

countries had deteriorated so rapidly during the early years of the depression that they still remained lower than in the years 1925-29. The quantum of foodstuffs entering into trade appears to have remained stable, so that the increase in the quantum of world trade in 1936 resulted entirely from increases in industrial raw materials and in manufactured goods.

The estimated movement since 1929 of average gold prices and quantum of commodities belonging to the three groups is shown in Statement I below. The estimates are based on information concerning the four principal trading countries representing about 40 p.c. of world trade. The average prices of raw materials fell further and more rapidly than either of the other groups. Prices of foodstuffs declined more slowly, but the decline continued longer and carried the price level almost as low as that of raw materials. Prices of both of these groups rose in 1936. Prices of manufactured goods declined still more slowly and not so far as for the other groups, but the average prices of manufactured goods for the year 1936 were still at the lowest level. The quantum movements of these groups were almost the reverse of their price movements. The quantum of trade in manufactured goods declined more rapidly and to a lower point than that of either of the other groups and, although it has been rising relatively more rapidly since 1932, it was still low in 1936. The quantum of raw materials did not decline so far and in 1936 was approaching the 1929 level again. The quantum of foodstuffs did not drop so far as either of the other groups, but the decline continued until 1934 and the rise since then has been small.

I.—PRICE AND QUANTUM MOVEMENTS OF GROUPS OF COMMODITIES IN WORLD TRADE, 1929 AND 1932-36.

(1929=100.)

Item.	1929.	1932.	1933.	1934.	1935.	1936.
PRICE MOVEMENT (In U.S.A. old gold dollars).						
Foodstuffs.....	100.0	52.0	45.5	41.5	40.5	42.5
Materials, raw or partly manufactured...	100.0	44.0	40.0	39.5	39.5	41.5
Manufactured goods.....	100.0	64.0	56.0	50.0	48.0	48.0
All Commodities.....	100.0	52.5	46.5	43.5	42.5	43.5
QUANTUM MOVEMENT (1929=100).						
Foodstuffs.....	100.0	89.0	83.0	82.0	85.5	85.5
Materials, raw or partly manufactured...	100.0	81.5	87.5	88.0	91.5	95.5
Manufactured goods.....	100.0	59.0	60.5	66.5	69.5	75.5
All Commodities.....	100.0	74.5	75.5	78.0	82.0	85.5

Another significant analysis of world trade is derived from a rough division of commodities into capital goods and consumption goods. The former group includes wood and timber, ores, iron, steel, base metals, metal manufactures, machinery, instruments, and vehicles. The second group includes, besides ordinary articles of consumption and their raw materials, such goods as chemicals and coal. Capital goods represented 21.5 p.c. of the total gold value of world trade in 1929, 17.5 p.c. in 1932, and 22 p.c. in 1935, the remainder being consumption goods.

Gold prices of capital goods in 1935 were 46.5 p.c. of those in 1929, while prices of consumption goods in 1935 were only 40 p.c. of those in 1929. The quantum of capital goods in 1932 was 53 p.c. and in 1935, 74.5 p.c. of 1929, while the quanta of consumption goods were 79.5 p.c. and 85 p.c., respectively, of 1929. Thus