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REVIEW OF FOREIGN DEVELOPMENTS

January 7, 1964

Primary Commodities: 'World' Prices
and International Disparities

13 pages

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The opinions expressed in the text are
those of the author and should not be
regarded as the official views of the
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A considerable strengthening has occurred over a rather broad range of commodity prices during the past year and a half (see Table 1):

- (a) The more spectacular increases have affected a range of tropical commodities--cane sugar, tin, coffee, cacao, copra,--exported by less developed countries;
- (b) Staple exports of temperate-zone primary producers have also done rather well, especially bacon, butter, and wool, and more recently shortfalls in Soviet production have been adding strength throughout the list of grains and oilseeds;
- (c) The recent past has nevertheless been characterized by a high degree of diversity in commodity price movements. Tobacco, beef, rice, and (especially) jute have been weak, and softness or stability has also prevailed for such key industrial materials as cotton, newsprint, petroleum, and natural rubber;
- (d) This unusual degree of price dispersion implies that different indicators of international (or domestic) price behavior will respond very differently, depending on the specifics of commodity coverage and weighting system employed.

While most of the recent increases in commodity prices have been of relatively modest proportion, the exporters of various tropical products have done particularly well as compared with the experience of the 1930's:

- (a) Prices of cane sugar, cacao, coffee, and jute stand at three to nine times their respective 1937 levels, whereas the U.S. Wholesale Price Index has barely doubled (see Table 1);
- (b) By contrast, such key temperate-zone foodstuffs as beef and wheat rose considerably less, and bacon and butter little more, than the WPI;
- (c) Also by comparison with their 1937 level, the price rises for such major industrial materials as cotton, lead, nitrate, natural rubber and wool have been extremely moderate, while even zinc, tin, and copper, have risen little more than the overall change in the WPI.

The recent strengthening in commodity prices would be regarded with a good deal more satisfaction were it not for the fact that the performance has generally been less impressive by comparison with several exceptional peaks in the level of postwar commodity prices:

1/ Prepared primarily for presentation at Conference on Trade and Development, East-West Center, University of Hawaii, Honolulu, Hawaii February 3-7, 1964. The author gratefully acknowledges the technical assistance of Leonard Lupo and Kathleen Alexander in the preparation of the attached tabulations. The opinions expressed in the text are those of the author and should not be regarded as the official views of the Board of Governors of the Federal Reserve System.

Table 1. Recent Prices of Selected Primary Commodities
(with Historical Comparisons)
(dollars per 100 lbs.)

Commodity	Market	Level	Changes since						% Change
		1963 Nov.	1963 July	1962 June	1957	1951 Annual Average	1948	1937	Nov. '63 ÷ 1937
Foodstuffs:									
Bacon	J.K.	43.9	+5.7	+16.9	+13.5	+13.8	+3.5	+23.8	218
Bananas	U.S.	f/16.60	+1.30	+ 0.50	+ 0.40	+ 1.00	+1.10	+10.00	252
Beef	U.S.	30.68	-0.52	- 1.87	+ 3.12	-13.73	-6.29	+ 9.58	145
Rice	U.S.	8.70	-0.80	- 1.10	- 0.40	- 1.10	-3.22	+ 5.10	242
Sugar	e/ Carib.	f/10.24	m/+3.55	n/+ 6.96	+ 5.08	+ 4.57	+6.01	+ 9.11	906
a/Wheat	Can.	1.89	+0.09	+ 0.07	+ 0.17	- 0.29	-0.71	+ 0.55	141
Beverages:									
Cacao	U.S.	25.50	+3.29	+ 5.31	- 4.14	h/-29.73	-8.74	+20.39	499
Coffee	U.S.	38.00	+4.20	+ 3.20	-19.30	h/-40.30	+11.18	+26.90	342
Tea	U.S.	51.9	-1.1	+ 7.9	-11.7	j/-22.8	- 6.6	+24.3	188
Fats, Oils and Seeds:									
Butter	U.K.	f/49.9	+2.9	+ 7.2	+ 9.1	+21.0	+27.8	+26.0	209
Coconut									
Oil	U.S.	15.80	+1.30	+ 2.40	+ 1.00	- 2.69	-10.48	+ 6.84	176
Copra	U.S.	9.25	+0.87	+ 2.00	+ 1.40	- 1.13	- 4.74	+ 5.55	250
Fibers:									
b/Burlap	Calcutta	10.18	-0.29	- 3.73	+ 0.96	-17.04	- 6.88	+ 6.08	248
Cotton	U.K.	26.01	-0.6	- 1.5	- 3.5	-27.1	- 9.6	+13.1	202
c/Jute	U.S.	296	+4.0	-44.0	-12.0	-166.0	-74.0	+202.0	315
Wool	U.S.	65.2	+2.7	+ 8.2	+ 0.5	-43.6	+11.4	+21.5	149
Non-ferrous Metals:									
Copper	U.K.	29.27	0	0	+ 2.25	j/-15.26	+ 5.15	+16.01	221
Lead	U.K.	8.77	+0.61	+ 1.07	- 3.13	-11.57	- 8.41	+ 3.63	171
Tin	U.S.	125.7	+9.6	+11.8	g/+24.7	- 1.5	+26.5	+71.5	232
Zinc	U.S.	13.0	+0.50	+ 1.00	- 1.40	- 5.80	- 1.20	+ 7.00	217
Miscellaneous Materials:									
a/Newsprint	U.S.	134.4	0	0	+ 0.8	+23.9	+36.9	+91.9	316
c/Nitrate	U.S.	48.0	0	0	- 0.9	- 6.1	- 1.4	+19.5	168
d/Petroleum	U.S.	g/ 2.97	0	0	- 0.04	+ 0.46	+ 0.46	+ 1.81	256
Rubber, natural	U.S.	25.7	-0.8	- 2.6	- 5.4	-35.2	+ 3.8	+ 6.3	132
Tobacco	U.S.	56.5	-1.9	- 7.0	+ 2.5	+ 3.9	+12.1	+32.3	233
Wholesale Prices (1958=100)	U.S.	100	0	0	+ 1	+ 4	+12	+53	213

a/ per bushel. b/ per 100 yards. c/ per short ton. d/ per barrel.
e/ prior to 1961, Cuban exports other than to U.S.A. f/ October 1963.
g/ September 1963. h/ 1954 Annual Average. j/ 1955 Annual Average.
m/ August 1963 n/ October 1962 o/ 1956 Annual Average.
Source: International Monetary Fund, International Financial Statistics (Monthly and Supplement to 1963-64 Issues).

(a) Grains, beef, and various oilseeds attained their peaks in the period of widespread food shortage that occurred in the early postwar years;

(b) The prices of most industrial materials were substantially inflated in the course of the general commodity boom associated with the Korean Conflict and reached a secondary peak as a consequence of the Suez crisis;

(c) Due to special supply and demand considerations, such tropical beverage crops as coffee and cacao reached their peak levels in 1954.

The future course of commodity prices necessarily remains obscure. While supply factors, particularly the loss of Soviet-area surpluses of grains and sugar, have played a predominant role in the recent improvement, there have been some recent instances also of demand-induced price rises, notably those for wool and nonferrous metals. (b) It would be as reckless to predict an early commodity "boom" as it was unwise to believe that the long decline that continued from 1957 through most of 1962 would last forever. Yet the recent improvement in commodity prices does provide certain policy opportunities that did not exist in mid-1962.

Long time lags unfortunately separate, successively, changes in economic reality, their reflection in current statistical data, the preparation of scholarly manuscripts, the final release of published materials, and the circularization of new evidence to a wider audience.

(a) These time lags impose severe handicaps on the analysis of current economic developments and create a serious risk that academic discussion will proceed, and policy decisions be made, on the basis of obsolete facts. 2/

(b) Clearly, current policy discussions should proceed in the light of recent price improvement actually experienced, not the deteriorating commodity prices of earlier years nor the inevitable reversal of the present upswing that must be anticipated, in due course, to occur.

For present purposes, we may usefully focus our attention as much on international disparities in commodity prices as on their cyclical behavior:

(a) Obviously, as in the case of petroleum (see Appendix Tables), an importing country can largely insulate itself against external price developments;

(b) The Common Agricultural Policy of the European Economic Community, together with the rise in steel tariffs under consideration by the European Coal and Steel Community, make such distinctions between internal and external commodity prices increasingly important.

2/ For a particularly glaring example, note the following statement, drafted for a manuscript prepared in December 1962, for a document carrying a publication date of March 1963, but actually received for release in the United States in November 1963: "Ever since the mid-fifties, the terms of trade of the underdeveloped areas of the world have suffered a serious deterioration, the rate of which has shown signs of acceleration during the past two years." Nicholas Kaldor, "Stabilizing the Terms of Trade of Under-Developed Countries", Economic Bulletin for Latin America, Vol. VIII No. 1, March 1963, p.1.

Definitionally, the term "world market price" refers not to a universally-applicable price but to a particular structure of international price differentials. We can say that a world market price prevails for a given commodity if the following conditions are met:

- (a) The major consuming countries impose no significant restrictions on its importation;
- (b) The major producing countries neither restrict nor subsidize its export; and
- (c) No private firms or public marketing boards have a sufficient degree of market control to dominate the price at which the commodity is bought or sold.

In short, for a commodity characterized by a world-market price, the various national prices prevailing around the world (or at least, around the free world) will differ merely by the amount of transportation costs and insurance, plus nominal tariffs or export taxes applied purely for revenue purposes. (See Appendix Table VIII):

- (a) Such commodities perform a major function, itself unfortunately subject to secular decline, in integrating the various price structures of different countries.
- (b) "World" prices will be highly variable, subject to the shifting breezes of supply and demand and responding to changes in international freight rates.

The conditions specified for world market prices do not prevail for a particular commodity if its price remains unchanged for any considerable period of time, ^{3/} as is true for petroleum, copper, newsprint, and nitrate;

- (a) Further evidence to the same effect comes from the prevalence of international price differentials between exporting and importing countries in excess of transportation costs, etc., e.g. lead, sugar, and zinc;
- (b) Under unusual circumstances, such as those that prevailed for tin, rubber, and sugar during the Korean boom, we may even have the perverse situation of prices ruling in importing countries below those prices simultaneously in effect at export locations.
- (c) When the internal price in the exporting country is regularly higher than the corresponding price at an importing location, some continuing form of export subsidization must be in effect, cf. U.S. cotton.

Commodities not characterized by world-market prices are dealt with in a series of segmented national markets, and the portion moving in international trade may appropriately be described as selling at "free-market" prices.

^{3/} As contrasted with stability in the general index of wholesale prices, attributable in the recent past to widespread offsetting of individual commodity price movements, rather than to uniformity of price behavior.

(a) Inasmuch as the protected markets will deal only residually with world supplies, the free-market price for a given commodity will tend to behave in more volatile fashion than the separate national markets.

(b) It does not necessarily follow, however, that "free-market" prices as a group are more volatile than "world-market" prices. Rubber, cocoa, and wool, which go far to meet the requirements of "world-market" commodities, have been among the most unstable of all major internationally-traded commodities.

One corollary of the definition of a "world-market" price is that the commodity in question not be subject to an international commodity-control agreement, as tin, wheat, sugar, coffee, and olive oil are at the present time, nominally at least.

Because "free-market" and "world-market" prices are inherently unstable, various proposals have been considered to reduce the degree of fluctuation or to lessen the impact of price instability on the economically vulnerable less developed countries. (a) However, any efforts to stabilize commodity prices, e.g. via international commodity agreements, run up against fundamental weaknesses of all artificial market-support arrangements: Proper canons of economic efficiency, production adjustment, consumer response, and administrative ease will tend to work at cross-purposes; adverse long-run elasticities in demand or supply are underestimated; etc. (b) All efforts to stabilize the terms of trade of primary commodities vis-a-vis manufactured goods involve still higher degrees of difficulty, analogous to those that plague the parity-orientation of U.S. farm programs: the alleged sanctity of the base-period employed; the fact that neither domestically nor internationally does a deterioration in the statistical ratio necessarily imply that primary producers are worse off, nor a rise in the ratio that the position of the appropriate primary group has improved. (c) Moreover, over-emphasis on terms-of-trade comparisons fall within the "devil" school of economic explanation, attributing fault to others rather than facing up to failings that are the responsibility, or remedies that are within the control, of the primary producers themselves.

Internationally, as well as domestically, there is a need to develop social instrumentalities that shield primary producers against the harsher impact of economic forces without artificially supporting the market for individual commodities.

Appendix I

Primary Commodities: Price Movements and International Disparities, 1937-63

(U.S. dollars per 100 lbs.)

Year or Month	a/ Bacon		Bananas		Beef, Frozen		b/ Burlap		Butter	
	Denmark	U.K.	U.S.	U.S.	Arg.	U.K.	India	N.Zea.	Aust.	U.K.
1937	20.1	20.8	6.60		--	14.34	4.10	20.2	21.6	23.9
1948	40.4	27.8	15.50		--	--	17.06	34.2	39.0	22.1
Jan./Aug. '49	40.4	28.7	16.00		--	--	15.01	42.7	43.1	23.3
1950	27.1	21.9	15.40		--	16.62	15.50	32.6	32.7	21.2
1951	30.1	24.4	15.60		16.13	18.30	27.22	35.0	35.2	28.9
1954	29.2	37.8	15.30		20.59	26.64	10.66	40.8	40.0	45.3
1955	30.6	36.7	15.50		19.30	31.14	9.85	46.3	40.6	46.4
1956	33.0	41.2	15.60		15.32	24.30	9.05	41.7	35.6	46.0
1957	30.4	37.6	16.20		14.65	26.25	9.22	37.7	31.1	40.8
1961	29.6	35.8	15.40		18.36	25.43	12.12	34.3	26.8	37.1
1962	32.0	35.9	15.90		16.08	29.19	12.01	39.9		41.8
1963										
1962										
Jan.	31.6	37.8	15.10			31.21	12.02	38.0	30.2	39.3
June	27.0	33.7	16.10			30.67	13.91	40.4	32.4	42.7
Oct.	31.3	37.4	16.40		15.59	28.00	11.97	41.9		44.2
1963										
April	27.4	33.7	15.50		15.71	23.62	10.34	41.9		45.8
July	30.7	38.2	15.30		18.44	29.40	10.47	44.6		47.0
Aug.	34.5	40.8	15.80		18.84	29.75	10.53	44.6		47.0
Sept.	36.5	42.7	16.30		28.07	28.07	10.92	44.7		47.8
Oct.	43.9	43.9	16.60		26.83	26.83	10.45	44.7		49.9
Nov.										
Dec.										

a/ and b/ See page VIII

Appendix II

Primary Commodities: Price Movements and International Disparities, 1937-63

(U.S. dollars per 100 lbs.)

Year or Month	Coconut Oil			Copra			Hemp				
	a/ Phil.	Ceyl.	Malaya U.K. U.S.	Phil.	Indo.	Ceyl.	U.S.	U.K.	Phil.	U.S.	U.K.
1937	5.93	5.88	-- 4.36 8.96	2.94	3.10	1.82	3.70	2.50	5.31	10.40	4.73
1948	22.22	13.68	24.24 19.06 26.28	11.68	11.06	10.00	13.99	--	18.99	28.15	16.04
Jan./Aug. '49	14.52	18.08	19.00 19.06 17.81	7.09	7.58	10.81	8.76	--	19.60	28.39	--
1950	15.42	15.56	15.94 13.25 18.38	8.16	8.93	9.93	10.09	11.38	19.08	26.57	16.98
1951	15.87	18.18	19.23 15.54 18.49	8.20	11.17	12.74	10.38	13.17	22.30	31.90	22.40
1954	12.89	12.50	13.48 14.35 16.20	6.98	7.76	9.26	8.88	9.42	9.84	18.40	11.80
1955	10.88	10.30	10.88 12.09 14.50	6.15	6.77	7.44	7.92	8.36	10.80	19.30	11.32
1956	10.38	10.33	10.90 12.16 14.20	5.90	6.70	7.81	7.74	8.28	13.03	22.20	12.22
1957	10.66	11.10	11.36 12.49 14.80	6.45	5.88	8.65	7.85	8.11	16.19	27.00	14.18
1961	11.10	9.92	10.10 12.00 14.50	6.39	6.30	7.33	7.83	7.65	15.77	29.30	14.08
1962	10.42	9.72	10.30 11.82 13.78	6.24	6.08	7.35	7.55	7.28	12.05	23.10	13.82
1963											
1962											
Jan.	11.71	9.47	11.15 13.00	6.70	5.89	6.99	7.55	7.62	15.68	27.00	
June	10.05	9.18	11.25 13.40	5.96		7.27	7.25	7.26	12.10	22.90	14.25
Oct.	10.78	10.79	12.12 14.10	6.30		7.13	7.60	6.81	10.94	21.10	13.38
1963											
April	11.63	10.97	11.21 12.88 15.00	7.09		8.82	8.50	8.31	12.50	24.50	17.97
July	11.11	11.20	11.64 13.00 14.50	6.86		8.09	8.38	7.50	11.89	22.00	15.91
Aug.	11.37	11.77	14.80 13.25 14.80	7.05		8.30	8.42	8.62	11.64	20.00	15.65
Sept.	11.63	12.07	14.90 13.50 14.90	7.09		8.35	8.50		11.77	21.80	15.75
Oct.		12.20	15.30 14.12 15.30			8.63	9.12			22.30	
Nov.		12.09	15.80 14.12 15.80			8.73	9.25	8.38		23.5	
Dec.											

a/ See page VIII

Primary Commodities: Price Movements and International Disparities, 1937-63

(U.S. dollars per 100 lbs.)

Year or Month	Cotton						Jute			Cacao				
	Dom. a/ U.S.	Exp. U.S.	Ashmo. U.A.R.	Karak. U.A.R.	Pakis. Pakis.	U.K. U.K.	Pakis.	India U.K.	U.S. U.S.	Ghana	Braz. Braz.	U.S. U.S.	U.K. U.K.	
1937	11.8	15.4	--	--	--	12.9	--	69	87	94	10.24	6.99	8.40	5.11
1948	33.8	58.2	68.3	29.8	--	35.6	287	296	350	370	35.96	36.44	39.78	34.24
Jan./Aug. '49	32.2	--	--	34.2	--	39.1	260	302	359	377	24.62	17.88	20.76	34.24
1950	36.2	43.7	55.0	42.0	--	41.6	220	210	386	310	30.18	26.87	32.05	24.96
1951	41.6	71.6	95.8	62.6	53.0	53.3	300	342	440	462	32.84	32.56	35.60	35.69
1954	34.0	45.7	54.7	33.6	34.9	38.5	168	172	258	283	49.39	50.84	57.74	55.23
1955	33.6	41.8	57.8	28.6	32.0	37.0	166	196	243	262	39.80	33.82	37.40	35.88
1956	33.9	45.9	64.0	26.3	30.7	31.3	172	198	260	266	27.23	24.23	27.10	25.71
1957	33.8	27.5	72.0	27.6	29.6	29.5	189	237	286	308	24.44	28.82	30.40	29.64
1961	32.2	25.0	43.4	25.6	25.9	27.2	283	328	393	464	21.36	19.99	22.70	21.12
1962	33.6	24.6	36.6	23.2	25.0	27.6	199	281	279	353	19.89	19.54	20.80	19.67
1963														
1962	33.6	24.8	44.7	24.4	26.9	27.5	212	273	305	398	20.10	20.68	22.50	20.22
Jan.	34.1	25.4	35.6		27.0	27.5		278	254	340			20.80	20.19
June	33.0							294	272	360			20.10	19.47
Oct.														
1963														
April	34.1	24.8	41.2	21.5	26.0	26.9	185	284	280	336	19.60	22.72	25.50	27.79
July	33.4	24.1	40.5	21.7	24.9	26.6	182	252	262	292	21.65		24.50	22.21
Aug.	33.2	24.0	40.4		25.9	26.2		268	268	286	23.24		24.50	22.35
Sept.	33.1	24.0	43.0		26.0	26.6		273	278	286			25.60	24.41
Oct.	33.1					25.8		278	274	294			27.60	27.16
Nov.	33.2					26.0		278	276	296			25.50	24.60
Dec.														

a/ and c/ See page VIII

Appendix IV

Primary Commodities: Price Movements and International Disparities, 1937-63

(U.S. dollars per 100 lbs.)

Year or Month	Coffee			Copper				Lead						
	a/ Braz.	Colo.	Ugan.	U.S.	Rhod.	Can.	U.K.	Dom.	U.S.	Export	Mex.	Can.	U.S.	U.K.
1937	7.27	12.19	--	11.10	10.03	13.88	13.26	13.39	13.02	13.02	5.86	5.80	6.01	5.14
1948	22.37	33.03	--	26.82	22.54	22.05	24.12	22.32	22.35	22.35	15.39	16.33	18.04	17.18
Jan./Aug. '49	27.43	37.66	--	27.09	23.59	20.37	23.00	19.94	19.42	19.42	13.29	16.13	16.23	18.48
1950	45.33	53.20	--	50.90	19.83	21.35	22.38	21.61	21.55	21.55	10.52	13.06	13.30	13.31
1951	47.57	58.83	--	54.30	25.98	26.28	27.58	24.50	26.26	26.26	16.78	17.39	17.50	20.34
1954	73.28	79.98	--	78.30	28.84	30.00	31.34	29.96	29.89	29.89	11.84	13.72	14.10	12.10
1955	51.20	64.42	38.41	57.00	40.46	37.77	44.53	37.30	39.12	39.12	13.05	14.59	15.10	13.33
1956	53.76	73.99	33.59	58.40	38.64	41.98	40.52	41.83	40.43	40.43	13.92	15.77	16.00	14.57
1957	--	63.94	34.65	57.30	24.64	30.15	27.02	30.32	27.16	27.16	13.93	14.51	14.60	11.90
1961	31.72	43.62	18.48	36.30	25.62	28.75	28.71	30.30	27.92	27.92	9.91	10.07	10.85	8.04
1962	29.67	40.76	20.63	34.30	26.04	28.98	29.28	31.00	28.51	28.51	9.06	9.29	9.62	7.00
1963														
Jan.		42.80		34.50	25.30	28.71	29.27	31.00	28.06	28.06	9.97	9.81	10.00	7.22
June		39.50		34.80		28.95	29.27	31.00	28.57	28.57		9.31	9.50	7.09
Oct.		39.78		34.00		29.28	29.27	31.00	28.53	28.53	8.73	8.83	9.50	6.67
1963														
April	28.76	39.65	26.90	33.50	25.90	29.25	29.27	31.00	28.40	28.40	7.72	9.75	10.50	7.18
July	28.67	39.58	26.40	33.80	25.90	29.18	29.27	31.00	28.40	28.40	9.15	10.19	11.00	8.16
Aug.		39.50	26.05	33.50		29.09	29.27	31.00	28.40	28.40	9.49	10.16	11.30	8.43
Sept.		39.28	27.08	33.50		29.17	29.27	31.00	28.40	28.40	8.78	10.65	11.75	8.52
Oct.		39.48	30.18	35.30		29.27	29.27	31.00	28.40	28.40			12.00	8.73
Nov.				38.00		29.27	29.27	31.00	28.38	28.38			12.00	8.77
Dec.														

a/ See page VIII

Appendix V

Primary Commodities: Price Movements and International Disparities, 1937-63

(U.S. dollar per 100 lbs.)

Year or Month	c/ Newsprint		Mutton & Lamb N.Zea.	c/ Nitrate		Rice		Rubber, Natural				
	a/ Can.	Swed. U.S.		Chile U.S.	U.S.	Thail.	Burma U.S.	Malaya	Indo. Ceyl.	U.S.	U.K.	
1937	36.1	32.9	11.98	16.5	28.5	1.40	1.28	18.6	17.2	18.6	19.4	19.6
1948	86.6	159.8	15.70	32.5	49.4	7.06	6.28	19.8	20.0	19.3	21.9	21.7
Jan./Aug. '49	d/ 87.6	139.3	13.83	38.5	54.4	--	6.70	16.1	16.8	15.7	17.8	18.5
1950	87.6	90.6	12.48	36.2	51.5	5.49	5.00	35.4	32.1	34.2	41.3	39.9
1951	97.2	191.1	13.50	37.2	54.1	5.70	5.20	55.3	55.0	54.3	60.9	59.3
1954	111.7	117.4	20.65	36.7	52.6	6.58	5.82	22.0	21.7	28.6	23.4	23.6
1955	112.0	125.7	22.88	35.7	51.2	5.38	4.63	37.3	35.3	32.2	39.0	39.2
1956	114.9	135.1	23.39	32.9	50.8	4.98	4.25	31.6	32.7	40.4	34.3	33.4
1957	117.0	134.4	24.71	29.2	48.9	5.06	4.14	29.0	29.7	33.2	31.1	30.4
1961	116.7	121.0	18.46	32.1	48.0	4.94	4.12	27.3	26.9	25.8	29.6	28.9
1962	116.7	120.3	18.44	32.7	48.0	5.66	4.36	25.6	25.5	23.9	28.7	27.2
1963												
1962												
Jan.	116.9	122.2	17.33	32.8	48.0	5.17	4.11	26.1		24.4	28.0	27.9
June	117.0	119.1			48.0			24.5		22.9	28.3	26.2
Oct.	116.8	120.9	20.73		48.0			25.8		24.6	28.8	27.3
1963												
April	116.7	121.8	17.73	33.5	48.0	5.08		24.9		23.3	27.0	26.4
July	116.5	118.2	19.80		48.0	5.37	4.71	23.6		22.0	26.5	25.6
Aug.	116.6	121.4	19.06		48.0		4.83	22.3		21.0	25.3	24.3
Sept.	116.6	119.4	20.69		48.0		4.46	21.8		20.2	23.0	23.3
Oct.	116.6	119.3	22.53		48.0			22.6		21.2	25.5	24.0
Nov.	116.7				48.0			22.5		21.0	25.7	24.1
Dec.												

Appendix VI

Primary Commodities: Price Movements and International Disparities, 1937-63

(U.S. dollars per 100 lbs.)

Year or Month	Sugar				Tea			Tin			Wheat d/			
	To U.S. a/	To Cuba	To Others	Dom. Rep.	India	Ceyl.	U.K.	U.S.	Malaya	U.S.	U.K.	U.S.	Can.	Aust. Arg.
1937	2.34	1.13	2.70	1.32	27.6	29.8	30.0	27.6	53.6	54.2	53.5	1.21	1.34	1.05
1948	4.64	4.23	4.45	5.00	55.0	58.6	54.0	58.5	95.7	99.2	99.2	2.41	2.60	2.85
Jan./Aug. '49	4.86	4.08	4.79	4.00	55.6	64.8	56.0	57.3	99.6	102.8	103.0	2.14	2.16	2.40
1950	5.09	4.97	5.07	4.34	43.1	53.6	43.6	52.0	90.4	96.0	93.2	2.22	1.91	1.90
1951	5.07	5.67	4.87	5.72	44.5	52.5	46.0	49.7	130.0	127.2	135.1	2.40	2.18	1.94
1954	5.21	3.26	5.35	3.28	61.5	68.2	65.7	74.0	86.9	92.1	89.9	2.31	1.81	1.71
1955	4.99	3.24	4.95	3.25	64.8	64.5	70.5	74.7	90.2	94.5	92.5	2.26	1.77	1.59
1956	5.14	3.47	5.00	3.41	57.2	60.4	62.4	57.0	95.2	101.0	98.5	2.22	1.76	1.47
1957	5.30	5.16	5.29	5.26	58.7	53.4	63.2	63.6	91.4	96.4	94.4	2.24	1.72	1.56
1961		2.91	5.57	3.65	57.5	49.3	58.1	56.0	110.0	113.1	110.1	2.01	1.73	1.55
1962		2.98	5.58	5.03	53.4	48.5	58.0	51.7	109.7	114.5	112.1	2.14	1.82	1.65
1963														
1962			5.88		53.3	46.1	55.2	43.5	116.0	120.8	118.3	2.04	1.82	1.64
Jan.			5.66			43.2	53.9	44.0	108.2	113.9		2.18	1.82	1.66
June			5.89		57.4	49.0	65.3	51.5	103.9	108.1	107.0	2.18	1.84	1.62
Oct.		3.28												1.55
1963														
April		7.60	7.21	8.30	52.0	48.0	53.0	53.3	109.0	113.1	110.1	2.38	1.82	1.60
July		9.10	6.74	7.70	56.2	43.8	49.8	53.0	110.7	116.1	112.6	1.98	1.80	1.60
Aug.		6.09	5.59	6.50	58.7	46.3	51.8	53.2	110.4	115.3	113.1	2.02	1.76	1.60
Sept.		7.10	6.38	7.30	59.7	45.9		52.3	111.6	116.3	116.8	2.09	1.79	1.62
Oct.		10.24		9.20		46.5		52.4	115.1	118.3	117.5	2.20	1.86	1.65
Nov.				9.60		44.4		51.9		125.7		2.20	1.89	
Dec.														

VII

Primary Commodities: Price Movements and International Disparities, 1937-63

(U.S. dollars per 100 lbs.)

Year or Month	Wool			e/ Petroleum		Tobacco		Zinc							
	a/ Aust.	N.Zeal.	So.Afri.	Urug.	U.S.	Venez.	Su.Ar.	Ku.w.	U.S.	U.S.	Can.	Mex.	U.S.	U.K.	
1937	26.8	25.9	25.9	32.5	43.7	.89	--	--	1.16	24.2	39.8	5.59	4.32	6.90	4.93
1948	60.4	41.1	49.6	51.4	53.8	2.11	--	--	2.51	44.4	57.0	13.94	13.75	14.20	14.40
Jan./Aug. '49	56.2	40.5	59.5	61.0	55.4	2.11	--	--	2.51	47.9	49.8	14.16	8.72	14.06	15.94
1950	88.2	71.9	72.7	74.8	74.6	2.15	1.71	1.55	2.51	47.9	54.4	14.41	9.57	14.51	14.97
1951	107.7	87.4	100.5	120.3	108.8	2.63	1.71	1.55	2.51	52.6	53.9	18.91	17.37	18.80	21.59
1954	71.4	59.7	60.3	75.1	61.7	2.88	1.93	1.72	2.76	51.8	61.8	12.38	9.54	11.22	9.82
1955	60.3	59.5	43.3	63.0	57.1	2.87	1.93	1.72	2.76	51.5	69.0	13.84	10.42	12.80	11.42
1956	63.4	58.8	57.6	59.0	57.2	2.80	1.93	1.72	2.76	53.4	72.0	15.08	12.29	14.00	12.24
1957	69.9	64.8	64.0	66.8	64.7	3.04	2.05	1.80	3.01	54.0	73.3	12.54	12.31	12.50	10.34
1961	50.5	50.8	43.0	52.4	54.5	2.80	1.80	1.59	2.84	61.5	49.5	12.41	10.30	12.04	9.72
1962	51.1	48.5	45.4	56.6	57.7	2.80	1.80	1.59	2.97	62.2	49.0	11.37	9.31	12.00	8.43
1963															
1962															
Jan.	48.5	44.5	44.5	56.3	56.5	2.80	1.80	1.59	2.84	63.0	49.3	12.06	12.00	12.50	8.55
June	52.3			59.0	57.0	2.80	1.80	1.59	2.97	63.5	47.4	11.12		12.00	8.39
Oct.	50.4	47.5	47.5	54.1	58.8	2.80	1.80	1.59	2.97	60.7	58.6	11.25		12.00	8.46
1963															
April	58.8	45.7	45.7	62.5	61.2	2.80	1.80	1.59	2.97	58.6	70.9	11.64		12.00	9.27
July	59.7			64.3	62.5	2.80	1.80	1.59	2.97	58.4		12.13	7.16	12.50	9.40
Aug.	57.9			65.5	62.5	2.80	1.80	1.59	2.97	57.8		12.10	12.00	13.00	9.64
Sept.	58.8	57.5	57.5	61.8	63.0	2.80	1.80	1.59	2.97	58.2		12.13		13.00	9.57
Oct.	61.6	57.0	57.0	66.9	63.8					58.1	71.3			13.00	10.40
Nov.										56.5				13.00	10.87
Dec.					65.2										

Appendix VIII

Primary Commodities: Price Movements and International Disparities, 1937-63

(U.S. dollars per 100 lbs.)

Annual or Monthly Dates	Whole Prices U.S.A.	Freight Rates: Norwegian Index			f/ World M-X per cent World X	Footnotes
		Voyage Charters	Time Charterers	Tramps		
		U.S.A.	U.K.	1958=100		
1937	47	--	--	--	13.3	a/ Exporting Countries are underlined.
1948	88	168	330	409	10.8	b/ per 100 yards.
Jan./Aug. '49	--	162	162	200	--	c/ per short tons.
1950	86	110	215	283	4.6	d/ per bushel.
1951	96	226	439	555	9.1	e/ per barrel.
1954	93	120	133	150	2.7	f/ (Value of World Imports--Value of World Exports) as per cent of Value of World Exports.
1955	93	166	199	219	5.7	g/ Subsequent to 1961, Caribbean area basis.
1956	96	196	345	412	5.1	Sources: International Monetary Fund, International Financial Statistics (monthly), and Supplement to 1963-64 Issues (Washington).
1957	99	160	219	276	7.5	
1961	100	108	88	89	4.9	
1962	100	99	98	101	5.8	
1963						
1962						
Jan.	100	92	66	61	114.	
June	100	99	95	99	101	
Oct.	100	96	86	94	95	
1963						
April	99	103	104	116	114	
July	100	103	71	81	125	
Aug.	100	108	75	99	117	
Sept.	100	113	87	104	120	
Oct.	100	126				
Nov.	100	126				
Dec.						