 1,356,700 metric tons.

⁷ 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.

The European branches of the timber industry are subject to a restriction scheme, a "European Timber Trade Convention" having come into operation in 1935. Wood-pulp production is indirectly regulated by several agreements between pulp and paper exporters. The decrease in production and demand which set in at the end of 1937 continued during 1938, and was due largely to decreased imports by Great Britain, France and other European countries. Export figures were affected by the incorporation of Austria into Germany.

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	*1938
World :									
Coal	92	81	72	76	83	85	94	98	92
Petroleum	95	92	88	96	101	110	120	136	132
Hydro-electric power	102	98	102	108	115	129	136	149	151
All sources	94	85	78	82	89	94	103	111	106

The table illustrates the relative shifts taking place between the different sources of power — coal output being lower than in 1929, while production of petroleum is 32% and of hydro-electric power 51% higher than in that year. More detailed figures are given below for coal and petroleum. In 1938, total production declined, however, by over 4%.

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	*1938
Europe (excluding U.S.S.R.)	606	561	506	459	464	498	506	531	580	571
U.S.S.R.	42	49	57	65	76	94	109	124	123	133
North America	565	497	409	334	355	387	394	458	459	362
Other areas	120	117	108	103	113	125	127	*134	*145	*159
World	1,333	1,224	1,080	961	1,008	1,104	1,136	*1,247	*1,307	*1,225

The greater part of European coal production is subject to strict control. A moderate recession in production occurred during 1938, but, owing to control of prices, profits appear to have been relatively well maintained. 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. It will be seen that stocks have been small relatively to production.

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	*1938
United States	138	123	117	108	123	123	135	149	173	164
Other countries	68	73	72	73	74	85	91	98	107	108
World	206	196	189	181	197	208	226	247	280	272

Production in 1938 fell somewhat below the record level of 1937 because of decreased production in the United States; production in the rest of the world shows a slight increase.

World production of motor spirit, kerosene, gas and fuel oil, lubricants and miscellaneous petroleum and related products — obtained also from natural gas, coal, lignite, shale and alcohol — is estimated as follows :¹

	1931	1932	1933	1934	1935	1936	1937	1938
Barrels (000,000's)	1,432	1,362	1,467	1,563	1,703	1,865	2,121	2,062

World figures of stocks, either private or military, are not available. In the United States, however, stocks of crude oil decreased in 1938, while stocks of motor spirit (gasoline) increased.

¹ *The Petroleum Times* (London), 25th February, 1939 (V. R. Garfias and others, Cities Service Company, New York).

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	*1938
Pig-iron	98,590	80,070	55,630	39,570	49,370	62,940	74,160	91,600	104,000	83,000
Steel	120,710	94,980	69,580	50,680	68,060	82,150	99,410	123,720	135,000	109,000

World production of both iron and steel fell considerably during 1938, although prices remained satisfactory throughout the year. The decline was mainly concentrated in the United States, while production continued to increase in Germany, where it reached new record levels.

Non-ferrous Metals. — The following figures for 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 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.

Copper. — In 1937, the demand for copper reached a level unprecedented in peace time; it fell in 1938, owing mainly to the depression in the United States, but production and consumption still remained well above the level of both 1929 and 1936. Restriction of output was fixed at 100% of the basic tonnages on January 1st, 1939. The main figures of production and stocks are as follows (1925-1929 = 100) :

	1929	1930	1931	1932	1933	1934	1935	1936	1937	*1938
Mine production :										
United States	113	80	60	27	22	27	43	69	95	62
Rest of world	127	119	113	86	107	133	142	144	195	187
World	120	100	87	57	64	80	93	107	145	125
Smelter production :										
United States	111	81	60	31	25	28	42	66	91	63
Rest of world	128	121	120	92	115	150	162	159	214	207
World	118	99	86	58	65	82	95	107	145	127
Stocks (end of year)	125	161	204	213	191	171	161	118	147	142

Tin. — Production, consumption and prices continued to fall during the first half of 1938; the quota fixed by the International Tin Committee (controlling some 85% of total production), which was 110% of the standard at the end of 1937 was gradually cut until it reached 45% in the third quarter of 1938. In July, a buffer pool scheme was put into operation; prices recovered and the stocks held at the end of 1938 did not exceed what may be considered a normal level.

1925-1929 = 100.

	1929	1930	1931	1932	1933	1934	1935	1936	1937	*1938
Production :										
Original restricting countries	117.4	109.7	93.0	55.4	45.3	66.6	72.7	100.6	118.4	82.4
Rest of the world	95.9	92.2	74.6	91.3	108.0	127.0	155.7	167.3	182.1	178.4
World	114.6	107.4	90.6	60.0	53.4	74.4	83.4	109.2	126.7	94.8
Stocks (end of year)	135.7	190.7	223.9	206.1	96.4	56.1	48.9	78.9	87.5	100.7

Lead. — Production in 1938 fell slightly and prices considerably. The whole of the decrease in production occurred in the United States, while other countries maintained or increased production and consumption. Stocks by the end of the year were practically the same as twelve months earlier.

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	*1938
Mine production	105	102	81	73	73	81	85	92	104	100
Smelter production	106	99	82	68	68	77	81	86	98	96
Stocks (end of year) ¹	108	161	223	274	315	322	309	243	208	213

¹ Stocks in the United States and the United Kingdom.

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	*1938
Mine production	109	99	77	60	76	89	99	108	118	112
Smelter production	111	107	76	60	76	90	103	113	125	121
Stocks (end of the year) ¹ . . .	240	455	449	407	327	385	269	186	256	449

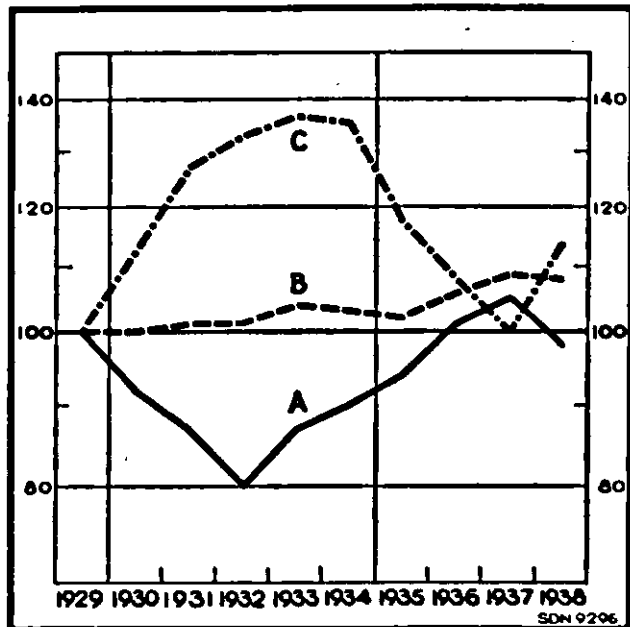
Production decreased slightly in 1938, but, owing to a great fall in demand, stocks accumulated at a very rapid rate and were about 75% higher at the end of the year than at the end of 1937.

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.² These sub-indices are grouped under headings corresponding to the broad distinction between goods currently consumed and capital goods as applied in Chapter II. 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. — INDICES OF MANUFACTURE OF CURRENT CONSUMPTION GOODS, PRIMARY PRODUCTION AND STOCKS OF CORRESPONDING PRIMARY PRODUCTS
1929 = 100 ; logarithmic scale.

- A. Manufacturing.
- B. Primary production.
- C. Stocks of primary products (moving average).



¹ Stocks in the United States and the United Kingdom.

² 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.

Diagram 4 gives manufacturing production in *consumption goods industries* (excluding the U.S.S.R.), together with indices of production ¹ and stock of primary products ¹ used in the manufacture of these articles.

The diagram shows that primary production of industrial raw materials (which are mainly of agricultural origin) used for goods currently consumed decreased less in 1938 than the corresponding manufacturing indices, resulting in a rather steep increase in stocks held.

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

Industry	1930	1931	1932	1933	1934	1935	1936	1937	*1938
A. Goods currently consumed.									
I. Food and related industries :									
Food ^a	96	96	90	94	100	90	98	97	100
Brewing ^b	95	83	74	74	77	79	81	87	88
Tobacco	101	90	87	91	101	104	112	119	122
Total	98	95	90	93	99	93	101	102	105
II. Other current consumption goods :									
Textiles :									
Cotton ^c	90	90	99	100	103	111	123	106	...
Wool ^d	98	98	96	106	89	98	97	99	94
Total ^e	87	88	88	98	98	104	109	115	106
Leather, boot-and-shoe industry . . .	94	90	85	97	99	104	111	108	103
Paper	95	89	81	89	97	104	115	127	113
Total consumption goods { including U.S.S.R. . .	92	90	84	91	95	100	110	115	...
{ excluding U.S.S.R. . .	91	87	80	87	90	94	101	105	99
B. Capital Goods.									
I. Producers' capital goods :									
Rolling-mill products ^f	78	56	40	53	64	77	99	108	85
Shipbuilding	103	58	26	18	35	47	76	96	109
II. Consumers' capital goods :									
Motor-vehicles	66	48	31	42	59	81	92	101	64
Total capital goods { including U.S.S.R. . .	86	68	53	65	77	93	115	126	...
{ excluding U.S.S.R. . .	82	61	43	55	64	77	93	103	85
World manufacturing production { including U.S.S.R. . .									
{ excluding U.S.S.R. . .	88	79	70	78	86	97	112	120	112
	86	74	63	72	78	87	97	104	93

* Provisional figures.

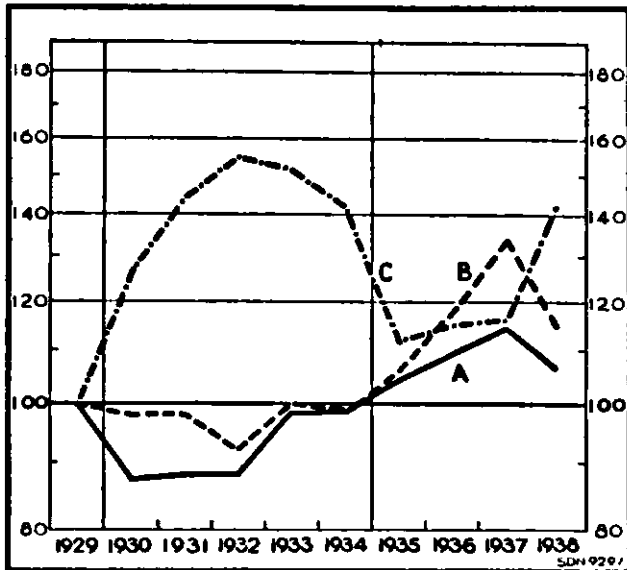
^a The index for food covers a relatively small number of countries and is not really representative of world manufacture of food (even excluding the U.S.S.R.). It gives preponderance to the United States, where the principal food industries (largely working for export) have been adversely affected by special circumstances in recent years. ^b Excluding the United States. ^c World cotton-mill consumption, excluding Germany and Italy, for which data are not available throughout; year ending July 31st of following year. ^d Consumption in the nine principal wool-manufacturing countries. ^e Index compiled by the Institut für Konjunkturforschung (Berlin). ^f Six principal producing countries.

¹ Foodstuffs, vegetable oil materials, crude textiles and rubber.

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

1929 = 100; logarithmic scale.

- A. Manufacturing.
- B. Primary production.
- C. Stocks of primary products (moving average).



manufacture of such goods remained on a higher level than in 1929. Stocks nevertheless increased in 1938 in about the same proportion as from 1929 to 1930, in spite of the greater discrepancy between the two curves. This is probably accounted for by purchases of primary commodities by Governments and others for the constitution of reserve stocks for emergency purposes.

Among the individual industries included in the capital group, rolling-mill products showed a substantial drop in 1938. This is accounted for mainly by the depression in the United States of America: in European countries, the levels were better maintained, or even increased. Shipbuilding (mercantile tonnage launched) increased greatly, reflecting the shipping boom in 1937 and the consequent demand for new tonnage. Production of motor-

¹ Metals and certain non-metallic minerals (asbestos, cement, etc.).

² Mineral stocks.

³ Part of raw materials is, of course, used also in building, manufacture of consumption goods, motor-cars, etc.

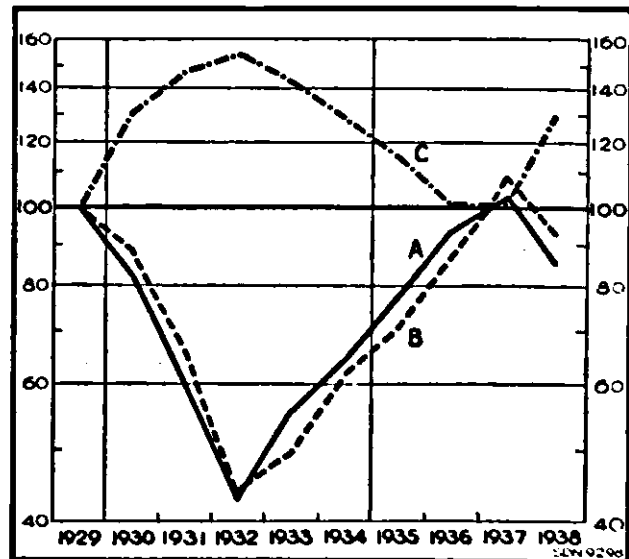
As is shown by Diagram 5 illustrating developments within the textile industries, the disequilibrium is most marked in this branch. The principal commodity in this group is cotton, and the variation in primary production is primarily due to fluctuations in the cotton crop. As regards other individual industries included in the group Goods currently consumed, food, brewing and tobacco showed a continued rise in 1938 in spite of the industrial recession; the indices for the leather, boot and shoe industry, however, fell decidedly.

The development of the manufacture of producers' capital goods and of the production¹ and stocks² of raw materials required mainly for such goods is shown in Diagram 6.³ The experience of earlier depressions shows that, during the first phase of a downswing, producers' stocks of raw materials mount rapidly, and, again in 1938, they increased more than stocks of primary commodities used for goods currently consumed (*cf.* Diagram 4). It should also be remembered that primary production of capital goods in relation to the

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

1929 = 100; logarithmic scale.

- A. Manufacturing.
- B. Primary production.
- C. Stocks of primary products (moving average).



cars — private cars representing consumers' capital goods — responded more quickly to the economic recession and decreased by some 35%. As will be seen from the absolute figures of production of motor vehicles (including lorries and omnibuses) given below, the drop was confined to North America.

	Number of vehicles (000's)									
	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
North America	5,620	3,509	2,472	1,432	1,986	2,870	4,120	4,616	5,016	2,656
Europe	689	628	548	522	642	776	894	1,063	1,133	1,120
World	6,310	4,141	3,025	1,979	2,680	3,721	5,118	5,826	6,362	4,021

C. CONSUMPTION OF PRIMARY COMMODITIES

In spite of their shortcomings, the statistics of production and stocks are the most reliable sources available for judging changes in the consumption of individual commodities or groups of commodities.¹

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 figures per head are given.

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		*1938	
	a	b	a	b	a	b	a	b	a	b	a	b	a	b
	Crude indices													
Wheat ^a A.	101	100	104	102	106	100	108	100	105	102	112	103	111	106
B.	98	94	102	98	104	95	106	97	103	98	*107	*99	...	...
Sugar	99	97	100	96	103	100	111	108	116	111	112	111	*111	*114
Potatoes ^b	102	104	100	98	108	107	109	97	110	104	124	118	117	109
Meat ^b	95	101	96	105	99	107	94	100	99	105	98	103	100	104
Milk ^{b,c}	102	109	103	110	103	110	105	111	106	113	107	113	109	115
Butter ^b	113	114	115	114	118	117	118	116	120	117	122	118	...	...
Coffee	97	...	104	...	96	...	110	...	106	...	109	...	...	...
Tea ^d	97	104	95	101	94	96	96	100	95	99	97	101	96	99
	Indices per head of population ^e													
Wheat ^a A.	98	96	99	97	100	95	100	95	97	95	102	95	100	97
B.	95	91	97	94	98	90	99	91	95	91	*97	*91	...	...
Sugar	96	94	95	92	97	95	103	101	107	104	103	102	*100	*104
Potatoes ^b	98	101	96	94	102	102	102	91	102	97	113	109	106	100
Meat ^b	92	98	92	101	93	102	87	94	92	98	90	95	90	95
Milk ^{b,c}	99	105	98	105	97	104	98	104	98	105	98	105	98	105
Butter ^b	109	110	109	109	112	111	110	109	111	109	111	109	...	...
Coffee	94	...	99	...	91	...	102	...	98	...	99	...	...	...
Tea ^d	94	100	91	97	89	91	90	94	87	92	89	93	87	91

* Provisional figures.

^a Wheat A : Total consumption ; B : Human consumption, 1929-1936 as estimated by the Secretariat of the Wheat Advisory Committee (*The International Wheat Situation*, January 8th, 1938); 1937, rough estimate made by the Economic Intelligence Service.

^b Milk, potatoes, meat and butter : production = consumption.

^c Milk. Including estimates for countries not shown in Table 23 of the *Statistical Year-Book of the League of Nations 1938/39*.

^d Tea. Excluding consumption of home-grown tea. Figures refer mostly to net imports.

^e For method of calculation of the *per caput* figures, cf. *World Production and Prices, 1937/38*, Chapter I, section E.

¹ For a discussion of the value and limitations of these figures cf. *World Production and Prices, 1937/38*, page 68.

Diagram 7. — WORLD INDICES OF INDUSTRIAL CONSUMPTION, PRODUCTION AND STOCKS OF IMPORTANT INDUSTRIAL RAW MATERIALS

1929 = 100; logarithmic scale.

- A. Production.
- B. Consumption
- C. Stocks.

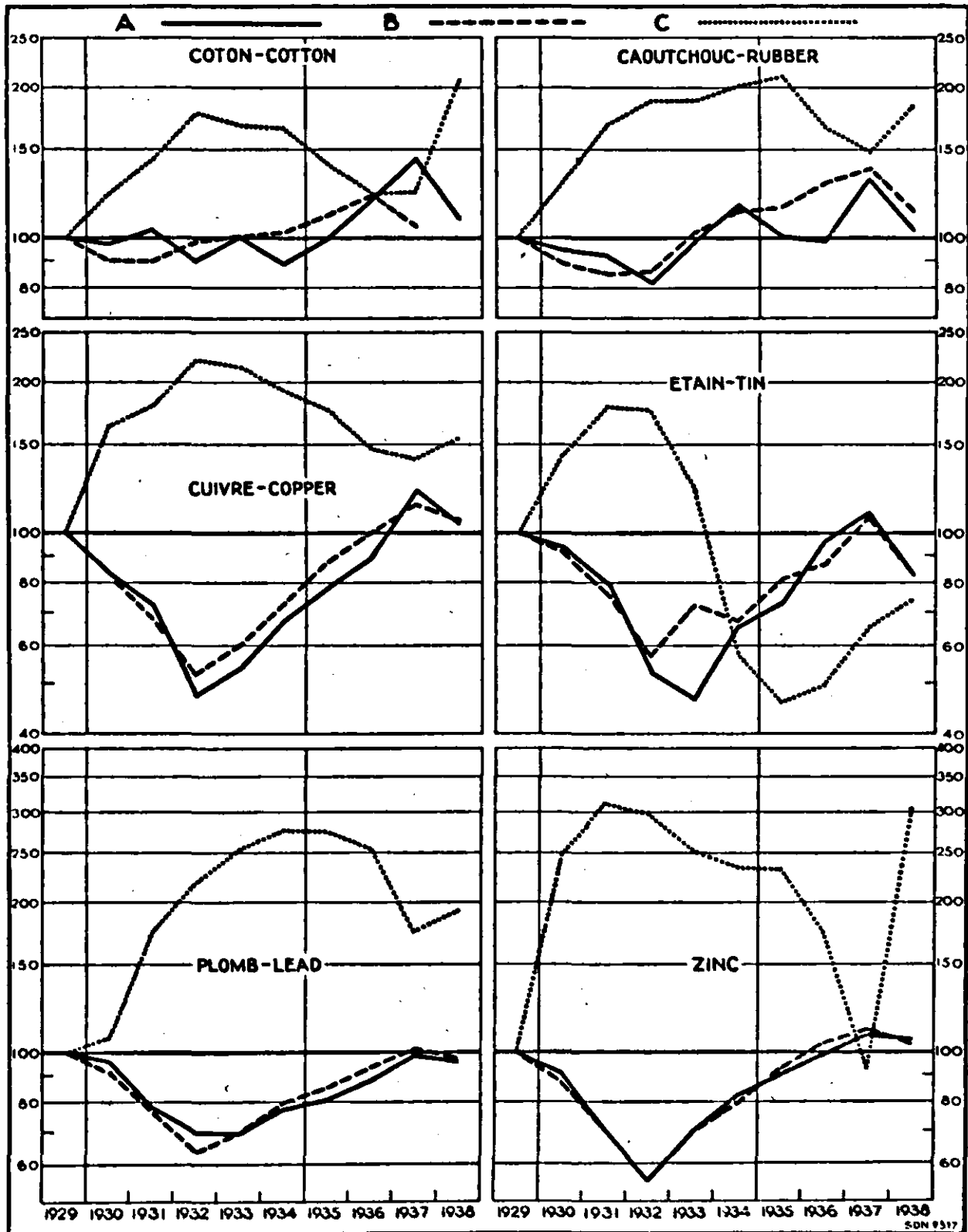


Table 6 gives estimated industrial consumption or absorption of eight important industrial raw materials. In Diagram 7, these indices are represented graphically together with indices of stocks and of primary production. The table and diagram should be studied in conjunction with the information given in Chapter II and particularly in section B.

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

Product	1930	1931	1932	1933	1934	1935	1936	1937	*1938
Cotton ^a	90	90	99	100	103	111	123	106	...
Wool ^b	98	98	96	106	89	98	97	99	94
Rubber ^c	89	85	86	102	114	117	130	137	114
Motor fuel, etc. ^d	—	(100)	(95)	(99)	(106)	(114)	(127)	(135)	(135)
Copper ^e	83	68	52	60	72	87	101	116	105
Tin ^f	92	77	57	72	67	81	87	108	83
Lead ^g	91	76	64	70	80	85	93	103	97
Zinc ^h	88	72	55	69	79	93	104	112	102

* Provisional figures.

^a 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).

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

^c 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*.

^d Consumption of petroleum products and related fuels (benzol, natural gasoline, alcohol used as motor fuel). Base 1931 = 100. Estimates of V. R. GARFAS, R. V. WHEISEL and J. W. RISTORI, Cities Service Company (New York).

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

^f World "apparent" consumption. *Statistical Bulletin of the International Tin Research and Development Council*.

CHAPTER VI

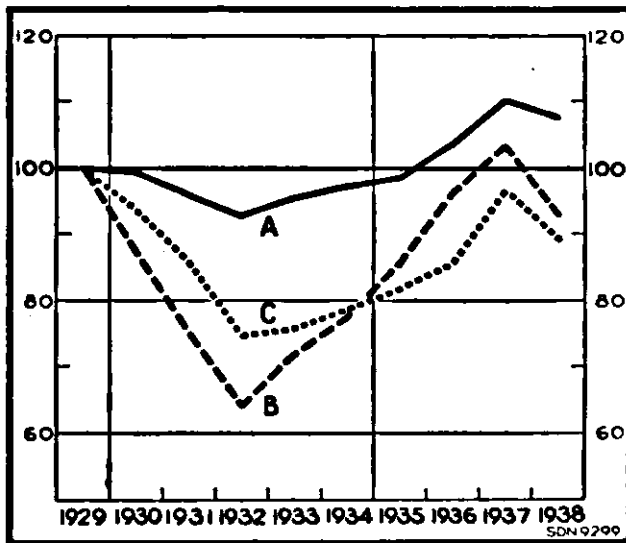
PRODUCTION AND TRADE

A. INTERNATIONAL TRADE

In view of the mutual relationship between changes in production and changes in the exchange of goods between countries, it is of interest to examine the relative movements of these two phenomena. Hence, the main indices of production analysed above are compared here with the indices of world trade calculated by the Economic Intelligence Service and discussed at length in another annual publication of the League, the *Review of World Trade*.

Diagram 1. — YEARLY MOVEMENT OF WORLD PRODUCTION AND WORLD TRADE
1929 = 100.

- A. Primary production.
- B. Industrial production (excluding U.S.S.R.).
- C. Quantum of world trade.



a smaller proportion of world production was internationally exchanged than in 1929.

The effects of the economic recession of 1937/38 on the world indices of industrial production and trade are illustrated, on the basis of quarterly figures, in Diagram 2.²

¹ For explanation of the method of calculation of the quantum indices of trade, see *Review of World Trade, 1938* (League of Nations, Geneva, 1939), which also gives indices for, and an analysis of, the changes in trade values and prices.

² Quarterly figures of primary production — largely composed of crops — do not exist.

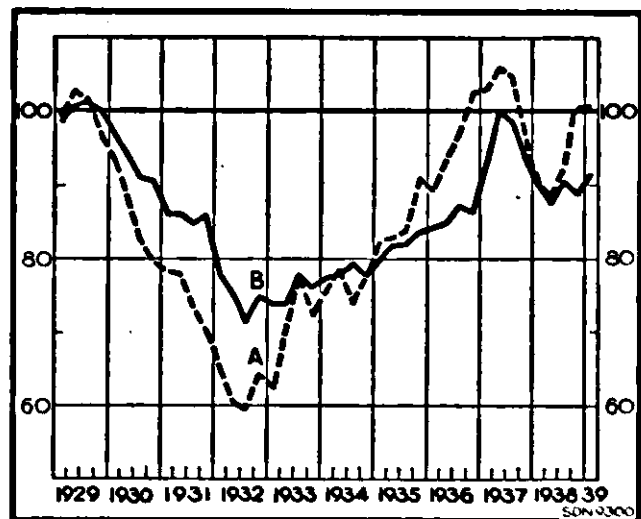
General Movement of Trade and Production.

Only changes in the *quantum* of international trade¹ are here considered, together with those in primary and industrial production. The relevant indices are reproduced in Diagram 1.

During the downswing which took place after 1929, international trade fell more than primary production but less than industrial production. During the subsequent upswing, industrial production recovered the most rapidly. International trade increased simultaneously at a slightly more rapid rate than primary production; but for 1937 as a whole trade did not quite reach the 1929 level, while both primary and industrial production exceeded that level. In 1937 and 1938, therefore,

Diagram 2. — QUARTERLY MOVEMENT OF WORLD INDUSTRIAL PRODUCTION AND WORLD TRADE
1929 = 100.

- A. Industrial production (excluding U.S.S.R.).
- B. Quantum of world trade.



Since 1935, trade has been lagging behind production. In 1937, the latter began to fall about six months earlier than the former. In 1938, recovery set in almost simultaneously in trade and production,¹ but, by the first quarter of 1939, the quantum of trade was only slightly larger than a year earlier, while production was considerably larger and again reached the average level of the boom year 1937.

Production and Trade by Geographical Subdivisions.

The development of trade and production shows great and characteristic differences between different countries and continents, and it is of interest to examine the relationship between them by geographical subdivisions. Quantum indices of imports and exports can be calculated separately for Europe and North America and for the total of the other continents ("rest of the world"). Annual indices of imports and exports together with indices of primary and industrial production are shown accordingly in Table 1 below and are illustrated graphically in Diagram 3.

Diagram 3. — YEARLY MOVEMENT OF TRADE AND PRODUCTION IN EUROPE,² NORTH AMERICA AND THE REST OF THE WORLD³
1929 = 100.

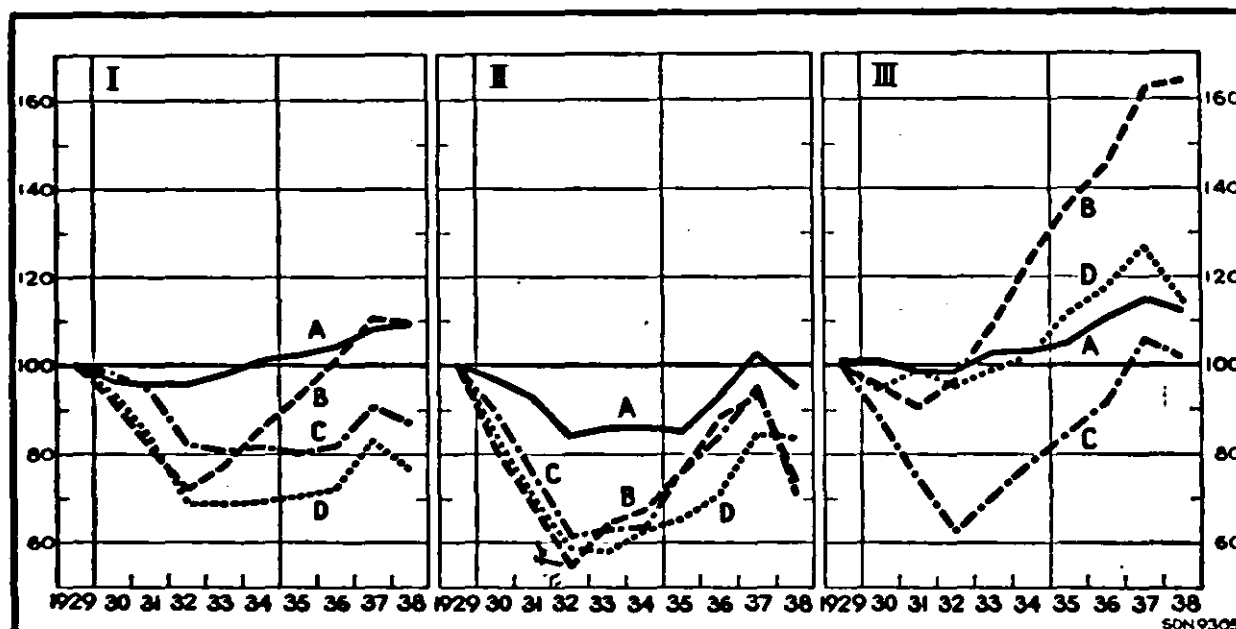
A. Primary production.
B. Industrial production.

C. Imports, quantum.
D. Exports, quantum.

I. Europe.

II. North America.

III. Rest of World.



Although the relative importance of foreign trade as compared with production is smaller in the United States than in Europe, the diagram shows a higher degree of correlation between trade and both industrial and primary production in North America than in Europe. In the former continent, the course of industrial production has been strikingly similar to that of the quantum of imports and similar also to that of exports. The agreement between these different curves is not in itself sufficient proof of any definite causal

¹ An examination of the monthly figures shows that the upward turn occurred only one month later in trade than in production.

² Excluding U.S.S.R.

relationship between the phenomena they illustrate ; nevertheless, the interrelation between North-American foreign trade and industrial production appears close enough to deserve attention in any deeper analysis of the evolution of the business cycle situation in the United States.

Table 1. — INDICES OF QUANTUM OF TRADE, AND OF PRIMARY AND INDUSTRIAL PRODUCTION BY CONTINENTAL GROUPS

1929 = 100.

Year	Europe				North America				Rest of World				Year
	Im-ports ^a	Ex-ports ^a	Production ^a		Im-ports	Ex-ports	Production		Im-ports	Ex-ports	Production ^a		
			Primary ¹	Indus-trial			Primary ¹	Indus-trial			Primary ¹	Indus-trial ⁴	
1930	98.5	93.5	97	92.0	88.5	84.0	97	80.9	88.5	94.5	101	95.2	1930
1931	94.5	83.0	96	80.8	75.0	70.5	93	68.4	74.5	98.5	98	90.2	1931
1932	82.0	68.5	96	71.9	61.0	58.5	84	54.4	62.5	95.5	98	96.2	1932
1933	80.5	68.5	98	77.6	63.0	58.0	86	64.3	70.5	99.0	103	109.9	1933
1934	81.5	69.0	101	85.9	63.5	63.0	86	67.3	78.5	102.5	103	123.6	1934
1935	80.0	70.0	102	93.1	76.5	65.5	85	76.4	85.0	112.0	105	136.7	1935
1936	81.5	72.5	104	101.4	84.5	71.0	93	88.9	92.0	117.5	111	145.0	1936
1937	90.5	83.0	108	111.2	95.0	84.5	103	93.4	106.0	127.0	115	162.0	1937
1938*	87.0	76.5	109	109.5	71.5	83.0	95	73.7	101.5	114.0	112	164.4	1938*

* Provisional figures.

¹ Including meat and milk. ² Including U.S.S.R. ³ Excluding U.S.S.R. ⁴ Japan, Chile, New Zealand.

Both in Europe and North America¹ the quantum of imports, made up largely of raw materials, has fallen less than that of exports, containing a larger proportion of manufactured goods. Naturally, therefore, in the rest of the world which is less industrialised, the quantum of exports was better maintained than that of imports during the depression. By 1937, as will be seen from section III of the diagram, the former had risen some 27% above the 1929 level compared with an increase of only 6% as regards the latter. The rise in the quantum of exports — consisting almost exclusively of primary products — as indeed also the rise in primary production which moved in fairly close agreement until 1937, is largely explained by the fall in the world market prices for these products, a fall which the countries concerned tried to make good as far as possible by increasing the quantity of exports in order to meet their external financial obligations. To this end they were also forced at first to reduce severely their imports of manufactured articles. The fact that, until 1936, the quantum of their imports remained far below the pre-depression level acquires special significance in connection with the extremely rapid expansion of their manufacturing industry.

With reference to Europe, where primary production declined but little until 1932 and has since risen gradually and where the recovery in both imports and exports since that year has been much slower than that of manufacturing production, two partly interrelated factors may be mentioned by way of explanation : (1) increased self-sufficiency in foodstuffs and certain raw materials resulting from (a) active support to agriculture (mainly in cereal importing countries) and (b) growing use of manufactured raw materials (such as artificial textile fibres); (2) increased trade restrictions on manufactured goods tending to reduce the quantum of foreign trade and to foster expansion of manufacturing production for the domestic market.

¹ The year 1938 forms an exception in this respect in North America.

Production and Trade by Main Groups of Commodities.

In order to illustrate more clearly the relations between trade and production and the underlying structural changes in these phenomena and their interrelation, it is necessary to break up the general indices according to the economic nature of the goods of which they are composed. Unfortunately, trade statistics do not permit of subdivisions which are strictly comparable with those of production statistics, but in spite of this lack of strict correspondence, indices of foodstuffs, raw materials and manufactured articles for both trade and production are given below; ¹ the percentage ratio between them is shown in Diagram 4.

Table 2. — INDICES OF WORLD PRODUCTION AND TRADE BY MAIN GROUPS OF COMMODITIES
1929 = 100.

Year	Indices of world production			Indices of the quantum of world trade			Year
	Foodstuffs ¹	Raw Materials	Manufacturing ²	Foodstuffs ¹	Raw Materials	Manufactured articles	
1930	100	94	86	98	94.5	88	1930
1931	100	84	74	96	88.5	76	1931
1932	100	74	63	89	81.5	59.5	1932
1933	101	79	72	83	87.5	60	1933
1934	99	85	78	82	88	66.5	1934
1935	101	92	87	85.5	91.5	69.5	1935
1936	101	103	97	88	95.5	75	1936
1937	106	116	104	93.5	108	87	1937
1938*	107	105	93	91.5	95	82	1938*

¹ Including fodder crops. * Provisional figures.
² Excluding the U.S.S.R.

As will be seen from Table 2 and Diagram 4, the relative decrease of trade since 1929 falls very unevenly on the different groups of commodities. Trade in foodstuffs and manufactured articles has, relatively to the production of such commodities, fallen very considerably, while, broadly speaking, trade in raw materials has followed production more closely, with such minor variations as can be explained mainly by variations in stocks.

The relative decrease in trade in *foodstuffs* during the depression is explained up to a point by decreased purchasing power of the masses during that part of the nine-year period considered. The relative fall during the period as a whole may, however, be attributed (as mentioned above with reference to Europe) to the decreasing demand from importing countries due to the increased domestic production. The greater decentralisation of production naturally results in a relative decrease in the proportion of goods internationally exchanged. Such a decrease in import demand tends to create a serious situation in exporting countries, characterised by accumulation of stocks and falls in price. The fall

¹ Manufactured food products are included among foodstuffs in the trade indices and among manufactured articles in the production indices. Varying principles have been employed in allotting semi-manufactured articles to the various groups. The more important semi-manufactures — yarns, iron and steel, etc. — are in both cases included among manufactured articles.

The trade indices of raw materials refer to articles which in the Brussels classification for 1913 are described as "materials, raw or partly manufactured". As, according to this classification, the bulk of semi-manufactures which are included with production of manufactured articles are in fact also included among manufactured articles in the trade indices, it has been thought appropriate in this volume to classify this group of trade indices as raw materials. The fodder crops (barley, oats and maize) are included among foodstuffs in the indices of both trade and production.

The production index of raw materials includes mining, while smelter production is included with manufacturing. The trade index for the corresponding group includes both ores and unworked metals.

in trade during 1938, however, was relatively small — about 2% — and it may be assumed that the falling tendency was to a certain extent mitigated by purchases in many European countries in order to constitute reserve stocks to be used in case of war. Owing to the slightly increased production, however, the proportion of trade to production decreased in 1938.

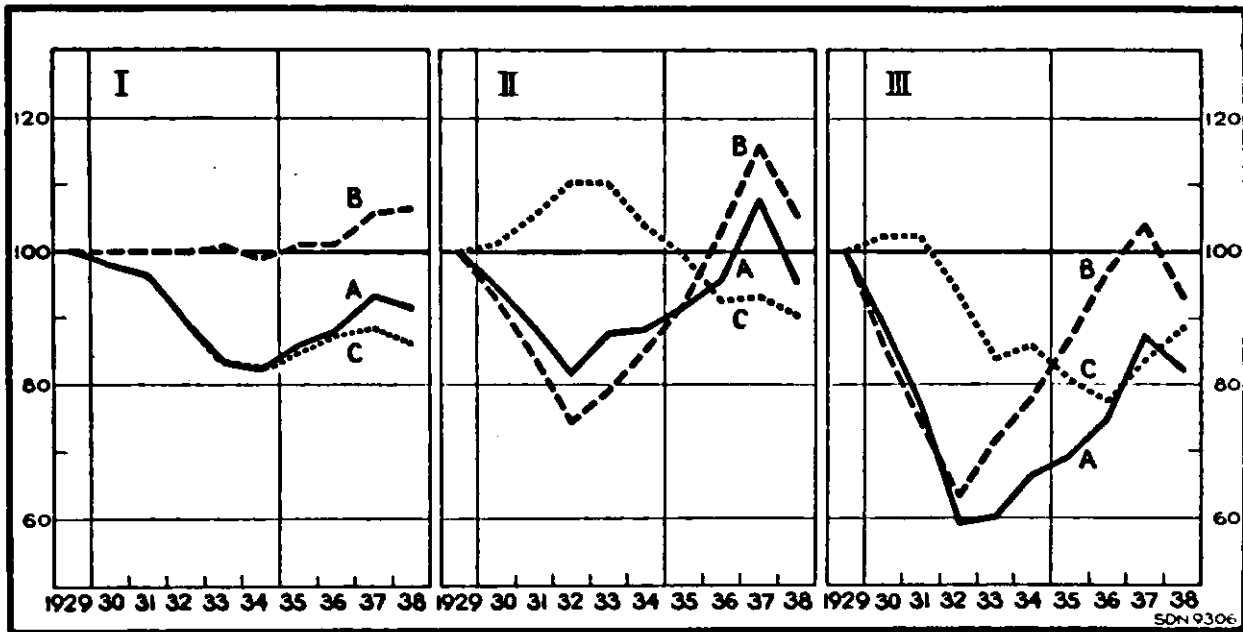
Diagram 4. — PRODUCTION AND TRADE IN CERTAIN GROUPS OF COMMODITIES
1929 = 100.

- A. Trade
- B. Production
- C. Trade as percentage of production.

I. Foodstuffs.

II. Raw materials.

III. Manufactured articles.



The quantum of trade in *raw materials*, as has just been said, follows production more closely over the period as a whole. The explanation lies in the difficulty experienced by the main manufacturing countries in achieving self-sufficiency in this field: substitute raw materials are generally more expensive than the natural ones; their production, moreover, presupposes previous investment in industrial plant and is limited also by scarcity of labour. On the whole, therefore, industrial expansion is based on a corresponding increase in the import of raw materials. In 1938, production fell about 10%, while trade dropped about 12%. The relatively greater fall in trade is mainly due to the falling demand for raw materials from the United States — normally, the chief importer — on account of the industrial recession in that country. The import of raw materials has been better maintained in Europe, particularly in Germany, who increased the quantum of imports of such items as oilseeds, copper, iron and oil. United Kingdom total imports fell somewhat, while they increased for certain items of military importance such as aluminium. In Sweden, as in certain other countries, Government demand for important raw materials increased considerably on account of the building-up of emergency stocks.

The decline in trade has been most marked, both absolutely and relatively to production (except in 1938) in the case of manufactured articles. As Europe accounts for the greater part of the world trade in such articles and as they also constitute her chief exports, the observations which were made above with reference to the discrepancy between manufacturing production and the quantum of trade (particularly exports) by continental groups are

the same in this case too.¹ As new trade restrictions chiefly relate to manufactured articles, it is natural that the quantum of world trade in such articles has declined more, both absolutely since 1929 and in relation to production, than has the trade in the other two categories of goods here distinguished. In 1938, trade in manufactured articles declined less than production, whereas, after the boom in 1929, trade and production decreased at more nearly identical rates. A detailed analysis of the trade figures for 1938 would probably show that the demand of the industrially undeveloped countries for armament purposes contributed to the relative maintenance of the manufacturing trade.

B. MERCHANT SHIPPING

Owing to the defectiveness of the information 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 3, 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 1938 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) and the other showing the movement of the quantum of world trade.

Table 3. — 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	*1938
<i>Tonnage of ships cleared in the ports of</i>										
Europe	100.0	100.5	92.1	85.7	88.4	91.5	92.2	91.9	98.2	95.3
North America	100.0	99.7	91.4	82.4	81.8	85.3	86.9	90.5	96.4	97.5
Other parts of the world	100.0	98.3	90.3	84.8	89.5	93.4	98.7	100.2	98.6	93.3
World	100.0	99.5	91.3	84.9	87.8	91.3	93.9	94.8	98.1	94.9
<i>Active tonnage of the world's merchant marine, June 30th</i>	100.0	99.0	92.0	86.0	87.0	89.8	90.5	93.2	99.2	101.0
<i>Quantum of world trade</i>	100.0	93	85.5	74.5	75.5	78	82	86	96.5	89

* Provisional figures.

Comparison between the indices shown in Table 3 is facilitated by Diagram 5 showing the data for the world as a whole. The world's active tonnage continued to increase during 1938 and slightly surpassed the 1929 level; owing to the increased speed of ships and more efficient arrangements for loading and unloading, the actual carrying capacity had, however, increased considerably more. World trade decreased by 7.7%, while tonnage of ships cleared decreased by only 3.3%. The discrepancies between the different curves, which

¹ This is equally true as regards the related and even more striking discrepancy between manufacturing production and the quantum of imports in the case of the rest of the world (apart from North America) likewise commented upon above.

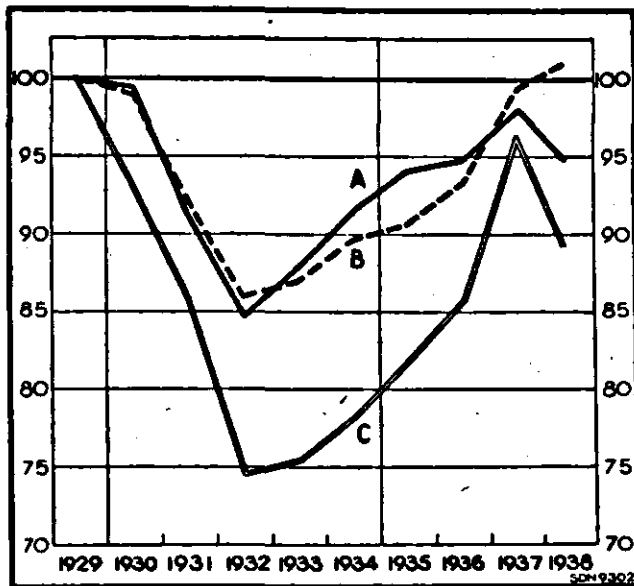


Diagram 5. — TONNAGE OF SHIPS IN OCEAN TRAFFIC AND QUANTUM OF WORLD TRADE
1929 = 100.

- A. Tonnage of ships cleared in all ports.
- B. Active tonnage of the world's merchant marine.
- C. Quantum of world trade.

had been decreasing since 1932, again increased; the relatively greater decrease in the trade curve may to some extent be explained by the fact that the carrying capacity of ships has been less utilised during the recent downswing, a phenomenon accentuated by the relative decrease of tramp shipping as compared with regular cargo shipping lines.

Diagram 6. — FREIGHT RATES, WORLD TRADE AND LAID-UP TONNAGE

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

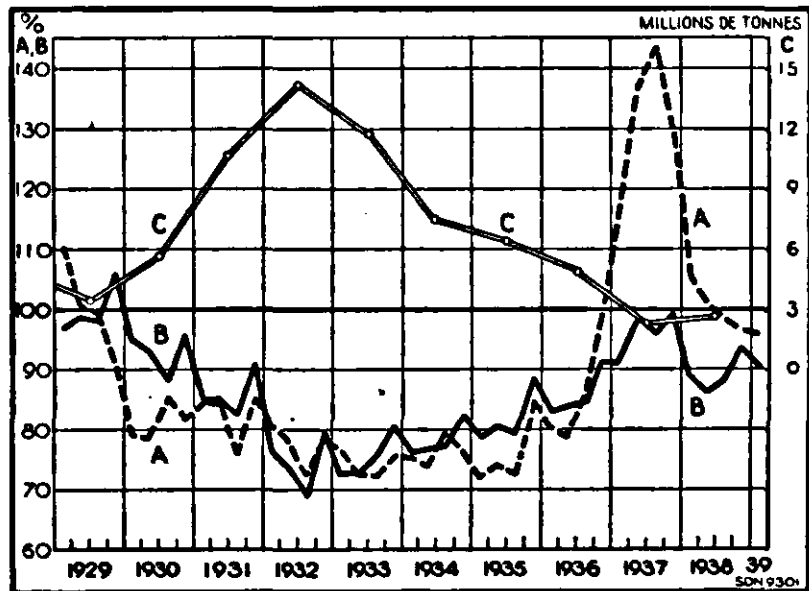


Diagram 6 illustrates developments on the *freight* market by indices of freight rates, quantum of world trade and absolute figures of laid-up tonnage.

Freight rates which had reached an extraordinary height by the third quarter of 1937 fell heavily during the last quarter of that year and the beginning of 1938; they were practically stabilised in the summer of 1938, and during the first quarter of 1939 were 4% below the average for 1929. Laid-up tonnage increased from 1937 to 1938 from 2.2 to 2.5 million tons, but remained, as compared with the previous period, at a low level.

CHAPTER VII

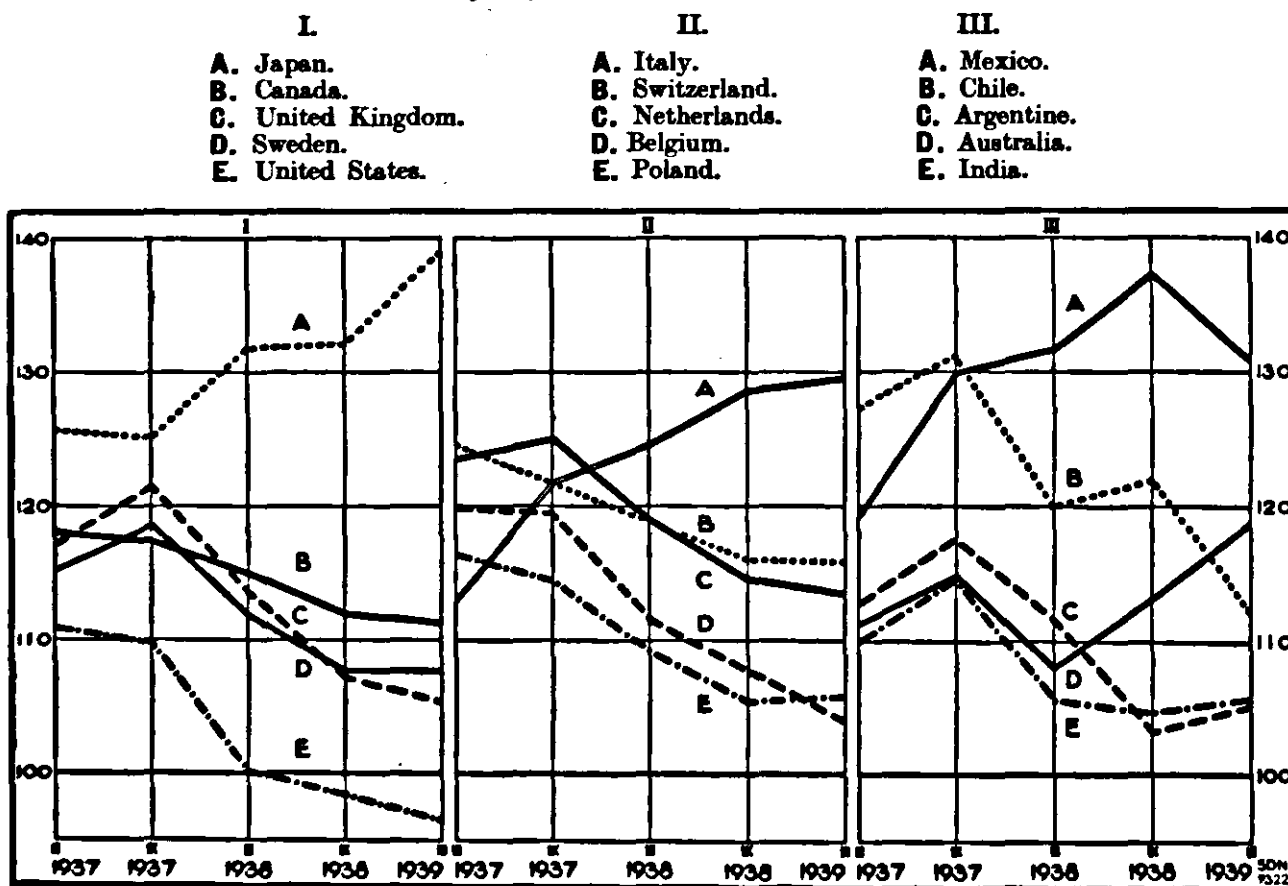
PRICE MOVEMENTS

A. CHANGES IN THE GENERAL LEVEL OF PRICES

The reversal of the general price trend, of which the first sign was the sharp break in raw-material prices in the spring of 1937, found expression in the wholesale-price indices of most countries in the course of the summer or early autumn simultaneously with (or immediately before) the onset of the industrial recession discussed in the preceding chapters. Subsequently, national wholesale prices continued to fall on the whole until late in 1938, in conformity with price movements on the world market. Of the forty-one countries for which recent data are available (*cf.* Appendix IV, Table 1), the wholesale-price indices of twenty-five were lower in December 1938 than their twelve-month average for 1937; in three countries (among them Germany), the indices were practically unchanged — less than 1% higher — while, in thirteen countries, they exceeded their 1937 average by more than 1%.

The broad movement of wholesale prices between March 1937 and March 1939 is illustrated for fifteen selected countries in Diagram 1 below. The indices are shown, at six-month intervals, as percentages of their level in March 1936, the date at which the

Diagram 1. — WHOLESALE-PRICE INDICES
Half-yearly intervals, March 1936 = 100.



acceleration of the rise in prices characteristic of the boom, culminating in 1937, generally started.¹

Among the ten industrial countries given in sections I and II of the diagram, prices rose between September 1937 and March 1939 only in two — Japan and Italy — and fell in the remaining eight countries — Belgium, Canada, the Netherlands, Poland, Sweden, Switzerland, the United Kingdom and the United States. In the last-mentioned country alone, wholesale prices fell below their level for March 1936. An examination of the monthly figures given in Appendix IV, Table 1, will show that in all of the eight countries here referred to, the price fall was checked during the first quarter of 1939 and that a slight reversal became noticeable in the April or May figures for most of them.

The indices for the five primarily agricultural countries given in section III of the diagram present a somewhat heterogeneous picture. The price movements in the first two of these countries, Mexico and Chile, appear to be influenced in a marked degree by special national factors² and are, on the whole, less representative of agricultural countries in general than are those depicted for the other three — Argentine, Australia and India. In most agricultural countries, whether in Eastern Europe or in other continents, wholesale prices fell — if at all — considerably less than in the industrial States, and began to rise anew, though slowly, during 1938.

In the United States, the very rapid industrial recovery between May and December 1938 — indeed the most rapid on record in that country — did not entail a rise in the general level of wholesale prices, which, on the contrary, continued to decline slowly during that period. This noteworthy fact is probably to be explained in the main by the existence of industrial surplus capacity, in the form of plant, raw-material stocks and labour, allowing the expansion of output to be effected without raising prices, the continued decline of the latter being accounted for by adjustments of finished-goods prices to the reduced level of raw-material prices.

In France, whose wholesale-price index had risen some 46% above its March 1936 figure by March 1937, and 67.5% by September of that year,³ the general level of wholesale prices remained practically stable during the following six months until March 1938. In April, a new but more moderate price rise set in, the index rising, despite certain official price-control measures, by nearly 5% up to October 1938. In connection with the new recovery programme introduced at the beginning of November, price control was relaxed or removed in an attempt to re-establish a free price economy; hence prices rose by another 4% up to January 1939, but have since receded slightly. In view of the repeated devaluations of the franc before the exchange stabilisation in November last year, French wholesale prices, in spite of their great rise in terms of national currency in recent years, are lower in terms of gold than those of any other principal industrial country. Thus, the competitive position of the French export trade is very strong, and the trade balance has greatly improved since the middle of last year.⁴

¹ This date was also taken as base for the corresponding diagram given on page 79 of the 1937/38 edition of this volume, to which reference should be made.

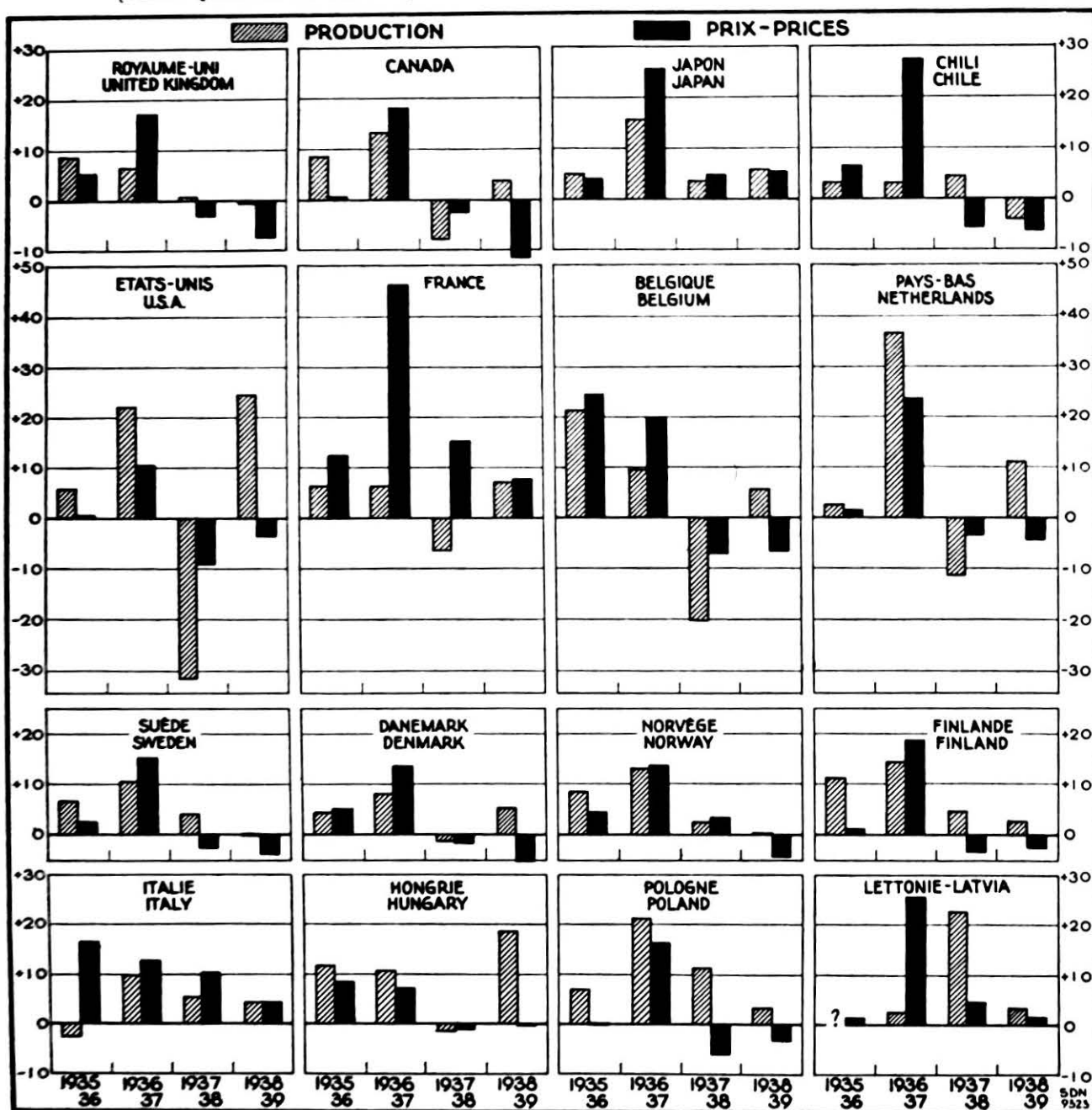
² Wholesale prices in Chile had already by March 1936 been pushed to a very high level by inflation. The further rise during the boom until September 1937 was, so to say, superimposed on that inflation level. When the break occurred, it is likely that certain forces of "adjustment" were released generating a larger and more prolonged price fall than in other agricultural countries. Similarly, in Mexico the continual rise in prices until September 1938 seems in part to have been of an inflationary character. Whether the subsequent drop, which was slight until the early months of 1939, signifies a break of the rising trend is still too early to judge.

³ As the extent of these price changes exceeds the scale of Diagram 1, France has been omitted from that diagram.

⁴ For fuller discussions and international comparisons on this point, see the companion publication, *Money and Banking, 1938/39*, Vol. I, *Monetary Review*, Chapter A, section headed "Exchanges and Prices", page 17 and ff.

The German official price index continued throughout 1938 and the early part of 1939 to show practically no change, in spite of the marked monetary expansion and of the fact that the limit of existing productive capacity appears to have been closely approached. This stability, resulting from the strict price control and from rationing, exercised by the Government, seems to have been achieved in part at the expense of a lowering of the quality of goods and was, of course, to that extent, more apparent than real. The system of rationing affecting not only consumers but also producers in industries not regarded as essential for State requirements, was considerably extended. The inflationary effects of the monetary expansion was also checked by increased taxation and other fiscal devices, through which the surplus funds created reverted to the central monetary authority — *i.e.*, the State itself.

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.

Price Movements and Industrial Production.

In Diagram 2, a comparison of the percentage changes in wholesale prices and industrial production at twelve-month intervals since the beginning of 1935 is given for sixteen countries.¹ Wholesale prices normally tend to rise when industrial activity is expanding and to fall when activity is declining. This concordance in the direction of production and price movements held good between the first quarters of 1935 and 1937 in all the sixteen countries save one — Italy, in 1935.² During the subsequent twelve-month period, exceptions — due mainly to the time-lag between price and production movements — were to be noted in the case of six countries — namely, the United Kingdom, Sweden, Finland, Poland (whose production was larger in the first quarter of 1938³ than in the corresponding quarter of 1937, while wholesale prices were slightly lower), France and Italy (whose production declined despite a marked increase in wholesale prices caused by special national conditions).

What was the exception in 1937 became almost the rule in 1938. Between March of that year and March 1939, the price level dropped in eleven of the countries considered, though industrial production increased in eight of these eleven countries and was, in the remaining three — the United Kingdom, Sweden and Norway — almost as large in the first quarter of 1939 as in the corresponding quarter of last year. In one case — Hungary — the price level remained unchanged in spite of a large increase in industrial production. The explanation of the general divergency between production and price movements — most striking in the case of the United States — during the last twelve-month period examined is to be sought in the phenomenon stressed with reference to the United States in the preceding sub-section — namely, the existence, at the turn of the economic recession in 1938, of industrial surplus capacity allowing output to expand without for some time entailing an increase in prices.

In four countries — France, Italy, Japan and Latvia — both prices and production increased during the last twelve-month period, prices rising more than production in the first three of these countries.

Wholesale Prices and the Cost of Living.

As will be seen from Appendix IV, Table 2, the influence on the cost of living of the fall in wholesale prices since 1937 has been strikingly small. The rise in the cost of living generated by the recovery in economic activity after the great depression continued, as a rule, into 1938. Of forty countries included in the table for which recent data are available, the indices of only five — Finland, Poland, Switzerland, the United Kingdom and the United States — reached their maximum points as early as in the autumn of 1937; in seven countries, the maxima were reached during the early months of 1938; in ten countries, by the middle and, in another seven countries, towards the end of that year. Only in a few of these twenty-nine countries has the subsequent decline, if any, assumed significant proportions.⁴ In the remaining eleven countries — including France, Italy, Japan

¹ The changes in production are calculated on the basis of averages for the first quarter of each year, only quarterly indices being available for certain countries, while the index figures for March each year have been taken as basis in calculating the price changes. In the corresponding diagram given on page 82 of the last edition of this publication, the comparison is carried back to the beginning of 1934.

² The fall in Italy's industrial production between the first quarter of 1935 and the corresponding quarter of 1936 was mainly due to the disturbance of civilian economic activity caused by the Ethiopian war.

³ In the United Kingdom and Sweden, however, production was in fact declining since the late autumn of 1937.

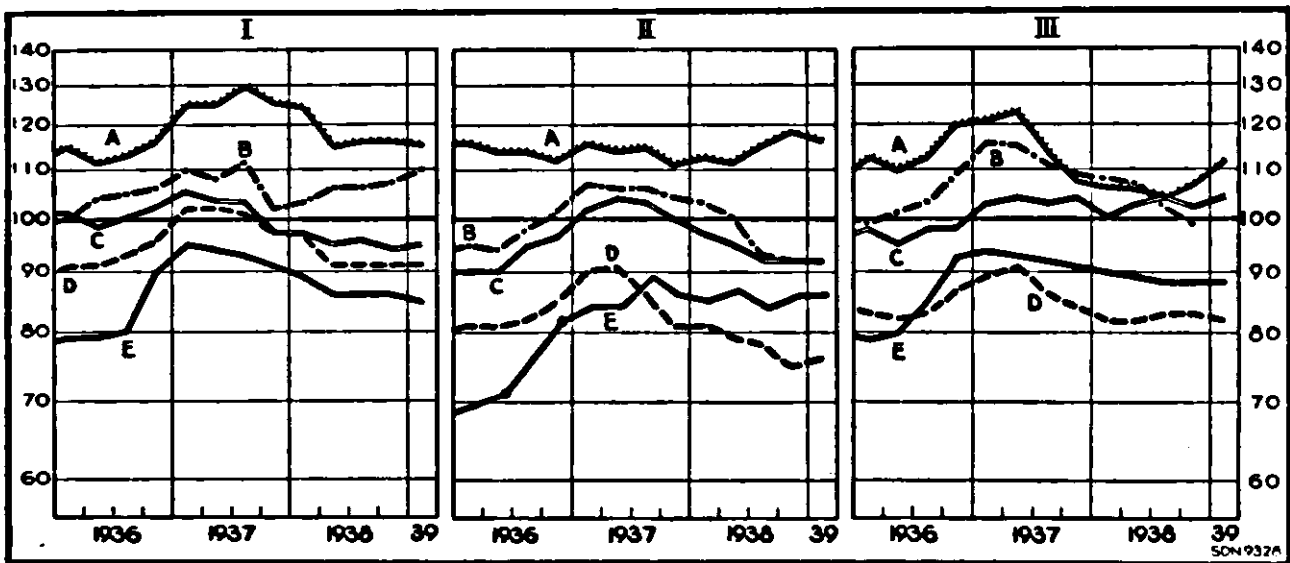
⁴ In most cases, the indices have tended to remain stable at the new maximum points reached. Among principal countries, the United Kingdom witnessed the largest decline, its index falling by 6% between October 1937 and March 1939, while that of the United States fell by 5% during the same period. Only in two other countries, Portugal and Latvia, did the fall in cost of living exceed 5%.

(whose wholesale prices continued to rise), Czecho-Slovakia, Sweden and six primarily agricultural countries (namely, Australia, New Zealand, China, Indo-China, Bulgaria and Roumania) — the cost of living was higher in the first quarter of 1939 than in any quarter of 1938 or 1937.

The changes in the ratio between wholesale prices and the cost of living which tend to reflect changes in the conditions that determine the profitability of industry¹ are shown

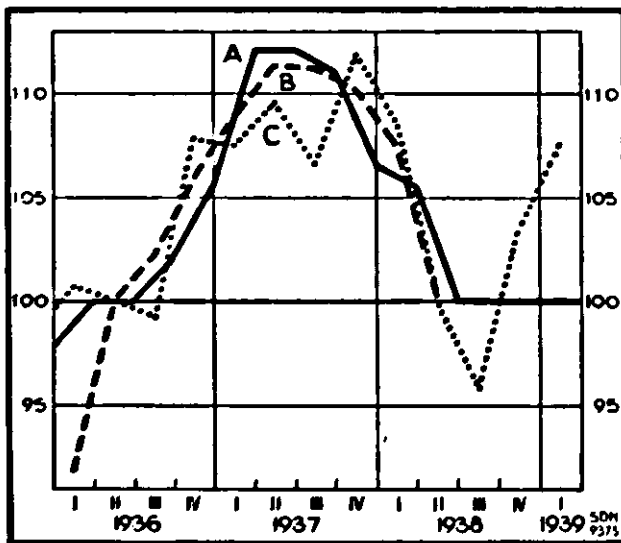
Diagram 3. — RATIO OF WHOLESALE PRICES TO COST OF LIVING
1929=100; logarithmic scale.

- | | | |
|--------------------|-------------|---------------------|
| I. | II. | III. |
| A. Argentine. | A. Peru. | A. Roumania. |
| B. Australia. | B. Canada. | B. Japan. |
| C. United States. | C. Sweden. | C. Italy. |
| D. United Kingdom. | D. Belgium. | D. Czecho-Slovakia. |
| E. Netherlands. | E. France. | E. Switzerland. |



UNITED KINGDOM

- A. Wholesale-price/cost-of-living ratio; March 1936 = 100.
- B. Profits (*Economist's* index); 2nd quarter 1936 = 100.
- C. Industrial production; 2nd quarter 1936 = 100.



¹ This general statement is subject, of course, to reservations. The factors affecting the profitability of industry are complex in character and find but imperfect expression in the ordinary indices of wholesale prices and cost of living. Truly conclusive calculations regarding the changes in profitability per unit of output can only be made on the basis of appropriate indices of industrial selling-prices and production costs. Nevertheless, experience has shown that the simple ratio referred to above tends normally to move in general agreement with or, at any rate, in the same direction as industrial activity, where the latter is guided mainly by considerations of profitability.

This fact, as well as the general statement in the text above with reference to changes in profitability, would appear, as far as developments in the United Kingdom since the beginning of 1936 are concerned, to be confirmed by the curves for the wholesale-price/cost-of-living ratio, profits and industrial production shown in the adjoining special diagram. In plotting the profit curve, due allowance has been made for the fact that the *Economist's* index only reflects the trend of profits with a time-lag of twelve to fifteen months. Thus, for purposes of the comparison here made, this

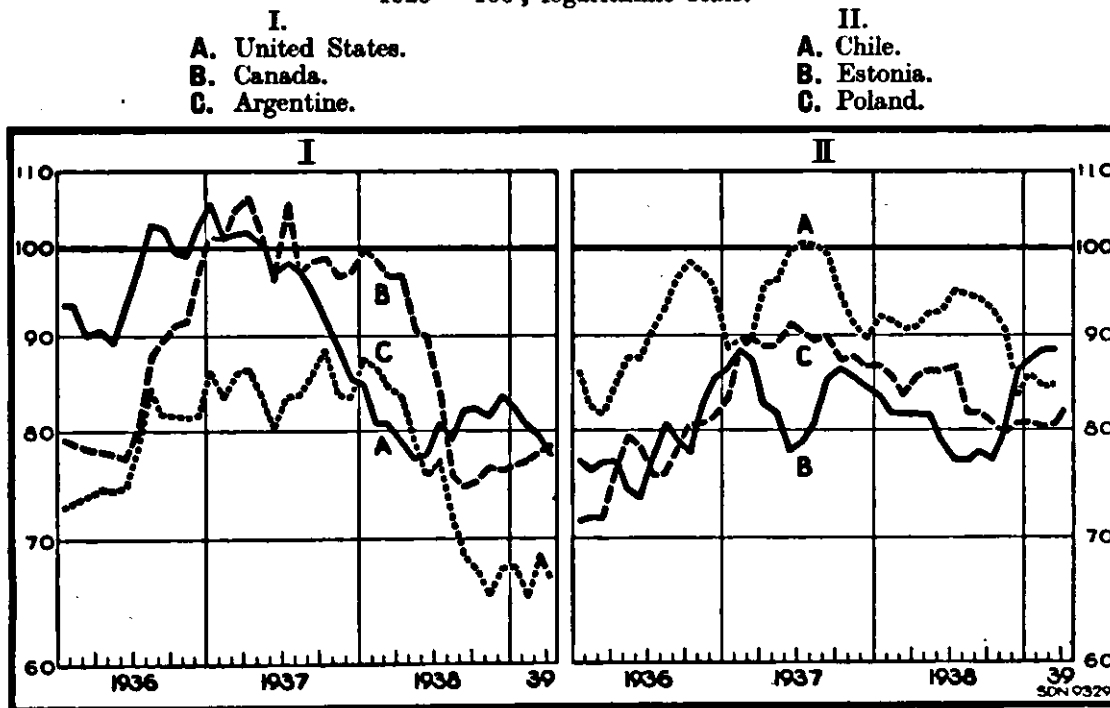
for fifteen countries in Diagram 3. It will be observed that, in the United States, Canada, the United Kingdom, the Netherlands, Sweden, Switzerland and Czecho-Slovakia, the percentage figure expressing this ratio ceased falling by the middle of 1938 and in Belgium by the end of the year. In France, the ratio remained practically stable as from June 1938, but a little below the maximum point reached in the course of its rapid improvement since before the devaluation of the currency in 1936. In Japan, the ratio figure fell from March 1937 until December last year, the cost of living rising more rapidly than wholesale prices during that period, whereas, in Italy, the rise in wholesale prices has kept pace with that in the cost of living since June 1937, the ratio fluctuating on an even average level up to March 1939. As regards the four primarily agricultural countries included in the diagram, it may be noted that the price ratio here examined has been rising since December 1937 in Australia and Peru and since September 1938 in Roumania, while, in the Argentine, it ceased to fall as from June of last year.

B. PRICES OF PRIMARY PRODUCTS

Agricultural and Non-agricultural Prices.

The relationship between the prices of agricultural and non-agricultural products in the countries for which separate price indices for the two groups of commodities¹ are

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



(Continuation of note on previous page.)

curve cannot as yet be continued beyond the second quarter of 1938. The striking similarity of curves A and B, as regards the period between the second quarter of 1936 and the second quarter of 1938, might of course be accidental to a certain extent. It should be noted, however, that the movement of industrial production (curve C), if due account is taken of seasonal influences, in no way contradicts the conclusion as to the existence of an inter-relationship between the phenomena depicted by these curves.

The absence of change in the wholesale-price/cost-of-living ratio, particularly over shorter periods, does not prove that there has been no change in profitability. For instance, where surplus capacity exists, an expansion of activity with increased earnings as a result may well take place without being reflected in any pronounced change in that ratio. This might have been the case during the latter part of 1938 and the beginning of 1939 in several of the industrial countries included in Diagram 3.

¹ The headings under which these indices are given in the national statistics are: Argentina: 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.

available is illustrated in Diagram 4 for the period 1936-April 1939. Thanks to the rapid improvement in agricultural prices after the depression, the price relationship prevailing in 1929 was re-established or surpassed by the beginning or the middle of 1937 in the United States, Canada and Chile, while, in the Argentine, Estonia and Poland, the ratio — though greatly improved — remained less favourable than in 1929.

The reversal of the trend took place first in the United States, where agricultural prices, under the influence of large crops of cereals and cotton, began to fall as early as February 1937 (in fact, half a year sooner than non-agricultural prices) and continued to do so — at an accelerated rate as from August 1937 — until the summer of 1938. The price ratio to other commodities deteriorated sharply in consequence up to May 1938 but tended again to improve during the remainder of the year concurrently with the rapid revival in general economic activity. Owing to the decline in activity during the first quarter of 1939, this ratio again became somewhat more unfavourable to agricultural products.

In Canada and the Argentine, the worsening of the price ratio set in decisively only at the beginning of 1938, one year later than in the United States, but went further than in that country. Since the autumn of last year it has shown signs of slight improvement. In none of the other three countries considered did the ratio of agricultural to non-agricultural prices deteriorate to anything like the same extent. In Poland, it has been practically stable since August 1938, and in Estonia, where the general price level was well maintained, the ratio improved very sharply as from October, and in February 1939 touched the highest point previously reached (February 1937) since the depression. In Chile, where prices in general, and those of agricultural products in particular, dropped heavily between October 1938 and February 1939, the deterioration of the farmer's relative position became apparent during the first quarter of this year.

Import and Export Prices.

The fall in the purchasing power of agricultural over non-agricultural products demonstrated above naturally entailed a deterioration in the barter terms of trade of agricultural countries and an improvement in those of industrial countries during the recent economic recession. This is clearly reflected in the movement of the ratio of export prices to import prices shown in Diagram 5 for eight countries.¹

During the three to four years prior to 1937, the terms of trade of agricultural countries became steadily more favourable. As will be seen from the diagram, the reversal of this tendency made itself apparent as early as 1936 in three of the four countries given — *i.e.*, in Hungary in the early spring, in the Netherlands Indies and Peru in the late autumn and in Turkey in January 1937. By the dates indicated, the 1929 relationship between export and import prices had been just re-established in Peru and was much more favourable in Hungary to the predominant agricultural interests than in that year. But, in the Netherlands Indies and Turkey, the price ratio still remained much less favourable to them than in 1929. The deterioration of the barter terms of trade in the course of 1937 was least marked in Turkey, however, where an improvement had already set in by the middle of that year and has since continued, though slowly and somewhat erratically. The deterioration was more severe in Hungary, the Netherlands Indies and Peru, but was checked by the middle of 1938 in Hungary and the Netherlands Indies, and, in the last quarter of the year, in Peru.

The picture afforded by the curves for the four industrial countries included in the diagram — Germany, the United Kingdom, Belgium and Czecho-Slovakia — is the reverse of that commented upon above. Only in the case of Czecho-Slovakia had the ratio of export to import prices, by the time its trend was reversed in 1937, fallen below the barter position

¹ In the case of Hungary, the import-price index shown relates exclusively to industrial products and the export-price index exclusively to agricultural products.

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

- | | | | |
|--------------------|---------------------|-------------|------------------------|
| I. | | II. | |
| A. Germany. | C. Belgium. | A. Hungary. | C. Turkey. |
| B. United Kingdom. | D. Czecho-Slovakia. | B. Peru. | D. Netherlands Indies. |

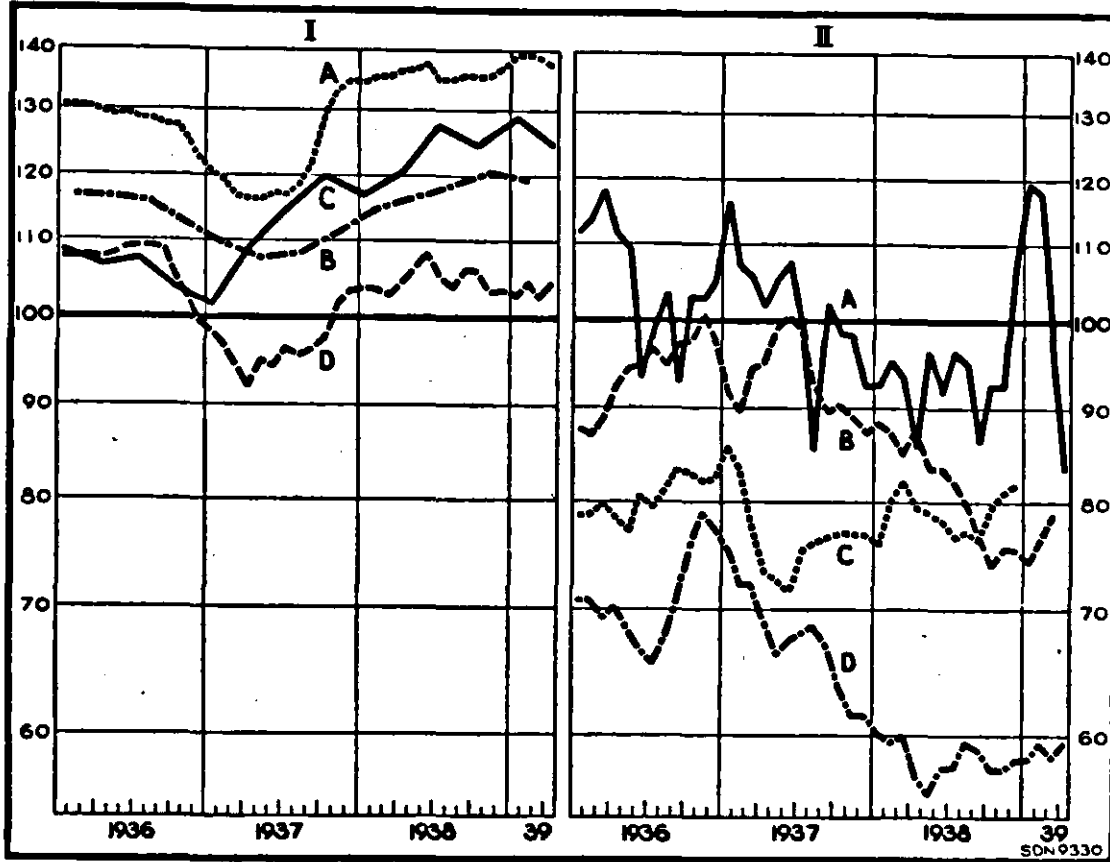
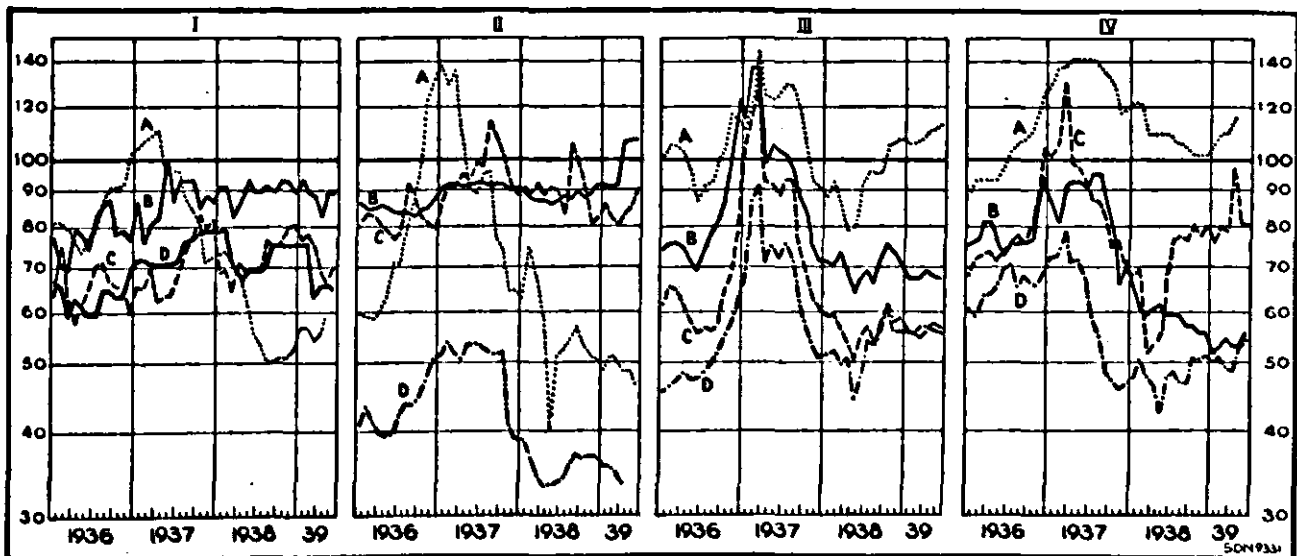


Diagram 6. — PRICES OF PRIMARY PRODUCTS*
1929 = 100 ; logarithmic scale.

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



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

of 1929. In Belgium, the improvement started earlier (first quarter of 1937) and was of larger amplitude than in the other three countries. The check to this improvement appears to have set in only towards the end of 1938 or the beginning of 1939 in the United Kingdom, Belgium and Germany, whereas Czecho-Slovakia's barter terms of trade have been slowly deteriorating since the second quarter of last year.

Prices of Primary Products.

The percentage changes in the sterling prices of certain important primary and semi-manufactured products are given below :¹

CHANGES IN STERLING PRICES OF COMMODITIES

Product	Percentage change		Index for
	End 1937 to end 1938	End 1938 to April 1939	April 1939; average for 1929 = 100
Tin; stand., cash (<i>Times</i>)	+18.0	+ 3.1	110.3
Rubber; plant, sheet (<i>Times</i>)	+16.8	— 3.8	97.4
Copper; electrolytic (<i>Times</i>)	+16.3	— 3.0	56.8
Cotton; Am. mid. (<i>Times</i>)	+ 9.4	— 4.6	48.9
Flax; Livonian Z.K. (<i>Times</i>)	+ 9.1	+13.2	109.8
Jute; first marks, shipment	+ 7.5	+52.2	97.9
Coal (Export prices; <i>Trade and Navigation of U.K.</i>)	+ 4.7	— 2.3	124.2
Beef; S.A., chilled hqr. (<i>Times</i>)	+ 4.0	— 7.7	82.8
Coffee; Santos supr. c. & f. (<i>Economist</i>) ^a	+ 3.1	— 7.5	.
Lead; English (<i>Times</i>)	± 0	— 2.9	69.2
Pig-iron; Cleveland No. 3 (<i>Times</i>)	± 0	— 9.2	140.4
Iron bars; Crown bars (<i>Times</i>)	± 0	— 7.5	121.8
Steel rails; heavy (<i>Times</i>)	± 0	— 6.2	111.8
Cement; best Portland (<i>Times</i>)	± 0	± 0	91.3
Timber; w'cot oak (<i>Times</i>)	± 0	± 0	106.3
Bacon; Irish lean (<i>Times</i>)	— 1.0	—12.0	75.6
Petroleum; Amer., ref. brl. (<i>Times</i>)	— 2.4	± 0	84.0
Butter; Danish, fine (<i>Times</i>)	— 2.7	—12.5	70.0
Sugar; W. Indies, cryst. (<i>Times</i>)	— 3.8	+14.7	94.5
Rice; No. 2, Burma (<i>Times</i>)	— 4.4	—12.8	65.8
Tea; N. Ind. Auctn., Av. (<i>Times</i>)	— 6.7	+ 1.4	83.4
Spelter; foreign (<i>Times</i>)	— 8.3	— 0.4	55.7
Hides; Eng. ox, first (<i>Times</i>)	—11.1	+ 7.5	74.7
Maize; La Plata, ex ship (<i>Times</i>)	—11.6	— 7.0	71.6
Linseed oil (<i>Times</i>)	—15.0	+ 3.9	73.9
Cocoa; Accra g.f. (<i>Economist</i>)	—16.0	— 3.4	44.4
Mutton; N.Z. frozen (<i>Times</i>)	—20.8	—10.5	60.7
Hemp; Grade K (<i>Times</i>)	—22.3	—12.1	49.9
Wool; Australian, merino, greasy, 66's (Imperial Econ. Comt.)	—22.4	— 4.4	53.1
Oats; Engl. Gaz. Av. (<i>Times</i>)	—26.5	± 0	68.6
Flour; Idn., straight (<i>Times</i>)	—37.0	+ 2.2	61.3
Barley; Eng. Gaz. Av. (<i>Times</i>)	—41.6	—10.6	70.6
Wheat; Eng. Gaz. Av. (<i>Times</i>)	—48.5	+ 3.8	45.4

^a According to quotations in New York.

¹ The products are given in the order of the price changes between the end of 1937 and the end of 1938.

The fall in individual commodity prices was less pronounced in 1938 than in 1937, and the tendency was less uniform. Indeed, the prices of certain metals (tin, copper) and textile fibres (cotton, flax, jute), as well as those of rubber and coal, even increased during the year, while those of a considerable number of commodities, including lead, iron and steel, timber, cement, refined petroleum and certain foodstuffs such as bacon and chilled beef, butter and sugar, either remained stationary or showed but a slight net change. The prices which declined were mainly those of agricultural products : wheat and barley, mutton, wool, cocoa, etc.

Prices were best maintained in commodities subject to various international restriction schemes which were throughout made more stringent during the course of 1938.¹ The prices of many metals, however, have been strengthened by the growing armament demand.

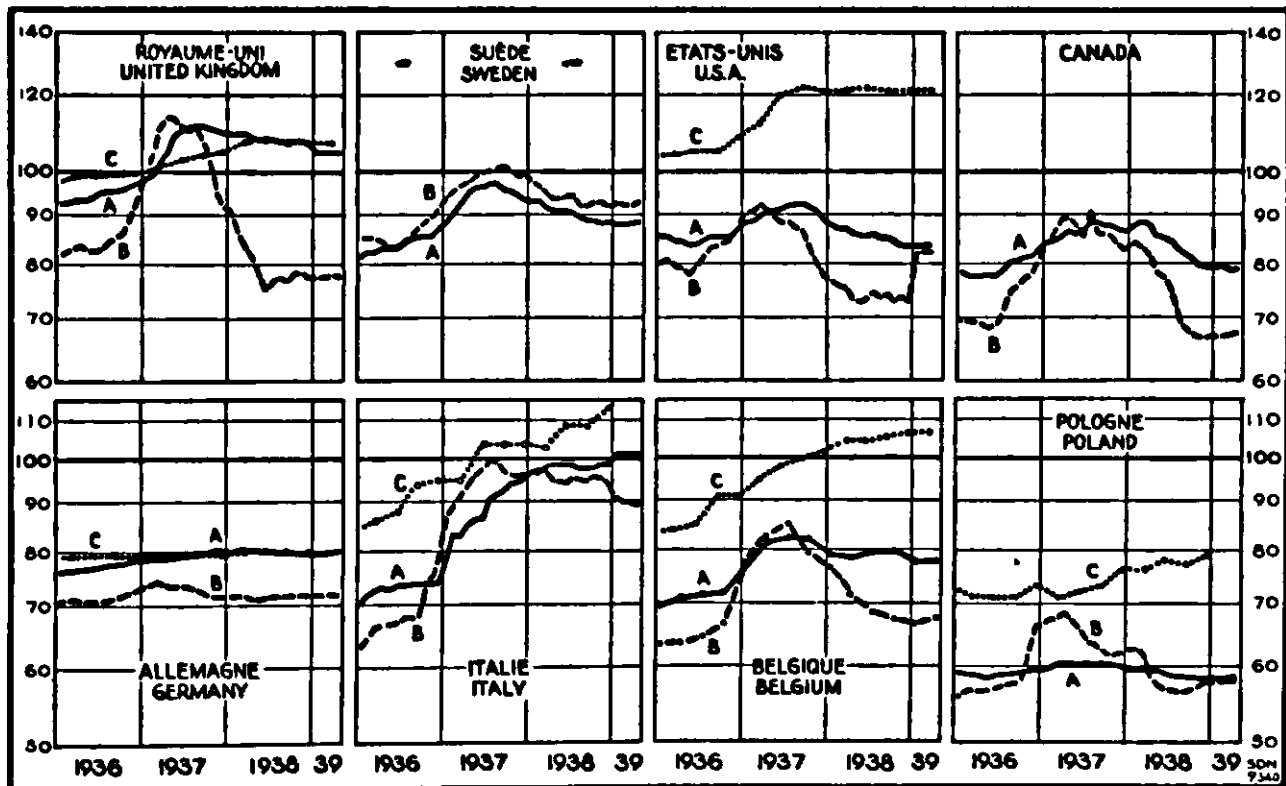
C. INDUSTRIAL COSTS AND SELLING PRICES

Wages, Raw Materials and Finished Goods

The profitability of industry² depends largely on the relation between the prices of finished products and the price of the labour and material used in their production.³ It is difficult to obtain a complete picture of the development of this relationship, but existing data have been brought together in Diagram 7. The prices of finished articles fell comparatively little or remained practically unchanged in 1938, and increased in Italy.

Diagram 7. — SELLING PRICES AND INDUSTRIAL COSTS
1929 = 100.^a
Logarithmic scale.

A. Prices of finished goods. B. Prices of raw materials. C. Wage rates.



^a United Kingdom : January 1930 = 100.

¹ Cf. in this connection, Chapter V above.

² Cf. also Chapter VIII below.

³ For a discussion of the price of capital, cf. another volume published by the Economic Intelligence Service : *Monetary Review* (Vol. I of *Money and Banking, 1938/39*, Geneva, 1939).

On the other hand, while nominal wages remained relatively stable, the prices of raw materials tended on the whole to decrease — at any rate, until the middle of the year — leaving a wider margin of profit per unit of production. The development, however, differs from country to country. In the United States, the prices of manufactured goods fell slowly throughout 1938, while raw-material prices recovered considerably at the end of the year and during the first months of 1939. As wages remained practically stationary, the margin per unit of industrial output declined, concurrently with or slightly before the recession in industrial activity which set in at the beginning of 1939.

In the United Kingdom, which is more dependent on imported raw materials than the United States, and thus less subject to internal price-regulation, raw-material prices dropped markedly during the first half of the year; as the decline in finished articles was slight and wages were relatively stable, the profit situation was more favourable than in the United States. Prices and wages in Germany were remarkably stable; in Italy, the prices of raw materials rose sharply in 1937 and more than those of finished articles, but, in 1938, this tendency was reversed; on the other hand, wage rates increased considerably.

In France, such material as is available suggests that the cost relations in 1938 became more favourable to producers. The rapid wage increases during 1937 were followed in 1938 by a more stable position in regard to hourly wage rates; wholesale prices continued to increase slightly, the prices of manufactured goods rising at approximately the same rate as those of raw materials.

Prices of Producers' and Consumers' Goods.

Separate price-indices for producers' and consumers' goods are available for the five countries included in the table below, showing percentage changes in these indices during the past three years.

PRICE MOVEMENTS OF PRODUCERS' AND CONSUMERS' GOODS

Country	Index number of	Net percentage change (January to January)			Price index in January 1939 (1929 = 100)
		1936/37	1937/38	1938/39	
Canada	Producers' equipment	+ 2.3	+ 2.6	+ 0.5	100.4
	Consumers' goods	+ 5.1	+ 0.9	- 5.5	78.6
Germany	Producers' goods (finished)	+ 0.1	- 0.1	- 0.3	81.4
	Consumers' goods (finished)	+ 4.9	+ 3.7	- 0.4	78.6
Japan	Producers' goods	+30.9	+ 1.0	- 2.4	103.4
	Consumers' goods	+ 7.1	+ 7.1	+ 8.9	115.7
Poland	Industrial equipment	- 2.3	+ 2.5	- 0.4	73.1
	Consumers' goods	+ 2.5	- 0.9	- 3.3	55.3
Sweden	Producers' goods	+15.8	+ 8.0	- 9.8	96.7
	Consumers' goods	+ 2.3	+ 5.9	+ 2.8	97.9

As shown by the last column of the table, in Canada, Germany and Poland, the prices of producers' goods were higher in relation to those of consumers' goods in January 1939 than in 1929; in Japan, they were lower; in Sweden, there was but little difference between the figures at the two dates. The price-development in 1938 showed on the whole a downward tendency, but the situation differs from country to country.

The annual movements of the indices show marked variations from country to country. Of particular interest is, perhaps, the steady rise in the prices of consumers' goods in Japan.

CHAPTER VIII

INDUSTRIAL PROFITS AND FARM INCOME

The data available with reference to industrial earnings and farm income 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 indices calculated from the series given probably reflect the changes from year to year in industrial profits and farm income in each country satisfactorily enough to allow of rough international comparison.

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

Country	Canada	U.S.A. ¹	Japan ²	Belgium ³	Denmark	France	Germany	Hungary	Italy ⁴	Netherlands	Poland ⁵	Sweden ⁶	Switzerland	United Kingdom ⁷
Companies covered	87	351	64	80	21	164	213	18	74	51	7	52 ⁸	26 ⁹	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	68.2	94.0	84.6	80.1	76.8	86.2	70.4	70.5	84.4	91.0	80.6
1931	36.6	45.9	76.4	49.5	85.3	58.1	60.5	60.6	60.2	52.1	40.3	58.0	70.2	62.6
1932	23.7	24.4	103.6	37.4	74.8	47.0	40.3	57.5	44.6	34.5	28.1	50.3	52.6	60.4
1933	35.3	35.0	176.7	36.4	83.0	44.8	51.7	51.9	51.8	38.0	30.2	57.2	63.6	74.1
1934	46.4	42.9	222.7	30.8	96.2	35.4	61.8	48.0	61.1	40.1	29.2	69.7	66.0	89.9
1935	54.4	48.0	181.6	37.4	98.7	36.3	69.6	64.7	68.1	38.7	32.9	72.1	70.4	100.7
1936	74.3	67.3	205.8	47.0	105.6	33.4	77.8	85.7	73.6	45.1	37.9	90.2	80.9	115.7
1937	77.4	69.0	251.7	62.2	109.1	43.8	87.3	106.5	88.7	67.0	44.7	103.7	105.6	108.3
1938	64.4	52.6	...	51.1	106.3	41.1	84.8	72.9	84.6	65.3	61.4	99.5	130.4	88.4
1938 :														
I-III	64.8	49.6	269.5	50.1	106.4	37.8	88.5	81.3	94.1	64.8	57.9	98.1	116.6	91.6
IV-VI	60.8	45.8	...	50.6	104.5	42.9	87.7	70.9	82.1	63.8	56.2	96.7	125.6	88.7
VII-IX	63.7	55.6	234.2	51.6	105.4	39.9	81.1	72.0	80.1	64.6	63.9	99.6	136.8	87.3
X-XII	68.3	59.1	...	51.9	108.7	43.6	81.2	67.5	81.6	67.5	67.9	103.6	142.5	85.9
1939 :														
I-III	64.5	56.7	...	45.5	106.9	43.3	80.7	59.0	80.1	66.7	73.4	101.8	132.9	86.1
III	64.2	56.4	...	43.7	107.2	43.8	80.0	55.3	80.0	68.0	74.7	101.1	126.9	90.6
IV	59.1	49.7	...	43.2	105.2	44.0	80.7	57.9	78.4	63.8	74.7	101.1	123.9	82.7
V	61.0	51.6	...	...	108.9	46.7	80.2	...	...	65.5	68.4	107.0	126.2	85.6
VI .....	...	52.6	...	...	109.7	44.5	...	...	...	66.9	...	104.3	124.3	84.9

NOTE. — Unless otherwise stated, the indices have been compiled by Government authorities in each country. They relate to quotations in national currencies. ¹ Standard Statistics Co. ² Tokio Stock Exchange Co.; January 1930 = 100. ³ National Bank. ⁴ Prof. F. Guarneri. ⁵ Institut de recherches sur le mouvement des affaires et des prix. ⁶ Affärsvärlden. ⁷ London and Cambridge Economic Service. ⁸ Excluding Swedish Match Co. and L. M. Ericsson Telephone Co. (international corporations particularly affected by the breakdown of the Krueger concern); including shipping shares. ⁹ Including commercial shares.

^{*} Monthly average of daily rates; [†] Monthly average of rates, taking one day in the week; [‡] Average of highest and lowest rates of month; [§] 15th or middle of month; [¶] Last week or end of month; ^{||} Beginning of following month; ^{|||} Stock Exchange closed — Denmark: September 19th-October 15th, 1931; 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 and by dividends distributed, 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.

To a certain extent, these changes in the valuations of the future are reflected in the actual yields of industrial shares. During 1937, these rose sharply in the chief industrial countries as a result mainly of falling share values. In the United Kingdom, according to the estimates of the *Economist*, yields were 3.71% in January 1937 and increased afterwards almost without interruption until a level of 6.13% was reached in December 1938. In Germany during the same period the yield rose, according to the estimates of the *German Institute for Business Research*, from 3.86% to 5%. The development in the United States was different; the percentage published in the *Survey of Current Business* rose from 3.8 in January 1937 to 7 in December; it then fell to 3.1 in December 1938.

Data on industrial net profits for sixteen countries are given in Appendix V, together with brief indications of 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 basis of 1929 = 100 and are reproduced in Table 2. No account is taken of changes in the general level of prices.

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

Period	Germany Extractive and manufacturing joint-stock companies	Belgium All joint-stock companies	Canada* All joint-stock companies	U.S.A. 180 Industrial companies	Finland 148 Industrial companies	France 790 to 849 joint-stock companies	Italy* Industrial, commercial and financial joint-stock companies	Japan Industrial, commercial and financial companies	United Kingdom Industrial companies	Nether- lands* All joint-stock companies	Sweden 20 leading Industrial companies	Switzer- land* 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 ...	31.9	109.1	119.2	59.4	33.5	116.9	5	51.4	99.4	96.9	79.7	88.8
1931 ...	(-162.5)	75.2	94.6	24.5	36.7	114.7	13	50.5	77.1	87.6	48.8	74.5
1932 ...	(-58.7)	24.3	69.0	(-6.3)	88.8	89.7	(-23)	71.8	63.1	64.0	28.0	60.9
1933 ...	15.5	13.6	56.5	15.7	124.7	80.3	18	94.2	63.4	48.4	44.2	59.0
1934 ...	66.9	23.0	77.8	26.3	162.9	79.4	52	115.1	73.9	46.9	61.7	59.0
1935 ...	84.0	29.6	89.1	44.2	153.8	78.0	80	146.0	85.7	40.2	75.6	44.7
1936 ...	94.2	52.6	109.2	68.8	205.6	73.9	103	157.1	96.5	44.9	91.4	47.2
1937 ...	...	83.2	135.1	76.3	252.2	84.0	...	192.1	113.2	68.9	111.9	57.8
1938 ...	...	99.1	136.4	32.5	...	...	...	...	120.7	*76.2	127.0	...

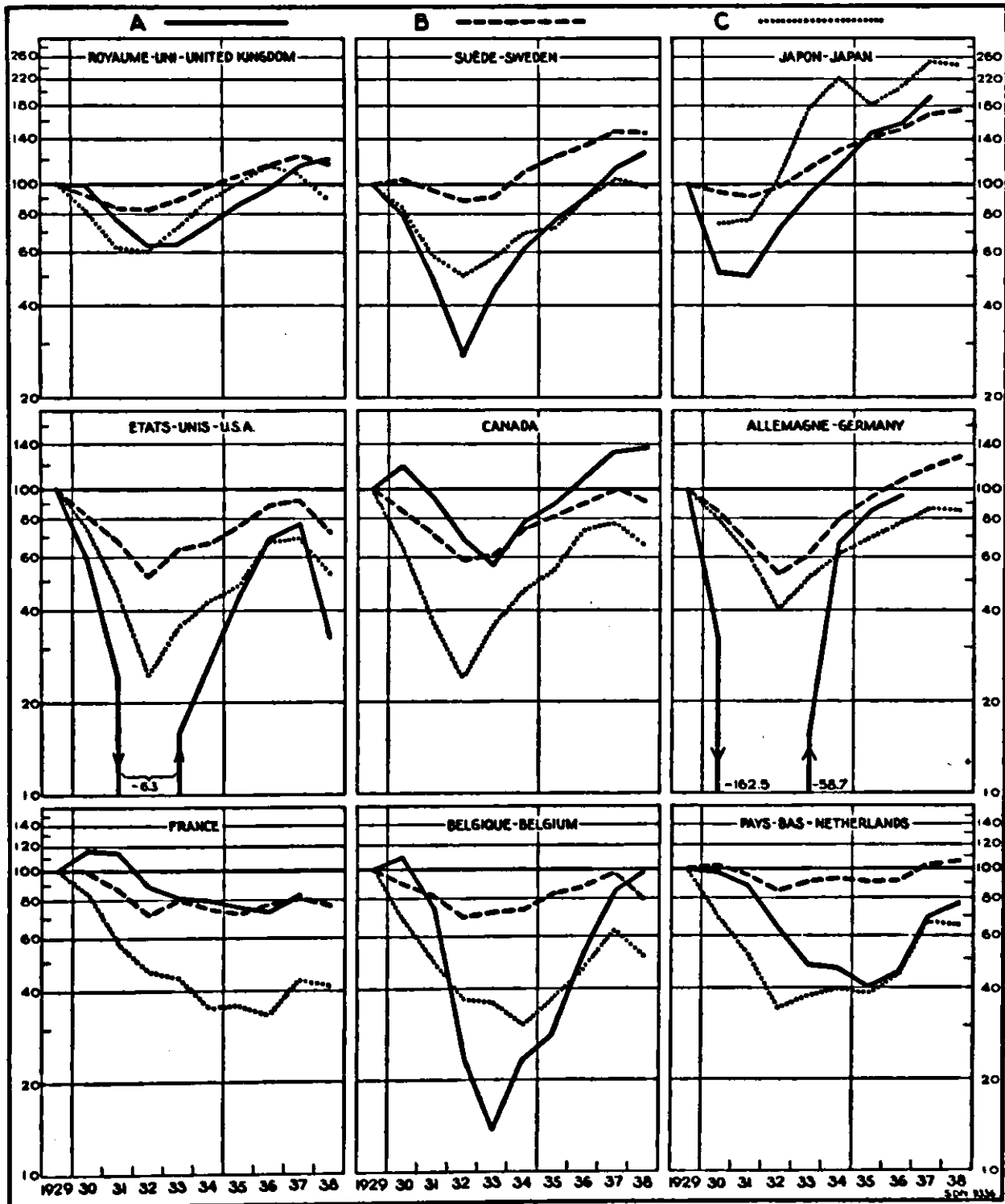
NOTE. — For full explanation of the series used, cf. notes and tables in Appendix V.

* Preliminary figures.

* Dividends. — 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.

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

- A. Net profits or losses.
- B. Industrial production.
- C. Market values of industrial shares.



The unevenness of industrial development in the world in 1938, as well as the feeling of insecurity as to the future, is reflected in the development in prices of industrial shares and industrial profits. Industrial shares declined throughout 1938, even in countries where industrial production continued to increase (except Poland). As is shown by this fact and also by the profit figures, the fall was due largely to pessimism as to future developments. In all the countries, except the United States, for which data are available for 1938, profits are shown to have increased. This increase, however, largely reflects the favourable situation during 1937, as the profits shown for 1938 were partly, if not wholly, earned during the previous year.

Indices of share values, industrial profits and production are given in Diagram 1 for some important countries.

In the *United States*, the fall in industrial share values which began in March 1937 ceased in April 1938 and was followed by a rapid rise during the summer; after a passing weakness during the international political crisis of September 1938, the market continued hesitant up to the end of March 1939. Total net profits of industrial and commercial companies for the whole year 1938 were about half as large as in 1937. Average profits of companies producing durable goods declined more than those of non-durable goods industries. Profits in the steel, building materials, railroad equipment, machinery and agricultural implements groups declined by 75% and those of the automobile group by 65%, while those of aircraft companies more than doubled. Among the consumption-goods industries, companies producing bakery products, beverages and miscellaneous food products showed increased profits, while those of meat packers and sugar refineries showed a marked decline and a net loss was recorded for the textile group as a whole. Profits in public utilities declined by some 11%.

As a result of the general business revival since July 1938, profits rose sharply in the fourth quarter of 1938 (by 7½% in comparison with the corresponding period of 1937) and in the first quarter of 1939 (by 82.6% as compared with the first three months of 1938). This increase mainly related to companies producing durable goods. In many cases, the fourth-quarter profits exceeded the aggregate deficits sustained in the first three quarters of the year and permitted many companies to end the year with a small net profit.

In the *United Kingdom*, the value of industrial shares continued to decline in 1938, although profits recorded in this year were about 7% higher than those reported in 1937. This increase, however, was centred mainly in the first half of the year; during the second half there occurred a clear decline in total reported profits; the profits disclosed during the first quarter of 1939 totalled 9.9% less than those shown during the first three months of 1938. The decline was not evenly distributed; the greatest fall occurred in textiles, while the heavy industries even reported a slight increase.

In *France*, the level of share prices, relatively to 1929, remained lower than in any other country included in the table, and was slightly lower than in 1937. A slight recovery is noticeable since the last quarter of the year. In *Sweden* and the *Netherlands*, shares declined moderately in 1938, whereas in *Belgium* the decline was more marked. Profits and dividends increased in all four countries.

In *Germany*, *Italy* and *Japan*, whose industrial activity has not declined since 1937, there occurred a substantial fall in the value of industrial shares, while profits continued to increase. The decline in share values is thus largely due to pessimistic anticipations as to future earnings and dividends. Factors in this attitude were the establishment of a capital levy in Italy and the limitation of dividends in Japan. In Japan, the present increased levels of profits — in spite of capital control and increased taxes — is largely attributable to the rise in prices. As regards Germany, the *Reichs-Kredit-Gesellschaft* points in its report on *Germany's Economic Situation at the Turn of 1938/39* to the following circumstances which will tend to decrease profits as industry approaches a state of full employment. Shift work, particularly in three shifts, accelerates depreciation and makes repairs more difficult. Labour productivity tends to decrease with the

employment of a higher proportion of unskilled labour and as a result of adaptations necessitated by the use of domestic substitute raw materials. On the other side, one has to take into account official measures to decrease prices in the home market and price concessions on the export market not covered in full by arrangements for compensating export losses. To this are added increased taxation and various regulations intended to limit distribution of profits.

B. AGRICULTURAL INCOME

The changes of earnings in agriculture have both directly and indirectly a profound 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, such data on farm income as are available are here brought together. The original figures, together with explanatory notes, are reproduced in Table 2 of Appendix V. In order to bring out the main tendencies, these figures are converted into index numbers (1929 = 100) in Table 3 of this chapter.

The figures are not strictly comparable, since they sometimes relate to *gross* and 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 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.

*Table 3. — INDICES OF THE VALUE OF AGRICULTURAL PRODUCTION**
1929 = 100. ^b

Country	Character of statistics	1930	1931	1932	1933	1934	1935	1936	1937	1938
Canada	Gross value	76	52	47	49	58	58	66	65	63
U.S.A. {	Net value	79	58	45	54	61	71	80	...	...
	Selling receipts	81	56	41	49	61	68	76	82	...
Japan	Gross value ^c	68	56	68	85	75	89	102	115	*118
Germany ▲	Gross value	86	75	65	73	83	86	88	93	...
	Selling receipts	88	75	65	76	85	89	91	97	...
Denmark ▲	Net income ^d	(49)	(33)	(59)	(69)	(71)	(78)	...	...	...
Estonia ▲	Net value	87	62	52	61	60	65	74	...	...
Finland	Gross value ^e	109	113	124	120	122	120	144	177	...
United Kingdom (England and Wales) ^b ▲	Net value	(100)	(92)	(90)	(98)	(101)	(101)	(109)	*(110)	...
Sweden	Gross value ^e	90	80	85	88	98	98	97	112	108
Switzerland	Net value	93	95	85	82	83	80	77	85	*86
Australia ▲	Gross value	86	84	87	96	82	98	...	...	...
New Zealand ▲	Gross value	77	70	68	86	82	104	127	121	...

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

* Preliminary figure. ▲ Crop year 1929/30, etc.

^a Certain figures relating to vegetable production in France will be found in Appendix V.

^b England and Wales: 1930 = 100.

^c *Gross value* of vegetable produce and silk, plus value of animals slaughtered.

^d Estimated income (gross receipts less working expenses) according to Jørgen Perdersen (*Weltwirtschaftliches Archiv* (Kiel), Vol. 47, No. 3, May 1938).

^e 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.

The upward trend in the value of agricultural production would appear to have been interrupted in exporting countries, although, for lack of recent income data, this break is not as yet clearly shown by the table. Harvests in 1937/38 were very plentiful in almost all producing countries, with the main exception of the Argentine and Canada (wheat), but the fall in prices brought about a sharp reduction in farmers' income. Several exporting countries adopted various protective measures: minimum guaranteed prices or export subsidies for wheat were established in the Argentine, Australia, Canada, the United States and some European exporting countries such as Bulgaria, Hungary and Yugoslavia. The United States Government decided to buy up some 100 million bushels of wheat at home market prices and to sell it abroad at lower prices. In countries which do not export and in which domestic producers enjoy an effective protection, the value of agricultural output remained practically unchanged (United Kingdom, Sweden, Switzerland). In Germany, the cash income from farm production again increased in 1938.

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 98.¹ 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 eighty-five 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, 1938/39*. 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	*1938
Cereals and sugar	10,355.8	10,162.5	10,295.9	10,619.8	11,087.9	10,432.6	10,609.4	*10,831.3	11,688.0	12,042.8
Fruit and vegetables	2,761.6	2,579.7	2,982.0	3,055.4	3,000.3	3,354.2	3,220.8	3,316.6	3,665.8	3,423.2
Meat *	11,551.0	10,999.5	12,022.3	11,403.3	11,597.2	11,897.0	11,245.3	11,924.9	11,797.2	11,991.1
Sea fish	495.1	461.7	544.6	552.6	610.7	646.5	659.9	* 708.8	687.4	692.5
Milk *	11,926.2	11,434.8	12,306.1	12,599.5	12,645.5	12,678.8	12,865.1	13,084.7	13,227.9	13,395.0
Wine and hops	727.6	784.0	785.0	784.1	736.3	883.6	940.2	663.2	797.5	841.7
Coffee, tea, cocoa	619.6	538.6	705.8	714.1	727.1	716.6	673.4	753.0	763.3	726.1
Tobacco	848.6	860.7	886.9	776.0	831.7	776.8	869.3	886.4	919.3	888.3
Oil materials and oils	1,646.9	1,558.9	1,757.9	1,669.3	1,770.5	1,619.1	1,781.2	1,883.0	2,129.1	1,890.9
Textile fibres †	3,614.0	3,467.4	3,841.3	3,574.2	3,869.3	3,784.9	4,114.3	4,618.6	5,257.1	4,559.8
Rubber	162.4	129.3	213.6	174.4	210.0	250.4	214.8	210.0	279.7	221.6
Wood products	705.3	620.4	804.0	621.1	713.6	791.2	848.5	945.1	1,040.8	954.6
Fuels and power	6,158.1	5,652.6	6,853.4	5,335.8	5,641.5	6,127.4	6,457.6	7,068.5	7,627.9	7,267.0
Metals	2,683.6	2,351.6	3,180.5	1,379.1	1,604.4	2,103.4	2,507.6	3,069.2	3,207.9	3,237.2
Non-metallic min.	1,165.5	1,031.5	1,331.1	841.6	876.5	1,015.9	1,139.5	1,300.0	1,427.9	1,422.8
Agricultural prod.	44,322.4	42,708.5	45,799.9	45,350.9	46,371.8	46,193.4	46,244.7	47,833.1	49,880.7	49,471.9
Non-agricult. prod. †	10,874.9	9,735.3	12,382.5	8,352.0	9,045.9	10,288.2	11,168.1	12,593.2	14,184.2	13,103.1
Foodstuffs	40,108.9	38,601.1	41,407.6	41,339.6	42,121.8	42,195.6	41,974.0	43,110.1	44,610.9	44,946.1
Raw materials †	15,088.4	13,892.7	16,774.8	12,363.3	13,295.9	14,266.0	15,438.8	17,316.2	19,454.0	17,628.9
Total †	55,197.3	52,493.8	58,182.4	53,702.9	55,417.7	56,481.6	57,412.8	60,426.3	64,064.9	62,575.0
Fodder crops †	(6,225.6)	(6,351.7)	(6,365.8)	(6,525.6)	(5,929.9)	(5,293.3)	(6,118.1)	(5,293.2)	(6,286.8)	(6,347.4)
TERRITORIAL DIVISIONS										
Europe, excl. U.S.S.R.	18,346.7	17,532.4	20,010.1	19,139.9	19,636.2	20,292.8	20,390.9	20,787.4	21,605.5	21,781.2
Europe, incl. U.S.S.R.	24,011.2	22,669.9	25,940.8	24,139.5	24,827.8	25,880.7	26,504.1	27,290.6	28,928.8	28,927.3
North America	14,712.5	13,950.8	15,179.3	12,759.1	13,040.1	12,980.2	12,945.4	14,164.3	15,558.7	14,463.8
Latin America	4,337.0	4,134.4	4,442.8	4,161.5	4,408.2	4,635.0	4,646.6	4,889.5	5,031.6	5,067.7
Africa	1,408.9	1,355.8	1,543.2	1,428.0	1,522.5	1,605.6	1,703.2	1,735.8	1,926.6	1,868.4
Asia	9,331.6	9,063.4	9,639.0	9,504.4	9,903.6	9,663.6	9,849.3	10,569.0	10,763.4	10,440.8
Oceania	1,896.1	1,819.5	1,437.3	1,710.4	1,715.5	1,716.5	1,764.2	1,777.1	1,855.8	1,807.0
World	55,197.3	52,493.8	58,182.4	53,702.9	55,417.7	56,481.6	57,412.8	60,426.3	64,064.9	62,575.0

* Partly based on estimates.

† Series not included in totals.

‡ For reference to certain minor changes made in this edition, cf. Chapter II above.

§ Including rayon and staple fibre.

¶ Excluding rayon and staple fibre.

Appendix I. Table 2.

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

Products	1925	1929	1930	1931	1932	1933	1934	1935	1936	1937	*1938
<i>Cereals and sugar :¹</i>											
Wheat	94	97	110	104	103	109	104	105	104	122	**130
Rye	105	100	107	94	103	110	96	100	** 91	** 97	**103
Rice	100	101	101	104	104	106	101	100	110	110	106
Beet sugar	90	109	133	102	92	103	113	115	120	130	124
Cane sugar	94	107	98	101	92	94	91	100	113	108	109
<i>Fodder crops :¹ †</i>											
Barley †	(94)	(115)	(110)	(94)	(105)	(103)	(98)	(108)	(**99)	(**104)	(**112)
Oats †	(97)	(102)	(103)	(88)	(96)	(91)	(87)	(101)	(**86)	(**97)	(**100)
Maize †	(107)	(102)	(90)	(104)	(111)	(97)	(83)	(97)	(83)	(104)	(103)
<i>Fruit and vegetables :</i>											
Apples	85	103	80	113	93	96	118	100	112	125	...
Pears	86	107	87	116	99	102	136	105	116	116	...
Grapes (table)	93	99	104	96	112	108	122	134	115	128	...
Oranges	96	105	121	120	131	125	142	135	141	157	...
Lemons	91	102	112	99	123	105	111	97	89	97	...
Grape fruit	82	108	176	158	158	149	219	193	313	321	418
Bananas	91	118	120	114	125	115	123	137	143	159	...
Potatoes	95	111	112	110	113	111	120	122	**123	**138	**130
Dry beans	102	106	107	109	111	107	108	107	106	110	...
<i>Meat :¹</i>											
Beef *	99	102	99	92	91	96	105	102	104	106	...
Veal *	100	105	101	97	97	96	101	98	103	110	...
Pig-meat, (pork, bacon, hams, lard) *	93	105	103	105	103	105	103	94	104	99	...
Mutton, lamb, goat-flesh *	91	107	120	114	107	97	96	94	95	99	...
<i>Sea fish.</i>	93	110	116	111	112	123	131	133	*143	...	...
<i>Milk</i> * ¹	96	103	105	105	106	106	106	108	110	111	112
<i>Wine and hops :</i>											
Wine	108	108	93	103	109	102	122	130	91	110	118
Hops	89	124	95	74	63	80	91	98	91	105	96
<i>Coffee tea, cocoa :</i>											
Coffee	80	120	123	105	123	132	127	106	132	127	116
Tea	91	109	100	102	108	99	102	101	103	109	...
Cocoa	97	106	111	120	116	137	139	145	135	145	131
<i>Tobacco (raw)</i> ¹	101	104	109	107	91	98	92	103	106	109	107
<i>Oil materials and oils :</i>											
Cotton-seed	105	99	98	102	90	101	92	102	122	144	109
Linseed	106	83	110	110	88	84	95	91	** 96	** 88	...
Rape-seed	121	93	111	100	100	102	99	105	111	109	120
Hemp-seed	107	82	74	66	58	58	49	51	51	...	...
Sesamum	87	109	121	115	114	113	98	115	121	123	96
Soya beans	92	102	115	116	97	113	88	103	102	110	116
Copra	86	116	100	99	97	120	119	117	120	123	137
Ground-nuts	86	105	120	104	125	130	101	115	128	149	132
Palm and palm-kernel oil (crude)	99	105	113	107	120	127	129	154	185	182	178
Olive oil (crude)	78	149	54	102	103	92	96	112	87	132	89
Whale oil (crude)	79	143	212	280	69	197	195	204	208	243	276
<i>Textile fibres :</i>											
Cotton (ginned)	105	100	98	103	90	100	89	100	119	144	108
Flax (fibre)	103	116	119	130	113	127	130	145	145	154	152

Appendix I. Table 2 (concluded).

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

Products	1925	1929	1930	1931	1932	1933	1934	1935	1936	1937	*1938
<i>Textile fibres (continued):</i>											
Hemp (fibre)	107	96	91	72	62	60	59	62	70	** 73	**75
Manila hemp (abaca).	97	115	105	87	70	73	97	108	105	108	...
Sisal hemp (agave).	91	115	103	104	128	128	121	143	148	145	144
Mauritius hemp	68	162	135	68	68	68	34	41	41	34	20
New Zealand hemp (phormium).	124	86	20	19	32	37	37	39	42	48	51
Jute (fibre)	87	100	109	54	69	78	83	71	94	84	65
Wool (sheep's, greasy)	92	106	103	103	103	100	98	100	103	105	106
Mohair	78	117	110	119	113	137	103	117	110	99	109
Silk (raw)	87	113	110	107	98	103	106	102	101	101	...
Rayon (artificial silk)†.	63	145	151	167	174	223	262	314	342	402	333
Staple fibre *†. . . . .	.	(100)	(87)	(117)	(306)	(389)	(721)	(1940)	(4100)	(8760)	(13670)
<i>Rubber (crude)</i>	80	131	125	121	107	129	154	132	130	172	136
<i>Wood products:</i>											
Softwood (sawn and planed)	97	103	87	69	57	70	78	84	93	95	...
Mechanical pulp	87	115	114	104	97	104	120	126	137	153	...
Chemical pulp	84	119	115	103	99	115	125	135	152	173	...
<i>Fuels and power:</i>											
Coal	95	107	98	87	77	81	89	91	100	105	98
Lignite	91	113	96	88	82	83	88	94	102	115	118
Petroleum	86	119	113	109	104	114	120	131	142	161	157
Natural gas (consumption)	80	129	132	117	109	110	127	136	153	166	...
Hydro-electric energy *	81	118	120	115	120	127	135	152	160	176	178
<i>Metals:</i>											
Iron ²	88	120	107	68	42	52	70	83	105	131	100
Copper ²	88	120	100	87	57	64	80	93	107	145	125
Lead ²	94	105	102	81	73	73	81	85	92	104	100
Zinc ²	86	109	99	77	60	76	89	99	108	118	112
Tin ²	88	115	107	91	60	53	74	83	109	127	95
Aluminium (smelter production)	81	124	120	98	70	64	77	118	166	224	264
Nickel ²	86	133	135	92	51	107	166	178	205	265	250
Silver ²	96	104	97	76	65	67	76	86	97	106	102
Manganese ²	79	128	116	74	39	58	97	131	169	195	...
Chromes (Cr, O ₂)	71	144	130	92	69	90	131	173	224	284	...
Tungsten (WO ₃)	73	135	121	108	58	99	150	187	216	312	275
Molybdenum ²	53	156	146	123	103	243	399	517	711	1164	1300
Vanadium ²	68	134	106	75	66	6	12	43	101	203	...
Antimony ²	90	101	79	93	64	68	78	110	128	138	...
Cadmium	41	197	204	131	106	192	237	304	359	409	364
Magnesite (crude)	83	123	97	81	81	103	135	*164	*204	207	...
Quicksilver	76	119	81	77	61	45	57	74	*89	104	...
<i>Non-metallic minerals:</i>											
Cement	87	111	105	91	73	71	84	93	112	119	123
Asbestos	90	116	97	68	57	76	84	103	141	172	142
Salt	89	116	113	108	102	107	113	122	127	139	...
Graphite	86	106	85	55	49	60	109	155	158	171	...
Mica	112	105	89	89	91	96	95	180	204	267	...
Sulphur ²	84	112	115	97	71	89	91	102	118	142	...
Natural phosphates (crude)	89	107	125	89	76	88	105	117	129	147	...
Natural guano	116	105	110	80	113	139	146	141	162	176	...
Chile nitrate of soda (saltpetre)	101	129	97	45	28	17	45	49	63	64	...
Potash	94	118	110	77	65	81	104	121	125	139	...
Basio slag	82	118	96	74	55	66	78	89	97	108	...

* 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.
¹ Excluding China, but including certain crops and meat produced in Manchuria.
² Metal content of ores mined.
³ 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	1929	1930	1931	1932	1933	1934	1935	1936	1937	*1938
WORLD.											
GENERAL INDEX	95	105	105	101	97	100	102	104	109	116	113
<i>Agricultural products</i>	96	103	104	104	102	105	104	104	108	113	112
<i>Non-agricultural products</i>	90	114	106	90	77	83	95	103	116	*130	120
<i>Foodstuffs</i>	96	103	105	104	103	105	105	105	107	111	112
<i>Raw materials</i>	92	111	105	93	82	88	95	102	115	129	117
Cereals and sugar	98	99	106	102	103	107	101	102	105	113	116
Fodder crops †	(102)	(102)	(95)	(97)	(105)	(95)	(85)	(98)	(85)	(101)	(102)
Fruit and vegetables	93	108	105	111	111	109	121	117	120	133	124
Meat *	95	104	103	101	99	100	103	97	103	102	104
Sea fish	93	110	116	111	112	123	131	133	*143	...	...
Milk *	96	103	105	105	106	106	106	108	110	111	112
Wine and hops	108	108	92	102	108	101	121	129	91	110	116
Coffee, tea, cocoa	87	114	111	104	115	117	116	109	122	123	117
Tobacco	101	104	109	107	91	98	92	103	106	109	107
Oil materials and oils	95	107	103	107	101	108	98	108	114	129	115
Textile fibres ¹	96	106	105	105	99	107	105	114	128	145	126
Rubber	80	131	125	121	107	129	154	132	130	172	136
Wood products	88	114	108	95	88	101	112	120	134	148	135
Fuels and power	92	111	104	94	87	92	100	105	115	124	118
Metals	88	119	106	77	51	60	78	93	114	142	121
Non-metallic minerals	89	114	108	89	72	75	87	98	112	123	122
EUROPE (excl. U.S.S.R.).											
GENERAL INDEX	96	109	106	105	104	107	111	111	113	118	119
<i>Agricultural products</i>	97	108	105	108	110	112	114	114	114	117	119
<i>Non-agricultural products</i>	91	115	108	93	82	86	95	101	109	121	120
<i>Foodstuffs</i>	97	107	105	109	110	113	115	114	115	117	119
<i>Raw materials</i>	92	115	106	93	82	86	95	101	108	121	119
Cereals and sugar	105	109	105	101	107	122	111	111	108	109	128
Fodder crops †	(99)	(117)	(100)	(100)	(112)	(108)	(106)	(98)	(108)	(108)	(114)
Fruit and vegetables	86	115	102	111	114	107	123	104	120	126	115
Meat *	92	105	105	110	110	110	114	114	114	115	...
Sea fish	97	106	111	102	104	108	102	109	117	*119	...
Milk *	95	105	109	112	114	116	117	118	121	121	122
Wine and hops	111	107	90	101	100	93	115	122	82	97	103
Tobacco	101	110	115	105	89	94	93	101	121	118	100
Oil materials and oils	79	145	72	117	96	99	104	121	111	147	111
Textile fibres ¹	88	115	111	103	105	115	127	142	158	182	186
Wood products	87	115	112	97	98	111	124	129	139	152	142
Fuels and power	95	113	105	96	88	90	97	99	104	113	112
Metals	85	122	115	83	60	65	79	89	102	123	122
Non-metallic minerals	86	116	108	92	81	86	98	108	118	130	134
EUROPE (incl. U.S.S.R.).											
GENERAL INDEX	94	108	107	103	101	103	108	110	114	120	120
<i>Agricultural products</i>	96	106	106	*104	*102	*105	*107	*108	*110	*116	*116
<i>Non-agricultural products</i>	89	118	114	101	92	97	112	121	132	143	143
<i>Foodstuffs</i>	96	106	106	*104	*102	*105	*107	*108	*109	*115	*115
<i>Raw materials</i>	89	117	112	102	93	98	110	120	131	143	142
Cereals and sugar	103	101	110	100	103	121	113	115	111	126	...
Fodder crops †	(97)	(114)	(103)	(97)	(104)	(110)	(111)	(105)	...	...	...
Fruit and vegetables	93	113	104	110	111	108	124	115	...	...	...
Meat *	90	108	108	*103	* 98	* 99	*100	*104	*106	...	...
Sea fish	94	108	120	115	113	115	117	*122	...	...	...
Milk *	95	104	104	104	103	103	105	107	*109	*111	...
Wine and hops	111	107	90	101	100	93	115	122	82	97	103
Tobacco	108	101	107	109	95	97	102	*113	143	142	...
Oil materials and oils	83	137	82	122	102	103	104	122	118	147	...
Textile fibres ¹	89	115	114	113	109	116	120	138	159	179	182
Wood products	86	117	116	103	104	118	132	138	150	162	...
Fuels and power	93	115	110	105	98	101	111	116	124	132	133
Metals	82	127	123	92	73	82	107	127	146	164	164
Non-metallic minerals	85	117	112	98	87	91	107	121	133	145	...

* Partly based on estimates. † Not included in general indices.
¹ Including rayon and staple fibre.

Appendix I. Table 3 (continued).

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

Continents and Groups of Products	1925	1929	1930	1931	1932	1933	1934	1935	1936	1937	*1938
NORTH AMERICA.											
GENERAL INDEX	95	103	100	96	87	89	88	88	96	106	98
<i>Agricultural products</i>	96	100	102	105	99	99	95	91	95	102	101
<i>Non-agricultural products</i>	92	110	97	80	63	70	76	83	99	113	93
<i>Foodstuffs</i>	95	100	103	104	101	100	98	93	96	99	103
<i>Raw materials</i>	94	107	97	86	68	73	75	82	96	115	91
Cereals and sugar	85	91	106	100	97	68	65	77	70	88	106
Fodder crops †	(107)	(94)	(86)	(95)	(108)	(83)	(55)	(90)	(59)	(96)	(94)
Fruit and vegetables	93	90	110	118	104	102	108	115	101	140	127
Meat *	99	101	97	99	98	106	105	81	94	85	90
Sea fish	91	115	107	79	71	76	119	125	...	...	...
Milk *	95	104	105	108	108	108	105	108	109	110	113
Wine and hops	82	116	85	262	298	421	454	666	462	775	...
Tobacco	101	113	121	118	77	102	81	97	86	117	112
Oil materials and oils	104	96	95	107	87	82	70	89	88	124	96
Textile fibres ¹	102	101	97	118	93	99	79	89	100	140	97
Wood products	91	111	98	86	70	83	90	101	117	133	116
Fuels and power	91	109	98	86	75	81	86	92	103	112	99
Metals	94	113	93	60	30	39	48	61	86	118	74
Non-metallic minerals	92	106	101	81	51	51	58	61	81	89	81
LATIN AMERICA.											
GENERAL INDEX	95	102	103	99	96	102	107	107	113	116	117
<i>Agricultural products</i>	97	99	102	101	101	107	110	108	114	114	116
<i>Non-agricultural products</i>	88	122	107	86	67	71	90	99	106	128	123
<i>Foodstuffs</i>	97	99	102	101	101	106	108	106	111	111	113
<i>Raw materials</i>	91	116	105	92	77	84	102	111	119	134	131
Cereals and sugar	89	91	92	92	91	98	98	82	102	92	115
Fodder crops †	(100)	(97)	(116)	(110)	(104)	(100)	(131)	(120)	(120)	(91)	(96)
Fruit and vegetables	88	102	105	109	118	119	130	115	127	133	...
Meat *	102	98	100	97	95	102	105	111	109	112	...
Sea fish	93	107	114	121	164	193	186	207	250	286	...
Milk *	101	97	110	121	122	117	116	116	113	116	...
Wine and hops	79	103	90	58	120	113	77	104	133	146	...
Coffee, tea, cocoa	81	119	122	104	120	131	125	108	129	125	114
Tobacco	91	110	107	110	84	89	101	86	87	91	...
Oil materials and oils	102	76	107	120	86	96	120	104	122	110	109
Textile fibres ¹	96	111	101	100	99	117	132	147	153	162	166
Rubber	117	77	50	40	23	33	30	43	53	67	63
Fuels and power	88	124	123	108	107	110	129	138	144	165	161
Metals	83	119	98	82	46	55	75	80	89	115	107
Non-metallic minerals	99	128	99	54	41	34	50	69	75	87	87
AFRICA.											
GENERAL INDEX	96	110	107	99	101	108	114	121	123	137	133
<i>Agricultural products</i>	98	108	106	101	109	113	115	120	119	127	122
<i>Non-agricultural products</i>	87	118	116	86	61	83	110	127	145	194	190
<i>Foodstuffs</i>	98	107	105	103	112	112	118	120	116	122	123
<i>Raw materials</i>	93	114	112	92	84	102	108	123	135	160	148
Cereals and sugar	104	110	103	103	119	114	124	121	110	112	118
Fodder crops †	(89)	(110)	(96)	(104)	(85)	(104)	(104)	(91)	(114)	(95)	(111)
Fruit and vegetables	101	102	100	105	127	111	108	114	119	126	126
Meat *	94	101	99	96	96	100	100	101	105	110	...
Sea fish	71	157	143	143	200	271	371	329	357	443	...
Milk *	97	105	105	105	104	103	109	113	111	111	...
Wine and hops	103	118	124	142	168	156	201	177	114	149	201
Coffee, tea, cocoa	94	112	111	115	123	133	129	156	163	176	162
Tobacco	98	84	94	95	92	87	100	94	97	103	...
Oil materials and oils	96	112	110	88	103	113	113	122	129	137	120
Textile fibres	97	112	109	99	96	116	104	119	128	139	120
Rubber	97	73	61	49	24	25	37	61	73	97	97
Fuels and power	94	104	99	87	78	83	95	104	113	120	143
Metals	84	126	120	86	50	81	118	142	165	236	220
Non-metallic minerals	86	109	126	90	87	93	104	106	115	130	136

* Partly based on estimates. † Not included in general indices.
¹ Including rayon and staple fibre.

Appendix I. Table 3 (concluded).

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

Continents and Groups of Products	1925	1929	1930	1931	1932	1933	1934	1935	1936	1937	*1938
ASIA.											
GENERAL INDEX	97	103	105	102	102	106	104	106	113	115	112
<i>Agricultural products</i>	98	102	104	101	102	106	101	103	110	110	107
<i>Non-agricultural products</i>	87	116	113	104	96	106	123	128	139	162	154
<i>Foodstuffs</i>	99	102	103	104	104	107	101	103	109	110	109
<i>Raw materials</i>	92	108	110	96	96	105	110	113	125	132	122
Cereals and sugar	99	101	103	105	103	106	100	100	110	110	108
Fodder crops †	(100)	(106)	(97)	(96)	(96)	(93)	(98)	(103)	(99)	(103)	...
Fruit and vegetables	101	105	113	102	102	122	125	139	127	148	...
Meat*	97	104	103	103	106	105	107	109	112	115	...
Sea fish	93	110	116	122	132	160	156	153	168	...	...
Milk*	100	100	101	101	102	101	100	101	101	101	...
Wine and hops	73	100	96	58	89	68	79	99	99	89	...
Coffee, tea, cocoa	91	108	98	101	108	98	101	99	102	107	...
Tobacco	101	100	103	97	101	98	92	106	102	89	91
Oil materials and oils	95	101	113	103	109	120	97	106	117	125	119
Textile fibres ¹	95	105	107	89	95	105	114	117	135	135	118
Rubber	78	135	130	126	113	135	162	137	134	178	140
Wood products	82	115	113	107	107	121	136	141	148	158	159
Fuels and power	93	109	110	104	105	113	126	132	142	158	168
Metals	85	114	108	88	67	67	86	104	131	152	135
Non-metallic minerals	84	117	115	112	111	126	137	151	159	175	172
OCEANIA.											
GENERAL INDEX	95	103	110	112	123	123	123	126	127	133	129
<i>Agricultural products</i>	94	103	111	116	126	126	125	128	128	134	130
<i>Non-agricultural products</i>	98	99	96	74	85	89	99	112	116	125	126
<i>Foodstuffs</i>	95	103	114	118	130	131	130	133	134	140	136
<i>Raw materials</i>	94	102	99	98	105	104	106	110	112	116	112
Cereals and sugar	86	97	144	133	148	128	103	111	116	136	116
Fodder crops †	(94)	(101)	(106)	(95)	(100)	(107)	(106)	(114)	(105)	(117)	...
Fruit and vegetables	91	113	100	114	129	121	119	117	133	129	...
Meat	101	100	100	103	115	119	128	133	132	138	...
Sea fish	95	124	119	107	105	105	107	110	119	...	...
Milk*	93	109	117	126	137	147	147	146	145	146	...
Wine and hops	91	92	75	80	89	80	91	102	113	115	...
Coffee, tea, cocoa	81	114	122	119	119	128	124	142	106	124	...
Tobacco	118	100	91	473	473	255	173	273	291	336	...
Oil materials and oils	87	115	111	98	93	101	99	106	120	117	...
Textile fibres	92	103	100	109	115	110	109	108	109	111	106
Wood products	107	86	78	47	43	53	67	87	94	106	...
Fuels and power	104	88	83	73	74	77	80	90	96	99	...
Metals	95	106	106	77	99	103	121	135	136	148	...
Non-metallic minerals	84	111	101	70	65	70	81	103	121	136	150

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

¹ Including rayon and staple fibre.

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	1929	1930	1931	1932	1933	1934	1935	1936	1937	*1938
TOTAL PRODUCTION :												
Europe (excluding U.S.S.R.) . . .	33.2	33.4	34.4	33.5	34.7	35.6	35.4	35.9	35.5	34.4	33.7	34.8
Europe (including U.S.S.R.) . . .	43.5	43.2	44.6	44.5	44.5	44.9	44.8	45.8	46.1	45.2	45.1	46.2
North America	26.7	26.6	26.1	25.5	25.4	23.8	23.5	23.0	22.5	23.4	24.3	23.1
Latin America	7.9	7.9	7.6	7.7	7.7	7.7	8.0	8.2	8.1	8.1	7.9	8.1
Africa	2.5	2.6	2.6	2.6	2.5	2.7	2.7	2.9	3.0	2.9	3.0	3.0
Asia	16.9	17.2	16.6	17.0	17.1	17.7	17.9	17.1	17.2	17.5	16.8	16.7
Oceania	2.5	2.5	2.5	2.7	2.8	3.2	3.1	3.0	3.1	2.9	2.9	2.9
World	100	100	100	100	100	100	100	100	100	100	100	100
AGRICULTURAL PRODUCTS :												
Europe (excluding U.S.S.R.) . . .	33.3	33.4	34.6	33.4	34.8	35.7	35.7	36.5	36.2	35.3	34.6	35.4
Europe (including U.S.S.R.) . . .	45.3	44.9	46.5	45.9	45.4	45.3	45.3	46.5	47.0	46.2	46.7	47.1
North America	21.8	21.8	21.1	21.2	22.0	21.1	20.5	19.8	18.9	19.2	19.8	19.7
Latin America	8.3	8.4	8.0	8.2	8.2	8.2	8.5	8.8	8.7	8.8	8.5	8.7
Africa	2.7	2.7	2.8	2.7	2.6	2.9	2.9	3.0	3.1	3.0	3.0	3.0
Asia	19.0	19.4	18.7	18.9	18.6	19.0	19.3	18.5	18.8	19.4	18.6	18.2
Oceania	2.9	2.8	2.9	3.1	3.2	3.5	3.5	3.4	3.5	3.4	3.4	3.3
World	100	100	100	100	100	100	100	100	100	100	100	100
NON-AGRICULTURAL PRODUCTS :												
Europe (excluding U.S.S.R.) . . .	33.1	33.5	33.5	33.9	34.2	35.4	34.2	33.3	32.4	31.0	30.6	32.8
Europe (including U.S.S.R.) . . .	36.2	35.6	37.4	39.0	40.6	43.2	42.3	42.6	42.6	41.2	39.7	43.0
North America	46.4	47.4	44.7	42.9	41.2	38.2	38.8	37.4	37.6	39.6	40.1	35.9
Latin America	5.8	5.7	6.3	5.9	5.6	5.1	5.0	5.5	5.6	5.3	5.7	5.9
Africa	2.0	1.9	2.0	2.1	1.9	1.6	1.9	2.3	2.4	2.5	2.9	3.1
Asia	8.5	8.2	8.6	9.1	9.8	10.6	10.8	11.0	10.5	10.2	10.5	10.9
Oceania	1.1	1.2	1.0	1.0	0.9	1.3	1.2	1.2	1.3	1.2	1.1	1.2
World	100	100	100	100	100	100	100	100	100	100	100	100
FOODSTUFFS :												
Europe (excluding U.S.S.R.) . . .	35.8	36.0	37.2	36.0	37.5	38.3	38.4	39.1	39.0	38.2	37.6	37.9
Europe (including U.S.S.R.) . . .	48.3	48.0	49.5	48.8	48.2	47.9	48.1	49.2	49.9	49.1	49.9	49.6
North America	21.1	21.0	20.5	20.8	21.1	20.6	20.2	19.7	18.7	19.0	18.9	19.5
Latin America	8.5	8.5	8.1	8.3	8.3	8.4	8.6	8.7	8.6	8.8	8.5	8.6
Africa	2.2	2.2	2.2	2.2	2.2	2.4	2.3	2.5	2.5	2.3	2.4	2.4
Asia	17.4	17.9	17.2	17.2	17.4	17.6	17.7	16.8	17.2	17.7	17.2	16.9
Oceania	2.5	2.4	2.5	2.7	2.8	3.1	3.1	3.1	3.1	3.1	3.1	3.0
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	1929	1930	1931	1932	1933	1934	1935	1936	1937	*1938
RAW MATERIALS :												
Europe (excluding U.S.S.R.) . . .	26.5	26.3	27.5	26.4	26.3	26.6	25.9	26.6	26.1	25.0	24.8	26.9
Europe (including U.S.S.R.) . . .	30.9	29.9	32.5	32.6	33.7	34.9	34.2	35.7	36.2	35.4	34.2	37.6
North America	41.3	42.2	39.9	38.4	38.0	34.2	34.2	32.6	33.0	34.6	36.8	32.3
Latin America	6.1	6.1	6.4	6.3	6.1	5.8	5.9	6.7	6.7	6.4	6.4	6.9
Africa	3.5	3.6	3.6	3.8	3.5	3.6	4.1	4.0	4.2	4.1	4.4	4.5
Asia	15.5	15.5	15.1	16.3	15.9	18.1	18.4	18.0	17.0	16.9	15.8	16.1
Oceania	2.7	2.7	2.5	2.6	2.8	3.4	3.2	3.0	2.9	2.6	2.4	2.6
World	100	100	100	100	100	100	100	100	100	100	100	100
Cereals and Sugar :												
Europe (excluding U.S.S.R.) . . .	23.3	24.9	25.6	23.2	23.0	24.4	26.6	25.6	25.2	24.0	22.6	25.6
Europe (including U.S.S.R.) . . .	39.2	41.0	40.0	40.5	38.4	39.4	44.1	43.8	43.8	41.4	43.9	43.2
North America	12.7	11.1	11.6	12.7	12.4	12.0	8.1	8.2	9.5	8.6	9.9	11.6
Latin America	5.8	5.2	5.3	5.0	5.2	5.1	5.3	5.6	4.6	5.6	4.7	5.7
Africa	2.0	2.1	2.2	2.0	2.1	2.3	2.2	2.5	2.4	2.1	2.0	2.1
Asia	38.6	39.1	39.2	37.4	39.6	38.7	38.2	38.1	37.8	40.4	37.4	35.7
Oceania	1.7	1.5	1.7	2.4	2.3	2.5	2.1	1.8	1.9	1.9	2.1	1.7
World	100	100	100	100	100	100	100	100	100	100	100	100
Fodder crops † :												
Europe (excluding U.S.S.R.) . . .	24.1	23.3	27.6	25.4	24.7	25.9	27.2	29.9	24.0	30.7	25.8	26.9
Europe (including U.S.S.R.) . . .	33.8	32.1	37.8	36.5	33.7	33.6	39.2	44.2	35.9	42.8	36.8	37.5
North America	48.1	50.6	44.2	43.3	46.9	49.5	42.1	31.2	44.0	33.3	46.0	44.5
Latin America	8.9	8.7	8.4	10.8	10.0	8.8	9.3	13.7	10.8	12.5	8.0	8.3
Africa	3.6	3.1	3.8	3.6	3.8	2.9	3.9	4.4	3.3	4.8	3.3	3.9
Asia	5.3	5.2	5.5	5.5	5.3	4.9	5.2	6.1	5.6	6.2	5.5	5.5
Oceania	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.3
World	100	100	100	100	100	100	100	100	100	100	100	100
Fruit and Vegetables :												
Europe (excluding U.S.S.R.) . . .	55.9	57.5	59.4	54.4	56.1	57.6	55.2	56.8	50.1	55.8	53.2	...
Europe (including U.S.S.R.) . . .	70.3	70.3	73.5	69.6	69.8	70.7	70.0	71.9	69.4	72.3	69.2	...
North America	16.2	16.2	13.6	16.9	17.2	15.2	15.3	14.4	16.0	13.6	17.1	...
Latin America	6.9	6.5	6.5	6.8	6.8	7.3	7.6	7.4	7.4	7.3	6.9	...
Africa	2.4	2.5	2.2	2.2	2.2	2.7	2.4	2.0	2.3	2.3	2.2	...
Asia	3.4	3.7	3.3	3.7	3.1	3.1	3.8	3.5	4.1	3.6	3.8	...
Oceania	0.8	0.8	0.9	0.8	0.9	1.0	0.9	0.8	0.8	0.9	0.8	...
World	100	100	100	100	100	100	100	100	100	100	100	...
Meat :												
Europe (excluding U.S.S.R.) . . .	36.6	35.4	37.1	37.4	39.9	40.7	40.1	40.4	42.8	40.6	41.3	...
Europe (including U.S.S.R.) . . .	47.0	44.5	48.9	49.2	48.0	46.8	44.4	45.3	48.0	47.4	48.7	...
North America	29.8	30.9	28.8	28.1	29.3	29.7	31.4	30.3	24.9	27.2	24.9	...
Latin America	14.7	15.8	13.9	14.3	14.1	14.2	14.9	15.0	16.8	15.6	16.1	...
Africa	1.8	1.8	1.8	1.8	1.7	1.8	1.9	1.8	1.9	1.9	2.0	...
Asia	3.2	3.3	3.2	3.2	3.3	3.4	3.3	3.3	3.6	3.5	3.6	...
Oceania	3.5	3.7	3.4	3.4	3.6	4.1	4.1	4.3	4.8	4.4	4.7	...
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	1929	1930	1931	1932	1933	1934	1935	1936	1937	*1938
<i>Sea fish :</i>												
Europe (excluding U.S.S.R.) . . .	39.1	40.8	37.8	37.5	36.1	36.5	34.1	30.6	32.1	32.0	...	...
Europe (including U.S.S.R.) . . .	46.9	47.5	46.1	48.4	48.6	47.5	43.8	41.8	43.0	42.2	...	...
North America	18.8	18.3	19.7	17.3	13.4	12.0	11.6	17.2	17.6	17.5	...	...
Latin America	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	...	...
Africa	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	33.5	33.7	37.3	39.8	43.8	40.2	38.6	39.5	...	...
Oceania	0.4	0.5	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	...	...
<i>Milk :</i>												
Europe (excluding U.S.S.R.) . . .	42.8	42.6	43.5	44.4	45.3	46.1	46.8	47.0	46.7	47.0	46.7	...
Europe (including U.S.S.R.) . . .	56.5	56.0	56.7	56.2	55.4	55.0	55.0	55.8	55.9	56.3	56.6	...
North America	23.6	23.5	23.7	23.7	24.0	24.0	24.1	23.4	23.5	23.5	23.4	...
Latin America	3.6	3.8	3.4	3.8	4.2	4.2	4.0	3.9	3.9	3.8	3.6	...
Africa	1.2	1.2	1.3	1.2	1.2	1.2	1.2	1.3	1.3	1.3	1.2	...
Asia	12.0	12.5	11.6	11.6	11.5	11.6	11.4	11.3	11.2	11.0	10.9	...
Oceania	3.1	3.0	3.3	3.5	3.7	4.0	4.3	4.3	4.2	4.1	4.1	...
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	84.9	83.1	83.9	79.2	78.2	80.6	80.4	77.1	75.6	76.0
Europe (including U.S.S.R.) . . .	85.3	87.6	84.9	83.1	83.9	79.2	78.2	80.6	80.4	77.1	75.6	76.0
North America	0.9	0.6	0.9	0.8	2.2	2.4	3.6	3.2	4.4	4.4	6.1	3.2
Latin America	5.9	4.3	5.6	5.8	3.4	6.5	6.6	3.7	4.8	8.6	7.8	7.4
Africa	7.2	6.9	7.9	9.7	10.0	11.4	11.2	12.0	9.9	9.1	9.8	12.6
Asia	0.2	0.1	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.2
Oceania	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.6	0.6	0.6
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	0.5
Latin America	46.9	43.9	49.2	51.6	47.0	48.9	52.3	50.8	45.6	49.8	47.6	45.5
Africa	10.7	11.5	10.4	10.7	11.8	11.4	12.1	11.9	15.3	14.3	15.2	14.7
Asia	42.2	44.4	40.2	37.5	41.0	39.5	35.3	37.0	38.6	35.4	36.6	39.1
Oceania	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
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	14.7	14.7	13.7	13.6	13.4	14.2	13.9	16.2	15.3	13.4
Europe (including U.S.S.R.) . . .	20.5	21.8	19.7	20.1	20.9	21.2	20.3	22.7	22.7	28.2	26.8	25.1
North America	28.6	28.4	30.8	31.6	31.4	24.1	29.7	25.1	27.1	23.6	30.8	30.4
Latin America	9.2	8.4	9.8	9.1	9.6	8.6	8.5	10.4	7.7	7.8	7.8	7.8
Africa	2.8	2.8	2.3	2.5	2.6	2.9	2.5	3.1	2.6	2.6	2.7	2.8
Asia	38.8	38.5	37.3	36.7	35.3	43.0	38.9	38.6	39.8	37.7	31.8	33.7
Oceania	0.1	0.1	0.1	—	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.2
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	20.7	10.6	16.7	14.4	14.1	16.1	17.2	14.8	17.3	14.7
Europe (including U.S.S.R.) . . .	20.0	17.5	25.5	15.9	22.7	20.1	19.2	21.1	22.5	20.5	22.7	20.9
North America	15.6	17.1	14.0	14.3	15.6	13.4	11.9	11.1	12.8	12.0	14.9	13.0
Latin America	8.9	9.5	6.4	9.2	10.0	7.5	7.9	10.9	8.6	9.5	7.5	8.4
Africa	11.7	11.8	12.3	12.4	9.7	11.9	12.3	13.5	13.2	13.2	12.4	12.3
Asia	43.0	43.3	40.9	47.3	41.3	46.3	47.9	42.6	42.1	43.9	41.8	44.5
Oceania	0.8	0.8	0.9	0.9	0.7	0.8	0.8	0.8	0.8	0.9	0.7	0.9
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	1929	1930	1931	1932	1933	1934	1935	1936	1937	*1938
<i>Textile fibres :¹</i>												
Europe (excluding U.S.S.R.) . . .	11.8	10.9	12.8	12.5	11.6	12.6	12.6	14.4	14.7	14.6	14.8	17.5
Europe (including U.S.S.R.) . . .	19.7	18.4	21.2	21.5	21.1	21.7	21.3	22.7	23.9	24.6	24.2	28.5
North America	30.7	32.5	29.3	28.6	34.3	28.9	28.4	23.3	23.9	24.0	29.7	23.5
Latin America	6.3	6.2	6.5	6.0	6.0	6.3	6.8	7.9	8.1	7.5	7.0	8.2
Africa	6.2	6.3	6.6	6.5	5.8	6.0	6.7	6.1	6.5	6.2	5.9	5.9
Asia	29.6	29.4	29.1	30.2	25.0	28.4	29.1	32.2	30.4	31.3	27.5	27.6
Oceania	7.5	7.2	7.3	7.2	7.8	8.7	7.7	7.8	7.2	6.4	5.7	6.3
World	100	100	100	100	100	100	100	100	100	100	100	100
<i>Rubber :</i>												
Latin America	4.5	6.6	2.6	1.9	1.5	1.0	1.2	0.9	1.5	1.8	1.7	2.1
Africa	1.3	1.5	0.7	0.6	0.5	0.3	0.2	0.3	0.6	0.7	0.7	0.9
Asia	94.2	91.9	96.7	97.5	98.0	98.7	98.6	98.8	97.7	97.5	97.4	96.8
Oceania	—	—	—	—	—	—	—	—	0.2	—	0.2	0.2
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	45.3	46.6	45.8	49.7	49.1	49.6	47.8	46.6	46.2	...
Europe (including U.S.S.R.) . . .	47.5	46.3	48.7	51.4	51.7	56.3	55.5	56.0	54.5	53.1	52.2	...
North America	47.6	49.1	46.5	43.6	43.1	38.1	39.0	38.4	40.0	41.7	42.8	...
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	4.6	4.9	5.3	5.2	5.3	5.1	4.8	4.7	...
Oceania	0.4	0.4	0.3	0.3	0.2	0.2	0.2	0.2	0.3	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	33.3	33.2	33.5	33.5	32.2	31.9	31.0	29.8	29.9	31.0
Europe (including U.S.S.R.) . . .	35.9	36.2	37.0	38.0	39.8	40.8	39.8	40.2	39.8	38.8	38.3	40.4
North America	52.3	52.0	51.1	49.4	47.5	45.4	46.4	45.4	45.6	47.1	47.1	43.7
Latin America	3.8	3.6	4.3	4.5	4.3	4.7	4.5	4.9	5.0	4.8	5.1	5.2
Africa	0.8	0.8	0.7	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.7	0.9
Asia	6.4	6.5	6.3	6.8	7.1	7.7	7.9	8.2	8.1	7.9	8.2	9.1
Oceania	0.8	0.9	0.6	0.6	0.6	0.7	0.7	0.6	0.7	0.6	0.6	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	28.8	30.2	30.2	32.7	30.5	28.1	26.7	24.9	24.2	28.3
Europe (including U.S.S.R.) . . .	31.6	29.6	33.7	36.6	37.9	44.8	43.1	43.1	43.0	40.3	36.5	42.9
North America	41.4	44.3	39.5	36.4	32.4	24.4	26.1	25.6	26.8	31.1	34.4	25.6
Latin America	10.3	9.7	10.4	9.5	11.0	9.3	9.5	9.9	8.9	8.0	8.3	9.2
Africa	5.0	4.8	5.3	5.6	5.5	4.8	6.7	7.5	7.5	7.1	8.3	9.0
Asia	9.3	9.0	9.0	9.5	10.8	12.2	10.5	10.3	10.4	10.7	10.0	10.4
Oceania	2.4	2.6	2.1	2.4	2.4	4.5	4.1	3.6	3.4	2.8	2.5	2.9
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	44.0	43.4	44.8	48.6	49.8	48.7	48.2	45.7	45.9	47.8
Europe (including U.S.S.R.) . . .	46.0	44.0	47.3	47.9	50.7	55.3	55.9	56.3	56.9	54.8	54.4	56.4
North America	33.0	34.4	30.5	31.0	30.1	23.3	22.5	22.0	20.6	24.0	24.0	21.9
Latin America	9.7	10.8	10.8	8.9	6.0	5.5	4.4	5.6	6.8	6.6	6.9	6.9
Africa	2.6	2.5	2.5	3.0	2.6	3.1	3.2	3.1	2.8	2.7	2.8	2.9
Asia	7.8	7.4	8.0	8.3	9.8	12.0	13.1	12.3	12.1	11.1	11.1	11.0
Oceania	0.9	0.9	0.9	0.9	0.8	0.8	0.9	0.7	0.8	0.8	0.8	0.9
World	100	100	100	100	100	100	100	100	100	100	100	100

* Partly based on estimates.

¹ Including rayon and staple fibre.

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	1929	1930	1931	1932	1933	1934	1935	1936	*1937	*1938
WORLD.												
<i>Agricultural products</i>	80.3	81.4	78.7	80.1	82.4	84.4	83.7	81.8	80.5	79.2	77.9	79.1
<i>Non-agricultural products</i>	19.7	18.6	21.3	19.9	17.6	15.6	16.3	18.2	19.5	20.8	22.1	20.9
TOTAL PRODUCTION	100	100	100	100	100	100	100	100	100	100	100	100
<i>Foodstuffs</i>	72.7	73.5	71.2	72.8	74.7	77.0	76.0	74.7	73.1	71.3	69.6	71.8
<i>Raw materials</i>	27.3	26.5	28.8	27.2	25.3	23.0	24.0	25.3	26.9	28.7	30.4	28.2
TOTAL PRODUCTION	100	100	100	100	100	100	100	100	100	100	100	100
Cereals and sugar	18.8	19.3	17.7	19.0	18.9	19.8	20.0	18.5	18.5	17.9	18.3	19.2
Fruit and vegetables	5.0	4.9	5.1	5.0	5.5	5.7	5.4	5.9	5.6	5.5	5.7	5.5
Meat	20.9	21.0	20.7	20.6	21.0	21.2	20.9	21.1	19.6	19.7	18.4	19.2
Sea fish	0.9	0.9	0.9	1.0	1.0	1.0	1.1	1.2	1.1	1.2	1.1	1.1
Milk	21.6	21.8	21.2	21.6	22.6	23.5	22.8	22.4	22.4	21.7	20.7	21.4
Wine and hops	1.3	1.5	1.3	1.2	1.3	1.5	1.3	1.6	1.6	1.1	1.2	1.3
Coffee, tea, cocoa	1.1	1.0	1.2	1.2	1.2	1.3	1.3	1.3	1.2	1.2	1.2	1.2
Tobacco	1.5	1.6	1.5	1.6	1.6	1.4	1.5	1.4	1.5	1.5	1.4	1.4
Oil materials and oils	3.0	3.0	3.0	2.9	3.2	3.1	3.2	2.9	3.1	3.1	3.3	3.0
Textile fibres ¹	6.1	6.3	6.0	6.0	6.2	5.9	6.0	5.6	5.9	6.3	6.6	5.7
Rubber	0.3	0.2	0.4	0.4	0.3	0.3	0.4	0.4	0.4	0.3	0.4	0.4
Wood products	1.3	1.2	1.4	1.3	1.2	1.2	1.3	1.4	1.5	1.6	1.6	1.5
Fuels and power	11.2	10.8	11.8	11.1	10.5	9.9	10.2	10.8	11.2	11.7	11.9	11.6
Metals	4.9	4.5	5.5	4.9	3.7	2.6	3.0	3.7	4.4	5.1	6.0	5.2
Non-metallic minerals	2.1	2.0	2.3	2.2	1.8	1.6	1.6	1.8	2.0	2.1	2.2	2.3
TOTAL PRODUCTION	100	100	100	100	100	100	100	100	100	100	100	100
EUROPE (excl. U.S.S.R.).												
<i>Agricultural products</i>	80.4	81.3	79.3	79.9	82.7	84.6	84.3	83.1	82.2	81.2	79.9	80.3
<i>Non-agricultural products</i>	19.6	18.7	20.7	20.1	17.3	15.4	15.7	16.9	17.8	18.8	20.1	19.7
TOTAL PRODUCTION	100	100	100	100	100	100	100	100	100	100	100	100
<i>Foodstuffs</i>	78.2	79.1	77.0	78.1	80.8	82.8	82.4	81.3	80.2	79.2	77.7	78.2
<i>Raw materials</i>	21.8	20.9	23.0	21.9	19.2	17.2	17.6	18.7	19.8	20.8	22.3	21.8
TOTAL PRODUCTION	100	100	100	100	100	100	100	100	100	100	100	100
Cereals and sugar	13.2	14.4	13.1	13.2	12.6	13.5	15.0	13.2	13.1	12.5	12.2	14.2
Fruit and vegetables	8.4	8.5	8.9	8.2	8.9	9.2	8.4	9.4	7.9	8.9	9.0	8.1
Meat	23.1	22.2	22.3	23.0	24.2	24.3	23.7	23.7	23.6	23.3	22.5	22.4
Sea fish	1.1	1.1	1.0	1.1	1.0	1.1	1.1	1.0	1.0	1.1	1.0	1.0
Milk	27.8	27.8	26.8	28.6	29.5	30.3	30.1	29.4	29.5	29.5	28.6	28.4
Wine and hops	3.4	3.9	3.3	2.9	3.2	3.2	2.9	3.5	3.7	2.5	2.8	2.9
Tobacco	0.6	0.7	0.7	0.7	0.6	0.6	0.6	0.5	0.6	0.7	0.7	0.5
Oil materials and oils	1.4	1.1	1.8	0.9	1.5	1.3	1.3	1.3	1.5	1.3	1.7	1.3
Textile fibres ¹	1.5	1.6	1.4	1.3	1.2	1.1	1.2	1.2	1.3	1.4	1.4	1.4
Wood products	1.7	1.6	1.8	1.8	1.6	1.6	1.8	1.9	2.0	2.1	2.2	2.1
Fuels and power	11.0	11.0	11.4	11.0	10.1	9.3	9.2	9.6	9.8	10.1	10.6	10.4
Metals	4.1	3.6	4.6	4.5	3.2	2.4	2.5	2.9	3.3	3.7	4.3	4.2
Non-metallic minerals	2.7	2.5	2.9	2.8	2.4	2.1	2.2	2.4	2.7	2.9	3.0	3.1
TOTAL PRODUCTION	100	100	100	100	100	100	100	100	100	100	100	100

* Partly based on estimates.

¹ Excluding rayon and staple fibre.

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	1929	1930	1931	1932	1933	1934	1935	1936	1937	*1938
EUROPE (incl. U.S.S.R.).												
<i>Agricultural products</i>	83.6	84.6	82.2	82.6	84.0	85.0	84.6	83.1	82.0	*81.0	*80.5	*80.5
<i>Non-agricultural products</i>	16.4	15.4	17.8	17.4	16.0	15.0	15.4	16.9	18.0	*19.0	*19.5	*19.5
TOTAL PRODUCTION	100	100	100	100	100	100	100	100	100	100	100	100
<i>Foodstuffs</i>	80.6	81.6	79.0	79.8	80.8	82.1	81.7	80.3	78.9	*77.6	*77.0	*77.1
<i>Raw materials</i>	19.4	18.4	21.0	20.2	19.2	17.9	18.3	19.7	21.1	*22.4	*23.0	*22.9
TOTAL PRODUCTION	100	100	100	100	100	100	100	100	100	100	100	100
Cereals and sugar	16.9	18.4	15.9	17.3	16.3	17.3	19.7	17.7	17.6	16.5	17.7	...
Fruit and vegetables	8.1	8.0	8.4	7.9	8.6	9.0	8.5	9.3	8.4	8.8	8.8	...
Meat	22.6	21.6	22.7	22.8	22.6	22.1	20.7	20.8	20.4	20.7	19.9	...
Sea fish	1.0	1.0	1.0	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.0	...
Milk	28.0	28.2	26.9	27.2	28.1	28.7	28.0	27.3	27.1	27.0	25.9	...
Wine and hops	2.6	3.0	2.6	2.2	2.5	2.6	2.3	2.8	2.9	1.9	2.1	...
Coffee, tea, cocoa	—	—	—	—	—	—	—	—	—	—	—	...
Tobacco	0.7	0.8	0.7	0.7	0.8	0.7	0.7	0.7	0.7	0.9	0.9	...
Oil materials and oils	1.4	1.2	1.7	1.1	1.6	1.4	1.4	1.3	1.5	1.4	1.4	...
Textile fibres ¹	2.3	2.4	2.3	2.3	2.3	2.2	2.2	2.1	2.4	2.7	2.8	...
Wood products	1.4	1.3	1.5	1.5	1.4	1.4	1.6	1.7	1.7	1.8	1.9	...
Fuels and power	9.2	9.0	9.8	9.5	9.4	9.0	9.0	9.5	9.7	10.1	10.1	...
Metals	3.6	3.1	4.1	4.1	3.2	2.6	2.8	3.5	4.1	4.5	4.8	...
Non-metallic minerals	2.2	2.0	2.4	2.3	2.1	1.9	2.0	2.2	2.4	2.6	2.7	...
TOTAL PRODUCTION	100	100	100	100	100	100	100	100	100	100	100	...
NORTH AMERICA.												
<i>Agricultural products</i>	65.7	66.8	63.5	66.6	71.5	75.0	73.1	70.4	67.6	64.8	63.4	67.5
<i>Non-agricultural products</i>	34.3	33.2	36.5	33.4	28.5	25.0	26.9	29.6	32.4	35.2	36.6	32.5
TOTAL PRODUCTION	100	100	100	100	100	100	100	100	100	100	100	100
<i>Foodstuffs</i>	57.7	58.0	55.9	59.1	62.1	66.9	65.1	64.2	60.7	57.7	54.1	60.7
<i>Raw materials</i>	42.3	42.0	44.1	40.9	37.9	33.1	34.9	35.8	39.3	42.3	45.9	39.3
TOTAL PRODUCTION	100	100	100	100	100	100	100	100	100	100	100	100
Cereals and sugar	9.0	8.1	7.9	9.5	9.3	10.0	6.9	6.6	7.8	6.5	7.4	9.6
Fruit and vegetables	3.0	3.0	2.6	3.3	3.7	3.6	3.5	3.7	4.0	3.2	4.0	3.9
Meat	23.4	24.4	22.8	22.8	24.2	26.5	27.9	27.8	21.6	22.9	18.9	21.4
Sea fish	0.6	0.6	0.7	0.7	0.5	0.5	0.6	0.9	0.9	0.9	0.7	0.8
Milk	19.1	19.2	19.2	20.0	21.4	23.7	23.3	22.8	23.4	21.7	19.9	22.0
Wine and hops	—	—	—	—	0.1	0.1	0.2	0.2	0.3	0.2	0.3	0.2
Tobacco	1.6	1.8	1.8	2.0	2.0	1.5	1.9	1.5	1.8	1.5	1.8	1.9
Oil materials and oils	1.8	1.9	1.6	1.7	2.0	1.8	1.6	1.4	1.8	1.6	2.0	1.7
Textile fibres ¹	7.1	7.8	6.8	6.7	8.4	7.3	7.2	5.5	6.0	6.3	8.4	6.0
Wood products	2.3	2.2	2.5	2.2	2.0	1.9	2.1	2.3	2.6	2.8	2.9	2.7
Fuels and power	21.9	21.0	23.1	21.5	19.5	19.0	20.1	21.4	22.8	23.5	23.1	21.9
Metals	7.6	7.5	8.3	7.0	4.7	2.6	3.2	4.2	5.2	6.7	8.4	5.7
Non-metallic minerals	2.6	2.5	2.7	2.6	2.2	1.5	1.5	1.7	1.8	2.2	2.2	2.2
TOTAL PRODUCTION	100	100	100	100	100	100	100	100	100	100	100	100

* Partly based on estimates.

¹ Excluding rayon and staple fibre.

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	1929	1930	1931	1932	1933	1934	1935	1936	1937	*1938
LATIN AMERICA.												
<i>Agricultural products</i>	85.4	86.6	82.6	84.9	87.3	89.8	89.8	87.7	86.5	86.2	84.0	84.7
<i>Non-agricultural products</i>	14.6	13.4	17.4	15.1	12.7	10.2	10.2	12.3	13.5	13.8	16.0	15.3
TOTAL PRODUCTION	100	100	100	100	100	100	100	100	100	100	100	100
<i>Foodstuffs</i>	78.5	79.5	75.7	78.0	80.0	82.9	82.2	79.4	77.7	77.4	75.2	75.9
<i>Raw materials</i>	21.5	20.5	24.3	22.0	20.0	17.1	17.8	20.6	22.3	22.6	24.8	24.1
TOTAL PRODUCTION	100	100	100	100	100	100	100	100	100	100	100	100
Cereals and sugar	13.8	12.9	12.2	12.2	12.8	13.1	13.3	12.6	10.5	12.4	10.9	13.5
Fruit and vegetables	4.4	4.1	4.4	4.5	4.8	5.4	5.2	5.4	5.1	4.9	5.0	4.9
Meat	39.2	41.9	37.7	38.2	38.5	38.9	39.3	38.5	40.6	38.0	37.8	36.9
Sea fish	—	—	—	—	—	—	—	—	—	—	—	—
Milk	10.0	10.6	9.5	10.7	12.2	12.8	11.5	10.8	10.8	10.0	10.0	9.8
Wine and hops	1.0	0.8	1.0	0.9	0.6	1.2	1.1	0.7	1.0	1.2	1.3	1.2
Coffee, tea, cocoa	6.7	5.7	7.8	7.9	7.0	8.4	8.6	7.8	6.6	7.8	7.2	6.5
Tobacco	1.8	1.8	2.0	1.9	2.0	1.6	1.6	1.7	1.4	1.4	1.4	1.4
Oil materials and oils	3.3	3.6	2.5	3.5	4.1	3.0	3.2	3.8	3.3	3.6	3.2	3.2
Textile fibres ¹	5.2	5.2	5.6	5.1	5.3	5.4	6.0	6.4	7.1	7.0	7.2	7.2
Rubber	0.2	0.2	0.1	0.1	0.1	—	0.1	0.1	0.1	0.1	0.1	0.1
Wood products	—	—	—	—	—	—	—	—	—	—	—	—
Fuels and power	5.4	5.0	6.5	6.4	5.9	6.0	5.8	6.5	7.0	6.9	7.7	7.5
Metals	6.4	5.5	7.4	6.1	5.3	3.1	3.4	4.5	4.8	5.0	6.3	5.9
Non-metallic minerals	2.6	2.7	3.3	2.5	1.4	1.1	0.9	1.2	1.7	1.7	1.9	1.9
TOTAL PRODUCTION	100	100	100	100	100	100	100	100	100	100	100	100
AFRICA.												
<i>Agricultural products</i>	84.9	86.3	83.7	83.7	86.8	90.9	88.4	85.4	84.1	82.2	78.5	78.4
<i>Non-agricultural products</i>	15.1	13.7	16.3	16.3	13.2	9.1	11.6	14.6	15.9	17.8	21.5	21.6
TOTAL PRODUCTION	100	100	100	100	100	100	100	100	100	100	100	100
<i>Foodstuffs</i>	62.1	63.4	60.4	60.5	64.7	68.8	64.2	64.1	61.5	58.4	55.5	57.8
<i>Raw materials</i>	37.9	36.6	39.6	39.5	35.3	31.2	35.8	35.9	38.5	41.6	44.5	42.2
TOTAL PRODUCTION	100	100	100	100	100	100	100	100	100	100	100	100
Cereals and sugar	14.9	16.1	14.9	14.3	15.4	17.4	15.6	16.1	14.8	13.3	12.2	13.2
Fruit and vegetables	4.6	4.9	4.3	4.3	4.9	5.8	4.7	4.3	4.3	4.4	4.2	4.4
Meat	15.1	14.8	14.0	14.0	14.7	14.4	14.1	13.3	12.7	12.9	12.2	12.6
Sea fish	—	—	—	—	—	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Milk	10.5	10.6	10.0	10.2	11.1	10.7	10.0	10.1	9.8	9.4	8.5	8.6
Wine and hops	3.7	4.0	4.1	4.3	5.4	6.2	5.4	6.6	5.5	3.5	4.1	5.7
Coffee, tea, cocoa	4.7	4.6	4.8	4.8	5.5	5.7	5.8	5.3	6.0	6.2	6.1	5.7
Tobacco	1.7	1.9	1.3	1.5	1.7	1.6	1.4	1.5	1.3	1.3	1.3	1.3
Oil materials and oils	13.7	13.6	14.0	14.0	12.2	13.9	14.3	13.6	13.8	14.4	13.7	12.4
Textile fibres ¹	15.9	16.1	16.3	16.2	16.0	15.1	17.1	14.5	15.7	16.6	16.2	14.4
Rubber	0.1	0.1	0.1	0.1	0.1	—	—	—	0.1	0.1	0.1	0.1
Fuels and power	3.4	3.3	3.2	3.1	3.0	2.6	2.6	2.8	2.9	3.1	3.0	3.6
Metals	9.5	8.3	10.9	10.6	8.2	4.7	7.1	9.8	11.1	12.7	16.3	15.7
Non-metallic minerals	2.2	1.9	2.1	2.5	1.8	1.8	1.8	2.0	1.9	2.0	2.0	2.2
TOTAL PRODUCTION	100	100	100	100	100	100	100	100	100	100	100	100

* Partly based on estimates.

¹ Excluding rayon and staple fibre.

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	1929	1930	1931	1932	1933	1934	1935	1936	1937	*1938
ASIA.												
<i>Agricultural products</i>	90.1	91.2	88.9	89.3	89.9	90.7	90.2	88.3	88.1	87.9	86.2	86.4
<i>Non-agricultural products</i>	9.9	8.8	11.1	10.7	10.1	9.3	9.8	11.7	11.9	12.1	13.8	13.6
TOTAL PRODUCTION	100	100	100	100	100	100	100	100	100	100	100	100
<i>Foodstuffs</i>	75.0	76.2	73.8	73.9	76.4	76.5	75.3	73.4	73.3	72.3	71.4	72.8
<i>Raw materials</i>	25.0	23.8	26.2	26.1	23.6	23.5	24.7	26.6	26.7	27.7	28.6	27.2
TOTAL PRODUCTION	100	100	100	100	100	100	100	100	100	100	100	100
Cereals and sugar	42.8	43.8	41.9	42.0	44.0	43.2	42.8	41.2	40.7	41.4	40.7	41.2
Fruit and vegetables	1.0	1.1	1.0	1.1	1.0	1.0	1.1	1.2	1.3	1.1	1.3	1.4
Meat	4.0	4.0	4.0	3.9	4.0	4.1	3.9	4.1	4.1	3.9	3.9	4.0
Sea fish	1.8	1.7	1.9	2.0	2.2	2.3	2.7	2.7	2.6	2.7	2.6	2.7
Milk	15.3	15.7	14.9	14.7	15.2	15.3	14.6	14.8	14.6	13.7	13.4	13.8
Wine	—	—	—	—	—	—	—	—	—	—	—	—
Coffee, tea, cocoa	2.8	2.6	2.9	2.6	2.8	3.0	2.6	2.7	2.6	2.5	2.6	2.7
Tobacco	3.5	3.7	3.4	3.5	3.4	3.5	3.3	3.1	3.5	3.2	2.7	2.9
Oil materials and oils	7.7	7.4	7.5	8.2	7.7	8.1	8.6	7.1	7.6	7.8	8.3	8.0
Textile fibres ¹	11.2	11.2	11.4	11.4	9.7	10.1	10.6	11.4	11.1	11.6	10.7	9.6
Rubber	1.6	1.3	2.1	2.0	2.0	1.8	2.1	2.6	2.1	1.9	2.5	2.1
Wood products	0.3	0.3	0.4	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.5	0.5
Fuels and power	4.3	4.1	4.5	4.4	4.3	4.4	4.5	5.2	5.3	5.3	5.8	6.4
Metals	2.7	2.3	3.0	2.8	2.3	1.8	1.7	2.2	2.7	3.1	3.5	3.2
Non-metallic minerals	1.0	0.8	1.1	1.1	1.1	1.1	1.2	1.3	1.4	1.4	1.5	1.5
TOTAL PRODUCTION	100	100	100	100	100	100	100	100	100	100	100	100
OCEANIA.												
<i>Agricultural products</i>	91.0	90.7	91.3	92.1	94.0	93.7	93.5	92.7	92.0	91.8	91.5	91.2
<i>Non-agricultural products</i>	9.0	9.3	8.7	7.9	6.0	6.3	6.5	7.3	8.0	8.2	8.5	8.8
TOTAL PRODUCTION	100	100	100	100	100	100	100	100	100	100	100	100
<i>Foodstuffs</i>	71.1	71.4	71.3	73.9	74.7	75.2	75.6	75.2	74.9	74.6	74.9	74.9
<i>Raw materials</i>	28.9	28.6	28.7	26.1	25.3	24.8	24.4	24.8	25.1	25.4	25.1	25.1
TOTAL PRODUCTION	100	100	100	100	100	100	100	100	100	100	100	100
Cereals and sugar	12.9	11.8	12.1	16.9	15.4	15.6	13.4	10.8	11.4	11.8	13.2	...
Fruit and vegetables	1.7	1.6	1.8	1.5	1.7	1.7	1.7	1.6	1.5	1.7	1.6	...
Meat	28.9	30.8	28.0	26.3	26.6	27.1	27.9	30.1	30.3	29.9	29.9	...
Sea fish	0.1	0.1	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.2	0.1	...
Milk	26.6	26.2	28.3	28.3	30.0	29.8	31.8	31.8	30.8	30.2	29.2	...
Wine and hops	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	...
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	0.1	...
Oil materials and oils	1.0	0.9	1.1	1.0	0.8	0.7	0.8	0.8	0.8	0.9	0.9	...
Textile fibres ¹	19.4	18.9	19.5	17.7	19.0	18.2	17.4	17.2	16.7	16.7	16.2	...
Rubber	—	—	—	—	—	—	—	—	—	—	—	...
Wood products	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	...
Fuels and power	3.5	3.8	3.0	2.6	2.3	2.1	2.2	2.3	2.5	2.6	2.6	...
Metals	4.5	4.6	4.7	4.4	3.1	3.7	3.8	4.5	4.9	4.9	5.1	...
Non-metallic minerals	0.8	0.7	0.8	0.7	0.5	0.4	0.4	0.4	0.5	0.6	0.7	...
TOTAL PRODUCTION	100	100	100	100	100	100	100	100	100	100	100	...

* Partly based on estimates.
¹ Excluding rayon and staple fibre.

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	1938
<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	104.8
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	107.1
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	96.5	107.3
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	100.9	¹
<i>(ii) 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	106.6
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	110.1
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	99.0	111.5
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	102.4	...
<i>(iii) 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	89.7	93.4
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	96.9
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	90.0	99.6
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	91.1	¹
<i>(iv) 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	136.5
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	140.1
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	138.3
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	128.1	...
<i>(v) 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	85.7	102.2
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	102.7
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	101.1
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	98.6	...
<i>(vi) 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	112.6
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	114.0
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	100.8	112.4
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	107.6	¹

¹ Unadjusted indices were as follows:

	1938				1939
	March	June	September	December	March
Total stocks	108.7	97.9	108.0	116.2	105.3
Stocks of foodstuffs	98.8	80.5	98.0	115.5	105.9
Stocks of all raw materials	115.8	110.2	115.1	116.8	104.9

Source. — Calculation of the Economic Intelligence Service (L. o. N.).

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 1931-1938 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) ¹	End-of-year indices; average 1929 = 100							
		1931	1932	1933	1934	1935	1936	1937	1938
FOODSTUFFS									
<i>Wheat</i> : Total world stocks	<i>a) 26,046</i>	<i>a) 105</i>	<i>a) 105</i>	<i>a) 118</i>	<i>a) 126</i>	<i>a) 100</i>	<i>a) 82</i>	<i>a) 55</i>	<i>a) 63</i>
Four chief exporters	<i>a) 14,424</i>	<i>a) 115</i>	<i>a) 121</i>	<i>a) 138</i>	<i>a) 128</i>	<i>a) 95</i>	<i>a) 71</i>	<i>a) 40</i>	<i>a) 55</i>
Lower Danube	<i>a) 2,041</i>	<i>a) 76</i>	<i>a) 65</i>	<i>a) 36</i>	<i>a) 72</i>	<i>a) 27</i>	<i>a) 32</i>	<i>a) 40</i>	<i>a) 32</i>
European importers	<i>a) 6,559</i>	<i>a) 78</i>	<i>a) 80</i>	<i>a) 117</i>	<i>a) 157</i>	<i>a) 145</i>	<i>a) 120</i>	<i>a) 85</i>	<i>a) 80</i>
World exportable stocks	<i>a) 13,990</i>	<i>a) 110</i>	<i>a) 115</i>	<i>a) 127</i>	<i>a) 125</i>	<i>a) 77</i>	<i>a) 52</i>	<i>a) 23</i>	<i>a) 36</i>
World visible supply †	<i>13,128</i>	126	123	110	106	100	65	69	100
<i>Rye</i> : Visible supply †	<i>423</i>	161	82	112	106	84	43	48	65
Germany ²	<i>(553)</i>	.	(100)	(186)	(255)	(224)	(150)	(258)	(420)
<i>Rice</i> : Japan †	<i>423.6</i>	141	149	205	251	132	89	105	...
U.S.A. †	<i>76.1</i>	118	128	158	138	187	158	131	237
<i>Barley</i> : Visible supply †	<i>850</i>	59	52	96	86	89	97	72	70
Germany ²	<i>(137)</i>	.	(100)	(189)	(178)	(109)	(85)	(195)	(324)
<i>Oats</i> : Visible supply †	<i>697</i>	78	86	154	98	122	117	90	63
Germany ²	<i>(40)</i>	.	(100)	(123)	(108)	(220)	(166)	(241)	(256)
<i>Maize</i> : Visible supply †	<i>1,166</i>	144	140	237	173	104	146	175	190
Argentina	<i>204</i>	176	162	196	147	300	300	132	...
<i>Sugar</i> : Total stocks	<i>b) 9,398</i>	<i>b) 134</i>	<i>b) 130</i>	<i>b) 114</i>	<i>b) 108</i>	<i>b) 97</i>	<i>b) 93</i>	<i>b) 96</i>	<i>b) 110</i>
Visible supply †	<i>4,790</i>	182	185	177	167	132	114	129	129
<i>Wine</i> ³ : France ⁴ †	<i>(12,381)</i>	(96)	(94)	(100)	(161)	(111)	(110)	(95)	(93)
<i>Coffee</i> : World stocks	<i>1,135</i>	195	162	101	101	158	<i>c) 191</i>	186	...
Visible supply †	<i>309.9</i>	124	107	147	129	152	151	135	159
<i>Tea</i> : United Kingdom †	<i>107.5</i>	114	131	122	127	112	99	92	103
Amsterdam †	<i>4</i>	100	72	84	83	55	77	67	54
<i>Cocoa</i> : Europe and New York †	<i>90</i>	67	106	130	115	133	101	140	...
<i>Tobacco (leaf)</i> : U.S.A. †	<i>792.7</i>	115	123	125	127	136	126	127	134
RAW MATERIALS									
<i>Linseed</i> : Visible supply †	<i>141.9</i>	77	146	79	70	82	101	107	...
<i>Cotton</i> ⁵ : Total world stocks	<i>a) 9,625</i>	<i>a) 144</i>	<i>a) 177</i>	<i>a) 167</i>	<i>a) 165</i>	<i>a) 141</i>	<i>a) 123</i>	<i>a) 124</i>	<i>a) 206</i>
World visible supply †	<i>5,925</i>	172	178	170	132	131	135	153	163
Mill stocks	<i>5,079</i>	<i>a) 85</i>	<i>a) 88</i>	<i>a) 99</i>	<i>a) 105</i>	<i>a) 93</i>	<i>a) 94</i>	<i>a) 114</i>	<i>a) 114</i>
<i>Wool</i> : raw: 5 exporting countries ⁶	<i>d) (51.7)</i>	<i>d) (100)</i>	<i>d) (192)</i>	<i>d) (73)</i>	<i>d) (147)</i>	<i>d) (102)</i>	<i>d) (69)</i>	<i>d) (49)</i>	<i>d) (145)</i>
Visible supply †	<i>107.8</i>	186	179	134	209	157	164	200	185
Wool: Europe (continent) ⁶	<i>16.4</i>	79	86	120	101	94	62	65	78
<i>Raw silk</i> : Visible supply †	<i>7.3</i>	229	199	211	188	173	148	133	123
<i>Rubber</i> : World stocks	<i>e) 315.1</i>	169	169	175	196	174	134	162	152
Visible supply †	<i>e) 267</i>	224	224	235	259	223	165	191	168
<i>Coal</i> : 5 European countries	<i>5,148</i>	499	464	444	415	328	193	120	248
U.S.A., consumers' stocks	<i>34,038</i>	95	79	88	92	99	116	125	109
<i>Petroleum</i> ⁷ : U.S.A. total †	<i>612,592</i>	91	83	84	79	75	72	79	77
<i>Iron Ore</i> : U.S.A. †	<i>30,055</i>	128	106	117	116	106	106	138	117
France + N. Africa †	<i>3,249</i>	168	177	158	150	147	114	76	144
<i>Copper</i> : World stocks	<i>344.2</i>	201	210	188	168	159	117	145	...
Refined, N.+S.America †	<i>80.5</i>	613	645	530	386	280	174	282	327
<i>Lead</i> : U.S.A. total †	<i>108.6</i>	182	220	247	262	262	206	174	175
United Kingdom †	<i>0.9</i>	1,478	2,278	3,289	2,189	789	689	789	1,244
<i>Zinc</i> : U.S.A.+U.K. visible supply †	<i>46</i>	304	276	222	261	183	126	174	304
<i>Tin</i> : World stocks †	<i>34.6</i>	181	167	78	45	40	64	71	82
<i>Cement</i> : U.S.A. †	<i>5,983</i>	89	75	72	79	80	80	89	83

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

² Except for wine (hl., 000's), cotton (bales, 000's) and petroleum (barrels, 000's).
³⁻⁷ Base: ³ 1932; ⁴ 1920; ⁵ 1931. ⁶ Stocks in Belgium and France only.

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							
		1934	1935	1936	1937	1938	1939			1934	1935	1936	1937	1938	1939		
<i>World.</i>																	
1926	83.5	I	81.2	91.8	103.1	...	...	...	1926	83.7	I	80.3	91.1	102.2	...	...	...
1927	89.5	II	83.0	92.0	103.0	...	...	...	1927	89.4	II	82.6	91.9	102.5	...	...	...
1928	94.0	III	86.2	93.0	103.5	...	...	...	1928	94.5	III	85.6	92.0	103.9	...	...	...
1929	100.0	IV	85.9	92.4	108.0	...	...	...	1929	100.0	IV	86.1	93.1	108.2	...	...	...
1930	88.6	V	87.1	93.0	108.7	...	...	...	1930	88.2	V	87.5	93.5	109.5	...	...	...
1931	79.1	VI	85.8	92.0	107.7	...	...	...	1931	78.7	VI	86.4	92.3	109.3	...	...	...
1932	69.8	VII	81.7	90.8	108.4	...	...	...	1932	69.6	VII	81.5	91.9	109.3	...	...	...
1933	78.2	VIII	80.5	93.0	109.5	...	...	...	1933	78.2	VIII	80.7	94.1	111.2	...	...	...
1934	85.8	IX	81.9	96.4	114.2	...	...	...	1934	86.0	IX	81.6	98.2	115.3	...	...	...
1935	96.3	X	84.7	101.8	117.0	...	...	...	1935	97.2	X	84.7	102.3	117.9	...	...	...
1936	110.5	XI	86.2	104.0	120.1	...	...	...	1936	111.7	XI	86.4	104.0	121.1	...	...	...
1937	119.4	XII	90.5	105.6	122.1	...	...	...	1937	120.2	XII	90.7	104.5	123.0	...	...	...
1938	111.5								1938	111.9							
<i>World, excluding the U.S.S.R.</i>																	
1926	85.0	I	73.7	82.4	89.9	102.0	89.4	100.7	1926	85.1	I	72.8	82.1	88.9	103.0	88.3	100.8
1927	90.8	II	75.6	82.3	89.0	104.0	90.1	100.5	1927	90.8	II	75.1	82.2	88.5	104.6	89.0	100.6
1928	94.8	III	78.6	82.9	89.6	106.1	90.8	101.4	1928	95.3	III	78.0	81.8	90.0	106.4	89.9	101.5
1929	100.0	IV	78.7	82.9	94.1	107.7	88.8	...	1929	100.0	IV	78.9	83.6	94.4	108.4	87.8	...
1930	86.5	V	79.6	83.3	94.5	107.7	88.5	...	1930	86.0	V	80.0	83.7	95.3	108.6	88.1	...
1931	74.8	VI	77.8	82.4	93.9	105.5	88.0	...	1931	74.4	VI	78.4	82.7	95.5	106.3	87.6	...
1932	63.8	VII	75.0	82.4	96.4	105.3	90.1	...	1932	63.5	VII	74.8	83.5	97.4	106.2	90.3	...
1933	71.9	VIII	73.5	83.6	96.3	105.6	91.0	...	1933	71.8	VIII	73.7	85.2	98.1	106.6	91.4	...
1934	77.7	IX	73.5	85.1	98.8	104.9	95.0	...	1934	77.8	IX	73.1	86.9	100.0	105.3	95.0	...
1935	86.0	X	75.1	89.3	100.1	101.4	97.7	...	1935	86.8	X	75.1	89.8	101.2	101.9	97.9	...
1936	96.4	XI	76.2	90.9	103.4	96.8	101.9	...	1936	97.3	XI	76.4	90.9	104.5	96.3	102.4	...
1937	103.7	XII	80.2	92.6	106.5	93.4	101.5	...	1937	104.2	XII	80.5	91.7	107.5	92.0	102.2	...
1938	93.0								1938	92.9							
<i>Europe, excluding the U.S.S.R.</i>																	
1926	79.5	I	79.7	85.7	95.1	105.0	108.2	114.0	1926	80.0	I	79.2	86.0	94.5	106.1	108.6	115.1
1927	93.4	II	81.2	87.0	96.4	107.4	110.6	116.2	1927	93.3	II	81.0	87.5	96.9	108.5	111.2	117.5
1928	96.5	III	84.1	88.8	97.9	109.6	111.2	117.7	1928	97.0	III	84.4	87.1	98.6	111.0	112.2	119.1
1929	100.0	IV	83.2	90.1	100.3	112.8	108.6	...	1929	100.0	IV	83.7	91.3	101.6	114.0	109.7	...
1930	92.0	V	83.9	91.5	101.4	112.6	109.0	...	1930	91.9	V	84.6	92.9	102.8	114.3	110.3	...
1931	80.8	VI	82.8	89.2	98.1	111.3	107.5	...	1931	80.5	VI	83.5	90.4	99.8	113.0	108.7	...
1932	71.9	VII	82.7	88.9	98.9	110.7	106.7	...	1932	71.7	VII	83.4	90.1	100.1	112.4	107.9	...
1933	77.6	VIII	81.9	89.6	99.0	109.4	104.2	...	1933	78.0	VIII	82.6	90.9	100.5	111.4	105.8	...
1934	85.9	IX	83.8	92.1	102.5	113.0	109.6	...	1934	86.7	IX	84.4	93.2	104.1	114.7	111.2	...
1935	93.1	X	85.1	95.1	104.9	112.6	110.6	...	1935	94.3	X	85.6	96.1	105.9	113.8	111.8	...
1936	101.4	XI	86.5	95.6	107.5	114.8	112.6	...	1936	103.0	XI	86.5	96.3	108.6	115.8	113.6	...
1937	111.2	XII	85.6	94.1	107.6	112.5	111.5	...	1937	112.8	XII	85.7	94.5	108.7	113.4	112.7	...
1938	109.5								1938	110.8							
<i>North America.</i>																	
1926	90.5	I	65.9	76.7	82.9	96.4	68.9	85.8	1926	90.5	I	64.1	75.6	81.1	97.0	65.4	84.5
1927	88.9	II	68.4	75.3	79.7	97.9	67.9	83.2	1927	88.9	II	67.4	74.2	77.7	97.6	64.2	81.9
1928	93.4	III	71.2	74.2	78.9	99.4	68.0	83.3	1928	94.2	III	69.2	73.1	78.7	98.3	64.2	81.3
1929	100.0	IV	72.0	73.1	85.7	99.7	66.5	78.8	1929	100.0	IV	71.6	72.7	84.5	99.4	62.7	78.1
1930	80.9	V	73.2	72.6	85.5	99.8	65.8	...	1930	80.0	V	73.0	71.6	85.2	99.4	62.8	...
1931	68.4	VI	70.6	73.1	87.3	96.8	66.3	...	1931	67.4	VI	70.4	72.0	88.5	96.4	63.6	...
1932	54.4	VII	65.0	73.2	91.3	96.9	71.1	...	1932	53.4	VII	63.4	73.8	91.7	96.4	69.8	...
1933	64.3	VIII	62.7	75.0	91.0	99.1	75.1	...	1933	63.3	VIII	61.8	75.5	92.7	98.6	73.8	...
1934	67.3	IX	61.2	75.6	92.7	94.3	78.1	...	1934	66.2	IX	59.4	77.8	93.2	93.0	76.0	...
1935	76.4	X	62.6	80.7	92.7	87.4	82.0	...	1935	76.1	X	61.6	80.3	93.3	86.4	80.7	...
1936	88.9	XI	63.4	83.5	96.5	76.3	88.1	...	1936	88.6	XI	63.2	82.5	97.0	73.6	87.6	...
1937	93.4	XII	71.9	88.1	102.1	72.6	88.2	...	1937	92.3	XII	71.7	85.5	102.5	68.3	87.8	...
1938	78.7								1938	71.7							

Source. — Calculation of the Economic Intelligence Service of the L.O.N.

Appendix III. Table 2 (concluded).

COMPOSITE INDICES OF PRODUCTION OF INVESTMENT AND CONSUMPTION GOODS.

P. I. = Producers' investment goods.
C. = Goods currently consumed.

Aut. = Automobiles.
B. = Building.

1929 = 100.

Years	Italy				Latvia		Norway			Netherlands		
	P. I.	Aut.	B.	C.	P. I.	C.	P. I.	B. ¹	C.	P. I.	B. ²	C.
1930	95.9	80.0	87.3	90.0	114.1	111.6	108.3	105.4	96.1	93.8	110.6	102.2
1931	85.8	43.3	52.8	81.3	94.7	89.4	74.9	108.6	81.9	72.0	103.3	98.0
1932	75.5	48.6	45.1	68.1	60.9	87.2	88.3	154.8	97.4	55.5	71.5	90.4
1933	80.4	69.6	53.1	76.8	72.8	122.0	93.1	123.9	94.8	59.3	117.1	94.4
1934	80.8	74.7	88.6	75.7	95.0	141.7	98.1	145.0	97.4	66.1	100.1	97.5
1935	99.2	82.0	116.2	83.1	100.4	149.9	109.1	165.8	106.4	64.6	80.0	98.1
1936	107.7	85.1	60.0	78.2	118.3	154.3	121.9	240.8	113.6	73.7	59.0	102.4
1937	113.0	125.2	65.8	94.4	138.1	168.9	135.6	186.0	121.8	98.4	69.9	109.6
1938	117.0	115.2	63.2	92.9	159.4	183.2	135.7	173.5	111.9	104.1	83.8	110.2
Quarters												
1934 I	74.3	.	68.4	67.5	.	.	100.9	139.4	90.5	.	112.3	.
1934 II	81.1	.	93.3	74.3	.	.	102.0	98.1	96.5	.	101.5	.
1934 III	85.9	.	99.2	75.7	.	.	103.0	162.2	92.7	.	99.4	.
1934 IV	82.8	.	93.6	83.8	.	.	104.8	180.1	100.2	.	87.2	.
1935 I	84.1	75.8	108.4	86.1	.	.	103.9	128.5	100.7	.	96.5	.
1935 II	98.0	86.6	130.5	89.3	.	.	107.3	191.9	105.4	.	84.5	.
1935 III	109.0	88.8	117.5	72.0	.	.	99.1	114.3	96.2	.	81.5	.
1935 IV	105.7	76.8	108.3	83.0	.	.	109.3	228.6	112.5	.	57.7	.
1936 I	102.5	67.2	72.0	78.6	84.2	150.0	113.6	171.1	108.9	.	67.7	.
1936 II	108.2	76.9	53.8	78.1	125.7	137.2	112.8	236.3	112.6	.	56.2	.
1936 III	111.3	111.5	51.8	68.2	141.7	140.3	120.4	231.8	107.4	.	53.0	.
1936 IV	108.6	84.9	62.1	87.9	118.9	193.9	124.3	324.1	117.4	.	59.4	.
1937 I	107.1	136.0	66.9	91.8	97.8	149.8	130.4	261.3	114.5	.	66.4	.
1937 II	115.6	119.5	67.5	90.2	146.5	149.8	132.4	247.4	120.0	.	76.9	.
1937 III	116.0	143.8	66.2	86.3	167.2	154.1	130.1	114.5	116.3	.	65.4	.
1937 IV	113.0	134.8	62.4	109.3	157.9	223.3	134.6	120.9	127.0	.	71.4	.
1938 I	113.1	126.3	59.5	104.8	121.0	185.2	141.0	110.3	109.5	.	97.9	.
1938 II	116.5	120.2	58.1	95.3	163.8	158.2	136.2	174.1	111.2	.	88.4	.
1938 III	119.1	108.4	64.1	71.8	188.7	168.9	125.7	131.0	108.1	.	78.5	.
1938 IV	119.4	105.9	70.9	100.4	173.6	221.3	139.6	278.5	118.8	.	70.2	.
1939 I	119.7	122.0	83.5	98.5	125.6	192.3	139.3	...	113.1	.	100.5	.

Years	Poland		Roumania		United Kingdom				Sweden			Czecho-Slovakia		
	P. I.	C.	P. I.	C.	P. I.	Aut.	B. ³	C.	P. I.	B. ⁴	C.	P. I.	B. ⁵	C.
1930	83.5	90.8	96.4	99.1	91.7	94.6	105.7	92.0	98.5	107.4	102.2	85.2	65.5	92.0
1931	67.9	79.3	96.6	98.9	73.3	87.8	91.5	91.3	89.0	85.9	100.4	70.8	75.0	87.1
1932	49.2	68.8	100.9	81.3	69.6	103.0	105.9	94.7	79.4	76.8	98.5	42.5	87.6	74.6
1933	61.3	73.9	104.1	111.6	77.7	123.3	140.8	98.9	83.8	47.9	106.0	43.0	62.4	70.1
1934	73.0	82.6	121.5	131.0	93.1	145.8	157.2	107.9	108.7	102.5	119.8	49.0	50.3	79.8
1935	82.4	88.8	124.3	122.1	102.7	178.5	177.2	114.0	123.0	126.4	127.6	59.0	35.5	79.7
1936	98.8	95.9	133.0	129.9	120.6	201.5	169.6	121.2	133.3	141.1	137.0	71.2	44.0	89.1
1937	123.0	107.8	132.2	134.4	133.7	208.2	152.8	127.3	153.5	131.7	147.1	96.5	45.2	99.7
1938	135.1	114.9	131.5	127.0	119.6	187.2	136.4	122.8	147.0	168.2	141.8	...	...	...
Quarters														
1934 I	70.0	82.3	112.4	121.4	89.3	170.7	154.6	109.0	96.7	74.2	115.9	42.0	14.1	76.9
1934 II	74.3	83.0	125.5	120.6	91.9	155.4	175.1	106.9	107.3	104.6	119.7	53.4	40.9	83.6
1934 III	71.2	78.9	126.6	143.2	91.2	106.0	139.7	104.6	113.3	89.2	120.2	50.4	77.7	79.7
1934 IV	76.3	86.4	127.9	135.3	99.9	151.1	159.7	113.2	117.5	141.7	123.8	48.9	76.0	76.2
1935 I	79.4	85.8	122.0	116.5	103.2	202.7	171.9	113.1	117.2	168.8	126.0	53.9	21.9	75.9
1935 II	80.4	88.0	118.8	109.2	101.8	175.4	185.6	112.3	121.5	142.0	127.0	54.2	21.7	77.8
1935 III	82.9	89.6	125.4	136.0	101.0	154.7	165.9	111.2	125.0	84.1	126.7	59.9	50.0	76.5
1935 IV	86.7	91.8	130.6	126.6	106.7	181.1	185.5	124.0	128.4	111.6	130.8	65.3	48.5	88.1
1936 I	86.4	93.3	129.4	121.0	115.3	213.4	168.5	121.7	126.7	142.0	132.7	60.5	12.5	88.7
1936 II	95.5	94.4	131.0	116.5	120.4	216.3	189.0	119.0	131.8	143.0	135.1	65.8	30.7	87.5
1936 III	103.5	97.3	135.9	139.7	119.9	165.9	159.7	116.3	134.5	116.8	137.8	71.1	66.8	87.2
1936 IV	107.8	98.6	136.0	142.7	129.0	210.5	161.2	128.7	140.2	162.6	142.3	87.8	65.9	93.9
1937 I	114.3	107.1	129.5	124.4	132.3	235.1	142.1	126.1	146.0	152.6	142.3	92.2	16.9	98.8
1937 II	120.7	105.4	126.9	123.1	135.5	232.8	167.9	127.7	154.2	142.8	146.8	96.6	30.0	104.4
1937 III	126.1	109.9	134.9	147.1	133.4	177.0	139.9	123.3	155.4	81.5	149.1	97.7	59.6	98.2
1937 IV	131.0	108.7	137.6	143.3	135.3	187.8	161.4	133.5	158.0	150.0	150.5	99.1	74.3	96.8
1938 I	133.5	116.0	130.1	107.0	131.4	215.2	141.7	127.0	150.4	204.1	146.4	86.3	18.3	87.5
1938 II	132.9	112.8	131.9	117.8	119.7	201.5	156.3	118.3	147.9	145.1	141.5	89.7	29.8	88.3
1938 III	136.1	114.9	128.1	138.6	110.6	147.2	127.7	116.6	143.2	140.6	136.1	...	...	...
1938 IV	138.0	116.0	136.0	144.8	116.9	184.5	116.5	128.9	147.5	183.1	139.8	...	...	...
1939 I	140.1	122.2	...	...	127.7	238.9	126.2	130.7	...	267.9	142.1	...	...	...

¹ Net increase in number of dwellings in boroughs of more than 2,000 inhabitants. ² Number of dwellings started on new ground. ³ Estimated cost of plans approved for dwelling-houses by 146 local authorities. ⁴ Building permits delivered for number of rooms (dwellings) in 11 larger towns. ⁵ Number of permits delivered for the utilisation of new buildings in 38 principal towns.

Appendix IV. Table 1.

INDICES OF WHOLESALE PRICES.

1929=100.

Country	Union of S. Africa	Albania	Argentine Banco Central de la Republica	Australia Melbourne	Belgium	Brazil	Bulgaria	Canada	Chile	China ^a Shanghai	Costa Rica San Jose
Average											
1926	106.3	.	103.7	101.6	87.4	.	90.0	104.6	.	95.7	.
1927	106.9	100.0	101.8	100.8	99.5	.	90.1	102.2	.	99.9	.
1928	103.8	103.6	102.3	99.4	99.1	102.4	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	.
1930	88.5	88.0	95.6	88.5	87.4	74.7	81.2	90.6	86.7	109.9	.
1931	85.8	90.3	92.3	79.2	73.6	74.4	66.8	75.4	79.5	121.2	.
1932	79.0	73.6	92.8	78.3	62.5	73.4	58.3	69.8	119.7	107.6	.
1933	80.2	57.2	88.8	78.2	58.9	68.4	52.4	70.2	179.8	99.3	.
1934	87.7	51.1	101.9	81.6	55.6	67.9	53.4	74.9	178.6	92.9	.
1935	81.8	56.2	100.6	81.5	63.1	70.0	54.4	75.4	178.4	92.0	.
1936	85.0	62.6	102.9	85.6	69.1	81.3	55.4	78.0	197.3	103.8	100.0
1937	87.0	64.6	116.8	91.9	80.4	82.3	62.8	88.4	236.3	123.5	105.3
1938	90.0	63.6	109.4	92.2	74.0	...	65.4	82.2	224.6	146.0	103.3
	(a)	(e)	(a)	(a)	(d)		(e)	(a)	(a)	(b)	
1938 I	92.5	66.2	116.6	88.5	77.6	...	64.8	87.7	224.3	133.6	102.7
1938 II	.	65.7	115.3	88.7	77.2	...	63.7	87.4	224.0	132.4	101.5
1938 III	.	63.6	113.5	88.9	75.7	...	63.0	86.9	224.1	133.2	103.6
1938 IV	89.8	64.9	112.1	90.1	75.2	...	63.3	86.1	224.6	136.7	104.2
1938 V	.	64.9	110.3	91.0	74.1	...	63.6	84.0	224.8	135.8	102.1
1938 VI	.	61.6	108.1	92.1	73.9	...	63.4	82.8	223.7	138.9	101.2
1938 VII	88.9	62.1	107.9	95.7	73.2	...	65.6	82.2	226.9	146.4	101.8
1938 VIII	.	62.4	106.1	95.0	72.9	...	67.0	79.5	227.7	157.7	101.8
1938 IX	.	62.8	105.2	93.2	73.1	...	67.2	77.9	227.6	157.8	100.4
1938 X	88.7	62.7	105.6	95.1	72.5	...	68.2	77.5	226.8	160.3	101.1
1938 XI	.	63.1	105.3	94.2	71.7	...	67.5	76.9	224.2	160.3	103.3
1938 XII	.	62.6	106.8	93.7	71.3	...	67.3	76.7	216.2	159.4	104.6
1939 I	87.7	62.8	106.9	93.7	71.0	...	67.1	76.6	210.2	162.1	103.6
1939 II	.	62.5	106.2	95.1	70.4	...	65.8	76.6	209.0	165.5	103.1
1939 III	.	62.4	107.0	97.8	70.5	...	64.9	76.6	209.7	172.1	104.1
1939 IV	86.3	65.4	106.5	93.8	70.7	...	65.9	76.8	212.6	173.2	105.2
1939 V	.	...	106.5	89.6	70.4	...	65.7	77.1	...	176.1	105.9
1939 VI	.	...	...	...	70.2	...	...	...	...	...	...

Country	Czecho-Slovakia	Denmark	Danzig	Egypt Cairo	Estonia	Finland	France	Germany	Greece	Hungary	India Calcutta
Average											
1926	103.4	108.2	108.0	113.6	97.4	.	110.8	98.0	.	.	105.0
1927	106.0	101.9	107.8	104.3	97.4	.	102.4	100.3	.	.	105.0
1928	106.1	101.9	104.5	103.4	103.4	104.7	102.9	102.0	.	.	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	89.8	86.1	89.7	89.7	87.2	92.0	88.4	90.8	90.9	86.7	82.3
1931	80.6	75.9	78.4	83.6	77.8	86.5	80.0	80.8	81.2	82.4	68.1
1932	74.5	77.8	67.5	72.4	70.9	92.4	68.2	70.3	97.5	81.6	64.5
1933	72.2	83.3	66.2	61.2	72.6	91.4	63.6	68.0	110.3	71.1	61.7
1934	74.0	80.7	64.8	75.0	72.6	91.8	60.0	71.7	108.7	71.3	63.1
1935	77.2	92.6	86.0	81.9	71.8	92.5	54.0	74.2	110.6	77.5	64.5
1936	77.4	97.2	102.1	73.2	77.8	95.7	65.5	75.9	112.5	79.9	64.5
1937	82.0	110.2	107.4	76.0	86.3	112.6	92.7	77.2	126.0	86.3	72.3
1938	81.3	104.1	98.4	78.7	85.3	105.4	104.1	77.1	123.0	86.8	67.6
	(f)	(a)	(c)	(a)	(a)	(a)	(e)	(a)	(a)	(e)	(e)
1938 I	80.3	110.2	101.2	75.9	87.2	110.2	101.4	77.0	126.1	86.6	70.2
1938 II	80.0	106.2	99.4	77.6	87.2	109.3	100.6	77.0	126.3	86.1	68.8
1938 III	79.6	106.5	99.5	76.7	86.3	107.5	101.1	77.1	126.5	86.2	68.1
1938 IV	80.1	104.6	98.1	77.6	85.5	106.5	102.6	77.0	126.2	88.9	66.7
1938 V	80.1	103.7	97.9	78.4	85.5	104.7	104.3	76.8	124.6	89.3	66.7
1938 VI	80.4	102.8	97.6	79.3	85.5	103.8	105.3	77.0	122.9	87.7	66.7
1938 VII	80.2	102.8	97.9	79.3	85.5	103.8	104.0	77.0	121.6	85.8	67.4
1938 VIII	80.7	101.9	95.8	76.4	84.6	102.8	102.5	77.2	120.5	86.1	66.7
1938 IX	82.5	101.9	97.2	79.3	82.9	102.8	104.0	77.0	120.3	87.4	67.4
1938 X	82.9	102.8	97.6	81.9	83.8	102.8	105.9	77.0	120.5	87.0	67.4
1938 XI	83.7	101.9	98.7	81.0	84.6	103.8	107.5	77.3	120.1	85.2	67.4
1938 XII	84.6	101.9	99.5	79.3	85.5	104.7	109.1	77.5	120.0	85.0	67.4
1939 I	85.7	101.9	100.4	77.6	87.2	104.7	109.9	77.6	120.4	85.1	67.4
1939 II	84.6	101.9	100.7	77.6	87.2	104.7	109.3	77.6	119.8	85.2	68.6
1939 III	85.5	100.9	100.9	77.6	86.3	104.7	108.9	77.7	119.7	86.0	68.1
1939 IV	87.0	100.9	101.0	76.7	85.5	104.7	107.7	77.6	120.0	86.2	70.2
1939 V	87.1	102.8	...	73.3	85.5	105.6	109.1	77.6	120.2	85.5	70.9
1939 VI	...	101.9	...	...	...	...	108.9	...	...	...	70.2

(a) Monthly average. (b) 15th or middle of month. (c) 10th and 20th of month. (d) Second half of month. (e) Last week or end of month. (f) First or beginning of following month.

^a Average of ten months. ^b National Tariff Commission. ^c National Bank.

Appendix IV. Table 1 (concluded).

INDICES OF WHOLESALE PRICES.
1929=100.

Country	Indo-China Saigon	Iran Tehéran	Italy National Index	Japan ^a Tokio	Latvia Riga	Mexico ^d	Norway	New Zealand	Nether- lands	Nether- lands Indies	Peru
Average											
1926	85.6	.	.	107.7	.	.	132.9	104.4	106.1	108.2	109.4
1927	92.8	.	.	102.2	.	.	112.1	99.8	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
1929	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
1931	84.8	.	78.1	69.6	70.7	89.7	81.9	90.5	76.5	70.3	94.3
1932	75.8	.	73.0	73.3	71.0	84.3	81.9	87.2	64.8	56.5	91.7
1933	69.3	21/III/36	66.5	81.6	69.8	89.8	81.9	87.9	63.1	48.9	97.0
1934	62.7	20/III/37	65.0	80.8	69.2	94.7	83.2	89.4	63.2	46.2	101.3
1935	61.4	=100	71.5	84.4	72.6	94.5	85.2	93.1	61.7	44.8	101.8
1936	64.1	^a 95.7	80.1	89.9	75.6	100.4	89.9	94.0	64.0	46.2	103.4
1937	86.4	15.5	93.4	108.4	94.2	118.9	104.6	101.4	76.4	61.3	110.1
1938	99.7	121.5	100.3	114.3	94.1	126.4	102.7	102.1	72.1	57.1	110.4
			(a)	(a)	(a)		(b)	(b)	(a)	(a)	(b)
1938 I	93.5	126.1	99.8	111.6	95.1	121.3	106.1	103.0	75.4	59.3	110.0
1938 II	94.8	127.6	98.2	113.4	95.1	124.9	105.4	102.7	74.4	58.6	110.3
1938 III	96.7	123.9	98.3	114.4	95.1	124.5	104.0	102.3	73.4	57.9	109.9
1938 IV	97.4	122.3	99.6	112.3	95.1	124.8	103.4	102.1	72.7	57.2	109.9
1938 V	99.3	117.6	100.3	113.2	94.2	127.6	103.4	101.8	72.1	57.2	109.5
1938 VI	99.3	113.9	100.8	115.7	94.2	126.7	102.7	101.9	71.8	57.2	109.3
1938 VII	100.7	116.8	99.5	115.7	93.4	126.7	103.4	101.3	71.5	57.2	109.9
1938 VIII	103.8	119.9	100.6	114.6	93.4	126.7	102.0	101.8	71.0	57.2	110.7
1938 IX	104.6	118.7	101.5	114.6	93.4	129.7	101.3	101.2	70.7	55.9	110.3
1938 X	103.3	119.0	101.6	114.9	93.4	128.9	100.7	101.5	71.1	55.9	111.7
1938 XI	102.6	125.5	101.9	115.5	93.4	128.5	100.7	102.0	70.4	55.9	111.8
1938 XII	100.7	126.9	101.0	116.1	93.4	125.0	100.7	104.0	70.8	55.2	111.5
1939 I	99.3	129.7	101.8	117.8	95.1	125.3	99.3	103.9	70.4	55.2	111.9
1939 II	100.7	132.4	101.9	120.3	95.9	124.6	99.3	103.5	70.1	55.9	110.8
1939 III	100.7	130.6	102.3	120.5	96.8	123.7	99.3	104.0	70.0	55.9	110.6
1939 IV	103.3	...	102.6	121.1	96.8	125.0	100.0	104.0	70.0	55.9	110.6
1939 V	104.6	...	101.4	122.6	95.1	...	100.0	103.9	70.2	55.9	112.0
1939 VI	...	...	...	...	...	...	99.3	...	...	...	115.2

Country	Poland	Portugal ^a	Rou- mania	Spain	Sweden	Switzer- land	Turkey	United Kingdom	U.S.A.	Vene- zuela	Yugo- slavia ^b
Average											
1926	.	.	.	105.8	106.4	102.3	.	108.5	104.9	109.6	102.8
1927	.	c) 96.3	.	100.6	104.3	100.7	95.8	103.7	100.1	105.4	102.8
1928	103.8	c) 100.3	.	97.7	105.7	102.4	98.4	102.8	101.5	105.1	105.6
1929	100.0	c) 100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1930	88.8	c) 94.7	78.4	100.6	87.1	89.6	75.9	87.5	90.7	94.0	86.1
1931	77.5	c) 85.2	60.2	101.8	79.3	77.7	65.2	76.8	76.6	90.1	72.5
1932	68.0	c) 86.2	54.0	101.0	77.9	68.0	56.0	74.9	68.0	84.3	64.8
1933	61.4	83.5	52.3	96.5	76.4	64.5	49.2	75.0	69.3	76.4	64.0
1934	57.9	90.3	52.4	98.5	81.4	63.6	51.0	77.1	78.7	71.7	62.8
1935	55.1	82.9	60.0	100.8	82.9	63.6	55.8	77.9	83.9	67.3	65.5
1936	56.1	85.9	68.5	102.5	85.7	67.7	62.0	82.7	84.8	71.6	68.0
1937	61.7	101.5	78.2	114.9	97.9	78.8	64.5	85.2	90.6	78.5	74.3
1938	58.4	98.7	78.3	...	92.8	75.8	61.1	88.8	82.5	75.6	77.8
	(c)	(b)	(a)	(b)	(a)	(c)	(a)	(a)	(a)	(a)	(a)
1938 I	60.2	102.7	78.7	121.6	96.4	77.9	61.6	94.3	84.9	76.2	79.7
1938 II	59.9	101.6	78.4	123.2	95.7	77.5	61.8	92.6	83.7	74.6	79.4
1938 III	59.1	100.4	78.8	123.1	94.3	76.6	62.5	91.2	83.6	75.8	78.1
1938 IV	59.4	100.9	78.9	123.6	93.6	76.6	62.0	90.3	82.6	76.3	78.6
1938 V	59.1	100.4	80.3	124.1	92.9	75.7	62.0	89.3	82.0	75.8	79.6
1938 VI	59.0	98.0	80.3	124.6	92.9	75.8	60.7	88.2	82.2	76.1	78.9
1938 VII	58.6	96.6	75.9	124.6	92.9	75.4	59.8	89.1	82.7	74.2	76.0
1938 VIII	57.3	96.6	76.6	126.1	91.4	74.6	60.0	87.1	82.0	75.1	76.3
1938 IX	57.1	96.8	77.2	...	90.7	74.7	58.5	86.1	82.2	74.9	77.5
1938 X	56.9	97.2	76.0	...	91.4	74.9	60.1	86.8	81.4	76.8	76.3
1938 XI	56.7	97.2	78.3	...	90.7	75.1	61.5	86.1	81.3	75.4	76.2
1938 XII	57.1	97.0	80.5	...	90.7	75.1	62.6	86.1	80.8	76.4	77.0
1939 I	57.0	95.3	82.9	...	90.7	74.9	...	85.1	80.7	77.9	77.0
1939 II	57.1	96.2	82.8	...	90.7	74.5	...	84.8	80.7	78.2	76.1
1939 III	57.3	96.2	82.4	...	90.7	74.6	...	84.6	80.5	79.2	76.4
1939 IV	57.7	97.7	84.0	...	91.4	75.0	...	85.1	80.0	76.0	76.6
1939 V	57.7	...	84.9	...	92.1	75.8	...	85.6	80.0	...	76.8
1939 VI	...	...	...	...	...	75.4	...	...	...	...	77.2

(a) Monthly average. (b) 15th or middle of month. (c) June. (e) Last week or end of month.

^a National Bank. ^b Average IV-XII. ^c Bank of Japan. ^d Banco de Mexico. ^e Banco de Portugal.

Appendix IV. Table 2.

INDICES OF COST OF LIVING.
1929=100.

Country	Union of S. Africa	Argentina	Australia	Belgium	Brazil	Bulgaria	Canada	Chile	China	Colombia	Czecho-Slovakia
Towns	9	Buenos-Aires	90	59	Rio de Janeiro	12 (67) ¹	60	Santiago	Shanghai	Bogota	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	.	98.0	74.9	.	89.4	100.1	.	92.7	.	.
1927	100.2	100.0	97.2	92.5	.	95.7	98.5	.	98.9	.	.
1928	100.3	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
1930	97.7	101.5	94.6	103.6	90.9	91.5	99.3	98.9	112.9	.	97.8
1931	94.0	86.9	84.8	93.0	87.7	79.9	89.7	98.2	116.7	.	93.4
1932	89.9	77.6	80.7	83.6	88.0	73.5	81.5	104.4	110.4	.	91.7
1933	87.4	82.7	78.3	82.6	87.2	68.2	77.6	129.6	99.4	.	90.7
1934	88.6	77.6	79.6	79.4	94.1	63.7	78.7	129.7	98.3	.	89.6
1935	88.2	82.8	80.9	79.9	99.2	59.5	79.2	132.4	98.9	.	92.8
1936	88.5	90.5	82.7	84.7	113.9	57.0	80.9	143.6	105.0	.	93.1
1937	90.5	92.8	84.9	91.8	123.1	58.1	83.2	161.7	122.2	II=100.0	94.3
1938	93.8	92.0	87.2	93.8	...	60.1	84.1	168.7	139.4	113.3	98.6
1938 I	94.1	91.9	...	95.7	...	59.9	84.0	162.8	143.3	104.2	96.7
1938 II	94.0	91.3	86.0	95.0	...	59.9	84.3	162.1	146.9	106.3	96.9
1938 III	94.2	91.6	...	93.6	...	59.7	84.3	164.7	139.4	109.0	97.1
1938 IV	94.2	91.8	...	92.0	...	59.5	84.2	167.9	137.3	117.3	97.5
1938 V	94.4	91.9	86.8	92.4	...	59.8	84.1	172.1	130.6	121.4	97.6
1938 VI	94.2	94.0	...	93.9	...	59.9	84.2	171.2	132.2	121.5	98.4
1938 VII	93.5	93.3	...	92.6	...	60.8	84.9	170.1	139.8	119.6	98.0
1938 VIII	93.4	91.4	87.9	92.5	...	60.6	84.1	169.7	146.2	119.0	98.3
1938 IX	93.3	90.5	...	93.5	...	60.6	83.9	171.2	143.1	109.9	99.5
1938 X	93.4	91.3	...	94.4	...	60.6	83.8	172.6	141.7	112.3	100.3
1938 XI	93.4	92.4	87.9	95.2	...	61.5	83.6	172.0	138.5	113.9	100.9
1938 XII	93.4	92.2	...	94.7	...	61.6	83.2	168.0	134.0	114.2	102.0
1939 I	93.3	91.6	...	95.2	...	61.6	83.2	164.7	135.0	115.1	104.6
1939 II	93.4	90.9	89.3	93.7	...	61.8	83.0	161.2	140.2	119.5	104.6
1939 III	94.1	92.9	...	92.7	...	61.7	83.0	164.1	140.3	126.2	104.2
1939 IV	94.4	...	...	91.4	...	61.5	83.0	169.9	142.5	129.7	105.5
1939 V	94.3	...	...	...	...	62.2	83.2	...	150.0	...	106.3
1939 VI	...	...	...	...	...	...	...	...	...	...	...

Country	Danzig	Denmark	Egypt	Estonia	Finland	France	Germany	Greece	Hungary	India	Indo-China
Towns	1	Whole country	Cairo	Tallinn	21	Paris	72	44 ²	Buda-pest	Bombay	Saigon
Composition	A-E	A-E	A, C-E	A-E	A-E	A-E	A-E	A-E	A-D	A-D	A, D, E
1926	94.4	.	106.0	90.6	96.6	90.8	92.3	(84.9)	86.9	.	87.6
1927	98.3	102.0	101.2	89.7	98.5	92.4	96.1	(93.1)	94.6	.	91.2
1928	99.2	101.2	100.7	95.7	100.7	93.3	98.5	(97.1)	99.5	.	93.8
1929	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	.	100.0
1930	95.2	95.5	98.0	88.9	92.2	104.5	96.2	(87.5)	90.5	.	107.1
1931	87.5	89.9	91.4	85.5	84.8	102.3	88.4	86.9	85.7	.	92.9
1932	79.5	89.5	87.4	80.3	83.7	94.6	78.2	92.2	83.3	.	81.4
1933	77.2	92.5	82.8	75.2	81.7	93.5	76.6	99.0	77.3	VI/1933-	75.2
1934	76.2	96.2	84.1	74.4	80.2	92.8	78.6	100.7	75.8	VI/1934=100	69.0
1935	84.6	99.4	86.1	75.2	81.4	86.9	80.0	101.7	77.7	100	69.0
1936	93.0	100.9	86.1	83.8	81.5	91.2	80.8	105.4	82.0	101	69.9
1937	97.2	104.5	85.4	89.0	85.8	111.3	81.2	113.6	87.3	106	83.2
1938	97.2	106.0	86.7	92.6	87.6	125.5	81.6	113.1	87.8	106	94.7
1938 I	97.8	(f)	85.4	94.0	88.1	...	81.1	115.0	89.2	107	.
1938 II	97.2	.	86.1	94.0	.	123.7	81.3	115.2	88.3	107	90.3
1938 III	96.8	106.6	86.1	94.5	.	...	81.5	114.2	88.4	107	.
1938 IV	97.0	.	87.4	94.0	86.9	...	81.6	113.4	89.0	106	.
1938 V	97.4	.	87.4	93.2	.	124.5	81.8	112.7	89.0	104	92.9
1938 VI	97.0	105.4	86.8	94.0	.	...	81.8	111.6	87.5	106	.
1938 VII	97.2	.	86.8	94.9	86.6	...	82.3	111.2	86.5	106	.
1938 VIII	97.8	.	86.8	94.0	.	123.9	82.1	111.2	86.6	106	96.5
1938 IX	97.6	105.6	86.1	93.2	.	...	81.3	112.5	87.7	106	.
1938 X	96.8	.	87.4	92.3	88.7	...	81.1	113.2	87.4	106	.
1938 XI	96.8	.	87.4	92.3	.	129.9	81.2	112.9	87.2	106	97.3
1938 XII	97.1	106.0	86.8	93.2	.	...	81.4	112.7	87.0	104	.
1939 I	97.5	.	86.1	94.9	89.0	...	81.7	113.0	86.4	106	.
1939 II	97.5	.	86.1	95.2	.	...	81.6	112.4	85.9	104	96.5
1939 III	97.5	106.0	85.4	94.4	.	...	81.8	112.2	85.8	103	.
1939 IV	97.5	.	86.1	94.0	88.5	...	81.8	112.2	86.1	103	.
1939 V	96.6	.	84.8	94.0	.	...	81.9	112.1	86.1	104	...
1939 VI	...	...	...	...	.	...	82.1	...	...	...	...

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.

¹ 1926-1928: 65 towns. Monthly figures: 12 towns. ² Until end of 1930: 106 towns, excluding clothing and rent.

Appendix IV. Table 2 (concluded).

INDICES OF COST OF LIVING.
1929=100.

Country	Ireland	Italy	Japan	Latvia	Lithuania	Luxemburg	Norway	Netherlands	New Zealand	Palestine	Peru
Towns	105	50	Tokio ¹	Riga	84	9	31	Amsterdam	25	3	Lima
Composition	A-E	A-E	A-C, E	A-E	A-E	A-C, E	A-E	A-E	A-E	A, B, E	A, C-E
1926	105.1	.	109.7	.	105.2	70.7	(124.1)	(100.1)	100.6	121.6	114.0
1927	99.4	99.9	103.9	.	105.4	89.1	(112.0)	(99.8)	99.7	114.1	109.6
1928	98.9	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	100.0
1930	97.2	96.6	85.5	100	86.0	101.7	97.0	(95.8)	97.7	88.6	95.8
1931	90.9	87.3	74.7	91	78.8	91.0	92.2	(89.9)	90.2	79.9	89.6
1932	89.2	83.1	75.4	79	65.8	79.1	89.8	(83.9)	83.5	81.8	85.6
1933	85.8	79.6	80.3	76	56.8	78.8	88.6	(83.0)	79.2	79.3	83.4
1934	86.9	75.5	82.0	72	52.6	75.9	89.2	(83.4)	80.5	79.7	84.9
1935	89.6	76.6	83.6	73	45.3	74.4	91.0	(81.1)	83.4	79.1	86.1
1936	90.9	82.6	87.8	73	46.6	74.7	93.4	78.6	86.1	83.5	90.4
1937	96.8	90.7	96.1	79	52.2	79.0	99.9	81.8	91.9	87.6	96.4
1938	98.5	98.0	110.1	87	52.4	81.2	103.1	82.5	94.6	85.4	97.5
	(b)	(f)	(b)	(a)		(f)		(e)	(b)		
1938 I		98.0	101.8	78	52.8	80.9	103.0	82.8	93.8	86.2	99.5
II	98.3	98.1	105.0	80	52.2	81.3	103.6	82.6	93.9	86.2	99.2
III	.	98.1	106.2	81	52.4	80.5	103.0	82.1	93.8	86.5	98.5
IV	.	97.6	108.9	84	52.6	80.8	103.0	82.3	94.2	83.6	98.5
V	97.2	98.6	108.9	86	52.7	81.3	103.0	82.8	94.7	82.8	99.1
VI	.	97.7	108.5	83	52.3	82.0	103.6	83.6	94.7	83.4	98.5
VII	.	97.8	109.9	83	52.5	81.1	104.2	82.6	94.6	84.0	98.2
VIII	98.3	97.5	112.0	80	52.1	81.6	103.6	82.4	94.7	83.6	97.6
IX	.	97.4	112.6	87	52.1	81.4	102.4	82.6	94.6	84.6	98.3
X	.	97.9	114.6	86	52.4	81.6	102.4	82.4	94.9	86.1	98.0
XI	100.0	98.4	115.6	80	52.4	81.6	102.4	81.8	94.7	91.0	95.5
XII	.	98.8	116.8	86	53.2	82.2	102.4	82.4	96.3	86.4	94.7
1939 I		99.4	116.4	82	52.4	82.0	101.8	.	96.1	85.9	95.1
II	98.9	99.0	118.0	84	52.8	81.2	102.4	.	96.6	84.0	95.2
III	.	98.8	...	86	52.5	80.7	102.4	82.3	96.3	83.4	95.1
IV	.	99.9	...	88	52.6	80.0	103.0	.	96.8	82.4	94.6
V	97.7	101.7	...	89	52.7	80.7	103.0	.	97.6	81.8	95.1
VI	.	...	...	...	52.4	80.7	103.6	...	...	79.6	95.7

Country	Poland	Portugal	Roumania	Spain	Sweden	Switzerland	Turkey	United Kingdom	Uruguay	U.S.A.	Yugoslavia
Towns	Warsaw	Continent	Bucharest	Madrid	49*	34	Istanbul	39-509	Montevideo	51-173*	3*
Composition	A-E	A, B, E	A-C	A, B, E	A-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	(100.6)	99.4	.	102.1	.	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	100.0
1930	91.6	95.0	89.5	102.8	(97.1)	98.1	92.1	96.3	100.1	96.6	92.1
1931	82.4	84.3	73.3	107.2	(93.5)	93.2	87.1	89.9	100.1	87.1	84.7
1932	74.4	82.6	61.8	103.1	92.4	85.7	84.9	87.8	98.6	77.8	76.6
1933	67.2	82.5	56.7	99.5	90.6	81.4	75.8	85.4	93.5	74.8	66.2
1934	62.3	83.4	53.4	101.8	91.2	80.1	74.7	86.0	93.5	79.3	61.0
1935	59.7	83.9	55.6	99.1	91.8	79.5	69.3	87.2	96.4	82.5	60.4
1936	57.7	85.6	57.9	.	92.9	80.7	69.5	89.6	95.8	84.7	60.9
1937	61.7	89.0	66.1	.	95.3	84.9	70.6	93.9	98.3	88.4	65.1
1938	60.6	86.3	74.6	.	97.8	85.1	70.4	95.1	98.2	86.3	69.5
	(e)	(b)		(b)	(f)		(a)	(f)		(b)	(f)
1938 I	61.1	90.6	74.8	.	.	85.6	71.7	95.7	99.2	87.4	68.6
II	60.9	87.5	73.7	.	.	85.3	71.5	95.1	95.5	86.6	68.3
III	60.5	86.4	73.5	.	97.1	85.1	71.5	93.9	95.1	86.6	68.9
IV	60.6	87.7	75.0	.	.	84.8	70.5	95.1	95.2	86.7	69.0
V	60.7	88.2	74.5	.	.	84.7	70.0	94.5	97.4	86.4	70.3
VI	60.5	85.9	75.7	.	97.6	85.0	69.5	97.0	99.9	86.6	70.6
VII	60.5	85.9	73.8	.	.	85.0	69.7	95.1	99.4	86.4	70.6
VIII	60.5	86.5	73.6	.	.	84.7	69.8	95.1	99.6	85.8	68.6
IX	60.3	84.6	74.4	.	98.2	85.3	69.8	94.5	99.5	85.8	68.5
X	60.3	85.0	75.1	.	.	85.2	69.8	95.1	98.8	85.7	69.9
XI	60.3	83.8	75.6	.	.	85.2	70.2	95.1	99.5	85.5	70.1
XII	60.5	83.3	75.5	.	98.2	85.0	70.4	94.5	99.1	85.7	70.4
1939 I	60.3	80.9	75.3	.	.	84.8	...	94.5	101.6	85.3	69.4
II	60.3	80.6	76.4	.	.	84.5	...	93.3	100.7	85.0	68.9
III	60.4	80.5	73.7	.	98.8	84.4	...	93.3	99.9	84.8	69.0
IV	60.8	81.9	73.1	.	.	84.7	...	93.3	104.2	84.9	68.5
V	60.7	80.7	74.3	.	.	84.9	...	93.3	104.1	84.7	68.4
VI	60.6	...	...	.	...	85.8	...	...	...	...	68.4

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. — (f) First or beginning of following month.
¹ Bank of Japan. ² K. Socialstyrelsen. ³ National Industrial Conference Board. ⁴ 3 towns of Croatia and Slavonia.
 Source : " Indeks " 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) ¹	Nominal capital	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	4,537	50,017	9.1
1930 ..	285	1,900	3,516	5,983	5.7	719	1,704	3,006	59.4	1,424	52,695	2.7
1931 ..	226	1,620	1,329	3,010	2.6	719	667	1,704	24.5	521	52,122	Negative
1932 ..	165	1,810	97	1,275	0.2	758	— 10	667	(Net loss)	-1,616	47,640	Negative
1933 ..	135	1,925	1,045	151	2.1	743	673	17	15.7	237	43,976	0.5
1934 ..	186	1,935	1,733	1,314	3.6	659	911	599	26.3	1,166	43,342	2.7
1935 ..	213	2,010	2,541	1,789	5.1	700	1,327	896	44.2	2,122	38,152	5.6
1936 ..	261	2,140	3,633	2,473	7.4	727	1,970	1,311	68.8	*3,094	37,611	*8.2
1937 ..	323	2,280	3,505	3,747	6.7	700	2,115	1,975	76.3	...	...	...
1938 ..	326	2,435	2,134	4,031	3.8	831	1,105	2,184	32.5	...	...	...
First quarter:												
1938 ..	...	305	94	.	3.4	400	138	410	26.3	...	...	...
1939 ..	...	305	206	.	7.7	400	252	138	*46.9	...	...	...

¹ Including intercorporate dividends received.
* Preliminary figures.

Year	Australia ✓		Japan ✓		Germany ✓				Belgium		Denmark	
	453-530 agricultural, industrial and commercial companies		Industrial, commercial and financial companies		Extractive and manufacturing joint-stock companies ¹				All joint-stock companies		Industrial joint-stock companies	
	Net profits		Net profits		Number of companies: columns (b)-(d)	Net profits		Rate of profits on capital %	Net profits		Net profits	
	£ A. (000,000's)	% on paid-up capital	Yen (000,000's)	% on paid-up capital		Current year's reports	Comparable companies, preceding year		Francs (000,000's)	% on paid-up capital	Crowns (000,000)	% of paid-up capital
					RM (000,000's)							
	(a)	(b)	(a)	(b)	(a)	(b)	(c)	(d)	(a)	(b)	(a)	(b)
1929 ...	19.7	7.4	531	10.3	1,849	605	805	4.5	5,796	20.2	57.5	13.2
1930 ...	14.7	5.4	273	5.2	1,785	193	.	1.4	6,324	14.4	54.9	10.7
1931 ...	6.4	2.4	268	5.3	1,690	-983	249	Negative	4,358	8.9	54.8	8.7
1932 ...	7.8	3.0	341	7.5	1,594	-355	-817	Negative	1,410	2.8	33.8	5.3
1933 ...	10.9	3.8	500	9.5	1,755	94	-415	0.9	789	1.6	72.1	12.3
1934 ...	12.7	4.8	611	10.7	1,940	405	116	2.6	1,334	2.7	91.1	14.6
1935 ...	14.6	5.3	775	12.4	1,924	508	402	4.5	1,655	3.7	99.7	15.8
1936 ...	18.1	6.5	834	12.7	1,869	570	507	5.0	3,047	6.8	122.1	18.7
1937 ...	23.1	7.8	1,020	13.8	...	...	...	...	4,821	10.5	...	...
1938 ...	...	...	...	...	...	...	...	...	5,744	11.9	...	...
First quarter:												
1938 ...	...	...	362	*14.1	...	...	...	...	...	...	...	...
1939 ...	...	...	*407	*14.5	...	...	...	...	...	...	...	...

¹ July 1st-June 30th — i.e., 1929/30, 1931/32, etc.
* Second half 1937 (194 companies).

* Second half 1938 (194 companies).

Appendix V. Table 1 (continued).

STATISTICS OF INDUSTRIAL PROFITS.

Year	Finland		France		Italy ¹			Netherlands			Poland	Roumania
	143 industrial companies		790-849 joint-stock companies		Industrial, commercial and financial joint-stock companies			All joint-stock companies	202-242 industrial and commercial companies		All joint-stock companies	Industrial joint-stock companies
	Net profits		Dividends		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		Net profits Zloty (000,000's)	Net profits Le ² (000,000's)
	Marks (000,000's)	% on capital	Francs (000,000's)	% on capital					Florins (000,000's)	% of paid-up capital		
(a)	(b)	(a)	(b)	(a)	(b)	(c)	(a)	(b)	(c)	(a)	(a)	
1929..	251	5.2	4,213	14.9	2,983	1,859	6.1	450	134.1	10.3	93.4	1,355
1930..	84	1.7	4,923	15.3	3,018	86	0.3	436	28.0	2.1	— 57.4	430
1931..	92	1.9	4,831	13.7	2,907	258	0.8	394	— 5.4	Negative	—153.3	—2,078
1932..	223	4.8	3,779	10.4	2,797	— 425	Negative	288	13.4	1.0	—154.1	—2,249
1933..	313	6.6	3,383	9.4	10,952	441	1.1	218	13.7	1.1	— 31.8	—1,548
1934..	409	8.5	3,344	9.3	12,015	1,290	8.2	211	36.5	3.1	— 77.2	— 954
1935..	386	7.4	3,202	8.9	13,053	1,948	4.9	181	39.8	3.6	— 39.0	—1,049
1936..	516	9.2	3,115	9.0	14,098	2,583	6.3	202	55.9	5.2	32.1	...
1937..	633	10.4	3,537	9.9	...	...	...	310	96.2	8.3	...	...
1938..	...	...	...	...	...	...	...	*343	...	...	...	...

¹ 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							260 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 %	Index of net profits	Index of aggregate profits			Net profits Crowns (000,000's)	Dividends		Dividends	
		Current year's reports	Same companies, preceding year £ (000,000's)			General index %	Special index %	Index of net profits %		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	100.0	100.0	100.0	106.3	83.1	9.7	161	7.6	
1930	1,932	197.5	198.8	9.8	99.4	86.9	82.6	84.7	67.6	7.8	143	6.5	
1931	2,009	160.1	206.6	7.2	77.1	72.5	65.0	69.5	51.9	39.1	120	5.8	
1932	1,998	143.3	175.0	5.8	63.1	69.6	62.5	60.5	29.8	33.1	98	4.8	
1933	1,945	141.4	140.8	6.7	63.4	77.4	72.3	72.1	47.0	37.8	95	4.6	
1934	1,975	168.8	144.8	7.2	73.9	85.7	86.4	88.2	65.6	57.1	95	4.7	
1935	2,116	203.2	175.3	8.5	85.7	* 94.6	99.7	102.1	80.4	56.6	72	3.9	
1936	2,186	239.1	212.2	9.7	96.5	*106.7	119.0	117.0	97.2	65.8	76	4.2	
1937	2,279	281.4	240.3	11.2	113.2	*118.0	*135.6	128.6	118.9	74.3	93	5.1	
1938	2,389	302.7	284.4	12.0	120.7	...	...	...	135.0	74.3	9.3	...
First quarter:													
1938	646	100.4	.	11.9	...	...	...	...	...	...	...	...
1939	656	89.7	.	10.7	...	...	...	...	...	...	...	...

¹ In 1937, in addition, refund of capital amounting to 80 million crowns, representing 9% of the capital at the beginning of the year.

* Preliminary figures.

Appendix V. Table 1 (concluded).

STATISTICS OF INDUSTRIAL PROFITS.

SCOPE AND SOURCES OF SERIES.

- Canada :** Figures compiled by *Financial Post Business Year-Book*, covering all joint-stock companies.
- 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*).
- Australia :** Figures compiled by the *Commonwealth Bank of Australia (Statistical Bulletin)*.
- Japan :** The statistics given are compiled by the *Mitsubishi Economic Research Bureau* and relate to some 350 industrial, commercial and financial companies.
- Germany :** The statistics are compiled by the *Reich Statistical Office (Abschlüsse deutscher Aktiengesellschaften)*.
- 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.
- Denmark :** Figures compiled by the Statistical Department (*Statistical Year-Book*).
- Finland :** The figures have been compiled by the *Bank of Finland (Monthly Bulletin, March 1938)*.
- France :** Figures compiled by the Central Statistical Office. (*Bulletin de la Statistique générale de la France*).
- 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*).
- Netherlands :** (a) The figures given in column (a) have been calculated by the *Economic Intelligence Service* on the basis of official statistics of the yield of the tax on dividends and bonuses.
- (b) The figures in columns (b) - (c) are compiled by *De Kroniek*.
- Poland :** Figures compiled by *Central Statistical Office (Petit annuaire statistique de la Pologne)*.
- Romania :** Figures compiled by *Central Statistical Institute (Statistica Societatilor anonime din Romania)*.
- United Kingdom :** (a) The statistics summarised in columns (a) - (e) 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 index shown in column (e) is calculated by means of the chain-linking method.
- (b) The indices shown in columns (f)-(g) are calculated by Lord Stamp of Shortlands (*The National Capital and Other Statistical Studies*, 1937, page 45; *Bank of England Statistical Summary*). The General Index represents a combination of the *Economist* data with the figures of profits assessed to income tax and is designed to show the fluctuations in the total return to industrial capital, including debenture. The Special Index, compiled from *Economist* data alone, shows the return on ordinary capital. The index numbers are entered against the years in which, approximately, the profits were made. They have been converted on to the base 1929 = 100.
- (c) The figures given in column (h) are compiled by A. Stanley Carruthers (*Journal of the Royal Statistical Society, Part I, 1939*). They relate to commercial and industrial companies, the shares of which are quoted on British Stock Exchanges, with the exception of public utility companies and companies engaged in transport, mining (other than coal and iron), plantation, banking, investment and insurance.
- 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)*.

Appendix V. Table 2.
VALUE OF AGRICULTURAL PRODUCTION.

Year	Canada	United States		Japan	Germany		Estonia
	Gross value Million \$	Net value Million \$	Selling receipts ¹ Million \$	Gross value ² Million yen	Gross value Million RM	Selling receipts Million RM	Net value Million crowns
1929....	1,631	11,941	10,479	3,185	13,511	9,808	223
1930....	1,235	9,454	8,451	2,153	11,628	8,644	194
1931....	840	6,968	5,899	1,796	10,123	7,350	139
1932....	767	5,337	4,328	2,178	8,735	6,405	116
1933....	805	6,406	5,117	2,721	9,890	7,409	136
1934....	943	7,276	6,348	2,391	11,164	8,302	134
1935....	952	8,508	7,090	2,825	11,605	8,698	145
1936....	1,080	9,530	7,920	3,260	11,940	8,910	164
1937....	1,054	...	8,574	3,654	12,612	9,484	...
1938..	1,026	...	*7,632	*3,754	...	...	...

Year	Finland	France	Poland	United Kingdom (England and Wales)	Sweden	Switzerland	Australia	New Zealand
	Gross value ² Million marks	Net value ² Milliard francs	Net value ² Million zloty	Net value Million £	Gross value ² Million crowns	Net value Million francs	Gross value Million £A	Gross value Million £NZ
1929....	4,281	84	10,445 ⁴	...	1,059	1,479	162	56
1930....	4,676	71	...	203	950	1,371	140	43
1931....	4,820	64	...	187	851	1,403	136	39
1932....	5,312	58	4,235	183	899	1,262	141	38
1933....	5,116	56	3,854	199	930	1,220	155	48
1934....	5,223	47	3,851	206	1,037	1,223	133	46
1935....	5,119	43	3,787	206	1,039	1,189	159	58
1936....	6,146	56	...	221	1,029	1,146	...	71
1937....	7,589	...	...	*224	1,183	1,258	...	68
1938....	...	...	...	...	1,140	*1,274	...	...

* Preliminary figure. — ♦ Crop year 1929/30, etc. — ¹Including, since 1933, Agricultural Adjustment Administration payments. — ²Gross value of vegetable produce and silk, plus value of animals killed. — ³To represent the value of dairy and meat production, statistics of home-grown fodder are employed. These may in certain years and in certain cases be too low. — ⁴1928.

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*.

United States : Department of Agriculture, *Agricultural Statistics*; Department of Commerce, *Survey of Current Business*.

Japan : Mitsubishi Economic Research Bureau, *Monthly Circular*.

Germany : Institut für Konjunkturforschung, *Vierteljahrshefte sur Konjunkturforschung*.

Estonia : Central Statistical Office, *Annuaire de la statistique agricole*.

Finland : Central Statistical Office, *Annuaire statistique*.

France : Estimates of M. Dugé de Bernonville, *Revue d'économie politique*

Poland : Central Statistical Office, *Petit annuaire statistique de la Pologne*.

United Kingdom : Ministry of Agriculture, *The Agricultural Market Report*.

Sweden : Central Statistical Office *La récolte en 1938* (preliminary report).

Switzerland : Fédéral Statistical Office, *Annuaire statistique Die Volkswirtschaft*.

Australia : Commonwealth Bureau of Census and Statistics, *Year-Book*.

New Zealand : Census and Statistics Department, *Year-Book*.