

countries (29 percent for mineral fuels alone), and 13 percent of exports are manufactured goods (5 percent of which are base metals). Almost two-thirds of the imports into less developed countries consist of manufactured goods, nearly half in the form of machinery and transport equipment. About 58 percent of manufactures comes from industrial countries, 2 percent from the Soviet area, and 4 percent from other less developed countries. Of the one-third of the food and raw materials imports into less developed countries, 2 percent originates in the Soviet area, 18 percent in other less developed countries, and 16 percent in industrial countries.¹

1. *Trends in exports*

Between 1928 and 1955-57 world manufacturing production rose $2\frac{1}{2}$ times and world primary commodity production has doubled. The volume of world trade in primary commodities, however, has risen only 32 percent. If the exports of primary commodities from primary producing countries only are considered, the increase from 1928 to 1955-57 was 53 percent. Excluding petroleum exports, the exports of primary commodities from primary producing countries increased only 23 percent over the period. Exports of petroleum have increased nearly eight times. Some commodities barely increased at all. Exports of food, oils, and tobacco rose 7 percent and agricultural raw materials 5 percent between 1928 and 1955-57. Exports of beverage crops increased 38 percent, ores and nonferrous metals 79 percent, and fuels (except petroleum) 141 percent during the period.²

Examination of the period 1948 to 1955-57, and subsequently, does not alter this picture in any essential way. In this period primary commodity exports rose 39 percent for primary producing countries and 55 percent for the industrial countries. Excluding petroleum, the corresponding figures are 24 and 57 percent. This growth compares with a doubling of manufacturing exports and an increase of 58 percent in manufacturing production. Between 1948 and 1955-57, manufacturing production in less developed countries increased 51 percent and for industrial countries 59 percent.

Changes in prices since 1928 do not significantly alter the picture provided by volume data. Long-term aggregate price comparisons are misleading because of changes in the composition of trade. Moreover, improvements in the quality of manufactures are not reflected in the price data. Neglecting these statistical problems, however, the terms of trade between primary products and manufactures probably have moved in favor of primary commodities over the last 30 years. Between 1928 and 1955-57 they improved by 33 percent and between 1948 and 1955-57 by 10 percent. Since 1955-57, however, they have deteriorated so that in 1960 the terms of trade were probably lower than in 1948 and only about 20 percent higher than in 1928.

The purchasing power of the total exports of the countries whose principal exports are food and tobacco rose by 19 percent between

¹ "World Economic Trends: Ways and Means of Promoting Wider Trade Cooperation Among States; Trade Relations Between Underdeveloped and Industrially Advanced Economies," E/3520, Economic and Social Council, United Nations, New York, June 7, 1961, 48 pages. See also "United Nations Monthly Bulletin of Statistics, March 1961, special table E and General Agreement on Tariffs and Trade," "International Trade, 1959," Geneva, 1960, appendix table 4.

² "World Economic Survey, 1958," United Nations, New York, 1959, table 1, p. 17. Much of the data in this section is based on ch. 1 of this survey, entitled "Trends and Fluctuations in World Trade of Primary Commodities," pp. 20-65.