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Albert A. Huntington

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Current Economic Developments in Western Europe

Mutual Security Agency
Division of Statistics and Reports

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This summary of current economic developments in Western Europe is based primarily on the data contained in the *OEEC 'General Statistical Bulletin' (May) and the OEEC 'Foreign Trade Statistical Bulletin' (April)*, and the supplements thereto. The charts and tables contained in these two publications should be consulted for further detail.

HIGHLIGHTS . . . .

THE MOST STRIKING ASPECT OF WESTERN EUROPEAN ECONOMIC LIFE DURING THE PAST YEAR HAS BEEN THE EXTENT TO WHICH PRODUCTIVE ACTIVITY HAS REMAINED IMMUNE TO THE VARIOUS FINANCIAL CRISES THAT HAVE ARISEN.... THE MACHINERY CREATED by the free world to handle its international financial problems, the reserves of hard currency and stocks of raw materials accumulated since the start of the Marshall Plan, the domestic measures taken by various countries to remedy their difficulties, TOGETHER WITH THE AID PROVIDED BY THE UNITED STATES, have proved sufficient to master the financial difficulties arising from the Korean crisis without producing concomitantly industrial paralysis, widespread unemployment and trade crisis.

OTHER FACTORS SUCH AS SHORTAGES OF IMPORTANT RAW MATERIALS AND THE UNEXPECTED DECLINE IN CONSUMER DEMAND have been more effective in restraining the increase in industrial activity.

THE SUSTAINED HIGH LEVEL OF INDUSTRIAL OUTPUT SINCE THE FINAL MONTHS OF 1950 HAS MEANT THAT THE POST-KOREAN INCREASE IN EXPENDITURES FOR DEFENSE AND IN RESOURCES DEVOTED TO INVESTMENT AND EXPORT HAS COME FROM INCREASED OUTPUT, INSTEAD OF FROM A REDUCTION IN CIVILIAN CONSUMPTION.

FURTHERMORE, THE HIGH LEVEL OF PRODUCTION in the face of the more than seasonal rise in unemployment in many countries since last summer suggests that the rise in productivity continues and that manpower remains available to increase the defense establishment and man additional industrial plant.

THE INCREASE IN THE NUMBER OF UNEMPLOYED DOES NOT FORESHADOW AN IMMINENT DEPRESSION. The current volume of capital investment and defense spending in the United States and the rest of the free world precludes such a development. The increase in unemployment is rather an indication that the currently scheduled defense build-up as well as the investment programs undertaken in connection with it are well within the financial and physical capacities of the western world -- could, in fact, be expanded.

THE PAYMENTS CRISIS THAT GRIPPED THE UNITED KINGDOM AND FRANCE and that resulted in a net loss of almost $4.0 billion in foreign exchange to these two countries in a year appears to HAVE PASSED ITS PEAK DURING THE FIRST QUARTER OF 1952 -- partly as a result of special measures for increased United States aid, partly because of changes in domestic policy, and partly because the forces that made for the crisis generated their own corrections. The decline in hard currency reserves has abated and the EPU deficit has fallen substantially. The trade balance of these two countries, though still unfavorable, has improved, as has the position of Sterling exchange and of the Franc. THE VALUE OF TRANSFERABLE STERLING HAS RISEN SUBSTANTIALLY SINCE THE BEGINNING OF THE YEAR, and the black market value of the dollar in the Paris market has fallen from over 480 to about 390.

OTHER WESTERN EUROPEAN ECONOMIC DEVELOPMENTS, TOO, CONTINUE FAVORABLE:

INDUSTRIAL PRODUCTION in the first quarter of 1952 averaged 141 (1948 = 100) -- only one point below the all-time high -- 142 -- achieved in the final 1951 quarter.

PRICES, both wholesale and cost of living, at the end of April were either the same as, or lower than in December. In many countries, wholesale prices were very little different from those a year earlier. An important segment of the price system -- raw material prices -- was substantially lower than in the opening months of 1951.

THE OVER-ALL TRADE GAP, which had narrowed somewhat in the last three months of 1951, rose again in the first quarter of 1952, almost all the result of a further rise in the volume and value of imports. Only IN THE CASE OF FRANCE, HOWEVER, WAS THE DETERIORATION SERIOUS. For the other countries -- Italy, Belgium, Germany, and the Netherlands -- the change was corrective. The British deficit was sharply lower.

THE RAW MATERIAL SUPPLY continued to improve. Only steel-making materials and copper (among the more important raw materials) remain critically short.

THE TERMS OF TRADE showed further improvement. Almost all the deterioration in the over-all index between June 1950 and the spring of 1951 had been recovered by the end of the first quarter of 1952 -- primarily as a result of severe declines in the price of many important raw materials.

THE LARGEST ELEMENT IN THE BALANCE OF PAYMENTS CRISIS THAT STRUCK first Germany and the Netherlands and then the United Kingdom and France appears to have come from the need (or desire) to build or rebuild inventories. OTHER ELEMENTS were the deterioration in the terms of trade, the flight of capital and the hard core of the payments problem (still unresolved when the Korean crisis broke).

THE REDUCED PRESSURE FROM STOCKPILING, THE IMPROVEMENT IN THE TERMS OF TRADE, AND A RETURN FLOW OF CAPITAL CAN COMBINE TO BRING ABOUT A STARTLING CHANGE IN THE PAYMENTS POSITION OF OUR TWO PRINCIPAL EUROPEAN PARTNERS DURING THE NEXT SIX MONTHS.

THE RESOLUTION OF THE CURRENT BRITISH AND FRENCH PAYMENTS DIFFICULTIES -- EVEN IF NOT ACCOMPANIED BY A SHIFT TO OTHER COUNTRIES -- WILL, HOWEVER, STILL LEAVE UNRESOLVED THE MOST DIFFICULT PORTION OF WESTERN EUROPE'S PAYMENTS PROBLEM.... THE PAYMENTS DEFICIT WAS STILL RUNNING AT AN ANNUAL RATE OF ABOUT TWO BILLION DOLLARS WHEN THE KOREAN CRISIS BROKE -- AND TO THIS HAS BEEN ADDED THE NEEDS ARISING FROM A MASSIVE DEFENSE EFFORT.

INDUSTRIAL PRODUCTION

INDUSTRIAL PRODUCTION in the first quarter of 1952 continued on the high plateau first REACHED IN THE SECOND QUARTER OF 1951.... First quarter output averaged 141 (1948 = 100); one point lower than the average for the final 1951 quarter, one point higher than the average for the second quarter of that year, and 4 percent higher than in the first quarter.... WESTERN EUROPEAN INDUSTRIAL OUTPUT IN THE SEVENTH QUARTER FOLLOWING THE OUTBREAK OF WAR IN KOREA WAS 18 PERCENT HIGHER THAN IN THE CORRESPONDING 1950 QUARTER AND 40 PERCENT HIGHER THAN IN 1938..

DENMARK AND THE NETHERLANDS WERE THE ONLY COUNTRIES IN WHICH INDUSTRIAL PRODUCTION DURING THE FIRST QUARTER OF 1952 WAS LOWER THAN IN THE PREVIOUS YEAR. Danish output was smaller by about 7 percent, and that of the Netherlands by about 4 percent. The largest gains were reported by France (10 percent), Greece (7 percent) and Germany (5 percent). In the remaining countries the gains ranged from 1 to 4 percent.

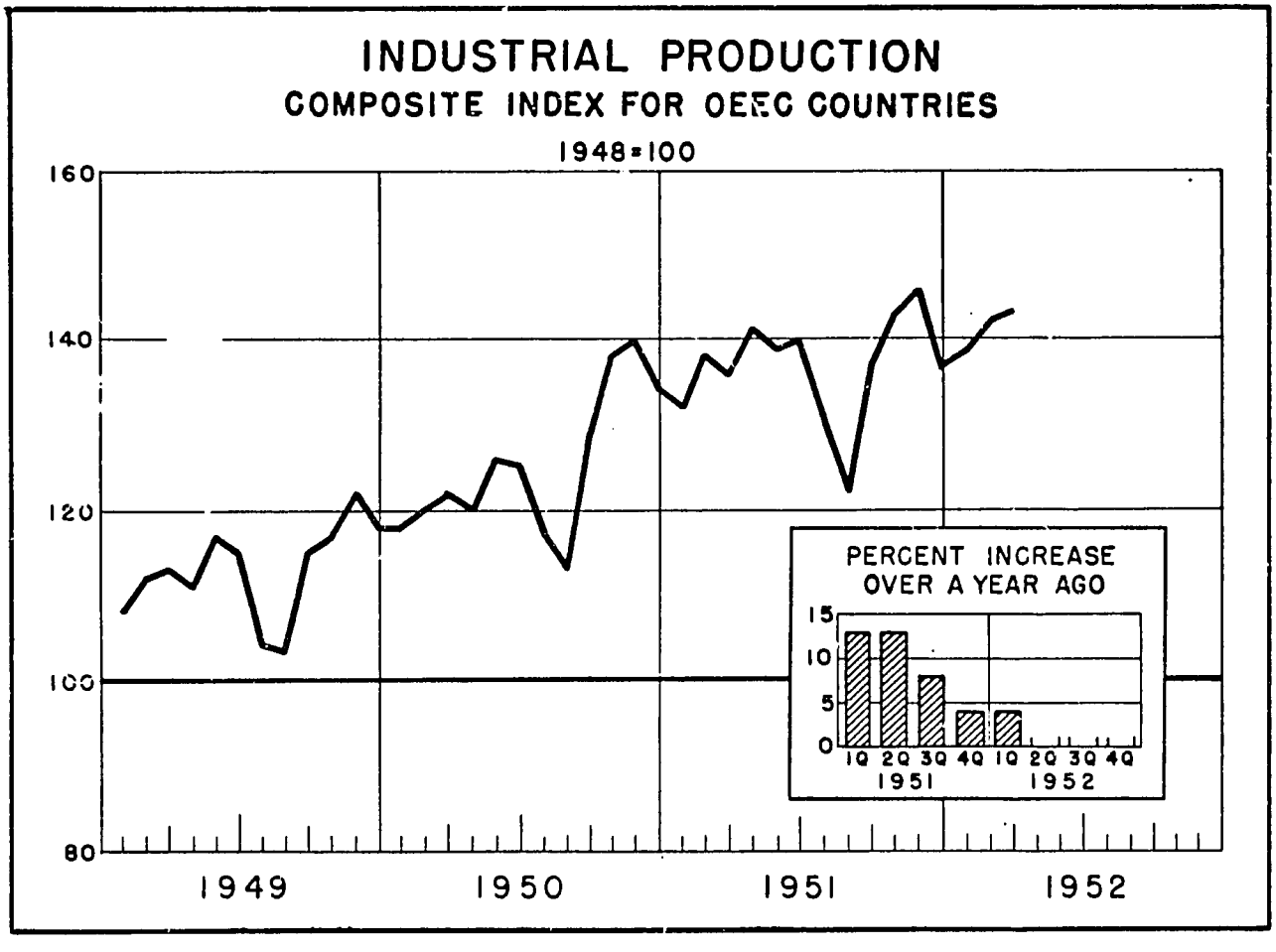
THE GENERAL RISE IN UNEMPLOYMENT IN WESTERN EUROPE IN THE FACE OF THE HIGH RATE OF INDUSTRIAL ACTIVITY IS A SIGN NOT OF WEAKNESS, BUT OF STRENGTH. IT INDICATES THAT PRODUCTIVITY IS STILL RISING AND SUGGESTS THAT THE PRODUCTION POTENTIAL OF WESTERN EUROPE IS STILL HIGHER THAN CURRENT CAPACITY AND CONSIDERABLY HIGHER THAN THE RATE OF OUTPUT. A further increase in the supply of raw material and an increased flow of orders for durable consumer goods, defense supplies, and for textiles and clothing would send the production index to substantially higher levels. Western Europe, like the United States, has not had to dip into current consumption to meet the defense build-up in 1950 and 1951. THE CURRENT VOLUME OF UNEMPLOYMENT AND OF SPARE CAPACITY TOGETHER WITH THE AMOUNT OF NEW CAPACITY UNDER CONSTRUCTION VIRTUALLY INSURE THAT THE PROGRAM FOR THE NEXT SEVERAL YEARS TOO CAN BE CARRIED THROUGH WITHOUT OVERSTRAINING THE RESOURCES OF THE WESTERN DEMOCRACIES OR THE PATIENCE OF ITS PEOPLES.

THE PAST YEAR HAS WITNESSED A CHANGE IN THE PATTERN OF INDUSTRIAL PRODUCTION. While total output has shown but little change, the production of nondurable consumer goods has declined sharply. The falling off in the output of consumer goods has, however, been more than made good by an increase in defense output, in the output of investment goods and of goods for export.

THE FEAR THAT INDUSTRIAL PRODUCTION WOULD SUFFER SEVERELY AS A RESULT OF THE PAYMENTS CRISIS THAT DEVELOPED IN THE SPRING AND SUMMER OF 1951 HAS THUS FAR, FORTUNATELY, NOT BEEN REALIZED. Production, even in the countries most severely affected -- Germany and the Netherlands first, and France, the United Kingdom and Belgium more recently -- has achieved new highs or has remained close to the previous peak. FRENCH output in February and March was the highest on record -- 38 percent above the 1948 base. GERMAN output has continued close to the post-war high, as has production in the Netherlands and the United Kingdom.

THE PRODUCTIVE ECONOMY OF WESTERN EUROPE APPEARS TO HAVE BEEN INSULATED FROM DISTURBANCES CREATED BY THE PAYMENTS CRISIS, largely AS A RESULT OF THE OPERATION OF EPU AND UNITED STATES AID.... The principal factors currently affecting the level of Western European output continue to be the physical ones, shortages of important raw materials (steel, coal, coke and the nonferrous metals) and plant. The falling off in the demand for both durable and nondurable consumer goods that appeared during the second half of 1951 was also an important contributing factor hampering the rise in output.

A DISTURBING ELEMENT INJECTED INTO THE SITUATION TOWARD the end of 1951 was the measures taken by the United Kingdom and France and by the members of the Sterling Area to remedy their payments deficit by sharply curtailing imports.... The severe import restrictions promulgated by these countries in an effort to reduce their trade deficits may, it is feared, reduce the market for the output of the other countries and thus again shift the locus of the international payments problem.



STEEL PRODUCTION IN WESTERN EUROPE IN THE FINAL QUARTER OF 1951, THE FIRST QUARTER OF 1952, AND IN APRIL, WAS MAINTAINED (despite shortages of coal, scrap, and other steel-making materials) AT PEAK LEVELS -- close to 5 million metric tons per month.... In October 1951 and in January, March and April 1952 Western European steel production actually exceeded 5 million metric tons per month. In March 1952, output climbed to 5.2 million metric tons, the highest monthly total on record.... Output in the first four months of 1952 was about 9 percent greater than output during the corresponding months a year earlier.... ONLY IN THE UNITED KINGDOM WAS STEEL PRODUCTION LESS THAN A YEAR EARLIER. Offsetting this decline, as the table below shows, were large increases in output in France and Germany.

STEEL PRODUCTION

Country	MONTHLY AVERAGES IN THOUSANDS OF METRIC TONS			PERCENT CHANGE
	Year 1949	Jan.-Apr. 1951	Jan.-Apr. 1952	Jan.-Apr. 1951 to Jan.-Apr. 1952
Belgium-Luxembourg	510	655	702	+ 7
France (inc. Saar)	907	1,015	1,123	+ 11
Germany	763	1,034	1,255	+ 21
Italy	171	227	275	+ 21
United Kingdom	1,318	1,371	1,348	- 2
Total a/	3,908	4,600	5,015	+ 9

a/ All OEEC countries; January-April 1952 partly estimated.

THE GROWING EASE IN THE SUPPLY OF COAL, IRON ORE AND OTHER STEEL-MAKING MATERIAL, TOGETHER WITH THE NEW STEEL-MAKING CAPACITY, SHOULD ENABLE WESTERN EUROPEAN PRODUCERS TO RAISE OUTPUT WELL ABOVE THE 5-MILLION-TON LEVEL IN THE LATER MONTHS OF THE YEAR.... To offset the depressing effect on British industrial output of the falling off in steel production, the United States agreed, during Prime Minister Churchill's visit here last December, to furnish the United Kingdom with approximately a million tons of crude steel during 1952.... THE RISE IN BRITISH STEEL OUTPUT IN RECENT MONTHS, PLUS THE GREATER AVAILABILITY OF STEEL FOR EXPORT FROM CONTINENTAL EUROPEAN SOURCES, MAY, HOWEVER, REDUCE BRITISH REQUIREMENTS BELOW THE AMOUNT ESTIMATED AND THUS REDUCE TAKINGS FROM THE UNITED STATES.

COAL PRODUCTION CONTINUES TO IMPROVE SLOWLY.... HOWEVER, THE GAIN IN OUTPUT IN THE FIRST 4 MONTHS OF 1952 OVER OUTPUT IN THE CORRESPONDING PERIOD LAST YEAR WAS ONLY ABOUT 2.5 PERCENT.... That Western Europe was able to raise the output of steel in the first quarter of 1952 11 percent, and over-all industrial output 4 percent, was due partly to the import of a considerable quantity of coal from the United States, and partly to increased supplies of petroleum and hydroelectric power.... IMPORTS OF U. S. COAL DURING THE FINAL SIX MONTHS OF 1951 AVERAGED ABOUT 3.5 MILLION TONS PER MONTH -- an addition of about 8 percent to the supply.

A COMPARISON OF COAL OUTPUT (principal producers) for the first 4 months of 1951 and 1952 is given in the table below:

	Millions of Metric Tons January - April 1952	1951	Percent Change
Belgium	10.6	9.8	8.16
France (including Saar)	24.4	23.7	2.95
Germany (Federal Republic)	41.3	39.6	4.29
Netherlands	4.2	4.2	-
United Kingdom	76.6	75.8	1.05
Total (5 countries)	157.1	153.1	2.61

WITH THE END OF WINTER AND THE BUILD-UP OF WESTERN EUROPEAN COAL STOCKS, THE DANGER OF A FUEL CRISIS HAS BEEN POSTPONED FOR ANOTHER YEAR.... The decline in the rate of increase in Western European industrial output to a level considerably below that of the past five years may combine with a further increase in fuel efficiency and an increase in the proportion of energy supplies provided by petroleum and water power to reduce Western Europe's dependence on imported coal. A MUCH GREATER INCREASE IN COAL PRODUCTION, HOWEVER, IS REQUIRED TO WIPE OUT WESTERN EUROPE'S DEPENDENCE ON IMPORTS EITHER FROM EASTERN EUROPE OR THE UNITED STATES.

ELECTRIC POWER OUTPUT averaged 23 billion kilowatt-hours per month during the first quarter of 1952 -- an increase of about 10 percent over a year ago.... Though somewhat better than the record of the final quarter of 1951, when the rate of increase dropped to about 7 percent and the same as that in the third quarter of that year, it was less than the rate of increase during the 12 months immediately following the outbreak of war in Korea.... In the first quarter of 1951, electric power output averaged 15 percent higher than in the previous year, and in the final three months of 1950, about 17 percent higher.... A comparison of the change in output of electric power in the principal OEEC countries for three recent quarters is given in the table below.

	PERCENT CHANGE		
	I Q '51 / I Q '50	IV Q '51 / IV Q '50	I Q '52 / I Q '51
Belgium-Luxembourg	13	7	9
France (including Saar)	17	9	10
Germany	19	11	10 a/
Italy	23	20	11
Netherlands	7	5	16 a/
Norway	0	- 4	9
Sweden	7	0	6 a/
United Kingdom	13	3	5
Total b/	15	7	10 a/

a/ Partly estimated.
b/ All OEEC countries.

THE DECLINE IN WESTERN EUROPEAN TEXTILE OUTPUT THAT BEGAN AS A LESS THAN SEASONAL RECOVERY IN THE FINAL MONTHS OF 1951 CONTINUED INTO 1952.... By the end of the first quarter the recession had wiped out all of the gain between the start of the Korean crisis and the second quarter of 1951.... WOOLENS were the first to weaken, probably because of the extraordinary rise in the price of raw wool between June 1950 and March 1951.... OUTPUT OF COTTONS held up to the end of 1951, when that market, too, showed signs of saturation.... RAYONS HAVE HELD UP BEST. Rayon output in the first quarter of 1952, though below the peak, was higher than a year ago in almost all countries.... OUTPUT HAS HELD UP BEST in Austria, France, Germany, Greece, Norway and Sweden.... THE HARDEST HIT have been those countries that depend most heavily on export markets for their output, i.e., Belgium, Italy, the Netherlands and the United Kingdom.... COMBINED TEXTILE OUTPUT for all the OEEC countries during the nine months between October 1950 and June 1951 averaged 37 percent higher than in 1948 and about 22 percent higher than prewar. In the last three months of 1951, output averaged 30 percent higher than in 1948.... Preliminary figures indicate that output for the first quarter probably declined an additional 10 percent, to between 115 and 120.

FEARS that textile output would be restricted by a shortage of raw material were, fortunately, not realized. Neither was the supply available for civilians reduced by the needs of defense. What appears to have happened is that the world market (excluding the USSR and its satellites) for textiles was saturated for the first time since the end of World War II.

MOTOR VEHICLE OUTPUT has been maintained at a remarkably steady pace during 1951 and in the first quarter of 1952.... Output in the first quarter of 1952 averaged about 140,000 vehicles per month. This rate of output was about the same as in January-March 1951.... THE DECLINE IN UNITED KINGDOM OUTPUT HAS BEEN MORE THAN MADE GOOD BY AN INCREASE IN THAT OF FRANCE AND GERMANY.... UNITED KINGDOM output in the first quarter totaled 56,000 vehicles per month, a decline of about 11 percent from the figure of 63,000 last year.... FRENCH output, however, which totaled 45,000, was 20 percent greater than the figure of 38,000 for the first quarter of 1951.... GERMAN output averaged 31,500 vehicles, the same as that in the corresponding period last year.

VALUE OF WESTERN EUROPEAN IMPORTS HIT A NEW HIGH IN THE FIRST QUARTER OF 1952 — $2,960 million per month — an increase of about $40 million per month over the previous high quarter (the second quarter of 1951) and of about $100 million over the final quarter of 1951. The increase over the corresponding quarter a year ago was about $400 million or 15 percent.... VALUE OF EXPORTS IN THE FIRST QUARTER DECLINED SEASONALLY from the final quarter of 1951, falling from about $2.5 billion to about $2.4 billion per month. Value of exports in the first quarter was about 20 percent ($400 million) higher than in the corresponding period last year.... A comparison of the changes in the value of exports and imports between the first quarter of 1951 and the first quarter of 1952 is given below.

	Exports	Imports
Belgium	+ 12	- 3
France	+ 3	+ 39
Germany	+ 33	+ 16
Italy	+ 2	+ 26
Netherlands	+ 29	- 5
Sweden	+ 55	+ 22
Turkey	- 10	+ 49
United Kingdom	+ 26	+ 16

THE WESTERN EUROPEAN TRADE POSITION, WHICH HAD IMPROVED IN THE LAST QUARTER OF 1951, THUS WORSENED AGAIN IN THE FIRST THREE MONTHS OF 1952.... THE TRADE GAP, which had averaged more than $600 million per month during the first half of 1951 and which had fallen to $400 million per month during the last three months of the year, rose again. The deficit for January and February 1952 was $565 million per month, and preliminary figures for March and April indicate that the deficit for those two months was not much smaller.... FURTHERMORE, the figures below show THE LOCUS OF THE DEFICIT HAS AGAIN CHANGED.... While that of the United Kingdom and the Netherlands has fallen, that of France, Italy and Germany has risen. The Belgian surplus has fallen. The April figures show the same trend.... Except for France, the changes were favorable. The French position improved in March and April.

TRADE BALANCE
Monthly Averages in Millions of Dollars

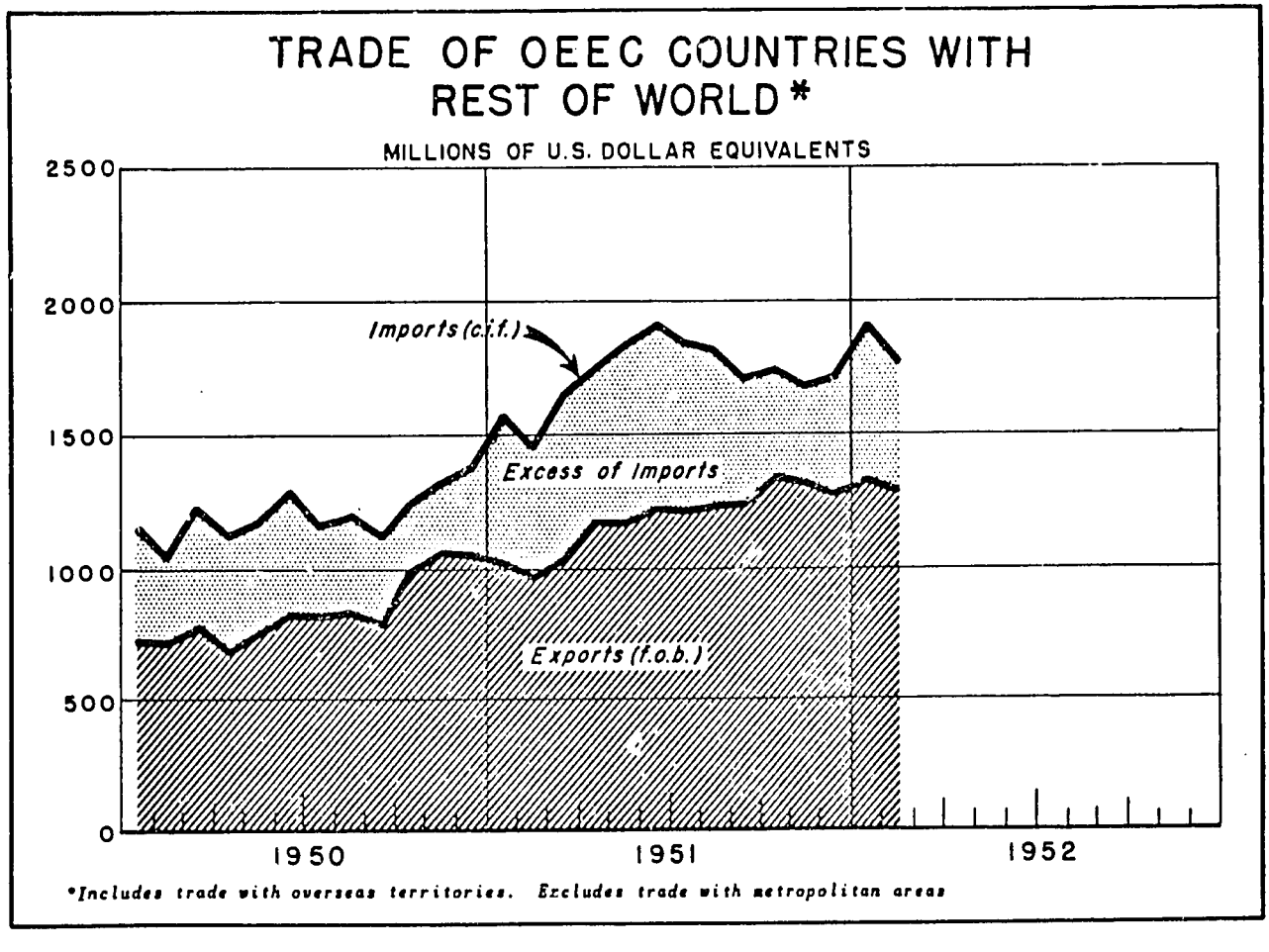
	IV Q '50	II Q '51	III Q '51	IV Q '51	I Q '52
United Kingdom	- 60	- 297	- 348	- 263	- 197
Belgium	- 29	+ 7	+ 35	+ 10	+ 15
France	+ 54	- 42	- 48	- 45	- 105
Germany	- 76	+ 28	+ 5	+ 16	- 27
Italy	- 4	- 61	- 44	- 26	- 70
Netherlands	- 42	- 81	- 46	- 3	- 14
Total (b)	- 253	- 651	- 578	- 384	- 540 a/

a/ Partly estimated.
(b) All OEEC countries.

TERMS OF TRADE SHOWED ADDITIONAL IMPROVEMENT DURING THE FIRST FOUR MONTHS OF 1952 as the price of most of the important raw materials and foodstuffs that comprise the bulk of Western Europe's imports continued to decline.

IMPORT VOLUME WAS MAINTAINED AT RECORD LEVELS THROUGHOUT 1951.... The volume index of total imports for all member countries combined averaged 136 (1948 = 100) in the last quarter of 1951, an increase of 13 percent over prewar (1938). Preliminary estimates indicate that the index will average about 140 for the first quarter.... EXPORT VOLUME HAS NOT CHANGED MUCH SINCE THE FINAL QUARTER OF 1950 -- THE BEST TO DATE.... The index of export volume averaged 186 (1948 = 100) in the final 1950 quarter, an increase of 55 percent over 1938 and 62 percent over the average for the third quarter of 1949 when currency revaluation was carried through.... The index averaged 181 in the second quarter and 184 in the final quarter of 1951, and will probably average 180 in the first quarter of 1952.

GOLD AND SHORT-TERM DOLLAR ASSETS AGAIN DECLINED DURING THE FIRST QUARTER, the total for all OEEC countries falling over $600 million to $8,227 million between December and March.... The decline was again due to the fall in the reserves of the United Kingdom -- from $2,335 million to $1,700 million. Other important changes were small in comparison. Reserves of Sweden and the Netherlands rose $53 and $25 million, respectively while German reserves fell $44 million.



THE UNITED KINGDOM IS THE ONLY COUNTRY SHOWING AN APPRECIABLE LOSS IN HARD CURRENCY RESERVES BETWEEN MARCH 1951 AND MARCH 1952 -- $2.0 billion. The only other countries reporting lower reserves over a year ago were Turkey, $6 million; Denmark, $9 million; and the Netherlands, $20 million. ALL OTHER COUNTRIES REPORTED INCREASES. The largest were (in millions of dollars), Germany, from 242 to 390; Italy, from 568 to 633; Norway, 104 to 154; Portugal, 275 to 341; and Sweden, 218 to 276. The net gain of $200 million by the countries other than the United Kingdom reduced the net loss in reserves to $1.8 billion.

THAT THE MEASURES TAKEN BY FRANCE AND ENGLAND TO IMPROVE THEIR EPU POSITION HAD HAD A FAVORABLE effect was shown by the March and April settlements.... The Sterling Area deficit for March and April was reduced to $60 million per month as against $188 million per month in the last three months of 1952.... The French deficit fell to $29.5 million in March and was replaced by a small surplus ($2.7 million) in April. In January and February the deficit had averaged $115 million per month. Other favorable developments during April were: a reduction in the Belgian surplus in April to below $20 million, and the appearance of deficits in the settlements of Italy, Portugal, Sweden and Switzerland, persistent creditors.... Both Germany and the Netherlands continue to show substantial surpluses in their monthly EPU accounts despite the appearance of large negative balances in their over-all foreign trade position.

U. S. EXPORTS AVERAGED $1,330 MILLION PER MONTH IN THE FIRST QUARTER OF 1952 and $1,356 million (preliminary estimate) in April.... IMPORTS AVERAGED $920 MILLION PER MONTH in the first quarter, a decline of about 17 percent from the average for the first quarter of 1951 when the crises induced flow was at its peak.... The U. S. trade surplus averaged about $400 million per month as against $100 million per month in the first quarter of last year.... The bulk of the increase in exports continues to be concentrated in the "hard" goods categories, i.e., iron and steel mill products, industrial and electrical machinery, and coal and petroleum (coal exports, however, have shown a down trend since October).... The decline in the value of imports was the result partly of a fall in the price of important raw materials and partly of a decline in the volume of imports.

U. S. IMPORTS FROM OEEC COUNTRIES AND THEIR OVERSEAS TERRITORIES WERE SOMEWHAT LOWER in the first quarter of 1952 ($262 million per month as against $269 million) than in the corresponding 1951 period, and EXPORTS CONSIDERABLY HIGHER ($464 million per month as against $385 million).... As a result, the trade surplus with these areas rose to over $200 million per month as against $116 million per month last year.

PRICES

THE MOVEMENT OF WESTERN EUROPEAN PRICES DURING THE FIRST FOUR MONTHS OF 1952 INDICATES THAT THE INFLATIONARY PRESSURES GENERATED BY THE OUTBREAK OF WAR IN KOREA HAVE DECLINED SHARPLY -- HAVE EITHER EXHAUSTED THEMSELVES OR BEEN BROUGHT UNDER CONTROL.... IN FRANCE where runaway inflation threatened in the Fall of 1951 wholesale prices in April had fallen to a level no higher than in October 1951 and the cost of living has remained virtually unchanged for four months. The change in the world economic situation has apparently combined with the measures taken by the Pinay Government to bring the rise in prices to a halt.

In Austria, Germany, Greece, Portugal, Sweden and Turkey, the countries in which the Autumn 1951 rise in wholesale prices had totalled as much as 6 percent, wholesale prices for the most part were below the fourth quarter 1951 peak. Furthermore as the table below shows, wholesale prices in most countries in March or April 1952 were little higher than in March 1951. Only in Austria where the increase totalled about 25 percent and in Sweden, France and Norway where it ran to between 9 and 12 percent was the increase substantial.

Percent Change in Wholesale Prices Between
March 1951 and March or April 1952

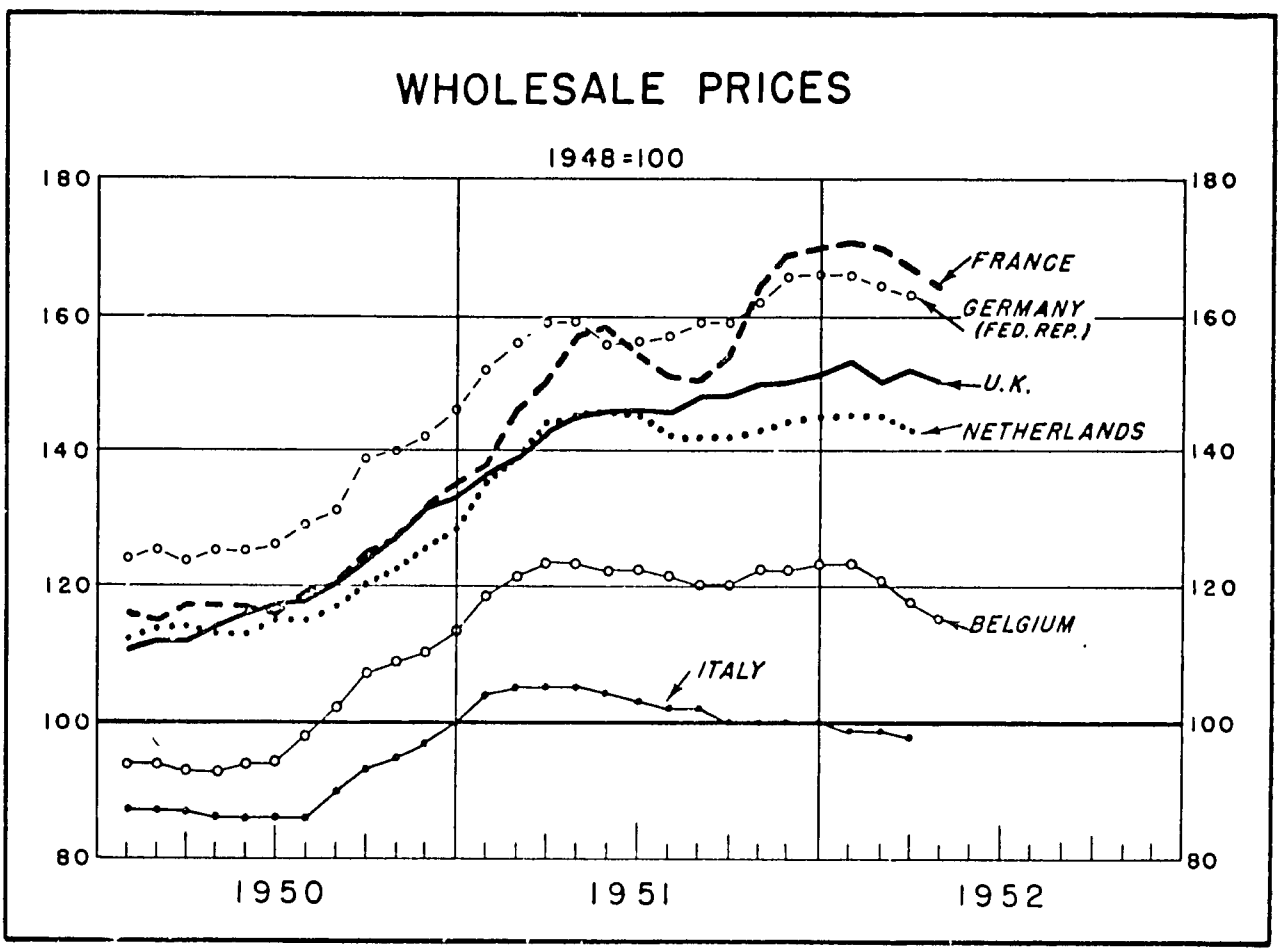
Austria	+ 25	United Kingdom	+ 4
Sweden	+ 12	Denmark	+ 3
France	+ 10	Germany	+ 3
Norway	+ 9	Netherlands	- 1
Ireland	+ 7	Switzerland	- 5
Portugal	+ 7	Belgium	- 6
Greece	+ 5*	Turkey	- 6
		Italy	- 7

* January

THE MOVEMENT OF THE COST OF LIVING INDEXES HAS FOLLOWED A DIFFERENT PATTERN.... Here prices have risen fairly steadily since the Korean conflict started in June 1950 and were at their peak at the end of the first quarter.... THE RISE SINCE LAST SEPTEMBER HOWEVER HAS IN MOST INSTANCES BEEN SMALL. In only four countries - Austria, France, Greece and Turkey - has the rise been more than 5 percent. In most others it ranged between 2 and 5 percent. Portugal and the Netherlands show no change. In Switzerland and Belgium the rise has amounted to less than one percent.

SPOT MARKET PRICES IN THE UNITED STATES FELL AN ADDITIONAL 34 POINTS (10 percent) BETWEEN NOVEMBER 1951 AND MAY 1952 (from 328 to 294) (Aug. 1939 = 100) thus increasing the total decline in the cost of important basic commodities (as measured by this index) to 96 points, or 33 percent (from 390 to 294). At the May level this index stood only 11 percent (30 points) higher than at the time of the outbreak of hostilities in Korea in June 1950 -- with almost all of the increase in the metals.

WOOL, HIDES, RUBBER, ZINC, FATS AND OILS AND PRINT CLOTH are among the important raw materials now selling at or below the June 1950 level. THE DECLINE IN THE COST OF IMPORTED RAW MATERIALS TO WESTERN EUROPE HAS BEEN EVEN GREATER, AS WORLD PRICES OF RAW MATERIALS ROSE TO LEVELS CONSIDERABLY HIGHER THAN THE CEILINGS FIXED by the U.S. Office of Price Stabilization. Lead, for instance, rose to 27 cents a pound as against a United States ceiling of 19 cents (the current price is 15), and zinc to 33 cents against a ceiling of 19.5 cents (the current price is 17.5). Furthermore, crude rubber which is carried in the United States index at 38 cents per pound is currently selling at about 25 cents per pound in London.



THUS THE MOVEMENT OF PRICES SINCE JUNE 1950 HAS CONTINUED TO FOLLOW THE CLASSIC CYCLICAL PATTERN.... BASIC COMMODITY PRICES which were the first to rise and showed the greatest proportional gain, were the first to weaken, have now lost almost 70 percent of their gain.... Wholesale prices followed raw material prices up; rose more slowly, and made their peak some months after basic commodities had begun to decline. In many Western European countries wholesale prices were already noticeably below their peak in the first quarter of 1952.... Finally, the PRICE OF CONSUMER GOODS LAGGED BEHIND THE ADVANCE IN WHOLESALE PRICES and has continued slowly upward even after the rise in wholesale prices had halted. Consumers goods indexes were still at or close to their post-Korean peaks in April 1952.

UNEMPLOYMENT

EMPLOYMENT CONTINUES HIGH IN ALL THE PARTICIPATING COUNTRIES.... THE VOLUME OF UNEMPLOYMENT, HOWEVER, HAS SHOWN A MORE THAN SEASONAL RISE SINCE THE SUMMER OF 1951 IN ALL COUNTRIES EXCEPT FRANCE. Responsibility for the rise appears to lie in the virtual levelling off in the second quarter of 1951 in the over-all rate of industrial activity, accompanied by a decline in the demand for consumer goods.... IN FRANCE, the inflation-induced rise in business and industrial activity has resulted in a less than seasonal rise in unemployment. The figure for January 1952 was 20 percent less than that for January 1951. The comparison has worsened since January, however, despite the additional rise in French industrial activity. In March, unemployment was only about 6 percent less than in March 1951.... BELGIAN unemployment in March (262,000) was almost 50 percent higher than in March 1951.... GERMAN unemployment in March was about the same as a year earlier.... IN THE NETHERLANDS, however, the number of registered unemployed in March was 68 percent higher in the previous year (153,000 as against 91,000).... THE INCREASE IN BRITISH UNEMPLOYMENT appears to be associated largely with the decline in the output of textiles and clothing. THAT OF THE NETHERLANDS appears to be the result of the measures taken in the early part of 1951 to overcome the foreign exchange crisis and to reduce inflationary pressures.

Albert A Huntington

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Division of Statistics and Reports

HIGHLIGHTS. . . .

ECONOMIC DEVELOPMENTS IN THE UNITED KINGDOM DURING THE FIRST FOUR MONTHS OF 1952 APPEAR TO INDICATE THAT THE MEASURES TAKEN BY THE CHURCHILL GOVERNMENT TO REMEDY THE STERLING AREA'S TRADE AND PAYMENTS DIFFICULTIES HAD ALREADY BEGUN TO BEAR FRUIT.... THE TRADE DEFICIT was substantially smaller, partly as a result of a decline in both the volume and cost of imports.... THE EPU DEFICIT WAS MUCH SMALLER, averaging only about $84 million per month, as against almost $200 million per month in the last four months of 1951.... THE LOSS IN GOLD AND DOLLAR EXCHANGE, TOO, while still high -- almost $600 million during the first quarter -- was more than a third lower than in the previous quarter.... MOST ENCOURAGING OF ALL, however, was the fact that the payments deficit for March -- as measured by these accounts -- was the smallest since June a year ago.

INDUSTRIAL PRODUCTION during the first quarter averaged 124 (1948 = 100), equalling the previous high -- the second quarter of 1951.... The rise in WHOLESALE AND RETAIL PRICES leveled off during the opening months of 1952.... THE TERMS OF TRADE continued to improve.... UNEMPLOYMENT, while rising sharply percentagewise, remains low absolutely and was concentrated largely in the textile industries.

TRADE AND PAYMENTS

THE FOREIGN TRADE POSITION OF THE UNITED KINGDOM IMPROVED DURING THE FIRST QUARTER OF 1952, but worsened in April. The extent of the improvement is shown in the following table.... The trade deficit was largest in the second and third quarters of 1951, and smallest in the third and fourth quarters of 1950.

	Monthly Averages in Millions of Dollars		
	Exports (FOB)	Imports (CIF)	Trade Balance
Fourth Quarter 1950	588	648	- 60
First Quarter 1951	573	792	- 219
Third Quarter 1951	643	992	- 348
First Quarter 1952	722	919	- 197
April 1952	642	911	- 269

WHILE SUBSTANTIALLY BELOW THE PEAK, THE TRADE DEFICIT FOR THE FIRST FOUR MONTHS OF 1952 WAS NOT MUCH BELOW THAT A YEAR AGO AND HIGHER EVEN THAN THE MONTHLY AVERAGE FOR 1947. However, prices were considerably lower in 1947, as was the volume of trade.

THE INTENSITY OF THE EXPORT DRIVE AND THE EXTENT TO WHICH IMPORTS HAVE BEEN CUT BY RESTRICTION AND CONSUMER RATIONING can be seen in the volume figures. While the volume of exports in the first quarter of 1952 was 40 percent higher than in 1948 and 75 percent higher than in 1938, the volume of imports was only 21 percent greater than in 1948 (about the same as the increase in production, 24 percent) and 10 percent less than in 1938.

THE PAYMENTS POSITION OF THE UNITED KINGDOM, AS MEASURED BY THE LOSS IN HARD CURRENCY RESERVES AND THE CHANGE IN THE EPU POSITION, ALSO SHOWED SUBSTANTIAL IMPROVEMENT IN THE FIRST QUARTER.... The loss in gold and dollar exchange during the first three months of 1952 totaled $565 million -- almost $200 million to EPU -- as against $934 million during the preceding three months (of which $170 million was lost to EPU).... The deficit with EPU in the first quarter of 1952 totaled $278 million as against $563 million in the final 1951 quarter.... Furthermore, the March figures were the best for the quarter. The gold loss totaled only $70 million, and the deficit with EPU only $65 million. In April, the EPU deficit fell to $56.5 million, the smallest since June 1951.

PRODUCTION

INDUSTRIAL PRODUCTION (excluding building) climbed back to the postwar high during the first quarter.... Output averaged 124 (1948 = 100), the same as in the second quarter of 1951 and a gain of about 3 percent over output in the first quarter of 1951.... FIRST QUARTER OUTPUT AVERAGED 50 PERCENT HIGHER THAN IN 1938. The falling off in the output of textiles and steel has been more than made good by an increased production of finished metal products, chemicals, coal and heavy equipment for defense and export.... STEEL PRODUCTION during the first four months of 1952 was at an annual rate of approximately 16.0 million tons per annum -- about 500,000 tons per annum less than during the first four months of 1951.

COAL PRODUCTION in the first 20 weeks of 1952 totaled 88.6 million metric tons, an increase of about 1.8 million tons over output in the corresponding weeks of 1951. The increase over the preceding year is thus at about the projected rate -- about 2 percent.... THE COAL SITUATION HAS, HOWEVER, IMPROVED TO A MUCH GREATER EXTENT THAN THESE FIGURES INDICATE. Reduced inland consumption, resulting from the unexpectedly mild winter and the leveling off in the rate of industrial activity, has enabled stocks to build up and exports to increase.

THOUGH THE DEMAND FOR TEXTILES HAD ALREADY BEGUN TO SHOW SOME FALLING OFF IN THE MIDDLE OF 1951, textile output (except wool) continued high well into the final quarter of the year.... However, THE LEVEL OF TEXTILE inventories forced a sharp cut in output towards the end of 1951.... While the output of rayon yarn

and staple in the first quarter was still higher than a year ago, the output of cotton yarn was 12 percent lower (25 percent in March) and that of wool yarn about 25 percent lower than in the corresponding period last year.

PRICES

THE RISE IN WHOLESALE PRICES leveled off in the second half of 1951. The April 1952 figure (150) was 1 percent higher than that for September 1951 and 3 percent higher than that for April 1951. The over-all rise in wholesale prices since the start of the Korean crisis amounts to about 30 percent, and since devaluation to about 44 percent.... RETAIL PRICES continued to rise through March. The March level -- 124 -- was 4 percent higher than in September 1951, 17 percent higher than in June 1950, the start of the Korean crisis, and 20 percent higher than in September 1949 when sterling was devalued.

UNEMPLOYMENT

UNEMPLOYMENT -- THE NUMBER OF INSURED UNEMPLOYED registered at the employment exchanges totaled 480,000 in March, an increase of 60 percent over the figure for March 1951.... Sharp cuts in textile production and the decline in the sale of consumer goods were chiefly responsible for the rise.... Despite the rise, however, the volume of unemployment remains small in absolute terms, totaling only about 2 percent of the labor force.... LABOR SHORTAGES CONTINUE TO BE REPORTED FROM MANY AREAS OF THE ECONOMY: 1.2 million workers were reported on overtime in the last week of March.

F R A N C E

HIGHLIGHTS. . . .

THE ECONOMIC POSITION OF FRANCE SHOWED DEFINITE SIGNS OF IMPROVEMENT at the beginning of the second quarter of 1952.... PRICES, which had advanced sharply since the start of the Korean War, leveled off and declined.... INDUSTRIAL PRODUCTION, stimulated by the inflationary pressures generated by the flight from the Franc rose to an all-time high.... THE TRADE DEFICIT for March and April, while still high -- $70 million per month -- was only half that in February.... THE EPU DEFICIT DROPPED SHARPLY IN MARCH AND TURNED INTO A SMALL SURPLUS IN APRIL.... THE VALUE OF THE FRANC IMPROVED SUBSTANTIALLY on the black market, moving from above 480 to the dollar in February to 390 in May.

PRODUCTION

INDUSTRIAL PRODUCTION averaged 137 (1948 = 100) in the first quarter -- a gain of 5 percent over output in the final quarter of 1951 (the previous high), 10 percent higher than in the corresponding quarter last year, and 52 percent higher than in 1938.... The April index was somewhat lower -- 136 -- 6 percent higher than April 1951. RECORD OUTPUT WAS ACHIEVED IN ALL SECTORS OF THE ECONOMY EXCEPT TEXTILES AND CERTAIN TYPES OF CONSUMER GOODS AND IN CONSTRUCTION, which was at a seasonal low during the first quarter.... STEEL OUTPUT (including the Saar) averaged 1.1 million metric tons per month during the first four months of 1952 -- a new high.

COAL PRODUCTION in France during the quarter averaged slightly more than 4.8 million metric tons per month, a new high -- 7 percent higher than in the highest previous quarter and 25 percent higher than 1938 output. In January, production achieved a peak of 5.0 milliin tons. Production in the Saar, however, was unchanged from that a year earlier -- about 1.4 million metric tons per month. THE INCREASE IN COAL OUTPUT, THOUGH LARGER THAN THAT OF MOST OTHER WESTERN EUROPEAN PRODUCERS, STILL LEFT FRENCH PRODUCTION BELOW CURRENT REQUIREMENTS AND VERY MUCH BELOW THE LEVEL REQUIRED TO RAISE FRENCH INDUSTRIAL OUTPUT AT THE RATE SCHEDULED FOR THE NEXT FIVE YEARS.

ELECTRIC POWER output averaged about 10 percent higher than a year earlier during the first quarter, with almost all of the gain in output of hydroelectric power.... IMPORTS OF CRUDE OIL and other petroleum products continued to rise sharply.... These two energy sources are chiefly responsible (in addition to coal imports from the United States) for making up the energy deficit resulting from the inadequate output of coal..

TEXTILE OUTPUT, though below the peak achieved in the second quarter of 1951, continues close to the high and about the same as in the corresponding months

a year ago.... MOTOR VEHICLE output averaged 42,000 vehicles per month during the first quarter -- the same as that for the last quarter of 1951. In the first quarter of 1951, output averaged 36,000 vehicles per month; and in 1938, 18,000 vehicles.

TRADE AND PAYMENTS

IMPORTS ROSE TO A RECORD HIGH IN BOTH VALUE AND VOLUME IN FEBRUARY 1952.... The volume of imports was 60 percent higher than in 1938 and 40 percent higher than the average for the first quarter of 1951.... THE TOTAL VALUE OF IMPORTS WAS $508 MILLION IN FEBRUARY, the highest for any month on record.... THE OVER-ALL TRADE DEFICIT for the month totaled $143 million, the highest since 1947 when the value of exports averaged less than half the first quarter 1952 rate.... A sharp drop in the value of imports in March and April cut the over-all trade deficit in half -- to $70 million per month.... FOR THE FIRST QUARTER, THE VOLUME OF IMPORTS AVERAGED 146 (1948 = 100) -- A RISE OF 46 PERCENT OVER 1938 AND OF 26 PERCENT OVER THE FIRST QUARTER OF 1951.

THE MOVEMENT OF FRENCH TRADE since the beginning of 1951, over-all, and excluding the overseas territories, is given in the table below:

	Monthly Averages in Millions of Dollars		
	Exports (FOB)	Imports (CIF)	Trade Balance
OVER-ALL			
First Quarter 1951	340	327	+ 13
Fourth Quarter 1951	372	417	- 45
January-February 1952	354	476	- 122
March-April 1952	348	417	- 70
EXCLUDING FRENCH OVERSEAS TERRITORIES			
First Quarter 1951	228	255	- 27
Fourth Quarter 1951	220	330	- 110
January-February 1952	198	391	- 193
March 1952	187	318	- 131

THE DETERIORATION IN THE FRENCH TRADE POSITION SINCE THE FIRST QUARTER OF 1951 WAS COMPOUNDED OF SEVERAL ELEMENTS: ONE, a sharp rise in the export surplus of Metropolitan France with its overseas territories, almost all the result of a

sharp rise in exports; ANOTHER, a sharp rise in French imports from its OEEC partners accompanied by a drop in exports to these same countries, thus converting a substantial surplus into a deficit; STILL ANOTHER, a sharp rise in imports from the rest of the world, particularly the dollar area, unaccompanied by any rise in exports to such non-member countries.... As a result of these developments, the trade deficit (excluding trade with its own overseas territories) rose from an average of $27 million per month in the first quarter of 1951 to an average of $193 million in the first two months of 1952.

THE TRADE DEFICIT WITH FOREIGN COUNTRIES HAS COMBINED WITH THE FLIGHT FROM THE FRANC TO PRODUCE A HEAVY DRAIN ON FRANCE'S FOREIGN EXCHANGE HOLDINGS. Thus, whereas in March a year ago France had a credit of almost $188 million with EPU, this had been converted into a debt to EPU of $363 million at the end of March 1952. Furthermore, while published figures show gold and dollar holdings somewhat higher in March 1952 than in March 1951, the foreign exchange holdings of the Bankkof France fell more than $500 million -- from $553 million in March 1951 to $32 million in March 1952, and the stabilization fund suffered heavy additional losses in hard currency assets.

PRICES

WHOLESALE PRICES, after rising sharply between December 1951 and January 1952, declined in March and April. The April level -- 164 (1948 = 100) -- was 7 points below the January peak -- 171 -- and no higher than the figure for October 1951. The increase over April 1951, too, is small -- only about 4 percent.... THE COST OF LIVING INDEX, too, has shown little change since January. The April level -- 147 (1949 = 100) -- was only 1 point higher than in January 1952. The cost of living index for April, however, was substantially higher (17 percent) than the figure a year ago (126).... THE CUMULATIVE RISE IN PRICES SINCE THE OUTBREAK OF THE WAR IN KOREA TOTALED ABOUT 40 PERCENT IN EACH OF THE TWO PRICE INDEXES AT THE END OF APRIL 1952.

UNEMPLOYMENT

The number of unemployed registered at exchanges in March 1952 (135,000) was lower than in either March 1951 (146,000) or March 1950 (182,000).

ITALY

HIGHLIGHTS. . . .

ITALIAN ECONOMIC ACTIVITY, AFTER RISING STEADILY FOR MORE THAN THREE YEARS, LEVELED OFF IN THE OPENING MONTHS OF 1952. RISING INVENTORIES AND FALLING SALES brought to a halt the expansion in production and trade that began in 1948 and was accelerated by devaluation in 1949 and the Korean crisis in 1950.... INDUSTRIAL PRODUCTION in the opening months of 1952 was below the level reached in the final quarter of 1951 and very little higher than output in the corresponding months a year ago.... A SHARP RISE IN IMPORTS, combined with a decline in exports, raised the trade deficit to $70 million per month in the first quarter of 1952.... As a result, Italy incurred a small EPU deficit in the February-April period and lost a small amount of hard currency.

THE ITALIAN FOREIGN EXCHANGE POSITION, HOWEVER, CONTINUES STRONG. Gold and short-term dollar assets totaled $633 million at the end of March, close to the highest in the postwar period. In addition, the credit balance with EPU totaled $146 million. This, together with other foreign exchange holdings brought Italy's total foreign exchange assets to well over a billion dollars.... WHOLESALE PRICES in March were virtually unchanged from the level in November 1950. RETAIL PRICES in March 1952, however, were 10 percent higher.

PRODUCTION

INDUSTRIAL PRODUCTION in January and February averaged 141 (1948 = 100) -- a decline of about 4 percent from the fourth quarter average and only about 1 percent higher than output in the corresponding months last year; LAST YEAR, HOWEVER, OUTPUT WAS RUNNING 22 PERCENT HIGHER THAN IN THE CORRESPONDING MONTHS OF 1950.... THE PATTERN OF PRODUCTION HAS CHANGED SHARPLY OVER THAT A YEAR AGO. The output of textiles and of consumers goods has declined, while the output of basic metals, of metal products, and of mines and quarries has risen.... STEEL PRODUCTION in January 1952 totaled 285,000 tons, a new record and higher by one-third than in January 1951.... ELECTRIC POWER output continued to make new highs. Output during the first two months of the year averaged 2.4 billion kilowatt-hours per month, an increase of 17 percent over production in January and February a year ago and almost twice the average monthly output in 1938.... THE VOLUME OF CONSTRUCTION continues high. The number of dwelling units completed in the final half of 1951 was almost 50 percent greater than in the preceding year.

TRADE AND PAYMENTS

ITALIAN IMPORTS IN THE FIRST QUARTER OF 1952 were the highest for any first quarter on record, averaging $194 million per month -- a gain of almost 25 percent over imports in the first quarter of last year and equal to the figure for

the second quarter of 1951, the all-time high.... THE VALUE OF EXPORTS DURING THE FIRST QUARTER FELL TO $124 MILLION PER MONTH, the smallest in a year and only $2 million greater than that for the first quarter of 1951.... THE TRADE DEFICIT ROSE SHARPLY -- to an average of $70 million per month -- more than double that in the first quarter of 1951. RESPONSIBLE FOR THE SHARP RISE IN THE TRADE DEFICIT WAS THE REVERSAL IN THE ITALIAN TRADE POSITION WITH ITS OEEC PARTNERS, AND A SHARP INCREASE IN IMPORTS FROM THE DOLLAR AREA. Thus, whereas a year ago Italy had a small trade surplus with its partners in the European Payments Union, (about $5 million per month) this was changed to a deficit of $13 million per month in the first quarter of 1952.... Imports from the rest of the world, particularly the United States, Canada and the non-member sterling countries, increased sharply.... Imports from the United States and Canada averaged $46 million per month in the first quarter of 1952, almost double the value of imports a year ago. As exports increased only $2 million to $11 million, the trade deficit with the United States and Canada rose from $16 million to $35 million.

PRICES

WHOLESALE PRICES, after rising almost 25 percent between June 1950 and February 1951 -- from 86 to 105, declined to 98 in March 1952. The March level was about the same as that in November 1950, 7 percent below the peak and 14 percent higher than in June 1950.... THE COST OF LIVING INDEX, however, instead of following the wholesale index downward, has continued to rise slowly. The March figure -- 113 -- was the highest in the postwar period -- 3 percent higher than in April 1951, 10 percent higher than in November 1950, and 13 percent higher than in June 1950.

UNEMPLOYMENT

UNEMPLOYMENT CONTINUES HIGH.... The number of registered unemployed in December 1951 totaled 1,871,000, virtually the same as at the end of each of the preceding two years.... The great increase in industrial output since 1948 (industrial production averaged 144 in 1951, 1948 = 100) has thus far failed to reduce the pool of unemployed, which averaged 1,721,000 in 1951 and 1,748,000 in 1948. Only the normal addition to the labor force and the hidden unemployed have been absorbed into useful employment in the process of increasing industrial output by almost one-half.

GERMANY

HIGHLIGHTS. . . .

THE LEVEL OF GERMAN INDUSTRIAL PRODUCTION AND TRADE CONTINUED CLOSE TO THE POST WORLD WAR II HIGH DURING THE FIRST QUARTER OF 1952.... INDUSTRIAL PRODUCTION averaged 10 percent higher than prewar and more than double that in 1948.... THE VALUE AND VOLUME OF FOREIGN TRADE continued close to the all-time high.... Though the over-all trade balance showed a small deficit during the first four months of 1952, THE FOREIGN EXCHANGE POSITION REMAINED GOOD. The decline of $78 million in gold and dollar holdings between September 1951 and April 1952 was more than made good by the improvement of more than $230 million in Germany's EPU position over the same months.

WHOLESALE PRICES declined in February and March; the COST OF LIVING, however, continued to rise.... THOUGH UNEMPLOYMENT REMAINS HIGH, IT IS NO HIGHER THAN A YEAR AGO. Employment continued to increase, as did the productivity of those employed. The increase of almost 120 percent in industrial output since 1948 has been accompanied by a rise of only about 25 percent in the volume of manufacturing employment.

PRODUCTION

INDUSTRIAL OUTPUT DURING THE FIRST QUARTER OF 1952 CONTINUED AT A HIGH LEVEL. THE PRODUCTION INDEX for the quarter -- 220 (1948 = 100) -- averaged only a few points below the post World War II high (233) achieved in the final 1951 quarter and was 6 percent higher than in the first quarter of 1951.... First quarter output averaged about 10 percent higher than in 1938.... DESPITE THE SPECTACULAR RECOVERY OF THE PAST THREE YEARS, GERMAN INDUSTRIAL PRODUCTION IS STILL FAR BELOW THAT ATTAINED IN MOST OTHER WESTERN EUROPEAN COUNTRIES WHEN COMPARED TO PREWAR.... THE OUTPUT OF CONSUMERS GOODS, though high, is below the peak achieved during the first half of 1951. THE OUTPUT OF HEAVY INDUSTRIAL GOODS, of investment goods and of goods for export made new highs in the first quarter of 1952.

STEEL PRODUCTION rose to a new high during the first three months of 1952, averaging 1,269,000 tons per month (an annual rate of more than 15 million tons). March output totaled 1,318,000 tons -- a new postwar high.... COAL PRODUCTION during the first four months of 1952 averaged 10.3 million metric tons per month -- also a new postwar high and about 4 percent higher than output in the corresponding period a year ago.... THE INCREASE IN COAL PRODUCTION, TOGETHER WITH SOME FALLING OFF IN DEMAND AND AN INCREASE IN ENERGY SUPPLIED FROM OTHER SOURCES, HAS CUT SHARPLY INTO THE COAL DEFICIT. Should production and stocks continue to rise at the current rate until the fall increase in consumption appears, it is probable that coal imports during the 1952/53 period of peak consumption will be considerably smaller than that during the previous peak.

ELECTRIC POWER output continues to rise, though at a lower rate. Output in January and February averaged 17 percent higher than in the corresponding months of 1951; a year ago the gain was 20 percent.... TEXTILE OUTPUT continues lower than during the peak reached during the first half of 1951. The decline in German textile output, however, is smaller than that in most other Western European countries. The level of output during the first quarter was only a few points below that a year ago.... THE OUTPUT OF MOTOR VEHICLES continues at the high level achieved during the first half of 1951.

TRADE AND PAYMENTS

THE VALUE AND VOLUME OF FOREIGN TRADE CONTINUED AT A HIGH LEVEL DURING THE FIRST FOUR MONTHS OF 1952.... Value of imports rose to a new post World War II high, averaging $333 million per month, 10 percent higher than the monthly average for the second half of 1951 -- the previous peak.... THE VALUE OF EXPORTS during the same period was slightly lower, about $315 million per month as against $320 million.... AS A CONSEQUENCE OF THE SHARP RISE IN THE VALUE OF IMPORTS, THE TRADE BALANCE SHOWED A DEFICIT OF $28 MILLION PER MONTH DURING THE FIRST QUARTER, the first such deficit since the opening quarter of 1951. April, however, again showed a surplus -- $6 million. In the last nine months of 1951, foreign trade had shown a surplus of about $16 million per month.... THE VOLUME OF IMPORTS, while high, was below that in the final 1950 quarter when prices were considerably lower. The volume of exports, too, was below the high achieved during the latter months of 1951.

THE RISE IN INDUSTRIAL OUTPUT SINCE JUNE 1950 HAS BEEN ACCOMPANIED BY A MUCH SMALLER RISE IN IMPORTS AND A MUCH LARGER RISE IN EXPORTS THAN WAS EXPECTED. Thus, while industrial production in the first quarter of 1952 was 40 percent greater than that in the first half of 1950, the volume of imports was up only 33 percent and the volume of exports was up 75 percent.

As during the previous nine months, TRADE WITH ITS OEEC PARTNERS AND THEIR OVERSEAS TERRITORIES DURING THE CURRENT QUARTER SHOWED A LARGE SURPLUS, AVERAGING $52 MILLION PER MONTH, while that with other countries, particularly the dollar area, showed a large deficit -- $80 million per month.... The trade deficit accruing during the opening months of 1952 was due to an increase in the value of imports from non-member countries, particularly those in the Western Hemisphere, without a concomitant increase in exports to those areas.... EXPORTS CONTINUED PREDOMINANTLY IN FINISHED GOODS (90 percent), AND IMPORTS, PREDOMINANTLY RAW MATERIALS AND FOODSTUFFS (also 90 percent).

PRICES

WHOLESALE PRICES, after rising to a peak of 166 in January (1948 = 100), declined during February and March. The March level -- 163 -- was about 2.5 percent higher than the figure for March 1951 (159). March 1952 prices, however, were 30 percent higher than in June 1950.... THE COST OF LIVING INDEX, too, has held steady during the past nine months. The figure of 107 for April 1952 (1949 = 100) was only 2 points higher than that for June 1951 (105) and only 13 percent higher than that for June 1950 (95).

UNEMPLOYMENT

THE NUMBER OF REGISTERED UNEMPLOYED declined from a seasonal peak of 1.9 million in February to 1.6 million in March. The March figure was virtually the same as that for March a year ago. The large increase in industrial production and in trade during the past three years appears thus far to have affected neither the absolute volume nor the seasonal pattern of unemployment. What the rise appears to have accomplished is a more efficient use of those already employed and the absorption of the increase in the labor force. THE GERMAN EXPERIENCE DURING THE PAST THREE YEARS THUS INDICATES THAT A FURTHER CONSIDERABLE INCREASE IN INDUSTRIAL OUTPUT AND BUSINESS ACTIVITY CAN BE REALIZED without the development of any important strains in the labor force.

HIGHLIGHTS . . . .

THE FINANCIAL POSITION OF THE NETHERLANDS CONTINUED TO IMPROVE DURING THE FIRST QUARTER OF 1952; INDUSTRIAL PRODUCTION AND DOMESTIC TRADE, HOWEVER, REMAINED SLOW.... INDUSTRIAL PRODUCTION for the quarter, while equal to the average for the calendar year 1951, was five percent below output in the fourth quarter of 1950 -- the postwar peak.... VALUE OF EXPORTS continued high.... Value of imports was substantially below the peak of a year ago.... The trade deficit was sharply lower than that for the first four months of 1951 -- 10 as against $66 million per month.... THE BALANCE OF PAYMENTS continued favorable. EPU settlements for the first four months of 1952 showed an average surplus of almost $60 million per month. A year ago there was a deficit averaging almost $30 million per month.... GOLD AND SHORT-TERM DOLLAR ASSETS totaled $490 million at the end of March 1952, close to the postwar high ($510 million).... TO COPE WITH THE INCREASE IN UNEMPLOYMENT THAT DEVELOPED AS A RESULT OF THE MEASURES TAKEN DURING THE FIRST HALF OF 1951 TO BRING INFLATION AND THE BALANCE OF PAYMENTS DEFICIT UNDER CONTROL, CREDIT RESTRICTIONS HAVE BEEN EASED AND THE COST OF BORROWING LOWERED.... PRICES remain stable at the levels reached in April a year ago.

PRODUCTION

INDUSTRIAL PRODUCTION DURING THE FIRST QUARTER OF 1952 continued close to the level first achieved during the final quarter of 1950. Output averaged 128 (1948 = 100) -- a decline of about 4 percent from production in the first quarter of 1951 and about 5 percent from the fourth quarter 1950 peak (135).... The decline in output was almost entirely confined to the finished consumer goods area, particularly textiles. The production of coal, steel and other basic materials continues at the peak.... THE OUTPUT OF COAL averaged something over a million tons per month during the first quarter.... ELECTRIC POWER output in the fourth quarter of 1951 was 5 percent higher than in the previous year.... A year ago the increase had been 15 percent.

TRADE AND PAYMENTS

THE IMPROVEMENT IN THE FOREIGN TRADE POSITION OF THE NETHERLANDS IN THE LAST FOUR MONTHS OF 1951 WAS MAINTAINED THROUGH APRIL 1952.... Though the trade deficit for these four months was larger than that for the last four months of 1951 ($10 million as against $3 million per month), the increase was all due to an increase in imports.... VALUE OF EXPORTS averaged $186 million per month in January-March 1952, slightly higher than in the final four months of 1951 ($182 million), and 29 percent higher than in the corresponding months a year ago.... THE IMPROVEMENT IN THE TRADE AND PAYMENTS POSITION OF THE NETHERLANDS IS SHOWN IN THE FOLLOWING TABLE:

Monthly Averages in Millions of Dollars

	EPU Balance	Trade Balance	Imports (CIF)	Exports (FOB)
Jan. - Aug. 1951	- 20	- 73	222	149
Sept. - Dec. 1951	+ 55	- 3	185	182
Jan. - Mar. 1952	+ 57	- 15	198	183
Apr. 1952	+ 29	+ 2	184	186

THE REDUCTION IN THE TRADE DEFICIT WAS DUE PARTLY TO THE DISAPPEARANCE OF THE TRADE DEFICIT WITH ITS OEEC PARTNERS AND PARTLY TO A REDUCTION IN THE DEFICIT WITH THE REST OF THE WORLD.... THE TRADE DEFICIT with the metropolitan areas, which had averaged $33 million per month in the second quarter of 1951, was converted into a surplus of $15 million per month in the five months, October 1951 - February 1952, and the deficit of $43 million per month with non-member countries reduced to $19 million per month.... THE TRADE DEFICIT WITH THE UNITED STATES AND CANADA increased, averaging $16 million per month in the later period and $13 million per month in the earlier.

HOLDINGS OF GOLD AND DOLLAR EXCHANGE rose from $446 million in June 1951 to $490 million in March 1952 -- close to the highest in the postwar period, thus wiping out almost all of the decline between March and June of 1951.... THE FOREIGN EXCHANGE POSITION HAS BEEN FURTHER STRENGTHENED BY THE REVERSAL IN THE EPU POSITION. A year ago the Netherlands owed EPU $125 million; at the end of April 1952 the Union owed the Netherlands $140 million.... This great improvement in the payments position since the middle of 1951 has made it possible to remove most of the restrictions on imports put into effect a year ago and to put into effect policies designed to stimulate domestic consumption and investment.

PRICES

NETHERLANDS PRICES HAVE HELD STEADY FOR A YEAR.... WHOLESALE PRICES in February stood at 145 (1948 = 100) -- almost unchanged from the figure for March a year ago (144). As compared to June 1950, wholesale prices have risen about 26 percent.... THE COST OF LIVING, too, has held steady. The cost of living index in February stood at 128 -- 2 points below the peak (reached in April 1951) and 11 percent above the figure for June 1950.

UNEMPLOYMENT

UNEMPLOYMENT showed a more than seasonal rise between June 1950 and January 1951. The number of registered unemployed almost tripled -- rising from 61 to 173 thousand.... In the two preceding years the increase from the low to the high was only about 100 percent. Furthermore, the decline from January to March was less than in the previous two years -- 12 as against 20 percent. The level of unemployment in March 1952 was thus 70 percent higher than in March a year ago, 153,000 as against 91,000.

BELGIUM

HIGHLIGHTS . . . .

BELGIAN ECONOMIC ACTIVITY DURING THE FIRST QUARTER OF 1952 CONTINUED ON THE HIGH PLATEAU REACHED IN THE EARLY PART OF 1951.... The increase in unemployment since the middle of 1951 and the increasingly large credit extended to EPU to cover part of the payments surplus with its OEEC partners have been the only major elements disturbing the Belgians in their prosperity during the past year. INDUSTRIAL PRODUCTION continued at the high level reached early in 1951 -- 116 (1948 = 100).

THE VALUE AND VOLUME of foreign trade, too, was unchanged from the high level attained during the preceding year and CONTINUED TO SHOW A FAVORABLE BALANCE.... That the measures taken to correct the persistent payments surplus with its EPU partners may be beginning to take effect, appears to be indicated by the fact that Belgium's EPU surplus fell below $20 million in April for the first time in sixteen months and that imports exceeded exports in April.... BELGIUM'S INTERNATIONAL FINANCIAL POSITION CONTINUES VERY STRONG. Credit extended to EPU stood at $420 million in April, and gold and dollar holdings totaled $923 million (close to the post World War II high).... HOWEVER, THE LEVEL OF UNEMPLOYMENT at the end of March 1952 was almost 40 percent greater than March a year ago.... PRICES CONTINUE STABLE at the plateau reached in the early part of 1951.

PRODUCTION

INDUSTRIAL PRODUCTION in the first quarter of 1952 held close to the post World War II high, averaging 116 (1948 = 100), about the same as in the first quarter of the previous year and for the full year 1951.... FIRST QUARTER OUTPUT AVERAGED ABOUT 40 PERCENT HIGHER THAN IN 1938.... As in other countries of Western Europe, the pattern of industrial output has changed since the early part of 1951. The output of heavy industrial goods and of metals and metal products for defense and export has risen to new peaks, while the output of consumer goods, particularly textiles, has declined. The increases and decreases have about balanced, leaving the level of over-all output virtually unchanged.

STEEL PRODUCTION in the Belgium-Luxembourg Union during the first quarter of 1952 averaged about 710,000 tons per month, a new high for the postwar period -- about 10 percent higher than output in the first quarter a year ago and more than double the output of crude steel in 1938.... COAL PRODUCTION in the first four months of 1952, too, totaled substantially higher than a year ago -- 10.6 million metric tons as against 9.8 million metric tons a year ago, an increase of 8 percent. This increase was higher percentage-wise than that in any other important Western European coal-producing country.

ELECTRIC POWER output in February was about 10 percent higher than last year.... TEXTILE PRODUCTION continues substantially lower than a year ago. The index of textile output in February registered 108 as against 147 a year ago.... BUILDING ACTIVITY as measured by the output of cement, bricks and structural steel continues substantially higher than last year.

TRADE AND PAYMENTS

THERE WAS NO CHANGE DURING THE FIRST QUARTER OF 1952 IN EITHER THE PATTERN OR MAGNITUDE OF BELGIAN FOREIGN TRADE from that set during the second quarter of 1951 when Belgium re-achieved a favorable trade balance. A sharp decline in April exports not accompanied by a corresponding decline in imports, however, yielded Belgium a trade deficit for the first time in ten months.

	Monthly Averages in Millions of Dollars		
	Exports (FOB)	Imports (CIF)	Trade Balance
First Quarter 1951	203	220	- 17.0
Fourth Quarter 1951	231	220	+ 11.0
First Quarter 1952	229	214	+ 15.0
April 1952	202	207	- 5.0

Value of imports during the first four months of 1952 averaged about 50 percent higher than in the six months preceding the outbreak of war in Korea, while value of exports averaged almost 75 percent higher. AGAIN, AS IN THE PRECEDING NINE MONTHS, BELGIUM'S TRADE SURPLUS WAS MADE UP OF A LARGE SURPLUS IN ITS ITS TRADE WITH ITS OEEC PARTNERS AND A DEFICIT IN ITS TRADE WITH THE REST OF THE WORLD.

UNEMPLOYMENT

THE INCREASE IN UNEMPLOYMENT from the seasonal low during the summer of 1951 to the peak in January 1952 was about the same as that during the preceding two years.... THE PEAK in unemployment, however, came in January, rather than in December. The decline from the peak, moreover, has been less than in previous years, with the result that unemployment in March was 40 percent greater than in March a year ago and 10 percent greater than in March of 1950 when the seasonal peak also occurred in January.

PRICES

PRICES, WHICH WERE STABLE BETWEEN THE EARLY SPRING OF 1951 AND JANUARY 1952, HAVE SINCE DECLINED.... WHOLESALE PRICES, after rising almost 30 percent between June 1950 and March 1951 (from 94 to 123), then held steady for almost a year (to January 1952). In the February-April period, however, they declined almost 6 percent.... The April 1952 average -- 116 (1948 = 100) -- was 7 points below the peak.... RETAIL PRICES followed a slightly different pattern. After rising sharply between June 1950 and March 1951 -- from 93 to 104 (1948 = 100), they then continued to rise slowly to a peak of 108 in January 1952. Thereafter, they declined to 105 in May 1952.

INDEXES OF INDUSTRIAL PRODUCTION

Monthly Average or Calendar Month Index 1948 = 100

PERIOD	TOTAL	AUSTRIA	BELGIUM	DENMARK	FRANCE	GERMANY F.R.	GREECE	ITALY	NETHER-LANDS	NORWAY	SWEDEN	UNITED KINGDOM
1938	101	118	82	77	90	201	132	101	88	80	57	83
1947	87	--	93	90	86	72	98	--	83	92	95	89
48	100	100	100	100	100	100	100	100	100	100	100	100
49	113	133	100	107	110	142	119	110	112	108	105	107
50	125	158	102	118	111	[illegible]	150	126	123	117	110	118
51	137	178	117	121	125	218	172	144	129	123	114	120
1950 - 1ST QTR.	120	148	98	114	109	155	128	118	116	122	110	117
2ND	123	155	100	122	112	171	141	125	120	120	113	116
3RD	120	158	98	111	103	184	158	122	124	103	99	110
4TH	136	171	113	126	121	214	172	138	135	124	117	124
1951 - JAN	132	154	112	124	123	202	163	142	127	123	112	118
FEB	138	170	115	126	126	210	160	137	134	134	166	125
MAR	136	168	120	130	123	213	161	150	139	125	119	117
APR	141	178	120	128	128	219	163	146	133	124	120	127
MAY	139	170	122	126	131	220	174	151	131	130	119	120
JUNE	140	196	119	121	130	217	175	146	127	123	118	124
JULY	130	178	108	90	120	209	168	151	116	98	83	115
AUG	122	180	114	115	101	207	169	122	117	116	110	105
SEPT	137	186	117	124	123	218	182	147	131	125	117	120
OCT	143	195	119	123	129	230	185	154	131	128	119	126
NOV	146	197	121	125	133	245	182	144	133	126	120	127
DEC	137	161	117	116	131	224	176	141	132	121	119	117
1952 - JAN	139	178	116	114	135	219	175	145	127	127	115	121
FEB	142	182	115	118	137	219	170	138	127	139	115	125
MAR	143p			120	138	221			129	129	116	125p
APR					136	224						
MAY												
JUNE												
JULY												
AUG												
SEPT												
OCT												
NOV												
DEC												

COMBINED TOTAL OF PRODUCTION OF SELECTED ITEMS

Monthly Average or Calendar Month

PERIOD	COAL (Million M. Tons)	ELECTRICITY (Million KWH)	STEEL (000 M.T.)	MOTOR VEHICLES (000 Units)	CEMENT (000 M.T.)	COTTON YARN (000 M.T.)	WOOL YARN (000 M.T.)	RAYON TOTAL (000 M.T.)
1938	39.8	10,470	3,755	--	2,938	121.5	44.5	29.9
1947	30.7	13,760	2,555	53.6	1,993	--	45.7	--
48	33.2	15,420	3,342	68.4	2,634	96.9	51.3	34.3
49	36.2	16,557	3,908	97.4	3,112	109.6	53.9	44.1
50	36.8	18,785	4,249	131.0	3,601	120.5	57.6	54.4
51	38.5	21,000	4,701	131.3	4,012			
1950 - 1ST QTR.	38.0	18,523	4,092	118.7	2,871	124.5	57.8	50.6
2ND	36.2	17,500	4,130	131.8	3,739	115.4	55.7	52.2
3RD	35.0	17,799	4,170	127.2	4,045	113.6	55.1	53.1
4TH	38.4	21,040	4,610	146.4	3,761	128.3	61.0	61.6
1951 - JAN	39.4	22,172	4,590	146.3	2,928			61.5
FEB	37.1	20,033	4,324	141.0	3,188	128.6	59.4	58.0
MAR	39.4	21,507	4,685	146.6	3,820			62.4
APR	40.1	20,345	4,805	143.6	4,086			63.3
MAY	40.0	20,442	4,733	141.3	4,218	130.7	58.1	65.2
JUNE	38.4	19,755	4,827	151.4	4,270			65.1
JULY	36.6	19,496	4,500	147.3	4,415			62.9
AUG	35.2	19,735	4,577	97.1	4,313	119.7	49.0	61.0
SEPT	38.0	20,383	4,671	144.8	4,294			63.3
OCT	41.6	22,313	5,093	154.6	4,611			66.4
NOV	40.2	22,225	4,917	147.7	4,185	133.0	53.2	64.1
DEC	39.0	22,858	4,749	135.9	3,790			58.6
1952 - JAN	41.0	24,364	5,011	146.3	3,311			63.9
FEB	39.2	21,830	4,850					
MAR	42.5		5,300					
APR	38.0							
MAY								
JUNE								
JULY								
AUG								
SEPT								
OCT								
NOV								
DEC								

COMBINED FOREIGN TRADE OF OEEC COUNTRIES

Monthly Average or Calendar Month

PERIOD	VOLUME OF TRADE INDEX - 1948 = 100			VALUE OF TRADE (Millions of U.S. Dollar Equivalents)								
				TOTAL IMPORTS	TOTAL EXPORTS	INTRA ERP	TRADE WITH ALL AREAS EXCEPT METROPOLITAN			TRADE WITH WESTERN HEMISPHERE		
	INTRA-ERP	IMPORTS FROM REST OF WORLD	EXPORTS TO REST OF WORLD				IMPORTS	EXPORTS	TRADE BALANCE	IMPORTS	EXPORTS	TRADE BALANCE
1938	136	116	107	1,022	762	384	624	378	-246	243	106	-137
1947	81	103	80	1,827	1,086	499	1,298	587	-711	772	160	-612
48	100	100	100	2,052	1,403	633	1,396	770	-626	672	211	-461
49	124	104	118	2,070	1,569	721	1,342	848	-494	602	206	-396
50	173	100	144	2,018	1,645	811	1,201	833	-368	477	251	-226
51	189	112	169	2,782	2,266	1,061	1,722	1,179	-543	670	360	-310
1950 - 1ST QTR.	154	100	127	1,888	1,455	722	1,145	733	-412	465	204	-261
2ND	158	104	130	1,968	1,493	738	1,206	755	-451	483	208	-275
3RD	171	96	139	1,928	1,597	789	1,136	808	-328	463	253	-210
4TH	203	100	173	2,286	2,034	996	1,318	1,038	-280	496	340	-156
1951 - 1ST QTR.	190	106	156	2,577	2,022	1,012	1,554	1,010	-544	510	322	-188
2ND	191	115	172	2,918	2,267	1,084	1,839	1,183	-656	707	380	-327
3RD	180	113	169	2,864	2,285	1,065	1,786	1,221	-565	753	368	-385
4TH	193	113	177	2,871	2,488	1,081	1,711	1,301	-410	708	371	-337
1951 - JAN				2,575	1,974	952	1,562	1,022	-540	497	312	-185
FEB	190	106	156	2,428	1,972	998	1,453	974	-479	480	311	-169
MAR				2.731	2,122	1,087	1,650	1,034	-616	553	342	-211
APR				2,795	2,256	1,088	1,742	1,168	-574	619	377	-242
MAY	191	115	172	2,934	2,219	1,053	1,848	1,166	-682	700	376	-324
JUNE				3,011	2,311	1,102	1,918	1,210	-708	800	385	-415
JULY				2,908	2,270	1,069	1,844	1,201	-643	754	385	-369
AUG	180	113	169	2,881	2,245	1,025	1,810	1,221	-589	753	357	-396
SEPT				2,797	2,332	1,099	1,703	1,234	-469	749	355	-394
OCT				2,927	2,522	1,191	1,742	1,331	-411	720	387	-333
NOV	193	113	177	2,844	2,479	1,172	1,689	1,307	-382	715	373	-342
DEC				2,844	2,445	1,181	1,702	1,264	-438	689	354	-335
1952 - JAN				3,050	2,450	1,134	1,903	1,316	-587	751	336	-415
FEB				2,880	2,350	1,073	1,760	1,277	-483			
MAR				2,950p	2,400p							
APR												
MAY												
JUNE												
JULY												
AUG												
SEPT												
OCT												
NOV												
DEC												

FOREIGN TRADE OF SELECTED COUNTRIES

Monthly Average or Calendar Month (Millions of U.S. Dollar Equivalents)

PERIOD	BELGIUM		FRANCE				GERMANY		ITALY		NETHERLANDS		UNITED KINGDOM	
	IMPORTS	EXPORTS	TOTAL TRADE		TRADE WITH FOREIGN COUNTRIES		IMPORTS	EXPORTS	IMPORTS	EXPORTS	IMPORTS	EXPORTS	IMPORTS	EXPORTS
			IMPORTS	EXPORTS	IMPORTS	EXPORTS								
1938	65.0	61.0	109.8	74.4	80.0	54.3	182.3	175.9	49.4	46.0	66.0	48.1	374.7	216.9
1947	162.2	116.9	277.3	156.0	210.7	91.1	70.9	26.3	119.1	55.5	133.2	58.2	602.3	402.1
48	165.9	140.5	287.4	166.8	204.4	91.0	129.5	53.5	125.1	88.9	154.1	83.6	697.4	552.6
49	149.8	147.1	273.1	225.9	203.0	131.2	186.4	93.6	124.8	92.2	152.3	107.4	702.2	568.8
50	161.4	136.7	255.4	255.4	189.1	163.3	225.3	165.1	120.2	99.9	169.8	115.8	607.1	526.0
51	210.6	219.5	382.7	352.1	303.7	222.4	291.9	289.5	176.5	135.8	209.7	160.5	913.3	631.5
1950 - 1ST QTR.	144.6	133.9	264.3	224.8	202.3	140.7	197.5	118.8	123.9	86.9	150.0	97.2	563.1	497.8
2ND	149.7	126.9	257.6	232.6	188.4	144.6	176.1	140.7	116.8	92.3	174.9	102.8	630.4	490.7
3RD	148.0	111.8	218.2	228.8	158.8	150.4	223.3	171.8	116.3	100.6	166.9	118.0	587.0	527.6
4TH	203.5	174.3	281.5	335.3	207.0	217.3	304.4	228.9	123.6	119.7	187.3	145.2	647.9	587.7
1951 - 1ST QTR.	219.9	203.4	327.4	340.3	255.7	228.4	295.1	236.1	154.1	121.7	210.9	144.0	791.6	572.8
2ND	216.7	223.8	404.3	362.2	318.7	237.4	253.8	281.6	194.1	133.0	235.2	153.9	941.1	644.5
3RD	185.3	220.1	382.4	334.1	310.6	204.2	315.4	320.5	182.5	138.9	207.7	162.3	991.8	643.5
4TH	220.4	230.5	416.6	371.9	329.2	219.5	303.5	319.6	175.5	149.5	185.0	182.0	928.8	665.4
1951 - JAN	212.2	179.6	299.6	301.7	238.8	202.4	295.4	217.5	152.6	119.8	207.8	137.8	834.2	624.4
FEB	204.0	197.0	335.6	365.4	258.1	249.7	290.7	231.2	149.1	113.9	202.4	149.5	693.8	512.9
MAR	242.5	233.6	347.1	353.6	270.4	231.7	299.2	259.7	159.5	131.4	226.5	146.0	849.4	581.2
APR	225.4	219.7	381.7	374.8	298.4	250.6	256.6	274.6	184.8	127.5	215.0	151.0	872.3	675.5
MAY	219.6	208.9	400.3	328.6	319.9	218.0	249.8	273.0	196.0	131.2	244.5	150.4	946.3	675.2
JUNE	199.5	235.9	430.9	383.3	337.6	243.6	255.0	297.4	197.5	138.1	246.2	160.3	1,001.1	584.1
JULY	186.2	207.1	405.6	332.8	333.1	212.6	284.5	320.6	181.4	151.9	234.9	150.5	1,003.9	649.0
AUG	191.7	222.1	368.1	317.6	299.2	190.6	287.5	313.9	175.4	126.3	205.9	154.8	1,031.8	671.6
SEPT	173.1	224.9	373.7	351.9	299.7	209.5	375.2	325.4	180.0	135.7	183.1	182.0	944.5	611.6
OCT	217.0	247.6	395.5	366.1	305.2	225.4	281.6	301.4	160.5	151.6	200.8	200.1	1,015.3	688.0
NOV	208.4	218.1	418.7	375.0	335.7	219.0	302.0	278.7	179.4	147.6	176.4	190.5	920.6	711.1
DEC	232.1	220.8	435.4	374.6	346.6	214.0	327.6	377.6	163.5	142.1	178.2	155.3	879.6	597.3
1952 - JAN	211.4	224.1	443.4	341.8	357.9	192.9	333.8	313.6	195.4	133.3	206.8	192.9	999.9	739.9
FEB	220.2	226.2	508.4	365.5	424.6	201.4	347.7	304.3	180.4	120.4	187.6	166.6	831.3	683.5
MAR	209.9	235.5	411.9	342.4	318.7	187.8	346.6	327.1	206.9	120.0	200.7	191.0	932.4	744.8
APR	206.9	202.4	422.3	353.1	328.1	192.1	304.0	310.2			184.5	186.3	910.6	641.5
MAY														
JUNE														
JULY														
AUG														
SEPT														
OCT														
NOV														
DEC														

WHOLESALE AND RETAIL PRICES

Index 1948 = 100

PERIOD	AUSTRIA		BELGIUM		DENMARK		FRANCE		GERMANY (F.R.)	
	WHOLESALE	RETAIL	WHOLESALE	RETAIL	WHOLESALE	RETAIL	WHOLESALE	RETAIL (1948 = 100)	WHOLESALE	RETAIL (1948 = 100)
1949 – SEPT	133	136	93	96	101	101	114	100	122	97
DEC	150	148	94	95	106	103	117	105	123	97
1950 – MAR	160	141	93	94	111	105	117	108	124	96
JUNE	155	141	94	93	111	106	116	107	126	95
SEPT	168	143	107	99	118	109	125	113	139	92
DEC	180	158	113	97	129	113	135	117	146	95
1951 – MAR	206	168	123	104	142	117	150	124	159	101
JUNE	222	173	122	106	154	120	154	129	156	105
JULY	244	199	121	106	152	120	151	130	157	104
AUG	242	198	120	105	151	—	150	131	159	104
SEPT	242	199	120	106	148	—	154	133	159	103
OCT	242	208	122	106	148	121	164	136	162	105
NOV	245	212	122	107	149	—	169	140	165	106
DEC	259	220	123	107	151	—	170	143	166	106
1952 – JAN	257	220	125	108	151	122	171	146	166	106
FEB	255	218	121	108	150	—	170	148	164	107
MAR	254	217	118	107	148	—	167	148	163	107
APR	256		116	106	146	122	164	147		107
MAY				105						
JUNE										
JULY										
AUG										
SEPT										
OCT										
NOV										
DEC										

PERIOD	GREECE		ITALY		NETHERLANDS		NORWAY		UNITED KINGDOM	
	WHOLESALE	RETAIL	WHOLESALE	RETAIL	WHOLESALE	RETAIL	WHOLESALE	RETAIL	WHOLESALE	RETAIL
1949 – SEPT	118	115	90	101	103	105	102	101	105	104
DEC	120	115	87	98	110	110	103	100	110	105
1950 – MAR	120	122	87	97	114	114	104	101	112	105
JUNE	115	119	86	100	115	115	113	105	117	106
SEPT	123	126	93	103	120	118	123	108	124	106
DEC	136	131	100	103	128	120	128	112	133	108
1951 – MAR	148	142	105	107	144	124	136	115	143	111
JUNE	151	139	103	111	145	129	147	124	146	116
JULY	150	137	102	111	142	130	147	126	146	117
AUG	148	137	102	111	142	129	146	126	148	118
SEPT	149	137	100	111	142	129	147	126	148	119
OCT	153	142	100	111	143	129	147	126	150	120
NOV	155	143	100	112	144	128	148	126	150	120
DEC	154	144	100	112	145	127	149	127	151	121
1952 – JAN	156	146	99	111	145	127	150	129	153	123
FEB		148	99	113	145	128	150	130	150	124
MAR		150	98	113	143		150	130	152	124
APR							149	131	150	
MAY										
JUNE										
JULY										
AUG										
SEPT										
OCT										
NOV										
DEC										

ALBERT H. HUNTINGTON, JR.
6621 GORDON AVENUE
FALLS CHURCH, VA 22046

Monday
Mar. 18, 1985

Miss D. Helen Davidson
AID/PPC/CDIE/DI
Development Information
215 State Annex #18

Dear Helen:

Here is a special treat — good, fresh copies of three issues of "Current Economic Developments in Western Europe", prepared in my old office — Statistics and Reports Division, Mutual Security Agency, in May, August, and December 1952.

These three issues may be all that came out under this title. There was a change in administration, of course, from President Truman to President Eisenhower, in January 1953, so everything may have been put on "Hold" with these economic reports. I do not recall.

Issue No. 1 was printed during June 1952, just before the European Recovery Program was to end. Issue No. 2 was printed in August, and Issue No. 3 was printed during the last week of December.

The timing of these three reports, in the last few months of the Marshall Plan and shortly after it was finished (although the aid program continued on), should make the text, data, and charts especially helpful to Marshall Plan researchers and students.

I stapled each of the three reports in two sections, with the country detail for six major countries and the tables in the second sections

The three reports are as follows:

No. 1	May 1952	35 pages
No. 2	August 1952	37 pages
No. 3*	December 1952	35 pages
	Total	107 pages

* This report had no shield on the back cover. This may have been only an oversight.

* * * * *

Sincerely,

Albert H Huntington Jr.

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