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NOTES AND MEMORANDA

THE PRICES OF IMPORTS AND EXPORTS OF THE UNITED KINGDOM AND GERMANY

IN the September number of the *ECONOMIC JOURNAL* (p. 307) it was suggested that prices of exports from the United Kingdom had fallen less rapidly than those of imports. I have carried the analysis of the figures further, and have obtained results which may prove to be of interest and importance.

It was shown in the *ECONOMIC JOURNAL*, 1897, pp. 274 *seq.*, that the index-numbers of export and import prices were nearly independent of the year chosen as base and of the special method adopted. In the following tables I have used the method then discussed (brought up to date), the Board of Trade index-numbers, and the numbers published annually by the *Economist*, and have not thought it necessary to state which group is used in each case.

It is not possible to estimate the value of all the groups of commodities year by year at a fixed price; but it is believed that the commodities included form for this purpose a fair sample of the whole. The errors incidental to the estimate are therefore without "bias," but the estimates lack precision and cannot be applied to theories depending on minute differences.

From the table (p. 629) we see that the great fluctuations in both exports and imports are mainly due to price-changes. Imports have increased in quantity throughout the thirty years almost without a break; 29 per cent. in the decade 1873-1882, 31 per cent. and 36 per cent. in the following decades, 130 per cent. in the thirty years. There was no decline in the quantity of exports between 1873 and 1878, and the rise since that date has only been reversed in the years 1890-93. The great increase in value 1898-1900 was mainly due to price-changes, there being an actual fall in quantity in 1900 (connected with the famine prices of coal and steel), but a considerable rise between 1898 and 1902. In exports the increase in quantity in the three decades was 36 per cent., 2 per cent., and 28 per cent., and 78 per cent. in the thirty years. In both imports and exports, 1902 was easily the

Year.	Declared value.	EXPORTS.		Sauerbeck's index numbers.	Declared value.	IMPORTS, less re-exports.		Ratio of export index to import index.
		Price index.	Value at 1902 prices.			Price index.	Value at 1902 prices.	
	millions. £		millions. £		millions. £		£	
1873	255	160	160	162	315	160	200	100:100
1874	240	150	160	149	312	154	203	103
1875	223	140	159	140	316	150	210	107
1876	201	130	155	139	319	143	223	110
1877	199	125	159	137	341	148	230	118
1878	193	120	160	127	316	137	231	114
1879	192	112	171	121	306	131	234	116
1880	223	115	194	128	348	137	254	119
1881	234	111	211	123	334	137	244	123
1882	241	114	211	122	348	135	258	118
1883	240	111	217	119	361	131	275	118
1884	233	106	220	110	327	122	268	115
1885	213	101	211	105	316	115	275	114
1886	213	96	222	100	294	109	270	113
1887	222	96	231	99	303	107	283	111
1888	235	97	242	102	324	110	295	113
1889	249	99	251	105	361	111	325	112
1890	264	106	250	105	356	110	324	104
1891	247	105	235	105	374	110	340	105
1892	227	100	227	99	359	106	339	106
1893	218	98	222	99	346	103	336	105
1894	216	94	230	91	351	96	365	102
1895	226	91	249	90	357	93	384	102
1896	240	92	261	89	385	94	409	102
1897	234	91	257	90	391	94	415	103
1898	233	91	256	93	410	94	436	103
1899	255	97	264	99	420	96	437	99
1900	291	111	262	109	461	104	443	94
1901	280	105	267	101	454	100	454	95
1902	284	100	284	100	463	100	463	100

maximum year in quantity, while 1900 and 1902 are nearly equal maxima in value.

The last column shows the ratio of the price-indexes of exports to those of imports year by year. The numbers give, therefore, the quantity of exports (the kind supposed unchanged) that were given for a uniform quantity of imports. In the years 1873-1881 the prices of exports and imports fell 30 per cent. and 14 per cent. respectively: imports measured by exports became 23 per cent. dearer. From 1881 to 1901 the prices of exports and imports fell 5 per cent. and 27 per cent. respectively: imports measured by exports became 24 per cent. cheaper. A slight reaction took place in 1900-02, restoring the ratio to that of 1873. The changes in detail are seen to be a little irregular

in the table. It will be noticed that Sauerbeck's index-numbers in general lie between those for exports and for imports.

The figures show a change much in our favour as a trading nation between the years 1881 and 1894; and the advantage has been at least retained up to 1902.

In the following table I have tabulated the index numbers for special groups of commodities :—

Year.	Imported food and tobacco.	Imported raw textiles.	Exported textile manufactures.	Imported unmanufactured metals.	Exported metal products.	Coal exported.	Miscellaneous.	
							Imported.	Exported.
1881	139	133	119	104	90	74	132	120
1882	139	127	122	107	91	75	130	123
1883	133	125	120	101	88	77	128	120
1884	122	124	117	92	87	77	119	115
1885	112	116	112	86	84	74	113	112
1886	108	104	106	89	78	70	106	108
1887	106	107	107	89	74	68	101	106
1888	108	107	106	113	83	68	105	104
1889	111	111	106	91	86	82	105	106
1890	108	112	105	94	97	102	102	108
1891	114	107	105	97	111	99	100	108
1892	110	100	100	88	96	90	97	106
1893	106	99	101	88	88	80	96	101
1894	96	91	95	80	85	86	93	95
1895	93	85	93	77	84	76	92	93
1896	95	95	97	81	82	74	92	92
1897	98	88	95	84	83	76	92	92
1898	99	83	91	89	86	81	93	93
1899	98	88	93	102	94	87	96	95
1900	100	109	102	120	111	136	104	100
1901	101	99	103	109	108	113	97	101
1902	100	100	100	100	100	100	100	100

In this table (constructed in part from those given in the *Statistical Journal*, 1897, pp. 438-9), it is seen that the greatest fall has been in the food group; that exported textile manufactures have fallen in the twenty years less rapidly than raw materials (though this is probably in part due to the greater intrinsic value of the fabrics passing under the same denomination); that metals have on the whole neither fallen nor risen, but exports have risen relatively to imported raw materials; that the price of coal exported has greatly increased; and that among the miscellaneous goods that have found their way into the estimates the prices of imports have fallen more rapidly than exports. Thus the fall in price of imports relative to exports does not arise from the preponderating influence of one group of goods, but is visible in all.

If we now turn to the statistics of German trade as given in the *Statistical Abstract for Foreign Countries* we notice some marked differ-

ences in the course of prices. It should be emphasised that the precision of these figures is less than of those already given, as the number of items included is smaller and the grouping rougher. There is no special reason, however, why the figures selected by the accident of tabulation should show any biased result, and the general agreement of the results suggests that the selection is fair.

The following table gives statistics for German trade for selected years on the same plan as that given above for the United Kingdom:—

Year.	EXPORTS.			Index number of whole-sale prices.	IMPORTS.			Ratio of export index to import index.
	Value.	Index number of prices.	Value at fixed prices.		Value	Index number of prices.	Value at fixed prices.	
	millions. £		millions. £		millions. £		millions. £	
1881	149	121	124	114	148	135	110	100:112
1885	143	110	130	96	147	112	131	102
1889	158	111	143	104	201	121	165	109
1893	155	100	155	96	198	101	197	101
1897	182	90	202	89	234	91	257	101
1898	188	94	200	93	254	91	280	97
1899	210	99	212	101	274	97	282	98
1900	231	105	220	110	288	108	267	103

The price numbers have been so taken that their average for the years 1897—1900 is the same as the average for the United Kingdom for the corresponding quantities in the same years. It is at once seen that the course of the prices of imports has been practically the same in the two countries, except for 1889; but that the index-numbers for wholesale prices (computed from Dr. Schmitz' *Bewegung der Warenpreise in Deutschland*) fell less, and those for exports more than with us. This suggests a comparison unfavourable for Germany. These exports measured in imports increased 10 per cent. in value in the twenty years, while ours increased 20 per cent.; such a conclusion is suggested whether we begin in 1881, 1885, 1889 or 1893. It should be stated that sugar accounts for one-fifth of the value of the German exports included in recent years, of which the fall in price has of course been very great. If account were taken of the change in description and classification of cotton goods, the exports would show a greater fall in price measured from 1881. I have thought it best not to attempt to make any correction for concealed changes of classification, as I could not do it completely. A correction would need to be made for English woollen exports (where the tabulated figures exaggerate the fall in price), if we once began to go behind the official figures. I have therefore both for the United Kingdom and Germany gone by a definite rule of selection decided beforehand (except that I omitted musical instruments entered by weight, and animals of all kinds except horses entered by number from

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the German figures), and trusted to the theory of probability for the neutralisation of errors in comparison. I think that the safest comparison between the two countries is when 1885 is compared with the average of 1897—1899; for the classification in 1881 in Germany presents difficulties, and 1889 was clearly out of the ordinary run in Germany, while 1900 was a year of inflation in England. In this period of thirteen years German imports measured in exports fell 3 per cent., English 10 per cent—a result markedly in favour of England.

I will not attempt to account for these changes by appeal to the theoretic effect of tariffs, but will only summarise the results to which these rather rough calculations lead. Since 1881 imports into both Germany and the United Kingdom have fallen in price at the same rate. The prices of exports from the United Kingdom have fallen more slowly, giving us an advantage of 20 per cent. when measured in imports. The prices of exports from Germany have fallen more rapidly, giving them an advantage of about 10 per cent., half that of England, in the same period. Imports into the two countries are similar in character on the whole; many groups of similar articles occur in the exports, but Germany exports sugar at a rapidly falling price, whilst England exports coal at a rapidly rising price.

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RECENT ITALIAN LEGISLATION ON WORKS OF ART AND ANTIQUITY

THAT Italy should seek to protect her artistic patrimony by restrictive measures is not new. Far from that, such measures represent a reversion to a somewhat distant period of time. It is scarcely to be wondered at that, when Protection reigned in every form from one end of the peninsula to the other, the export of works of art should also have been bound by restrictions and impediments. This was effected by the Doria and Pacca edicts, the royal decrees of Ferdinand I and II, and by the Tuscan edict bearing the name of the Count of Richécourt. By these measures works of art were often confiscated, or exportation of them absolutely stopped. But even in more recent times, when notions of liberty were spreading in every field of national life and rendering such rigid and dictatorial ordinances intolerable, legislative schemes were none the less constantly brought forward by successive ministers with a view to limiting the traffic in works of art belonging to private individuals.

Passing over the bill drafted in 1868 by the Council of State, we may call to mind the bill presented by the minister Correnti in 1872 and taken up in 1875 by Bonghi, but never debated in the House of