

The proportional decline of primary products in international trade was essentially the outcome of slow growth in food and agricultural materials, in which tropical products suffered a particularly sharp curtailment. Food and beverages, which made up 22 p.c. of all trade in 1953, were under 17 p.c. of the total in 1966. But some "higher income" items such as meat, fish, fruit and alcoholic beverages fared much better than "basic" items such as sugar, coffee, butter and tobacco. Cereals escaped a similar fate through the unforeseen and continuing shortfalls in the grain output of Communist countries.

A similar division existed among inedible crude materials, which also declined from about 18 p.c. of international exchanges in the period 1953-57 to about 13 p.c. in 1965. Oilseeds, hides and rubber showed limited increases while textile fibres, once a dominant sector, were especially sluggish. On the other hand, forest and mineral products held their own in the world market, primarily reflecting rapid growth in industrial activity in the advanced countries. The energy sector, which nearly maintained a one-tenth share of world trade, also saw a notable divergence between the slow demand for coal and the rapidly rising requirements for petroleum and its products.

In contrast, the share of manufactures in world trade rose continuously over the past dozen years. Already representing nearly half of world trade in 1953, the share advanced to over 60 p.c. by 1965. In recent years, three quarters of manufactured imports were absorbed by the industrial countries of North America, Western Europe and the Soviet area. A closer look at manufactures shows that some groups have expanded more rapidly than others, so that the internal composition has changed significantly in this period.

Commodity Shares of Manufactured Exports from Industrial Countries, 1954 and 1964

(Percentages of total)

Commodity	1954	1964
	p.c.	p.c.
Fabricated Materials (Inedible)	41.5	36.0
Chemicals.....	11.8	12.3
Textiles.....	12.2	7.7
Metals.....	17.5	16.0
End-Products (Inedible)	59.5	64.0
Machinery and transportation equipment.....	39.4	44.3
Other end-products.....	19.1	19.7
All Manufactures	100.0	100.0

The expansion in the shipments of machinery and transportation equipment stands out as the most dynamic element. In fact, its share of all exports rose from just over one sixth to nearly one quarter during the period. Exports of other (largely consumer) end-products and of chemicals were additional strong components. Since the metal group almost kept the average pace of manufactures, it was textiles that dropped sharply relative to the total; along with other "basic necessities" such as food, demand elasticities for textiles in relation to rising incomes could not match those of other products.

Trade Growth Comparisons

Trade among the industrial countries of relatively finished manufactured goods flourished in the past decade. Exports from Continental European countries advanced by 10 p.c. annually and Japan is now the source of seven times the value of goods shipped in 1953. Sales to industrial countries increased much faster than to developing areas. Often, countries with rapid growth, such as Italy and Japan, expanded their supply to the world faster than their intake and the same was true of France and other Common Market countries from 1956 to 1960. Growth was particularly rapid in regional trade—within the EEC, within Scandinavia, and between Japan and its Far East neighbours. On the other