

a 17-year (1947-63) trend. The summary is shown in table 9. Again individual commodities do better or worse than the trend. He summarizes as follows:¹⁸

"Over the postwar era from 1947 to 1963, prices of farm exports from the Temperate Zone dropped an average of 2 percent a year, while prices of major tropical products as a whole declined 0.2 percent a year. But the variation in prices of Tropical Zone products was almost twice as much as the variation in prices of Temperate Zone products.

"Prices in 1947-54 were particularly unstable. Prices of tropical products increased approximately 50 percent from 1947 to 1951. In 1954, they were still over 40 percent higher than their 1947 levels. Prices of Temperate Zone products fluctuated within a rather wide range in 1947-54, but in 1954 they were lower than they had been in 1947.

"From 1954 to 1963, prices of tropical products declined an average of 2.6 percent per year and those of Temperate Zone products declined 1.5 percent per year.

"Export earnings for both groups of commodities increased throughout the period studied. For the Tropical Zone commodities, the increase in earnings was 2.5 percent for the entire postwar period, but negligible over the last decade studied. Very significant declines in earnings for coffee and cocoa largely offset the increases for a number of other Tropical Zone commodities during this decade."

TABLE 9.—TRENDS IN PRICES AND EXPORT EARNINGS FOR SELECTED TEMPERATE AND TROPICAL ZONE COMMODITIES, 1954-63 AND 1947-63

Commodity group	Average annual change in unit value		Average annual change in export earnings	
	1954-63	1947-63	1954-63	1947-63
Temperate zone commodities ^a	-1.5	-2.0	4.7	3.4
Tropical zone commodities ^b	-2.6	-.2	.2	2.5

^a Includes wheat, wheat flour, barley, corn, pork (bacon, ham, salt pork), powdered milk, butter, cheese, shell eggs, soybeans, and wool.

^b Includes milled rice, bananas, copra, shelled peanuts, palm oil, coffee, tea, cocoa, raw sugar, natural rubber, and jute

Source: ERS-USDA, "Agricultural Exports from Temperate and Tropical Zones," "Foreign Agricultural Economic Report No. 29," tables 2 and 4, pp. 7 and 14.

Our conclusions are that this is a very complicated matter. It is far more important to examine individual commodities and the individual countries degree of reliance on commodities adversely affected, than it is to make universal generalizations about developing nations, tropical commodities, or manufactured versus primary commodities. Fluctuations may be more critical than long-term trends for most commodities, though obviously some products are afflicted with surplus productive capacity.

The belief that the trends have been adverse, despite limited and contradictory evidence to support the claim, is a political fact of some magnitude in the developing-developed nations' relationships. The cord of truth in the argument is that the economic structure under which these products are produced and consumed frequently prevents

¹⁸ Halbert Goolsby, "Agricultural Exports from Temperate and Tropical Zones." U.S. Department of Agriculture, March 1966.