

20 July 1951

Mr James B. Jefferys,
The National Institute of
Economic and Social Research,
2 Dean Trench Street,
Smith Square,
Westminster, London, S.W.1.

Dear Mr Jefferys,

Thank you very much for sending me the tables IH and IK. I am glad to answer your questions by the following:

1. The figure of £234 mn for exports of consumer goods was determined directly from the trade returns. Please, find enclosed a list of the goods included (annex 1). The figures were determined year by year. On the other hand a list of goods classified as capital goods (and their raw materials) was also made, which amounted to £125 mn in 1907. These two lists together do not cover the total of exports of home (excluding ships) of £416 mn. The remainder had to be distributed over consumer goods and investment goods. I tried to do so on the basis of a correlation analysis aiming at explaining the residual series as a sum of two parts, the one correlated with the value of exports of consumer goods (the series indicated first with the value £234 mn in 1907), and the other proportional with the value of exports of investment goods.

88
In this attempt I tried both the usual correlation technique and the correlation technique with absolute values. In both cases the regression co-efficient for the first series appeared to be negative. Hence I included the whole of the residual series into investment goods. From annex 1 you will see that I included coal in the exports of consumer goods. I think I excluded gold and silver bullion refined in the United Kingdom. This I cannot trace without consulting the old returns.

2. As to imports, the series of finished consumer goods was also determined directly from the trade returns. Please, find the items in annex 2.
3. As to this question I am afraid that you have hit upon an error. In fact, I used the figure of 47%, which is the average Hoffmann gives for the whole period after 1960. It should have been 42% being the figure for 1907. You will find in Hoffmann's book that for 1907 42% was consumer goods; I used 47% (not, however, 53%, as you write in your letter; this was the figure for producer goods).

Thanking you very much for your interest,

I am,

yours very sincerely,

188
ANNEX 1

Apparel and Slops
Bgs empty
Beer and ale
Books printed
Cotton yarn
Cotton manuf.
Earthen and China ware
Haberdashery
Leather (total)
Linen and Jute yarn
Total of linen manuf.
Jute mahuf.
Paper (other than Hangings)
Silk
Silk manuf.
Sugar refined
stationery station paper
Wool, wooden and worsted yarn
Woollen and worsted manuf. (total)
Haberdashery of all sorts
Spirits
Tobacco
Yarn Alpaca etc.
Wool Foreign dressed a.s.o.
Coal etc.

Coal etc.
 Wool foreign dressed a.s.o.
 Yarn Alpaca etc.
 Tobacco
 Spirits
 Haberdashery of all sorts
 Woollen and worsted manu. (total)
 Wool, woollen and worsted yarn
 Sugar refined
 Silk manu.
 Silk
 Paper (other than Hangings)
 Lute manu.
 Total of linen manu.
 Linen and lute yarn
 Leather (total)
 Haberdashery
 Earthen and China ware
 Cotton manu.
 Cotton yarn
 Books printed
 Beer and ale
 Gas empty
 Lopsel and Slops

47188

Bacon and Hams
 Beef (fresh and salted)
 Butter and Margarine
 Cheese
 Coffee
 Eggs
 Fish
 Fruit (currants, oranges,
 lemons and raisins)
 Lard
 Rice
 Spirits
 Sugar
 Tea
 Tobacco
 Wine
 Mutton fresh
 Cotton Manuf.
 Leather gloves
 Silk Manuf. (-broadstuffs)
 Woollen Manuf. (173 tot 1881)

Lace and articles thereof
 Musical instruments
 Toys and games
 Artificial flowers
 Apples raw
 Bananas fresh
 Fruit fresh
 (+ Grapes, Pears, Plums)
 Manufactures of skins
 Paper printed and unprinted
 Clocks and watches
 Chine, Porcelain Earthenware, Glass
 Pork
 Poultry, Game, Rabbits
 Potatoes
 Milk condensed
 Onions raw

4. 88

Onions raw
Milk condensed
Potatoes
Poultry, Game, Rabbits
Pork
China, Porcelain Earthenware,
Clocks and watches
Paper printed and unprinted
Manufactures of skins
(+ Grapes, Pears, Plums)
Fruit fresh
Bananas—fresh
Apples raw
Artificial flowers
Toys and games
Musical instruments
Jacks and rattles thereof
Woolen Manuf. (1881 to 1884)
Silk Manuf. (Broadstuffs)
Leather gloves
Cotton Manuf.
Wotton fresh
Wine
Tobacco
Tea
Sugar
Spices
Rice
Lard
Lemons and raisins
Fruit (currants, oranges,
Fish
Eggs
Coffee
Cheese
Butter and Margarine
Beef (fresh and salted)
Bacon and Hams