



Changes in Commodities Prices Since 1960 Show a Richer World

Marian Tupy

January 24, 2017

Today, a post short on words, but full of good news. The World Bank has updated its famed "[Pink Sheet](#)," which tracks the prices of 72 commodities going back (in most cases) to 1960. I have eliminated some repetitive datasets (for example, there are four crude oil prices—West Texas Intermediate, Dubai, Brent and "average") and some datasets that contain data for only very short periods of time. As such, I was left with 42 commodity prices, which are included in the chart below.

Out of those 42 commodity prices, 19 have declined in absolute terms, which is to say that, adjusted for inflation, they were cheaper in 2016 than in 1960. Twenty-three commodities have increased in price over the last 56 years. However, of those 23 prices, 20 rose less than global per capita income (177 percent). Only three commodities (crude oil, gold and silver) rose more than income, which is to say that in a vast majority of cases commodities became cheaper—absolutely or relatively—in spite of population growth of 142 percent.

So, what's the moral of the story? Eighteen years after his untimely and much lamented passing, [Julian Simon's](#) wisdom continues to shine. As Simon argued in his 1981 book *The Ultimate Resource*, human beings, unlike other animals, innovate their way out of scarcity by increasing the supply of natural resources or developing substitutes for overused resources. Human ingenuity, in other words, is "the ultimate resource" that makes all other resources more plentiful.

