

Trade in Certain Staple Products.—A study of the trade in the major staple products throws some light upon certain of the tendencies that have recently affected the international exchange of goods.

Of important food staples, coffee registered an increase in the quantity entering into world trade in 1938, maize and sugar showed decreases, and wheat, butter, and cheese were on practically the same level as in 1937. The decrease in the supply of wheat from the Argentine and certain Danubian countries was offset by larger sales from the United States, Canada, and Australia. Imports into European countries were somewhat lower, and into other countries somewhat higher, than in 1937. During the latter half of 1938, however, European imports, in spite of abundant crops in several importing countries, rose to a higher level than in the corresponding period of 1937. This increase is explained by the fall in price, the building-up of emergency reserves by some countries and the subsidizing of exports by the United States. The fall in the price of wheat also contributed to the reduction in the amount of maize entering world markets, but the major cause was the great reduction in the size of the crop in Argentina. The increase in the quantity of coffee marketed was due to the fall in prices consequent upon the breakdown of the Brazilian coffee valorization.

The decrease in quantum as well as in the price of raw materials was generally greater than in the case of foodstuffs. Trade in cotton was lower, owing to decreased demand from the United Kingdom and Japan, while an increase of 18 p.c. in the world crop kept prices low. Exports of wool were higher, owing to increased demand from the United Kingdom, Germany, and France. Decreased production of rubber was attended by an increased demand, with a consequent lowering of stocks and an increase in prices. The estimated absorption of rubber during the second half of the year was 14 p.c. over the first half. Trade in coal and coke was depressed, but coal prices were higher. Imports of mineral oils into six leading importing countries registered increases of 6·8 p.c. and 8·3 p.c. for crude and refined oils, respectively. While complete statistics regarding the amount of copper entering into world trade are lacking, there was an apparent increase in quantum due to larger imports by Germany. Tin prices fell up to the end of May, but rose by about a third during the remainder of the year; the quantum was lower, owing to further restrictions upon output. Imports into the United States and the United Kingdom were lower by 44·4 p.c. and 47·6 p.c., respectively, while those into Germany increased by 20·0 p.c.

Geographic Distribution of World Trade.—In Statement III, showing the percentage distribution of world trade by continents for the period 1929-38, the figures for each continental group are the sums of those of the individual countries comprising such group and therefore include trade between the members of the group. The United Kingdom and the United States have been separated from the remainder of their respective continental groups because trade tendencies in these two principal trading countries show movements differing from those of the remainder of their continental groups. Thus, while the total trade of the United Kingdom has become an increased percentage of total world trade, that of the remainder of Europe has become considerably less, although an improvement was noted in 1938. The trade of the United States has declined materially as a percentage of world trade, but that of the remainder of North America (chiefly Canada), after declining during the depression, was about the same percentage in 1936 as in 1929. In the two latest years, however, there has been a recession to a point lower than the 1929 figure.

The outstanding change in world imports was the decline in the share of North America from 16·1 p.c. in 1929 to 13·9 p.c. in 1937 and 10·9 p.c. in 1938. The