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Volume 2

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ECONOMIC BULLETIN

FOR ASIA AND THE FAR EAST

Volume 2

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Prepared by the

RESEARCH AND STATISTICS DIVISION

ECONOMIC COMMISSION FOR ASIA AND THE FAR EAST

BANGKOK, August 1951

The BULLETIN is intended to provide a regular review of the economic situation of Asia and the Far East in the intervals between the publication of the annual ECONOMIC SURVEY OF ASIA AND THE FAR EAST. Three issues of the BULLETIN are published annually, in August, November and February, covering the first, second and third quarters of the year respectively, and a Statistical Supplement which includes statistics for the fourth quarter is issued in June. The analysis of economic developments in the fourth quarter of the year is included in the ECONOMIC SURVEY OF ASIA AND THE FAR EAST. In addition to the general review of economic developments in the quarter and the compendium of Asian Economic Statistics on which it is based, the BULLETIN contains special articles on particular subjects related to the problems of the Asian economy.

The BULLETIN, which is prepared by the Research and Statistics Division of the Secretariat of the Economic Commission for Asia and the Far East, is published entirely on the responsibility of the Secretariat, and its contents, which are intended for the use both of governments and the general public, have not been submitted to the member Governments of the Commission before publication.

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REVIEW OF THE ECONOMIC SITUATION IN ASIA AND THE FAR EAST

JANUARY—MARCH 1951

SUMMARY

PROGRESS was made in extending external economic aid to the region. Various steps were taken to implement the technical assistance programme of the United Nations, and the International Bank approved several loans. The Consultative Committee on Economic Development in South and South-east Asia met in February to make recommendations to the governments concerned for the central organization for the Colombo Plan. United States aid continued to Burma, Indochina, Indonesia, Taiwan and Thailand, and a "Point Four" agreement was signed with Nepal.

Reports on agricultural production indicated that no appreciable improvement in the food situation is to be expected this year and the position in India is likely to remain difficult. In the field of mining and industry within the region, there was an increase in the production of coal and electricity, but there were on the whole no very significant developments. In Japan there was a further sharp rise in steel production.

Exports from the region continued at a high level, owing to the strong world demand for and high prices of raw materials. Most countries in the region continued to have sizable export surpluses. Quantitative import restrictions were relaxed in some countries, but, on the other hand, some countries extended the protection given to domestic industries. Various measures were taken, mostly by countries outside the region but also by some within it, to limit exports of strategic materials to the mainland of China.

The strong upward movement of prices continued. It was especially noteworthy in Indonesia and Malaya, the two major exporters of rubber and tin. Freight rates rose sharply. Export duties were increased in some countries in order to limit the harmful effects of the rise in export prices, as well as to obtain increased revenue. Some countries were considering the imposition or extension of price control. Attempts to obtain international action to improve the supply position and lower the prices of some of the materials produced in the region met with little success.

EXTERNAL ECONOMIC AID

Progress was made during the quarter under review with the various *United Nations programmes of aid* to countries of the region. In January the first resident United Nations technical assistance representative to Pakistan took up his post. In February an agreement was signed whereby the Food and Agriculture Organization will give technical assistance to the Philippines. The FAO also entered into an agreement to provide a number of agricultural specialists to Ceylon, while the International Labour Office organized a mission to the same country to study the question of technical assistance within its own field. The International Bank was reported to have sanctioned a loan to Pakistan for the development of the Thal area in the Punjab, and the Bank announced in March that India and Thailand would receive loans for the improvement of transport. A number of countries expressed their willingness to contribute to the $250 million programme of Korean rehabilitation.

On 12 February a conference of the *Consultative Committee on Economic Development in South and South-east Asia*, consisting of officials from governments taking part in the Colombo Plan, began at Colombo. It was also attended by a representative of the United States Government. The principal business of the conference was to draw up recommendations for the future shape and membership of the central organization. The United Kingdom delegate stated that financial aid from the United Kingdom might amount to more than £300 million and that agreements had already been made for the release to India and Ceylon of £230 million from sterling balances, while negotiations on this subject were proceeding with Pakistan. The United Kingdom was also offering facilities for training in industry and was taking steps to increase university facilities. The Australian and Canadian delegates expressed the desire of their governments to help as much as possible with financial aid, technical assistance and training facilities. The United States representative said that his Government was interested in coordinating the Consultative Committee's work with that of the special technical and economic missions which it had organized to give assistance to Burma, Indochina, Indonesia and Thailand.

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The communiqué issued at the conclusion of the meeting on 20 February referred to the statement of the

President of the International Bank for Reconstruction and Development that the Bank welcomed the opportunity to co-operate in the work of the Committee. The communiqué also mentioned the progress made with the *Technical Co-operation Scheme* and stated that, although the Bureau for Technical Co-operation had been established only at the end of December 1950, it was already functioning satisfactorily. Applications for technical assistance had been made by Ceylon, India and Pakistan and these covered a wide range of subjects. Offers of financial aid were received from Australia, Canada (Canadian $25 million in the first year), and New Zealand (£3 million in annual instalments of £1 million). On 22 February it was reported that Viet-Nam had decided to enter fully into the Plan, thus becoming the first state outside the Commonwealth to take this step. Other non-Commonwealth countries which attended the Colombo meeting were Burma, Cambodia, Indonesia and Thailand.

United States aid to the region continued at an accelerated pace. In January a "Point Four" agreement was signed with Nepal and it was announced that a mining expert would be sent from the United States to make a preliminary survey of mineral resources. The Economic Co-operation Administration approved in February a programme of rural reconstruction for Taiwan submitted by the Joint Commission on Rural Reconstruction. The ECA also made funds available to Burma for cotton yarn, material and technicians for rebuilding the port of Rangoon, iron and steel manufactures, medical supplies, vehicles and machinery; to Indochina for the purchase of machinery, motor vehicles, tractors, construction material, and textile and chemical products; to Indonesia for scientific instruments; to Taiwan for railway equipment, soybean and crude oil, and medical supplies; and to Thailand for the purchase of motor vehicles, fishing equipment, machinery, electrical equipment, rubber, and medical supplies. Under an agreement signed in January Indonesia is to receive credits from the Import-Export Bank totalling $52 million for the purchase of equipment and materials needed for reconstruction and development. This is part of the $100 million previously earmarked by the Bank for Indonesia. Among the larger items included are $20 million for vehicles, $17 million for railway equipment, $6 million for aeroplanes, and $7 million for dredgers and port reconstruction materials.

PRODUCTION

Agriculture

The United States Office of Foreign Agricultural Relations stated in March that, on the basis of the information then available, the world rice crop for 1950/51 (August -July) would show little change from the preceding year's, in spite of an increase in acreage of about 1.3 per cent. The crop in Asia, estimated at about 92 per cent of the world total, is expected to be about the same as in the preceding year. Most of the increased acreage was in Asia but severe losses have arisen because of droughts and floods. Production is reported to have declined in Ceylon, India, Indochina, Korea, Malaya and the Philippines, but have increased on the mainland of China and in Taiwan, Pakistan and Japan. Production in countries of the region which have a substantial surplus for export, viz. Burma and Thailand, is unlikely to vary much from that of the preceding year. Some countries of the region which have benefited from the increased demand for their products arising out of the Korean war and the world situation have increased their demand for rice, and exports may therefore be somewhat greater.

The region's production of natural rubber during the first quarter of 1951 was about 455,000 tons, which was 57,000 tons less than in the preceding quarter but 95,000 tons more than in the first quarter of 1950. In the United States, which is the largest purchaser of the region's rubber, stricter limitations were placed on the use of natural rubber as from 1 March.

Burma. The Government announced in March its intention to expand the soil conservation programme in the Shan State, where erosion has become a serious problem. The United States Economic Co-operation Administration is supplying a soil conservation specialist to assist in the programme and also some of the required equipment which cannot be obtained in Burma. In March also the Minister of Agriculture re-stated the Government's policy on land and said that it was the intention to proceed gradually with nationalization.

Ceylon. With a view to expanding food production the Government has been studying methods of assistance to cultivators, including the extension for a longer period, of the system of guaranteed prices for certain products. At present the system operates on a yearly basis. It was first applied to paddy and was later extended to other crops such as maize, sorghum and pepper. Progress was made with the Huruluwewa Restoration Scheme and by March 2,000 acres had been cleared and were being prepared for settlement by peasant farmers. In March also the Minister of Agriculture and Lands appointed a committee to enquire into the availability of Crown land for agricultural purposes. Rising costs for rubber, tea and coconut oil producers, who have been benefiting from the world

demand for their products, were a subject of concern, since the view was expressed that present prices would not be maintained. It was urged in the press that advantage should be taken of the present situation to rehabilitate rubber and coconut plantations. At the same time commentators continued to urge the desirability of diversifying Ceylon's economy by, among other things, increasing the production of foodstuffs, in order to reduce Ceylon's economic dependence on a few export crops.

China. The Central People's Government announced an Agricultural Production Plan for 1951 under which grain output is to be increased by 7.1 per cent over 1950 and cotton output by 36.9 per cent. Production of other agricultural commodities is to be raised by percentages ranging from 9 per cent for vegetable oil materials to 324 per cent for cured tobacco leaves. It is also planned to carry out extensive reafforestation and water control works. For these various purposes it is proposed to encourage the formation of voluntary associations which will be given preference in government aid and will be assisted in marketing their products. The Government has also undertaken to purchase and market at reasonable prices in relation to grain all cotton, tobacco and jute, with a view to encouraging production of these commodities.

India. The food situation arising mainly from crop failures due to adverse weather conditions was the cause of serious anxiety, and estimates of production of food crops indicated that the position was likely to remain difficult for some time. The Government aims at importing 3.7 million tons of foodstuffs in order to remedy the deficiency. The United States Department of Agriculture estimated a fall in foodgrain production in India this year of about 7 per cent. In March it was reported that cereal crops in Bihar, which had already been seriously affected by drought, had suffered extensive destruction by high winds. Estimates of the acreage under cotton released by the Government in February indicated an increase of about 10 per cent.

Indochina. An improvement in the agricultural situation in south Viet-Nam was reported as a consequence of security measures which have made it possible for cultivators to return to their farms in some areas and have brought about an improvement in communications.

Indonesia. Rubber production in the first quarter of 1951 was 200,000 tons, which was 2,000 tons less than in the preceding quarter but 83,000 tons more than in the first quarter of 1950. A two-year plan, for which the sum of R.15 million has been set aside, has been adopted with a view to making East Sumatra self-sufficient in rice. It involves the development of about 10,000 hectares of rice fields.

Malaya. Rubber production during the first quarter of 1951 amounted to 167,000 tons. It was 33,000 tons less than in the preceding quarter, the decline being partly seasonal, and only slightly larger than in the first quarter of 1950. Rapid progress was made with the resettlement programme in the State of Johore, where it is planned to put 70,000 peoples into completely new villages. More than half this number had been resettled by the end of the quarter. The object of the programme is to provide new homes where persons displaced from the rural areas by insurgent activities may follow agricultural and related pursuits in security.

Pakistan. In spite of flood damage in the Punjab, increases in the acreage under rice, wheat, gram and sesame were reported during the quarter. The East Pakistan Food Advisory Board recommended the continuance for another year of the system of procurement of foodgrains and the Board was said to have decided to keep rice procurement prices at the level of 1950. The Government has decided to increase the jute acreage in the coming year by 25 per cent, in view of the increasing demand for this commodity. The Government is also desirous of increasing cotton production and a scheme is under consideration for establishing five experimental centres in West Pakistan. In January the foundation-stone was laid of the new Institute of Cotton Research and Technology in Karachi. It was also announced that the FAO would send a number of agricultural experts to Pakistan to assist in the execution of the Government's various schemes of agricultural development.

Philippines. The output of copra during the first half of this year was expected to be larger than in the corresponding period of 1950 and possibly to reach the record production of 1947. Production of sugar, abaca and tobacco was also estimated to be substantially larger than in 1950. In March approval was given to a five-year plan for the development of tobacco production.

Thailand. The agriculture section of the National Economic Council advised the Ministry of Agriculture to establish a company for marketing secondary crops, particularly cotton and jute. It also advised the banning of cotton and jute exports in order to promote the domestic textile industry. The Government decided in January that, in view of possible future difficulties in

obtaining supplies, it would proceed immediately to invite tenders for equipment needed for the Chainat irrigation scheme.

Japan. Deliveries of the Government's purchases of the 1950 rice crop reached 100 per cent of the target figure, and stocks of foodstuffs under the control of the Government at the end of the quarter were roughly at the level of a year before. The prospects of obtaining adequate food imports in the coming year appeared, however, less favourable, owing to rising prices and freight rates and the reduction in the amount of United States aid. The outlook for raw silk in 1951 appeared promising. Cotton production was expected to be 20 per cent greater than in the previous year and production of raw silk was estimated at 190,000 bales.

Mining and Industry.

Production of coal in the four countries of the region for which figures are available, *viz.* India, Indochina, Malaya and Pakistan, rose both in comparison with the preceding quarter and the corresponding quarter of 1950. The increases were 9 per cent and 4 per cent respectively and were almost entirely accounted for by the expansion of production in India. There was a decline in coal production in Japan compared with the preceding quarter but an increase of 10 per cent over the first quarter of 1950. Production was still, however, running at a rate appreciably lower than in 1936.

Electricity production (Hong Kong, India and the Philippines) increased by 2 per cent over the preceding quarter and 15 per cent over the first quarter of 1950. There was a slight seasonal decline in Japan compared with the previous quarter but production was 13 per cent greater than in the first quarter of 1950.

Iron and steel production in India declined slightly compared with the last quarter of 1950 but production of finished steel was provisionally estimated at 9 per cent more than a year before. Steel production in Japan again rose sharply and was running at the rate of almost 5 million tons of finished steel a year or nearly 70 per cent greater than a year before.

Production of tin in concentrates was virtually unchanged from a year before and was slightly less than in the preceding quarter.

There was a further appreciable rise in cement production in the region. In Japan there was a decline compared with the preceding quarter but a rise of about 65 per cent compared with a year before.

Cotton yarn and fabric production recovered somewhat in India. In Japan there was no appreciable change compared with the previous quarter but production was substantially larger than a year before.

TABLE 1. OUTPUT OF PRINCIPAL INDUSTRIAL & MINERAL PRODUCTS IN THE ECAFE REGION[a]

(Monthly averages in thousand metric tons)

	1950				1951	Relative changes in 1st Quarter of 1951	
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	1st Quarter 1950=100	4th Quarter 1950=100
Tin in concentrates[p]	8.58	9.05	9.07	8.99	8.62	100	96
Coal	2.970	2.771	2.711	2.839	3.090	104	109
Electricity (million kwh)	161	183	491	517	529	115	102
Pig iron and ferro-alloys	115	131	139	155	146	101	94
Steel ingots and castings	120	112	124	130	124	103	95
Finished Steel	82	80	88	90	89[p]	109[p]	99[p]
Cement	250	236	219	275	293	117	107
Cotton Yarn	17.1	15.5	42.0	43.9	16.6	99	106
Sulphuric acid	7.79	8.16	9.03[p]	8.92[p]	7.13[p]	92[p]	80[p]

a. Countries included under each product are as follows:
Tin in concentrates Burma, China, Indochina, Indonesia, Malaya and Thailand.
Coal—India, Indochina Malaya and Pakistan.
Electricity Hong Kong, India and Philippines
Cement—Hong Kong, India, Indochina and Thailand.
Pig iron and ferro-alloys, steel ingots and castings, finished steel, cotton yarn and sulphuric acid—India only.

p. Provisional

Burma. The continued operation of the cottage weaving industry was aided by the arrival of part of the 5,000 bales of cotton yarn which are scheduled to be sent to Burma under the ECA programme as a supplement to regular imports.

The Government was reported to be negotiating with the Burmah Oil company for resuming production on a more extensive scale. The Company announced that Chauk, in the Central Burma oilfields, was now producing and refining about 40 per cent of Burma's total requirements of petroleum products and that it was planned to ship additional equipment to Chauk where production is to be doubled. The project for the rehabilitation of the Syriam refinery, however, has now been indefinitely suspended. The Prime Minister stated in March that the Government would endeavour to establish "joint ventures" of Burmese and foreign interests in industry and that negotiations were under way with the Burmah Oil Company and the Burmah Corporation, the two main British enterprises in the country.

Ceylon. In Ceylon the Government began to take stock of the need for industrial equipment and construction materials. Concern was expressed lest the inability to obtain capital goods may hold up the country's development plans.

It was reported that plans were being drawn up for the establishment of a state-owned textile factory with 25,000 spindles, 500 automatic looms and finishing machinery. One-fifth of the yarn output would be supplied to the hand-loom industry. The latter is currently in difficulties owing to the rise in price of imported cotton yarn and difficulties in obtaining supplies.

In January the Ministry of Industries invited tenders for the establishment of a caustic soda factory. In March tenders were also invited for a ceramics factory. A survey was being carried out in order to advise the Government on the establishment of a fertiliser factory in the North-Central Forest Division. The Public Accounts committee in the meantime expressed its grave concern at the losses which taxpayers were required to bear as a result of the activities of the Ministry of Industries.

China. The target set for the production of textiles in Shanghai in 1951 was announced as 28 per cent greater than the prewar record.

A new cotton mill, equipped with machinery imported from Japan and under the supervision of Japanese technicians started operations in the Taipeh area in January. It has 10,000 spindles and will use cotton obtained through the United States Economic Co-operation Administration. The mill was constructed by the China Textile Corporation as part of a plan to make Taiwan self-sufficient in cotton textiles.

India. It was reported that the Tata Iron and Steel Company's seven-year plan to raise the output of finished steel at Jamshedpur by 200,000 tons a year would shortly be put into operation. Negotiations were taking place with the Government for a loan to help in the financing of the scheme.

The Government of Madras has sanctioned the Tungabhadra Hydroelectric Power Project, which will eventually have five 7,500 kw. units. The first stage of the scheme, which will bring two units into operation, is expected to be completed in about four years.

The sulphuric acid industry was adversely affected by the inability to obtain adequate supplies of sulphur from the United States. Production was 20 per cent less than in the preceding quarter and 8 per cent less than in the corresponding quarter of 1950.

In February the Finance Minister announced the intention of the Government gradually to convert government-owned industries into limited companies. This has already been done in the case of the Hindustan Aircraft Company.

In March the Gwalior Rayon Silk Manufacturing Company of Delhi placed with an English firm a contract for the supply of £1 million of machinery, including a rayon staple fibre plant and machinery for producing fifteen tons of staple fibre a day.

Indochina. A report from Tokyo stated that the Yawata and Fuji Iron Works in Japan had started negotiations with the Government of Cambodia for the development of large magnetic iron deposits situated near the upper reaches of the Mekong. The mine is said to be capable of providing 500,000 tons of ore a year when in full operation.

Indonesia. The production of tin in concentrates in the first quarter was virtually the same as in the corresponding quarter of 1950 and about 9 per cent less than in the preceding quarter.

In March the Minister of Public Works announced that it was the Government's intention to nationalize electricity plants in Indonesia as soon as concessions to private companies have expired and that a commission would be set up to consider the best way to take over the plants as soon as possible.

Malaya. Tin production declined in the first quarter of 1951 by about 3 per cent both in relation to the preceding quarter and the first quarter of 1950. It appeared unlikely that production would increase in 1951, owing to the need for undertaking major repairs to some of the dredges and to the shortage of electric power. The proposal in the Federation's Six-year Development Plan to impose an export duty on tin at a rate varying with the type of ground worked was severely criticized by the industry as impracticable.

Pakistan. Various steps were taken during the quarter in pursuance of Pakistan's plans for industrial development. A new textile plant, the Zaib-tun Textile Mills Ltd., was opened in Karachi in January. Plant for the government-sponsored paper mill at Chandragona, near Chittagong, arrived in February, and machinery for the Adamji Jute Mills arrived in March. Official approval was given to several industrial projects, including a cement factory at Rohri, twenty footwear factories throughout the country, a textile mill in the Hyderabad district, two paper bag factories in Karachi and East Pakistan respectively, and seven textile mills in Karachi.

In January the Industries Minister stated that the Central and Punjab Governments had decided to set up five major industrial undertakings in the Thal area in North-West Punjab. These will comprise a fertilizer plant at Daudkhel, a cement factory in the Salt Range, a sugar mill at Khushab, a cotton mill at Gunjyal and a woollen textile mill at Darya Khan. Electric power for these undertakings will be obtained from the Mianwali hydro-electric scheme.

The Pakistan Tariff Commission's enquiry into the case for protection of the steel re-rolling industry was concluded in January. In order to assist the sports goods industry the Government increased the export duty on cow hides as from 1 January and placed linen thread and twine imports from Japan on Open General Licence as from 4 January.

Thailand. The Cabinet Council approved in March a proposal by the Ministry of Industry that 3 million baht should be appropriated for the expansion of the government rubber factory in Bangkok. Ministry of Commerce officials who recently returned from an inspection tour of Indian shellac factories began to take steps to advise the Thai lac industry on methods of improving the quality of its products. It is hoped that government aid will enable some of the factories which have closed to be reopened.

Japan. Labour disputes affected the production of coal during the first quarter of the year and there was also a seasonal decline in electric power production. In the iron and steel industry, however, the upward trend continued. Cement production was 9 per cent lower than in the preceding quarter but 66 per cent higher than a year before. Production of chemicals and machinery was higher in the case of most items, while production of cotton yarns and fabrics did not change appreciably. The shipbuilding industry continued to be active.

The problem of obtaining adequate supplies of materials to feed Japan's industrial machine continued to cause anxiety. Salt was one of the principal commodities about which concern was felt, owing principally to the rise in freight rates and shipping difficulties.

In March the occupation authorities transferred to the Japanese Government full authority over the refining and allocation of crude oil.

INTERNATIONAL TRADE

The continuation of the strong world demand for raw materials and the consequent rise in their prices since the Korean war were still the dominant factors in the sphere of international trade in the first quarter of 1951. As pointed out in the *Economic Survey of Asia and the Far East, 1950*, these had resulted in a considerable increase in exports and a change from a trade deficit to a trade surplus in most countries of the region in the second half of 1950. In the quarter under review, as can be seen from Table 2, this change continued; all the eleven ECAFE countries, except Indochina, had an export surplus attributable chiefly to the high level of exports which, in turn, was mainly due to high export prices. Even in Indochina, the import surplus during the quarter was reduced, as compared with 1950. Japan had a substantial import surplus, mostly because of imports under the United States aid programme. Along with the high level of exports, the value of imports also increased in most countries because of large foreign exchange earnings, relaxation of import control, and a rise in import prices, the extent of which was, however, more limited than that in export prices (see Table 4).

The quarter also witnessed the application of an embargo or control over exports of strategic raw materials especially to China and Hong Kong, and a rise in shipping freight rates, both of which were indirect results of the Korean war and the rearmament programmes. For example, it is reported that freight rates from the United Kingdom to Ceylon rose by 25 per cent with effect from 1 March 1951, from Bangkok to Japan from $7 to $10 per ton and to Europe from 140s. to 150s. per ton.

TABLE 2. INDICES OF VALUE OF EXTERNAL TRADE AND BALANCES OF TRADE

	Index of value of Imports (1st Quarter 1950 = 100)				Index of value of Exports (1st Quarter 1950 = 100)				Balances of trade (value in million units of national currency)				
	1950			1951	1950			1951	1950				1951
	II	III	IV	I	II	III	IV	I	I	II	III	IV	I
North Borneo	133	151	207	184	121	175	250	252	+ 2	+ 2	+ 1	+ 6	+ 7
Burma	76	127	181	119	271	222	169	261	— 5	+ 9	+ 24	— 13	+ 29
Ceylon	140	131	123	147	116	141	169	180	+ 20	+ 5	+ 36	+ 71	+ 61
Hong Kong	96	105	141	156	113	156	184	228	— 58	- 17	+ 53	+ 6	+ 72
India	135	143	124	160	67	86	112	139	+162	- -120	- 58	+143	+154
Indochina	97	153	134	132	87	135	145	207	—182	- -188	—298	—233	—158
Indonesia	133	164	242	175	155	231	252	218	+ 44	+ 87	+156	+120	+131
Malaya	115	153	191	241	114	202	285	308	+ 17	+ 17	+119	+212	+165
Pakistan	111	158	176	196	117	133	136	331	+ 20	+ 27	+ 9	— 1	+162
Philippines	73	83	69	75	99	125	146	179	— 26	— 7	— 2	+ 18	+ 30
Thailand	98	104	114	121	96	111	117	148	+ 50	+ 44	+ 70	+ 68	+135
Japan	103	88	116	214	125	146	200	199	— 32	— 22	- -	+ 3	— 75

Changes in Import Control and Protective Tariffs

Continuing the trend noted during the second half of 1950. quantitative import restrictions in several sterling area countries were further relaxed. In *Burma* the practice of issuing import licences liberally for most kinds of mineral oil was continued by putting them under the O.G.L. with retroactive effect from 1 July 1949. Applications were invited for the import of non-fabricated items of iron and steel from India, at first for the first quarter and later for the second quarter of 1951, as well as for the import of musical instruments, accessories and parts thereof from any country excepting American Account countries and Canada (including Newfoundland). However. as substantial amounts of O.G.L. goods, especially textiles had already been imported and stocks were abnormally high, the value of imports into Burma was lower than in the preceding quarter.

In *Ceylon* the existing O.G.L. was expanded to cover 43 more items, including mechanically propelled road vehicles, gas oil, diesel oil and mineral oils, asphalt, fertilizers. agricultural machinery and other kinds of machinery. Applications were invited for the import from the United States and other American Account areas before 30 June 1951 of 25 items, including iron and steel, electrical goods, cotton piecegoods, motorcar parts, paper and other essential goods. A number of notices were also issued calling for applications for permits to import from Japan cement, newsprint, paper, food and drink items, tyres and tubes and textiles. Applications for imports from other countries beside Japan and other currency areas were also called for, e.g. items such as butter, cheese and animal *ghee* from Australia. jute twine and jute hessians from India, lace and net from Switzerland.

In *India* the Government accepted many suggestions made by the Import Control Enquiry Committee, such as the issue of licences to cover currency areas rather than specific countries, maintenance of continuity of policy and centralization of all licensing work in one Ministry. In the import policy announced for January/June 1951 the Government classified countries into five currency areas. namely (a) the dollar area, (b) the hard currency area consisting of Japan, (c) the soft currency area consisting of all other countries except Pakistan and South Africa, (d) Pakistan and (e) South Africa. The Government also accepted the priorities laid down by the Committee for (1) a. raw materials of essential industries. b. spare parts and accessories, and c. consumer goods; (2) other raw materials and capital goods; (3) other essential goods; and (4) non-essential goods.

The Government announced a liberal import policy for 1951. In keeping with one of the suggestions of the Committee that the existing O.G.L. should be continued indefinitely. the Government decided that O.G.L. No. XX should be continued for a further period of six months beyond 31 December 1950. The liberal import policy also included doubling of the value of licences on some goods for the January/June 1951 period and extending the period of their validity up to 31 December. For these commodities. however, it was

disclosed that no more licences would be issued for July — December 1951. The existing O.G.L. No. XXI was enlarged to include certain essential raw materials. Certain articles for which no quotas had been available were licensed on a quota basis from soft currency countries. At the same time diesel engine parts and rubber-covered conveyer belting were removed from O.G.L. No. XXI, but it was made permissible to import from any source certain items on the O.G.L. which it had previously been permissible to import only from soft currency areas.

The Government, in following this new liberal import policy, allocated Rs. 163 million of foreign exchange for import of motor vehicles during January/June 1951, compared with Rs. 157 million during the previous half year. The Government also agreed to allow the import without licence of certain scientific materials and scientific films ordered with UNESCO coupons.

Arising out of the trade agreement with Pakistan, India announced in March that licences for import of Pakistan cotton would be issued freely and a new O.G.L. for specified imports from Pakistan was issued in conformity with the trade agreement.

In *Pakistan*, O.G.L. No. XI was issued on 4 January 1951 giving a new list of commodities, including tools and workshop equipment, chemicals, machinery from American Account countries, gas in cylinders, chemicals, machinery and millwork, cotton twist and yarn from Japan. Permission was given to import freely from all countries except the American Account Area, Japan, and India over 100 commodities, including iron and steel, metals, machinery, chemicals, dyes, electrical equipment, etc. Exchange control was also relaxed and the State Bank decided to waive further marginal deposit requirements for booking forward exchange for imports. It also reduced exchange deposits from 50 to 25 per cent in the case of goods under O.G.L.

In *Thailand* the new controls were mainly concerned with trade with Japan. The Bank of Thailand issued new regulations for the import of goods outside of the trade agreement and the provisions of the open account. Imports of such merchandise must be paid for in U.S. dollars to the Bank of Thailand. Rules for the operation of open account trade were also announced for imports, which could be made at a special exchange rate of 20 baht to one U.S. dollar, including such items as textiles (except coloured cloth, printed cloth, and silk and rayon fabrics), hardware and construction materials, sewing machines, bicycles, glassware, aluminium ware, machinery, motor vehicles, chemicals, dyes, rubber goods, paper and paper products etc.

In order to put its trade into more direct and free contact with other countries, *Japan*, in its foreign exchange budget for the first quarter of 1951, increased the number of items under the automatic approval system by twelve, including soybeans, chrome ore, pine oil and benzol, and cut down the budget for barter trade. The budget provided for imports of U.S.$525 million, of which $315 million was for imports from the dollar area, $105 million from the sterling area, and $105 million from countries with trade agreements or open accounts. In implementing the budget import licences were issued during January/February for the import of classified items. At the end of the quarter the foreign exchange budget was revised and increased to $687 million. Imports from the dollar area comprised more than 50 per cent of the total budget, while imports through the automatic approval system were slightly less than 50 per cent.

Although import control in some countries in the region was somewhat relaxed, its removal still appears far away. It appears likely in fact, to be an integral part of national economic policy for many years to come. In this connection governments took the opportunity to promote the participation in trade by their own nationals. Thus in *Indonesia* the trade policy still continued to be one of giving aid to Indonesian importers. The Government strictly reserved for new Indonesian importers certain commodities which were easy to sell at an assured profit, including cheap textiles, pharmaceuticals and certain foods.

In *Burma* trade circles suggested to the Government that it should issue at least Rs. 100,000 worth of import licences to each Burmese importer. At present 60 per cent of import licences are reserved for Burmese nationals and 40 per cent for foreign importers.

Protective tariffs were given serious consideration in India and Pakistan. However, it is not clear how far some countries in the region will shift the emphasis from quantitative import control to the effective use of import duties.

In *India* the Tariff (Amendment) Bill passed by the House in March is designed to amend the Indian Tariff Act of 1934, so that the Government may in emergency cases impose protective duties by notification on the recommendation of the Tariff Board which, however, must be followed by formal legislation. It continued for a further period of three years the concessions granted under the General Agreement on Trade and

Tariffs. It increased the protective duty on grinding wheels by 100 per cent *ad valorem* and also gave protection to the lead pencil industry for a period of two years by converting the existing revenue duty into a protective one. It also gave protection to the button and oil lamp industries by converting existing revenue duties into protective ones. It, however, reduced the import duty on raw silk from Japan from 30 per cent *ad valorem* plus Rs.12 per pound to 30 per cent *ad valorem* plus Rs.6/8 per pound, owing to the increased landed cost of Japanese raw silk.

In *Pakistan* a new list of import tariffs was announced for the year 1951. The import duty on Indian cigarettes was to be charged 1¼ per cent of the rebate admissible in respect of the Indian duty plus 27½ per cent of the wholesale market price. Reductions of 5 to 20 per cent in import duties for the year 1951/52 were made for such items as coal and coke, pitch and tar, mineral oil, nickel, drugs, unwrought aluminium ingots, pig iron, and iron alloys, and in other cases the duties were completely abolished. The Tariff Commission made preliminary enquiries into the woollen industry and the glassware industry, and it was reported that enquiries would be held into other industries, such as iron and steel, soap, paint, machine tools, diesel oil engines, etc.

High Prices and Control over Export of Raw Materials

The large world demand for and the shortage of raw materials have resulted in rising prices. Exports of strategic raw materials in many countries were put under control or even completely banned, especially to China and Hong Kong. The rise in the prices of selected raw materials exported from the region was very great in the quarter under review, as can be seen from Table 3. As compared with a year ago, the price of rubber trebled and that of tin and hides more than doubled. The price of cotton rose by about 80 per cent, and that of copra, coconut oil and jute by 30 to 40 per cent. The rate of rise was especially high during the quarter as compared with the last quarter of 1950. The quantity of these commodities exported, with the exception of cotton, although higher than a year before, was more than 10 per cent less than in the last quarter of 1950, thereby indicating the seriousness of the shortage of raw materials.

This shortage of raw materials caused great concern in the consuming countries, especially the United States and the United Kingdom. Measures were adopted to bring down prices and lessen the impact of the shortage. The United States Government decided to take over exclusively the importation and distribution of natural rubber so as to be able to buy rubber at a lower price. The price of natural rubber has increased greatly since January 1950. It was costing the United States 67d. per pound, although the production cost of synthetic rubber was only about 14d. per pound. The President of the United States therefore approved a plan early in the year to put synthetic rubber production on a capacity basis. Output at capacity was estimated at about 848,000 tons per year. It was also reported that steps were being taken for the production of natural

TABLE 3. WHOLESALE PRICE INDICES[a] OF SELECTED COMMODITIES

(First quarter 1950 = 100)

	1950			1951
	II	III	IV	I
Copra (Manila)	98	104	105	135
Coconut oil (Manila)	96	100	107	131
Cotton (Karachi)	104	137	141[b]	184
Jute (Narayanganj)	106	99	93	139
Hides (Calcutta)	84	101	108	212
Ruber (Singapore)	145	241	338	406
Tin metal (Singapore)	103	131	171	225

a. Based on national price quotations.

b December only

rubber in the United States. As regards tin, the United States decided to stop stockpiling until prices declined to what it considered to be a reasonable level. Meanwhile, the National Production Authority put all domestic users of tin under allocation control from 1 May, 1951, and drastic restrictions were put on the civilian use of tin, in order to ensure sufficient supplies for military and essential civilian needs. Tin consumption in the United States was about 14,000 tons per month. Mainly as a result of the action taken by the United States, the prices of rubber and tin fell slightly toward the end of the quarter.

Prices of copra and coconut oil also fell slightly in the first half of March, partly owing to the slackening of demand from the United States and Europe where buyers felt that the prices for coconut oil and copra had already reached dangerously high levels. It was also influenced slightly by the 'rollback' of prices of American cotton seed oil, soybean oil and corn oil.

International action was also sought to solve the problem of raw material shortage. A ten-nation conference representing major producing and consuming countries of rubber, namely the United Kingdom, the United States, France, Canada, Ceylon, Indonesia, Italy, Holland, Thailand and Viet-Nam, was held during February and March but had to adjourn without reaching any agreement. Apart from the question of prices the possibility of a multilateral trade pact on the pattern of the International Wheat Agreement was considered. This proposal was to be followed up at the next meeting of the conference to be held in Rome in April. The conference reached no agreement because of the wide divergence of views between producers and the consumers. The Americans insisted that a fair price for natural rubber should be in the neighbourhood of 3s. 6d. a pound, whereas the market price was around 5s. 7d. The producing countries were reported to be opposed to any arrangement aimed at keeping the price of rubber at an artificially low level. Ceylon was stated to have obtained the right of veto on any decisions taken at such international conferences.

The International Tin Conference met in Washington during March but failed to find a basis for an international allocation system or for the fixing of prices. The conference was attended by representatives from the United States, the United Kingdom, Holland, Belgium, Bolivia and Indonesia. The United States Government was stated to have submitted a plan for the international allocation of tin supplies so that defence purchases would not cause speculation and hoarding by producers and traders and in order that the supplies of such material should be made available mainly or only for "non-communist" nations. It was also reported that the United States at present had a tin stockpile sufficient for three years at the current rate of consumption. Producing countries are said to have pointed out that, comparatively speaking, the price of tin was not too high in relation to other stategic materials. While there had been only a five-fold increase in the price of tin, as compared with the prewar period, lead was eight times and zinc eleven times the prewar price. Such commodities as lead and zinc, however, were available in sufficient quantities for consumption in the United States.

The International Cotton Advisory Committee met during February in Pakistan. The Committee was established at a time when the world was burdened with surplus of cotton, while its 10th meeting occurred in a period of inadequate supplies. The purpose of the Committee had been to keep the world cotton situation under review and to enable its members to understand better each other's problems and policies, as well as to facilitate the collaboration of its members in the solution of mutual problems. The ICAC reviewed the developments of 1950/51 and the disparity between world supplies and requirements of cotton. World consumption had now reached 32 million bales per year as compared with last year's 29.3 million bales. Prices of cotton had also climbed to peaks never reached before in the twentieth century and also out of relation to the general price structure. The short supply position of cotton was aggravated by the decision of the United States to reduce its shipments to communist-controlled areas, thus causing pressure on supplies from other producing countries.

Closely connected with the high prices and shortage of raw materials was the embargo placed by the United States on exports of strategic materials to China and Hong Kong. The policy of the United Kingdom was stated to be that it would control the export of strategic goods and materials in order to safeguard its own requirements, and it was pointed out that there already existed a system of controls for this purpose both in the United Kingdom and in the Far Eastern colonies. It was also stated in London at the end of February that the United Kingdom would stop any further shipments of oil from Hong Kong to the mainland of China and that there had been no shipment of petroleum since November 1950 except one of 308 barrels to repay a loan made by the Peking authorities to a British salvage vessel. France banned the export of metalware and industrial raw materials to Hong Kong and the mainland of China.

In *Hong Kong* the Government issued in March a new list of raw materials the export of which was prohibited except under licence. These included aluminium, copra, brass, nickel and other metals, rubber, tyres and tubes, and photographic films. It was officially stated that the action was taken mainly in the interests of local industries which found it difficult to obtain sufficient quantities of raw materials.

In the *Philippines* the Government prohibited the export of any strategic raw materials to the mainland of China, north Korea, Hong Kong and Macao. It also decided to ban exchange remittances to the mainland of China.

During March certain changes in export policy took place in *Malaya*. Iron and steel products and non-ferrous metals were placed in the category of goods of which the export was prohibited, except to British Borneo. Iron and steel scrap, building materials, foodstuffs, motor cars and trucks were placed in the category of exports which would be considered on the merits of each case. Chemicals, canned foodstuffs and sewing machines were placed in the category of commodities for which export in reasonable quantities would be allowed, except to Hong Kong. Newsprint, coke, nitrogenous fertilizers, zinc plate, motor vehicles and tractors were placed in the category of goods to be exported in reasonable quantities to British Borneo.

In March the re-export to Hong Kong of goods of hard currency origin was prohibited by the Government of Singapore. It was stated that re-exports to Hong Kong had increased considerably in the previous two months, coincident with the American ban on exports to Hong Kong, and that the prohibition was necessary to conserve dollars for goods essential to the Colony and the Federation.

There was a sharp increase in the export of raw cotton from *Pakistan*. In spite of high prices and a four-fold increase in the export duty, it was reported that foreign buyers remained keen to secure every available bale of cotton. China, Hong Kong and Japan were reported to have jointly secured nearly 70 per cent of the current crop and it appeared likely that the total exportable surplus from Pakistan of 1,150,000 bales would be disposed of by the end of March, which would be six months before the new crop comes on to the market.

It was announced that the Central Peoples' Government of China had banned all further shipments of carpet wool from Tientsin and Shanghai to the United States, and the export of foodstuffs and livestock to Hong Kong.

The export policy in *India* continued to be one of conserving potential supplies for domestic use. A ban was placed on exports of copper, brass, groundnuts and groundnut oil. The export of cotton yarn and fine and superfine cloth was also suspended. A quota of 20 million yards of medium and coarse cloth was fixed for the first half of 1951 for hard currency countries, which was not increased even after the quota was exhausted. The quota for soft currency countries was fixed at 100 million yards.

On the other hand, Pakistan relaxed their export control of non-strategic commodities. *Pakistan* issued two Open General Licenses superseding O.G.L. No. II. The first one permitted the export of 10 items, including beer, castor seeds, chrome ore, cow hide and sheep skins, provided they were processed or manufactured in Pakistan. The second O.G.L. permitted the export of raw goat skins to the American Account Area.

In *Ceylon* the exchange regulations were relaxed so that a person outside the sterling area could, if he so desired, transfer his investment in a sterling area country to purchase, for example, tea, rubber and coconut shares in Ceylon. This relaxation, which does not apply to investment in any new undertaking within Ceylon, brought Ceylon into line with the laws existing in the United Kingdom and other dominions in respect of the transfer of investments.

Working of Trade Agreements

During the quarter 25 trade agreements were negotiated and/or finalized by countries of the region, of which 18 were with countries outside the region and seven with countries within the region. Most of these agreements were contracted as previous ones had expired, and only a few were between countries which had not signed trade agreements with each other in post-war years. They provided as usual for the issuance of licences, and trade plans were given as targets for achievement, with provisions for balanced trade.

Out of the 25 agreements negotiated and/or finalized, India accounted for 14, of which nine were with countries outside the region; Pakistan for five agreements, of which four were with countries outside the region; and Indonesia for four agreements, of which three were with countries outside the region. Most of the extra-regional agreements were with European countries.

Some of the trade agreements negotiated by India arose out of the conclusion of the European Payments Union, which made many European countries a soft currency area for India. Thus, the trade agreements negotiated between India and such countries as Hungary, Poland and Sweden were presumably the results of India's attempt to obtain certain advantages in exchange for India's treatment of these countries as a soft currency area.

One of the special features of trade agreements signed with countries outside the region was the provision made in Pakistan's trade agreement with Spain for the supply of about 24,000 tons of raw jute (in addition to the amounts already stated in the main body of the agreement) to be manufactured into jute products by Spain and payment for which would be made in raw jute. It was estimated that Pakistan's annual requirement of jute manufactures was about 50,000 tons.

The rice contract of Thailand with the United Kingdom for the export of rice to British colonies in Asia was renewed. In Thailand it was reported that the Government had raised its rice export target for the current year to 1.3 million tons which was 100,000 tons larger than last year's target. Of this quantity, 1.2 million tons had already been contracted for shipment, of which 415,000 tons are to go to British territories, 300,000 tons to India, 100,000 tons to the Philippines and 50,000 tons to Indonesia.

The United Kingdom bulk buying of tea was drawing to a close and the London tea market was scheduled to reopen in April after an interval of 11 years. It was expected that Ceylon would complete its deliveries under the current bulk contract by 30 April, after which date its tea would be sold at public auctions in Colombo and London. In anticipation of the opening of the London auctions, Ceylon's producers offered to send about 78 million pounds of tea from the 1951 output. This offer, however, was reported to be excessively weighted in respect of high-grade tea. It was feared that this might affect the local tea auctions, as if an insufficient amount of high-grade tea was available for the Colombo auctions, foreign buyers might not be interested in entering the local market. The Government's policy with reference to tea marketing was to retain about 170 million pounds for sale at the Colombo auctions while allowing 100 million pounds for the United Kingdom market and 30 million pounds for private forward contracts. In order to bring this about the Government ordered the scaling down of the quantity of high-grade tea offered for shipment to the London auctions.

Out of Pakistan's annual production of tea of about 45 million pounds it usually exported 33.3 million pounds, of which about 30.6 million pounds were for the United Kingdom. With the latter's suspension of bulk purchases of tea it became necessary for Pakistan to find new and large markets for its tea. Up to the middle of 1951, however, Pakistan would be able to sell about 14 million pounds out of the 1950 bulk buying tea contract. The Government therefore constituted the Pakistan Tea Board to promote the sale and consumption of Pakistan's tea. Pakistan had its own problems in the marketing of tea, mainly arising out of the slightly higher price of Pakistan's tea in the world market in relation to Indian and Ceylon tea, as a result of the non-devaluation of the Pakistan rupee.

Usually a large number of trade agreements with Japan are negotiated. In this quarter, however, only Thailand signed such an agreement, possibly because Japan was gradually shifting to normal, direct, and freer trade with other countries. To facilitate trade through direct normal channels Japan was preparing to set up agencies to look after Japanese commercial interests in Burma, Thailand, the United Kingdom, Belgium and the Netherlands. In the new foreign exchange budget for January-March 1951, barter trade was cut down and the number of items under the Automatic Approval System was increased.

The trade agreement signed between Thailand and Japan provides for the export of 300,000 tons of Thai rice. The Japanese Government during January invited tenders for the supply of 220,000 tons of rice under this agreement. It was also reported that this was the result of the lifting by SCAP of controls over shipment of Thai rice to Japan and that the rice trade with Japan would now be open to private traders. From the beginning of the year until 10 March 1951 Thai imports from Japan totalled $10 million, while its exports only aggregated $6.8 million. It was reported that Japanese textiles and other goods had increased in price while an unusual change in business conditions was that Japanese machinery became more costly than that from Europe.

The most noteworthy trade agreement signed between countries of the region was the Indo-Pakistan agreement. This was signed following the recognition of the value of the Pakistan rupee by India. After the exchange deadlock arising out of the non-devaluation of the Pakistan rupee, no proper trade had taken place between the two countries, although a makeshift trade agreement was signed on 21 April 1950 valid for a period of three months. It was hoped that the new agree-

ment would restore to a large extent the pre-devaluation volume of trade, as it provided for the inclusion of a list of commodities to be placed on open general licence by both countries. It was expected that both countries would benefit greatly from this new trade agreement. Not only would the jute and cotton textile mills of India benefit but Pakistan would obtain needed coal, cement, iron and steel products etc. One of the immediate effects of the arrangements was the rise in the price of raw cotton in Pakistan from Rs.160 per maund to Rs.200 per maund. It was understood that there might be initial difficulties in the implementation of the agreement partly because of the supply position of raw cotton and raw jute in Pakistan. It was, however, agreed that should Pakistan introduce destinational quotas for cotton, then India would be given a quota of 400,000 bales from the 1951 52 cotton crop. The difficulties of supply were realized and up to April 30 less than 100,000 bales had been loaded. In the prevailing circumstances, this was considered satisfactory. It was agreed that it would take some time for the machinery of exchange to get into operation again. However, it was reported that the Government of India had credited Pakistan's account with Rs.40 million for working the trade agreement and this account would be adjusted between the two countries. For coal, it was understood that payment would be made in Indian currency to the Reserve Bank of India in Calcutta.

It was reported that trade talks would soon be held between the Philippines and the United States Government for a new trade treaty to replace the Bell Trade Act of 1946 which, amongst other things, provided, as an interim measure, for the duty-free entry of United States goods into the Philippines and for a graduated scale of increase in import duties on such goods as sugar imported into the United States. It was also reported that a plan was under consideration by the Philippines for the conclusion of a barter agreement with Spain. It was pointed out that Philippine trade with Spain had not yet reached prewar levels, mainly owing to the fact that no trade agreements had yet been made between the two countries. Trade circles in Pakistan were pressing for an agreement between Pakistan and the Soviet Union, inasmuch as Pakistan's trade with that country during 1949 50 was much greater than the 1948 49 volume. During 1949 50 Pakistan's exports to the Soviet Union were valued at Rs.45 million and its imports at Rs.12 million, and the Soviet Union was Pakistan's biggest customer for cotton during the ten months following the non-devaluation of the Pakistan rupee. It was also pointed out that the Soviet Union was in a position to supply Pakistan with a large quantity of capital goods.

The New Trade System in Indochina

In Indochina a new foreign trade system was established. Up to 31 December 1950 a simple and centralized Foreign Trade Administration was directed from Saigon for regulating the foreign trade of the three States. With independence, Cambodia, Laos and Viet-Nam each desired to control its own trade. After a period of interim arrangements, on 15 February 1951 a new regime was established. This new regime provided for free trade between Cambodia, Laos and Viet-Nam and other countries of the French Union. A committee for the study of foreign trade, as a permanent working organ, was established to act as a liaison body for exchange of information amongst the Associated States and France, and to formulate recommendations and proposals designed to promote economic relations between the Associated States and France. The questions to be covered included national plans for imports, exports, preferential tariffs and trade agreements etc. It was agreed that products of common interest should be regulated by special import and export regulations. The temporary committee made a list of imports consisting of pharmaceutical products, jute yarn, fabrics and sacks, cotton yarn and fabrics, petroleum products, cycles, motor cycles, automobiles and accessories, and an export list consisting of rice and rice derivatives and rubber which were to be considered products of common interest. An Intergovernmental Conference will meet regularly to consider export and import plans and any other matters regarding trade. Detailed rules of procedure were also laid down for implementing the new regime.

PRICE MOVEMENTS

The Inflationary Tendency

The upward movement of prices since the middle of 1950 continued in the first quarter of 1951. It was especially striking in Indonesia and Malaya, the two major rubber and tin exporting countries. The cost of living indices of these two countries were respectively 70 and 32 per cent higher than a year before, and the rate of increase during the quarter was also higher as compared with previous quarters. Prices rose to such a high level in Indonesia that there were rumours of a further devaluation of the rupiah. There were also increases in the cost of living indices, though less pronounced, in Thailand, Viet-Nam, Hong Kong, Ceylon, India, Pakistan and Japan. In Pakistan, however, the index did not exceed the level of a year ago.

TABLE 4. INDICES OF PRICES

(1st Quarter 1950 = 100)

Countries	Period	Wholesale Price	Cost of Living	Unit value of Exports	Unit value of Imports
BURMA	1950 II Qr.	97	97	98	105
	III Qr.	108	104	99	95
	IV Qr.	115	93	123	48
	1951 I Qr.	106	91	125	51
CEYLON	1950 II Qr.		99	96	99
	III Qr.		102	107	99
	IV Qr.		102	128	104
	1951 I Qr.		105	140	110
HONG KONG	1950 II Qr.		94		
	III Qr.		95		
	IV Qr.		95		
	1951 I Qr.		103		
INDIA	1950 II Qr.	101	101	105	99
	III Qr.	105	105	104	98
	IV Qr.	106	103	105	106
	1951 I Qr.	109	106	114	121
INDONESIA[a]	1950 II Qr.		112	107	..
	III Qr.		106	149	..
	IV Qr.		113	191	..
	1951 I Qr.		170	244	..
MALAYA	1950 II Qr.		103	114	103
	III Qr.		111	155	116
	IV Qr.		118	219	143
	1951 I Qr.		132	253	150
PAKISTAN	1950 II Qr.		97		
	III Qr.		97		
	IV Qr.		97		
	1951 I Qr.		99		
PHILIPPINES	1950 II Qr.	94	97	106	89
	III Qr.	97	100	114	99
	IV Qr.	106	105	121	105
	1951 I Qr.	108	105	124	109
THAILAND	1950 II Qr.	104	104		
	III Qr.	107	99		
	IV Qr.	112	102		
	1951 I Qr.	110	112		
VIET-NAM	1950 II Qr.	99	101	92	86
	III Qr.	113	105	134	98
	IV Qr.	115	107	125	96
	1951 I Qr.	117	109	145	105
JAPAN	1950 II Qr.	101	95		
	III Qr.	111	98		
	IV Qr.	121	98		
	1951 I Qr.	139	109		

a. Figures under cost of living are index of food prices only

Higher import prices as a result of larger defence programmes and world-wide inflation also contributed to the rise in the general price level. Table 4 shows that import prices in Ceylon, India and Malaya were much higher than in the preceding quarter and respectively about 10, 20 and 50 per cent higher than a year ago. In Indonesia, heavy government expenditure, strikes and disturbances which decreased output, and the crop failure as a consequence of floods, also contributed to the price rise.

As in the previous two quarters, the rise in prices in most ECAFE countries was chiefly due to high export prices and a large export surplus, accompanied by monetary expansion. The magnitude of the export surplus of various countries is shown in Table 2. The expansion of currency and credit can be seen from Table 5. Currency circulation increased considerably in Malaya, Ceylon, India, Thailand, the Philippines and Japan. Available information also indicated an increase in deposit money in Ceylon, Indochina, Indonesia, Thailand and Japan, and an increase in bank clearings in Hong Kong, India and Thailand.

TABLE 5. INDICES OF CURRENCY, DEPOSIT MONEY AND BANK CLEARINGS

(1st Quarter 1950 = 100)

	Currency				Deposit money				Bank Clearings			
	1950			1951	1950			1951	1950			1951
	II	III	IV	I	II	III	IV	I	II	III	IV	I
Burma	100	94	89	106	105	116	106	103	114	123	118	135
Ceylon	103	113	111	143	103	115	129	149[a]	103	134	132	144
Hong Kong	100	100	101	101	..	..	..	..	108	161	179	184
India	103	98	99	107	99	99	101	102	96	96	99	124
Indochina [b]	..	..	..	..	96	101	112	121	..	..	..	..
Indonesia	102	114	132	..	64	80	99	121[a]	..	..	..	..
Malaya	102	114	115	169	..	..	..	..	..	..	..	..
Philippines	101	105	114	121	107	110	126	113	100	97	104	..
Thailand	101	105	120	*145*	101	106	119	*121*	101	123	134	156
Japan	99	103	120	127	102	106	112	129	114	125	134	167

a. January only.

b. Deposit money figures refer to total deposits.

In *Burma* the cost of living index for Rangoon during January and February was unchanged from the previous quarter but was many points below that of the first quarter of 1950. This was brought about in spite of a favourable balance of trade amounting to Rs.29 million, compared with a negative balance of Rs.13 million in the previous quarter and Rs. 5 million in the first quarter of 1950. The reasons for the comparative stability in the cost of living were that the export surplus was mainly accounted for by exports of rice which did not affect the food supply within the country and that supplies of textiles and other commodities were adequate as a result of the liberal import policy in the second half of 1950 and also in 1951, which had led to an expectation that prices would fall. The decline in the cost of living took place in spite of monetary expansion, as can be seen from the indices of currency in circulation and of bank clearings. The percentage of short term credit given by commercial banks to total deposits also rose to 71 per cent from 44 per cent in the previous quarter and 42 per cent in the first quarter of 1950.

In *Thailand*, although the Bangkok cost of living index increased by about 10 per cent as compared with the previous quarter, the wholesale price index fell slightly. The fall in wholesale prices was mainly due to the rice payment system of the Thai government. Largely as a result of the growing volume of rice exports and the Government's practice of paying for its rice purchases only out of funds received from resale to foreign countries, it was reported during the quarter that there was a cash shortage in the local market. About 150 million baht were said to be tied up by millers who were waiting payment from the Government Rice

Purchasing Bureau for 305.000 tons shipped in the first two months of the year.

In *Japan*, the rise in prices was due not only to the procurement programmes for supporting the Korean war but was also attributed to the rise in prices of raw materials which Japan had to import. The delay in the collection of taxes in the quarter was another factor which accounted for the large volume of purchasing power contributing to the high level of prices. The increase in money income and expenditure generated mainly from the increased investment in producers' goods affected the prices of consumers' goods. The price rise was not confined mainly to producer's goods as was the case following the outbreak of the Korean war but was more general and included consumer's goods as well. Some levelling-off of prices occurred at the end of the quarter, owing partly to the improvement in the world situation and the dumping on to the market of hoarded goods from the United States and elsewhere, as a result of the improved situation. It is to be noted that prices in Japan rose during the quarter. in spite of the abnormally large import surplus.

Export Duties for Checking Inflation

Since the rise in the price level was generated from high export prices and large export surpluses in most ECAFE countries. some of them either adopted flexible export duties or increased their rates. in order to stabilize prices by absorbing excess profits and purchasing power. This was done also partly to increase government revenue.

In *Malaya* a sliding-scale of export duty was introduced. The old 5 per cent *ad valorem* export duty on Malayan rubber was replaced by a new sliding-scale formula. with effect from 1 January 1951. The duty was fixed at 3 cents when Malayan rubber costs 60 cents a pound; 18 cents when it costs 120 cents, and 82 cents when it costs 200 cents. The price to be used for assessing the export duty is to be the one prevailing in the preceding quarter.

In *Ceylon*. higher export duties were levied, increasing the duty on rubber from 15 to 50 cents per pound. on tea from 53 to 60 cents per pound. on copra from Rs.75 to Rs.100 per candy, on coconut oil from Rs.244 to Rs. 325 per ton, on coconut poonac from Rs.100 to Rs.200 per ton, and on pepper from Rs.2 to Rs. 2.5 per pound. New export duties of 25 cents per pound on cocoa and Rs. 2 per pound on cardamon and citronella oil were also levied. Although these increases were mainly for revenue purposes. it is probable that they were also intended in part to check the rise in prices, although the present taxes were expected to absorb only about 30 per cent of the windfall profits being obtained. Boom prices continued in the export trade, however. partly because the taxes were not high enough, especially in the case of rubber, where trade circles had anticipated a rubber tax as high as from 75 cents to Re. 1 per pound, but mainly because of the increasing demand for Ceylon's export products.

In *Thailand* the duty on rubber was increased in February from 70 satangs per kilogramme to 1.05 baht per kilogramme. This tariff increase in Thailand was achieved by raising the basic price of rubber from 10 to 15 baht.

In *Pakistan*, the Government decided to change the method of levying export duties on hides and skins from the value given in the tariff schedule to market value. It was also expected that the export duty on cotton alone would bring in Rs.270 million more to the State.

In *India*. export duties were increased slightly. The duty on sacking was raised from Rs.150 per ton to Rs.350 per ton. Changes were also made in the export duties on handloom textiles. cotton waste and black pepper but these were soon reduced again to the former rates.

Price Control and other Measures for Price Stability

In case export duties should prove insufficient to check inflation. several countries in the region were studying ways and means of price control. In *Ceylon*, the government decided to make a survey of prevailing prices in order that controls might be introduced if necessary, that is to say, if it discovered that there was any large scale profiteering in the sale and distribution of articles of an essential or semi-essential nature. The items chosen for the survey included imported cement, wire nails, stationery. cycle tyres and tubes, and electric cables and fittings. In order to combat inflation the Government sent a Ministerial Mission to Burma which successfully negotiated a trade agreement for the supply of rice. It was hoped that an assured supply of rice would bring down the cost of food.

In *Malaya* the Government set up a committee in January to investigate the necessity for commodity and price control. The Committee made enquiries into prices of eight types of commodities. namely (1) local produce. (2) imported foodstuffs. drinks and tobacco. (3) textiles. (4) building materials, (5) machinery and ships' stores. (6) locally produced fuel, (7) medicines and drugs, and (8) other essential commodities. The Committee reported in February; amongst the various reasons given

for the high prices ruling in Singapore mention was made of the increase in import prices, the increase in export prices resulting in a shift of labour from food crops to non-food crops, such as rubber, the increasing demand for better quality and greater quantities of food, and the emergency situation and the resettlement of squatters which retarded the supply of fresh foodstuffs. The Committee recommended 14 points on which action might be taken, including stricter control of re-exports, establishment of government-controlled shops and mobile distribution, enforcement of price tagging on merchandise, a purchase tax on luxury articles, the proceeds of which should be used to subsidize foodstuffs and publication of price lists by Chambers of Commerce showing landed costs, wholesale prices and fair retail prices. One of the difficulties pointed out by the Government in introducting price controls was said to be the reluctance on the part of the Singapore public to co-operate fully. The Government also planned additional measures to combat inflation, including a M$10 million premium bond issue and a big savings drive campaign through post office savings bank and other means. It was hoped that these measures would absorb about M$50 million a year. Trade circles urged the Government to release more hard currency for importing milk and tinned fish from America, dried fish from Japan and vegetables from Sumatra.

In *India* the increase in prices was due, among other things, to the removal on 9 March of control over prices of jute manufactures and the grant of an interim increase of 35 per cent in the price of rubber, with effect from 7 March. The Government however continued fixing prices on certain goods and under the terms of the Supply and Prices of Goods Act, 1950, it fixed the maximum prices of soda ash and of cycle tyres and tubes. It also brought sulphur within the Act, with a view to ensuring equitable distribution among essential consumers.

In *Pakistan*, in spite of the stability of the cost of living index in Karachi, it was reported that the Government was planning rigid price controls, to be supplemented by a country-wide network of co-operative stores, in order to bring down the cost of living and thereby increase national savings to be utilized in financing development schemes.

TRADE AGREEMENTS NEGOTIATED AND/OR FINALIZED DURING THE FIRST QUARTER, 1951.

I. ECAFE COUNTRIES—EXTRA-REGIONAL COUNTRIES.

Contracting parties	Period valid	Value of trade and types of commodities	Type of agreement	Remarks
India-Austria	1 November 1950-31 October 1951	Total trade of Rs. 60 million. Austria's exports include woollen yarn, hand-knitting wool, woollen hosiery and knitted apparel.		Renewal of the old agreement for December 1950/January 1951.
India-Egypt	1 March 1951-29 February 1952	India's exports include 4,000 tons of tea, 2,000 tons of manufactured tobacco, 1,000 tons each of groundnut oil and groundnut seed, 100 tons of linseed oil, 1,000 tons of linseed, 500 tons of castor oil, 100 tons of shellac, 200 tons of coffee, 500 tons of grey cotton piecegoods, 100 tons of tanned hides, and iron and steel manufactures valued at £10,000, cutlery at £5,000, electrical goods at £5,000, rubber tyres and tubes except giant tyres at £20,000, woollen manufactures at £10,000, Indian drugs and medicines at £6,500 and pottery at £1,000. Egypt's exports include 300,000 bales of raw cotton, 550 tons of cotton yarn of counts 80's and above, 107,000 tons of gypsum suitable for manufacture of cement and 6,500 tons of flax suitable for linen making.		Signed in New Delhi on 17 March. This new agreement was concluded following the expiry of the old agreement in July 1951 and the make shift barter pact of 1951 for exchange of Egyptian rice against jute goods. Under the new agreement no provision however has been made for jute and rice which it is understood will be covered by a separate agreement. The present agreement also provides that each country shall accord the other most-favoured-nation treatment.
India-Finland	1951	Each country to export commodities which are in short supply in the other.	Issuance of licences.	Exchange of trade letters in New Delhi on 12 January 1951. India previously had an agreement with Finland which expired on 31 May 1950.
India-West Germany		India's exports consisting of jute manufactures and a small quantity of woollen carpets and handicraft products worth approximately Rs. 100,000. Germany agreed to remove import restrictions on India's exports of iron ore, manganese ore, mica, caustic magnesite, raw wool, coir yarn, bristles and hairs, hides and skins, leather and canvas, footwear, myrobalan, oilseeds and oils for technical purposes, stick lac and kiri lac, crude drugs, raw opium, tobacco and coffee. West Germany's exports to enjoy all facilities afforded to soft currency areas by India.	Easing of import controls on specified commodities.	

TRADE AGREEMENTS NEGOTIATED AND/OR FINALIZED DURING THE FIRST QUARTER, 1951 (*contd.*)

ECAFE COUNTRIES—EXTRA-REGIONAL COUNTRIES.

Contracting parties	Period valid	Value of trade and types of commodities	Type of agreement	Remarks
India-Hungary	1951	India's exports include cotton piecegoods (unprinted) cotton waste, raw hemp other than manila and sisal, coffee, tea, tobacco, spices, shellac, hides and skins (tanned and untanned), crepe sole rubber, medical herbs etc. Hungary's exports include diesel engines, tractors, machine tools, electric motors, transformers, switches, electric welding apparatus, telephone equipment, X-ray and electro medical apparatus, aniline dyes, acetic acid, pharmaceuticals etc	Issuance of import licences by each country for specified commodities which are in short supply in the other.	Exchange of trade letters in New Delhi on 20 January 1951. The previous trade agreement expired on 14 July 1950. India would treat imports from Hungary on same footing as imports from other soft currency countries. Hungary to treat India as a trade agreement for reasonable quantities of various commodities in which India is interested.
India-Iraq	Until 31 December 1951	India's exports include cotton piecegoods, jute manufactures, tea, coffee, timber and plywood, spices, paint and varnishes, coir and coir manufactures, electrical materials, sports goods etc. Iraq's exports include all food items viz. wheat, rice, millet, barley and dates.	Issuance of licences.	Originally finalized in India in February 1951 but signed on 29 May. Each country to accord most-favoured-nation treatment.
India-Poland		India's exports include iron ore, manganese ore, mica, tea, hides and skins (permissible types), tobacco, opium, groundnut oil and linseed oil and castor oil etc. Poland's exports include raw zinc, zinc dust and zinc sheets, optical instruments, microscopes, power driven agricultural machinery, textile machinery, machine tools, transformers, porcelain sanitary ware, brushes, tinned food, steel fibres, cardboard, and paste board etc.	Issuance of licences.	Signed on 5 January 1951. The old agreement expired on 30 June 1950. India to treat import from Poland on same footing as imports from soft currency countries and Poland to treat India as a trade agreement country for reasonable quantities of certain specified commodities.
India-Sweden	1 January-31 December 1951	India's exports to benefit from the recent liberalization of imports by Sweden in respect of countries which are members of the Organization for European Economic Co-operation. Sweden's exports to benefit from India's treatment of its imports from Sweden on the same footing as any other country within the soft currency group.	Issuance of licences.	Trade letters exchanged on 28 February 1951. The old agreement expired on 31 December 1950.
India-USSR		India exports raw jute in exchange for USSR exports of 50,000 tons of wheat.	Barter	Offer made by USSR in March 1951.
Indonesia-Norway		Indonesia's exports to include rubber, tin, tobacco, spices and copra, Norway's exports machinery, cod liver oil, cellulose, paper, cardboard and fish hooks. It will also provide technical assistance for the development of Indonesian industry.	Issuance of licences.	Concluded probably in January 1951.
Indonesia-Sweden	1 March 1951-29 February 1952	Total value of trade 190 million kronor ($38 million). Indonesia's exports include rubber, copra and other tropical products, Sweden's exports include paper and chemical products, matches, ball-bearings, chemical and radio equipment, accumulators and machinery for wood and iron works.	Issuance of licences.	Signed on 5 March 1951 in Djakarta.
Indonesia-Switzerland	1951	Total value of trade 60 million Swiss francs, being 30 million Swiss francs on each side.	Issuance of licences.	Agreed some time in December 1951/January 1952. To be signed after ratification. This agreement will not affect the payments agreement between Switzerland and the Netherlands.
Pakistan-France	1951	Pakistan's exports of jute and cotton in exchange for France's exports of capital goods.	Issuance of licences.	Negotiation stage in January 1951 as the old agreement expired on 30 November 1950. Pakistan had however extended import licences to be valid until 31 December 1950 and 31 January 1951.
Pakistan-Hungary	January-31 December 1951	Pakistan's exports consisting of jute 4,000 metric tons, cotton 2,000 tons, tea 30 tons, cotton seed cake 3,000 tons, cotton seed 3,000 tons, wool 300 tons, wheat 20,000 tons, rice 7,000 tons, persian lamb skins 50,000 pieces, hides and skins, fish meal and sheep casings valued at £315,000. Hungary's exports valued at £1.26 million and consisting of such goods as cotton piecegoods (£400,000), jute manufactures (£145,000), earthenware and sanitary ware £35,000, machine tools £50,000, agricultural machines etc. £330,000, motor vans etc. £50,000, chemicals £100,000, drugs and medicines £75,000, telephone and telecommunication equipment £75,000.	Issuance of licences	Concluded in January 1951. Trade to take place between private traders and prices, types etc. to be decided by them. All payments to be settled in sterling.

ECAFE COUNTRIES—EXTRA-REGIONAL COUNTRIES—(Contd.)

Contracting parties	Period valid	Value of trade and types of commodities	Type of agreement	Remarks
Pakistan-Iraq				Signed on 31 March 1951.
Pakistan-Spain	22 January 1951-22 January 1951	Pakistan's exports consisting of cotton (mainly long and medium staple) 30,000 tons, cotton seeds 2,000 tons, cattle hides 750 tons, raw jute 5,000 tons (which includes the 1950/51 quota already announced). Spain's exports valued at £3,168,000 consisting of textiles £1,618,000; machinery and other metallic manufactures £1,365,000, chemicals and dyeing substances £40,000 and others including arms and ammunitions £145,000. Other exports from Spain of specified commodities in such categories as textiles, machinery and metallic manufactures, food and beverages, glazed tiles, crockery, leather goods, essential oils, tyres and tubes, paints, jute manufactures were to be placed on the list of O.G.L. imports of Pakistan.	Issuance of licences	The first agreement of its kind between the two countries. Concluded in January 1951. The two countries agreed to give each other most favoured nation treatment subject to certain restrictions.
Thailand-Japan	January-December 1951	Total trade $110 million. Thailand's exports include rice about 300,000 tons valued at $40 million, teak $1.2 million, castor oil $1 million, and salt $1 million. Japan's exports include railway materials $5 million, textiles $26 million.	Issuance of licences	Agreement of 1950 renewed in December 1950 to cover 1951. The present agreement represents a 22 per cent increase over the previous one. As before trade will be conducted on an open account basis.

II. ECAFE—INTRA-REGIONAL TRADE AGREEMENTS.

Burma-Ceylon	7 July 1951-30 June 1952	Burma to export rice to Ceylon. Quantity not stated but reported that agreement would "ensure a steady import of Burma rice into Ceylon".		Concluded in March 1951 in Rangoon. This new agreement was undertaken as the old one signed in August 1950 was due to expire on 30 June 1951.
China-India	1 January-31 March 1951	China (mainland) export 50,000 tons of rice at Rs. 21 a maund c.i.f. Indian port in exchange for India's export of 37,000 bales of Indian jute at Rs. 2,000 per ton (2½ bales) including export and other duties.	Barter	Concluded in December 1950/January 1951. The price of rice from Burma or Thailand c.i.f. Indian port is slightly higher, being Rs. 22 or 23 a maund.
China (Taiwan)-Thailand		Taiwan's exports sugar. Thailand's exports rice.		Negotiation stage in March 1951.
India-Indochina	1951	Viet-Nam's exports 30,000 tons of rice.	Rice contract	Negotiation stage to settle the terms of sales.
India-Indonesia	1 November 1950-30 June 1951	Total trade of Rs. 92.4 million (or Rupiah 74 million). India's exports Rs. 46.2 million, consisting of cotton piecegoods, knitted goods, agricultural machinery; cement, shellac, tobacco and jute goods etc. Indonesia's exports Rs. 46 2 million consisting of palm oil, copra, coconut oil, spices, including betel nuts, tin, tapioca, maize, teak wood, raw hides and skins.	Issuance of licences	Signed on 20 January 1951 in Djakarta. Original negotiations took place in September 1950. This is the first trade agreement between the two countries and a three-fold increase in the volume of trade between the two countries is envisaged as the actual trade between the two countries in 1949/50 was only Rs. 34 million.
India-Pakistan	26 February 1951-30 June 1952	Total value estimated at Rs. 2,500 million. India's exports estimated at Rs. 1,000 million consisting of coal 2.1 million tons, cement 100,000 tons, jute manufactures 62,500 tons, cotton yarn 15,000 bales, mill made cotton cloth 75,000 bales, handloom cloth 15,000 bales, paper 6,000 tons, iron and steel products 43,000 tons, hard coke 10,000 tons, soft coke 25,000 tons, pig iron 26,400 tons, mustard oil 20 000 tons and rubber tyres and tubes Rs. 2.5 million worth and any quantity of stone and ballast etc. Pakistan's exports estimated at Rs. 1,500 million consisting of raw jute 3.5 million bales, foodgrains of rice, wheat, gram etc. 775,000 tons (valued at Rs. 350 million), cow hides 1.25 million pieces, sheep skins 300,000 pieces and any quantity of raw cotton etc.	Issuance of licences	Negotiated in February 1951 in Pakistan. For purposes of deliveries of the goods, the period has been divided into two parts —the period up to the end of June 1951 and the period from 1 July 1951 to 30 June 1952. India will receive from Pakistan not less favourable treatment than that accorded to other sterling or soft currency areas.
India-Thailand		India exports gunny bags 16 million pieces. Thailand exports rice.		Negotiation stage.
Philippines-Thailand		Thailand exports rice 100,000 tons.	Rice contract	Approved in January 1951 by Thailand.

PROBLEMS OF NATIONAL INCOME ESTIMATION IN ECAFE COUNTRIES

Active interest has recently been shown in several countries of the region in the compilation of national income and related estimates. In addition to a few private studies official estimates have been prepared for Burma, Ceylon, China, India, Malaya, Pakistan, the Philippines and Thailand. Malaya and Ceylon have largely plantation economies, producing for distant markets. The remaining countries have primarily agricultural economies. Since agriculture is carried on as the principal means of subsistence, these are known as subsistence economies in contrast with plantation and industrial economies which are primarily market economies. In this article consideration is first given to some of the special characteristics of such subsistence economies and the problems which they present in the compilation of national income estimates. This is followed by a review of difficulties arising from the lack of data which is a general feature of the "less developed" economies of the region.

NATIONAL INCOME AND SOCIAL ACCOUNTING

The preparation of national income estimates may be approached in three different ways, each of which leads to an examination of a different aspect of the same aggregate. One approach is through an estimation of the net national product, which involves the ascertainment of the net values of production in different industries derived from the gross values of production. This necessitates a classification of the value of products on the basis of their industrial origin, and deduction of all business expenses paid to other industries. Secondly, the aggregate sought may be the sum of paid and accrued shares of the national product going to each factor of production. This "income" method measures the national product distributed to the factors of production as the paid and accrued income of individuals, companies and institutions. Finally, the aggregate may be obtained as the total net national expenditure. This method shows how the same aggregate was disposed of by those who received it. Much of it is spent on consumer goods—food, clothing and so forth—and the rest is net investment, that is, additions or improvements to national assets. Ideally, estimates should be compiled by each of the three methods, viz. national product, national income and national expenditure. As far as possible, these three should be independent estimates, thus providing a mutual check on their reliability. In practice, however, the aggregate for the countries of the region are usually obtained by one of the three methods, or by a partial combination of product and income methods.[1] Even consumer expenditure estimates, available only for India, are largely product estimates.[2] Decisions as to what approach is adopted, or to what extent the aggregate is sub-classified are usually conditioned more by the availability of statistics than by the usefulness of the particular approach for the purposes of economic analysis or administration.

In recent years it has been observed that national income studies which originated in attempts to measure the national aggregates of product, income and expenditure, would have a much more general interest and usefulness if they provided information classified for the important sectors of the economy, such as government, private enterprises, households, etc. and made essential distinctions between types of transactions, such as current and capital transactions. More than the building up, no matter how, of an estimate of the national aggregate, it would be useful to obtain a logically integrated framework of the entire structure of the economic system, parallel to, but not a copy of, the profit and loss accounts and balance sheets of large business firms prepared by accountants. An attempt to evolve a framework of such "social accounts" is made in the Report of the Sub-Committee of the Statistical Committee of Experts which was appointed in 1945 by the then League of Nations to enquire into the statistical measurement of national income.[3] The Sub-committee was composed primarily of experts in a number of countries who were directing the official computation of national income and related estimates. For lack of adequate material no articulated system of social accounts as advocated in the above report has been prepared for any country of the region, with one exception. The exception is the national accounts for the Netherlands Indies for 1938 where the network of the transactions between the government. Indonesian producers, non-Indonesian producers, banks, Indonesian

1. Examples of estimates by part product and part income method are the national income estimate of India prepared by V. K. R. V. Rao. **The National Income of British India, 1931/32.** Macmillan, and the official estimate for 1948/49. **First Report of the National Income Committee.** Department of Economic Affairs. Ministry of Finance, Government of India, April 1951.
2. R. C. Desai, **"Consumer Expenditure in India, 1931/32 to 1940/41,"** Journal of the Royal Statistical Society, Part IV, 1948.
3. **Measurement of National Income and Construction of "Social Accounts."** Studies and Reports on Statistical Methods, No. 7. United Nations, Geneva.

consumers, non-Indonesian consumers and the rest of the world was calculated.[1] A preliminary attempt has also been made in India, where for lack of estimates, alphabetical symbols have been used to denote important aggregates such as current consumer expenditure, depreciation allowance, private savings and capital formation.[2]

DUALISTIC NATURE OF ASIAN ECONOMIES

The Asian economy is primarily a rural economy. Agriculture, the chief occupation, is pursued primarily as a means of subsistence. The cultivation of a piece of land is conceived, first, to serve the needs of the producer and his family. The crafts—blacksmithing, carpentry, pottery and so on—exist to cater to local needs. A large portion of the "economic" transactions in the village are barter transactions, governed by tradition. The productive units of the village are plots of soil and "households". The services of the peasant's wife and other members of the family are almost as important as his own. The surplus over the amount consumed in the village—usually a smaller portion of the produce, except where cash crops such as cotton, jute and oilseeds are cultivated to a significant extent—is sold for money to the town merchants through various systems of marketing.

Towns, on the other hand, are productive units and exchange centres, catering to a larger market outside their limits. The larger towns or cities in Asia display the characteristics of the western economies—factories, shopping centres, overcrowding,—while the smaller towns serve as intermediaries between larger cities and the rural areas. Their economy is a monetary economy. They depend for their supplies of food on the villages and in return supply manufactured products to the villages. The household is mostly a consumption unit, though some crafts and retail trading are pursued by the members. The towns and cities are also in contact with the outside world and serve as intermediaries for the wider sale of the surplus of the villages and procure for the villages imports consisting mainly of amenities for those who can afford them.

The national economies of Asia are thus more or less dualistic economies: village economies and town economies. It is not a differentiation merely between two sectors of an integrated economy, as would be the case if a similar distinction were made in the west. It is a distinction between two different economies, with limited points of contact between them. The need for making this distinction in national income estimates is imperative.

IMPUTATION OF VALUES: PRODUCTION APPROACH

The fact that rural economies are to a large extent non-monetary, makes any estimation in value terms an arbitrary one. Since the purchases and sales for money do not take place, money values are not available. Money values have, therefore, to be imputed.[3]

Ascertainment of money values imputed to that portion of the product which is not sold for money involves two operations: ascertaining the quantities so retained in the villages, and placing a value on them. In no country of Asia is accurate information available on the proportion of production not marketed. In India the marketing reports on various commodities, prepared by the Agricultural Marketing Adviser to the Government, give rather general information for such large units as the States. These estimates are often based merely on the average assessment of a number of private opinions collected. Not only does one fail to obtain an overall magnitude of such retention; but it is not feasible even to estimate the direction in which village retention would change with changes in economic conditions. A fall in prices may or may not reduce the supplies coming on to the market. A fall in output or prices, if it sufficiently impoverished the farmers, might "induce" them to part with more grains in order to obtain necessities like clothes. Alternatively, a rise in prices or output might make them content with their sales, and increase their own demand for food.

The above statements apply to that part of the village retention intended by producers for their own consumption. We cannot have a direct basis for the valuation of these quantities. The nearest concrete basis on which statistical data can be obtained is the net realised prices for the portion of the produce sold.

This method involves several assumptions. First, it seems that retention is a matter of choice and that if producers were not in a position to retain these crops they would have purchased them. It also assumes that such purchases would be effected at the ruling prices (n of selling costs) in the market. This implies that if all the produce was put on sale and each producer purchased his requirements on the market instead of the produce being retained, the same prices would have

1. National Accounts for the Netherlands Indies in 1938, Special Statistical Communications, August 1949, No. 4002, the Netherlands Central Bureau of Statistics. The classification differs from the recommendations by the United Nations.

2. First Report of the National Income Committee, Op. Cit.

3. For a fuller discussion of these problems see Desai, op. cit., pp 268-71.

been realized. On this assumption, imputed selling costs should be deducted from the market quotations, since these are assumed to have been saved by producers in the case of quantities retained by them.

This assumption is unwarranted especially for perishable commodities. For instance, it has been a common experience of national income statisticians that fluid milk fetches a higher price per unit of weight than an equivalent quantity sold as butter or cheese. The producer markets all the quantities he can in fluid form, the rest, being perishable, he converts into butter or cheese, or partly consumes himself. What values should one assign to his personal consumption: the values at which he sold the fluid milk, or the values which he would receive for its "by-products"? A similar situation arises in respect of eggs, fish, vegetables and fruits.

The operation of controlled prices may also give rise to a similar situation. In India whatever quantities of cane that sugar factories require are sold to them at a price controlled by the Government. Of the rest, the producers convert or sell for conversion to *gur* (raw unrefined sugar) a part, and consume the rest. The *gur* when sold on the market fetches a price much lower than if the cane were sold to factories. How is one to decide the value of the producers' own consumption of cane? Is it to be at the price at which the cane was sold to factories, or at the price realised for *gur* or somewhere between them or below both? Such situations call for personal judgments for whatever adjustments are made to the available statistics on the prices of actual sales. These adjustments are bound to be arbitrary and might involve a bias.

In addition to the quantities retained by producers themselves, the non-marketed proportion of the produce consists of payments in kind made to field labourers and village artisans, teachers, barbers and others for professional services. Here there can be two bases of valuation: the factor cost basis and the income basis. The factor cost basis would require these quantities to be valued at the supposed "cost" to the producers. This may, in accordance with what has been said above, be the net price at which the producer could have sold these quantities in the market, or valued at the supposed "income" of the recipient—the net price which the recipient would have to pay to buy these quantities on the market instead of receiving them as wages. The difference between the two is the distributive spread between the prices obtained by the producer and those charged in retail trade to the consumer. While conceptually significant, the difference between the two in a producing village might be small and perhaps neglected, although the problem of imputation still remains.

IMPUTATION OF VALUES: INCOME APPROACH

The problems described above arise in respect of the valuation of that portion of the national product of the villages which is not marketed. Valuation of national income also involves problems of imputation of values to incomes earned in the rural economy. We have noted above the difficulties encountered in estimating income when payments in kind are made. In addition to the provision of foodgrains, farm labourers may be provided with housing or meals. There are practical difficulties in the imputation of values to these payments, as no farm accounts are maintained and the peasant's production costs are not separated from the consumption expenditure of his family.

Another aspect of the problem is the valuation of domestic services. The villages consist of households, where the family members perform services which will have to be paid for in towns. The two types of services provided by the members of the family may be distinguished. The farmer's wife harvests, looks after the cattle and takes the output of fruits and vegetables to the village market. In addition she weaves, plaits, bakes pottery, gathers forest produce. All these services of a business type may be included by taking the "household" as the unit of accounting, and no serious problems arise. The problem arises only when income per occupied worker is to be established. What is generally not valued[1] is the domestic service of the housewife in cleaning and processing grains, laundry, sewing and darning of clothes—services which are performed free but for some of which corresponding households in the cities have to make payments. This kind of domestic service is also a problem encountered in the western economies but it is more significant in relation to the total national income in this region. Any line drawn between the 'economic' and 'non-economic' character of these services is bound to be arbitrary; the distinction and inclusion (after imputation of values) of the 'economic' services is necessary to secure a better comparison between rural and urban economies.

The compositeness and the diversity of occupations of the Asian household makes an industrial or occupational classification of national income difficult, when incomes are to be assessed for the households. Within a single household the members of the family may be

1. For instance, the United Nations Statistical Office disregards unpaid domestic services in their documents.

engaged in the raising of crops, animal husbandry including poultry farming, manufacture of dairy products, handloom weaving, rope making, the collection of manure and forest produce, and the marketing of vegetables, eggs, milk, etc. The census of India, in the information obtained on the occupational distribution of population, distinguished only the principal occupation and the principal subsidiary occupation of the head of the family and the number of his working dependents. The census of Ceylon enumerated only the principal occupation. This classification hardly does justice to the characteristic diversity of occupations of the Indian rural family. The census of the Philippines, on the other hand, lists all sources of family income.

Estimation of the aggregate national income by the factor share approach requires a classification of rewards for distinct types of economic functions—that is, a distinction ought to be made between rent, wages, interest and profits. The household economies of Asia, however, preclude such a classification. The peasant and his family members may work on their own farm: their wages are inseparable from profits. They may own their hut; they may lease out a part of their land in return for services during the harvesting period. Such a lack of differentiation in economic functioning makes it exceedingly difficult to obtain a factor share classification of national income. The same problem is encountered in western countries, in respect of unincorporated enterprises but it is more significant in ECAFE countries.

More than the difficulties of differentiating economic activities are those of placing a value on them. There is no concrete basis on which to proceed. Rural wages in areas where payments in kind are prevalent and employment is seasonal are not easily forthcoming. While arbitrary values might be imputed, a better estimation is provided by valuing the product. This is one of the reasons why most of the national income estimates in ECAFE countries and a large sector of the national income estimates of India are obtained on the product basis.

The diversity of occupations of the Asian households also presents difficulties of taking into account the various items of small earnings. The use of census data on occupations leaves out many minor streams flowing into the household incomes. This is one of the reasons why product estimates, where the product of each activity is separately estimated, come out higher than income estimates.[1]

1. This partly explains why Desai's estimate of consumer expenditure for 1931/32 based on the product method comes out higher than Rao's estimate of national income of India for the same year which was based partly on the income method.

INTRACTABILITY OF MATERIAL

The problems of imputation of values do not exhaust the problems of settling up accounts for rural economies. Nor are the problems entirely conceptual. The inadequacy of statistics concerning rural economies is indeed extreme. For these statistics, there are generally three sources: a few isolated village studies, official estimates of agricultural production and the information on occupational distribution covered in the periodic censuses.

The village surveys, if available, are usually very scattered over space and time. While intended to be illustrative, they can hardly provide a sample from which estimates can be framed. The village surveys in India, for example, are compiled on the inquiry method. Since single villages are examined, the interviewer is assumed to possess an intimate knowledge of the economy. The material for his study, however, is often intractable. The following account of the general situation in India is given by the National Income Committee and, in general, applies to all ECAFE countries.[2]

> In India, many producers have nothing but the remotest notion of either the quantity or the value of their output. In western countries, economic statistics are largely collected directly from the individuals and enterprises who are the active economic agents and have knowledge of the fact by virtue of their participation in economic activity. It becomes difficult to follow this practice in India because of the illiteracy of the population, the semi-subsistence character of their economic entity, and the general absence of the practice of keeping accounts either among producers or among consumers. Even if he could and did maintain accounts, the producer in India will find it hard put even to know the gross value of his output, let alone the net output; in the absence of accounts, we cannot even know, much less import information, on his income and expenditure. An element of guesswork, therefore, inevitably enters into the assessment of output, especially in the large sectors of the economy, which are dominated by the small producer on the household enterprise.

Production estimates of principal agricultural crops put out by many governments have generally provided the primary material for product estimates of the rural population. There are various limitations, however, which need to be taken into account. First, the statistics are not comprehensive. In India, for instance, no report on the acreage under cultivation is available for between one-fifth and one quarter of the area of the country. Secondly, while it is possible to obtain the production of the primary crops, no regular information is available on the products from the crops. Thus, it is possible to know the production of castor seed in India, but the production of castor oil is not estimated. Thirdly, the

2. First Report of the National Income Committee, pp. 12-13.

estimates of the primary crops which are available leave much to be desired. In general, they are derived on the formula:

Acreage under cultivation × normal yield × current yield as percentage of normal.

In India, the reliability of the acreage estimates depends on the reporting agency. In the areas under temporary settlement of revenue, the revenue agency is permanently located, and estimates are supposed to be fairly trustworthy. On the other hand, in permanently settled areas, where there is no regular revenue agency, the village policemen are responsible for the reporting of the acreage under different crops, and their estimates have proved to be unreliable. The normal yields are obtained by crop-cutting experiments over a period of years in fields which are selected as typical. A system of successive guesswork also comes into operation to estimate the current season as a proportion of the normal season. The preliminary guesses are made by the village agency; they are corrected by the circle and district agencies, and finally by the directors of the departments of agriculture in the States. They tend to be very much the product of subjective elements. In the Philippines, questionnaires are sent out to various agencies working in the rural areas. These are requested to state the percentage changes in cultivation compared with the previous year. The information is linked with the periodic economic censuses. Such estimation of agricultural production also tends to be very subjective.

Estimates of the product of other occupations in the rural areas are generally non-existent. Though occasional attempts have thrown light on some aspects, large parts of these rural economies continue unexplored.

The population censuses seek to provide information on the occupational distribution of the population. This source also suffers from several handicaps. First, the censuses are taken at periodic intervals, usually of ten years. Thus continuity of information necessary for annual estimates of national income is not available. Secondly, the censuses can enumerate only one or two occupations of the principal earner and his dependents, despite the diversity of occupations of the Asian household; usually they do not venture into detailed estimates of the income and expenditure patterns of households. Finally, the censuses may not estimate the extent of employment or unemployment. The employment of the estimated working population has to be guessed. In some cases for example in the censuses of India and Ceylon, there has been no attempt to distinguish between proprietors and wage earners, as all are listed under the same occupation. This distinction is made however, in the censuses of Thailand and the Philippines.

Even if the difficulties of ascertaining the quantities of agricultural and other rural products and the estimating of population actually employed in different occupations are overcome, appropriate data on prices and wages or earnings have still to be obtained before the aggregate product and the aggregate income of the rural economies can be estimated. The difficulties encountered in the estimation of wages paid in kind have been described above. Recently steps have been taken in India to overcome these difficulties, but the information obtained remains far from comprehensive. In the Philippines for lack of rural data, Manila prices are generally used to value the national product. This gives an erroneous estimate, and ought to be corrected.

BALANCE OF PAYMENTS OF THE VILLAGES

In addition to preparing the estimates separately for rural economies it is desirable to explore the points of contact between the rural and urban economies. This implies that the framework of national accounts should provide for a statement of the balance of payments of the villages.[1]

The receipts of the villages primarily consist of the value of sales of village products. This consists of the surplus above local consumption needs in respect of food crops and practically all commercial or cash crops such as cotton, jute, oilseeds, etc., livestock and handicraft products, including the cost of processing in the rural households and transportation to town handled by the villagers. In addition the villages receive remittances from their earnings made by village residents working in the urban areas. This is peculiar characteristic of the Asian economies. In Asia, unlike in the west, urban industry except in a few of the larger cities does not depend wholly for its labour supply on an urban proletariat that has left the country for ever and struck roots in the urban centres. The labour is still rooted in the country; when unemployed or after a few years of labour, many of the unskilled workers return to their villages. This applies even to a significant part of the middle class population of the towns. Many shopkeepers, teachers and government servants, on retirement, look forward to building a house for residence (if they have none) in the village for the remaining years of their life. The villages, therefore, receive capital transfers in addition to current earnings.

1. This would be useful in showing the flow of money income between the rural and urban areas especially during a period of industrialization.

The outgoings of the villages, on the other hand, are taxation (primarily land revenue of the local and/or central governments), rent payments to absentee landlords, purchases of products like clothing, refined sugar, kerosene, household utensils, gold etc. (either domestically produced or imported and in either case obtained through urban distributive channels), and expenditure on amenities when the villager visits the towns.

Adequate information, making it possible to compile such a balance of payments for the rural economy, is not available from any source. There have been a few attempts in village surveys to present this information. But the information obtained is not comprehensive, and the studies are too scattered over time and space to be useful for the compilation of an aggregate rural balance of payments.

COLLECTION OF DATA BY RANDOM SAMPLING

Because of the practical difficulties in taking a complete census of rural economies, India has recently made notable progress in the application of sampling methods to their investigation. The first application of these methods has been to the determination of agricultural yields. Criticism had long been voiced of the subjective methods by which estimates of agricultural output were framed. The Government of India, therefore, is at present engaged in evolving scientific estimates of agricultural yields.[1] Under the auspices of the Indian Statistical Institute and the Indian Council of Agricultural Research, crop acreage and yield are estimated by random sampling the procedure for obtaining unbiassed samples based on laws of chance. Rigid restrictions are imposed on the obtaining of samples, and on the cuttings to be taken from the selected plots, and strict accuracy in weighing is enforced. The crops so far covered are jute, rice and wheat. Some progress has also been made with respect to other crops. This is the first known experiment to evolve objective methods of obtaining estimates of crop production within defined limits of reliability over such large areas. It is expected that the successful implementation of these methods over the entire field of crop estimation will greatly assist in improving the accuracy of product estimates.

While there has been a general agreement that random sampling on cuttings gives better yield estimates than crop reporting by eye estimates there is some disagreement on the relative merits of complete enumeration versus sampling for the estimation of the area under cultivation. In Asian countries enumeration—annual or periodic—has to be made by local officials, covering small localities such as villages. The difficulties of obtaining reliable reports from such reporting were explored by the Sub-Commission on Statistical Sampling of the United Nations which concluded that "acreage returns obtained directly from farmers or collected by local officials or investigators appointed for the purpose should not be accepted without some system of independent checks operated by a separate agency such as the central statistical office of the country concerned."[2] This method has come to be known as complete enumeration controlled by sampling. The Sub-Commission proceeded as follows: "If detailed area figures for individual farmers are not required for administrative purposes, there appears to be little argument for instituting any form of complete enumeration. The Sub-Commission is of the opinion that the merits of complete enumeration are greatly exaggerated."

A second attempt to tackle the entire rural economy—this time a direct attempt to collect comprehensive data for national income work—is also planned in India. In January 1950 the Government of India proposed to undertake a nationwide multi-purpose sample survey which is to continue from year to year. The entire rural area of the Union of India (1.13 million square miles, excluding Kashmir and Jammu) will be covered in order to estimate the total production, income, expenditure and capital formation in the rural sector in terms of money values as well as of actual commodities and services to the extent possible. There are to be 1,800 sample villages selected from each population stratum with probability proportional to the area of the village (by locating points at random on maps) or with probability proportional to the population (when maps or area figures are not available). The 1,800 villages will be divided into two sub-groups of 1,200 and 600 villages. Each village will have 16 households selected at random with the restriction that eight are to be agricultural and eight non-agricultural in occupation. Two entirely different sets of forms will be used in the two sub-groups, thus providing interpenetrating samples for the comparison of results based on the two sub-groups.[3] Field operations had already started by the autumn of 1950.

The National Sample Survey does not directly aim at the compilation of a rural balance of payments; the

1. **Sample Surveys for the Estimation of Yield of Food Crops.** Indian Council of Agricultural Research, May 1950.

2. **Report to the Statistical Commission on the Third Session of the Sub-Commission on Statistical Sampling. E/CN.3/83, 24 October, 1949, page 12.**

3. **For details of the organization, coverage and purposes of the Indian national sample survey see The Indian National Sample Survey, a paper prepared by P. C. Mahalanobis for the fourth session of the Sub-Commission on Statistical Sampling (E/CN.3/Sub 1/L.7, dated 11 September 1950).**

information obtained might, however, make it possible to construct such statements.

The experience of India is a pointer to the great possibilities of utilizing scientific sampling for the purpose of national income estimation. This aspect was considered at its third session in September 1949, by the Sub-Commission on Sampling of the Statistical Commission of the United Nations. The Sub-Commission considered in detail the application of sampling methods for the measurement of national income and concluded:[1]

> Sampling methods may be particularly suitable in less developed countries to obtain information on the production and consumption of population groups living under conditions of a subsistence economy.
>
> Sampling methods may likewise be useful to obtain data for handicrafts and small scale industries usually omitted from or not adequately covered by censuses of production.

MEASUREMENT OF RURAL AND URBAN PRODUCT IN REAL TERMS

The need to evaluate separately the contribution of rural and urban economies to the national product requires attention to be given to the problems of securing their comparability. National product estimates as they are now compiled in value terms do not adequately fulfil this requirement, as the unit of money possesses different values in towns and villages. A bushel of wheat consumed by a farmer, for instance, is given a lower value than that consumed by a town labourer. Prices of foodgrains, housing and local handicraft products are often much lower in value than in towns, and so are incomes. Factory products, or imported goods obtained through the towns are, on the other hand, more expensive in the villages than in the towns. On the whole, estimates of national product or national income tend to represent lower money values for the rural than for the urban economy even for the same goods and services.

It is necessary to reconsider the desirability of adding up urban and rural money values to construct national income estimates without making any prior adjustments. The item of rent in a national income estimate for instance, is an unadjusted total of town rents and village rents—two entirely disparate units. This limits the usefulness of such estimates as an indicator of changes in living standards.

To obtain a comparable measure of the product or income in real terms an attempt should be made to construct a special prices index to compare and adjust the rural prices to the urban prices. National product should be calculated on the basis of such adjusted prices.

It might, however, be considered useful to retain factor costs as the basis of estimation. If this is done, the estimates should not be used to compare the incomes of the urban and rural economies directly. Instead, a special composite index of prices may be constructed and applied to the money value of incomes in the rural sector before the income estimates at factor cost are used to compare rural and urban real incomes. If such adjustment is not made, a comparison of per capita rural and urban incomes would be erroneous.[2]

NET GEOGRAPHICAL PRODUCT AND NET 'NATIONAL' PRODUCT

Having considered the problems arising from the desirability of preparing separate accounts for the rural and urban sectors, we may now turn attention to a few of the general problems of national income estimation. These problems are by no means confined to Asian economies, but deserve special consideration in view of the conditions prevailing in the region or in view of the paucity of statistical information.

There is first the need to distinguish between net geographical product and the product accruing to the nationals of the country concerned. Net geographical product is used to indicate the aggregate income originating in a country, irrespective of whether the providers of factors of production are residents or non-residents. Net 'national' product is the aggregate income ascribed to the residents of the country.

The definition of residents generally used for national income estimation corresponds to the one adopted by the International Monetary Fund for the construction of national balances of payments. The Fund defines 'residents' according to the principle of general 'centre of interest'. A citizen of a foreign country staying in the reporting country is considered as a resident of the latter if his centre of interest has been shifted there. Branches and subsidiaries of a foreign company are treated as residents of the country in which they operate, because they are considered an integral part of that country's economy. On the other hand,

1. Report to the Statistical Commission on the Third Session of the Sub-Commission on Statistical Sampling, page 8.

2. As made, for instance, by V. K. R. V. Rao for India op. cit:

agencies which act on account of principals abroad are considered non-residents.[1]

In general, such a definition of residents for ascertaining the national product is to be recommended. In adjusting net geographical product into net national product, we require incorporation of the statistics in the balance of payments accounts, to show transactions between residents and non-residents, and the use of identical definition is essential. In practice, however, many countries in the region do not strictly apply the Fund's definition in their estimation of the balance of payments. For example, Pakistan and the Philippines treat all persons residing within their territories, including members of foreign diplomatic missions, as residents.

In addition, some countries in Asia have a sizable proportion of their national product originating in industries owned and/or operated by non-nationals but residents as defined by the Fund. Such is the case with the branches or subsidiaries of firms with central offices in the foreign countries. In such cases it might be desirable to prepare separate estimates for such resident but non-national interests. The available national accounts for Indonesia make the distinction between Indonesian and non-Indonesian enterprises and consumers. The share of non-Indonesian enterprises, which may include other enterprises in addition to branches and subsidiaries, was upwards of 40 per cent of the national product in 1938.[2] Similar problems also occur in the estimation of the national product for Malaya, the Philippines and Thailand.

INDUSTRIAL CLASSIFICATION OF NATIONAL PRODUCT

A satisfactory classification of national product for the main industrial groups can be obtained if the estimates are framed on the basis of censuses of production. Few countries of the region take such a census.

First, it is not easy to apply to rural areas, with subsistence occupations, the requirements of a census of production. Sampling provides a better apparatus to measure the product of this sector. The census usually covers only the urban areas.

Secondly, a significant proportion of the economic activity even in the urban areas is undertaken by cottage and small scale industries. For this area of production, sampling rather than census taking would be a more suitable means.

In general the census effectively covers only large-scale organized industries, though an attempt has been made in the Philippines to deal with agriculture and handicrafts. The Indian census covers only manufacturing industries. In these industries only establishments which employ 20 or more workers are covered by the census. The lacunae in coverage can be seen from the fact that the second census for 1947 covers only 29 manufacturing industries out of a list of 63. Of the 7,000 establishments in these 29 industries, the census is confined to 5,643. To the lacunae in coverage are added the difficulties in obtaining returns. In the case of India, even though the statistics are obtained by compulsory legislation, 13.5 per cent of the firms failed to submit returns or sent incomplete reports.

This gives some idea of how small a sector of the population is covered by the censuses of production organized on western lines. The large area of production is dominated by small-scale enterprises, and estimates for this sector of production have to be framed by indirect methods—on the basis of raw material consumed, exports, or by assuming the number employed and their average daily, monthly or annual earnings.

While the censuses of production present data for an industrial classification, it is difficult to secure a proper classification for the rest of the sector. Where estimates are based on the occupational distribution of population, the difficulties are significant. A mechanic may belong either to a machine industry or to a textile industry. Recognizing this difficulty, the Population Commission of the United Nations has recommended that the economically active population be classified in the population censuses by industries, as well as by occupations.[3] This has been done in the 1948 Population Census of the Philippines.

In addition to the above, a major difficulty as pointed out earlier is the integration of household work with the different industries into which it could be classified.

TREATMENT OF INTEREST PAYMENTS

Conceptually it should be possible to distinguish between interest payments for three types of loans:

(a) Interest payments for loans incurred for productive purposes, such as digging wells, irrigation etc., should be included in the estimates of national income, while the assets created by these loans are rendering current economic service.

1. **Balance of Payments Manual**, International Monetary Fund, Washington 25, D.C., U.S.A., January 1950, pp. 1-2.

2. **National Accounts for the Netherlands Indies in 1938**, Op. cit.

3. See the reports of the third and fourth sessions documents E/805 and E/1313.

(b) Interest payments for loans incurred for consumption purposes ought to be excluded from national income and considered merely as transfer payments. These loans are assumed merely to give rise to financial claims on consumers.

(c) A peculiar characteristic of Asian economies is the interest payment on ancestral debt. If such debt is incurred for productive purposes and the assets created by the loans are rendering current services, the interest payments belong to category (a), and should be included in the national product. Alternatively, if the debt has left no productive counterpart in the form of productive assets, such debts partake of the character of wartime debts. Interest payments for these should likewise be treated as transfer payments. Broadly speaking, a commercial firm pays interest on assets, even after these assets have become worthless or disappeared, only if other sources are available to the borrower to continue interest payments. If such sources are not available the firm will go into liquidation and the interest payments will be discontinued. If therefore, no corresponding productive assets exist in the year of calculation, the interest is paid for the productive service of previous years, and it is less misleading to treat these interest payments as a transfer than to treat them like commercial interest payments. Interest payments on ancestral debt incurred for consumption expenditures should be treated as transfers in the same manner as interest payments on debts currently incurred for such purposes.

The fact that a significant part of the population in Asian economies carries large ancestral debts, and that the chronic poverty of the average resident in Asia makes him a constant borrower, lends particular emphasis to the above distinctions in the reckoning of interest payments in estimating the national product for the agricultural sector. In addition, when a farmer contracts a loan he often uses it partly for productive and partly for consumption use, or the purpose may change after he receives the loan. Even the co-operative credit societies cannot supervise its utilisation. As a matter of fact, a large part of his loans even for productive purposes, is obtained through moneylenders, for lack of an organized loan market. Consumption loans are invariably supplied by the moneylenders. These moneylenders often operate in the rural areas, and combine retail trading and other activities with moneylending. Often they charge exorbitant rates of interest, and where legislation against such rates is prevalent, the amount of calculated interest is already incorporated into the amount of loan for which the illiterate citizen puts on his thumb impression. No regular records are maintained; and very rarely does the moneylender register his income from moneylending for the purpose of income tax assessment. The total amount of debt, the use made of the debt, and the annual "burden" of interest payments remain, therefore, largely matters of conjecture. In such a setup any estimate of the breakdown of interest payments into transfers and economic payments becomes arbitrary in the extreme.

SAVINGS AND CAPITAL FORMATION

Most countries of the region are undertaking a certain degree of planned economic development. While the need for the estimation of money savings and capital formation has been felt, none of the countries has been able to prepare reasonably accurate estimates over a sufficiently long period of time.[1]

Savings in Asian economies are largely direct savings of individuals or families. Savings through insurance and private pension funds are made only by a very small sector of the population. Factory enterprises also cover a relatively small section; in India, for example, most of the enterprise savings are the same as individual or family savings, since small agricultural holdings and cottage industries characterise productive enterprises. The annual savings of the public authorities alone can be estimated with any degree of precision, but data on local governments are often not available in sufficient detail to enable such estimates to be made.

Aggregate savings have, therefore, to be obtained by estimating aggregate capital formation and net lending abroad. The identity of savings and capital formation plus net lending abroad supplies to the economy as a whole, not to separate sectors.

Capital formation in Asian enterprises is difficult to estimate directly. As records are not maintained for income tax or other purposes, private capital investments in land improvement, tube wells and irrigation cannot be directly estimated. Estimates can be made only for livestock growth and the gross value of agricultural implements turned out by iron and steel factories or imported from abroad. Buildings on farms, cattle sheds, etc. escape any registration. Similarly capital formation in cottage industries is not easily available. Attempts have recently been made in India to estimate capital formation in factory enterprises covered by the Census

1 For a study of the methods of measuring capital formation see **Statistics of Capital Formation and its Technical Appendix Definition and measurement of Capital Formation** (Document E/CN.3/129 dated 10 April 1951 presented to the sixth session of the United Nations Statistical Commission.)

of Manufacturing Industries and capital formation by Central and State Governments. Data on local governments are not so satisfactory.

Residential buildings constitute, however, one of the most significant items of capital formation in Asia, although very scanty information is available concerning them. Several municipalities have registration for building permits, for which adjustments are necessary for undercoverage, undervaluation, abandonments, non-reporting and delays in starting construction. In rural areas, not even building permits are required. Any attempt to measure building construction on the basis of costs also fails, as a large part of the costs are for materials locally produced in units too small to be registered by production censuses, and for labour. Even the occupational distribution obtained in the population censuses does not provide a reliable guide to ascertaining the wage earnings of masons, carpenters, etc. employed on building construction. In rural areas construction is undertaken or repairs done by farmers in their spare time. The construction industries undergo heavy cyclical fluctuations, and the numbers registered in the census may fail to give any indication of employment in the census year, much less for any other year. Finally, in many places building construction is seasonal in character, and the workers also find employment in other industries in the slack season.

There is also the difficulty of estimating changes in stocks. As in the case of retention for consumption, it is difficult to estimate the stockholding propensity of farmers in relation to changes in output or prices. The censuses of production might provide information, for their limited coverage, on the value of inventories held by factories in organized industries. The problems here are parallel to those in the western economies. But for the other sectors of production no estimation is possible, except for some commodities in foreign trade, like jute, cotton, tea, etc., where statistics of stock-holdings in ports and some of the production and distribution centres might be available.

Finally, there is the question of allocating depreciation of assets. Only vague information is available on the depreciation rates of farm implements, as there are no trustworthy estimates of their total value to which these rates could be applied. The estimates of other capital goods and buildings are also not available to provide a value criterion for the estimation of national capital formation. Even in the west, it has been found difficult to define capital consumption accurately and still more difficult to estimate it.

Failing any criterion of a depreciation rate applicable to national wealth, arbitrary percentage deductions have sometimes been made from gross national product to obtain net national product. The Philippines uses 10 per cent for such deduction, which appears to be rather high, as the ratio of capital to product is generally small in agricultural countries. Land itself is not assumed to deteriorate, and capital investments in land improvement have a long use life. The stock of capital goods in other industries is small. The estimate appears to err, therefore, on the side of overdeduction. In any case, depreciation does not (and should not be reckoned to) bear direct relation to the value of product, but to the stock of capital.

In view of all these difficulties, except for the pre-war estimates for Indonesia,[1] no estimates on savings and capital formation are available for Asian countries. The National Income Committee of India has refrained from making these estimates, and has used only symbols to denote savings and capital formation, in preparing the statements on national accounts.

ASSESSMENT OF RELIABILITY

The considerable element of conjecture present in any attempt at national income estimation in Asia necessitates a reliability assessment of the estimate. This would be facilitated if a detailed description of the methods of estimation and the sources of data were given.

Several attempts have recently been made to evolve methods of providing an indication of the accuracy of the estimates. One method is to place question marks or plus and minus signs after certain figures to indicate the rough nature of the estimation of a particular item and the probability of over or under-estimation of a related item due to over or under-estimation of a given item.[2] A more systematic method is to classify the various items under a few broad categories indicating the estimators' confidence in the reliability of the data.[3] If sampling methods were used over a large area of national income estimation, it should be possible to calculate sampling errors of the estimates. But most of the errors one comes across in national income esti-

1. National Accounts for the Netherlands Indies in 1938, op. cit.
2. This is the practice used for the national income estimate of Sweden. See National Income Statistics, 1938-1948. Statistical Office of the United Nations, pp. 150-159.
3. The Irish White Paper on National Income and Expenditure, 1938-1944 (Dublin 1946, p. 23) classified the estimates into four reliability categories, namely, firm figures, good estimates, rough estimates and conjectures. R. C. Desai in ('Consumer Expenditure in India", op. cit. changed the first two categories into good estimates and fair estimates for application to the estimation for India, on the assumption that there were hardly any firm figures for that country

mates are indefinite, and generally their evaluation is based on subjective assumptions indicative of the reliability of data rather than any precise knowledge of their error magnitude. Thus it is more appropriate to classify them qualitatively.

To convert the qualitative classification into quantitative measures requires the assignment of arbitrary percentage errors to each category.[1] After this is done and, if various correlations between the errors of each item are assumed, a further step may be taken by combining the errors of various items into a single figure, representing the error of the whole estimate. In one of the estimates for want of any possible precise correlation value, either perfect or zero correlation is assumed between the errors of each item. When two or more estimates were compiled from the same sources the correlation was assumed to be perfect. Alternatively, estimates from independent sources are treated as uncorrelated.[2]

While recognizing that any attempt to evaluate the accuracy of an estimate may easily be influenced by subjective judgment, attempts to develop means of indicating the reliability of the estimates are valuable. However, the more elaborate the method and the more precise it appears the more cautious should be the approach to the results. While restrictions may be placed on the choice at each step, the method remains subjective, and special care should be taken when such methods are applied to ECAFE countries, especially when a single error figure is to be derived for the whole estimate. To ascertain which one of the categories of classification the estimate of a particular item falls into must necessarily be a subjective process, and the assignment of quantitative values to each category can only be arbitrary. The assumption of either zero or unit correlation is an over-simplification. Even though the estimates of the individual items are not compiled from the same source, the figures of these items may be biassed and the chance of over and under-estimation may be different. This is true when an estimator is over-conservative and tends to under-estimate all items, and *vice versa*. The non-compensating nature of these errors generally results in an under-estimation of the error, especially for ECAFE countries. Moreover, in the estimation of the national income of ECAFE countries, some items are often entirely omitted because of the lack of data or the lack of knowledge on the part of the estimator.

Such an error arising from the omission of items, important though it is, is not included in the summary figures. All these factors limit the usefulness of a single summary figure for the evaluation of errors, and may even lead the readers to misinterpret the results unless qualifications are clearly stated.

For ECAFE countries, therefore, it is extremely important to publish a detailed description of the sources of data and methods of estimation, so that the users of these estimates may evaluate the nature of the estimate, the deviation from the usual definitions, and the accuracy of the estimate. In this connection, the publication of the national income estimate for China by the Academia Sinica[3] and that for India by the National Income Committee[4] furnish good examples.

INTERNATIONAL COMPARISON

The question has often been raised as to whether the relative poverty of the different countries of the ECAFE region can be gauged by a comparison of the estimates of their per capita incomes. Attempts have been made to do this by converting the per capita figures in national currencies to one national currency commonly recognized to be relatively more stable in value, such as the United States dollar.

A recent publication of the Statistical Office of the United Nations[5] is the product of an attempt to ascertain the per capita incomes of seventy countries in terms of the United States dollar of 1949 purchasing power. Of these seventy countries nine belong to the ECAFE region. The order of magnitude of per capita incomes so calculated is as below:

	Per capita national income per annum in U.S. dollars of 1949 purchasing power
Ceylon	67
India	57
Pakistan	51
Philippines	44
Burma	36
Thailand	36
Korea, south	35
China	27
Indonesia	25

1. For example, reliability categories are replaced by a classification based on probable percentage errors in "Consumers' Expenditures in the Netherlands", Statistical and Econometric Studies. Vol. 4. No. 3, Central Bureau of Statistics, The Hague, September 1949, pp. 99-143.

2. R. C. Desai, op. cit. However, some of the necessary qualifications and warnings described below have been referred to by the author to prevent any mistaken impression of accuracy.

3. National Income of China, 1933, Social Science Institute Academia Sinica, Series 25, published by Chung Hua Book Co., Shanghai, 1937 (in Chinese), vol. I, pp. 174, vol. II, pp. 296.

4. First Report of the National Income Committee

5. National and Per Capita Incomes of Seventy Countries, 1949. Statistical Papers, Series E. No. 1, 6 October 1950.

The problems of such compilation are of two categories. The first is the problem of ascertaining the appropriate exchange rates. The controlled exchange rates in the post-war period are unsatisfactory for such conversion as they do not necessarily correspond to the purchasing power parities. The use of "free" rates is also inappropriate as it applies only to a restricted volume of transactions, except perhaps in Thailand. There is, therefore, the need to compare price indices based on pre-war years when there was relative freedom of international trade. The pre-war exchange rates do not of necessity reflect an equilibrium situation. Even if this period is adopted, wholesale price indices cannot be used, since they do not refer to the whole national product but only to a member of commodities appearing in wholesale trade, thus leaving out services. Cost of living indices are considered more suitable; but in most cases they refer only to industrial working classes, cover a small number of commodities, and are not corrected for changes in the post-war pattern of consumption as compared to the pre-war. The Statistical Office of the United Nations converted the figures in national currencies to the United States dollar on three bases: the pre-devaluation rate, the post-devaluation rate, and the adjusted pre-war rate. The last was obtained by applying the ratio of changes in the cost of living since before the war in the country concerned and in the United States, to the pre-war exchange rate, which was then multiplied by the United States price index for 1949. Of the nine countries mentioned above, the conversions for Ceylon and India were made according to the post-devaluation rate, and those for Burma, China, Indonesia, the Philippines and Thailand on the basis of adjusted pre-war exchange rates. The per capita income of south Korea is estimated arbitrarily at $35, and of Pakistan at 10 per cent below the figure for India, as expressed in United States dollars.

The above description brings out the arbitrary nature of the assumptions on which such conversions are made. There are grounds for believing that the over-valuation of the national currencies of India and Ceylon was not fully corrected by the devaluation of their currencies in relation to the United States dollar in September.[1] On the adjusted pre-war exchange rate basis the per capita income would be about 18 per cent lower.[2] For Ceylon the computation is not available. But this illustrates the wide discrepancies arising from the use of alternative assumptions. Moreover, the cost of living indices, in the primarily non-industrial countries of Asia, are not representative, as the basis adopted varies from country to country, and is not comparable. Owing to these difficulties of conversion, the per capita rates are not sufficiently reliable to compare the economies of Asia one with the other.

The second and more important objection arises from the difficulties of using the existing estimates for comparison purposes. None of the estimates is compiled on the standard basis. The available data and the relative care with which the estimates are prepared vary from country to country. The heroic assumptions required to reach these estimates give them a low degree of reliability, and it would be a rash venture to compare two sets of figures, each possessing an uncertain error.

Besides the apparent homogeneity manifested in the relative poverty of all the countries of the region, there are natural, institutional and other diversities which must be taken into account in comparing national income estimates. Thus, for instance, even after allowing for the differences in conversion methods, the per capita income of India is higher than that of Thailand. One of the reasons is the relatively lower urbanisation of Thailand. In Thailand, the non-market sector of production and services is relatively greater than in India. Secondly, national income can be viewed as a sum total of cost. Even on the assumption of free trade and a realistic exchange rate a pound of rice will have a higher value in India because it costs more to grow or to import than in Thailand. And rice is the most significant in the cost of living items of ECAFE countries. The value total of national income in Thailand may, therefore, be lower statistically than in India, even if the two countries had the same pattern and level of output and consumption. This is to say that international comparison of per capita national income may not correctly reflect the difference even in the quantity of physical production. The problems of compiling comparative price indices for different countries are however, far more complex than those for the different sectors within national economics and are generally not attempted. Finally, the distribution of income might be taken into account. Thailand perhaps has a more equal distribution of income than India.

If such are the difficulties in the comparison of per capita national incomes between the relatively less

1. "Devaluation, Price Movements and Changes in External Trade in ECAFE Countries", Economic Bulletin for Asia and the Far East, Volume 1, No. 2.

2. National and Per Capita Incomes of Seventy Countries, 1949, op. cit.

developed countries of Asia,[1] those between the Asian countries and the United States, for instance, should be considered unacceptable. For in the first place, the composition of the national product of an under-developed country in which primitive farming and household or small-scale handicrafts predominate differs so strikingly from the nature of the output of a highly industrialized country that it becomes almost meaningless to attempt to make precise comparisons. As the differences become less extreme, comparisons become more valid; the most significant comparisons are generally those among very similar countries. In the second place, owing to the secondary importance of the market economy in many under-developed countries, there is always the danger that an important fraction of the output may be overlooked in compiling statistics of national income. There may, therefore, be a tendency for the figures for these countries to be on the low or conservative side.[2]

1. Although, as has been indicated above, comparisons of the absolute national income figures of different countries are subject to many limitations, it might be more legitimate and useful to compare the rates of change in the national income of different countries, especially among those countries which have reached a similar stage of economic development. Such comparisons may help to show the progress results of national economic development plans in these countries.

2. **National and Per Capita Incomes of Seventy Countries, 1949**, op. cit.

A NOTE ON COTTAGE INDUSTRIES IN THE ECAFE REGION

In formulating their plans for industrial development the countries of Asia and the Far East are paying increasing attention to cottage and small-scale industries. Such industries provide a much larger part of the industrial employment in the region than do large-scale enterprises. Exact figures are not available, but it has been estimated that in 1933 approximately 10 million handicraft workers were responsible for 78 per cent of total industrial output in China, while one million factory workers produced the balance. The census figures for India in 1931 show that there were 6,141,000 persons engaged in cottage industries, as against 1,482,000 in large-scale industries.[1] The most important of the cottage industries is the making of textiles, which is estimated to give full-time employment to some two-and-a-half million workers in India and correspondingly large numbers in other countries of the region. The volume of production in these industries, information on which is even scantier than on the amount of employment that they provide, must be relatively much less, but it is clear that they provide a much greater part of the locally-produced industrial goods than do factory industries in almost all countries of the region.

Cheap imports from the countries of the West and from Japan, as well as the growth of large-scale enterprise within these countries themselves, the most important examples being the cotton mills of India and China, have adversely affected the position of small-scale industries. But the latter are, as can be seen from what is said above, very far from being submerged under the competition of large-scale industry and undoubtedly will remain a very important factor in the industrial production of the region for a long time to come.

As the resources available for industrial expansion are not unlimited, governments which are able and desire to direct the application of such resources, are faced with a choice as to how much of them should be devoted to the development of large-scale units and how much should be used for the preservation and development of small-scale industry. The problem is highly complex and, in dealing with it, governments are likely to be influenced by other than purely economic considerations. They are likely to be concerned, among other things, with the volume of employment, the raising of the standard of living in rural, areas, and other considerations of a social rather than economic character.

At the present time most of the governments of the region are inadequately equipped to give the aid and guidance in this field which are now generally considered desirable. In April 1951 a Working Party on Cottage and Small-Scale Industries of the Economic Commission for Asia and the Far East met in Bangkok to explore the technical problems involved in extending government help to such industries. It was concerned with such matters as the nature of the governmental agencies required to deal with the problems involved, the definition and classification of cottage and small-scale industries, the collection of the data required for the formulation of adequate government policies, and the types of service which governments might provide in the fields of education, finance, marketing and research. The purpose of this note is to give an indication of the nature of these problems.

Most countries in the region have a department within the particular ministry concerned with industrial development whose function it is to deal with cottage and small-scale industries. Though such bureaux are a necessary part of the governmental machinery it has been found desirable in some countries to supplement them by other bodies. Examples of this are the All-India Cottage Industries Board established in 1948 and the Pakistan Central Advisory Committee on Cottage Industries established in 1950. A demand for a similar body has arisen in Ceylon and the Government is reported to have decided on the establishment of a Cottage Industries Corporation. In some cases, special bodies have been constituted for particular industries. The advantage in setting up such *ad hoc* bodies is that they may be able to establish more direct contacts with the industries with which they are concerned, obtain a better understanding of the difficulties which the industries encounter and the remedies for them, and perhaps have more influence on the making of policy.

The effectiveness of these various governmental bodies is limited by the lack of organization within the industries themselves. As a consequence they lack spokesmen who can make representations to governments on their behalf. Attempts have been made to encourage the establishment of associations of a co-operative nature but so far such organizations are few and cover only a fraction of the workers in small-scale industry.

1. Handicrafts and Small-Scale Industries in Asian Countries. International Labour Review, December 1950.

For administrative and statistical purposes it is necessary to define cottage and small-scale industries and this is not a simple task. The kind of definition adopted will naturally depend on the purpose for which it is required. If the purpose is primarily to protect workers in large-scale industry and at the same time to avoid the application to small-scale enterprises of inappropriate or unduly burdensome restrictions, the definition is usually by number of workers employed in a particular establishment and the amount of machinery used, or a combination of the two. Such definitions may be satisfactory up to a point from the administrative point of view to serve the more positive purpose of providing assistance to small-scale industries, but they need to be supplemented by classifications according to other criteria, such as the nature of the material used, e.g. textile fibres, metals, wood, leather; or according to the kind of demand they satisfy, e.g. food, clothing, housing and so forth. It may also be useful to classify small-scale industries according to whether they produce directly for the market or whether they produce articles for use by large-scale industries, which is a very common situation in Japan. The purposes for which such classifications may be required included the establishment of associations, the collection of information for the formulation of policies, and the giving of assistance by governments.

Some countries in the region are taking steps to gather more information about cottage and small-scale industries with a view to drawing up more concrete programmes for their development. But the amount of data at present available is entirely inadequate for planning purposes. The ECAFE Working Party referred to above made a number of practical suggestions for the taking of surveys so that the essential information may be collected.

What has been said so far refers only to the means of assessing the problems involved and to the organization which may be required to deal with them. The real task that governments face, however, if any widespread improvement in the productivity of cottage industries is to be brought about, is to effect technical and structural changes which must involve the expenditure of a fair amount of resources in money and technical skill over a long period. Governments can assist in three ways, viz. by providing facilities for training in new methods of production, by assisting small-scale industries to obtain the necessary finance for the purchase of new equipment, and by helping to assure an adequate supply of raw materials and better marketing facilities. It is also necessary that these industries, if they are to progress, should have access to cheap sources of power, as has been the case in Japan, and the plans for development of electricity production are of great importance in this connection.

Training facilities already exist in some countries of the region but they are relatively few and their influence has not been great. Among the more important training institutions in India are the Central Weaving Institute in Benares, the Central Textile Institute in Kanpur, the Central Wood Working Institute in Bareilly, the Central Coir Institute in Beypore, and the Leather Institute in Madras. In Burma there is a training centre known as Saunder's Weaving Institute, Ceylon has a Central Research Centre, and Indonesia has the Batik Experimental Station at Bandung. Such institutions are important but their influence has been reduced by the fact that trainees often do not return to their villages, and if they do they are often unable to apply their knowledge effectively because of the lack of funds with which to buy improved equipment. Thus, not only is there a need for a large expansion of training facilities but it is also desirable that there should be guidance after training to assure that the training received is properly used, as well as government assistance to assure that lack of equipment is not an obstacle.

It appears that much could be done in some directions by comparatively minor changes in existing equipment. In India, for example, the majority of the hand-looms are still equipped with throw shuttles, though fly shuttles, which could be substituted at small cost, would, it is estimated, add at least 30 per cent to operating efficiency and output could be doubled by the addition of a few other inexpensive improvements which could be manufactured locally. The failure to introduce such improvements is due in part to ignorance and in part to the fact that the individual workers often live so near the subsistence level that they cannot afford even the small expenditure involved in these minor changes.

In the field of technical improvements, as well as in other directions, co-operative institutions could be of great value. Co-operative societies have in fact achieved some success in the introduction of technical improvements in Burma, India and Pakistan. They can also promote a certain degree of specialization, with its advantages in economy of time and in improving the skill of the worker. In fact it is necessary, or at least highly desirable, that there should be an extension of specialization if full benefit is to be derived from improvements in equipment.

Better training and improved techniques, however, will not by themselves improve the position of the worker in small-scale industry or even necessarily increase substantially the total volume of production. In some cases difficulties may arise in providing adequate quantities of raw materials. A case in point is the shortage of cotton yarn which exists at the present time. But more important is the matter of finding outlets for the products of small-scale industry. Governments also have an important function to perform in this field. They cannot only help to assure a sufficient flow of materials to small-scale industry but they can do much to aid in finding markets, particularly for the characteristic products of small-scale industry. Examples of what can be done in this way are to be found in the exhibitions of handicrafts organized by the Governments of India and of Pakistan, as well as the steps which have been taken by various governments to control the quality of the goods offered for sale, such as laying down specifications for the raw materials used and for the finished products, and the inspection and stamping of goods before they are marketed. In this sphere also the further development of co-operatives could be of great assistance.

Sufficient has been said to show that an improvement in the position and an increase in productivity of the cottage and small-scale industries of the region will demand a considerable effort over a long period and that it will probably be necessary for governments to devote sizable funds for this purpose if any significant results are to be achieved. External aid may be expected to play an important role in the process. Already the United Nations, through its technical assistance programme and the efforts of some of its specialized agencies, has taken certain steps to assist governments in the region to improve the position of cottage and small-scale industries. Nor have such industries been neglected in the development programmes drawn up under the Colombo Plan. Aid to small-scale industries is also beginning to figure among the projects submitted by some of the governments of the region for consideration by the United States Economic Co-operation Administration.

ASIAN ECONOMIC STATISTICS

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Symbols Employed

The following symbols have been used throughout this appendix:

. . denotes not available; — denotes nil or negligible.

I, II, III and IV for quarters of years. Figures in italics are provisional.

Rs. = rupees (Burma, Ceylon, India and Pakistan).

HK$ = Hong Kong dollar.

R. = rupiah (Indonesia).

Y. = yen (Japan).

W. = won (Republic of Korea).

M$ = Malayan dollar (Malaya and British Borneo, embracing North Borneo, Brunei, Sarawak, Federation of Malaya and Singapore).

P. = peso (the Philippines).

Pr. = piastre (Indochina).

The term Malaya includes the Federation of Malaya and Singapore.

Unless otherwise stated, the standard unit of weight used throughout is the metric ton.

Sources

To ensure comparability, data compiled by the United Nations Statistical Office have been taken as basic material wherever possible; material supplied by governments, publications of governments, the United Nations Organization and its specialized agencies and International Commodity Study Groups have been used as additional sources.

I. PRODUCTION OF SELECTED COMMODITIES

(Monthly averages in thousand tons)

	1938	1947	1948	1949	1950	1950				1951			
						I	II	III	IV	I	Jan.	Feb.	Mar.
COAL													
India a	2,400	2,540	2,525	2,664	2,709	2,852	2,663	2,612	2,709	2,964	2,955	2,935	3,003
Indochina	195	21	30	31	42	36	36	35	59	48	58	24	62
Indonesia	121	19	45	55	67	64	68	69	65	75	75	72	78
Korea, south	19	39	67	89	..	95	95	..	..	..	..	..	..
Malaya	40	19	32	33	35	37	33	36	34	32	33	26	35
Pakistan b	—	13p	20	28	37	45	39	28	37	46	44	44	51
Japan	3,484*	2,270	2,822	3,172	3,205	2,957	3,235	3,165	3,464	3,247	3,304	2,601	3,835
ELECTRICITY (mil. kwh)													
Burma	—	1	2	2	..	2	2	3	..	..	.	..	..
Ceylon	3	5	5	6	7	6	6	7	7	..	..	..	..
Hong Kong	..	9	13	18	21	21	24	26	27	28	29	27	27
India a	211‡	345	381	410	425	403	422	426	450	462	474	437	474
Korea c	225	23	41	55	..	..	..	..	..	..	..	..	..
Pakistan	—	10p	11	14	14	10	14	15	15	..	..	..	..
Philippines d	12	..	30	35	38	37	37	39	40	39	41	37	40
Thailand	3r	3q	4	4	4	4	4	4	5	..	..	..	..
Japan	2,062*	2,450	2,644	3,001	3,236	3,055	3,260	3,073	3,554	3,462	3,540	3,114	3,731
PETROLEUM, CRUDE													
Brunei	59	144	224	280	..	295	327	369	..	..	.	..	..
Indonesia	616	93	361	494	535	477	553	582	526	600	627	575	599
Pakistan	—	3s	5	10	14	12	15	15	14	14	15	14	13
Sarawak	17	2	4	5	..	5	5	5	..	.	..	..	..
Japan	29*	15	14	17	25	22	24	26	27	27	26	25	29
IRON ORE													
Hong Kong	..	—	—	5	14	12	18	15	13	13	16	10	14
India a	232	212	193	238	..	..	..	..	..	..	..	..	..
Malaya	137	0.1	0.1	0.7	42	22	40	54	53	38	32	45	37
Philippines	77	..	18t	31	51	52	30	63	57	47	37	32	73
Japan	52*	41	46	63	69	56	69	79	69	56	47	51	70
PIG IRON & FERRO-ALLOYS													
India e	131	122	124	136	142	145	131	139	155	146	151	126	160
Japan	173*	31	70	134	192	152	200	197	217	221	217	201	245
STEEL INGOTS & CASTINGS													
India	82	106	106	115	122	120	112	124	130	124	133	113	126
Japan	435*	78	143	259	404	339	398	404	474	493	487	444	547
FINISHED STEEL													
India	59	76	72	79	85	82	80	88	90	89	90	87	91
Japan	379*	54	105	185	289	245	278	273	362	415	389	393	464
TIN IN CONCENTRATES (tons)													
Burma	419	152	97	151	*142*	132	153	*142*	*142*	*142*	*142*	*142*	*142*
China	906*	364	406	*356*	*305*	*305*	*305*	*305*	*305*	*305*	*305*	*305*	*305*
Indochina	135	—	3	*5*	*15*	*15*	*15*	*15*	*15*	*15*	*15*	*15*	*15*
Indonesia	2,517	1,349	2,592	2,452	2,718	2,541	2,782	2,757	2,762	2,526	2,372	2,236	2,968
Malaya	3,673	2,288	3,795	4,649	4,872	4,833	4,970	4,883	4,800	4,672	5,055	4,068	4,893
Thailand	1,255	119	359	662	878	754	822	967	967	*955*	*955*	*955*	*955*
Japan	..	9	10	*25*	*33*	*19*	*47*	*38*	*34*	*41*	*41*	*41*	*41*
TIN METAL (tons)													
Malaya	5,397	2,482	4,209	5,312	5,821	5,698	5,733	6,252	5,633	5,482	5,915	4,205	6,325
NATURAL RUBBER g													
British Borneo h	2.4	4.4	5.2	5.1	7.0	6.6	6.6	7.6	7.0	5.3	6.2	5.2	4.4
Burma h	0.6	0.7	0.8	0.7	0.8	1.0	1.0	0.3	0.9	1.6	1.5	2.3	1.0
Ceylon	4	8	8	8	10	7	10	10	13	9	10	8	8
India	1.3	1.4	1.3	1.3	1.3	0.8	1.3	1.1	2.0	0.8	1.3	0.3	0.9
Indochina	5.1	3.2	3.7	3.6	4.0	2.8	3.3	4.4	5 9	2.6	4.9	0.8	2.1
Indonesia	27.0	23.5	36.6	36.5	58.2	38.2	60.7	66.0	67.2	66.7	70.5	60.0	69.6
Malaya	30.4	54.7	59.1	56.9	58.8	54.8	54.4	63.1	66.6	55.6	57.1	49.9	59.7
Thailand h	3.5	4.4	8.1	8.0	9.5	8.1	9.9	11.0	9.0	10.1	9.6	10.2	10.4
CEMENT													
Hong Kong	..	2.9	4.4	4.9	5.7	7.6	4.7	4 2	6.2	6.5	5.1	7.4	7.1
India a	119	147	131	178	221	221	207	220	237	247	248	230	263
Indochina	22.2	3.4	8.1	12.8	12.0	9.8	11.5	10.2	16.5	15.0	17.8	11.3	15.8
Korea c	53	1	1	2	..	..	..	..	..	..	..	..	..
Philippines	13.9	11.2	10.0	17.1	22.1	19.8	24.8	21.5	22.3	*19.1*	*16.5*	*18.1*	*23.6*
Thailand	9.7r	4.9	6.9	10.6	13.8	11.7	13.3	14.6	15 5	18.9	17.1	17.7	21.8
Japan	465	103	154	273	372	275	337	372	502	457	412	445	513
COTTON YARN													
Hong Kong	..	..	..	0.9	..	1.6	..	..	..	..	..	..	..
India a	48.7	49.8	54.3	51.4	44.6	47.1	45.5	42.0	43.9	46.4	48.5	44.0	46.7
Korea, south	..	0.5	0.5	1.1	..	..	..	..	..	..	..	..	..
Japan i	54.5*	10.2	10.4	13.1	19.9	15.6	18.5	20.6	24.8	24.5	23.5	25.3	24.9
COTTON FABRICS (million metres)													
Ceylon (million sq. metres)	0.59	0.50	0.54	0.56	0.52	0.56	0.52	0.46	0.55	..	..	..	..
India a	328	285	337	290	280	282	299	263	275	297	310	282	299
Korea c	11.44	2.33	2.14	4.65	..	..	..	..	..	..	..	..	..
Philippines	..	0.53	0.65	0.36	0.73	0.61	0.75	0.81	0.76	..	0.78	0.80	..
Japan i (million sq. metres)	243.6*	46.1	64.4	68.6	107.4	93.2	106.0	107.6	123.0	128.7	124.5	129.6	132.1

I. PRODUCTION OF SELECTED COMMODITIES (*Contd.*)

(Monthly averages in thousand tons)

	1938	1947	1948	1949	1950	1950				1951			
						I	II	III	IV	I	Jan.	Feb.	Mar.
JUTE MANUFACTURES													
India j	107.2	89.0	92.0	78.1	70.8	72.8	63.8	74.4	72.2	68.3	79.6	72.5	52.8
COCONUT OIL													
Malaya	..	8.15	7.88	7.70	7.66	6.74	7.42	7.42	9.06	6.74	7.04	6.15	7.02
PALM OIL													
Malaya	4.32	3.31	3 83	4 28	4.50	4 22	4.60	4 41	4.78	3.86	4.13	3.57	3.88
SOAP													
India	..	6.77	10.16	6.01	6.16	5.45	5.89	6.85	6.44	6.58	6.74	6.38	6.60
Korea, south	..	..	..	0.42	..	..	..	.	..	..	..	..	..
Malaya	..	2.47	1.92	1.67	1.42	1.25	1.34	1.60	1.49	0.92	1.76	0.45	0.54
Japan	16.14	0.45	1.16	2.12	7.51	4.58	7.16	8.52	9.79	13.92	10.80	14.53	16.44
PAPER													
India (including paper products)	49.28	7.88	8.29	8.74	9.22	8.76	9.14	9.50	9.48	10 50	10.17	10.14	11.18
Japan	88.12*	23.62	35.33	52.15	73.41	65.39	70.76	71.91	82.59	89.26	80 50	91.80	95.50
OTHER CHEMICALS													
India													
Sulphuric acid a	2.05r	5.08	6.77	8.42	*8.55*	7.79	8.46	*9.03*	*8.92*	*7.13*	*7.16*	*7.11*	*7.11*
Superphosphates	..	4.23	1.81	3.96	4.44	2.79	3.91	4.68	6.37	3.94	4.34	3.33	4.14
Soda ash	..	1.15	2.47	1.52	3.71	3.88	3 87	3.96	3.13	4.17	4.39	3.82	4.31
Caustic soda	..	0.28	0.37	0.53	0.92	0.86	0.91	0.98	0.92	*1.04*	1.04	0.99	*1.09*
Liquid chlorine	..	0.14	0.15	0.22	0.34	0.34	0.26	0.38	0.37	*0.40*	0.42	0.39	*0.41*
Bleaching powder	..	0.22	0.24	0.21	0.28	0.32	0.27	0.30	0.23	*0.40*	0.44	0.35	*0.41*
Power alcohol (mil. litres)	..	0.86	1.43	1.60	1.70	2.12	1.59	1.40	1.70	2.47	2.70	2.41	2.30
Industrial alcohol (mil. litres)	..	1.82	1.11	1.13	1.86	1.78	1.77	1.74	2.14	2.37	1.68	2.50	2.93
Japan													
Sulphuric acid k	240.9*	123.3	162.1	215.2	270.7	242.9	275.0	270.8	294.3	300.5	290.6	283.3	327.7
Ammonium sulphate l	72.9*	60.1	78.8	102 7	130.8	112.7	145.8	128.0	136.9	133.2	129.3	119.5	150.9
Calcium cyanamide l	17.9*	14.6	17.1	29.1	38.1	29.6	44.8	36.9	40.9	38.2	38.7	35.0	40.8
Calcium superphosphate m	119.8*	59.1	79.5	96.7	117.3	123.5	119.5	100.2	126.1	128.7	129.2	128.0	129.0
Soda ash (finished)	19.4r*	3.2	6.3	10.3	13.8	11.7	11.8	13.2	18.4	17.3	14.8	16.3	20.9
Caustic soda	24.9r*	3.6	9.0	12.1	16.2	12.2	14.3	17.2	21.1	22.9	22.4	21.0	25.3
Liquid chlorine	0.8r*	0.3	0.5	6.9	1.4	1.1	1.4	1.5	1.8	1.8	1.8	1.6	2.0
Bleaching powder	5.6r*	1.1	2.3	3.5	4.2	3.9	3.8	3.8	5.2	5.7	5.7	5.3	6.0
Dyestuffs	1.59*	0.23	0.44	0.55	0 72	0.56	0.59	0.66	1.19	1.30	1.20	1.31	1.39
Methyl alcohol	0.36*	0.36	0.63	0.92	1.84	1 44	1.46	1.73	2.74	3.19	3.21	2.90	3.47
Ethyl alcohol (mil. litres)	0.51*	1.58	2.41	2.15	1.96	2.06	2.69	1.85	1.23	2.37	2.55	2.06	2.51
MACHINERY PRODUCTS													
India													
Diesel engines (Units)	..	57	85	173	383	294	356	389	494	607	606	635	581
Electric motors (1000 h.p.)	..	3.17	5.00	5.67	6.82	4.69	6.41	7.36	8.80	10.30	10.23	10.31	10.36
Machine tools (1000 Rs.)	..	382	456	394	222	187	197	134	368	426	163	376	740
Sewing machines (Thousands)	..	0.49	1.67	2.09	2.57	2.35	2.65	2.79	2.51	3.04	2.90	2.87	3.35
Bicycles n (Thousands)	..	4.07	5.40	7.33	8.67	8.55	7.59	7.76	10.77	6.76	6.03	7.18	7.06
Electric transformers (1000 kva)	..	2.67	6.83	9.06	14 33	13.19	14.82	15.29	14.00	15.51	11.52	15.90	19.11
Electric lamps (Thousands	..	635	771	1,137	1,192	1,249	1,207	1,182	1,131	1,150	1,334	1,273	843
Electric fans (Thousands)	.	13.33	15.00	*14.92*	*16.13*	16.99	18.68	15.83	*13.03*	*15.90*	*19.06*	*18.50*	*19.20*
Insulators, l. t. (Thousands)	..	119	209	187	107	215	75	73	63	128	123	149	112
Insulators, h. t. (Thousands)	..	6.18	7.49	11.40	14.49	14.51	10.56	15.76	17.12	12.15	14.75	9.01	12.68
Motor car batteries (Thousands)	..	5.84	9.17	8.92	*15.59*	15.42	16.23	17.22	*13.50*	*17.71*	16.56	17.04	*19.54*
Japan													
Railway locomotives (Units)	28*	14	4	10	10	6	8	15	11	—	—	—	1
Railway freight cars (Units)	406*	72	367	258	186	79	68	250	345	128	39	145	199
Industrial locomotives (Units)	37†	40	42	36	35	17	32	44	46	35	34	38	33
Industrial freight cars (Units)	592*	698	1,612	804	752	534	761	914	798	522	303	652	611
Motor vehicles (Units)	2,987†	1,850	3,917	5,538	6,265	5,311	5,347	6,484	7,917	8,506	7,780	8,265	9,472
Vessels (gross)	..	9.66	15.46	14.64	19.67	7.03	11.04	8.06	52.57	51.35	29.31	49 64	76.11
Diesel & other internal combustion engines (Units)	..	2,894	6,332	8,859	8,297	8,510	7,423	7,814	9,439	10,468	8,273	10,803	12,328
Ring spinning frames (Units)	..	..	..	153	182	122	131	181	296	437	362	449	500
Looms (Units)	..	990	3,070	3,390	2,044	1,405	1,638	2,684	2,450	3,077	2,548	3,057	3,625
Power transmission equipment	..	0.3	0.6	1.2	1.1	1.1	1.1	1.1	1.3	1.5	1.4	1.3	1.9
Pumps	..	1.2	1.2	1.2	0.9	0.8	0.8	0.8	1.0	1.0	0.9	1.1	1.1
Cranes, derricks, hoists & winches	..	1.2	1.4	1.7	2.1	1.8	2.3	1.8	2.5	2.8	2.5	2.8	3.0
Mining & excavating machinery	..	1.1	2.2	2.6	1.6	1.7	1.4	1.7	1.8	1.5	1.0	1.9	1.6
Iron & steel works & coke oven plant equipment	..	1.9	3.1	5.2	5.9	5.2	6.1	4.1	8.3	10.2	8 6	8.8	13.2
Chemical industry machinery & equipment	..	2.7	2.2	3.5	4.5	3.7	4.6	4.6	4 9	4.8	4.8	4.6	5.0
Pulp & paper industry machinery	..	0.1	0.3	0.4	0.4	0.3	0.3	0.5	0.7	0.8	0.7	1.0	0.8
Food products machinery	..	0.6	0.5	1.0	0.8	0 8	1.0	0.7	0.7	0.9	0.7	1.1	1.0

a Including Pakistan territory up to July 1947.
b Including lignite.
c Beginning 1946, South Korea only.
d Manila.
e Series includes direct castings, except for 1938.
g Including latex.
h Net exports.
i Including mixed yarn of fabrics predominantly of cotton.
j Beginning 1949, data refer to the output of member mills of Indian Jute Mills Association.
k Converted to 50° Be.
l Converted to 20 per cent N2 content.
m Converted to 16 per cent phosphorous pentoxide content.
n With the exception of 1950, data include, in addition to complete bicycles, spare parts and accessories expressed in terms of complete cycles.
p August-December.
q Beginning 1946, Bangkok only.
r Annual figures, twelve months beginning 1 April of the year stated.
s September-December.
t December only.
* 1936. † 1939. ‡ 1937. § 1940

II. VOLUME OF TRAFFIC: RAILWAY, SEA-BORNE SHIPPING AND CIVIL AVIATION

(Monthly averages)

	1938	1947	1948	1949	1950	1950				1951			
						I	II	III	IV	I	Jan.	Feb.	Mar.
RAILWAY TRAFFIC													
Passenger-kilometres (millions)													
Burma	62.3q	34.4	40.3	9.9	14.1	10.4	18.0	23.0	24.3	26.9	22.9	28.7	29.1
India a, p	2,385b	*4,179*	4,925	5,068	..	4,960	5,768	5,058	5,100	5,382	5,198	5,102	5,847
Indochina	73.7	6.2	8.3	6.6	6.2	5.3	6.3	6.6	6.7	.	..	7.5	9.0
Korea c	169*	234	236	680	..	..	..	..	..	..	..	..	..
Pakistan	..	389	511	685	734	682	799	721	733	..	..	..	..
Philippines d	39.6	18.9	23.9	31.0	29.8	28.9	35.8	25.7	30.5	..	31.9	..	..
Thailand	32.7p	86.7	108.9	113	120	130	122	106	121	..	136	.	..
Japan e, p	2,185*	7,343	6,595	5,585	5,755	4,984	5,931	5,452	5,912	5,727	6,066	5,129	5,986
Freight ton-kilometres (millions)													
Burma	90.8q	43.5	52.1	13.3	7.3	3.4	9.9	13 5	15.4	18.0	16.1	20.5	17.6
India a, p	2,968b	*2,656*	3,040	3,275	..	3,322	3,354	3,370	3,745	3,812	3,432	3,522	4,482
Indochina	27.9	3.5	6.5	10.6	11.3	10.6	11.7	11.5	11.2	13.6	12.4	11.4	17.1
Korea e	185*	83	87	*107*	..	..	..	..	..	..	..	..	..
Malaya	..	22.8	26.4	27.1	33.0	32.2	32.9	34 3	32.5	33.3	30.3	31.3	38.4
Pakistan	..	128	263	302	..	344	351	334	..	.	..	..	..
Philippines d	13.5	6.8	10.4	13.6	12.5	13.3	12.6	13.3	11.6	..	12.7	..	..
Thailand	37.7p	18.6	25.0	34.0	40.0	39.7	40.7	37.4	42.3	45.8	43.0	46.0	48.3
Japan e, p	1,305*	1,751	2,109	2,375	2,561	2,359	2,365	2,365	2,846	2,668	2,515	2,499	2,990
Freight tons (thousands)													
Ceylon q	77	94	104	107	112	110	106	117	117	..	137	110	..
Hong Kong	40	11.0	7.5	3.6	28.6	18.1	23.1	37.8	35 4	27 7	31.8	22.7	28.6
Indonesia	810	85r	292	415	443	399	416	474	486	485	498	436	522
INTERNATIONAL SEA-BORNE SHIPPING													
Entrances and clearances of vessels with cargo in external trade. (1000 net registered tons)													
Burma g	Entered	311p	98q	118q	99q	86q	74	93	86	125	97	95	87	110
	Cleared	361p	101q	157q	129q	106q	77	139	107	163	123	123	105	141
Ceylon	Entered	913	331	475	640	665	641	647	667	707	676	592	684	753
	Cleared	891	312	469	570	586	570	561	572	643	618	653	611	591
Hong Kong h, i	Entered	1,228	668	782	988	972	992	1,047	943	904	824	870	778	824
	Cleared	1,233	669	775	977	977	990	1,054	962	900	842	884	830	831
India	Entered	760b	*570b*	*646*	741	641	575	656	681	703	761	629	696	957
	Cleared	793b	*524b*	*570*	559	578	535	574	531	673	700	574	755	769
Indochina h, j	Entered	269	96	124	150	163	166	164	170	151	191	224	169	181
	Cleared	245	97	120	151	158	163	161	170	139	191	236	166	170
Korea h, k	Entered	1,088	90	25	31	..	..	..	..	..	..	..	.	..
	Cleared	1,083	91	25	30	..	..	..	..	..	..	..	..	..
Malaya	Entered	1,354	789	951	1,195	1,222	1,086	1,203	1,257	1,341	1,389	1,363	1,285	1,459
	Cleared	1,308	699	892	1,083	1130	1,032	1,110	1,143	1,234	1,224	1,170	1,210	1,292
Pakistan p	Entered	..	128r	241	305	..	313	378	*355*	*365*	371	406	341	336
	Cleared	..	83r	176	214	..	242	241	*345*	*275*	240	211	184	326
Philippines	Entered	371†	..	450	476	..	485	448	..	..	..	459	..	..
	Cleared	436†	..	438	475	..	473	474	..	..	..	446	..	..
Thailand	Entered	72p	43	67	90	112	100	121	118	108	107	120	90	112
	Cleared	100	50	92	122	138	137	144	132	139	142	139	127	159
Japan	Entered	5,824†	623	948	1,541	844	776	860	871	870	946	846	833	1,160
	Cleared	5,785†	615	930	1,489	834	735	871	800	929	943	906	792	1,132
CIVIL AVIATION TRAFFIC l													
Passenger-kilometres (millions)													
Ceylon		—	—	0.36	0.96	0.82	0.82	0.87	0.81	0.80	0.77	0.81	0.64	0.88
India		0 11	18.61	23.65	25.56	31.30	29.35	33.35	29.48	33.01	..	.	..	..
Indonesia		..	..	8.49	10.44	12.35	13.42	11.26	12.16	12.56	13.26	13 06	12.48	14.25
Philippines		0.21	13.08	14.57	13.65	15.62	14.56	16.75	16.16	15 00	..	..	..	..
Thailand		24.5p	0.42	0.93	1.57	..	1.53	1.57	1.57	..	..	..	..	..
Freight ton-kilometres (thousands)													
Ceylon		—	0.1	1.6	7.3	9.8	10.0	10.8	9.4	9.1	8.7	9.1	8.3	8.6
India		34	273	475	853	1,868	1,963	1,708	1,804	2,056	..	.	..	..
Indonesia		..	..	389	516	534	583	349	534	580	601	594	557	653
Philippines		..	472	540	493	637	504	510	692	841	..	..	..	..
Thailand		37.7p	5.5	16.9	28.9	..	30.1	37.0	54.1	..	..	..	..	..

a. Class I railways, broad and metre gauge only.
b. Including Pakistan territory.
c. Beginning 1946, South Korea.
d. Manila Railroad Company. Annual figures relate to 12 months ending 30 June of year stated.
e. State Railways only.
f. Beginning 1947, Federal area.
g. Total number of entrances and clearances made during each voyage and excluding sailing vessels
h. With cargo and in ballast.
i. Beginning 1947, including river boats of more than 60 tons.
j. Port of Saigon.
k. Beginning 1947, South Korea.
l. Scheduled domestic and international routes, and except India, revenue traffic only.
p. Annual figures refer to 12 months beginning 1 April of year stated.
q. Annual figures refer to 12 months ending 30 September of year stated
r. 15 August 1947—31 March 1948.
* 1936.
† 1937.

III. VALUE OF IMPORTS AND EXPORTS AND BALANCE OF TRADE *

(Monthly averages in millions)

	1938	1947	1948	1949	1950	1950				1951			
						I	II	III	IV	I	Jan.	Feb.	Mar.
N. BORNEO (M$)													
Imports	0.5	1.7	2.1	2.8	4.0	2.7	3.6	4.1	5.6	5.0	5.4	3.8	5.8
Exports	0.8	1.4	2.5	3.1	7.8	4.8	5.8	8.4	12.0	12.1	11.7	12.6	12.1
Balance	+0.3	—0.3	+0.4	+0.3	+3.8	+2.1	+2.2	+4.3	+6.4	+7.1	+6.3	+8.8	+6.3
BURMA a (Rs)													
Imports	18	39	50	31	44	37	28	47	67	55	65	49	52
Exports	41	40	63	61	61	32	87	71	54	84	77	72	103
Balance	+23	+ 1	+13	+30	+17	—5	+59	+24	—13	+29	+12	+23	+51
CEYLON (Rs.)													
Imports	20	80	83	86	97	79	110	103	97	117	114	105	132
Exports	24	74	84	89	130	99	115	139	168	178	181	175	178
Balance	+4	—6	+1	+3	+33	+20	+5	+36	+71	+61	+67	+70	+46
HONG KONG (HK $)													
Imports	52	129	173	242	317	285	273	299	411	445	453	346	535
Exports	51	105	134	206	313	227	256	352	417	517	545	449	557
Balance	—1	—24	—39	—36	—4	—58	—17	+53	+6	+72	+92	+103	+22
INDIA b (Rs.)													
Sea and air-borne													
Imports	130	372	466	467	471	336	450	482	416	537	531	512	569
Exports	142	340	360	404	502	498	330	424	559	691	594	634	846
Balance	+12	—32	—106	—63	+31	+162	—120	—58	+143	+154	+63	+122	+277
Land-borne													
Imports	..	..	71	26	30	9	24	62	27	19	25	20	12
Exports	..	..	25	22	13	3	9	21	16	10	12	8	9
Balance	..	..	—46	—4	—17	—6	—15	—41	—11	—9	—13	—11	—3
INDOCHINA (Pr.)													
Imports	16	81	197	328	353	292	283	446	392	385	380	358	417
Exports	24	39	98	95	128	110	95	148	159	227	251	288	140
Balance	+8	—42	—99	—233	—225	—182	—188	—298	—233	—158	—129	—70	—277
INDONESIA c (R)													
Imports	41	65	95	131	127	80	106	131	193	140	107	128	185
Exports	57	29	87	123	228	124	193	287	313	271	219	332	261
Balance	+16	—36	—8	—8	+101	+44	+87	+156	+120	+131	+112	+204	+76
KOREA, SOUTH (US$)													
Imports	..	15.9	15.8	11.6	..	7.4	..		..	..	..	..	..
Exports	..	0.7	1.6	1.2	..	2.9	..	.	.	..	..	..	..
Balance	..	—15.2	—14.2	—10.4	..	—4.5	..	..	..	..	..	..	..
MALAYA d (M$)													
Imports	46	114	149	154	243	174	200	266	333	425	405	421	447
Exports	50	110	147	143	334	191	217	385	545	590	549	608	612
Balance	+4	—4	—2	—11	+91	+17	+17	+119	+212	+165	+144	+187	+165
PAKISTAN e (Rs)													
Imports	..	20	71	113	97	71	79	112	125	139	197	112	107
Exports	..	65	77	84	110	91	106	121	124	301	245	355	304
Balance	..	+45	+6	—29	+13	+20	+27	+9	—1	+162	+48	+243	+197
PHILIPPINES f (P.)													
Imports	22.1	85.2	97.6	94.8	59.4	73.0	53.5	60.4	50.6	55.0	60.5	52.9	51.7
Exports	19.4	44.1	53.0	42.3	55.4	47.3	46.6	58.9	69.0	84.8	81.9	100.6	72.0
Balance	—2.7	—41.1	—44.6	—52.5	—4.0	—25.7	—6.9	—1.5	+18.4	+29.8	+21.4	+47.6	+20.3
THAILAND g (Baht)													
Imports	11	93	144	191	240	231	226	241	262	280	310	213	318
Exports	17	81	168	234	329	281	270	311	330	415	344	419	481
Balance	+6	—12	+24	+43	+89	+50	+44	+70	+68	+135	+34	+206	+163
JAPAN h (U.S.$)													
Imports	89.2	43.6	56.9	75.4	81.1	79.5	82.0	70.2	92.6	170.6	125.1	153.4	233.2
Exports	92.4	14.5	21.5	42.5	68.3	47.9	59.7	70.1	95.7	95.5	81.2	81.4	123.8
Balance	+3.2	- 29.1	—35.4	—32.9	—12.8	—31.6	—22.3	—0.1	+3.1	—75.1	—43.9	—72.0	—109.4

* Monthly data are not published for Brunei and Sarawak. Annual figures converted into monthly averages are as follows:—

	1938	1947	1948	1949
Brunei (Mn. $)				
Imports	0.32	1.37	2.92	2.99
Exports	0.80	2.59	4.10	5.17
Balance	+0.48	+1.22	+1.18	+2.18
Sarawak (Mn. $)				
Imports	1.86	6.02	8.33	9.16
Exports	2.18	8.59	14.27	15.63
Balance	+0.32	+2.57	+6.04	+6.47

a **BURMA**—For 1938: sea-borne trade only; twelve months starting April. For 1947, 1948 and 1949, twelve months ending September.

b **INDIA**—Annual figures twelve months starting April. Sea and air-borne trade. Figures for April-July 1947 include Pakistan territory. Indo-Pakistan trade excluded from August 1947 to February 1948. Land borne trade: with Pakistan only.

c **INDONESIA**—Figures for March-June 1950 have been corrected to exclude the price of the exchange certificates.

d **MALAYA**—Figures relate to trade in merchandise, parcel post, silver bullion, subsidiary coins and ships' stores and bunkers.

e **PAKISTAN**—Sea-borne trade only. For 1947, eight months ending March 1948 and excluding trade with India. Export figures are revised to include exports via the port of Calcutta.

f **PHILIPPINES**—Imports, f.o.b.

g **THAILAND**—For 1938, twelve months starting April.

h **JAPAN**—Trade with Korea and Formosa included. Post-war imports include merchandise procured from U.S. property funds and goods diverted to the Japanese civilian economy from the occupation force military stocks.

IV. QUANTUM INDICES OF IMPORTS AND EXPORTS

(Base 1948 = 100)

	1938	1947	1949	1950	1950				1951			
					I	II	III	IV	I	Jan.	Feb.	Mar.
BURMA a												
Imports	244c	89	63	100	82	72	156	214	159	..	..	..
Exports	245c	57	96	47	45	66	67	70	99	..	.	..
CEYLON												
Imports	89	98	108	121	96	149	129	113	140	132	132	156
Exports	80	91	99	110	93	110	119	119	111	120	107	107
INDIA b												
Imports: All Commodities	106c	109c	115d	88	69	95	105	82	93	94	92	96
Food, drink & tobacco	..	..	100d	73	72	46	77	95	115	113	86	145
Raw materials & Semi-manufactures	..	..	114d	122	77	178	159	76	95	93	92	104
Manufactures	..	..	121d	80	66	80	93	81	84	88	92	73
Exports: All Commodities	172c	114c	102d	115	130	84	107	139	160	146	145	188
Food, drink & tobacco	..	..	117d	108	111	65	114	145	136	154	131	124
Raw materials & Semi-manufactures	..	..	96d	103	120	67	85	142	176	143	140	246
Manufactures	..	..	98d	122	141	96	113	136	161	144	153	186
INDOCHINA												
Imports	85	65	136	153	121	135	188	168	152	151	137	163
Exports	256	62	75	87	85	85	85	97	119	122	150	88
MALAYA												
Imports: All Commodities	81	85	101	137	114	129	151	155	188	..	..	..
Food, drink & tobacco	109	92	109	120	98	113	129	139	150	..	..	.
Raw materials & Semi-manufactures	83	106	82	147	91	141	172	182	207	.	.	..
Manufactures	66	73	107	85	134	131	151	149	197	..	.	..
Exports: All Commodities	73	89	98	127	109	110	145	146	137	.		..
Food, drink & tobacço	162	102	96	122	102	97	138	151	167	..	.	..
Raw materials & Semi-manufactures	60	97	93	115	98	95	129	137	126	..	..	
Manufactures	95	59	114	173	149	166	197	179	167	..	..	..
PHILIPPINES												
Imports	..	..	99	75	85	89	65	60	72	71	66	79
Exports	157	92	119	144	130	135	150	159	193	173	247	161

a Year ending September of the year stated.

b Base April 1948-March 1949. Average of calendar year for 1948 for imports is 94 and for exports is 102. New series beginning April 1949 is linked to the old.

c Year beginning 1 April

d Average of nine months April to December.

V. DIRECTION OF IMPORT TRADE

(Monthly averages in millions)

	1938	1947	1948	1949	1950	1950				1951			
						I	II	III	IV	I	Jan.	Feb.	Mar.
INTO BURMA a in Rs. from													
China	—	..	1.4	2.7	1.0	0.7	1.2	2.0	0.1	0.3	..	..	..
Hong Kong	0.3	..	1.1	1.5	0.5	0.4	0.6	0.4	0.4	0.4	..	..	..
India	10.0	..	12.4	9.8	19.7	15.8	10.1	15.2	37.7	22.6	..	..	..
Indonesia	—	..	—	0.3	0.1	—	0.1	0.1	0.2	0.5	..	..	..
Malaya	0.5	..	1.7	2.8	1.1	1.0	0.9	1.8	0.9	1.1	..	..	..
Japan	1.2	..	0.3	1.2	4.7	0.8	0.6	9.2	8.2	15.3	..	..	..
United Kingdom	3.3	..	23.2	8.7	9.8	12.5	4.8	9.6	12.3	10.5	..	..	..
United States	0.6	..	1.8	1.1	1.3	1.8	1.3	1.4	0.7	0.9	..	..	..
INTO CEYLON in Rs. from													
Burma	2.9	5.6	14.3	12.8	19.0	1.8	37.5	21.5	15.4	17.9	19.7	10.5	23.4
China	0.1	0.2	2.0	0.2	0.2	0.1	0.2	0.3	0.4	0.4	0.4	0.5	0.3
India	4.3	10.6	10.5	12.7	15.1	14.5	13.1	15.5	17.4	20.8	15.5	22.4	24.6
Indonesia	1.4	—	0.3	0.5	0.9	1.3	0.9	0.9	0 5	0.8	2.1	0.3	—
Malaya	0.2	0.2	0.3	0.4	0.7	0.8	0.4	1.3	0.4	0.3	0.2	0.5	0.3
Pakistan	..	..	0.9	1.0	1.1	0.9	1.3	1.3	1.0	2.3	1.4	3.6	1.8
Thailand	0.5	—	0.7	3.3	4.7	12.7	3.2	1.3	1.8	1.8	1.3	2.1	2.1
Japan	1.3	0.5	1.1	1.5	2.6	0.4	2.2	5.3	2.4	6.3	4.3	6.9	7.7
United Kingdom	4.0	12.8	14.3	15.4	19.2	16.3	16.2	21.0	23.2	23.6	24.2	21.7	24.8
United States	0.4	9.4	6.3	6.1	2.9	2.8	2.7	3.0	3.1	2.8	2.4	2.9	3.1
Canada	0.1	5.6	0.7	0.9	1.7	0.2	6.1	0.3	0 3	0.4	0.4	0.5	0.1
Australia	0.5	9.6	10.4	8.5	6.7	7.3	3.8	6.5	9 3	9.9	5.7	9.6	14.4
INTO HONG KONG in HK$ from													
N. Borneo	0.2	0.6	0.8	1.0	1.0	1.3	1.0	0.9	0.8	1.8	1.0	1.4	2.9
Burma	0 4	1.4	2.9	1.5	1.5	0.1	1.8	0.6	3.5	0.6	1.3	0.1	0.4
Ceylon	--	0.1	0.1	0.2	0.2	0.2	0.2	0.1	0.2	0.3	0.4	—	0.4
China	19.4	31.8	35.9	49.5	71.4	49.3	62.7	82.6	91.2	78.2	77.5	58.0	99.2
India	1.0	3 8	4.0	7.5	14.0	27.8	8.6	6.9	12.7	30.3	15.7	15.4	29.9
Indochina	2.9	1.7	2.5	1.8	2.5	2.0	1.6	4.7	1.8	2.3	2.3	1.8	2.7
Indonesia	3.4	1.8	3.4	3.3	6.7	5.8	6.1	6.1	8.7	8.4	10.1	8.0	6.9
Korea, South	..	—	3.5	3.1	1.9	4.8	2.3	0.5	—	0.2	0.2	0.2	0.2
North	..			4.6	1.6	4.3	1.6	0.5	—	—	—	—	—
Malaya	0.6	8.5	7.1	9.0	24.9	7.9	7.5	26.7	57 9	71.2	63.9	42.4	107.2
Pakistan	..	--	—	2.8	7.8	8.1	6.1	9.1	8.0	22.6	19.7	7.9	40.3
Philippines	0.2	1.2	0.8	1.3	1.4	0.8	1.5	1.2	2 1	1.1	0.5	1.7	1.1
Thailand	3.0	5.0	8.0	9.2	15.2	11.4	15.2	18.4	15.7	11.4	7.2	11.9	15.1
Japan	1.6	3.0	6.6	6.7	19.2	4.0	6.3	17.8	48.5	51.3	66.8	44.3	42.8
United Kingdom	4.7	13.7	25.1	32.3	33.7	38.9	33.2	31.2	31.6	43.7	42.8	50.2	38.0
United States	4.6	24.9	32.3	47.9	54.7	57.0	56.3	45.0	60.4	26.9	29.5	19.9	31.2
Canada	0.5	1.7	3 0	4.8	4.2	4.3	3.7	3.5	5.1	6.2	9 9	4.9	3.8
France	0.3	1.4	1.9	2.8	3.7	3.7	5.0	2.2	3.9	9.4	6.3	6.3	15.6
Oceania	1.1	4.4	4.7	5.5	6.7	9.1	9.0	3.5	5.2	7.9	11 9	6.9	4.9
INTO INDIA b in Rs. from													
Burma	18.9	7.5	16.0	13.5	6.6	1.6	3.6	7.2	14.1	22.2	24.3	17.9	24.3
Malaya	3.2	6.6	5.8	10.5	11.8	10.2	10.7	17.8	8.5	18.3	18.0	14 6	22.2
Pakistan	..	..	12.5c	61.0	34.0	9.3	25.4	71.2	3.1	19.8	25.1	20.5	14.0
Japan	13.0	—	1.1	21.3	6.2	3.9	4.6	8.8	7.5	12.6	11.4	17.2	9.1
United Kingdom	40.1	93.8	113.5	144.4	97.7	86.5	103.8	98.2	102.5	104.5	116.6	104 4	92 6
United States	9.5	97.7	86.6	83.2	82.8	51.2	109.4	102.4	68.1	101.3	71 9	106.0	126.1
Canada	0.6	7.9	5.9	10.8	8.8	5.5	10.7	12.2	6.6	31.3	29.1	18.5	46.3
Australia	1.7	8.6	19.5	18.7	33 2	52.2	30.5	18.7	31.6	18.5	18 9	19.0	17 6
INTO INDOCHINA d in Pr. from													
China	1.2	0.3	8.9	10.6	9.3	8.7	10.5	10.0	8.1	6.3	4.8	4.4	9.7
Hong Kong	1.2	1.2	1.1	1.3	1.2	0.9	0.7	0.8	2.5	0.3	0.3	0.1	0.4
India and Pakistan	0.5	1.7	2.4	7.0	2.6	2.6	2.1	2.9	2.7	2.6	2.6	5.2	0.1
Indonesia	0.7	1.2	3.6	6.1	9.2	8.1	8.3	9.2	11.4	8.8	8.6	8.0	9.8
Thailand	0.3	0.4	5.3	3.3	2.1	2.3	2.3	1.9	1.9	1.8	1.3	2.3	1.8
United States	0.8	17.4	24.9	29.5	20.8	17.2	18.7	23.0	24.0	13.2	11.4	7.2	20.9
France	8.5	49.7	123.2	237.8	275.0	214.0	195.4	359.7	298.3	309.1	309.2	291.0	327.1
INTO INDONESIA in R. from													
Burma	0.6	1.2	2.0	4.0	5.6	0.3	4.6	7.0	10.5	4.4	2.6	4.0	6.6
China	0.7	3.0	2.3	2.5	0.7	0.4	0.7	0.8	1.0	0.7	0.3	0.5	1.2
Hong Kong	0.5	1.9	2.1	3.2	6 8	3.8	4.7	8.1	11.6	12.3	10.3	11.1	15.5
India	0.9	1.3	1.2	1.8	7.0	4.3	5.7	5.6	10.9	10.3	13.0	8.9	9.2
Malaya	3.4	4.4	2.6	2.7	6.1	2.6	2.8	6.1	12.6	12.2	10.3	10.6	16.0
Philippines	0.1	—	0.1	—	—	—	—	—	0.1	0.1	0.1	—	—
Thailand	0.2	0.9	2.7	4.7	3.2	2.3	0.9	2.4	7.2	3.7	1.4	1.7	7.9
Japan	6.0	5.1	15.6	9.3	13.4	5.3	12.7	13.5	22.1	20.3	13.6	21.8	25.5
Netherlands	8.4	9.6	18.4	28.0	21.9	15.5	15.9	21.0	32.2	16.3	11.8	15.6	21.6
United Kingdom	3.0	8.4	7.9	13.4	9.3	6.2	7.7	9.2	12.9	11.0	9.8	10.0	13.1
United States	3.6	25.5	21.2	33.2	26.3	14.0	21.0	30.6	36.0	22.9	17.4	19.3	31.9
Australia	1.1	1.6	2.7	0.5	0.9	0.2	0.2	1.3	2.0	1.8	1.5	1.4	2.4

V. DIRECTION OF IMPORT TRADE *(Contd.)*

(Monthly averages in millions)

	1938	1947	1948	1949	1950	1950				1951			
						I	II	III	IV	I	Jan.	Feb.	Mar.
INTO MALAYA in M$ from													
N. Borneo,	..	0.7	1.3	1.8	4.3	2.4	3.2	5.2	6.2	6.2	7.2	4.1	7.3
Brunei	..	0.1	0.1	0.1	0.4	0.2	0.2	0.5	0.6	0.8	0.7	1.0	0.7
Sarawak	..	4.1	6.4	6.8	13.6	8.7	9.9	17.0	18.9	19.8	21.9	18.3	19.1
Burma	..	2.7	7.7	6.9	3.4	2.0	3.4	3.5	4.8	8.1	6 8	12.7	4.7
Ceylon	..	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.2	0.3	0.6
China	..	10.2	9.5	7.8	10.3	8.6	10.5	11.8	10.2	12.8	13 2	14 2	10.9
Hong Kong	..	5.0	3.8	4.0	7.5	4.9	5.3	8.2	11.6	12.4	11.8	14.5	11.0
India	..	3.1	2.9	5.6	16.3	17.3	14.3	14.5	19.1	30.2	25.4	31 9	33.3
Indochina	..	0.9	2.5	1.8	1.5	1.4	1.6	1.5	1.5	1.8	1.3	2.6	1.6
Indonesia	..	21.8	39.4	26.5	64.2	33.1	44.8	74.9	103 9	144.3	143.5	133.4	155.9
Thailand	..	9.7	10.7	16.2	26.5	12.3	24.5	31.0	37.6	43.4	41.6	47.3	41.3
Japan	..	0.5	1.1	3.3	7.8	2.8	5.2	10.4	12.8	18.5	16.8	18.4	20.4
United Kingdom	..	22.0	28.7	31.9	42.2	40.3	36.6	40.9	50.8	55.0	50.9	54.1	59.9
United States	..	11.5	17.4	9.4	7.4	6.5	6.1	7.5	9.6	10.7	8.8	10.5	12.7
Canada	..	1.6	1.9	1.5	1.4	2.2	1.0	1.3	1.0	1.5	1.1	1.9	1.7
Oceania	..	7.2	7.9	8.9	9.5	9.2	9.6	9.3	10.0	11.1	11.6	7.9	13.7
INTO PAKISTAN e in Rs. from													
Burma	..	..	0.7	2.0	0.3	0.2	0.2	0.4	0.2	.	0.9	..	0.2
Ceylon	..	..	2.4	1.4	2.3	1.6	1.4	4.1	2.0	..	3.1	.	1.3
China	..	..	5.7	4.5	5.1	1.6	2.4	6.7	9.8	..	7.1	..	8.0
India	..	..	37.4	14.2	11.5	7.5	9.1	12.2	17.2	..	13.2	..	3.0
Malaya	..	..	1 8	0.8	1.2	0.6	0.9	1.3	1.7	..	3.5	..	1.7
Japan	..	..	0.8	7.3	14.4	16.0	13.4	12.1	16.2	..	21.6	..	19.3
United Kingdom	..	..	22.5	29.0	25.0	17.5	20.9	29.2	32.3	..	55.9	..	30.8
United States	..	..	6.6	10.0	8.7	7.7	7.8	10.4	8.8	..	12.0	..	8.2
INTO PHILIPPINES in Ps. from													
Burma	..	..	..	0.3	—	—		—	—	—	.	..	..
China	..	2.4	3.8	1.7	—	0.1		—	—	—	..	..	..
Hong Kong	..	—	0.1	0.2	1.5	1.1		1.5	2.1	1.5	..	..	..
India	..	0.7	1.1	0.9	0.4	0.4		0.4	0.2	0.3	..	..	..
Indonesia	..	0.4	2.5	2.7	0.7	0.3		1.0	1.2	1.6	..	..	..
Thailand	..	0.4	0.1	0.9	0.2	0.2		—	0.2	0.9	..	..	..
Japan	..	0.2	0.3	2.7	2.4	3.1		1.2	1.8	3.2	..	..	.
United Kingdom	..	0.5	0.9	0.8	0.9	0.8		1.1	0.8	1.1	..	..	..
United States	..	73.3	78.3	76.3	42.5	48.4		37 1	35 6	42 9	.	.	..
INTO THAILAND f in Baht from													
Burma	.—	0.3	0.4	1.2	..	..	..	..	..	..	..	..	..
China	1 4	4.9	11.1	8.3	..	..	..	..	..	..	.	..	..
Hong Kong	0.1	35.4	36.3	32.9	..	..	..	..	..	..	..	..	..
India	1.3	1.5	2.9	13.3	..	..	..	..	.	..	..	..	..
Indochina	0.1	3.7	2.2	0.8	..	..	..	.	..	..	..	..	..
Indonesia	0.8	0.3	1.2	5.0	..	..	..	..	..	..	..	..	..
Malaya	1.0	20.5	47.5	34.8	..	..	..	..	..	..	..	.	..
Philippines	—	1.3	1.1	0.5	..	..	..	..	.	..	..	..	..
Japan	1.6	—	3.4	15.8	..	..	.	..	.	.	.	.	..
United Kingdom	6.6	8.5	10.0	16.5	..	..	..	.	..	..	..	..	..
United States	1.1	26.0	13.0	29.8	..	..	..	..	..	..	..	..	..
INTO JAPAN g in US$ from													
China	22.9	0.4	2.1	3.8	6.5	8.3	4.7	7.1	5 8	9 9	6.8	10.3	12.7
Hong Kong	..	0.4	0.3	..	—	—	..	..	0.1	0.3	0.3	0.2	0.3
India	4.1	0.8	2.3	1.1	1.5	1.5	2.0	0.3	2.2	3.4	3.2	1.5	5.6
Indonesia	2.1	0.1	1.0	1.3	1.1	0.6	1.1	1.1	1.6	6.3	3.4	4.6	11.0
Malaya	2.4	0.4	0.9	1.8	3.3	0.9	1.2	4.4	6.6	4.8	4.1	3.6	6 8
Korea	16.5	0.2	0.4	0.3	1.3	0.1	4 7	0.3	0.3	0.5	0.3	3.1	0.8
Philippines	0.8	0.2	0.8	1.1	1.9	1.7	1.1	1.9	2 9	3.3	1.9	4.1	5.9
United Kingdom	1.5	0.8	0.4	0.5	0.5	0.6	0.5	0.2	0.8	1.3	1.2	0.8	1.8
United States	21.7	40.3	36.7	48.0	35.6	35.4	37 7	32.0	37.2	48.1	32.8	41.5	69.9
Australia	2.0	0.1	0.7	2.3	6.4	9.5	4.6	2.2	9.2	12 7	6.1	18.9	13.0
Canada	2.2	—	0.3	0.5	1.3	2.1	1.5	0.9	0.6	4.2	3.8	4.7	4.0

a. Burma: Prewar data refer to period October 1938 to September 1939; 1948 and 1949 annual figures refer to twelve months ending September.

b. India: 1947 figures are averages for January-July, and 1948 are averages for nine months, April-December.

c Excluding imports from Pakistan by land in 1948.

d Indochina: Data for 1947 are averages for April-December.

e. Pakistan: Sea and airborne trade only. Annual figures for 1948 and 1949 are for years beginning 1st April.

f. Thailand: Prewar data refer to year ending March 1940.

g. Japan: Imports from India include Burma and Pakistan in 1938 and Pakistan in 1947 and 1948.

VI. DIRECTION OF EXPORT TRADE

(Monthly averages in millions)

	1938	1947	1948	1949	1950	1950 I	1950 II	1950 III	1950 IV	1951 I	1951 Jan.	1951 Feb.	1951 Mar.
FROM BURMA a * in Rs. to													
Ceylon	2.2	..	11.6	11.6	18.9	9.4	27.0	24.5	14.5	19.4	..	..	..
China	0.2	..	3.7	8.1	1.9	1.6	5.7	0.3	0.2	2.0	..	..	..
Hong Kong	0.3	..	1.6	1.0	1.3	—	1.5	1.1	2.4	0.2	..	..	..
India	22.0	..	25.2	23.1	11.4	2.3	11.0	16.6	15.8	22.5	..	..	..
Indonesia	0.6	..	2.7	3.9	8 6	2.0	10.7	13.9	7.8	8.3	..	..	..
Malaya	2.8	..	10.1	8.1	3 5	2.1	6.3	2.1	3.6	5.7	..	..	..
Pakistan	..	..	..	2.8	0.5	0.3	0.4	0.6	0.6	0.2	..	..	..
Philippines	—	..	0.2	0.9	—	—	—	—	—	—	..	..	..
Japan	0.8	..	0.1	1.3	8.1	6.1	14 6	5.9	5.8	11.2	..	..	..
United Kingdom	5.7	..	5.6	3.2	2.3	2.0	2.3	2.1	2.8	0.3	..	..	..
United States	0.1	..	0.6	0.5	0.2	0.1	0.1	0.2	0.3	0.5	..	..	..
FROM CEYLON in Rs. to													
India	0.7	2.9	1.7	1.7	2.4	1.1	0.3	2.3	5.9	4.1	4.3	4.8	3.0
Pakistan	..	..	1.5	1.8	3.2	1.7	3.3	5.0	2.8	1.6	2.1	2.0	0.5
Japan	0.1	—	0.1	0.4	0.1	—	0.1	0.1	0.3	0.4	0.3	0.3	0.6
United Kingdom	11.8	25.4	25.1	27.9	30.5	19.5	22.6	39.6	40.2	43.0	46.9	39.4	42.7
United States	2.8	10.0	13.8	9.5	27.7	20.5	22.0	33.7	36.4	25.8	36.4	27.2	13.8
Canada	0.8	4.7	3.3	3.7	7.8	5.9	8.9	6.8	9.5	9.2	6.3	11 2	10.0
Australia	0.9	5.9	7.0	7.0	9.5	7.3	14.1	7.8	8.8	9.0	10.5	7.0	9.4
New Zealand	0.5	1.9	1.8	2.8	3.2	3.6	6.1	0.6	2.6	3.2	3.3	1.3	4 9
From HONG KONG in HK$ to													
N. Borneo	0.1	0.6	0.6	0.8	1.2	0.9	1.1	1.6	1.3	1.9	2.3	1.7	1.7
Burma	0.3	0.6	1.0	1.5	2.4	0.9	4.7	3.2	0.7	0.9	0.6	0.9	1.1
Ceylon	0.1	0.6	0.6	0.5	0.8	0.1	0.7	1.2	1.2	1.0	0.8	1.2	0.8
China	19.2	22.2	23.4	48.7	121.6	90.3	79.2	127.2	190.7	231.9	249 1	188.4	258 1
India	0.4	2.2	4.0	3.2	2.0	1.2	1.2	2.4	3.0	2.6	3.2	2.6	2.1
Indochina	1.9	1.5	1.6	1.6	1.9	1.3	2.7	1.9	1.7	1.7	1.6	1.4	2.2
Indonesia	1.2	4.4	5.7	4.6	10.2	4.8	12.4	10.1	13.7	21.3	25.2	22.6	16.0
Korea, South	..	—	4.9	6 2	1.9	4.3	3.1	—	0.1	1.0	—	0.1	2.9
North	..			4.1	0.6	1.3	1.3	—	—	—	—	—	—
Malaya	3.1	17.9	17.1	20.0	45.2	23.8	30.6	52.4	74.1	98.1	111.2	84.4	98.7
Pakistan	..	..	—	4.5	10.9	4.0	5.6	23.9	10.3	20.2	10.2	23.9	26.4
Philippines	0 8	5.1	11.4	8.6	6 9	3.0	7.2	8.0	9.3	6.3	8.1	4.7	6.1
Thailand	1.3	7.2	11.7	9.7	8.2	5.9	7.0	13.2	6.8	8.1	11.9	3.7	8.7
Japan	0.3	1.3	4.1	5.8	10.1	10.3	8.2	8.1	13.7	28.2	14.5	32.3	37.9
United Kingdom	1 8	3.2	6.3	11.6	14.0	11.3	21.3	11.7	11.7	18 6	21.8	14.6	19.3
United States	4 3	12.6	12.7	19.5	25.7	16.2	22.4	35.7	28.5	16.7	21.9	16.1	12.2
Canada	0.2	0.2	0.6	1.2	0.8	0.8	0.8	0.9	0.8	1.7	1.2	0.7	3.2
Oceania	0.3	1.0	1.7	3.4	3.6	3.4	3.2	3.7	4.2	4.2	3.4	4.6	4.6
FROM INDIA b in Rs .to													
Burma	8.4	11.1	10.0	7.8	18.8	16.8	7.3	11.6	39.5	14.5	19.7	13.9	9.7
Ceylon	4.2	11.4	9.5	11.9	14.0	15.4	10.3	13.6	16.7	19.9	13.6	20.5	25.6
China	1.3	5.2	5.6	1.8	2.0	2.1	0.4	4.0	1.5	5.7	1.9	0.2	14.9
Pakistan	..	..	40.6c	43.5	23.8	8.9	16.8	42.5	27.0	14.8	19 8	11.6	13.1
United Kingdom	46.0	78.7	78.3	93.4	95.7	87.8	75.5	94.5	124.8	129.7	135.6	118.3	135.2
United States	11.2	61.2	59.7	57.1	80.5	84.6	60.0	87.5	90.0	116.2	81.2	127.1	140.2
Canada	1.7	9.3	6.9	7.6	10.5	12.9	8.7	10.6	10.0	15.9	17.4	10.6	19.7
Australia	2.5	14.5	17.2	20.4	23.3	21.7	19.0	26.0	26.4	27.6	30.1	23.3	29.3
FROM INDOCHINA d in Pr. to													
China	0.6	0.3	2.1	0.6	0.4	0.4	0.5	0.6	0.2	3.6	10.6	—	—
Hong Kong	2.3	1.3	11.2	13.2	15.5	11.9	13.1	23.8	12.9	9.8	3.3	13.8	12.2
Malaya	2.5	4.0	9.4	9.9	11.6	5.4	—	10.9	13.9	13.4	9.8	14.5	16.0
Thailand	0.1	0.7	3.7	4.9	3.1	4.2	2.9	1.4	3 8	1.7	1.7	2.2	1.2
United States	2.1	2.5	2.2	1.0	25.6	35.4	5.9	26.7	34.5	34.6	61.6	42.2	—
France	11.4	18.0	42.6	46.6	49.9	37.1	25.7	71.2	65.4	107.9	133.2	134.4	56.1
FROM INDONESIA in R. to													
Burma	—	—	—	0.2	—	—	—	—	—	—	—	—	—
Hong Kong	1.1	0.6	1.6	1.0	1.2	0.8	1.1	1.2	1.7	1.6	1.4	2.2	1.4
India	0.4	—	0.1	0.5	0.8	0.4	0.8	1.7	0.2	1.1	—	2.9	0.4
Malaya	10.7	6.1	16.6	29.8	81.8	31.9	51.6	108.5	135.2	102.3	88.5	117.3	101.4
Philippines	0.5	0.1	0.8	1.1	1.4	0.9	1.6	1.7	1.5	0.9	0.1	2.1	0.6
Thailand	0.2	—	0.3	0.8	1.0	1.0	0.8	1.4	0.9	1.1	1.7	1.3	0.2
Japan	1.8	0.4	2.1	2.8	3.0	1.5	2.7	2.6	5.0	20.3	12 7	24 8	23.2
Netherlands	11.5	12.9	31.0	41.2	55.9	43.4	57.1	59.9	63.4	61.2	49 9	75.2	58.2
United Kingdom	3.1	0.7	1.7	5.5	8.2	3.0	7.3	11.5	10.9	7.8	5.3	10.4	7.9
United States	8.2	5.3	15.2	19.4	36.0	13.7	26.4	51.4	52.4	34.7	30.2	40.5	33.4
Australia	2.4	0.2	0.8	1.8	3.8	2.0	4.0	5.1	4.1	5.7	3.1	8.6	5.4

VI. DIRECTION OF EXPORT TRADE *(Contd.)*

(Monthly averages in millions)

	1938	1947	1948	1949	1950	1950				1951			
						I	II	III	IV	I	Jan.	Feb.	Mar.
FROM MALAYA IN M$ to													
N. Borneo	..	0.8	1 2	1.6	2.6	2.0	2.2	2.9	..	3.1	2.6	3.1	3.6
Brunei	..	0.1	0.2	0.4	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.5	0.8
Sarawak	..	2.1	2.6	2 3	4.9	3.3	4.1	5.4	6.6	4.8	5.3	4.2	5.0
Burma	..	0.7	1.0	1.0	1.1	0.8	0.7	1.4	1 3	2.3	0.7	2.0	4 2
Ceylon	..	0.2	0.8	2.3	1.9	1.9	2.1	1.6	1.8	2.1	3.4	1.9	0.8
China	.	0.7	1.3	0.7	10.4	—	0.2	8.5	32.9	27 9	9 7	42.3	31.8
Hong Kong	..	4.1	3.4	5.5	16.9	6.3	6.2	17.9	37.3	44 4	57.4	27 1	48.7
India	..	4.3	5.3	5.1	6 3	4.4	4.7	9.5	6.8	9.3	8.5	5 5	13.9
Indochina	..	0.3	0.7	0.7	1.0	0.7	0.7	1.6	1.0	1.4	1.6	1.4	1.2
Indonesia	..	10.5	16.1	11.6	21.4	14.0	17.7	21.3	32.7	45.6	40.9	47.9	48.0
Korea	..	—	—	0.1	0.1	--	0.4	—	—	—	—	--	—
Pakistan	..	--	0.6	0.8	1.0	0.5	0.8	1.6	1 1	1.1	1.4	1.6	0 2
Philippines	..	0.1	0 5	0.9	1 3	1.3	1.3	1.8	0 7	1.6	1.2	1.4	2 3
Thailand	..	1.3	4.1	3.8	6.0	5.3	5.0	8.4	5 3	6 8	6.2	6.1	8.1
Japan	..	1.1	1.6	2.5	9 6	2.3	3.6	16.0	10.6	15 9	16.0	12.9	18 9
United Kingdom	..	17.3	20.0	17.0	45.6	27 5	29.6	50.6	74.8	89.9	92.3	81 1	96.2
United States	..	36.6	38.2	35 8	87.3	50.8	63.7	89.6	144.3	117.6	121.3	133.7	97.7
Canada	..	3.7	3.7	3.0	8 2	4 3	3.8	9.5	15.2	16.6	18.7	13.0	18.3
Oceania	..	3.5	5.1	7.2	14.1	11.7	10.2	15.2	19.1	25.5	22 5	19.2	34.7
FROM PAKISTAN e * in Rs. to													
Burma	..	.	0 3	0 1	0.1	01	0 2	0.1	0.1	.	1.6	..	..
Ceylon	..	..	1.2	0.6	0.8	0 3	0.8	0.7	0.5	.	1.5	..	5 1
China	..	..	2.7	1.0	2.6	0.4	3.6	1.3	3 3	..	9.3	..	9 1
Hong Kong	..	..	2.1	4 9	9.6	8.8	13.4	9.6	6.0	..	13.0	..	15.1
India	..	..	19.1	7.1	2.9	0.5	2.2	9.2	1.4	..	0.3	..	1.3
Malaya	..	..	0.1	0.1	0.1	—	1.1	0.1	0.2	.	0.1	..	0.1
Thailand	..	..	—	--	—	—	--	0.1	—	..	0.1	..	0.4
Japan	..	..	1.0	4.4	12.1	0.4	10.3	23.5	14.3	..	36.1	..	72.3
United Kingdom	.	..	12 3	14.7	36.2	21.7	14.4	13.4	23.6	..	46 6	..	38.9
United States	..	..	10.9	10.0	10.1	10.4	8.1	10.3	14.2	..	23.0	..	12 9
FROM PHILIPPINES * in Ps. to													
China	..	0.2	0.3	0.1	0.2	0.2		0.2	0.1	0.2	.	..	..
Hong Kong	..	0.5	0.5	0.8	0.4	0.5		0.2	0 3	0.4	..	..	..
India	..	0.4	0 3	0.3	0.1	0.1		0.1	0.1	0.1	..	..	..
Indonesia	..	0.8	0.9	0.4	—	—		—	—	—	..	..	..
Korea	..	—	0.3	—	0.4	0.1		—	1 3	—	.	..	..
Malaya	..	1.2	0.1	0.1	—	—		—	—	—	..	..	..
Thailand	..	0.1	0.1	--	0.1	0.1		0.1	—	—	..	..	..
Japan	..	0.4	2.6	1.9	3.7	2.3		3.0	6.6	5.0	.	..	..
United Kingdom	..	1.4	0.6	0.5	0.9	0.9		1.0	0.8	1.9	..	.	..
United States	..	25.4	34.8	30.6	40.9	36.6		44 2	43.3	57.8	.	..	..
FROM THAILAND f in Baht to													
N. Borneo	—	0.4	2.1	2.3	..	..	..	..	..	..	..	..	..
Burma	—	0.3	1.5	1.0	..	..	..	.	..	..	.	..	..
Ceylon	0.5	0.1	1.4	8.5	..	..	..	..	.	.	..	..	..
China	0.2	4.3	21.7	7.3	..	.	..	..	.	.	.	..	..
Hong Kong	2.0	18.0	16.3	17.4	.	..	..	..	..	.	..	..	..
India	2.0	4.0	16.7	31.2	..	.	..	..	.	.	..	..	..
Indochina	—	0.5	1.0	0 5	.	..	..	..	.	..	..	..	..
Indonesia	0.2	0.6	8.0	12.8	.	..	..	..			..	..	..
Korea	--	0.6	1.9	—		.	..	..				..	..
Malaya	10.7	32.4	39.6	68.5	..	..	..	..			..	..	..
Philippines	0.2	1.0	5.5	4.5	.	.	..	..			..	..	..
Japan	1.0	—	0.5	14.2	..	.	..	..	..	.	.	..	..
United Kingdom	0.4	2.0	4.5	11.5	.	..	.	.			..	..	..
United States	0.1	10.1	36.8	38.3		..	..	..	..	.	.		
FROM JAPAN g * in US$ to													
China	35.0	0 8	0.3	1.0	4.8	3.2	3.9	4.1	8 1	6 4	5.8	6.0	7.3
Hong Kong	..	..	..	..	5 3	4.4	2 5	4.4	9 7	6 4	10.3	4.9	3.8
India	4 5	0.7	0.7	5.4	1.7	0.9	1.6	1.9	2.3	2 2	2.4	1.1	3.1
Indonesia	2 5	2.0	4.7	2.3	3.9	3.5	3.3	3.5	5.1	8.3	6 7	5 5	12.9
Korea	21.6	1.6	1.5	1.4	1.5	1.8	1.4	0 9	2.1	0.7	0 2	0 3	1.6
Malaya	0.5	0.3	0.5	1.3	1.5	0.4	2.1	1.6	1.9	4 5	2.6	3 5	7.3
Philippines	0.8	0.1	0.3	1.8	1,5	1.8	0.7	0.6	3 0	1.5	1.6	1.3	1.7
United Kingdom	3.2	1.7	1.4	3.5	2.2	1.2	2 9	2.4	2.2	2.7	1.5	2.4	4.1
United States	10.1	1.7	5.5	6.6	14.9	11.4	13.5	17.7	17.2	15.8	14 5	17.6	15 3

* Including Re-exports.

a. Burma: Prewar data refer to period October 1938 to September 1939; 1948 and 1949 annual figures refer to twelve months ending September

b. India: 1947 figures are averages for January-July, and 1948 are averages for nine months, April-December.

c. Excluding exports to Pakistan by land in 1948.

d. Indochina: Data for 1947 are averages for April-December.

e Pakistan: Sea and airborne trade only. Annual figures for 1948 and 1949 are for years beginning 1st April.

f. Thailand: Pre-war data refer to year ending March, 1940.

g. Japan: Exports to India include Burma and Pakistan in 1938 and Pakistan in 1947 and 1948.

VII. QUANTITIES OF EXPORTS OF SELECTED COMMODITIES

(Monthly averages in thousand tons)

	1938	1947	1948	1949	1950	1950				1951			
						I	II	III	IV	I	Jan.	Feb.	Mar.
RICE													
Burma	253.3	67.0	102.2	99.2	99.2	50 4	146.0	116.7	83.7	111.0	86.0	97.0	151.0
Thailand	115.4	32.9	67.6	101.3	123.2	115.8	135.1	115.7	126.1	159,5	119.0	185.2	174.2
Indochina	77.8	3.6	13.4	7.8	8.7	11.0	12.8	6.1	4.8	..	22.8	26.3	..
TEA													
Ceylon	8.9	10.9	11.2	11.6	11.1	8.7	12.9	12.1	10.5	10.5	11.5	10.0	10.2
China	3.5	1.4	1.5	..	..	..	..	..	..	..	..	..	..
India	13.4a	16.1a	14.2	16.1	14.8	13.5	7.7	15.8	22.1	19.4	22.9	18.8	16.4
Pakistan	..	..	..	1.2	0.5	1.2	0.1	0.1	0 8	1 2	0.2	2.8	0.5
Indochina	0.2	—	—	0.1	0.1	0.1	0.1	0.1	0.1	..	..	..	..
Indonesia	6.0	0.3	0.8	1.8b	2.4	1.5	2.1	3.1	3.9	*2.9*	2.5	3.2	*3.0*
Japan	1.4	0.3	0.3	0.6	0.6	0.4	0.4	0.7	0.9	—	0.8	1.0	..
COPRA AND COCONUT OIL c													
Ceylon	8.7	5.1	9.2	8.6	7.5	3.4	4.9	8.2	13.3	10.1	9.0	8.7	12.5
Hong Kong d	0.1	1.6	0.7	0.3	0.4	0.2	0.3	0.5	0.4	0.2	0.1	0.2	0.3
Indonesia e	25.8f	7.6	12.1g	15.8	14.1	11.9	16.0	12.1	16.4	17.3	17.2	18.7	16 0
Malaya	13.4	4.0	7.1	9.8	11.2	11.7	10.2	11.6	11.4	9.1	10 9	9.0	7.5
N. Borneo	0.4	0.2	0.3	0.8	1.4	1.3	1.4	1.5	1.2	0.8	0.7	0.8	0.9
Philippines	28.9f	51.2	35.3	33.4	41.0	26.0	28.4	53.9	55 9	40.2	41.7	47.8	31.0
Sarawak	0.1	—	0.1	0.2	0.2	0.2	0.2	0.3	0.2	0.1	0.1	0.2	0.1
Thailand	..	..	..	0.3	0.3	0.3	0.1	0.5	0.2	..	..	..	.
PALM KERNELS AND OIL c													
Indonesia h	14.2	0.2	3.3	8.5	8 2	5.6	8.0	11.8	7.6	2.8	0.7	6.7	1.0
Malaya	3.1	4.1	4.4	5.0	5.2	5.2	4.6	6.6	4.5	5.3	5.3	2.9	7.7
GROUND NUTS AND OILc													
Hong Kong	1.2	0.2	0.4	0.7	1.8	1.5	2.8	1.5	1.3	1.9	1.1	3.1	2.4
India	22.0	3.0	5.5	4.0	5.8	14.4	1.5	1.5	5.9	17.4	13.2	15 4	23.7
NATURAL RUBBER													
Brunei	0.1	0.2	0.2	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.2	0.2
Burma	0.6	0.7	0.8	0.6	0.8	1.6	1.3	0.3	0.2	1.1	0.3	1.9	1.0
Ceylon	4.2	7.0	7.8	7.7	10.0	10.2	8.2	10.6	11.1	10.9	12.0	11.7	9.1
Indochina	5.0	4.3	3.5	3.5	4.4	5.7	2.7	4.1	5.0	4 5	5.9	4.3	3.2
Indonesia	25.5	24.3	36.6	35.7	56.8	29.7	63.6	68.3	65.5	*62.3*	*63.9*	60.1	62.8
Malaya i	31.4	54.2	57.5	57.5	55.7	58.3	39.0	60.7	64.8	49.0	42.9	59.2	45 0
N. Borneo	0.8	1.3	1.7	1.7	2.0	1.8	1.8	2.2	2.3	1.8	2.0	1.8	1.7
Sarawak	1.5	3.0	3.4	3.3	4.7	4.5	4.6	5.3	4.4	3.2	3.9	3.2	2.5
Thailand	3.5	4.5	8.1	8.0	9.5	8.1	9.9	11.0	9.0	10.1	9.6	10.2	10.4
COTTON RAW													
India	38.6	19.3	8.0	4.2	2.7	7.6	1.5	1.0	0.6	1.7	0.7	0.7	3.8
Pakistan	..	..	13.6	14.0	17.2	14.7	26.1	20.0	8.2	..	42.4	..	38.0
COTTON YARN (ton)													
Hong Kong	..	..	..	1,387	2,109	2,100	2,551	2,627	1,160	..	1,126	2,453	..
Malaya	197	..	22	152	388	377	108	707	361	260	218	387	194
Japan	1,745	903	458	803	892	1,307	813	947	499	1,160	746	1,320	1,415
COTTON PIECE GOODS (mn. metres)													
Hong Kong	..	..	..	7.4	10.8	6.0	7.3	17.3	12.9	..	16.8	8.8	..
India	14 6	22.9	23.5	35.5	93.7	92.3	67.4	77.4	100.3	141.5	120.0	154.1	150.3
Malaya	2.0	4 0	7.5	5.2	14.5j	12.68	13.3	13.5	18 8	19.2	21.6	18.7	17.2
Japan (mn. sq. metres)	158.4	26 4	28.2	52.2	76.9	71 5	78.5	77.4	80 0	72.1	61.4	59.1	95.8
JUTE RAW													
India			20.0	15.4	0 6	2.0	0.2	—	—	—	—	—	—
Pakistan	55.9	23.4	16.1	17.3	50.0	34.7	36.8	51.1	77.4	..	96.1	..	76.6
JUTE MANUFACTURES													
India													
Bag	49.0k	35.0	39.8	36.4	29.6	32.0	25.7	30.2	30.4	30.2	36.7	23,5	30.4
Cloth	29.9k	32.6	38.6	27.9	24.4	27.8	20.9	23.7	25.1	19.5	18.2	21.2	19.2
HEMP RAW													
Philippines	11.8	7.2	6.2	5.3	7.9	5.9	8.6	9.1		13.6	..	..	..
TIN CONCENTRATES													
Burma	0.2	0.2	0.2	0.1	*0.1*	0 2	0.5	0.4	*0.1*	*0.1*	*0.1*	*0.1*	0.1
Indonesia	1.2	1.3	2.8	2.6	2.6	2.6	2.6	2.5	2.9	2.4	2.3	2.8	2.0
Thailand	1.1	0.5	0.5	0.6	0.9	0.7	0.9	0.9	1.0	*1.0*	*1.0*	*1.0*	1.0
TIN METAL													
Hong Kong	..	..	0.2	0.3	0.1	0.2	0.1	—	0.2	—	—	—	—
Malaya	5.2	2.7	4.0	4.6	6.9	5.9	7.1	8.3	6.4	5.4	4.6	5.5	6.1
PETROLEUM													
Indonesia m	505.6	64.2	320.8	474.4	*536.9*	421.8	500.8	602.4	*665.6*	*318.6*	300.0	532.2	*123.6*
Malaya	30.5n	36.3	82.1	131.3	164.8	164.8	159.7	177.3	158.2	166.7	128.1	158.9	213.0

a Including territory of Pakistan.
b Federal territory only.
c Expressed in terms of oil equivalent: figures under column for 1938 refer to averages for the period 1934-1938.
d Coconut oil only.
e Copra only.
f 1935-1939.
g Excluding exports to Singapore.
h Palm oil only
i Net exports
j Unit changed in 1950 to million square meters.
k Converted at 2.25 lbs. per bag and 0.50 lb. per yard of cloth
m Petroleum and products.
n Motor spirit only.

VIII. INDEX NUMBERS OF UNIT VALUE OF IMPORTS AND EXPORTS

(Base 1948 = 100)

	1938	1947	1949	1950	1950				1951			
					I	II	III	IV	I	Jan.	Feb.	Mar.
BURMA												
Imports	24a	89b	109b	132c	132	138	125	63	67	..	..	..
Exports	17a	82b	102b	102c	99	97	98	122	124	..	..	..
CEYLON												
Imports	23.0	93	95	98	99	98	98	103	109	107	110	111
Exports: All Commodities	32.5	98	106	144	134	129	143	172	188	175	191	199
Tea	36.3	99	109	129	135	122	124	135	141	133	143	147
Rubber	56.2	108	90	218	125	154	237	357	410	375	420	436
All coconut products	14.5	94	111	145	147	145	138	152	170	159	170	181
Other export products	25.1	98	93	124	116	113	124	142	165	151	164	181
INDIA												
Imports: All Commodities	..	..	97a	103	102	101	100	108	123	121	122	126
Food, drink & tobacco	..	..	108a	104	106	101	103	108	103	100	104	106
Raw materials & semi-manufactures	..	..	106a	113	113	108	110	122	155	154	154	158
Manufactures	..	..	90a	96	94	95	92	103	119	118	115	123
Exports: All Commodities	..	..	104a	110	106	111	110	111	121	113	122	127
Food, drink & tobacco	..	..	115a	127	121	134	127	126	140	117	151	152
Raw materials & semi-manufactures	..	..	111a	114	111	121	112	111	129	123	133	132
Manufactures	..	..	97a	103	100	103	103	106	111	107	108	118
INDO-CHINA												
Imports	7.8	65	123	118	124	107	121	119	130	126	133	131
Exports	11.1	68	128	148	131	121	176	164	190	213	196	161
INDONESIA												
Exports: All Commodities c	31	..	105	177	128	137	191	245	312	305	325	307
Estate produce	38	..	124	185	155	157	195	237	300	292	310	297
Peasant produce	27	..	92	171	109	124	185	245	305	299	319	298
Forest produce	12	..	78	99	88	95	100	114	139	123	148	147
MALAYA												
Imports: All commodities	36	90	101	115	99	102	115	142	149	..	..	..
Food, drink & tobacco	23	78	95	100	90	97	107	107	108	..	..	..
Raw materials	53	85	106	175	136	133	171	260	314	..	..	..
Manufactures	41	106	99	106	98	99	105	124	122	..	..	..
Exports: All commodities	43	86	98	173	118	135	183	258	298	..	..	..
Food, drink & tobacco	24	93	103	120	119	111	137	115	138	..	..	..
Raw materials	52	88	94	214	125	157	229	346	394	..	..	..
Manufactures	32	88	97	110	96	98	111	135	165	..	..	..
PHILIPPINES												
Imports	..	..	104	79	82	73	81	86	89	92	85	89
Exports	24.8	89	69	77	70	74	80	85	87	82	82	96

a Year beginning 1 April of the year stated.

b Year ending September of the year stated.

c Weighted wholesale price index numbers of 18 export products (f.o.b. prices excluding the value of foreign exchange certificates).

IX. INDEX NUMBERS OF WHOLESALE PRICES

(1948 = 100)

	1938	1947	1949	1950	1950				1951			
					I	II	III	IV	I	Jan.	Feb.	Mar.
BURMA												
All items	24	..	123	115	110	107	119	126	117	119	117	116
Cereals	31	..	96	98	85	94	108	106	91	90	88	94
Others (non-food)	17	..	161	196	188	186	185	223	236	238	236	234
INDIA												
All items	27	81	104	109	106	107	111	112	116	113	115	119
Food articles	27	78	104	110	104	107	114	114	110	111	111	110
Industrial raw materials	23	85	108	117	114	113	119	122	133	128	129	141
Semi-manufactured articles	32	80	104	108	106	106	108	110	117	113	117	120
Manufactured goods	29	81	101	102	102	102	103	103	109	104	109	114
Miscellaneous	20	93	108	136	124	129	145	145	143	139	140	149
KOREA (Seoul)												
All items	..	61	137	..	202	209	..	..	..	..	..	..
Fertilizers	..	79	300	.	664	719	..	..	.	..	..	..
Textile raw materials	.	48	144		196	188	..	.	..	.	..	..
Textiles	..	48	140	.	179	130	..	..	..	..	..	..
Building materials	.	55	143	..	187	188	..	..	..	..	..	..
PHILIPPINES (Manila)												
General	20	96	87	77	78	73	76	83	84	81	84	86
THAILAND (Bangkok)												
General	6	105	93	95	90	94	96	101	99	97	99	101
VIET-NAM (Saigon) *												
General index	6	68	125	123	115	114	130	132	136	132	135	140
Rice & paddy			125	104	104	93	116	104	96	94	98	97
Other food products	6	65	125	125	124	124	122	130	132	131	129	137
Fuel & mineral products	7	68	136	153	154	153	154	155	159	160	158	158
Raw materials	14	50	120	172	121	139	195	236	267	255	272	274
Semi-finished products	7	76	123	117	121	116	114	115	126	123	124	129
Manufactured products	4	88	125	105	103	101	110	110	122	118	118	130
JAPAN												
All items	1	38	163	192	177	178	197	215	246	231	247	260
Edible farm products	1	34	178	207	195	208	218	206	225	215	218	243
Processed foods	1	38	163	157	157	152	159	161	166	162	167	171
Textiles	1	34	215	262	221	224	280	322	389	363	397	405
Chemical fertilizer	1	47	138	180	161	169	188	204	221	215	223	227
Metal & products	2	42	143	211	173	177	221	270	351	299	358	397
Building materials	1	44	141	166	154	148	161	199	236	221	235	251
Fuels	1	36	150	167	176	162	160	168	176	177	176	176
Miscellaneous	1	31	155	179	167	168	180	203	226	216	227	234

Note: Figures under the column for 1938 refer to 1938-40 for Burma, year ending August 1939 for India and January to June 1939 for Saigon.

* New series for Saigon beginning 1949, which is linked to the old series.

X. INDEX NUMBERS OF COST OF LIVING AND RETAIL PRICES

(1948 = 100)

	1938	1947	1949	1950	1950				1951			
					I	II	III	IV	I	Jan.	Feb.	Mar.
BURMA (Rangoon)												
Cost of living	28	108	135	114	116	113	121	108	105	108	107	102
Food	24	115	142	120	119	115	132	113	111	115	112	105
CAMBODIA (Phnom-Penh)												
Cost of living	..	84	138	154	145	149	161	162	159	156	161	162
Food	..	80	133	..	138	..	..	..	..	..	..	..
CEYLON (Colombo)												
Cost of living	..	97	98	105	104	103	106	106	109	108	109	109
Food	..	91	104	112	111	110	114	112	114	114	115	114
HONG KONG												
Cost of living	..	101	112	117	122	115	116	116	126	..	..	126
Food	..	100	118	126	135	125	124	121	129	..	..	129
INDIA (Bombay)												
Cost of living	35	92	101	103	101	102	106	104	107	105	106	110
Food	32	99	105	109	106	108	114	109	113	110	112	118
INDONESIA (Djakarta)												
Food	8	179	97	113	105	118	111	119	179	139	204	194
KOREA (Seoul)												
Retail price index	..	65	126	368	195	201	514	561	..	..	..	..
Food (Republic)	..	66	123	..	206	..	..	..	..	..	..	..
LAOS (Vientianne)												
Cost of living	..	86	115	..	108	..	123	126	116	116	116	115
Food	..	88	109		105	..	..		..	..	..	..
MALAYA (Kuala Lumpur)												
Cost of living												
Chinese	..	106	94	101	94	97	102	109	125	120	126	130
Indian	..	103	94	99	94	96	100	107	125	120	126	128
Malay a	..	..	98	108	100	103	111	118	132	128	132	136
PAKISTAN (Karachi)												
Cost of living	..	..	..	95	97	94	94	94	96	95	93	98
Food	..	..	..	93	96	93	91	92	96	94	93	99
PHILIPPINES (Manila)												
Cost of living	25	106	94	92	92	89	92	97	97	97	98	97
Food	24	108	93	86	88	82	85	91	92	92	93	90
THAILAND (Bangkok)												
Cost of living	8	100	96	99	98	102	97	100	110	104	113	114
VIET-NAM (Saigon)												
Cost of living	..	74	122	125	121	122	127	130	132	133	133	132
Food	..	74	120	114	115	112	114	117	115	116	116	113
JAPAN (Urban)												
Cost of living	..	57	138	129	131	125	129	129	143	139	142	147
Food	..	64	134	120	124	119	122	116	132	126	131	139

a January 1949 = 100

XI. WHOLESALE PRICE QUOTATIONS OF SELECTED COMMODITIES[a]

(Monthly averages per ton)

	Currency Unit	1938	1948	1949	1950	1950				1951			
						I	II	III	IV	I	Jan.	Feb.	Mar.
RICE													
Burma	Rs.	..	266	264	..	257	265	..	..	..	..	..	..
India	Rs.	..	436	442	432	432	432	432	432	432	432	432	432
Indonesia	R.	..	870	870	..	1,070	940	920	..	2,177	1,550	2,630	2,350
Japan	000 Y.	0.21†	24.9	29.7	..	29.1	29.1	29.7	..	36.9	36.9	36.9	36.9
Korea	000 W.	..	127	145	..	268	..	..	..	..	..	..	..
Pakistan	Rs.	..	917	977	*419*	427	507	*436*	*422*	*416*	*413*	*422*	*415*
Thailand	Baht	..	738	713	696	670	703	692	723	702	679	685	742
Viet-Nam	Pr.	106	2,100	2,630	2,170	2,180	1,910	2,410	2,160	1,993	1,960	2,010	2,010
WHEAT													
India	Rs.	..	566	532	410	407	409	412	412	412	412	412	412
Korea	000 W.	..	73	95	..	224	..	..	..	..	..	..	..
Pakistan	Rs.	..	326	317	*375*	316	287	*330*	*353*	262	252	268	265
SUGAR													
India	Rs.	..	990	846	773	769	769	769	787	822	822	822	822
Indonesia	R.	..	2,290	1,550	2,906	2,867	3,500	2,943	2,313	3,243	2,850	3,350	3,530
Korea	000 W.	..	411	745	..	1,150	..	..	..	..	..	..	..
Pakistan	Rs.	..	925	964	*1,005*	981	989	*1,014*	*1,021*	1,021	1,021	1,021	1,021
Philippines	P.	72	307	313	284	276	289	293	278	*240*	*248*	*240*	*232*
Thailand	000 Bhat	..	4.61	5.66	5.33	4.20	4.36	6.20	6.55	6.22	6.22	6.28	5.76
PEPPER													
Cambodia	000 Pr.	0.41	35.1	95.4	137	136	126	147	140	152	144	161	153
Indonesia	000 R.	..	5.47	19.4	..	46.2	..	..	..	..	..	48.0	..
Malaya	000 M$	..	3.2	8.2	15.0	14.5	14.0	16.7	15.9	18.2	17 3	19.1	18.3
Thailand	000 Baht	..	23.8	46.0	95.6	106.9	103.6	87.0	84.9	104.1	105.6	102.5	..
TEA													
Ceylon	Rs.	1,540	3,590	4,170	4,450	4,900	3,700	4,530	4,730	..	4,916	5,071	..
India	Rs.	..	3,590	3,660	..	4,010	3,840	4,100	..	3,814	3,792	4,123	3,549
Pakistan	Rs.	..	4,696	4,248	..	3,862	4,343	..	..	..	*3,571*	..	*3,307*
Indonesia	R.	..	2,200	2,870	5,520	4,580	5,170	6,330	6,000	6,920	6,750	7,000	7,000
U.K.	U.S. $	630	1,190	..	950	924	888	999	986	..	985	988	..
U.S.A.	U.S. $	..	1,290	1,243	1,146	1,207	1,066	1,133	1,180	..	1,121	..	..
TOBACCO													
India	Rs.	..	..	5,820	6,850	6,060	7,140	7,100	..	6,940	6,990	6,990	6,830
Pakistan	Rs.	..	2,551	2,368	2,550	2,651	2,281	2,435	2,840	4,198	4,019	4.287	4,287
Philippines	P.	123	816	796	1,151	925	1,296	1,241	1,142	..	..	..	..
VEGETABLE OIL [b]													
Ceylon	Rs.	181	1,006	1,006	1,390	1,332	1,259	1,421	1,546	..	1,863	2,042	..
India	Rs.	..	666	760	850	810	860	890	830	944	950	932	950
Indonesia	R.	..	1,220	940	1,700	920	1,780	1,980	2,100	2,160	2,160	2,160	2,160
Malaya	M$	149‡	1,160	913	1,092	1,014	1,029	1,150	1,204	1,589	1,472	1,476	1,670
Pakistan	Rs.	..	2,649	2,986	*3,338*	3,281	2,737	*3,662*	*3,483*	*3,340*	*3,403*	*3,403*	*3,215*
Philippines	P.	130	980	620	676	670	640	673	720	880	800	910	930
COPRA													
Ceylon	Rs.	109	531	591	826	786	762	842	916	..	1,105	1,189	..
India	Rs.	..	986	1,289	1,486	1,462	1,398	1,476	1,609	1,577	1,635	1,551	1,545
Indonesia	R.	..	390	470	1,190	860	1,250	1,280	1,380	..	1,450	1,550	..
Malaya	M$	59	646	518	650	607	615	693	738	921	866	952	945
Philippines	P.	60	515	311	360	354	347	367	370	*477*	*423*	*493*	*506*
Thailand	Baht	..	..	2,320	3,292	3 189	2,892	3,113	3,972	4,729	4,408	5,092	4,687
COTTON, RAW													
India	Rs.	..	1,830	1,800	..	1,310	..	..	..	1,730	1,730	1,730	1,730
Korea	000 W.	..	630	929	..	1,650	..	..	..	..	..	..	..
Pakistan	Rs.	..	1,879	2,109	..	1,867	1,934	2,554	..	*2,424*	*2,907*	*2,939*	*2,456*
U.K.	£	..	..	232	329	286	292	341	398	..	439	439	..
JUTE, RAW													
India	Rs.	..	1,070	1,110	1,100	1,100	1,120	1,100	1,100	1,470	1,100	1,100	2,200
Pakistan	Rs.	..	958	849	675	673	713	664	623	934	731	899	1,171
U.K.	U.S.$	90	385	..	315	315	326	311	311	437	366	413	531
U.S.A.	U.S.$	95	408	..	343	348	358	340	326	467	379	461	560

XI. WHOLESALE PRICE QUOTATIONS OF SELECTED COMMODITIES[a] *(Contd.)*

(Monthly averages per ton)

	Currency Unit	1938	1948	1949	1950	1950				1951			
						I	II	III	IV	I	Jan.	Feb.	Mar.
HEMP													
Philippines	P.	118	883	892	887	884	832	882	950	..	*1,392*	*1,325*	..
WOOL, RAW													
India	Rs.	..	1,963	2,030	3,990	2,930	3,240	3,090	6,710	5,820	5,370	6,040	6,040
Pakistan	Rs.	..	..	3,180	..	3,920	4,260	5,480	.	..	7,260	..	6,070
SILK, RAW													
India	000 Rs.	..	52.9	66.9	84.1	78.6	90.8	93.3	73.6	78.3	74.0	81.5	79.3
Japan	Mn. Y.	..	1.57	2.29	2.58	2.67	2.02	2.92	3.26	4.6	4.2	4 8	4.8
Korea	Mn. W.	..	7.1	11.6	.	16.7	..	..	..	..	..	..	..
HIDES													
India	Rs.	..	2,160	2,010	2,000	2,040	1,710	2,060	2,200	4,320	3,030	5.240	4,680
Pakistan	Rs.	..	1,830	2,296	*2,566*	2,412	2,473	*2,349*	*2,992*	3,963	3,937	3,937	4,016
Thailand	000 baht	..	8.2	9.9	12.8	11.8	11.7	12.3	15.4	23.5	19.7	25.2	25.8
RUBBER, NATURAL													
Ceylon	Rs.	816	1,367	1,257	3,417	1,742	2,543	3,939	5,453	..	6,239	7,033	..
Indonesia	R.	..	1,176	1,077	5,958	1,993	4,323	7,343	10,173	12,100	11,510	12,600	12,190
Malaya	M$	539	944	855	2,386	1,170	1,711	2,820	3,959	4,753	4,510	4,961	4,786
Thailand	baht	..	6,531	6,233	12,155	6,920	9 139	12.249	20,312	21,779	21,250	22,025	22,060
U.K	£	66	119	108	306	145	210	363	504	597	550	637	604
U.S.A.	US$	324	483	388	906	423	606	1,078	1,517	1,594	1,570	1,623	1,588
Viet-Nam	000 Pr.	1.0	7.2	8.3	15.9	8.2	10.5	18.7	26.2	30.0	28 0	31.0	31.0
COAL													
India	Rs.	..	16.1	16.0	15.5	15.5	15.5	15.5	15.5	15.5	15 5	15 5	15.5
Indochina	Pr.	23	342	542	583	589	581	580	582	583	583	583	583
Pakistan	Rs.	..	83	89.2	89.3	89 2	89.2	89.3	89.3	78.7	78.7	78.7	78.7
Korea	000 W.	..	3.61	3.80	..	4.33	..	..	..	..	..	..	..
TIN													
Malaya	000 M$	1.60	4 53	4.46	6.04	4 86	4.99	6.37	8.33	10.94	10.67	12.13	10.04
Thailand d	000 baht	..	..	20.04	22.16	16.79	17.94	22.82	31.10	40.9	38 8	45.6	38 3
U.K.	£	187	543	596	734	590	586	733	1,027	1,318	1,211	1,447	1,297
U.S.A.	US$	932	2,188	2,186	2,108	1,661	1,703	2,155	2,914	3,674	3,786	4,028	3,209
PIG IRON													
India	Rs.	..	111	111	105	105	105	105	105	105	105	105	105
Japan e	000 Y.	0.02	3.1	4.7	..	9.8	9.8	..	..	..	..	..	..
Korea	000 W.	..	15.0	27.5	..	50.3	..	..	..	..	..	..	..
CEMENT													
India	Rs.	..	83.7	81.2	81.2	81.2	81.2	81.2	81.2	81.2	81 2	81.2	81.2
Indochina	Pr.	30	746	961	986	994	996	976	976	976	976	976	976
Japan	000 Y.	..	2.79	4.12	5.01	4.99	4.78	4.82	5.43	6.41	6.10	6.43	6.70
Korea	000 W.	..	21.8	40.6	..	48.0	..	..	..	..	..	..	..
Pakistan	Rs.	..	..	93.8	*93.8*	93.8	93 8	*93.8*	*93.8*	*93.8*	*93.8*	*93.8*	*93.8*
COTTON YARN													
India	Rs.	..	2,620	3,130	3,060	3,060	3.060	3,060	3,060	3,420	3,060	3,530	3,660
Indochina	000 Pr..	1.8	50.1	45.0	50.8	55.1	50.2	47.6	50.1	57.3	54.0	54 0	64.0
Japan	000 Y.	..	87	280	373	359	357	357	417	474	463	463	496
COTTON FABRICS													
India	000 Rs.	..	4.1	3 9	3.6	3.7	3.6	3.6	3.6	3.9	3.6	4.0	4.0
Japan (Y. per meter)		..	..	62	79	58	59	90	108	117	109	115	126
JUTE BAGS (per hundred)													
India	Rs.	..	133	146	156	156	156	156	156	190	154	156	260
Pakistan	Rs.	..	151	174	*196*	214	200	*187*	*179*	194	185	188	210
JUTE (hessian)													
U.K.	U.S.$	163.7	658	..	559	559	559	559	559	718	718	718	718
U.S.A.	U.S.$	172.8	660	..	777	651	586	759	1,112	1,183	1,152	1,199	1,199

a. For details regarding specification and market centre see "Explanatory Notes to Table X" in Vol. I No. 1, and Footnotes to Table XI in Vol. I No. 2, and No. 3, and Statistical Supplement to Vol. I.

b. Coconut oil for Ceylon, Malaya and the Philippines; groundnut oil for India; palm oil for Indonesia; and mustard oil for Pakistan.

c. India, raw cotton, Bengal Fine M.G. substituted from third quarter 1949 for original specification the price of which in the third quarter of 1949 was 1960.

e. Pig Iron No. 2 for casting substituted beginning July 1950, the quotation for the original specification i.e. Pig Iron for steel being 11.9 for July 1950.

d. Tin Ore.

g. October.

l. December.

‡ 1939.

† 1937

XII. FINANCIAL STATISTICS[a]

	1938	1948	1949	1950	1950 I	1950 II	1950 III	1950 IV	1951 I	1951 Jan.	1951 Feb.	1951 Mar.
BURMA (million Rs.)												
Currency and Deposit Money												
Currency: In circulation	..	351	418	391	411	412	385	369	436	391	439	479
Deposit money b	..	174	202	207	193	204	225	204	198	184	193	218
Commercial Banks												
Total deposits	138	199c	233	246	226	246	267	246	238	225	233	257
Assets: Cash	3	72c	109	79	72	74	74	57	48	45	49	50
Short term: Government	..	16	18	18	23	19	15	14	17	17	17	17
Short term: Other	..	..	..	..	..	..	..	..	170	166	180	164
Long term: Government	..	..	..	4	—	5	6	6	6	6	6	6
Union Bank of Burma												
Deposits: Total	..	108d	149	226	136	189	291	287	277	317	260	254
Government	..	44d	46	163	70	123	223	237	237	279	219	213
Foreign assets: Total	..	88d	172	216	141	178	271	279	283	320	275	268
Local assets:												
Short term: Government	..	6d	20	18	23	19	15	14	17	17	17	17
Long term: Government	..	10d	10	13	7	16	14	15	13	13	13	13
Bank Clearings	68	157c	128	139	123	139	151	144	..	..	..	..
CEYLON e (million Rs.)												
Currency and Deposit Money												
Currency—Net active	35	222	222	256	230	238	261	295	330	315	337	337
Deposit money b	..	579	621	475	424	438	488	549	..	..	..	..
Commercial Banks												
Total deposits	..	641	687	660	624	613	663	741	..	..	..	..
Assets: Cash	..	269	284	151	175	105	146	178	..	..	..	..
Short term	..	127	137	305	151	173	242	252	..	..	..	..
Long term	..	193	230	187	185	182	178	203	..	..	..	..
Central Bank of Ceylon												
Deposit: Total	..	..	..	189	..	..	177f	184	..	216	219	..
Government	..	..	..	20	.	..	3f	27	..	32	24	..
Foreign assets: Total	..	..	..	533	..	..	506f	552	..	592	616	..
Local assets												
Short term: Government	..	..	..	14	..	..	14f	14	..	14	14	..
Long term: Government	..	..	..	4	..	..	..	4	..	2	..	
Bank Clearings	91	396	461	549	519	525	614	593	672	762	625	630
HONG KONG (million HK$)												
Currency and Deposit Money												
Notes: Total issued	..	778	840	803	803	801	802	807	807	808	808	806
Bank Clearings	..	689	917	1,199	878	945	1,408	1,566	1,615	1,880	1,400	1,565
INDIA g (1000 million Rs.)												
Currency and Deposit Money												
Currency: Net active	3.03h	13.58	12.38	12.49	12.54	12.86	12.22	12.35	13.37	13.04	13.44	13.63
Deposit money	1.35h	8.07	7.06	6.83	6.85	6.80	6.73	6.94	7.01	6.99	6.78	7.27
Scheduled Banks												
Total deposits	2.27	9.90	8.85	8.71	8.61	8.66	8.73	8 82	9 04	8.98	9.08	9.06
Assets: Cash	0.22	1.28	1.04	0.98	0.87	0 90	1.08	1.08	0 89	0.82	0.92	0.93
Short term	1.16	4.33	4.47	4.49	4.45	4.68	4 26	4.20	5.21	4.93	5.24	5.47
Long term	..	4.65	3.74	3.73	3.60	3.60	3 82	3 90	..	3.70	..	..
Reserve Bank of India												
Deposits: Total	0.32	4.29	3.10	2.94	2.95	2.70	3.04	3.08	3.03	2.88	3.01	3 20
Government j	0.15	2.57	1.75	1 68	1.77	1.56	1.66	1 75	1.82	1.80	1 77	1 88
Foreign assets: Total	1.15	13.74	8.95	9 68	8.86	8.76	8.50	8 62	9 01	8.83	8 96	9.24
Banking Department	0.04	3.44	1.87	2.08	2.02	1.94	2.22	2.16	2.09	2.05	1.98	2.06
Issuing Department	1.11h	10.30	7.08	6.60	6.84	6.82	6.28	6.46	6.98	6.78	6.98	7.18
Local assets:												
Short term: Government	0.02	0.01	0.03	0.02	0.01	0.02	0 03	0.02	0.03	0.04	0.03	0 02
Short term: Others	0.02	0.09	0.12	0 10	0.14	0.13	0.07	0.05	0.14	0.09	0.07	0.25
Long term: Total	0.39	2.83	5.01	5 21	5.10	5.27	5 23	5.27	5.70	5.47	5.78	5.86
Banking Department	0.06	0.75	1.00	0 76	0.86	0.59	0.71	0 90	0.93	0.80	1 01	0 99
Issuing Department	0.32	2.08	4.01	4.45	4.24	4.68	4.52	4.37	4.77	4.67	4.77	4.87
Banking Clearings	1.54	5.07	4.77	4.70	4.83	4.61	4.60	4.74	5.99	6.22	5.59	6.16
INDO-CHINA (million Pr.)												
Commercial Banks												
Total deposits	..	1,126	1,284	1,616	1,574	1,520	1,602	1,769	1,902	1,966	1,813	1,927
Assets: Short term	..	338	600	707	735	683	689	721	611	652	631	549

XII. FINANCIAL STATISTICS *(Contd.)*

	1938	1948	1949	1950	1950				1951			
					I	II	III	IV	I	Jan.	Feb.	Mar.
INDONESIA (million R.)												
Currency and Deposit Money												
Notes: Total issued k	188h	1,577h	1,740	2,313	2,068	2,104	2,347	2,729	..	2,851	2,904	..
Deposits Money	83h	884h	756	1,661	1,927	1,239	1,543	1,937	..	2,372	2,418	..
Bank of Java												
Foreign assets: Total	128h	..	551	868	735	726	770	1,242	1,504	1,412	1,522	1,578
Local assets:												
Short term: Government	3h	916h	972	2,007	1,622	1,933	2,030	2,445	2,782	2,996	2,849	2,501
Short term: Others	61h	..	70	138	69	120	169	194	173	176	168	175
JAPAN (1000 million Y.)												
Currency and Deposit Money												
Notes: Net Active m	2.9	338.1	294.0	315.2	296 8	298.1	307.4	357.2	377.9	377.4	379.8	376.4
Deposit money	5 3h	266.9	364.2	452.1	430.4	437.8	457.7	482.3	556.8	525.0	541.4	604.0
All banks except Bank of Japan												
Total deposits	19.1	326.4	613 9	893.4	806.7	852.3	917.1	997.4	1,132.2	1,073.9	1,111.6	1,211.2
Assets: Cash	1.5h	52.6	101.5	141 3	134.5	130.5	147.4	152 5	..	159.4	170.3	..
Short term	12.7	248 3	496.8	825.8	715.8	786.1	855.5	945.8	1,029.3	995.0	1,024.2	1,068.6
Long term	5.8	68.2	115.4	117.4	106.4	110.2	120.4	132.7	141.0	138.2	141.4	143.4
Bank of Japan												
Deposits: Total	0.4	29.5	57.2	56.7	48 8	49.7	51.0	77.4	164.7	111.6	163.6	219.0
Government	0 3	10.4	35.2	37.8	30.6	32.3	32.7	55.6	139.6	89.0	139.2	190.7
Local assets:												
Short term: Government	—	69.0	94.1	78.1	84.5	70.2	89.9	67.7	51.1	53.7	49.6	50.0
Short term: Others	0.1	54.6	77.8	123.2	101.3	128.6	140.2	122.9	110.9	101.0	103.7	128.0
Long term: Government	1.8	153.8	182.3	143.7	170.2	145.1	123.2	136.3	133.4	128.6	134.9	136.8
Bank Clearings	..	235.7	549.2	808.0	656.4	746.6	819.6	1,009.4	..	949.5	1,003.9	..
KOREA n (1000 million W.)												
Currency and Deposit Money												
Notes: In circulation	0.31	28.90	42 06	.	60.45	..	..	..	..	..	.	..
Deposit money	0.12	11.48	20.65	..	25.92	..	..	..	..	..	.	..
All Banks												
Total deposits	0.52	32.93	56.03	..	69 88	.	..	.	..	..		..
Assets: Cash	0.05	8.31	15 44	..	26.05	..	.	..	..	..	..	..
Short term	1.05	32.16	52.92	.	85 90	..	..	..	..	..	.	.
Long term	0.41	3.25	3.53	..	4.14	..	..	..	..	..	..	..
Bank of Korea												
Deposits: Total	0.62	5.18	7.85	..	8 83	..	..	..	..	..	..	..
Government	0.06	0.13	0.54	..	0.68	..	..	..	.	..	..	..
Local assets:												
Short term: Government	0.09	0.14	0.30	.	0 46	..	..	..	..	..	..	..
Short term: Others	0.97	8.20	13.45	..	34.64	..	..	..	.	..	..	..
Long term	0.28	0.18	0.41	.	0.54	..	.	..	..	..	..	.
Bank Clearings	0.20	20.57	39.87	..	58.13	..	..	..	..	..	..	..
MALAYA (million M$)												
Currency and Deposit Money												
Currency: Total issued p	.	407	402	456	403	410	461	589	681	661	684	702
PAKISTAN (million Rs)												
Currency and Deposit Money												
Currency: In circulation	..	1,708	1,741	1,794	1,804	1,789	1,704	1,871	2,158	2,135	2,181	2,158
Deposit money	..	990	999	1,055	1,045	1,081	1,085	1,097	1,061	1,022	1,030	1,131
Scheduled Banks												
Total deposits	.	1,092	1,072	1,180	1,151	1,198	1,202	1,168	1,227	1,193	1,202	1,287
Assets: Cash	..	218	204	148	182	161	127	124	129	126	128	132
Short term	..	323	428	562	519	511	521	698	849	855	863	829
State Bank of Pakistan												
Deposits: Total	..	1,164	1,015	795	796	766	796	825	957	846	969	1,055
Government	..	911	795	607	579	595	600	656	811	717	834	882
Foreign assets:												
Banking Department	..	1,009	722	342	361	308	315	383	577	483	584	664
Issuing Department	..	1,203	1 618	1,274	1,475	1,352	1,130	1,139	1,321	1,288	1,338	1,337
Local assets:												
Short term: Government	..	117	111	103	106	103	102	103	59	61	64	53
Short term: Others	.	..	3	37	17	10	40	82	118	125	134	95
Long term:	..											
Banking Department	..	65	178	269	301	286	247	242	178	157	165	214
Issuing Department	..	25	97	469	297	411	519	650	781	801	872	752
Bank Clearings		300	325	362	355	327	366	400	602	594	620	592

XII. FINANCIAL STATISTICS (*Contd.*)

	1938	1948	1949	1950	1950				1951			
					I	II	III	IV	I	Jan.	Feb.	Mar.
PHILIPPINES (million P.)												
Currency and Deposit Money												
Currency: Net active	141h	513	551	598	568	574	601	647	690	680	688	702
Deposit Money	73h	547	547	549	493	530	545	627	564	559	567	567
Commercial Banks												
Total deposits	..	870h	818	827	771	805	818	916	858	851	861	863
Assets: Cash	65h	313	203	209	181	174	184	286	*232*	236	*222*	*238*
Short term	210	..	563	570	586	579	568	548	595	588	599	599
Long term	49	..	84	69	55	68	75	78	76	77	79	71
Central Bank of Philippines												
Deposits: Total	..	..	144	164	133	138	148	238	185	184	175	194
Foreign assets: Total	..	400	607	482	442	447	459	582	561	549	555	579
Local assets:												
Short term: Others	..	..	30	63	85	62	63	42	54	57	49	56
Long term	..	..	20	130	103	122	139	156	163	161	164	163
Bank Clearings	26	381	443	462	460	461	445	481	453	487	428	444
Total Bank Debits to Checking Account	175	772	723	674	597	639	676	783	759	799	744	735
THAILAND (million baht)												
Currency and Deposit Money												
Notes: in circulation r	191h	2,237	2,505	2,610	2,454	2,486	2,564	2,938	*2,569*	*2,390*	*2,562*	*2,754*
Deposit money s	..	1,014	1,020	1,061	991	1,008	1,059	1,187	*1,205*	*1,223*	*1,137*	*1,254*
Commercial Banks												
Total deposits	53	786	829	867	820	821	864	963	990	1,012	955	1,003
Assets: Cash	13	369	330	274	263	252	255	325	313	311	264	364
Short term	28	406	546	609	625	600	598	610	689	671	708	689
Long term	8	102	101	96	88	90	104	103	95	104	92	90
Bank of Thailand												
Deposits: Total	..	717	1,166	1,447	1,308	1,451	1,542	1,488	1,437	1,373	1,492	1,446
Government	..	338	444	455	437	501	511	370	309	277	379	270
Foreign assets: Total	..	1,722	2,268	3,207	2,865	3,111	3,274	3,579	3,700	3,561	3,656	3,882
Local assets:												
Short term: Others		434	604	903	820	827	933	1,033	1,306	1,169	1,355	1,393
Long term:												
Banking Department	..	5	150	142	143	143	140	144	155	155	155	155
Issuing Department	..	951	755	500	500	500	500	500	512	499	499	537
Bank Clearings	..	774	1,112	1,544	1,350	1,357	1,653	1,814	2,100	2,269	1,797	2,235

a Net active currency: Total issued less holdings in all banks including the central bank and the government treasuries. Currency in circulation: Total issued less holdings in all banks including the central bank. Deposit money: Deposits of all banks (including central bank) subject to checks but excluding inter-banking liabilities and central government deposits. Cash of commercial banks: Cash and balances with banks. Short term assets: Short term assets such as loans, advances and bills discounted. Long term assets: Securities, bonds, debentures etc.
Figures refer to end of period for months and average of month ends for quarterly and annual figures, except in the case of bank clearings where monthly totals and their averages are used.

b Demand deposits of commercial banks.

c Average March-December.

d Average April-December.

e Figures up to and including 1949 are end of quarter and their averages. 1950 figures are end of months and their averages.

f Average of August and September.

g Figures for 1938 are average of weeks for the twelve months ending March 1939, except where indicated under h.

h End of year.

i Average of September-December.

j Central and other government deposits except 1938 which includes only those of the central government.

k Total of Bank of Java notes and government paper money.

m End of year for 1938, 1948, annual average (only 11 months) for 1949.

n For first quarter, 1950, average of January and February except bank-clearing.

p The figures in the first of each month have been taken to represent end of month figures of the previous month.

r Total issued less amount held in Banking Department of the Bank of Thailand.

s Sight deposits with commercial banks and at the Bank of Thailand but excluding government deposits.

UNITED NATIONS



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The BULLETIN is intended to provide a regular review of the economic situation of Asia and the Far East in the intervals between the publication of the annual ECONOMIC SURVEY OF ASIA AND THE FAR EAST. Three issues of the BULLETIN are published annually, in August, November and February, covering the first, second and third quarters of the year respectively, and a Statistical Supplement which includes statistics for the fourth quarter is issued in June. The analysis of economic developments in the fourth quarter of the year is included in the ECONOMIC SURVEY OF ASIA AND THE FAR EAST. In addition to the general review of economic developments in the quarter and the compendium of Asian Economic Statistics on which it is based, the BULLETIN contains special articles on particular subjects related to the problems of the Asian economy.

The BULLETIN, which is prepared by the Research and Statistics Division of the Secretariat of the Economic Commission for Asia and the Far East, is published entirely on the responsibility of the Secretariat, and its contents, which are intended for the use both of governments and the general public, have not been submitted to the member Governments of the Commission before publication.

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REVIEW OF THE ECONOMIC SITUATION IN ASIA AND THE FAR EAST

JANUARY — JUNE 1951.

SUMMARY.

RICE and grain crop production during 1950/51 improved over that of the preceding crop year, and 1950 production of fibres including raw cotton, jute, abaca, and silk similarly increased over production in 1949.

During the first half of 1951 there was a decline of production in tin and rubber, but an increase in the output of petroleum and iron ore. Production of coal and electricity rose notably. In industrial production there were rises in iron and steel, machinery, cement and cotton textiles in several countries particularly India and Japan.

In international trade the strong world demand for raw materials of the region and consequent rise in their prices have diminished in intensity since March 1951, and the balances of trade have become less favourable in many countries because of a decrease in exports and an increase in imports. Exports declined because of a fall in export prices, especially of rubber, tin, copra and coconut oil, through a variety of reasons such as the stoppage of stockpiling of tin by the United States, application of destinational control of exports especially to the mainland of China, and possibly the desire, as in the case of India, to conserve exports for domestic use. Imports increased owing to relaxation of restrictions, which was made possible by the accumulation of foreign exchanges, and the desire of countries to acquire supplies before the full effects of rising prices, future shortages and shipping difficulties were felt. Meantime, prices of imports from the United Kingdom and the United States have increased by approximately 20 per cent in the second quarter of 1951, as compared with the first half of 1950 (i.e. the half year before the Korean war). Consequently the terms of trade in several countries have become less favourable and the purchasing power of accumulated foreign exchange has been reduced. The effect of worldwide rearmament on the economic development of countries in the region has thus been increasingly felt by countries in the region through an increase in the prices of developmental goods. The imports of development goods at constant prices showed a decline during the year July 1950 to June 1951, about 50 per cent less than in the year 1949 from the United States and 30 per cent less from the United Kingdom.

The inflationary tendency noted during the first half of 1951 in most countries of the region, especially China (Taiwan), the Associated States of Indochina, Indonesia, Malaya and Japan, continued, despite a slight decline in prices of some commodities such as tin and rubber in countries of South-East Asia. The rise in prices was not uniform and generally speaking there was a greater rise in the prices of industrial raw materials and producers' goods than of consumers' goods. The factors affecting price rises include high prices of internationally traded commodities, accumulation of export surpluses, and the associated monetary expansion. To meet the price rise control measures were applied. Fiscal measures include raising or introduction of export duties, especially in raw material exporting countries and India, the imposition of a tax on the purchase of foreign exchange in the Philippines, an increase of income and profit taxes in Ceylon, and a sales tax on luxuries in Pakistan. Government bonds were also issued to combat inflation in Burma, Ceylon and Thailand. Subsidies were used in Ceylon and India. Price control and rationing were stiffened in North Borneo, Burma, Ceylon, Pakistan and India and, to a lesser extent, in the Philippines and Thailand. In Japan, however, there was decontrol of prices in order to do away with the disparity between internal and external prices which was hampering production.

PRODUCTION

Food[1]

Rice production in the ECAFE region in the 1950/51 crop year was estimated to be slightly higher than in 1949/50 and to have just about reached the prewar level. The Food and Agriculture Organisation estimated that the total crop in the region amounted to about 130 million tons, but this was produced from a planted area of about 83 million hectares, which is 8 per cent larger than before the war. Thus there has been a very appreciable decline in productivity.

On the mainland of China it was reported that production had more than regained the level of 1948/49, after the widespread crop failures of 1949/50. In Taiwan both production and acreage reached record high levels. The Philippine crop was also the highest on record. There was a slight rise in production in Pakistan, and Indonesian production was back to about the prewar level.

The chief exporting countries of the region, other than Indochina, viz. Burma and Thailand, increased their production compared with the previous year, though Burmese production was still very far below the prewar level. In Indochina there was a fall in production owing to a curtailment of the acreage under rice because of political conditions.

Other countries in which production declined were Ceylon, India, south Korea and Malaya, mainly because of adverse weather conditions. In India, in particular, unfavourable conditions at sowing time

1. Food and Agriculture Organisation, Report on Food and Agricultural conditions in Asia and the Far East, November, 1951 (E/CN. 11/330).

reduced the acreage planted. There was a prolonged drought in Bihar, the north-east monsoons again failed in Madras, and in Assam the crop was affected by an earthquake and subsequent floods.

Revised estimates for 1950 of the production in the ECAFE region and Japan of grains other than rice show an increase over 1949 of five to ten per cent, and preliminary reports from the major producers. viz. China, India, Pakistan and Japan, suggest that total output for 1951 will be still higher. Although wheat production in Pakistan may be slightly lower this year, it is expected that there will be a surplus of more than 200,000 tons for export.

In Japan rice production in 1950/51 amounted to 12 million tons, which was somewhat higher than in the preceding crop year and over 4 per cent above the prewar level. The 1951 crops of other grains are expected to be maintained at their recent high level.

A larger amount of rice was becoming available for export from the surplus area of South-East Asia. More settled conditions in the Burmese countryside and a consequent improvement in transport facilities made it possible to increase Burmese rice exports substantially during the first half of 1951 compared with the first half of 1950, when exports were abnormally low. Exports from Indochina were also considerably higher. in spite of the fall in production in that country. In both cases, however. exports were much below the prewar level. The increase in export availability is much more than offset by increased demand from India and Japan. Despite good crops Japan proposes to import 3.8 million tons of foodgrains in 1951. of which about one-fourth is expected to come from the rice-exporting countries of South-East Asia.

In India, though the position in Bihar and Madras remained precarious, the food situation was becoming slightly easier, because of the arrival of grains from abroad. The threat of famine which had arisen in India was due to a series of natural calamities. Since Partition the Government has directed its efforts towards attaining self-sufficiency in food, while, at the same time, increasing production of jute and cotton. This policy was largely dictated by financial necessity. It has met with some success, but no large stocks of foodstuffs could be built up as a reserve against crop failures. With a population which is estimated to be increasing at the rate of some 4 million a year, the poor crops in 1950, and particularly a decline in the 1950/51 rice crop. which was about 9 per cent below the average of the previous three years. brought about a grave situation, which could only be remedied by large imports of foodstuffs. In June the first shipments of grains were made to India under the terms of the $190 million United States loan. Shipments of grains to India were also made from Australia, Burma, Canada, China and the Soviet Union. Imports of food into India from 1 January to 4 July were reported as 2,150,000 tons, including 1,370,000 tons of wheat, 10,000 tons of flour, 422,000 tons of rice, and 348,000 tons of milo. Imports of rice in 1951 are expected to reach over one million tons. The imports have enabled the Government to build up stocks sufficient to meet ration requirements for two months. By June the situation had improved sufficiently for the Government to be able to restore to twelve ounces the daily ration for adults, which had been cut to nine ounces, in all states where stocks had reached a certain minimum level.

Raw Materials.

Rubber production in the first half of 1951, though 17 per cent greater than in the corresponding period of 1950, was 6 per cent less than in the preceding half-year. Indonesian production continued to rise but the increase was more than offset by a sharp fall in Malayan production.

Production of raw *cotton*, a world shortage of which had developed, showed considerable improvement in countries of the region. In the mainland of China, production was reported to have increased from 370,000 tons in 1949/50 to 540,000 tons in 1950/51. This reported extraordinary increase may reflect the very meagre crop of the preceding year when conditions were disturbed by military operations. In India production during the 1950/51 season amounted to about 580.000 tons, an increase of about 14 per cent over the previous season's production. In Pakistan, production was also estimated to have increased by about 14 per cent, from 221,000 to 253,000 tons. The final estimate of the Burmese cotton crop for 1950/51 was 7,700 tons, as against an actual production of 6.900 tons for 1949/50. In Ceylon the Government was continuing its efforts to promote the growing of cotton as a rotation crop in the dry zone.

The prospects for the *jute* crop in Pakistan were reported to be favourable and an increase in production of about 30 per cent over the preceding year was expected. In India the final estimate of jute production in 1950 was 597,000 tons, an increase of 6 per cent over the previous year. In the Philippines *abaca* production in the first four months of 1951 was 65 per cent higher than in the corresponding period of 1950.

Production of *raw silk* in Japan was expected to increase by 20 per cent and demand was expected to remain at a high level. The Ministry of Agriculture and Forestry was reported to be planning to raise production by about 50 per cent by 1955.

Production of *tin* in concentrates in the region during the first half of 1951 decreased by 5 per cent in comparison with the previous half-year and by 3 per cent in comparison with the first half of 1950. There was a fall in production in both the major producing countries, viz. Malaya and Indonesia, and the percentage decreases in each case, in comparison with the two preceding half-years, were roughly the same as the decreases in total production. Production of tin metal in Malaya declined by 6.5 per cent compared with the preceding half-year and by 3 per cent compared with the first half of 1950.

The fall in tin production appears to be due to several factors, of which the fall in price may not be the most important. In discussions which took place between representatives of the major producing and consuming countries, it was maintained by the former that production could not be expanded substantially, and perhaps not even maintained at the existing level, without considerable expenditure on renovation of equipment and exploitation of new areas. Such investment, it was argued, would not be forthcoming unless there were some assurance of stability of prices over a number of years. Whatever the merit of this argument, it appears that the tin mining industry has for the time being reached a position where production cannot be substantially expanded with the existing facilities. Tin production in Malaya was said by the president of the Malayan Chamber of Mines to have virtually reached the maximum possible without the development of new areas and such development was almost at a standstill because of 'terrorist' activities.

In Malaya and the Philippines, both of which produce *iron ore* almost entirely for export to Japan, the rising trend of production continued. Malayan production was 30 per cent higher than in the previous half-year and 123 per cent higher than in the first half of 1950. In the second quarter of 1951 production was at the rate of 1.2 million tons a year, which was about three-quarters of the amount produced in 1938. This revival of Malayan iron ore production has taken place almost entirely within the last year and a half. Production in the Philippines has also risen sharply. The increases compared with the preceding half-year and the first half of 1950 were 11 per cent and 62 per cent respectively. In the second quarter of 1951 iron ore was being produced in the Philippines at the rate of over a million tons a year. In Japan iron ore production was a little higher than in the first half of 1950 but was about 13 per cent lower than in the second half.

TABLE 1

OUTPUT OF PRINCIPAL INDUSTRIAL & MINERAL PRODUCTS IN THE ECAFE REGION[a]

(Monthly averages in thousand metric tons)

	1950		1951	Relative Changes in 1st half of 1951	
	1st Half	2nd Half	1st Half	2nd Half 1950 = 100	1st Half 1950 = 100
Coal	2 870	2.775	3.047	110	106
Electricity (million kwh)	472	504	545	108	115
Tin in concentrates	8.81p	9.05p	8.57p	95	97
Pig iron and ferro-alloys	138	117	151	103	109
Steel ingots and castings	116	127	125	98	108
Finished steel	81	89	89p	100	110
Cement	243	262	296	113	122
Cotton yarn	46	41	48	117	104
Sulphuric acid	8.1	9.0	7.7	86	95

a. Countries included under each product are as follows:—
Coal — India, Indochina, Malaya and Pakistan.
Electricity — Hong Kong, India and Philippines.
Tin in concentrates — Burma, China, Indochina, Indonesia, Malaya and Thailand.
Cement — Hong Kong, India, Indochina and Thailand.
Pig iron and ferro-alloys, steel ingots and castings, finished steel, cotton yarn and sulphuric acid — India only.

p. Provisional.

Fuel and Power

Production of coal and electricity both in the ECAFE region and Japan increased notably during the first half of 1951.

Indian production of *coal* was 10 per cent higher than in the preceding half year and 6 per cent higher than in the first half of 1950. Lack of railway transport for moving coal, however, led to the accumulation of large stocks at the pitheads and acted as a check on production. Of the other countries of the region for which statistics are available, Indochina and Pakistan showed increases, but there was a decrease in Malaya.

where shortage of coal was reported to be impeding tin and industrial production. The increased production in Pakistan, together with the conversion of coal-burning boilers to oil-burning, made it possible to reduce coal imports by about a half. The Government has taken steps to promote a further increase in coal production. In Thailand experiments were being carried on with lignite for use in electric power plants and on the railways.

In Japan the steady upward trend in coal production continued. It was 3 per cent higher than in the previous half-year and 10 per cent higher than in the first half of 1950. Consumption, however, outstripped production and stocks of coal declined.

Output of *electric power* in India was 9 per cent greater than in the previous half-year and 16 per cent greater than in the corresponding period of 1950. The upward trend of electric power production also continued in Hong Kong and the Philippines.

Electricity production in Ceylon rose sharply in the first quarter of 1951 and it was reported that since power became available from the Laksapana scheme, which came into operation towards the end of 1950, there has been a great increase in electricity consumption in the Colombo area. In Pakistan the second stage of the Malakand electric power project was inaugurated in April and total installed capacity of the project was raised from 9,600 to 19,600 kilowatts. In the Philippines the National Power Corporation completed three hydro-electric projects, the Calirya and Lumot plants in Laguna province and the Mintal plant in Davao city. Shortage of electric power was reported to be retarding industrial production in Indonesia and Malaya.

The increase in production of electric power in Japan in the first half of 1951 amounted to 7 per cent compared with the previous half-year and 13 per cent compared with the corresponding period of 1950.

Statistics of *petroleum* production in the ECAFE region for the first half of 1951 are not available. Reports on the progress made in rehabilitation of the industry in Indonesia and its expansion in Brunei indicate, however, that production was increasing. In Burma there was an increase of production at Chauk and it was reported that the output was now sufficient to take care of 44 per cent of Burma's domestic requirements. Additional equipment is being sent to Chauk, but this will not come into operation until 1952. The project for the rehabilitation of the Syriam refinery was indefinitely suspended. Progress was reported in the negotiations between the Government of Burma and the Burmah Oil Company for the establishment of a "joint venture" for the exploitation of Burma's oil resources.

In regard to Indonesia, Caltex Petroleum Company officials stated in May that extensive oil deposits had been discovered in Sumatra and that a pipeline was being built to the coast. The Company, which is jointly owned by the Standard Oil Company of California and the Texas Oil Company, is reported to be investing $20 million this year in order to increase oil output in Sumatra. In Pakistan the Government continued to encourage the development of oil fields and numerous licences were issued for prospecting and exploration. Investigations of oil deposits were also being carried out in Thailand.

Industrial Production

Production of *pig iron and ferro-alloys* in India increased by 3 per cent over the previous half-year and by 9 per cent over the first half of 1950. *Steel* ingot production fell by 2 per cent compared with the previous half-year but rose by 8 per cent compared with the first half of 1950.

The industry continued to be beset with problems of low labour productivity and high costs. In June the Government announced an increase of Rs. 33 a ton in the retention price of steel for three years from 1 July. This was intended to assist the industry in meeting part of its costs of replacement and extension of plant. There is to be no increase in the selling price of steel to consumers, except for galvanized sheets and wire and tin plate.

Progress was made with plans for expanding the capacity of the industry. The Tata Iron and Steel Company is increasing the capacity of its plant at Jamshedpur by 200,000 tons of finished steel a year. The Steel Corporation of Bengal plans to add a new sheet, bar and billet mill to its plant. The Mysore Iron and Steel Works proposes to expand capacity by 70,000 tons a year, and the Government was reported to have granted a loan to assist in carrying out the plan.

The rapid advance in Japanese iron and steel production continued. Production of pig iron and ferro-alloys was 18 per cent greater than in the second half of 1950 and 39 per cent greater than in the first half of 1950. In the case of steel ingots and castings the figures were 19 per cent and 42 per cent respectively, and for finished steel 40 per cent and 70 per cent. These substantial increases, which have brought Japanese iron and steel production to a level well above that of 1936, are largely due to demands arising out of the Korean war.

The total of *cement* production for Hong Kong, India, Indochina and Thailand increased by 13 per cent over the second half of 1950 and by 22 per cent over the first half. Production in India was at the rate of over 3 million tons a year, which is almost double the production in 1948. Control over consumption and exports was continued despite the expectation that the Government would decontrol the industry.

In Pakistan the Sind Government approved in January a plan to construct a cement factory at Rohri, estimated to cost Rs.5 million, which should produce sufficient cement to meet the needs of the province.

Cement production in Japan in the first half of 1951 showed a notable increase. It was 16 per cent greater than in the preceding half-year and 66 per cent greater than a year before. For the first time since the war it was running at an annual rate greater than in 1936.

There was a rise in India in the production of most types of *machinery*, including diesel engines, electric motors and machine tools.

In Japan there were further substantial increases in all categories of machinery production except railway rolling stock. These categories include motor vehicles, ships, internal combustion engines, textile machinery, equipment for the iron and steel industry, mining machinery, and equipment for the chemical and pulp and paper industries.

There was a marked increase in the production of *cotton yarn* in India, which was at a very low level in the second half of 1950, mainly owing to labour troubles. The increase in the first half of 1951 was 17 per cent over the preceding half-year and 4 per cent over the first half of 1950. The corresponding figures for Indian production of cotton fabrics were 18 per cent and 6 per cent.

Representatives of the Indian cotton industry were critical of the Government for fixing prices of cotton cloth at a level which they alleged to be unremunerative. In March the Government increased cloth prices by amounts ranging from 5 to 15 per cent, according to type. Criticism was also directed against the Government's methods of controlling the supply and distribution of raw cotton. The shortage of cotton yarn which existed in India during the period under review was due largely to the low level of production in 1950, but it was said also to be partly a consequence of power cuts, shortage of the requisite types of cotton, and unusually large exports during the early months of 1951. A ban on export of cotton yarn was therefore imposed.

The cottage weaving industry in Burma has been suffering from a shortage of cotton yarn, but the situation was improved during the first half of 1951 by the arrival of shipments under the programme of ECA aid. In May the Government Cotton Spinning and Weaving factory was opened at Thamaing. It has 20,000 spindles and 200 looms and is expected, on the basis of one-shift operation, to produce about 10 per cent of Burma's requirements of cotton yarn and 7 per cent of its requirements of grey cloth. It will use locally-produced cotton.

The Ceylon handloom industry was also suffering from a shortage of cotton yarn, owing to inability to obtain imports from its normal supplier, India. In June, however, the Government negotiated an agreement with the Indian Government for the release of 3,500 bales during the period June to October. This represents about one year's requirements of cotton yarn for Ceylon's handloom industry. The Government was also drawing up plans for the establishment of a state-owned cotton textile factory with 25,000 spindles and 500 automatic looms.

In Hong Kong knitting factories curtailed operations because of the lessening of demand in overseas markets. It was reported in Chinese industrial circles that textile factory owners were contemplating moving their plants to other countries, including Indonesia and the Philippines.

In Pakistan the Ministry of Industries approved in March the establishment of seven new textile mills in Karachi. It proposed to buy most of the machinery for them in Japan. In June approval was also given to the Kohinoor Textile Mills to extend its Lyallpur plant by 25,200 spindles and to construct a new plant at Rawalpindi with 50,000 spindles and 100 looms. Permission was also granted to establish a mill with 25,000 spindles at Hyderabad in Sind. Since Partition the capacity of Pakistan's cotton textile industry has increased from 177,000 spindles and 4.800 looms to 315,000 spindles and 5,300 looms.

In Taiwan a new cotton mill with 10,000 spindles started operation in the Taipeh area. It is equipped with machinery imported from Japan.

Production of cotton textiles in Japan continued to advance rapidly. Cotton yarn production in the first half of 1950 was up by 17 per cent over the latter half of 1950 and 55 per cent over the first half. The corresponding increases for cotton fabric production were 27 per cent and 47 per cent. By the end of June the number of spindles in Japan had reached the figure of five million, an increase of one million since June, 1950.

Jute manufactures in India, though 5 per cent greater than a year before, were 2 per cent below the previous half year, owing to the shortage of raw jute. It was expected that, with the arrival of larger quantities of raw jute from Pakistan and with the local crop beginning to become available in September the situation would ease in the latter part of the year. Development of a jute bag industry, using locally grown jute, was reported to be under way in the Philippines.

In Pakistan the country's first jute manufacturing mill was opened in May at Madangunj in East Bengal. The Planning Commission recommended the establishment of four additional mills.

The world shortage of sulphur had an adverse effect on *chemical* production in India. There was a decline in sulphuric acid production by 14 per cent compared with the latter half of 1950 and by 5 per cent compared with the same period a year before.

Production of superphosphates in India also fell compared with the previous half-year though it was higher than in the first half of 1950. On the other hand, the rising trend in production of soda ash, caustic soda, chlorine and bleaching powder continued, and this was also the case in regard to alcohol production. It was reported that the new fertilizer factory at Sindri, which will have a capacity of 1,000 tons of ammonium sulphate a day would start production towards the end of the year. In Taiwan the Fertilizer Manufacturering Corporation's plant at Hsinchu began operations in March after being reconstructed. It has a capacity of 36,000 tons of calcium cyanamide annually.

Japanese chemical production continued to rise in almost all categories. There was a steady increase in production of chemical fertilizers, including ammonium sulphate, calcium cyanamide and superphosphates. The rise was even more pronounced in the soda ash, caustic soda, chlorine and bleaching powder group, as well as in dyestuffs.

In Ceylon plans were going forward for the establishment of a state fertilizer factory with an annual apacity of 80,000 tons of ammonium sulphate and 40,000 tons of superphosphates. The Government is also proposing to establish a new acetic acid factory to replace the one which was closed in April owing to the inability to produce at a reasonable cost because of obsolete equipment. The acid is used as a coagulant in the rubber industry.

Production of soap in India and Malaya was about the same in the previous half-year, though substantially larger than in the first half of 1950. In Japan production was increasing very rapidly.

Government Policy and Planning

Industry

In *Burma* the Government stated that it was adhering to its general policy of nationalization of foreign enterprises. However, it was also stated that the Government intends to follow a policy of "joint ventures" with foreign interests. A five-year plan was drawn up for the reconstruction of the Kachin area. It provides for large-scale mineral exploration, the erection of refineries and smelters, and the establishment of several factories, including a modern sugar mill. In June the Government announced a programme of technical and vocational education, which will be assisted by ECA funds, involving an extension of the activities of the Technical Institute at Insein and the Rangoon Training Centre. In June the Economic Council decided to establish a Cottage Industries Board.

In *Ceylon* parliamentary sanction was being sought for the expenditure of Rs.800,000 for the administration of cottage industries.

On the mainland of *China* it was reported that the production plan for industries in North-East China called for an increase of about 14 per cent over 1950. Industrial production in the latter year was said to have risen by 117 per cent in comparison with the year before.

In *India* the Madras Government submitted to the Planning Commission in March a fifteen-year development plan for the State estimated to cost Rs.3,190 million. This includes an amount of Rs.1,065 million for the Rampadasagar hydro-electric and irrigation project. The Madras Government had already submitted six-year, five-year and two-year plans for power and irrigation development. It was reported that current hydro-electric projects, including the Lower Bhavani and the Machkund projects, were delayed because of difficulties in obtaining equipment from abroad. In January the Madras Government was reported to have sanctioned the Tungabhadra Hydro-electric Project, which is estimated to cost between Rs.70 million and Rs.80 million over a period of ten years.

In *Indonesia* the Government announced its intention of nationalizing electricity plants as soon as concessions to private companies have expired. At present about half the electric power production plant is owned by the Government. The programme of industrialization of the new Government which came into office in April was stated not to differ substantially from that of its predecessor. The need was recognized for foreign investment, under appropriate safeguards. It

was proposed eventually to nationalize a number of important enterprises, including banks and large estates. The economic development plan drafted by the Directorate of Trade and Industry provides for the expenditure of R.338 million in 1951 and 1952. Of this sum R.179 million are assigned to large-scale industries, including a cement plant, a tyre factory, a spinning mill, three knitting plants, one jute bag factory, six printing plants, and seven rubber remilling plants. A further amount of R.126 million is allocated to the development of small industries, while central production units, to be established in centres of local industries for the purpose of introducing systematic production methods and improving the quality of products, will be assigned R.12 million. The remainder is allocated to laboratories and institutes. After 1952 it is planned to establish a caustic soda plant, a fertilizer plant, an aluminium factory, an iron and steel scrap processing plant, paper and pulp factories, and a number of other industrial undertakings, at an estimated cost of R.522 million.

In *Pakistan* the Government produced, as part of the Colombo Plan, a six-year development plan, costing in all Rs.2,600 million, estimated to involve an expenditure of Rs.500 million on industrial development. It includes the establishment of cotton textile mills, jute mills, steel melting and rerolling mills, cement plants, electric power plants, and telecommunications facilities.

In the *Philippines* the Government issued Executive Order 433 in April laying down regulations under Republic Act 35 of 1946 regarding tax exemption for "new" and "necessary" industries.

In *Japan* the Economic Stabilization Board revised its production programme and set higher targets for coal, steel, cement, rolling stock, shipbuilding, rayon and staple fibre, pulp and cotton fabrics. Shortage of coal and electric power were said to be the chief obstacles to further increases of production in Japan. Another obstacle is the difficulty of obtaining cooking coal from China, which necessitates importation from the United States.

External Economic Aid

Except in a few instances, the flow of external economic aid to the ECAFE region had hardly reached a sufficient volume by the end of the first half of 1951 to have clearly distinguishable effects on production. Substantial progress, however, was made in laying the foundations for future operations.

Aid was provided by the various organs of the United Nations in the form of development loans and technical assistance. The International Bank for Reconstruction and Development granted loans of $25.4 million to Thailand for railway, irrigation and port developments and Rs.45 million to Pakistan for the development of the Thal area in the Punjab. In April the Bank announced its willingness to make Pakistan a further loan for development of agriculture, electric power, railways, telecommunications and certain industries. The various projects under consideration, which had been reviewed by a Bank mission which visited Pakistan in 1950, were estimated to require about $60 million in foreign exchange. Plans were also being considered for the visit of a team of experts organized by the Bank to survey the possibilities of economic development in Ceylon.

By the end of the half-year the United Nations Expanded Programme of Technical Assistance was being applied in most of the countries of the region, with the assistance of the United Nations and several of the specialized agencies. Among the objectives of the programmes are the improvement of agricultural and forestry technique, the development of cottage industries, and better health and housing for the workers.[1]

The United States Economic Co-operation Administration (ECA) carried on operations in Burma, China (Taiwan), India, the Associated States of Indochina, Indonesia, the Philippines, and Thailand. The extent and character of its operations can be seen from the following table: —

1. For a detailed survey on the progress of activities under the United Nations Expanded Technical Assistance Programme, see ECAFE document E/CN. 11/313.

TABLE 2. ECA OPERATIONS

5 June, 1950 to 31 May, 1951 (Thousands of Dollars)

	Procurement Authorizations						Paid shipments Total
	Agricultural and Fishery Projects	Industrial Projects	Public Health Projects	Other Public Services	Miscellaneous commodities	Total	
Burma	465	4,151	1,090	—	2,668	8,374	191
China (Taiwan)	100	6,278	411	-	44,632	51,421	19,899
India	4,500	—	—	—	—	4,500	4,321
Indochina	482	1,693	2,556	451	13,039	18,221	2,688
Indonesia	1,889	1,334	1,809	—	1,932	6,964	154
Philippines	949	1,265	406	125	4,939	7,684	—
Thailand	1,325	2,726	2,132	—	170	6,353	596
Grand Total ...	9,710	17,447	8,404	576	67,380	103,517	27,855

Note: Ocean freight excluded.

Source: Far East Data Book, ECA.

The activities of the ECA extended to many fields, including the supply of capital equipment, raw materials for industry, consumers' goods, the provision of technical experts, and the establishment of a comprehensive health programme. In Burma ECA authorizations covered, among other things, cotton, iron and steel, machinery, electrical equipment, vehicles, transport equipment, and housing materials; in Taiwan, foodstuffs, fertilizers, textiles, iron and steel, tinplate, pulp, sulphur, transport equipment, and various forms of assistance to the Joint Commission on Rural Reconstruction; in Indochina, oil, synthetic rubber, yarn and cloth, and equipment for irrigation works and urban water supply; in Indonesia, fishing equipment, machinery, and scientific instruments; in the Philippines, fertilizers, cotton textiles, textile mill equipment, and aid to mineral production, cottage industries and housing; in Thailand, iron and steel, electrical equipment, harbour works, railway, mining and construction equipment, motor vehicles, aircraft parts, and vessels. ECA operations in India were concerned with the supply of grains. In regard to Korea, the ECA authorized the United States Army to use $7 million of its funds.

The United States also extended assistance to India, Nepal and Pakistan under "Point Four" agreements providing for technical aid, while Indonesia reached an agreement with the Export—Import Bank for credits amounting to $52 million, principally for transport equipment, out of the $100 million previously earmarked for loans to Indonesia.

The organizational work for the Colombo Plan for the economic development of South and South-East Asia was completed by the end of June and the Plan was formally inaugurated on 1 July. The Consultative Committee had held a meeting in February and the Council of Technical Co-operation had met in June. The Bureau for Technical co-operation was operating from the beginning of the year and technical assistance and training facilities were already being placed at the disposal of the Asian members of the Commonwealth by Australia, Canada, New Zealand and the United Kingdom.

The Plan at present provides for financial aid by Australia, Canada, New Zealand and the United Kingdom amounting altogether to about £400 million for the six years of its operation, including the release of about £250 million of sterling balances by the United Kingdom. The United States is represented on the Consulative Committee, and the International Bank of Reconstruction and Development is also associated with its work. Of non-Commonwealth countries the Associated States of Indochina have agreed to participate in the operation of the Plan.

INTERNATIONAL TRADE

General Pattern of Trade

While the trend in international trade in countries of the ECAFE region since the Korean war has been the continuation of the strong world demand for raw materials and the consequent rise in their prices, as well as an improvement in the balance of trade, it has taken a new turn since March this year.

In the second quarter of 1951, the favourable *balance of trade* was reduced in Ceylon, Hong Kong, India, Pakistan, the Philippines and Thailand, while the unfavourable balance increased in Indochina and Japan. Only in Burma and Indonesia did the favourable balance of trade still increase, while in Malaya it remained at almost the same level. (see Table 3). This change in the balance of trade is attributed to a decrease in exports and an increase in imports i.e. a reversal of the trend before March.

In most countries of the region the total value of *exports* in the second quarter of 1951 decreased, mainly because of a fall in export prices. The prices of rubber, tin, cotton, copra and coconut oil which rose from mid-1950 up to the first quarter of 1951, fell considerably in the second quarter, thus affecting substantially the earning power of the raw material exporting countries of the region. In Indonesia, the great increase in the physical volume of exports over-balanced the fall in export prices and resulted in a large increase in the favourable balance of trade. This was achieved partly by the expansion of rubber exports through increased production from small producers and intensive tapping. In India, the rise in export prices was offset by a fall in the volume of exports, thus giving rise to a net decrease in the total value of exports. The reduction in the volume of exports may be due to the desire for conserving commodities for domestic industrial use and consumption. The price of tin fell after stoppage of American purchase for stock-piling and the rubber prices dropped after the application of the destinational control of exports by several countries including Malaya.

On the other hand, the total value of *imports* of most countries in the region which decreased in the fourth quarter of 1950 and/or the first quarter of 1951, increased substantially in the second quarter, except in Burma, Hong Kong,[1] Malaya, and Pakistan. In most countries total value of imports increased on account of the relaxation of import controls which was made possible by the improved balance of payments and reserve

1. In Hong Kong, both imports and exports decreased after the United States embargo.

positions, and was stimulated by their desire to acquire supplies before the full effects of rising prices, future shortage, and shipping difficulties were felt. In the Philippines, the relaxation of import control was also made possible by the exchange rate adjustment through the levy of an exchange tax. As a matter of fact, the rise of import prices and freight rates had already been felt by countries of the region. Available information shows that the index of unit value of imports increased considerably since the beginning of 1951. In the second quarter it was 20 per cent higher than the first half of 1950 in Ceylon and Indochina, 26 per cent higher in India and 42 per cent higher in Malaya. The index of unit value of exports of the major exporters to the region the United States and the United Kingdom also shows a 20 per cent increase as compared with the first half of 1950, and that from Japan a 65 per cent increase in April and May. Shipping freight rates increased considerably, especially since the beginning of this year. In the second quarter of 1951, they were about 80 to 160 per cent higher than in the first half of 1950 for the shipping lines of the United Kingdom, Denmark, Norway and Sweden. The increase of freight rates will be reflected in the value of imports generally recorded c.i.f. but not in the value of exports generally recorded f.o.b. The value of imports of capital goods during the first half of 1951 was smaller than in the half-year before the Korean war and was considerably below that in 1949, if counted at constant prices. This indicated the difficulties which confronted countries in the region in their effort towards economic development under the prevailing international situation.

TABLE 3

INDEX OF TOTAL VALUE, QUANTUM AND UNIT VALUE OF IMPORTS AND EXPORTS. (In national currency)

(January-June 1950 = 100)

		Total Value		Quantum		Unit Value		Terms of Trade[a]	Balance of Trade (monthly averages in millions)
		Import	Export	Import	Export	Import	Export		
N. Borneo									(M$)
1950	II	114	109						+ 2.2
	III	130	158						+ 4.3
	IV	178	226						+ 6.4
1951	I	159	228						+ 7.1
	II	200	198						+ 4.2
Burma									(Rs.)
1950	II	86	146	94	119	102	99	103	+ 59
	III	145	119	203	121	93	100	93	+ 24
	IV	206	91	278	126	47	124	38	— 13
1951	I	169	141	206	195	50	127	39	+ 29
	II	132	168	114	214	81	133	61	+ 57
Ceylon									(Rs.)
1950	II	116	107	122	108	99	98	101	+ 5
	III	109	130	105	117	99	109	91	+ 36
	IV	103	157	92	117	105	131	80	+ 71
1951	I	124	166	114	109	108	143	76	+ 61
	II	149	154	133	112	121	141	86	+ 24
Hong Kong									(HK$)
1950	II	98	106						— 17
	III	107	146						+ 53
	IV	147	173						+ 6
1951	I	159	214						+ 72
	II	151	177						+ 6
India									(Rs.)
1950	II	115	80	116	79	100	102	98	—120
	III	123	102	128	100	98	101	97	— 58
	IV	106	135	100	130	106	102	104	+143
1951	I	137	168	113	150	121	112	108	+157
	II	167	163	133	103	126	157	80	+ 18

INDEX OF TOTAL VALUE, QUANTUM AND UNIT VALUE OF IMPORTS AND EXPORTS. (In national currency)—*contd.*

(January-June 1950 = 100)

		Total Value		Quantum		Unit Value		Terms of Trade[a]	Balance of Trade (monthly average)
		Import	Export	Import	Export	Import	Export		
Indochina									(Pr.)
1950	II	98	93	105	100	93	96	97	—188
	III	155	144	147	100	105	140	75	—298
	IV	136	155	131	114	103	130	79	—233
1951	I	134	221	119	140	113	151	75	—158
	II	150	190	125	152	119	120	99	—235
Indonesia									(R)
1950	II	114	122				103		+ 87
	III	140	181				144		+156
	IV	208	197				185		+120
1951	I	151	171				236		+131
	II	209	314				197		+303
Malaya									(M.$)
1950	II	107	106	106	100	101	107	94	+ 17
	III	142	189	124	132	114	145	79	+119
	IV	178	267	128	133	141	204	69	+212
1951	I	227	289	155	125	148	236	63	+165
	II	217	281	156	127	142	226	63	+168
Pakistan									(P.)
1950	II	105	108						+ 27
	III	149	123						÷ 9
	IV	167	126						- 1
1951	I	185	306						+162
	II	156	141						+ 22
Philippines									(P.)
1950	II	85	99	102	102	94	103	91	— 6.9
	III	95	125	75	113	105	111	95	— 1.5
	IV	80	147	69	120	111	118	94	+18.4
1951	I	95	176	83	146	115	121	95	+22.1
	II	123	166	75	113	130	113	115	+ 0.3
Thailand									(Baht)
1950	II	99	98						+ 44
	III	105	113						+ 70
	IV	115	120						+ 68
1951	I	123	151						+135
	II	143	123						+ 13
Japan									(U.S.$)
1950	II	102	112		112		99		—22.3
	III	87	130		128		100		— 0.1
	IV	115	178		148		118		+ 3.1
1951	I	217	178		131		134		—79.1
	II	257	232		143[b]		164[b]		—82.9

a. Index of Unit Value of imports divided by that of exports b. Estimated from April and May.

Changes in Prices of Raw Materials

The rise in the prices of raw materials, especially in relation to food and manufactured goods, has been an important factor for changes in the terms of trade, the balance of payments, the exchange reserve and the trade control policy of most countries in the region. As pointed out in the previous issue of the *Bulletin*, in the first quarter of 1951, as compared with a year ago, the price of rubber trebled and that of tin and hides more than doubled. The price of raw cotton rose by about 80 per cent, and that of copra, coconut oil and jute by 30 to 40 per cent. On the other hand, production and exports could not be expanded at such a rate within a short period. On account of heavy purchases, especially for stock-piling, a serious scarcity arose. In the second quarter of this year, however, prices of copra, rubber, tin, coconut oil and cotton dropped respectively from their peaks (on quarterly basis) by 23, 22, 17, 15 and 7 per cent.

TABLE 4

WHOLESALE PRICE INDICES OF SELECTED COMMODITIES[1]

(January-June 1950 = 100)

	1950		1951	
	III	IV	I	II
Copra (Manila)	105	106	137	105
Coconut oil (Manila)	103	110	136	116
Cotton (Karachi)	132	145	180	167
Jute (Narayangunj)	95	90	135	229
Hides (Calcutta)	110	117	220	234
Rubber (Singapore)	196	275	330	257
Tin metal (Singapore)	129	169	222	185

1. National price quotations.

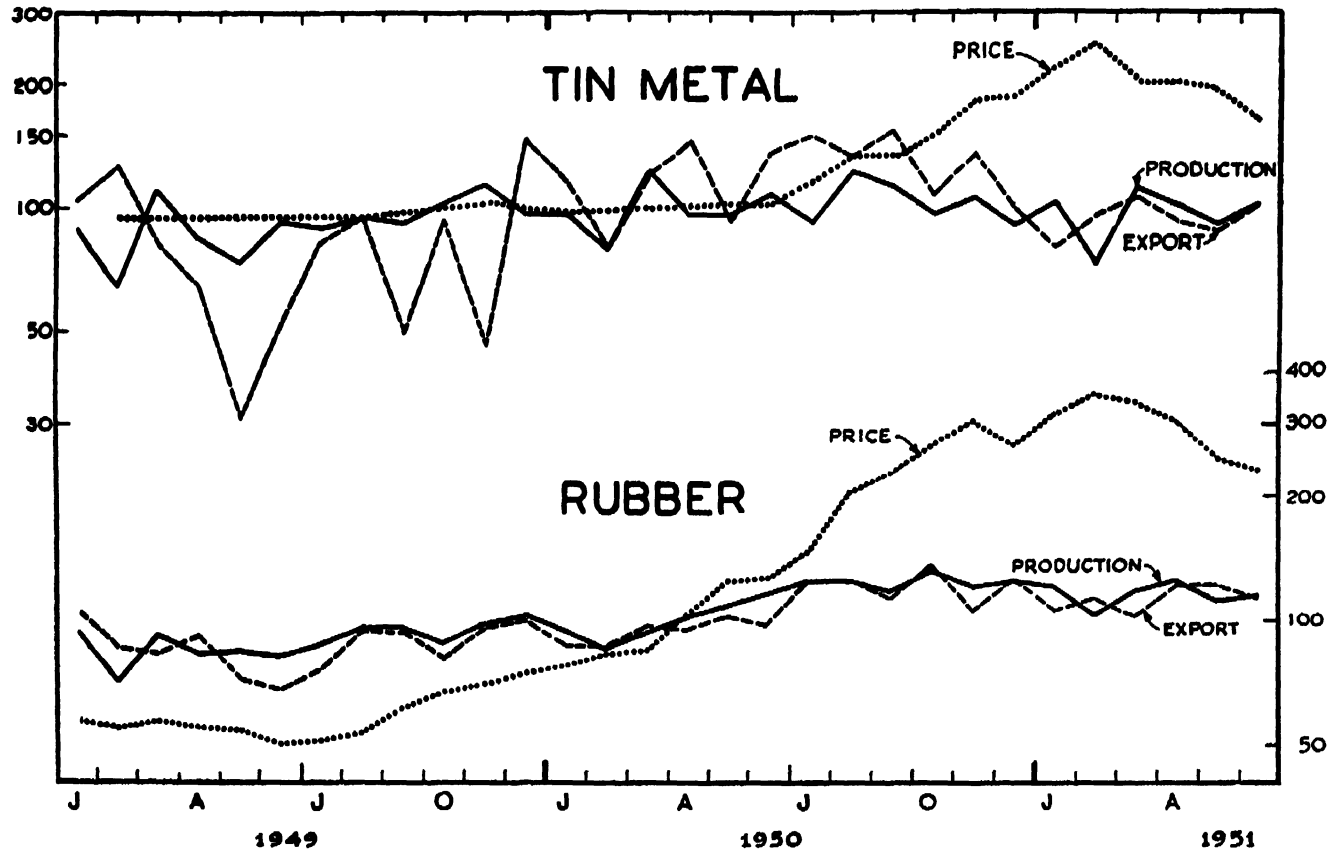
Since devaluation in September 1949 the price of *rubber* has risen steadily, though with slight improvement in production and exports (see chart). From February 1950, production and exports of rubber from nine ECAFE countries expanded rapidly[1] and from March 1950, the price of rubber rose steeply. However, after July 1950 production and exports remained at a high and stable level while price went up even more steeply. During February and March 1951 the price of rubber reached a peak, which was about 250 per cent higher than that in the first half year of 1950. This indicated its serious scarcity, mainly owing to stock-piling by countries outside the region. In order to bring down the price, the United States approved a plan early in the year to put synthetic rubber production on a capacity basis. Since 9 April the destinational control of rubber export has been instituted in Malaya, according to which licences are required for the export of natural rubber, latex and gutta-percha to all destinations other than the Commonwealth, the Irish Republic and the United States. As a result, the flow of rubber to the U.S.S.R., China (mainland) and other countries has been banned. This ban limited the buyer's competition and increased the supply of rubber to the rest of the world. Thus the price of rubber in Singapore fell considerably after April. Other factors which accounted for the fall in the price of rubber were the continuous effort by the United States General Services Administration to reduce prices of rubber and the announcement that the United States would cut off economic aid to countries shipping war materials to the U.S.S.R. and her allied countries. Furthermore, the production of synthetic rubber in the United States has expanded almost according to schedule, and a new programme has been approved which may finally bring the government and private production of synthetic rubber in the United States to over a million tons a year. In June, the price of rubber in Singapore was about one-third below the peak level reached in February.

The price of *tin metal* rose from June 1950 and in February 1951 reached a peak which was 150 per cent higher than the pre-June 1950 level (see chart). The first setback to the extraordinarily high price level of tin metal happened in the middle of February when the American Government put an end to stock-piling in tin metal. The Reconstruction Finance Corporation, which acts as the agent of the American General Services Administration in buying the tin for stock-piling, has been in control of the American tin market since 12 March. Meanwhile, the National Production Authority has put all domestic uses of tin under allocation control since 1 May, with drastic restrictions on the civilian use of tin in order to ensure sufficient supplies for military and essential civilian needs. For a time the Reconstruction Finance Corporation was content to follow the world market but since June it has adopted a policy of cutting the American domestic price in order to influence the course of tin prices on the world market. Late in June the RFC reduced progressively its price for tin from $1.23 per lb. to $1.18, $1.11 and finally to $1.06 on the

1 As pointed out in **Bulletin**, Vol. 1, No. 2, the extraordinarily low export of rubber from Malaya during the second quarter of 1950 was alleged by trade circles as owing to the withholding of supplies for better prices. However, this is not true. The main factor responsible for the low export of rubber during that quarter was that more imported natural rubber, especially from Indonesia, was processed and could not thus be made available for export in that quarter.

PRODUCTION, EXPORTS AND PRICES OF TIN METAL AND RUBBER[1]

(January-June 1950 = 100 [2])



1. Tin Metal: Production and exports refer to Malaya, price to Singapore.
Rubber: Production and exports refer to Brunei, Burma, Ceylon, Indochina, Indonesia, Malaya, North Borneo, Sarawak and Thailand. Price: Singapore, R.S.S. No. 1.

2. Average production January-June 1950 used as base for exports.

19th. The reduction of tin prices aroused a strong objection from Indonesia, which felt that the effects of the United States aid would be more than wiped out by the action in lowering the price of the basic commodity upon which the country depends for its earning power abroad. The long term agreements for the supply of tin and ore from Belgium, Holland and Indonesia also contributed significantly to meeting the American needs. Furthermore, Thailand agreed to supply more tin ore to the United States in compliance with the Military Aid Agreement between the two countries. The American stock-pile is estimated at between 150,000 and 180,000 tons. The price of tin metal in Singapore in June was brought down to the October—November 1950 level, which was about 90 per cent lower than the February peak level.

The drop of the *cotton* prices was mainly due to the United States move in the United Nations to supply destinational control over exports to China mainland and to the additional export quota of 200,000 bales granted by the United States to twenty different countries. The possible loss of the important market in the China mainland had an especially adverse effect on the cotton market in Pakistan.

The week demand for *copra and coconut oil* was largely responsible for their fall in prices. In the United States, the demand for soap and other products containing coconut oil is very much reduced and inventories in the hands of processors are already high enough to cover a longer period. Meanwhile, another year of bumper crops for vegetable fats and oils is in prospect in the United States. In Europe, the lack of demand for copra and coconut oil can also be attributed, to a certain extent, to the lessening of the international tension which has in turn reduced the need for larger-scale stock-piling. With sufficient inventories and world production and consumption nearly in balance, there seem to be little prospects for a sharp increase in the prices of copra and coconut oil.

Contrary to the fall in prices of rubber, tin, cotton, copra and coconut oil, the price of *raw jute* went through a phenomenal rise since February—March, owing to the settlement of the exchange problem and the conclusion of a new trade agreement between India and Pakistan, as well as the decontrol of jute prices in India.

Control of Raw Materials

The big increases in demand for and prices of raw materials led to serious production difficulties, and measures for the international control of essential raw materials were sought by major industrial countries. Early in 1951 the Governments of the United States, the United Kingdom and France took the initiative in convening an *International Materials Conference (IMC)* participated by government representatives from 27 other countries and from the Organization for European Economic Co-operation (OEEC) and the Organization of American States. Two countries from this region, namely India and Japan, participated. The Conference operated through a series of commodity committees, each of which dealt with one or several related scarce commodities and on which the chief producing and consuming countries were represented. The seven commodity committees which are now operating are copper-zinc-lead, cotton-cotton linters, manganese-nickelcobalt, wool, pulp-paper, sulphur and tungsten-molybdenum. The IMC is not dealing with tin and rubber since procedures for international consultation on these two commodities were already in effect at the time of the formation of the IMC. For most commodities covered by the IMC member countries together (outside of the U.S.S.R. and its allied countries) account for 80 and 90 per cent of production and consumption. The function of these committees is to make recommendations to governments on methods to increase supply, on ways to reduce demand by means such as the substitution of other materials, and wherever the full demand cannot be satisfied, on methods of allocating the available supplies. They may also be expected to contribute substantially to the stabilization of prices indirectly through restoring order to world markets. Where allocation systems are drawn up, supplies for both non-member and member governments are being provided on an equitable basis. Allocation schemes have already been recommended for sulphur, tungsten and molybdenum by the committees and accepted by member governments for the third quarter of 1951. The United States as the largest consumer of both tungsten and molybdenum have naturally been allocated the largest share, 44.8 per cent of tungsten and 77.8 per cent of molybdenum. The pulp-paper committee has recommended two emergency allocations of newsprint to meet the urgent requirements of certain countries, but not the general allocation of newsprint. The supply of cotton and cotton linters has for the present been found adequate, and international allocations are not considered. Decisions as to the action which should be taken in respect of other commodities under review by the committees of IMC have not yet been reached.

While international control of some raw materials is still in its initial stage, *destinational control of exports* of certain raw materials has already been put into effect, and has contributed to the fall in their prices by increasing their supply to other countries and reducing buyers' competition through the restriction of supply to certain designated destination, including the China mainland.

On 14 May, 1950 a United States resolution calling on member and non-member states of the United Nations to apply an embargo on the shipment to areas under the control of the Central People's Government of the People's Republic of China and of the North Korean authorities of arms, ammunition and implements of war, atomic energy materials, petroleum, and items useful in the production of arms, ammunition and implements of war, was approved by the Additional Measures Committee of the United Nations General Assembly, which was passed by the General Assembly on 18 May. On 18 June, a United States report to the United Nations Additional Measures Committee on embargo against the Central People's Government of the People's Republic of China showed that since December 1950 the United States has not exported any material whatever to China mainland. Vessels and aircraft documented or registered under United States laws had not been permitted to touch at any Chinese port or area on the mainland or to carry any cargo designated directly or indirectly for China mainland. Up to 19 June 16 nations including Australia, Brazil, Canada, Greece, Italy (not a United Nations member state), the National Government of China, the Netherlands, Belgium, Cambodia, Norway, Panama, Peru, the United States, Sweden, France and the United Kingdom had informed the United Nations of compliance with the General Assembly resolution. India told the United Nations Secretariat that "India's own need of strategic materials precludes the export of all such goods to China or any other countries." It was reported in late July that Japan (not a United Nations member) was also complying with the United Nations resolution.

In June 1950 the United Kingdom imposed export license control on all goods exported to China mainland

and Hong Kong. The Hong Kong Government also imposed export and import licenses on all goods covered by the British Government Order which gives effect to this decision. A wide variety of commodities, e.g. tin, tinplate, coal, coke, lead, iron and steel, zinc and zinc manufactures, and rubber were already subject to import licensing, and there was a fairly close control of certain exports, e.g. arms, ammunition and explosives, tinplate and black plates, and various steel manufactures. Since November 1950 an Essential Supplies Certificate has been required of all items for which foreign exporting governments have required assurance. The importer has to make an affidavit before a Justice of the Peace that the items is to be used in Hong Kong and stating how long it is likely to last. The manufacturer who wants the item also has to make a declaration. Exporters have to certify that goods under control are going to approved destinations, and in the period between certification and shipment the goods are put in a special store.

Following the American criticism of Hong Kong for allowing strategic materials to reach China mainland, the Government of *Hong Kong* has banned, since December 1950, the export without licence of aircraft, aircraft engines, a wide range of arms and military equipment and the machinery for making them. In March 1951, again, a new list of raw materials and manufactures was announced, the export of which was prohibited except under licence. These included aluminium,, copper, brass, nickel and other metals, rubber tyres and tubes and photographic films. It was officially stated that the action, however, was taken mainly in the interest of local industries which found it difficult to obtain sufficient quantity of raw materials.

As a result of these control measures the recorded export from Hong Kong to China mainland is reduced by one half in the first half of 1951 as compared with the second half of 1950. Part of the shipments is diverted to Macao from where it may be imported into the China mainland.

The American ban on exports to Hong Kong coincided with the increased re-exports from Singapore to Hong Kong. A large proportion of these re-exports have been goods of hard currency origin bought by Singapore from its dollar allocation. Since dollars available to Malaya and Singapore during a single year from the sterling area pool are limited and must in general be used for essential imports into the Colony and the Federation, it is not considered reasonable to use dollars to finance trade with Hong Kong from which Malaya does not obtain goods in return that can be sold for dollars. The re-export to Hong Kong from Singapore of all goods of hard currency origin was therefore prohibited from March onwards.

On 9 April, the open general license for rubber exports was withdrawn in Malaya and Singapore, when all exports would come under licensing control and quantities sent to various destinations would be kept under continuous supervision. The underlying policy was to prevent unduly large quantities of rubber going to any destination so as to cause a shortage of supplies to Britain and other friendly countries. As a result of this embargo exports of rubber from Maalya to the mainland of China decreased rapidly by one half in April, as compared with the monthly average exports in the first quarter of 1951. In May a further move to stop rubber exports to China mainland was under way and culminated in the complete suspension of any exports upon the adoption of the resolution by the United Nations on embargo against exports of all strategic materials including rubber to the mainland of China and North Korea.

Early in 1950, *Indonesia* expressed that as long as Indonesia pursues an independence policy, it retains in principle the right to sell its rubber to whoever it desires. Naturally it depended on whether Indonesia got paid for these export goods in currencies with which it could purchase import goods required.

In May it was formally announced that Indonesia would continue to sell rubber to any country including China mainland, that could send to the country the goods badly needed. It was estimated that only less than one per cent of Indonesian rubber had gone to Hong Kong or other destinations from which it might find its way to the Chinese mainland, while nearly 30 per cent of it had gone to the United States. The fact that Indonesia insisted on carrying on a small trade in rubber with the China mainland was attributed to its desire not only to maintain an independent trade policy, but also to get rice from the mainland of China. It was stated that there was a shortage of rice this year, of which only a part would be covered by purchases from Burma and Thailand.

Beside the destinational control of exports of certain raw materials initiated by the United States, many countries in the region tightened export control, especially of raw materials, partly for security reason and partly to conserve them for domestic use, in view of their world-wide scarcity.

In *North Borneo* the export of certain goods is prohibited except under a licence issued by the Commissioner. In all there are 14 items listed in the schedule

which comprise such commodities as are vital to the economy of the colony and are in short supply throughout the world.

In *India*, in order to conserve for domestic industrial use and consumption, export control over many commodities, especially raw materials, was tightened. Early in 1951, exports of kyanite ore during the year were restricted to one half of the 1950 level, and no export licences for cotton yarn would be granted. In March and April, exports of copper, brass, tyre cord and tyre cord fabrics were banned. Later in the first half-year, licences would be issued for the export of non-ferrous metal manufactures only up to one-fourth of actual shipments in 1950.

In *Malaya*, as stated in the previous issue of the *Bulletin*, iron and steel products and non-ferrous metals were placed in the category of goods the exports of which were prohibited except to British Borneo. Many other commodities were put under control and their exports were limited to reasonable quantities.

In the *Philippines*, since 11 May, in order to promote economic rehabilitation and development and to safeguard national security, the export or re-export from the Philippines to any destination of certain strategic materials is prohibited except by special permission. The commodities specified are machines and spare parts, scrap metals, foodstuffs, gasoline, duplicants, military equipment or supplies suitable for military use and abaca seedlings.

Relaxation of Import Restrictions

The relaxation of import controls in countries of the region since late 1950 was made possible by the ample foreign exchange reserves arising from an improvement in the balance of payments position. In Ceylon, for instance, the lifting of import and exchange restrictions was urged by the Central Bank in view of the substantially favourable balance of payments position. The International Monetary Fund also suggested that it would be feasible for Ceylon, among a few other countries, to begin a progressive and cautious relaxation of "hard currency" import restrictions.[1] By and large, the rising import prices and freight rates, the growing scarcity of certain commodities in the world market, and the tightening of export controls stimulated the desire for further relaxation of import restrictions, in order to obtain commodities which might become more difficult to obtain at higher costs. Many countries in the region realized that for a large number of commodities, the world supply position was such that even if all restrictions on their imports were removed, countries in the region would still not get as much as they would currently need. Moreover, with a view to speed up economic development and for checking the inflationary tendency, many countries of the region felt it inadvisable for them to have "unrequited exports" and build up further balances abroad.

On the other hand, in certain cases, the relaxation of import restrictions has met with resistance from certain sectors in the economy, for example, those importers who have shared benefits arising from import control and those industries which have directly or indirectly derived protection from such control. Further, it has been felt desirable to adopt a stable import control policy and to avoid taking any action which may have to be suddenly reversed should world conditions change. Also, countries in the region cannot afford to import articles of luxury or less essential commodities, even though the foreign exchange position has been improved.

All these factors have in one way or another influenced governments in considering changes in their import control policies, and various forms of import control relaxation were introduced during the first half of 1951, with a view to allowing more desirable commodities to be imported from wider sources, especially from the dollar area, within the limits set by the availability of foreign exchange. Many commodities of which imports were restricted before were allowed to be imported freely from soft and/or hard currency areas, by placing them on "open general licences" (O.G.L.) in sterling area countries, on "free list" in Indonesia and on "decontrolled list" in the Philippines. In *Burma*, in addition to 33 items placed under O.G.L. for soft currency areas in December 1950, eleven more items were put under O.G.L. in May 1951. These included milk, fish, vegetable oils, paper and vehicle parts and accessories. On 16 June, nine more items, including electrical instruments and appliances, were put under the open general licences. In *Ceylon*, in early January, the open general licence for imports from all countries except Japan was expanded to cover 40 more items, including preserved milk, mineral oils, fertilizers, machinery and parts and drugs and medicines. The open general licence for imports from British commonwealth countries excluding Hong Kong, Canada and Newfoundland was also expanded to cover three more items, including certain kinds of vehicles. In *India*, in March, the open general licence was expanded to include certain essential raw materials; and certain items which were on the open general licence

1. In the International Monetary Fund reports to the Conference of the Contracting Parties to the General Agreement on Tariffs and Trade at Torquay.

for soft currency countries only, were transferred to the open general licence for all countries. In *Pakistan*, a new list of commodities under O.G.L. was announced in January. These included workshop equipment and tools, machinery and chemicals from American Account countries, and machinery and millwork, chemicals, cotton twist and yarn from Japan. Permission was also given to import, freely from soft currency areas except India, over 100 commodities including iron and steel, metals, electrical and other machinery, chemicals, etc. In June, it was further extended to cover import of cotton cloth with a value up to Rs.1/8 per yard from soft currency area. In *Malaya*, on 8 January, 14 more items were added to the 8 August 1950 list of free imports from the hard currency area. In late January and February, more items were further added to the list. These included sulphuric acid, cement, various kinds of paper, wheat flour, milk, etc. In the *Philippines*, in April and May, after the exchange rate adjustment through the levy of a tax on the purchase of foreign exchange from the Central Bank and in view of the improvement in international reserves, six important categories of food and 19 groups of other essential commodities, such as textiles, chemicals, machinery, etc., were removed from the quota list in an attempt to arrest the rise in prices of these commodities and to discourage speculation and hoarding.

Quotas and/or monetary ceilings for commodities under import licences were generally increased in value and expanded to cover more currency areas. In some cases, import licences were issued more freely. In *Ceylon*, on 13 April, it was announced that import licences for certain kinds of animal and vegetable oils and fats would be issued more freely. From 1 June onwards a number of items previously importable under individual licences from British Commonwealth countries only were permitted importation from all sources. In *India*, the liberalization of import licencing for 1951 took many forms. Under the new licencing policy for the period January—June 1951, import licences are to cover currency areas rather than specific countries as in the past, thus providing the importer with greater market flexibility. Meanwhile, five countries, namely Argentine, Paraguay, Belgium and her possessions, West Germany and Switzerland, were removed from the hard currency area and were listed under the soft currency area, thus allowing more liberal licensing for imports from these countries than before. In March, in view of the rising prices of import commodities, the availability of foreign exchange, and the desire to provide maximum possible facilities for the expeditious procurement of essential requirements, the value of licences for January—June 1951 was doubled and their period of validity extended to the end of the year. The object is to complete the bulk of import licensing for the whole year 1951 in the course of the next three months or so. In June, the import control was further relaxed for July—December 1951. The face value of all licences, which were issued for the period January—June 1951 and which were entitled to be doubled, should have a further automatic increase of 10 per cent in the original face value of the licence, with a view to meet the further rise in prices of all goods. In the case of certain commodities where, because of the increase in demand and also in prices the imports available, even after a 10 per cent increase above the doubling of January—June licences, are not considered sufficient to meet the country's requirements, the Government has decided to issue supplementary licences. New licences will be issued in respect of those commodities for which doubling of the January—June licence was not permitted. Actual users who either did not apply for licensing during January—June 1951 or who obtained licences which in spite of the doubling of the face value had found them inadequate to meet their requirements, will be given fresh licences on the basis of current prices. Licences for imports from soft currency areas will be granted in respect of certain new items, including iron and steel, diesel engine parts and certain foodstuffs. Certain other items that are to be freely licensed, include iron and steel, non-ferrous metals not included in the O.G.L., spare parts of machinery required for replacement, insulating material of all types, printing paper and cotton twist and yarn of 80 counts and above, soda ash, etc. In *Pakistan*, in some cases, the application of import licences was widened to cover a greater number of commodities and currency areas, as in the case of leather and leather manufactured goods.

In a few cases, prohibited imports were allowed to be imported in limited quantities. During March and April, the Government of *India* announced that certain articles for which there were quotas for imports during January—June would be licensed on a quota basis from soft currency countries. In *Malaya* many items like paper and paper products, automobile parts and accessories and all kinds of textiles, whose importation was formerly prohibited from the hard currency area, were put under "restricted" imports.

In addition to the above measures, in India, Indonesia and the Philippines, the procedure of licensing or of obtaining foreign exchange has also been simplified and its administration improved, thus facilitating the quick flow of imported commodities. Price control on imported goods was liberalized in Indonesia. Imported

goods, with a few exceptions, will no longer be subject to price limitations or price calculation schemes and importers are free to establish their own prices on such imports.

The full effects of the relaxation of import control are difficult to assess. Commodities whose imports were liberalized in most countries consist of metal products, machinery and parts, mineral oils, chemicals, drugs, papers, and textiles. For food-deficit countries, imports of preserved milk and meat and fishes were also liberalized. In some countries, however, it is clear that the inward flow and the stock pile of textiles have grown to such a sizable quantity that prices have begun to fall. In Burma, it is estimated that the stock of textiles would be sufficient for more than one year's consumption. In Malaya, the freer import and the restriction on the exports of textiles have resulted in the accumulation of heavy stocks estimated at 1,000 million yards and in a fall in prices of about 25 per cent.

Imports of Developmental Goods

It is expected that because of the ample foreign exchange earned and the relaxation of import restrictions since the Korean war, most countries in the region would increase their import of developmental goods from the United Kingdom, the United States and Japan, the region's major suppliers of developmental goods. However, in terms of January—June 1950 (the half year before the Korean war) prices, the imports of developmental goods from the United States during the year July 1950—June 1951 were less than one half of that in 1949 and that from the United Kingdom were about 30 per cent lower. Imports of developmental goods in the first half-year of 1951 from the United Kingdom were about the same as those during the first half of 1950, but those from the United States were about 25 per cent lower. The imports of developmental goods from Japan during the first quarter of 1951 were about 11 per cent lower than those in the previous half-year. The reduction of imports in machinery and parts was especially large. All these indicated the serious effects of the world-wide rearmament on the economic development of countries in the region arising from an increase in the import prices. These countries, despite their large foreign exchange reserves were unable to import more capital goods.

TABLE 5

IMPORTS OF DEVELOPMENTAL GOODS TO THE ECAFE REGION FROM U.S.A. AND U.K.

(in million dollars)

	Metal and manufactures	Electrical goods and apparatus	Machinery and parts thereof	Vehicles	Total[a]	Index of unit value of exports (Jan-June 1950 = 1)	Total value of developmental goods at Jan-June 1950 prices
From the United States							
1949 (Quarterly average) ..	30.0	11.2	52.6	18.8	115.6	1.06	109.1
1950 I	16.5	9.8	32.5	15.1	73.9	1.01	73.2
II	13.6	8.6	20.8	14.2	57.2	0.99	57.8
III	13.3	7.0	12.7	12.1	45.1	1.02	44.2
IV	13.5	5.4	12.6	12.1	43.6	1.09	40.0
1951 I	10.6	6.1	18.6	14.6	49.9	1.14	43.8
II[b]	13.8	8.1	21.3	24.4	68.0	1.20	56.7
From the United Kingdom							
1949 (Quarterly average) ...	23.0	15.6	52.6	34.7	125.9	0.97	129.8
1950 I	19.1	10.5	42.6	28.3	100.4	0.99	101.4
II	22.1	10.3	41.8	27.3	101.5	1.01	100.5
III	23.6	10.1	36.4	27.6	97.6	1.02	95.7
IV	23.1	10.8	38.3	37.0	109.3	1.06	103.1
1951 I	21.0	10.9	35.8	35.8	103.4	1.11	93.2
II	23.0	14.6	14.9	17.2	129.7	1.20	108.1

Notes: a. Because of rounding off, the first four columns may not add up to the total in this column.

b Estimated from April and June figures, as data on May are not available.

Sources: United States Department of Commerce, Census Report No. FT420, United States Exports of Domestic and Foreign Merchandise, Accounts Relating to Trade and Navigation of the United Kingdom and United Nations, Monthly Bulletin of Statistics.

TABLE 6

IMPORTS OF DEVELOPMENTAL GOODS TO THE ECAFE REGION FROM JAPAN

(Quarterly averages in million dollars)

	Non-metallic minerals	Metals and metal manufactures	Machinery	Total	Index of unit value of exports	Total value of developmental goods at Jan-June 1950 prices
1949 July-Dec. ...	2.7	7.6	12.7	23.2	..	..
1950 Jan-June ...	4.2	10.2	7.7	22.1	1.00	22.1
July-Dec. ...	4.2	18.6	14.4	37.1	1.10	33.8
1951 Jan.-Mar. ...	4.8	21.1	12.8	38.7	1.34	28.9

Source: Japanese Economic Statistics.

Trade Control in China Mainland[1]

The mainland of China has, under the prevailing international situation, adopted many trade control measures. In late 1950 the export of many products, especially to the United States. was banned. These included sesame seeds and groundnuts, hog bristles, peanut oil and grundnut oil, tung oil and carpet wool. The *ad valorem* export tax on tung oil, peanuts oil and hog bristles was also raised, respectively by 10, 15 and 30 per cent. In March because of the growing food shortage in South China. export of all foodstuffs was banned. The banning of the export of tung oil affected especially the United States. In the last two years there was a significant drop in the tung oil imported into the United States, largely because of reduced availability from China, and the price of tung oil rose sharply in the New York market. In May it was quoted at 41 cents per pound, which represented an increase of 100 per cent over the price at the end of 1950. On the Hong Kong market the foreign demand for tung oil continued to be very strong and transactions had been concluded at £270 a long ton c.i.f. Europe. The increase in price has recently become more marked as a result of the measures taken by the People's Government in Canton to grant export licences only up to 30 tons a month. Late in May the Foreign Trade Control Office in Hong Kong announced that the export price for tung oil in bulk was raised from £270 to £275 a long ton. On the Hong Kong market this product was in rather short supply because of large scale purchases by European countries, and was offered for sale at £280 a long ton. In the first quarter of 1951 China exported through Hong Kong 156,447 pounds of tung oil. Of this total the United States received only 2.4 per cent, the United Kingdom 41.9 per cent, the Netherlands 18.3 per cent and other countries 37.7 per cent. Last year most of China's tung oil passing through Hong Kong was destined for the United States. A small percentage this year is explained by the embargo imposed on commerce between these two countries.

Because of the shortage of foreign exchange and the difficulty in obtaining imported commodities in China mainland, an import export link system or "barter" trade system has been adopted by the People's Government. On 19 January the South China Foreign Trade Control Bureau promulgated a new set of temporary provisions governing South China trade and the import-export link system to take effect immediately. The list of commodities authorised for foreign trade must be adhered to and exporters have to fill in application forms for import under barter for approval by the Bureau. Traders will be required to aim at equilibrium between the values of imports and exports. Exporters are required to complete their exports within 30 days after importers have undertaken imports. Exporters having no facilities for imports may transfer their import quota in the link system to importers. On 12 March the Ministry of Trade of the Central People's Government promulgated another set of provisional regulations governing the control of barter trade, the underlying principle for which is that imports should precede exports and that imports and exports should be balanced. Barter trade could be carried out in either one of the following forms, namely direct barter. barter on account, link barter and the simultaneous opening of letter credit for imports against exports. A liberal policy has been adopted in the compilation of the import and export list with 480 articles in the former and 263 in the latter. Out of this long list of articles only jute

1. This section is based on materials from the following sources: International Monetary Fund.International Financial News Survey, 14 January and 9 February 1951: China Monthly Review, April 1951: The Indian Export Trade Journal, June to July 1951; Pakistan Trade, January 1951; United States Department of Agriculture, Foreign Crops and Markets 15 January 1951; Bulletin Hebdomadaire De Presse Economique, 28 May, 4 June and 9 July 1951; Bangkok Chamber of Commerce Journal, January 1951; and Bangkok Post, 21 March 1951

bags are to be subjected to centralized purchase and 7 articles, viz. bristles, soybeans, wolfram, antimony, tin, iron and metals, are reserved for centralized marketing, thus leaving a very wide scope for the merchants to trade in barter. The demand for Chinese products in the world market is reported to be so great that many traders abroad are now prepared to send their products to China first in order to obtain Chinese products on a barter basis.

Recent Developments in the Working of Trade Agreements

During the first half of 1951, 43 trade agreements were concluded by countries of the region, of which 27 were with countries outside the region, 6 with Japan and 10 with countries within the region. Most of these agreements were contracted upon the expiration of old ones and only a few were between countries which had not signed trade agreements with each other in postwar years. The extra-regional trade agreements, with the exception of a few concluded with Middle East countries by India and Pakistan and of one between Taiwan and Rykyus, were all with the European countries. The details of these trade agreements are shown in the table in the previous issue of the *Bulletin* and in the table appended to this section. Several new features have recently emerged from the working of trade agreements, although the pattern is still not definite.

Firstly, there were signs to liberalize trade control of countries which concluded trade agreements with each other. For instance, Norway extended to Pakistan certain concessions and facilities in import licensing already committed to OEEC countries. France also agreed to abolish all quantitative restrictions on the import from Indonesia of certain number of products deemed unrestricted among OEEC countries. The trade agreements signed by India with West Germany, Hong Kong, Poland and Sweden stipulated that India would treat imports from these countries on the same footing as those from soft currency countries. Many commodities imported from Spain by Pakistan were to be placed on the list of open general license imports of Pakistan, as specified in the trade agreement between these two countries. Most of the commodities to be exchanged between Ceylon and Pakistan, as scheduled in their trade agreement, are to be free from import restrictions. The Indo-Pakistan trade agreement also stipulated that the two governments agreed that import and export facilities granted by each country to the other shall be no less favourable than those applicable to any other country in the sterling and soft currency area. Current and further import and export licenses in respect of sterling and soft currency area countries shall be valid for India and Pakistan. Furthermore, the two governments agreed that there shall be no import and/or export restrictions on the movement of certain commodities as scheduled between the two countries. Accordingly, both countries announced these commodities to be included in the open general licence imports.

Secondly, at least two trade agreements gave more flexible trade plan on quantity, value and type of commodities exchanged than the ordinary trade agreements. While the first two trade agreements between the Philippines and Japan had specific ceilings for the commodities that could be moved between these two countries, the present trade agreement stipulates the total value for all commodities that can be exported from one contracting party to the other, leaving out the ceilings for the individual items. On the Philippine side, this is intended to give a reasonable elasticity to private trading and provide room for government economic and industrial planning. Pakistan-Norway trade agreement has not even set limits to the total value of trade. Both countries expressed a strong desire to promote trade between the two countries to the maximum extent possible. This trade agreement probably is only on an initial trial basis.

Thirdly, payments arrangements associated with trade agreements have widened their scope of application through the European Payments Union. For instance, payments for trade under agreements between Indonesia and Italy will be affected within the framework of the European Payments Union, through the medium of Italian-Netherlands compensation account. The payments for trade under agreements between Japan and sterling area countries in the region were originally effected through the sterling area over-all payment within Japan.

Fourthly, in some trade agreements, in addition to trade plan, the provision of technical assistance was specified. For intance, in the trade agreements of Indonesia and Pakistan with Norway, the services of technical exports for economic development are provided for. In Burma-Japan trade agreement, Japan is committed to supply necessary technical assistance for the development of cottage industries in Burma. In Ceylon-West Germany trade agreement, services of German technicians and specialists in Ceylon as well as training facilities for Ceylonese technicians in West Germany are included. As imports and exports in the trade plan do not necessarily balance, the balance may be settled by the supply of technical assistance.

Exchange Rate Adjustments and Exchange Control

All sterling area countries in the region have a single exchange rate system. Among the non-sterling area countries, China (Taiwan), Indonesia and Thailand have multiple exchange rate systems of various kinds. During the first half of 1951, with a view to achieving domestic stability and external equilibrium, the Philippines adopted an exchange tax, thus also introducing in practice the multiple exchange rates. During the first half-year, in China (Taiwan) and Thailand some rates of exchange were changed, in order to adjust demand for and supply of foreign exchange in the market. In the sterling area countries, the long pending exchange disagreement between India and Pakistan was ended by India's recognition of Pakistan's existing exchange rate. Full exchange control has been imposed between the two countries. Exchange control in Ceylon is expected to be relaxed in view of a further improvement in its balance of payments position.

On 25 February 1951, with the conclusion of a new trade agreement between the two countries, India recognized the existing exchange value of the Pakistan rupee. As from 27 February, the Reserve Bank of India and the State Bank of Pakistan will buy and sell each other's rupees through authorized dealers at the following rates:

	Buying rate	Selling rate
In India:	Indian Rs. 144-0-9 for Pakistan Rs. 100.	Indian Rs. 113-13-3 for Pakistan Rs. 100.
In Pakistan:	Pakistan Rs. 69-8-3 for Indian Rs. 100.	Pakistan Rs. 69-6-6 for Indian Rs. 100.

The Indian rupees earned by Pakistan from current transactions will be convertible into free sterling without any restriction whatsoever at any time at the option of the State Bank of Pakistan. The Reserve Bank of India will have a similar option in respect of its balance in Pakistan rupees. Financial transactions between the two countries will be conducted either in Indian or Pakistan currency by the sale of current sterling. Full exchange control has been imposed between the two countries from 27 February onwards.

The exchange deadlock, which lasted for eighteen months, was thus ended. Trade and payments between the two countries, which are economically so closely related, resumed their normal channels[1].

On 19 March, an initial par value for the Pakistan rupee of 3.30852 to the dollar, which was identical with the exchange rate prior to the devaluation of September 1949, was accepted by the International Monetary Fund. In the Fund's judgement the par value appeared appropriate in the light of the balance of payments prospect of Pakistan and current world market trends.[2]

In *Thailand*, during the first half of 1951, the free market rate for the baht has persistently appreciated in terms of sterling, being 54.95 baht to the pound sterling in June as compared with 57.38 baht in January. The open market selling rate of the Bank of Thailand for pound sterling was also reduced on 2 May to 53.85 baht to commercial banks and about 54.45 baht to importers, as compared with the rate of 57 baht which had been in force for nearly a year.

The dollar rate of the baht in the free market fluctuated around 21.50 during the first half-year, which was also higher compared with last year. The appreciation of the baht arose from a further improvement in the balance of trade, which was accounted for partly by the rapidly rising prices of rubber and tin and partly by the increased volume of rice exports.

Before the change in the Bank of Thailand's selling rate for sterling in May, the importers had for months found no need to purchase sterling from the Bank since it was available in the open market at lower rates. The Bank's selling rate for sterling had been the major stabilizing factor in the free foreign exchange market in Bangkok. The reduction of the rate would make the stabilization more effective. However, even after the reduction the free market rate of sterling has mostly been a little lower than the central bank sterling rate. The cross rate of dollar-sterling in the free market of Bangkok has remained very closely in line with that in Hong Kong.

In the *Philippines*, since 28 March, a tax of 17 per cent has been imposed on all sales of foreign exchange except for payments for designated essentials, including foodstuffs, fertilizers, medicines, newsprint etc. and designated non-trade payments, primarily insurance.[3] The tax will remain for two years. The selling rate of the dollar thus changed from 2.015 pesos to 2.358 pesos (including tax) to the dollar. The large spread between buying and selling rates and the exemption from tax for certain kinds of payments resulted in a system of multiple exchange rates.

During the postwar years large United States disbursements and aid tended to conceal the urgency of the need for other measures to improve the country's international economic position and thus lessen its dependence

1. For the new trade agreement and the associated trade control measures see Bulletin, Vol. II, No. 1 and supra section on recent developments in the working of trade agreements.

2. See International Monetary Fund, Annual Report 1951, P.44

3. Payments for designated non-trade items enjoy direct exemption from the tax, while for payments for designated essential imports, the tax may be refunded after the goods have arrived.

on foreign aid. As these disbursements declined since 1949, a continued high level of imports sustained by high money incomes, and the failure of exports to expand caused a severe drain on foreign exchange reserves. Although exchange and import controls were introduced towards the end of 1949 to prevent exhaustion of reserves and to arrest capital flight, reliance on direct control as the predominant instrument of policy could hardly be an adequate remedy in the long run. Because of the serious economic difficulties that it faced, the Philippine Government in 1950 requested the President of the United States to appoint an economic survey mission to consider the economic and financial problems of the country and to make appropriate recommendations. The mission, in a report submitted in October 1950, recommended the imposition of a levy on imports or an exchange tax of 25 per cent in order to facilitate the reduction of imports through cost measures. However, as the balance of payments position of the Philippines improved after mid-1950, the exchange tax, after consultation with the International Monetary Fund, was fixed at a lower level than that recommended by the mission. The Fund, taking into consideration that related measures were also being taken, approved the use of such an exchange tax as a temporary measure.[1]

In recommending such a measure, the mission believes that as import restrictions have already reduced sharply the supply of import goods, and in a free price economy the prices paid by consumers will rise to the level determined by the limited supply,[2] the tax would have only a limited effect on consumers' prices of import goods. The principal effect of the tax will be to transfer from importers to the Government much of the windfall profits resulting from the limitation on the volume of imports. This will help the Government to balance its budget and to achieve internal equilibrium. On the other hand, the tax, unlike devaluation, has no direct effect on exports. A devaluation of currency may raise prices rather than volume of the export commodities. It would, therefore, inflate still further the income of exporters and raise the prices of all agricultural products for home consumption.

A new system of foreign exchange control was established in *China (Taiwan)*, in April. Since December 1950, in contrast to the former rather liberal system which had resulted in a deficit of several millions of dollars at the end of 1950, a more restrictive system on all imports has been adopted. After several months of careful study and deliberation, a new system was established, aiming chiefly at achieving a balance of payments of foreign exchange in the initial stage, together with the enforcement of various measures governing outward remittances, exchange certificates and import trade. The highlights of the new system are the introduction of realistic exchange rates, revision of the certificate system, restrictive use of free foreign exchange and a strict ban on free market operations. Pursuant to the executive order of 9 April a committee of six members under the auspices of the Bank of Taiwan was formed, with the function of fixing exchange certificate rates every morning for application to the buying and selling of certificates during that day. For the purpose of stabilizing the certificate rates by means of open market operations, if and when necessary, an amount of $2 million is to be set aside. The new exchange certificate rates were first announced on 11 April. They are presumably in conformity with the purchasing power parity. The rates are 15.85 new Taiwan yuan to one dollar for buying and 15.95 new Taiwan yuan to one dollar for selling, and 43.11 new Taiwan yuan to one pound sterling for buying and 43.42 new Taiwan yuan to one pound sterling for selling. The rates for exchange certificates are also applicable for buying United States notes and Hong Kong currency and for payment of inward remittances. The official rate of exchange, being 10.25—10.30 new Taiwan yuan to one dollar, is generally used on government exports and imports of basic goods. The new rates for exchange certificates have remained unchanged. With strict regulation on exchange for importation, the foreign exchange position of the Bank of Taiwan has been considerably strengthened; for the first six months of this year there was a favourable balance of approximately $21 million.

1. International Monetary Fund, Annual Report, 1951.

2. Report to the President of the United States, by the Economic Survey Mission to the Philippines, Washington D.C. October 9, 1950. PP.86-7.

TRADE AGREEMENTS NEGOTIATED AND/OR FINALIZED IN THE SECOND QUARTER 1951

I. JAPAN—ECAFE COUNTRIES

Contracting parties	Period valid	Value of trade and types of commodities	Nature of trade and method of payment	Remarks
Japan-Burma	1 January to 31 December 1951	Total trade of £20 million (US$56 million). Japan to export to Burma mainly textiles, building materials, cement, small scale cottage industry equipment, other machinery, rubber manufactures, enamelware, pottery and porcelain, and miscellaneous commodities. Japan's principal imports from Burma are rice, foodstuffs, raw cotton, cotton seeds, tung oil, sticklac, teak, crude rubber, cattle hides, minerals and other products.	Balanced trade under licences Trade is conducted in sterling in accordance with Japan-U.K. sterling overall payments arrangement.	Formally signed on 4 August as a result of negotiations which took place in Rangoon on 29 March 1951. Under the terms of this new trade plan Japan is committed to supply necessary technical assistance in connection with the development of cottage industries in Burma.
Japan-China (Taiwan)	From 30 June 1951 until a new agreement is negotiated	The commodities to be exchanged are probably of the same types and in the same quantities as in the 1950/51 agreement. (See Bulletin, Vol. I No. 3, for third Quarter, 1950).		This is a renewal of the 1 July 1950—30 June 1951 agreement.
Japan-Indonesia		Value of exports from Japan to Indonesia will be $40 million, and value of exports from Indonesia to Japan will be $30 million.		A renewal of the trade agreement of 1 July 1950 to 30 June 1951.
Japan-Republic of South Korea	1 April 1951 to 31 March 1952	Total value of trade between the two countries is planned approximately at US$48 million, of which about US$32 million will be Japan's exports to Korea, while the value of Japan's imports from Korea is estimated to be about US$16 million. Japan's exports include textiles, lumber, paper, coal, chemicals, cement, iron and steel manufactures, and machinery. Japan's imports will be metals, minerals, farm and aquatic products.	Trade under licences.	This is a renewal of the agreement which terminated in March 1951.
Japan-Philippines	30 June 1951 to 30 June 1952	Total value of two-way trade is planned to reach an estimated figure of US$100 million. Under the terms of the revised agreement Japan will import from the Philippines iron, manganese and chrome ore; lauan logs and lumber; rattan; mangrove bark and molasses. Other miscellaneous items will probably include gum-copal, buffalo hides, hide fleshings, shells for buttons, kapok and kapok seeds, ramie, copra, abaca, etc. Japan is committed to export to the Philippines mainly textiles, iron and steel products, machinery and equipment, glass and porcelain, chemicals and chemical products, agricultural implements, ships and fishing boats, and other miscellaneous manufactured goods.	Balanced trade under licences. On open account basis in terms of U.S. dollars. No dollar payments will be made except the amount in excess of a swing balance of $2.5 million which is payable upon demand by the creditor party. No limitations are placed upon the value or volume of each commodity which may be moved between the two contracting countries, provided that the total value of trade does not exceed $50 million each way. This is intended to give a reasonable elasticity to private trading as well as to provide room for government economic and industrial planning.	Revised on 13 March 1951. This is a renewal of the agreement which expired on 30 June 1951

TRADE AGREEMENTS NEGOTIATED AND/OR FINALIZED IN THE SECOND QUARTER 1951 — *Contd.*

II. ECAFE COUNTRIES—EXTRA REGIONAL COUNTRIES

Contracting parties	Period valid	Value of trade and types of commodities	Nature of trade and method of payment	Remarks
Ceylon-Federal Republic of Germany	Retroactive from 1 November 1950 to 31 October 1951	Total value of trade to reach US$36.3 million approximately. Germany was committed to deliver to Ceylon commodities valued at $14,115,000 in exchange for goods from Ceylon to the approximate value of $22,190,000. Germany was to obtain from Ceylon consignments of rubber, copra, palm and coconut oil, tea, coconuts, crude drugs, vegetable oils, oil cake, coconut fibre and yarn, spices, cocoa, precious and semi-precious stones and graphite. Ceylon was to receive from Germany rolling-mill products, castings, non-ferrous semi-manufactured materials, machinery, vehicles, iron and steel structures, electrical equipment, fine mechanical and optical instruments, iron and steel products, finished items of iron, steel and non-ferrous metals, musical instruments, chemicals, rubber and asbestos goods, textiles, wood pulp and paper products, glass and ceramics, cement and beer. Services of German technicians and specialists in Ceylon as well as training facilities for Ceylonese technicians in Germany were included under certain stipulations of this Agreement.	Trade under licences. Payments to be effected within the terms of the Germany—United Kingdom payments agreements.	Germany accepts the unbalanced values of its imports from and exports to Ceylon because Germany urgently requires delivery of essential raw materials from Ceylon and the rather limited import capacity of its trading partner is also taken into consideration. Germany is also committed to remove all import restrictions on coir yarn, coir fibre and rubber of Ceylon origin. Each government has also agreed to permit nationals of the other to acquire and assure the protection of patent rights and copyrights and to register new designs and trade marks within its respective territories.
China (mainland)-Hungary		Hungary to supply unspecified quantity of agricultural equipment. Detailed information not available.		Agreement signed in January 1951.
China (Taiwan)-Ryukyus	January to December 1951	Total trade valued at US$1,374,000 or $687,000 each way. Exports from Taiwan include sugar, tea, teakwood, cement, bamboo, etc. Imports into Taiwan include dried and salted fish, railway sleepers, hardwood, phosphorous rock, raw hides, charcoal, medicinal herbs, etc.	Balanced trade under licences. Accompanying the trade plan is a Financial Agreement which provides that the Bank of Japan shall act as agents for SCAP and open a "Taiwan — Ryukyus Open Account" in U.S. currency, and, on the other hand, the Bank of China shall act for Taiwan and keep the corresponding account. A swing balance of this account becomes payable upon demand by the creditor party whenever it exceeds $100,000.	The signing of the agreement, originally scheduled for 31 January 1951, was postponed pending further discussion on the detailed procedures for the operation of the "Open Account". The procedures have now been finalized by the Bank of Taiwan and the Bank of Ryukyus with the approval of the United States Civil Administration of the Ryukyu Islands (USCAR), and the account was officially established on 1 August 1951. The agreement resembles in many respects the Taiwan—Occupied Japan agreement which was signed in September 1950. The agreement also lays down procedures and measures for prevention of illegal movement of goods between countries of the contracting parties.
India-Switzerland	June to end of December 1951	See March 1950—February 1951 agreement as given in Bulletin, Vol. 1, No. 2, November 1950.	Licences.	Extension of the agreement of March 1950 to February 1951.
India-USSR	1951	India to import from USSR 100,000 tons of wheat flour in exchange for an equivalent value of "freely sold" Indian commodities.	Probably barter.	
Indonesia-Austria	5 February 1951 to 4 February 1952	Austria is to export to Indonesia, among other items, steel and steel products, ball and roller bearings, metal goods, lighter flints, machinery, diesel engines, paper, textiles, rubber goods and chemicals. The principal items Indonesia is to deliver to Austria are rubber, tin concentrates, coffee, tea, spices, copra, palm oil, peanuts, linseed cake, fibres, tobacco, hides and skins.	Issuance of licences. Payments under this agreement will be effected within the terms of the Austro — Netherlands payment agreement.	This agreement is valid for one year and will automatically become operative for another year provided neither party gives notice of intent to terminate within three months before its expiration date. The contracting parties further declared their willingness to issue import licences in exchange for commodities not hitherto specified in the schedules, as future conditions may permit.
Indonesia-Denmark	1 July 1951 to 30 June 1952	Indonesia to export to Denmark copra, tobacco, rubber and tin; and to import from Denmark machinery, cement and electrical equipment.		

TRADE AGREEMENTS NEGOTIATED AND/OR FINALIZED IN THE SECOND QUARTER 1951 — *Contd.*

II. ECAFE COUNTRIES—EXTRA REGIONAL COUNTRIES contd.

Contracting parties	Period valid	Value of trade and types of commodities	Nature of trade and method of payment	Remarks
Indonesia-France	1 February 1951 to 31 January 1952	Total trade between the two contracting parties is expected to exceed 20,000 million francs. Indonesia to export to the French Union: rubber, copra, tin, sisal, kapok, tobacco, pepper and various spices, rattan, gum benzoin and other gums, essential oils, raw hides and skins, quinine bark and shellfish. Principal products of the French Union scheduled for export to Indonesia are: passenger cars, various paper products, silk, rayon and cotton textiles, chemical products and pharmaceutical specialities, phosphates and superphosphates, cast-iron and steel pipes, various other iron and steel products, wire, machine tools, various mechanical and electrical equipment.	Issuance of licences. The French government agrees to abolish all quantitative restrictions on the importation from Indonesia of a certain number of products whose importation is unrestricted among OEEC countries. On the other hand, the Indonesian government agrees to take into consideration French offers when it gives orders for equipment goods.	The agreement is subject to termination on three months' notice by either party. If not so terminated, it shall be considered automatically renewed from year to year. Private commercial transactions based on contracts spreading over a period of several years are authorized and provided for in this agreement.
Indonesia-Italy	1 April 1951 to 31 March 1952	Total trade is expected to reach 25,000 million lire, or approximately US$35 million. Indonesia is to export 15,000 tons rubber; 7,000 tons tin ore; 8,000 tons copra, 500 tons coffee; 100 tons tea; 100 tons groundnut seeds; 100 tons pepper; 100 tons unspecified nuts; 300 tons cloves; 500 tons gum and gum-resin; 200 tons Indian cocoa; 400 tons kapok; 1,000 tons (which may be increased) raw palm oil; unspecified quantity of cinchona bark and 500,000 florins worth of raw hides. Italy is to supply to Indonesia the following principal items (all items are calculated in Dutch florins): window panes and plate glass valued at 400,000; organic dyes, 500,000; pharmaceutical products and patent medicines, 1,500,000; various chemical products, 2,000,000; cigarette paper, 1,500,000; other paper and cardboard, 1,000,000; cotton yarn, 11,750,000; cotton textiles, 8,000,000; synthetic fibre yarn, 3,000,000; synthetic fibre woven goods, 6,000,000; blankets, 750,000; stockings and garments, 500,000; tyres, 3,000,000; belting and other industrial goods made of leather and rubber, 1,000,000; rubber technical goods including diving apparatus, 1,000,000; iron and steel pipes and connections, 1,000,000; radio and scientific instruments, 1,500,000; machine tools, 1,000,000; electrical machinery and electrical apparatus, 1,500,000; typewriters, 1,000,000; motor cars, 5,000,000; motor cycles and autocycles, 1,500,000.	Probably by issuance of licences. Payments will be effected within the framework of the European Payments Union, through the medium of the Italo — Netherlands compensation account. Private compensation and reciprocity operations will not be allowed.	The agreement was signed in Rome on 23 May 1951 and was to be retroactive from 1 April. The agreement will remain in force automatically each year until either of the contracting parties serves notice of termination at least three months before its expiration date.
Indonesia-Poland	June 1951 to May 1952	Indonesia to supply Poland with certain unspecified raw materials, tea, coffee, pepper and quinine in exchange for Polish textiles, metal goods, textile machinery, glass, china, chemicals and other miscellaneous items of manufactured goods.	Probably by issuance of licences.	The agreement was probably signed in June. No detailed information in regard to the method of payment or the value of trade is available.
Pakistan-Norway	22 May 1951 to 21 May 1952	Neither government has set limits to the total value of trade. The contracting parties have jointly expressed a strong desire to promote trade between the two countries to the maximum extent possible. The two governments agree to give the widest possible publicity to lists of goods available for export in either country as and when required by the other party. Such lists attached to the agreement are as follows: Pakistan is to supply to Norway the following goods: tea, hides and skins, raw cotton, raw jute, chrome ore, guts, bamboo and other canes, oil cake meal, oil seeds, sports goods, dried fruit, surgical instruments, cottage industries products, goat hair, medicinal herbs, rock salt and gypsum. Norway is to supply to Pakistan the following goods: cheese, stockfish meal, soup tablets, beer, aeromatics for industrial use, medicinal cod liver oil, industrial cod liver oil (also for tanning purposes), hardened fish oil, pharmaceuticals, laminaria pins, calcium carbide, ferrosilicon, sulphite lye, nails, rivets (ship rivets and small rivets), pig iron, transmission belting, fish hooks, paper, cardboard and board, grinding wheels and grinding stones (other than those produced in Pakistan), household scales, auxiliaries for tanneries, textile and washing agents, fatty alcohols and products from sperm oil, crude oil engines, electrical goods, wooden boats, paints, cleansers, precision drawing machines for industrial designers and engineers, and general hardware.	Issuance of licences. Norway, as a participating member of the Organization for European Economic Corporation is committed within the framework of the OEEC to grant certain concessions and facilities in matters of import licensing to other member nations, and has agreed to extend these concessions and facilities to Pakistan.	The agreement is valid for a period of 12 months and effective from the date of signing. It will remain in force for a further period of six months unless one of the parties serves notice of intent to terminate at least three months prior to the expiry date of the agreement. The agreement also binds the contracting parties to use their good offices to secure and make available to each other the services of technical experts whenever such technical assistance is requested by the other party.
Thailand-United Kingdom	April 1951 to March 1952	Thailand to supply to the British Commonwealth countries in Southeast Asia 415,000 tons of rice. The proceeds from these exports are estimated to yield between £316 million and £317 million to Thailand.	Rice contract. Payment in sterling.	The agreement was signed at Bangkok on 16 April 1951. Thailand has obtained a price about 10 per cent higher than that under the 1950 agreement, but the quantity of rice supplied is 50,000 tons less than for 1950.

TRADE AGREEMENTS NEGOTIATED AND/OR FINALIZED IN THE SECOND QUARTER 1951 — *Contd.*

III. ECAFE INTRA REGIONAL TRADE AGREEMENTS

Contracting parties	Period valid	Value of trade and types of commodities	Nature of trade and method of payment	Remarks
Burma-India		The principal commodities which Burma will supply to India are rice, timber and non-ferrous minerals in exchange for Indian textiles, hardware, machinery, rubber goods, cement, jute and groundnut oil.		Negotiations at final stage. Rice will probably constitute more than 60 per cent of Burma's exports to India.
Ceylon-Pakistan	1 July 1951 to 31 December 1952	The total value of commodities to be exchanged between the two countries is estimated to reach 120 million Ceylon rupees during the eighteen months of validity of the agreement. Ceylon to import from Pakistan sizable quantities of rice, flour (wheat) and other subsidiary foodstuffs, dried chillies, sports goods, diesel engines, electric bulbs, soda ash and sulphuric acid. Among other miscellaneous items which Ceylon will export to Pakistan, rubber, copra, coconut oil, pepper, spices, graphite and tea are the principal commodities involved in the agreement.	Issuance of licences. The trade will be conducted through private channels except for rice and flour, where it will be conducted on a government-to-government basis.	The agreement was signed on 11 May 1951 and became effective from 1 July 1951 till the end of 31 December 1952. Most of the commodities scheduled to be exchanged between the two contracting countries are to be free from import restrictions. This is intended to facilitate the flow of trade.
China (mainland)-India		China to export approximately half a million tons of foodgrains to India, of which 442,000 tons are kao-liang and 66,000 tons are rice. India is expected to supply China with jute bags, etc.		The agreement was concluded in May. Thus far no detailed information has been released by either of the contracting parties.
China (Taiwan)-Thailand	1 May 1951 to 31 March 1952	Taiwan to supply to Thailand 1,250 tons of granulated sugar in exchange for coconut oil, soybean, rubber, sesame and leather goods from Thailand.	Issuance of licences.	This is the first trade agreement concluded between the two countries.

CURRENCY AND CREDIT

Currency Issue and Unification

In *Burma*, 30 June 1951 was set as the deadline for the public to exchange the demonetized prewar and British Military Administration currency notes for legal tender currency. In *Pakistan* the Government declared that Indian one rupee and half rupee coins and all the small denominations would cease to be legal tender from 1 July 1951. It will be possible, however, to exchange them for legal tender coins during the period 1 July to 30 September 1951. In the *Philippines* the Government authorized in April the printing of P.60 million of small denomination currency notes in order to take care of the serious shortage of coins resulting from hoarding.

On the mainland of *China* the People's Government announced the unification of currency as from 1 April 1951. The People's Yuan was made the sole legal tender and currency notes issued by the North-East Bank and the Inner Mongolia Bank were to be withdrawn from circulation at the rate of 9.5 to one People's Yuan. The North-East currency was issued in October 1945. Its withdrawal took place in two stages. During the first stage, from 1 to 30 April, 1951, the Government accepted unlimited exchange of North-East currency for People's Bank currency and North-East currency continued to be legal tender. During the second stage, from 1 to 31 May, 1951, the North-East currency was no longer legal tender but could still be exchanged for the People's Yuan. By the middle of May it was estimated that about 80 per cent of all North-East currency had been withdrawn and it was expected that by the end of May the remainder would be withdrawn. As to the Inner Mongolia Bank currency, it was decided that as Inner Mongolia was located far away on the border of China, the period for exchanging these notes for People's Bank notes would be extended until the end of July.

In *Malaya* a new agreement, known as the Malaya British Borneo Currency agreement 1950, was signed by the Governments of the Federation of Malaya, Singapore, Sarawak, North Borneo and Brunei for the establishment of a currency commission. It was decided that on an appointed day there should be constituted a new Board of Commissioners of Currency, Malaya and British Borneo, with membership of five persons, namely the Finance Secretary of the Federation of Malaya, the Finance Secretary of the Colony of Singapore, one person to be appointed jointly by the Governments of Sarawak, North Borneo and Brunei and two persons not representing any particular territory to be appointed by the participating governments. The Commissioners were to have an office at Singapore and at other places to be agreed upon. This new Board was to have the sole right to issue currency. The participating governments undertook not to issue currency, but this did not affect the validity of any currency which had already been issued. During the transition period the currency of the Board

of Commissioners of Currency, Malaya and the Straits Settlements Currency Commissioners was to be considered as currency issued by the new Board. The Governments, however, agreed to withdraw as soon as possible all other currency in circulation. Provisions were also laid down for the new Board to take over the assets and liabilities of the Board of Commissioners of Currency, Malaya. A new fund was to be established and details were laid down to make this unified currency system of Malaya operate on an automatic sterling exchange standard with a par value of 2s 4d to one Malayan dollar. The profits and losses of the fund were to be shared or borne by the participating governments as follows: (a) Federation of Malaya, 65 per cent; (b) Singapore, 29 per cent; (c) Sarawak, 3-¼ per cent; (d) North Borneo, 2 per cent; and (e) Brunei, ¾ per cent. On 23 May 1951 the Governor of Sarawak signed an ordinance which was passed at a meeting of the Council Negri to implement the agreement. It replaced the 1938 agreement whereby the Currency Board of Malaya had been issuing currency notes for Sarawak, North Borneo and Brunei.

Changes Affecting Central Banks

In *India* with the passing of the Reserve Bank of India Amendment Act 1950 on 27 April 1951 and the receipt of the President's assent on 15 May, the powers of the Reserve Bank were increased and the restrictions which had been placed on the Reserve Bank's open market operations were removed. The Reserve Bank was empowered to act as agent for foreign governments and permitted to invest its funds in the shares and securities of international banks. It was given authority to rediscount agricultural bills of 15 months' duration, as compared with 9 months' duration before. It could now rediscount commercial bills of exchange bearing the signature of a state co-operative bank.

In *Burma* the President authorized the Union Bank of Burma to make loans and advances to commercial banks having accounts with the Union Bank of Burma. Although the Union Bank of Burma Act 1947 permitted such loans to be made, it also required the President to authorize them. In *Ceylon*, the United Kingdom agreed that a sum of dollars and gold equivalent to £4 million would be set aside from the sterling area reserves to provide the Central Bank of Ceylon with a gold reserve. In *Indonesia* the Government was planning to revoke the Bank of Java's right to issue bank notes. It was also understood that there was a possibility that the Government would nationalize the banking assets as well. In such an event, it would offer to purchase all the shares of the Java Bank at the rate of 120 per cent of the nominal value, payment to be made in Netherlands guilders. In the meanwhile, on 12 Januray 1951 the Government issued an ordinance requiring the Java Bank to keep a reserve of 20 per cent in the form of coin or bullion against all bank notes, deposits and other sight liabilities. Of this reserve, at least one-fifth was to be kept within Indonesia. The ordinance was made retroactive to 2 January 1950 and revoked other relevant decrees passed in prewar years.

Agricultural Finance and the Co-operative Movement

In *Burma* the Government, in order to relieve the financial position of agriculturists, announced on 20 February that all agricultural land revenue taxes and agricultural debts[1] to the Government still outstanding for 1948/49 and previous years would be remitted. The amount involved was estimated to be Rs.150 million. In order that this remission might not have an adverse effect on future repayment of loans, the Minister of Agriculture emphasized that loans issued during 1949/50 and in subsequent years would be collected in full.

The Government also passed the "Burma Agriculturists' Debt Relief (Amendment) Act 1951" in order to afford relief to cultivators in cases where they had not been able to take advantage of the Burma Agriculturists' Debt Relief Act 1947, as owing to the disturbed conditions within the country, the Government had not as yet constituted debt settlement boards in all districts. The amendment authorised certain officers of the Government in the districts to receive applications and to take action for the scaling-down of debts.

The five year co-operative scheme, providing for the formation of producers' co-operatives in various parts of the country, was approved by the All-Burma Co-operative Conference. It was stated that efforts were being made by officers of the co-operative department to put the scheme into effect within the shortest possible time. Efforts were also being made to form new co-operative fishery societies, and by the end of May there were 297 such societies, compared with 250 in the previous year. The month of June 1951 saw the formation of 82 new co-operative fisheries societies.

In *Ceylon* there was an increase of 443 societies during the year 1 May 1950 to 30 April 1951 as against an increase of only 205 in the two preceding years. The total number in April 1951 was 7,210 and a notable feature of 1950/51 was the rise in the proportion of societies working at a profit. Agricultural finance continued to be provided by the co-operative movement

1. The agricultural debts referred to are the crop loans made by the Government directly for financing agriculture.

through credit societies of limited and unlimited liability and thrift societies. The working capital (paidup share capital plus statutory reserve and other funds, plus loans and deposits) of these societies increased from Rs.10.3 million in 1949/50 to Rs.12.3 million in 1950/51. During last few years about 65 to 70 per cent of loans given by the unlimited liability credit societies, 15 to 20 per cent of those by limited liability credit societies and 12 to 15 per cent of those by thrift societies were purely for agricultural purposes. The total loans of the unlimited liability credit societies increased from Rs.4.3 million in 1949/50 to Rs.4.6 million in 1950/51. Loans of limited liability credit societies increased from Rs.1 million to Rs.1.6 million and of thrift societies from Rs.1.1 million to Rs. 1.3 million. The government in June 1951 invited delegates from the nine provincial unions to a conference, which was the first of its kind. to discuss matters relating to the development of the movement, and to form an All Island Co-operative Federation or Parliament of Co-operative Societies.

In *India* an informal conference of representatives of the co-operative movement and other experts on rural finance was convened in February 1951. The conference reviewed amongst other things the role of the Reserve Bank of India in the field of rural finance. It was generally agreed at the conference that the Reserve Bank of India should supply intermediate credit to co-operative banks for periods between 18 months and five years. It was also considered that the Reserve Bank should finance the production and marketing activities of industrial co-operatives, and 'mixed farming' and the processing of crops should be included among the purposes for which the Reserve Bank of India would lend to co-operative banks. The Reserve Bank of India was planning to institute a fact-finding survey with reference to rural credit.

In order to increase the supply of rural credit the Indian Planning Commission suggested a levy of one per cent on all sales of agricultural products in registered markets within the country. This levy was expected to yield Rs.95 million per year. It was proposed that this fund be used by state and co-operative credit institutions to increase the amount of advances made to agriculturists from the present rate of Rs.420 million to about Rs.800 million. This levy would also enable the Government to establish a revolving fund of Rs.1,000 million in ten years time.

The Government, in a review of existing legislation in the different provinces concerning the control of moneylenders, stated that there were 33 acts in force all over India, with only about three areas where there was no legislation. Most of these acts required the maintanance of proper accounts by moneylenders. In all states except three, there was control over the rate of interest which could be charged by moneylenders to agriculturists. In four states compound interest rates were prohibited. For example, the maximum rate for simple interest on unsecured loans in the state of Madhya Pradesh was 12½ per cent, while the maximum rate of compound interest on secured loans was 10 per cent. The Government of Bombay, in an attempt to lower rates charged to agriculturists, decided that in future it would charge only 2½ per cent per annum, instead of 3½ per cent, on loans advanced to cultivators for crop finance under the Intensive Cultivation Scheme. Notwithstanding these legislations, the problem is enforcement.

In *Malaya* 31 rural co-operatives formed themselves into a co-operative banking union with an initial capital of M$20,000 to M$30,000. The banking union will act as a central organization to co-ordinate the co-operative societies' efforts to promote rural development.

In *Pakistan*, the Agricultural Finance Corporation Bill was moved in Parliament in April but was referred to a select committee of the House for study and for reporting back by the end of July 1951. The provisions of the bill if passed would establish an Agricultural Development Finance Corporation which would advance loans for purposes of (a) mechanical equipment or mechanised farming, (b) water lifting equipment, (c) tractor stations, (d) production and distribution of improved varieties of seeds, (e) purchase and distribution of mechanical and other fertilizers, and (f) establishing seed and other stores. These loans would be granted to all types of people and organizations engaged in agricultural operations, whether small holders, large holders or co-operative societies. The loans would be given either in the form of cash or in the form of implements, fertilizers, improved seeds, etc. The authorized share capital of this Corporation would be Rs.50 million of which Rs.20 million would be issued in the first instance. The Government would subscribe to 51 per cent of the capital.

The by-laws of the All-Pakistan Co-operative Marketing Federation were finalised and an application was made to the Registrar of Co-operative Societies for its registration. The authorized capital of this Federation is to be Rs.10 million and its main object is to undertake trade between East and West Pakistan on co-operative lines. It will purchase and sell agricultural livestock and other produce, act as a commission agent, and establish processing plants.

In *Thailand* a drive was made to expand the number of co-operative credit societies and by June 1951 the

total number had increased to 7,690, compared with 6,200 societies in 1948. In order to increase the amount of agricultural finance available, the Government approved in April an appropriation of 50 million baht to be used for lending to co-operative societies. The Ministry of Agriculture stated that the 103 million baht already advanced to co-operative societies were principally meant for redemption of mortgaged lands.

Industrial Finance

In *India* the amount of loans applied to the India Industrial Finance Corporation for the year ending 30 June 1951 showed a steady decline as compared with the previous two years. During 1950/51 applications amounted to Rs.54.8 million as compared with Rs.87.6 million during 1949/50 and Rs.103.3 million in 1948/49. The amount sanctioned was also smaller, being only Rs.23.9 million during 1950/51. In 1946 it was comparatively easy to raise capital by issue of shares. In the later postwar years, when the prices of machinery and raw materials went up, companies found that they could not complete their schemes with the capital already collected. Therefore, the setting up of the India Industrial Finance Corporation was very timely and a large number of these companies applied for financial assistance. The reduction in the volume of applications during the current year was due mainly to the uncertainty of getting supplies of machinery and raw materials. Of the loans sanctioned during the year Rs.5.9 million were for the cotton and woollen textile industries, Rs.2.5 million for chemicals, Rs.5 million for cement, Rs.2.1 million for electrical engineering, Rs.2 million for the ceramics and glass industries, and Rs.5 million for the automobile and tractor industries. The total amount of loans outstanding at the end of June 1951 was Rs.56.6 million.

In India a total of nearly Rs.500 million had been loaned by the Central Government to state governments for financing various river valley projects. Most of the loans were granted during the three years beginning 1948/49 and the largest grant, amounting to Rs.255 million, was made to the Government of Punjab for the Bhakra Nangal and the Harike projects, while for the Damodar Valley Corporation the Governments of Bihar and West Bengal had received Rs.111 million.

In *Pakistan* the total credit granted by the Industrial Finance Corporation in its two years of operation amounted to Rs.12.55 million, of which Rs.6.85 million were sanctioned during the current year. Although up to that time the Corporation had granted direct loans, it recently agreed to undertake the issue of shares and debentures. During the current year it has given loans to nine applicants from various industries, including textiles, electricity, food products, heavy chemicals, pharmaceuticals, sugar and wool. Loans to the sugar industry were Rs. 3 million and to the textile industry Rs.2 million.

In *Thailand* the Cabinet Council approved a plan to establish an industrial bank with a capital of 20 million baht. The bank is to lend money to industrial firms and government factories.

In *Japan*, the Government is planning to lend Y97.6 billion to industries during the fiscal year beginning April 1951, which is Y32 billion more than the current allocation. The Government was also planning to create a Japan Development Bank to be solely financed by the government. Furthermore, government funds to the amount of Y4 billion would be allotted for financing small industries and businesses out of the ECA Counterpart Fund. The Small Enterprises Credit Fund would be increased by Y1 billion, and the National Financing Bank would get fresh funds amounting to Y2 million.

The Export Bank of Japan law was promulgated and put into force on 15 December 1950. The bank was to have a capital of Y15 billion to be provided by the Government from the General Account and from the U.S. Aid Counterpart Fund Special Account. Of this, Y5 billion were to be furnished in the 1950/51 fiscal year and Y10 billion in 1951/52. The Export Bank was established for the purpose of making loans to and discounting the notes of Japanese exporters or manufacturers of export goods. It was authorized to make loans to foreign governments and their agencies, and to foreign banks and firms, for the promotion of trade in Japanese equipment (including ships and railway stock) and parts and accessories thereof. Credit can be granted by the Export Bank for not less than six months and not more than three years. The Export Bank, however, cannot make any new loans or discount notes after five years from the date of establishment and is prohibited from competing with banks and other financial institutions with regard to export finance. The Bank is prohibited from borrowing funds and cannot make use of its idle funds for any purpose other than for the purchase of government bonds, for deposit with the Deposit Bureau of the Ministry of Finance or the Bank of Japan. It started business on 1 February and submitted its business plans to the Ministry of Finance, which included an estimate of Y5,000 million for loans to be granted by the end of March. For the time being it was going to restrict its loans to Japanese exporters and manufacturers and would not lend to foreign governments or

foreign public organizations, banks and business firms. The interest rate was fixed at a minimum of 7.5 per cent per annum and financing was to be done jointly with the city banks in the ratio of 8 to 2, and all applications for loans had to be made through the latter.

Supply of Money and Credit

In *Burma* the money market in Rangoon during the first few months of the year was tight, even more so than during the corresponding period of the previous years. The market had been tight since the end of 1950, owing mainly to the Government's liberal issue of open general licences for imports, especially for textiles. With increased demand, money supply also increased although to a lesser degree. Between December 1950 and March 1951 it increased by 22.6 per cent, as compared with an increase of only 1.5 per cent during the corresponding period of 1950. The increase of money supply of Rs.129 million during these months was affected mainly through the fall in government deposit with the Union Bank of Burma and commercial bank credit creation.

In *Ceylon* the increase in money supply noted during 1950, especially in the latter half of the year, continued during the first half of 1951, though at a slower rate, partly owing to controls exercised by the Central Bank. Thus, although the increase in the net foreign assets of the Central Bank of Ceylon and of commercial banks resulting from favourable balance of payments would have increased the money supply by Rs.140 million, it did not increase to the full extent as there was a decrease of Rs.90 million commercial bank credit creation.

In Taiwan, *China*, the maximum limit to currency issue had been set in 1949 at NTY 200 million. By June 1951 the total amount of currency issued under this limit was NTY 199.1 million, which was just a little over 1 per cent more than in January 1951. The money supply in Taiwan during the first five months of 1951 increased by 28 per cent, which was about the same as the increase recorded in the second half of 1950, though much less than the increase in the first half of 1950. The major causes of increase in money supply were the credit creation by banks and probably government action in decreasing its cash balances.

The Bank of Taiwan has the dual function of a commercial bank as well as a central bank. The commercial banks in Taiwan were playing a relatively unimportant part and no more than 15 per cent of all bank loans and 23 per cent of all bank deposits were handled by them. The Bank of Taiwan took active steps to prevent the banking system from expanding money supply too rapidly, and the loans which it gave in May 1951 were only 2.5 per cent higher than in December 1950. It also did not give too much accommodation to commercial banks as the amount of loans given to other banks in May was only 4.3 per cent of the total loans which it gave.

In *Hong Kong* there was very little change in currency in circulation, the amount increasing by only 0.3 per cent during the first half of 1951. This was in keeping with the very small change of about 1 per cent which took place during 1950.

In *India* the busy season began in November 1950 and continued right through April until the middle of May. This conformed to the new pattern of a prolonged busy season in the money market since 1947/48.[1] As a result banks began to charge higher rates not only for loans and advances but also for inter-bank borrowings, and there was a greater expansion of currency and credit than in the corresponding period in previous years. Banking resources were strained considerably despite the accruals of cash arising from export surpluses. The banking system met this need by sales of government securities, as shown by an increase of Rs.630 million in the Reserve Bank of India's holdings of rupee securities during the period 24 November 1950 to 30 March 1951, compared with an increase of Rs.80 million for the corresponding period of the previous year. Even the Imperial Bank of India, which normally had practically unlimited resources and which had been acting as agent for the Reserve Bank of India in many places, especially for performing government treasury work, felt the tightness of the money market situation and on 14 March increased its rate for advances against government securities for loans of Rs.500,000 and above to 3 per cent. The rate had remained unchanged at 2¾ per cent since 28 March 1949. The inter-bank call rate for the larger scheduled banks in Bombay was as high as 1¼ per cent in April, while for the smaller banks it reached 1¾ per cent. Even though the busy season tightness slackened somewhat during the latter half of May, money rates did not decline immediately or quickly enough.

During the first half of 1951 money supply increased by 5.2 per cent. This, however, does not indicate the total increase in money supply during the busy period of October 1950 to April 1951 when money supply increased by 11 per cent, compared with an increase of 6 per cent in the corresponding period of 1949/50. Apart from seasonal factors causing an increase in money supply during the first half of 1951, the increase of

1. In addition to the usual seasonal factors, including year-end financial requirements causing a tight money situation, other factors affecting the busy season tightness were (1) the liberalization of import controls as announced on 12 March, (2) the conclusion of the Indo-Pakistan Trade Agreement on 25 February, (3) the continuous rise in commodity prices, and (4) the speculative hoarding of scarce commodities.

Rs.1,010 million was primarily due to commercial bank credit expansion of Rs.940 million, which was made possible by the open market operations of the Reserve Bank of India to relieve the heavy seasonal pressure. The increase in foreign assets of the Reserve Bank of India accounted for an increase in money supply of Rs.230 million.

In *Indochina* money supply increased by 8 per cent between December 1950 and February 1951, as compared with an increase of 16 per cent between December 1949 and March 1950. Creation of bank credit was not a contributing factor during January and February, as the advances given by the commercial banks during these two months declined by Pr.74 million, whereas total money supply increased by Pr.549 million. It is possible that government excess spending might have been the major cause of the expansion, judging from the unfavourable balance of trade of Pr.199 million during January and February 1951.

In *Indonesia* the total increase in money supply during the first five months of 1951 was 14 per cent, compared with the 49 per cent increase during the second half of 1950. In the first half of 1950, however, there had been a decrease in money supply of 7.5 per cent, owing mainly to the implementation of the currency reform and demonetization of almost half the amount of money in circulation in March 1950. During 1951, the favourable balance of payments was important for increasing money supply, while government borrowing from the Java Bank and the *decrease* in notes issued by the government tended to reduce money supply.

In *Malaya* the currency in circulation during the first half of 1951, increased by 15 per cent, compared with an increase of 4 per cent during the first half of 1950. Bank deposits were also understood to have increased *pari passu* with the increases in currency in circulation, owing to the export surplus and the high prices obtained for tin and rubber. The secondary expansion of credit of commercial banks, which become necessary in order to finance a growing volume of trade at higher prices, was also a contributory factor. Loans and advances made by commercial banks to industry and agriculture amounted to nearly M$169 million in January 1951, as compared with M$106 million in January of the previous year.

In *Pakistan* during the first half of 1951 money supply increased by 14 per cent, which was much more than the increase of 9 per cent in the corresponding period of the previous year. This increase, however, does not show the total increase amounting to 18 per cent during the busy period from October 1950 to March 1951. Of the factors causing the increase in money supply during the first half of 1951, the substantially favourable balance of payments arising mainly from the increase in prices and volume of exports of Pakistan's cash crops was the most important.

The money market in Pakistan experienced the usual seasonal stringency from about October to March. This resulted in a rise in inter-bank call money rates in the Karachi market, from about 1 per cent in early October to a peak of 2 per cent in February and March 1951. April and May saw the gradual decline in this inter-bank call money rate to 1½ per cent, as with the beginning of the slack season, the demand for short-term funds was reduced.

In the *Philippines* the importance of credit sales seems to be declining. There was a more careful screening of customers who desired time purchases, as well as a tendency to increase down payments and decrease time limits. Generally speaking, debt collections were quite satisfactory.

During the first half of 1951 money supply increased by 14 per cent, as compared with an increase of only 7 per cent in the corresponding period of 1950. During the first three months of the year, it seems that credit creation by the commercial banks and the balance of international payments were the important factors which tended to increase money supply. As far as commercial bank credit is concerned, this is in contrast with the situation in 1950 when, in the face of increasing money supply, commercial banks contracted their credit.

In *Thailand* there were problems of shortage of cash and tightness of money conditions especially in the southern provinces, owing particularly to the high prices of rubber and tin and the slow flow of cash from Bangkok, which was also suffering from currency shortage. This was also believed to be due to the timing of payments by the Government Rice Bureau for its rice purchases. In order to relieve this cash shortage the Bureau in April changed to a new daily payments system, but it was felt that it would take some time before the situation was eased. Money hoarding by farmers was alleged to be a contributory cause. The Government was planning to release approximately 900 million baht from funds accumulated from the sale of foreign currency derived from the rice export in order to relieve the currency shortage. Such action, however, requires modification of the Currency Reserve Act.

Money supply during the first half of 1951 increased by 39 per cent, as compared with the 13 per cent

increase in the corresponding period of the previous year. The favourable balance of payments and commercial bank credit creation were important factors responsible for the increase.

In *Japan* during the first five months of the year money supply increased by 7.2 per cent, compared with a decrease of 5.3 per cent in the corresponding period of the previous year. Of the factors affecting the increase in money supply, commercial bank credit creation and international receipts were most important. The increase of the Government's cash balances with the Bank of Japan by Y108,000 million, owing to heavy tax collections during the March-to-May period, tended to restrict the increase in money supply.

PRICES

Price Movements

Prices during this half year continued the rise started after the outbreak of the Korean war. The rise in wholesale prices was at a higher rate in Taiwan, Indochina and Japan than in mainland China, India, the Philippines and Thailand. By the second quarter of 1951 wholesale prices rose above the first half of 1950 by 75 per cent in Taiwan, by 54 per cent in Japan, and by 25 per cent in Indochina; as contrasted with a rise of 17 per cent in India, 16 per cent in the Philippines and 11 per cent in Thailand. On the mainland of China wholesale prices in six cities including Tientsin, Shanghai, Hankow, Chungking, Canton and Sian indicated that, as compared with the end of December 1950, prices had by March risen 5 per cent, by May 9 per cent and by July 11 per cent.

The rise in cost of living was greatest in Indonesia (as evidenced by the index of food) and Malaya, and during the second quarter of 1951 was respectively 50 per cent and 34 per cent higher than in the first half of 1950. In Indonesia food prices in the second quarter of 1951 were about 6 to 7 per cent lower than in the previous quarter. As compared with the first half of 1950, the cost of living indices in the second quarter of 1951 rose by 15 per cent in Thailand, 15 per cent in Viet-Nam, 12 per cent in Japan, 10 per cent in the Philippines, 9 per cent in India, 8 per cent in Hong Kong, and 2 per cent in Pakistan. In Ceylon the cost of living index, after having risen in the first quarter of 1951 to 5 per cent above the first half of 1950, fell in the second quarter by about 3 per cent. In Burma the cost of living during the first quarter of 1951 continued to fall slightly, in continuation of the trend noted in the second half of 1950. In the second quarter of 1951, however, it began to rise again, though it was still 4 per cent below the first half of 1950.

The rise in prices did not take place at a uniform pace. In Indochina the rise in prices was not so great for paddy and other foodstuffs, fuel and mineral products or semi-finished goods, as for raw materials and manufactured goods. The prices for raw materials in the second quarter of 1951 were 83 per cent and those for manufactured goods 51 per cent above the first half of 1950. In the first quarter of 1951 raw material prices had been 103 per cent higher. In India the rise was limited in food articles, semi-manufactured articles and manufactured goods, but sharp in industrial raw materials which rose by 40 per cent. In Japan the rise was not so much in edible farm products, processed foods and fuel as in chemicals, textiles, metal and products and building materials. In the second quarter of 1951 prices for chemicals were 45 per cent, those for metal and products 157 per cent and those for building materials 64 per cent above the first half of 1950. The prices of textiles in the first quarter of 1951 were 75 per cent above the first half of 1950, though there was a slight fall in the second quarter of 1951. The pattern of price rise in Japan, following the outbreak of the Korean war, was a much greater rise in prices of producers' goods than of consumers' goods, the former rising by about 74 per cent in the year ending June 1951 and the latter by only 26 per cent. In mainland China it was also stated that the prices of manufactured products had increased more rapidly than those of agricultural products.

The wholesale and cost of living indices tended to move in the same direction in most countries except in Burma and Thailand, where it was not always the case. In Burma the wholesale price index applies only to agricultural products and is therefore subject to seasonal variations. It is also to be noted that, although the movements of the two series are in the same direction, for most countries the cost of living indices, being sticky and not so sensitive as those of wholesale prices, move with some time lag. Thus, in Viet-Nam when there was a decline in wholesale prices in the first half of 1950, the decline in the cost of living index was not very noticeable; again in the second half of 1950 when there was a steep rise in wholesale price indices, the cost of living indices did rise but not as much. In Japan also, though the wholesale prices had begun shooting up in the second half of 1950, the cost of living did not rise to any marked extent until the end of 1950 and early 1951.

In the Philippines wages seemed to be fairly stable, and, as a matter of fact, the wage rate of skilled labour in the first quarter of 1951 was 5 per cent below that of the first half of 1950, though for unskilled labour it remained more or less unchanged.

In Japan wages after having risen in the second half of 1950 declined somewhat during the first quarter of 1951, though they were still above that of the first half of 1950. In the second quarter of the year the wages again began to rise and the wage indices in all selected groups of industry and trade were 21 per cent above those of the first half of 1950. in mining 26 per cent, in manufacturing 22 per cent and in wholesale and retail trade 25 per cent above.

In Burma, Rangoon municipal school teachers were asking for more pay. In North Borneo, wages during 1950 rose considerably above those of 1949. The high profits obtained from rubber production were attracting labour away from other forms of enterprise. and with the rise in wages local inhabitants' standard of living had risen substantially within the last two years. In Ceylon the government in October 1950 increased the cost of living allowance paid to government employees and in December a special government allowance applicable to about 200.000 in the government service and costing the government an extra Rs.33 million was passed by Parliament. This action on the part of the government had immediate repercussions during the first half of 1951, and private employers had to give similar concessions to their own employees. In Malaya the workers in the rubber plantations were also benefiting from increase in wages. The Malayan Planting Industries Employers' Association. after negotiating with some rubber estate workers' unions, gave two increases of 12 per cent each over the basic wages of April 1948, first in April 1950 and again in September 1950. The rates paid on smaller estates the owners of which were not members of the Employers' Association were said to be several times the rates paid on larger estates. The larger estates, in order to retain their workers, had to give other inducements such as bonus pay. In the mining industry, although there were no increases in wages during 1950 the Malayan Mining Employers' Association introduced a new prosperity bonus scheme in September 1950. The government also increased the wages of its daily workers. With the rise in prices workers demanded extra wages, and many substantial increases were given during the end of 1950 in many other industries, particularly in the rubber, shoe and cigar factories. in road transport and in the goldsmith industry. In May 1951 a sliding-scale cost of living allowance for planters based on the cost of living index would be given on the same principle as in Ceylon.[1] In the Philippines the Minimum Wage Act was signed on 6 April which establishes minimum daily wages for industrial workers in Manila at P.4 and in the provinces at P.3 during the first year and at P.4 thereafter. Part-time industrial and home workers and apprentices were to be paid 75 per cent of the regular rate. Agricultural workers in all parts of the country were to be paid P.1.75 a day for the first year, P.2 in the second year, and P.2.5 thereafter. The Act also set up a Minimum Wage Board to enforce the provisions and a procedure for enforcing higher minimum wages in any industry, upon action originating with the Secretary of Labour in his own discretion or mandatorily by the Secretary of Labour upon petition of six or more employees in any industry.

1. It was stated in "The Planter," the publication of the Incorporated Society of Planters.

Factors Affecting Price Changes

Of all the factors affecting changes in prices in countries of Asia and the Far East, probably the most important are those originating from the price of internationally traded commodities and the volume of export and import surpluses. The *prices of internationally traded commodities* has an important bearing on price changes in countries of the region.

During the last half of 1950 and also in the first half of 1951, the rise in prices of imports and exports had been much faster than that of the wholesale and/or retail price indices in Ceylon, India, Indonesia and Malaya. In Ceylon the cost of living index during the second quarter of 1951 was only 2 per cent above that during the first half of 1951, while the export price index was 40 per cent and the import price index 20 per cent higher. In India the cost of living and wholesale price indices were respectively 9 per cent and 7 per cent higher. while import and export price indices were respectively 26 and 57 per cent higher in the second quarter of 1951 than in the first half of 1950. In Indonesia the export price index was 106 per cent higher, while the food index was only 50 per cent higher. In Malaya the export price index was 126 per cent and the import price index 42 per cent higher, while the cost of living index of Malayan labour was only 34 per cent higher for the same periods.

Such price rises were due mainly to events following the outbreak of the Korean war in 1950. The rearmament programme of the Western Powers increased prices not only of the manufactured goods which this region had to import. but also of strategic raw materials such as tin and rubber, whose world demand increased tremendously through the competitive buying, including the stockpiling purchase of the United States. But early in 1951 when the United States began to desist from paying the high prices for strategic raw materials beyond a maximum stated level, prices of rubber, tin etc. tended

to drop especially in the second quarter. The American ban on the export of strategic raw materials first to mainland China and at the end of 1950 to Hong Kong which was followed by other countries, was also an important factor in bringing down the prices of rubber and tin in the exporting countries. In Indonesia when the United Kingdom put an embargo on shipments of rubber to mainland China, the price of No. 1 sheets of rubber on 13 Feb. dropped from a high of R.13.3 per kilogramme (equivalent to 80 U.S. cents per pound) to a low of R.7.7 per kilogramme (equivalent to 46 U.S. cents per pound) on 26 May 1951. Wholesale prices of other commodities in the Djakarta market also followed the decline in the price of rubber. Finally, the Soviet move on 23 June for a 'cease-fire' in Korea also had an effect of bringing down prices on the world markets, including those in countries of Asia and the Far East.

In India the shortage of food was responsible for the negotiation for a food loan of 2 million tons of wheat from the United States to be delivered by June 1952, of which 1.1 million tons were to be delivered in 1951. The immediate effect of this agreement was generally disinflationary and would continue to be more so when the food is sold in the market and part of the excess purchasing power is absorbed. However, there was also a slight inflationary element as the American loan price for wheat from the 1951 harvest is 19 cents above the 1950 level, and as the government, not willing to increase the amount of subsidies it was already giving, had to raise the price of wheat by Rs.2 per maund. It was hoped that with the beginning of the trade agreement between India and Pakistan in February 1951, there would be greater movement into India of urgently required raw materials, such as jute, which might help to bring down internal prices.

During the half year under review there were *export surpluses* in countries of the region except Indochina and Japan. These surpluses were generally inflationary, and from the point of view of both the relative size of the surplus and the non-availability of goods affecting internal prices, they were important in India, Indonesia and Malaya. In Pakistan, in spite of a relatively large export surplus, prices hardly increased at all. On the other hand, in Indochina and Japan, in spite of large import surpluses, there were considerable increases in prices during the half year under review.

Associated with export surpluses and favourable balance of payments, monetary expansion was also an important cause of price increase in most countries of Asia and the Far East. Some of these had already been stated in the section on the supply of money and credit.

Money supply generally tended to expand faster than wholesale and/or cost of living indices in Burma, Ceylon, Indochina, Malaya, Pakistan and Thailand (comparing second quarter 1951 with first half of 1950). The difference in rate of increases was most significant in Ceylon, Malaya, Pakistan and Thailand. In Ceylon, although money supply increased by 52 per cent, cost of living increased by only 2 per cent owing to the success of government subsidies. In Pakistan also, although money supply increased by 14 per cent, cost of living increased by only 2 per cent owing mainly to the presence of other factors. In Malaya currency in circulation increased by 79 per cent, while cost of living increased by only 34 per cent, owing to the fact that it took some time for the rise in price of tin and rubber to produce the same effect on the cost of living, whereas the increase in currency in circulation took place almost simultaneously with the increase in exports. In Thailand, money supply increased by 39 per cent while wholesale and cost of living indices increased by 11 and 15 per cent respectively.

Money supply did not expand as much as wholesale prices and/or cost of living, though it was not much behind in the rate of expansion in Hong Kong, India, Indonesia and Japan. In Taiwan although it was below that of wholesale prices, it had expanded more than cost of living indices.

Production of consumers goods and of agricultural food products has a direct bearing on prices. Production of food especially of rice in the ECAFE region in the 1950/51 crop year was estimated to be slightly higher than in 1949/50, and the total rice crop in the region was estimated to have amounted to about 130 million tons. In India, however, agricultural food production, owing to the prolonged drought in Bihar and the failure of the northeast monsoons in Madras and the effects of earthquake and floods in Assam, would have had inflationary effects on prices, had it not been for the arrival of grain from abroad.

In the Philippines production of copra, sugar and tobacco was substantially higher than in the year before. In Ceylon there was a moderate increase in the acreage under tea. Production of cotton yarn in Hong Kong, India and Japan during the half year increased by 16 per cent, as compared with the corresponding half year of 1950. Although production of cotton fabrics was more or less the same in Ceylon as compared with last year, in India and the Philippines it increased by 8 per cent, from a monthly average of 291 million metres during the first half of 1950 to 313 million metres in the current

half-year. Production of cotton fabrics in Japan also increased by 47 per cent, from 100 million square metres per month in the first half of 1950 to 147 million square metres per month in the first half of 1951.

Information on *investment* in countries of the region is not available, although it can be stated that if the plans detailed in the production section be implemented there would be a significant increase in the amount of investment at least by the public sector. In Ceylon in addition to other plans for economic development there was a housing scheme. For the fiscal year 1951/52 the State planned to build 450 houses costing about Rs.7 million under the slump clearance scheme, while local authorities were expected to build 1,200 houses at a cost of Rs.5.5 million. The Housing Loan Act which sought to give assistance to private individuals by offering cheap loans for housing schemes was amended to permit individuals to obtain loans for single houses, and to permit local authorities to obtain loans. The Rent Restriction Act was amended, as an incentive to building, to exempt houses built after 1 January 1951 from rent control. The Government was building houses for its own employees; since 1947 to the end of 1949/50 it had spent Rs.23.5 million for such houses and for 1950/51 Rs.10.6 million were provided. For 1951/52 Rs.12.6 million were budgetted for the same purpose.

In India for the first time since the capital market recession of 1946 there was an improvement. In Malaya applications for the issue of new capital during 1950 amounted to M$26.5 million, as compared with M$18.1 million in 1949. In the Philippines the Securities and Exchange Commission had been performing a valuable task of promoting investment and was vested with ample powers and authority to supervise and regulate trading in securities. In co-operation with the Manila stock exchange it was responsible for the expansion of corporate enterprises in the Philippines and for bringing in much needed capital and implementing government's programmes for national development and rehabilitation. The Manila capital market has been broadened to cover 48 securities valued at P.165 million. From 1945 to 15 February 1951 the Commission prevented the issuance and circulation of watered stocks amounting to P.413 million.

Among *other factors* affecting prices transport was important in holding down and reducing prices in Burma during the half year under review. With the restoration of peace and security to a large extent within the country it was possible for inland water transport to expand again. The amount of goods flowing between all parts of the country increased and during the first half of 1951 there were 103.6 million ton-kilometres of goods moved, representing an increase of 2.1 times over that of the corresponding period of 1950. The total tonnage moved, however, was only 13 per cent higher in the same period, indicating that the goods were now being moved for longer hauls.

In mainland China, floods of the Yangtse River during May were responsible for the rise in prices of rice in certain parts of the country. In India natural calamities affected the production of food and caused near famine conditions in Bihar and Madras, while the continued deadlock with Pakistan over Kashmir must also have had an effect on speculative activities. Finally, the various aid programmes, the details of which have been mentioned in the section on production, must have had a disinflationary effect on countries receiving such aid, in as much as besides bringing in much needed essential commodities they also helped in mopping up excess purchasing power when such goods were sold to the public. It is to be admitted that to the extent the local counterpart funds of such aid programmes are again utilised for government purposes, the disinflationary effect is reduced.

Measures for the Maintenance of Monetary and Price Stability

Monetary Measures

In *Ceylon* the Central Bank took several steps to check inflation and the expansion of money supply. Firstly it continued to discourage commercial banks from bringing their foreign balances into Ceylon for purposes of credit creation. Secondly, it requested commercial banks not to extend any credit for non-essential purposes, especially for speculation. Thirdly, it was planning to transfer most of the government deposits with commercial banks into the account with the Central Bank, in order to reduce their excess reserves. Finally, it was contracting its own credit chiefly by selling government securities in the open market.

On the mainland of *China,* in order to encourage savings deposits, the People's Bank and the Bankers' Association raised their interest rates on deposits from 1.9 per cent to 2 per cent per month for two months' deposits, and to 3 per cent per month for deposits of one year's duration.

In *India* the Government announced at the end of June the appointment of a committee to advise it on the formulation of legislation for regulating stock exchanges and contracts in securities. The terms of reference of the committee included the consideration of and reporting on the government's draft proposals for legislation.

It was understood that the government's draft proposals would restrict the operations of recognized stock exchanges in order to prevent speculative activities from influencing prices.

In *Indonesia* the Java Bank during the year April 1950 to March 1951 found that commercial banks were still inclined to rely too much on money made available directly or indirectly by the Government for its loan operations. As this was not too sound a position, the Java Bank continued giving advice and granted facilities in certain cases.

In *Japan*, the Bank of Japan directed its efforts in the first half of 1950 towards checking credit expansion, suspended the rediscount of industrial bills, and applied stricter qualifications to mortgage lending. In the supply of long-term funds also measures were taken to check inflation. The outbreak of the Korean hostilities changed the situation, in as much industrial activity expanded and there was greater need for working capital. In these circumstances, the Banking policy of the Government was modified and the Bank of Japan gave preferential treatment to special procurement. The Bank, however, continued to look into the matter of checking unrestrained inflation. In November 1950 and again in March 1951 it took such steps as the stricter application of high interest rate to city banks and restricted the supply of funds for speculative purposes. As a result, commercial banks were considerably more cautious in extending loans, including those for foreign trade.

In *Pakistan*, the State Bank issued an order waiving all marginal deposit requirements in respect of booking foreign exchange against imports into Pakistan. This, however, did not do away with whatever marginal deposits were required by banks in accordance with their normal commercial practice. Previously, the State Bank had required authorized dealers to call for a minimum margin of 25 per cent in the booking of forward exchange for a six-month period to cover imports of goods falling under the O.G.L.

In the *Philippines*, many measures were taken to implement the Central Bank's anti-inflationary policy including the levying of a 17 per cent exchange tax.[1] On the other hand, certain relaxations in selective credit controls were brought about with effect from 24 May 1951. According to these controls as introduced in December 1949, a deposit of 80 per cent against letters of credit was required for the import of selected items. The Central Bank has now removed certain textiles and manufacturers from the control.

1. See, supra, Exchange rate adjustment and exchange control section.

Fiscal Measures

In *Burma*, the government continued issuing three months' treasury bills, 2½ per cent three year, and 3 per cent five year treasury bonds to the Union Bank of Burma and to district treasuries for purchase by the public. In addition to these, there were available savings certificates, post office cash certificates, post office savings bank deposits and various provident funds for small investors. Savings certificates carried a compound interest rate of 3½ per cent free of income tax.

In *Ceylon* the government policy has been to eliminate any controls and taxes which tend to increase prices of goods and the cost of living. There has been no import duty of any significance on items which affect working class cost of living. In fact, import duties have been consistently reduced on selected goods or articles that are consumed by all sections of the population.

As an anti-inflationary measure, export duties on plantation crops were increased with effect from 14 March. The export duty on tea was raised from 53 to 60 Ceylon cents per pound; on rubber from 15 to 50 cents per pound; on copra from Rs.75 to Rs.100 per candy; on coconut oil from Rs.244 to Rs.325 per ton; on coconut poonac from Rs.100 to Rs.200 per ton; and on pepper from Rs.2 to Rs.2.5 per pound. New export duties of 25 cents per pound for cocoa and Rs.2 per pound for cardamon and citronella oil were also levied. These changes were expected to bring Rs.100 million of additional revenue. For the fiscal year 1951/52 the Government was planning to introduce a system of sliding scale duties on its export products. These taxes, which were levied for purposes of checking the rise in prices, would probably not be sufficient in the face of further rise in prices.

In addition to export duties, Ceylon increased its rates of profits and income tax for the 1951/52 financial year. The profits tax was to be raised from 20 to 25 per cent, the income tax rate for resident companies from 28 to 30 per cent, and that for non-resident companies from 34 to 36 per cent. These increases were expected to bring the Government additional revenue of Rs.5 million. The overall cash operations of the Government during the fiscal year 1950/51 improved greatly in comparison with previous years. Whereas the Government had an overall net cash operating deficit of Rs.113 million in 1948/49 and of Rs.154 million in 1949/50, there was actually during the first eight months of 1950/51 a small cash surplus. This might be contrasted with the deficit of Rs.88 million during the first eight months of the last financial year. The Government as

part of its anti-inflation policy issued on 1 November 1950 two new loans with the aid of the Central Bank of Ceylon. One was a 3 per cent long-term loan of Rs.50 million maturing in 1966/71 and the other a 1½ per cent two year loan of Rs.40 million. Both loans were fully subscribed within three weeks.

The Government, in order to check inflation, had in postwar years introduced a very comprehensive system of subsidies. At the moment the Ceylon Government's ratio of subsidy to revenue is 17.34 per cent, which is much higher than the subsidies of many developed countries: For example, the United Kingdom spent about 10 per cent, New Zealand 7 per cent, and Australia 2 per cent on subsidies. The commodities subsidized were mainly foodstuffs, including rice and flour. The effect of the rice subsidy, for example, in the year 1950/51, had been to reduce the retail price. On two occasions it was reduced from 36 cents to 25 cents per measure. Originally, the Government had been making a small profit on the sale of sugar, but, owing to the increase of world sugar prices and the Government's decision not to pass on the price increase to the consumers, it will be incurring a loss on sugar as well. In the year 1949/50 the amount of the subsidies was Rs.36 million, which increased to Rs.133 million in 1950/51. For 1951/52 it is estimated that subsidies will amount to Rs.160 million.

In Taiwan, *China*, provision was made for NTY 13 million to be used in 1951 for the newly established subsidy system for civil servants.

In *India*, export duties had been used as a means for checking inflation. Owing to the disparity in internal and external prices of export goods, especially following the outbreak of the Korean war, the Government, under powers granted by the Indian Tariff (Fourth Amendment) Act 1950, imposed export duties on certain commodities or increased such duties wherever necessary. This Act also ratified the export duties levied or increased under the ordinances issued on 21 October and 8 Nov. 1950, which included duties on jute sacking and raw cotton. On 30th March 1951 the export duty on jute sacking was increased from Rs.150 to Rs.350 per ton. In June the export duty on medium and coarse cloth was raised from 10 per cent ad valorem to 25 per cent ad valorem, on groundnut kernels from Rs.80 per ton to Rs.150 per ton. New export duties were levied on oil seeds not otherwise specified at Rs.150 per ton and on vegetable oils not otherwise specified at Rs.300 per ton. The export duty on linseed was fixed at Rs.100 per ton and on linseed oil at Rs.200 per ton. The rebate of 2 annas per pound allowed on exports of fine and superfine cloth manufactured out of imported cotton was withdrawn.

The Indian Planning Commission in its consideration of a price policy for the country felt that it would be difficult for the Government to follow a strong disinflationary fiscal policy at the same time as it embarked on a large-scale development programme, particularly if foreign assistance on the necessary scale was not forthcoming. Nevertheless it recommended the use of the proceeds of export duties for subsidizing the imports of essential commodities, especially in view of the rising prices of imports. The Government is at present subsidizing imports of food, and the 1951/52 budget provides Rs.223 million for subsidies on foodgrains. Although this has alleviated the impact of the high prices of food imports on Indian consumers, the subsidies are proving burdensome. The Government, therefore, decided that, with effect from 9 July 1951, the price of wheat would be raised by Rs.2 per maund and of rice by 11 annas per maund. This increase in price became necessary, owing to the increase in costs of imported foodgrains and higher freight charges, and the reluctance of the Government to have to pay an extra subsidy of Rs.495 million over and above the present subsidy of Rs.223 million.

During the year July 1950 to June the Government of India converted the 2½ per cent bonds 1950, amounting to Rs.351 million, which fell due for repayment on 15 July 1950, into a new 3 per cent 1964 loan totalling Rs.228 million. The Government, with a view to encouraging savings among the middle and lower income groups, announced in January 1951 the issue of 3½ per cent tax free 10-year treasury savings deposit certificates. A simplified procedure with regard to purchase and collection of interest was also adopted for the convenience of subscribers. These deposits were refundable at any time after one year, subject to a discount varying from 2.25 per cent to 6.25 per cent. This issue was so popular that total subscriptions between 1 February and 30 June 1951 were Rs.98.3 million.

In *Indonesia* the export duty on rubber was increased from 95 cents per kilogramme in the first quarter of 1951 to 108.6 cents per kilogramme in the second quarter, while the 8 per cent export duty on tea was abolished for six months beginning April 1951.

In Japan, together with relaxation of price control (see later sections) the Government reduced or discontinued certain subsidies. The total amount was reduced from Y179.2 billion (accounting for 24 per cent of total

annual expenditure in the general account) in the 1949 financial year to Y64 billion, (10 per cent) in 1950, and to Y22.5 billion (3 per cent) in 1951. The reduction in subsidies was due to a reduction in the number of subsidized items and in the unit amounts. In the financial year 1951 subsidies were mainly limited to food.

In *Malaya* export duties have been used for checking inflation. The former 5 per cent ad valorem export duty on rubber was replaced by a sliding scale, with effect from 1 January 1951. The duty was fixed at 3 cents when Malayan rubber costs 60 cents per pound, 18 cents when it costs 120 cents, and 82 cents when it costs 200 cents, the price to be used for assessing the export duty being the one prevailing in the preceding quarter.

The Singapore Government was planning a comprehensive savings drive covering post office savings deposits, post office savings certificates and school savings. The government also had a plan for a stabilization fund to be contributed out of the profits of the tin and rubber trade and to be used by the Government in later years when the prices of tin and rubber fell. The producers, however, did not favour this idea.

Both the Governments of Singapore and the Federation of Malaya were planning to have drastic curtailment of expenditure on public works in order to attain a budget surplus.

In *Pakistan* a bill was passed in Parliament providing for the levying of the sales tax at one stage only. In the case of imports, the tax would be paid only at the customs stage while in the case of goods manufactured in Pakistan a system would be introduced by which manufacturers would be required to pay the tax when the goods had been manufactured. Sales tax rules which were to come into force on 1 July 1951 were also announced. The Government also announced that a 20 per cent sales tax should be levied on luxuries, but basic necessities and capital goods were exempted from the tax in order to help in reducing the cost of living.

Export duties have been used by the Government as a significant measure for checking inflation. With effect from 6 December 1950 the export duty on raw wool was introduced at the rate of 25 per cent ad valorem. During the same month the export duty on raw cotton was raised from Rs.180 to Rs.300. With effect from 16 April 1951, on account of the abnormal fluctuations in prices of hides and skins, the method of levying export duties was changed from that of an announced tariff value to one which would be levied on their real market value.

In the *Philippines* it was not permissible, under the Bell Act, for the Government to levy export duties. The government, therefore, levied an exchange tax of 17 per cent on most purchases of foreign exchange for a period of two years. The tax would have limited effect on prices of imported goods, as they are determined by the scarcity arising from import control. Its principal effect will be the transfer of excess profits from the importer to the Government. It also announced that the exchange tax would be included in the landed cost of Philippine imports for computation of the Philippine sales tax, and that remittances for money order were also to be subject to this exchange tax. Other fiscal measures taken by the Government to control prices included increased taxes on fermented liquors and distilled spirits and on cigarettes. With effect from 30 January it also levied a sales tax, ranging from 25 to 100 per cent, on imports of luxuries. In February it increasesd rates of taxation retroactively to 1 January 1951 on all corporate earnings. Corporate net incomes under P100,000 were to be taxed at the rate of 20 per cent and incomes in excess of this figure at the rate of 28 per cent.

The Secretary of Finance, in his capacity of chairman of the Fund Release Control Committee, adopted a cautious policy in the release of public funds, in view of the expected deficit of more than P100 million this year.

In *Thailand* the Loan Act, 1951, was passed, empowering the Government up to 31 December 1952 to contract loans to a total of 1.12 billion baht, for purposes of national rehabilitation and development. Of this amount, it could raise 317.5 million baht in foreign currencies from or through the International Bank for Reconstruction and Development, for developing irrigation, railways and harbours; and from other sources for other development projects up to a total of 800 million baht. The rate of interest the Government was allowed to pay was not to exceed 3 per cent per year on treasury bills redeemable within six months and 4½ per cent per year on bonds redeemable within 25 years.

The Government in June 1951 issued a regulation under the Internal Loan Act of 1946 authorizing the Ministry of Finance to increase the amount of bonds or temporary certificates outstanding up to a limit of 20 million baht a year. It also issued in the same month another regulation under the Internal Loan Act of 1942 by which holders of government bonds issued in that year could redeem them in gold, instead of in currency. A subsequent regulation provided, however, that three months' notice must be given before maturity, stating that payment was desired in gold.

The government, in spite of the fact that rubber prices continued to decline in the second quarter of 1951, increased the export duty on rubber by raising the basic tariff price of rubber to 20 baht per kilogramme upon which the Customs Department calculates the duty. Thus, for every kilogramme of rubber exporters now have to pay 1.40 baht, instead of 1.05 baht.

Price Controls and Rationing, etc.

In most countries of Asia and the Far East price controls and rationing were enforced during 1951 as a major weapon for controlling prices.

In *North Borneo* in 1950 the Government, in order to assist the Price Control Administration, set up in each district a price control advisory committee consisting of one representative of the producers, one of the distributors and one of the consumers under the chairmanship of the district officer. It was given the function of reviewing existing controlled prices and recommending changes in prices and extension of price control to new commodities. However, it was difficult to control prices, as the fundamental cause affecting prices originated from outside the country. The Government also levied selective taxation directed against "loose" purchasing power which the rubber boom had produced. Other measures were to include provision of post office savings bank facilities at the earliest opportunity.

In *Burma* there has been in force a system of controlling prices, stocks and distribution of essential commodities, especially the industrial raw materials imported by both the Civil Supplies Department and the Office of the Superintendent of Cottage Industries. In the first half of 1951 the tendency was to relax such control, evidently owing to the easing of the supply position resulting from the liberal issue of open general licences. Thus, in February the Civil Supplies Department notified that it had cancelled the previous directive of 15 September 1949 relating to medicines originating from hard currency areas whereby it had been necessary for traders to declare all arrivals of medicines from such currency areas. In March the directive of 25 August 1949 concerning regulations on textiles was withdrawn. So were the directives of July and August 1950 with reference to newsprint and printing paper in June 1951. A reminder was, however, issued by the Civil Supplies Department drawing attention to the notification of July 1949 whereby cereals and pulses had been declared as "essential" within the meaning of the Civil Supplies Management and Control Order 1947. With reference to this order, it was necessary for imorters of wheat flour of foreign origin to declare their stocks and/or new arrivals together with details of c.i.f. prices and also proposed wholesale and retail prices to be charged. No quantities could be sold without the prior approval of the Commissioner of Civil Supplies.

In *Ceylon* there has been a system of rationing especially of rice. Besides, the Government bought as much rice abroad as possible and sold it internally unsubsidised and at cost in order to stabilize the market price of rice at a reasonable level. It was estimated that the food bill for imports c.i.f. for the period July 1950 to June 1951 would be Rs.586 million. The Government had also relaxed and removed most of the import controls enforced during 1950.

Other measures taken by the Government included the giving to the farmer of a guaranteed price for local agricultural produce, so as to induce him to greater production of a variety of goods. As this measure had met with a considerable success, it was proposed for the fiscal year 1951/52 to increase the prices paid to the paddy grower from Rs.8 to Rs.9 per bushel.

On the mainland of *China* price controls have been used as a weapon for stabilising prices. In addition, four native produce exchanges, set up in Shanghai in June, contributed to the increase in the flow of commodities within the country.

In *India* about 60.5 per cent of all items constituting the wholesale price index are at present under price or ceiling control.

Following the outbreak of the Korean war and the resulting shortage and the rise in prices of certain commodities, the Government on 14 August 1950 amended the Essential Supplies (Temporary Powers) Act of 1946 providing for drastic penalty for hoarders of foodgrains. On 2 September 1950 the Supply and Prices of Goods Ordinance 1950 (replaced by an Act on 23 December) was promulgated to provide for the control of prices and the supply and distribution of eleven essential commodities, namely non-ferrous metals including brass (unwrought and semi-manufactured), bicycles, parts and accessories, cycle tyres and tubes, electric bulbs, caustic soda, soda ash, tanning materials, sulphur, casein, infants' food and raw rubber. In December 1950 and during the first half of 1951 specific maximum prices were fixed by subsequent notifications in respect of cycle tyres and tubes, raw rubber, electric bulbs, caustic soda, soda ash and certain infants' foods and tanning materials. A Prices Advisory Board was constituted on 26 October 1950 consisting of representatives of trade and industry. In early 1951 the Government

brought chrome ore within the purview of the Supply and Prices of Goods Act 1950.

The Government in order to relieve the food shortage and to bring down market prices of food negotiated a long-term loan of $190 million from the United States to buy 2 million tons of wheat during the period ending June 1952. It also sought to obtain as much food supplies as possible from other countries through trade agreements, e.g. rice from Burma.

In *Japan*, from April 1950 to June 1951 the number of items under price control decreased from 688 to 250, not because there was no longer any need for price control but because the outbreak of the Korean war had increased prices so much that the prices of manufactured goods were out of line with the actual prices being paid for imported materials. Under these circumstances, it was felt that a continuation of price control would be harmful to the production and distribution of goods. However, in order to check the wild price rise in uncontrolled commodities, the Government established the " recommended price " or " standard price " for certain items of textiles, which did not help however, as the prices of textiles have recently gone down below the " standard price."

The Government on 23 June announced a new anti-inflationary policy. The essential points included: (1) retaining the existing exchange rate of Y360 to US$1, (2) maintaining balance budgets, (3) increasing savings and capital accumulation, (4) reducing commodity prices which are relatively higher than the international level and minimising price control measures, except where necessary, (5) balancing international trade at higher levels, (6) increasing mineral and industrial productivity and domestic food supply, (7) restricting use of commodities in short supply for non-essential purposes, and (8) continuing existing policies of guaranteeing foreign investments and seeking Japan's participation in international bodies, such as the IMF.

In *Malaya* a system of price control and rationing of sugar was reintroduced on 11 December 1950. Price control of rice and also of a small group of commodities was instituted by the Singapore and Federation Governments as an initial step, with a view to extending the control on a somewhat larger scale later. The Governments were also planning the establishment of a limited number of government controlled co-operative retail shops, in order to alleviate the difficulties arising from the rise in living costs.

In *Pakistan* during the half-year under review there was stricter control of commodities. In January the Essential Supplies (Temporary Powers) Act 1946 was applied to chemicals by the issue of the Essential Supplies (Temporary Powers) (Chemicals) Ordinance 1951 and the Chemical Control Order 1951 whereby the Controller could requisition chemicals and direct them to be sold at reasonable prices fixed by him. The Controller could also, if necessary, request details of stocks and the manner in which they were sold. Parliament in March extended for one year the Government's powers of controlling and requisitioning essential commodities in order to ensure reasonable prices and equitable distribution. In April the Cotton Act 1951 was passed in the Constituent Assembly whereby powers were given to the Government to fix minimum prices below which cotton could not be bought or sold and to establish a Cotton Board to supervise and regulate all dealings in cotton and all matters relating to the cotton trade. It could also regulate charges made for ginning and pressing of cotton and requisition any factory if necessary. By the Fruit Products Control Order 1951 the Central Government intended to constitute two advisory committees—one in East Pakistan and the other in West Pakistan. According to the Order no one could manufacture fruit products except under licence, and it was required of the manufacturers and importers every quarter to declare stocks in hand, quantities manufactured or imported with cost prices, the stocks disposed and the names and addresses of buyers. This new Order cancelled the Fruit Products Control Order 1948. Prices of both rice and wheat atta in Karachi continued to be controlled. The controlled wholesale price ex-mill of wheat atta was raised from Rs.20/6/- per bag of 2 maunds in January to Rs.22/14/- in March. The retail price was also raised correspondingly. The price of Kangni rice ex-Karachi administration's godown was fixed at Rs.33/2/- per bag of 2½ maunds and the retail price ex-ration shops in Karachi was fixed at As.5/6 per seer. The East Pakistan Civil Supplies Minister in March warned hoarders and smugglers of food that those infringing the East Pakistan Anti-hoarding Orders were liable to be severely dealt with, as the Act provided for both imprisonment and fine and confiscation of the stocks being smuggled.

In the *Philippines*, in order to bring down prices import quota limitations were removed from a number of " prime necessities " by an Executive Order of 21 December 1950. The Price Stabilization Corporation (PRISCO) stated that it would issue licences to importers only if they certified that the prices charged by foreign suppliers were no higher than those charged by the latter to their own most-favoured customers excluding Government organisations. The Government ordered

PRISCO to import without quota allocation six kinds of prime foods, namely rice, flour, milk, canned fish, canned meats and coffee beans, in order to arrest the rise in prices of essential foods. In May additional essential commodities including producers' and consumers' goods and certain cotton textiles of the lower quality were decontrolled and allowed to be imported in order to bring down costs of local production and the high costs of living. This decontrol was successful, as within a few weeks local prices dropped some 20 or 25 per cent and PRISCO achieved its objective of breaking black marketing and making available plentiful supplies to consumers at reasonable retail prices.

In *Thailand*, under certain setcions of the Anti-profiteering Act 1947 a notification was issued in February with reference to medicines, requiring importers to state quantities and places of storing medicines imported and controlling the purchase, sale, use, removal and transformation thereof. A subsequent notification stated that the articles under control were anti-biotic drugs, such as penicillin, sulfanilamide, sulfathiazole and other sulfa drugs, etc.

ON THE ESTABLISHMENT OF CERTAIN SMALL LOAN BANKS BY GOVERNMENTS, WITH SPECIAL REFERENCE TO THE EXPERIENCE IN INDONESIA[1]

INTRODUCTION

In addition to the money market, comprising the banking system and co-operative and other credit institutions, there exists in most of the countries of the region what may be called, for want of a better name, an unorganized money market comprising the money-lenders, pawnbrokers, etc. Poorer sections of the community, which cannot offer any security acceptable to the banks, get their credit requirements, if they can, from the unorganized market. Money-lenders and pawnbrokers, as a class, have never had much reputation for honesty or fair dealing. Most frequently they charge exorbitant rates of interest and exploit the weak position of the borrower to the latter's disadvantage.

The usurious rates of interest prevalent in the unorganized money markets in the countries of the region, apart from being the cause of great hardship to the borrowers, are an important factor preventing the flow of funds for long-term development purposes. The profits in money-lending are so large that there is little economic incentive for investment in development projects in which the returns cannot be equally high. The landlord or rich farmer himself, for instance, is likely to lend his surplus funds at high rates of interest rather than use them to improve his farm. The artisan or tenant, who must pay the high price for the loans, incurs such considerably high costs that he has fewer chances to improve his tools of production. What is wanted is an effective lowering of the interest rates in the unorganized market by the provision of alternative sources of credit on reasonable terms.[2]

Co-operative credit is one possible solution. There is no question about the superiority of this over some other forms of credit. But the fact remains that the co-operatives have so far failed to uproot the money-lender and are unlikely to do so in the near future. Nor have they made any appreciable impact on the prevalence of usurious interest rates.

The purpose of this note is to examine the possibility of providing special credit facilities, on the security of valuable movable goods, to the poorer sections of the community, very much on the lines of pawnshops as an intermediate step toward the establishment of a more adequate credit system.

It may be argued that the provision of credit indiscriminately and at a lower rate of interest than that charged by private pawnshops may encourage extravagant consumption expenditure which would not be in the best interests of the borrowers. However, the absence of the suggested small loan bank would not prevent improvident borrowers from going to private pawnbrokers and getting credit on more onerous terms. Moreover, the facilities provided by a special small loan bank should by no means be regarded as easy credit. A sacrifice in the form of the surrender of an article which must be the source of some satisfaction to its owner is necessary before a loan can be obtained from the bank. The prospect of this sacrifice would ordinarily discourage unnecessary loans. To obtain a loan against the security of an article which has to be relinquished for the time being is different from obtaining a loan against the security of, say, agricultural land of which the borrower still retains the use and therefore makes no immediate sacrifice. Moreover, there is a considerable urge to recover the pledged article and the chances of its redemption must be regarded as fairly high. The lower rate of interest may not necessarily encourage consumption loans, as poor people, especially in rural districts, only borrow money for consumption use from pawnshops when they have urgent needs, the height of the interest rate not being the main consideration. If the consumption loan is interest-inelastic, then the lowering of the rate of interest would on the one hand reduce their interest burden, and on the other benefit those seeking loans for investment purposes.

Information, which is available for Indonesia and the Philippines, shows that the state pawnshops in the former and the private pawnshops in the latter are handling an ever-increasing volume of business. This

1. Prepared by the Economic Studies Division. The present note is held in November 1951 (E/CN. 11/I & T/W.P. 1/L3, 26 September Working Party of Experts on Mobilisation of Domestic Capital held in November 1951 (E/CN. 11/I & T/W.P. 1/L3, 26 September 1951).

2. This matter was discussed in greater detailed in ECAFE document, Mobilisation of Domestic Capital through Financial Institutions of the ECAFE Region (E/CN.11/I & T/40, January 1951, pp. 78-85).

clearly indicates the existence of a great demand for small loans. Probably the demand for such loans is equally strong in the other countries of the region.[1]

SPECIAL SMALL LOAN BANKS VERSUS CO-OPERATIVES

Co-operative credit and thrift societies can be a very useful source of credit for the poorer sections of the community. The advantages of co-operative credit over credit by special small loan banks are obvious. The co-operatives take into consideration the purposes for which loans are required; loans may even be restricted entirely to productive purposes. On the other hand, the small loan bank credit is designed to be extended without any consideration of its purpose, but solely on the basis of the security offered. The co-operatives encourage thrift. They are expected to mobilize the savings of their members, which are lent to other members who are in need of accommodation. They can raise funds from the central co-operative financing agencies. But, in principle, this is expected to be resorted to only in exceptional circumstances when their own resources are inadequate for the credit requirements of their members. The special loan banks are less likely to encourage thrift. They may turn out to be no more than an agency for the distribution of credit. The co-operatives can be a great force for the social and moral uplift of their members. The special small loan banks cannot play any direct role in this connection. If the choice were to lie between co-operatives run on sound lines and government small loan banks, the former would appear to be preferable. But actually there may be no such choice. The development of co-operatives is a slow and difficult process. The active interest of the members is a prerequisite of success, but this interest cannot be created by compulsion. People have to be educated for the purpose. Moreover, the running of a co-operative requires a certain amount of skill, particularly in the maintenance of accounts. This essential element is frequently lacking in backward communities. There are numerous cases of co-operatives having not a single literate member. Low percentage of literacy and lack of a desire of self help through co-operation are some of the basic factors which have held up the development of the co-operative movement. The removal of these obstacles to progress will generally take a long time. The fact is that, even on a most optimistic estimate, it would take a long time before the co-operatives could meet the credit requirements of the bulk of the people in the countries of the region.

In this respect the position of the special small loan banks is fundamentally different. Like the post offices they can provide a service which anyone can purchase by paying the necessary price. The active co-operation of the public for running the special small loan banks is no more necessary than for running the post offices. The organizational problems connected with the provision of credit through special small loan banks are very much simpler than for the development of the co-operative movement. If these banks can provide a useful service, which may not be as good as is theoretically possible but practically unattainable under co-operation for a long time to come, there is a strong case for giving them a serious consideration. The achievements of the co-operatives in the mobilization of savings leave much to be desired. In most countries of the region, the co-operative credit and thrift societies have failed to encourage thrift and have been no more than a channel for lending to their members the funds obtained from the central co-operative financing agencies. In this respect, the special small loan banks would, at the lowest estimation, be no worse.

A single bank can serve a fairly large community which might require as many as ten to twenty co-operative credit societies to obtain the same service. It appears easier for governments to organize a special small loan bank than to organize as many as ten to twenty co-operative societies. It may, therefore, be possible within a few years to have a network of such banks all over a country, to meet the credit requirements of the poorer sections of the community.

However, the special small loan banks should not be regarded as a substitute for co-operatives, and efforts for the promotion of the co-operative movement should in no case be slackened. The co-operatives should in the long run be the most desirable form for the provision of rural credit.

The special small loan bank may in some respects compete with the co-operative, but the area of competition is not likely to be large. The co-operative can offer credit on much better terms than the special small loan bank. The latter can, therefore, be no serious threat to the

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1. The number of State pawnshops in Indonesia increased from 257 in 1949 to 360 in 1951 and the loans outstanding increased from Rupiahs 30 million in 1949 to Rupiahs 102 million by the middle of 1951 (State Pawnshops in Indonesia—E/CN.11/I & T/WP.1/L31). The increase in loans, when deflated by the price index, is about 70 per cent.

   As regards the Philippines, the Report of the Central Bank of Philippines for 1950 states, "There was an increase in the number of pawnshop operators as well as an extension in the volume of their loans from 1945 to 1950. The growth of pawnshops was particularly rapid in 1949 and 1950. As of December 31, 1950, the city of Manila had 20 pawnshops with a volume of loans granted amounting to P8.08 million or P4.72 million more than loans granted in 1949....The expansion both in number and volume of loans granted by pawnshops indicates the strong demand existing for small loans".

former. However, it should be so arranged that the special small loan banks should supplement rather than compete with the co-operatives. Besides, there are many lines, other than the provision of facilities for small loans, on which the co-operatives can and should concentrate. The need for a proper co-ordination of the work of the two classes of institutions is clearly indicated and is not likely to present any difficult administrative problems. If it were found that the existence of a special small loan bank were an obstacle to the progress of the co-operative movement, the bank should be closed down as soon as circumstances appeared favourable for the formation of co-operatives in the locality which would fulfil all of the local needs. A unified administrative control of the two classes of institutions would greatly facilitate the closure of the banks when necessary. Alternative employment of the bank staff would not be likely to present any serious difficulties, for it should be possible to absorb a large part of it in the expanding co-operative movement.

SPECIAL SMALL LOAN BANKS VERSUS PRIVATE PAWNSHOPS

A majority of private pawnbrokers unscrupulously exploit the weak position of the borrower. They are frequently not interested in the redemption of the pawns but rather that the interest should accumulate and that they should retain the pawn for sale, thereby appropriating to themselves the surplus of the sale value of the pawn over the principal and interest. They discriminate between the rich and poor borrowers. Their valuation of the pawns may be arbitrary and the pawns may not be properly taken care of during their custody. They may charge exorbitant rates of interest, for any law limiting interest rates by private pawnbrokers or money-lenders is most difficult to enforce.

The State can run special small loan banks as a utility service, charging no more than the cost of the service, which would, in effect, mean much lower rates of interest than those charged by the pawnbrokers. Many of the abuses which abound in the private pawnshops can be avoided. There need be no exploitation of the borrowers. A fair valuation of the pawns can be assured. A non-profit-earning institution would not be interested in the non-redemption of the pawns. The unredeemed pawns can be auctioned at a fair price and the excess of the sale proceeds over principal and interest can be held over to the credit of the borrower.[1] If the banks are run efficiently, it is possible to make the cost to the borrower reasonably low and to provide a service which is satisfactory in other ways.

In this connection the experience of Indonesia and the Philippines is very significant. The pawnshops are run by the state in the former country and are a private enterprise in the latter. The following statement shows the rates of interest charged in Indonesia and the maximum permissible rates in the Philippines.

Indonesia[2]

(1) Up to US$2.19.....4 per cent per month up to a maximum of 18% for 4½ months
(2) From US$2.20 to US$4.39.....5 per cent per month up to a maximum of 30% for 6 months
(3) From US$4.39 to US$6.57.....4 per cent per month up to a maximum of 36% for 9 months
(4) From US$6.58 to US$8.76.....3 per cent per month up to a maximum of 30% for 10 months
(5) US$8.77 and over.....1 per cent per month up to a maximum of 12% for 12 months

Philippines[3]

(1) Up to US$50.....2.5 per cent per month
(2) From US$50 to US$250.....2 per cent per month
(3) More than US$250.....1.17 per cent per month

Generally, the rates of interest are much more favourable to the borrower in Indonesia than in the Philippines. In Indonesia, although the rates for very small amounts are rather high, yet all loans in excess of US$8.76 pay no more than one per cent per month whereas, in the Philippines, all loans up to US$50 are chargeable at the rate of 2.5 per cent per month; even loans exceeding US$250 have to pay 1.17 per cent per month. Inspite of this, the state pawnshops in Indonesia are not run at a loss. The case for the special small loan banks being state institutions appears to be very strong.

GOVERNING PRINCIPLES FOR SPECIAL SMALL LOAN BANKS

Partial State Monopoly: One of the principal objects of setting up special small loan banks is to put the private money-lenders including pawnshops out of business and to fill the gap created by their elimination. These banks may be given the monopoly which should however be confined only to areas where the facilities

1. Losses arising from the disposal of unredeemed articles selling at a price lower than the principal and interest however, have been covered by the interest generally charged. See infra, section on "cost of service principle."
2. Indonesian Rupiahs have been converted into US$ at the official rate plus the value of the exchange certificate at which a businessman can purchase foreign exchange for importing goods. i.e. US$ 1 = R11.4
3. Source: Report of the Central Bank of Philippines for 1960. Pesos have been converted into US$1 = p.2

of the state small loan banks are available. The experience and practice in Indonesia also point in the direction of partial monopoly for government pawnshops, since the private money-lenders in areas served by the government pawnshops, are debarred by law from granting loans of less than a minimum amount against the security of pawns; the government pawnshops thus have a monopoly of loans below that minimum.

Cost of Service Principle: The special small loan banks should be run on commercial lines but on the cost of service principle. There should be no attempt to raise revenue for the Government. Any net profits earned should be transferred to a Reserve Fund as a safeguard against possible future losses. If the profits are rather large, the rates of interest to the borrowers should be lowered. Large profits would defeat the objective of lowering interest rates in the unorganized money-market.

On the cost of service principle, the rate of interest to be charged to the borrowers should be determined after taking the following factors into consideration:

(i) The net rate of interest. This may be regarded as the rate at which the special small loan banks can raise funds.

(ii) Insurance against risk. The most obvious risks are (a) A fall in the value of the articles accepted as pledges, so that when they are auctioned the sale proceeds are not sufficient to cover principal and interest; (b) Losses due to theft, robbery, fire, incompetence or dishonesty of the staff.

(iii) The costs of management. These include the costs of maintaining the necessary staff, buildings, equipment, etc.

(iv) A small profit. In normal times the banks should make a small profit which should be transferred to a Reserve Fund to offset any possible losses in the future.

For obvious reasons the costs of management on small loans are much higher than on bigger loans. But from this it does not necessarily follow that the rates charged on small loans should be sufficiently high to cover all costs. Large loans may be charged at more than cost to make up for losses incurred on small loans which may be charged at less than cost.

The Role of the Central Office: In the organization of special small loan banks, the Central Office for these banks will have to play a most vital role. It will have to formulate and issue, from time to time, detailed instructions about the valuation of pledges, the proper supervision of various operations, and other matters, for the guidance of the banks. Most of the operations must be reduced to a simple routine to minimize mistakes and to eliminate the possibility of dishonesty. The central control over the banks must be very effective. This would necessitate not only careful scrutiny of the various returns submitted by the banks but also frequent on-the-spot inspections of their operations. Another important responsibility of the Central Office would be the recruitment and training of staff. This would necessitate the maintenance of a regular training centre, and the use of the loan banks for training new staff. The Central Office would also have to raise the necessary finance for the banks, unless responsibility for this were assumed by the Government or some other agency.

Acceptance of Deposits: The special small loan banks are expected to provide credit facilities on reasonable terms to the poorer sections of the community with the principal object of lowering interest rates in the unorganized money market and thus indirectly encouraging the mobilization of capital for productive purposes. If they were also to accept deposits, it may be argued, they would directly encourage the mobilization of savings. This would reduce the dependence of these banks themselves on other sources of finance and would promote the banking habit amongst the people. However, the following factors deserve consideration in this connection:

First, are there many people who would prefer to deposit their savings in these banks? The experience of Indonesia suggests that they would not. During the 1920's an experiment was tried by opening a branch of the State Savings Bank in every pawnshop in Indonesia. At first, under the stimulus of propaganda, these branches attracted deposits, especially from government servants, but later the deposits fell off and the experiment was regarded as unsuccessful. Conditions elsewhere in the region at present are not quite identical with what they were in Indonesia when this experiment was tried. In any case, there can be no justification for assuming that a similar attempt in other countries would produce no better results. It would certainly be worthwhile to make an effort and to pursue it energetically.

Second, in order to avoid competition with the post office savings banks, it would be necessary that the interest offered by the special small loan banks should be in line with that of the post office savings bank. Obviously there would be no net gain to the community as a whole if the former merely attracted deposits at the expense of the latter. Deposits, especially savings

and time deposits, should be accepted especially in localities where post office savings banks and co-operatives are not in operation.

Third, the maintenance of accounts in the case of deposits is a little more difficult than for the comparatively simpler credit operations. The acceptance of deposits may involve the provision of other banking services which may require a more skilled staff than would otherwise be necessary. If, however, the deposits are restricted to savings and time deposits, the accounting problem can be simplified.

Finally, in order to inspire public confidence in the safety of the deposits, it would be necessary that the latter should be guaranteed by the government in respect of both principal and interest.

Finance: The financial requirements of the special small loan banks are not likely to be very large and the raising of the necessary funds may not, therefore, be a very difficult problem. As most of the loans are expected to be for short periods of time, the turnover would be quick and it would be possible to handle a fairly large volume of business with a comparatively small working capital. The experience of Indonesia shows that the working capital required by the state pawnshops seldom exceeded 40 per cent of the aggregate loans made during a year and was very frequently much less than this.

If the rates of interest to be charged to the borrowers are to be reasonably low, it is essential that the cost to the banks of the finance required by them should be as low as possible. The necessary finance may be provided by the Government directly from its own resources as in Indonesia, where the Government charges 3½% on the funds provided to pawnshops, or it may be raised from the public. If the funds lent to the borrowers are obtained from the savings of others, there is no net increase in the purchasing power in the hands of the public, and no danger of increased inflationary pressures. The banks may attract savings and/or time deposits or may sell bonds. In any case, a government guarantee would be necessary to raise funds at low interest rates. The possibility of the banks being financed by the central co-operative financing institutions, such as the central co-operative banks or provincial co-operative banks, where such institutions exist, also deserves consideration. Or other institutions on similar lines may be specially set up for the purpose.

The special small loan banks may use the Central Bank of the country or some other governmental or semi-governmental banking institution as its banker for checking account purposes. In places where the Central Bank has no offices, the banks may be allowed the use of the post office savings banks or the government treasuries for keeping their surplus funds for safe custody.

Pledges: nature, valuation, storage, and auctioning: For the convenience of borrowers a very wide variety of articles should be acceptable as pledges. But the space and other facilities available for storage, the character of the goods and the banks' ability to assess their value have to be taken into consideration in determining whether certain articles should or should not be accepted as pledges.

For the guidance of the borrowers and of the bank staff it is necessary that the Central Office should, after taking all relevant factors into consideration, prepare and circulate, from time to time, a list indicating the classes of articles which are acceptable as pledges.

The valuation of the articles offered as pledges requires skill and calls for the services of properly qualified valuers. A special course has to be devised for training valuers for appraising jewellery and other miscellaneous articles which are acceptable as pledges. The determination of the percentage of impurity in gold and silver articles can be reduced to a few simple physical and chemical tests which are both reliable and quick. Tests for distinction between natural and artificial stones can likewise be simplified. The course can be completed in a few months and then the trainee can acquire practical experience by working as an assistant to a fully competent valuer.

Another important factor in connection with valuation is its basis, that is, whether valuation should be based on the market or some other value. The determining factor should be what the pledge would fetch if it has to be auctioned in the event of non-redemption. Allowance has also to be made for possible fluctuations in the values of the articles after they are pledged. These fluctuations are likely to be different for different articles. The margins to be allowed for various classes of pledges should be determined by the Central Office for the guidance of the valuers who should not be called upon to assume any responsibility in this connection. Apart from making for uniformity of practice, the judgement of the Central Office is likely to be better than that of individual valuers. The margin, however, should not be unduly large. Too large a margin would make for safety but would cause unnecessary hardship to borrowers. There is doubtless an element of risk if the margin is

not very big, but this can be insured against by taking it into account when fixing the rates of interest to be charged to borrowers. A proper balance will have to be struck between the comparatively higher interest rates if the margin of safety is low and the inconvenience to borrowers if the margin of safety is too high.

The pledges have to be stored in such a manner as to prevent damage during custody. In addition, the space for storage should be provided in the same building as the bank to save transport and time both when the goods are pledged and when they are redeemed. Costly articles such as jewellery have to be stored in fire-proof safes. Other articles such as clothes etc. can be stacked on white-ant-proof racks which can be made of teak or other suitable materials. In the case of silk, artificial silk and woollen materials, special care may have to be taken to protect them against moths and other insects. The pledges accepted by the State pawnshops in Indonesia are stored generally on the lines indicated above.

As the costs of management on small loans are high, a small loan bank, unless it is run at a loss, cannot but charge rather high rates of interest. The interest becomes very oppressive if the loan is taken for a long period of time. It is, therefore, in the best interests of the borrower that the currency of the loan be restricted to a reasonably short period, after which the pledge should be sold to realize principal and interest, rather than that interest should be allowed to accumulate. The balance left over after the realization of the principal, interest and sale expenses should be held to the credit of the borrower who can claim it within a specified period, say one year, after which it should lapse to the bank. As the surplus in each case is likely to be very small, it cannot be held over to the credit of the borrower for an indefinite period without adding considerably to the work involved in the maintenance of accounts. The pledges should be auctioned in such a manner as to get the maximum possible price. To achieve this the auctions should not be held too frequently, should be well advertised, and should be conducted by qualified auctioneers. One or more employees of the bank could be trained for the job.

The practice followed by the State pawnshops in Indonesia is that unredeemed pawns in the case of very small loans are auctioned during the 8th month after the grant of the loan and unredeemed pawns in the case of the highest loans, during the 14th month after the grant of the loan. Any surplus of the sale proceeds over the principal, interest and sale expenses is held to the credit of the borrower. It lapses to the Government if it remains unclaimed for one year after the auction.

Ordinarily no pledge should be auctioned at a price which would result in a loss to the bank. To ensure this the bank itself should make a bid equal to the assessed value of the pledge which covers principal, interest etc. If no higher bid is received, the article should be retained by the bank. This is a necessary safeguard against the possible collusion of the bank staff in connection with the auction. If, however, the manager of a bank feels that a pledge cannot be sold except at a loss, the Central Office's permission should be obtained before it is disposed of. Arrangements may also have to be made for the sale (as distinct from auction) of pledges which, in the opinion of the bank manager, cannot be auctioned at a reasonable price for want of buyers at a particular auction or in a particular locality.

Personnel and office accommodation: The work in special small loan bank is in some respects similar to that in an ordinary commercial bank. But, with the exception of the valuation of the pledges, it can be made very much simpler, and a much less skilled staff than for a commercial bank office is required to handle it. For obvious reasons the manager must be fully competent in every aspect of the work. Valuation of pledges calls for special skill, and trained valuers are required for the purpose. The maintenance of accounts requires some skill but of a very much lower order than in a commercial bank. The work of cashiers paying out or receiving cash is easy. Similarly most other operations are of a mechanical type requiring very little, if any, skill but in some cases involving considerable responsibility. Once arrangements are made for the training of valuers, the staffing of small loan banks is, by and large, a much less difficult problem than the staffing of commercial bank offices. This is due to the important fact that most of the operations in a special small loan bank lend themselves to a good deal of simplification, so that they can be reduced to a more or less mechanical pattern.

In the interests of the sound working of the banks and the efficiency of the service to the borrowers it appears necessary, on the basis of Indonesia's experience, that the bank employees should not have any financial or other interest in the bank. They should not, therefore, be entitled to any bonus on the profits, nor should they be allowed to borrow from the bank or purchase, directly or indirectly, unredeemed articles auctioned by

it. They should also be required not to divulge the names of the borrowers or the value or description of the pledges.

The accommodation requirements of a special small loan bank are more or less of the same type as those for an ordinary commercial bank except that additional space should be available within the building for storing the pledges. A fairly big, well built, enclosed hall provided with a number of windows which can serve as counters for dealing with the borrowers, can serve the purpose. A part of the hall can be partitioned for the storage of the pledges.

The provision of suitable accommodation for the banks would probably be a difficult problem, particularly in the countryside. In most cases buildings may have to be specially constructed for the purpose. This would require time and considerable outlay.

The equipment required for a special small loan bank, apart from the office furniture, includes one or more fire-proof safes, racks for stacking pledges, a few chemicals, a chemical balance and a few ordinary implements for measurement.

Legislation for special small loan banks: Legislation may be necessary to empower the government to set up special small loan banks as governmental or semi-governmental institutions, to finance them from the government's own resources or by the attraction of deposits or by the sale of bonds having a government guarantee, to prohibit competition by private money-lenders and pawnbrokers and to frame rules and regulations for the fixing of interest rates for various categories of loans, the preparation of lists of articles acceptable as security for loans, custody of pledges, compensation for loss or damage to pledges during custody, repayment of principal and interest by the borrower in instalments, public auction or sale of unredeemed pledges, payment to the borrower of the surplus of the sale proceeds of unredeemed pledges over principal and interest, the duties and responsibilities and powers of the local civil authorities vis-a-vis the small loan banks, etc.

CONDITIONS OF SUCCESS FOR SPECIAL SMALL LOAN BANKS

Among the conditions of success for the establishment of special small loan banks the first is the prevalence of usurious interest rates. There would be a demand for the facilities provided by special small loan banks only in places where people are in need of credit and cannot get it except on payment of exorbitant rates of interest. There would be no need for a special small loan bank if alternative facilities were already available for the provision of credit on reasonable terms. A proper survey of the conditions of demand and supply of credit would be necessary before a decision is taken on the opening of a special small loan bank in any particular area.

Second, people will avail themselves of the facilities of special small loan banks if no social indignity is attached to the borrowing of money on the security of pledged articles. An important factor which has contributed to the success of the pawnshops in Indonesia is that people do not feel any humiliation in having to go to a pawnshop, and regard dealings with it as ordinary business transactions.

Third, the ability of the special small loan banks to attract business will depend, to a large extent, on the rates of interest charged by them. These in turn will depend on the terms on which they can raise the necessary finance and on their operating costs. This points to the necessity of securing the working capital at low interest rates and of keeping the operating costs low.

Fourth, some of the jobs in the banks, particularly the valuation of pledged articles, require a certain amount of skill. Thus, proper training of the staff for the various operations is a pre-requisite of success. It is also necessary that the staff in a bank in a particular locality should be familiar with the general social and economic conditions and should know the language or languages used by the people in the locality.

Fifth, in view of the considerable scope for incompetence and dishonesty, effective central control and inspection of the banks is absolutely essential to minimize losses on this account.

Finally, most of the operations in special small loan banks should be reduced to a simple routine, so that they can be performed without requiring much skill or individual judgement on the part of the operators and without wasting the time of the borrowers. This is possible. Even the maintenance of accounts, preparation of returns for the Central Office and the supervision of the work of the banks can be reduced to simple routine operations. If maximum efficiency in this respect is not achieved, the operating costs are likely to be high.

ON ELECTRIC POWER PRODUCTION AND DEVELOPMENT IN ECAFE COUNTRIES

ELECTRIC POWER PRODUCTION AND CAPACITY[1]

The growth of electric power production in several countries of the region since the war has been encouraging, especially in view of the low levels to which production had fallen during the war. During the ten-year period, 1938-1948, thirteen countries[2] increased their production at the rate of 5.5 per cent per annum (see Table 1). Using 1938 as a base year, rapid progress has been made by Ceylon, Hong Kong, India, the Philippines and Singapore. Total production in these countries, despite severe war damage in three of them, increased at the rate of about 7 per cent per year; approaching a rate which results in a doubling period of ten years. This is in accord with the European and United States trend both prewar and postwar. Over this same period production in Indonesia had reached the prewar mark, while the Associated States of Indochina, the Federation of Malaya[3] and Thailand were somewhat above prewar production figures. It is significant that production in these countries achieved the higher output from a smaller kilowatt capacity than was available before the war. Indeed, 1948 production in these countries was 127 per cent of the 1938 figure, and capacity only 82 per cent of the 1938 figure. Obviously the existing plant is being utilized to a greater extent. In those cases where load factors have been unduly low, this development is welcome, although it is not the case for most of the countries of the region. For at least three countries production has reached the practical limit of plant capacity and to meet the demand even during daylight hours, plants must be operated without the usual margin of safety. Table 2 brings together the data on regional plant capacities over the same period.

TABLE I

ELECTRIC POWER PRODUCTION[a]

(Million Kilowatt Hours)

COUNTRY	1938	1946	1947	1948	1949	1950
Burma	232[b]	. .[c]	. .[c]	. .[c]	. .[c]	. .[c]
Ceylon	34	57	59	66	73	81
China: Taiwan	530[d]	472	576	843	854	1,044
Hong Kong	80[e]	. .	106	150	218	293
India[f]	2,442[b]	3,892	4,073	4,375	4,909	5,103
Indochina: Cambodia, Laos and Viet-Nam	101	73	68	108	151	182
Indonesia	309	. .	. .	. .	362	. .
Malaya, Federation of	395[g]	400[g,h]	500[g,h]	550[g,h]	580[g,h]	600[g]
Pakistan	. .	. .	. .	148	169	161
Philippines[i]	145	150	256	364	423	459
Singapore	53	64[j]	106	126	158	. .
Thailand	34	33	40[k]	48[k]	53[k]	53[k]

Sources: United Nations, Statistical Year-book, 1949-1950; Monthly Bulletin of Statistics; General Information of Taiwan Power Company, prepared by National Resources Commission, 1951; Public Electricity Supply, All India Statistical Summary, 1949; Central Bank of the Philippines, Statistical Bulletin; Annual Report of the Central Electricity Board, Federation of Malaya, 1 September 1949 — 31 August 1950; Statistical Yearbook of the World Power Conference: No. 5 — 1946 to 1948; Municipality of Singapore, Electricity Department Annual Report, 1949; Energy Resources of the World, United States State Department, 1949; Replies to Secretariat Questionnaire.

Notes:

a. Public utilities unless other specified.
b. 1939.
c. Although the data are not available production is probably below prewar.
d. 1943.
e. 1937.
f. Up to August 1947 including present territory of Pakistan.
g. Total production; public supply and industry owned plant.
h. Estimated.
i. Manila only.
j. 1 April to 31 December 1946.
k. Bangkok only.

1. Prepared by the Industrial Development Division of the ECAFE Secretariat.

2. As given in Table I, but not including Burma, the British territories of Brunei, North Borneo and Sarawak, the mainland of China; Korea, and Nepal, for which data are not available.

3. Using 1938 as base; a peak was reached in 1940 which was above the 1950 figure.

TABLE 2

ELECTRIC POWER CAPACITY[a]

(Thousand Kilowatts)

COUNTRY	1938	1946	1947	1948	1949	1950
Burma	93[b,c]	. .	. .	. .	36[c]	. .
Ceylon	15	19	19	23	27	31[d]
China: Taiwan	190[d]	162	213	247	259	301
Hong Kong	74	56	74	94	110	.
India	1,070[b]	1,302	1,363[e]	1,411	1,537	. .
Indochina: Cambodia, Laos and Viet-Nam	77[b]	46	45	79	. .	. .
Indonesia	171[b]	. .		. .	140	. .
Malaya, Federation of	110[d,f]	84[d]	88	101	131	. .
Pakistan	. .		66[d]	66	72	. .
Philippines	92		. .	124	132	. .
Singapore	. .	22[d]	25[d]	25[d]	37	
Thailand	30	23	23	23	23	28[d]

Sources: United Nations Statistical Yearbook, 1949-50; Replies to Secretariat Questionnaire; Public Electricity Supply, All India statistical Summary, 1949; Commissariat General du Plan, Rapport General de la Sous-Commission de l'Indochine; Annuaire Statistique de l'Indochine, 1947-1948; Statistique Generale de l'Indochina; 1949; China: Report of the National Resources Commission, Taipeh, Taiwan 1951; Report of the United States Strategic Bombing Survey (Pacific) on the Electric Power Industry of Japan, 1945; Annual Report of the Central Electricity Board, Federation of Malaya, 1 September 1949 — 31 August 1950; Muncipality of Singapore. Electricity Department Annual Report, 1949; General Information of Taiwan Power Company, prepared by National Resources Commission, 1951.

a. Public utilities unless otherwise noted.
b. 1939.
c. Includes industry owned plant.
d. Estimated.
e. Up to 1947 including present territory of Pakistan.
f. 1940.

Analysis of these data shows that the countries[1] of the region increased their capacity at the rather low rate of 2 per cent per year during the period 1938-1948, as compared with a production increase of 5.5 per cent. Further, those countries which had registered a production increase, approaching a ten-year doubling rate, had increased their capacity at the quite low rate of 2.75 per cent per year; equivalent to a doubling rate of about 28 years.

Analysis of the data in the first two tables covering the comparatively short period, 1946-1949, presents a bright picture. Again, taking 11 of the 13 countries,[2] both production and capacity improved rapidly, the former at the rate of 12 per cent per annum and the latter at 9.8 per cent per year. The difference in the rates, however, remains.

Admittedly, the period is short and conclusions must necessarily be drawn with caution. Nevertheless, sizeable increases in capacity were accomplished at relatively low cost. For example, Taiwan brought back into operation close to 100,000 kw of war damaged equipment at a cost of less than $10 per unit. The Federation of Malaya, the Philippines and other countries increased capacity by repairing old installations. This supports the view that capacity is lagging behind production and a serious deficit may be developing.[3]

1. See footnote 2, page 48.
2. See footnote 2, page 48. Indonesia and the Philippines are also omitted from the analysis since data for the base year 1946 are not available.
3. See Electric Power Resources and Needs of ECAFE Countries. E/CN.11/I & T/32, 24 December 1950.

To better illustrate some of the points raised above, Table 3 gives index numbers of production and capacity for the several countries. Only in Ceylon in 1950 was the trend definitely reversed, as a new medium sized plant was brought into production late in the year, with limited production.

TABLE 3

INDEX NUMBERS OF PRODUCTION AND INSTALLED CAPACITY

(1938 = 100)

		1946	1947	1948	1949	1950
Ceylon:	Production	168	173	194	215	238
	Capacity	127	127	153	180	360
China: Taiwan:	Production	89	109	159	161	197
	Capacity	85	112	130	136	160
Hong Kong:	Production[a]	..	133	188	272	366
	Capacity	76	100	127	149	..
India:	Production[b]	159	167	187	200	209
	Capacity[b]	122	127	132	144	..
Indochina:	Production[b]	72	67	107	150	180
	Capacity[b]	60	59	102	..	..
Indonesia:	Production[c]	..	..	..	107	..
	Capacity[d]	..	..	..	82	..
Malaya: Federation of	Production[c]	62	78	80	90	93
	Capacity	60	63	72	94	..
Philippines:	Production	103	177	250	292	316
	Capacity	..	..	135	144	..
Singapore:	Production	121	200	238	298	..
	Capacity[d]	73	83	83	123	..
Thailand:	Production	97	118	141	156	156
	Capacity	80	80	80	80	93

Source: Tables 1 and 2.
a. 1937 = 100.
b. 1939 = 100.
c. 1940 = 100. Production = 645 million kwh.
d. 1938 — 30,000 kw. (Secretariat estimate)

ELECTRIC POWER REQUIREMENTS

Plans for Increasing Capacity

Regional planning for electric power developments and other industries has grown progressively more concrete. It may now safely be assumed that development programmes, especially in the field of electric power, reflect conservative estimates of the countries' capacity to implement plans, although targets in all cases may not be met and adjustments in quantity may be necessary. Programmes are, nevertheless, minimal in terms of demand for power.

For the six year period, 1951-1956, most countries in the region have prepared more or less detailed plans. Capacity data from these plans are given in Table 4 by country and by type of plant, for comparison with installed capacities in 1949. It may be seen that over the seven-year period, 1949-56, the installed capacity of the region is expected to be doubled. This is a very high rate of increase, although, as shown by the following country summaries, this is not unduly so.

Burma: Expansion of the public supply plant in Rangoon is underway and accounts for the 10,000 kw to be installed late this year. The 824 kw in diesel plant to be erected during 1952 is modest indeed and represents public supply to several small towns. Planning and survey work for the 20,000 kw hydro plant has been carried out intermittantly since the war. Progress has been slow and it is possible that the target date of completion may have to be extended in part because of unsettled conditions.

Ceylon: The first stage of a large hydro scheme was completed in 1950 and work on the second stage has already begun. This accounts for the 75,000 kw in 1954. The 10,000 kw to be installed in 1951 is a relatively small part of an irrigation scheme which was begun in 1948.

TABLE 4

PLANNED INCREASE IN INSTALLED CAPACITY

(thousand kilowatts)

Country	Total	1951				1952				1953				1954				1955				1956				1951—1956			
	1949	Hydro	Thermal	Diesel	Total	Hydro	Thermal	Diesel	Total	Hydro	Thermal	Diesel	Total	Hydro	Thermal	Diesel	Total	Hydro	Thermal	Diesel	Total	Hydro	Thermal	Diesel	Total	Hydro	Thermal	Diesel	Total
Burma	36	10			10			1	1													20			20	20	10	1	31
Ceylon	54[a]	10			10									75			75					10			10	95			95
China: Taiwan ...	304[a]	42	35		77																					42	35		77
Hong Kong	110		20		20						20		20														40		40
India	1,537	38	194		232	55	102		157	246	242		488	114	81		195	403			403	140	8		148	996	627		1,623
Indochina (Associated States) ...	79[b]		10		10						5		5											14	14		15	14	29
Indonesia	140			14	14	5		10	15	4			4	3			3									12		24	36
Malaya, Federation of	131[c]		40		40																		40		40		80		80
Pakistan	82[c]	10	6		16	33	6	23	62	20	14	5	39		22	12	34					120			120	183	48	40	271
Philippines	132	13			13	27			27	77			77	102			102	2			2	50			50	271			271
Singapore	37										50		50						50		50						100		100
Thailand	28[a]			2	2		13		13									14			14					14	13	2	29
Total	2,670	123	305	16	444	120	120	34	274	347	331	5	683	293	103	12	408	419	50		469	340	48	14	402	1,632	967	80	2,680

Source: Replies to Secretariat Questionnaires; General Information of the Taiwan Power Company, 1951.
a. 1950.
b. 1948.
c. 31 September 1949 — August 1950.
d. Totals may not be directly reconciliable since the last three digits are omitted.

China (Taiwan): The 77,000 kw hydro and thermal capacity is to be installed in existing plants and represents only a small part of a larger plan which extends over a longer period. The long-term plan calls for new plant amounting to about 180,000 kw, divided equally into hydro and thermal stations. This figure does not appear in the Table.

Hong Kong: Orders have been placed for a total of 40,000 kw of thermal plant.

India: In comparison with other countries of the region, India's programme is, by far, the largest. Detailed examination of the individual projects is beyond the scope of this note. However, the data furnished by the Government covers only plants which aggregate 10,000 kw or over and omits about 36,000 kw of diesel plant. Finally, of the total of 1.6 million kw, 1.3 million represents plants under construction or in process of expansion. Several plants will be built in stages and possibly some may be delayed although demands are not now being met in industrialized communities. As may be seen from Table 3, past experience indicates that production is close to a 10-year doubling rate. Oover the same period capacity increased at about half this rate. It is necessary to make up this deficit.

Indochina, Associated States of: Over the period under review Cambodia, Laos and Viet-Nam are expected to increase their existing capacity by a small amount. Despite political disturbances, it is believed that targets are conservative. Much larger installations, involving development of hydro sources, are planned for the period following 1956.

Indonesia: The situation in Indonesia is roughly the same as in the Associated States of Indochina. Planned increases are small, two-thirds of the total being diesel plant. Major projects are planned for a later period.

Malaya, Federation of: The first stage of an 80,000 kw thermal plant is nearing completion which will add 40,000 kw to existing capacity. Second stage construction is to follow directly. Survey work is now being carried out for a 100,000 kw hydro plant, 60,000 kw of which may come into production shortly after 1956. This plant has not been included in Table 4. Small diesel plants are being installed from time to time, and these too have not been shown in the Table.

Pakistan: As compared with 1949, Pakistan will have increased its capacity by three and one half times. This is the highest rate of increase in the region. However, about 120,000 kw, almost half of the total programme, is now under construction. Most of the installations are of small capacity, including 40,000 kw of diesel plant. Whether or not the target for the 120,000 kw hydro plant planned for 1956 will be met may be judged from the following factors: (a) Pakistan suffers from a power shortage as great as any country in the region; (b) Urban populations have increased considerably since Partition, (c) The port of Chittagong and industries in Karachi and other cities are being rapidly developed; and (d) the Government desires to provide additional power for West Punjab which now receives considerable supply from India.

Philippines: The power development programme in the Philippines is exclusively hydro and is of considerable magnitude. The total number[1] of projects is twenty-four, five of which account for 260,000 kw. Construction is under way on three of them, involving about 110,000 kw. The smaller projects, aggregating 10,000 kw. are either now being developed or will shortly be started since funds for equipment are available from the operating profits of the National Power Corporation. Much of the engineering work on the balance of the programme is complete although finance may delay construction temporarily.

Singapore: The thermal plant is now under construction and the first generator, 25,000 kw, may be in operation by 1952. A second 25,000 kw generator has been ordered, so also other equipment for the first stage. Plans, which appear conservative, call for an additional 50,000 kw by 1955.

Thailand: The first major development since the war involves 2,000 kw of diesel plant which is now being installed. Increased thermal capacity is on order and some components may have been received. The International Bank is to provide foreign exchange for the hydro plant scheduled for completion in 1955. The total programme is quite small although it will have doubled Thailand's capacity when completed.

Replacement

The programmes outlined above generally do not include replacement of worn out plant. The fact that obsolete plants will continue to function as long as possible is only postponing a need for which provision must be made, particularly replacement of thermal stations. Official data on age and condition of plants in the region are not available. It is therefore only possible to calculate those data and apply them against existing plant at the end of 1949.

1. Stages of projects are considered as new developments.

Table 5 has been compiled[1] to illustrate the variations in the rate of replacement required to cover obsolescence. The rates are expressed as a percentage of the total installed capacity of the year previous to that in which commissioning is expected. It has been assumed that the annual increase in capacity is at a steady rate; that the age distribution of the plant is normal; that the life of the plant is a constant period of years and that replacement is regular. It does not take into account irregular growth, destruction of plant or postponement of replacement.

TABLE 5

RATES OF REPLACEMENT

Rate of increase per year	Life in Years						
	20	25	30	35	40	45	50
2 per cent	4.1	3.1	2.5	2.0	1.7	1.4	1.2
4 per cent	3.4	2.4	1.8	1.4	1.1	0.8	0.7
6 per cent	2.7	1.8	1.3	0.9	0.6	0.5	0.4
8 per cent	2.2	1.4	0.9	0.6	0.4	0.3	0.2
10 per cent	1.8	1.0	0.6	0.4	0.2	0.1	-
12 per cent	1.4	0.8	0.4	0.2	0.1	-	-
14 per cent	1.1	0.6	0.3	0.1	-	—	-

To illustrate, if a mean annual growth rate of 6 per cent over the "life" period of 30 years is assumed, the annual replacement may be expressed as 1.3 per cent of total installed capacity in the preceding year.

Conservatively, thermal plant in the region may require replacement at the rate of 1.3 per cent per annum, and hydro plant at about 0.4 per cent. During the 7 years, 1949-1956, replacement should amount to about 9 per cent of the installed thermal capacity and 2.8 per cent of the hydro capacity at the end of 1949.

TABLE 6

CAPACITY REQUIRED AS REPLACEMENTS

(Thousand Kilowatts)

	Hydro	Thermal[a]
1. Installed capacity of the region, 1949	1,046	1,624
2. Replacements, 1956	29[b]	146[c]
3. Planned increases in installed capacity, 1951-1956	1,632	1,047
4. Total, 2 *plus* 3	1,661	1,193

Source : Tables 2 and 4.
a. Includes diesel plant.
b. Taken as 0.4 x 7=2.8 per cent of installations end of 1949.
c. Taken as 1.3 x 7=9.1 per cent of installations end of 1949.

While the replacement quantity so calculated is small, it should not be neglected in determining equipment requirements. Thus total requirements for the fourteen countries in the ECAFE region amount to 2,854,000 kw.

Existing Capacity Deficits

According to an earlier Secretariat study[2] electric power capacity deficits existed in almost every country of the region. Indeed, there were few districts in any one country where a surplus was available. Because of the dearth of data, it was not possible to make quantitative estimates. The situation remains unchanged, although attempts will now be made to arrive at a regional figure merely to indicate the order of magnitude. It should be clearly understood that such estimates, even for a single country, are extremely difficult; for the region as a whole, they may best be termed an informed guess.

1. By the Secretariat of the Economic Commission For Europe.
2. Op. Cit. E/CN.11/I & T/32.

Load shedding occurs in cities in India, Pakistan, Singapore, Thailand and, possibly, in the Federation of Malaya and Indonesia. For these countries it is estimated that the existing deficit is about 325,000 kw. Although Burma is still below prewar level, it is uncertain whether power utilization is curtailed because of the disturbed condition of the country or because of a dearth of capacity. The same reasoning is applied to the Associated States of Indochina. In the remaining countries, with the exception of Ceylon, the deficit probably amounts to about 60,000 to 75,000 kw. Ceylon, with its recently commissioned 25,000 kw hydro station, probably has a small temporary surplus.

The total deficit for the countries under review (see Table 4), conservatively estimated, is of the order of 400,000 kw, or about 15 per cent of the planned increase by 1956. This is a substantial amount. Further, the question of operating safety factors is relevant. In western countries, where good interconnections exist, about 15 per cent is accepted as a standard figure. Regional factors should be higher since plants are relatively isolated. Service interruptions, because of plant failure and lack of spare plant, are fairly common in several cities and should be taken into account. In India, severe power shortage in 1949 resulted from drought, especially in Madras. Although hydro plants ordinarily may not require as large a safety factor since repairs may be undertaken when reductions are necessitated by lack of water, uncertainty caused by varying water conditions is quite large in a monsoon climate.

Summary.

Planned increases in capacity, replacement requirements and capacity required to improve generating safety margins are tabulated below:

TABLE 7

TOTAL PLANT CAPACITY REQUIREMENTS. 1951—1956

(Thousand Kilowatts)

	Hydro	Thermal[a]	Total
1. Planned increase in installed capacity	1,632	1,047	2,679
2. Replacement requirements	29	146	175
3. Requirements for improved safety margins[b] ...	157	244	401
4. Total	1,818	1,437	3,255

Source : Tables 4 and 6.

a. Includes diesel plant.

b. Calculated from 1949 installed capacity at 15 per cent. While this may be high for hydro plants, it is low for thermal stations in the region.

It is of interest to compare the rate of increase of production during the period 1946-1949 with the capacity rate based on planned installations. It will be recalled that production rose rapidly at the rate of 12 per cent per year. By 1956 the capacity of the region should be doubled, equivalent to a rate of increase of about 11 per cent per year. This is a high rate of increase. Nevertheless it is below the production rate for 1946-49. Moreover, the existing deficits must be overcome if substantial industrial progress is to be made.

ASIAN ECONOMIC STATISTICS

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Symbols Employed

The following symbols have been used throughout this appendix:

... = not available; — = nil or negligible.

I, II, III and IV for quarters of years.

Figures in italics are provisional.

Unless otherwise stated, the standard unit of weight used throughout is the metric ton.

The following symbols are used to represent the abbreviations of national currencies in Asia and the Far East.

Rs.	=	rupees (Burma, Ceylon, India and Pakistan).
HK$	=	Hong Kong dollar.
Fl.	=	guilder (Indonesia).
Y.	=	yen (Japan).
W.	=	won (Republic of Korea).
M$	=	Malayan dollar (Malaya and British Borneo, embracing North Borneo, Brunei, Sarawak, Federation of Malaya and Singapore).
P.	=	peso (the Philippines).
Pr.	=	piastre (Indochina).

The term Malaya includes the Federation of Malaya and Singapore.

Sources

To ensure comparability, data compiled by the United Nations Statistical Office have been taken as basic material wherever possible; material supplied by governments, publications of governments, the United Nations Organization and its specialized agencies and International Commodity Study Groups have been used as additional sources.

I. PRODUCTION OF SELECTED COMMODITIES *(Monthly averages in thousand tons)*

	1938	1947	1948	1949	1950	1950			1951				
						II	III	IV	I	II	Apr.	May	June
COAL													
India a	2,400	2,540	2,551	2,684	2,735	2,663	2,612	2,709	2,964	2,879	2,900	3,021	2,717
Indochina	195	21	30	31	42	36	35	59	48	49	65	55	27
Indonesia	121	19	45	55	67	68	69	65	75	..	..	..	..
Korea, south	19	19	67	89	47	95	2	—	—	2	1	2	3
Malaya	40	19	32	33	35	33	36	34	32	33	34	34	31
Pakistan b	—	13p	20	28	37	39	28	37	46	43	50	45	35
Japan	3,484*	2,270	2,822	3,172	3,205	3,235	3,165	3,464	3,247	3,582	3,460	3,582	3,703
ELECTRICITY (mil. kwh)													
Burma	—	1	2	2	..	2	3	..	..	.	..	..	..
Ceylon	3	5	5	6	7	6	7	7	*15*	..	..	..	.
Hong Kong	..	9	13	18	21	24	26	27	28	29	28	29	29
India a	211r	345	381	410	425	422	426	450	462	492	470	505	501
Korea, south	..	23	41	55	34	51	11	20	14	19	17	19	20
Pakistan	—	10p	11	14	14	14	15	15	17	17	16	17	19
Philippines c	12	..	30	35	38	37	39	40	39	40	39	40	41
Thailand	3r	3q	4	4	4	4	4	5	4	..	..	..	..
Japan	2,062*	2,522	2,659	3,020	3,260	3,260	3,073	3,554	3,462	3,647	3,719	3,712	3,509
PETROLEUM, CRUDE													
Brunei	59	144	224	280	343	327	369	381	..	..	..	..	..
Indonesia	616	93	361	494	534	553	582	526	600	..	..	..	.
Pakistan	—	3s	5	10	14	15	15	12	13	12	12	13	12
Sarawak	17	2	4	5	5	5	5	5	..	..	..	..	..
Japan	29*	15	14	17	25	24	26	27	27	32	29	32	33
IRON ORE													
Hong Kong	..	--	—	5	14	18	15	13	13	12	13	12	11
India a	232	212	193	238	250	..	..	..	..	..	..	..	.
Malaya	137	0.1	0.1	0 7	42	40	54	53	38	100	84	119	98
Philippines	77	—	1.5	31	50	30	63	57	47	86	67	86	105
Japan	52*	41	46	63	69	69	79	69	56	73	68	70	81
PIG IRON & FERRO-ALLOYS													
India d	131	122	124	136	142	131	139	155	146	156	148	166	153
Japan	173*	31	70	134	192	200	197	217	221	263	252	280	271
STEEL INGOTS & CASTINGS													
India	82	106	106	115	122	112	124	130	124	126	122	135	120
Japan	435*	78	143	259	403	398	404	474	493	551	542	555	557
FINISHED STEEL													
India	59	76	72	79	85	80	88	90	90	*88*	86	92	*86*
Japan	379*	54	105	185	289	278	273	362	415	476	469	473	486
TIN IN CONCENTRATES (tons)													
Burma	419	152	97	151	*142*	153	*142*	*142*	*142*	*142*	*142*	*142*	*142*
China	906*	364	406	*356*	*305*	*305*	*305*	*305*	*305*	*305*	*305*	*305*	*305*
Indochina	135	—	3	*5*	*15*	*15*	*15*	*15*	*15*	*15*	*15*	*15*	*15*
Indonesia	2,517	1,349	2,592	2,452	2,718	2,782	2,757	2,762	2,526	2,655	2,683	2,757	2,526
Malaya	3,673	2,288	3,795	4,649	4,872	4,970	4,883	4,800	4,672	4,816	4,804	4,914	4,731
Thailand	1,255	119	359	662	878	822	967	967	821	780	707	784	789
Japan	..	9	10	16	28	27	29	34	29	*39*	34	*41*	*41*
TIN METAL (tons)													
Malaya	5,397	2,482	4,209	5,312	5,821	5,733	6,252	5,633	5,482	5,628	5,844	5,258	5,783
NATURAL RUBBER e													
British Borneo f	2.4	4.4	5.2	5.1	7.0	6.6	7.6	7.0	5.3	6.7	7.8	5.8	6.4
Burma f	0.6	0.7	0.8	0.7	0.8	1.0	0.3	0.9	1.6	1.2	1.0	1.0	1.5
Ceylon	4	8	8	8	10	10	10	13	9	8	8	8	7
India	1.3	1.4	1.3	1.3	1.3	1.3	1.1	2.0	0.8	1.4	1.7	1.8	0.6
Indochina	5.1	3.2	3.7	3.6	4.0	3.3	4.4	5.9	2.6	4.0	3.4	4 2	4.4
Indonesia	27.0	23.5	36.6	36.5	58.2	60.7	66.0	67.2	66.7	77.1	87.3	72.9	71.0
Malaya	30.4	54.7	59.1	56.9	58.8	53.5	61.9	64.8	55.6	48.7	47.4	45.2	53.6
Thailand f	3.5	4.4	8.1	8.0	9.5	9.9	11.0	9.0	10.1	8.6	11.5	7.5	6.9
CEMENT													
Hong Kong	..	2.9	4.4	4.9	5.7	4.7	4 2	6.2	6.5	5.4	5.4	8.3	2.5
India a	119	147	131	178	221	207	220	237	247	264	254	274	204
Indochina	22.2	3.4	8.1	12.8	12.0	11.5	10.2	16.5	15.0	17.6	17.3	16.8	18.7
Korea, south	..	1.5	1.9	2.0	0.8	..	—	—	—	—	—	—	—
Philippines g	13.9	11.2	10.0	17.1	24.9	28.0	24.6	22.3	*19.1*	*21.0*	*21.3*	*22.6*	*19.6*
Thailand	9.7r	4.9	6.9	10.6	13.8	13.3	14.6	15 5	18.9	17.5	17.1	16.9	18.4
Japan	465*	103	155	273	372	337	372	502	457	559	551	563	564
COTTON YARN													
Hong Kong	..	..	..	0.9	2.0	2.0	2.2	2.3	2.1	..	1.9	2.0	..
India a	48.7	49.8	55.0	50.3	43.8	45.5	40.1	42.5	46.4	48.8	47.6	49.4	49.4
Korea, south	..	0.5	0.5	1.1	0.8	..	..	..	0.4	0.5	0.6	0.5	0.5
Japan h	54.5*	10.2	10.4	13.1	19.9	18.5	20.6	24.8	24.5	28.4	27.7	26.9	30.5
COTTON FABRICS (million metres,													
Ceylon (million sq. metres)	0.59	0 50	0.54	0.56	0 52	0.52	0.46	0.55	0 56	..	0.51	0.53	..
India a	328	285	337	290	275	299	251	269	297	318	309	321	325
Korea, south	..	2.53	2.10	4.92	4.11	..	..	..	2.22	2.51	2.51	2.75	2.27
Philippines	..	0.52	0.55	0.33	0.73	0.75	0.81	0.76	0.78	0.88	0.78	0.94	0.92
Japan h (million sq. metres)	243.6*	46.1	64.4	68.6	107.4	106.0	107.6	123.0	128.7	164.6	164.8	157.3	171.6
JUTE MANUFACTURES													
India i	107.2	89.0	92.0	78.1	70.8	63.8	74 4	72.2	68.1	75.7	73.2	81 3	72.6
COCONUT OIL													
Malaya	..	8.15	7.88	7.70	7.66	7 42	7.42	9.06	6.74	7.81	6 57	7.92	8.95

I. PRODUCTION OF SELECTED COMMODITIES (*Contd.*)

(Monthly averages in thousand tons)

	1938	1947	1948	1949	1950	1950 II	1950 III	1950 IV	1951 I	1951 II	1951 Apr.	1951 May	1951 June
PALM OIL													
Malaya	4.32	3.31	3 83	4 28	4.50	4.60	4.41	4.78	3.86	6.5	3.79	4.33	3.35
SOAP													
India	..	6.77	10.16	6.01	6.16	5.89	6.85	6.44	6.58	6.b	7.3	6.2	6.1
Korea, south	..	0.24	0.32	0.42	0.22	..	.	..	0.19	..	0.03	..	..
Malaya	..	2.47	1.92	1.67	1.42	1.34	1.60	1.49	1.76	1.42	1.44	1.31	1.52
Japan	15.97*	0.66	1.26	2.16	8.03	7.51	9.60	10.21	14.00	14.42	15.22	13.98	14.06
PAPER													
India (including paper products)	49.28	7.88	8.29	8.74	9.22	9.14	9.50	9.48	10 53	*11.1*	10.7	11.4	*11.2*
Japan	88.12*	23.62	35.33	52.15	72.58	70.76	74.61	82.59	89.26	102.01	102.09	99.33	104.63
OTHER CHEMICALS													
India													
Sulphuric acid a	2.05r	5.08	6.77	8.42	*8.55*	8.46	*9.03*	*8.92*	*7.13*	*8.3*	*8.6*	*8.1*	*8.1*
Ammonium sulphate	..	1.8	2.9	3.9	4.0	4.5	4.3	3.6	3.4	*3.6*	2.7	2.2	*3.8*
Superphosphates	..	4.23	1.81	3.96	4.44	3.91	4.68	6.37	3.94	*4.3*	*4.4*	*4.1*	*4.1*
Soda ash	..	1.15	2.47	1.52	3.71	3.87	3.96	3.13	4.17	4.1	4.3	4.2	3.9
Caustic soda	..	0.28	0.37	0.53	0 92	0.91	0.98	0.92	*1.04*	*1.0*	1.0	0.9	*1.0*
Liquid chlorine	..	0.14	0.15	0.22	0.34	0.26	0.38	0.37	0.40	*0.39*	0.41	0 37	*0.39*
Bleaching powder	..	0.22	0.24	0.21	0.28	0.27	0.30	0.23	0.40	*0.32*	0.29	0.31	*0.36*
Power alcohol (mil. litres)	..	0.86	1.43	1.60	1.70	1.59	1.40	1.79	2.47	2.2	2.5	2.2	2.0
Industrial alcohol (mil. litres)	..	1.82	1.11	1.13	1.86	1.77	1.74	2.14	*2.91*	3.2	3.2	2 8	3.5
Japan													
Sulphuric acid J	240.9*	122.9	162.2	215.1	270.8	275.0	270.8	294.3	300.5	326.1	325.3	324.4	328.7
Ammonium Sulphate k	72.9*	60.1	78.8	102-7	130.8	145.8	128.0	136.9	133.2	148 1	153 8	143.8	146.7
Calcium cyanamide k	17.9*	14.6	17.1	29.1	38.1	44.8	36.9	40.9	38.2	41.5	48.4	45.0	31.0
Calcium superphosphate l	119.8*	59.1	79.5	96.7	117.3	119.5	100.2	126.1	128 7	119.8	123.0	122.9	113.6
Soda ash (finished)	19.4r*	3.2	6.3	10.2	13.8	11.8	13.2	18.4	17 3	21.1	20.6	21.3	21.4
Caustic soda	24.9r*	3.3	8.8	12.2	16.2	14.3	17.2	21.1	22.9	28.9	27.9	29.6	29.3
Liquid chlorine	0.8r*	0.3	0.5	6.9	1.4	1.4	1.5	1.8	1 8	2.2	2.3	2.2	2.2
Bleaching powder	5.6*	1.1	2.3	3.5	4 2	3.8	3.8	5.2	5 7	5.1	5.5	5 3	4.5
Dyestuffs	1.59*	0.23	0.44	0.55	0.75	0 59	0.66	1 19	1.30	1.36	1.38	1.39	1.31
Methyl alcohol	43	0.37	0.63	0.92	1.84	1.46	1.73	2 74	3.19	2.62	3.01	2.54	2.31
Ethyl alcohol (mil. litres)	0.51*	1.85	2.46	2.15	1.96	2 69	1.85	1.22	2.37	2.32	1.70	2.11	3.17
MACHINERY PRODUCTS													
India													
Bicycles (Thousands)	..	4.07m	5.40m	7.33m	8.67	7.59	7.76	10.77	6.76	6 2	9.1	6.3	3.2
Diesel engines (Units)	..	57	85	173	383	356	389	494	607	479	399	543	496
Electric motors (1000 h.p.)	..	3.17	5.00	5.67	6.82	6.41	7.36	8 80	10.4	11.9	10.8	12.3	12.6
Machine tools (1000 Rs.)	..	382	456	394	222	197	134	368	426	*340*	370	*4 20*	*3 40*
Sewing machines (Thousands)	..	0.49	1.67	2.09	2.57	2.65	2.79	2.51	3.04	3.94	3.60	4.20	4.03
Electric transformers (1000 kva)	..	2.67	6.83	9.06	14.33	14.82	15 29	14.00	15 51	17 7	16.6	16.5	20.1
Electric lamps (Thousands)	..	695	771	1,137	1.192	1.207	1.182	1.131	1.150	1,970	890	1.460	870
Electric fans (Thousands)	.	13.33	15.00	*14.92*	*16.13*	18 68	15.83	*13.03*	*18.1*	*20.3*	*19.2*	*21.1*	*20.2*
Insulators, l. t. (Thousands)	..	119	209	187	107	75	73	63	128	71	110	38	64
Insulators, h. t. (Thousands)	..	6.18	7.49	11.40	14.49	10.56	15.76	17.12	12.15	15.8	21.4	13.3	12.7
Motor car batteries (Thousands)	..	5.84	9.17	8.92	*15.59*	16.23	17.22	*13.50*	17.77	19.0	18.5	20.1	18.4
Japan													
Railway locomotives (Units)	28*	14	4	10	10	8	15	11	—	6	7	4	7
Railway freight cars (Units)	406*	72	367	258	186	68	250	345	128	243	157	285	286
Industrial locomotives (Units)	37†	40	42	36	35	32	44	46	35	38	36	35	43
Industrial freight cars (Units)	592*	698	1,612	804	752	761	914	798	522	907	569	1,064	1,087
Motor vehicles (Units)	2,987†	1,850	3,917	5.538	6,265	5 347	6.484	7 917	8.506	8,831	8.225	9,163	9,104
Bicycles (thousand units)	87.9*	14.9	28.1	46.0	81.8	78.5	82.0	90.6	92.0	80.8	92.8	78.2	71.4
Vessels (gross thousand tons)	..	9.66	15.46	14.64	19.67	11.04	8 06	52.57	51.45	12.61	14.04	16.41	19.10
Diesel & other internal combustion engines (Units)	..	2,894	6,332	8,859	8,297	7,423	7,814	9,439	10,468	11,753	11,739	11,492	12,028
Cotton ring spinning frames (units)	..	..	..	153	182	131	181	296	437	576	528	612	587
Looms (Units)	..	990	3,070	3,390	2,044	1,638	2,684	2,450	3,077	4,141	4,197	4,329	3,898
Sewing machines (thousand units)	3 1	6.6	15.0	25.1	43.1	35.1	46.9	64.4	68.8	97.9	98.5	96.9	98.4
Power transmission equipment	..	0.3	0.6	1.2	1.1	1.1	1 1	1.3	1 5	2.1	2.0	2.1	2.2
Mining & excavating machinery	..	1.1	2.2	2.6	1.6	1.4	1.7	1.8	1.5	2.5	2.4	2.4	2.7
Iron & steel works & coke oven plant equipment	..	1.9	3 1	5.2	5.9	6.1	4.1	8.3	10.2	13.0	12.6	13.0	13.4
Chemical industry machinery & equipment	..	2.7	2.2	3.5	4.5	4.6	4.6	4.9	4.8		7.3	*7.3*	..
Pulp & paper industry machinery	..	0.1	0.3	0.4	0.4	0.3	0.5	0.7	0.8	8.2	7.3	9.2	8.2
Food products machinery	..	0.6	0.5	1.0	0 8	1.0	0.7	0.7	0.9	2.0	2.1	2.0	2.0

a Including Pakistan territory up to July 1947.
b Including lignite. c Manila.
d Series includes direct castings, except for 1938.
e Including latex. f Net exports.
g Production of the Cebu Portland Cement Company only.
h Including mixed yarn of fabrics predominantly of cotton.
i Beginning 1949, data refer to the output of member mills of Indian Jute Mills Association.
j Converted to 50° Be.
k Converted to 20 per cent N2 content.
l Converted to 16 per cent phosphorous pentoxide content.
m Data include, in addition to complete bicycles, spare parts and accessories expressed in terms of complete cycles.
p August-December. q Beginning 1947, Bangkok only.
r Annual figures, twelve months beginning 1 April of the year stated. s September-December. * 1936. ‡ 1939. † 1937. § 1940

II. VOLUME OF TRAFFIC: RAILWAY, SEA-BORNE SHIPPING AND CIVIL AVIATION

(Monthly averages)

		1938	1947	1948	1949	1950	1950 II	1950 III	1950 IV	1951 I	1951 II	1951 Apr.	1951 May	1951 June
RAILWAY TRAFFIC														
Passenger-kilometres (millions)														
Burma		62.3q	34.4	40.3	9.9	14.1	18.0	23.0	24.3	26.8	*31.9*	*33.5*	*34.9*	*37.4*
India a, p		2,365b	4,179r	4,925	5,068	5,327	5,768	5,058	5,100	5,382	5,610	5,407	5,735	5,689
Indochina		73.7	6.2	8.3	6.6	6.2	6.3	6.6	6.7	*8.2*	9.8	9.6	10.5	9 4
Korea, south		..	234	236	680	..	..	..	..	..	..	..	..	..
Pakistan		..	389	511	682	734	799	721	728	..	..	828	803	..
Philippines c		39.6	18.9	23.9	31.0	30.2	35.8	25.7	30.5	31.3	39.7	39.0	41.6	38.4
Thailand		32.7p	86.7	108.9	113	120	122	106	121	161	164	190	173	130
Japan d, p		2,185*	7,343	6,595	5,585	5,750	5,931	5,452	5,912	5,727	6,691	7,650	6,857	5,565
Freight ton-kilometres (millions)														
Burma		90.8q	43.5	52.1	13.3	7.3	9.9	13.5	15.4	17.3	*18.4*	*18.0*	*20.4*	*16.7*
India a, p		2,968b	2,656r	3,040	3,275	3,560	3,316	3,370	3,745	3,812	3,416	3,324	3,210	3,715
Indochina		27.9	3.5	6.5	10.6	11.3	11.7	11.5	11.2	13.6	17.7	17.0	17.7	18.4
Korea, south		..	83	87	107	..	..	..	..	..	..	..	..	..
Malaya		..	22.8	26.4	27.1	33.0	32.9	34.3	32.5	33.3	33.6	34.9	33.3	32.7
Pakistan		..	128	263	303	336	351	334	349	.	..	382	392	..
Philippines c		13.5	6.8	10.4	13.6	12.7	12.6	13.3	11.6	13.2	11.3	11.3	11.3	11.3
Thailand		37.7p	18.6	25.0	33.7	40.0	40.7	37.4	42.3	45.8	46.1	46.9	46.9	44.6
Japan d, p		1,305*	1,751	2,109	2,375	2,560	2,365	2,365	2,846	2,668	2,993	2,952	3,029	2,998
Freight tons (thousands)														
Ceylon q		77	94	104	107	112	106	117	117	128	139	132	148	137
Hong Kong		40	11.0	7.5	3.6	28.6	23.1	37.8	35.4	27.7	28.5	29.5	26.6	29.4
Indonesia		810	85e	292	449	449	416	474	486	485	481	476	476	490
INTERNATIONAL SEA-BORNE SHIPPING														
Entrances and clearances of vessels with cargo in external trade. (1000 net registered tons)														
Burma f	Entered	311p	98q	118q	99q	86q	93	86	125	97	98	96	96	102
	Cleared	361p	101q	157q	129q	106q	139	107	163	123	120	102	135	125
Ceylon	Entered	913	331	475	640	665	647	667	707	676	613	659	637	544
	Cleared	891	312	469	570	586	561	572	643	618	571	593	521	599
Hong Kong g, h	Entered	1,228	668	782	988	972	1,047	943	904	824	828	805	875	803
	Cleared	1,233	669	775	977	977	1,054	962	900	842	823	785	891	794
India	Entered	780b	570bs	646u	741	641	656	631	703	761	700	668	724	708
	Cleared	793b	524bs	570u	559	578	574	531	673	700	623	573	630	666
Indochina g, i	Entered	269	96	124	150	163	164	170	151	191	196	177	226	185
	Cleared	245	97	120	151	158	161	170	139	191	201	198	236	169
Korea, south	Entered	..	90	25	31	..	..	..	..	..	..	..	..	..
	Cleared	..	91	25	30	..	..	..	..	..	..	..	..	..
Malaya	Entered	1,354	789	951	1,795	1,222	1,203	1,257	1,341	1,369	1,474	1,334	1,602	1,486
	Cleared	1,308	699	892	1,083	1130	1,110	1,143	1,234	1,224	1,380	1,233	1,481	1,425
Pakistan p	Entered	..	128t	241	313	299	378	297	207	371	356	352	352	363
	Cleared	..	83t	176	214	264	242	298	275	240	271	172	347	295
Philippines	Entered	371†	..	450	476	448	448	435	424	423	411	426	404	404
	Cleared	436†	..	438	475	450	474	427	423	399	356	209	431	423
Thailand	Entered	72p	43	67	90	112	121	118	108	107	110	121	95	114
	Cleared	100	50	92	122	138	144	132	139	142	115	144	104	98
Japan g	Entered	5,824†	291	427	684	844	860	871	870	946	..	1,225	1,371	..
	Cleared	5,785†	286	423	665	834	871	800	929	943	..	1,164	1,464	..
CIVIL AVIATION TRAFFIC j														
Passenger-kilometres (millions)														
Ceylon		—	—	0.36	0.96	0 82	0.87	0.81	0.80	0.77	..	0.93	..	..
India		0.11	18.61	23.65	25.56	31.30	33.35	29.48	33.01	..	..	..	..	..
Indonesia		..	..	8.49	10.44	12.35	11.26	12.16	12.56	13.26	13.43	13.33	13.51	13.44
Philippines		0.21	13.08	14.57	13.65	15.62	16.75	16.16	15.00	14.99	19.26	19.26	18.53	19.98
Thailand		24.5p	0.42	0.93	1.57	1.62	1.57	1.57	1.81	2.05	1.93	2.06	1.85	1.89
Freight ton-kilometres (thousands)														
Ceylon		—	0.1	1.6	7.3	9.8	10.8	9.4	9.1	8.7	..	10.7	..	..
India		34	273	475	853	1,868	1,708	1,804	2,056	..	..	..	..	..
Indonesia		..	..	389	516	534	349	534	580	601	607	595	617	610
Philippines		..	472	540	493	637	510	692	841	770	752	688	904	664
Thailand		37.7p	5.5	16.9	28.9	42.8	37.0	54.1	49.9	51.7	53.2	45.2	40.0	74.3

a. Class I railways, broad and metre gauge only.
b. Including Pakistan territory.
c. Manila Railroad Company. Annual figures relate to 12 months ending 30 June of year stated.
d. State Railway only.
e. Beginning 1947, Federal area.
f. Total number of entrances and clearances made during each voyage and excluding sailing vessels
g. With cargo and in ballast.
h. Beginning 1947, including river boats of more than 60 tons.
i. Port of Saigon.
j Scheduled domestic and international routes, and except India, revenue traffic only.
p. Annual figures refer to 12 months beginning 1 April of year stated.
q. Annual figures refer to 12 months ending 30 September of year stated.
r. September 1947 to March 1948.
s. January to July 1947.
t. 15 August 1947-31 March 1948. u. March to December.
* 1936.
† 1937.

III. VALUE OF IMPORTS AND EXPORTS AND BALANCE OF TRADE *

(Monthly averages in millions)

	1938	1947	1948	1949	1950	1950			1951				
						II	III	IV	I	II	Apr.	May	June
N. BORNEO (M$)													
Imports	0.5	1.7	2.1	2.8	4.0	3.6	4.1	5.6	5.0	6.3	6.0	5.8	7.1
Exports	0.8	1.4	2.5	3.1	7.8	5.8	8.4	12.0	12.1	10.5	12.4	9.4	9.7
Balance	+0.3	—0.3	+0.4	+0.3	+3.8	+2.2	+4.3	+6.4	+7.1	+4.2	+6.4	+3.6	+2.6
BURMA a (Rs.)													
Imports	18	39	50	31	44	28	47	67	55	43	36	45	47
Exports	41	40	63	61	61	87	71	54	84	100	75	120	105
Balance	+23	+ 1	+13	+30	+17	+59	+24	—13	+29	+57	+39	+75	+58
CEYLON (Rs.)													
Imports	20	80	83	86	97	110	103	97	117	141	147	143	132
Exports	24	74	84	89	130	115	139	168	178	165	153	176	165
Balance	+4	—6	+1	+3	+33	+5	+36	+71	+61	+24	+6	+33	+33
HONG KONG (HK $)													
Imports	52	129	173	242	317	273	299	411	445	421	429	428	404
Exports	51	105	134	206	313	256	352	417	517	427	499	409	375
Balance	—1	—24	—39	—36	—4	—17	+53	+6	+72	+6	+70	—19	—29
INDIA b (Rs.)													
Sea and air-borne													
Imports	130	372	452	467	471	450	482	416	537	656	569	702	696
Exports	142	340	360	404	502	330	424	559	694	674	537	861	624
Balance	+12	—32	—92	—63	+31	—120	—58	+143	+157	+18	—32	+159	—72
Land-borne													
Imports	..	..	71	26	30	24	62	27	19	63	25	61	103
Exports	..	..	25	22	13	9	21	16	10	14	12	14	17
Balance	..	..	—46	—4	—17	—15	—41	—11	—9	—49	—13	—47	—86
INDOCHINA (Pr.)													
Imports	16	81	197	328	353	283	446	392	385	430	347	424	520
Exports	24	39	98	95	128	95	148	159	227	195	213	167	206
Balance	+8	—42	—99	—233	—225	—188	—298	—233	—158	—235	—134	—257	—314
INDONESIA c (R)													
Imports	41	65	95	131	127	106	131	193	140	194	157	194	233
Exports	57	29	87	123	228	193	287	313	271	497	498	599	396
Balance	+16	—36	—8	—8	+101	+87	+156	+120	+131	+303	+341	+405	+163
KOREA, SOUTH (US$)													
Imports	..	15.9	15.8	11.6	..	..	..	..	..	..	..	..	..
Exports	..	0.7	1.6	1.2	..	..	..	..	..	..	..	..	..
Balance	..	—15.2	—14.2	—10.4	..	..	..	..	..	..	..	..	..
MALAYA d (M$)													
Imports	46	114	149	154	243	200	266	333	425	406	468	378	372
Exports	50	110	147	143	334	217	385	545	590	574	646	572	505
Balance	+4	—4	—2	—11	+91	+17	+119	+212	+165	+168	+178	+194	+133
PAKISTAN e (Rs.)													
Imports	..	20	71	113	97	79	112	125	139	115	104	122	121
Exports	..	65	77	84	110	106	121	124	301	139	146	169	102
Balance	..	+45	+6	—29	+13	+27	+9	—1	+162	+24	+42	+47	—19
PHILIPPINES f (P.)													
Imports	22.1	85.2	97.6	94.8	59.4	53.5	60.4	50.6	60.4	77.7	61.7	75.9	95.5
Exports	19.4	44.1	53.0	42.3	55.4	46.6	58.9	69.0	82.5	78.0	87.9	78.9	67.3
Balance	—2.7	—41.1	—44.6	—52.5	—4.0	—6.9	—1.5	+18.4	+22.1	+0.3	+26.2	+3.0	—28.2
THAILAND g (Baht)													
Imports	11	93	144	191	240	226	241	262	280	327	306	349	326
Exports	17	81	168	234	329	270	311	330	415	340	417	318	285
Balance	+6	—12	+24	+43	+89	+44	+70	+68	+135	+13	+111	—31	—41
JAPAN h (U.S.$)													
Imports	89.2	43.6	56.9	75.4	81.1	82.0	70.2	92.6	174.9	207.7	206.1	231.6	185.3
Exports	92.4	14.5	21.5	42.5	68.3	59.7	70.1	95.7	95.8	124.8	112.4	141.8	120.2
Balance	+3.2	— 29.1	—35.4	—32.9	—12.8	—22.3	—0.1	+3.1	—79.1	—82.9	—93.7	—89.8	—65.1

* Monthly data are not published for Brunei and Sarawak. Annual figures converted into monthly averages are as follows:—

	1938	1947	1948	1949	1950
Brunei (Mn. M $)					
Imports	0.32	1.37	2.92	2.99	..
Exports	0.80	2.59	4.10	5.17	..
Balance	+0.48	+1.22	+1.18	+2.18	..
Sarawak (Mn. M $)					
Imports	1.86	6.02	8.23	9.16	34.11
Exports	2.18	8.59	14.27	15.63	31.22
Balance	+0.32	+2.57	+6.04	+6.47	+7.11

a **BURMA**—For 1938: sea-borne trade only; twelve months starting April. For 1947, 1948 and 1949, twelve months ending September.

b **INDIA**—Annual figures twelve months starting April. Sea and air-borne trade. Figures for April-July 1947 include Pakistan territory. Indo-Pakistan trade excluded from August 1947 to February 1948. Land borne trade: with Pakistan only.

c **INDONESIA**—Figures for March-June 1950 have been corrected to exclude the price of the exchange certificates.

d **MALAYA**—Figures relate to trade in merchandise, parcel post, silver bullion, subsidiary coins and ships' stores and bunkers.

e **PAKISTAN**—Sea-borne trade only. For 1947, eight months ending March 1948 and excluding trade with India. Export figures are revised to include exports via the port of Calcutta.

f **PHILIPPINES**—Imports, f.o.b.

g **THAILAND**—For 1938, twelve months starting April.

h **JAPAN**—Trade with Korea and Formosa included. Post-war imports include merchandise procured from U.S. property funds and goods diverted to the Japanese civilian economy from the occupation forces military stocks.

IV. QUANTUM INDICES OF IMPORTS AND EXPORTS

(Base 1948 = 100)

	1938	1947	1949	1950	1950			1951				
					II	III	IV	I	II	Apr.	May	June
BURMA a												
Imports	244c	89	63	100	72	156	214	159	103	..	..	..
Exports	245c	57	96	47	66	67	70	108	119	.	..	..
CEYLON												
Imports	89	98	108	121	149	129	113	140	159	165	173	139
Exports	80	91	99	110	110	119	119	111	114	99	121	122
INDIA b												
Imports: All Commodities	106c	100c	115d	88	95	105	82	93	109	96	120	110
Food, drink & tobacco	..	..	100d	73	46	77	95	115	133	100	161	137
Raw materials & Semi-manufactures	..	..	114d	122	178	159	76	95	123	113	114	141
Manufactures	..	..	121d	80	80	93	81	84	93	87	106	87
Exports: All Commodities	172c	114c	102d	115	84	107	139	160	110	106	133	91
Food, drink & tobacco	..	..	117d	108	65	114	145	136	79	84	88	65
Raw materials & Semi-manufactures	..	..	96d	103	67	85	142	176	139	146	175	96
Manufactures	.	..	98d	122	96	113	136	161	109	97	132	97
INDOCHINA												
Imports	85	65	136	153	135	188	168	152	160	134	161	185
Exports	256	62	75	87	85	85	97	119	129	167	111	108
MALAYA												
Imports: All Commodities	81	85	101	137	129	151	155	188	190	..	..	..
Food, drink & tobacco	109	92	109	120	113	129	139	150	156	..	.	..
Raw materials & Semi-manufactures	83	105	82	147	141	172	182	207	174	.	..	..
Manufactures	66	73	107	85	131	151	149	197	213	.	..	..
Exports: All Commodities	73	89	98	127	110	145	146	137	139		..	..
Food, drink & tobacco	162	102	96	122	97	138	151	167	207	.	..	..
Raw materials & Semi-manufactures	60	97	93	115	95	129	137	126	128	..		..
Manufactures	95	59	114	173	166	197	179	167	161	..	..	..
PHILIPPINES												
Imports	..	..	99	75	89	65	60	72	70	65	79	67
Exports	157	92	119	144	135	150	159	193	192	193	180	204
JAPAN e												
Exports: All Commodities	..	..	100	172	162	185	214	190	..	187	227	..
Food & Beverages	..	..	100	328	269	428	480	465	..	222	286	..
Textiles	..	..	100	154	148	168	174	157	..	161	204	..
Non-metallic minerals	..	..	100	130	124	142	159	141	..	159	185	..
Base metals & products	..	..	100	213	213	214	245	178	..	201	264	..
Machinery & equipment	..	..	100	115	85	139	172	154	..	197	240	..
All other products	..	..	100	239	231	221	363	344	..	305	298	..

a Year ending September of the year stated.

b Base April 1948-March 1949. Average of calendar year for 1948 for imports is 94 and for exports is 102. New series beginning April 1949 is linked to the old.

c Year beginning 1 April.

d Average of nine months April to December.

e Base 1949 = 100.

V. DIRECTION OF IMPORT TRADE

(Monthly averages in millions)

	1938	1947	1948	1949	1950	1950			1951				
						II	III	IV	I	II	Apr.	May	June
INTO BURMA a in Rs. from													
China	—	..	1.4	2.7	1 0	1.2	2.0	0.1	0.3	0.3	..	..	
Hong Kong	0.3	..	1.1	1.5	0.5	0.6	0.4	0.4	0.4	1.4	..	..	..
India	10.0	..	12.4	9.8	19.7	10.1	15.2	37.7	22.6	12.1	..	..	..
Indonesia	—	..	—	0.3	0.1	0.1	0.1	0.2	0.5	0.5	..	..	.
Malaya	0.5	..	1.7	2.8	1.1	0 9	1.8	0.9	1.1	3.0	..	..	
Japan	1.2	..	0.3	1.2	4.7	0.6	9.2	8.2	15 3	6.4	..	..	..
United Kingdom	3.3	..	23.2	8.7	9.8	4.8	9.6	12.3	10.5	10.9	..	..	
United States	0.6	..	1.8	1.1	1.3	1.3	1.4	0.7	0 9	1.2	..	..	..
INTO CEYLON in Rs. from													
Burma	2.9	5.6	14.3	12.8	19.0	37.5	21.5	15.4	17.9	30.6	37.1	35.4	19.3
China	0.1	0.2	2.0	0.2	0.2	0.2	0.3	0.4	0.4	0.2	0.1	0.3	0.1
India	4.3	10.6	10.5	12 7	15.1	13.1	15.5	17.4	20.8	12.9	15.2	14.4	9.2
Indonesia	1.4	—	0.3	0.5	0.9	0.9	0.9	0 5	0.8	0.1	0.1	0.1	0.1
Malaya	0.2	0.2	0.3	0.4	0.7	0.4	1.3	0.4	0.3	0.2	0.2	0.2	0.2
Pakistan	..	..	0.9	1.0	1.1	1.3	1.3	1.0	2.3	5.5	7.0	1.7	7.7
Thailand	0.5	—	0.7	3.3	4.7	3.2	1.3	1.8	1.8	0.9	1.2	1.3	0.3
Japan	1.3	0.5	1.1	1.5	2.6	2.2	5.3	2 4	6.3	7.0	4 9	6.7	9.3
United Kingdom	4.0	12.8	14.3	15.4	19.2	16.2	21.0	23 2	23 6	28.3	22.8	35.9	26.3
United States	0.4	9.4	6.3	6.1	2.9	2.7	3.0	3.1	2.8	7 8	7.3	9.7	6.4
Canada	0.1	5.6	0.7	0.9	1.7	6.1	0.3	0 3	0.4	1.4	3.1	0.8	0.2
Australia	0.5	9.6	10.4	8.5	6.7	3.8	6.5	9 3	9.9	8.0	5.5	9.3	9.2
INTO HONG KONG in HK$ from													
N. Borneo	0.2	0.6	0.8	1 0	1.0	1.0	0.9	0 8	1 8	4.2	2.5	3.0	7.2
Burma	0 4	1.4	2.9	1.5	1.5	1.8	0.6	3 5	0.6	0.3	0.3	0.2	0.6
Ceylon	—	0.1	0.1	0.2	0.2	0.2	0.1	0 2	0.3	0.4	0.2	0.4	0.8
China	19.4	31.8	35 9	49.5	71.4	62.7	82.6	91 2	78 2	87 9	93.9	86.2	83.6
India	1.0	3.8	4.0	7.5	14.0	8.6	6.9	12.7	20.3	17.5	23.6	17.0	11.7
Indochina	2 9	1.7	2.5	1.8	2.5	1.6	4.7	1 8	2 3	2.6	2.1	2.5	3.1
Indonesia	3.4	1.8	3.4	3.3	6.7	6.1	6.1	3 7	8.4	7.0	4.8	8.3	8.7
Korea, South	..	—	3.5	3.1	1.9	2.3	0.5	--	0.2	0.5	0.6	0.2	0.7
North	..			4.6	1.6	1.6	0.5	--	—	—	—	—	—
Malaya	0 6	8.5	7.1	9 0	24.9	7.5	26.7	57.9	71.2	40.7	77.7	33.9	10.6
Pakistan	..	—	—	2.8	7.8	6.1	9.1	8 0	22 6	14.3	24 1	7.4	11.4
Philippines	0.2	1.2	0.8	1.3	1.4	1.5	1 2	2 1	1.1	1.3	1.6	1.8	0.5
Thailand	3.0	5.0	8.0	9.2	15.2	15.2	18 4	15 7	11 4	8.5	6.8	5.0	13.5
Japan	1.6	3.0	6.6	6.7	19.2	6.3	17.8	48 5	61.3	20.7	19 3	21.1	21 6
United Kingdom	4.7	13.7	25.1	32.3	33.7	33.2	31.2	31 6	43.7	51 5	39 8	56.5	58.2
United States	4 6	24.9	32.3	47.9	54.7	56.3	45.0	60 4	26 9	35.8	28 5	38 5	42.5
Canada	0 5	1.7	3.0	4.8	4.2	3.7	3.5	5.1	6.2	6.0	3.1	6 4	8.4
France	0.3	1.4	1.9	2.8	3 7	5.0	2.2	3 9	9 4	13.7	14.1	14.3	12.6
Oceania	1.1	4.4	4.7	5.5	6.7	9.0	3 5	5.2	7.9	9.7	4 6	13 9	10.6
INTO INDIA b in Rs. from													
Burma	18.9	7.5	16 0	13 5	6.6	3.6	7.2	14.1	22.2	9.6	3 5	12.3	12.4
Malaya	3.2	6.6	5.8	10.5	11 8	10.7	17 8	8 5	18.3	22.2	21 0	22.2	23.6
Pakistan	..	..	12.5c	61.0	34 0	25.4	71 2	30.0	19 8	84.1	42 1	80 6	120.4
Japan	13.0	—	1.1	21.3	6.2	4.6	8 8	7.5	12 6	16.1	6.3	18 6	23 5
United Kingdom	40.1	93.8	113.5	144.4	97 7	103.8	98.2	102.5	104 5	125 5	129 9	125 2	121.5
United States	9.5	97.7	86.6	83.2	87 8	109.4	102.4	68.1	101.3	159.2	124 3	174 9	178.6
Canada	0.6	7.9	5.9	10.8	8 8	10.7	12 2	6 6	31 3	20.7	25 8	29 8	6 3
Australia	1.7	8.6	19.5	18.7	33 2	30.5	18 7	31 6	18.5	8 7	6 8	13 2	6 1
INTO INDOCHINA d in Pr. from													
China	1.2	0.3	8.9	10.6	9.3	10.5	10.0	8.1	6.3	12.2	10.4	13.0	13.1
Hong Kong	1.2	1.2	1.1	1.3	1.2	0.7	0 8	2 5	0.3	0.3	0.3	0.4	0.4
India and Pakistan	0.5	1.7	2.4	7.0	2.6	2.1	2.9	2.7	2.6	1.7	0.7	0.8	3.4
Indonesia	0.7	1.2	3.6	6.1	9.2	8.3	9.2	11.4	8.8	6.7	7.2	12.2	0 7
Thailand	0.3	0.4	5.3	3.3	2.1	2.3	1.9	1.9	1.8	2.9	2.9	3.1	2.8
United States	0.8	17.4	24.9	29.5	20.8	18.7	23.0	24.0	13.2	31.0	22.4	12.9	57 8
France	8.5	49.7	123.2	237.8	275 0	195.4	359.7	298 3	309.1	331.6	264.1	343.5	387.3
INTO INDONESIA in R. from													
Burma	0 6	1.2	2.0	4.0	5.6	4.6	7 0	10.5	4 4	7.3	1.8	7.2	12.8
China	0.7	3.0	2.3	2.5	0.7	0.7	0.8	1.0	0.7	1.2	1.0	1.3	1.4
Hong Kong	0.5	1.9	2.1	3.2	6 8	4.7	8.1	11.6	12.3	10.8	8.3	12.1	12.1
India	0.9	1.3	1.2	1.8	7.0	5.7	5.6	10 9	10.3	8.4	9.8	8.3	7.2
Malaya	3.4	4.4	2.6	2.7	6.1	2.8	6.1	12 6	12.2	12.1	10.0	11.8	14.5
Philippines	0.1	—	0.1	—	—	—	—	0.1	0.1	—	—	—	0.1
Thailand	0.2	0.9	2.7	4.7	3.2	0.9	2.4	7 2	3.7	7.3	4.7	9.4	8.0
Japan	6.0	5 1	15.6	9.3	13.4	12.7	13.5	22.1	20.3	31.2	23.9	33.1	36.9
Netherlands	8.4	9 6	18.4	28.0	21.9	15.9	21.0	32.2	16 3	20.2	18.2	23.6	19.3
United Kingdom	3.0	5 4	7 9	13.4	9.3	7.7	9.2	12.9	11.0	10.9	10.5	12.6	9 8
United States	3.6	25 5	21.2	33.2	26.3	31.0	30.6	36.0	22.9	36 5	35.0	39 7	39.8
Australia	1 1	1 5	2.7	0.5	0.9	0.2	1.3	2.0	1 8	3.2	2.2	2.7	4.9

V. DIRECTION OF IMPORT TRADE *(Contd.)*

(Monthly averages in millions)

	1938	1947	1948	1949	1950	1950			1951				
						II	III	IV	I	II	Apr.	May	June
INTO MALAYA in M$ from													
N. Borneo,	0.2	0.7	1.3	1.8	4.3	3.2	5.2	6.2	6.2	3.6	4.6	3.1	3.1
Brunei	0.1	0.1	0.1	0.1	0.4	0.2	0.5	0.6	0.8	0.5	0.6	0.4	0.5
Sarawak	2.0	4.1	6.4	6.8	13.6	9.9	17.0	18.9	19.8	17.1	21.8	14.5	14.9
Burma	2.1	2.7	7.7	6.9	3.4	3.4	3.5	4.8	8.1	4.9	5.6	3.7	5.4
Ceylon	0.1	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.6	0.5	0.5	0.6
China	2.0	10.2	9.5	7.8	10.3	10.5	11.8	10.2	12.8	13.3	10.0	14.1	15.7
Hong Kong	0.7	5.0	3.8	4.0	7.5	5.3	8.2	11.6	12.4	11.0	11.0	11.6	10.5
India	1.4	3.1	2.9	5.6	16.3	14.3	14.5	19.1	30.2	19.5	27.3	22.4	8.9
Indochina	1.2	0.9	2.5	1.8	1.5	1.6	1.5	1.5	1.8	2.9	2.8	2.4	3.5
Indonesia	12.7	21.8	29.4	26.5	64.2	44.8	74.9	103.9	144.3	127.2	173.8	108.6	99.3
Thailand	7.3	9.7	10.7	16.2	26.5	24.5	31.0	37.6	43.4	25.1	32.6	21.2	21.5
Japan	1.0	0.5	1.1	3.3	7.8	5.2	10.4	12.8	18.5	25.2	24.0	23.5	28.1
United Kingdom	8.5	22.0	28.7	31.9	42.2	36.6	40.9	50.8	55.0	62.4	59.7	58.0	69.6
United States	1.4	11.5	17.4	9.4	7.4	6.1	7.5	9.6	10.7	18.8	19.9	16.4	20.0
Canada	0.4	1.6	1.9	1.5	1.4	1.0	1.3	1.0	1.5	2.9	2.8	2.8	3.1
Oceania	1.2	7.2	7.9	8.9	9.5	9.6	9.3	10.0	11.1	10.5	8.1	14.5	9.1
INTO PAKISTAN e in Rs. from													
Burma	..	..	0.7	2.0	0.3	0.2	0.4	0.2	0.5	0.2	0.3	0.1	0.4
Ceylon	..	..	2.4	1.4	2.3	1.4	4.1	2.0	2.0	0.9	0.3	1.2	1.3
China	..	..	5.7	4.5	5.1	2.4	6.7	9.8	5.6	6.8	5.5	9.7	5.3
India	..	..	37.4	14.2	11.5	9.1	12.2	17.2	6.7	6.4	5.9	8.4	5.1
Malaya	..	..	1.8	0.8	1.2	0.9	1.3	1.7	2.3	1.0	1.1	1.4	0.5
Japan	..	..	0.8	7.3	14.4	13.4	12.1	16 2	21.0	28.9	21.8	31.0	33.9
United Kingdom	..	..	22.5	29.0	25.0	20.9	29.2	32.3	39.1	26.9	26.8	27.7	26.2
United States	..	..	6.6	10.0	8.7	7.8	10.4	8 8	11.1	5.8	5.0	8.9	3.6
INTO PHILIPPINES f in Ps. from													
Burma	..	..	..	0.3	—	—	—	—	—	—	—	—	—
China	..	2.4	3.8	1.7	—	0.1	—	—	—	—	—	—	—
Hong Kong	..	—	0.1	0.2	1.5	1.1	1.5	2.1	1.5	1.1	1.0	0.4	1.8
India	..	0.7	1.1	0.9	0.4	0.4	0.4	0.2	0.4	0.5	0.2	0.8	0.4
Indonesia	..	0.4	2.5	2.7	0.7	0.3	1.0	1.2	1.5	1.4	0.4	0.2	3.6
Thailand	..	0.4	0.1	0.9	0.2	0.2	—	0.2	1.5	2.4	4.4	1.2	1.6
Japan	..	0.2	0.3	2.7	2.4	3.1	1.2	1.8	3.3	8.3	4.2	8.4	12.4
United Kingdom	..	0.5	0.9	0.8	0.9	0.8	1 1	0 8	1.1	0.9	1.0	1.0	0.8
United States	..	73.3	78.3	76.3	42.5	48.4	37.1	35 6	42.9	53.5	44.4	53.6	62.6
INTO THAILAND g in Baht from													
Burma	—	0.3	0.4	1.2	..	..	..	..	..	..	..	..	.
China	1.4	4.9	11.1	8.3	..	..	..	..	..	.	..	..	..
Hong Kong	0.1	35.4	36.3	32.9	..	..	..	..	..	..	..	..	..
India	1.3	1.5	2.9	13.3	..	..	..	..	..	..	..	..	.
Indochina	0.1	3.7	2.2	0.8	..	..	..	..	..	..	..	..	..
Indonesia	0.8	0.3	1.2	5.0	..	..	..	..	..	..	..	..	..
Malaya	1.0	20.5	47.5	34.8	..	..	..	..	..	..	.	..	..
Philippines	—	1.3	1.1	0 5	..	..	..	..	..	.	..	..	..
Japan	1.6	—	3.4	15.8	..	..	..	..	..			..	
United Kingdom	6.6	8.5	10.0	16.5	..	..	..	..	..	..		.	.
United States	1.1	26.0	13.0	29.8	..	..	..	..	..		..	.	..
INTO JAPAN h in US$ from													
China	22.9	0.4	2.1	3.8	6.5	4.7	7.1	5.8	10.6	..	8.0	7.0	
Hong Kong	..	0.4	0.3	..	—	..	..	0.1	0.3	..	1.2	0.4	..
India	4 1	0.8	2.3	1.1	1.5	2.0	0.3	2.2	3.5	..	5.9	6.3	..
Indonesia	2.1	0.1	1.0	1.3	1.1	1.1	1.1	1.6	6.9	..	7 9	4.2	..
Malaya	2.4	0.4	0.9	1.8	3.3	1.2	4.4	6.6	4.9	..	3.0	5.9	..
Korea	16.5	0 2	0.4	0.3	1.3	4.7	0.3	0 3	0.5	..	1.0	1.6	.
Philippines	0.8	0.2	0.8	1.1	1.9	1.1	1.9	2 9	3.8	..	2.9	7.1	..
United Kingdom	1.5	0.8	0.4	0.5	0.5	0.5	0.2	0.8	1.3	..	1.1	2.7	..
United States	21.7	40.3	36 7	48.0	35.6	37.7	32.0	37.2	48.9	..	64.5	104.1	.
Australia	2.0	0.1	0.7	2.3	6.4	4.6	2.2	9.2	13.0	..	17.4	13.6	..
Canada	2.2	—	0.3	0.5	1.3	1.5	0.9	0 6	4.2	..	7.5	8.2	..

a. Burma: Prewar data refer to period October 1938 to September 1939; 1948 and 1949 annual figures refer to twelve months ending September.

b. India: 1947 figures are averages for January-July, and 1948 are averages for nine months, April-December.

c. Excluding imports from Pakistan by land in 1948.

d Indochina: Data for 1947 are averages for April-December.

e. Pakistan: Sea and airborne trade only. Annual figures for 1948 and 1949 are for years beginning 1st April.

f. Philippines: Figures for second quarter of 1950 refer to average of first half year.

g. Thailand: Prewar data refer to year ending March 1940.

h. Japan: Imports from India include Burma and Pakistan in 1938 and Pakistan in 1947 and 1948.

VI. DIRECTION OF EXPORT TRADE

(Monthly averages in millions)

	1938	1947	1948	1949	1950	1950 II	1950 III	1950 IV	1951 I	1951 II	1951 Apr.	1951 May	1951 June
FROM BURMA a * in Rs. to													
Ceylon	2.2	..	11.6	11.6	18.9	27.0	24.5	14.5	19.4	30.1	..	.	..
China	0.2	..	3.7	8.1	1.9	5.7	0.3	0.2	2.0	—	..	..	..
Hong Kong	0.3	..	1.6	1.0	1.3	1.5	1.1	2.4	0.2	0.6	..	.	..
India	22.0	..	25.2	23.1	11.4	11.0	16.6	15.8	22.5	15.7	..	..	..
Indonesia	0.6	..	2.7	3.9	8.6	10.7	13.9	7.8	8.3	26.0	..	..	..
Malaya	2.8	..	10.1	8.1	3.5	6.3	2.1	3.6	5.7	4.7	..	.	..
Pakistan	..	..	..	2.8	0.5	0.4	0.6	0.6	0.2	0.5	..	..	..
Philippines	—	..	0.2	0.9	—	—	—	—	—	—	..	.	..
Japan	0.8	..	0.1	1.3	8.1	14 6	5.9	5.8	11.2	13.5	..	..	..
United Kingdom	5.7	..	5.6	3.2	2.3	2.3	2.1	2.8	4.4	5.1	..	..	..
United States	0.1	..	0.6	0.5	0.2	0.1	0.2	0.3	0.5	0.3	..	..	..
FROM CEYLON in Rs. to													
India	0.7	2.9	1.7	1.7	2.4	0.3	2.3	5.9	4.1	1.9	0.5	2.3	2.9
Pakistan	..	..	1.5	1.8	3.2	3.3	5.0	2.8	1.6	2.8	1.0	1.7	5.7
Japan	0.1	—	0.1	0.4	0.1	0.1	0.1	0.3	0.4	0.6	0.3	0.9	0.8
United Kingdom	11.8	25.4	25.1	27.9	30.5	22.6	39.6	40.2	43.0	53.6	54.8	52.9	53.3
United States	2.8	10.0	13.8	9.5	27.7	22.0	33.7	36.4	25.8	18.2	13.6	21.5	19.5
Canada	0.8	4.7	3.3	3.7	7.8	8.9	6.8	9.5	9.2	6.2	5.9	6.8	5.7
Australia	0.9	5.9	7.0	7.0	9.5	14.1	7.8	8.8	9.0	13.0	8.5	16.0	14.5
New Zealand	0.5	1.9	1.8	2.8	3.2	6.1	0.6	2.6	3.2	2.4	5.6	1.6	0.1
From HONG KONG in HK$ to													
N. Borneo	0.1	0.6	0.6	0.6	1.2	1.1	1.6	1.3	1.9	1.4	1.4	1.7	1.0
Burma	0.3	0.6	1.0	1.5	2.4	4.7	3.2	0.7	0.9	3.1	1.2	2.3	5.9
Ceylon	0.1	0.6	0.6	0.5	0.8	0.7	1.2	1.2	1.0	0.4	0.6	0.4	0.2
China	19.2	22.2	23.4	48.7	121.6	79.2	127.2	190.7	231.9	170.5	214.2	150.8	146.5
India	0.4	2.2	4.0	3.2	2.0	1.2	2.4	3.0	2.6	3.0	2.8	3.8	2 5
Indochina	1.9	1.5	1.6	1.6	1.9	2.7	1.9	1.7	1.7	2.5	2.5	2.2	2.7
Indonesia	1.2	4.4	5.7	4.6	10.2	12.4	10.1	13.7	21.3	26.3	39.7	18.9	20.4
Korea, South	..	—	4.9	6 2	1.9	3.1	—	0.1	1.0	1.6	2.1	0.2	2.4
North	..			4.1	0.6	1.3	—	—	—	—	—	—	—
Malaya	3.1	17.9	17.1	20.0	45.2	30.6	52.4	74.1	98.1	68.6	82.7	81.2	41.9
Pakistan	..	..	—	4 5	10.9	5.6	23.9	10.3	20 2	24.4	28.9	37.0	17.4
Philippines	0.8	5.1	11.4	8 6	6 9	7.2	8.0	9.3	6.3	4.3	4.8	2.5	5.7
Thailand	1.3	7.2	11.7	9.7	8.2	7.0	13.2	6.8	8.1	5.4	4.6	5.8	5.6
Japan	0.3	1.3	4.1	5.8	10.1	8.2	8.1	13.7	28.2	16.9	22.5	13.3	14.8
United Kingdom	1 8	3.2	6.3	11.6	14.0	21.3	11.7	11.7	18 6	22.9	20.3	26.8	21 7
United States	4.3	12.6	12.7	19.5	25.7	22.4	35.7	28.5	16.7	9.1	10.4	8.8	8.0
Canada	0.2	0.2	0.6	1.2	0.8	0.8	0.9	0.8	1.7	1.9	2.2	2.3	1.3
Oceania	0.3	1.0	1.7	3.4	3.6	3.2	3.7	4.2	4.2	9.2	7.6	7.6	12.4
FROM INDIA b in Rs .to													
Burma	8.4	11.1	10.0	7.8	18.8	7.3	11.6	39.5	14.5	12.4	8.1	17.0	12.0
Ceylon	4.2	11.4	9.5	11.9	14.0	10.3	13.6	16.7	19.9	12.0	12.3	12.7	11.0
China	1.3	5.2	5.6	1.8	2.0	0.4	4.0	1.5	5.7	3.9	0.1	10.4	1.2
Pakistan	..	..	40.6c	43.5	23.8	16.8	42.5	27.0	14.8	24.6	20.8	23.5	29.5
United Kingdom	46.0	78.7	78.3	93.4	95.7	75.5	94.5	124.8	129.7	157.9	110.0	202.3	161.5
United States	11.2	61.2	59.7	57.1	80.5	60.0	87.5	90.0	116.2	132.8	98.3	197.4	102.8
Canada	1.7	9.3	6.9	7.6	10.5	8.7	10.6	10.0	15.9	21.0	23.4	31.2	8.3
Australia	2.5	14.5	17.2	20.4	23.3	19.0	26.0	28.4	27.6	37.1	27.3	42.3	41.6
FROM INDOCHINA d in Pr. to													
China	0.6	0.3	2.1	0.6	0.4	0.5	0.6	0.2	3.6	—	0.1	—	—
Hong Kong	2.3	1.3	11.2	13.2	15.5	13.1	23.8	12.9	9.8	14.9	20.8	8.5	15.4
Malaya	2.5	4.0	9.4	9.9	11.6	—	10.9	13.9	13.4	19.7	20.2	18.7	20.2
Thailand	0.1	0.7	3.7	4.9	3.1	2.9	1.4	3 8	1.7	3.3	2.7	5.7	1.6
United States	2.1	2.5	2.2	1.0	25.6	5.9	26.7	34.5	34 6	14.6	2.6	15.1	26.0
France	11.4	18.0	42.6	46.6	49.9	25.7	71.2	65.4	107.9	71.0	85.6	48.7	78.6
FROM INDONESIA in R. to													
Burma	—	—	—	0.2	—	—	—	—	—	—	—	—	—
Hong Kong	1.1	0.6	1.6	1.0	1.2	1.1	1.2	1.7	1.6	0.9	0.9	1.3	0.5
India	0.4	—	0.1	0.5	0.8	0.8	1.7	0.2	1.1	1.7	1.2	0.9	3.1
Malaya	10.7	6.1	16.6	29.8	83.2	51.6	108.5	140.7	102.3	183.5	211.3	198.3	140.9
Philippines	0.5	0.1	0.8	1.1	1.4	1.6	1.7	1.5	0.9	3.3	3.6	2.3	4.0
Thailand	0.2	—	0.3	0.8	1.0	0.8	1.4	0.9	1.1	2.0	1.6	2.9	1.6
Japan	1.8	0.4	2.1	2.8	3.2	2.7	2.6	6.0	20.3	19.9	28.3	20.8	10.6
Netherlands	11.5	12.9	31.0	41.2	55.4	57.1	59.9	61.3	61.2	90.0	80 0	128.8	61.3
United Kingdom	3.1	0.7	1.7	5.5	8.3	7.3	11.5	11.3	7.8	26.7	28.4	29.5	22.2
United States	8.2	5.3	15.2	19.4	37.2	26.4	51.4	57.4	34.7	89.9	73.3	113.2	83.2
Australia	2.4	0.2	0.8	1.8	4.2	4.0	5.1	5.5	5.7	14.4	14.1	13.8	15.3

VI. DIRECTION OF EXPORT TRADE *(Contd.)*

(Monthly averages in millions)

	1938	1947	1948	1949	1950	1950 II	1950 III	1950 IV	1951 I	1951 II	1951 Apr.	1951 May	1951 June
FROM MALAYA IN M$ to													
N. Borneo	0.2	0.8	1.2	1.6	2.6	2.2	2.9	..	3.1	4.2	3.9	4.3	4.5
Brunei	0.1	0.1	0.2	0.4	0.5	0.5	0.6	0.6	0.8	0.8	0.8	0.8	0.8
Sarawak	0.7	2.1	2.6	2 3	4 9	4.1	5.4	6.6	4.8	7.7	8.4	7.3	7.3
Burma	0.3	0.7	1.0	1.0	1.1	0.7	1.4	1.3	2.3	4.1	2.1	5.2	4.9
Ceylon	0.2	0.2	0.8	2.3	1.9	2.1	1.6	1.8	2 1	0.9	2.0	0.4	0.4
China	0.3	0.7	1.3	0.7	10.4	0.2	8.5	32.9	27 9	6.0	16.5	1.3	0.3
Hong Kong	0.6	4.1	3.4	5.5	16.9	6.2	17.9	37.3	44 4	16.5	31.6	11.8	6.0
India	1.8	4.3	5.3	5.1	6.3	4.7	9.5	6.8	9 3	10.5	9.8	12.0	9.5
Indochina	0.1	0.3	0.7	0.7	1.0	0.7	1.6	1.0	1.4	1.3	0.8	1.7	1.5
Indonesia	3.4	10.5	16.1	11.6	21.4	17.7	21.3	32.7	45.6	50.0	66.4	50.0	33.6
Korea	..	—	—	0.1	0.1	0.4	—	—	---	0.2	0.1	0.3	0.2
Pakistan	..	—	0.6	0.8	1.0	0.8	1.8	1 1	1 1	1.4	0.8	0.8	2.7
Philippines	0.1	0.1	0.5	0.9	1.3	1.3	1.8	0.7	1.6	2.0	2.2	1.6	2.1
Thailand	1.3	1.3	4.1	3.8	6.0	5.0	8.4	5 3	6 8	7.4	6.4	7.0	8.7
Japan	4.5	1.1	1.6	2.5	9 6	3.6	16.0	16.6	15 9	13.6	16.0	8.3	16.6
United Kingdom	6.8	17.3	20.0	17.0	45 6	29.6	50.6	74.8	89.9	101.6	106.7	114.6	83.7
United States	14.4	36.6	38.2	35.8	87.3	63.7	89.6	144 3	117.6	127.5	108 0	147.8	126 7
Canada	1.5	3.7	3.7	3.0	8 2	3.8	9.5	15.2	16 6	14.6	15.2	13.3	15.2
Oceania	2.5	3.5	5.1	7.2	14.1	10.2	15.2	19.1	25.5	43.6	34.1	47 5	49.1
FROM PAKISTAN e * in Rs. to													
Burma	..	.	0 3	0.1	0.1	0 2	0.1	0.1	0.6	0.2	—	—	0.5
Ceylon	..	..	1.2	0.6	0.8	0.8	0.7	0.5	2.5	2.0	0.6	1.3	4.1
China	..	..	2.7	1.0	2.6	3.6	1.3	3 3	20.8	4.4	0.7	12.3	0.1
Hong Kong	..	..	2.1	4 9	9.6	13.4	9.6	6.0	22.3	3.6	2.0	5.4	3.3
India	..	..	19.1	7.1	2 9	2.2	9.2	1.4	0.7	16 1	12.5	24.6	11.1
Malaya	..	..	0.1	0.1	0.1	1.1	0.1	0.2	0.1	0.2	0.1	0.3	0 3
Thailand	..	..	—	—	—	—	0.1	—	0.2	..	..	..	..
Japan	..	..	1.0	4.4	12.1	10.3	23.5	14.3	59.8	13.4	15.5	17.5	7.3
United Kingdom	..	..	12 3	14.7	36.2	14.4	13.4	23.6	46.5	23.1	26.1	25.6	17.6
United States	..	..	10.9	10.0	10.1	8.1	10.3	14.2	16 6	12.7	21 4	9.3	7.5
FROM PHILIPPINES f * in Ps. to													
China	..	0.2	0.3	0.1	0.2	0.2	0.2	0.1	0.2	0.2	0 2	0.2	0.2
Hong Kong	..	0.5	0.5	0.8	0.4	0.5	0.2	0.3	0.4	0.3	0.4	0.4	—
India	..	0.4	0.3	0.3	0.1	0.1	0.1	0.1	0.1	0.3	0.2	—	0.8
Indonesia	..	0.8	0.9	0.4	—	—	—	—	—	0.7	—	1.8	0.2
Korea	..	—	0.3	—	0.4	0.1	—	1.3	—	..	..	..	..
Malaya	..	1.2	0.1	0.1	—	—	—	—	---	---	---	---	—
Thailand	..	0.1	0.1	—	0.1	0.1	0.1	—	---	—	—	—	—
Japan	..	0.4	2.6	1.9	3.7	2.3	3.0	6 6	5.0	5.5	6.4	5.6	4 6
United Kingdom	..	1.4	0.6	0.5	0 9	0.9	1.0	0.8	1 9	2.3	3 4	2.4	2.2
United States	..	25.4	34.8	30.6	40.9	36.6	44 2	43.3	57.8	48.5	54.6	49.6	41.2
FROM THAILAND g in Baht to													
N. Borneo	—	0.4	2.1	2.3	..	..	..	..	..	..	..	..	..
Burma	—	0.3	1.5	1.0	..	..	.	..	..		..	..	..
Ceylon	0.5	0.1	1.4	8.5	.	..	..	..	..	..	..	..	..
China	0.2	4.3	21.7	7.3	..	..	..	..	..	.	..	.	..
Hong Kong	2.0	18.0	16.3	17 4	.	..	..	.	..	..	..	..	..
India	2.0	4 0	16.7	31 2	..	..	..	..	..	..	..	..	..
Indochina	—	0.5	1.0	0 5	..	..	..	.	..	..	..	..	..
Indonesia	0.2	0.6	8.0	12 8	..	..	..	.	..	.	..	..	..
Korea	--	0.6	1.9	—	..	..	..	..	..	.	..	..	..
Malaya	10.7	32.4	39.6	68 5	.	..	..	..		..	..	..	..
Philippines	0.2	1.0	5.5	4.5	..	..	..	..	.	..	..	..	.
Japan	1.0	—	0.5	14 2	..	..	..	..	..	..	..	..	..
United Kingdom	0.4	2.0	4 5	11 5	..	..	..	..	..	..	..	..	..
United States	0.1	10.1	36 8	38.3	..	..	..	..	..	..	..	..	..
FROM JAPAN h * in US$ to													
China	35.0	0 8	0.3	1.0	4 8	3 9	4.1	8.1	6.4	.	5.2	5.3	..
Hong Kong	..	..	..	..	5 3	2 5	4.4	9 7	6 4	..	2.6	3.6	..
India	4 5	0.7	0.7	5.4	1.7	1.6	1.9	2 3	2 2	..	5 4	4.8	..
Indonesia	2 5	2.0	4.7	2.3	3 9	3 3	3.5	5.1	8 3	..	13.9	20.1	..
Korea	21.6	1.6	1.5	1.4	1 5	1.4	0 9	2.1	0 7	..	1 7	1.3	..
Malaya	0.5	0.3	0.5	1.3	1.5	2.1	1.6	1 9	4 5	..	6 8	7.8	..
Philippines	0.8	0.1	0.3	1.8	1,5	0.7	0.6	3 0	1.5		3.1	5.0	.
United Kingdom	3.2	1.7	1.4	3.5	2.2	2.9	2.4	2.2	2 7	.	2 8	5.0	..
United States	10.1	1.7	5.5	6.6	14.9	13.5	17.7	17 2	15 8	..	15 6	15.2	..

* Including Re-exports.

a. Burma: Prewar data refer to period October 1938 to September 1939; 1948 and 1949 annual figures refer to twelve months ending September

b. India: 1947 figures are averages for January-July, and 1948 are averages for nine months, April-December.

c Excluding exports to Pakistan by land in 1948

d. Indochina: Data for 1947 are averages for April-December.

e. Pakistan: Sea and airborne trade only. Annual figures for 1948 and 1949 are for years beginning 1st April.

f. Philippines: Figures for second quarter of 1950 refer to average of first half year.

g. Thailand: Pre-war data refer to year ending March, 1940.

h. Japan: Exports to India include Burma and Pakistan in 1938 and Pakistan in 1947 and 1948.

VII. QUANTITIES OF EXPORTS OF SELECTED COMMODITIES

(Monthly averages in thousand tons)

	1938	1947	1948	1949	1950	1950 II	1950 III	1950 IV	1951 I	1951 II	1951 Apr.	1951 May	1951 June
RICE													
Burma	253.3	67.0	102.2	99.2	99.2	146.0	116.7	83.7	108.0	138.0	113.0	161.0	140.0
Thailand	115.4	32.9	67.6	101.3	123.2	135.1	115.7	126.1	159.5	104.2	128.2	108.6	75.8
Indochina	77.8	3.6	13.4	7.8	8.7	12.8	6.1	4.8	..	..	..	..	..
TEA													
Ceylon	8.9	10.9	11.2	11.6	11.1	12.9	12.1	10.5	10.5	13.0	11.1	14.8	13.1
India	13.4a	16.1a	14.2	16.1	14.8	7.7	15.8	22.1	19.4	8.4	13.1	7.6	4.5
Pakistan	..	..	..	1.2	0.5	0.1	0.1	0.8	1.2	1.7	..	..	1.0
Indochina	0.2	—	—	0.1	0.1	0.1	0.1	0.1	—	—	—	—	0.1
Indonesia	6.0	0.3	0.8	1.8b	2.4	2.1	3.1	3.9	2.8	3.5	3.1	3.9	3.5
Japan	1.4	0.3	0.3	0.6	0.6	0.4	0.7	0.9	2.9	0.4	0.5	0.2	0.5
COPRA AND COCONUT OIL c													
Ceylon	8.7	5.1	9.2	8.6	7.5	4.9	8.2	13.3	10.1	8.8	8.0	6.8	11.7
Hong Kong d	0.1	1.6	0.7	0.3	0.4	0.3	0.5	0.4	0.2	0.2	0.5	0.1	—
Indonesia e	25.8f	7.6	12.1g	15.8	14.1	16.0	12.1	16.4	17.3	25.7	16.6	32.9	27.7
Malaya	13.4	4.0	7.1	9.8	11.2	10.2	11.6	11.4	9.1	10.4	6.5	11.9	12.8
N. Borneo	0.4	0.2	0.3	0.8	1.4	1.4	1.5	1.2	0.8	0.5	0.4	0.5	0.5
Philippines	28.9f	51.2	35.3	33.4	41.0	28.4	53.9	55.9	40.2	41.6	53.5	33.6	37.8
Sarawak	0.1	—	0.1	0.2	0.2	0.2	0.3	0.2	0.1	0.2	0.2	0.1	0.2
Thailand d	..	..	..	0.3	0.3	0.1	0.5	0.2	0.2	..	0.3	0.4	..
PALM KERNELS AND OIL c													
Indonesia h	14.2	0.2	3.3	8.5	8.2	8.0	11.8	7.6	2.8	6.4	6.3	8.3	4.6
Malaya	3.1	4.1	4.4	5.0	5.2	4.6	6.6	4.5	5.3	3.9	4.4	4.2	2.9
GROUND NUTS AND OIL c													
Hong Kong	1.2	0.2	0.4	0.7	1.8	2.8	1.5	1.3	1.9	0.7	0.8	0.8	0.4
India	22.0	3.0	5.5	4.0	5.8	1.5	1.5	5.9	17.4	4.0	4.0	5.6	2.4
NATURAL RUBBER													
Brunei	0.1	0.2	0.2	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Burma	0.6	0.7	0.8	0.6	0.8	1.3	0.3	0.2	1.1	*1.3*	*1.0*	*1.0*	*1.5*
Ceylon	4.2	7.0	7.8	7.7	10.0	8.2	10.6	11.1	10.9	6.8	6.4	7.7	6.2
Indochina	5.0	4.3	3.5	3.5	4.4	2.7	4.1	5.0	4.5	3.4	2.4	3.2	4.6
Indonesia	25.5	24.3	36.6	35.7	56.8	63.6	68.3	65.5	*62.3*	74.3	86.6	70.5	65.8
Malaya i	31.4	54.2	57.5	57.5	55.7	39.0	60.7	64.8	49.0	57.6	46.1	66.3	60.5
N. Borneo	0.8	1.3	1.7	1.7	2.0	1.8	2.2	2.3	1.8	1.8	1.8	1.8	1.9
Sarawak	1.5	3.0	3.4	3.3	4.7	4.6	5.3	4.4	3.2	4.7	5.8	3.9	4.4
Thailand	3.5	4.5	8.1	8.0	9.5	9.9	11.0	9.0	10.1	8.6	11.5	7.5	6.9
COTTON RAW													
India	38.6	19.3	8.0	4.2	2.7	1.5	1.0	0.8	1.7	7.8	5.4	11.8	6.1
Pakistan	..	..	13.6	14.0	17.2	26.1	20.0	8.2	45.3	9.6	10.4	12.1	6.2
COTTON YARN (tons)													
Hong Kong	..	..	..	1,387	2,109	2,551	2,627	1,160	2,003	2,048	2,465	1,959	1,719
Malaya	197	..	22	152	388	108	707	361	260	113	166	92	82
Japan	1,745	903	458	803	892	813	947	499	1,160	..	1,097	1,187	..
COTTON PIECE GOODS (mn. metres)													
Hong Kong	..	..	..	7.4	10.8	7.3	17.3	12.9	13.1	9.4	8.1	10.0	10.0
India	14.6	22.9	23.5	35.5	93.7	67.4	77.4	100.3	141.5	45.9	71.1	48.7	17.5
Malaya	2.0	4.0	7.5	5.2	14.5j	13.3	13.5	18.8	19.2	17.0	24.3	12.9	13.6
Japan (mn. sq. metres)	158.4	26.4	28.2	52.2	76.9	78.5	77.4	80.0	72.1	..	83.4	108.1	..
JUTE RAW													
India			20.0	15.4	0.6	0.2	—	—	—	..	..	..	..
Pakistan	55.9	23.4	16.1	17.3	50.0	36.8	51.1	77.4	82.5	43.5	44.8	51.2	34.5
JUTE MANUFACTURES													
India													
Bag	49.0k	35.0	39.8	36.4	29.6	25.7	30.2	30.4	30.2	35.2	31.3	33.4	40.8
Cloth	29.9k	32.6	38.6	27.9	24.4	20.9	23.7	25.1	19.5	31.8	16.5	47.2	31.7
HEMP RAW													
Philippines	11.8	7.2	6.2	5.3	7.9	8.6	9.1		13.6	11.9	..	..	..
TIN CONCENTRATES													
Burma	0.2	0.2	0.2	0.1	0.1	0.2	0.2	0.1	0.1	0.2	0.1	0.1	0.3
Indonesia	1.2	1.3	2.8	2.6	2.6	2.6	2.5	2.9	2.4	3.0	3.2	2.7	3.2
Thailand	1.1	0.5	0.5	0.6	0.9	0.9	0.9	1.0	*1.0*	..	..	..	..
TIN METAL													
Hong Kong	..	..	0.2	0.3	0.1	0.1	—	0.2	—	—	—	—	—
Malaya e	5.2	2.7	4.0	4.6	6.9	7.1	8.3	6.4	5.4	5.4	5.4	5.0	5.9
PETROLEUM l													
Indonesia	505.6	64.2	320.8	474.4	535.9	500.8	602.4	*665.6*	*318.6*	701.0	533.9	838.7	730.5
Malaya	84.2	36.3	82.1	121.3	164.8	159.7	177.3	158.2	166.7	123.2	135.4	144.4	89.8

a Including territory of Pakistan.
b Federal territory only.
c Expressed in terms of oil equivalent: figures under column for 1938 refer to averages for the period 1934-1938.
d Coconut oil only.
e Copra only.
f 1938-1939.
g Excluding exports to Singapore.
h Palm oil only.
i Net exports.
j Unit changed in 1950 to million square meters.
k Converted at 2.25 lbs. per bag and 0.50 lb. per yard of cloth
l. Petroleum and products.

VIII. INDEX NUMBERS OF UNIT VALUE OF IMPORTS AND EXPORTS

(Base 1948 = 100)

	1938	1947	1949	1950	1950			1951				
					II	III	IV	I	II	Apr.	May	June
BURMA												
Imports	24a	89b	109b	132c	138	125	63	67	82	..	..	..
Exports	17a	82b	102b	102c	97	98	122	124	130	..	..	..
CEYLON												
Imports	23.0	93	95	98	98	98	103	106	119	114	120	120
Exports: All Commodities	32.5	98	106	144	129	143	172	188	186	199	186	174
Tea	36.3	99	109	129	122	124	135	141	138	143	138	134
Rubber	56.2	108	90	218	154	237	357	410	383	443	380	326
All coconut products	14.5	94	111	145	145	138	152	170	191	199	193	189
Other export products	25.1	98	93	124	113	124	142	165	179	186	175	177
INDIA												
Imports: All Commodities	..	..	97a	103	102	100	108	123	129	128	126	135
Food, drink & tobacco	..	..	108a	104	101	103	108	103	113	106	113	119
Raw materials & semi-manufactures	..	..	106a	113	108	110	122	155	161	146	161	176
Manufactures	..	..	90a	96	96	92	103	119	121	128	117	117
Exports: All Commodities	..	..	104a	110	111	110	111	121	170	140	180	192
Food, drink & tobacco	..	..	115a	127	134	127	126	140	153	155	163	140
Raw materials & semi-manufactures	..	..	111a	114	121	112	111	129	160	138	166	176
Manufactures	..	..	97a	103	103	103	106	111	180	137	192	211
INDO-CHINA												
Imports	7.8	65	123	118	107	121	119	130	138	133	135	144
Exports	11.1	63	128	148	116	176	164	190	151	131	154	169
INDONESIA												
Exports: All Commodities c	31	..	105	177	137	191	245	313	261	298	246	238
Estate produce	38	..	124	185	157	195	237	300	..	291	250	..
Peasant produce	27	..	92	171	124	185	245	306	..	288	234	..
Forest produce	12	..	78	99	95	100	114	139	..	155	149	..
MALAYA												
Imports: All commodities	36	90	101	115	102	116	142	149	143	..	..	..
Food, drink & tobacco	23	78	95	100	97	107	107	108	99	..	..	..
Raw materials	53	85	106	175	133	171	260	314	305	..	..	..
Manufactures	41	106	99	106	99	105	124	122	125	..	..	..
Exports: All commodities	43	86	98	173	135	183	258	298	286	..	..	..
Food, drink & tobacco	24	93	103	120	111	137	115	138	135	..	..	..
Raw materials	52	88	94	214	157	229	346	394	370	..	..	..
Manufactures	32	88	97	110	98	111	135	165	169	..	..	..
PHILIPPINES												
Imports	..	..	104	79	73	81	86	89	101	101	102	100
Exports	24.8	89	69	77	74	80	85	87	81	92	85	65
JAPAN d												
Exports	..	..	100	93	87	88	104	118	..	142	147	..

a Year beginning 1 April of the year stated.

b Year ending September of the year stated.

c Weighted wholesale price index numbers of 18 export products (f.o.b. prices excluding the value of foreign exchange certificates).

d. Base 1949 = 100.

IX. INDEX NUMBERS OF WHOLESALE PRICES

(1948 = 100)

	1938d	1947	1949	1950	1950			1951				
					II	III	IV	I	II	Apr.	May	June
BURMA												
All items a	24	..	123	115	107	119	126	117	132	126	130	139
Cereals	31	..	96	98	94	108	107	91	109	103	109	114
Others (non-food)	17	..	161	196	186	185	223	236	219	228	215	212
INDIA												
All items	27	81	104	109	107	111	112	116	124	125	124	124
Food articles	27	78	104	110	107	114	114	110	110	110	110	110
Industrial raw materials	23	85	108	117	113	119	122	133	159	159	159	160
Semi-manufactured articles	32	80	104	108	106	108	110	117	122	122	123	122
Manufactured goods	29	81	101	102	102	103	103	109	120	121	120	120
Miscellaneous	20	93	108	136	129	145	145	143	145	149	143	144
KOREA (Seoul)												
All items	..	61	137	..	209	..	831.1e	..	1,594	1,564	1,546	1,671
Fertilizers	..	79	300	..	719	..	909.7e	..	3,356	2,536	3,349	4,182
Textile raw materials	..	48	144	..	188	..	568.9e	..	1,566	1,426	1,529	1,745
Textiles	..	48	140	..	130	..	635.8e	..	1,454	1,339	1,489	1,535
Building materials	..	55	143	..	188	..	1,103.6e	..	2,220	2,395	2,175	2,089
PHILIPPINES (Manila)												
General	20	96	87	77	73	76	83	84	88	89	88	87
THAILAND (Bangkok)												
General	6	105	93	95	94	96	101	99	102	103	103	101
VIET-NAM (Saigon) b												
General index	6	68	125	123	114	130	132	136	144	140	144	148
Rice & paddy	6	65	125	104	93	116	104	96	101	97	108	116
Other food products			125	125	124	122	130	132	138	138	135	140
Fuel & mineral products	7	68	136	153	153	154	155	159	159	160	158	158
Raw materials	14	50	120	172	139	195	236	267	240	256	241	224
Semi-finished products	7	76	123	117	116	114	115	126	136	132	132	145
Manufactured products	4	88	125	105	101	106	110	122	152	145	155	156
JAPAN												
All items	1	38	163	192	178	197	215	246	272	273	273	269
Edible farm products	1	34	178	207	208	218	206	225	250	253	250	248
Processed foods	1	38	163	157	152	159	161	166	174	172	175	175
Textiles	1	34	215	262	224	280	322	389	393	411	397	372
Chemicals	1	47	138	180	169	188	204	221	241	240	240	242
Metal & products	2	42	143	211	177	221	270	351	452	447	455	455
Building materials	1	44	141	166	148	161	199	336	246	249	246	243
Fuels	1	38	150	167	162	160	168	176	193	191	193	195
Miscellaneous c	1	31	155	179	168	180	203	226	..	245	248	..

a. Agricultural Produce.

b. New series for Saigon beginning 1949, which is linked to the old series.

c. Revised Series.

d. Figures in the column refer to 1938-40 for Burma, year ending August 1939 for India and January to June 1939 for Saigon.

e. Price index for Pusan beginning from the fourth quarter of 1950, with 1947 = 100. Index of 4th December is used for the fourth quarter of 1950. For comparison with previous Seoul prices, it may be indicated that, figures for June 1950 for Pusan for "All items" and the four group indices are respectively 368.0, 909.7, 342.3, 237.9 and 338.0; and those for Seoul, with 1947 = 100, are respectively 348.0, 909.7, 351.8, 234.4 and 337.8.

X. INDEX NUMBERS OF COST OF LIVING AND RETAIL PRICES

(1948 = 100)

	1938	1947	1949	1950	1950			1951				
					II	III	IV	I	II	Apr.	May	June
BURMA (Rangoon)												
Cost of living	28	108	135	114	113	121	108	105	110	106	107	117
Food	24	115	142	120	115	132	113	111	116	109	111	126
CAMBODIA (Phnom-Penh)												
Cost of living	..	84	138	154	149	161	162	159	..	..	..	..
Food	..	80	133	..	..	..	..	..	..	..	..	..
CEYLON (Colombo)												
Cost of living	..	97	98	105	103	106	106	109	109	109	109	109
Food	..	91	104	112	110	114	112	114	112	113	112	112
HONG KONG												
Cost of living	..	101	112	117	115	116	116	126	128	..	..	128
Food	..	100	118	126	125	124	121	129	135	..	..	135
INDIA (Bombay)												
Cost of living	35	92	101	103	102	106	104	107	111	110	110	111
Food	32	99	105	109	108	114	109	113	116	116	116	117
INDONESIA (Djakarta)												
Food	8	179	97	113	118	111	119	179	167	164	164	173
KOREA (Pusan)												
Retail price index	..	59	123	298c	195e	278	461	881	1.152	1,196	1,037	1,224
Food	..	64	131	315c	230e	307	453	977	1,325	1,427	1,151	1,396
LAOS (Vientianne) a												
Cost of living	..	76	106	107d	..	108	110	107	111	109	111	114
Food	..	88	103	100d	..	100	105	95	99	97	98	102
MALAYA (Kuala Lumpur)												
Cost of living												
Chinese	..	106	94	101	97	102	109	125	132	131	132	133
Indian	..	103	94	99	96	100	107	125	132	130	132	134
Malay b	..	..	98	108	103	111	118	132	135	134	135	136
PAKISTAN (Karachi)												
Cost of living	..	..	..	95	94	94	94	96	98	98	97	99
Food	..	..	..	93	93	91	92	96	98	98	97	100
PHILIPPINES (Manila)												
Cost of living	25	106	94	92	89	92	97	97	100	100	100	100
Food	24	108	93	86	82	85	91	92	95	94	95	96
THAILAND (Bangkok)												
Cost of living	8	100	96	99	102	97	100	110	115	117	115	112
Food	5	99	95	97	102	94	94	107	112	115	112	108
VIET-NAM (Saigon)												
Cost of living	..	74	122	125	122	127	130	132	138	134	138	141
Food	..	74	120	114	112	114	117	115	118	115	117	121
JAPAN (Urban)												
Cost of living	..	57	138	129	125	129	129	142	150	149	154	148
Food	..	64	134	120	119	122	116	132	140	140	145	136

a. December 1948 = 100. 1948 averages for old series being 93 for cost of living index and 94 for food. New series begin from July 1950. Averages for the first quarter of 1950 for the old series for cost of living index and food index respectively are 94 and 92 and those for the new series are 102 and 95.

b. January 1949 = 100.

c. Average of 10 months.

d. Averages of first, third and fourth quarters.

e. 23 June only.

XI. WHOLESALE PRICE QUOTATIONS OF SELECTED COMMODITIES[a]

(Monthly averages per ton)

	Currency Unit	1938	1948	1949	1950	1950			1951				
						II	III	IV	I	II	Apr.	May	June
RICE													
Burma	Rs.	..	266	264	..	236	257	265	264	259	..	..	..
India	Rs.	..	436	442	432	432	432	432	432	432	432	432	432
Indonesia	R.	..	870	870	..	940	920	..	2,177	..	1,550	1,550	..
Japan	000 Y.	0.21†	24.9	29.7	..	29.1	29.7	..	36.9	36.9	36.9	36.9	36.9
Korea	000 W.	..	127	145	..	346	..	..	..	1,315n	1,326	1,270	1,348
Pakistan	Rs.	..	917	977	475	507	448	509	517	630	599	638	656
Thailand	Baht	..	738	713	636	703	692	723	702	699	703	703	690
Viet-Nam	Pr.	106	2,100	2,630	2,170	1,910	2,410	2,160	1,993	2,187	2,000	2,210	2,350
WHEAT													
India	Rs.	..	566	532	410	409	412	412	412	412	412	412	412
Korea	000 W.	..	73	95	..	280	..	..	..	970h	947	909	1,053
Pakistan	Rs.	..	326	317	270	287	233	244	266	302	273	307	326
SUGAR													
India	Rs.	..	990	846	773	769	769	787	822	822	822	822	822
Indonesia	R.	..	2,290	1,550	2,906	3,500	2,943	2,313	3,343	..	3,250	3,130	..
Korea	000 W.	..	411	745	..	1,006	..	..	..	.. h	..	5,383	6,567
Pakistan	Rs.	..	925	964	1,000	989	1,008	1,021	1,021	1,021	1,021	1,021	1,021
Philippines	P.	72	307	313	284	289	293	278	283	264	253	267	273
Thailand	000 Baht	..	4.61	5.66	5.33	4.36	6.20	6.55	6.22	5.49	5.84	4.53	6.10
PEPPER													
Cambodia	000 Pr.	0.41	35.1	95.4	137	126	147	140	152	156	164	153	151
Indonesia	000 R.	..	5.47	19.4	..	..	..	..	..	..	..	..	..
Malaya	000 M$	..	3.2	8.2	15.0	14 0	16.7	15.0	18.2	17.3	18.0	17.0	16.8
Thailand	000 Baht	..	23.8	46.0	95.6	103.6	87.0	84 9	102.0	101.1	100.8	101.3	101.3
TEA													
Ceylon	Rs.	1,540	3,590	4,170	4,450	3,700	4,530	4,730	5,020	3,946	4,167	3,946	3,726
India	Rs.	..	3,590	3,660	..	3,840	4,100	..	3,814	..	3,505	..	4,034
Pakistan	Rs.	..	4,696	4,248	..	4,343	..	..	..	3,533	3,537	3,674	3,387
Indonesia	R.	..	2,200	2,870	5,520	5,170	6,330	6,000	6,920	..	7,500	7,000	..
U.K.	U.S. $	630	1,190	..	950	888	999	986	983	1,043	1,012	1,049	1,069
U.S.A.	U.S. $	..	1,290	1,243	1,146	1,066	1,133	1,180	..	..	..	..	.
TOBACCO													
India	Rs.	..	..	5,820	6,850	7,140	7,100	..	6,937	6,878	6,878	6,878	6,878
Pakistan	Rs.	..	2,551	2,368	2,550	2,281	2,438	2,790	4,097	3,918	3,650	3,483	4,621
Philippines	P.	123	816	796	1,151	1,296	1,241	1,142	1,106	976	1,116	960	853
VEGETABLE OIL b													
Ceylon	Rs.	181	1,006	1,006	1,390	1,259	1,421	1,546	2,008	1,716	1,944	1,713	1,493
India	Rs.	..	666	760	850	860	890	830	942	981	947	999	996
Indonesia	R.	..	1,220	940	1,700	1,780	1,980	2,100	2,160	..	2,160	2,160	..
Malaya	M$	149‡	1,160	913	1,092	1,029	1,150	1,204	1,578	1,367	1,482	1,369	1,253
Pakistan	Rs.	..	2,649	2,986	3,267	2,737	3,566	3,483	3,393	2,869	2,913	2,880	2,813
Philippines	P.	130	980	620	676	640	673	720	890	760	870	780	620
COPRA													
Ceylon	Rs.	109	531	591	826	762	842	916	1,173	1,040	1,161	1,034	923
India	Rs.	..	986	1,289	1,486	1,398	1,476	1,609	1,585	1,534	1,500	1,534	1,567
Indonesia	R.	..	390	470	1,190	1,250	1,280	1,380	1,533	..	1,600	1,600	..
Malaya	M$	59	646	518	650	615	693	738	914	736	820	725	664
Philippines	P.	60	515	311	360	347	367	370	480	369	437	371	298
Thailand	Baht	..	..	2,320	3,292	2,892	3,113	3,972	4,729	4,014	4,479	4,229	3,333
COTTON, RAW													
India	Rs.	..	1,830	1,800	..	..	..	..	1,729	1,729	1,729	1,729	1,729
Korea	000 W.	..	630	929	..	1,689	..	..	..	2,388h	2,667	2,300	2,200
Pakistan	Rs.	..	1,879	2,109	2,218	1,934	2,502	2,748	3,422	3,178	3,054	3,278	3,201
U.K.	£	..	..	232	329	292	341	398	439	471	463	487	464
JUTE, RAW													
India	Rs.	..	1,070	1,110	1,100	1,120	1,100	1,100	1,102	2,144	2,673	2,811	2,949
Pakistan	Rs.	..	958	849	668	713	659	623	934	1,585	1,527	1,577	1,652
U.K.	U.S.$	90	385	..	315	326	311	311	437	..	601	634	..
U.S.A.	U.S.$	95	408	..	343	358	340	326	467	616	635	578	635

XI. WHOLESALE PRICE QUOTATIONS OF SELECTED COMMODITIES[a] *(Contd.)*

(Monthly averages per ton)

	Currency Unit	1938	1948	1949	1950	1950			1951				
						II	III	IV	I	II	Apr.	May	June
HEMP													
Philippines	P.	118	883	892	887	832	882	950	1151	1,144	1,206	1,160	1,067
WOOL, RAW													
India	Rs.	..	1,963	2,030	3,990	3,240	3,090	6,710	5,861	5,234	6,040	4,832	4,832
Pakistan	Rs.	..	..	3,180	..	4,260	5,480	..	..	3,533	3,537	3,674	3,387
SILK, RAW													
India	000 Rs.	..	52.9	66.9	84.1	90.8	93.3	73.6	77.6	74.3	79.3	77.2	66.5
Japan	Mn. Y.	..	1.57	2.29	2.58	2.02	2.92	3.26	4.6	3.6	3.9	3.4	3.4
Korea	Mn. W.	..	7.1	11.6		14.8	..	..	..	51.2h	54.7	46.9	52.0
HIDES													
India	Rs.	..	2,160	2,010	2,000	1,710	2,060	2,200	4,134	4,390	4,685	4,134	4,354
Pakistan	Rs.	..	1,860	2,296	2,543	2,473	2,366	2,922	3,895	3,003	3,503	2,992	2,513
Thailand	000 baht	..	8.2	9.9	12.8	11.7	12.3	15.4	23.5	17.4	18.5	19.6	14.2
RUBBER, NATURAL													
Ceylon	Rs.	816	1,367	1,257	3,417	2,543	3,939	5,453	6,598	4,057	5,556	4,233	3,880
Indonesia	R.	..	1,176	1,077	5,958	4,323	7,343	10,173	12,100	8,880	10,680	8,050	7,910
Malaya	M$	539	944	855	2,386	1,711	2,820	3,959	4,753	3,706	4,366	3,500	3,252
Thailand	baht	..	6,531	6,233	12,155	9,139	12,248	20,312	21,779	19,104	21,125	18,750	17,435
U.K	£	66	119	108	306	210	363	504	597	455	530	421	414
U.S.A.	US$	324	483	388	906	606	1,078	1,517	1,594	1,455	1,455	1,455	1,455
Viet-Nam	000 Pr.	1.0	7.2	6.3	15.9	10.5	16.7	26.2	30.0	23.6	26.5	23.0	21.2
COAL													
India	Rs.	..	16.1	16.0	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5
Indochina	Pr.	23	342	542	583	581	580	582	583	58.5	58.3	586	586
Pakistan	Rs.	..	83	89.2	89 3	89.2	89.3	89.3	78.7	78.7	78.7	78.7	78.7
Korea	000 W.	..	3.61	3.80	..	3.67	..	..	..	.. h	..	..	..
TIN													
Malaya	000 M$	1.60	4 53	4.46	6.04	4.99	6.37	8.33	10.94	9.11	9.81	9.41	8.09
Thailand d	000 baht	..	..	20.04	22.16	17.94	22.82	31.10	40.9	34.8	36.2	35.8	32.2
U.K.	£	187	543	596	734	586	733	1,027	1,318	1,091	1,188	1,118	968
U.S.A.	US$	932	2,188	2,186	2,108	1,703	2,155	2,914	3,674	2,968	3,218	3,085	2,603
PIG IRON													
India	Rs.	..	111	111	105	105	105	105	105	105	105	105	105
Japan e	000 Y.	0.02	3.1	4.7	..	9.8	12.2	14.0	16.9	32.6	28.9	29.5	39.4
Korea	000 W.	..	15.0	27.5	..	50.0	..	..	..	.. h	..	200.0	200.0
CEMENT													
India	Rs.	..	83.7	81.2	81.2	81.2	81.2	81.2	81.2	86.0	81.2	81.2	95.5
Indochina	Pr.	30	746	961	986	996	976	976	976	1,009	976	976	1,076
Japan	000 Y.	..	2.79	4.12	5.01	4.78	4.82	5.43	6.41	7.57	7.15	7.57	8.00
Korea	000 W.	..	21.8	40.6	..	45.0	..	..	..	164.6h	171.0	162.8	160.0
Pakistan	Rs.	..	..	93.8	93.8	93.8	93.8	93.8	93.8	93.8	93.8	93.8	93.8
COTTON YARN													
India	Rs.	..	2,620	3,130	3,060	3,060	3,060	3,060	3,255	3,785	3,770	3,792	3,792
Indochina	000 Pr..	1.8	50.1	45.0	50.8	50.2	47.6	50.1	57.3	66.6	64.0	64.0	71.8
Japan	000 Y.	..	87	280	373	357	357	417	474	796	796	796	796
COTTON FABRICS													
India	000 Rs.	..	4.1	3 9	3.6	3.6	3.6	3.6	3 9	4.3	4.3	4.3	4.3
Japan (Y. per meter)		..	..	62	79	59	90	108	117	120	126	122	114
JUTE BAGS (per hundred)													
India	Rs.	..	133	146	156	156	156	156	159	268	270	263	270
Pakistan	Rs.	..	151	174	196	200	190	179	189	216	214	219	215
JUTE (hessian)													
U.K.	U.S.$	183.7	658	..	559	559	359	559	718	803	718	803	889
U.S.A.	U.S.$	172.8	660	..	777	586	759	1,112	1,183	1,177	1,199	1,187	1,146

a. For details regarding specification and market centre see "Explanatory Notes to Table X" in Vol. I No. 1, and Footnotes to Table XI in Vol. I No. 2, and No. 3, Statistical Supplement to Vol. I and Vol. II No. 1.

b. Coconut oil for Ceylon, Malaya and the Philippines; groundnut oil for India; palm oil for Indonesia; and mustard oil for Pakistan

c. India, raw cotton, Bengal Fine M.G. substituted from third quarter 1949 for original specification the price of which in the third quarter of 1949 was 1309

e. Pig Iron No. 2 for casting substituted beginning July 1950, the quotation for the original specification i.e. Pig Iron for steel being 11.9 for July 1950.

d. Tin Ore.

g. October.

h. Beginning second quarter of 1951, all figures refer to Pusan.

i. December.

‡ 1939. † 1937.

XII. FINANCIAL STATISTICS[a]

	1938	1948	1949	1950	1950			1951				
					II	III	IV	I	II	Apr.	May	June
BURMA (million Rs.)												
Currency and Deposit Money												
Currency: In circulation	..	351	418	394	412	385	369	436	473	485	481	454
Deposit money b	..	174	202	207	204	225	204	198	223	217	223	229
Commercial Banks												
Total deposits	108	199c	233	246	246	267	246	238	261	257	264	272
Assets: Cash	3	72c	109	69	74	74	57	48	54	49	52	61
Short term: Government	..	26	8	23	20	25	25	19	23	23	23	23
Short term: Other	48	67	60	100	105	91	108	170	151	158	155	139
Long term: Government	..	..	..	7	6	7	7	7	8	8	8	8
Union Bank of Burma												
Deposits: Total	..	108d	149	226	189	291	287	277	304	267	292	353
Government	..	44d	46	163	122	223	237	237	258	226	249	300
Foreign assets: Total	..	88d	172	216	178	271	279	283	293	266	277	335
Local assets:												
Short term: Government	..	6d	20	18	19	15	14	17	17	17	17	17
Long term: Government	..	10d	10	13	16	14	15	13	13	13	13	13
Bank Clearings	68	157c	128	139	139	151	144	165	150	144	162	144
CEYLON e (million Rs.)												
Currency and Deposit Money												
Currency—Net active	34	236	237	271	252	276	311	347	358	355	359	361
Deposit money b	..	579	621	475	438	488	549	661	672	678	674	664
Commercial Banks												
Total deposits	..	641	687	660	613	663	741	869	856	871	861	837
Assets: Cash	..	269	284	151	105	146	178	204	217	224	222	205
Short term	..	127	137	205	173	242	252	192	181	180	188	175
Long term	..	193	230	187	182	178	203	217	216	216	216	216
Central Bank of Ceylon												
Deposit: Total	..	..	..	189	..	177f	184	224	250	241	264	245
Government	..	..	.	20	..	3f	27	32	46	34	62	44
Foreign assets: Total	..	..	..	533	..	506f	552	617	660	650	679	650
Local assets												
Short term: Government	..	..	..	14	..	14i	14	14	14	14	14	14
Long term: Government	..	..	..	4	..	..	4	2	—	—	—	—
Bank Clearings	91	396	461	549	525	614	590	672	692	674	714	688
HONG KONG (million HK$)												
Currency and Deposit Money												
Notes: Total issued	..	778	840	803	801	802	807	807	806	807	806	806
Bank Clearings	..	689	917	1,199	945	1,408	1,566	1,615	1,534	1,572	1,562	1,467
INDIA g (1000 million Rs.)												
Currency and Deposit Money												
Currency: Net active	3.03h	13.58	12.38	12.49	12.86	12.22	12.35	13.37	13.89	13.95	14.01	13.72
Deposit money	1.35h	8.07	7.06	6.83	6.80	6.76	6.94	7.01	7.07	7.28	7.11	6.83
Scheduled Banks												
Total deposits	2.27	9.90	8.85	8.71	8.66	8.75	8.82	9.04	8.95	9.05	8.93	8.86
Assets: Cash	0.22	1.28	1.04	0.98	0.90	1.08	1.08	0.89	0.93	0.87	0.84	1.08
Short term	1.16	4.33	4.47	4.40	4.68	4.26	4.20	5.21	5.61	5.62	5.71	5.50
Long term	..	4.65i	3.74	3.73	3.60	3.82	3.90	3.45	3.20	3.26	3.18	3.16
Reserve Bank of India												
Deposits: Total	0.32	4.29	3.10	2.94	2.70	3.04	3.08	3.03	3.03	3.06	2.95	3.10
Government j	0.15	2.57	1.75	1 68	1.56	1.66	1.75	1.82	1.76	1.77	1.69	1.80
Foreign assets: Total	1.15	13.74	8.95	8 68	8.76	8.50	8.62	9 01	9.11	9.20	9.14	8.97
Banking Department	0.04	3.44	1.87	2.08	1.94	2.22	2.16	2.03	1.83	1.92	1.76	1.79
Issuing Department	1.11h	10.30	7.08	6.60	6.82	6.28	6.46	6.98	7.28	7.28	7.38	7.18
Local assets:												
Short term: Government	0.02	0.01	0.03	0.02	0.02	0.03	0.02	0 03	0.07	0.07	0.07	0.08
Short term: Others	0.02	0.09	0.12	0.10	0.13	0.07	0.05	0 14	0.23	0.27	0.20	0.21
Long term: Total	0.39	2.83	5.01	5.21	5.27	5.23	5.27	5.70	6.02	5.98	6.05	6.04
Banking Department	0.06	0.75	1.00	0.76	0.59	0.71	0.90	0.93	0.90	0.96	0.88	0.87
Issuing Department	0.32	2.08	4.01	4.45	4.68	4.52	4.37	4.77	5.12	5.02	5.17	5.17
Bank Clearings	1.54	5.07	4.77	4.70	4.61	4.60	4.74	5.99	6.32	6.26	6.76	5.92
INDO-CHINA (million Pr.)												
Commercial Banks												
Total deposits	..	1,126	1,284	1,616	1,520	1,602	1,769	1,902	2,172	2,170	2,191	2,157
Assets: Short term	..	338	600	707	683	689	721	611	626	594	628	655

XII. FINANCIAL STATISTICS *(Contd.)*

	1938	1948	1949	1950	1950 II	1950 III	1950 IV	1951 I	1951 II	1951 Apr.	1951 May	1951 June
INDONESIA (million R.)												
Currency and Deposit Money												
Notes: Total issued k	188h	1,577h	1,740	2,203	2,104	2,238	2,621	2,903	..	3,083	3,137	..
Deposits Money	83h	884h	756	1,661	1,239	1,543	1,937	2,394	..	2,391	2,514	..
Bank of Java												
Foreign assets: Total	128h	..	551	868	726	770	1,242	1,504	1,684	1,616	1,726	1,710
Local assets:												
Short term: Government	3h	916h	972	2,007	1,930	2,030	2,445	2,782	2,035	2,275	1,999	1,832
Short term: Others	61h	..	70	138	120	169	194	173	395	244	426	514
JAPAN (1000 million Y.)												
Currency and Deposit Money												
Notes: Net Active m	2.9	338.1	294.0	315.2	298.1	307.4	357.2	378.1	*385.9*	390.5	*379.6*	*387.7*
Deposit money	5.3h	266.9	364.2	452.1	437.8	457.7	482.3	556 8	*636.1*	*582.4*	*606.4*	*689.5*
All banks except Bank of Japan												
Total deposits	19.1	326.4	613.9	893.4	852.3	917.1	997.4	1,132.2	1,237.6	1,196.5	1,240.7	1,275.6
Assets: Cash	1.2h	..	22.9h	21.6	20.0	22.0	22.3	27.8	*24.8*	27.8	*23.7*	*23.0*
Short term	12.7	248.3	496.8	825.8	786.1	855.5	945.8	1,029.3	1,160.2	1,108.6	1,155.7	1,216.2
Long term	5.8	68.2	115.4	117.4	110.2	120.4	132.7	141.0	150.3	146.9	150.5	153.6
Bank of Japan												
Deposits: Total	0.4	29.5	57.2	56.7	49.7	51.0	77.4	164.7	177.1	160.6	178.7	192.0
Government	0.3	10.4	35.2	37.8	32.3	32.7	55.6	139.6	155.3	138.7	155.3	172.0
Local assets:												
Short term: Government	—	69.0	94.1	78.1	70.2	89.9	67.7	51.1	42.6	42.6	42.6	42.6
Short term: Others	0.1	54.6	77.8	123.2	128.6	140.2	122.9	110.9	152.5	120.5	145.6	191.3
Long term: Government	1.8	153.8	182.3	143.7	145.1	123.2	136.3	133.4	127.3	125.0	127.7	129.2
Bank Clearings	..	235.7	549.2	808.0	746.6	819.6	1,009.4	1,066.1	1,260.3	1,243.2	1,239.3	1,298.4
KOREA, South (1000 million W.)												
Currency and Deposit Money												
Notes: In circulation	0.31	28.90	42 06	..	..	..	..	*304.22*	*328.09*	*337.14*	*382.12*	*408.42*
Deposit money	0.12	11.48	20.65	..	..	..	..	..	..	..	..	..
All Banks												
Total deposits	0.52	32.93	56.93	..	..	..	..	..	..	..	..	..
Assets: Cash	0.05	8.31	15.44	..	..	..	..	..	..	..	..	..
Short term	1.05	32.16	52.92	..	..	..	..	..	..	..	..	..
Long term	0.41	3.25	3.53	..	..	..	..	..	..	..	..	..
Bank of Korea												
Deposits: Total n	0.62	5.18	7.86	..	*172.31*	173.48	238.72	260.42	270.97	265.85	268.24	278.81
Government	..	.	..	..	*94.27*	93.94	136.72	140.59	135.30	134.56	138.30	133.05
Foreign assets:	..	..	..	..	*6.45*	6.47	6.47	6.43	6.64	5.00	6.38	8.55
Local assets:												
Short term: Government	..	..	..	..	*146.33*	148.40	291.22	445.02	539.38	511.77	535.35	571.04
Short term: Others	0.97	8.20	13.45	..	*43.70*	48.32	52.29	52.49	56.12	50.35	55.36	62.66
Long term	0.28	0.18	0.41	..	*3.34*	3.34	3.34	3.57	4.33	2.88	4.06	6.24
Bank Clearings	0.20	20.57	39.87	40.83	*73.77*	4.32	27.11	48.70	149.92	120.30	147.25	182.20
MALAYA (million M$)												
Currency and Deposit Money												
Currency: Total issued p	..	407	402	456	410	461	589	682	726	721	729	728
PAKISTAN (million Rs.)												
Currency and Deposit Money												
Currency: In circulation	..	1,708	1,741	1,794	1,789	1,704	1,871	2,184	2,088	2,134	2,114	2,017
Deposit money	..	990	999	1,055	1,081	1,085	1,007	1,061	1,162	1,138	1,136	1,213
Scheduled Banks												
Total deposits	..	1,092	1,072	1,180	1,198	1,202	1,168	1,227	1,380	1.355	1,391	1,393
Assets: Cash	..	218	204	148	161	127	124	129	188	153	198	214
Short term	..	322	423	562	511	521	698	849	664	790	651	550
State Bank of Pakistan												
Deposits: Total	..	1,164	1,015	795	766	796	825	957	1.040	1,015	1,025	1,079
Government	..	911	795	607	595	600	656	811	819	839	821	797
Foreign assets:												
Banking Department	..	1,009	722	342	308	315	383	577	637	655	641	616
Issuing Department	..	1,293	1 618	1,274	1,352	1,130	1,139	1,321	1,337	1,337	1,337	1,337
Local assets:												
Short term: Government	..	117	111	103	103	102	103	59	72	13	100	102
Short term: Others	..	..	3	37	10	40	82	118	13	39	—	—
Long term:	..											
Banking Department	..	65	178	269	286	247	242	178	258	212	260	303
Issuing Department	..	25	97	469	411	519	650	784	669	753	653	603
Bank Clearings	..	300	325	362	327	366	400	602	392	410	424	342

XII. FINANCIAL STATISTICS (*Contd.*)

	1938	1948	1949	1950	1950			1951				
					II	III	IV	I	II	Apr.	May	June
PHILIPPINES (million P.)												
Currency and Deposit Money												
Currency: Net active	141h	513	551	598	574	601	647	690	700	711	703	686
Deposit Money	73h	547	547	549	530	545	627	564	573	584	563	573
Commercial Banks												
Total deposits	..	870h	818	827	805	818	916	858	864	876	852	865
Assets: Cash	65h	313	203	209	174	184	286	232	..	..	..	..
Short term	210	..	563	536	543	520	523	544	581	556	581	606
Long term	49	..	84	62	61	69	71	69	75	76	76	73
Central Bank of Philippines												
Deposits: Total	..	..	144	164	138	148	238	185	193	173	203	203
Foreign assets: Total	..	400	607	482	447	459	582	561	563	583	561	544
Local assets:												
Short term: Others	..	..	30	63	62	63	42	54	29	47	19	20
Long term	..	..	20	130	122	139	156	163	211	163	235	235
Bank Clearings	26	381	443	462	461	445	481	453	452	418	505	432
Total Bank Debits to Checking Account	175	772	723	674	639	676	783	759	727	681	799	703
THAILAND (million baht)												
Currency and Deposit Money												
Notes: in circulation r	191h	2,237	2,505	2,610	2,486	2,564	2,938	*2,569*	*2,752*	*2,743*	*2,794*	*2,721*
Deposit money s	..	1,014	1,020	1,061	1,008	1,059	1,187	*1,205*	*1,452*	*1,422*	*1,471*	*1,456*
Commercial Banks												
Total deposits	53	786	829	867	821	864	963	1,000	1,117	1,091	1,139	1,122
Assets: Cash	13	369	330	274	252	255	325	317	470	470	490	449
Short term	28	406	546	609	600	598	610	694	699	699	710	680
Long term	8	102	101	96	90	104	103	96	92	90	94	93
Bank of Thailand												
Deposits: Total	..	717	1,166	1,447	1,451	1,542	1,488	1,454	1,730	1,706	1,690	1,795
Government	..	338	444	455	501	511	370	309	449	432	412	501
Foreign assets: Total	..	1,722	2,268	3,207	3,111	3,274	3,579	3,700	4,044	4,001	4,059	4,071
Local assets:												
Short term: Others		434	604	903	827	933	1,033	1,306	1,558	1,495	1,555	1,626
Long term:												
Banking Department	..	5	150	142	143	140	144	155	155	155	155	155
Issuing Department	..	951	755	500	500	500	500	512	561	537	574	574
Bank Clearings	..	774	1,112	1,544	1,357	1,653	1,814	2,100	1,931	1,916	2,084	1,792
Debits to sight Deposit	..	..	1,447h	2,068t	..	..	..	2,830	2,546	2,466	2,644	2,527

a Net active currency: Total issued less holdings in all banks including the central bank and the government treasuries. Currency in circulation: Total issued less holdings in all banks including the central bank. Deposit money: Deposits of all banks (including central bank) subject to checks but excluding inter-banking liabilities and central government deposits. Cash of commercial banks: Cash and balances with banks. Short term assets: Short term assets such as loans, advances and bills discounted. Long term assets: Securities, bonds, debentures etc.
Figures refer to end of period for months and average of month ends for quarterly and annual figures, except in the case of bank clearings where monthly totals and their averages are used.

b Demand deposits of commercial banks.

c Average March-December.

d Average April-December.

e Figures up to and including 1949 are end of quarter and their averages. 1950 figures are end of months and their averages.

f Average of August and September.

g Figures for 1938 are average of weeks for the twelve months ending March 1939, except where indicated under h.

h End of year.

i Average of September-December.

j Central and other government deposits except 1938 which includes only those of the central government.

k Total of Bank of Java notes and government paper money.

m End of year for 1938, 1948, annual average (only 11 months) for 1949.

n The series up to and including February 1950 and different from series beginning June 1950 onwards as the former excludes Treasury Deposits, Government deposits in foreign currencing and special deposits for counterpart fund.

p. The figures in the first of each month have been taken to represent end of month figures of the previous month.

r Total issued less amount held in Banking Department of the Bank of Thailand.

s Sight deposits with commercial banks and at the Bank of Thailand but excluding government deposits.

t Average of end of Quarter.

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The BULLETIN is intended to provide a regular review of the economic situation of Asia and the Far East in the intervals between the publication of the annual ECONOMIC SURVEY OF ASIA AND THE FAR EAST. Three issues of the BULLETIN are published annually, in August, November and February, covering the first, second and third quarters of the year respectively, and a Statistical Supplement which includes statistics for the fourth quarter is issued in June. The analysis of economic developments in the fourth quarter of the year is included in the ECONOMIC SURVEY OF ASIA AND THE FAR EAST. In addition to the general review of economic developments in the quarter and the compendium of Asian Economic Statistics on which it is based, the BULLETIN contains special articles on particular subjects related to the problems of the Asian economy.

The BULLETIN, which is prepared by the Research and Statistics Division of the Secretariat of the Economic Commission for Asia and the Far East, is published entirely on the responsibility of the Secretariat, and its contents, which are intended for the use both of governments and the general public, have not been submitted to the member Governments of the Commission before publication.

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REVIEW OF THE ECONOMIC SITUATION IN ASIA AND THE FAR EAST

JULY—SEPTEMBER 1951

SUMMARY

RICE production in South-East Asia, although, in general, unfavourably affected by the monsoon conditions, was believed to be sufficient to meet the minimum requirements of importing countries in the current year. The vegetable oil crops of sesamum and groundnuts showed signs of improvement in Burma, India and Pakistan. Sugar production, although declining in Taiwan, was reported to be increasing in Indonesia, and the Philippines. Tea output in Ceylon and Indonesia, increased but remained stable in India and Pakistan. Improved prospects for cotton were reported in Burma, India and Pakistan, and for jute in India, Pakistan and Nepal. Rubber output, however, registered a further decline.

Coal output in ECAFE countries declined by 3 per cent during the quarter although electricity output increased by 2 per cent. In Japan, while coal output increased by less than 1 per cent, there was a decline in the output of electricity of about 10 per cent, and this situation was aggravated by an increase in demand arising from the Korean war. Iron and steel output showed increases in India and Japan, as well as on the mainland of China.

There was an increase in cotton textile output in both India and Japan. In Japan, however, the industry is likely to have great difficulty, in face of increasing international competition, in reaching the export target of 1.2 million to 1.4 million yards for the year.

The downward trend of demand and prices for the region's raw material exports continued during the quarter under review. This, combined with further relaxation of import controls, brought about either a substantial reduction of positive balances of trade (e.g. in North Borneo, Ceylon, Indonesia and Malaya) or a change from positive to negative balances of trade (e.g. in India, Pakistan and the Philippines). In India, the fall in export proceeds was also attributed to a setback in cotton textile exports, and the need to conserve raw material output for domestic consumption. Thanks to its sound balance of payments position Ceylon was able to lift its import controls and substantially relax its exchange control in order to lower the cost of living. Ceylon, next to Thailand, probably now has less stringent import controls than any other country in the region. Both the imports and exports of Japan decreased during the quarter, this being a reversal of the rising trend since the outbreak of the Korean war. The decrease of exports was chiefly due to the fall of export prices, especially for textiles, while the reduction of imports was mainly because of the monetary stringency and of the unduly large imports during the first quarter of the year. The new Anglo-Japanese Payment Agreement omitted the "dollar clause," with the result that sterling can be more widely used to finance trade between Japan and the Sterling Area as well as some other countries.

With the change in balances of payments, the inflationary tendency in many countries of the region seems to have lessened. In India, there were even signs of a deflationary tendency. However, prices of staple foods were generally increasing, and this will doubtless affect wages. Textile prices fell in most countries, mainly due to previous speculative buying and overstocking, the bumper cotton crops reported from the United States, and the fall in Japanese export prices. The rising prices, or scarcity, of some important commodities made it necessary for some countries to re-institute or strengthen their price controls. The Government of the Federation of Malaya was considering the establishment of a rubber stabilization fund, to combat the present inflation, to prevent future depressions, and to reserve funds for replanting.

PRODUCTION

Food

The Consultative Committee on Rice, at its Singapore meeting in September-October, concluded that monsoon conditions in South East Asia had not in general been favourable to *rice* production. Nevertheless there were fair prospects of sufficient rice being available in 1952 to meet the minimum requirements of importing countries. It may be recalled that Asia's rice crop, which represents 92 per cent of the world total. was estimated to yield 143 million metric tons in 1950/51, as compared with 142 million metric tons in 1949/50.

For 1951/52 the rice crop in Burma is not expected to be larger than for the previous year. In Malaya, the rice crop is expected to be greater than the previous year's. in keeping with the Government's policy of increased rice production. In the Philippines the rice crop is estimated to yield 2.7 million tons, as compared with 2.6 million tons in the previous year. owing to extension of high-yielding varieties, use of fertilizers, increase in irrigation pumps, extension of rice acreage and mechanized farming. In Thailand the 1951/52 crop is estimated to yield 6.3 million tons. Even though current production is considerably less than the 1949/50 output of 6.7 million tons, it is still much above the prewar (1937/38) average of 4.5 million tons.

As regards vegetable oil crops, in Burma, the second forecast for 1951/52 indicated 1.32 million acres of land under sesamum, as compared with 1.2 million acres in the previous year, and 706,000 acres under groundnut, as compared with 664,000 in the previous year. In India, the first estimate for groundnuts placed the current year's acreage at 3.82 million acres, as compared with 3.81 million acres in the previous year. In

Pakistan, judging from the final forecast for 1950/51, there was an increases in the acreage under sesamum from 181,000 acres to 201,000 acres. Although the acreage was increased by only 11 per cent, the crop is expected to yield 34,000 tons, constituting an increase of 36 per cent.

The production of *sugar* in Taiwan in 1950/51 is expected to drop the previous year's crop, in order to allow for an extension in rice acreage. There was, however, an increase in sugar production in Indonesia where the 1951/52 crop was expected to yield about 500,000 tons, as compared with 350,000 tons in 1950/51. In the Philippines also, the 1950/51 crop was estimated to yield 798,300 tons, as compared with 621,400 tons in the previous year. The Government had given considerable financial aid to sugar planters in order to expand output, and a later estimate even placed the output as high as 1.1 million tons which, if realized, would enable the Philippines to export to countries other than the United States wich has a minimum fixed quota of 863,600 tons.

Tea production in 1951/52 expanded in Ceylon and Indonesia, but remained stable in Pakistan and India. In India there was a decrease in tea output in the north, but an increase in the south.

TABLE 1. PRODUCTION OF TEA

(*in thousand lbs.*)

	Period from 1 April (a)	1950/51	1951/52
North India (b) ..	7 months	438,500	427,400
South India (b) ...	6 months	52,095	67,497
Pakistan (b) ...	7 months	43,643	43,688
Ceylon ...	6 months	151,212	165,057
Indonesia (c) ...	5 months	30,395	42,399

(a) Principal production period for which 1951/52 figures are available.
(b) Unofficial figures, compiled by the Indian Tea Association, United Planters' Association of Southern India and the Pakistan Tea Association, respectively. The figures for North India omit production in the Punjab and Uttar Pradesh (roughly 4 million lbs. a year).
(c) Estate production, including leaf bought from Indonesian peasants and small-holders.
Source: International Tea Committee, Monthly Statistical Summary, December 1951.

Raw Materials

In Burma the second forecast for 1951/52 indicated 234,000 acres under *cotton*, as compared with 208,000 acres in the previous year. On the basis of output in six cotton-growing districts, it would seem that the cotton crop will increase by about 40 per cent as compared with last year. In India, according to the second estimate, the acreage sown was 12.3 million acres, an increase of about 21 per cent over the previous year. The non-official crop estimate had originally placed cotton output in India at 3.6 million bales, which was later amended to 3.1 million bales. In Pakistan the second forecast put the acreage under cotton at 3.1 million, as compared with 2.9 million in the previous year; this increase was attributed to favourable weather conditions at the time of sowing and high market prices for cotton. Lord Boyd Orr, Chairman of the Pakistan Agricultural Enquiry Committee, has emphasized the need for Pakistan to double its cotton production. Pakistan's cotton yield per acre at present is 205 lbs. which, though higher than that for India and a few other countries, is much below the 292 lbs. yield for the United States, 368 lbs. for the U.S.S.R. and 572 lbs. for Egypt. The yield in Pakistan could be increased by the use of better seeds and artificial fertilizers and by reducing damage from pests.

In India, raw jute output for 1951/52 was expected to be 4.7 million bales which would be higher than in the previous year. In Pakistan the final forecast for 1951/52 placed the yield at 6.3 million bales of 400 lbs. each, showing an increase of 45 per cent over last year's production due to an increase in acreage and to favourable weather conditions.

In general, the production of *rubber* in the countries of the region during the quarter declined further. In Ceylon rubber ouput during the quarter declined to 24,000 tons, as compared with 25,000 tons in the corresponding quarter of the previous year, owing to unusually heavy rainfall and low productivity of the trees following intensive tapping in 1950. In Malaya, rubber production during the quarter was 50,000 tons; this was 10 per cent less than in the first quarter of 1951 and 19 per cent less than during the corresponding quarter of the previous year. The decline in output was attributed to labour shortages, especially in Borneo and Sarawak, the abnormally wet weather in many districts, and the low productivity, especially of small-holdings.

Although *tin* output in the region did not decline during the quarter, it was relatively low. As compared with the conditions prevailing six months before the Korean war, output had hardly increased, while the price of tin metal in Malaya, though it had been falling recently, was still 46 per cent above the level at that time.

It may be noted that the United States Reconstruction Finance Corporation has announced that a new substitute for tin has been found which may result in a further reduction in prices and help solve the shortage of strategic tin for defence. It is understood that this process consists of cutting and impregnating alluminium foil with plastics.

The output of *coal* in India, Indochina, Indonesia, Korea, Malaya and Pakistan during the quarter was 3 per cent below that of the previous quarter. In Taiwan, output during the first half of the year averaged 127,000 tons monthly as compared with an average of 118,000 tons during 1950.

TABLE 2. OUTPUT OF PRINCIPAL INDUSTRIES & MINERAL PRODUCTS IN THE ECAFE REGION

(Monthly averages in thousand metric tons)

	1950		1951			Relative changes of 3rd Quarter 1951	
	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	3rd Quarter 1950 = 100	2nd Quarter 1951 = 100
Power							
Coal	2,782	2,904	3,165	3,078	2,986p	107	97
Electricity (mn. kwh)	491	517	529	561	574p	117	102
Iron & Steel							
Pig iron & ferro alloys	139	155	146	156	157	113	101
Steel ingots & castings	124	130	124	126	128	103	102
Finished steel	88	90	90	88	93p	106	106
Others							
Tin-in-concentrates[p]	9.07	8.99	8.48	8.69	8.72	96	100
Cement	249	275	292	305	312p	125	102
Cotton yarn	40.1	42.5	46.1	48.8	50.3	125	103
Sulphuric acid[p]	9.03	8.92	7.13p	8.3p	8.9p	99	107

a Countries included under each product are as follows:—
Tin-in-concentrates — Burma, China, Indochina, Indonesia, Malaya and Thailand.
Coal — India, Indochina, Indonesia, Korea, Malaya and Pakistan.
Electricity — Hong Kong, India, and Philippines.
Cement — Hong Kong, India, Indochina and Thailand.
Pig iron and ferro alloys, steel ingots and castings finished steel, cotton yarn and sulphuric acid. — India only.
p Provisional.

In India, production of coal declined further during the quarter, being 6 per cent below that of the first quarter of 1951, owing to lack of adequate rail wagons and coastal shipping space, the rise in cargo rates and the necessity for using all available shipping for transport of food grains.

In Malaya, output of coal increased during the quarter by about 3 per cent, to 34,000 tons. It was stated that shortage of skilled labour was preventing the coal mines from satisfying a larger share of the present demand within the country. At present, demand is estimated to exceed production by about 35 per cent.

In Japan, although production of coal increased very slightly as compared with the previous quarter, there wass an acute shortage due to the increased demand. Many industries had expanded rapidly after the outbreak of the Korean war, and coal consumption in all industries was showing an upward trend. The Government had fixed targets in order to raise the nation's total production of coal but these targets were not attained in July and August, and only in September did the actual output exceed the target by 3.7 per cent.

The production of *electricity* in Hong Kong, India and the Philippines increased by 3 per cent during the quarter. In Taiwan, total production in 1950 was 1,040 million kwh, while in the first half of 1951 it was 624 million kwh and was expected by the end of the year to exceed the target of 1,100 million kwh.

In India, although the average was 2 per cent above that of the previous quarter, it began to decline by the end of the quarter, partly due to the scarcity of power supply in the Bombay-Poona area resulting from paucity of rainfall for the Tata Hydro-Electric System.

In Pakistan, in order to regulate the consumption of electrical energy in Karachi, the Government placed restrictions on its use.

In Japan, production was 10 per cent below that of the previous quarter and was declining further towards the end of the quarter. This acute shortage of electric power was due to a long spell of dry weather which resulted in power stations not having enough water in their reservoirs to keep generating at a normal rate. Furthermore the expansion of production in thermo plants was limited by shortage of coal. Officials of the Ministry of International Trade and Industry and the Public Utilities Commission agreed, in September, that power companies affected by coal shortage should receive emergency transmission from those located in other parts of the country and that they should also receive priority in the delivery of coal. In addition, the Government was preparing to enforce certain measures which would revise the power allocation system by increasing the number of consumers subject to stricter control, giving power to those most needing it and reducing supply for ordinary household use. The Government was also planning to give increased allocations of heavy oils to help industries in conserving supplies of coal.

During the quarter, *crude petroleum* production increased in Pakistan by about 2,000 tons. Pakistan Petroleum Limited had begun boring of oil test wells in Baluchistan in October. The Burma Oil Company was producing about 80,000 gallons daily; this was a

post-war record, being about four times the output in the corresponding months of 1949. In Taiwan, gasoline output in the first half of 1951 was 9.4 million gallons, which was about 77 per cent more than the target set for the first part of the year. In Japan, crude petroleum output was reduced by about 3,000 tons.

Manufactured Goods

Production of *iron and steel* in India continued to increase during the quarter. In Japan there were also increases in production of pig iron and ferro-alloys. In the production of steel ingots and castings, however, there was a slight decline at the end of the quarter. On the mainland of China, production of pig iron during 1951 was expected to be 31 per cent above that of 1950, steel ingots 42 per cent and finished steel 78 per cent. Increases in production were also expected in coal, electricity and textiles, due to an increasing rate of operation, the repair of old machinery and a rise in the productivity of labour.

In India, although the quarterly average of *cotton textile* production showed an increase over the previous quarter, by September production had begun to fall. In the fourth quarter of 1951 there may be a marked decrease in output, due to the unexpected shortage of hydro-electric power which necessitated curtailment of production in Bombay mills by about 20 per cent.

In Pakistan, during the 1950/51 season, the consumption of cotton continued to increase, to 140.000 bales of 500 lbs. each, or about 40 per cent above 1949/50 figures. This was the result of an increase in spindles and looms, so that by June 1951 there were 315,000 spindles and 5,330 looms in the country. The Government, in order to achieve self-sufficiency in cotton textile production, approved the establishment of thirty new cotton mills and the purchase of 810,000 additional spindles and 13,000 looms. There was a rise in price of Pakistan cotton; in the latter part of February this reached a peak of $0.61 per lb. for cotton comparable to American middling 15/16". Prices declined somewhat in March/April, but were more or less stable around June/July.

In the Philippines, cotton textile production was approximately the same as in the previous quarter, while in south Korea a decline in ouput took place in July and August. In Taiwan, the 1951 output of cotton cloth was estimated at 1.6 million pieces, constituting a 55 per cent increase over last year's production. In Hong Kong the textile industry, in common with other industries, was experiencing difficulties in obtaining raw materials, especially in view of the ban imposed on the export of American cotton to Hong Kong.

In Japan the high level of output reached in the previous quarter was maintained. Moreover, the industry will have great difficulty in attaining the target export of 1.2 to 1.4 million yards during the coming year, in face of increasing international competition. After the lifting of official restrictions, it was expected that spindleage would be increased from 5.7 million at the end of 1951 to over 6 million in a year's time.

Government Policy, Controls and Assistance

Agriculture

In Ceylon, the Government increased the guaranteed price for paddy from Rs. 8 to Rs. 9 per bushel, with effect from August, in order to assist paddy cultivators. Maize production was also increased under the stimulus of guaranteed prices. During the year 1951/52, the Government was prepared to appropriate Rs. 500,000 for the guaranteed price scheme, in addition to the allocation of Rs. 3.5 million for assisting the cultivators to increase paddy production.

In India, the Government, on 24 August, fixed differential prices for different varieties of cotton, following an earlier decision in June to raise the basic ceiling prices of cotton for the 1951/52 crop by Rs. 50 to Rs. 820 per candy. Six superior varieties were, however, exempted from the operation of cotton control during 1951/52 in order to encourage their growth.

In Pakistan, the Government announced its policy for the 1951/52 season to maintain fair prices for jute in order to give adequate returns to the cultivator. The Minister for Commerce, Labour and Industries of the Government of East Bengal assured jute growers that prices this year would not go down as in the previous year, and that the Government would not nationalize the industry.

In Thailand the Ministry of Agriculture applied for a 6 million baht budget for special agricultural assistance in 1952, as compared with 500,000 baht in 1951, for the purchase of seeds for distribution to farmers and for aid to live-stock breeders. In addition, 1.7 million baht was requested for helping the farmers.

Industry

In Burma, the Government reached an agreement with the Burma Oil Company to take a one-third share in a new company to operate the oil industry. Of the £5 million required, it had obtained a loan of £2.5 million from the British Government for immediate payment, with the balance to be paid by instalments over a number of years. On 17 October, the Government reached an agreement with the Burma Corporation for 50 per cent participation in a new company to be formed under the name Burma Corporation (1951) Limited. The old Burma Corporation owned lead and

zinc mines in Upper Burma and, in 1938/39, the latest year for which full production figures were available, had produced 6.2 million ounces of silver, 77,000 tons of lead, 61,000 tons of zinc concentrates.

In Ceylon, the Government approved the setting up of a corporation with a capital of Rs. 100,000 to promote local handicrafts. It also gave protection to the glassware industry under the Industrial Products Act.

In India, the Government gave permission to the Burma Shell Group to install a 1½ million ton refinery at Bombay, and assurances to exempt it from compulsory acquisition for a period of 25 years and also from certain sections of the Industries (Development and Regulation) Act. It had also reached an agreement with the Standard Vacuum Oil Company and with the Caltex Co. for the establishment of oil refineries. These three companies would be allowed to import their own crude oil duty-free for a period of 30 years. Of the capital of $35 million which would be required for the establishment of refineries by Standard Vacuum, the £15 million by Burmah Shell and perhaps an equal sum by Caltex, only 25 per cent of each company's capital subscription, in the form of cumulative preference shares, is to be open to Indian nationals.

In Indonesia, the Government announced its plans to nationalize electric power companies.

In Pakistan, the Government, in view of lack of interest by private enterprise, decided to develop the steel industry by an investment of Rs. 63.5 million. This should secure an annual output of 210,000 tons, which would meet about two-thirds of the country's requirements. The cotton textile industry presented its claim for protection to the Tariff Commission. It may be noted that present production, 500 million yards per year, can meet only a part of the country's requirements.

In the Philippines, the Government in April 1951 passed an executive order granting tax exemption under Republic Act No. 35 to industries which qualified as "necessary". It appointed an inter-departmental committee to prepare a national programme for the promotion and development of cottage industries with the assistance of the United States Economic Co-operation Administration.

In Thailand, the Government decided to nationalize the wolfram mines when the present concession expires and to increase its production and supply of wolfram to the United States. The Government was also planning to promote twenty-three types of home industry, including hand-weaving, dyeing, umbrella-making and knitting, at a cost of 4.5 million baht. The Government Policy Executive Committee appointed a sub-committee to study the problems of textile production and trade with a view to meet domestic requirements.

INTERNATIONAL TRADE

The Balance of Trade

During the quarter under review, weak foreign demand for, and consequently low prices of, raw material exports, as well as continuous relaxation of import control in most countries of the region, combined to bring about either a substantial reduction in positive balances of trade or a change from positive to negative balances. North Borneo, Burma, Ceylon, Indonesia and Malaya were among those with reduced positive balances, while Hong Kong, India, Pakistan and the Philippines had negative balances. In the three states of Indochina, although exports, chiefly rice, increased, a greater increase in imports resulted in an increased negative balance of trade. Thailand and Japan were exceptions to the trend.

Many factors accounted for these changes of which the more important were a reduction in international tension, the prospect of peace in Korea, and the reduced scale of stockpiling. If there is a prolonged period of rearmament, which would further increase the prices of manufactured goods, and if prices of raw materials cannot be increased because of past stockpiling and a consequent reduction in the scale of foreign purchases, countries in the region may again experience a period of negative balances of trade necessitating a tightening of import controls.

Changes in Total Exports

The downward trend of the prices of the region's raw material exports continued during the quarter under review. As can be seen from the chart, prices of raw materials, such as rubber, tin, copra, coconut oil, cotton and jute, which had risen most, had, except jute, also fallen most since February and March, although there was a slight revival for some towards of the end of the quarter. On the other hand, prices of some food items, such as rice and sugar, which had been comparatively stable, showed a steady but moderate increase. The price of tea continued to decline. There were several reasons for this divergent price movement of food and raw materials. The weakening of the fear of an immediate outbreak of a general war, which was widespread last autumn, had given way to expectation of a prolonged period of rearmament. Stockpiling purchases of rubber and tin by the United States had been substantially reduced. The bumper crops of cotton and soya bean also affected the prices of Pakistan cotton as well as of copra and coconut oil exported from Ceylon, the Philippines and Indonesia.

TABLE 3. INDICES OF TOTAL VALUE, QUANTUM AND UNIT VALUE OF IMPORTS AND EXPORTS (in national currency)

(January-June 1950 = 100)

		Total Value		Quantum		Unit Value		Terms of Trade [a]	Balance of Trade (monthly averages in millions)
		Import	Export	Import	Export	Import	Export		
N. Borneo									(M$)
1950	III	130	158						+ 4.3
	IV	178	226						+ 6.4
1951	I	161	230						+ 7.1
	II	202	199						+ 4.2
	III	198	173						+ 3.0
Burma									(Rs.)
1950	III	144	120	203	121	93	101	92	+ 24
	IV	206	91	278	125	47	126	37	— 13
1951	I	171	141	207	194	50	128	39	+ 29
	II	133	168	134	214	62	134	46	+ 57
	III	197	140	225	173	62	133	47	+ 19
Cambodia, Laos and Viet-Nam									(Pr.)
1950	III	166	145	147	100	105	143	73	— 298
	IV	136	151	131	114	103	133	77	— 233
1951	I	134	221	118	141	112	154	73	— 158
	II	150	190	124	151	119	129	92	— 235
	III	208	215	169[b]	166[b]	117[b]	132[b]	89	—378
Ceylon									(Rs.)
1950	III	109	130	105	117	99	109	91	+ 36
	IV	103	157	92	117	105	131	80	+ 71
1951	I	124	166	114	109	108	143	76	+ 61
	II	149	154	130	112	121	141	86	+ 24
	III	143	136	109	108	132	129	102	+ 10
Hong Kong									(HK$)
1950	III	107	146						+ 53
	IV	147	173						+ 6
1951	I	159	214						+ 72
	II	151	177						+ 6
	III	122	113						— 67
India									(Rs.)
1950	III	123	102	127	100	98	100	98	— 58
	IV	106	135	100	130	106	102	104	+ 143
1951	I	137	168	113	149	121	110	110	+ 155
	II	167	163	132	103	127	156	81	+ 19
	III	173	145	139	86	126	165	76	— 80
Indonesia									(R)
1950	III	140	181				144		+ 156
	IV	206	198				185		+ 120
1951	I	150	171				236		+ 131
	II	209	314				197		+ 302
	III	401	237						+ 1
Malaya									(M.$)
1950	III	142	188	124	132	114	144	79	+ 119
	IV	179	267	128	133	141	204	69	+ 212
1951	I	228	289	155	125	148	235	63	+ 165
	II	218	281	156	127	142	226	63	+ 168
	III	198	206	142	119	141	175	81	+ 50
Pakistan									(Rs.)
1950	III	149	123						+ 9
	IV	166	125						— 1
1951	I	185	305						+ 162
	II	154	141						+ 24
	III	174	80						— 52
Philippines									(P.)
1950	III	95	126	74	113	105	112	94	— 1.5
	IV	80	147	72	128	111	119	93	+ 18.4
1951	I	95	176	83	145	115	122	94	+ 22.1
	II	123	166	96	135	128	112	111	+ 0.3
	III	144	132	107	112	137	116	118	— 28.7
Thailand									(Baht)
1950	III	105	113						+ 70
	IV	115	120						+ 68
1951	I	123	151						+ 135
	II	143	123						+ 13
	III	137	132						+ 49
Japan									(U.S.$)
1950	III	87	130	88	126	99	103	96	— 0.1
	IV	114	178	97	149	120	118	102	+ 3.1
1951	I	159	178	156	126	138	140	99	— 32.9
	II	276	232	168	141	153	164	93	— 98.3
	III	231	194	177[c]	136[c]	157[c]	166[c]	95 [c]	— 82.6

a. Index of Unit Value of imports divided by that of exports. b Averages of July and August July only.

The divergent price movements of food and raw materials and the changes in their export volume affected in varying ways the total value of exports from countries of the region. In the raw material exporting countries, namely, North Borneo, Ceylon, Indonesia, Malaya, Pakistan and the Philippines, export values decreased during the third quarter of the year. The reduced export of rubber and tin affected particularly Indonesia and Malaya, that of cotton and jute Pakistan, and that of copra and coconut oil Ceylon and the Philippines. The lower prices of, and weaker demand for, rubber also affected North Borneo, Ceylon and Thailand while Indonesia was affected by similar developments in respect of copra and coconut oil.

In two major rice-exporting areas, namely, Indochina and Thailand, the total value of exports increased during the quarter, mainly as a result of larger quantities exported. The export price of rice from Thailand was primarily fixed by the bulk sale contract concluded early in the year.

The fall in exports from India was attributed to a setback in cotton textile exports. It was also attributed to the increase in internal consumption or a reservation for the domestic market in view of the rising prices.

Since partition, India has ceased to be primarily an exporter of raw materials. As the country's export trade has come to consist more of manufactured goods, there has been a tendency to place restrictions on exports of raw materials and give preference to the export of manufactured goods. In the formulation of export policy, the Government of India has to consider, on the one hand, the need to balance imports and to supply overseas markets, and on the other, the necessity of maintaining domestic consumption and industrial production. In the third quarter, the export of more industrial raw materials including dry-paint pigments such as zinc-oxide, white and red lead, deodorized castor oil, plastic raw materials, was prohibited. Exports of copper oxide, sulphuric, hydrochloric and nitric acid, belting machinery, etc. were also brought under control.

Prices and Exports of Principal Commodities

The quantity of *rubber* exports from the region decreased substantially during the third quarter, owing mainly to smaller exports from Malaya and Indonesia. The price of rubber settled at a much lower level than the peak reached in February and showed a slight increase toward the end of the quarter. Although the scale of purchases has been reduced, it seems that the United States has not yet attained its target for stockpiling, as two bulk buying contracts were concluded with Indonesia and Thailand during the quarter. Under the Indonesia-United States agreement, Indonesia agrees to ship to the United States, from the Government-owned plantations, 1,200 tons of raw rubber each month for a period of eighteen months beginning September 1951. Under the Thailand-United States agreement, the Government of Thailand assured the availability of 125,000 tons of natural rubber of standard RMA grades during the eighteen months period July 1951 through December 1952. It is estimated that the amount of rubber exported under this agreement will represent about two-thirds of the anticipated output for the period. Ceylon was not among the countries affected by the United Nations General Assembly's resolution banning shipment of strategic materials to the China mainland, and in early October, about 5,500 tons of rubber were shipped there. It is reported that prices paid were considerably higher than those in the world market.

Meanwhile, in order to help finance government plans to increase production of synthetic rubber, the price of synthetic rubber in the United States had been raised by six per cent at the end of August, and general purpose synthetic rubber was sold to industry for 26 cents a pound. Even this new price—the second increase in eight months— was only half the price of natural rubber. It is reported that the production of synthetic rubber will be increased from 760,000 to 860,000 long tons a year. Production of synthetic rubber in Canada is running at over 60,000 tons a year.

In late July, the Reconstruction Finance Corporation (RFC) of the United States announced that agreement had been reached to pay Bolivian *tin* producers $1.12 a pound. This price is 6 cents above the level of $1.06 at which the RFC had purchased tin since the middle of June. It is stated that the higher price offered for Bolivian tin was due to the higher costs of extracting the ore at very deep levels, mostly by hand. The RFC's official view seems to be that the mining of the metal in other countries, such as Malaya, Indonesia and Belgian Congo, was not so expensive because the ore was nearer the surface, and dredges and other equipment could be used. The price of tin metal in Singapore showed a slight recovery after August and the quantity of exports also increased. With RFC stock of 23,000 tons, smelter output of 55,000 tons and consumers' additional stock of 10,000 to 15,000 tons, American supplies of tin available in the next twelve months may reach 88,000 to 93 000 tons. Consumption in the United States has been running at about 70,000 tons, but is likely to be reduced by at least ten per cent, as a result of the restrictions imposed on the use of tin. Thus supplies would meet consumption and leave a surplus, without touching the large strategic reserve. The future of tin price seems vulnerable.

Prices of *copra* and *coconut oil* had fallen since March 1951 and had remained at a rather low but stable

level throughout the quarter. Factors contributing to the fall in prices were the anticipation of fairly large coconut crops during the summer, rumours of Korean peace and reports of bumper crops of cotton and soya beans in the United States. However, the report of a floor price for cottonseed oil planned by the United States Government helped to stimulate domestic prices in the United States and consequently the prices of copra and coconut oil. Exports of copra and coconut oil from the region during the quarter showed an increased compared with the last quarter.

The prices of raw *cotton* during the quarter continued the falling trend started in May, owing to the prospect of a better crop in the United States which may raise the world output from 27 million bales to 38 million bales. Pakistan's new crop was expected to be between 1.60 to 1.65 million bales, about 100,000 bales more than 1950/51 crop. In order to make Pakistan cotton more competitive on the world market and to maintain exports, the Pakistan Cotton Board announced on 10 September the resumption of forward trading and the reduction of export duties on cotton. The duty on short staple desi varieties had been reduced from Rs.300 to Rs.100 per bale of 400 lbs. and on other staple types of cotton from Rs.300 to Rs.180 per bale.[1]

Tea had fetched successively lower prices since March. During the quarter, the price was about 20 per cent below that before the Korean war. On the other hand, the cost of production still remained high. The production cost of tea in Pakistan was reported to be about one rupee a pound, while the price of tea was between 8 and 14 annas. As a result, as many as 13 tea estates had been compelled to close down, while many others had found it difficult even to pay wages to their labourers. The Pakistan Government had increased the tea export quota from 25 to 30 million lbs., with a further increase expected owing to large accumulated stocks.

Exports of *rice* from Thailand in the third quarter of 1951 rose to 388,000 tons, as compared with 347,000 tons in the corresponding period of 1950. However, the Government of Thailand was having difficulties in fulfilling bulk rice sale contracts with foreign governments. Export shipments, for which contracts had been signed, were delayed earlier in the year by the drying up of canals which affected water transporation of paddy to Bangkok. In order to enable the Government to catch up with delays in the fulfilment of its contracts and bring down the present high level of internal prices, "free export" of rice by private traders had been banned since 17 September. The prohibition of "free export" of rice would affect particularly Hong Kong, Singapore, West African territories, the Persian Gulf and some European countries.

Changes in Imports and Further Relaxation of Import Controls

The continued relaxation of import restrictions since late 1950, as reported in earlier issues of the *Bulletin*, resulted in an increase of imports during the quarter in Burma, India, Indonesia, Pakistan, the Philippines, and other countries. Imports into Malaya and Thailand during the quarter, however, showed a decrease and to a lesser degree in North Borneo and Ceylon.

The most significant change in import control during the quarter was the lifting of import control in *Ceylon*. Ceylon, next to Thailand, is now the only country in the region with very limited import control. The main arguments for the lifting of import and exchange restriction were the substantial positive balance of payments position and the desire to lower the cost of living. Early in July it was announced that import control had been removed with immediate effect on all except a few items which would remain under licence on account of restrictions in the exporting countries and the need for protection of local industries. Import of non-essential and luxury goods from dollar sources including Japan was still under restriction.

A wide range of essential and semi-essential consumer goods were thus freed from any form of control from both dollar and non-dollar sources, in order to lower the cost of living. They included beans, gram, oats and pulses, currystuffs, milk foods of all descriptions, potatoes, certain fuel oil and fats and greases. The necessity to encourage the building industry in order to ease the housing shortage was responsible for the lifting of control on imports of building materials and accessories including timber, cement, electrical goods, iron steel and alluminium hollow ware. As a further incentive to the rehabilitation of plantation and increased local production of food, import restrictions were relaxed on fertilizers of all kinds, excluding sulphate of ammonia which came under a destinational quota system in the producing countries. Among other items freed from import control which are likely to promote the development of local agricultural enterprise are plant seeds, agricultural machinery, including tractors and other implements for ploughing, and bull-dozers for clearing jungle-infested lands, and pumping machinery. Import restrictions on electrical machinery and industrial machinery of various kinds, machine belting and machine parts and tools, were also removed

1. It may be recalled that early last season the Pakistan Government raised the export duty to Rs.300 in two stages. The first increases on 23 October 1950 raised the duty from Rs.40 for short staple and Rs.60 for other varieties to a uniform rate of Rs.180 per bale. The second increase from Rs.180 to Rs.300 per bale took place a month later on 25 November 1950, due to the advantageous position enjoyed by Pakistan cotton after the Korean war and the tight world position of cotton supplies.

so as to encourage the industrial development of the country. In order to ensure the regular and economic working of the several thousand handlooms in the country, cotton yarn and twist were similarly treated. Restrictions on imports essential to the plantations and to Ceylon's export production were also removed. Items in this category include acetic and formic acid, tea and rubber processing machinery, tea chests and metal fittings for tea and other chests. The fishing industry also received a stimulus through the relaxation of import control on various items of fishing gear, such as sail cloth, canvas linen, fishing nets, etc. The full effects of the removal of import control will probably be felt only after a few months. Many importers are preferring to follow a "go slow" policy rather than rush to place larger orders. This caution is dictated by the recent increase in price of most goods in the exporting countries and the delay and difficulties experience in obtaining shipping space together with the increase of freight charges. The relaxation of import control will also affect Ceylonese traders who entered the foreign trade business when import control was in force, since they will meet the competition of foreign firms with large capital.

Following the lifting of import control, exchange control was also relaxed in Ceylon. Since 19 September, no permits have been required for small remittances abroad. Larger sums may be sent on production of ration books, and people with bank accounts may remit Rs.1,000 a month for personal purposes. The money may not be used for investment abroad. Ceylon nationals who leave Ceylon to live permanently elsewhere in the Sterling Area will be permitted to transfer all their approved assets to their new country of residence.

In *Burma*, import restrictions were further relaxed with respect to soft currency areas. On 6 August, it was announced that general permission would be given to all persons to import fourteen groups of commodities, including coal, other fuels. kerosene, mineral oil. lubricating oils, motor spirit, base metals. asphalt, etc. from any country other than Canada (including Newfoundland) and American Accounts countries, provided they were also made or produced in countries other than Canada and American Accounts countries. Hitherto they were only importable from the British Commonwealth and certain other countries.

In the *Philippines*, a new Import Control Bill took effect on 1 July for a period of two years. This bill incorporates all the recent enactments concerning import control. All imports, with a few minor exceptions, are to be licensed and subject to foreign exchange availabilities. The Monetary Board of the Central Bank of the Philippines shall certify and publish every six months the value of foreign exchange available for importers during the corresponding period. The foreign exchange thus available is allocated to the Import Control Administration and the Price Stabilization Corporation. All imports, which previously were decontrolled by executive orders, will continue to be decontrolled. and all other imports are considered as controlled and are divided into essential and non-essential imports. A list of essential imports is appended to the new Import Control Law which may be subjected by the Board of Directors of Price Stabilization Corporation to a system of controls and rationing in their distribution. Early in July the Monetary Board of the Central Bank allocated to the new Import Control Commission $137 million of which $94 million was for essential imports and $43 million for non-essential imports to cover the second half of 1951. Later on, the Import Control Commission allocated the dollars thus available on the following basis: for the needs of the various government departments, offices and agencies, 25 per cent. mainly for stockpiling; for *bona fide* producers and new industres which should be encouraged, 25 per cent, for new mports, 10 per cent and for *bona fide* old importers, 40 per cent. In late August, imports of many food items, petroleum products, raw materials required in local manufactures, and medicines were decontrolled. Control on imports financed by ECA aid was also removed. However, imports of 56 classifications, including food, which are being grown locally and manufactured articles, which can be produced locally in sufficient quantities, are still banned. In late September, an additional $5 million for imports in the second semester was made available to the Import Control Commission from the Monetary Board of the Central Bank.

In *Malaya*, imports of many items have been allowed or licensed freely. Among those licensed freely from hard currency sources in July and August were copper wire, canned salmon, refrigerators, films and out-board motors. Among those licensed freely from Japan in August were bicycles and bicycle spare parts. ball bearings, portable gramaphones, cameras, watches and clocks, fountain pens, and pencils, cigarette lighters, bicycle tyres and tubes, glass-ware, porcelain ware. china-ware and textiles.

In *India*, in August, it was decided that imports of American cotton and soft currency cotton (excluding East Africa cotton purchased under government agreement and Pakistan cotton) were to be freely licensed on the evidence of prior sale to mills. A limited quantity of imports was also to be licensed even without such evidence.

The Supply Problem of Raw Materials and Capital Goods

While stockpiling resulted in high prices and scarcity of raw materials,[1] rearmament programmes created shortages of exportable capital goods. The industrialized countries are concerned over the high cost of production caused by the high prices of raw materials, but the underdeveloped raw material producing countries are also complaining of the shortage and delay in delivery of capital goods. The industrialized countries desire stable and "fair" prices for raw materials, while the raw material producing countries demand a larger supply of capital goods, without which the production of raw materials can hardly be expanded and the development programmes will also be impeded. It is difficult to assess the problem without detailed information on capital supply to underdeveloped countries and on delays in delivery. However, views expressed at the British Commonwealth Materials and Supply Conference held in late September in London and at the ECAFE Trade Promotion Cocference in early October in Singapore throw much light on this problem. In the Commonwealth Conference the British Minister for Raw Materials stated that the rearmament programme undertaken by the United Kingdom and certain other Commonwealth countries would undoubtedly affect production and supply of capital equipment badly required by the underdeveloped countries. In fact, the supply of capital equipment to Pakistan and other countries of the region might be gravely curtailed until after the fulfilment of the rearmament needs. As to the prices of raw materials he felt that there must be stability if inflation were to be avoided and, in the interest of both consumers and producers, there must be an understanding about prices which would be fair to both and lead to orderly buying. Pakistan, however, reserved its position in regard to the proposal to "stabilize" the prices of raw materials and did not want any outside interference with the prices of its commodities.

The following facts were also brought out at the ECAFE Trade Promotion Conference. In the Philippines, the increased defence preparations and stockpile programmes had affected the rehabilitation of its agricultural economy, though not to a precarious extent. In Indonesia, traders had experienced difficulties in placing orders for goods and in many cases the goods were not available or were available only in limited quantities. Burma had also been experiencing serious delay in the delivery of goods. In Thailand, the effects of rearmament on the supply of building materials and capital goods had been felt. In Ceylon, the supply position in respect of several commodities, such as iron and steel and chemicals, was becoming gradually worse.

On the other hand, the supplying countries, including France, the Netherlands, the United Kingdom and the United States, expressed the view that, while the supply position was difficult, it was not as serious as might have been anticipated. The USSR stated that it was in a position to supply several categories of equipment to countries of the ECAFE region in exchange for specific commodities, and that it would support a system of bilateral trade agreements based on mutual advantage and not involving interference with the internal affairs of member governments.

Increases in Shipping Freight Rates

More shipping lines increased their freight rates during the quarter on account of the continuous increase in operating costs. The increase in shipping freight rates will, on the one hand, raise both costs and prices of imports and exports and, on the other hand make countries in the region pay more on their international accounts, as virtually none of them own ocean shipping lines.

In Ceylon, as early as 1 May 1951, the United Kingdom and Continental Shipping Lines announced the imposition of a 25 per cent surcharge on all imports into the island from the United Kingdom—the first rise since 1944. The imposition of this surcharge is said to be justified on the ground that recent unprecedented congestion and delays in loading and unloading of ships in Colombo harbour had unduly prolonged the turn round of cargo vessels and had thereby increased operational costs. It is reported that, from 1 September, the United Kingdom and Continental Lines had decided to increase cargo rates by 15 per cent, in addition to the surcharge on the existing basic freight rates. The proposed increase is part of the general stepping up of cargo rates to ports in Pakistan, India and Ceylon. Meanwhile, the Coastal Conference Lines, which have entered into a contract with the Ceylon Government for bringing rice from Burma, have revised the freight rate to Rs.35 per ton, or Rs.11 above the rate for the last nine months. The new rate, if accepted, will cost the Government nearly Rs.5 million on freight charges.

In Thailand, freight rates for general cargo to the United States were due for new increases on 1 December. Earlier this year they had been raised by 10 per cent, and were to be increased by another 10 per cent. Increases in operational and maintenance costs have forced shipping lines to consider increasing freight rates on most routes. The rate for United States-bound rubber will be raised from the present $32 to $35.5 per 2,500 lbs. The rate for rice to Singapore has been raised from M$20 to M$22 per ton. Rates for timber

1. Although the prices of some raw materials have fallen since early 1951, they are still higher than the pre-Korean war levels.

to India and Ceylon have also been raised. Inward general cargo rates from Hong Kong are to be increased soon. Both outward and inward cargo rates on the Japan-Thailand route, however, have remained steady because of keen competition. In the Philippines, the Associated Steamship Line decided upon a 10 per cent increase in rates for outgoing cargo except for copra, lumber logs, sugar and oils, effective from December 15. Proposed increases for those commodities were under discussion and a final decision had not been reached by the end of September. The Pacific Coast Conference decided on an increase for incoming cargo on an average of 10 per cent effective from 1 November. In connection with the increase on outgoing cargo both the Government and the producers contended that certain Philippine exports were already meeting stiff competition from overseas and that any increase in their cost in the world market would jeopardize the much improved total value of exports noted over the past year. The Government was considering withdrawal of government-owned vessels from the Associated Steamship Line, an organization of 18 foreign and Philippine shipping operators, which had announced the impending increase.

The Foreign Trade of Japan

Both exports and imports of Japan decreased during the third quarter, reversing the rising trend since the outbreak of the Korean war. The decrease of exports was attributed to the fall of export prices and the increasing cancellation of export contracts. Especially noted was the fall in export prices for textiles, the index for which fell from 151 in May to 117 in August. This fall caused contract calcellation, which gave rise to further falls in prices; as a result, the Japanese Ministry of International Trade and Industry decided to revise partially the export trade control ordinance, which, effective from 25 July, added cotton yarn, cotton fabrics, rayon yarn, rayon fabrics, staple fabric yarn and fabric, etc. to a list of articles requiring government approval for export, with a view to checking needless competition among exporters and stabilizing prices. However, the foreign importers, in anticipation of future weakness of prices, were not buying more. Export of other commodities, especially chemical products, also decreased, mainly because of the low export of ammonium sulphate to Taiwan.

Japan's imports were restricted by the amount of foreign exchange available. Each quarter the Foreign Exchange Control Board announces a foreign exchange budget which specifies the amount of import exchange appropriation. During the third quarter of 1951, the budget for imports was $533 million, about $80 million greater than that for the previous quarter. The fund was allocated as follows: $338 million for the dollar area, $120 million for the Sterling Area, and $74 million for the open account area. Emphasis was placed on the budget allocation for cotton and other textile materials and staple foods. Most of the principal imports, such as cotton, wool, pulp, iron ore, coking coal and salt, were shifted from the automatic approval group to the fund allocation group. Although the foreign exchange appropriated for the quarter had been increased, the actual imoprts were nevertheless smaller than in the second quarter, and represented only 68 per cent of the foreign exchange appropriated. Many factors accounted for this reduction in imports, of which the major ones were (a) excessive imports during January to March 1951 in anticipation of buying difficulty in future, especially of fats and oils, crude rubber, and hides and skins; (b) importers' expectation of future declines in international prices; and (c) the shortage of Yen fund from the Bank of Japan available to importers arising from the increasing internal monetary stringency.

The major problem of Japanese foreign trade in the near future will still be the shortage of dollars caused by the pattern of imports from America and exports to Asia. The peace treaty will no doubt restore autonomy and a greater degree of normality to the Japanese economy, but it will also close the United States aid account. It is, therefore, essential not only to increase dollar earnings but also to economise the use of dollars, for instance, by shifting import sources to non-dollar areas. The Economic Stabilization Board has already worked out a plan to purchase about $40 million worth of food and raw materials from non-dollar areas.[1] It is hoped that exports to South-East Asia and South Asia will increase through the United States aid to these areas and that the conclusion of a new sterling payment agreement will increase both expots to and imports from sterling area countries.

In order to maximize trade possibilities with South and South East Asian countries, a number of Japanese traders and commission agents have established themselves in several important markets, e.g. Thailand, Malaya. Taiwan, Hong Kong and Pakistan. The Japanese Government has also appointed trade agencies in Burma, Taiwan, Indonesia, Pakistan and Thailand. Numerous Hong Kong traders are receiving enquiries

1. The outline of the plan is: (1) To purchase 120,000metric tons of wheat from Burma and Indochina instead of the United States, to buy more rice from Indochina and to switch over to Malaya and Goa from the United States 350,000 metric tons of iron ore imports. By these steps $20 million in foreign exchange will be saved. (2) To import 20,000 tons of sugar from Indonesia and 50,000 bales of raw cotton from Pakistan instead of Mexico so that about $15 million may be economized. (3) To buy 150,000 metric tons of salt from Indochina, Thailand and Indonesia instead of the United States, Mexico and Turkey, with a view to saving $3 million (4) To switch imports of hides, skins, linseed, soya beans, etc over to the sterling and open account areas from the dollar area, to save $4 million.

for quotations and catalogues from Japanese exporters covering wide variety of goods. Shipping lines have already resumed operation along the south-east Pacific and Indian oceans. In September, a Japanese Economic Mission was sent to Pakistan to study the development of commercial relations. This mission has been trying to find out the types of textiles which will meet local needs and the capacity of the market, as well as Pakistan's machinery requirements for the implementation of its two-year and six-year plans of industrialization.

Recently, Japan has been partially exempted from the terms of the ban on U.S. economic aid for countries found to be sending strategic materials to designated countries. The National Security Council of the United States in its report said that Japanese trade with China was necessary and that a permanent loss of the Chinese market would be seriously detrimental to Japan. Accordingly, a new trade formula to reopen transactions on a limited scale with the mainland of China was worked out and put into effect on 20 September by the Ministry of International Trade and Industry. According to this formula, Japanese traders can export cotton yarn, cotton textiles, rayon and its products, and staple fibre goods (except for cotton tire-cord, cloth for balloons or parachutes, rayon tire-cord or the like that could be used for those purposes), to the mainland of China, Hong Kong and Amoy. Export of cotton cloth and yarn to the mainland of China will be permitted only for barter against coking coal, iron ore, soya beans, salt and other items vitally needed by Japan. Chemical fibre cloths and yarns may be exported to the mainland of China wihout restorting to the barter system if payment be made in U.S. dollars. This arrangement may prove a very significant advance towards the revival of Sino-Japanese trade, as the exchange of textiles against Chinese coking coal and iron ore has in the past been one of the major items in Japan's foreign trade. Japan's steel industry is particularly interested in Chinese coal because its own coal fields produce little coal suitable for steel making and China is the only source of coking coal within a reasonable distance. The embargo on trade with mainland China imposed after the outbreak of the Korean war forced the Japanese to buy coking coal from the steel works in America and even in more distant countries, at nearly double the Chinese price and with a serious aggravation of shipping shortage. The Ministry of International Trade and Industry hopes to obtain 300,000 tons of coking coal and 100,000 tons of iron ore from mainland China during the current fiscal year, and permission has already been granted for an import of 38,500 tons of coal. However, these figures are small in comparison with those of previous years.

The new Anglo-Japanese Payment Agreement was signed on 31st August for 12 months from 1 September 1951, replacing the agreement of 31 May 1948. The previous payment arrangement with Japan was dominated by a dollar clause. Japan was in fact a monetary extension of the dollar area, and the Yen had, therefore, to be treated by sterling countries as a hard currency. It is true that trade between Japan and the Sterling Area was transacted in sterling, but only on the understanding that SCAP, on behalf of Japan, would not be expected to hold larger amount in sterling than was required as a necessary working balance. A balance of £17,000 was allowed before the dollar or gold convertibility clause came into operation. In the new agreement this dollar clause was dropped, without however implying that there would be unlimited "swings" in the payment arrangement between the Yen and the Sterling Area. Measures would be taken to keep the swings within reasonable bounds. But these measures would not be as restrictive as the dollar clause in the old agreement. In order to keep Japan's sterling balance within reasonable limits, Japan would have opportunities to make and receive payments in sterling to and from a wide range of countries outside the Sterling Area under the system of administrative transferability. The Bank of England's approval would be given for any sterling payment by Japan in settlement of direct current transactions with any country in the transfer account system and with certain additional countries. Furthermore, the new agreement includes Hong Kong, which was excluded from the previous payment agreement. All Japanese trade with Hong Kong was previously conducted on the open account dollar basis. Now Hong Kong will be treated as a sterling area country so that its trade will form part of the balance of the whole Sterling Area with Japan. Thus the favourable balance which Hong Kong had under the old agreement will in fact be at the disposal of the rest of the Sterling Area. The agreement does not draw Japan into the Sterling Area but, as far as trade with sterling countries is concerned, it takes Japan out of the dollar area. The Sterling Area has been an important export market for Japan up to the present, and Japan's sterling holdings have been apt to accumulate. The new payment agreement will no doubt result in an expansion of trade between Japan and sterling area countries.

PRICES

Price Movements

Although general price levels in most countries of the region were still increasing during the third quarter of 1951, the rate of increases were reduced, mainly because of a check to the export boom and its accompanying monetary expansion as well as the relaxation of import controls. In *India*, there were even signs of a deflationary tendency, with falling wholesale prices,

TABLE 4. PERCENTAGE INCREASES IN MONEY SUPPLY AND PRICES[a]

(Quarterly averages as compared with that in previous quarter)

		Currency	Deposit money	Bank clearings	Wholesale prices	Cost of living
Burma						
1950	IV	— 3	—10	— 4	6	—11
1951	I	18	— 3	15	— 7	— 1
	II	8	13	— 9	13	3
	III	—11	4	— 3	12	11
Cambodia, Laos and Viet-Nam c						
1950	IV	3	10	. .	2	3
1951	I	11	8	. .	3	1
	II	6	14	. .	6	5
	III	6 b	1	. .	4	4
Ceylon						
1950	IV	12	12	— 4	. .	0
1951	I	12	20	14	. .	2
	II	3	2	3	. .	0
	III	3	— 6	2	. .	— 1
China (Taiwan)						
1950	IV	— 4	— 9	. .	25	8
1951	I	17	3	. .	18	8
	II	25	25	. .	9	3
	III	5 b	—16 b	. .	7	11
Hong Kong						
1950	IV	1	. .	12	. .	0
1951	I	0	. .	3	. .	8
	II	— 1	. .	— 5	. .	2
	III	0	. .	— 3	. .	2
India						
1950	IV	1	1	3	1	— 2
1951	I	8	1	27	4	3
	II	4	1	6	7	1
	III	— 8	— 1	—10	— 4	— 3
Indonesia						
1950	IV	18	26	. .	. .	8
1951	I	10	24	. .	. .	50
	II	9	3	. .	. .	— 6
	III	2 b	— 2 b	. .	. .	14
Korea, South						
1950	IV	. .		528		66 d
1951	I	. .		80		91 d
	II	8		208		31 d
	III	33 b		81		47 d
Malaya						
1950	IV	27	. .	. .	. .	6
1951	I	16	. .	. .	. .	12
	II	7	. .	. .	. .	2
	III	1	. .	. .	. .	2
Pakistan						
1950	IV	9	— 7	9	. .	0
1951	I	17	5	51	. .	3
	II	— 5	9	—35	. .	2
	III	— 3	8	— 3 b	. .	2
Philippines						
1950	IV	8	15	8	9	5
1951	I	7	— 9	— 7	1	1
	II	2	0	0	5	2
	III	— 7	— 9	2	2	0
Thailand						
1950	IV	14	12	10	5	3
1951	I	15	3	16	— 2	11
	II	3	11	— 8	3	4
	III	6	7	1	2	— 5
Japan						
1950	IV	17	6	23	9	0
1951	I	6	15	6	15	10
	II	2	9	18	10	5
	III	2	2 b	— 1	— 1	3

a For basic statistics, see section on Asian Economic Statistics, statistical tables IX, X and XII.
b Average of July and August.
c Currency and deposit money are totals for Cambodia, Laos and Viet-Nam. Prices are for Saigon only.
d Retail price index, Pusan.

reduced cost of living, and substantial decreases in currency in circulation and bank clearings. Besides seasonal variations, an important factor in this change was that the export surplus in the previous quarter gave way to an import surplus.

In *Japan*, the rise in wholesale prices, which had advanced sharply since the outbreak of the Korean war, slowed down after April 1951 owing to a heavy decline in prices of some export commodities, particularly textiles. In the early part of the quarter, this trend still continued. Prices, which had shown a sharp advance due to military procurements and favourable export trade following the outbreak of the Korean war, tended to decline appreciably with the prospect of peace in Korea, the reduction of foreign demand and the domestic monetary stringency.

For textiles, under the influence of the downward quotations based on prospects of bumper American cotton crops, market prices in Japan fell further below international levels in all lines. Sluggish demand and increased cancellation of export contracts also contributed to the fall in textile prices. Prices of rubber, fats and oils also continued to be weak on account of mounting stocks, with increasing arrivals of imported materials and poor sales of finished goods. On the other hand, the prices of those commodities which had advanced comparatively slowly, such as iron and steel, cement, soda ash, pulp, etc., still retained their level or even advanced slightly. The tight money situation also contributed to the general lull in the commodity market. In July, treasury funds continued to record an excess of receipts over expenditures which almost offset the increase of loans granted by the Bank of Japan. In addition, the demand for yen import funds and for inventory financing of export goods such as textiles was increasing.

In the later part of the quarter, however, prices showed a general recovery on account of various factors such as increased exports, inactivity of imports, production decline due to power shortage, and expansion of bank credit. International prices were showing a revival, except for wool and raw cotton, reflecting the coming into effect of the defence budget for the 1952 fiscal year in the United States and the international tension in Korea and Iran.

The effect of the fall of wholesale prices was not transmitted to the cost of living. While the wholesale price index decreased slightly, the cost of living index increased by 3 per cent. With the revival of commodity markets towards the end of the quarter, the cost of living was expected to increase further.

Among the raw material producing countries *Ceylon* showed a decrease in cost of living owing chiefly

to the lifting of import control. This lifting, although it has not brought an increase of imports, has already helped to bring down prices through an expectation of larger imports.

In the *Philippines*, stability of cost of living was achieved during the quarter, because of the change from export surplus to import surplus and the price control measures described below. In *Malaya* and *Indonesia*, inflation, generated by high prices of rubber and tin, was still developing. Although prices of rubber and tin were lower during the quarter as compared with the previous quarter, and expansion of money in circulation was relatively small, the cost of living index was still rising, mainly in response to the larger money income generated previously, the export surplus and the price rise of some important food items, especially rice. It was reported that there were also increases of wages of workers, especially on rubber plantations, and consequently of the cost of production.

Wholesale prices in the three rice producing areas, namely *Burma*, *Indochina* and *Thailand*, went up during the quarter, as did also the cost of living in Burma and Indochina. The 5 per cent fall in cost of living in Bangkok did not seem to be in conformity with the reported rise in retail prices of rice, pork, duck eggs, charcoal, etc. and the monetary expansion during the same period. It is probably mainly due to the fact that, in compiling the cost of living index, controlled prices of the main food items were used and prices of fish, which has a relatively large weight in the index and on which there has been no control, were falling from seasonal abundance.

Prices in *Korea* continued to rise during the quarter due to the abnormal increase in purchasing power inside the country to meet the requirements of the United Nations forces, for the operation of which the Korean Government has lent Korean currency to the United Nations authorities. It is reported that the advances increased from about 6,000 million to more than 250,000 million won within the one year ending September 1951, and that the free exchange rate of won depreciated from 1,800 to 6,000 to the dollar. The United States has contributed some $350 million worth of relief supplies, but more goods and services are still needed in repayment of the won advances and for stabilizing prices.

An examination of the available component parts of the cost of living shows that the *prices of food items* generally rose more than others, in Burma, Cambodia, Hong Kong, Laos, Pakistan, the Philippines and Viet-Nam. This may also be true in Malaya and Indonesia, where detailed information is not available. Should this tendency continue, there would be pressure for increases in wages and in case there should be a further decline in prices of export commodities, some countries might be confronted with unemployment and depression, as wages that have once gone up cannot easily be brought down again.

The price of rice, especially the retail price in many big cities, rose during the quarter, owing chiefly to seasonal shortage before the harvesting of the next crop. In Thailand, it is reported that farmers were holding back their stocks while waiting to see the prospect of this year's crops. Transport difficulties caused by floods also contributed to the recent price increase. In mid-September, the retail price of rice in Bangkok rose by almost 20 per cent. In Manila, the retail price of locally produced rice also rose substantially during this quarter, owing mainly to the usual seasonally low stock and the damage suffered by the crops in Central Luzon during the recent typhoons. Toward the end of September the price of rice in Singapore was reported to have risen from 32 to 38 cents per catty, mainly as a result of Thailand's ban on "free export" of rice. The price of rationed rice was also revised upward from 26 to 32 cents per catty, effective from 1 October.

Prices of other important food items, such as pork, duck eggs and charcoal, also rose phenomenally in Bangkok and its adjacent city, Thonburi. The price of pork went up by more than 100 per cent above the official ceiling price. It was reported that inadequacies in the monopoly of slaughter and transportation of pigs and in the pork distribution had reduced pig supply to the capital city. The high administrative expenditure of the monopoly organization was also reported to have contributed to the high cost and prices of pork. Meanwhile, floods blocked transport of large supplies of pigs from the northeastern provinces. The duck egg is another staple food of the Thai people. The rise of duck egg price above the official ceiling level was reportedly caused by the seasonal shortage of supply, the control of interprovincial movement and the high price of duck feed.

Prices of prepared food imports, mostly imported from countries outside the region, fell in some countries because of the lifting or relaxation of import control. In Ceylon, the price fall of these items helped to bring about a general fall in the cost of living. In the Philippines, early this quarter, the local prices of imported food items, such as evaporated milk, canned meats, canned fish, coffee beans, etc. dropped so much that many importers and dealers were sustaining substantial losses. However, in late August, a few food items including fresh fish, eggs, animal and vegetable oils and fats, canned meat, and certain fresh fruits, were

banned from importation and their prices were likely to go up. Judging from their position in the family budget, these items would affect very little the working class.

On the other hand, there was a general fall in the *prices of textiles* in many countries in the region, especially Indonesia, Pakistan and Thailand. The fall of textile prices was mainly due to overstocking arising from speculative imports since the outbreak of the Korean war and the relaxation of import control, the recent decline of prices for textile exports from Japan, the prospect of peace, and the slump in raw cotton prices on account of the bumper crop in the United States. Many local importers were thus facing difficulties in disposing of their heavy inventories and in the settlement of debts with banks. In Malaya, re-export of piecegoods was, therefore, again permitted under certain conditions after August.

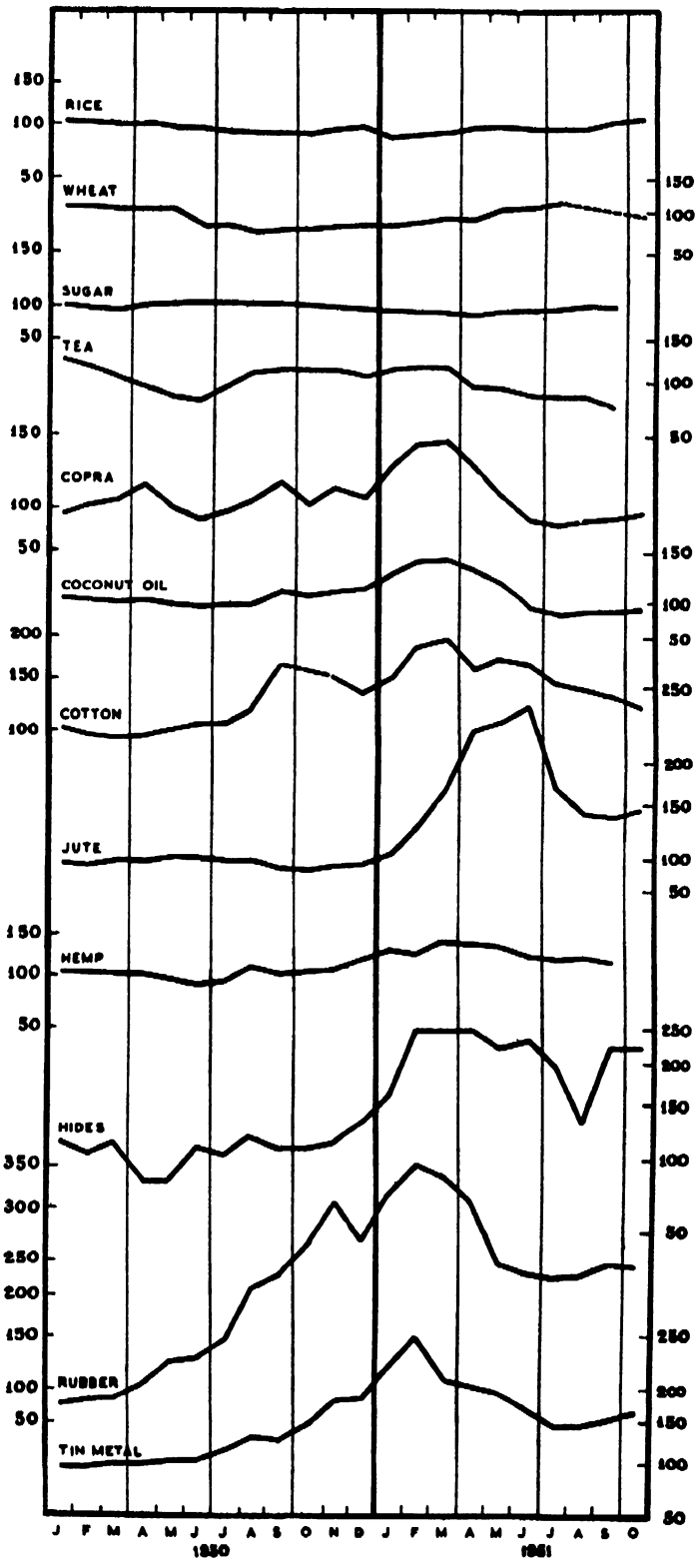
Anti-Inflationary Measures

Additional anti-inflationary measures, such as import control relaxation, export control, tax policies and price controls, were put into practice or considered by many countries in the region during the quarter.[1] In *Malaya*, one of the major raw material exporting countries whose inflation was generated from its export boom, the Government proposed to set up a rubber stabilization fund. Malaya is facing the problem of making its economy flexible enough to cope with violent price movements of its major export commodities. The prices of rubber and tin, which are crucial to the prosperity of Malaya, depend very largely on American demand. The export boom after the Korean war gave rise to inflation, but since April 1951 American purchases have been very much reduced. When the present rubber stockpiling ends, an appreciable fall in the price of rubber is expected, and the prospects of future American demand are very uncertain. By setting up this fund, part of the large proceeds obtained from rubber exports will be reserved for future use when there may again be a depression. Meanwhile, it will reduce the present inflationary pressure. The stabilization fund was also designed to defray the cost of replanting in the future. Under the influence of the recent export boom, many rubber trees were over-tapped in order to obtain a quick increase of output, at the expense of future output, and with no replanting of rubber trees to a corresponding extent. Many producers are, therefore, living on capital consumption. Only a few of the well-managed estates are preserving their funds for replantation. It requires seven years for the new trees to reach maturity, and in the last ten

1. The relaxation of import restrictions and the imposition of export control were described in the foregoing section on "International Trade."

PRICE RELATIVES[1] AT WHOLESALE

Jan.—June 1950 = 100



1. Markets from which quotations for different commodities are taken: Rice, Bangkok, Wheat, Karachi; sugar, Manila; tea, Colombo; copra, Manila; coconut oil, Manila; cotton, Karachi; Jute, Narayanganj; Hemp, Manila; hides, Calcutta; rubber, Singapore; tin, Singapore.

years there has been no adequate replanting in Malaya. The position of small-holdings is worse, as most rubber trees, planted some thirty years ago, are obsolescent. Thus, in addition to the general necessity to combat inflation, with which the Government is still much concerned even though the price of rubber has fallen since February, there are grounds for urging that the present opportunity be taken, before it is too late, to ensure that all sections be covered by a scheme or schemes which will ensure that substantial reserves are now set aside as a measure against future depression and as a source of capital for comprehensive and adequate replanting programmes.

As a measure for siphoning off high profits, Malaya succeeded in levying export duties of about M$163 million on rubber in the first nine months of 1951. In addition, a sum of M$37.5 million was collected during the same period by way of a new planting cess.

The savings campaign, initiated by the *Singapore* authorities, was started in July. Up to the end of October, the Singapore Post Office Savings Bank had a net increase in deposits of M$3 million, compared with only M$1.9 million in 1950. Since 1 January 1951 21,000 new accounts have been opened, compared with less than 10.000 in 1950. The Bank now has more than 100.000 depositors.

Beside the monetary expansion, Malaya's inflation has been greatly accentuated by the shortage of consumer goods. The large export surplus has resulted in an accumulation of sterling assets, only partly released for spending in the Sterling Area or for exchange into dollars for importing consumer goods.

Apart from the recent lifting of import restrictions, *Ceylon* also used fiscal measures to combat the high cost of living or to alleviate its impact. The increase, proposed in the new budgetary policy, in family allowances and relief to taxpayers' dependents, together with the reduction in import duties over a wide range of consumer goods, lighten substantially the burden on this sector of the population. In respect of income tax, according to these proposals, a family unit of six will benefit to the extent of Rs.6,000, whereas previously the tax relief granted to the same unit amounted to only Rs.4,000. Much needed relief has also been given in respect of the dependent relative's allowance. This has been increased in the case of one dependent relative from Rs.250 to Rs.500, while the maximum allowance has been increased from Rs. 1,000 to Rs.1,500. Government has not only ensured more money in the pockets of the middle class by its tax relief measures, but has also reduced the import duties on a wide range of consumer goods, e.g. milk foods.

In the *Philippines*, the Price Stabilization Corporation (PRISCO) aims to stabilize prices through its large scale procurements, with foreign exchange supplied by the Central Bank, of essential goods from abroad, and through its network of distribution. From the time it began to operate in early October 1950 up to the end of June 1951, it imported essential goods valued at P79.3 million, approximately 7 per cent of the total value of Philippine imports during the same period. Local purchases by the PRISCO for the same period amounted to P10 million, making a procurement total of P89.3 million. On the other hand, total sales by the PRISCO for the same period amounted to P74.5 million, approximately 8.8 per cent of the total Philippine domestic trade for 1950. It has 66 provincial branch stores strategically scattered all over the Islands and 15 metropolitan stores and 15 market booths in Manila which sell essential goods at controlled prices when prices are being increased by private retailers. So important has been the role of these stores in the task of price stabilization that it was decided also to include the co-operative associations in the network.

The price and distribution of imported rice (largely from Thailand) in the Philippines were controlled by the National Rice and Corn Corporation (NARIC). In order to bring down the high prices of local rice, NARIC lowered the prices of imported rice of all categories by two pesos per 98 kilos sack, and started free sale to wholesalers as well as retailers toward the end of September. Later on, the Rice Emergency Board also imposed price ceilings on native rice. However, in early October, many rice dealers were still selling at higher prices than the ceilings and the Governmert was urging a rigid campaign against black market sellers.

In *Burma*, in order to prevent internal shortage and bring down the high prices, motorcar tyres and tubes were put under control since late August. First, all stocks of rubber tyres and tubes in the country were frozen, as a preliminary control over their sale. No disposal, sale, movement, or transport of these stocks was allowed, except by prior approval of the Commissioner of Civil Supplies. Later, maximum wholesale and retail selling prices were fixed, and the Tyre Distribution Board was formed. Tyres were to be sold at controlled prices through the agency of some 30 firms recognized by the Board. It is expected that black markets and smuggling to the mainland of China of tyres and tubes will thus be prevented.

In *Thailand*, in order to bring down prices of important cost-of-living items, various measures were adopted by the Government. The co-operation of government and private rice millers and dealers was

asked in bringing down the price of rice, and 80 shops were named to sell rice at lower prices. Permits for exports of "free rice" were temporarily stopped. However, no measures were taken, or considered necessary, to reduce the price of paddy. As regards pork, control over inter-provincial movement was relaxed, the monopoly power of pig slaughter and distribution given to the War Veterans Organization was much reduced, and slaughter facilities and supply of pork were reopened to private business. As a result, the price of pork fell. The Government also banned the export of timber, except teak, in order to bring down the domestic price of timber and, therefore, the cost of construction.

The Government of *Indonesia* made preparations for the control of rice prices by fixing maximum prices, by re-instituting rice distribution for government employees, and by taking strong steps against rice millers and rice dealers who violate the Rice Ordinance. The Government feels that the price of rice largely determines the prices of other goods and, when the above-mentioned steps prove successful, the Government will consider the enforcement of a wage ceiling.

TRADE AGREEMENTS NEGOTIATED AND/OR FINALIZED DURING THE THIRD QUARTER, 1951.

I. JAPAN-ECAFE COUNTRIES

Contracting parties	Period valid	Value of trade and types of commodities	Nature of trade and method of payment	Remarks
Japan—Indonesia	Unspecified	Same as the previous agreement given in **Bulletin**, Vol. I, No. 3.	Issuance of licences. Trade to be conducted as previously on an open account basis in dollars.	An extension of the previous agreement for an unspecified period, pending the ratification of the Japanese Peace Treaty.
Japan—Pakistan	September till end of December 1951	The commodities to be exchanged are of the same type as in the 1950/51 agreement concluded in Tokyo on 15 September 1950. (See **Bulletin** Vol. I, No. 3) Japan will be allowed to import 222,000 bales of raw cotton and 80,000 bales of raw jute. Pakistan's additional imports from Japan are provided for up to a value of £1 million for the three months covered by the protocol.	Balanced trade under licence. Payment is to be made in sterling in accordance with the overall sterling payment arrangement.	An interim agreement designed to insure the normal flow of trade between the two countries while a more permanent agreement will be negotiated and concluded in due course after the ratification of the Japanese Peace Treaty.
Japan—Philippines	Unspecified, but not exceeding one year.	Same as the previous agreement given in **Bulletin**, Vol. I, No. 2.	Issuance of licences towards balanced trade. Method of payment remains the same as the previous agreement.	An extension of the previous agreement for an unspecified period, pending the ratification of the Japanese Peace treaty.
Japan—Thailand	Jan.—Dec. 1952.	The final draft of the Japan—Thailand Trade Treaty for 1952 provides for a volume of trade up to 75 million each way. The main items of Japanese imports from Thailand will be rice and other essential raw materials. The Japanese negotiators will probably try to obtain from Thailand approximately 450,000 to 500,000 tons of rice, an increase of 100,000 to 150,000 tons as compared with 1951 figure. Apart from the usual Thai import items from Japan such as machines, tools, metal goods, electrical appliances, power generators, diesel engine, marine engine, chemicals and textiles, the 1952 agreement calls for the provision of Japanese technical assistance and equipment to develop small scale and home industries in Thailand.	Balanced trade under licence. Open Account on US dollar basis, although the partial payment in sterling clause was brought up. It appears that both Japan and Thailand desire to include this clause in the new trade agreement in the event either party should be faced with an adverse balance in excess of the limit of $5 million provided for in the swing account. Since Thailand is a transferable account country under Britain's foreign exchange regulations, and Japan a bilateral account one, it is necessary for Japan to obtain approval from the Bank of England for paying sterling to or receiving sterling from Thailand.	Negotiations at final stage. Thailand favours only a slight increase in the value of trade, no more than $60 million each way or an increase of $5 million. As the Thai Government desires to conserve a certain quantity of rice stock, Thai negotiators will probably allow Japan to import not more than 400,000 tons of rice.

TRADE AGREEMENT NEGOTIATED AND/OR FINA LIZED DURING THE THIRD QUARTER, 1951—*Contd.*

II. ECAFE INTRAREGIONAL TRADE AGREEMENTS

Contracting parties	Period valid	Value of trade and types of commodities	Nature of trade and method of payment	Remarks
Burma—India	May 1951—Dec. 1955	The total value of trade is not fixed, but certain principal commodities have been specified by tonnage. The agreement consists of three parts. Under Part I, effective from 1 May 1951 to 31 December 1951, Burma will supply up to 240,000 tons of rice to India, in exchange for 20,000 tons of jute bags, 10,000 tons of groundnut oil, 2,000 bales of cotton yarn of 400 lbs. each and 3,000 tons of galvanized iron sheets. Under Part II, effective from 1 January 1952 to 31 December 1955, Burma will supply India with 230,000 tons of rice each year on government-to government basis. In addition, India will have the option to purchase 120,000 tons of rice from private sources. The price of rice to be supplied on a government-to government basis shall be determined in advance by mutual agreement every half year. Part III, effective immediately on the day of initialling the instrument of agreement and applicable also to Parts I and II of this agreement, provides for the accord of the most-favoured-nation treatment by each country to the other in respect to customs and trade regulations applicable to any other country in the Sterling Area. Burma agrees to the export of gram and pulses, seed potatoes, lead, teakwood and other articles and India to the export of cotton piecegoods, hosiery, rayan piecegoods, chemicals, coal and cake, paper and paper manufactures, electric goods, coir manufactures, leather manufactures, rubber manufactures, tea, spices, soaps and toilet requisites, fish, fruits and vegetables, provisions and oilman stores, tobacco and miscellaneous items.	Balanced trade under licence. Under Part I, the supply of rice of about 240,000 tons from Burma to India will be paid for one half in cash and the other half on barter basis.	
China (mainland)—India	July till end of December 1951.	No value is fixed for the exchange of goods. India shall provide 500,000 bales of jute bags in exchange for 200,000 tons of Chinese foodgrains, including soyabean, bean cakes, wheat and rice.	Barter.	
Thailand—China (Taiwan)		30,000 tons of superfine sugar to be purchased from Taiwan at around $12 million.	Private negotiation with Thai Government's support. Cash payment.	Negotiation continues. Thai representatives are also exploring the possibilities of increased trade between the two countries.
Viet-Nam—Hong Kong	Probably one year	Viet-Nam will exchange agricultural produce for manufactured goods from Hong Kong, with amount unspecified.	Barter.	Agreement probably signed in mid-July.

III. ECAFE COUNTRIES—EXTRA REGIONAL COUNTRIES

China (mainland)—Czechoslovakia	One year through 1951	Information on total value of trade or volume of turnover is not available. It is expected that the total will exceed four times that of 1950 figure. China mainland will supply Czechoslovakia with agricultural produce, particularly oilseeds, fodder, hides, tea and large quantities of raw materials for the light and heavy industries of Czechoslovakia, in exchange for industrial goods such as steel plants, iron foundaries, precision instruments, mining and transport equipments and chemicals.	Probably barter or Open Account based on Ruble. It is indicated that prices of goods to be exchanged will be fixed independently of prices in the world markets.	
India—Iraq	May to end of December 1951	The total value of trade has not been fixed, but certain commodities to be exchanged are specified by quantities. India will ship to Iraq 5,000 tons of jute bags 15 million yards of cotton piecegoods and unlimited quantities of tea, spices, timber, etc., it will purchase from Iraq 55,000 tons of dates, 20,000 tons of wheat, 5,000 tons of rice and 10,000 tons of other cereals.	Balanced trade under licence. Any adverse balance at the end of the agreement will probably be paid in Rupees or credit transfer in sterling in accordance with the U.K. Overall Sterling Payments arrangement.	Each country has agreed to accord most-favoured-nation treatment to the other.
India—Western Germany	Till end of October 1951	Same as the previous agreement given in Bulletin Vol. I, No. 2.	Same as the previous agreement given in Bulletin Vol. I, No. 2.	An extension of the 1950/51 agreement pending negotiation of a new agreement.

TRADE AGREEMENT NEGOTIATED AND/OR FINALIZED DURING THE THIRD QUARTER, 1951—*Contd.*

III. ECAFE COUNTRIES—EXTRA REGIONAL COUNTRIES—contd.

Contracting parties	Period valid	Value of trade and types of commodities	Nature of trade and method of payment	Remarks
Indonesia —Czechoslovakia	1 October 1951—30 September 1952	Total value of two-way trade is fixed at 60 million Rupiah. Indonesia to export to Czechoslovakia raw materials and tropical produce such as coffee, spices, quinine, tin, kapok, copra and mother-of-pearl shells, in exchange for precision tools and medical instruments, electric motors, electrical equipment, motorcars, porcelain insulators, stationary and educational requirements.	Balanced trade under licence.	
Indonesia —Denmark	1 July 1951—30 June 1952	Total value of trade each way has been agreed on. The principal commodities which Indonesia is to supply Denmark are tea, coffee, tobacco, spices, pepper, tapioca, copra, palm kernels, copra cake, palm cake, rubber and some other miscellaneous products. In exchange Denmark is to supply Indonesia with condensed and evaporated milk, milk powder, insulin, cement, instruments, machine tools, machines and other metal manufactures.	Presumably balanced trade under licence. Payments shall be effected within the frame work of the Denmark—Netherlands payment agreement of 31 January 1946, but either party may request at any time initiation for negotiations of a new payments agreement.	Concluded in Copenhagen on 4 July. To be renewed annually unless terminated on a three-month's notice being served by either contracting party. Current list of exchange of commodities may at any time be supplemented by mutual consent.
Indonesia —Finland	1 April 1951—31 March 1953	The agreement provides for exchange of goods between two countries to the value of 10 million guilders. Indonesia will receive Finish wood and will deliver tea, spices, rubber, tobacco and other raw materials in exchange.	Probably by issuance of licences. Payment will probably be effected within the frame work of the European Payments Union in case of an adverse balance for either party, through the good offices of the Netherlands Government.	Although this agreement was signed sometime in March 1951, information there was not available for inclusion in early issues of the **Bulletin**.
Indonesia —Poland	Probably one year June 1951—June 1952	Total value of trade in each direction is not available. Under this agreement, Indonesia will supply Poland with tea, coffee, pepper and quinine, in exchange for metal products, textiles, machinery, glass and chemicals.	Probably by issuance of licences and payment in cash in case of an adverse balance at the end of year.	This is the first agreement on exchange of goods between Indonesia and Poland, and was ratified in Warsaw on 17 June 1951.
Indonesia—Portugal	One year	The value of each way trade is estimated at 4-5 million Dutch guilders. Indonesia will receive from Portugal cork, slates and slate-pencils, wine, turpentine, sardines and other miscellaneous goods, and will export to that country rubber, tobacco, leather, spices and other goods.	Balanced trade under licence. Payment for any adverse balance at the end of the agreement will probably be effected through the good offices of the Netherlands Government within the framework of the European Payments Union.	Indonesia's first agreement ever concluded with Portugal. Until mid-1950 trade with Portugal has been conducted within the framework of the Netherlands-Portugal agreement.
Indonesia—Sweden	Probably one year			Agreement signed sometime at the end of June and to be effective 1 July, 1951.
Indonesia—U.S.A.	Sept. 1951—April 1953	Indonesia to ship to the United States from the Government-owned plantations no less than 1,200 tons of raw rubber per month for the duration of 18 months. It is roughly estimated that Indonesia will receive no less than $20 million for rubber shipped under the agreement.	Bulk buying contract and cash payment. Price for each shipment shall be determined by the average price for the previous four months on the Singapore market.	The U.S. General Service Administration will handle all rubber shipment from Indonesia under this agreement and probably for the purpose of stockpiling and for limited use by U.S. industries under military contract with the U.S. Government.
Indonesia—Western Germany	12 months retroactive to January 1951	The total value of trade is agreed at 244,000,000 Dutch guilders (about $63,440,000) in each direction. Indonesia will ship to Western Germany rubber, tin, copra, oilseeds, pepper, etheric oils, resins, hardwood, kapok, sisal, cane, tobacco, coffee, tea, spices, etc. Western Germany will deliver to Indonesia industrial machinery, electrical devices and appliances, rolling mill products, railway equipment and other finished products.	Balanced trade under licence. Payment for any adverse balance at the end of the agreement will probably be effected through the good offices of the Netherlands Government within the framework of the European Payments Union.	First trade agreement between the Federal Republic of Germany and Indonesia. Signed in Bonn on 12 July, 1951.
Pakistan —France	12 months ending 29 Nov. 1951	Exports from Pakistan to France of about 200,000 bales (500 pounds gross weight) of cotton, among other principal items. France exports to Pakistan capital goods.		Signed on 23 June 1951. A renewal of the agreement signed in November 1949 by tacit agreement.
Pakistan —Iraq	31 March 1951—28 February 1952	The total value of trade for each direction has not been fixed. Pakistan will import from Iraq no less than Rs. 5.5 million worth of dates and unspecified quantities of tobacco, cigarettes, gallnuts and horses. Pakistan agrees to deliver to Iraq no less than 2 million pounds of tea and other unspecified quantities and value of raw cotton, hurricane lamps, surgical instruments, electric fans, shot guns (single barrel only), sulphuric acid, resin, sports-goods, musical instruments, musical strings and guts.	Balanced trade under licence.	Each country agrees to accord to the other the most-favoured-nation treatment in respect to privileges and immunities, customs duties, taxes and charges on imports—exports or on the international transfer of payments, etc.

TRADE AGREEMENT NEGOTIATED AND/OR FINALIZED DURING THE THIRD QUARTER, 1951—*Contd.*

III. ECAFE COUNTRIES—EXTRA REGIONAL COUNTRIES—contd.

Period valid	Contracting parties	Value of trade and types of commodities	Nature of trade and method of payment	Remarks
Philippines—Western Germany		The total value of trade has not been fixed Philippines will import large quantities of consumption goods and industrial machinery and equipment in exchange for its exports to Western Germany of raw materials and other produce.	Probably balanced trade under licence or Open Account on dollar basis.	Negotiation stage. Philippines to develop market for its exports as a measure to counter the gradual loss of the Philippine preferential position in the U.S market to begin on 4 July 1954 Trade with Western Germany is also desirable for the Philippines in order to save dollars.
Thailand—U.S.A.	1 July1951—31 December 1952	Within a period of 18 months, Thailand assures the availability and allocation of 125,000 metric tons of natural rubber of standard RMA grades for purchase by private interests and the Government of the United States. The total value is roughly estimated at $140 million at the average price prevailing during the third quarter in New York.	Bulk buying contract and cash payment. Prices for rubber shall be same as those at which rubber of equivalent grades are delivered or sold at the time of offer in the world market.	No exact amount of rubber to be shipped at certain regular intervals or monthly basis as such was specified. Thailand merely assures the availability, whereas the United States guarantees to buy the amount at standard quality stipulated.

INFLATION AND THE MOBILIZATION OF DOMESTIC CAPITAL IN UNDERDEVELOPED COUNTRIES OF ASIA[1]

INTRODUCTION

In many underdeveloped countries, governments have assumed the responsibility for promoting capital formation by making provision in their annual budgets for projects such as irrigation works, transportation, etc. Such projects are usually unsuitable for private enterprise despite being highly productive from the social point of view. A substantial part of this capital or developmental expenditure, however, is financed by means of budget deficits rather than from current tax receipts or from the profits of government enterprises, and the question has been widely discussed whether further development should not be financed in the same way. The resultant inflationary pressures create certain difficulties, but it is feared that the attempt to reduce these pressures will slow down the rate capital formation. Any substantial trimming of developmental expenditure would retard the growth of production and would make the task of capital formation in the future more difficult. Faced with this situation, some people have come to believe that deficit financing of developmental expenditure is justified in view of the urgent need for domestic capital in these countries. It is sometimes contended that in an underdeveloped country, budget deficits, if kept within certain limits, need not be inflationary, and that, even if they are inflationary, they lead to greater (or swifter) mobilization of domestic capital than would otherwise be possible. The first section on "Deficit financing of developmental expenditure" attempts to analyze in general terms to what extent, if any, this contention is valid. The second section on "Current and prospective inflation" summarizes briefly the nature and extent of current and prospective inflationary pressures in a number of countries in Southeast Asia and the Far East. The third section reviews the anti-inflationary policies pursued by various countries in this region, and discusses the effectiveness of different anti-inflationary policies in the light of the region's special needs and conditions. Thus, Sections II and III describe the framework within which attempts to mobilize domestic capital have to be made. Some concluding remarks are offered in Section IV.

1. Prepared by A. K. Das Gupta, Morris Friedberg and I. G. Patel of the staff of the International Monetary Fund for the Working Party of Experts for the Mobilization of Domestic Capital convened by the Economic Studies Division of the ECAFE Secretariat in Bangkok between 20-23 November 1951. The paper represents the views of its authors and not necessarily those of the International Monetary Fund.

I. DEFICIT FINANCING OF DEVELOPMENTAL EXPENDITURE

Generally speaking, the term budget deficit refers to the excess of current expenditure over current receipts from taxation and from profits of government enterprises. This deficit may be financed in a variety of ways, e.g., by drawing on existing cash balances, by government borrowing from the general public or the banking system (including the Central Bank), or by using the domestic currency proceeds of foreign loans. In some countries, capital formation is financed by special development corporations sponsored by the government and armed with powers of credit creation or of borrowing from the government. The accounts of these corporations may not figure in the government budget; but obviously, any deficit financing by them has the same effect as if their accounts were incorporated in the government budget.

Deficit Financing and Inflation

It cannot be denied that budget deficits, if kept within certain limits, need not be inflationary. To the extent that it is financed by borrowing the genuine current savings of the people, for example, a budget deficit need not be inflationary. This has largely been the case in Pakistan, for example. But in actual practice, budget deficits are often financed by borrowing from the banking system resulting in an expansion of net outstanding bank credit or by drawing on existing cash balances. Again, if the deficit is matched by an import surplus (financed from the proceeds of a foreign loan or by drawing on foreign exchange reserves), there is no net inflationary pressure. But if we are interested in mobilizing domestic capital, external financing of budget deficits is irrelevant to our purpose.

There are two arguments which are often advanced in favour of budget deficits even when they lead to an expansion of the money supply or to an activation of idle government balances. These arguments deserve some consideration here.

(a) In underdeveloped economies, where investment habits are not fully developed, part of the current savings of the people is hoarded in the form of local currency. If the government's use of past cash balances or of money newly created does not exceed the savings currently hoarded, no net inflationary pressure is released.

(b) Underdeveloped countries have large "unemployed" resources, especially of labour. The supply of goods and services would, therefore, readily respond to any extra purchasing power injected into the system by government deficits, and there would be no actual inflation. Deficit financing would lead to an expansion of output rather than to inflation.

Whether there is a chronic tendency in underdeveloped countries for a part of current savings to be held in the form of money is a question of fact about which nothing very definite is known. There is some evidence that, at least in times of exceptional prosperity, people in the countryside hoard significant amounts of local currency. This seems to have happened in Ceylon and Thailand, for example, during 1950. But normally, it is doubtful if the hoardings of currency by poor people unused to institutional savings increase significantly from year to year in societies where the craving for precious metals is proverbial.

At best, the justification for deficit financing to offset private hoarding of currency can be valid only for a limited period. In the long run, it is better to bring all savings into the open by channelling them to institutions through educational and other means. In this way, the extent of current savings could be accurately gauged and the temptation to take too much or too little savings for granted may be avoided. Besides, savings held in the form of money can be more easily directed against goods and services if some temporary fear of monetary or political disturbance creates a sudden splash of spending. During the first few months of 1951, the idle balances accumulated in Thailand in earlier months seem to have been suddenly activated. By channelling savings to institutions, the ability of the monetary system to deal with sudden spurts of inflationary pressures may be increased.

It is not possible, again, to attach much importance to the fact that there are large amounts of unemployed resources in an underdeveloped country. Admittedly, in overpopulated regions there are many persons who contribute practically nothing to production, and we can list a number of untapped natural resources. But this situation is very different from that of an advanced industrial economy in the grip of a depression when there is unused capacity and labour in practically all industries. In the latter context, deficit financing leads almost immediately to expansion of output on a scale that yields extra savings equal to the additional investment represented by the initial deficit. But if the government of an underdeveloped country spends (through credit creation) a certain sum, say on building a dam, the persons newly employed would create a demand for extra food, clothing, etc. But there is no unused capacity on farms or in factories to absorb the unemployed labour and at once produce more output. It is precisely because there are bottlenecks, such as a shortage of capital or skill, in the productive system that resources are unemployed in an underdeveloped economy. The additional money income created by the budget deficit will, therefore, increase the demand to be met from the existing supply of consumers' goods without leading to significantly greater production, and, therefore, greater savings, to offset the inflationary impact of the developmental expenditure. There is, however, an element of truth in the argument under consideration. The existence of unemployed labour power does mean that the diversion of resources to the construction of a dam (for example) will not lead to a significant curtailment of the current output of many consumers' goods. It also implies that the supply price of labour will not rise as much as would be the case in a fully employed economy. But apart from this, the existence of unemployed resources offers little mitigation of the inflationary pressures released by deficit financed development expenditure.

Inflation and Capital Formation

It has already been mentioned that part of the justification for deficit financing of development expenditure is sought in the belief that, even if it leads to inflation, it would actually bring about more capital accumulation than would otherwise be the case. The general case for inflationary financing of capital expenditure may be summarized briefly as follows.

Given the need for capital formation on a certain scale and given the importance of public investment in capital formation, the resources needed for such investment have to be directed to the government somehow. This cannot be done merely by mobilizing the genuine voluntary savings of the people since in a poor country such savings are very low. The relevant issue, therefore, is the choice of means whereby sacrifices are compulsorily elicited from the people. This can be done by:

(a) Making people work harder or longer without giving them more money income;

(b) taking away more of the people's income through taxation or compulsory lending;

(c) curtailing less desirable private investment;

(d) forced savings through inflation.

There are limits beyond which, for political or administrative reasons, the first three courses cannot be pursued.

Thus, governments wedded to a free economic system cannot, beyond a certain point, make people work harder or longer without giving them more

money income. The same is true of compulsory lending as is shown by the experience of countries like India. The limits to taxation is a large subject, a fuller discussion of which is deferred to the section on "Anti-inflationary policies". But a few tentative remarks may be offered here. In countries where entrepreneurial capacity is scarce, high taxation imposed upon the few rich people who are mainly responsible for such saving and investment as take place, may provoke a virtual non-co-operation from these classes and result in a general paralysis in the economic system. Direct taxation of the myriads of small incomes is not feasible administratively nor, perhaps, politically. If indirect taxes are levied on an extensive scale, it is arguable that their effect may not be very different from that of a rise in the price-level induced by inflation. And inflation has at least this advantage over indirect taxes: it requires no administrative skill or machinery to engineer an inflation. As regards the curtailment of less desirable private investment by direct or monetary controls, it is arguable that if underdeveloped countries are capable of administering such controls well, they need not fight shy of inflation very much, for in that event, they will also have the capacity to control some of the excesses of inflation.

The argument presented so far merely states that the desired rate of public investment may not be attained if there is rigid insistence on orthodox financing principles. But it does not follow that by inflationary financing of capital expenditure the required capital formation would necessarily be assured. It may be that there are limits to what even an inflation can achieve by way of forced savings; or, that inflation, if prolonged, may impair productive capacity and thus be detrimental to capital formation over a period of years. The advocates of inflationary financing of developmental expenditure are thus also obliged to argue that, at least in an underdeveloped economy, the inflation resulting from deficit financing need not last long or develop into severe inflation with its attendant evils.

It is arguable that, as the development projects are completed, they would have the effect of increasing production, and, unless the marginal propensity to save and the marginal tax yield are both zero, finance for development plans in the next period would therefore be available from increased savings or the proceeds of increased taxation. Assuming that the government's investment for developmental purposes remains the same from year to year (in real terms), the proportion which was deficit-financed would very soon start to decline, and in a few years all the finance required might be non-inflationary. Since the inflation need not last very long or become very severe, it need not destroy the incentive to save on the part of private individuals as much as is sometimes supposed. Insofar as inflation redistributes national income in favour of the richer sections of the community, it may actually have salutary effects on private saving and investment. Again, decisions to save are closely related to the profitability of available investments. As development plans are completed, they would eliminate some of the bottlenecks which hamper production and thus create new investment opportunities. These new opportunities would in themselves be an inducement to higher savings. It may be that inflation engendered by the government's development programme encourages speculative and unproductive private investment, which may prolong the inflation and make it wasteful. But it should be possible to control private investment to some extent. The inflationary pressures released by budget deficits might be suppressed by controls if a cumulative price-wage spiral threatened to develop.

In brief, deficit financing may lead to inflation, but at the end of it all we would have the dams and the irrigation canals and the roads which could not have been started in the first place if rigid insistence on sound financing was maintained. Admittedly, inflation will impose hardships; but this may be inevitable—the real issue is about the means of enforcing sacrifices. Inflation need not have serious untoward consequences because it need not last long and its adverse effect can be suppressed to some extent.

In the foregoing paragraphs, the case for inflation is presented in its most favourable form, and in general terms. In any concrete situation, however, it cannot be taken for granted that the consequences of inflationary financing would be as favourable as might be imagined in the abstract. Some weaknesses in the argument just presented are examined below.

Assuming that, for political or administrative reasons, capital formation on the required scale cannot be undertaken by orthodox financial measures, it must also be recognized that the very simplicity and convenience of deficit financing creates a danger of extravagance and ineptitude in spending money and of neglect of the possibilities that even in an underdeveloped country exists for tapping savings or collecting higher taxes. The choice between deficit financing on the one hand and taxation and borrowing on the other is never an exclusive choice, and there is always a danger of excessive reliance on the course that seems likely to provoke the least resistance.

Even, however, if it could be assumed that the administration of deficit financing would be highly efficient, one cannot be too complacent about the duration and extent of the inflation induced by it. Given

a certain rate of real investment by the government from year to year, and assuming no untoward effects on private investment, total productive capacity would no doubt soon be increased. This, after all, is the justification of development expenditure, and short of complete mishandling of the investments, some increase in production must result. But if the government is to reduce the proportion of its investment which is "deficit financed," it must by conscious policy divert a part of the increased output itself. It is not enough to say that more output means more savings and taxes for the government. Even if people save more, they can invest these savings in private investment, and there may be nothing to offset the continuing real investment undertaken by the government. Inflation may continue despite higher production and higher savings because private investment absorbs the new savings. The political and administrative difficulties which initially necessitated deficit financing will eventually have to be overcome if the resulting inflation is to be short-lived.

In an underdeveloped country, we cannot even be sure that much of the increased production would in fact be saved. If the increased production accrues to the poorer sections of the community, it may go almost entirely to increase consumption. In underdeveloped countries inflation does not necessarily redistribute income in favour of the rich or investing classes. The class to gain by inflation is the entrepreneurial class; but in predominantly agrarian societies, the entrepreneurial class consists to a large extent of poor peasants and merchants. A redistribution of income in favour of the peasants is not conducive to greater savings; and the merchants seldom invest in productive ventures.

The great inelasticity of the tax system is also likely in many countries to keep down the yield of taxes as real production increases. Indeed, since prices would be probably rising in response to budget deficits, there is a danger that the government's command over real resources through taxation may actually decline as inflation proceeds apace in spite of a higher aggregate productivity. Many taxes, such as land revenue, are not easy to revise upwards in money terms as prices rise; and it cannot be taken for granted, therefore, that given a certain growth in real production and a certain rate of government expenditure in real terms, the part of this expenditure in money terms that is deficit financed will decline progressively. The experience of India in connection with land revenue in recent years is worth noting in this context, inflation is a difficult and unpleasant business, inflation may, instead of providing a convenient way of escape from the difficulties, actually make it more urgent to grasp the nettle.

Again, if conditions in underdeveloped countries are such that the initial capital investment needed is of a long-term character (e.g., irrigation canals rather than wells), production may increase only after a considerable time has elapsed. But in view of high propensity to consume and the absence of a broadbased industrial structure which makes short-run supply conditions very inelastic, the inflationary impact on an underdeveloped country is likely to be very disturbing in the short run. It would be urgent for such countries, therefore, to try to suppress the inflationary pressures for a while. Whether poor countries with a scarcity of administrative skill are in a position to undertake effective control measures is a moot question to be discussed later. Attempts to control private consumption and investment may indeed be as unpalatable as higher taxation or compulsory savings. The original justification for deficit financing, viz., that it is simple and encounters less opposition, may well be illusory. This is all the more likely since the danger of inflation in many underdeveloped countries does not arise currently only from attempts to promote economic development; the legacy of inflation in the past, the boom in raw material prices, etc., are also factors in the total situation which make the dangers of deficit financing more serious than they would be if we started from a position of firm monetary equilibrium.

Lastly, it cannot be taken for granted that inflationary financing of capital expenditure will necessarily elicit the sacrifices required from the people. In the ultimate analysis, some group has to suffer a decline in its standard of living through higher prices. But in democratic countries with powerful pressure groups having considerable influence on the government, there are limits beyond which a redistribution of income would be politically intolerable. In predominantly agricultural countries, the classes, which cannot raise their incomes at least as fast as prices, are not very numerous. The peasants, merchants and a few rich entrepreneurs do not suffer any decline in real income through rising prices. There are not many rich people who live on interest payments made in money terms—the village money lenders in many cases collect their dues in kind. The only classes to provide forced savings, therefore, are the small class of professional men, government employees, and the industrial proletariat. It is difficult to justify a method of enforcing savings which hurts only a few people on the ground that voluntary savings are small and the need for capital formation is very urgent. Apart from this, economic development does not depend on supply of capital alone but also on the inventiveness, organizational ability and integrity of the people. The growth of all these factors

depends very much on the vitality of the two classes—professionals and the urban proletariat—most likely to be hurt by inflation. This is the reason why many governments initiate an inflation under duress, and then go on to neutralize its effects by cost-of-living allowances, price controls, compulsory requisition of foodstuffs, etc. The result is that nearly everybody's income increases *pari passu* with rising prices, and there is very little forced savings, but a maze of administrative problems. Or worse still, the few who suffer may be the most essential but the least powerful or vociferous elements in the society. Inflation on the scale required to attain the necessary capital formation may, therefore, be self-frustrating.

What is the upshot of this discussion of the role of inflationary financing in the mobilization of domestic capital? It may be conceded that, in certain circumstances, inflationary financing of capital expenditure may expedite capital formation. This course, however, has many pitfalls, and, unless moderately and wisely used, may do more harm than good. In any event, inflation promises no relief from the difficult and unpalatable measures of control or taxation or compulsory savings which also have to be adopted. The only course for an underdeveloped country is one of trial and error —a course in which higher taxation, mobilization of voluntary savings, exhortations for more work without pay, deficit financing, controls of various sorts, etc., will all have to be adopted in varying degrees from time to time, depending on the situation as it develops. Neither a purist nor an escapist attitude towards deficit financing is appropriate. Whether such a blend of flexible policy is attainable, and whether capital formation on the scale required in the initial stages can be attained by mobilizing domestic resources alone, are questions to which no general answer is possible. It all depends on the particular circumstances of a country. We will proceed, therefore, to review briefly the current and prospective situation with regard to inflation, developmental plans and anti-inflationary measures in a few selected countries in Asia and the Far East.

II. CURRENT AND PROSPECTIVE INFLATION

Prices from World War II to the Outbreak of the Korean War

The present day inflation in the seven ECAFE countries considered in this paper[1] is partly the residue of inflation during and since World War II and partly the product of current inflationary forces. Price levels in the countries occupied by the Japanese were severely affected, though in varying degress, by excessive currency issues and the shortage of goods[2]. At the end of the war, all seven countries were suffering from monetary disequilibrium, the degree of disequilibrium being greater in the Philippines, Indonesia and Thailand than in the other countries. Wartime hyper-inflation in the enemy-occupied countries was brought under control fairly early in the postwar period, but even before the outbreak of hostilities in Korea, inflationary price movements had created difficult problems in many of these countries. These problems have now been rendered more acute by the Korean war.

This is illustrated by the movement of the cost of living indices from 1946 to June 1950[3], making due allowance for the defects of some of the indices and the effects of price controls of varying extent. Philippine prices actually fell 38 per cent and Indonesian prices, starting from a much higher level in 1946, fell 34 per cent by 1950. Prices in the other five countries rose between 6 per cent and 20 per cent.

TABLE 1. INDICES OF COST OF LIVING
1946 = 100

Country	Centre	1938	1946	June 30. 1950
Burma	Rangoon	26	100	106
Ceylon	Colombo	38[a]	100	117
India	Bombay	41	100	120
Indonesia	Djakarta	41	100[b]	66
Pakistan	Bombay	41	100	
	Karachi			110
Philippines	Manila	18	100	62
Thailand		9	100	119

a. November 1938-April 1939. b. 1947 = 100.

Most of the inflation that remained in early 1950 had been generated after 1946, for such latent inflation as remained after the war appears to have been substantially worked off by early 1950 or perhaps earlier. This conclusion is suggested by the very high price levels reached by the end of the war and for a short period after the war; the relatively moderate price rises which took place thereafter in five of the seven countries in a period in which price controls were of only limited application or effectiveness; the price declines in Indonesia and the Philippines, and the fact that the ratio of money supply to national income in four of the countries where comparable data are available for 1949 or 1950, was not substantially greater than in 1938.[4]

1. These seven countries are: Burma, Ceylon, India, Indonesia, Pakistan, the Philippines and Thailand.

2. Further details on the price developments during and after the war, may be found in United Nations, Economic Survey of Asia and the Far East, 1950, Ch. XVI, Prices.

3 See United Nations, op. cit. p.494.

4. Ratios of money supply to national income: Burma 1938-22%, 1950-23%; Ceylon 1938-30%, 1950-34%; Philippines 1938-21%, 1950-27%. Tentative computations for India indicate a ratio of approximately 25% in 1938 and about 27% in 1949.

Sources of Postwar Inflation Prior to Korea

Up to 1950 budget deficits were the major source of postwar inflationary pressure in all these countries, with the exception of Thailand. An important factor in these deficits has been investment expenditure for rehabilitation and for development. Emergency conditions arising from the separation of India and Pakistan and political disturbances in Indonesia, Burma and the Philippines have also burdened the budget of these countries.

Until the end of 1949, the influence of the balance of payments was generally deflationary, all of the countries except Thailand showing large current account deficits. Thailand's current account surpluses were somewhat larger than its combined budget deficits for the period. The picture changed in 1950 when all of the countries, except Pakistan, developed substantial current account surpluses. However, Burma's surplus in 1949/50 was smaller than in 1948/49.

In the absence of accurate information regarding government expenditures, methods of financing the deficit, national income and other factors, the inflationary impact of the deficits and of the export surpluses cannot be measured precisely. But the importance of these two sources of inflation may be roughly assessed by nothing the relative magnitudes involved[1]. The ratio of aggregate expenditures to aggregate receipts for the three years, 1947/48 to 1949/50, gives a rough indication of the degree of budgetary imbalance in the period.

Burma	...	1.03	Pakistan	...	1.9
Ceylon	...	1.1	Philippines	...	1.2
India	...	1.2	Thailand	...	1.1
Indonesia	...	1.8			

Since 1946, development and reconstruction expenditures have averaged over 20 per cent of total government expenditures in the countries for which information is available.

TABLE 2. CENTRAL GOVERNMENT INVESTMENT[a] EXPENDITURE AS PERCENT OF TOTAL EXPENDITURES

	1947/48	1948/49	1949/50
Ceylon	12	18	18
India	25b	19	26
Pakistan	22	32	23
Burma	52	17	25
Philippines	19	16	15
Thailand	7	13	13
Indonesia	..	6	8

a. Capital outlay and loans and advances to local governments for capital outlay.
b. From August 1947 to March 1948.

1. For data on government revenues and expenditures, see United Nations, Economic Survey of Asia and the Far East, 1950, ch. XIV, Public Finance, especially pp.420-422; also (US) Economic Cooperation Administration, Far East Data Book, Jan-Sept. 1951.

A comparison of investment expenditures with budget deficits conveys in percentage terms the impact of these expenditures on the budgets. It will be noted that in several cases, investment expenditures exceed deficits, i.e. the expenditures were met out of revenue receipts as well as by deficit financing. In these cases, therefore, the deficit may be considered to have arisen entirely from the government's investment expenditures.

TABLE 3. CENTRAL GOVERNMENT INVESTMENT[a] AS PERCENT OF DE FICITS

	1947-48	1948-49	1949-50	1950-51[d]	1951-52[e]
Ceylon	156	130	115	121	77
India	120	64	193	101	110
Pakistan	34	65	55	102	..
Burma	394	[c]	194	764	59
Philippines	[c]	183	61	63	86
Thailand[b]	..	180	158	42	82
Indonesia[b]	..	..	19	33	163

a. Capital outlay and loans and advances to local government for capital outlay.
b. Calendar year; thus 1948/49 refers to 1948 Calendar year.
c. There was no deficit in this year.
d. Preliminary.
e Budget estimate.

The available data also indicate that in all of these countries except Thailand, balance of payments deficits have served to check the inflationary pressures arising from other sources in the pre-Korean period.

Thailand had a small surplus from 1946 to 1949, but exports moved ahead in the early months of 1950. The inflationary impact of this export surplus was mitigated to some extent by the fact that it was associated with improved terms of trade. These trade terms made possible larger imports than would otherwise have been the case, and at the same time made it possible to maintain domestic output of goods for domestic consumption[2]. In Burma, Ceylon, India, Pakistan, the Philippines and Indonesia[3], on the other hand, deflationary pressure was exerted by the current account deficits, up to the end of 1949, when conditions began to change in the whole region.

Inflation since Korea

The export boom arising from the Korean conflict substantially accelerated the current generation of inflation which had proceeded at a moderate rate from 1946 to June 1950. The staple exports of Indonesia and Thailand were particularly beneficiaries of the war-

2 The separate examination of export surpluses and budgetary deficits should not lead the reader to overlook the essential similarity for development purposes between these two sources of inflation. The export surplus constitutes the accumulation of exchange reserves, i.e., foreign investment by the surplus country and is a form of mobilization of capital, the effect of which on domestic development when expenditure of the surplus becomes possible need not and usually does not differ from that of domestic investment.

3. The details may be found in International Monetary Fund, International Financial Statistics, (monthly) and Balance of Payments Yearbooks, 1948-49-50 and in United Nations, Economic Survey of Asia and the Far East, 1950, ch. XII.

TABLE 4. BALANCE OF PAYMENTS ON CURRENT ACCOUNT
(In millions of currency units)

	1946	1947	1948	1949	1950
Ceylon (rupees)	. .	−180	13	− 30	151
India[a] (rupees)	− 268	−1194	−1029	−2015	672
Pakistan[b] (rupees)			79	−449	− 99
Burma[c] (rupees)		−242	−240	+175	+ 62
Philippines (pesos)	70	−184	103	−137	405
Thailand (US$)	−11	−41	69	63	65
Indonesia (rupiah)	. .	. .	52	−106	646

a. Excludes transactions with Pakistan. Balances of these were as follows:—
July 1948-June 1949 .. −338
July 1949-June 1950 .. − 54
Jan.-Dec. 1950 .. − 17

b. Excludes transactions with India, Afghanistan, Nepal and Tibet.

c. Years ending September.

derived demand. On the other hand, stockpiling and speculative hoarding raised import prices. Ceylon, Thailand, Burma and Indonesia had increased export surpluses; in Pakistan import surpluses in 1949 and 1950 were replaced by a large export surplus; in 1950/51 India, and the Philippines for the first time since the war, had sizeable export surpluses.

TABLE 5. TRADE BALANCES
(In millions of currency units)

	Jan.-Jun. 1950	Jul.-Dec. 1950	Jan.-Dec. 1951
Ceylon (rupees)	+ 75	+320	+255
India (rupees)	− 20	− 52	+189
Pakistan (rupees)	+204	+131	+672[a]
Burma (rupees)	+164	+ 56	+220
Philippines (pesos)	−89	+90	+67
Thailand (baht)	+302	+682	+597
Indonesia (rupiah)	+ 365	+ 832	+1499

a. Includes export duties, but excludes overland trade in June.

Exchange reserves increased during the year 1950/51 in all of the countries as net earnings from "invisibles" were, for some countries, added to export surpluses and in others, more than offset payments on "invisible" account.

In all of the countries budget deficits were still the rule in the post-Korean months, as investment programme and increased defence appropriations continued. However, deficits in five of the seven countries

TABLE 6. CHANGES IN FOREIGN ASSETS
(In millions of U.S. dollars)

	Period Covered		
	Jan.-Jun. 1950	Jul.-Dec. 1950	Jan.-Jun. 1951
Ceylon	+11	+42	+23
India[a]	+ 2	+15	+48
Pakistan[a]	−41	+36	+97
Burma[a]	+ 3	+ 1	+35
Philippines	− 3	+79	+37
Thailand[a]	+35	+35	+34
Indonesia[b]	+ 26	+103	+ 42

a. Central bank only.
b. Gold in the Bank of Java plus dollar exchange in U.S. banks.

were expected to be smaller in 1950/51 than in the preceding year, while India and Thailand anticipated larger deficits for the same period. Deficits are planned in all countries for 1951/52.

The combined effect of all these factors was increased inflationary pressure throughout the area. This has been reflected in a rise of price levels and in the volume of money.

The increases in money during the year 1950/51, exceed substantially the rises in the cost of living, except in India and the Philippines. This suggests that in addition to the ordinary short-term lag between income and expenditure, inflation is being temporarily repressed through larger imports, hoarding and price controls.

Inflation Prospects in the near future

Even on the assumption that international tensions will not worsen, inflationary pressure seems likely to continue. Public expenditures will probably continue to increase, allocated between development and defense in accordance with the condition of the international political climate. In spite of improvement in revenues, the expanded development programmes planned in all countries are likely to result in increased deficits, and in view of the cash-hoarding propensities of the population and the absence of any large private (non-bank) market for government securities, most of the financing of these deficits will continue to fall upon the banks. The trend toward a less unequal income distribution in some of these countries may indeed, at least for the near future, reduce the aggregate voluntary savings available for investment. Increased trade union activity and new minimum wage legislation in the Philippines, Burma and India are factors likely to strengthen this trend.

Though export earnings are likely to decline, it is doubtful whether balance of payments deficits will emerge of sufficient magnitude to offset these inflationary forces. The anti-inflationary impact of future

TABLE 7. CENTRAL GOVERNMENT REVENUES, EXPENDITURES AND DEFICITS

(In millions of currency units)

Fiscal year[a]	Ceylon (rupees)	India (rupees)	Pakistan (rupees)	Burma (rupees)	Philippines (pesos)	Thailand[a] (baht)	Indonesia[a] (rupiah)
1950							
Revenue	623[b]	4,298 [b]	755[b]	456[b]	384[c]	1,393	2,501
Expenditures	741[b]	5,090 [b]	1,294[b]	524[b]	507[c]	1,801	3,907
Deficit	118[b]	790[bd]	539[b]	68[b]	123[c]	144	1,305
1951							
Revenue	853[e]	4,403 [b]	1,237[b]	607[b]	424[b]	1,605[b]	4,855[b]
Expenditures	901[e]	5,748 [b]	1,453[b]	618[b]	535[b]	2,324[b]	6,482[b]
Deficit	94[e]	1,345[bd]	216[b]	11[b]	111[b]	719[b]	1,627[b]
1952							
Budget estimates:							
Revenue	896[e]	4,463 [e]	. .	572[e]	467[e]	2,230[b]	6,445[b]
Expenditures	1,223[e]	5,805 [e]	. .	817[e]	621[e]	3,228[b]	6,948[b]
Deficit	327[e]	1,342[de]	. .	245[e]	154[e]	998[b]	503[b]

a. Calendar year; thus 1950/51 refers to 1950 calendar year.

b. Revised budget estimate.

c. Actual.

d. If net monetary operations are taken into account the deficits are:—

1950 ..	680
1951 ..	1,216
1952 ..	1,219

e. Budget estimate.

U.S. Aid will be limited by the relatively small volume of such aid. So far as the countries under consideration here are concerned, only the Philippines is likely to receive aid on a sufficiently largescale to permit the financing of substantial deficits on foreign account. Foreign investment in these countries is not likely to be large enough to counteract substantially the inflationary impact of development plans.

The export surpluses of Ceylon, Thailand and Indonesia are likely to be reduced or may even be eliminated if export prices are not maintained. If the import prices of these three countries should rise, they would be in a position, for only a year or two at the most, to finance import surpluses, deflationary in their impact. In the Philippines, in view of U.S. aid and the orderly use of counterpart funds, expanded development may be consistent with smaller budget deficits. Future U.S. aid is likely to be more effective in increasing productive capacity *pari passu* with the increase in the supply of money than the U.S. veterans' and war-damage payments of the past few years have been.

For India and Pakistan the decline in export earnings may reduce inflationary pressures but this is likely to be more than offset by programmes of economic development. Burma has a special problem arising from the local political disturbances which retard the recovery of production and thereby lead to cumulative inflationary pressures. Nevertheless, Burma plans to accelerate development activity which has hitherto been kept back.

In the region as a whole, the growth of private investment is unlikely to create much inflationary pressure. As in the earlier postwar years such investment will continue to be largely self-financed. Such expansion of bank credit as may take place in the near future will reflect the growth of trade, especially of foreign trade, and will continue as before to play an insignificant role in financing private as distinguished from government-controlled development.

Increased domestic productivity may mop up some of the increased spending power that will be generated. But, apart from Burma, where the cessation of civil strife would rapidly increase agricultural output and distribution, and India where, in favourable circumstances, substantial increases in industrial production may be possible, increases in production are likely to be slow. The supply of domestic goods, preponderantly of agricultural origin, is inelastic and will increase only slowly as agricultural techniques are improved.

If increased domestic productivity cannot be counted upon in the near future, attention must neces-

TABLE 8. RISE IN COST OF LIVING AND MONEY SUPPLY INDICES FROM JUNE 1950 TO VARIOUS DATES AS SHEWN

(June 1950 = 100)

	Cost of Living	Money Supply
Burma (June 1951)	100	112
Ceylon (Oct. 1951)	104	143
India (Oct. 1951)	113	99
Indonesia (Aug. 1951) ...	160	168
Pakistan (Oct. 1951)	109	120
Philippines (Sept. 1951) ...	112	104
Thailand (June 1951) ...	108	138

sarily be focussed on other means of countering the inflationary forces. The seven countries which we have discussed have had some experience with anti-inflationary measures. We now turn to appraise this experience and to consider what other measures may be available for this purpose.

III. ANTI-INFLATIONARY POLICIES

In this section the various measures undertaken to combat inflation in the countries under review will be discussed. The early part of the section will be devoted to an appraisal of general monetary and fiscal measures and measures of price control. Later certain special measures which some of these countries have undertaken to meet the situation created by the post-Korean export surplus will also be considered.

Monetary Measures and Limitations

Few countries in the region have employed the monetary weapon in any effective manner for combating inflation. The Central Banks are indeed invested with wide legal powers to control credit. In practice, however, not much use has been made of these powers in most of the countries under review. By and large, a cheap money policy has been pursued, and open market operations, as, for example, by the Reserve Bank of India, have been directed, in general, more towards damping down seasonal variations in interest rates than towards curtailing money supply. Since Korean War, however, support to the securities market has been relaxed at times in some countries, such as India and Indonesia, and the bond yield has been allowed to rise[1]. Other methods of credit control have also been used, e.g. by the Central Bank of Ceylon, to meet the current inflationary situation. The reserve requirement of commercial banks against demand liabilities has been raised in Ceylon, and the commercial banks have been asked not to bring balances from overseas for internal lending or to expand credit for non-essential or speculative purposes. In the Philippines, too, certain formal measures have been taken by the Central Bank for the qualitative and quantitative control of credit.

A more direct step, that of withdrawal of currency from circulation, was attempted in Indonesia and Thailand. In Thailand, in February-March, 1945 notes of the denomination of baht, 1,000 were withdrawn from circulation in exchange for savings bonds. But the effect was short-lived, as the savings bonds were redeemed in February, 1947. In Indonesia the monetary purge of March 1950 involved the withdrawal of about 40 per cent of the money in circulation. But there too the gap thus created was soon filled by the issue of more currency in response to budget demands.

1. Since the paper was written, the Bank rate in India has been raised from 3 per cent to 3½ per cent.

While most of the Central Banks in the region have been extremely cautious about using the monetary weapons at their disposal, it is doubtful if, even had they used them, they would have been effective enough. This raises the important question of the role of monetary policy in an underdeveloped economy.

Forced sterilization of money on the lines of the experiments in Indonesia and Thailand may be ruled out as a step too drastic for serious consideration in such inflationary situations as most of the countries here reviewed have to face. In any event, while, given an administrative machinery efficient enough to apply it equitably, the measure, drastic as it is, may prove to be a corrective against latent inflation, it is hardly of any use in solving the problem of current inflation.

The normal monetary policy open to a Central Bank for counteracting inflation is also subject to serious limitations in an underdeveloped economy. In the first place, the banking system is not sufficiently highly organized for the Bank rate to be effective. Most Central Banks in the region are new and have yet to establish links with other financial institutions which will enable them to influence the market rate of interest. Secondly, bank money which is directly influenced by the rate of interest forms only a small proportion of the total volume of money in circulation. Currency notes are the major media of exchange forming, in most cases, about two-thirds of the total money in circulation; and in so far as they are created in response to deficit financing, their supply is little influenced by the Bank rate. Thirdly, even private investment is not in most cases directly related to the interest rate. Not to speak of the agricultural sector where the banking system hardly plays any role, even in industries a large part of the finance is often provided by agencies which are virtually independent of the banking system. Moreover —and this applies not only to an underdeveloped economy but to advanced economies too,—speculative holding of stocks which, originally an outcome of inflation, in its turn accentuates the inflationary pressure, is little affected by monetary policy. In times of rising prices, so long as expected gains from future sales offset interest charges, interest policy, however stringent it may be, is impotent to check speculative holdings.

On the other hand, if the objective is to draw savings from the public rather than to check investment, the Central Bank's monetary policy is of little use. Mass savings are necessary if inflation of the kind under consideration here is to be dealt with; they, however, are limited not so much by the level of interest rates as by lack of institutional facilities. Bank policy touches only a fringe of the population and is incapable of yielding any measurable results in respect of saving.

Similar considerations apply to Central Bank control of credit via the reserve ratios of commercial banks. Even where the banks under the jurisdiction of the Central Bank play a significant role in the economy, their normal reserve ratio is so high that any reasonable increase of the legal ratio leaves their credit position more or less unaffected. In Ceylon, for example, while the revised legal ratio is 14 per cent of demand liabilities, the ratio normally maintained by the commercial banks is more than 20 per cent of their aggregate liabilities. In India, the normal reserve ratio maintained by the scheduled banks during the postwar period has been between 10 and 12 per cent of aggregate deposit liabilities, while the legal ratio against demand liabilities is at present only 5 percent. The situation becomes more difficult where, as often is the case, the banks hold a considerable amount of foreign assets, for the effects of any change in reserve requirements can then be counteracted by cashing these foreign assets. Something like this seems to have happened in Ceylon.

If these indirect methods of monetary control are by the nature of the case more or less inoperative in the region, the scope for the direct method of withdrawing money through open market operations is also likewise limited. There is no organized stock market in any of these countries, except India. The stock of securities that the Central Banks carry in their portfolio is also extremely limited in all these countries, and does not permit extensive open market operations. Moreover, while development is being pushed forward, even limited operations are ruled out, for they would not only affect the *bona fide* lending operations of commercial banks but also clash with the borrowing programme of the Government. Indeed any significant deviation from a cheap money policy and the creation by the Central Bank of stringency in the money and capital markets, even if these were practicable, would put a severe strain upon Government finance already burdened, in most cases, with a heavy debt, and would be inconsistent with the basic idea of planned economic development. The objective of the Central Banks, as also of the Government, during all this period of inflation, has been not so much to restrict investment as to canalize it into proper lines. The chief endeavour, on the monetary side, has therefore been to exercise moral suasion for the prevention of credit expansion for speculative purposes.

Fiscal Measures and Limitations

Greater reliance has therefore been placed in all these countries on fiscal measures to counter inflation. Both direct and indirect taxes have been raised, and intensive savings campaigns launched with varying degrees of success. In India, for example, apart from the general savings drive, a special measure of compulsory saving has been introduced since the devaluation of September 1949. It is, however, limited to a narrow field and applies only to government employees above a certain salary limit. In the first postwar budget a capital gains tax was introduced; but it was soon abandoned because of its unfavourable reaction on investment. The budget still contains a special corporation tax, super-taxes and income tax surcharges. In all these countries, however, the yield from direct taxes is considerably less than that of indirect taxes. In Pakistan and Thailand, during the last two fiscal years, the revenue from customs duties alone has been about six to seven times the revenues from direct taxes, and in Ceylon about 3 to 4 times. This is mainly a result of the imposition of new duties and the raising of old duties on exports as a measure for countering the current inflation which the post-Korean boom has engendered in many of these countries. Great emphasis is indeed being placed, for example, in Ceylon, Pakistan and India on export duties as an instrument to offset the current inflationary pressure induced by an export surplus. India and Ceylon, which are food-importing countries and where, especially in view of the devaluation of the rupee, import prices have risen in terms of domestic currency, are also supplementing export duties with food subsidies. These subsidies are calculated to keep down the cost of living and hence the supply price of domestic goods in general.

In addition to these measures for increasing revenue, attempts have been made in some countries to cut down expenditure. In India, for example, an eight-point anti-inflationary programme announced at the time of the devaluation of the rupee included economy in governmental expenditure as a major objective. But in view of the needs for rehabilitation and development in some countries, such as India and Pakistan, and reconstruction and maintenance of internal order in others, such as Burma and Indonesia, the scope for such economies is apparently limited.

Despite all these efforts, few countries in the region have so far made any significant progress towards disinflation by means of fiscal measures. Here, too, as in the sphere of monetary policy, there are certain limiting factors. First, the income tax coverage in these underdeveloped economies is very small and is insufficient to enable revenue from direct taxation to cope with extraordinary demands on the exchequer. In India, for example, which is one of the countries in the region where direct taxes have the longest history and make relatively the largest contribution to the budget, out of a total population of over 350 million, only about

700,000 persons pay income tax. Even within this limit, the administrative machinery is inadequate and tax evasion is widespread. Further, corporation taxes are limited in most countries by incentive considerations. Many countries of the region have indeed found it necessary, even amidst inflation, to grant special concessions in regard to taxes on business profits with a view to attracting foreign capital and to encouraging new industries. Proposals to increase indirect taxes, leaving aside for the moment the special export duties imposed to counter the effects of the recent export boom, although they certainly deserve the most serious consideration, meet the following dilemma: the proceeds of indirect taxes on luxuries do not increase as rates are increased, the demand for most of these goods being elastic; on the other hand, indirect taxes on necessaries are inequitable. Indeed consumption taxes, in so far as they fall regressively upon the poorer section of the community, may be in effect just as inequitable as an inflationary rise of prices, and, although they relieve the pressure on the government budget, they cannot be carried beyond a certain limit in view of possible repercussions on wage demands. If the tax structure of countries in this region is to be broad-based, as it should be, considering the general level of income of the population and the demands on the exchequer, it should perhaps be so framed as to bring a wider class under the income tax schedule. Special attention should also be given to the improvement of the administrative machinery for tax collection. The additional costs of more efficient administration would probably ultimately yield a more than proportionate return. The scope for the extension of compulsory saving in India and its introduction in other parts of the region might also be reviewed. When all is said, however, it is impossible that the extraordinary demands to which the exchequer in these countries is liable should be met by normal Government receipts. In the absence of adequate foreign loans, deficit financing with corresponding inflation is unavoidable if what is regarded by these countries as the minimum rate of development is to be maintained.

Price Control

Several countries of the region are using price control and rationing as a means of curbing inflationary pressure. In India, the machinery of price control and rationing has been in operation since the latter part of the war (except for a period of about six months, between December 1947 and July 1948) and covers a wide range of goods, including food, cloth and certain essential raw materials. In other countries, e.g. Indonesia, Thailand and the Philippines, where a free market had been maintained for some years after the war, the machinery of price control has been reintroduced to meet the new inflationary pressure that has started since Korea. Pakistan, which inherited the system from undivided India, has since abandoned it except with respect to sugar which is in short supply there.

Where monetary policy is ineffective and taxation and voluntary savings are inadequate, one way of sterilizing money is to prescribe price ceilings and to ration goods. But the policy has its obvious drawbacks. It needs a costly administrative machinery such as none of these countries appears to possess. The black market is a common phenomenon in those places where price ceilings have been introduced. Moreover — and this applies specially to a diversified economy such as that of India,—unless the policy is applied widely relative prices become distorted and there is a tendency to transfer productive resources from controlled to uncontrolled goods, thus making the shortage of the former more acute. Part of the explanation for the food shortage in India is perhaps to be found here. And finally, even if the policy is broadbased and effective, it only suppresses inflation and does not cure it. The idea behind price control and rationing in present circumstances seems indeed to be to provide a breathing space which will permit ultimate adjustment of the inflated money income to goods through a gradual expansion in the output of the latter. Even from this point of view, the experience of the countries where price control is practised is not altogether reassuring, the transition being marked by all kinds of leakages.

Liberalization of Imports

One of the most effective anti-inflationary measures undertaken since the end of the war has been the progressive liberalization of imports. Postwar budget deficits would have produced a much more severe inflationary pressure without the payments deficits that accompanied them. The latter have been the result of heavy imports, made possible in the main by a gradual relaxation of import controls. As we have seen, in some countries—India and Pakistan, for example,—the payments deficits over the early part of the postwar period more than counterbalanced the overall budget deficits. This large inflow of goods had, at least in the case of Pakistan, a damping effect on prices. Here indeed was a way of attaining monetary equilibrium for those countries which had accumulated a large foreign exchange reserve during the war. If the payments deficits had been allowed to have their full effect upon the internal currency supply,—if, that is, the depletion of the external assets were accompanied by a corresponding withdrawal of domestic cash,—there might have been a progressive tendency towards an elimination of profit inflation and an adjustment be-

tween internal and international prices. Internal budget deficits, however, stopped this process, with the result that there was little internal disinflation and continued payments deficits used up the foreign exchange reserve. In India, for example, the sterling balances which stood at about Rs. 17 billion at the end of the war, were reduced by the middle of 1949, after deductions on account of transfer to Pakistan and the purchase of pension annuities, to just about Rs. 8 billion. A brake had ultimately to be imposed, which came in the form of currency devaluation. With the exception of Pakistan and the Philippines, all the countries of the region devalued their currency in 1949 along with the devaluation of sterling[1].

Neutralization of Export Surplus

Since devaluation, and the international developments arising from the Korean war, the payments position of these countries, all of which are partly or wholly exporters of raw materials, has been reversed. The export boom has converted their balance of payments deficits into surpluses and additional inflationary pressure has thus been created.

On the face of it these export surpluses may appear to be artificial, for controls, though somewhat relaxed, still limit the imports into countries of the region. It might therefore be supposed that a further relaxation of these controls, allowing more imports to come in, would be adequate to deal with the specific inflationary impact of their export surpluses. The reality of the situation, however, is more complicated. Apart from the fact that some of these countries, as members of the sterling area, are prevented from taking unilateral action for the liberalization of dollar imports, there are other difficulties too, associated with the kind of imports available abroad and the kind of imports, that could be permitted consistently with internal economic development. Faced with the problem of economic development, governments are anxious not to dissipate foreign exchange receipts by excessive imports of consumers' goods; protection for domestic industries is also an important consideration in some countries. The availability of capital goods is limited by the rearmament preoccupations of the more advanced countries, and imports of such capital goods as may be available are limited by the capacity of these countries to use them effectively at their present stage of planning. There is therefore a general tendency to conserve the foreign exchange arising out of the present export boom and to adopt special measures to prevent the specific inflationary impact of the export surplus.

Reference has already been made to export duties, a system in operation in Ceylon, India and Pakistan. The object of these duties is to appropriate for the exchequer a part of the export proceeds which would otherwise enter into producers' incomes, and thus to prevent not only a rise in the internal prices of exported goods but also the general inflationary pressure that the spending of higher producers' incomes would involve.

A policy similar in its effects, although different in form, has been in operation in Thailand and Indonesia, where there are differential rates of exchange for exports and imports. Although the operation of this multiple currency system is somewhat different in the two countries, the principle is the same. The exporters are required to surrender a part of their foreign exchange earnings at an official rate which is kept higher than the market rate at which the importers have to buy foreign exchange. On the average, therefore, the exporters receive a price in domestic currency which is lower than it would be if they could sell all their foreign exrhange freely in the market. The importers, on the other hand, have to pay for their imports a higher price in domestic currency, for they have to buy foreign exchange at the lower market rate. The net receipts earned by the monetary authorities from the difference between the buying and the selling rates are sterilised as far as possible or used to cover budget deficits.

The object of differential rates of exchange as well as of export duties is to mop up the counterpart in domestic currency of the net accumulation of foreign exchange arising from the export surplus. In practice, however, these devices can only be partly effective. A too high buying rate of exchange affects the volume of exports in the same way as too heavy export duties. On the other hand, if a too low rate of exchange is maintained for imports, the cost of living increases and the consumers suffer. The governments have therefore to use great caution in fixing the rates of foreign exchange or the rates of export duties. In Ceylon and India, where the system of export duties is employed, a special difficulty arises from the fact that export duties are accompanied by food subsidies which absorb a large part of the proceeds of these duties.

It might be suggested that these countries might effect an appreciation of their currencies to meet the situation created by the export boom. This is a matter which has in fact received some attention in the press in some of the countries. The reasons why no such step has been taken seem to be these: first, an appreciation of the currency would tend to eliminate the export surplus and might also engender an import surplus; secondly, it would affect foreign trade as a whole

1. The baht in Thailand, however, was devalued to a lesser degree than the pound sterling.

and destroy the protective benefit that particular industries in some of these countries apparently need; thirdly—and this is by far the most important consideration—the export boom was apparently to be of a temporary character and thus raised a problem which required temporary expedients for its solution; the expedient of a general appreciation of currency would be inappropriate for the situation.

The long struggle with inflation in these countries illustrates in general a conflict between the long-run aim of expanding production to match an inflated money supply and the short-run aim of curtailing money supply to match current output in short supply. In applying anti-inflationary measures none of these countries seems to have gone far enough. Partly, no doubt, this is due to the limitations of such measures which are inherent in the structure of these economies and in the machinery of administration. But partly, also, it is due to a fear that restrictive measures, if carried beyond a certain limit, would destroy the incentive to investment and would frustrate the ultimate objective of increased future output. The countries under review have, it appears, adopted a policy of compromise, and if they have so far failed to effect any genuine disinflation, they have at least succeeded in preventing from going out of hand.

IV. SOME CONCLUDING REMARKS

The question was raised in Section I whether deficit financing of developmental expenditure is justified in an underdeveloped country. Since the Korean conflict, most countries in the ECAFE region have taken advantage of the boom in raw material prices to raise extraordinary revenues, and budget deficits have declined as a consequence. It might seem that at least for the time being, the problem of finding non-inflationary finance for developmental expenditure is much less acute.

The problem, however, still appears now, though in a different form—viz. in the form of neutralizing the inflationary impact of the export surplus most of these countries are having currently. If the extraordinary revenues available through export duties, multiple currency practices etc. were added to government cash balances rather than spent on current expenditure, export surpluses would be less inflationary, but budget deficits would be larger. If, on the other hand, these extraordinary revenues are utilized for current expenditure and the budget is balanced with their help, the inflationary effects of the export surplus would remain. Budget deficits and export surpluses have the same rationale from the point of view of under-developed countries. The reasons why countries have not eliminated an export surplus by admitting imports on a large enough scale are to be found mainly in their rather limited capacity of absorbing large amount of capital goods within a short period and their desire to accumulate foreign exchange reserves for future developmental purpose; and against possible future adverse turn to their trade balances, should foreign demand for their exports fall drastically. But if the export surplus is not to be inflationary, its effects must be offset by a budget surplus even if it is at the expense of current developmental expenditure. If most countries are unwilling to counteract the building up of foreign exchange reserves by a reduction in the formation of domestic capital, it is in the hope that it is better to live with some inflationary pressures than forego some capital formation. In so far as the export surplus reflects an improvement in terms of trade it represents a windfall of resources to the countries, and enables them to build up foreign exchange reserves without any sacrifice of current consumption. In this respect, an export surplus associated with an improvement in terms of trade is similar to a budget deficit for developmental projects which employ factors hitherto unemployed.

It would seem that in spite of their stronger budgetary position, most countries in the ECAFE region must continue to experience inflationary pressures if foreign exchange reserves are to be built up and the current developmental expenditures at home are to be maintained. One cannot expect attempts to control these inflationary pressures to be completely successful. But the only sensible course, as has already been suggested, is to resort to trial and error—to combine variations in rates of taxation, in import controls, price controls, and in developmental expenditures from time to time as circumstances demand without either accepting a doctrinaire "orthodox" philosophy of finance, or expecting inflation to lead smoothly and automatically to the desired rate of capital formation. It may be that much of the developmental expenditure is now on projects which have already been started and that it would therefore be difficult and wasteful to stagger the completion of these projects. It may also be that other anti-inflationary policies may prove too irksome and some countries may have to forego the formation of foreign exchange reserves through a further relaxation of import controls. There is, however, already a tendency for export surpluses to decline in most of these countries. The terms of trade are indeed moving in favour of industrial countries. Even if inflationary pressures are eliminated by removing export surpluses and budget deficits, most countries in this region will have to accept some rise in the price level as a result of rising prices for imports.

But granted that the only course open to countries in this region is a flexible blend of policy with respect to developmental expenditure and inflation, will there be sufficient capital formation in the near future to ensure a rise in the standard of living? Or are the conditions in this region such that in the words of the Red Queen, "it would take all the running we can do to keep in the same place"? The answer to this question depends largely on such factors as population growth. elimination of organizational and social bottlenecks to production, the extent of potential natural resources, etc., which lie outside the scope of this paper and which may vary considerably from country to country. But in attempting to consider ways and means of mobilizing domestic capital for economic development, we should not lose sight of the possibility that even with the best will in the world, the amount of capital formation that can be undertaken from domestic resources alone may not be adequate to ensure even a modest improvement in the standard of living in the region as a whole.

INDUSTRIAL ORGANIZATION IN THE PUBLIC SECTOR IN ECAFE REGION[1]

Since the end of the Second World War, the role of government in the economies of countries of Asia and the Far East has been based on general acceptance of the need for central economic planning. Its role has covered not only what may be described as basic development but also other fields where initiative from private capital and enterprise is not forthcoming. For example, in Burma, hydro-electric power, road and water transport, forestry and the development of mineral resources have been scheduled for management as state enterprises or monopolies. In Ceylon, power, iron and steel, cement, heavy chemicals, and special drugs and pharmaceuticals have been designated for nationalization or for state monopoly. Furthermore, in Ceylon it is the official view that those industries which are of strategic value in the industrial development of the country, those that are likely to be monopolistic, and those that require large capital outlay, can best be undertaken as state enterprises. In India, the manufacture of arms and ammunition, the production and control of hydro-electric energy and the ownership and control of railway transport are the monopoly of the state. Multi-purpose projects, involving long-term investment on a large scale, are to be financed and managed by government. In the case of coal, iron and steel, aircraft, ship-building, telephones and telegraph and wireless apparatus, and mineral oils, the setting up of new producing units will be the responsibility of government except where participation of private enterprise is considered desirable in the public interest. The Industries (Development and Control) Act, recently passed by the Indian Parliament, provides that government may assume direct control of industrial undertakings when it is found that they are being managed in a manner highly detrimental to the industry concerned or to the public interest. Also, where expansion is considered urgently necessary in the national interest but where private capital and enterprise are not forthcoming, the Government may assume responsibility for initiating development. In Pakistan, three categories of industry, namely, arms and ammunition of war, hydro-electric power, and transport and communications apparatus and equipment, are to be owned and operated by the state, while participation by the latter, either exclusively or in partnership, with private enterprise, is permitted in six other industries: jute, paper, heavy engineering, ship-building, heavy chemicals and fertilizers. In the Philippines, the establishment of industries under state ownership is mainly confined to basic industries, such as steel, iron ore, iron and steel, industries using processes that are well proven in other parts of the world, and industries using local products as raw materials.

SCOPE OF THE PUBLIC SECTOR

The scope of the public sector in the economies of countries of the region has been determined partly by pre-war historical developments and partly by the policies adopted since the war. Historically public ownership and management was limited to a few categories of activity relating mainly to rail transport, public utilities, electric supply and irrigation works. Manufacturing or trading activities on the part of the state were confined to a limited number of products consumed by government itself, e.g. ammunition, printing and stationery. During the Second World War, additional activities were undertaken by many governments, particularly in respect of trading in strategic materials and vitally needed commodities in short supply. In several countries, these activities included the starting of new industries.

After the war, in addition to continuing war-time economic activities, many governments found it necessary, by reason of the enormous requirements of rehabilitation and reconstruction, to participate directly and increasingly in industrial and economic enterprises. A few governments, notably the Governments of China and of the Republic of Korea, acquired enemy properties comprising industrial and trading assets, which they kept in operation under direct state control.

Perhaps the best indication of the growing scope of the public sector in countries of Asia and the Far East is contained in their development programmes, a striking feature of which is the preponderance of governmental as compared to private capital outlay. For example, in Burma, the proposed expenditure by government under the National Development Fund, aggregating Rs.315 million in 1948-51, represented practically all the investment for development work that is possible during that period. In Ceylon, the proposals

1. Extracted from E/CN.11/I&T/51 presented to the fourth session of the ECAFE Committee on Industry and Trade in Rangoon, 18-22 January 1952.

first put forward represented a total of Rs.1,740 million; under the Six-Year Plan the development expenditure for the first year (1948-49) amounted to Rs.140 million for industries and Rs.130 million for utilities, and covered practically all fields of development work. In Thailand, the Government proposes to undertake considerable capital expenditure. The Draft Development Plan of the Federation of Malaya and Singapore involves a capital expenditure of M.$28,316,000. Nepal's public expenditure under the first five-year plan is estimated to be about Rs.90 million. In India, the proposed capital outlay by government in 1951-57 is of the order of Rs.18,400 million, against which private investment during the same period, at the current rate of investment, would be of the order of Rs.10,000 million. In Pakistan, out of Rs.2,600 million estimated capital outlay in 1951-57, private enterprise is expected to provide only Rs.400 million.

PROPOSED CAPITAL EXPENDITURE BY GOVERNMENTS OF THE REGION

(US$ thousand)

Country	Period Covered	Agriculture, Fisheries, Forestry, Livestock & Irrigation	Transport & Communication	Electric Power	Industry
Burma	1948-51	—	—	14,000	125,000
Ceylon	1951-57	106,400	61,600	22,400	16,800
Hong Kong	not given	1,399	—	3,468	—
India	1951-57	1,273,290	14,716,230	120,628	376,960
Indochina	first 5 yrs.	140,977	137,900	35,000	47,500
Nepal	first 5 yrs.	2,679	3,141	5,878	6,701
Malaya and British Territories of Borneo	1951-57	36,400	59,080	56,280	560
Pakistan	1951-57	246,980	159,638	135,542	153,614
Philippines	1950-54	14,817	18,853	2,500	5,602

Sources:

Burma: Semi-official estimates.

Ceylon: Post-war Development Proposals 1949-55. Does not include private investment. Data from "The Colombo Plan for Cooperative, Economic Development in South and South-East Asia". Does not include private investment.

India: Data from "The Colombo Plan". Includes "desirable" private investment.

Indochina: Estimates given by the Sub-Commission on Modernization of Indochina, 1948.

Nepal: Data supplied by Government.

Malaya & British Territories of Borneo: Data from "The Colombo Plan". Does not include private investment.

Pakistan: Data from "The Colombo Plan". Does not include private investment.

Philippines: Annual Report of the National Economic Council.

In agriculture, fisheries, forestry and irrigation, government capital outlay is directed to extension of facilities rather than to direct ownership or operation. In the case of transport and communications, a large proportion of capital outlay is for building railways, roads, ports, and post, telegraph and cable services, and government operation is widespread. Ownership and operation of electric power generation, as well as distribution, are likely to be almost entirely the responsibility of the state. As part of planned industrial development, industries ranging from fertilizers to railway coaches and from iron and steel to textiles, will come under the ownership and operation of the state. State ownership and management of defence industries, developed during the past fifty years, will almost certainly continue. What is perhaps the most significant trend in state ownership and management lies in the assumption by government of responsibility for the development of specific areas, such as the Damodar Valley in India and the Gal Oya in Ceylon, where the development of social services is an essential concomitant of economic development.

The extent of the public sector in individual countries of the region is outlined below:

In *Burma*, before the war, state ownership and management were confined to a limited number of activities, mostly of municipal, utility and service type, such as waterworks and sewage and sanitation activities of municipal corporations, as in Rangoon and other cities, harbours and port facilities, and railways. Immediately after liberation, the Government had to assume trading functions in order to meet the urgent need for consumer goods in face of worldwide shortages of supplies and dislocation of internal and external trade. In the task of rehabilitation, a deliberate policy of nationalization was followed, particularly in regard to the rice and timber trade and inland water transport. Official policy also envisaged government participation in the country's oil industry. The Government took

the initiative in establishing manufacturing industries such as sugar, textiles and tiles, as well as civil aviation activities. Burma's development plan further includes state ownership of hydro-electric supply, and of the production of paper, chemicals, and iron and steel.

In *China*, before the war, only a few economic activities were undertaken by the Government, most of these relating to transport, utilities and municipal services. Even here, the extent of state ownership was limited. Foreign loans were acquired on the basis of guarantee of assets, interest thereon, or profits therefrom, along with some form of foreign supervision or control. During the war, the Government undertook a number of activities, either directly or in participation with private enterprise. As a result, in several industries, e.g. munitions, iron and steel, chemicals, machine tools, mining, shipping and aviation, the Government acquired full or partial control. After the war, the Government came into possession of a number of previously Japanese-owned industries, including textiles, chemicals, fertilizers, mining, iron and steel, sugar, aluminium, and a petroleum refinery. These enterprises were retained and operated by Government, thus meeting a growing popular demand for nationalization of industries. At the present time, on the mainland of China, the Government of the People's Republic has pursued an extensive policy of nationalization, as a result of which many previously foreign-owned enterprises, including coal-mining and electric and gas supply, have been taken over by the state.

In *Ceylon*, government participation in industry before the war was confined to a few activities such as rail transport, electric supply, management of port facilities, and municipal water supply and sewerage. Just before and also during the war, however the Government built a number of small and medium-sized factories, e.g. for the production of plywood, glass and ceramics, coir, acetic acid, quinine and rubber and for steel rolling and saw milling. These factories continue to be owned and managed by the state and constitute the bulk of manufacturing activities in the country. In its development plan, the Government contemplates the reorganization and modernization of existing industries as well as the development of new industries, including steel, cement, textiles, paper, hydrogenated coconut oil, caustic soda and DDT. It has also commenced development of new areas through multi-purpose irrigation the Gal Oya scheme.

Hong Kong, being essentially a trading centre, does not offer any substantial scope for governmental ownership of industrial ventures. Governmental economic activities have been confined to essential services, such as port and harbour facilities, and electricity and water supply. Schemes of post-war development relate primarily to town-planning and development of urban areas. Construction of landing piers, development of additional harbour facilities, construction of markets, establishment of village depots, and activities related to the welfare of the community or which would facilitate the Colony's trade, are the major types of economic activity on which the Government is concentrating.

Of countries of the region, *India* has perhaps the longest tradition and the most extensive development of state enterprise. Apart from the Post and Telegraph, which is the oldest state enterprise, railways constitute the largest enterprise in terms of capital investment, employment and revenues. In the early stages of railway development, private enterprise was favoured although government was called upon to guarantee interest or profits on private investments. At a later stage, government built a number of railways, both for commercial and strategic purposes, although the management was entrusted to private companies. However, in the last two decades, all private railways have been acquired by the state which today owns railway assets valued at Rs.9,000 million; in addition, there are the major railway workshops and engineering facilities. Electric power is another important field of state activity, over 50 per cent of electric generating capacity having been built by government. A major part of this is hydro-electric. Irrigation facilities are almost entirely built and managed by government. Development of ports has been undertaken under government auspices. Factories for making munitions and supplying special defence needs have been set up under the ownership and management of the state. The state also owns a number of salt works. Apart from this, a number of Indian States have entered into various commercial and industrial undertakings such as banking, steel, chemicals, textiles and leather. Among other undertakings may be mentioned the utilities, including city transport in a few cities, and the entire municipal services such as water-supply, sewerage and land reclamation. With the growth of commerce and industries, the development of larger cities was undertaken under government auspices through what are known as development trusts, and almost all important cities in India today are developed through this form of public agency.

The Second World War brought about a remarkable growth in state enterprises in India. In addition to supplying services, the Government for the first time entered the field of wholesale and retail trade, including the import, local procurement and distribution of foodgrains, in regard to which it continues to play a large part. Government also bought large quantities of supplies, such as raw cotton, with a view to safeguard-

ing the interests of the agriculturists when export outlets were closed on account of war. As part of the war effort, the Government took over the operation of a number of private properties, e.g. jute presses, boats, country craft, and transport vehicles. During the war, the Government was not only the biggest employer of labour in numerous construction and engineering works, but also the biggest purchaser and seller of materials, goods and services, a large part of these operations being undertaken on behalf of the Allied Governments. While many of these wartime activities of government ceased after the war, the scope of government activity nevertheless continued to expand. Government, more especially Provincial Governments, have undertaken new responsibilities in transport and public utilities. There are also new developments, dictated by the urgent needs of the country, such as the setting up of a special factory for the manufacture of fertilizers and medical supplies. To provide housing and shelter to the displaced and refugee population, government had to assume responsibility for building houses. A number of basic industries, including fertilizers, steel, electrical and chemical plant, aircraft, machine tools, rail coaches and locomotives, ship-building and mercantile shipping, dry-core cables, radio equipment, telephones, DDT, penicillin and sulfa drugs and prefabricated houses, are to be initiated by government with a view to providing the basis on which other industries can be developed. Most of these will be state-owned and operated; exceptions include locomotives, ship-building and mercantile shipping, international shipping, and aviation, in which government will participate with private enterprise. Through the Industrial Finance Corporations, esta blished by the Central as well as some Provincial Governments, the state will also assist private enterprise. Some Provincial Governments have established, or propose to establish, factories for the production of paper, cement, plywood, ceramics, etc.

Before the war, state ownership in *Indochina* was limited to a few undertakings, mostly of municipal and service type, like water-supply, dockyards and utilities. Only some of the existing electric power installations were state-owned. Since the war, there has been no deliberate trend towards nationalization, although it is understood that the salt and power alcohol industries have been brought under state monopoly. As regards the future, no definite policy has yet been laid down. The Report of the Sub-Commission on Modernization of Indochina, 1948, mentions the development of hydro-electric power through the extension of the Ankroet Plant and the harnessing of the Bellevue Falls in Danhim. The plan proposed by the Sub-Commission includes use of budgetary funds, or grants and loans from France, particularly for electric power, agriculture and mining. The Sub-Commission also favoured state guarantees to private investment in agriculture and industry.

In *Indonesia*, before the war, state ownership and management in economic fields were confined to utilities and service facilities such as railways, harbour facilities, water supply, irrigation and a few electric power plants, particularly in Java and Sumatra. Some local authorities also engaged in electric power supply and distribution. Although the extent of state participation has not yet been defined, present tendencies indicate a mixed economy. The development plans include irrigation works, water power projects, road-building, saw-mills, electricity works, enlargement of civil aviation, rehabilitation of railways, harbour development, extension of fishing fleets, and shipping canals, which, it is assumed, will be wholly or mainly state-owned and managed. Among the twenty-one industrial projects are five priority projects, relating to spinning mills, paper factories, a cement factory, and the manufacture of agricultural implements, which are likely to be financed by government. In the construction of the Djakarta Spinning Factory, half the capital was provided by government. There are also proposals for government to set up pilot factories for refining resins and to establish state-owned rice mills. It is probable that, with the establishment of a Development Bank, the state will assume financial interest in other undertakings.

In the *Republic of Korea*, after liberation, the Government took over all Japanese Government and privately owned enterprises. These included railroads, public utilities, many dwellings, shops and commercial buildings, workshops, electric power plants, harbour installations, factories for cement and cotton and woollen textiles, coal, iron ore and tungsten mines, salterns, shipping fleet, fishing fleet, ship-building and repair yard, steel plants and the telephone exchange system. The Government has not yet defined the scope of the public sector in respect of these undertakings, and state ownership and management have been continued. The Constitution of the Republic of Korea stated that certain enterprises, such as transportation, communications, power, irrigation, and water-supply, shall be managed by the Government, and that the mines and mineral reserves shall be state-owned. In 1950, it was the intention of the Government to dispose of many of its holdings, though the policy and method of disposition was not clear; however, responsibility for their management and operation has continued to rest with the Government.

The extent of state ownership and management of economic activities in *Nepal* appears to be limited to

a few municipal utilities, such as transport and water supply. The five-year plan, prepared by the Government, includes development of agriculture, industry, mining, power and transport. No indication is, however, available as to the extent of state participation. The Government of Nepal is co-operating with the Government of India in the erection of a dam on the Kosi river which will provide power and irrigation water to India as well as the eastern part of Nepal. In the industrial field, the plans envisage establishment of cotton and woollen mills, tannery, paper and pulp mills, cement factory, saw mills, rice mills, oil mills, sugar mills, etc. It appears that some form of government participation with private capital and management may eventually develop.

In *Malaya and the British Territories of Borneo*, there has been very little state ownership and management of economic activities. Only in a limited number of fields, such as transport, water and electric supply, harbour facilities and postal and telecommunications, is there state ownership and operation. The declared policy of government is to leave the development of industry and agriculture to private enterprise. Apart from expanding certain facilities for example railways, harbours, aerodromes, electric supply, irrigation and fisheries, government does not propose direct participation in ownership or management of industrial undertakings. However, municipal ownership is likely to be extended in respect of housing and other welfare activities. Recently, the Singapore Government notified purchase by December 1954 of the privately-owned Oriental Telephone and Electric Supply Company Ltd. The Government of the Federation of Malaya, by an Electricity Ordinance (No. 30 of 1949), set up a Central Electricity Board for the purpose of operating, establishing and developing electric power generation and distribution. In many of these new activities, government obtained financial aid through the Colonial Development and Welfare Act and the Colonial Development Corporation.

At the time of partition, *Pakistan* inherited a number of state owned commercial and industrial undertakings, such as railways, port trusts, irrigation works, electric power stations and distribution facilities, and water supply works. During the war, in the Indo-Pakistan sub-continent, government undertook trading and commercial activities, e.g. in respect of the procurement and distribution of food-grains and other civil supplies, purchase of defence supplies and manufacture of arms and ammunition. Many of these government commercial activities ceased after the war. As an emergency measure, government has, however, often entered into domestic and foreign trade, e.g. in government purchase of raw jute through the Jute Board. In implementing the development programme, the Government of Pakistan has expanded its activities in irrigation, port development, electric supply, transportation, etc. It has created a number of financial institutions, e.g. the Industrial Finance Corporation, the Industrial Development Corporation, the Agricultural Development Finance Corporation, and the Refugee Rehabilitation Finance Corporation. However, the activities of these institutions are directed more towards provision of grants, loans and long-term finance to private enterprise, than towards state ownership and management. In developing new industries or expanding existing ones, government has often assumed financial partnership, through agreements with private capital, without any degree of control in their management. According to its Industrial Policy Statement, while private enterprise will be given full scope, government will regulate and control it in respect of several industries. State ownership and management will be restricted to defence industries, hydro-electric power, and transport and communications apparatus and equipment. The Six-Year Programme, now being implemented, conforms to this pattern of state participation. Agricultural development, irrigation, expansion and development of railways, ports, roads, communications, and development of electric power, are specified for development directly under government, which will provide finance and create suitable machinery for operation. Finance allocated for the development of certain industries, e.g. coal, cotton, textiles, jute and paper, will be used to assist and supplement the efforts of private enterprise. The Government will only regulate and control the industry at policy level through bodies like industrial advisory committees. It is likely that a few industrial undertakings, e.g. DDT plant, chemical fertilizers and possibly the iron and steel industry, may be directly owned by the state. Some of the Provincial Governments may also finance industrial enterprise, such as the paper mill in East Pakistan, with a view to hastening development where private enterprise is not immediately forthcoming. Some of these enterprises may, however, be eventually transferred to private enterprise.

In the *Philippines*, the history of state ownership of commercial enterprises dates back to the First World War. In 1916, the Philippine National Bank was organized. In the same year, the state acquired full ownership and control of the Manila Railroad Company, previously a British-owned and operated enterprise. In 1919, responsibility for the water supply and sewer system in Manila was entrusted to a public body. The most important development, however, was the establishment of the National Development Company in the

same year to serve as an agency of the Philippine Government in the furtherance of its economic policies. It was through this agency that government gradually entered the fields of commerce, industry, mining, agriculture and other economic activities. The policy of the Government during this period was flexible. The National Development Company could hold either the entire interest or a majority interest in all subsidiary companies organized by it. It could purchase stocks in any private corporation without having to acquire a majority interest therein. The Government did not intend to replace private enterprise; in fact it welcomed private capital, including foreign capital. The primary aim of the Government was to assume leadership in national economic development and to step in where private enterprise was not willing to act. Since then, largely through the operation of the National Development Company, the Philippine Government has initiated, or acquired control over, a number of economic activities such as cement, sugar refinery, hotel industry, railroads, water supply, abacca and other fibre industries, airports, coconut industry, small business corporations, food processing industry, land settlement, electric power, rice and corn industry, tobacco industry, banking, finance, and rural development. After the Second World War, many more fields were entered by the Government, for example, shipping, civil aviation, financing of reconstruction and rehabilitation, trading in civilian supplies, purchase, sale and export of agricultural produce, insurance, price stabilization through government purchase and sale, and charity sweepstakes. Many of these government activities, which were financed and operated by separate companies, had chequered careers. Some sustained considerable losses and were reorganized. They have at times been subject to investigation by special Commissions or Congressional Committees. In 1950, a Committee on Reorganization of Government-owned and controlled Corporations recommended a series of modifications in the methods of government participation, financing and operation. It further recommended that activities in competition with private enterprise, particularly trading in commodities and farming, should not be brought within the purview of government control.

The Constitution of the Republic of the Philippines defines the scope of the public sector. Article XIII Section 8 provides that:

> "the State may, in the interest of national welfare and defence, establish and operate industries and means of transportation and communication, and, upon payment of just compensation, transfer to public ownership utilities and other private enterprises to be operated by the government".

It will be noted that state ownership and operation must be "in the interest of the national welfare and defence". It is government policy not generally to engage directly in business enterprise which can be left to private individuals; however, if no private capital is available to undertake the establishment of an industry which is considred urgently necessary either for defence, for the national economy, or for public welfare, it is felt that the Government, alone or in co-operation with private capital, should establish and operate that industry.

The Government's development plan appears to provide for continued government activity, particularly in respect of rice and corn, cement, sugar and paper. New projects have been added, such as textiles, steel factories, sawmills, and development of coal and iron ore resources. Transport and communication facilities, railways, road transport, shipping and civil aviation are also to be developed, in addition to hydro-electric and power development projects, such as the Caliraya, Lumot Diversion, Talomo, Ambuklao and Binga and Maria Cristina projects.

In *Thailand*, even before the First World War, a number of enterprises were owned and operated by the state. The most important of these were the railways, a power station in Bangkok, distillery, sugar, mining, transport establishment, waterworks, paper and pharmaceuticals. Most were small and medium-scale establishments. During the Second World War, difficulties in obtaining supplies from abroad compelled government to establish several factories, for example, tanneries, coir goods, spinning and weaving, fisheries, and forest products. This tendency gained impetus after the war, and the Government took over the privately-owned electric works in Bangkok, and established or reorganized factories for gunny bags, etc. The Government also undertook trading activities, setting up a Government Purchasing Bureau which is at present one of the major importers and sellers of a wide range of consumer and other goods. An important activity of the Government has been to control the export trade of rice, in which it has a virtual monopoly. It has also organized motor transport services and a civil aviation service. Government has participated in, and promoted the formation of, semi-private organizations for rice, rubber, shipping and navigation, etc., and is planning further investments in private enterprise. A tendency to allow private enterprise a larger share even in state-owned enterprises is recently in evidence. For instance, it is proposed to sell government shares in the paper factory to the public. The Government has decided to establish an industrial development bank to encourage both public and private enterprise engaged

in the processing of indigenous natural resources. Recently, in connection with projects for which International Bank loans have been obtained, the Government has reorganized the railway and harbour organizations so as to make them autonomous. The question of integrated planning for industrial development is before the National Economic Council, and until an integrated plan is developed, no final decision is likely to be taken on the scope of the public sector.

TYPES OF ORGANIZATION IN THE PUBLIC SECTOR

The legal form of a state enterprise is highly important. It may be (a) an organization run departmentally under a ministry; (b) an organization run by a board or committee of various ministries; (c) a public company with variations such as occur in the different types of joint stock company; (d) a mixed company; (e) a statutory corporation established under a special law or character, or (f) a state-owned industry run under a public trust.

Departmental Management.

Departmental management of state-owned enterprise has not usually been accompanied by any significant changes in the organization, staffing and operative methods of government departments. The ordinary rules of public administration, finance, recruitment, status, rights and duties of civil servants, accounting and auditing procedures are used. In Burma, the post and telegraph, telephones, railways, civil supplies, and a few state-owned industries are run by departments. In Ceylon, not only are the post and telegraph, railways, electric supply and distribution run by departments, but practically the whole range of industries, including glass, plywood, ceramics, leather coir, acetic acid, steel rolling, paper, carpentry and textiles are operated by the Ministry of Industries, Industrial Research and Fisheries. In Thailand most of the state-owned commercial enterprises, including the Bangkok Electric Works, Samsen Power Station, Thai Airways Company, the Transport Company, Ltd., Government Tannery Organization, the Government Purchasing Bureau, Government Distillery, Thai Sugar Organization, Bangkok Hats, Mining Organization, Thai Royal State Railways, the Express Transport Bureau, Bangkok Wharf Organization, Bangkok Water Works, Borisat Pramong Thai (Fishery), Forestry Organization, Thai Gunny Bag Factory, Thai Paper Factory and the Pharmaceutical Factory, are run by the departments most directly concerned, although, as mentioned above, acts have recently been passed by Parliament for creating autonomous agencies for the harbour and railways. In the case of tobacco, where the main purpose of state ownership is to obtain revenues, the Tobacco Monopoly and the Tobacco Factory are in the hands of the Excise Department of the Ministry of Finance. In India, although there has recently been a trend towards creation of separate and autonomous agencies, departmental management is still widely employed, as for example for post and telegraph, ammunition, salt and benzene.

Departmental Management under Committees or Boards

With a view to imparting flexibility and allowing for quick decisions, committees or boards, consisting of representatives of the various ministries concerned, are in some cases set up for departmentally run enterprises. Thus, in Burma there are the State Agricultural Marketing Board, the Timber Project Board, the Inland Waterways Transport Board, the Spinning and Weaving Factory Board, the Sugar Control Board, and the Oil Industry Board, composed of representatives of the various ministries. In India, inter-ministerial committees were set up for the establishment and construction of the Sindri Fertilizer Factory, the Government Housing Factory, etc. The need for such inter-ministerial committees arose because, at the stage of both planning and execution, the assistance, concurrence and sanction of several ministries were frequently required. Land had to be procured, water supply and electric power to be assured, railways or transport facilities to be installed, stocks to be purchased, and allocations of building and other materials were needed. The presence of representatives of the Finance Ministry on these committees or boards facilitates quick decisions in regard to expenditure.

In some cases, a large commercial undertaking covering a whole country requires the establishment of a separate ministry or department, such as the post and telegraph departments, the railways departments and the electric power departments in many countries. In Malaya the management of railways has recently been entrusted to the Malayan Railway Administration, which has considerable autonomy in comparison to an administrative department. Recent legislation in Thailand for establishing an independent Railway Authority and Bangkok Harbour Authority reveal a similar development. The operation of the Indian railways is probably unique in the region. The Indian Railways Department has its own financial, administrative and appointment procedures and its own accounting and auditing departments. Furthermore, the railways have been divided according to the various regions served by a line and have a considerable degree of decentralisation as regards operation.

Public Companies

With the development of legislation on joint-stock company and other forms of company management,

governments have increasingly turned to the formation of autonomous companies for government-owned enterprises, the government assuming the functions of shareholder. Government exercises the rights of a shareholder as well as management through the appropriate ministry, the cabinet or the head of the state. This form of management has been widely used in the Philippines. Thus the Cebu Portland Cement Company, which was established by a private promoter, was taken over by the Government. The Insular Sugar Refinery Corporation, which also was incorporated as a private refinery, was purchased by the Government through the National Development Company. The National Oil Company was similarly organized by the Government in 1908. The Manila Railroad Company was created under the Acts of the Philippine Commission which acquired the British-owned railway in 1916. Similarly, the National Abacca and Fibre Corporation, National Airport Corporation, National Coconut Corporation, National Co-operatives and Small Business Corporation, National Power Corporation, National Rice and Corn Corporation and, finally, the National Development Company were organized either under the Commonwealth Act of the Philippine Government or under the Executive Order of the President. It is to be noted that, in countries like the Philippines, the term "corporation" is used to imply, not a statutory corporation, but a joint stock company of limited liability. In India, the general principle of this form of organization is that, where the nature of the work is substantially commercial in character, a joint-stock company is more suitable than departmental management. Proposals are under active consideration by the Government for converting many departmentally-managed industrial enterprises into public companies. The Sindri fertilizer factory has now been converted into a limited company under state ownership.

In Thailand, a similar practice has been followed for semi-state enterprises such as the Thai Rice Company, the Thai Rubber Company, the Thai Maritime Company and the Thai Navigation Company. Before 1948, in China, similar semi-state-owned companies were established in respect of aviation, shipping, etc.

In most countries of Asia and the Far East, the appointment of boards of directors for such companies has been the function of government exercised by the appropriate minister. Thus, for the companies in which the Government of India holds shares, wholly or partly, the boards of directors are nominated by the Government; where private enterprise also holds shares in a state enterprise, it has been given adequate representation. While generally the Government nominates officials to be members of such boards, in a few cases, e.g. Indian Telephone Industries, two or three non-officials of outstanding business ability have been appointed. In Thailand and the Philippines, the members of boards of directors are all government representatives nominated by the Government.

Mixed Companies or Corporations

Within the company type of enterprise there are a number of variations arising out of the desire of government to participate only partially in investment or to leave the management wholly or partly to private enterprise. Instances of the mixed type of company are to be noted in several countries of the region. Thus the Government of India holds participating shares in the Eastern Shipping Corporation and in Air India (International). Some Provincial Governments have also made efforts to participate in private enterprise by this method. In Ceylon, in the development of civil aviation, this method was also favoured. In Thailand, there are a number of mixed companies. The Philippine Government participated with a private civil aviation company in this manner.

In Pakistan and India, government has sometimes participated in private enterprise by granting long-term credits to enable a company to expand its activities. Thus the Industrial Finance Corporations in India and Pakistan have provided substantial sums by way of loans to various industries, such as jute and cotton in Pakistan and iron and steel in India. In some cases, for example in Ceylon and India in respect of civil aviation, government does not undertake any managerial or operating functions, leaving these to private management. Negotiations for similar arrangements have been initiated by India in respect of the shipping industry.

Statutory Corporations

In a statutory or public corporation, the economic activity of government is centred in a single business functioning under statute. In India, the need for this kind of organization is recognized, for example in the creation of the Damodar Valley Authority. The same principle has been ackowledged in Ceylon, when in November 1949 the Gal Oya Development Board Act was passed.

In the Philippines, the National Development Company may be regarded as a public corporation, organized to serve as an agency of the Government in the furtherance of its economic policies. Broad powers were granted to the Company over a wide field of operation. A large capital was authorised. It was given powers to raise funds by contracting loans and issuing bonds and was permitted to deal in the shares, capital stock, bonds or securities of other corporations and participate with private or foreign enterprises. The

Company was permitted to engage in commercial, industrial, mining, agricultural and other enterprises. It was allowed to hold public agricultural lands and mineral lands in excess of the areas permitted to private corporations, associations or persons.

In Malaya, examples of statutory corporations are the Singapore Harbour Board, Penang Harbour Board, Singapore Central Electricity Board, and the Rural Industrial Development Authority. The constitutions of these bodies reveal uniformity as regards legal corporate status but, in other respects, particularly membership of the boards of directors, their area of authority and the ultimate control of Government exercised through the Governor or High Commissioner, they differ from one another. Except in the case of the Central Electricity Board and the Singapore Improvement Trust, the general manager or the chief executive is also chairman of the board. The Singapore Harbour Board and the Penang Harbour Board have a common chairman. The chairman, in practically all cases, is a public official appointed by Government. However, in the composition of the board, non-officials are associated with members drawn from the public service.

Public Trusts

A noteworthy feature of government management of enterprises, particularly of service and development type, is the adoption of the principle of trusteeship. This type of government management is illustrated in the constitutions of port trusts and commissions, investment trusts, urban or municipal improvement trusts and development trusts, particularly in countries like India, Pakistan, Burma, Ceylon and Malaya. The trust authority is generally an autonomous body, holding and operating assets of the state in trust.

Government Management without Ownership

The form of organization in which government, although not participating financially, has control of management, is rare. The possibility of government undertaking the management and operation of a private enterprise has been envisaged in India in the Industries (Development and Control) Bill which is at present before the Parliament. During the Second World War, powers of requisition of factories and enterprises or properties were also exercised with a view to maximizing the war effort. In cases of liquidation or dispute over the inheritance of a private enterprise, government often takes up the operation through trustees. Another illustration is that of the central banks, e.g. in India, where, although the share capital is held by private investors, the Government has the right to appoint the governor or the chief executive head, and the boards of directors elected by the shareholders have limited powers, the final control resting with government.

SOME PROBLEMS OF PUBLIC OWNERSHIP AND MANAGEMENT

Whatever may be the form of organization, the essential problem is to equip government for the efficient discharge of its duties and to impart to government enterprise the flexibility and effectiveness of the best types of private enterprise. While responsibility for policy-making rests with government, it is desirable that the co-operation of the public, particularly of the workers in the industries concerned, be secured in this field. In this region, however, only India and Pakistan have developed joint bodies to provide for consultation between government, the industry concerned and the workers. At the level of industry, advisory bodies may be established to assist the management on various problems concerning e.g. production, consumer interests and labour welfare.

If an enterprise covers a wide area, decentralization is possible, but there is a reverse trend in countries of the region on account of the fact that government-owned enterprises are sometimes of small size. A parliament or legislature is in a sense the shareholder; but it also represents the consumers and the general taxpayers. As such, it has a right to discuss, debate and decide on policy and other matters pertaining to a public enterprise. It is, however, important to ensure that the administration of the enterprise is not too much interfered with by the parliament, and that the government is not called upon to answer detailed questions of management.

The autonomy and efficiency of the enterprise, on the one hand, and the safeguarding of public interests on the other, depend, in the last analysis, upon detailed aspects of organization and the precise delegation of responsibility at various levels. Before an industry is nationalized, or before government decides to set up an enterprise under public ownership, a sort of administrative blueprint might usefully be prepared showing the organization and layout, the allocation of duties and responsibilities at various levels, and other such aspects of organization.

In regard to the staffing of public enterprises, if this is done from the civil service, it will be necessary to instil the best traditions of efficient private management. Administrative and other procedures will in most cases need to be revised to enable the civil service to discharge its duties efficiently. The countries of the region face practical difficulties in the selection of able personnel for the boards of management and, for this reason, many governments have had to appoint govern-

ment officials to such boards. However, it would seem desirable that such officials should not represent their ministries.

In respect of managerial staff, the present method of public service recruitment is not always effective. Governments do not have a pool of managerial talent from which to draw such personnel for public enterprises. Very often, because the management of a public enterprise is not sufficiently independent, some of the best business talent is not attracted to it. The possibility of establishing a specialized civil service for commercial and industrial management is therefore worthy of consideration.

Problems of incentives to workers and management call for thorough study and analysis. The possibility of establishing profit-sharing schemes in government-owned enterprise might well be examined. However, perhaps what is most needed is the development of new traditions emphasising service to the country.

In regard to the financing of public enterprises, since capital is available only through yearly budget allocations, public enterprises tend to have less freedom in this respect than private enterprise. On the other hand, public enterprise has certain advantages over private enterprise, for example as regards availability of land, buildings, transport and power supply. From the point of view of public accounting, it is desirable that any form of special assistance, such as subsidies and protection, given to a public enterprise should be accounted for separately so that the community may know what sacrifices it is being called upon to make and for what purpose. Finally, the results of operating a public enterprise might well be tested at regular intervals in the light of objective criteria, and by methods such as sample studies of productivity and efficiency.

ASIAN ECONOMIC STATISTICS

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Symbols Employed

The following symbols have been used throughout this appendix:

... = not available; — = nil or negligible.

I, II, III and IV for quarters of years.

Figures in italics are provisional.

Unless otherwise stated, the standard unit of weight used throughout is the metric ton.

The following symbols are used to represent the abbreviations of national currencies in Asia and the Far East.

Rs.	=	rupees (Burma, Ceylon, India and Pakistan).
HK$	=	Hong Kong dollar.
Fl.	=	guilder (Indonesia).
Y.	=	yen (Japan).
W.	=	won (Republic of Korea).
M$	=	Malayan dollar (Malaya and British Borneo, embracing North Borneo, Brunei, Sarawak, Federation of Malaya and Singapore).
P.	=	peso (the Philippines).
Pr.	=	piastre (Indochina).

The term Malaya includes the Federation of Malaya and Singapore.

Sources

To ensure comparability, data compiled by the United Nations Statistical Office have been taken as basic material wherever possible; material supplied by governments, publications of governments, the United Nations Organization and its specialized agencies and International Commodity Study Groups have been used as additional sources.

I. PRODUCTION OF SELECTED COMMODITIES *(Monthly averages in thousand tons)*

	1938	1947	1948	1949	1950	1950		1951					
						III	IV	I	II	III	Jul.	Aug.	Sep.
COAL													
India a	2,400	2,540	2,551	2,684	2,735	2,612	2,709	2,964	2,879	2,798	2,571	2,867	2,956
Indonesia	121	19	45	55	67	69	66	75	72	67	66	70	66
Korea, south	19	39	67	89	47	2	—	—	2	3	3	3	3
Malaya	40	19	32	33	35	36	34	32	33	34	34	36	32
Pakistan b	—	13p	20	28	37	28	37	46	43	33	32	34	34
Viet-Nam	195*	21	30	31	42	35	59	48	49	46	47	44	46
Japan	3,484	2,270	2,822	3,172	3,205	3.165	3,464	3,247	3,582	3,606	3,657	3,454	3,706
ELECTRICITY (mil. kwh)													
Burma	—	1	2	2	3	3	3	3	3	..	..	..	..
Cambodia	1	1	1	1	1	1	1	1	1	1	1	1	1
Ceylon	3	5	5	6	7	7	7	15	16	..	.	..	..
Hong Kong	..	9	13	18	24	26	27	28	29	..	..	..	..
India a	211‡	345	381	410	425	426	450	462	492	503	508	507	494
Korea, south	..	23	41	55	34	11	20	14	19	29	27	28	33
Pakistan	—	10p	11	14	14	15	15	17	17	..	20	17	..
Philippines c	12	..	30	35	38	39	40	39	40	42	42	43	42
Thailand	3r	3q	4	4	4	4	5	4	5	..	..	..	..
Viet-Nam	8	5	8	12	14	14	15	15	16	18	18	18	18
Japan	2,062*	2,522	2,659	3,020	3,260	3,073	3,554	3,462	3,647	3,281	3,638	3,235	2,970
PETROLEUM, CRUDE													
Brunei	59	144	224	280	343	369	381	402	415	..	..	..	..
Indonesia	616	93	360	494	534	582	526	600	589	516	637	636	276
Pakistan	—	3s	5	10	14	15	12	13	12	14	14	14	13
Sarawak	17	2	4	5	5	5	5	4	4	..	..	..	..
Japan	29*	15	14	17	25	26	27	27	32	29	33	28	26
IRON ORE													
Hong Kong	..	—	—	5	14	15	13	13	12	12	13	12	12
India a	232	212	193	238	250	..	..	..	..	..	.	..	..
Malaya	137	—	—	1	42	54	52	38	100	81	96	71	77
Philippines	77	—	2	31	50	63	57	47	86	92	91	92	92
Japan	52*	41	46	63	69	79	69	56	73	89	87	93	87
PIG IRON & FERRO-ALLOYS													
India d	131	122	124	136	142	139	155	145	156	158	158	164	150
Japan	173*	31	70	134	192	197	217	221	268	287	283	293	284
STEEL INGOTS & CASTINGS													
India	82	106	106	115	122	124	130	124	126	128	122	136	126
Japan	435*	78	143	259	403	404	474	493	551	563	593	575	521
FINISHED STEEL													
India	59	76	72	79	85	88	90	90	88	91	90	96	88
Japan	379*	54	105	185	289	273	362	415	476	442	471	442	412
TIN IN CONCENTRATES (tons)													
Burma	419	152	97	151	*142*	*142*	*142*	*142*	*142*	*142*	*142*	*142*	*142*
China	906*	364	406	*356*	*305*	*305*	*305*	*305*	*305*	*305*	*305*	*305*	*305*
Indochina	135	—	3	*5*	*15*	*15*	*15*	*15*	*15*	*15*	*15*	*15*	*15*
Indonesia	2,517	1,349	2,592	2,452	2,718	2,757	2,762	2,526	2.655	2,534	2,332	2,545	2,726
Malaya	3,673	2,288	3,795	4,649	4,872	4 883	4,800	4,672	4.816	4,903	4,986	5.002	4,720
Thailand	1,255	119	359	662	878	967	967	821	760	818	717	863	875
Japan	..	9	10	16	28	29	34	29	39	36	43	39	26
TIN METAL (tons)													
Malaya	5,397	2,482	4,209	5,312	5,821	6,252	5.633	5,482	5,628	5,523	4,535	6,539	5,496
NATURAL RUBBER e													
British Borneo f	2.4	4.4	5.2	5.1	7.0	7.6	7.0	5.3	6.7	5.6	6.0	5.2	5.7
Burma f	0.8	0.8	1.0	0.5	0.8	0.3	0.2	1.5	1.3	0 4	0.2	0.4	0.6
Cambodia	2.4	1.1	1.4	1.3	1.2	1.8	1.4	0.6	1.2	1.4	1.3	1.4	1.5
Ceylon	4.3	7.5	8.0	7.6	9 6	10.5	11.7	8.8	7.6	8.5	7.6	9.1	8.6
India	1.3	1.4	1.3	1.3	1.3	1.1	2.0	0.8	1.4	1.6	1 3	1.7	1.8
Indonesia	27.0	23.5	36.6	36.5	58.2	66.0	67.3	72.9	75.1	59.1	69.6	59.2	48.6
Malaya	30.4	54.7	59.1	56.9	58.8	61.9	64.8	55.6	48.7	50.0	49.3	52.8	47.9
Thailand f	3.5	4.4	8.1	8.0	9 5	11.0	9.0	10.1	8.6	10.4	12.4	8.8	10.0
Viet-Nam	3.6	2.2	2.3	2.6	2.7	2.5	4.3	2.0	2.8	3.1	3.1	3.2	2.9
CEMENT													
Hong Kong	..	2.9	4.4	4.9	5.7	4.2	6.2	6 5	5.4	5.2	1.2	7.2	7.2
India a	119	147	131	178	221	220	237	247	265	269	260	274	274
Korea, south	..	1.5	1.9	2 0	0 8	—	—	—	—	—	—	—	—
Philippines g	13.9	11.2	10.0	17.1	24.9	24.6	22.3	19.1	27.4	28.9	31.8	29 9	24.9
Thailand	9.7r	4.9	6.9	10.6	13.8	14.6	15.5	18.9	17.5	18.6	16.6	18.6	20.6
Viet-Nam	22.2	3.4	8.1	12.8	12.0	10.2	16.5	20.0	17.6	19.7	20.4	18.5	20.3
Japan	465.0*	103.0	154.9	273 1	371.9	372.1	501.6	456.6	559.2	563.0	552.1	563.5	573.4
COTTON YARN													
Hong Kong	..	..	..	0.9	2.0	2.2	2.3	2.1	2.0	2.6	2.4	2.3	3.0
India a	48.7	49.8	55.0	50.3	43.8	40.1	42.5	46.1	46.8	50.3	50.3	51.3	49.4
Korea, south	..	0.5	0.5	1.1	0.8	..	..	0.4	0.5	0.4	0.5	0.4	0.4
Japan h	54.5*	10.2	10.4	13.1	19.9	20.6	24.8	24.5	28.4	29.8	31.1	29.0	29.3
COTTON FABRICS (million metres													
Ceylon (million sq. metres)	0.6	0.5	0.5	0.6	0.5	0.5	0.6	0.6	0.5	0.5	0.5	0.5	0.5
India a	328	285	337	290	275	251	269	291	318	322	323	329	314
Korea, south	..	2.5	2.1	4.9	4.1	..	..	2.2	2.5	1.9	2.0	1.8	1.9
Philippines	..	0.5	0.6	0.3	0.7	0.8	0.8	0.8	0.9	0.9	0.9	0.8	0.8
Japan h (million sq. metres)	243.6*	46.1	64.4	68.6	107.4	107.6	123.0	128.7	159.4	162.1	169.6	156.5	160.1
JUTE MANUFACTURES													
India i	107.2	89.0	92.0	78.1	70.8	74.4	72.2	68.1	75.7	72.3	72.7	76.9	67.4

I. PRODUCTION OF SELECTED COMMODITIES—*(Contd.)*

(Monthly averages in thousand tons)

	1938	1947	1948	1949	1950	1950		1951					
						III	IV	I	II	III	Jul.	Aug.	Sept.
COCONUT OIL													
Malaya	..	8.15	7.88	7.70	7.66	7.42	9.06	6.74	7.81	10.68	11.19	11.02	9.82
PALM OIL													
Malaya	4.32	3.31	3.83	4.28	4.50	4.41	4.78	3.86	3.82	3.99	3.30	3.96	4.69
SOAP													
India	..	6.77	10.16	6.01	6.16	6.85	6.44	6.58	6.5	6.6	7.4	5.9	6.6
Korea, south	..	0.24	0.32	0.42	0.22	..	..	0.19	..	..	..	..	..
Malaya	..	2.47	1.92	1.67	1.42	1.60	1.49	1.76	1.42	1.54	1.48	1.64	1.52
Japan	15.97*	0.66	1.26	2.16	8.03	9.60	10.21	14.00	14.42	11.52	13.21	11.27	10.08
PAPER													
India (including paper products)	49.28	7.88	8.29	8.74	9.22	9.50	9.48	10.50	11.08	11.29	11.05	11.30	11.50
Japan	88.12*	23.62	35.33	52.15	72.58	74.61	82.59	89.26	102.01	98.56	100.66	101.01	94.02
OTHER CHEMICALS													
India													
Sulphuric acid a	2.05r	5.08	6.77	8.42	*8.55*	*9.08*	*8.92*	*7.13*	*8.3*	*8.9*	*8.6*	*9.2*	*9.0*
Ammonium sulphate	..	1.8	2 9	3.9	4.0	4.3	3.6	3.4	2.8	4.4	3.8	5.1	4.8
Superphosphates	..	4.23	1.81	3.96	4.44	4.68	6.37	3.94	4.2	5.0	5.9	4.4	4.5
Soda ash	..	1.15	2.47	1.52	3.71	3.96	3.13	4.17	4.1	4.0	3.7	4.1	4.2
Caustic soda	..	0.28	0.37	0.53	0.92	0.98	0.92	*1.04*	1.0	1.4	1.2	1.5	1.4
Liquid chlorine	..	0.14	0 15	0.22	0.34	0.38	0.37	0.40	0.39	0.51	0.48	0.60	0.46
Bleaching powder	..	0.22	0.24	0.21	0.28	0.30	0.23	0.40	0.32	0.33	0.39	0.40	0.20
Power alcohol (mil. litres)	..	0.86	1.43	1.67	1.70	1.40	1.70	2.47	2.2	1.8	2.3	1.5	1.5
Industrial alcohol (mil. litres)	..	1.82	1.11	1.13	1.86	1.74	2.14	*2.91*	3.2	2.1	2.2	1.9	2.3
Japan													
Sulphuric acid J	240 9*	122.9	162.2	215.1	270.8	270.8	294.3	300.5	326.1	320.7	332.0	320.7	309.3
Ammonium Sulphate k	72.9*	62.0	79.3	102.6	130.8	128.0	136.9	133.2	148.1	136.9	151.6	125.8	133.3
Calcium cyanamide k	17.9*	17.6	19.0	28 3	38.3	36.9	40.9	38.2	41.5	34.2	31.7	36.0	34.8
Calcium superphosphate l	119.8*	59.1	79.6	96.8	117.3	100.2	126.1	128.7	119.8	110 8	102.8	114.4	115 3
Soda ash (finished)	19.4r*	3.2	6.3	10.2	13.8	13.2	18.4	17.3	21.1	18.2	18.7	18.8	17.2
Caustic soda	24.9r*	3.3	8.8	12.1	16.2	17.3	21.1	22.9	28.9	28.4	29.1	28.3	27.7
Liquid chlorine	0.8r*	0.3	0.5	0.9	1.4	1.5	1.8	1.8	2.2	2.0	2.1	1.9	2.1
Bleaching powder	5.7*	1.2	2.1	3.6	4.1	3.8	5.2	5.7	5.1	5.0	5.0	5.1	4.8
Dyestuffs	1.59r	0.20	0.42	0.54	0.75	0.66	1.19	1.30	1.36	*0.88*	1.07	0.86	*0.72*
Methyl alcohol	0.36*	0.37	0.63	0.92	1 97	1.84	2.74	3.19	2.62	1.79	2.31	1.45	1.61
Ethyl alcohol (mil. litres)	0.51*	1.85	2.46	2.15	1.96	1.85	1.22	2.37	2.32	2.60	3.32	3.06	1.43
MACHINERY PRODUCTS													
India													
Bicycles (Thousands)	..	4.07m	5 40m	7.33m	8.67	7.76	10.77	6.76	6.2	8.0	3.7	10.1	10 3
Diesel engines (Units)	..	57	85	173	383	389	494	607	479	626	550	580	748
Electric motors (1000 h.p.)	..	3.17	5.00	5.67	6.82	7 36	8.80	10.4	11.9	13.1	13.1	13.7	13 6
Machine tools (1000 Rs.)	..	382	456	394	222	134	368	426	280	380	250	450	440
Sewing machines (Thousands)	..	0.49	1.87	2.09	2.57	2.79	2.51	3.04	3.94	3.95	3.95	4.11	3 78
Electric transformers (1000kva)	..	2.67	6.83	9 06	14.33	15.29	14.00	15.51	17.7	15.9	20.1	14.0	13.6
Electric lamps (Thousands)	..	635	771	1,137	1,192	1,182	1,131	1,150	1,070	1,390	840	1,660	1,670
Electric fans (Thousands)	..	13.33	15.00	*14.93*	*16.13*	15.83	*13.03*	*18.1*	*20.6*	*17.8*	*18.9*	*18.3*	*17.1*
Insulators, l. t. (Thousands)	..	119	209	187	107	73	63	128	71	61	60	51	73
Insulators h. t. (Thousands)	..	6.18	7.49	11.40	14.49	15.76	17.12	12.15	15.8	30.2	26.3	35.3	29.0
Motor car batteries („)	.	5.84	9.17	8.92	*15.59*	17.22	*13.50*	17.77	19.0	*19.1*	20.8	20.9	*15.7*
Japan													
Railway locomotives (Units)	28*	14	4	10	10	15	11	—	6	5	14	1	1
Railway freight cars (Units)	406*	72	367	258	186	250	345	128	243	808	906	715	804
Industrial locomotives (Units)	37†	40	42	36	35	44	46	35	38	38	39	38	36
Industrial freight cars (Units)	592*	698	1,612	804	752	914	798	522	907	1,028	915	1.059	1,111
Motor vehicles (Units)	3,987†	1,850	3,917	5,538	6,265	6,484	7,917	8,506	8,831	8,889	8,797	9,296	8,574
Bicycles (thousand units)	87.9*	14.9	28.1	46.0	81.8	82.0	90.6	92.0	80.8	73.2	59.0	88 4	72.2
Vessels (gross thousand tons)	..	9.66	15.46	14 64	19.67	8.06	52.57	51.45	12.80	27.06	19 17	9 90	52.10
Diesel & other internal combustion engines (Units)	..	2,894	6,332	8,859	8,297	7,814	9,439	10,468	11,753	12,626	13,406	12,553	11,918
Cotton ring spinning frames (units)	..	..	..	153	182	181	296	437	576	646	634	630	675
Looms (Units)	..	990	3,070	3,390	2,044	2,684	2,450	3,077	4,141	4,770	4,667	4,740	4,902
Sewing machines (thousand units)	3.1*	6 6	15 0	25.1	43.1	46 0	64.4	68 8	94.4	93.4	83.8	89.9	106.4
Power transmission equipment	..	0.3	0 6	1.2	1.1	1.1	1.3	1.5	2.1	2.1	2.0	2.2	2.1
Mining & excavating machinery	..	1 1	2 2	2.6	1.6	1.7	1.8	1.5	2.5	2.8	2.8	2.5	3.0
Iron & steel works & coke oven plant equipment	..	1 9	3 1	5 2	5.9	4.1	8.3	10.2	13.0	11.2	12.3	11.2	10.2
Chemical industry machinery & equipment	..	2.7	2 2	3 5	4.5	4.6	4.9	4 8	..	..	..	..	..
Pulp & paper industry machinery	.	0.1	0.3	0.4	0.4	0.5	0.7	0.8	8.2	9.2	8.1	9.2	10.3
Food products machinery	..	0.6	0 5	1.0	0.8	0.7	0.7	0.9	2 0	1.6	1.6	1.5	1.6

a. Including Pakistan territory up to July 1947. b. Including lignite.
c. Manila. d. Series includes direct castings, except for 1938.
e. Including latex. f. Net exports.
g. Production of Cebu Portland Cement Company only.
h. Including mixed yarn of fabrics predominantly of cotton.
i. Beginning 1949, data refer to the output of member mills of Indian Jute Mills Association.
j. Converted to 50° Be. k. Converted to 20 per cent N? content.
l. Converted to 16 per cent phosphorous pentoxide content.
m. Data include, in addition to complete bicycles, spare parts and accessories expressed in terms of complete cycles.
p. August-December. q. Beginning 1947, Bangkok only.
r. Annual figures, twelve months beginning 1 April of the year stated. s. September-December. * 1936. ‡ 1939 † 1937.

II. VOLUME OF TRAFFIC: RAILWAY, SEA-BORNE SHIPPING AND CIVIL AVIATION

(Monthly average)

		1938	1947	1948	1949	1950	1950 III	1950 IV	1951 I	1951 II	1951 III	1951 Jul.	1951 Aug.	1951 Sept.
RAILWAY TRAFFIC														
Passenger-kilometres (millions)														
Burma		62q	34	40	10	14	23	24	27	32	27	29	26	25
India a, p		2,385b	4,179r	4,925	5,068	5,327	5,058	5,100	5,382	5,610	..	4,957	..	4,472
Indochina		74	6	8	7	6	7	7	7	10	10	11	10	10
Korea, south		..	234	236	680	..	..	..	..	..	..	..	..	..
Pakistan		..	389	511	682	734	721	728	903	793	..	..	..	..
Philippines c		40	19	24	31	30	26	30	31	40	25	28	23	24
Thailand		33p	87	109	113	120	106	121	161	161	135	129	139	141
Japan d, p		2,185*	7,343	6,595	5,585	5,750	5,452	5,912	5,727	6 091	6 664	6,273	6,916	6,804
Freight ton-kilometres (millions)														
Burma		91q	43	52	13	7	13	15	17	19	*16*	*18*	*14*	*17*
India a, p		2,968b	2,656r	3,040	3,275	3,560	3,370	3,745	3 812	3,416	..	3,422	..	4,104
Indochina		28	4	7	11	11	11	11	14	18	18	19	20	15
Korea, south		..	83	87	107	..	..	..	..	..	..	..	..	..
Malaya		22‡	23	26	27	33	34	33	33	31	34	32	35	34
Pakistan		..	128	263	303	336	334	349	412	378	..	..	..	..
Philippines c		14	7	10	14	13	13	12	13	11	10	11	11	9
Thailand		38p	19	25	34	40	37	42	46	46	43	43	46	41
Japan d, p		1,305*	1,751	2,109	2,375	2,560	2,365	2,846	2 368	2 993	3,053	2,959	3,017	3,183
Freight tons (thousands)														
Ceylon q		77	94	104	107	112	117	117	128	139	126	138	126	114
Hong Kong		40	11	8	4	29	38	35	28	29	17	18	17	16
Indonesia		810	85f	292	449	449	474	486	485	481	499	458	529	509
INTERNATIONAL SEA-BORNE SHIPPING														
Freight Loaded and Unloaded in External Trade (Thousand Metric tons)														
Ceylon e	Loaded	54	50	63	58	61	66	71	82	51	64	64	68	60
	Unloaded	109	134	141	159	161	176	151	186	193	183	222	172	154
Hong Kong	Loaded	..	72	89	130	189	202	214	188	149	110	109	114	106
	Unloaded	..	191	197	277	325	284	325	269	292	242	237	213	277
Indonesia f	Loaded	916	101	432	637	704	796	673	5 0	960	747	826	854	561
	Unloaded	167	76	160	253	212	219	294	81	284	297	211	342	338
Malaya g	Loaded	..	..	121	150	197	214	226	212	235	211	231	206	197
	Unloaded	..	..	163	265	329	342	379	396	406	417	446	384	421
Philippines h	Loaded	..	..		45	26	23	27	25	25	..	26	20	..
	Unloaded	192†	..		180	156	140	178	199	241	..	200	249	..
Viet-Nam i	Loaded	142	28	46	42	46	47	44	68	66	68	63	70	73
	Unloaded	43	46	54	70	74	78	83	80	87	95	97	80	108
Japan	Loaded	1,083†	147	165	202	299	301	378	342	371	498	409	522	562
	Unloaded	3,088†	371	563	951	971	865	1,022	1,209	1,997	1,911	2,033	1,961	1,738
Entrances and Clearances of Vessels with Cargo in External Trade (Thousand net registered tons)														
Burma j	Entered	311p	98q	118q	99q	86q	86	125	97	98	104	131	87	95
	Cleared	361p	101q	157q	129q	106q	107	163	123	120	146	160	146	132
India	Entered	760b	570bs	646u	741	641	631	703	761	700	749	727	695	825
	Cleared	793b	524bs	570u	559	578	531	673	700	623	581	486	669	588
Pakistan p	Entered		128t	241	313	299	297	207	371	356	278	279	327	228
	Cleared	..	83t	176	214	264	298	275	240	271	239	247	258	211
Thailand	Entered	72p	43	67	90	112	118	108	107	110	117	125	108	117
	Cleared	100	50	92	122	138	132	139	142	115	139	129	147	140
CIVIL AVIATION TRAFFIC k														
Passenger-kilometres (millions)														
Ceylon		—	—	0.36	0.96	0.82	0.81	0.80	0.77	1.96	3.56	3.90	3.16	3.61
India		0.11	18.61	23.65	25.56	31.30	29.48	33.01	*33.63 l*	*37.66 l*	*33.59 l*	*33.30 l*	*32.51 l*	*34.48 l*
Indonesia		..	..	8.49	10.44	12.35	12.16	12.56	13.26	13.43	13.56	14.00	14.02	12.68
Philippines		0.21	13.08	14.57	13.65	15.62	16.16	15.00	14 99	19.26	..	16.23	..	..
Thailand		24.5p	0.42	0.93	1.57	1.62	1.57	1.81	2.05	1.93	1.84	1.79	1.85	1.88
Freight ton-kilometres (Thousands)														
Ceylon		—	0.1	1.6	7.3	9.8	9.4	9.1	8.7	37.5	25.0	29.0	23.7	22.4
India		34	273	475	853	1,868	1,804	2,056	*1,951 m*	*1,955 m*	*2,695 m*	*2,919 m*	*2,837 m*	*2,330 m*
Indonesia		..	..	389	516	534	534	580	601	607	588	566	619	578
Philippines		..	472	540	493	637	692	841	770	752	..	572	..	..
Thailand		38p	5	17	29	43	54	50	52	53	66	60	68	69

a. Class I railways, broad and metre gauge only.
b. Including Pakistan territory.
c. Manila Railroad Company. Annual figures relate to 12 months ending 30 June of year stated.
d. State Railway only. e. Port of Colombo.
f. Beginning 1947, Federal Area only.
g. Port of Singapore, including coastwise traffic of Malaya.
h. Port of Manila.
i. Port of Saigon.
j. Total number of entrances and clearances made during each voyage and excluding sailing vessels.
k. Scheduled domestic and international routes, and except India, revenue traffic only.
l. Including non-revenue traffic which is about 3 per cent.
m. Including non-revenue traffic which is 1 or 2 per cent.
p. Annual figures refer to 12 months beginning 1 April of year stated.
q. Annual figures refer to 12 months ending 30 September of year stated.
r. September 1947 to March 1948.
s. January to July 1947.
t. 15 August 1947-31 March 1948. u. March to December.
*. 1936. † 1937. ‡ 1939.

III. VALUE OF IMPORTS AND EXPORTS AND BALANCE OF TRADE *

(Monthly averages in millions)

	1938	1947	1948	1949	1950	1950 III	1950 IV	1951 I	1951 II	1951 III	1951 Jul.	1951 Aug.	1951 Sep.
N. BORNEO (M$)													
Imports	0.5	1.7	2.1	2.8	4.0	4.1	5.6	5.0	6.3	6.2	5.1	5.1	8.4
Exports	0.8	1.4	2.5	3.1	7.8	8.4	12.0	12.1	10.5	9.2	7.6	9.9	10.0
Balance	+0.3	—0.3	+0.4	+0.3	+3.8	+4.3	+6.4	+7.1	+4.2	+3.0	+2.5	+4.8	+1.6
BURMA a (Rs.)													
Imports	18	39	50	31	44	47	67	55	43	64.1	69.0	69.5	53.7
Exports	41	40	63	61	61	71	54	84	100	104.1	78.9	111.0	122.3
Balance	+23	+1	+13	+30	+17	+24	—13	+29	+57	+40.0	+9.9	+41.5	+68.6
CEYLON (Rs.)													
Imports	20	80	83	86	97	103	97	117	141	135	131	156	119
Exports	24	74	84	89	130	139	168	178	165	146	158	136	142
Balance	+4	—6	+1	+3	+33	+36	+71	+61	+24	+11	+27	—20	+23
HONG KONG (HK $)													
Imports	52	129	173	242	317	299	411	445	421	339	362	318	337
Exports	51	105	134	206	313	352	417	517	427	272	274	277	264
Balance	—1	—24	—39	—36	—4	+53	+6	+72	+6	—67	—88	—41	—73
INDIA b (Rs.)													
Sea and air-borne													
Imports	130	372	452	467	471	482	416	539	656	679	672	695	669
Exports	142	340	360	404	502	424	559	694	675	599	582	614	600
Balance	+12	—32	—92	—63	+31	—58	+143	+155	+19	—80	90	—81	—69
Land-borne													
Imports	..	..	71	26	30	62	27	19	82	119	85	125	148
Exports	..	..	25	22	13	21	16	10	14	16	12	19	18
Balance	..	..	—46	—4	—17	—41	—11	—9	—68	—103	—73	—106	—130
INDOCHINA (Pr.)													
Imports	16	81	197	328	362	446	392	385	430	598	576	570	649
Exports	24	39	98	95	128	148	159	227	195	220	220	228	212
Balance	+8	—42	—99	—233	—234	—298	—233	—158	—235	—378	—356	—342	—437
INDONESIA (R)													
Imports	41	65	95	131	136	131	229	140	195	374	358	390	375
Exports	57	29	87	123	246	287	382	380	458	320	347	354	258
Balance	+16	—36	—8	—8	+110	+156	+153	+240	+263	—54	—11	—36	—117
KOREA, SOUTH (US$)													
Imports	..	15.9	15.8	11.6	..	..	..	..	..	..	..	..	..
Exports	..	0.7	1.6	1.2	..	..	..	..	..	..	..	..	..
Balance	..	—15.2	—14.2	—10.4	..	..	..	..	..	..	..	..	..
MALAYA c (M$)													
Imports	46	114	149	154	243	266	333	425	406	370	396	365	345
Exports	50	110	147	143	334	385	545	590	574	422	415	448	404
Balance	+4	—4	—2	—11	+91	+119	+212	+165	+168	+52	+19	+83	+55
PAKISTAN d (Rs.)													
Imports	..	20	71	113	97	112	125	139	115	131	125	146	121
Exports	..	65	77	84	110	121	124	301	139	79	97	46	93
Balance	..	+45	+6	—29	+13	+9	—1	+162	+24	—52	—28	—100	—28
PHILIPPINES e (P.)													
Imports	22.1	85.2	97.6	94.8	59.4	60.4	50.6	60.4	77.7	95.6	102.2	112.2	72.3
Exports	19.4	44.1	53.0	42.3	55.4	58.9	69.0	82.5	78.0	60.2	56.7	58.2	65.7
Balance	—2.7	—41.1	—44.6	—52.5	—4.0	—1.5	+18.4	+22.1	+0.3	—35.4	—45.5	—54.0	—6.6
THAILAND f (Baht)													
Imports	11	93	144	191	240	241	262	280	327	314	354	309	278
Exports	17	81	168	234	329	311	330	415	340	363	373	363	354
Balance	+6	—12	+24	+43	+89	+70	+68	+135	+13	+49	+19	+54	+76
JAPAN g (U.S.$)													
Imports	89.2	43.6	56.9	75.4	81.1	70.2	92.6	128.7	223.1	186.9	224.8	191.7	144.2
Exports	92.4	14.5	21.5	42.5	68.3	70.1	95.7	95.8	124.8	104.3	121.5	94.4	96.9
Balance	+3.2	—29.1	—35.4	—32.9	—12.8	—0.1	+3.1	—32.9	—98.3	—82.6	—103.3	—97.3	—47.3

* Monthly data are not published for Brunei and Sarawak. Annual figures converted into monthly averages are as follows:—

	1938	1947	1948	1949	1950
Brunei (Mn. M $)					
Imports	0.32	1.37	2.92	2.99	..
Exports	0.80	2.59	4.10	5.17	..
Balance	+0.48	+1.22	+1.18	+2.18	..
Sarawak (Mn. M $)					
Imports	1.86	6.02	8.23	9.16	24.11
Exports	2.18	8.59	14.27	15.63	31.22
Balance	+0.32	+2.57	+6.04	+6.47	+7.11

a. **BURMA**—For 1938: sea-borne trade only; twelve months starting April. For 1947, 1948 and 1949, twelve months ending September.

b. **INDIA**—Annual figures twelve months starting April. Sea and air-borne trade. Figures for April-July 1947 include Pakistan territory. Indo-Pakistan trade excluded from August 1947 to February 1948. Land borne trade: with Pakistan only.

c. **MALAYA**—Figures relate to trade in merchandise, parcel post, silver bullion, subsidiary coins and ships' stores and bunkers.

d. **PAKISTAN**—Sea-borne trade only. For 1947, eight months ending March 1948 and excluding trade with India. Export figures are revised to include exports via the port of Calcutta.

e. **PHILIPPINES**—Imports, f.o.b.

f. **THAILAND**—For 1938, twelve months starting April.

g **JAPAN**—Trade with Korea and Formosa included. Post-war imports include merchandise procured from U.S. property funds and goods diverted to the Japanese civilian economy from the occupation force military stocks.

IV. QUANTUM INDICES OF IMPORTS AND EXPORTS

(Base 1948 = 100)

	1938	1947	1949	1950	1950		1951					
					III	IV	I	II	III	Jul.	Aug.	Sep.
BURMA a												
Imports	244c	89	63	100	156	214	159	103	173	219	188	121
Exports	245c	57	96	47	67	70	108	119	96	129	85	77
CEYLON												
Imports	89	98	108	121	129	113	140	159	134	141	149	113
Exports	80	91	99	110	119	119	111	114	110	123	105	103
INDIA b												
Imports: All Commodities	106c	100c	115d	88	105	82	93	109	114	115	115	111
Food, drink & tobacco	..	..	100d	73	77	95	115	133	171	185	158	170
Raw materials & Semi-manufactures	..	..	114d	122	159	76	95	123	108	114	116	94
Manufactures	..	..	121d	80	93	81	84	93	93	87	98	95
Exports: All Commodities	172c	114c	102d	115	107	139	160	110	92	87	95	95
Food, drink & tobacco	..	..	117d	108	114	145	136	79	131	108	132	152
Raw materials & Semi-manufactures	..	..	96d	103	85	142	176	139	68	70	75	58
Manufactures	..	..	98d	122	113	136	161	109	89	87	89	90
INDOCHINA												
Imports	85	65	136	151	188	168	151	159	217	227	205	218
Exports	259	62	76	88	85	97	120	129	131	145	137	111
MALAYA												
Imports: All Commodities	81	85	101	137	151	155	188	190	172	..	..	..
Food, drink & tobacco	109	92	109	120	129	139	150	156	165	..	..	..
Raw materials & Semi-manufactures	83	106	82	147	172	182	207	175	152	..	..	..
Manufactures	66	73	107	85	151	149	197	213	184	..	..	..
Exports: All Commodities	73	89	98	127	145	146	137	139	130	..	..	..
Food, drink & tobacco	162	102	96	122	138	151	167	207	151	.	..	..
Raw materials & Semi-manufactures	60	97	93	115	129	137	126	128	120	..	.	..
Manufactures	95	59	114	173	197	179	167	161	159	..	..	..
PHILIPPINES												
Imports	..	..	96	74	62	61	70	81	90	103	92	76
Exports	143	84	119	145	137	156	176	163	136	125	146	137
JAPAN e												
Imports	..	..	154	182	166	183	295	318	..	335	..	..
Exports	..	..	212	403	421	499	421	474	..	454	..	..

a Year ending September of the year stated

b Base April 1948-March 1949. Average of calendar year for 1948 for imports is 94 and for exports is 102. New series beginning April 1949 is linked to the old.

c Year beginning 1 April.

d Average of nine months April to December.

e Compiled by Economic Stabilisation Board.

V. DIRECTION OF IMPORT TRADE

(Monthly averages in millions)

	1938	1947	1948	1949	1950	1950		1951					
						III	IV	I	II	III	Jul.	Aug.	Sep.
INTO BURMA a in Rs. from													
China	—	..	1.4	2.7	1.0	2.0	0.1	0 3	0.3	3.5	..	..	..
Hong Kong	0.3	..	1.1	1.5	0.5	0.4	0.4	0.4	1.4	3.8	..	..	..
India	10.0	..	12.4	9.8	19.7	15.2	37.7	22.6	12.1	12.8	..	..	..
Indonesia	—	..	—	0.3	0.1	0.1	0.2	0.5	0.5	—	..	..	..
Malaya	0.5	..	1.7	2.8	1.1	1.8	0.9	1.1	3.9	7.9	..	..	..
Japan	1.2	..	0.3	1.2	4.7	9.2	8.2	15.3	6.4	7.7	..	..	..
United Kingdom	3.3	..	23.2	8.7	9.8	9.6	12.3	10.5	10.9	15.8	..	..	..
United States	0.6	..	1.8	1.1	1.3	1.4	0.7	0.9	1.2	1.7	..	..	..
INTO CEYLON in Rs. from													
Burma	2.9	5.6	14.3	12.8	19.0	21.5	15.4	17.9	30.6	21.0	32.5	18.8	11.8
China	0.1	0.2	2.0	0.2	0.2	0.3	0.4	0.4	0.2	0.3	0.4	0.3	0.2
India	4.3	10.6	10.5	12.7	15.1	15.5	17.4	20.8	12.9	14.2	14.9	13.7	14.1
Indonesia	1.4	—	0.3	0.5	0.9	0.9	0.5	0.8	0.1	5.1	10.0	3.7	1.6
Malaya	0.2	0.2	0.3	0.4	0.7	1.3	0.4	0.3	0.2	0.7	0.3	0.5	1.3
Pakistan	..	..	0.9	1.0	1.1	1.3	1 0	2.3	5.5	0 6	0.9	0.4	0.6
Thailand	0.5	—	0.7	3.3	4.7	1.3	1.8	1.8	0.9	1.4	0.7	1.1	2.2
Japan	1.3	0.5	1.1	1.5	2.6	5.3	2.4	6.3	7.0	6.6	6.2	7.6	5.9
United Kingdom	4.0	12.8	14.3	15.4	19.2	21.0	23.2	23.6	28.3	30.9	23.3	41.5	28.9
United States	0.4	9.4	6.3	6.1	2.9	3.0	3.1	2.8	7.8	8.2	10.1	9.7	4.8
Canada	0.1	5.6	0.7	0.9	1.7	0.3	0.3	0.4	1.4	2.7	1.7	1.1	5.4
Australia	0.5	9.6	10.4	8.5	6.7	6.5	9.3	9.9	8.0	10.5	13.3	13.5	4.7
INTO HONG KONG in HK$ from													
N. Borneo	0.2	0.6	0.8	1.0	1.0	0.9	0 8	1.8	4.2	1.6	1.9	1.8	1.1
Burma	0.4	1.4	2.9	1.5	1.5	0.6	3.5	0.6	0.3	0.6	0.5	0.1	1.2
Ceylon	—	0.1	0.1	0 2	0.2	0.1	0.2	0.3	0.4	0.3	0.3	0.3	0.3
China	19.4	31.8	35.9	49.5	71.4	82.6	91.2	78.2	87.9	58.8	71.2	55.6	49.7
India	1.0	3.8	4.0	7.5	14.0	6.9	12.7	20.3	17.5	9.3	9.8	9 3	8.9
Indochina	2.9	1.7	2.5	1.8	2.5	4.7	1.8	2 3	2.6	6.9	2.8	5.7	12.1
Indonesia	3.4	1.8	3.4	3.3	6.7	6.1	8.7	8.4	7.0	5.2	6.8	5.5	3.3
Korea, South	..	—	3.5b	3.1	1.9	0.5	—	0.2	0.5	0.3	0.5	0.2	0.2
Malaya	0.6	8.5	7.1	9.0	24.9	26.7	57.9	71.2	40.7	10.0	9.0	9.7	11.3
Pakistan	..	—	—	2.8	7 8	9.1	8.9	22.6	14.3	3 2	5.3	3.6	0.7
Philippines	0.2	1 2	0.8	1.3	1.4	1.2	2.1	1.1	1.3	0.8	0.8	0.8	1.0
Thailand	3.0	5.0	8.0	9.2	15.2	18.4	15.7	11.4	8.5	16.2	12.7	14.8	21.0
Japan	1.6	3.0	6.6	6.7	19.2	17.8	48.5	61 3	20.7	16.7	19.7	12.2	18.3
United Kingdom	4.7	13.7	25.1	32.3	33.7	31.2	31.6	43.7	51.5	53.0	68.1	45.6	45.3
United States	4.6	24.9	32.3	47.9	54.7	45 0	60.4	26.9	35.8	33.8	37.9	25.7	37.9
Canada	0.5	1.7	3.0	4.8	4 2	3.5	5.1	6.2	6.0	7.5	5.6	5.9	10.9
France	0.3	1.4	1.9	2.8	3.7	2.2	3.9	9.4	13.7	10.1	13.3	9 0	7.9
Oceania	1.1	4.4	4.7	5.5	6.7	3 5	5.2	7.9	9.7	5.5	9.1	3 9	3.5
INTO INDIA c in Rs. from													
Burma	18.9	7.5	16.0	13.5	6.6	7.2	14.1	22.2	9.6	28.6	17.2	32.0	36 8
Malaya	3.2	6.6	5.8	10.5	11.8	17.8	8.5	18.3	22.2	17.2	18.2	20.4	13.0
Pakistan	..	..	12.5d	61.0	34 0	71.2	30.0	19.8	102.5	126 1	94.9	132.9	153.6
Japan	13.0	—	1.1	21.3	6 2	8.8	7.5	12.6	16.1	23.1	21.8	28.1	19.5
United Kingdom	40.1	93.8	113.5	144.4	97.7	98.2	102.5	104.5	125 5	121.4	100.0	134.6	129.6
United States	9.5	97.7	86.6	83 2	82 8	102.4	68.1	101.3	159.2	175.0	173 6	164.3	187.3
Canada	0.6	7.9	5.9	10.8	8.8	12.2	6.6	31.3	20.7	8.7	7.2	9.0	10.0
Australia	1.7	8.6	19.5	18.7	33.2	18.7	31.6	18.5	8.7	18.9	16.6	25.4	14 8
INTO INDOCHINA e in Pr. from													
China	1.2	0.3	8.9	10.6	9.3	10.0	8.1	6.3	12.2	12.9	11.3	14.1	13.2
Hong Kong	1.2	1.2	1 1	1.3	1.2	0.8	2.5	0.3	0 3	1.2	0.6	1.1	1.9
India and Pakistan	0.5	1.7	2 4	7.0	2.6	2.9	2.7	2.6	1.7	3.6	3.5	3.4	3.8
Indonesia	0.7	1.2	3.6	6.1	9.2	9.2	11.4	8.8	6.7	15.1	8.3	18 5	18.6
Thailand	0.3	0.4	5.3	3.3	2.1	1.9	1 9	1.8	2.9	3.1	3.2	2.1	4.1
United States	0.8	17.4	24 9	29.5	20 8	23 0	24.0	13.2	31.0	32.9	36.8	12.3	46.8
France	8.5	49.7	123.2	237.8	275.0	359.7	298.3	309.1	331.6	460 6	448.0	458.7	474.9
INTO INDONESIA in R. from													
Burma	0.6	1.2	2.0	4 0	5.6	7.0	10 5	4.4	7.3	16 8	17.9	22.9	9.8
China	0.7	3.0	2.3	2.5	0.7	0.8	1.0	0.7	1.2	1.2	1.3	1.2	1.0
Hong Kong	0.5	1.9	2.1	3.2	6.8	8.1	11.6	12.3	10.8	19.0	17.6	20.1	19.3
India	0.9	1.3	1.2	1.8	7.0	5.6	10.9	10.3	8.4	10 0	11.5	10.5	8.6
Malaya	3.4	4.4	2.6	2.7	6.1	6.1	12.6	12.3	12.1	15.6	16.5	16.2	14.2
Philippines	0.1	—	0.1	—	—	—	0.1	0.1	—	0.3	0.1	0.2	0.4
Thailand	0.2	0.9	2.7	4.7	3.2	2.4	7.2	3.7	7.3	6.6	6.5	5.7	7.4
Japan	6.0	5.1	15.6	9.3	13.4	13 5	22.1	20.3	31.2	81.8	82.9	87.9	74.6
Netherlands	8.4	9.6	18.4	28.0	21.9	21.0	32.2	16.3	20.2	41.4	35.8	37.1	51.4
United Kingdom	3.0	5.4	7.9	13.4	9.3	9.2	12.9	11.0	10.9	21.9	20.5	19.6	25.7
United States	3.6	25.5	21.2	33.2	26.3	30.6	36.0	22.9	36.5	82.5	78.3	99.7	69.5
Australia	1.1	1.5	2.7	0.5	0.9	1.3	2.0	1.8	3.2	42.2	4.0	5.0	3.7

V. DIRECTION OF IMPORT TRADE—*(Contd.)*

(Monthly averages in millions)

	1938	1947	1948	1949	1950	1950		1951					
						III	IV	I	II	III	Jul.	Aug.	Sep.
INTO MALAYA in M$ from													
N. Borneo	0.2	0.7	1.3	1.8	4.3	5.2	6.2	6.2	3.6	4.8	5.4	4.6	4.4
Brunei	0.1	0.1	0.1	0.1	0.4	0.5	0.6	0.8	0.5	0.5	0.4	0.6	0.5
Sarawak	2.0	4.1	6.4	6.8	13.6	17.0	18.9	19.8	17.1	17.6	17.7	20.7	14.4
Burma	2.1	2.7	7.7	6.9	3.4	3.5	4.8	8.1	4.9	6.1	3.7	7.0	7.7
Ceylon	0.1	0.2	0.3	0.3	0.3	0.3	0.3	0.4	0.6	0.4	0.7	0.3	0.2
China	2.0	10.2	9.5	7.8	10.3	11.8	10.2	12.8	13.3	13.1	16.4	12.7	10.2
Hong Kong	0.7	5.0	3.8	4.0	7.5	8.2	11.6	12.4	11.0	9.1	10.6	8.1	8.6
India	1.4	3.1	2.9	5.6	16.3	14.5	19.1	30.2	19.5	9.0	9.1	9.8	8.3
Indochina	1.2	0.9	2.5	1.8	1.5	1.5	1.5	1.8	2.9	2.5	2.7	2.7	2.0
Indonesia	12.7	21.8	29.4	26.5	64.2	74.9	103.9	144.3	127.2	99.4	110.6	100.6	86.9
Thailand	7.3	9.7	10.7	16.2	26.5	31.0	37.6	43.4	25.1	27.4	20.1	29.7	32.3
Japan	1.0	0.5	1.1	3.3	7.8	10.4	12.8	18.5	25.2	18.2	21.0	17.9	15.8
United Kingdom	8.5	22.0	28.7	31.9	42.2	40.9	50.8	55.0	62.4	66.9	75.2	59.5	66.0
United States	1.4	11.5	17.4	9.4	7.4	7.5	9.6	10.7	18.8	23.5	26.8	21.8	22.0
Canada	0.4	1.6	1.9	1.5	1.4	1.3	1.0	1.5	2.9	3.0	3.1	3.3	2.5
Oceania	1.2	7.2	7.9	8.9	9.5	9.3	10.0	11.1	10.5	14.2	18.8	14.2	9.6
INTO PAKISTAN f in Rs. from													
Burma	..	.	0.7	2.0	0.3	0.4	0.2	0.5	0.2	*0.5*	*0.4*	*0.7*	*0.4*
Ceylon	..	..	2.4	1.4	2.3	4.1	2.0	2.0	0.9	*1.8*	*2.9*	*1.2*	*1.4*
China	..	.	5.7	4.5	5.1	6.7	9.8	5.6	6.8	*3.9*	*7.4*	*0.9*	*3.4*
India	..	..	37.4	14.2	11.5	12.2	17.2	6.7	6.4	*4.7*	*2.9*	*7.2*	*4.0*
Malaya	..	.	1.8	0.8	1.2	1.3	1.7	2.3	1.0	*2.3*	*0.3*	*5.0*	*1.5*
Japan	..	.	0.8	7.8	14.4	12.1	16.2	21.0	28.9	*40.5*	*39.4*	*42.8*	*39.1*
United Kingdom	..	..	22.5	29.0	25.0	29.2	32.3	39.1	26.9	*25.6*	*16.9*	*33.7*	*26.1*
United States	..	..	6.6	10.0	8.7	10.4	8.8	11.1	5.8	*7.7*	*4.2*	*11.1*	*7.9*
INTO PHILIPPINES in Ps. from													
Burma	..	..	..	0.3	—	—	—	—	—	..	..	..	..
China	..	2.4	3.8	1.7	—	—	—	—	—	..	—	..	..
Hong Kong	..	—	0.1	0.2	1.5	1.5	2.1	1.5	1.1	..	2.0	0.6	..
India	..	0.7	1.1	0.9	0.4	0.4	0.2	0.4	0.5	..	1.4	0.6	..
Indonesia	..	0.4	2.5	2.7	0.7	1.0	1.2	1.5	1.4	..	2.8	0.2	..
Thailand	..	0.4	0.1	0.9	0.2	—	0.2	1.5	2.4	..	2.4	..	..
Japan	..	0.2	0.3	2.7	2.4	1.2	1.8	3.3	8.3	..	13.0	3.6	..
United Kingdom	..	0.5	0.9	0.8	0.9	1.1	0.8	1.1	0.9	..	0.8	1.2	..
United States	..	73.3	78.3	76.3	42.5	37.1	35.6	42.9	53.5	..	61.4	45.6	..
INTO THAILAND g in Baht from													
Burma	—	0.3	0.4	1.2	..	..	..	..	..	..	..	..	..
China	1.4	4.9	11.1	8.3	..	..	..	..	..	..	..	..	..
Hong Kong	0.1	35.4	36.3	32.9	..	..	..	..	..	..	..	..	..
India	1.3	1.5	2.9	13.3	..	..	..	..	..	..	..	..	..
Indochina	0.1	3.7	2.2	0.8	..	..	..	..	..	..	..	..	..
Indonesia	0.8	0.3	1.2	5.0	..	..	..	..	..	..	..	..	..
Malaya	1.0	20.5	47.5	34.8	..	..	..	..	..	..	..	..	..
Philippines	—	1.3	1.1	0.5	..	..	..	..	..	..	..	..	..
Japan	1.6	—	3.4	15.8	..	..	..	..	..	..	..	..	..
United Kingdom	6.6	8.5	10.0	16.5	..	..	..	..	..	..	..	..	..
United States	1.1	26.0	13.0	29.8	..	..	..	..	..	..	..	..	..
INTO JAPAN h in US$ from													
China	22.9	0.4	2.1	3.8	6.5	7.1	5.8	10.6	7.4	..	5.2	3.1	
Hong Kong	..	0.4	0.3	..	—	..	0.1	0.3	0.8	.	0.6	0.6	..
India	4.1	0.8	2.3	1.1	1.5	0.3	2.2	3.5	7.5		9.5	8.4	..
Indonesia	2.1	0.1	1.0	1.3	1.1	1.1	1.6	7.2	7.1	.	6.2	2.5	..
Malaya	2.4	0.4	0.9	1.8	3.3	4.4	6.6	4.9	6.2	..	5.7	6.2	..
Korea	16.5	0.2	0.4	0.3	1.3	0.3	0.3	0.5	0.8	..	0.5	0.8	..
Philippines	0.8	0.2	0.8	1.1	1.9	1.9	2.9	3.9	5.1	..	4.8	3.9	..
United Kingdom	1.5	0.8	0.4	0.5	0.5	0.2	0.8	1.3	2.8	..	3.8	6.6	..
United States	21.7	40.3	36.7	48.0	35.6	32.0	37.2	49.6	82.2	..	69.0	62.3	..
Australia	2.0	0.1	0.7	2.3	6.4	2.2	9.2	13.4	17.1	..	23.3	8.4	..
Canada	2.2	—	0.3	0.5	1.3	0.9	0.6	4.2	9.6	..	11.7	8.1	..

a. Burma: Prewar data refer to period October 1938 to September 1939; 1948 and 1949 annual figures refer to twelve months ending September.

b. All Korea. Imports from North Korea in 1949, 1950 and third quarter 1950 are respectively 4.6, 1.6 and 0.5.

c. India: 1947 figures are averages for January-July, and 1948 are averages for nine months, April-December.

d. Excluding imports from Pakistan by land in 1948.

e. Indochina: Data for 1947 are averages for April-December.

f. Pakistan: Sea and airborne trade only. Annual figures for 1948 and 1949 are for years beginning 1st April.

g. Thailand: Prewar data refer to year ending March 1940.

h. Japan: Imports from India include Burma and Pakistan in 1938 and Pakistan in 1947 and 1948.

VI. DIRECTION OF EXPORT TRADE

(Monthly averages in millions)

	1938	1947	1948	1949	1950	1950		1951					
						III	IV	I	II	III	Jul.	Aug.	Sep.
FROM BURMA a* in Rs to													
Ceylon	2.2	..	11.6	11.6	18.9	24 5	14.5	19.4	30.1	14.2	..	..	..
China	0.2	..	3.7	8.1	1.9	0.3	0.2	2.0	—	0.6	..	..	..
Hong Kong	0.3	..	1.6	1.0	1.3	1.1	2.4	0.2	0.6	0.4	.	..	..
India	22.0	..	25.2	23.1	11.4	16.0	15.8	22 5	15.7	21 3	..	..	..
Indonesia	0.6	..	2.7	3.9	8.6	13.9	7.8	8.3	26.0	2.0	.	..	..
Malaya	2.8	..	10.1	8.1	3.5	2.1	3.6	5.7	4.7	11.2		..	..
Pakistan	..	..	..	2.8	0.5	0.6	0.6	0.2	0.5	0.7	..	..	.
Philippines	—	..	0.2	0.9	—	—	—	—	—	—	..	..	..
Japan	0.8	..	0.1	1.3	8.1	5.9	5.8	11.2	13.5	13.7	..	..	..
United Kingdom	5.7	..	5.6	3.2	2.3	2.1	2.8	4.4	5.1	7.2	..	..	..
United States	0.1	..	0.6	0.5	0.2	0.2	0.3	0.5	0 3	0.6	..	..	..
FROM CEYLON in Rs. to													
India	0.7	2.9	1.7	1.7	2.4	2.3	5.9	4.1	1.9	4 4	4.4	4 9	3.7
Pakistan	..	..	1.5	1.8	3.2	5.0	2.8	1.6	2.8	1.5	1.8	1.2	1.6
Japan	0.1	—	0.1	0.4	0.1	0.1	0.3	0.4	0.6	0.8	0.5	0.5	1.3
United Kingdom	11.8	25.4	25.1	27.9	30.5	39.6	40.2	43.0	53.6	47 2	50.0	47.3	44.3
United States	2.8	10.0	13.8	9.5	27.7	33.7	36.4	25.8	18.2	9.7	11 9	10.2	7.0
Canada	0.8	4.7	3.3	3.7	7.8	6.8	9.5	9.2	6.2	4.6	3.5	3.4	6.9
Australia	0.9	5.9	7.0	7.0	9.5	7.8	8.8	9.0	13.0	13.7	19.6	14.4	7.3
New Zealand	0.5	1.9	1.8	2.8	3.2	0.6	2.6	3.2	2.4	6.1	8.9	0.7	8.8
FROM HONG KONG in HK$ to													
N. Borneo	0.1	0.6	0.6	0.8	1.2	1.6	1.3	1.9	1.4	0.9	1.3	0.9	0.7
Burma	0.3	0.6	1.0	1.5	2.4	3.2	0.7	0.9	3.1	6.9	7.7	4.1	8.9
Ceylon	0.1	0.6	0.6	0.5	0.8	1.2	1.2	1.0	0.4	0 4	0.4	0.2	0.7
China	19.2	22.2	23.4	48.7	121.6	127.2	190.7	231.9	170.5	101.8	91.1	112.3	102.1
India	0.4	2.2	4.0	3.2	2.0	2.4	3.0	2.6	3.0	1.5	2.5	1.2	0.8
Indochina	1.9	1.5	1.6	1.6	1.9	1.9	1.7	1.7	2.5	3.5	2.7	4.0	4.0
Indonesia	1.2	4.4	5.7	4.6	10.2	10.1	13.7	21.3	26.3	17.9	11.1	25.8	16.7
Korea, South	..	—	4.9b	6.2	1.9	—	0.1	1.0	1.6	1 6	2.3	0.3	2.3
Malaya	3.1	17.9	17.1	20.0	45.2	52.4	74.1	98.1	68.6	35.8	35.4	37.8	34.2
Pakistan	..	..	—	4.5	10.9	23.9	10.3	20.2	24.4	3 3	5.8	1.3	2.9
Philippines	0.8	5.1	11.4	8.6	6.9	8 0	9.3	6.3	4.3	5.4	5.3	4.1	6.8
Thailand	1.3	7.2	11.7	9.7	8.2	13.2	6.8	8.1	5.4	6.4	4.7	6.3	8.3
Japan	0.3	1.3	4.1	5.8	10.1	8.1	13.7	28.2	16.9	11.4	15.6	12 1	6.4
United Kingdom	1.8	3.2	6.3	11.6	14.0	11.7	11.7	18.6	22.9	20.7	29.8	16.6	15.6
United States	4.3	12.6	12.7	19.5	25.7	35.7	28.5	16.7	9.1	7.2	6 9	6.2	8.6
Canada	0.2	0.2	0.6	1.2	0.8	0.9	0.8	1.7	1.9	0.7	0.8	0.6	0.8
Oceania	0.3	1.0	1.7	3.4	3.6	3.7	4.2	4.2	9.2	7.6	10.7	7.2	4.9
FROM INDIA c in Rs. to													
Burma	8.4	11.1	10.0	7.8	18.8	11.6	39.5	14.5	12.4	18.1	12.4	25.0	16.7
Ceylon	4.2	11.4	9.5	11.9	14.0	13 6	16.7	19 9	12.0	12 4	12.6	10.8	13.9
China	1.3	5.2	5.6	1.8	2.0	4.0	1.5	5:7	3 9	5.5	3.4	0.8	12.3
Pakistan	..	..	40.6d	43.5	23.8	42.5	27.0	14 8	24.6	27.8	27.4	28.3	27.7
United Kingdom	46.0	78.7	78.3	93.4	95.7	94.5	124.8	129.7	157.9	176.2	169.9	182.6	176.3
United States	11.2	61.2	59.7	57.1	80.5	87.5	90.0	116.2	132.8	88.7	92.6	66.1	107.3
Canada	1.7	9.3	6.9	7.6	10.5	10.6	10.0	15.9	21.0	12.3	9.9	15.0	12.1
Australia	2.5	14.5	17.2	20.4	23.3	26.0	26.4	27.6	37.1	47.4	52.1	53.4	36.6
FROM INDOCHINA e in Pr. to													
China	0.6	0.3	2.1	0.6	0.4	0.6	0.2	3.6	—	0.7	0.2	0.4	1.6
Hong Kong	2.3	1.3	11.2	13.2	15.5	23.8	12.9	9.8	14.9	32.0	26.7	33.6	35.7
Malaya	2.5	4.0	9.4	9.9	11.6	10.9	13.9	13.4	19.7	23 2	29 5	15.8	24.2
Thailand	0.1	0.7	3.7	4.9	3.1	1.4	3 8	1.7	3.3	6.5	2.6	9.3	7.6
United States	2.1	2.5	2.2	1.0	25.6	26.7	34.5	34 6	14.6	21.9	22 3	19.9	23.5
France	11.4	18.0	42.6	46.6	49.9	71.2	65.4	107.9	71.0	64.5	50.9	51.4	91.3
FROM INDONESIA in R. to													
Burma	—	—	—	0.2	—	—	—	—	—	—	—	—	—
Hong Kong	1.1	0.6	1.6	1.0	1.2	1.2	1.7	1.6	0.9	1.5	1.1	1.2	2.1
India	0.4	—	0.1	0.5	0.8	1.7	0.2	1.1	1.7	1.1	0.2	1.5	1.8
Malaya	10.7	6.1	16.6	29.8	83.2	108.5	140.7	102.3	183.5	114.1	117.8	172.3	52.1
Philippines	0.5	0.1	0.8	1.1	1.4	1.7	1.5	0.9	3.3	1.7	2.8	0.7	1.4
Thailand	0.2	—	0.3	0.8	1.0	1.4	0.9	1.1	2.0	1.1	0.8	2.1	0.4
Japan	1.8	0.4	2.1	2.8	3.2	2.6	6.0	20.3	19 9	4.7	6.3	6.3	1.4
Netherlands	11.5	12.9	31.0	41.2	55.4	59.9	61.3	61.2	90.0	81.8	106.5	80.1	58.9
United Kingdom	3.1	0.7	1.7	5.5	8.3	11.5	11.3	7.8	26.7	39.3	69.1	37.1	11.5
United States	8.2	5.3	15.2	19.4	37.2	51.4	57.4	34.7	89.9	62.8	80.6	84.5	23.4
Australia	2.4	0.2	0.8	1.8	4.2	5.1	5.5	5.7	14.4	7.6	5.7	12.3	4.8

VI. DIRECTION OF EXPORT TRADE—*(Contd.)*

(Monthly averages in millions)

	1938	1947	1948	1949	1950	1950		1951					
						III	IV	I	II	III	Jul.	Aug.	Sep.
FROM MALAYA in M$ to													
N. Borneo	0.2	0.8	1.2	1.6	2.6	2.9	..	3.1	4.2	3.1	3.7	2.4	3.2
Brunei	0.1	0.1	0.2	0.4	0.5	0.6	0.6	0.6	0.8	0.6	0.5	0.6	0.6
Sarawak	0.7	2.1	2.6	2.8	4.9	5.4	6.6	4.8	7.7	4.6	5.1	5.2	3.6
Burma	0.3	0.7	1.0	1.0	1.1	1.4	1.3	2.3	4.1	6.1	5.7	6.9	5.7
Ceylon	0.2	0.2	0.8	2.3	1.9	1.6	1.8	2.1	0.9	1.6	0.6	2.5	1.6
China	0.3	0.7	1.3	0.7	10.4	8.5	32.9	27.9	6.0	0.5	0 9	0.5	—
Hong Kong	0.6	4.1	3.4	5.5	16.9	17.9	37.3	44.4	16.5	5.6	3.3	7.1	6.4
India	1.8	4.3	5.3	5.1	6.3	9.5	6.8	9.3	10.5	8.3	8 8	8.3	7.9
Indochina	0.1	0.3	0.7	0.7	1.0	1.6	1.0	1.4	1.3	1.9	2.0	1.6	2.2
Indonesia	3.4	10.5	16.1	11.6	21.4	21.3	32.7	45.6	50.0	31.3	30.4	32.9	30.6
Korea	..	—	—	0.1	0.1	—	—	—	0.2	1.0	0.4	0.7	1.8
Pakistan	..	—	0.6	0.8	1.0	1.8	1.1	1.1	1.4	2.2	2.4	2.7	1.5
Philippines	0.1	0.1	0.5	0.9	1.3	1.8	0.7	1.6	2.0	1.3	2.3	0.1	1.6
Thailand	1.3	1.3	4.1	3.8	6.0	8.4	5 3	6.8	7.4	8.1	7.1	7.1	10,0
Japan	4.5	1.1	1.6	2.5	9.6	16.0	16.6	15.9	13.6	8.6	11.4	6.7	7.8
United Kingdom	6.8	17.3	20.0	17.0	45.6	50.6	74.8	89.9	101.6	106.1	94.1	120.2	103.8
United States	14.4	36.6	38.2	35.8	87.3	89.6	144.3	117.6	127.5	76.9	86.8	82.3	61.6
Canada	1.5	3.7	3.7	3.0	8.2	9.5	15.2	16.6	14.6	10.3	11.0	7.8	12.2
Oceania	2.5	3.5	5.1	7.2	14.1	15.2	19.1	25.5	43.6	23.3	16.1	30.3	23.5
FROM PAKISTAN f * in Rs. to													
Burma	..	..	0.3	0.1	0.1	0 1	0.1	0.6	0.2	*0.1*	*0.1*	—	—
Ceylon	..	..	1,2	0.6	0.8	0.7	0.5	2.5	2.0	*0.3*	*0.3*	*0.2*	*0.2*
China	..	..	2.7	1.0	2.6	1.3	3.3	20.8	4.4	*11.3*	*21.9*	*1.5*	*10.2*
Hong Kong	..	..	2.1	4.9	9.6	9.6	6.0	22.3	3.6	*0.5*	*0.8*	*0.8*	—
India	..	..	19.1	7.1	2.9	9.2	1.4	0.7	16.1	*4.7*	*7.5*	*5.1*	*1.2*
Malaya	..	..	0.1	0.1	0.1	0.1	0.2	0.1	0.2	..	..	*0.1*	*0.1*
Thailand	..	..	—	—	—	0.1	—	0.2	..	..	..	..	..
Japan	..	..	1.0	4.4	12.1	23.5	14.3	59.8	13.4	*2.9*	*5.3*	*1.3*	*2.0*
United Kingdom	..	..	12.3	14.7	36.2	13.4	23.6	46.5	23.1	*16.4*	*16.8*	*10.5*	*21.9*
United States	..	..	10.9	10.0	10.1	10.3	14.2	16.6	12.7	*2.9*	*5.6*	*2.6*	*2.4*
FROM PHILIPPINES * in Ps. to													
China	..	0.2	0.3	0.1	0.2	0.2	0.1	0 2	0.2	..	..	—	..
Hong Kong	..	0.5	0.5	0.8	0 4	0.2	0.3	0.4	0.3	..	0.2	0.2	..
India	..	0.4	0.3	0.3	0.1	0.1	0.1	0.1	0.3	..	0.4	—	..
Indonesia	..	0 8	0.9	0.4	—	—	—	—	0.7	..	0.4	0.2	..
Korea	..	—	0.3	—	0.4	—	1.3	—	..	..	..	..	..
Malaya	..	1.2	0.1	0.1	—	—	—	—	—	..	—	—	..
Thailand	..	0.1	0.1	—	0.1	0.1	—	—	—	..	—	—	..
Japan	..	0.4	2.6	1.9	3.7	3.0	6.6	5.0	5.5	..	3.4	3.8	..
United Kingdom	..	1.4	0.6	0.5	0.9	1.0	0.8	1 9	2.3	..	3.2	2.2	..
United States	..	25.4	34.8	30.6	40.9	44.2	43.3	57.8	48.5	..	36.8	27.8	..
FROM THAILAND g in Baht to													
N. Borneo	—	0.4	2.1	2.3	..	..	..	..	..	..	..	..	..
Burma	—	0.3	1.5	1.0	..	..	..	..	..	..	..	..	..
Ceylon	0.5	0.1	1.4	8.5	..	..	..	..	..	..	..	..	..
China	0.2	4.3	21.7	7.3	..	..	..	..	..	..	..	..	..
Hong Kong	2.0	18.0	16.3	17.4	..	..	..	..	..	..	..	..	..
India	2.0	4.0	16.7	31.2	..	..	..	..	..	..	..	..	..
Indochina	—	0.5	1.0	0.5	..	..	..	..	..	..	..	..	..
Indonesia	0.2	0.6	8.0	12.8	..	..	..	..	..	..	..	..	..
Korea	—	0.6	1.9	—	..	..	..	..	..	..	..	..	..
Malaya	10.7	32.4	39.6	68.5	..	..	..	..	..	..	..	..	..
Philippines	0.2	1.0	5.5	4.5	..	..	..	..	..	..	..	..	..
Japan	1.0	—	0.5	14.2	..	..	..	..	..	..	..	..	..
United Kingdom	0.4	2.0	4 5	11.5	..	..	..	..	..	..	..	..	..
United States	0.1	10.1	36.8	38.3	..	..	..	..	..	..	..	..	..
FROM JAPAN h * in US$ to													
China	35.0	0.8	0.3	1.0	4.8	4.1	8.1	6.4	4.3	..	5.3	*5.1*	..
Hong Kong	..	..	..	..	5.3	4.4	9.7	6.4	2.8	..	2.1	*2.9*	..
India	4.5	0.7	0.7	5.4	1.7	1.9	2.3	2.2	5.3	..	4.9	*3.8*	..
Indonesia	2.5	2.0	4.7	2.3	3.9	3.5	5.1	8.3	16.5	..	11.3	*9.5*	..
Korea	21.6	1.6	1.5	1.4	1.5	0.9	2.1	0.7	1.3	..	1.4	*1.7*	..
Malaya	0.5	0.3	0.5	1.3	1.5	1.6	1.9	4.5	6.5	..	4.1	*3.9*	..
Philippines	0.8	0.1	0.3	1.8	1.5	0.6	3.0	1.5	6.1	..	4.0	*1.6*	..
United Kingdom	3.2	1.7	1.4	3.5	2.2	2.4	2.2	2.7	3.8	..	6.2	*5.2*	..
United States	10.1	1.7	5.5	6.6	14.9	17.7	17.2	15.8	14.6	..	18.5	*14.4*	..

* Including Re-exports.

a. Burma: Prewar data refer to period October 1938 to September 1939; 1948 and 1949 annual figures refer to twelve months ending September.

b. All Korea. Exports to North Korea in 1949 and 1950 are respectively 4:1 and 0.6.

c. India: 1947 figures are averages for January-July, and 1948 are averages for nine months, April-December.

d. Excluding exports to Pakistan by land in 1948.

e. Indochina: Data for 1947 are averages for April-December.

f. Pakistan: Sea and airborne trade only. Annual figures for 1948 and 1949 are for years beginning 1st April.

g. Thailand: Pre-war data refer to year ending March, 1940.

h. Japan: Exports to India include Burma and Pakistan in 1938 and Pakistan in 1947 and 1948.

VII. QUANTITIES OF EXPORTS OF SELECTED COMMODITIES

(Monthly averages in thousand tons)

	1938	1947	1948	1949	1950	1950		1951					
						III	IV	I	II	III	Jul.	Aug.	Sep.
RICE													
Burma	253.3	67.0	102.2	99.2	99.2	116.7	83.7	107.2	138.0	113.9	107.6	128.7	105.4
Thailand	115.4	32.9	67.6	101.3	123.2	115.7	126.1	159.5	104.2	129.3	120.0	150 2	117.6
Indochina	77.8	3.6	13.4	7.8	8.7	6.1	4.8	23.6	19.4	27.4	20.8	33.7	27.6
TEA													
Ceylon	8.9	10.9	11.2	11.6	11.1	12.1	10.5	10.5	13.0	11.2	13.8	10.5	9.4
India	13.4a	16.1a	14.2	16.1	14.8	15.8	22.1	19.4	8.4	17.5	11.4	17.7	23.4
Pakistan	..	..	..	1.2	0.5	0.1	0.8	1.2	1.7	1.9	1.0	1.8	2.8
Indochina	0.2	—	—	0.1	0.1	0.1	0.1	—	—	0.1	—	0.1	0.1
Indonesia	6.0	0.3	0.8	1.8b	2.4	3 1	3 9	2.8	3.5	3.4	2.9	4.3	2.9
Japan	1.4	0.3	0.3	0.6	0.6	0.7	0.9	2 9	0.4	0.8	0.8	0.7	1.0
COPRA AND COCONUT OIL c													
Ceylon	8.7	5.1	9.2	8.6	7 5	8.2	13.3	10.1	8.8	11.1	12.6	11.2	9.4
Hong Kong d	0.1	1.6	0.7	0 3	0.4	0.5	0.4	0 2	0 2	0.2	0.1	0.5	0.2
Indonesia e	25.8f	7.6g	12 1g	15 8	14.1	12.1	16.4	17.3	25.7	27 2	32 9	25.7	23.0
Malaya	13.4	4.0	7.1	9.8	11.2	11.6	11.4	9.1	10.4	9.8	7.5	12.8	9.0
N. Borneo	0.4	0.2	0 3	0.8	1.4	1.5	1.2	0.8	0.5	1.1	0.5	1.4	1.4
Philippines	28.9f	51.2	35.3	33.4	41.0	53 9	55.9	40.2	41.6	51.6	42.0	56.8	56 0
Sarawak	0.1	—	0.1	0.2	0.2	0.3	0.2	0.1	0.2	0.2	0.2	C.2	0.3
Thailand d	..	..	..	0.3	0.3	0.5	0.2	0.2	0.4	..	0.3	0.4	..
PALM KERNELS AND OIL c													
Indonesia h	14.2	0.2	3.3	8.5	8.2	11.8	7 6	2.8	6.4	*8.8*	6.9	*5.1*	*14.3*
Malaya	3.1	4.1	4.4	5.0	5.2	6.6	4.5	5 3	3.9	3.6	4 0	4.2	2.8
GROUND NUTS AND OIL c													
Hong Kong	1.2	0.2	0.4	0.7	1.8	1.5	1.3	1.9	0.7	0.2	0.1	0.2	0.2
India	22 0	3.0	5.5	4.0	5.8	1.5	5.9	17.4	4 0	0.9	2.1	0.7	—
NATURAL RUBBER													
Brunei	0.1	0.2	0.2	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Burma	0.6	0.7	0.8	0.6	0.8	0.3	0.2	1.1	*1.2*	*0.4*	*0.8*	*0.2*	*0.2*
Ceylon	4.2	7.0	7.8	7.7	10.0	10.6	11.1	10.9	6.8	7 1	5.7	5.0	10.5
Indochina	5.0	4 3	3.5	3.5	4.4	4.1	5 0	4 5	3.4	4.2	2.6	5.0	5.0
Indonesia	25.5	24.3	36.6	35.7	56.8	68.3	65.5	*62.3*	74.3	52.7	67.7	56.6	33.8
Malaya i	31.4	54 2	57.5	57.5	55.7	60.7	64.8	49.0	57.6	49.2	40.2	60.5	47.0
N. Borneo	0.8	1.3	1.7	1.7	2.0	2.2	2.3	1.8	1.8	1.8	1.7	1.9	1.9
Sarawak	1.5	3 0	3.4	3.3	4.7	5.3	4.4	3.2	4.7	3.5	4.1	3.1	3.5
Thailand	3.5	4.5	8.1	8.0	9.5	11.0	9.0	10.1	8.6	10.4	12.4	8.8	10.1
COTTON RAW													
India	38.6	19.3	8.0	4.2	2.7	1.0	0.8	1.7	7.8	0.4	1.1	—	..
Pakistan	..	..	13.6	14.0	17.2	20.0	8.2	45.3	9.6	3.5	7.6	0.6	2.3
COTTON YARN (tons)													
Hong Kong	..	..	..	1,387	2,109	2,627	1,160	2,003	2,048	1,172	1,219	921	1,377
Malaya	197	..	22	152	388	707	361	260	113	134	56	256	90
Japan	1,745	903	458	803	892	947	499	1,160	1,018	*708*	*831*	*384*	*909*
COTTON PIECE GOODS (mn. metres)													
Hong Kong	..	..	..	7.4	10.8	17.3	12.9	13.1	9.4	10.8	8.5	12.6	11.1
India	14.6	22.9	23.5	35.5	93.7	77.4	100.3	141.5	45.9	20.9	25.9	20.6	16.1
Malaya	2.0	4.0	7.5	5.2	14.5j	13.5	18.8	19.2	17.0	10.6	12.6	7.7	11.5
Japan (mn. sq. metres)	158.4	26.4	28.2	52.2	76.9	77.4	80.0	72.1	94.4	*59.4*	*81.1*	*55.3*	*41.7*
JUTE RAW													
India	55.9	23.4	20.0	15.4	0.6	—	—	—	..	..	..	..	..
Pakistan			16.1	17.3	50.0	51.1	74.4	82.5	43.5	34.9	36.4	18.8	49.4
JUTE MANUFACTURES													
India													
Bag	49.0k	35.0	39.8	36.4	29.6	30.2	30.4	30.2	35.2	43.2	42.9	40.5	46.2
Cloth	29.9k	32.6	38.6	27.9	24.4	23.7	25.1	19.5	31.8	25.4	20.4	29.0	26.9
HEMP RAW													
Philippines	11.8	7.2	6.2	5.3	7.9		9.1	13.6	11.9	7.9	..	..	..
TIN CONCENTRATES													
Burma	0.2	0.2	0.2	0.1	0.1	0.2	0 1	*0.1*	*0.2*	..	..	..	..
Indonesia	1.2	1.3	2.8	2.6	2.6	2.5	2.9	2.4	3.0	2.3	2.2	2.0	2.7
Thailand	1.1	0.5	0.5	0.6	0.9	0.9	1.0	0.7	*0.7*	*0.7*	*0.7*	*0.7*	*0.7*
TIN METAL													
Hong Kong	..	..	0.2	0.3	0.1	—	0.2	—	—	—	—	—	—
Malaya c	5.2	2.7	4.0	4.6	6.9	8.3	6.4	5.4	5.4	5.9	4.9	6.3	6.5
PETROLEUM I													
Indonesia	505.6	64.2	320.8	474.4	535.9	602.4	*665.6*	*518.6*	701.0	477.4	555.3	550.9	326.1
Malaya	84.2	36.3	82.1	131.3	164.8	177.3	158.2	166.7	123.2	182.1	207.4	176.1	162.7

a Including territory of Pakistan.
b Federal territory only.
c Expressed in terms of oil equivalent; figures under column for 1938 refer to averages for the period 1934-1938.
d Coconut oil only.
e Copra only.
f 1935-1939.
g Excluding exports to Singapore.
h Palm oil only.
i Net exports.
j Unit changed in 1950 to million square meters.
k Converted at 2.25 lbs. per bag and 0.50 lb. per yard of cloth.
l Petroleum and products.

VIII. INDEX NUMBERS OF UNIT VALUE OF IMPORTS AND EXPORTS AND TERMS OF TRADE

(Base 1948 = 100)

	1938	1947	1949	1950	1950		1951					
					III	IV	I	II	III	Jul.	Aug.	Sep.
Unit Value Indices												
BURMA												
Imports	24a	89b	109b	132b	125	63	67	82	83	73	86	89
Exports	17a	82b	102b	102b	98	122	124	130	129	135	137	118
CEYLON												
Imports	23.0	93	95	98	93	103	106	119	130	127	130	133
Exports: All Commodities	32.5	98	106	144	143	172	188	186	169	170	166	172
Tea	36.3	99	109	129	124	135	141	138	129	130	128	128
Rubber	56.2	108	90	218	237	357	410	383	341	326	323	374
All coconut products	14.5	94	111	145	138	152	170	191	168	179	165	159
Other export products	25.1	98	93	124	124	142	165	179	164	167	162	163
INDIA d												
Imports: All Commodities	28a	85a	97a	103	100	108	123	129	128	125	129	129
Food, drink & tobacco	..	..	108a	104	103	108	103	113	120	107	119	134
Raw materials & semi-manufactures	..	..	106a	113	110	122	155	161	155	163	154	148
Manufactures	..	..	90a	96	92	103	119	121	120	120	123	117
Exports: All Commodities	24a	89a	103a	110	110	111	121	170	180	185	180	175
Food, drink & tobacco	..	..	115a	127	127	126	140	153	156	153	159	157
Raw materials & semi-manufactures	..	..	111a	114	112	111	129	160	155	167	152	145
Manufactures	..	..	97a	103	103	106	111	180	201	206	202	196
INDO-CHINA												
Imports	7.8	65	122	122	121	119	130	137	141	129	142	151
Exports	11.1	68	128	147	176	164	190	159	173	155	170	195
INDONESIA												
Exports: All Commodities c	31	..	105	177	191	245	313	261	238	230	231	252
Estate produce	38	..	124	185	195	237	300	262	259	252	255	271
Peasant produce	27	..	92	171	185	245	306	248	218	211	210	232
Forest produce	12	..	78	99	100	114	139	151	149	151	153	144
MALAYA												
Imports: All Commodities	36	90	101	115	115	142	149	143	142	..	..	..
Food, drink & tobacco	23	78	95	100	107	107	108	99	114	..	..	..
Raw materials	53	85	106	175	171	260	314	305	248	..	..	..
Manufactures	41	106	99	106	105	124	122	125	129	..	..	..
Exports: All Commodities	43	86	98	173	183	258	298	287	221	..	..	..
Food, drink & tobacco	24	93	103	120	137	115	138	135	143	..	..	..
Raw materials	52	88	94	214	229	346	394	370	273	..	..	..
Manufactures	32	88	97	110	111	135	165	169	140	..	..	..
PHILIPPINES												
Imports	..	..	104	79	81	86	89	99	106	102	110	107
Exports	24.8	89	69	77	80	85	87	87	83	83	81	84
JAPAN e												
Imports	..	..	93	79	74	90	104	115	..	118	..	..
Exports	..	..	85	78	77	88	105	122	..	124	..	..
Terms of Trade *												
BURMA	135a	107b	107b	129b	127	51	54	63	64	55	63	75
CEYLON	71	95	90	68	69	60	56	64	77	75	78	80
INDIA d	117a	96a	94a	96	91	97	102	76	71	68	72	74
INDO-CHINA	73	96	95	83	69	73	68	86	81	83	84	77
MALAYA	83	105	103	66	63	55	50	50	64	..	..	..
PHILIPPINES	..	..	151	103	101	101	102	114	128	123	136	127
JAPAN	..	..	109	101	97	102	99	94	..	95	..	..

a Year beginning 1 April of the year stated.

b Year ending September of the year stated.

c Weighted wholesale price index numbers of 18 export products (f.o.b. prices excluding the value of foreign exchange certificates).

d Base, April 1948—March 1949 = 100.

e Compiled by Economic Stabilization Board.

* Ratio of Unit value index of imports to Unit value index of exports multiplied by 100.

IX. INDEX NUMBER OF WHOLESALE PRICES

(1948 = 100)

	1938c	1947	1949	1950	1950		1951					
					III	IV	I	II	III	Jul.	Aug.	Sep.
BURMA												
All agricultural produce	24	..	123	115	119	126	117	132	148	148	147	150
Cereals	31	..	96	98	108	107	91	109	115	114	115	114
Non-food agricultural produce	17	..	161	196	185	223	236	219	191	204	190	179
INDIA												
All items	27	81	104	109	111	112	116	124	120	122	119	119
Food articles	27	78	104	110	114	114	110	110	110	109	109	110
Industrial raw materials	23	85	108	117	119	122	133	159	140	150	137	132
Semi-manufactured articles	32	80	104	108	108	110	117	122	119	120	119	118
Manufactured goods	29	81	101	102	103	103	109	120	118	119	117	117
Miscellaneous	20	93	108	136	145	145	143	145	144	144	145	143
KOREA (Seoul)												
All items	..	61	137	..	..	831.1d	..	1,594	2,267	2,033	2,218	2,550
Fertilizers	..	79	300	..	..	909.7d	..	3,356	7,526	7,526	7,526	7,526
Tex ile raw materials	..	48	144	..	..	568.9d	..	1,566	1,789	1,535	1,706	2,127
Textiles	..	48	140	..	..	635.8d	..	1,454	1,775	1,467	1,776	2,084
Building materials	..	55	143	..	..	1,103.6d	..	2,220	2,535	2,264	2,551	2,790
PHILIPPINES (Manila)												
General	20	96	87	77	76	83	84	88	89	90	90	87
THAILAND (Bangkok)												
General	6	105	93	95	96	101	99	102	104	102	102	107
VIET-NAM (Saigon) a												
General index	6	68	125	123	130	132	136	144	150	148	151	152
Rice & paddy	6	65	125	104	116	104	96	101	118	114	121	123
Other food products			125	125	122	130	132	138	139	136	138	143
Fuel & mineral products	7	68	136	153	154	155	159	159	162	161	161	164
Raw materials	14	50	120	172	195	236	267	240	227	224	225	233
Semi-finished products	7	76	123	117	114	115	126	136	156	153	155	159
Manufactured products	4	88	125	105	106	110	122	152	154	154	159	148
JAPAN												
All items	1	38	163	192	197	215	246	272	271	266	272	276
Edible farm products	1	34	178	207	218	206	226	250	272	248	287	280
Processed foods	1	38	163	157	159	161	166	177	182	177	182	186
Textiles	1	34	215	262	280	322	389	393	330	341	315	335
Chemicals	1	47	138	180	188	204	221	241	257	241	263	266
Metal & products	2	42	143	211	221	270	351	452	451	454	450	449
Building materials	1	44	141	166	161	199	236	246	242	240	240	245
Fuels	1	36	150	167	160	168	177	193	210	204	211	216
Miscellaneous b	1	31	155	179	180	203	226	247	239	239	238	239

a New series for Saigon beginning 1949, which is linked to the old series

b. Revised Series.

c. Figures in the column refer to 1938-40 for Burma, year ending August 1939 for India and January to June 1939 for Saigon.

d Price index for Pusan beginning from the fourth quarter of 1950, with 1947 = 100. Index of 4th December is used from the fourth quarter of 1950. For comparison with previous Seoul prices, it may be indicated that, figures for June 1950 for Pusan for "All items" and the four group indices are respectively 368.0, 909.7, 342.3, 237.9 and 338.0; and those for Seoul with 1947 = 100, are respectively 348.0, 909.7, 351.8, 234.4 and 337.8:

X. INDEX NUMBERS OF COST OF LIVING AND RETAIL PRICES

(1948 — 100)

	1938	1947	1949	1950	1950		1951					
					III	IV	I	II	III	Jul.	Aug.	Sep.
BURMA (Rangoon)												
Cost of living	28	108	135	114	121	108	105	110	123	123	124	121
Food	24	115	142	120	132	113	111	115	137	137	139	135
CAMBODIA (Phnom-Penh)												
Cost of living	..	84	138	155	163	162	160	165	173	171	174	174
Food	..	80	133	150	156	157	153	158	168	164	170	168
CEYLON (Colombo)												
Cost of living	..	97	98	105	106	106	109	109	107	108	107	107
Food	..	91	104	112	114	112	114	112	110	110	110	109
HONG KONG												
Cost of living	..	101	112	117	116	116	126	128	130	..	..	130
Food	..	100	118	126	124	121	129	135	139	..	..	139
INDIA (Bombay)												
Cost of living	35	92	101	103	106	104	107	111	108	110	108	107
Food	32	99	105	109	114	109	113	116	113	116	113	111
INDONESIA (Djakarta)												
Food	8	179	97	113	111	119	179	167	191	193	189	191
KOREA (Pusan)												
Retail price index	..	59	123	281	278	461	881	1,152	1,698	1,516	1,729	1,849
Food	..	64	131	302	307	453	977	1,325	1,367	1,746	2,016	2,083
LAOS (Vientianne) a												
Cost of living	..	76	106	107c	108	110	107	111	117	120	116	115
Food	..	88	103	100c	100	105	95	99	109	114	107	107
MALAYA (Kuala Lumpur)												
Cost of living												
Chinese	..	106	94	101	102	109	125	132	136	134	136	137
Indian	..	103	94	99	100	107	125	132	136	135	136	135
Malay b	..	..	98	108	111	118	132	135	138	137	138	138
PAKISTAN (Karachi)												
Cost of living	..	..	..	95	94	94	96	98	99	99	99	99
Food	..	..	..	93	91	92	96	98	100	100	100	101
PHILIPPINES (Manila)												
Cost of living	25	106	94	92	92	97	97	100	100	100	100	99
Food	24	108	93	86	85	91	92	95	96	96	96	96
THAILAND (Bangkok)												
Cost of living	8	100	96	99	97	100	110	115	109	109	109	109
Food	5	99	95	97	94	94	107	112	104	104	104	103
VIET-NAM (Saigon)												
Cost of living	..	74	122	125	127	130	132	138	143	141	144	146
Food	..	74	120	114	114	117	115	118	126	123	127	129
JAPAN (Urban)												
Cost of living	..	57	138	129	129	129	142	150	155	149	159	158
Food	..	64	134	120	122	116	132	142	145	136	150	148

a. December 1948 = 100. 1948 averages for old series being 93 for cost of living index and 94 for food. New series begin from July 1950. Averages for the first quarter of 1950 for the old series for cost of living index and food index respectively are 94 and 92 and those for the new series are 102 and 95.

b. January 1949 = 100.

c. Averages of first, third and fourth quarters.

XI. WHOLESALE PRICE QUOTATIONS OF SELECTED COMMODITIES[a]

(Monthly averages per ton)

	Currency Unit	1938	1948	1949	1950	1950		1951					
						III	IV	I	II	III	Jul.	Aug.	Sep.
RICE													
Burma	Rs.	..	266	264	..	257	265	264	259	266	..	..	..
India	Rs.	..	436	442	432	432	432	432	432	432	432	432	432
Indonesia	R.	..	870	870	..	920	..	2,177	1,610	..	2,300	..	..
Japan	000 Y.	0.21	24.9	29.7	..	29.7	..	36.9	36.9	..	36.9	..	..
Korea	000 W.	..	127	145	..	..	..	..	1,315h	2,013	1,795	2,114	2,129
Pakistan	Rs.	..	917	977	475	448	509	517	630	669	660	646	702
Thailand	Baht	..	738	713	696	692	723	702	699	743	695	729	804
Viet-Nam	Pr.	106	2,100	2,630	2,170	2,410	2,160	1,993	2,187	2,443	2,350	2,460	2,520
WHEAT													
India	Rs.	..	566	532	410	412	412	412	412	412	412	412	412
Korea	000 W.	..	73	95	..	..	..	..	970h	1,174	1,121	1,174	1,227
Pakistan	Rs.	..	326	317	270	233	244	266	302	..	337	..	..
SUGAR													
India	Rs.	..	990	846	773	769	787	822	822	822	822	822	822
Indonesia	R.	..	2,290	1,550	2,906	2,943	2,313	3,243	3,060	2,657	2,620	2,640	2,710
Korea	000 W.	..	411	745	..	..	..	..	5,975h	7,238	8,167	6,917	6,633
Pakistan	Rs.	..	925	964	1,000	1,008	1,021	1,021	1,021	1,021	1,021	1,021	1,021
Philippines	P.	72	307	313	284	293	278	263	264	283	281	287	282
Thailand	000 Baht	..	4.61	5.66	5.33	6.20	6.55	6.22	5.49	6.02	6.00	5.95	6.12
PEPPER													
Cambodia	000 Pr.	0.41	35.1	95.4	137	147	140	152	156	146	144	148	147
Indonesia	000 R.	..	5.47	19.4	..	..	..	..	..	..	..	..	..
Malaya	000 M$	..	3.2	8.2	15.0	16.7	15.9	18.2	17.3	15.4	15.6	15.2	15.3
Thailand	000 Baht	..	23.8	46.0	95.6	87.0	84.9	102.0	101.1	100.1	101.3	99.6	99.6
TEA													
Ceylon	Rs.	1,540	3,590	4,170	4,450	4,530	4,730	5,020	3,946	3,549	3,638	3,726	3,285
India	Rs.	..	3,590	3,660	..	4,100	..	3,814	..	..	..	4,056	3,990
Pakistan	Rs.	..	4,696	4,248	..	..	..	..	3,533	..	3,548	..	..
Indonesia	R.	..	2,200	2,870	5,520	6,330	6,000	6,920	7,0 0	6,470	6,500	7,000	5,780
U.K.	U.S.$	630	1,190	..	950	999	986	983	1,043	1,049	1,053	1,045	1,038
U.S.A.	US$	..	1,290	1,243	1,146	1,133	1,180	..	..	1,027	1,058	1,019	1,003
TOBACCO													
India	Rs.	..	..	5,820	6,850	7,100	..	6,937	6,878	..	6,878	..	..
Pakistan	Rs.	..	2,551	2,368	2,550	2,438	2,790	4,097	3,918	3,981	3,985	3,751	4,207
Philippines	P.	123	816	796	1,151	1,241	1,142	1,106	976	826	855	826	796
VEGETABLE OIL b													
Ceylon	Rs.	181	1,006	1,006	1,390	1,421	1,546	2,008	1,708	1,332	1,236	1,380	1,378
India	Rs.	..	666	760	850	890	830	942	981	818	925	753	778
Indonesia	R.	..	1,220	940	1,700	1,980	2,100	2,160	2,160	..	..	..	..
Malaya	M$	149‡	1,160	913	1,092	1,150	1,204	1,578	1,367	1,136	1,111	1,174	1,116
Pakistan	Rs.	..	2,649	2,986	3,267	3,566	3,483	3,393	2,869	2,851	2,880	2,846	2,827
Philippines	P.	130	980	620	676	673	720	890	760	580	570	580	590
COPRA													
Ceylon	Rs.	109	531	591	826	842	916	1,173	1,036	808	758	810	856
India	Rs.	..	986	1,289	1,486	1,476	1,609	1,585	1,534	1,534	1,517	1,534	1,551
Indonesia	R.	..	390	470	1,190	1,280	1,380	1,533	1,550	1,350	1,450	1,300	1,300
Malaya	M$	59	646	518	650	693	738	914	736	623	605	637	626
Philippines	P.	60	515	311	360	367	370	480	369	295	280	299	307
Thailand	Baht	..	..	2,320	3,292	3,113	3,972	4,729	4,014	3,283	3,167	3,100	3,133
COTTON, RAW													
India	Rs.	..	1,830	1,800	..	..	..	1,729	1,729	1,823	1,729	1,842	1,842
Korea	000 W.	..	630	929	..	..	..	..	2,388h	3,055	2,233	2,567	4,367
Pakistan	Rs.	..	1,879	2,109	2,218	2,502	2,748	3,422	3,178	2,647	2,831	2,672	2,365
U.K.	£	..	..	232	329	341	398	439	471	373	386	386	349
JUTE, RAW													
India	Rs.	..	1,070	1,110	1,100	1,100	1,100	1,102	2,144	1,828	2,122	1,929	1,433
Pakistan	Rs.	..	958	849	668	659	623	934	1,585	1,039	1,175	981	962
U.K.	U.S $	90	385	..	315	311	311	437	..	437	507	409	396
U.S.A.	U.S.$	95	408	..	343	340	326	467	616	475	522	487	414

XI. WHOLESALE PRICE QUOTATIONS OF SELECTED COMMODITIES[a] *Contd.*

(Monthly averages per ton)

	Currency Unit	1938	1948	1949	1950	1950 III	1950 IV	1951 I	1951 II	1951 III	1951 Jul.	1951 Aug.	1951 Sep.
HEMP													
Philippines	P.	118	883	892	887	882	950	1,151	1,144	1,035	1,034	1,060	1,011
WOOL, RAW													
India	Rs.	..	1,963	2,030	3,990	3,090	6,710	5,861	5,234	4,049	4,832	4,295	3,020
Pakistan	Rs.	..	..	3,180	..	5,480	..	..	5,300	3,563	3,751	3,483	3,456
SILK, RAW													
India	000 Rs.	..	52.9	66.9	84.1	93.3	73.6	77 6	74.3	65.1	94.4	51.5	49.3
Japan	Mn. Y.	..	1.57	2.29	2.58	2.92	3.26	4.6	3.6	..	3.3	3.1	..
Korea	Mn. W.	..	7.1	11.6	..	..	..	..	51.2h	55.1	53.9	53.6	57.9
HIDES													
India	Rs.	..	2,160	2,010	2,000	2,060	2,200	4,134	4,390	3,436	3,693	2,480	4,134
Pakistan	Rs.	..	1,860	2,296	2,543	2,366	2,922	3,895	3,003	2,357	2,362	2,362	2,346
Thailand	000 baht	..	8.2	9.9	12.8	12.3	15.4	23.5	17.4	12.6	15.0	11.2	11.7
RUBBER, NATURAL													
Ceylon	Rs.	816	1,367	1,257	3,417	3,939	5,453	6,598	4.557	3,909	3.792	3,814	4,123
Indonesia	R.	..	1,176	1.077	5,958	7,343	10,173	12,100	8,880	8,140	7,920	8,040	8,460
Malaya	M$	539	944	855	2,386	2,820	3,959	4,753	3.706	3,262	3.131	3,190	3,467
Thailand	baht	..	6,531	6,233	12,155	12,249	20,312	21,779	19,104	17,570	16,655	16,935	19,120
U.K.	£	66	119	108	306	363	504	597	455	422	421	408	438
U.S.A.	U.S.$	324	483	388	906	1,078	1,517	1,594	1,455	1,146	1,146	1,146	1,146
Viet-Nam	000 Pr.	1.0	7.2	8.3	15.9	18.7	26.2	30.0	23 6	21.0	20.5	20.5	22.0
COAL													
India	Rs.	..	16.1	16.0	15.5	15.5	15.5	15.5	15.5	14 2	15.5	15.5	11.6
Indochina	Pr.	23	342	542	583	580	582	583	585	586	586	586	586
Pakistan	Rs.	..	83	89.2	89.3	89.3	89.3	78.7	78.7	..	78.7	..	..
Korea	000 W.	..	3.61	3.80	..	..	..	..	..	..	..	..	..
TIN													
Malaya	000 M$	1.60	4.53	4.46	6.04	6.37	8.33	10.94	9.11	7.09	6.95	6.97	7.35
Thailand d	000 baht	..	..	20.04	22.16	22.82	31.10	40.9	34.8	27.8	26.9	27.9	28.8
U.K.	£	187	543	596	734	733	1,027	1.318	1,091	925	853	930	992
U.S.A.	U.S.$	932	2,188	2,186	2,108	2,155	2,914	3,674	2,968	2,293	2,337	2,271	2,271
PIG IRON													
India	Rs.	..	111	111	105	105	105	105	105	122	105	131	131
Japan e	000 Y.	0.02	3.1	4.7	..	12.2	14.0	16.9	32.6	..	30.2	30.1	..
Korea	000 W.	..	15.0	27.5	..	..	..	..	209h	206	200	2`0	217
CEMENT													
India	Rs.	..	83.7	81.2	81.2	81.2	81.2	81 2	86.0	94.6	95.5	95.1	93.2
Indochina	Pr.	30	746	961	986	976	976	976	1,009	1,076	1,076	1,076	1,076
Japan	000 Y.	..	2.79	4.12	5.01	4.82	5.43	6.41	7.57	..	8.37	8.40	..
Korea	000 W.	..	21.8	40.6	..	..	..	..	164 6h	312.0	222.0	350.0	366.0
Pakistan	Rs.	..	..	93.8	93.8	93.8	93.8	93.8	93.8	93.8	93.8	93.8	93.8
COTTON YARN													
India	Rs.	..	2,620	3,130	3,060	3,060	3,060	3,255	3,785	..	..	3,792	..
Indochina	000 Pr.	1.8	50.1	45.0	50.8	47.6	50.1	57.3	66.6	68.6	69.6	69.6	66.6
Japan	000 Y.	..	87	280	373	357	417	474	796	..	728	637	..
COTTON FABRICS													
India	000 Rs.	..	4.1	3.9	3.6	3.6	3.6	3.9	4 3	4.3	4.3	4.3	4.3
Japan (meter)	Y.	..	..	62	79	90	108	117	120	..	98	92	..
JUTE BAGS (per hundred)													
India	Rs.	..	133	146	156	156	156	159	268	239	253	216	248
Pakistan	Rs.	..	151	174	196	190	179	189	216	206	204	208	207
JUTE (hessian)													
U.K.	U.S.$	183.7	658	..	559	559	559	718	803	889	889	889	889
U.S.A.	U.S.$	172.8	660	..	777	759	1,112	1,183	1.177	930	1,007	897	886

a. For details regarding specification and market centre see "Explanatory Notes to Table X" in Vol. I No. 1, and Footnotes to Table XI in Vol. I No. 2, and No. 3, Statistical Supplement to Vol. I and Vol. II No. 1.

b. Coconut oil for Ceylon, Malaya and the Philippines; groundnut oil for India; palm oil for Indonesia; and mustard oil for Pakistan.

c. India, raw cotton, Bengal Fine M.G. substituted from third quarter 1949 for original specification the price of which in the third quarter of 1949 was 1309

e. Pig Iron No. 2 for casting substituted beginning July 1950, the quotation for the original specification i.e. Pig Iron for steel being 11.9 for July 1950.

d. Tin Ore.

g. October.

h. Beginning second quarter of 1951, all figures refer to Pusan.

i. December.

‡ 1939. † 1937.

XII. FINANCIAL STATISTICS[a]

	1938	1948	1949	1950	1950 III	1950 IV	1951 I	1951 II	1951 III	1951 July	1951 Aug.	1951 Sep.
BURMA (million Rs.)												
Currency and Deposit Money												
Currency: In circulation	..	360	418	394	385	369	436	472	421	442	420	402
Deposit money b	..	174	202	207	225	204	198	223	232	235	234	227
Commercial Banks												
Total deposits	108	199c	233	246	267	246	238	265	275	279	277	270
Assets: Cash	3	72c	109	69	74	57	48	54	59	62	57	58
Short term: Government	..	26	8	23	25	25	19	23	31	30	31	32
Short term: Other	48	67	60	100	91	108	170	151	140	143	141	135
Long term: Government	..	..	..	7	7	7	7	8	9	8	8	11
Union Bank of Burma												
Deposits: Total	..	108d	149	226	291	287	277	304	462	400	480	507
Government	..	44d	46	163	223	237	237	258	411	345	430	456
Foreign assets: Total	..	88d	172	216	271	279	288	293	448	388	472	483
Local assets:												
Short term: Government	..	6d	20	18	15	14	17	17	15	16	15	14
Long term: Government	..	10d	10	13	14	15	13	13	14	13	14	13
Bank Clearings	68	157c	128	139	151	144	165	150	145	147	147	141
CEYLON e (million Rs.)												
Currency and Deposit Money												
Currency—Net active	34	236	237	271	276	311	347	358	366	359	362	378
Deposit money b	..	579	621	475	488	549	661	672	629	656	637	622
Commercial Banks												
Total deposits	..	641	687	660	663	741	860	856	806	816	786	816
Assets: Cash	..	269	284	151	146	178	204	217	204	194	183	236
Short term	..	127	137	205	242	252	192	181	268	271	270	264
Long term	..	193	230	187	178	203	217	216	219	216	219	221
Central Bank of Ceylon												
Deposit: Total	..	..	..	189	177f	184	224	250	272	266	266	269
Government	..	..	..	20	3f	27	32	46	80	91	95	55
Foreign assets: Total	..	..	..	533	506f	552	617	660	685	677	674	704
Long assets												
Short term: Government	..	..	..	14	14f	14	14	14	14	14	14	14
Long term: Government	..	..	..	4	..	4	2	—	3	3	3	3
Bank Clearings	91	396	461	549	614	590	672	692	706	692	721	704
HONG KONG (million HK$)												
Currency and Deposit Money												
Notes: Total issued	..	778	840	803	802	807	807	806	804	805	804	802
Bank Clearings	..	689	917	1,199	1,408	1,566	1,615	1,534	1,482	1,455	1,609	1,382
INDIA g (1000 million Rs.)												
Currency and Deposit Money												
Currency: Net active	3.03h	13.58	12.38	12.49	12.22	12.35	13.37	13 82	12.67	13.09	12.61	12.32
Deposit money	1.35h	8.07	7.06	6.79	6.76	6.78	6.85	6.93	6.86	6.99	6.85	6.72
Scheduled Banks												
Total deposits	2.27	9.90	8.85	8.71	8.75	8.82	9.04	8.95	9.01	9.08	9.08	8.88
Assets: Cash	0.22	1.28	1.04	0.98	1.08	1.08	0.89	0.93	1.15	1.12	1.14	1.20
Short term	1.16	4 33	4.47	4.40	4.26	4.20	5.21	5.61	5.16	5.34	5.17	4.98
Long term	..	4.65i	3.74	3.73	3.82	3.90	3.45	3.20	3.31	3 21	3.36	3.35
Reserve Bank of India												
Deposits: Total	0.32	4.29	3.10	2.94	3.04	3.08	3.03	3.03	3.57	3.31	3.70	3.71
Government j	0.15	2.57	1.75	1.68	1.66	1.75	1.82	1.76	2.11	1.87	2.27	2.19
Foreign assets: Total	1.15	13.74	8.95	8.68	8.50	8.62	9.01	9.11	8.68	8.80	8.67	8.56
Banking Department	0.04	3.44	1.87	2.08	2.22	2.16	2.03	1.83	2.16	2.17	2.14	2.18
Issuing Department	1.11h	10.30	7.08	6.6	6.28	6.46	6.98	7.28	6.52	6.63	6.53	6.38
Local assets:												
Short term Government	0.02	0 01	0.03	0.02	0.03	0.02	0.03	0.07	0.05	0.05	0.05	0.05
Short term: Others	0.02	0.09	0.12	0.1(	0.07	0.05	0.14	0.23	0.12	0.08	0.14	0.13
Long term: Total	0.39	2.83	5.01	5.21	5.23	5.27	5.70	6.02	5.89	6.00	5.92	5.77
Banking Department	0.06	0.75	1.00	0.76	0.71	0.90	0.93	0.90	0.94	0.83	0.90	1.09
Issuing Department	0.32	2.08	4.01	4.45	4.52	4.37	4.77	5.12	4.95	5.17	5.02	4.68
Bank Clearings	1.54	5 07	4.77	4.70	4.6(	4.74	5.99	6 32	5.72	5.96	5.65	5.56
INDO-CHINA (million Pr.)												
Commercial Banks												
Total deposits	..	1,126	1284	1,616	1,602	1,769	1,902	2,173	2,194	2,122	2,184	2,277
Assets: Short term	..	338	600	707	689	721	611	626	748	722	707	815

XII. FINANCIAL STATISTICS *(Contd.)*

	1938	1948	1949	1950	1950		1951					
					III	IV	I	II	III	July	Aug.	Sep.
INDONESIA k (million R.)												
Currency and Deposit Money												
Currency: net active	188h	1,577h	1,740	2,203	2,238	2,621	2,903	3,140	3,241	3,211	3,227	3,285
Deposits Money	83h	884h	756	1,661	1,543	1,937	2,394	2,467	2,183	2,472	2,364	1,713
Bank of Java												
Foreign assets: Total	128h	..	551	868	770	1,242	1,504	1,684	1,875	1,848	1,902	1,874
Local assets:												
Short term: Government	3h	916h	972	2,007	2,030	2,445	2,782	2,035	1,584	1,723	1,500	1,530
Short term: Others	61h	..	70	138	169	194	173	395	527	493	501	587
JAPAN (1000 million Y.)												
Currency and Deposit Money												
Notes: Net Active m	2.9	338.1	294.0	315.2	307.4	357.2	378.1	385.1	392.1	388.6	393.0	394.7
Deposit money	5.3h	266.9	364.2	452.1	457.7	482.3	556.8	607.3	628.7	622.8	616.3	647.0
All banks except Bank of Japan												
Total deposits	19.1	326.4	613.9	893.4	917.1	997.4	1,132.2	1,237.6	1,317.1	1,292.7	1,295.0	1,363.6
Assets: Cash	1.2h	..	22.9h	21.6	22.0	22.3	27.8	25 2	26.8	26.2	27.2	27.0
Short term	12.7	248.3	496.8	825.8	855.5	945.8	1,029.3	1,16[illegible].2	1,33[illegible].5	1,273.3	1,329.3	1,389.0
Long term	5.8	68.2	115.4	117.4	120.4	132.7	141.0	150.3	159.4	156.3	159.4	162.4
Bank of Japan												
Deposits: Total	0.4	29.5	57.2	56.7	51.0	77.4	164.7	177.1	146.1	167.1	168.0	103.3
Government	0.3	10.4	35.2	37.8	32.7	55.6	139.6	155.3	125.5	147.2	147.4	81.8
Local assets:												
Short term: Government	--	69.0	94.1	78.1	89.9	67.7	51.1	42.6	42.2	42.6	42.6	41.4
Short term: Others	0.1	54.6	77.8	123.2	140.2	122.9	110.9	152.5	229.2	203.3	237.9	246.4
Long term: Government	1.8	153.8	182.3	143.7	123.2	136.3	133.4	127.3	113.4	130.4	129.6	80.0
Bank Clearings	..	235.7	549.2	808.0	819.6	1,009.4	1,066.1	1,260.3	1,256.6	1,310.0	1,279.4	1,180.5
KOREA, South (1000 million W.)												
Currency and Deposit Money												
Notes: In circulation	0.31	28.90	42.06	..	..	..	*304.22*	*328.09*	*439.97*	*430.26*	*440.39*	*449.26*
Deposit money	0.12	11.48	20.65	..	..	..	..	..	..	..	..	..
All Banks												
Total deposits	0.52	32 93	56.93	..	..	..	..	..	..	..	..	..
Assets: Cash	0.05	8.31	15.44	..	..	..	..	..	..	..	..	..
Short term	1.05	32.16	52.92	..	..	..	..	..	..	..	..	..
Long term	0.41	3.25	3.53	..	..	..	..	..	..	..	..	..
Bank of Korea												
Deposits: Total n	0.62	5.18	7.86	..	173.48	238.7[illegible]	260.42	270,97	333.09	316.99	331.43	350.85
Government	..		..	..	93.94	136.72	140.59	135.30	161 40	148.67	156.20	179.62
Foreign assets:	..	.	..	..	6.47	6.47	6.43	6.64	7.63	8.30	7.57	7.01
Local assets:												
Short term: Government	.	.	..	..	148.40	291.22	445.02	539.38	651.92	623.62	652.74	679.40
Short term: Others	0.97	8.20	13.45	..	48.32	52.29	52.49	56.12	71.34	66.99	69.86	77.18
Long term	0.28	0.18	0.41	..	3 34	3.34	3.57	4.33	5.31	5.98	5.25	4.69
Bank Clearings	0 2	20.57	39.87	40.83	4.32	27.11	48.70	149.92	271.00	228.61	264.73	319.67
MALAYA (million M$)												
Currency and Deposit Money												
Currency: Total issued p	..	407	402	456	461	589	682	726	736	732	736	740
PAKISTAN q (million Rs.)												
Currency and Deposit Money												
Currency: In circulation	..	1,333	1,741	1,794	1,714	1,871	2,184	2,091	2,014	1,960	2,010	2,072
Deposit money	..	1,053	1,000	1,055	1,085	1,007	1,061	1,162	1,250	1,258	1,217	1,274
Scheduled Banks												
Total deposits	..	1,092	1,071	1,180	1,202	1,168	1,227	1,380	1,465	1,464	1,427	1,505
Assets: Cash	..	220	204	149	128	124	129	188	266	286	252	261
Short term	..	322	428	562	521	698	849	664	536	512	532	564
State Bank of Pakistan												
Deposits: Total	..	1,164	1,015	792	796	811	957	1,023	1,026	1,071	1,016	992
Government	..	912	794	604	599	643	811	819	741	770	745	706
Foreign assets:												
Banking Department	..	1,009	722	344	325	383	577	637	609	596	589	643
Issuing Department	..	1,204	1,618	1,272	1,130	1,156	1,321	1,337	1,334	1,334	1,334	1,334
Local assets:												
Short term: Government	..	117	111	103	102	103	59	72	100	99	99	101
Short term: Others	..	..	3	37	40	81	118	13	4	3	3	5
Long term:												
Banking Department	.	32	178	269	247	242	178	258	299	349	299	249
Issuing Department	..	25	97	469	519	659	784	669	605	555	605	655
Bank Clearings	..	300	325	362	366	400	602	392	365	387	374	334

XII. FINANCIAL STATISTICS *(Contd.)*

	1938	1948	1949	1950	1950		1951					
					III	IV	I	II	III	July	Aug.	Sep.
PHILIPPINES (million P.)												
Currency and Deposit Money												
Currency: Net active	141h	513	551	598	601	647	690	700	651	663	649	642
Deposit Money	73h	547	547	549	545	627	566	569	519	539	508	509
Commercial Banks												
Total deposits	..	870h	818	827	818	916	861	860	..	833	800	..
Assets: Cash	65h	313	203	209	184	286	*232*	..	..	..	..	..
Short term	210	..	563	536	520	523	544	581	..	621	632	..
Long term	49	..	84	62	69	71	69	75	..	..	..	..
Central Bank of Philippines												
Depcsits: Total	..	..	144	164	148	238	185	193	232	210	255	231
Foreign assets: Total	..	400	607	482	459	582	561	563	533	534	542	522
Local assets:												
Short term: Others	..	..	30	63	63	42	54	29	31	30	40	25
Long term	..	..	20	130	139	156	163	211	231	232	231	231
Bank Clearings	26	381	443	462	445	481	453	452	459	471	467	440
Total Bank Debits to Checking Account	175	772	723	674	676	783	759	727	..	..	..	..
THAILAND (million baht)												
Currency and Deposit Money												
Notes: in circulation r	191h	2 237	2,505	2,610	2,564	2,938	3,387	3,490	*3,714*	3,469	*3,820*	*3,853*
Deposit money s	..	1,014	1,020	1,061	1,059	1,187	1,216	1,362	*1,456*	*1,406*	*1,507*	1,455
Commercial Banks												
Total deposits	53	786	829	867	864	963	1,000	1,117	1,181	1,140	1,193	1,211
Assets: Cash	13	369	330	274	255	325	317	470	443	408	450	471
Short term	28	406	546	609	598	610	694	696	719	710	712	736
Long term	8	102	101	96	104	103	96	92	93	93	94	93
Bank of Thailand												
Deposits: Total	..	717	1,166	1,447	1,542	1,488	1,454	1,730	1,780	1,724	1,726	1,890
Government	..	338	444	455	511	370	309	449	460	451	401	528
Foreign assets: Total	..	1,722	2,268	3,207	3 274	3,579	3,700	4,044	4,170	4,066	4,192	4,252
Local assets:												
Short term: Others		434	604	903	933	1,033	1,306	1,558	1,712	1,635	1,688	1,814
Long term:												
Banking Department	..	5	150	142	140	144	155	155	153	153	148	148
Issuing Department	..	951	755	500	500	500	512	561	573	574	574	573
Bank Clearings	..	774	1,112	1,544	1,653	1,814	2,100	1,931	1,946	1,831	2,004	2,C03
Debits to sight Deposit	..	..	1,447h	2,068t	..	..	2,930	2,546	2,689	2,547	2,714	2,805

a Net active currency: Total issued less holdings in all banks including the central bank and the government treasuries. Currency in circulation: Total issued less holdings in all banks including the central bank. Deposit money: Deposits of all banks (including central bank) subject to checks but excluding inter-banking liabilities and central government deposits. Cash of commercial banks: Cash and balances with banks. Short term assets: Short term assets such as loans, advances and bills discounted. Long term assets Securities, bonds, debentures etc.
Figures refer to end of period for months and average of month ends for quarterly and annual figures, except in the case of bank clearings where monthly totals and their averages are used.

b Demand deposits of commercial banks.

c Average March-December.

d Average April-December.

e Figures up to and including 1949 are end of quarter and their averages. 1950 figures are end of months and their averages.

f Average of August and September.

g Figures for 1938 are average of weeks for the twelve months ending March 1939, except where indicated under h.

h End of year.

l Average of September-December.

j Central and other government deposits except 1938 which includes only those of the central government.

k Figures from September 1951 not comparable with previous figure as more refined method of computing net active currency is used.

m End of year for 1938, 1948, annual average (only 11 months) for 1949.

n The series up to and including February 1950 and different from series beginning June 1950 onwards as the former excludes Treasury Deposits, Government deposits in foreign currencing and special deposits for counterpart fund.

p The figures in the first of each month have been taken to represent end of month figures of the previous month.

q Average of July-December only for 1948.

r Total issued less amount held in Banking Department of the Bank of Thailand.

s Sight deposits with commercial banks and at the Bank of Thailand but excluding government deposits.

t Average of end of Quarter.

UNITED NATIONS



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STATISTICAL SUPPLEMENT to Vol. II.

Prepared by the

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The Statistical Supplement to Volume II of the Economic Bulletin for Asia and the Far East includes statistics and trade agreements for the fourth quarter of 1951. Since the Bulletin is published only three times a year and covers only the first three quarters, the Supplement fills a gap which would otherwise exist in the statistical coverage provided by the Bulletin.

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SYMBOLS EMPLOYED

The following symbols have been used throughout this appendix:

= not available; — = nil or negligible.

I, II, III and IV for quarters of years.

Figures in italics are provisional.

Unless otherwise stated, the standard unit of weight used throughout is the metric ton.

The following symbols are used to represent the abbreviations of national currencies in Asia and the Far East:

Rs.	=	rupees (Burma, Ceylon, India and Pakistan).
HK$	=	Hong Kong dollar.
Rp.	=	rupiah (Indonesia).
Y	=	yen (Japan)
W.	=	won (Republic of Korea).
M$	=	Malayan dollar (Malaya and British Borneo, embracing North Borneo, Brunei, Sarawak, Federation of Malaya and Singapore).
P.	=	peso (the Philippines).
Pr.	=	piastre (Cambodia, Laos and Viet-Nam).

The term Indochina is used in a geographic sense to cover the Customs Union of Cambodia, Laos and Viet-Nam.

The term Malaya includes the Federation of Malaya and Singapore.

SOURCES

To ensure comparability, data compiled by the United Nations Statistical Office have been taken as basic material wherever possible; material supplied by governments, publications of governments, the United Nations and its specialized agencies and international commodity study groups have been used as additional sources.

I. PRODUCTION OF SELECTED COMMODITIES *(Monthly averages in thousand tons)*

	1938	1948	1949	1950	1951	1950	1951						
						IV	I	II	III	IV	Oct.	Nov.	Dec.
COAL													
India a	2,400	2,551	2,684	2,735	2,905	2,709	2,964	2,879	2,798	2,978	2,839	2,976	3,119
Indonesia	121	45	55	67	72	66	75	72	68	73	70	75	73
Korea, south	19	67	89	47	9	—	—	2	4	31	20	35	39
Malaya	40	32	33	35	32	34	32	33	34	31	29	33	31
Pakistan b	—	20	28	37	43	37	47	44	34	48	40	43	60
Viet-Nam	195	30	31	42	52	59	48	49	46	63	48	57	83
Japan	3,484*	2,822	3,172	3,205	3,610	3,464	3,247	3,582	3,606	4,004	3,937	3,627	4,447
ELECTRICITY (mil. kwh)													
Burma	—	2	2	3	..	3	3	3	..	..	..	..	..
Cambodia	1	1	1	1	1	1	1	1	1	1	1	1	1
Ceylon	3	5	6	7	..	7	8	9	..	.	..	..	..
Hong Kong	..	13	18	24	..	27	28	29	..	..	..	..	..
India a	211f	381	410	425	489	450	462	492	503	500	507	492	501
Korea, south	..	41	55	34	26	20	14	19	29	42	38	41	48
Pakistan	—	11	14	14	..	15	17	17	19	..	..	..	..
Philippines c	12	31	35	38	41	40	39	40	42	44	44	43	46
Thailand	3c	4	4	4	5	5	4	5	5	5	5	5	5
Viet-Nam	8	8	12	14	16	15	15	16	18	18	18	18	19
Japan	2,004*	2,644	3,001	3,236	3,419	3,553	3,434	3,648	3,281	3,313	2,995	3,367	3,576
PETROLEUM, CRUDE													
Brunei	59	224	280	343	..	381	402	415	..	..	..	..	..
Indonesia	616	361	494	534	620	526	600	589	635	657	656	651	665
Pakistan	—	5	10	14	13	12	14	12	14	12	12	13	12
Sarawak	17	4	5	5	..	5	4	4	..	..	..	..	..
Japan	29*	14	17	25	28	27	27	32	29	26	27	25	26
IRON ORE													
Hong Kong	..	—	5	14	14	13	13	12	12	17	14	12	25
India a	232	193	238	250	..	..	..	..	..	..	..	..	..
Malaya	137	—	1	42	72	52	38	100	81	67	80	57	66
Philippines	77	2	31	59	74	57	47	86	92	70	92	82	88
Japan	52*	47	63	69	74	69	56	73	89	77	83	79	68
PIG IRON & FERRO-ALLOYS													
India d	131	124	136	142	154	155	145	156	157	159	158	154	165
Japan	173*	70	134	192	266	217	221	268	287	293	297	296	285
STEEL INGOTS & CASTINGS													
India	82	106	115	122	127	130	124	126	128	130	133	120	137
Japan	435*	143	259	403	542	474	493	551	563	560	543	564	572
FINISHED STEEL													
India	59	72	79	85	91	90	90	88	91	95	84	98	102
Japan	379*	105	185	289	438	362	415	476	442	419	411	400	445
TIN IN CONCENTRATES (tons)													
Burma	419	97	151	*112*	*80*	*130*	*80*	*80*	*80*	*80*	*80*	*80*	*80*
China	906*	406	*356*	*305*	*305*	*305*	*305*	*305*	*305*	*305*	*305*	*305*	*305*
Indonesia	2,517	2,592	2,452	2,718	2,623	2,762	2,526	2,656	2,534	2,758	2,562	2,745	2,926
Laos & Viet-Nam	135	3	*5*	*15*	*15*	*15*	*15*	*15*	*15*	*15*	*15*	*15*	*15*
Malaya	3,673	3,795	4,649	4,872	4,840	4,800	4,672	4,816	4,903	4,971	4,951	4,892	5,069
Thailand	1,255	359	662	878	805	967	821	760	818	819	840	848	772
Japan	..	10	16	28	36	34	29	39	36	40	31	39	50
TIN METAL (tons)													
Malaya	5,397	4,209	5,312	5,821	5,581	5,633	5,482	5,628	5,523	5,690	5,717	5,256	6,098
NATURAL RUBBER e													
British Borneo f	2.4	5.2	5.1	7.0	5.6	7.0	5.2	6.9	5.6	4.8	4.0	5.0	5.5
Burma f	0.8	1.0	0.5	0.8	0.9	0.2	1.2	1.5	0.4	0.4	0.1	0.2	0.9
Cambodia	2.4	1.4	1.3	1.2	1.3	1.4	0.6	1.2	1.4	1.9	1.6	1 8	2.4
Ceylon	4.3	8.0	7.6	9 6	8.9	11.7	8.8	7.6	8.5	10.7	10.2	10.7	11.2
India	1.3	1.3	1.3	1.3	1.5	2.0	0.8	1.4	1.6	2.0	1.8	2.0	2.2
Indonesia	27.0	36.6	36.5	58.2	68.1	69.1	72.9	75.1	59.1	65.3	74.7	70.8	50.4
Malaya	30.4	59.1	56.9	58.8	51.3	64.8	55.6	48.7	50.0	50.8	51.1	48.1	53.2
Thailand f	3.5	8.1	8.0	9 5	9.2	9.0	10.1	8.6	10.4	7.7	7.1	9.4	6.6
Viet-Nam	3.6	2.3	2.6	2.7	3.0	4.3	2.0	2.8	3.1	4.2	3.4	4.1	5.1
CEMENT													
Hong Kong	..	4.4	4.9	5.7	6.0	6.2	6.5	5.4	5.2	6.7	5.7	8.0	6.5
India a	119	131	178	221	271	237	247	265	270	300	291	297	311
Korea, south	..	1.9	2.0	0 6	0.5	—	—	—	—	2.2	2.7	3.8	—
Philippines g	13.9	10.0	17.5	24.9	24.9	22.3	19.1	27.4	28.9	24.3	25.6	21.2	25.1
Thailand	9.7c	6.9	10.6	13.8	19.0	15.5	18.9	17.5	18.6	21.2	18.3	18.7	26.6
Viet-Nam	22.2	8.1	12.8	12.0	17.7	16.5	15.0	17.6	19.7	18.4	18.2	17.4	19.7
Japan	473.6*	154.9	273.1	371.9	545.6	501.6	456.6	559.3	563.0	604.0	600.8	598.4	612.7
COTTON YARN													
Hong Kong	..	..	0.9	2.0	2.4	2.3	2.1	2.0	2.6	3.0	2.8	3.3	3.0
India a	49.3	55.0	50.3	43.7	49.3	42.5	46.1	48.4	50.6	51.2	49.8	50.6	53.2
Korea, south	..	0.5	1.1	0.8	0.5	..	0.4	0.5	0.4	0.6	0.5	0.7	0.5
Japan h	54.5*	10.4	13.1	19.9	28.1	24.8	24.5	28.4	29.8	29.6	25.4	30.9	32.4
COTTON FABRICS (million metres													
Ceylon (million sq. metres)	0.6	0.5	0.6	0.5	0.6	0.6	0.6	0.5	0.5	0.7	0.6	0.7	0.7
India a	328	337	290	275	311	269	297	316	320	310	306	306	320
Korea, south	..	2.1	4.9	4.1	2.4	..	2.2	2.5	1.9	2 8	2.8	2.8	2.8
Philippines	..	0.6	0.3	0.7	0.8	0.8	0.8	0.9	0.9	0.7	0.8	0.6	0.6
Japan h (million sq. metres)	243.6*	64.4	68.6	107.4	151.8	123.0	128.7	159.4	162.1	157.2	150.1	163.4	158.0
JUTE MANUFACTURES													
India i	107.2	92.0	80.2	70.8	74.1	72.2	68.4	75.8	72.3	79.8	70.3	83.3	85.7

I. PRODUCTION OF SELECTED COMMODITIES—*(Contd.)*

(Monthly averages in thousand tons)

	1938	1948	1949	1950	1951	1950 IV	1951 I	1951 II	1951 III	1951 IV	1951 Oct.	1951 Nov.	1951 Dec.
COCONUT OIL													
Malaya	..	7.88	7.70	7.66	8.99	9.06	6.74	7.81	10.68	10.72	10.60	10.64	10.92
PALM OIL													
Malaya	4.32	3.83	4.28	4.50	4.09	4.78	3.86	3.82	3.99	4.68	4.93	4.57	4.54
SOAP													
India	..	10.16	6.01	6.16	7.0	6.44	6.58	6.8	7.2	7.7	7.6	7.5	7.9
Korea, south	..	0.32	0.42	0.22	..	..	0.46	1.78	0.04	..	0.03	0.20	
Malaya	..	1.92	1.67	1.42	1.54	1.49	1.76	1.42	1.54	1.43	1.55	1.43	1.31
Japan	15.97*	1.26	2.16	8.03	12.17	10.21	14.00	14.42	11.52	8.74	8.78	8.15	9.29
PAPER													
India (including paper products)	49.28	8.29	8.74	9.22	11.17	9.48	10.50	11.08	11.29	11.81	11.59	11.55	12.30
Japan	88.12*	35.33	52.15	72.58	97.36	82.59	89.26	102.01	98.56	99.59	91.96	101.82	105.00
OTHER CHEMICALS													
India													
Sulphuric acid a	2.05r	6.77	8.42	8.68	9.05	8.92	8.67	8.45	9.26	9.83	9.21	9.33	10.97
Ammonium sulphate	..	2.98	3.89	4.00	4.46	3.55	3.38	2.77	4.44	7.26	4.98	7 18	9.62
Superphosphates	..	1.81	3.96	4.44	5.17	6.37	3.94	5.24	5.38	6.11	4.86	6.11	7.37
Soda ash	..	2.47	1.52	3.71	4.02	3.13	4.17	4.11	3.96	3.85	4.46	3.33	3.77
Caustic soda		0.37	0 53	0.92	1.25	0.92	1.04	1.00	1.38	1.56	1.72	1.45	1.51
Liquid chlorine	..	0 15	0.22	0.34	0.45	0.37	0.40	0.39	0.48	0.52	0.52	0.49	0.54
Bleaching powder	..	0.24	0.21	0.28	0.30	0.23	0.40	0.32	0.33	0.17	0.23	0.16	0.11
Power alcohol (mil. litres)	..	1.43	1.60	1.70	2.2	1.70	2.47	2.2	1.8	2.5	1.8	2.7	3.1
Industrial alcohol (mil. litres)	..	1.11	1.13	1.86	2.6	2.14	2.91	3.2	2.2	2.4	2.1	2.2	2.8
Japan													
Sulphuric acid J	240.9*	162.2	215.1	270.8	315.8	294.3	300.5	326.1	320.7	315.8	293.4	310.4	343.7
Ammonium Sulphate k	72.9*	79.3	102.6	130.8	139.5	136.9	133.2	148.1	136.9	139.9	134.4	138.1	147.3
Calcium cyanamide k	17.9*	19.0	28.3	38.3	34.6	40.9	38.2	41.5	34.2	24.6	24.7	20.2	29.0
Calcium superphosphate l	119.8*	79.6	96.8	117.3	125.5	126.1	128.7	119.8	110.8	142.5	120.7	144.8	161.9
Soda ash (finished)	19.4r*	6.3	10.2	13.8	18.8	18.4	17.3	21.1	18.2	18.7	17.4	19.2	19.4
Caustic soda	24.9r*	8.8	12.1	16.2	27.0	21.1	22.9	28.9	28.4	28.0	27.9	29.1	26.9
Liquid chlorine	0.8r*	0.5	0.9	1.4	2.0	1.8	1.8	2.2	2.0	2.0	1.8	2.0	2.2
Bleaching powder	5.7*	2.1	3.6	4.1	5.2	5.2	5.7	5.1	5.0	5.2	4.8	5.3	5.5
Dyestuffs	1.59	0.42	0.54	0.75	1.18	1.19	1.30	1.36	0.88	1.17	1.10	1.23	1.16
Methyl alcohol	0.36*	0.63	0.92	1.97	2.46	2.74	3.19	2.62	1.79	2.25	1.80	2.52	2.41
Ethyl alcohol (mil. litres)	0.51*	2.46	2.15	1.96	2.59	1.22	2.37	2.32	2.60	3.05	0.79	4.25	4.10
MACHINERY PRODUCTS													
India													
Bicycles (Thousands)	..	5.2	6.7	8.6	9.5	10.8	7.9	7.0	8.7	14.5	11.2	13.7	18.5
Diesel engines (Units)	..	85	173	383	604	494	607	479	626	702	591	700	816
Electric motors (1000 h.p.)	.	5.0	5.7	6.8	11.8	8.8	10.5	11.9	13.1	11.8	10.7	12.1	12.7
Machine tools (1000 Rs.)	..	456	394	222	394	368	426	346	382	423	368	486	416
Sewing machines (Thousands)	..	1.7	2.1	2.6	3.7	2.5	3.0	3.9	3.9	3.9	3.0	4.2	4.4
Electric transformers (1000kva)	..	6.8	9.1	14.3	16.2	14.0	15.5	17.4	15.9	16.1	14.9	15.9	17.4
Electric lamps (Thousands)	..	771	1,137	1,192	1,293	1,131	1,150	1,073	1,390	1,561	1,347	1,770	1,565
Electric fans (Thousands)	..	15.0	14.9	*16.1*	*18.0*	*13.0*	*18.1*	*20.6*	*17.6*	*15.9*	*13.1*	*16.9*	*18.6*
Insulators, l. t. (Thousands)	..	209	187	107	119	63	128	71	61	218	154	238	261
Insulators h. t. (Thousands)	..	7.5	11.4	14.5	20.4	17.1	12.1	15.8	30.2	23.6	19.8	19.6	31.3
Motor car batteries („)	..	9.2	8.9	15.6	17.5	13.5	17.8	19.0	19.1	14.2	11.2	14.1	17.2
Japan													
Railway locomotives (Units)	28*	4	10	10	4	11	—	6	5	5	—	10	5
Railway freight cars (Units)	406*	367	258	186	503	345	128	243	808	834	945	707	851
Industrial locomotives (Units)	37†	42	36	35	38	46	35	38	38	40	50	37	32
Industrial freight cars (Units)	592*	1,612	804	752	955	798	522	907	1,028	1,364	1,786	1,151	1,154
Motor vehicles (Units)	2,987†	3,917	5,538	6,265	8,861	7,917	8,506	8,831	8,889	9,219	8,462	9,355	9,841
Bicycles (thousand units)	87.9*	28.1	46.0	81.8	82.3	90.6	92.0	80.8	73.2	83.1	79.4	84.2	85.6
Vessels (gross thousand tons)	..	15.46	14 64	19.67	37.49	52.57	51.45	12.80	27.06	58.64	53.92	62.15	59.85
Diesel & other internal combustion engines (Units)	..	6,332	8,859	8,297	12,907	9,439	10,468	11,753	12,626	16,780	15,726	16,943	17,672
Cotton ring spinning frames (units)	..	..	183	182	556	296	437	576	646	566	550	550	597
Looms (Units)	..	3,070	3,390	2,044	4,165	2,450	3,077	4,141	4,770	4,672	4,150	4,866	5,000
Sewing machines (thousand units)	3.1*	15.0	25.1	43.1	92.7	64.4	68.8	94.4	93.4	114.1	97.2	109.4	135.7
Power transmission equipment	..	0.6	1.2	1.1	1.9	1.3	1.5	2.1	2.1	2.1	2.0	2.1	2.2
Mining & excavating machinery	..	2.2	2.6	1.6	2.5	1.8	1.5	2.5	2.8	3.4	3.0	3.6	3.6
Iron & steel works & coke oven plant equipment	..	3.1	5.2	5.9	10.9	8.3	10.2	13.0	11.2	9.0	8.8	8.4	9.9
Machine tools (units)	1,352*	671	558	336	761	442	451	894	815	882	775	922	948
Food products machinery	..	0.5	1.0	0.8	1.6	0.7	0.9	2.0	1.6	1.8	1.8	1.8	1.8

a. Including Pakistan territory up to July 1947. b. Including lignite.
c. Manila. d. Series includes direct castings, except for 1938.
e. Including latex. f. Net exports.
g. Production of Cebu Portland Cement Company only.
h. Including mixed yarn of fabrics predominantly of cotton.
i. Beginning 1949, data refer to the output of member mills of Indian Jute Mills Association.
j. Converted to 50° Be. k. Converted to 20 per cent N_2 content.
l. Converted to 16 per cent phosphorous pentoxide content.
p. August-December. q. Beginning 1947, Bangkok only.
r. Annual figures, twelve months beginning 1 April of the year stated. s. September-December. * 1936. ‡ 1939 † 1937.

II. VOLUME OF TRAFFIC: RAILWAY, SEA-BORNE SHIPPING AND CIVIL AVIATION

(Monthly average)

	1938	1948	1949	1950	1951	1950 IV	1951 I	1951 II	1951 III	1951 IV	1951 Oct.	1951 Nov.	1951 Dec.
RAILWAY TRAFFIC													
Passenger-kilometres (millions)													
Burma	62q	40	10	14	28	24	27	32	27	25	27	23	25
Cambodia & Viet-Nam	74	8	7	6	9	7	8	10	10	10	10	10	9
India a, p	2,385b	4,925	5,068	5,327	5,144	5,100	5,382	5,616	4,617	4,961	4,873	4,851	5,160
Korea, south	..	236	680	..	..	..	..	..	..	..	..	..	..
Pakistan	—	656	701	767	831	728	903	793	799	829	803	823	860
Philippines c	40	24	31	30	32	30	31	38	25	29	26	26	35
Thailand	33p	109	113	120	152	121	161	164	136	146	143	148	147
Japan d, p	2,185*	6,595	5,342	5,750	..	5,912	5,727	6,691	6,664	6,400	7,251	6,043	5,906
Freight ton-kilometres (millions)													
Burma	91q	52	13	7	17	15	17	19	16	18	22	14	18
Cambodia & Viet-Nam	28	7	11	11	15	11	14	18	18	15	16	14	15
India a, p	2,968b	3,040	3,275	3,560	3,749	3,745	3,812	3,416	3,789	3,980	3,816	4,076	4,049
Korea, south	..	87	107	..	..	..	..	..	..	..	..	..	..
Malaya	22‡	26	27	33	33	33	33	34	34	32	32	32	31
Pakistan	—	319	321	370	395	349	412	378	351	439	428	463	427
Philippines c	14	10	14	13	12	12	13	11	10	10	10	9	10
Thailand	38p	25	34	40	45	42	46	294	43	44	44	42	45
Japan d, p	1,305*	2,109	2,374	2,560	..	2,846	2,668	2,993	3,053	3,330	3,379	3,207	3,405
Freight tons (thousands)													
Ceylon q	77	104	107	112	..	117	128	139	126	..	131	132	..
Hong Kong	40	8	4	29	23	35	28	29	17	19	19	19	19
Indonesia	810	292	415	449	492	486	485	481	499	503	511	501	496
INTERNATIONAL SEA-BORNE SHIPPING													
Freight Loaded and Unloaded in External Trade (Thousand Metric tons)													
Ceylon e	Loaded	54	63	58	61	60	71	62	51	64	62	72	66	49
	Unloaded	109	141	159	161	178	151	166	193	183	169	209	149	150
Hong Kong	Loaded	..	89	130	189	142	214	188	149	110	120	106	109	145
	Unloaded	..	197	277	325	261	325	269	292	242	242	248	212	266
Indonesia f	Loaded	916	432	637	704	746	673	501	961	750	779	1,046	787	503
	Unloaded	167	160	253	212	212	311	81	284	297	185	192	174	188
Malaya g	Loaded	..	121	150	197	217	226	212	235	211	211	187	216	229
	Unloaded	..	163	265	329	410	379	397	406	417	419	420	417	421
Philippines h	Loaded	..		45	26	259	27	252	254	247	281	293	257	293
	Unloaded	192†		180	156	217	178	199	241	211	228	208	228	247
Viet-Nam i	Loaded	142	46	42	46	69	44	68	66	68	72	79	71	65
	Unloaded	43	54	70	74	92	83	80	87	95	104	118	90	105
Japan	Loaded	1,083†	165	202	299	309	378	274	294	298	370	288	331	491
	Unloaded	3,088†	563	951	971	1,760	1,022	1,229	2,105	2,069	1,637	1,821	1,473	1,616
Entrances and Clearances of Vessels with Cargo in External Trade (Thousand net registered tons)														
Burma j	Entered	311p	118q	99q	86q	98	125	97	98	104	92	88	79	107
	Cleared	361p	157q	129q	106q	126	163	123	120	146	113	96	112	132
India	Entered	760b	646u	741	641	757	703	761	700	749	820	803	776	880
	Cleared	793b	570u	559	578	636	673	699	623	581	641	575	607	742
Pakistan p	Entered	.	241	313	299	..	207	371	355	279	371	387	399	327
	Cleared	..	176	214	264	..	275	240	282	239	279	286	255	296
Thailand	Entered	72p	67	90	112	112	108	107	110	117	116	103	100	146
	Cleared	100	92	122	138	133	139	142	115	139	137	143	132	137
CIVIL AVIATION TRAFFIC k														
Passenger-kilometres (millions)														
Ceylon		—	0.36	0.96	0.82	2.76	0.80	0.77	1.96	3.56	3.75	3.92	3.3	4.00
India m		0.11	23.65	25.56	31.30	35.49	33.01	33.62	37.66	33.59	37.10	37.77	36.94	36.59
Indonesia		..	8.49	10.44	12.35	13.30	12.56	13 26	13.43	13.56	12.92	13.39	12.49	12.89
Philippines		0.21	14.57	13.65	15.62	17.47	15.00	15.00	19.26	17.61	18.00	17.93	17.00	19.06
Thailand		24.5p	0.93	1.57	1.62	2.01	1.81	2.05	1.93	1.84	2.22	2.11	1.95	2.58
Freight ton-kilometres (Thousands)														
Ceylon		—	2	7	10	196	9	9	343	250	182	157	178	210
India m		34	475	853	1,868	2,237	2,056	1,951	1,955	2,695	2,342	2 371	2,293	2,363
Indonesia		..	389	516	534	595	580	601	607	588	583	602	598	550
Philippines		..	540	493	637	793	841	773	904	703	789	850	711	805
Thailand		38p	17	29	43	..	50	52	53	66	..	63	57	..

a. Class I railways, broad and metre gauge only.
b. Including Pakistan territory
c. Manila Railroad Company. Annual figures relate to 12 months ending 30 June of year stated.
d. State Railway only. e. Port of Colombo.
f. Beginning 1947, Federal Area only.
g. Port of Singapore, including coastwise traffic of Malaya.
h. Port of Manila.
i. Port of Saigon.
j. Total number of entrances and clearances made during each voyage and excluding sailing vessels.
k. Scheduled domestic and international routes, and except India, revenue traffic only.
m. Figures for 1951 include non-revenue traffic which accounts for 3 per cent in the case of passenger kilometres and 1 or 2 per cent in the case of freight ton-kilometres.
p. Annual figures refer to 12 months beginning 1 April of year stated.
q. Annual figures refer to 12 months ending 30 September of year stated.
r. September 1947 to March 1948.
s. January to July 1947.
t. 15 August 1947-31 March 1948. u. March to December.

*. 1936. † 1937. ‡ 1939.

III. VALUE OF IMPORTS AND EXPORTS AND BALANCE OF TRADE *

(Monthly averages in millions)

	1938	1948	1949	1950	1951	1950 IV	1951 I	1951 II	1951 III	1951 IV	1951 Oct.	1951 Nov.	1951 Dec.
N. BORNEO (M$)													
Imports	0.5	2.1	2.8	4.0	..	5.6	5.0	6.3	6.2	..	6.9	4.9	..
Exports	0.8	2.5	3.1	7.8	..	12.0	12.1	10.5	9.2	..	9.9	8.7	..
Balance	+0.3	+0.4	+0.3	+3.8	..	+6.4	+7.1	+4.2	+3.0	..	+3.0	+3.8	..
BURMA a (Rs.)													
Imports	18	50	31	44	55	67	55	43	64	56	58	65	44
Exports	41	63	61	61	82	54	84	100	104	60	61	50	68
Balance	+23	+13	+30	+17	+27	—13	+29	+57	+40	+4	+3	—15	+24
CEYLON (Rs.)													
Imports	20	83	86	97	130	97	117	141	135	127	143	107	132
Exports	24	84	89	130	159	168	178	165	146	149	157	149	139
Balance	+4	+1	+3	+33	+29	+71	+61	+24	+11	+22	+14	+42	+7
HONG KONG (HK $)													
Imports	52	173	242	317	408	411	445	421	339	426	423	394	462
Exports	51	134	206	313	372	417	517	427	272	270	281	243	286
Balance	—1	—39	—36	—4	—36	+6	+72	+6	—67	—156	—142	—151	—176
INDIA b (Rs.)													
Sea and air-borne													
Imports	130	452	467	471	640	416	539	656	679	686	649	681	727
Exports	142	360	404	502	629	559	694	675	599	546	459	616	563
Balance	+12	—92	—63	+31	—11	+143	+155	+19	—80	—140	—190	—65	164
Land-borne													
Imports	..	71	26	30	77	27	19	82	119	88	115	111	39
Exports	..	25	22	13	17	16	10	14	16	26	21	29	29
Balance	..	—46	—4	—17	—60	—11	—9	—68	—103	—62	—94	—82	—10
INDOCHINA (Pr.)													
Imports	16	197	328	362	523	392	385	430	598	678	687	628	719
Exports	24	98	95	128	232	159	227	195	220	285	320	220	314
Balance	+8	—99	—233	—234	—291	—233	—158	—235	—378	—393	—367	—408	—405
INDONESIA (Rp.)													
Imports	41	95	131	136	255	230	140	195	374	312	357	271	309
Exports	57	87	123	246	397	382	387	460	331	411	488	394	352
Balance	+16	—8	—8	+110	+142	+152	+247	+265	—43	+99	+131	+123	+43
KOREA, SOUTH (US$)													
Imports	..	15.8	11.6	..	..	..	..	..	..	..	..	..	..
Exports	..	1.6	1.2	..	..	..	..	..	..	..	..	..	..
Balance	..	—14.2	—10.4	..	..	..	..	..	..	..	..	..	..
MALAYA c (M$)													
Imports	46	149	154	243	396	333	425	406	370	385	421	390	344
Exports	50	147	143	334	506	545	590	574	422	438	386	470	458
Balance	+4	—2	—11	+91	+110	+212	+165	+168	+52	+53	—35	+80	+114
PAKISTAN d (Rs.)													
Imports	..	71	113	97	132	125	139	115	131	142	132	157	136
Exports	..	77	84	110	167	124	301	139	79	150	114	142	196
Balance	..	+6	—29	+13	+35	—1	+162	+24	52	+8	—18	—15	+60
PHILIPPINES e (P.)													
Imports	22.1	97.6	94.8	59.4	78.8	50.6	60.4	77.7	93.7	83.5	96.0	89.5	65.1
Exports	19.4	53.0	42.3	55.4	68.0	69.0	82.5	78.0	60.8	50.7	58.8	46.8	46.6
Balance	—2.7	—44.6	—52.5	—4.0	—10.8	+18.4	+22.1	+0.3	—32.9	—32.8	—37.2	—42.7	—18.5
THAILAND f (Baht)													
Imports	11	144	191	240	309	262	280	327	314	317	321	282	347
Exports	17	168	234	329	373	330	415	340	363	373	340	383	397
Balance	+6	+24	+43	+89	+64	+68	+135	+13	+49	+56	+19	+101	+50
JAPAN g (U.S.$)													
Imports	89.2	56.9	75.4	81.1	170.4	92.6	128.7	223.1	186.4	143.1	140.8	127.3	161.4
Exports	92.4	21.5	42.5	68.3	112.9	95.7	95.8	124.8	104.2	126.7	103.0	111.3	165.8
Balance	+3.2	—35.4	—32.9	—12.8	—57.5	+3.1	—32.9	—98.3	—82.2	16.4	—37.8	—16.0	+4.4

* Monthly data are not published for Brunei and Sarawak. Annual figures converted into monthly averages are as follows:—

	1938	1947	1948	1949	1950
Brunei (Mn. M $)					
Imports	0.32	1.37	2.92	2.99	..
Exports	0.80	2.59	4.10	5.17	..
Balance	+0.48	+1.22	+1.18	+2.18	..
Sarawak (Mn. M $)					
Imports	1.86	6.02	8.23	9.16	24.11
Exports	2.18	8.59	14.27	15.63	31.22
Balance	+0.32	+2.57	+6.04	+6.47	+7.11

a. BURMA—For 1938: sea-borne trade only; twelve months starting April. For 1947, 1948 and 1949, twelve months ending September.

b. INDIA—Annual figures twelve months starting April. Sea and air-borne trade. Figures for April-July 1947 include Pakistan territory. Indo-Pakistan trade excluded from August 1947 to February 1948. Land borne trade: with Pakistan only.

c. MALAYA—Figures relate to trade in merchandise, parcel post, silver bullion, subsidiary coins and ships' stores and bunkers.

d. PAKISTAN—Sea-borne trade only. For 1947, eight months ending March 1948 and excluding trade with India. Export figures are revised to include exports via the port of Calcutta.

e. PHILIPPINES—Imports, f.o.b.

f. THAILAND—For 1938, twelve months starting April.

g. JAPAN—Trade with Korea and Formosa included. Post-war imports include merchandise procured from U.S. property funds and goods diverted to the Japanese civilian economy from the occupation force military stocks.

IV. QUANTUM INDICES OF IMPORTS AND EXPORTS

(Base 1948 = 100)

	1938	1949	1950	1951	1950	1951						
					IV	I	II	III	IV	Oct.	Nov.	Dec.
BURMA a												
Imports: General	163c	57	90	97	252	126	66	91	66	..	..	..
Food, etc.	175c	74	92	90	78	56	89	136	66	..	..	..
Textile & clothings	164c	53	147	338	983	223	52	64	28	..	..	..
Coal & petroleum products.	254c	70	106	182	212	121	156	238	438	..	..	..
Minerals	132c	30	91	158	89	118	196	227	130	..	..	..
Machinery & Misc.	106c	23	38	90	149	63	57	92	79	..	..	..
Exports: General	263c	93	26	99	71	104	123	99	60	..	..	..
Food, etc.	260c	100	27	112	84	112	140	110	60	..	..	..
Timber	172c	80	13	44	27	36	42	70	56	..	..	..
Cotton	170c	44	59	88	57	178	60	57	24	..	..	..
Minerals	1,781c	113	152	95	25	90	152	114	159	..	..	..
CEYLON												
Imports	89	108	121	135	113	140	159	134	125	141	106	129
Exports	80	99	110	112	119	111	114	110	115	113	124	109
INDIA b												
Imports: All Commodities	106c	115d	88	108	82	93	109	114	118	112	115	128
Food, drink & tobacco	..	100d	73	148	95	115	133	171	172	184	151	182
Raw materials & Semi-manufactures	..	114d	122	112	76	95	123	108	123	76	118	174
Manufactures	..	121d	80	91	81	84	93	93	95	98	101	87
Exports: All Commodities	172c	102d	115	113	139	160	110	92	91	76	106	90
Food, drink & tobacco	..	117d	108	121	145	136	79	131	139	120	166	132
Raw materials & Semi-manufactures	..	96d	103	112	142	176	139	68	65	51	74	69
Manufactures	..	98d	122	111	136	161	109	89	84	71	97	83
INDOCHINA												
Imports	85	136	151	..	168	151	159	217	..	228	214	..
Exports	259	76	88	..	97	120	129	131	..	176	111	..
MALAYA												
Imports: All Commodities	81	101	137	181	155	188	190	172	177	..	..	..
Food, drink & tobacco	109	109	120	156	139	150	156	165	154	..	..	..
Raw materials & Semi-manufactures	83	82	147	172	182	207	175	152	155	..	..	..
Manufactures	66	107	85	199	149	197	213	184	199	..	..	..
Exports: All Commodities	73	98	127	134	146	137	139	130	131	..	..	..
Food, drink & tobacco	162	96	122	172	151	167	207	151	165	..	..	..
Raw materials & Semi-manufactures	60	93	115	124	137	126	128	120	121	..	..	..
Manufactures	95	114	173	161	179	167	161	159	156	..	..	..
PHILIPPINES												
Imports	..	96	74	82	61	70	81	90	87	94	94	74
Exports	143	119	145	149	156	176	163	136	120	127	110	122
JAPAN e												
Imports	..	154	182	..	183	298	337	280	..	..	..	..
Exports	..	212	403	..	499	421	474	..	..	..	..	..

a Year ending September of the year stated. Revised series. Food item under Imports includes beverages, tobacco, fats, and waxes; food item under Exports includes tobacco, fatty substances.

b Base April 1948-March 1949. Average of calendar year for 1948 for imports is 94 and for exports is 102. New series beginning April 1949 is linked to the old.

c Year beginning 1 April.

d Average of nine months April to December.

e Compiled by Economic Stabilization Board.

V. DIRECTION OF IMPORT TRADE

(Monthly averages in millions)

TO	1938	1948	1949	1950	1951	1950 IV	1951 I	1951 II	1951 III	1951 IV	1951 Oct.	1951 Nov.	1951 Dec.
BURMA a (Rs.) from													
China	—	1.4	2.7	1.0	1.2	0.1	0.3	0.3	3.5	0.8	..	..	..
Hong Kong	0.3	1.1	1.5	0.5	1.8	0.4	0.4	1.4	3.8	1.8	..	..	..
India	10.0	12.4	9.8	19.7	14.7	37.7	22.6	12.1	12.8	11.5	..	..	..
Indonesia	—	—	0.3	0.1	0.4	0.2	0.5	0.5	—	0.8	..	..	..
Malaya	0.5	1.7	2.8	1.1	3.7	0.9	1.1	3.0	7.9	2.9	..	..	..
Japan	1.2	0.3	1.2	4.7	9.4	8.2	15.3	6.4	7.7	8 0	..	..	..
United Kingdom	3.3	23.2	8.7	9.8	13.3	12.3	10.5	10.9	15.8	16.0	..	..	..
United States	0.6	1.8	1.1	1.3	1.4	0.7	0.9	1.2	1.7	1.7	..	..	..
CEYLON (Rs.) from													
Burma	2.9	14.3	12.8	19.0	19.1	15.4	17.9	30.6	21.0	6.9	3.4	2.1	15.0
China	0.1	2.0	0.2	0.2	0.4	0.4	0.4	0.2	0.3	0.6	0.4	0.6	0.7
India	4.3	10.5	12.7	15.1	15.7	17.4	20.8	12.9	14.2	14.6	16.5	12.9	14.5
Indonesia	1.4	0.3	0.5	0.9	1.2	0.5	0.8	0.1	5.1	2.2	4.0	2.2	0.3
Malaya	0.2	0.3	0.4	0.7	0.8	0.4	0.3	0.2	0.7	1.8	3.0	1.7	0.8
Pakistan	..	0.9	1.0	1.1	2.6	1.0	2.3	5.5	0.6	2.0	1.2	3.4	1 5
Thailand	0.5	0.7	3.3	4.7	1.3	1.8	1.8	0.9	1.4	1.3	1.1	1.5	1.2
Japan	1.3	1.1	1.5	2.6	6.6	2.4	6.3	7.0	6.6	6.7	5.9	7.2	7.0
United Kingdom	4.0	14.3	15.4	19.2	28.5	23.2	23.6	28.3	30.9	31.2	28.6	32.5	32.6
United States	0.4	6.3	6.1	2.9	6.9	3.1	2.8	7.8	8.2	8.8	13.8	8.1	4.5
Canada	0.1	0.7	0.9	1.7	1.4	0.3	0.4	1.4	2.7	1.3	0.2	1.9	1.8
Australia	0.5	10.4	8.5	6.7	10.3	9.3	9.9	8.0	10.5	12.8	13.6	5.9	18.8
HONG KONG (HK$) from													
N. Borneo	0.2	0.8	1.0	1.0	2.5	0.8	1.8	4.2	1.6	2.4	2.2	1.3	3.6
Burma	0.4	2.9	1.5	1.5	0.8	3.5	0.6	0.3	0.6	1.8	0.2	1.1	4.0
Ceylon	—	0.1	0.2	0.2	0.3	0.2	0.3	0.4	0.3	0.2	0.1	0.1	0.5
China	19.4	35.9	49.5	71.4	77.1	91.2	78.2	87.9	58.8	83.5	69.9	80.6	100.1
India	1.0	4.0	7.5	14.0	13.2	12.7	20.3	17.5	9.3	6 1	7.8	4.3	6.1
Indochina	2.9	2.5	1.8	2.5	4.2	1.8	2.3	2.6	6.9	5.2	10.3	2.2	3.2
Indonesia	3.4	3.4	3.3	6.7	7.5	8.7	8.4	7.0	5.2	9.6	10.4	10.1	8.2
Korea, South	..	3.5b	3.1	1.9	0.3	—	0.2	0.5	0.3	0.3	0.5	0.2	0.2
Malaya	0.6	7.1	9.0	24.9	32.8	57.9	71.2	40.7	10.0	9.5	11.4	7.8	9.2
Pakistan	..	—	2.8	7.8	12.0	8.0	22.6	14.3	3 2	7.6	2.9	2.4	17.5
Philippines	0.2	0.8	1.3	1.4	1.1	2.1	1.1	1.3	0.8	1 0	1.0	1.0	1.1
Thailand	3.0	8.0	9.2	15.2	13.0	15.7	11.4	8.5	16.2	15.8	16.9	14.2	16.3
Japan	1.6	6.6	6.7	19.2	32.7	48.5	61.3	20.7	16.7	42 1	30.3	46.6	49.4
United Kingdom	4.7	25.1	32.3	33.7	51.6	31.6	43.7	51.5	53.0	58.3	55.8	60.1	58 9
United States	4.6	32.3	47.9	54.7	31.1	60.4	26.9	35 8	33.8	28.0	33.1	18.6	32.2
Canada	0.5	3.0	4.8	4.2	7.3	5 1	6.2	6.0	7.5	9.6	10.9	5.9	12.1
France	0.3	1.9	2.8	3.7	10.3	3.9	9.4	13.7	10.1	8.0	9.9	7.2	6.8
Oceania	1.1	4.7	5.5	6.7	7.6	5.2	7.9	9.7	5.5	7.4	3.1	13.7	5.5
INDIA c (Rs.) from													
Burma	18.9	16.0	13.5	6.6	19.5	14.1	22.2	9.6	28.6	17 7	14.2	20.4	18.6
Malaya	3.2	5.8	10.5	11.8	19.0	8.5	18.3	22.2	17.2	18 5	17.2	19.7	18.5
Pakistan	..	12.5d	61.0	34.0	86.4	30.0	19.8	102.5	126.1	97 1	119.8	123.5	48.0
Japan	13.0	1.1	21.3	6.2	18.5	7.5	12.6	16.1	23.1	22.1	23.2	24.7	18.4
United Kingdom	40.1	113.5	144.4	97.7	119.2	102.5	104.5	125.5	121.4	125 4	124.2	125.0	127.0
United States	9.5	86.6	83.2	82.8	167.3	68.1	101.3	159.2	175.0	233.6	218.3	236.7	245.7
Canada	0.6	5.9	10.8	8.8	18 5	6.6	31.3	20.7	8.7	13.2	4.8	11.5	23.1
Australia	1.7	19.5	18.7	33.2	14.9	31.6	18.5	8.7	18.9	13.5	16.5	8.8	15.2
INDOCHINA e (Pr.) from													
China	1.2	8.9	10.6	9.3	11.5	8.1	6.3	12.2	12.9	14 6	15.1	10.9	17.8
Hong Kong	1.2	1.1	1.3	1.2	0.7	2.5	0.3	0.3	1.2	0 8	0.7	0.7	1.0
India and Pakistan	0.5	2.4	7.0	2.6	2.9	2.7	2.6	1.7	3.6	3 6	4.0	2.7	4.0
Indonesia	0.7	3.6	6.1	9.2	12 4	11.4	8.8	6.7	15.1	19.2	11.0	3.0	43.5
Thailand	0.3	5.3	3.3	2.1	3.2	1.9	1.8	2.9	3.1	4.8	3.1	1.1	10.3
United States	0.8	24.9	29.5	20.8	28.0	24.0	13.2	31.0	32.0	35 7	53.7	20.0	33.3
France	8.5	123.2	237.8	275.0	403.1	298.3	309.1	331.6	460.6	514.4	520.5	502.5	520.0
INDONESIA (Rs.) from													
Burma	0.6	2.0	4 0	5.6	8.3	10.5	4.4	7.3	16.8	4.9	6.7	4.8	3.3
China	0.7	2.3	2.5	0.7	0.9	1.0	0.7	1.2	1.2	0.7	0.8	0.7	0.7
Hong Kong	0.5	2.1	3.2	6.8	14.0	11.6	12.3	10.8	19.0	14.0	14.5	12.7	14.7
India	0.9	1.2	1.8	7.0	8.5	10.9	10.3	8.4	10.0	5.3	4.9	4.8	6.3
Malaya	3.4	2.6	2.7	6.1	12.3	12.6	12.2	12.1	15.6	9.7	9.6	11.0	8.6
Philippines	0.1	0.1	—	—	0.1	0.1	0.1	—	0.3	0.1	0.2	0.1	0.2
Thailand	0.2	2.7	4.7	3.2	7.4	7.2	3.7	7.3	6.6	11.8	8.5	12.1	14.7
Japan	6.0	15.6	9.3	13.4	47.7	22.1	20.3	31.2	81.8	57.6	79.8	42.1	51.0
Netherlands	8.4	18.4	28.0	21.9	30.9	32.2	16.3	20.2	41.4	45.8	50.5	37.8	49.2
United Kingdom	3.0	7.9	13.4	9.3	16.5	12.9	11.0	10.9	21.9	22.1	23.1	16.2	27.0
United States	3.6	21.2	33.2	26.3	51.0	36.0	22.9	36.5	82.5	62.1	71.8	62.6	51.9
Australia	1.1	2.7	0.5	0.9	3.3	2.0	1.8	3.2	4.2	4.0	4.4	2.8	4.7

V. DIRECTION OF IMPORT TRADE—*(Contd.)*

(Monthly averages in millions)

TO	1938	1948	1949	1950	1951	1950	1951						
						IV	I	II	III	IV	Oct.	Nov.	Dec.
MALAYA (M$) from													
N. Borneo	0.2	1.3	1.8	4.3	4.7	6.2	6.2	3.6	4.8	4.3	4.2	4.1	4.5
Brunei	0.1	0.1	0.1	0.4	0.6	0.6	0.8	0.5	0.5	0.4	0.4	0.4	0.5
Sarawak	2.0	6.4	6.8	13.6	18.1	18.9	19.8	17.1	17.6	17.7	18.5	19.7	14.9
Burma	2.1	7.7	6.9	3.4	6.7	4.8	8.1	4.9	6.1	7.7	5.5	10.4	7.4
Ceylon	0.1	0.3	0.3	0.3	0.4	0.3	0.4	0.6	0.4	0.2	0.2	0.3	0.3
China	2.0	9.5	7.8	10.3	12.5	10.2	12.8	13.3	13.1	11.0	9.4	11.7	11.9
Hong Kong	0.7	3.8	4.0	7.5	10.7	11.6	12.4	11.0	9.1	10.2	10.5	10.3	9.9
India	1.4	2.9	5.6	16.3	17.2	19.1	30.2	19.5	9.0	10.0	11.1	9.7	9.2
Indochina	1.2	2.5	1.8	1.5	3.4	1.5	1.8	2.9	2.5	6.4	6.9	7.4	4.8
Indonesia	12.7	29.4	26.5	64.2	119.0	103.9	144.3	127.2	99.4	105.2	128.0	105.7	81.7
Thailand	7.3	10.7	16.2	26.5	31.9	37.6	43.4	25.1	27.4	31.9	32.8	37.1	26.0
Japan	1.0	1.1	3.3	7.8	20.3	12.8	18.5	25.2	18.2	19.3	16.4	17.9	23.6
United Kingdom	8.5	28.7	31.9	42.2	65.7	50.8	55.0	62.4	66.9	78.5	76.6	83.4	75.7
United States	1.4	17.4	9.4	7.4	18.2	9.6	10.7	18.8	23.5	19.7	21.9	21.4	15.9
Canada	0.4	1.9	1.5	1.4	2.8	1.0	1.5	2.9	3.0	3.8	6.3	1.7	3.6
Oceania	1.2	7.9	8.9	9.5	12 2	10.0	11.1	10.5	14.2	14.2	16.2	5.4	21.1
PAKISTAN f (Rs.) from													
Burma	..	0.7	2.0	0.3	0.3	0.2	0.5	0.2	*0.5*	*0.4*	*0.3*	*0.6*	*0.3*
Ceylon	..	2.4	1.4	2.3	3.1	2.0	2.0	0.9	*1.8*	*3.6*	*3.1*	*3.5*	*4.3*
China	..	5.7	4.5	5.1	4.7	9.8	5.6	6.8	*3.9*	*2.3*	*0.5*	*3.0*	*3.5*
India	..	37.4	14.2	11.5	7.0	17.2	6.7	6.4	*4.7*	*9.0*	*7.4*	*8.6*	*11.0*
Malaya	..	1.8	0.8	1.2	2.9	1.7	2.3	1.0	*2.3*	*4.1*	*4.2*	*5.1*	*3.1*
Japan	..	0.8	7.8	14.4	29.9	16.2	21.0	28.9	*40.5*	*29.2*	*28.2*	*33.0*	*26.4*
United Kingdom	..	22.5	29.0	25.0	30.9	32.3	39.1	26.9	*25.6*	*46.7*	*25.2*	*31.0*	*33.8*
United States	..	6.6	10.0	8.7	8.8	8.8	11.1	5.8	*7.7*	*8.5*	*9.6*	*8.2*	*7.7*
PHILIPPINES (P.) from													
Burma	..	..	0.3	—	—	—	—	—	—			..	..
China	..	3.8	1.7	—	—	—	—	—				..	..
Hong Kong	..	0.1	0.2	1.5	1.4	2.1	1.5	1.1	1.6		.	..	..
India	..	1.1	0.9	0.4	0.7	0.2	0.4	0.5	0.9		..	..	..
Indonesia	..	2.5	2.7	0.7	1.8	1.2	1.5	1.4	2.2		..	..	..
Thailand	..	0.1	0.9	0.2	2.4	0.2	1.5	2.4	1.4		..	..	..
Japan	..	0.3	2.7	2.4	5.5	1.8	3.3	8.3	5.2		..	..	..
United Kingdom	..	0.9	0.8	0.9	1.1	0.8	1.1	0.9	1.1		..	..	..
United States	..	76.3	76.3	42.5	56.9	35.6	42.9	53.5	65.6		..	..	..
THAILAND g (Baht) from													
Burma	—	0.4	1.2	..	..	..	..	..	..	..	..	..	.
China	1.4	11.1	8.3	..	..	..	..	..	.	..	..	..	..
Hong Kong	0.1	36.3	32.9	..	..	..	..	..	.	..	..	.	.
India	1.3	2.9	13.3	..	..	..	..	..	..	..	..	..	..
Indochina	0.1	2.2	0.8	..	..	..	..	..	..	..	..	..	.
Indonesia	0.8	1.2	5.0	..	..	..	..	..	.	..	..	.	.
Malaya	1.0	47.5	34.8	..	..	..	..	..		..	..	..	..
Philippines	—	1.1	0.5	..	..	..	..	..	.	..	..	..	..
Japan	1.6	3.4	15.8	..	..	..	..	..	.	..	..	..	..
United Kingdom	6.6	10.0	16.5	..	..	..	..	..	..	..	..	..	..
United States	1.1	13.0	29.8	..	..	..	..	..		..	..	..	..
JAPAN h (US$) from													
China	22.9	2.1	3.8	6.5	6.7	5.8	10.6	8.0	3.8	4.2	5.3	2.6	4.7
Hong Kong	..	0.3	..	—	0.5	0.1	0.3	0.8	0.5	0.6	0.8	0.5	0.6
India	4.1	2.3	1.1	1.5	5.4	2.2	3.5	8.1	7.4	2.5	3.1	2.3	2.1
Indonesia	2.1	1.0	1.3	1.1	5.2	1.6	7.2	7.4	3.7	2.3	2.0	2.1	2.9
Malaya	2.4	0.9	1.8	3.3	5.4	6.6	4.9	6.3	5.3	5.1	3.1	5.0	7.3
Korea	16.5	0.4	0.3	1.3	0.5	0.3	0.5	0 9	0.6	0.7	0.5	0.8	0.9
Philippines	0.8	0.8	1.1	1.9	4.4	2.9	3.9	5.4	4.1	4.4	4.3	5.0	3.8
United Kingdom	1.5	0.4	0.5	0.5	3.0	0.8	1.3	3.0	4.5	3.1	4.6	2.6	2.1
United States	21.7	36.7	48.0	35.6	62.9	37.2	50.2	83.8	59.9	57.8	51.2	52.1	70.0
Australia	2.0	0.7	2.3	6.4	12.7	9.2	13.4	17.8	11.2	8.6	3.4	8.3	14.0
Canada	2.2	0.3	0.5	1.3	7.7	0.6	4.2	9.7	8.4	8.4	5.5	7.2	12.4

a. Burma: Prewar data refer to period October 1938 to September 1939; 1948 and 1949 annual figures refer to twelve months ending September.

b. All Korea. Imports from North Korea in 1949, 1950 and third quarter 1950 are respectively 4.6, 1.6 and 0.5.

c. India: 1947 figures are averages for January-July, and 1948 are averages for nine months, April-December.

d. Excluding imports from Pakistan by land in 1948.

e. Indochina: Data for 1947 are averages for April-December.

f. Pakistan: Sea and airborne trade only. Annual figures for 1948 and 1949 are for years beginning 1st April.

g. Thailand: Prewar data refer to year ending March 1940.

h. Japan: Imports from India include Burma and Pakistan in 1938 and Pakistan in 1947 and 1948.

VI. DIRECTION OF EXPORT TRADE

(Monthly averages in millions)

FROM	1938	1948	1949	1950	1951	1950	1951					
						IV	I	II	III	IV	Oct.	Nov.	Dec.
BURMA a* (Rs.) to													
Ceylon	2.2	11.6	11.6	18.9	17.6	14.5	19.4	30.1	14.2	6.6	..	..	..
China	0.2	3.7	8.1	1.9	0.7	0.2	2.0	—	0.6	0.2	..	..	..
Hong Kong	0.3	1.6	1.0	1.3	0.9	2.4	0.2	0.6	0.4	2.5	..	..	..
India	22.0	25.2	23.1	11.4	19.4	15.8	22.5	15.7	21.3	18.0	..	..	..
Indonesia	0.6	2.7	3.9	8.6	9.8	7.8	8.3	26.0	2.0	2.9	..	..	..
Malaya	2.8	10.1	8.1	3.5	6.9	3.6	5.7	4.7	11.2	6.1	..	..	..
Pakistan	..	..	2.8	0.5	0.6	0.6	0.2	0.5	0.7	1.0	..	..	..
Philippines	—	0.2	0.9	—	—	—	—	—	—	—	—	—	—
Japan	0.8	0.1	1.3	8.1	11.5	5.8	11.2	13.5	13.7	7.5	..	..	..
United Kingdom	5.7	5.6	3.2	2.3	5.2	2.8	4.4	5.1	7.2	4.0	..	..	..
United States	0.1	0.6	0.5	0.2	0.4	0.3	0.5	0.3	0.6	0.3	..	..	..
CEYLON (Rs.) to													
India	0.7	1.7	1.7	2.4	3.9	5.9	4.1	1.9	4.4	5.2	5.3	4.5	5.9
Pakistan	..	1.5	1.8	3.2	2.8	2.8	1.6	2.8	1.5	5.5	6.0	5.4	5.0
Japan	0.1	0.1	0.4	0.1	0.6	0.3	0.4	0.6	0.8	0.7	0.5	0.6	0.9
United Kingdom	11.8	25.1	27.9	30.5	48.8	40.2	43.0	53.6	47.2	51.2	52.3	51.9	49.4
United States	2.8	13.8	9.5	27.7	16.5	36.4	25.8	18.2	9.7	12.4	10.4	13.5	13.3
Canada	0.8	3.3	3.7	7.8	6.1	9.5	9.2	6.2	4.6	4.5	5.3	3.5	4.7
Australia	0.9	7.0	7.0	9.5	11.0	8.8	9.0	13.0	13.7	8.1	12.0	7.2	5.1
New Zealand	0.5	1.8	2.8	3.2	3.2	2.6	3.2	2.4	6.1	1.0	0.5	1.9	0.6
HONG KONG (HK$) to													
N. Borneo	0.1	0.6	0.8	1.2	1.3	1.3	1.9	1.4	0.9	1.0	1.0	0.6	1.5
Burma	0.3	1.0	1.5	2.4	3.4	0.7	0.9	3.1	6.9	2.7	2.7	2.9	2.5
Ceylon	0.1	0.6	0.5	0.8	0.7	1.2	1.0	0.4	0.4	0.9	1.1	1.0	0.6
China	19.2	23.4	48.7	121.6	145.3	190.7	231.9	170.5	101.8	76.9	89.0	71.2	70.5
India	0.4	4.0	3.2	2.0	2.2	3.0	2.6	3.0	1.5	1.6	1.3	1.4	2.1
Indochina	1.9	1.6	1.6	1.9	2.8	1.7	1.7	2.5	3.5	3.6	3.9	2.6	4.3
Indonesia	1.2	5.7	4.6	10.2	20.4	13.7	21.3	26.3	17.9	16.1	9.6	16.4	22.4
Korea, South	..	4.9b	6.2	1.9	1.8	0.1	1.0	1.6	1.6	2.9	5.0	3.0	0.7
Malaya	3.1	17.1	20.0	45.2	61.7	74.1	98.1	68.6	35.8	44.4	47.6	41.7	44.0
Pakistan	..	—	4.5	10.9	15.6	10.3	20.2	24.4	3.3	14.6	18.6	12.1	13.0
Philippines	0.8	11.4	8.6	6.9	5.8	9.3	6.3	4.3	5.4	7.0	5.8	4.8	10.4
Thailand	1.3	11.7	9.7	8.2	7.5	6.8	8.1	5.4	6.4	10.3	9.4	9.4	12.1
Japan	0.3	4.1	5.8	10.1	16.0	13.7	28.2	16.9	11.4	7.7	7.5	6.7	8.8
United Kingdom	1.8	6.3	11.6	14.0	17.9	11.7	18.6	22.9	20.7	10.6	9.8	13.1	8.9
United States	4.3	12.7	19.5	25.7	13.5	28.5	16.7	9.1	7.2	21.1	14.0	17.0	32.3
Canada	0.2	0.6	1.2	0.8	1.4	0.8	1.7	1.9	0.7	1.1	1.2	1.7	0.4
Oceania	0.3	1.7	3.4	3.6	6.7	4.2	4.2	9.2	7.6	5.6	6.7	5.3	4.9
INDIA c (Rs.) to													
Burma	8.4	10.0	7.8	18.8	15.5	39.5	14.5	12.4	18.1	17.2	17.9	22.1	11.6
Ceylon	4.2	9.5	11.9	14.0	14.2	16.7	19.9	12.0	12.4	12.4	11.5	15.2	10.5
China	1.3	5.6	1.8	2.0	5.0	1.5	5.7	3.9	5.5	5.0	0.5	0.5	14.1
Pakistan	..	40.6d	43.5	23.8	27.0	27.0	14.8	24.6	27.8	40.6	30.4	41.5	50.0
United Kingdom	46.0	78.3	93.4	95.7	156.6	124.8	129.7	157.9	176.2	162.5	150.8	198.0	138.6
United States	11.2	59.7	57.1	80.5	108.4	90.0	116.2	132.8	88.7	96.0	66.5	99.0	122.4
Canada	1.7	6.9	7.6	10.5	14.3	10.0	15.9	21.0	12.3	7.8	7.8	11.2	4.6
Australia	2.5	17.2	20.4	23.3	37.4	26.4	27.6	37.1	47.4	37.6	35.4	33.7	43.8
INDOCHINA e (Pr.) to													
China	0.6	2.1	0.6	0.4	1.0	0.2	3.6	—	0.7	—	—	—	—
Hong Kong	2.3	11.2	13.2	15.5	21.3	12.9	9.8	14.9	32.0	31.9	42.8	17.8	35.1
Malaya	2.5	9.4	9.9	11.6	25.0	13.9	13.4	19.7	23.2	43.8	73.2	32.9	25.3
Thailand	0.1	3.7	4.9	3.1	3.7	3.8	1.7	3.3	6.5	3.2	2.3	—	7.3
United States	2.1	2.2	1.0	25.6	25.0	34.5	34.6	14.6	21.9	29.0	26.4	11.9	48.6
France	11.4	42.6	46.6	49.9	87.9	65.4	107.9	71.0	64.5	108.4	115.2	99.8	110.2
INDONESIA (Rp.) to													
Burma	—	—	0.2	—	—	—	—	—	—	—	—	—	—
Hong Kong	1.1	1.6	1.0	1.2	1.6	1.7	1.6	0.9	1.5	2.3	2.2	1.0	3.7
India	0.4	0.1	0.5	0.8	1.2	0.2	1.1	1.7	1.1	1.0	0.7	1.8	0.4
Malaya	10.7	16.6	29.8	83.2	131.8	140.7	102.3	183.5	114.1	86.9	123.0	80.7	57.0
Philippines	0.5	0.8	1.1	1.4	2.1	1.5	0.9	3.3	1.7	2.5	3.4	2.1	1.9
Thailand	0.2	0.3	0.8	1.0	1.5	0.9	1.1	2.0	1.1	1.9	2.2	2.0	1.4
Japan	1.8	2.1	2.8	3.2	12.7	6.0	20.3	19.9	4.7	3.3	5.4	2.9	1.6
Netherlands	11.5	31.0	41.2	55.4	82.7	61.3	61.2	90.0	81.8	84.3	68.7	76.6	107.4
United Kingdom	3.1	1.7	5.5	8.3	24.7	11.3	7.8	26.7	39.3	12.6	16.9	9.5	11.4
United States	8.2	15.2	19.4	37.2	65.3	57.4	34.7	89.9	62.8	40.0	30.8	32.2	57.1
Australia	2.4	0.8	1.8	4.2	9.4	5.5	5.7	14.4	7.6	9.2	11.7	5.9	10.1

VI. DIRECTION OF EXPORT TRADE—*(Contd.)*

(Monthly averages in millions)

FROM	1938	1948	1949	1950	1951	1950 IV	1951 I	1951 II	1951 III	1951 IV	1951 Oct.	1951 Nov.	1951 Dec.
MALAYA (M$) to													
N. Borneo	0.2	1.2	1.6	2.6	3.5	..	3.1	4.2	3.1	3.6	2.5	4.2	4.3
Brunei	0.1	0.2	0.4	0.5	0.6	0.6	0.6	0.8	0.6	0.6	0.5	0.6	0.6
Sarawak	0.7	2.6	2.3	4.9	5.8	6.6	4.8	7.7	4.6	6.1	6.7	6.6	4.8
Burma	0.3	1.0	1.0	1.1	4.1	1.3	2.3	4.1	6.1	4.0	5.2	3.6	3.3
Ceylon	0.2	0.8	2.3	1.9	2.0	1.8	2.1	0.9	1.6	3.4	3.4	2.8	3.8
China	0.3	1.3	0.7	10.4	8.6	32.9	27.9	6.0	0.5	---	--	—	---
Hong Kong	0.6	3.4	5.5	16.9	17.9	37.3	44.4	16.5	5.6	5.0	4.9	4.7	5.4
India	1.8	5.3	5.1	6.3	9.7	6.8	9.3	10.5	8.3	10.7	10.2	11.6	10.3
Indochina	0.1	0.7	0.7	1.0	1.5	1.0	1.4	1.3	1.9	1.5	2.6	0.9	1.0
Indonesia	3.4	16.1	11.6	21.4	40.6	32.7	45.6	50.0	31.3	35.4	28.9	39.7	37.5
Korea	..	—	0.1	0.1	0.6	—	—	0.2	1.0	1.3	0 5	3.0	0.5
Pakistan	..	0.6	0.8	1.0	2.1	1.1	1.1	1.4	2.2	3.6	4.4	2.6	3.9
Philippines	0.1	0.5	0.9	1.3	1.4	0.7	1.6	2.0	1.3	0.8	0.6	—	1.9
Thailand	1.3	4.1	3.8	6.0	8.0	5 3	6.8	7.4	8.1	9.9	10.5	10.8	8.4
Japan	4 5	1.6	2.5	9.6	13 1	16.6	15.9	13.6	8.6	14.2	12.1	20.2	10.2
United Kingdom	6.8	20.0	17.0	45 6	101.3	74.8	89.9	101.6	106.1	108.1	105.2	118.8	100.3
United States	14.4	38.2	35.8	87.3	99.5	144.3	117.6	127.5	76.9	75.9	40.8	80.7	106.2
Canada	1.5	3.7	3 0	8.2	12.8	15.2	16.6	14.6	10.3	9.8	9.4	10.5	9.4
Oceania	2.5	5.1	7.2	14.1	28.3	19.1	25.5	43.6	23.3	20.8	23.1	21.3	18.0
PAKISTAN f* (Rs.) to													
Burma	..	0.3	0.1	0.1	1.0	0.1	0.6	0.2	*0.1*	*0.1*	*0.4*	*0.1*	—
Ceylon	..	1.2	0.6	0.8	1.5	0.5	2.5	2.0	*0.3*	*1.4*	*0.6*	*1.5*	*2.0*
China	..	2.7	1.0	2.6	12.5	3.3	20.8	4.4	*11.3*	*13.7*	*1.1*	*6.5*	*33.1*
Hong Kong	..	2.1	4.9	9.6	9.4	6.0	22.3	3.6	*0.5*	*11.1*	*3.9*	*5.9*	*23.4*
India	..	19.1	7.1	2.9	6.4	1.4	0.7	16.1	*4.7*	*4.1*	*1.4*	*3.7*	*4.1*
Malaya	..	0.1	0.1	0.1	0.1	0.2	0.1	0.2	—	*0.2*	*0.2*	*0.1*	*0.4*
Thailand	..	—	—	—	0.1	—	0.2	—	—	—	—	—	—
Japan	..	1.0	4.4	12.1	21.3	14.3	59.8	13.4	*2.9*	*8.7*	*0.6*	*9.1*	*16.6*
United Kingdom	..	12.3	14.7	36.2	26.4	23.6	46.5	23.1	*16.4*	*19.5*	*11.8*	*20.1*	*26.7*
United States	..	10.9	10.0	10.1	8.8	14.2	16.6	12.7	*3.9*	*1.8*	*1.5*	*2.1*	*1.8*
PHILIPPINES * (P) to													
China	..	0.3	0.1	0.2	0.1	0.1	0.1	0.2	—	..	..	..	..
Hong Kong	.	0.5	0.8	0.4	0.3	0.3	0.4	0.3	0.2	..	..	..	..
India		0.3	0.3	0.1	0.2	0.1	0.1	0.3	0.2	..	..	..	..
Indonesia	.	0.9	0.4	—	0.2	—	—	0.7	0.1	..	..	..	..
Korea	..	0.3	—	0.4	—	1.3	—	..	—	..	..	..	..
Malaya	..	0.1	0.1	—	0.1	—	—	—	0.1	..	..	..	..
Thailand	..	0.1	—	0.1	—	—	—	—	—	..	..	..	..
Japan	..	2.6	1.9	3.7	5.0	6.6	5.0	5.5	4.8	..	..	..	..
United Kingdom	..	0.6	0.5	0.9	2.1	0.8	1.9	2.3	2.2	..	..	..	..
United States	..	34 8	30.6	40.9	43.0	43.3	57.8	48.5	32.8	.	..	..	..
THAILAND g (Baht) to													
N. Borneo	—	2.1	2 3	..	..	..	..	..	..	..	..	..	..
Burma	—	1.5	1.0	..	..	..	..	..	..	..	..	..	..
Ceylon	0.5	1.4	8.5	..	..	..	..	..	..	..	..	..	..
China	0.2	21.7	7.3	..	..	..	..	..	..	..	..	..	..
Hong Kong	2.0	16.3	17.4	..	..	..	..	..	..	..	..	..	..
India	2.0	16.7	31.2	..	..	..	..	..	..	..	..	..	..
Indochina	—	1.0	0.5	..	..	..	..	..	..	..	..	..	..
Indonesia	0.2	8.0	12.8	..	..	..	..	..	..	..	..	..	..
Korea	—	1.9	—	..	..	..	..	..	..	..	..	..	..
Malaya	10.7	39.6	68.5	..	..	..	..	..	..	..	..	..	..
Philippines	0:2	5.5	4 5	..	..	..	..	..	..	..	..	..	..
Japan	1.0	0.5	14.2	..	..	..	..	..	..	..	..	..	..
United Kingdom	0.4	4 5	11.5	..	..	..	..	..	..	..	..	..	..
United States	0.1	36.8	38.3	..	..	..	..	..	..	..	..	..	..
JAPAN h* (US$) to													
China	35.0	0.3	1.0	4.8	4.7	8.1	6.4	4.3	4.5	3.6	3.6	2 0	5.3
Hong Kong	..	..	..	5.3	5.1	9.7	6.4	2.8	2.5	8.8	7.6	8.2	10.6
India	4.5	0.7	5.4	1.7	4.3	2.3	2.2	5.3	4.4	5.3	4.1	5.9	5.9
Indonesia	2.5	4.7	2.3	3.9	10.7	5.1	8.3	16.5	9.2	8.7	6.0	5.3	14.6
Korea	21.6	1.5	1.4	1.5	1.2	2.1	0.7	1.3	1.4	1.6	1.0	2.0	1.8
Malaya	0.5	0.5	1.3	1.5	5.7	1.9	4.5	6.5	4.3	7.5	5.0	7.1	10.3
Philippines	0.8	0.3	1.8	1.5	3.1	3.0	1.5	6.1	2.4	2.3	1.5	1.9	3.4
United Kingdom	3.2	1.4	3.5	2.2	4.5	2.2	2.7	3.8	5.7	5.8	4.2	5.4	7.7
United States	10.1	5.5	6.6	14.9	15.4	17.2	15.8	14.6	15.4	16.3	13.7	13.7	21.4

* Including Re-exports.

a. Burma: Prewar data refer to period October 1938 to September 1939; 1948 and 1949 annual figures refer to twelve months ending September.

b. All Korea. Exports to North Korea in 1949 and 1950 are respectively 4.1 and 0.6.

c. India: 1947 figures are averages for January-July, and 1948 are averages for nine months, April-December.

d. Excluding exports to Pakistan by land in 1948.

e. Indochina: Data for 1947 are averages for April-December.

f. Pakistan: Sea and airborne trade only. Annual figures for 1948 and 1949 are for years beginning 1st April.

g. Thailand: Pre-war data refer to year ending March, 1940

h. Japan: Exports to India include Burma and Pakistan in 1938 and Pakistan in 1947 and 1948.

VII. QUANTITIES OF EXPORTS OF SELECTED COMMODITIES

(Monthly averages in thousand tons)

	1938	1948	1949	1950	1951	1950 IV	1951 I	1951 II	1951 III	1951 IV	1951 Oct.	1951 Nov.	1951 Dec.
RICE													
Burma	253.3	102.2	99.2	99.2	107.1	83.7	107.2	138.0	113.9	69.4	72.1	61.0	75.1
Thailand	115.4	67.6	101.3	123.2	129.5	126.1	159.5	104.2	129.3	125.1	120.5	118.8	136.1
Indochina	77.8	13.4	7.8	8.7	25.5	4.8	23.6	19.4	27.4	14.1	23.0	16.2	3.1
TEA													
Ceylon	8.9	11.2	11.6	11.1	11.8	10.5	10.5	13.0	11.2	12.6	13.0	11.0	13.7
India	13.4a	14.2	16.1	14.8	16.8	22.1	19.4	8.4	17.5	22.0	18.6	26.1	21.2
Pakistan	..	..	1.2	0.5	1.8	0.8	1.2	1.7	1.9	2.1	2.0	2.1	2.2
Indochina	0.2	—	0.1	0.1	0.1	0.1	—	—	0.1	—	—	0.1	—
Indonesia	6.0	0.8	1.8b	2.4	3.3	3.9	2.8	3.5	3.4	3.7	2.9	3.9	4.2
Japan	1.4	0.3	0.6	0.6	0.7	0.9	2.9	0.4	0.8	0.6	0.9	0.7	0.4
COPRA AND COCONUT OIL c													
Ceylon	8.7	9.2	8.6	7.5	10.3	13.3	10.1	8.8	11.1	11.1	11.4	10.6	11.4
Hong Kong d	0.1	0.7	0.3	0.4	0.2	0.4	0.2	0.2	0.2	—	—	—	—
Indonesia e	25.8f	12.1g	15.8	14.1	23.1	16.4	17.5	25.0	27.2	22.9	30.6	20.2	17.8
Malaya	13.4	7.1	9.8	11.2	10.4	11.4	9.1	10.4	9.8	12.1	12.9	11.9	11.7
N. Borneo	0.4	0.3	0.8	1.4	0.9	1.2	0.8	0.6	1.1	0.9	1.4	0.9	0.5
Philippines	28.9f	35.3	33.4	41.0	45.0	55.9	40.2	41.6	51.6	46.8	60.2	39.6	40.5
Sarawak	0.1	0.1	0.2	0.2	0.2	0.2	0.1	0.2	0.2	0.2	0.2	0.2	0.3
Thailand d	..	..	0.3	0.3	0.3	0.2	0.2	0.4	0.3	—	0.2	—	—
PALM KERNELS AND OIL c													
Indonesia h	14.2	3.3	8.5	8.2	*8.1*	7.6	2.8	6.4	8.8	*14.6*	3.0	6.0	*34.8*
Malaya	3.1	4.4	5.0	5.2	4.5	4.5	5.3	3.9	3.6	5.2	4.0	7.4	4.1
GROUND NUTS AND OIL c													
Hong Kong	1.2	0.4	0.7	1.8	0.7	1.3	1.9	0.7	0.2	0.1	0.1	0.1	0.2
India	22.0	5.5	4.0	5.8	5.8	5.9	17.4	4.0	0.9	0.7	—	1.1	1.0
NATURAL RUBBER													
Brunei	0.1	0.2	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Burma	0.6	0.8	0.6	0.8	*1.2*	0.2	1.1	*1.2*	*0.4*	*1.4*	*0.8*	*1.0*	*2.3*
Ceylon	4.2	7.8	7.7	10.0	87.7	11.1	10.9	6.8	7.1	10.3	12.5	7.9	10.7
Indochina	5.0	3.5	3.5	4.4	4.4	5.0	4.5	3.4	4.2	5.7	4.8	4.7	7.4
Indonesia	25.5	36.6	35.7	56.8	67.2	65.5	72.3	72.8	*56.2*	67.6	84.1	71.6	47.1
Malaya i	31.4	57.5	57.5	55.7	51.5	64.8	49.0	57.6	49.2	50.0	25.9	56.8	67.4
N. Borneo	0.8	1.7	1.7	2.0	1.8	2.3	1.8	1.8	1.8	1.9	1.7	1.9	2.0
Sarawak	1.5	3.4	3.3	4.7	3.6	4.4	3.2	4.7	3.5	3.0	2.6	2.9	3.5
Thailand	3.5	8.1	8.0	9.5	9.2	9.0	10.1	8.6	10.4	7.7	7.1	9.4	6.6
COTTON RAW													
India	38.6	8.0	4.2	2.7	2.3	0.8	1.7	7.8	0.4	—	—	—	—
Pakistan	..	13.6	14.0	17.2	18.3	8.2	45.3	9.6	3.5	14.9	5.6	12.3	26.7
COTTON YARN (tons)													
Hong Kong	..	..	1,387	2,109	1,732	1,160	2,003	2,048	1,172	1,707	2,282	1,403	1,436
Malaya	197	22	152	388	167	361	260	113	134	161	192	60	231
Japan	1,745	458	803	892	1,025	499	1,160	1,018	662	1,259	1,230	753	1,794
COTTON PIECE GOODS (mn. metres)													
Hong Kong	..	..	7.4	10.8	12.2	12.9	13.1	9.4	10.8	15.6	13.5	18.4	15.0
India	14.6	23.5	35.5	93.7	59.1	100.3	141.5	45.9	20.9	28.2	27.8	27.7	29.0
Malaya	2.0	7.5	5.2	14.5j	14.5	18.8	19.2	17.0	10.6	11.2	13.8	10.0	9.8
Japan (mn. sq. metres)	158.4	28.2	52.2	76.9	75.3	80.0	72.1	94.4	59.0	75.6	51.0	63.8	112.1
JUTE RAW													
India	55.9	20.0	15.4	0.6	—	—	—	—	—	—	—	—	—
Pakistan		16.1	17.3	50.0	56.0	74.4	82.5	43.5	34.9	63.0	69.0	68.3	51.6
JUTE MANUFACTURES													
India													
Bag	49.0k	39.8	36.4	29.6	40.5	30.4	30.2	35.2	43.2	53.4	33.0	84.4	43.0
Cloth	29.9k	38.6	27.9	24.4	26.6	25.1	19.5	31.8	25.4	29.8	15.8	48.6	25.0
HEMP RAW													
Philippines	11.8	6.2	5.3	7.9	10.3	9.11	13.6	11.9	7.9	7.9	..	..	..
TIN CONCENTRATES													
Burma	0.2	0.2	0.1	0.1	*0.1*	0.1	*0.1*	*0.1*	*0.1*	*0.1*	*0.1*	..	*0.2*
Indonesia	1.2	2.8	2.6	2.6	*2.9*	2.9	2.4	3.0	2.3	*3.8*	2.0	*4.6*	*4.9*
Thailand	1.1	0.5	0.6	0.9	..	1.0	0.7	*0.8*	*0.8*	..	*0.8*	*0.6*	..
TIN METAL													
Hong Kong	..	0.2	0.3	0.1	—	0.2	—	—	—	—	—	—	—
Malaya	5.2	4.0	4.6	6.9	*5.5*	6.4	5.4	5.4	5.9	*5.3*	4.6	6.2	*5.1*
PETROLEUM m													
Indonesia	505.6	320.8	474.4	503.8	505.7	495.7	318.6	701.0	477.4	529.6	746.9	579.5	262.5
Malaya	84.2	82.1	131.3	164.8	163.2	158.2	166.7	123.2	182.1	180.1	151.8	172.5	216.0

a Including territory of Pakistan.
b Federal territory only.
c Expressed in terms of oil equivalent; figures under column for 1938 refer to averages for the period 1934-1938.
d Coconut oil only.
e Copra only.
f 1935-1939.
g Excluding exports to Singapore.
h Palm oil only.
i Net exports.
j Unit changed in 1950 to million square meters.
k Converted at 2.25 lbs. per bag and 0.50 lb. per yard of cloth.
l Average of second half year.
m Petroleum and products.

VIII. INDEX NUMBERS OF UNIT VALUE OF IMPORTS AND EXPORTS AND TERMS OF TRADE

(Base 1948 = 100)

	1938	1949	1950	1951	1950 IV	1951 I	1951 II	1951 III	1951 IV	1951 Oct.	1951 Nov.	1951 Dec.
Unit Value Indices												
BURMA a												
Imports: General	23b	109	132	73	63	67	82	83	104	..	..	..
Food, etc.	26b	124	152	126	117	128	125	133	123	..	..	..
Textile & clothings	18b	103	118	42	34	33	51	49	79	..	..	..
Coal & petroleum products	30b	98	86	126	110	119	146	128	97	..	..	..
Minerals	24b	112	77	107	80	116	114	119	107	..	..	..
Machinery & Misc.	42b	70	106	132	216	96	105	111	150	..	..	..
Exports: General	17b	102	102	126	122	124	130	130	142	..	..	..
Food, etc.	15b	101	105	112	112	111	116	113	128	..	..	..
Timber	23b	100	121	149	138	146	152	160	156	..	..	..
Cotton	21b	80	117	190	135	212	257	156	169	..	..	..
Minerals	54b	140	151	359	255	355	385	440	461	..	..	..
INDO-CHINA												
Imports	7.8	122	122	..	119	130	137	141	..	154	149	..
Exports	11.1	128	147	..	164	190	159	173	..	185	204	..
CEYLON												
Imports	23.0	95	98	116	103	106	119	130	132	130	130	136
Exports: All Commodities	32.5	106	144	175	172	188	186	169	158	161	157	155
Tea	36.3	109	129	132	135	141	138	129	119	120	118	120
Rubber	56.2	90	218	367	357	410	383	341	321	335	320	307
All coconut products	14.5	111	145	169	152	170	191	168	155	158	157	151
Other export products	25.1	93	124	165	142	165	179	164	151	148	148	156
INDIA c												
Imports: All Commodities	28b	97b	103	126	108	123	129	128	124	124	127	121
Food, drink & tobacco	..	108b	104	116	108	103	113	120	128	132	131	122
Raw materials & semi-manufactures	..	106b	113	152	122	155	161	155	139	142	138	136
Manufactures	..	90b	96	118	103	119	121	120	113	112	118	108
Exports: All Commodities	24b	118b	110	160	111	121	170	180	168	168	162	174
Food, drink & tobacco	..	115b	127	149	126	140	153	156	148	150	144	151
Raw materials & semi-manufactures	..	111b	114	148	111	129	160	155	150	156	146	146
Manufactures	..	97b	103	170	106	111	180	201	186	182	178	197
INDONESIA												
Exports: All Commodities d	31	105	177	265	245	313	261	238	244	244	249	238
Estate produce	38	124	185	273	237	300	262	260	273	272	274	271
Peasant produce	27	92	171	219	245	306	248	218	220	221	227	213
Forest produce	12	78	99	148	114	139	151	149	156	167	153	147
MALAYA												
Imports: All Commodities	36	101	115	144	142	149	143	142	143	..	..	..
Food, drink & tobacco	23	95	100	110	107	108	99	114	118	..	..	..
Raw materials	53	106	175	284	260	314	305	248	266	..	..	..
Manufactures	41	99	106	126	124	122	125	129	126	..	..	..
Exports: All Commodities	43	98	173	258	258	298	287	221	228	..	..	..
Food, drink & tobacco	24	103	120	141	115	138	135	143	147	.	..	..
Raw materials	52	94	214	330	346	394	370	273	281	..	..	..
Manufactures	32	97	110	155	135	165	169	140	143	..	..	..
PHILIPPINES												
Imports	..	104	79	100	86	89	99	106	106	104	104	110
Exports	24.8	69	77	84	85	87	87	83	80	87	78	74
JAPAN e												
Imports	..	93	79	..	90	104	115	117	..	..	..	..
Exports	..	85	78	..	88	105	122	..	..	..	..	..
Terms of Trade *												
BURMA	135b	107	129	58	51	54	63	64	73	..	..	..
CEYLON	71	90	68	70	60	56	64	77	85	83	83	88
INDIA c	117b	94b	96	79	97	102	76	71	74	74	78	70
INDO-CHINA	73	95	83	..	73	68	86	81	..	83	73	..
MALAYA	83	103	66	56	55	50	50	64	63	..	..	..
PHILIPPINES	..	151	103	119	101	102	114	128	132	120	133	149
JAPAN	..	109	101	..	102	99	94	..	..	..	..	..

a Year ending September of the year stated. Food items under Imports beverages, tobacco, fats and waxes; food item under Exports includes tobacco and fatty substances.

b Year beginning 1 April of the year stated.

c Base, April 1948—March 1949=100.

d Weighted wholesale price index numbers of 18 export products (f.o.b. prices excluding the value of foreign exchange certificates).

e Compiled by Economic Stabilization Board.

* Ratio of Unit value index of imports to Unit value index of exports multiplied by 100.

IX. INDEX NUMBERS OF WHOLESALE PRICES

(1948 = 100)

	1938c	1949	1950	1951	1950	1951						
					IV	I	II	III	IV	Oct.	Nov.	Dec.
BURMA												
All agricultural produce	24	123	115	138	126	117	132	148	134	137	135	129
Cereals	31	96	98	104	107	91	109	115	102	110	102	94
Non-food agricultural produce	17	161	196	204	223	236	219	191	173	177	167	173
INDIA												
All items	27	104	109	120	112	116	124	120	119	119	119	118
Food articles	27	104	110	110	114	110	110	110	108	109	107	107
Industrial raw materials	23	108	117	141	122	133	159	140	135	137	136	133
Semi-manufactured articles	32	104	108	119	110	117	122	119	119	119	119	118
Manufactured goods	29	101	102	116	103	109	120	118	118	118	117	118
Miscellaneous	20	108	136	145	145	143	145	144	147	143	149	149
KOREA (Seoul)												
All items	..	137	..	.	831.1d	..	1,594	2,267	2,672	2,852	2,565	2,599
Fertilizers'	..	300	..	..	909.7d	..	3,356	7,526	7,526	7,526	7,526	7,526
Textile raw materials	.	144	.	..	568.9d	..	1,566	1,789	2,039	2,408	1,891	1,818
Textiles	.	140		..	635.8d	..	1,454	1,775	2,062	2,274	1,994	1,919
Building materials	..	143		..	1,103.6d	..	2,220	2,535	3,252	3,051	3,224	3,480
PHILIPPINES (Manila)												
General	20	87	77	85	83	84	88	89	80	83	79	77
THAILAND (Bangkok)												
General	6	93	95	103	101	99	102	104	107	108	106	107
VIET-NAM (Saigon) a												
General index	6	125	123	146	132	136	144	150	156	156	156	155
Rice & paddy	6	125	104	111	104	97	101	119	129	129	132	127
Other food products		125	125	140	130	132	138	140	148	145	149	150
Fuel & mineral products	7	136	153	160	155	159	159	162	161	160	160	164
Raw materials	14	120	172	241	236	267	240	227	231	237	229	227
Semi-finished products	7	123	117	146	115	126	136	156	165	163	164	163
Manufactured products	4	125	105	142	110	122	152	154	142	144	141	141
JAPAN												
All items	1	163	192	267	215	246	272	271	279	280	280	278
Edible farm products	1	178	207	258	206	226	250	272	285	285	286	282
Processed foods	1	163	157	178	161	166	177	182	187	187	187	187
Textiles	1	215	262	263	322	389	393	330	340	347	340	332
Chemicals	1	138	180	250	204	221	241	257	280	271	280	289
Metal & products	2	143	211	423	270	351	452	451	438	443	438	432
Building materials	1	141	166	243	199	236	246	242	246	249	250	240
Fuels	1	150	167	203	168	177	193	210	231	230	231	233
Miscellaneous b	1	155	179	237	203	226	247	239	238	239	238	237

a New series for Saigon beginning 1949, which is linked to the old series

b. Revised Series.

c. Figures in the column refer to 1938-40 for Burma, year ending August 1939 for India and January to June 1939 for Saigon

d Price index for Pusan beginning from the fourth quarter of 1950, with 1947 = 100. Index of 4th December is used from the fourth quarter of 1950. For comparison with previous Seoul prices, it may be indicated that, figures for June 1950 for Pusan for "All items" and the four group indices are respectively 368.0, 909.7, 342.3, 237.9 and 338.0; and those for Seoul with 1947 = 100, are respectively 348 0, 909 7, 351.8, 234.4 and 337 8:

X. INDEX NUMBERS OF COST OF LIVING AND RETAIL PRICES

(1948 = 100)

	1938	1949	1950	1951	1950	1951						
					IV	I	II	III	IV	Oct.	Nov.	Dec.
BURMA (Rangoon)												
Cost of living	28	135	114	112	108	105	110	123	109	112	107	107
Food	24	142	120	120	113	111	115	137	121	121	112	113
CAMBODIA (Phnom-Penh)												
Cost of living	..	138	165	169	162	160	165	173	177	178	173	180
Food	..	133	150	163	157	153	158	168	174	175	168	178
CEYLON (Colombo)												
Cost of living	..	99	105	109	106	109	109	107	109	108	109	111
Food	..	104	112	112	112	114	112	110	112	110	112	114
HONG KONG												
Cost of living	..	112	117	128	116	126	128	130	129	..	..	129
Food	..	118	126	135	121	129	135	139	136	..	..	136
INDIA (Bombay)												
Cost of living	35	101	103	109	104	107	111	108	110	110	110	109
Food	32	105	109	115	109	113	116	113	116	116	116	115
INDONESIA (Djakarta)												
Food	8	97	113	189	119	179	167	191	217	212	216	224
KOREA (Pusan)												
Retail price index	..	123	281	1,397	461	881	1,152	1,698	1,857	1,884	1,780	1,907
Food	..	131	302	1,427	453	977	1,325	1,367	2,040	2,109	1,941	2,070
LAOS (Vientiane) a												
Cost of living	..	106	107c	113	110	107	111	117	117	116	119	116
Food	..	103	100c	102	105	95	99	109	106	103	107	107
MALAYA (Kuala Lumpur)												
Cost of living												
Chinese	..	94	101	133	109	125	132	136	139	138	139	139
Indian	..	94	99	132	107	125	132	136	138	136	139	140
Malay b	..	98	108	136	118	132	135	138	140	139	140	142
PAKISTAN (Karachi)												
Cost of living	..	..	95	99	94	96	98	99	101	101	101	101
Food	..	..	93	99	92	96	98	100	103	103	103	102
PHILIPPINES (Manila)												
Cost of living	25	94	93	99	97	97	100	100	97	98	96	96
Food	24	93	86	94	91	92	95	96	92	94	91	90
THAILAND (Bangkok)												
Cost of living	8	96	99	110	100	110	115	109	107	108	106	106
Food	5	95	97	106	94	107	112	104	100	101	100	99
VIET-NAM (Saigon)												
Cost of living	..	122	125	141	130	132	138	144	150	146	150	155
Food	..	120	114	124	117	115	117	127	136	132	135	144
JAPAN (Urban)												
Cost of living	..	138	128	151	129	142	150	155	158	155	156	163
Food	..	134	120	140	116	132	140	145	141	140	139	145

a. December 1948 = 100. 1948 averages for old series being 93 for cost of living index and 94 for food. New series begin from July 1950. Averages for the first quarter of 1950 for the old series for cost of living index and food index respectively are 94 and 92 and those for the new series are 102 and 95

b. January 1949 = 100.

c. Averages of first, third and fourth quarters.

XI. WHOLESALE PRICE QUOTATIONS OF SELECTED COMMODITIES[a]

(Monthly averages per ton)

	Currency Unit	1948	1949	1950	1951	1950 IV	1951 I	1951 II	1951 III	1951 IV	1951 Oct.	1951 Nov.	1951 Dec.
RICE													
Burma	Rs.	266	264	254	266	265	264	259	266	276	..	..	..
India	Rs.	436	442	432	432	432	432	432	432	432	432	432	432
Indonesia	Rp.	870	870	..	..	..	2,177	1,610	..	..	..	..	..
Japan	000 Y.	24.9	29.7	40.3	40.0	40.3	40.3	40.3	40.3	40.1	40.3	40.0	40.0
Korea	000 W.	127	145	..	..	..	..	1,315g	2,013	2,515	2,765	2,318	2,462
Pakistan	Rs.	917	977	475	623	509	517	630	669	678	707	683	643
Thailand	Baht	738	713	696	734	723	702	699	743	794	790	800	793
Viet-Nam	Pr.	2,100	2,630	2,170	2,322	2,160	1,993	2,187	2,443	2,663	2,630	2,680	2,680
WHEAT													
India	Rs.	566	532	410	412	412	412	412	412	412	412	412	412
Korea	000 W.	73	95	..	..	..	..	970g	1,174	1,170	1,439	1,902	1,970
Pakistan	Rs.	326	317	270	..	244	266	302	..	285	285	285	285
SUGAR													
India	Rs.	990	846	773	822	787	822	822	822	822	822	822	822
Indonesia	Rp	2,290	1,550	2,906	2,945	2,313	3,243	3,060	2,657	2,820	2,820	2,830	2,810
Korea	000 W.	411	745	..	..	..	..	5,975g	7,238	6,422	6,817	6,600	5,850
Pakistan	Rs.	925	964	1,000	1,067	1,021	1,021	1,021	1,021	1,206	1,206	1,206	1,206
Philippines	P.	307	313	284	271	278	263	264	283	273	277	274	267
Thailand	000 Baht	4.61	5.66	5.33	6.01	6.55	6.22	5.49	6.02	6.32	6.48	6.22	6.28
PEPPER													
Cambodia	000 Pr.	35.1	95.4	137	148	140	152	156	146	136	142	134	131
Indonesia	000 Rp.	5.47	19.4	..	..	..	..	..	..	..	..	..	..
Malaya	000 M$	3.2	8.2	15.0	16.1	15.9	18.2	17.3	15.4	13.5	14.7	13.0	12.9
Thailand	000 Baht	23.8	46.0	95.6	..	84.9	102.0	101.1	100.1	..	..	..	..
TEA													
Ceylon	Rs.	3,590	4,170	4,450	4,056	4,730	5,020	3,946	3,549	3,741	3,814	3,748	3,660
India	Rs.	3,590	3,660	..	..	..	3,880	..	..	3,616	3,726	3,505	3,616
Pakistan	Rs.	4,696	4,248	..	..	..	..	3,533	..	..	..	..	..
Indonesia	Rp.	2,200	2,870	5,520	6,557	6,000	6,920	7,000	6,427	5,880	5,800	5,970	5,870
U.K.	U.S.$	1,190	..	950	1,021	986	983	1,043	1,049	1,010	981	1,023	1,027
U.S.A.	US$	1,290	1,243	1,146	..	1,180	..	..	1,027	1,027	1,036	1,025	1,019
TOBACCO													
India	Rs.	..	5,820	6,850	..	..	6,944	6,878	..	..	6,482	..	..
Pakistan	Rs.	2,551	2,368	2,550	4,130	2,790	4,097	3,918	3,981	4,526	4,320	4,602	4,655
Philippines	P.	816	796	1,151	905	1,142	1,106	976	826	713	741	722	677
VEGETABLE OIL [b]													
Ceylon	Rs.	1,006	1,006	1,390	1,598	1,546	2,008	1,708	1,332	1,343	1,439	1,329	1,262
India	Rs.	666	760	850	868	830	941	981	818	732	851	600	745
Indonesia	Rp.	1,220	940	1,700	2,290	2,100	2,160	2,150	2,270	2,580	2,580	2,580	2,580
Malaya	M$	1,160	913	1,092	1,300	1,204	1,578	1,367	1,136	1,117	1,189	1,104	1,058
Pakistan	Rs.	2,649	2,986	3,267	3,006	3,483	3,393	2,869	2,851	2,913	2,867	2,967	2,904
Philippines	P.	980	620	676	700	720	890	760	580	580	620	580	550
COPRA													
Ceylon	Rs.	531	591	826	963	916	1,173	1,036	808	836	900	813	796
India	Rs.	986	1,289	1,486	1,561	1,609	1,585	1,534	1,534	1,590	1,618	1,601	1,551
Indonesia	Rp.	390	470	1,190	1,400	1,380	1,533	1,550	1,350	1,167	1,100	1,200	1,200
Malaya	M$	646	518	650	726	738	914	736	623	631	675	619	601
Philippines	P.	515	311	360	362	370	480	369	295	303	331	295	283
Thailand	Baht	..	2,320	3,292	3,795	3,972	4,729	4,014	3,283	3,303	3,283	3,292	3,333
COTTON, RAW													
India	Rs.	1,830	1,800c	..	1,788	..	1,729	1,729	1,823	1,870	1,870	1,870	1,870
Korea	000 W.	630	929	..	..	..	..	2,388g	3,055	4,828	4,667	4,817	5,000
Pakistan	Rs.	1,879	2,109	2,218	3,022	2,748	3,422	3,178	2,647	2,842	2,365	2,900	3,262
U.K.	£	..	232	329	420	398	439	471	373	395	349	413	423
JUTE, RAW													
India	Rs.	1,070	1,110	1,100	1,826	1,100	1,102	2,811	1,828	1,562	1,598	1,516	1,571
Pakistan	Rs.	958	849	668	1,140	623	934	1,585	1,039	1,002	1,008	990	1,009
U.K.	U.S.$	385	..	315	..	311	437	..	437	459	462	457	459
U.S.A.	U.S $	408	..	343	511	326	467	616	475	487	472	485	505

XI. WHOLESALE PRICE QUOTATIONS OF SELECTED COMMODITIES[a] *(Contd.)*

(Monthly averages per ton)

	Currency Unit	1948	1949	1950	1951	1950 IV	1951 I	1951 II	1951 III	1951 IV	1951 Oct.	1951 Nov.	1951 Dec.
HEMP													
Philippines	P.	883	892	887	1,044	950	1,151	1,144	1,035	847	875	843	822
WOOL, RAW													
India	Rs.	1,963	2,030	3,990	4,440	6,710	5,861	5,234	4,049	2,617	3,020	2,416	2,416
Pakistan	Rs.	..	3,180	..	..	..	..	5,300	3,563	3,54	3,293	3,764	3,562
SILK, RAW													
India	000 Rs.	52.9	66.9	84.1	66.0	73.6	77.6	74.3	65.1	47.2	55.8	45.0	40.7
Japan	Mn. Y.	1.57	2.29	2.58	3.8	3.26	4.6	3.6	3.3	3.6	3.7	3.5	3.5
Korea	Mn. W.	7.1	11.6	..	..	..	..	51.2g	55.1	77.7	80.3	77.3	75.5
HIDES													
India	Rs.	2,160	2,010	2,000	3,729	2,200	4,134	4,390	3,436	2,957	4,134	2,370	2,370
Pakistan	Rs.	1,860	2,296	2,543	2,976	2,922	3,895	3,003	2,357	2,651	2,421	2,697	2,834
Thailand	000 baht	8.2	9.9	12.8	16.2	15.4	23.5	17.4	12.6	11.0	11.5	10.8	10.8
RUBBER, NATURAL													
Ceylon	Rs.	1,367	1,257	3,417	4,740	5,453	6,598	4,557	3,909	3,887	4,101	3,770	3,792
Indonesia	Rp.	1,176	1,077	5,958	9,348	10,173	12,100	8,880	8,140	..	8,600	7,940	..
Malaya	M$	944	855	2,386	3,738	3,959	4,753	3,706	3,262	3,231	3,402	3,203	3,087
Thailand	baht	6,531	6,233	12,155	19,351	20,312	21,779	19,104	17,570	18,953	19,795	18,787	18,285
U.K.	£	119	108	306	467	504	597	455	422	399	416	393	381
U.S.A.	U.S.$	483	388	906	1,302	1,517	1,594	1,455	1,146	1,146	1,146	1,146	1,146
Viet-Nam	000 Pr.	7.2	8.3	15.9	24.1	26.2	30.0	23.6	21.0	21.8	23.0	21.5	21.0
COAL													
India	Rs.	16.1	16.0	15.5	15.2	15.5	15.5	15.5	14.2	15.5	15.5	15.5	15.5
Korea	000 W.	3.61	3.80	..	..	..	..	..	85	85	85	85	85
Pakistan	Rs.	83	89.2	89.3	..	89.3	78.7	78.7	..	..	..	..	..
Viet-Nam	Pr.	342	542	583	587	582	583	585	586	594	594	594	594
TIN													
Malaya	000 M$	4.53	4.46	6.04	8.71	8.33	10.94	9.11	7.09	7.70	7.83	7.82	7.44
Thailand d	000 baht	..	20.04	22.16	33.2	31.10	40.9	34.8	27.8	29.4	30.0	29.2	29.2
U.K.	£	543	596	734	1,063	1,027	1,318	1,091	883	960	992	970	917
U.S.A.	U.S.$	2,188	2,186	2,108	2,802	2,914	3,674	2,968	2,293	2,271	2,271	2,271	2,271
PIG IRON													
India	Rs.	111	111	105	116	105	105	105	122	131	131	131	131
Japan e	000 Y.	3.1	4.7	..	27.5	14.0	16.9	32.6	30.2	30.3	30.3	30.3	30.3
Korea	000 W.	15.0	27.5	..	..	..	..	200g	206	303	287	310	323
CEMENT													
India	Rs.	83.7	81.2	81.2	88.7	81.2	81.2	86.0	94.6	93.2	93.2	93.2	93.2
Japan	000 Y.	2.79	4.12	5.01	7.76	5.43	6.41	7.57	8.39	8.67	8.40	8.80	8.80
Korea	000 W.	21.8	40.6	..	..	..	..	164.6g	312.0	342.0	368.0	328.0	328.0
Pakistan	Rs.	..	93.8	93.8	93.8	93.8	93.8	93.8	93.8	93.8	93.8	93.8	93.8
Viet-Nam	Pr.	746	961	986	1,035	976	976	1,009	1,076	1,078	1,076	1,079	1,079
COTTON YARN													
India	Rs.	2,620	3,130	3,060	..	3,060	3,363	3,792	..	..	..	..	..
Japan	000 Y.	87	280	373	66.2	417	474	796	708	672	746	674	595
Viet-Nam	000 Pr.	50.1	45.0	50.8	64.8	50.1	57.3	66.6	68.6	66.5	62.7	69.2	67.6
COTTON FABRICS													
India	000 Rs.	4.1	3.9	3.6	4.2	3.6	3.9	4.8	4.3	4.3	4.3	4.3	4.3
Japan (meter)	Y.	..	62	79	106	108	117	120	94	90	93	91	87
JUTE BAGS (per hundred)													
India	Rs.	133	146	156	229	156	159	268	239	252	248	252	255
Pakistan	Rs.	151	174	196	215	179	189	216	206	247	222	235	285
JUTE (hessian)													
U.K.	U.S.$	658	..	559	824	559	718	803	889	889	889	889	889
U.S.A.	U.S.$	660	..	777	1,054	1,112	1,183	1,177	930	926	894	906	979

a. For details regarding specification and market centre see "Explanatory Notes to Table X" in Vol. I No. 1, and Footnotes to Table XI in Vol. I No. 2, and No. 3, Statistical Supplement to Vol. I and Vol. II No. 1.

b. Coconut oil for Ceylon, Malaya and the Philippines; groundnut oil for India; palm oil for Indonesia; and mustard oil for Pakistan.

c. India, raw cotton, Bengal Fine M.G. substituted from third quarter 1949 for original specification the price of which in the third quarter of 1949 was 1309

d. Tin Ore.

e. Pig Iron No. 2 for casting substituted beginning July 1950, the quotation for the original specification i.e. Pig Iron for steel being 11.9 for July 1950.

g. Beginning second quarter of 1951, all figures refer to Pusan.

XII. FINANCIAL STATISTICS[a]

	1938	1948	1949	1950	1951	1950 IV	1951 I	1951 II	1951 III	1951 IV	1951 Oct.	1951 Nov.	1951 Dec.
BURMA (million Rs.)													
Currency and Deposit Money													
Currency: In circulation	..	360	418	394	429	369	436	472	421	385	387	375	393
Deposit money b	..	174	202	207	217	204	198	223	232	216	224	217	208
Commercial Banks													
Total deposits	108	199c	233	246	260	246	238	265	275	260	266	261	253
Assets: Cash	3	72c	109	69	53	57	48	54	59	52	60	46	48
Short term: Government	..	36	8	23	25	25	19	23	31	27	31	29	22
Short term: Other	48	67	60	100	153	108	170	151	140	151	145	148	159
Long term: Government	..	..	..	7	9	7	7	8	9	11	11	11	12
Union Bank of Burma													
Deposits: Total	..	108d	149	226	379	287	277	304	462	472	477	471	469
Government	..	44d	46	163	330	237	237	258	411	415	419	420	416
Foreign assets: Total	..	88d	172	216	374	279	288	293	448	467	461	469	470
Local assets:													
Short term: Government	..	6d	20	18	16	14	17	17	15	14	13	13	16
Long term: Government	..	10d	10	13	13	15	13	13	14	12	13	13	10
Bank Clearings	68	157c	128	139	150	144	165	150	145	141	142	135	145
CAMBODIA, Laos, & Viet-Nam (million Pr.)													
Commercial Banks													
Total deposits	..	1,126	1284	1,616	2,178	1,769	2,036	2,173	2,194	2,311	2,284	2,290	2,358
Assets: Short term	..	338	600	707	724	721	632	626	748	891	844	875	953
CEYLON e (million Rs.)													
Currency and Deposit Money													
Currency—Net active	34	236	237	271	361	311	347	359	366	374	372	372	378
Deposit money b	..	579	621	475	651	549	661	672	638	631	620	636	629
Commercial Banks													
Total deposits	..	641	687	660	809	741	860	856	806	715	711	713	716
Assets: Cash	..	269	284	151	209	178	204	217	204	212	206	204	226
Short term	..	127	137	205	270	252	192	181	268	269	268	267	271
Long term	..	193	230	187	218	203	217	216	219	220	221	218	221
Central Bank of Ceylon													
Deposit: Total	..	..	..	189	250	184	224	250	272	253	257	261	241
Government	..	..	..	20	54	27	32	46	80	59	70	67	40
Foreign assets: Total	..	..	..	533	660	552	617	660	685	678	684	681	668
Local assets.													
Short term: Government	..	..	..	14	14	14	14	14	14	14	14	14	14
Long term: Government	..	..	..	4	2	4	1	—	3	3	3	3	3
Bank Clearings	91	396	461	549	692	590	672	692	706	696	756	684	648
HONG KONG (million HK$)													
Currency and Deposit Money													
Notes: Total issued	..	778	840	803	805	807	807	806	804	801	802	801	800
Bank Clearings	..	689	917	1,199	1,506	1,566	1,615	1,534	1,482	1,393	1,454	1,368	1,356
INDIA f (1000 million Rs.)													
Currency and Deposit Money													
Currency: Net active	3.03h	13.58	12.38	12.49	13.06	12.35	13.37	13.82	12.67	12 37	12.30	12.37	12.44
Deposit money	1.35g	8.07	7.06	6.79	6.79	6.78	6.85	6.93	6.86	6.54	6.71	6.49	6.43
Scheduled Banks													
Total deposits	2.27	9.90	8.85	8.71	8.94	8.82	9.04	8.95	9.01	8.77	8.84	8.77	8.69
Assets: Cash	0.22	1.28	1.04	0.98	0.99	1.08	0.89	0.93	1.15	0.99	1.11	0.96	0.90
Short term	1.16	4.33	4.47	4.40	5.31	4.20	5.21	5.61	5.16	5.24	5.00	5.17	5.54
Long term	..	4.65h	3.74	3.73	3.33	3.90	3.45	3.20	3.31	3.32	3.36	3.34	3.28
Reserve Bank of India													
Deposits: Total	0.32	4.29	3.10	2.94	3.27	3.08	3.03	3.03	3.57	3.44	3.52	3.43	3.38
Government j	0.15	2.57	1.75	1.68	1.96	1.75	1.82	1.76	2.11	2.17	2.11	2.18	2.21
Foreign assets: Total	1.15	13.74	8.95	8.68	8.76	8.62	9.01	9.11	8.68	8.25	8.36	8.19	7.21
Banking Department	0.04	3.44	1.87	2.08	2.00	2.16	2.03	1.83	2.16	1.97	1.98	1.96	1.98
Issuing Department	1.11g	10.30	7.08	6.60	6.76	6.46	6.99	7.28	6.52	6.28	6.38	6.23	5.23
Local assets:													
Short term Government	0.02	0.01	0.03	0.02	0.05	0.02	0.03	0.07	0.05	0.06	0.06	0.05	0.08
Short term: Others	0.02	0.09	0.12	0.10	0.16	0.05	0.14	0.23	0.12	0.18	0.13	0.15	0.24
Long term: Total	0.39	2.83	5.01	5.21	5.83	5.27	5.70	6.02	5.89	5.71	5.76	5.67	5.69
Banking Department	0.06	0.75	1.00	0.76	0.95	0.90	0.93	0.90	0.94	1.03	1.08	0.99	1.01
Issuing Department	0.32	2.08	4.01	4.45	4.88	4.37	4.77	5.12	4.95	4 68	4.68	4.68	4.68
Bank Clearings	1.54	5.07	4.77	4.70	5.92	4.74	5.99	6.32	5.72	5.64	5.45	5.89	5.57

XII. FINANCIAL STATISTICS *(Contd.)*

	1938	1948	1949	1950	1951	1950 IV	1951 I	1951 II	1951 III	1951 IV	1951 Oct.	1951 Nov.	1951 Dec.
INDONESIA (million Rp.)													
Currency and Deposit Money													
Currency: net active	188g	1,577g	1,740	2,203	..	2,621	2,903	3,140	3,241	..	3,126	3,153	..
Deposits Money	83g	884g	756	1,661	.	1,937	2,394	2,467	2,183	..	1,802	1,747	..
Bank of Java													
Foreign assets: Total	128g	.	551	868	1,743	1,242	1,504	1,684	1,875	1,915	1,872	1,934	1,939
Local assets:													
Short term: Government	3g	916g	972	2,007	1,957	2,445	2,782	2,035	1,584	1,425	1,404	1 388	1,484
Short term: Others	61g	..	70	138	420	194	173	395	527	585	638	576	540
JAPAN (1000 million Y.)													
Currency and Deposit Money													
Notes: Net Active m	2.9	338.1	294.0	315.2	397.3	357.2	378.1	385.1	392.1	434 0	402	408	492
Deposit money	5.3g	266.9	364.2	452.1	607.9	482.3	556.8	607.3	628.7	639.0	602	614	701
All banks except Bank of Japan													
Total deposits	19.1	326.4	613.9	893.4	1,274.4	997.4	1,132.2	1,237.6	1,317.1	1,410.9	1,331.3	1,395.1	1,506.3
Assets: Cash	1.2g	..	22.9g	21.6	27.0	22.3	27.8	25 2	26.8	28.0	29	35	20
Short term	12.7	248.3	496.8	825.8	1,247.6	945.8	1,029.3	1,162.2	1 330.5	1,470.4	1,423.2	1,461.5	1,526.4
Long term	5.8	68.2	115.4	117.4	155.3	132.7	141.0	150.3	159.4	170.7	166.0	170.3	175.9
Bank of Japan													
Deposits: Total	0.4	29.5	57 2	56.7	143 0	77.4	164.7	177.1	146.1	84.2	100.8	86.9	64.9
Government	0.3	10.4	35.2	37.8	119.3	55.6	139.6	155.3	125.5	56.7	77.9	60.6	31.6
Local assets;													
Short term: Government	--	69.0	94.1	78.1	44.2	67 7	51.1	42.6	42.2	40.7	41.2	41.2	39.6
Short term: Others	0.1	54.6	77.8	123.2	179.5	122.9	110.9	152.5	229.2	225.5	231.8	221 6	223.0
Long term: Government	1.8	153.8	182.3	143.7	117.9	136.3	133.4	127.3	113 4	97.5	82.4	84.0	126.0
Bank Clearings	..	235.7	549.2	808 0	1,232.2	1,009.4	1,066.1	1,260 3	1,256.6	1,345.7	1,302.4	1,228.8	1,505.9
KOREA, South (1000 million W.)													
Currency and Deposit Money													
Notes: In circulation	0.31	28 90	42.06	..	*108.02*	..	*301.22*	*328.09*	*439.97*	*505.32*	*473.56*	*505.05*	*537.34*
Deposit money	0.12	11.48	20.65	..	..	..	..	.	..	..	..	..	..
All Banks													
Total deposits	0.52	32 93	56.93	..	..	..	..	..	..	..	..	..	..
Assets: Cash	0.05	8.31	15.44	..	..	..	..	..	..	..	..	..	..
Short term	1.05	32.16	52.92	..	..	..	..	..	..	..	..	..	..
Long term	0.41	3.25	3.53	..	..	..	..	..	..	..	..	..	..
Bank of Korea													
Deposits: Total n	0.62	5.18	7.86	..	352.46	238.72	260.42	270.97	333.09	545.34	375.61	590.14	670.28
Government	..	..	..	..	183.46	136.72	140.59	135.30	161 40	308.55	221.62	339.03	364.99
Foreign assets:	..	..	..	..	6.46	6.47	6.43	6.64	7.63	5.15	5.90	4.86	4.70
Local assets:													
Short term: Government	..	..	..	..	601.53	291 22	445.02	539.38	651.92	769.80	684.48	784.00	840.93
Short term: Others	0.97	8.20	13.45	..	80.62	52.29	52.49	56.12	71.34	142.52	95.29	137.47	194.79
Long term	0.28	0.18	0.41	..	4.00	3.34	3.57	4.33	5.31	2.81	3.58	2.54	2.30
Bank Clearings	0.2	20.57	39.87	40.83	239.82	27.11	48.70	149.92	271.00	489.68	448.67	503.51	516.85
MALAYA (million M$)													
Currency and Deposit Money													
Currency: Total issued p	..	407	402	456	724	589	682	726	736	753	743	751	764
PAKISTAN q (million Rs.)													
Currency and Deposit Money													
Currency: In circulation	..	1,333	1,741	1.794	2,154	1,871	2,187	2,089	2,047	2,293	2,149	2,302	2,429
Deposit money	..	1,053	1,000	1,055	1,189	1,007	1,061	1,162	1,250	1,281	1,254	1,302	1,288
Scheduled Banks													
Total deposits	..	1,092	1,071	1,180	1,393	1,168	1,227	1,380	1,465	1,499	1,499	1.501	1,499
Assets: Cash	..	220	204	149	199	124	129	188	266	211	224	200	210
Short term	..	322	428	562	706	698	849	664	536	774	622	780	919
State Bank of Pakistan													
Deposits: Total	..	1,164	1,015	792	969	811	957	1,023	1,026	870	905	878	827
Government	..	912	794	604	758	643	811	819	741	663	672	680	636
Foreign assets:													
Banking Department	..	1,009	722	344	582	383	577	637	609	503	604	466	440
Issuing Department	..	1,204	1,618	1,272	1,381	1,156	1,321	1,337	1,334	1,533	1,384	1,577	1,637
Local assets:													
Short term: Government	..	117	111	103	82	103	59	72	100	99	99	99	99
Short term: Others	..	.	3	37	52	81	118	13	4	74	2	83	136
Long term:													
Banking Department	.	32	178	269	232	242	178	258	299	194	229	226	127
Issuing Department	..	25	97	469	689	650	784	669	635	698	663	665	765
Bank Clearings	..	300	525	362	461	400	602	392	365	485	395	511	550

XII. FINANCIAL STATISTICS *(Contd.)*

	1938	1948	1949	1950	1951	IV 1950	1951 I	1951 II	1951 III	1951 IV	1951 Oct.	1951 Nov.	1951 Dcc.
PHILIPPINES (million P.)													
Currency and Deposit Money													
Currency: Net active	141a	513	551	598	671	647	690	700	651	643	643	634	651
Deposit Money	73g	870g	547	549	542	627	566	569	520	512	516	512	509
Commercial Banks													
Total deposits	..	870g	818	827	834	916	861	860	812	804	809	802	801
Assets: Cash	65g	313	203	209	*155*	286	227	166	*110*	*110*	*115*	*113*	*103*
Short term	210	..	563	536	606	523	544	581	631	689	657	666	685
Long term	49	..	84	62	70	71	69	75	71	66	71	68	61
Central Bank of Philippines													
Depcsits: Total	..	..	144	164	212	238	185	193	232	236	245	238	226
Foreign assets: Total	..	400	607	482	539	582	561	563	533	499	510	494	493
Local assets:													
Short term: Others	..	..	30	63	40	42	54	29	31	45	47	44	42
Long term	..	..	20	130	210	156	163	211	231	235	231	234	242
Bank Clearings	26	381	443	462	457	481	453	452	459	465	523	424	450
Total Bank Debits to Checking Account	175	772	723	674	733	783	759	727	734	710	792	648	692
THAILAND (million baht)													
Currency and Deposit Money													
Notes: in circulation r	191g	2,237	2,505	2,610	3,525	2,938	3,387	3,490	3,551	3,671	3,654	3,666	3,692
Deposit money s	..	1,014	1,020	1,061	*1,412*	1,187	1,216	1,362	1,427	*1,641*	*1,656*	*1,683*	*1,583*
Commercial Banks													
Total deposits	53	786	829	867	1,144	963	1,000	1,117	1,181	1,279	1,260	1,306	1,274
Assets: Cash	13	369	330	274	433	325	317	470	443	502	527	518	460
Short term	28	406	546	609	714	610	694	696	719	747	723	772	746
Long term	8	102	101	96	98	103	96	92	93	109	93	123	112
Bank of Thailand													
Deposits: Total	..	717	1,166	1,447	1,725	1,488	1,454	1,730	1,780	1,934	1,891	2,083	1,830
Government	..	338	444	455	427	370	309	449	460	492	473	580	423
Foreign assets: Total	..	1,722	2,268	3,207	4,125	3,579	3,700	4,044	4,170	4,482	4,445	4,481	4,519
Local assets:													
Short term: Others	..	434	604	903	1,600	1,033	1,306	1,558	1,712	1,825	1,780	1,888	1,808
Long term:													
Banking Department	..	5	150	142	152	144	155	155	153	148	148	148	148
Issuing Department	..	951	755	500	621	500	512	561	573	836	584	615	1,310
Bank Clearings	..	774	1,112	1,544	2,057	1,814	2,100	1,931	1,946	2,253	2,176	2,337	2 245
Debits to sight Deposit	..	..	1,447g	2,068t	2,786	..	2,930	2,546	2,689	2,980	3,045	3,015	2,879

a Net active currency: Total issued less holdings in all banks including the central bank and the government treasuries. Currency in circulation: Total issued less holdings in all banks including the central bank. Deposit money: Deposits of all banks (including central bank) subject to checks but excluding inter-banking liabilities and central government deposits. Cash of commercial banks: Cash and balances with banks. Short term assets: Short term assets such as loans, advances and bills discounted. Long term assets Securities, bonds, debentures etc.
Figures refer to end of period for months and average of month ends for quarterly and annual figures, except in the case of bank clearings where monthly totals and their averages are used.

b Demand deposits of commercial banks.

c Average March-December.

d Average April-December.

e Figures up to and including 1949 are end of quarter and their averages. 1950 figures are end of months and their averages.

f Figures for 1938 are average of weeks for the twelve months ending March 1939, except where indicated under h.

g End of year.

h Average of September-December.

j Central and other government deposits except 1938 which includes only those of the central government.

k Figures from September 1951 not comparable with previous figure as more refined method of computing net active currency is used.

m End of year for 1938, 1948, annual average (only 11 months) for 1949.

n The series up to and including February 1950 and different from series beginning June 1950 onwards as the former excludes Treasury Deposits, Government deposits in foreign currencing and special deposits for counterpart fund.

p The figures in the first of each month have been taken to represent end of month figures of the previous month.

q Average of July-December only for 1948.

r Total issued less amount held in Banking Department of the Bank of Thailand.

s Sight deposits with commercial banks and at the Bank of Thailand but excluding government deposits.

t Average of end of Quarter.

TRADE AGREEMENTS NEGOTIATED AND/OR FINALIZED DURING THE FOURTH QUARTER, 1951.

I. JAPAN-ECAFE COUNTRIES

Contracting parties	Period valid	Value of trade and types of commodities	Nature of trade and method of payment	Remarks
Japan—Indonesia	One year	No detailed information is available Principal Japanese manufactured goods such as machine tools, transport equipment, electrical appliances, electrical generators, textiles, chemicals and fertilizers, agricultural equipment, glassware and porcelain will be exchanged for Indonesian raw materials and agricultural produce such as rubber, tea, coffee, pepper, cinamon, cocoa beans, hides and skins and a limited quantity of tin ore.	Balanced trade under licence. Indonesia proposed that one fourth of the trade balance be paid in dollars and three-fourths in pound sterling while Japan proposed the payment of one-fourth in sterling and three-fourths in dollars.	The negotiations which took place in Tokyo in November were suspended in December 1951 owing to disagreement on the method of payment. Indonesia claimed that since the larger proportion of Indonesian foreign trade transactions covered the "soft-currency" area, it could not accept the Japanese proposal for 75% dollar and 25% sterling payment. On the other hand, since Japan had favourable trade balances with Indonesia in previous years, it was felt that had Japan agreed to accept the Indonesian proposal for 25% dollar and 75% sterling payment it would mean an increase in sterling accumulation by Japan at the expense of earning dollars.
Japan—Pakistan	Till 31 December 1951	Same as previous agreement. See Bulletin Vol. 1, No. 3; Third Quarter 1950)	Same as previous agreement.	An extension of the agreement signed in September 1950 and expired on 30 September 1951. From October 1950 to September 1951 Pakistan imported goods to the value of Rs.319.7 million as against its exports to Japan amounting to Rs.286.8 million.

II. ECAFE—INTRA-REGIONAL TRADE AGREEMENTS

Burma—Ceylon	Through 1952	Burma supplies to Ceylon, during 1952, 120,000 tons of rice, chiefly during the first quarter.	Bulk purchase contract, for cash payment.	Ceylon attempted to secure a much larger allocation than the amount concluded. In 1950, approximately 300,000 tons of Burmese rice were allocated to Ceylon.
Ceylon—India	1 January 1952—31 December 1953	India will export to Ceylon 58 items including coal, jute goods, chillies, onions, cotton yarn, crushed bones and bone grist, jaggery, cotton textiles (both mill-made and handloom), mixed piece-goods, broadcloth, and artificial silk, blankets, fire bricks, sports goods and toys, Indian drugs and medicines, electrical goods and apparatus, rubber manufactures, coal tar dyes and colours, tiles, beedies, etc., in exchange for 12 items from Ceylon including copra and coconut oil, hides and skins, graphite, betel nuts and manufactured tobacco, rubber (sheets and crepe) and lunumidella logs.	Balanced trade under licence.	Ceylon has undertaken to reduce the import duty on hand-made towels from 60 to 15 per cent and also to give India an export quota of 1,500 tons (4,500 logs) of catamaran logs required for the building of country craft.
Thailand—Ceylon	1952	An agreement reached between representatives of the two Governments for the supply of 15,000 tons of Thai rice to Ceylon for the period contracted.	Bulk purchase contract, for cash payment.	
Thailand—India	1952	Thailand agrees to sell 160,000 tons of rice to India, for delivery by the end of September 1952	Bulk purchase contract, for cash payment.	
Thailand—Indonesia	1952	Thailand agrees to supply 90,000 tons of rice to Indonesia.	Bulk purchase contract, for cash payment.	
Thailand—Philippines	1952	Thailand agrees to supply 30,000 tons of rice to the Philippines.	Bulk purchase contract, for cash payment.	
Thailand—U.K.	1952	Negotiations for the sale of 295,000 tons of rice to British territories during 1952 have been concluded.	Bulk purchase contract, for cash payment.	
Viet-Nam—Ceylon	1952	Viet-Nam has agreed to supply to Ceylon, throughout 1952, 50,000 tons of rice.	Bulk purchase contract, for cash payment.	Concluded at the end of December 1951.

TRADE AGREEMENTS NEGOTIATED AND/OR FINALIZED DURING THE FOURTH QUARTER, 1951—*Contd.*

III. ECAFE COUNTRIES—EXTRA-REGIONAL COUNTRIES

Contracting parties	Period valid	Value of trade and types of commodities	Nature of trade and method of payment	Remarks
India—Afghanistan	Three years, 1952-55	Usual commodities will be exchanged between the two countries without specification as regards value or volume for the period in which this agreement will be effective.	Most-favoured-nation treatment, relating to trade, industry, insurance, possession and management of property, subjection to taxes and duties. Payment for unfavourable balance of trade will be based on Indian rupees.	Signed on 4 August 1950 for ratification. Effective two months after date of ratification.
India—Australia	1 July 1951 30 June 1952	Total value of trade not specified. Under schedule 'A' of this agreement, India supplies to Australia 120,000 tons of jute manufactures, 15,000 tons of linseed and linseed oil, 4,000 tons of castor oil, 5,000 tons of raw cotton, 61 million yards of various qualities of textiles, 3,000 tons of cotton waste, 5,000 tons of cotton yarn. Under schedule 'B' of this agreement, Australia supplies to India 10,000 tons of lead, 7,000 tons of zinc, 3,000 tons of tallow, 75 tons of stearin and 350 tons of casein; and under schedule 'C', Australia supplies:— a) Foodstuffs of animal origin, including miscellaneous canned meats, poultry and rabbits, honey, etc. b) Foodstuffs of vegetable origin, including oatmeal and rolled oats, wheatmeal, prepared breakfast foods, canned vegetables, fresh fruits, dried fruits, canned fruits, fruit juices and syrups, jams, jellies, pickles and sauces, cocoa and chocolate, cakes and biscuits, confectionery, dry peas and beans, vinegar, hay, chaff, etc.	Balanced trade under licence. Payment is to be based on pound sterling. The two governments will appoint a consultative committee during the period when this agreement is operative to examine and arbitrate in regard to trade disputes on the questions of (a) prices, (b) delay in delivery and (c) quality of goods. Each party assures to the other that every effort will be made to facilitate the prompt supply of goods exchanged under this agreement.	Signed on 1 October 1951 at Delhi, India.
India—Turkey	Not specified	India and Turkey have concluded a treaty of friendship which has special provision in regard to the conduct of commercial relations, customs regulations and most-favoured-nation clause. References are also made to navigation, aviation, cultural affairs and other matters of interest to both countries. India will supply to Turkey textiles, cotton, cotton yarn, spices and other oil and perfume preparations, carpets and other Indian handicrafts. Turkey will export to India tobacco, medicinal herbs and other Turkish small industry manufactures	Not specified.	The first Indo-Turkish treaty concluded at Ankara on 15 December 1951.
Indonesia—Australia	Probably one year	Under this agreement which is being finalized in Canberra Indonesia will import from Australia, apart from 30,000 tons of wheat and other wheat preparations, machinery, machine tools, electrical and industrial equipment, milk preparations, cattle and agricultural equipment, fertilizers and other chemicals up to the value of 32 million rupiahs. Indonesia will supply to Australia rubber, coffee, tea, pepper, kapok, tobacco and rattan furnishings up to the value of 42 million rupiahs	Issuance of licences. Payment is to be made in sterling in accordance with the overall sterling payment arrangement applicable to the previous agreement signed in September 1950. (See Bulletin, Vol 1, No. 3: Third Quarter 1950)	Under the terms of the International Wheat Agreement Indonesia is entitled to receive 70,000 tons of wheat for 1952, of which Australia assures the supply of 30,000 tons. The Indonesian representatives are at present negotiating for a substantial increase in wheat supply from Australia.
Indonesia—Greece	Till 31 August 1952	Total value of trade between the two contracting parties has not been specified. Indonesia has not decided on the types of commodities to be imported from Greece. Greece will buy from Indonesia tea, coffee, rubber, tin, gum, resin, quinine, pepper and hides.	No indications in the official announcement.	Announced on 27 December 1951. When the period of the agreement commences is not known.
Indonesia—United States	Not specified	The United States Reconstruction Finance Corporation (RFC) is negotiating with the Government of Indonesia for the conclusion of a long-term purchase agreement for Indonesian tin concentrates. It is believed that the United States desires to assure (1) regular flow of Indonesian tin to the United States and (2) a stable price level throughout duration of the contract. It is reported that the United States is offering a lower price for Indonesian tin of $1.12 per pound than for Bolivian tin, ($1.50 per pound), although Indonesia is demanding the same price. This difference in the prices offered has resulted in a deadlock	Bulk purchase contract, for cash payment.	Negotiation stage.
Malaya—United States		The Anglo-American representatives are expected to announce the results of their discussion involving sale of a large quantity of Malayan tin to the United States in exchange for a large American supply of steel for the United Kingdom.	Cash payment and/or barter basis.	Negotiation stage. The United Kingdom negotiated on behalf of Malaya.

TRADE AGREEMENTS NEGOTIATED AND/OR FINALIZED DURING THE FOURTH QUARTER, 1951—*Contd.*

III. ECAFE COUTRIES—EXTRA-REGIONAL COUNTRIES—Contd.

Contracting parties	Period valid	Value of trade and types of commodities	Nature of trade and method of payment	Remarks
Pakistan—Australia	Probably one year	No definite details available. It is understood that Australia will allow the export of chemicals, engineering and capital goods, canned goods, and dairy produce to Pakistan, while Pakistan will export mainly cotton, jute, sports goods, surgical goods, medical instruments, goatskins and certain other materials required by Australia.	Probably balanced trade under licence. Payment will be based on pound sterling.	Discussions took place in Karachi during the latter part of October 1951.
Pakistan—Italy	One year, effective 1 January —31 December 1952	The agreement mainly provides for the export of 50,000 tons of raw cotton and 60,000 tons of raw jute 8,000 tons of cotton seeds, 5,000 tons of chrome ore, 1,000 tons of potassium nitrate, and a large quantity of raw hides and skins from Pakistan to Italy. The principal Italian exports to Pakistan include cotton and silk textiles, jute manufactures, and industrial machinery, iron and steel, cement and paper. tOher minor products are sulphur, railway equipment, industrial machinery and capital goods of various types. No values are specified.	Balanced trade under licence Payments shall be settled in pound sterling.	The agreement will be renewed automatically for another year if notice of terimination is not given by either party at least 90 days before its expiry. Italy ranked as Pakistan's second largest customer on the European continent in 1950/51, with imports from Pakistan at Rs.158.8 million and exports to Pakistan at Rs.72 million. This new agreement is expected to pave the way for a further increase in the quantum of trade both ways