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SOME FINANCIAL ASPECTS OF DEVELOPMENT PROGRAMMES IN ASIAN COUNTRIES¹

The present paper is divided into four parts I. The investment-income ratio and the size of the programmes, II Public investment and taxation, III Inflation, and IV Summary and conclusions.

In the first two sections an attempt is made to estimate the ratio of investment to income and to show the high cost of industrialization in under-developed countries in the ECAFE region, where public investment appears in the initial stages to be more important than private investment. In view of the political inadvisability of building up the capital of a country mainly through the accumulation of private fortunes, and of the limited prospect of foreign aid and investment, public capital may be built up by means of taxation or inflation.

This leads to a consideration in the third section of inflation in its manifold aspects: its measurement and its effects on real income, on prices, on investment and on the balance of payments.

I THE INVESTMENT-INCOME RATIO AND THE SIZE OF THE PROGRAMME

The purpose of a development programme is to increase national income. Its effectiveness depends partly on whether the programme is well devised, in the sense that it has the right priorities. But, however well the programme may be devised, its effectiveness in raising national income depends also on its size. It seems certain that the development programmes of the ECAFE countries, while they may prevent the standard of living from falling, are at present in most cases too small to raise the standard of living.

It is not possible to estimate precisely what the effect on national income will be of any particular level of investment expenditures. Fairly precise estimates can be made for individual items of investment, but when we try to estimate an investment-income ratio for the economy as a whole, we enter a field where both the conceptual problems and the shortage of relevant

statistics defy precision. Nevertheless, various statisticians have made the attempt.² Their conclusion may be summed up by saying that a one per cent per annum increase of national income seems to be associated with somewhere between three per cent and five per cent net annual capital formation. This conclusion is in line with estimates of the stock of capital goods in various countries, which put the value of national wealth usually at between three times and five times the value of annual national income.

An estimate which has frequently been made relates to the cost of industrialization. This calculation runs as follows:

Each worker in industry needs an average of say \$2,500 of capital.³ Suppose that there are 1,000 persons in a country, of whom 350 are gainfully employed. If one per cent of the employed persons, (i.e. $3\frac{1}{2}$ persons), who are engaged in agriculture, be transferred to industry, the capital cost will then be \$8,750. Suppose the per capita income of a country is \$60 and its national income \$60,000. As persons engaged in industry generate incomes of say 2.5 times as great per head as do persons engaged in agriculture (after allowance is made for depreciation of capital), transferring one per cent of the population from agriculture to industry might increase national income by about \$900, or 1.5 per cent, thus giving an investment-income ratio of $\frac{8,750}{900}$, or approximately 10.1. This high ratio may be due partly to over-estimating the cost of capital per head, but this does not seem likely. Or it may be due to taking national income per head at too low a figure. If we took it at \$100 per head, the ratio would become $\frac{8,750}{1500}$ or 5.8. Or it may be due to under-estimating industrial productivity, though this again is unlikely. What the high ratio principally shows is the high cost of industrialization in countries where national income is low and where much of the equipment has to be imported from abroad at prices which are high in relation to local productivity.

² For example E. H. Stern "Capital Requirement in Progressive Economies" *Economics*, August 1945. Collin Clark, *The Conditions of Economic Progress*, 2nd Edition, Ch. W. Felner, "The Capital Output Ratio in Dynamic Economies," in *Essays in Honour of J. H. Williams*.

³ See United Nations, *Measures for the Economic Development of Under-developed Countries*, page 77.

¹ This was prepared for the Division of Trade and Finance of the ECAFE Secretariat in connection with its project on "Analysis of financial aspects of economic development programmes."

By contrast, a team of United Nations experts has suggested that the possibilities for technical improvement in agriculture are such that investing four per cent of national income in agriculture (including one per cent to be spent on extension and research) might increase national income by one per cent annually.¹

The wide range of estimates of the ratio of investment to income emphasizes how little we know about the subject. Nevertheless, existing information is enough to support the conclusion that, in countries where population is increasing by $1\frac{1}{2}$ per cent per annum or more, an annual net investment of 5 per cent or less of national income is not enough to raise the standard of living and may not even be enough to prevent the standard of living from falling, unless it is also supported by very favourable changes in the terms of trade.

In countries which are developing rapidly, annual net investment usually runs at about 15 per cent of national income, or more. If population is increasing by $1\frac{1}{2}$ per cent per annum, this seems to be consistent with the average standard of living increasing by about $1\frac{1}{2}$ to 2 per cent per annum.

At present in Western European and North American countries the standard of living rises by between $1\frac{1}{2}$ and 2 per cent per annum. In some of the countries of Eastern Europe, including the U.S.S.R., annual capital investment is much greater than in Western Europe, and the rise in production is also greater, though this is not necessarily reflected in a more rapidly increasing standard of living. It seems quite safe to say, that at current levels of capital formation in Asia—around 5 per cent net per annum—the difference between the standard of living in Asia and in Europe and North America must widen year by year, and that the relative difference cannot even be maintained unless capital formation in Asia approximates 15 per cent per annum net, or more.

II PUBLIC INVESTMENT AND TAXATION

Investment in public services. The figures of capital investment which we have been using so far relate both to investment in public services and to investment in the "productive" sectors of the economy (including manufacturing, agriculture, public utilities, etc.)

It is equally hard to say what is the appropriate division of capital formation between these two spheres. In 1950 gross capital formation (previous figures were net) in the United Kingdom was 3 per cent of national income in the public sector and 14 per cent of national income in the private sector, similar figures for other countries being Belgium 4.2 and 8.6, Denmark 4.3 and 20.6, Finland 5.2 and 25.2, France 1.2 and 11.2, and New Zealand 7.7 and 18.2. These figures² classify

investment in public industrial enterprises in some cases in the public and in some cases in the private sector, so they are not strictly comparable. Nevertheless, they give some idea of the importance of public investment expenditures in fairly advanced countries.

From figures given in the *Economic Survey of Asia and the Far East, 1951* it may be calculated that public investment expenditures in Asia in 1950 were, in relation to national income, approximately, Burma 2.4 per cent, Ceylon 4.5 per cent, India 2.5 per cent, Malaya 0.5 per cent, and Philippines 2.1 per cent. Assuming no additional incentive to private investment in most of the Asian countries it would take something like a doubling of the present rate of public investment to reach an adequate level. If in addition private enterprise were to be restricted, the present levels of public investment in these countries would need to be multiplied many times to make up for what is needed.

At the same time current political attitudes in Asia seem to demand that the ratio of public to private enterprise should be greater than is currently the case in Western Europe. It is also suggested that some of the funds used by private entrepreneurs should be loaned to them by the government through public financial institutions, in which case the amount of capital which the government must raise in one way or another becomes even greater.

Some analysis of the process of capital formation in rapidly developing economies is necessary if the role of government finance in this matter is to be fully understood.

How does it come about that a country in which net capital formation has for many generations been less than five per cent per annum net (say 10 per cent gross) converts itself into a country with net 12 per cent (say 20 per cent gross) within a few decades? The answer is not that the general public voluntarily starts to save that much more. In the United Kingdom and the United States, personal savings from disposable income seldom exceed 4 per cent, even though gross investment may be as high as 18 to 20 per cent of gross national income. All the difference is "forced" saving, namely, either capital formation financed from taxation, or undistributed profits of companies used to finance maintenance and new investment.

Currently, much of the emphasis on the mobilization of domestic capital is on increasing personal savings from disposable income in this region, through developing postal savings, credit unions, insurance companies, building societies and similar institutions. This is well worth doing, since estimates indicate that these savings are currently 1 to 2 per cent of national income or less; if the development of these institutions were able to raise this figure to nearer 3 per cent, it would be a worth-while achievement.

¹ *Ibid.*, page 78.

² United Nations, *Statistics of National Income and Expenditure*, Table 6, 1952.

All the same, capital formation cannot reach the required levels in Asia unless either there is an enormous increase in private profits not being distributed, or there is an enormous increase in the share of national income taken in taxation, or both

In private capitalist economies, rapid economic development usually takes place against a background of rising prices which simultaneously increases profits and also provides the incentive to reinvest these profits in fixed assets, whose money value rises steadily as the inflation proceeds. The classical case of this is the British Industrial Revolution, 1750-1820, which took place on the background of the French wars, of rising prices and of inflationary profits. There is a unique correlation between changes in the price level and capital formation: when prices are falling capital formation is low, when prices are rising capital formation is high.

The counterpart of this process is that vast private fortunes are built up. Production grows more rapidly than consumption (this is just another way of saying that capital formation increases). The difference is in reinvested profits, concentrated in the hands of a few people, whose personal fortunes increase enormously. In the process, of course, the general standard of living rises. Rich men consume only a small part of their income, and that part which they reinvest provides employment and increases productivity and real wages.

Nevertheless, this way of building up the capital of a country has always given rise to great political offence. The only feasible alternative is to build up capital on public account. This once more involves that production grows faster than consumption, the difference being taxed away. It requires the proportion of the national income taken in taxes to increase very steeply, so that it eventually would include both the 15 per cent or so which modern welfare governments need for current purposes and another 20 per cent or so for gross capital formation. This is the sort of level of taxation which socialist governments have to attain around 35 per cent of gross national income.

The governments of this region are very far indeed from such levels. In 1950 the ratio of current government revenues to national income was: Philippines 6 per cent, India 8 per cent, Malaya 11 per cent, Burma 15 per cent, and Ceylon 19 per cent. Without prejudice to the question whether capital formation in industry should be largely on private or on public account, it is perfectly clear that the share of the national income taken in taxation in this region must enormously increase if governments are to play an adequate role in economic development.

This conclusion is inescapable even if there should be a considerable increase in foreign aid and in foreign investment in Asia. The gross national income of ECAFE countries in 1950, excluding China and Japan,

was probably about \$50,000 million. Foreign aid and investment equal to one per cent of this would be \$500 million. The amount of foreign investment and aid currently available is not precisely known, but it is certainly nowhere near this figure. And the amount provided to Western Europe in 1948 and 1949 would make possible substantial capital formation; it would be about six per cent of national income (\$3,000 million a year), but it does not seem likely that aid on this scale, or any considerable scale, will be forthcoming to the ECAFE region in the near future. It is therefore necessary for the ECAFE countries to pull themselves up by their own bootstraps, if they are to pull themselves up at all.

Another way of building up public capital, which involves neither high taxation nor large foreign aid, is to encourage people to give unpaid labour for public works. This is hardly feasible in urban areas, or for public works which cover wide areas and benefit many different regions. But experience has shown that in the small villages, villagers are willing to work communally on projects which are of immediate benefit to the village, such as building minor roads or bridges or irrigation or drainage channels, or constructing schools, wells, community centres and other works which the villages will themselves be using. This effort can be organized fruitfully where governments are willing to make some contribution, such as paying for the materials used, and for skilled labour not available in the village. Several governments in Asia have begun to organize this work. Much useful capital formation can be done in this way, but since it has to be confined to minor works of direct interest to small villages, it is unlikely to exceed 1 or 2 per cent of national income.

There is no means of escaping the conclusion that the share of the national income going in taxes must be greatly increased, if governments are to play an adequate role in economic development.

Taxation and national income The problem involved in securing a larger share of the national income in taxes may be classified as (i) tax revision, (ii) adequate tax enforcement, (iii) an adequate range of taxes, (iv) adequate gradation of taxes, and (v) the attitude of the public towards taxation.

(i) *Tax revision* Far from increasing their share of the national income, many countries in the region have difficulty in maintaining the relative shares of taxes in national income in conditions of rising prices because they fail to revise quickly enough those of their taxes which are levied as specific sums and not in proportion to money values. This applies to land taxes, to many import, export and excise duties, and to stamp duties and other fees. Such taxes are for this reason more appropriately levied on the *ad valorem* or proportionate bases, than on the specific basis, and, where this is not feasible, as with land taxes, they ought to be revised frequently, as the value of money changes. This applies

also to the charges levied by public undertakings—railways, tele-communications, electric power, tramways and such—whose prices frequently lag behind the general price level, to the embarrassment of the exchequer and also of the undertakings themselves, which in extreme cases fail to earn enough even to replace capital. There should be provision for rapid revision of the prices of all public utilities.

Governments are frequently reluctant to increase charges for public services lest they be accused of contributing to inflation. It should, however, be noted that they contribute to inflation if they fail to withdraw enough purchasing power from circulation. If tram fares are kept low, the money which the public thus saves is spent on other commodities, whose prices therefore rise all the more. The effect of controlling prices in the government sector is to inflate the uncontrolled prices, and so to distort price ratios and the use of resources. It would be better that all prices in the economy should be allowed to rise in much the same proportion.

(ii) *Tax enforcement* in ECAFE countries is lax, and evasion of income tax considerable. Much of this could be remedied. In the advanced industrial countries there are many tax experts in government service who have specialized in problems of tax evasion, and know how to outwit would-be evaders. Any country which has sought the advice of such an expert has always been amply rewarded by increases in tax revenues which are from twenty to one hundred times the cost of the operation. Such advice is available under the United Nations Expanded Programme of Technical Assistance, and more use should be made of it.

(iii) *An adequate range of taxes*. However, even if enforcement were adequate, the income tax could not be expected to yield as large a proportion of government receipts as it does in wealthier countries. This is because the proportion of the population whom it is feasible to tax in this way is much smaller. In India, for example, a preliminary estimate of the distribution of the national income¹ suggests that persons whose annual income exceeds 2,500 rupees receive altogether only 19 per cent of the national income. Since not all incomes over 2,500 rupees are taxable, the proportion of the national income which could be mobilized by the income tax, even if there were no evasion whatsoever, is necessarily small. It is therefore inevitable that indirect taxation must play a much greater role in Asia than it does in wealthier regions.

One of the disadvantages of indirect taxation is the cost of collecting it. This cost is least where most of the goods used in the community pass at some point through a few hands. Thus, in advanced industrial countries where a large part of output is made by a small number of large producers, excise taxes on purchases or sales which can be levied upon manu-

facturers or wholesalers at small cost, may reach most of the national income. Again, where an economy is largely dependent upon foreign trade, a large part of the national income passes through the hands of a few wholesale dealers, at a few ports, and a relatively small customs service can collect a very large revenue. The extent to which the countries of this region depend on foreign trade varies widely, in 1950 the ratio of exports to national income was India 6 per cent, Philippines 10 per cent, Thailand 15 per cent, Burma 25 per cent, Ceylon 45 per cent, and Malaya 75 per cent. In countries at the upper end of this scale it is easy to collect indirect taxation cheaply, but in countries at the lower end greater reliance has to be placed upon excise and sales taxes, which are costly to collect because the number of small producers (including peasants and cottage industries) and of small traders is so very large.

One of the canons of taxation is for this reason to select a small number of articles which are in common use and to tax these heavily rather than to try to collect taxes on a large number of articles at a moderate rate. This accounts for the popularity with Finance Ministries of such articles as tea, salt, cigarettes, alcoholic beverages, and of cinemas and other popular entertainments. To concentrate on articles in popular use ensures that even the poorest members of the community pay taxes, and this is correspondingly unpopular with persons who believe that most of the revenue needed by the government can be raised from the middle and rich classes. This belief cannot survive even the briefest examination of the relevant statistics, but is nevertheless widely held.

(iv) *Adequate gradation of taxes*. Another principle which is very important in this region is that, however low the average ratio of tax revenue to national income may be, taxes should be so graded that as income increases something like 40 per cent to 50 per cent of the increase should automatically be sucked up by taxation. This principle is important for two reasons. First, it is the surest way to check inflation. And secondly, it ensures that government revenues will rise faster than the national income, not by reducing money incomes currently available to the public, but by taking a large share of any increase. Since under conditions of rapid development there is a tendency towards inflation, and since it is urgent to increase the ratio of taxes to national income, this principle is of special importance.

At present taxes do not take anything like 40 per cent to 50 per cent of marginal income. Indeed, in many countries the marginal ratio of government revenue may well be less than the average. So many taxes and charges for government services are on a specific rather than an ad valorem basis that, as money incomes and prices rise, many governments have serious difficulty in preventing their share of the national income from falling. It would seem that in all the countries of the region tax structures need drastic revision from this point of view.

¹ "The Pattern of Income and Expenditure in the Indian Union," by M. Mukherjee and A. K. Ghosh. (unpublished manuscript).

The income tax is a tax well suited to differentiating between average and marginal rates, and, if properly enforced and put on to a pay-as-you-earn basis (for profits as well as for wages and salaries), would help to ensure that governments received an increasing share of national income. But indirect taxes can also be made to serve this purpose. The method of doing this is to put much higher rates of taxes upon "luxuries" than upon "necessaries," "luxuries" being defined for this purpose as the goods and services towards which increases in income are devoted. If governments are to receive 40 per cent to 50 per cent marginal incomes, there ought to be a fair range of luxury articles on which indirect taxes are levied at rates of 75 per cent to 100 per cent or more.

(v) *Attitude of the public towards taxation* The unwillingness of the public to pay an adequate amount in taxes drives many governments to pursue inflationary policies, by which means they secure a larger share of national resources without having to resort to imposing additional taxation. It is indeed doubtful whether the governments of this region can sharply increase their share of national income in any other way. Real national income per head grows so slowly, if it grows at all, that if governments were confined to taking some share of the growth of real income, their revenues would grow very slowly.

III INFLATION

The Measurement of Inflation Inflation is generated at three points of the economy: (a) by the excess of exports (X) over imports (M), including invisible items, (b) by the excess of private investment (I) over private saving (S)¹, and (c) by the excess of government spending (G) over government receipts (R); excluding government borrowing. These three differences may have positive or negative signs. If they cancel out, there is no inflation. Then,

$$(X - M) + (I - S) + (G - R) = 0$$

One of the differences must have a different sign from the other two if the three are to cancel out. Thus there will be no inflation at home if the difference between investment and saving, and between government expenditure and receipts is exactly offset by borrowing abroad. Or, there will be no inflation if private saving is appropriately larger than private investment, so that the excess of private saving offsets lending abroad and budget deficit. And, again, there will be no inflation if the government budgets form a surplus large enough to offset the excess of investments and the excess of exports. This last is the formula which governs the fiscal policies of many modern governments. They adjust their budget surplus or deficit to a level which exactly offsets the inflationary or deflationary forces

being generated by the export-import difference, and by the investment-savings difference. This is the only way to measure inflation. We cannot assess the amount of inflation simply by looking at the budget alone; there may be deflation although there is a budget deficit, and inflation although there is a budget surplus. It is not, therefore, useful to speak of measuring the inflationary impact of a development programme, unless what we really mean is measuring all the inflationary and deflationary forces in the economy simultaneously.

The main difficulty which governments in this region have in assessing the inflationary effect of their fiscal policies is that they do not have adequate information about private investment and private savings. X, M, G and R are known, I is known with greater or smaller exactness after it has taken place, whereas, for budgetary policy it ought to be known in advance, and S is not known at all.²

Inflation and Real Income What we have been measuring in the preceding section may be called the primary inflation. When incomes thus generated are spent, they give rise to further increases in income to an extent which is determined by the investment multiplier. The total increase in income is therefore in due course larger than the primary increase in the period we have measured.

All this refers to money income. Real income may or may not increase as money income increases. If real income does not increase at all, the extra flow of monetary income results merely in higher prices, or in larger monetary hoards, or both.

The effect of rising money income on real income depends in the first place on whether or not the economy is fully employed. Let us assume that the cause of the inflation is government spending on capital formation under a development programme. If the economy were fully employed, this spending could be achieved only by taking labour away from other purposes. National output would not increase, the government would use more of it, and other people less. This kind of inflation is the most onerous, since it usually involves lowering the standard of living by reducing consumption.

If the economy is not fully employed there is already a substantial difference. The programme may give work to the unemployed. There is then no reduction of other output, and no fall in total consumption by the community. Real output is increased by the amount of the government's expenditure.

¹ Saving here is defined as the amount people would be willing to save out of their current incomes. Involuntary saving due merely to the fact that people have not yet spent income which they intend to spend does not count as saving.

² National income statistics sometimes give an estimate of S which shows how much has been saved during the year. This, however, is not the figure we require for calculating inflation. As the preceding footnote explains, what we want to know is not how much people will save, but how much they expect to save. They will always save as much as the investment situation requires them to save, whereas what we want to know is how much they would have saved in the absence of inflation. In national income accounting S is always equal to $I + (X - M) + (G - R)$ because S is so defined that it already includes the inflationary projects which we are seeking to trace.

Now, in the countries of Asia there is considerable unemployment and under-employment. If national output and capital formation can be increased simply by printing money and by employing the under-employed, without reducing national consumption, why do not the governments of the region proceed to increase capital formation in this way?

The answer is that, though there would be no fall in total consumption there would be some redistribution of consumption, and that the processes of this redistribution are painful.

We can see the consequences best by following up the money which has been paid out in wages to the previously unemployed. These wage earners seek to buy consumer goods. But there are no more consumer goods to buy, since what they have been producing is not consumer goods, but capital goods. It may therefore at once be asked, why not avoid the subsequent troubles by employing the unemployed to produce consumer goods instead of capital goods? There would then be an extra flow of consumer goods to match the extra flow of money. The answer is that this would indeed be the best policy if it were feasible, but it is not feasible because consumer goods cannot be produced without capital equipment. Hence more capital goods must be produced before more consumer goods can be produced. The best policy is then to use the initial stock of capital goods to produce more capital goods so that the number of persons who are brought into employment, eventually to produce consumer goods, can be multiplied fairly rapidly.

We return therefore to follow the flow of money. Some of the consumer goods bought with it are imported goods, and since domestic output of consumer goods has not increased, there is considerable danger that the result of the programme may be a large increase in imports of consumer goods. If the country has large reserves of foreign exchange, it can afford to tolerate this increase in imports. Otherwise, it has to impose strict exchange and import control.

The flow of money therefore depletes the stock of consumer goods. In an industrial country with unemployment and idle factories, the effect would be that orders for new goods would be given, and that some factories would open and provide more employment. This is why deficit financing is considered to be the sovereign remedy for unemployment in industrial countries, since, for every one man put into employment by government expenditure, still more men are drawn into employment as a secondary result.

This secondary expansion of output is, however, possible only where there is idle capital which can be used to expand the output of consumer goods. This is hardly the case in Asia. As the workers get more money, they use some of it to buy more food, but the output of food is not responsive to extra money demand,

on the contrary, it is possible that as the price of food rises, farmers may consume more at home, and may even in extreme cases produce less, the consequences in either case being to diminish the amount of food available on the market. The workers also use some of the money to buy more clothes, and this output also does not expand unless there is idle capacity.

If the domestic output of consumer goods does not respond appropriately prices rise. The total supply of consumer goods is not reduced, but their distribution is altered. The workers on the government's programme get more than they would have got if they had remained unemployed, while the rest of the public gets less. From this point of view the effect is the same as if the government had financed its programme not by creating money but by levying taxes upon the general public. In an economy where output does not respond to an additional flow of money, inflation is a kind of substitute for taxation.

Increasing the flow of goods. To create capital by means of deficit financing is no better, in the economic sense, than to create capital out of taxation, *unless the process also simultaneously causes the output of consumer goods to expand.* It may be better in a political sense, even if the output of consumer goods does not expand, if it is true that the capital is urgently required, and that it is not politically feasible to find additional taxes to finance it. But the economic superiority of deficit financing over taxation lies exclusively in the possibility that injecting extra money into the system produces not only the capital on which the money is spent, but also, by the working of the multiplier, an extra output of consumer goods. The multiplier works when extra money is injected into the system, it does not work if the money spent on a project has merely been taxed away from private spenders.

Creating new money is therefore superior to financing capital formation out of taxes if the situation is such that an extra output both of capital goods and of consumer goods is feasible. The main drawback, in Asian economies, is that the extra output of consumer goods is feasible, but cannot be achieved merely by putting more money into circulation. A possible solution is therefore to use some of the new money on programmes designed to break those bottlenecks which prevent a rapid expansion of output, since, if output can be made to expand *pari passu* with the additional flow of money, there will be no inflationary increase in prices. The first stage in any programme based on deficit financing is to concentrate on breaking bottlenecks.

One of the major bottlenecks is the production of food. In economies where the standard of living is as low as it is in Asia, a large percentage of extra money incomes generated will be spent on food. If the bottlenecks which hold down food production could be broken, the inflationary dangers of deficit financing could be greatly reduced.

Now most agricultural experts in the region agree that yields per acre, which are low, could be raised by an average of 30 per cent over ten years if a concentrated attack were made on the problem. This is a conservative estimate, much below what has already been achieved in areas where concentrated agricultural extension has been done experimentally. Less cautious estimates range up to 100 per cent increase. Generally accepted figures are a 10 per cent to 15 per cent increase due to use of better seeds, up to 20 per cent increase due to use of fertilisers, up to 10 per cent increase (average over large areas) due to irrigation and wells, and 5 per cent to 10 per cent increase due to use of pesticides. The main obstacle is that there are not enough agricultural extension workers in the field, and that the facilities need to be increased for training such workers, and for making available better seeds, fertilisers, pesticides and water.

Deficit financing for an agricultural programme designed to increase yields by 30 per cent over ten years seems entirely justified. A greater flow of money will be matched by a greater output. The two are not likely to match exactly, nevertheless they will to some extent offset.

The other main bottleneck is the supply of manufactured consumer goods. These are available from two sources, from cottage industries and from modern factories.

There is considerable under employment among the cottage industry workers of this region. If extra money were put into the economic system, some of it would flow towards them, and they would respond by increasing output. It would be necessary to ensure them adequate supplies of raw materials, especially of cotton yarn, pig iron, timber and leather, some of which materials would have to be imported. Cottage industries are also handicapped by poor marketing arrangements, and by the use of equipment which could be improved in relatively simple ways. Most countries in the region have a programme for improving the techniques of cottage industries. Deficit financing for such a programme seems, again, to be a reasonable proposition. The extra expenditure will be matched by an extra flow of consumer goods.

In under-developed countries, the expansion of cottage industries had, over the expansion of factory industries, the advantage that the capital required per man is relatively very small. If there were deficit financing for the establishment of factory industries it is again arguable that the extra flow of money would in the long run be matched by an extra expansion of consumer goods, but in the long run we should all have experienced inflation. We have reason to expect the output of food and of cottage industry goods to expand rapidly in response to relatively small expenditures, comparatively, the output of modern industries demands large expenditures which are only slowly accompanied by increased output.

The principal bottleneck preventing the expansion of factory industry is absence of the necessary machinery. The only countries in this region where large quantities of machinery might be made, are India, Japan and China. In India there is the further bottleneck that the current output of steel is very low—less than one and a half million tons per annum, for a country with a population of 350,000,000. India has large resources of iron ore and of coal, and much experience of steel making and of engineering. If her steel output were stepped up rapidly, her output of machinery could also be greatly increased, and, at the next stage she could have also a large increase in the output of consumer goods. Deficit financing for the purpose of building up the steel-machinery-manufactured-consumer-goods complex would be inflationary, but it is not to be classed with deficit financing for war or for maintaining a large civil service, since it would result in breaking a bottleneck, and ultimately in producing the consumer goods which would match the additional money incomes. Inflation for destructive purposes often becomes cumulative, and gets out of hand. But inflation for the purpose of creating the capacity to produce consumer goods is self-destroying since, sooner or later, the output of consumer goods begins to reach the market and a new monetary equilibrium is attainable.

Thus, from the economic point of view, there is nothing to be said for deficit financing which merely supports large armies, or subsidises food consumption, or maintains an elaborate civil service, or creates large numbers of primary school buildings whose contribution towards increasing output will, if any, be remote. But deficit financing of programmes which are likely to expand the output of consumer goods in the near future is quite a different kettle of fish. For even though they may cause some temporary inflation, they may be expected rapidly to restore monetary equilibrium at a level of output and of real income higher than could otherwise have been achieved.

Part of the fear of using deficit financing for economic development programmes arises from the expectation that, once governments are allowed to embark upon deficit financing, they will not know where to draw the line. The great advantage of the principle that budgets must be balanced is that it allows the Minister of Finance to discipline his colleagues. They may plead most eloquently for the expansion of this service or that, but his position is impregnable so long as his budget has to be balanced. Once this principle is abandoned, what control remains over government expenditure? All discipline may be ended.

What is valid in this fear may perhaps be met by the following compromise. Take out of the ordinary budget those development expenditures which are expected to increase rapidly the output of consumer goods, especially expenditures on agriculture, including water, on cottage industries, on training facilities, and on other industrial projects which may fructify rapidly.

Then we may require that all the rest of the budget must be balanced either by taxes or by genuine borrowing from the public, while this special quick development budget may be met by creating money. There will still be need for discipline in determining what items should go into the special budget, and how much may be spent on them. There is no substitute for discipline.

Even this compromise may be too timid for some political situations. Is it, for example, never justifiable to finance industrial expansion by creating money, as has been done in the USSR? Suppose that it were possible in this way to expand both the food and the steel and engineering output of India, so that in ten years the real national output of India would have increased by 50 per cent (say agriculture by 30 per cent and industry by 15 per cent of total national income). Suppose also that this could not be done without prices doubling or trebling in the process, and with corresponding devaluation of the rupee. Is this a price worth paying? Many economists, apparently, would answer "no," presumably because they think that inflation of this magnitude should always be avoided. But the political dangers of allowing an economy to stagnate may in some cases be greater than the political dangers of inflation. There are circumstances where it would be entirely right to finance a large capital programme by inflation, even though the output of consumer goods was slow to materialize, and even though prices rose considerably.

The main point which must be grasped firmly is that vague discussion of "inflation" is pointless. We must know why the inflation is occurring and what effects it is having on real output. Merely putting money into circulation is one thing, pursuing policies which break bottlenecks and increase the output of consumer goods is another, and it is not sensible to talk in blanket fashion of all policies which involve creating new money, as if they all have the same effects.

Inflation and prices Even if the creation of new money is used only for financing developments which fructify rapidly, there is no reason to expect the flow of new money and the flow of new goods exactly to offset each other. It is possible that the agricultural programme may be so successful that in spite of the extra flow of money food prices fall. Alternatively it is possible, and probable, that at least in the first two or three years money may have to be spent more rapidly than extra goods result from it.

If money increases faster than goods, prices are likely to rise. One of the most important means of preventing this is to have a tax system which mops up automatically a large part of any extra money incomes created.

This principle is the main principle of war finance. It is the main reason why countries like the United Kingdom and the United States were able to go through

World War II, using up half their resources for war purposes, and yet came through the war with price levels only about 50 per cent above the pre-war level, while other countries, whose war effort was much smaller, had price increases of 200 per cent and 300 per cent and more. It is also the main reason why the United Kingdom since the war has been able to carry through a large programme of capital investment with only minor inflationary strains, when compared for example with France. In any economy where inflation is a possibility, the tax structure should be such that 40 per cent to 50 per cent of marginal money incomes is sucked up automatically, partly because marginal rates of income tax are high and partly because indirect taxes at about the 100 per cent level have been placed upon the "luxury" articles towards which marginal income flows. This point has already been discussed in an earlier section in the context that it is necessary to raise the average level of taxation. It is just as important in the context of preventing inflation.

If the money is spent in ways which expand output, and if 40 per cent or 50 per cent of it automatically returns to the government in taxes, the chance that the programme will cause the price level to rise is correspondingly reduced. However, if the programme of capital formation is at all large or long in fructifying there will still remain some money which is not mopped up by goods, not taken in taxes and not hoarded. This money entering into circulation will drive prices up. A small increase in prices is tolerable. The real danger in inflation is that price increase may not only pass tolerable levels, but may also get out of hand. This may happen for two reasons, either because the inflation is transformed from a monetary inflation into a wage inflation or else because violent speculative price movements are initiated.

A wage inflation can be a cumulative process. It works as follows. First, government expenditure raises prices. Then because prices are higher, workers demand and receive higher wages. These wages are paid by borrowing money from the banks. This bank money is an additional source of inflation. It pushes up prices further. So there is a further round of wage demands, still more bank money, still higher prices, and so on. There are leaks in the process, notably that, if the tax structure is such as to mop up much of marginal income, employers will suffer losses if they pay higher wages, because a good part of these wages will go to the government instead of returning to the market for goods. Nevertheless, this kind of inflation can proceed long enough and far enough to be dangerous. Obviously, it is most dangerous in economies which are largely based on wage labour, more dangerous in an economy like that of Ceylon than in an economy like that of Burma.

To prevent a monetary inflation from becoming a wage inflation, it is necessary for the government to stabilize the cost of living, especially food, clothes and rents. This is not easy to do, in countries where the

share of government revenues in national income is so small that the administrative service is poorly developed. It is all the more important in such countries to concentrate on breaking bottlenecks and on having a tax structure which mops up marginal income.

Speculation begins when prices are expected to rise at an annual rate which is higher than the rate of interest—say when prices are expected to rise by 8 per cent or 10 per cent per annum or more. When this process starts it also is cumulative. Stocks of food and raw materials are withdrawn from the market and so prices rise even faster than they would otherwise have risen, this causes even more stocks to be withdrawn, and so on. This speculative rise may hurt the economy in two ways. The more important is that the withdrawal of stocks from the market creates shortages which hold up production. Also the rise in the price of commodities may raise the cost of living, and set off a wage inflation.

A speculative price inflation is easiest to prevent in economies where most of the food and raw materials are imported, since in such an economy the government may constitute itself sole importer, and can then control the use and disposition of stocks. In other economies attempts at price control lead to the emergence of a network of black markets which is more or less effective according to the efficiency of the administrative service.

It follows that inflation is much more dangerous to some economies than it is to others, according to how much they depend on foreign trade, to the size and efficiency of the administrative service, to the extent of the wage economy, to the nature of the tax structure to the speed with which the output of consumer goods can be increased, and so on. The lesson is again to avoid easy generalization. Some countries in the region could embark upon financing development programmes by creating money without getting into a runaway rise of prices, because they have much unemployed labour because they have a prospect of rapidly increasing the flow of consumer goods, because it is easy in their economies to mop up much of marginal money income, and because their economies lend themselves to price control, whereas other countries in the region would run into serious price inflations if they tried to pursue the same policy.

Inflation and private investment. Neither should it be concluded that price inflation is to be avoided at all costs. In a private capitalist economy inflation aids the process by which net saving is increased from say the 5 per cent level towards the 15 per cent level.

It does this, in the first place by bringing about an enormous increase in the profits of the business community. It is not the case that an increase in profits must cause increased investment, but it is the case that a large increase in private investment is not possible unless there is a large increase in the share of profits in the national income. This is because, as we have

already seen capital formation is financed only to a small extent out of savings from disposable private incomes. The major source of finance for capital formation is undistributed profits. There cannot be any large increase in private investment in this region from domestic sources unless the profits of the business community are increased. And inflation is one of the ways by which such an increase comes about.

Secondly and correspondingly inflation helps because, even if other sources of finance were available, private capitalists do not invest unless there is a prospect of substantial profits. Inflation provides such a prospect, and usually stimulates investment in manufacturing industry.

This fact has to be faced by those governments which have declared in favour of a 'mixed economy'. In a mixed economy a large private sector is built up, mainly in industry. The source of the capital used in this sector is mainly profits and it is not possible to have a large private sector or a mixed economy, unless large profits are permitted.

Some people dislike the existence of large private profits under any circumstances. Such people must therefore logically abandon the possibility of using inflation as a tool of economic development, they may use inflation in a wholly socialist economy, but must oppose it in an economy where there is private profit. At the other extreme, there are some people who regard private profit as the source of economic progress and of all that springs there from. To them inflation should be wholly acceptable. In between may be found a compromise group who would permit large private profits, but only on condition that they are reinvested, and who would ultimately confiscate much of these profits by having very large death duties. Low taxes on undistributed profits, high taxes on distributed profits, and high death duties are a combination which may reconcile the desire for a mixed economy with distaste for building up private fortunes.

It must again be emphasized that the experience of different countries cannot be the same. A country in which inflationary profits are likely to be reinvested is a country where there is a fairly large class of merchants and industrialists with some experience of manufacturing industry. Inflationary profits will not be reinvested if they fall largely into the hands of plantation owners who transfer them overseas, or of peasants, who try to convert them into gold and jewellery, or of people with the outlook of black marketeers. Inflation therefore stimulates more economic development in a community which already has a fairly large class of indigenous industrialists than it does in a community with no such tradition.

Inflation and the balance of payments. Any creation of new money plays havoc with the balance of payments unless the foreign exchanges are strictly

controlled. The marginal propensity to import is larger when inflation is occurring than it is when there is no inflation. Some of the extra money flows at once to imports and some to domestic goods. As soon as the output of domestic goods has reached its limit, extra income switches towards more imports in substitution for domestic goods, which would otherwise rise in price. A country may have a low average propensity to import, say 0.2, but may nevertheless find its marginal propensity to import rise very high, say to 0.8, if it embarks upon creating new money. Strict licensing of imports is therefore a *sine qua non* of such a policy, unless the new money is being spent in ways which step up the production of exportable goods.

Licensing of imports may not be enough. If the exports of a country are of a kind which can be consumed at home—e.g. food or manufactured consumer goods, putting more money into circulation may reduce exports, and so cause balance of payments difficulties. Such a country is then driven to adopt measures to restrict consumption at home of exportable articles. The United Kingdom affords a good example of a country which has had to take such measures, and to encounter the difficulty of taking sufficiently effective measures.

The lesson is of course that measures designed to substitute for imports and to produce more exportable goods should have a very high priority in any programme for economic development.

The creation of new money also produces further strains if it causes domestic prices to rise. There is then greater desire to import goods from abroad, where they are comparatively cheaper, and greater difficulty in producing goods for export, because domestic costs have risen relatively to the prices which can be obtained abroad.

Domestic price inflation therefore almost invariably demands devaluation of the currency, unless comparable inflation is occurring in the rest of the world. Devaluation is not as serious a measure in Asia as it is in some other places. Devaluation can harm a country in two ways. First, it is harmful if it moves the terms of trade adversely. Whether it has this effect depends upon the country's importance in world trade in those goods which it buys and sells. If the country is not an important buyer or an important seller of any commodity in the world market, nothing that it does will affect prices in terms of foreign currency. Devaluation raises prices in terms of domestic currency, but it leaves prices in terms of foreign currency unaffected and has no effect on the terms of trade.¹ Many ECAFE countries (except Japan and a few countries such as those producing rice, tin and rubber) have only a very small part in determining the prices they pay or receive,

and their terms of trade would only be affected by devaluation to a minor extent. The other way in which devaluation counts is in altering the value of foreign debts and credits. If these obligations are all fixed in terms of foreign currency, devaluation does not alter the burden (except indirectly if it also alters the terms of trade). If the obligations are fixed in terms of the domestic currency, then devaluation harms a country which is a net creditor, and benefits a net debtor. Since most of the obligations of most Asian countries are set in terms of foreign currency, devaluation cannot alter their burden substantially.

The moral of this is that if economic development were possible, but possible only at the cost of higher internal prices and devaluation, the external burden of devaluation need not be a serious deterrent. The major objection to rising prices is internal, that it alters arbitrarily the distribution of wealth as between debtors and creditors, and the distribution of income, at least until such time as fixed income receivers catch up with prices.

The rate of acceleration. The main burden of this section has been that new money which is used to create extra consumer goods need have no inflationary effect. It follows, if inflation is to be avoided, that the rate of creation of new money should be adjusted to the rate at which it is possible to stimulate output. A secondary burden of the section has been that money creation beyond this point is also not harmful, if it is mopped up by the tax system. And further that, even beyond this point, some inflation is not merely tolerable but desirable, in so far as it is desirable to step up private investment.

The main emphasis of any development programme should be on expanding rapidly the output of consumer goods. Now it is of the nature of this process that it takes time, and proceeds cumulatively. One has to begin slowly, and one gains effectiveness with the passage of time. A development programme should begin by tackling the bottlenecks which prevent output from expanding, at this point it must be small, but as the bottlenecks break, it can be stepped up.

This is a necessary comment upon the estimates made in the preceding section of the present and the needed levels of capital formation. If it is true that present levels are around 5 per cent net of national income and that needed levels are around 15 per cent net, it must not be thought that this transformation can be effected within a year or two, whether by raising taxation, by foreign aid and investment, or by inflation.

Economic development lags behind because of two main shortages—shortage of finance and shortage of skill. This paper has dealt mainly with the shortage of finance. The shortage of skills is grave, but there is no need to lie down before it, as some writers tend to do. People can be trained very rapidly, when

¹ For simplicity of argument complications of transitional periods are neglected here.

emergencies arise. In wartime, armies expand their size tenfold or more, and at once set out to convert a mass of recruits not only into fighters, but also into craftsmen of every type. The skills required can be produced if there is a multiplication of training centres, and if special courses are devised. The standing example of this is the USSR, where a vast multiplication of training institutes of every kind has succeeded in meeting the enormous demand for skill imposed by an economy where industrial production increased by at least 300 per cent in ten years. If there is to be a special budget for development works which may be financed by creating money, then a programme for multiplying skills of every kind certainly qualifies for inclusion.

The rate at which economic development should be pushed is not the same for each country. It depends on how rapidly bottlenecks can be broken, a process which is easier in some countries than it is in others. It depends on how feasible it is, politically, to increase taxation. It depends on how the economy would react to additional money spent on development projects—whether output would rise and whether the economy is one in which inflation can easily be restrained. In every country a separate assessment must be made. Yet it would be surprising if the assessment should reveal any country in this region where the rate of capital formation from domestic resources cannot or should not at least be raised to ten per cent per annum net by 1962.

IV SUMMARY AND CONCLUSIONS

The conclusions of this paper may be summarised as follows:

1 The rate of economic progress is partly a function of government expenditure and of capital formation. In a modern state the government uses something like 15 per cent of the national income for current purposes, and a further 12 to 15 per cent is needed for net capital formation, on private and on public account.

2 In the ECAFE region both the government use of resources on current account and net capital formation fall very far short of these levels. Existing levels are, indeed, barely adequate to keep pace with rising populations, and contribute little towards raising the standard of living.

3 Even when allowance is made for the possibility of voluntary labour on public works in rural areas, and for the possibility of foreign aid, the conclusion is inescapable that the share of the national income used by the government must enormously increase if there is to be a significant rate of economic development. Hence taxation must be increased, and the system of taxation revised so that a very large share—40 per cent

to 50 per cent—of increases of the national income will be received by the government. The paper analyses in some detail the problems involved in making this revision.

4 Because of the difficulty in levying higher taxes, some governments may seek to increase their share of the national income by creating new money.

5 In a fully employed economy, government expenditures financed with new money take resources away from the rest of the economy. They cause consumption, or investment or exports to be reduced. However, if there are unemployed resources, which are brought into production by creating new money, the result is an increase of national output, not necessitating any reduction in consumption or in other expenditure.

6 However, even where the new money employs previously unemployed resources, the effect is inflationary unless additional consumer goods result from the process. The inflation transfers consumer goods to those who were previously unemployed, from the rest of the population. The result is exactly the same as if the unemployed resources had been paid out of the proceeds of additional taxation.

7 Creating new money to employ unemployed resources on capital works is superior to using additional taxation for the same purpose only if the process results in expanding the output of consumer goods in addition to the capital works on which the money has been spent. In an industrial economy with unemployed resources this result is automatic, but in an underdeveloped economy it cannot be achieved without special effort.

8 There is reason to believe that the output of food and of cottage industry products could be expanded fairly rapidly by relatively small expenditures on education and on improving the techniques of peasants and of cottage craftsmen. New money spent on such programmes would fairly soon be matched by an increased output of consumer goods.

9 New money spent on creating capital for factory industry, and on other productive capital would also in due course produce an extra flow of consumer goods. But in the meantime the money so spent would be potentially inflationary.

10 Inflation to produce capital equipment must be distinguished from inflation for non-productive purposes. The latter tends to be cumulative, while the former is self-destructing because in due course extra consumer goods become available.

11 It is not sensible to condemn all inflation out of hand. It may be better to have inflation and a larger national output, than to have stable prices and economic stagnation.

12 New money injected into the economy will not raise prices if that part which is not mopped up by additional consumer goods output is mopped up automatically by the tax system. An economy which is liable to inflation should have a tax structure which mops up 40 per cent to 50 per cent of marginal money incomes.

13 New money which is mopped up neither by goods nor by taxes will cause prices to rise, unless there are effective price controls. Inflation tends to become cumulative unless price controls are adequate.

14 Some inflation may foster economic development by providing greater incentives to, and a source of finance for, greater private investment. Larger domestic private investment is not feasible without large

profits. In a "mixed economy," inflationary finance will lead to the creation of large private fortunes.

15 Inflationary finance will play havoc with the balance of payments unless imports are strictly licensed, and steps taken to prevent greater home consumption of exportable goods. Projects which substitute for imports or increase exports deserve high priority. Inflation may also make necessary devaluation of the currency, but, if done properly, the harmful effects of devaluation are likely to be small in this region.

16 If economic development is to be financed by creating new money, the best procedure is to begin by concentrating on breaking bottlenecks which prevent the output of consumer goods from expanding. If this is successful, the programme of expenditure can then be stepped up rapidly.

ANALYSIS OF NATIONAL INCOME IN SELECTED ASIAN COUNTRIES

Both the construction and the use of national product, income and expenditure statistics have developed rapidly in the last generation. Their main advantage, as against indicators previously used (such as bank debits, power consumption, ton-mileage of railway freight, and the like), lies in their greater inclusiveness. A secondary advantage is that, developed simultaneously with the whole body of "aggregative" economics associated with the late Lord Keynes and his followers, they have been dovetailed to an extraordinary degree with the economic analysis to which they are applied. A disadvantage has been the necessity of relying on highly inaccurate and imprecise estimates for many of the components of the total. This disadvantage has been marked particularly in the less developed countries such as those of the ECAFE region, where the volume of barter exchange and home production, to which money values must be "imputed," is a substantial proportion of the total. Of recent years, the development of systems of national accounting has enabled this difficulty to be partly overcome by providing for the building up of the totals on two or more different bases independently and simultaneously.¹

Not only the totals but the components have been used by economists in a wide variety of ways, particularly in the countries with the most reliable series. With the aid of national income, product and expenditure statistics the probabilities of inflation, deflation and balance of payments problems are being estimated both for the short and for the long period. Armament, foreign aid and economic development programmes are being drawn up and their burden assessed, fiscal, monetary, wage and price policies are being framed. Even such indefinables as "economic welfare," "standard of living," "productive capacity" and "equitable distribution" are being hesitantly measured and compared from time to time and from place to place. The record is not one of unbroken success by any means. National income statistics have provided no magic wands or crystal balls. They are poor substitutes for analytical ability or historical foresight. The 1950/51 boom, for example, could not have been forecast by these methods without advance information regarding events in Korea. These statistics, however, have become indispensable tools in all countries where they are available, accurate and up-to-date. The number of such countries is increasing year by year.

The ECAFE region has lagged behind both the industrialized nations of Western Europe and America and the centrally-planned economies of Eastern Europe

in the development and use of national income statistics.² The special problems raised by the importance of the unorganized and non-monetary sectors of these countries' economies have been partially responsible for this lag. More important has probably been the unavailability of funds and trained personnel for statistical research, which is being remedied in a number of countries by United Nations and United States technical assistance. Burma, India, Pakistan, the Philippines and Thailand, are among the countries which have received such assistance.

National income statistics from most ECAFE countries through 1949 have been assembled and published in two special studies of the Statistical Office of the United Nations, one dealing specially with the region and the other with underdeveloped countries generally.³ Statistical data, without comment or interpretation, are now published semi-annually in the United Nations periodical *Statistics of National Income and Expenditure*, whose first issue is dated February 1952.⁴

2 The systems of national-income statistics used in the free-enterprise economies differ from those in the centrally-planned economies to such an extent as to make comparisons of results in free enterprise and centrally-planned countries both difficult and tentative. Four important differences may be noted.

1 In free-enterprise countries the values of all goods and services are included in the national income. In the centrally-planned economies material goods are included together with only those services (e.g. transportation) which contribute directly to the production of material goods.

2 In free-enterprise economies indirect tax payments (sales taxes, turn-over taxes, excises, customs duties, etc.) are deducted from national income. National income in the centrally-planned economies is estimated gross of these tax payments which constitute the major form of the government revenue.

3 In free-enterprise economies national income is estimated at current price, and sometimes deflated subsequently by appropriate index numbers. Centrally-planned economies compute values in base-year prices (e.g. 1926-27 prices in the USSR) with new commodities evaluated at whatever prices they were first introduced into the economy.

4 The free-enterprise economies support their estimates by detailed statistical breakdowns of the national accounts from which inconsistencies and implausibilities can be detected by outsiders and independent conclusions derived which may be at variance with official interpretations. The centrally-planned economies publish only totals and a few key components; details are kept confidential.

It is interesting to note that the method of estimation in free-enterprise countries characteristically make their national incomes higher relative to those of centrally-planned economies than do the centrally-planned estimates. This is mainly due to the greater importance of direct consumer services in the free-enterprise economies.

The Statistical Office of the United Nations and also other United Nations agencies to which reference is made below follows the national-income accounting systems of the free-enterprise countries, particularly the United States and the Commonwealth. This decision was taken partially for reasons of general methodology and partially because of the greater volume of data based on these systems.

3 For the ECAFE Region see *National Income Economic Survey of Asia and the Far East 1949* (New York: United Nations, 1951) ch. IV, pp. 105-125. For underdeveloped countries generally see *National Income and its Distribution in Underdeveloped Countries* (United Nations Statistical Papers Series E No. 3 (1951) National and Per Capita Income Seventy Countries 1949) *United Nations Statistical Papers Series E No. 1* (1950) gives a more intensive coverage of a more limited range of topics for a single year.

4 *United Nations Statistical Papers Series II*. Another recent treatment of current national income data by the Statistical Office is found in *Recent changes in real national income* *Monthly Bulletin of Statistics*, Vol. VI (June 1952) pp. vii-xii.

1 For example the national income can be estimated independently and simultaneously as the sum of the contributions of agriculture, manufacturing, trade, services and government and as the sum of total labour, entrepreneurial and property income. The first or final product total may be used as a check on the second or factor payment total.

In this article, the data and results presented, particularly in the 1950 issue of the *Economic Survey of Asia and the Far East*, will be re-examined, both in the light of new data for the Korean war boom years of 1950/51 and of additional or revised figures for a number of the countries in the region, including Malaya from which no previous information had been forthcoming.¹

NATIONAL INCOME TOTALS

Many different definitions of the special income or products of a country have been given, and statistical series developed to correspond to them. For the various purposes of the present discussion, five of these series are presented in Table 1, for the years from 1948 through 1951 if available, and for one pre-war year, usually 1938.

The five series and their definitions are

1 *Gross national product* The estimated money value of all goods and services produced by productive resources owned by a country or its residents. Valuation may be either at market prices or at factor cost. The estimated money value of raw materials and final products consumed directly in the production process is deducted (but not the depreciation of fixed capital), so that only additions to physical inventory of these goods are included.

2 *Gross geographical product* The estimated money value of all goods and services produced within a country's borders. This is a somewhat better measure of a debtor country's production or output than is the gross national product. Gross geographical product includes, but gross national product excludes, goods and services produced within the area by resources owned abroad. Gross national product includes, but gross geographical product excludes, goods and services produced outside the area by resources owned by residents of the area. For a creditor country like the United States, the gross national product is larger than the gross geographical product, for under-developed countries, including all those in the ECAFE region for which data are available, the gross geographical product is the larger.

3 *Net national income* or simply national income. This is gross national product after deducting depreciation charges if valued at factor cost. Indirect taxes are also deducted and subsidies added if valued at market price. The deduction of depreciation on fixed capital renders this total net rather than gross. The deduction

of indirect taxes (minus subsidies) changes the basis of evaluation from market price to factor cost, goods and services, in other words, are evaluated at the value of the payments to the productive services used to produce them, rather than at market prices.² When a national income series is used, however hesitantly, as a measure of economic welfare, it is usually this one which is employed.

4 *Net geographical product* This is gross geographical product, also net of depreciation charges and indirect taxes. The difference between gross and net geographical product should be equal to that between gross national product and national income. In certain of its studies referred to above, the Statistical Office of the United Nations appears to use net geographical product as a welfare measure.

5 *Personal income* This is income paid out to persons. Part of national income may not be paid out, but absorbed in business savings, this part is deducted from national income. In addition to income from current economic activities, however individuals may receive what are called "transfer" payments from governments, social security funds, insurance companies, etc., either as gifts (direct relief payments) or as belated remuneration for past services rendered (pensions). These transfer payments are included in personal but not in national income.³ In normal times, personal income is somewhat smaller than national income. (In immediate post-war years, Japan may have been an exception.) Studies of income distribution by income size, or income distribution between labour and capital, are usually based upon personal income.

Gross national product is equal to gross national expenditure,⁴ and gross national expenditure has been broken down into a number of categories. The largest of these is private expenditure for consumption of goods and services (including all durable consumer goods other than residential houses). This series on private consumption is used in some countries including Japan, as an index of the current standard of living. Consumption expenditures are normally less than either personal or national income but there are exceptions for countries with serious balance of payments deficits, or countries which are not replacing their capital as it wears out. (Indonesia may be an illustration of this phenomenon.)

1 Recent publications for individual countries in the region include Ministry of National Planning *The National Income of Burma* (Rangoon, 1951). K. Williams, *The National Income of Ceylon* (1952). Department of Census and Statistics *Economic Stabilization Board of Japan Monthly Report on National Income* No. 28 (Jan. 1952). Frederic Benham *The National Income of Malaya, 1947-49* (Singapore Government Printing Office 1951). W. I. Abraham *The National Income of the Philippines and Its Distribution* (Provisional Text Manila 1952). Additional data are expected from India, Pakistan and Thailand in the near future.

2 Entrepreneurship is considered a productive service, so that profits are included in the national income even when exorbitant or monopolistic. Government, however, is not considered a productive service so that payments to governments are excluded whenever, as in the case of indirect taxes, their effects on prices can be estimated with any degree of precision or accuracy.

3 Personal transfers between individuals (gifts, etc.) have no effect on the total.

4 Goods produced but not sold are treated as an investment in inventory by the producer, inventory being a form of private capital formation, which is itself a category of expenditure. Similarly goods sold but not currently produced are treated as disinvestment (negative investment) in inventory. Without a somewhat technical definition of expenditure the statement in the text would be misleading.

TABLE 1
NATIONAL INCOME, ECAFE COUNTRIES
(in millions of national currencies unless otherwise stated)

Country and Year	Gross national product	Gross geographical product	Net national income	Net geographical income	Personal income
Burma (Kyat)^a					
1950/51	3 664	3 670	3 166	3 172	
1949/50	3 025	3 033	2 608	2 616	
1948/49	3 221	3 234	2 857	2 870	
1947/48	3 500	3 506	3 067	3 073	
1938/39	1,356	1 441	1,190	1,275	
Ceylon (Rupees)					
1951	4 690	4 755	4 527	4 592	
1950	4 087	4 142	3 886	3 941	
1949	3 100	3 129	2 925	2 954	
1948	2 823	2 872	2 682	2 731	
1938	661	708	600	647	
Indonesia (Guilder)					
1938	3,312	3 507	2 804	2 999	
Japan					
1950/51 ^a (Thousand million yen)	4 007	4 010	3 498	3 501	3,259
1949/50 ^a (Thousand million yen)	3 375	3 376	3 054	3 055	2 827
1948/49 ^a (Thousand million yen)	2 430		2 165		2 148
1947/48 ^a (Thousand million yen)	1 160		1 129		1 139
1938 (Million yen)			19 026		17 608
Malaya (Dollars)					
1950 ^b	5 299	5 419	4 849	4 969	
1949	3 379	3 426	3 022	3 069	
1948	3,541	3 580	3 221	3 260	
Philippines (Pesos)					
1951	8 373	8 416	7 586	7 629	7 566
1950	6 934	6 964	6 228	6 258	6 457
1949	6 317	6 377	5 646	5 706	6 007
1948	6 369	6 423	5 713	5 767	5 860
1938	1 163		1 037		
Thailand (Bhat)					
1950		25 595		23 377	
1949		22 199		20 064	
1948		18 457		16 678	
1938/39 ^a		958		855	

a Fiscal years *Burma* 1947/50, starting 1 October 1938/39, starting 1 April *Japan* starting 1 April *Thailand* starting 1 April The currency unit in Burma is now the *kyat* the Indian word *rupee* having been discarded One *kyat* equals one rupee

b Preliminary

Sources and Notes

- General* 1 Estimation methods differ widely from country to country Figures subject to wide margins of error and not strictly comparable between countries
- 2 In addition to material supplied by various countries data were used as processed by the Statistical Office of the United Nations, and published in *Statistics of National Income and Expenditure United Nations Statistical Papers Series H*
- Burma* Ministry of National Planning and Religious Affairs *The National Income of Burma* (Rangoon 1952)
- Ceylon* Data are supplied by the Statistical Office of the United Nations
- Indonesia* Dr Farrow *Nationale Inkomensraming Indonesië* (typewritten) based on J J Polak *Het Nationale Inkomens van Nederlandsch Indië, 1921-1939, 'Overdruk uit Statistische en Economische Onderzoekingen Vol II, No 4 (Dec 1947)* (Gross figures put on market price basis by addition of indirect taxes)
- Japan* Economic Stabilization Board, *Japanese Economic Indicators* (June 1952) and *Monthly Report on National Income No 28 (Jan 1952)* Statistics Bureau *Japan Statistical Yearbook 1950* (Tokyo 1951) Estimates from different sources imperfectly comparable In general, estimates for 1949/50 comparable with those for 1950/51, and those for 1947/48 with those for 1948/49
- Malaya* Frederic Benham, *The National Income of Malaya, 1947-49* (Government Printing Office Singapore, 1951)
- Philippines* W I Abraham, *The National Income of the Philippines and Its Distribution* (Provisional Text Manila 1952) Central Bank of the Philippines, *Second Annual Report, 1950* (The 1938 figures, taken from the Central Bank report, is probably lower than a figure comparable with the post-war estimates of Mr Abraham)
- Thailand* Joseph S Gould, *Estimates of Gross National Product and Net National Income of Thailand* (mimeographed) supplementary revisions supplied by Dr Gould and the National Economic Council of Thailand

CORRECTIONS FOR PRICE AND POPULATION

Gross national and geographical products, it was said above, are used as measures of output or production, net national income and net geographical product as measures of economic welfare, and private consumption expenditure as a measure of living standards. Certain of the deficiencies in these figures for these purposes cannot be removed by statistical refinements (How, for example, can the analyst allow for the supply of extra heat as a free good, or the reduced need for clothing in warm climates? What adjustment can be made if one believes that an additional unit of income to the average man in a high-income country like the United States has less "utility" than the same amount of real income to the average man in a low income country like India, so that the ratio of American to Indian income systematically exaggerates the ratio of welfare?) Corrections for other deficiencies, however, suggest themselves immediately. These include adjustments for the changing purchasing power of money, adjustments for changes in population, and conversion to an international currency unit for purposes of comparison. These corrections are the subject-matter of Table 2.

They are, however, more difficult in practice than they might appear at first sight. The several series were put on a per capita basis in the first instance, by the use of census data which are only estimates for years between censuses, in many countries, even these cannot be taken or are unreliable because of primitive or disturbed conditions in some districts. Index numbers of cost of living have been used to "deflate" these per capita figures, usually to put them in terms of 1918 prices. This is a questionable operation, since the index numbers apply only to a relatively few consumption goods, excluding luxuries and capital goods entirely. They are also confined usually to capital cities, ignoring boom areas like the tin and rubber regions of Thailand. In some countries, they reflect official prices which are not enforced, rather than actual prices prevailing in actual markets. (In Malaya, separate indexes are published for Chinese, Indians, and Malaysians, which have been combined in simple or unweighted average). More appropriate price indexes have not been developed for many countries of ECAFE region, in the United States, where such an index was developed, its movements were found to correlate fairly closely with those of the consumers' price index.

Conversion of national currencies to U.S. dollars or other foreign currencies was done easily, before World War I, by the use of market exchange rates. With the rise of controlled exchanges, slowly during the 1930's, faster during World War II and the subsequent problems of inflation and dollar shortages, this has become increasingly unrealistic. The use of multiple exchange rates by a number of countries in the region makes the conversion problem particularly difficult. While the use of free or black market exchange rates has been suggested for conversion purposes, these rates are based on a relatively small volume of transactions and embody certain premia by reason of their illegality, and the weight of opinion is against their use.

In this study, conversion into current U.S. dollars (the middle panel of Table 2) has been made by assuming that a pre-war rate (1938) was free,¹ and by applying ratios of price indexes in subsequent years to estimate what the free rate would have been in the absence of controls.² (For Malaya, where pre-war price indexes are not available, the post-devaluation value in the autumn of 1949 was taken as a free rate³.) The economist will recognize this procedure as an application of the so-called "Purchasing Power Parity" theory of the foreign exchanges, developed by Ricardo and revived by Cassel. It is by no means completely accurate, but it is a justifiable first approximation in this difficult field.

Examining the figures now for their economic content, the effect of the Korean war is immediately apparent as an increase in per capita real income in 1950 and 1951, belying fears that the money gains had been wiped out by price increases.⁴ The rise is most marked in Ceylon and Malaya. In Burma it is combined with a partial recovery (in 1949/50) from the setback in the previous year, caused by internal disturbances. In every country but Burma, the latest figure is the highest since the war. On the other hand, only three countries (Ceylon, Japan and Malaya) show per capita incomes in excess of U.S. \$100 of 1943 purchasing power, as compared with 1949 estimates (in 1949 dollars) of \$308 for the USSR, \$482 for France, \$679 for Australia, \$773 for the United Kingdom, and \$1,453 for the United States.⁵ Furthermore, Ceylon, the Philippines,⁶ and Thailand show per capita real incomes in excess of the last pre-war year, 1938—which, it will be remembered, was a year of depression. The increases in Ceylon and Thailand is the most impressive in the region, amounting respectively to about 300 per cent and 80 per cent. Per capita income in real terms still lags below 1938, despite the stimulus of the prosperity in Burma and Japan and probably also Malaya.

1 It was not free in Japan, as the free market value of the Japanese yen in 1938 would have probably been substantially below the official 28.81 cent rate. For various reasons, the free market value of the national currency was consistently below its purchasing power parity.

2 This is illustrated most easily with reference to the Philippines, where the peso has been pegged at \$0.50. This is taken as representing the purchasing power parity of the peso in 1938, prior to the establishment of exchange controls in the Philippines. The United States cost of living in that year was 69 (1948=100), and the Philippine (Manila) cost of living 25 on the same base. What would be an appropriate conversion rate in 1951 when the United States cost of living is at 108 and the Philippine at 97? The conversion rate should fall to 25/99 of \$0.50 by reason of the rise in Philippine prices, other things remaining equal. It should rise to 108/69 of \$0.50 by reason of the rise in American prices, other things remaining equal. Combining these two results, the appropriate conversion rate is computed as

$$\frac{25}{99} \times \frac{108}{69} \times \$0.50 = \$0.231$$

3 In National and Per Capita Incomes Seventy Countries—1949, op cit the Statistical Office of the United Nations used the same assumption for Burma, Ceylon, and India as well. Also, in the case of Japan, the Statistical Office used average market rates during 1949 rather than following the method outlined in the text. Discrepancies between per capita net income figures for 1949 derived in this article for Burma, Ceylon and Japan and similar figures derived by the Statistical Office are due primarily to these differences in conversion methods. (See Statistical Note to Table 2.)

4 To a certain extent, improved coverage in later years imparts an upward bias to the series. (Thailand is an example of this defect.)

5 These figures should not be taken as accurate measure of economic welfare in different parts of the world.

6 The Philippine case is questionable. The estimate for 1938 (by the Central Bank of the Philippines) is not comparable with later estimates (by the United Nations National Income Adviser). The later estimates, specifically, assess much higher values to non-monetary production application of their methods for the year 1938 might produce an estimate belying the conclusion in the text.

TABLE 2
PER CAPITA INCOME AND CONSUMPTION, ECAFE COUNTRIES^a

Country, year currency	In national currency			In current US dollars			In 1948 US dollars		
	GNP ^b	National income	Consumption	GNP ^b	National income	Consumption	GNP ^b	National income	Consumption
Burma (Rupees)									
1950/51	196.2	169.5	138.8	31.5	27.3	22.3	29.2	25.2	19.4
1949/50	163.6	141.1	120.1	23.4	21.3	17.6	23.4	21.3	17.6
1948/49	176.0	156.1	129.3	20.8	19.2	15.8	21.0	19.4	16.0
1947/48	193.2	169.3	158.1	30.9	27.9	26.4	30.9	27.9	26.3
1938/39	85.0	74.6	57.7	29.1	24.2	21.0	49.3	41.1	37.8
Ceylon (Rupees)									
1951	605.7	584.7	468.9	220.6	212.9	170.8	204.3	197.1	158.1
1950	541.3	514.7	413.0	140.4	133.5	107.1	140.4	133.5	107.1
1949	424.8	400.8	337.1	110.2	103.9	87.4	111.3	104.9	88.3
1948	398.4	378.5	320.6	98.4	93.4	79.2	98.4	93.4	79.2
1938	113.8	103.3	94.5	29.2	26.5	24.3	49.5	44.9	41.2
Indonesia (Guilders)									
1938	48.4	41.0	44.2	26.6	22.6	24.3	45.1	38.2	41.2
Japan									
1950/51 (Thousand yen)	48.2	42.0	30.1	118.6	103.3	74.1	118.6	103.3	74.1
1949/50 (" ")	41.3	37.3	29.2	93.3	84.3	65.9	94.2	85.0	66.5
1948/49 (" ")	30.4	27.1	21.1	86.6	77.2	60.1	86.6	77.2	60.1
1947/48 (" ")	14.9	14.5	11.0	56.3	54.8	41.4	56.3	54.8	41.4
1938 (Yen)		269.5			77.6			131.6	
Malaya (Malayan dollars)									
1950 ^d	868.1	776.8		264.3	236.5	—	264.3	236.5	—
1949	565.1	498.5	442.2	184.6	162.9	144.5	186.5	164.5	145.9
1948	601.8	541.4	476.9	188.7	169.8	149.6	188.7	169.8	149.6
Philippines (Pesos)									
1951	425.2	384.2	377.9	98.3	88.8	87.3	91.0	82.2	80.9
1950	356.1	318.5	299.4	82.3	73.6	69.2	82.3	73.6	69.2
1949	327.1	289.6	305.8	72.8	64.5	68.1	73.5	65.1	68.7
1948	335.7	298.6	288.0	71.2	63.3	61.1	71.2	63.3	61.1
1938	73.5	65.6		36.8	32.8		67.3	55.6	
Thailand (Baht)									
1950	1397.7	1276.5 ^e		87.1	79.5 ^e		87.1	79.5 ^e	
1949	1234.2	1115.5 ^e		78.5	70.9 ^e		79.2	71.6 ^e	
1948	1044.8	944.0 ^e		61.5	58.2 ^e		64.5	58.2 ^e	
1938/39	64.9	58.0 ^e		28.6	25.6 ^e		48.5	43.3 ^e	

^a Consumption figures are less reliable than geographical product and national income figures. All figures in dollars show rough indications of magnitudes only. Method of currency conversion differences in economic structure and method of estimation in different countries limit their international comparability.

^b Gross national product. Gross geographical product used when figures available (Burma, Ceylon, Japan (1949/50 and 1950/51), Malaya, the Philippines and Thailand).

^c Net geographical product.

^d Preliminary.

(See also sources and notes to Table 1. In addition to the sources cited there, the population estimates used in these deflations were obtained from the United Nations, *Monthly Bulletin of Statistics* and the price indexes from the International Monetary Fund, *International Financial Statistics*.)

STATISTICAL NOTE

For five of the above countries (Burma, Ceylon, Japan, the Philippines, and Thailand) the per capita incomes derived here for 1949 differ from those published by the Statistical Office of the United Nations, *National and Per Capita Income, Seventy Countries—1949* (United Nations Statistical Papers Series E, No. 1), Table 1, pp. 141. Analysis of the differences will indicate certain of the difficulties involved in all estimates of this kind.

1. For most of these countries national income estimates have been revised substantially since the publication of the Statistical Office report. This is the main cause of disagreement for the Philippines and Thailand.

2. In this study price deflation was carried out by cost-of-living indexes exclusively.

3. In this study all conversions to US dollars were made by the method described in the text. The Statistical Office used official exchange rates at year-end 1949 for Burma and Ceylon and average rates throughout the year for Japan. This is the main cause for disagreement for these three countries and is also important in the case of Thailand.

TABLE 3

DISTRIBUTION OF ECAFE AND OTHER COUNTRIES BY SIZE OF PER CAPITA INCOME IN 1949

a *Number of Countries*

Per Capita Income	10 ECAFE Countries		60 Other Countries		Total 70 Countries	
	Number	Percentage	Number	Percentage	Number	Percentage
Less than \$ 50	6	60	6	10	12	17
" " \$ 100	9	90	16	27	25	36
" " \$ 200	10	100	30	50	40	57
" " \$ 400	—	—	45	75	55	79
" " \$ 600	—	—	52	87	62	89
" " \$ 900	—	—	59	98	69	99
\$1 500	—	—	60	100	70	100

b *Population*

	Millions	Percentage	Millions	Percentage	Millions	Percentage
Less than \$ 50	618	55	33	4	651	31
" " \$ 100	1 045	93	84	9	1 128	54
" " \$ 200	1,127	100	254	27	1,381	66
" " \$ 400	—	—	647	68	1,775	85
" " \$ 600	—	—	714	75	1,841	89
" " \$ 900	—	—	803	84	1 931	93
" " \$1,500	—	—	953	100	2 080	100

c *National Income*

	Million Dollars	Percentage	Million Dollars	Percentage	Million Dollars	Percentage
Less than \$ 50	17 196	35	1,436	—	18 632	4
" " \$ 100	41 015	83	5 115	1	46 130	9
" " \$ 200	49 275	100	25,687	6	74 962	15
" " \$ 400	—	—	143 760	31	193 035	38
" " \$ 600	—	—	177,018	38	226 293	44
" " \$ 900	—	—	246 995	53	296 270	58
" " \$1,500	—	—	463,826	100	513 101	100

Source: Statistical Office of the United Nations, *National and Per Capita Incomes Seventy Countries, 1949*

The figures presented in Table 3, when used to compare per capita real national income between the ECAFE countries and the rest of the world, probably still give within their own limitations, a relatively undistorted picture. They refer, of course, to 1949. Yet for all the subsequent distortions produced by the Korean war, and for all that may be said of the systematic under-estimation of economic welfare by national income in warm climates and under developed countries, the under privileged position of the ECAFE region is plain. Over 90 per cent of the population of 10 ECAFE countries¹ live in areas with per capita income of \$100 or below, as against less than 10 per

cent in 60 other countries, including a number of under developed countries in Africa, Latin America, and the Middle East. Over 50 per cent of the population of 10 ECAFE countries live in areas with per capita income of \$50 or below, as against less than 4 per cent elsewhere.² Over one third of the population in the rest of the world lives in countries with a higher per capita real income than Ceylon, Malaya and Japan, which are the highest in the ECAFE region. Furthermore national income in 10 ECAFE countries studied was less than 10 per cent of the 70-country total, while their combined population was nearly 55 per cent of the total.

¹ The ten countries included were Burma, Ceylon, China (Mainland and Taiwan), India, Indonesia, Japan, Korea (South), Pakistan, Philippines, and Thailand.

² The inclusion of data for Malaya may require slight modification of this conclusion. Estimates for Malaya were not available when Table 3 was drawn up in the Statistical Office of the United Nations.

TABLE 4
NATIONAL OR GEOGRAPHICAL PRODUCT BY INDUSTRIAL ORIGIN, ECAFE COUNTRIES
(Percentages in parenthesis)

Country and year	Concept	Total	Agriculture, Forestry and Fisheries	Manufacturing, Mining Construction	Trade	Transport, Communication Public Utilities	Government	All others
Burma (Million rupees)								
1950/51	Gross geographical product	3 670	1 700 (46.3)	180	316	117	262	1 095 a
1949/50	product	3 033	1 362 (44.9)	159	241	98	234	939 a
1948/49		3 234	1 561 (48.3)	165	271	84	208	945 a
1947/48		3 506	1 721 (49.1)	154	286	97	218	1 030 a
1938/39		1 441	673 (46.7)	185		50	95	438 a
Indonesia (Million guilders)								
1938	Income of Indonesian population only	1 947	1 249 (64.1)	276 (14.2)	135 (6.9)	28 (1.4)		259 (13.3)
Japan (Thousand million Yen)^b								
1949/50	National Income	2 875	910 (28.2)	940 (32.7)	408 (14.2)	229 (8.0)	127 (4.4)	361 (12.6)
1948/49		2 163	626 (28.9)	720 (33.3)	304 (14.0)	167 (7.7)	103 (4.8)	243 (11.2)
1947/48		1 128	340 (30.1)	422 (37.4)	149 (13.2)	66 (5.8)	52 (4.6)	101 (8.9)
Malaya (Million Malayan dollars)								
1950 ^c	Gross national product ^c	6 359	2 845 (44.7)	1 953 (30.7)	703 (11.1)	111 (1.8)	340 (5.3)	407 (6.4)
1949		4 266	1 538 (36.1)	1 484 (34.8)	448 (10.5)	101 (2.4)	312 (7.3)	383 (9.0)
1948		4 410	1 649 (37.4)	1 442 (32.7)	573 (13.0)	110 (2.5)	270 (6.1)	366 (8.3)
Philippines (Million pesos)								
1951	National income	7 586	3 059 (40.3)	1 215 (16.0)	1 022 (13.5)	279 (3.7)	408 (5.4)	1 603 (21.1)
1950		6 228	2 507 (40.3)	1 006 (16.2)	815 (13.1)	222 (3.6)	400 (6.4)	1 278 (20.5)
1949		5 646	2 289 (40.7)	940 (16.6)	715 (12.7)	195 (3.5)	377 (6.7)	1 121 (19.9)
1948		5 713	2 376 (41.6)	984 (17.2)	716 (12.5)	195 (3.4)	321 (5.6)	1 121 (19.6)
Thailand (Million baht)								
1950	Gross geographical product	25 595	14 650 (57.2)	3 796 (14.8)	3 865 (15.1)	316 (1.2)	1 058 (4.1)	1 910 (7.5)
1949	product	22 199	13 332 (60.1)	2 888 (13.0)	3 287 (14.8)	278 (1.3)	846 (3.8)	1 567 (7.1)
1948		18 457	11 211 (60.7)	1 801 (9.8)	3 047 (16.5)	224 (1.2)	615 (3.3)	1 559 (8.4)
1938/39		958	436 (45.6)	126 (13.1)	258 (26.9)	34 (3.5)	47 (4.9)	57 (6.0)

a Since construction and a substantial part of manufacturing and trade are lumped together in the category and cannot be separated, percentages of the totals for non-agricultural sectors are not computed

b Figures from national sources do not tally with those given in Table 1

c Prior to "deductions to avoid double-counting"

For other sources and notes, see Table 1

INDUSTRIAL AND FUNCTIONAL DISTRIBUTIONS

For many purposes, the national income totals are of less significance than their composition and distribution. Perhaps the most widely used breakdown is by industrial groups, as in Table 4. Another is the functional distribution, such as Table 5, which shows how income is distributed between labour and capital. A third is the distribution of total expenditures (gross national product) between consumption, domestic and foreign investment, and government expenditure. Table 6 shows such a breakdown. If the ratio of consumption to total expenditure is unusually high, the country involved may be living beyond its means, i.e. failing to replace domestic capital as it depreciates, and drawing down its foreign investments dangerously. A low or falling consumption ratio, however, may portend an under-consumption crisis in a free-enterprise economy, since the maintenance of expenditure and employment is increasingly dependent on the volatile level of private investment.

In addition to the exploratory and tentative nature of the totals being broken down, and their incomparability as between countries, these breakdowns suffer from inaccuracies due to international differences in classification.¹ In one country, for example, the entire

income of a farmer who works on the roads during the off season will be classified as agricultural, whereas in another, it will be broken down between agriculture and government. A publicly-owned utility plant is sometimes classed with transportation and communication, sometimes with government, sometimes as miscellaneous. A particularly glaring cause for non-comparability affects the Indonesian figures. The exclusion of all income received by Europeans, Chinese and other non-Indonesians exaggerates drastically the relative importance of agriculture in Table 4, because of the greater relative concentration of Indonesians in this sector. Nevertheless, it is easy to see from Table 4 the sharp distinction between the developed economy of Japan and the under-developed economies of the other countries listed.² The effects of the destruction of Burma's oil industry are also apparent. The key figure in interpreting this table is the ratio of "Mining, manufacturing and construction" to the total, which is higher for Japan than for any other country.

¹ An International Standard Industrial Classification, however has been worked out by a group of experts and consultants from various countries and approved by the United Nations Statistical Commission although none of the countries in the ECAFE area has adopted it up to the present. See Statistical Office of the United Nations, *International Standard Industrial Classification of all Economic Activities* (Statistical papers M4).

² In Malaya, however, the higher percentage of manufacture, mining, and construction was due largely to the importance of mining.

TABLE 5.
FUNCTIONAL DISTRIBUTION OF INCOME, ECAFE COUNTRIES
(Percentages in parenthesis)

Country and year	Total	Labour Income	Entrepreneurial Income	Property Income
Indonesia (Million Guilders)				
Net geographical product				
1938	2,412	2,218 (92.0)		194 (8.0)
Japan (Million yen in 1938 thousand million yen in subsequent years) Personal income				
1950/51	3,259	1,541 (47.3)	1,571 (48.2)	147 (4.5)
1949/50	2,827	1,270 (44.9)	1,481 (52.4)	76 (2.7)
1948/49	2,148	978 (45.5)	1,124 (52.3)	47 (2.2)
1947/48	1,139	400 (35.2)	714 (62.7)	24 (2.2)
1938	17,608	7,554 (42.9)	6,307 (35.8)	3,747 (21.3)
Malaya (Million Malayan dollars)				
Net national product				
1947	3,216	1,160 (36.1)	1,170 (36.4)	885 (27.5)
Philippines (Million Pesos)				
Personal income excluding transfer payments				
1951	7,421	3,265 (44.0)	4,156 (56.0)	
1950	6,094	2,681 (44.0)	3,413 (56.0)	
1949	5,508	2,424 (44.0)	3,084 (56.0)	
1948	5,545	2,440 (44.0)	3,105 (56.0)	
1938	—	—	—	—

Sources and notes same as for Table 1

The published national income statistics of the ECAFE countries, as presented in Table 4, require detailed adjustments before they can be fitted into Clark's scheme of primary, secondary and tertiary industry,¹ used to test his theory of economic development, or to compare the rate of economic progress in different countries along the lines he suggests. The greater relative importance of manufacturing industry in Japan bears out his view, but on the other hand, the combined importance of the tertiary industries does not appear to vary greatly from the more primitive to the more highly developed economies of the region. Judged by the relative share of manufacturing industry in all countries except Japan, the rate of economic development in the region has been disappointingly slow. It should be remembered nevertheless that in many countries, industrialization in its narrow sense is not the most important or the initial objective of development programmes. In Ceylon, India, and Malaya, for example, increased diversification within agriculture, and decreased dependence on food imports, are at least equal in priority. Since the outbreak of war in Korea, rises in the relative prices of agricultural raw materials, especially rubber, have also had the statistical effect of obscuring the relative growth of industrialization in all of the raw-material producing countries (including Ceylon, Malaya, the Philippines, and Thailand). These relative price movements have also brought about, in Thailand, the combination of the region's most rapid growth in per capita real income and a very small increase in the importance of industry in the gross geographical product.

The data-collection methods of most countries of the region render break-downs on an industry basis both easier and less inaccurate than those on other bases. Despite wide interest in the distribution of income and wealth, current information on the distribution of income between labour, entrepreneurship, and property is available from only Japan, the Philippines, Malaya,² and Indonesia. Only in Japan can income from property be broken down further into its principal components of interest, rent, and dividends. The rising relative share of labour in Japan reflects not only the rising strength of the Japanese labour movement, but also the decline of the agricultural black markets and the post-war trend toward incorporation of small and medium-sized businesses. This trend, explained largely by tax advantages, results in what was formerly entrepreneurial income (profits of an unincorporated enterprise) appearing in the national accounts as the salary of the manager or president of a small corporation. Comparing Japan with the Philippines, the relative share of labour in Japan is surprisingly low, considering the greater extent of industrialization and wage labour in that country. On the other hand, it may be that in Japan wage labour in agriculture is a negligible quantity while in the Philippines it is a large quantity. The sharp fall in property income in Japan is due to the effects of inflation and land reform, which combined to reduce to insignificance the fixed money income component of property income.

¹ *The Conditions of Economic Progress and The Economics of 1960*

² Professor Benham believes that Malayan distributions for 1948 and later years would probably show a smaller labour share than that shown in Table 5. Benham, *op cit*, ch. IV, sec. 2, pp. 166-68.

TABLE 6
GROSS NATIONAL EXPENDITURE IN ECAFE COUNTRIES

Country and year	Gross national expenditure	Private consumption	Government current expenditure	Government capital formation	Private capital formation	Net foreign investment
Burma (Million kyat)						
1950/51	3,664	2,645 (72.2)	356 (9.7)	224 (6.1)	245 (6.7)	194 (5.3)
1949/50	3,025	2,315 (76.5)	334 (11.0)	61 (2.0)	253 (8.4)	62 (2.0)
1948/49	3,221	2,446 (75.9)	340 (10.6)	65 (2.0)	195 (6.1)	175 (5.4)
1947/48	3,500	2,879 (82.3)	279 (8.0)	122 (3.5)	469 (13.4)	-231 (-6.6)
1938/39	1,356	928 (68.4)	114 (8.4)	30 (2.2)	127 (9.4)	157 (11.6)
Ceylon (Million Rupees)^a						
1951	4,690	3,631 (77.4)	411 (8.8)	224 (4.8)	315 (6.7)	109 (2.3)
1950	4,087	3,118 (76.3)	387 (9.5)	213 (5.2)	222 (5.4)	147 (3.6)
1949	3,100	2,460 (79.4)	394 (12.7)	123 (4.0)	153 (4.9)	-30 (-1.0)
1948	2,823	2,272 (80.5)	352 (12.5)	70 (2.5)	105 (3.7)	24 (0.8)
1938	661	549 (83.1)	95 (14.4)	5 (0.8)	34 (5.1)	-22 (-3.3)
Indonesia (Million Guilders)						
1938	3,312	3,020 (91.2)		292 (8.8)		-194 (-6.2)
Japan (Thousand million yen)						
1950/51	4,007	2,507 (62.6)	702 (17.5)		678 (16.9)	120 (3.0)
1949/50	3,375	2,386 (70.7)	680 (20.1)		449 (13.3)	-140 (-4.1)
1948/49	2,430	1,686 (69.4)	590 (24.3)		252 (10.4)	-98 (-4.0)
1947/48	1,160	856 (73.8)	272 (23.5)		100 (8.6)	-68 (-5.9)
Malaya (Million Dollars)						
1950 ^p			363 ()			-120 ()
1949	3,111 ^b	2,681 (86.2)	334 (10.7)	150 (4.8)		-54 (-1.7)
1948	3,233 ^b	2,837 (87.8)	285 (8.8)	155 (4.8)		-44 (-1.4)
Philippines (Million Pesos)						
1951	8,373	7,481 (89.3)	493 (5.9)	105 (1.3)	489 (5.8)	-195 (-2.3)
1950	6,934	5,855 (84.4)	473 (6.8)	128 (1.8)	465 (6.7)	13 (0.2)
1949	6,317	5,962 (94.4)	448 (7.1)	141 (2.2)	454 (7.2)	-688 (-10.9)
1948	6,369	5,510 (86.5)	402 (6.3)	110 (1.7)	616 (9.7)	-269 (-4.2)

a Private consumption includes statistical discrepancy and private capital formation excludes inventory changes which appear to be included in private consumption

b Includes only allocated expenditures investment figures net

p Preliminary

Sources and other notes same as for Table 1

The picture presented by the expenditure analysis in Table 6 is strangely mixed. Japan shows a private investment boom, mainly devoted to construction, with consumption running relatively low and danger of recession when reconstruction and rearmament are ended. In Burma and Indonesia, net capital formation since the war may have been negative, when allowance is made for depreciation of existing capital which is not deducted (except in Malaya).¹ In the Philippines, an over-ambitious capital formation programme, primarily private, has been slowed down in the interests of anti-inflationary finance. In several countries, "net foreign investment" is shown, this requires additional explanation. A positive figure in this column may mean acquisition of foreign capital assets. It is more likely, however, to mean accumulation of cash balances or credits abroad, or else repatriation of domestic assets held previously by foreigners. A negative figure usually means the running down of foreign balances, the accumulation of foreign debts rather than the sale of capital assets to foreigners either at home or abroad.

After the meaning of "investment" is understood, it is safe to conclude that, e.g. Burma has "invested" abroad instead of at home, or that, e.g. Indonesia has been living beyond its means, running down domestic capital and depleting balances abroad.²

The national income statistician's definition of "domestic capital formation" includes purchases of residential housing and additions to inventories at all levels of production. The information they yield regarding expenditures for fixed capital (industrial plant and equipment), which is the ordinary layman's meaning of "investment," is often supplemented by data on the production, import, and export of fixed capital goods, and also by data on new construction. A number of the studies referred to above place great reliance on supplementary information of these types,³ although they are omitted here as not strictly germane to the subject under discussion.

² Comparing 1938 with 1948 it is probable that the negative foreign investment figure for 1938 represented net foreign capital investment in Indonesia whereas in 1948 the balancing item took the form of private and official donations. International Monetary Fund, *Balance of Payments Yearbook*, op cit., p. 237.

³ E.g. *Economic Survey of Asia and the Far East, 1950*, op cit., pp. 121-125.

¹ The Malayan series is therefore not comparable with the others, the investment figures, in particular, are misleadingly low.

TABLE 7
INCOME SIZE DISTRIBUTIONS:
CEYLON, JAPAN, PHILIPPINES, AND THE UNITED STATES

a Ceylon (December 1950)¹b. Japan (1949)²

Income range (Rupees per month)	Percentage of receivers		Percentage of income		Income range (thousand yen per year)	Percentage of receivers ³		Percentage of income	
	Simple	Cumu- lative	Simple	Cumu- lative		Simple	Cumu- lative	Simple	Cumu- lative
0-26	10	10	15	15	0-42	10	10	29	29
26-36	10	20	36	51	42-55	10	20	43	72
36-46	10	30	47	98	55-69	10	30	56	128
46-57	10	40	54	152	69-81	10	40	64	192
57-69	10	50	62	214	81-94	10	50	74	266
69-83	10	60	76	290	94-112	10	60	84	350
83-103	10	70	94	384	112-134	10	70	101	451
103-138	10	80	124	508	134-165	10	80	120	571
138-198	10	90	159	667	165-218	10	90	153	724
198 and over	10	100	333	1000	218 and over	10	100	276	1000

¹ Distribution of monthly personal income. Based on income distribution data in 'An estimate of inequality of income' (Central Bank of Ceylon Bulletin, Ceylon, March 1952). It is not clear from the basic data whether the personal income is given before or after taxation.

² Distribution of taxable income of entrepreneurs. Based on data in Statistical Yearbook of Japan 1950, table 199-B, p. 374. The basic data for this table appear to refer to taxable income of entrepreneurs only. At least it is evident that the table, with a coverage of 7,609,920 persons, applies only to certain categories of income earners. Figures based on the confirmed self-assessed amount of income.

³ Each group includes 760,992 persons.

c Philippines (1948)

d United States (1950)

Income range (Pesos per year)	Percentage of receivers		Percentage of income		Income range (\$ per year)	Percentage of receivers		Percentage of income	
	Simple	Cumu- lative	Simple	Cumu- lative		Simple	Cumu- lative	Simple	Cumu- lative
0-600	39.4	39.4	14.9	14.9	0-830	10	10	1	1
600-1,080	32.7	72.1	27.5	42.4	830-1,430	10	20	3	4
1,080-1,800	17.3	89.4	25.6	68.0	1,430-1,990	10	30	5	9
1,800-3,600	9.0	98.4	22.2	90.2	1,990-2,510	10	40	6	15
3,600-6,000	1.2	99.6	5.7	95.9	2,510-3,000	10	50	8	23
Over 6,000	0.4	100.0	4.1	100.0	3,000-3,550	10	60	9	32
					3,550-4,080	10	70	11	43
					4,080-4,950	10	80	13	56
					4,950-6,210	10	90	15	71
					Over 6,210	10	100	29	100

Sources: Data for Ceylon and Japan are supplied by the Statistical Office of the United Nations. W. I. Abraham, *op cit*, p. 24. Federal Reserve Bulletin, August 1951, p. 929.

Note: Concept of income differs between countries particularly as regards treatment of non-money income and direct tax liabilities.

DISTRIBUTION BY SIZE

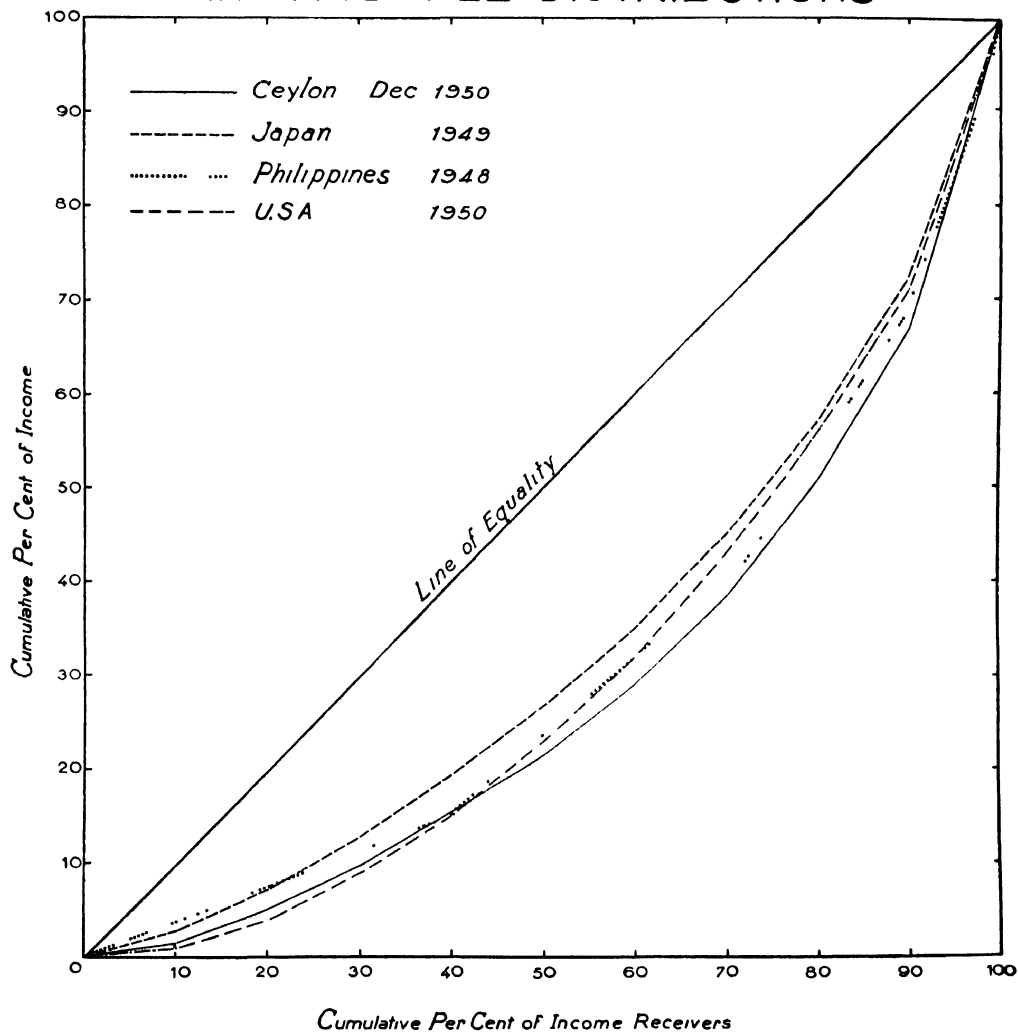
Many countries of the ECAFE region are often believed to be characterized by highly unequal distributions of income. The great bulk of personal income is allegedly concentrated in a relatively few wealthy individuals. There is allegedly no significant middle class to bridge the gap between them and the poverty-stricken masses, or to provide economic mobility in an upward direction. It has not been possible heretofore to check statistically this widespread belief, due to the under-development (except in Japan) of broad-based income taxes which have provided basic statistical data in other countries. In the first half of 1952, however, distributions of income by size were made available for the first time in Far Eastern countries. One of

these is for Ceylon in 1950, the other for the Philippines in 1948. The Ceylonese data are based on a medical survey, those for the Philippines on a population census which included questions on income.¹ Japanese figures for 1949, derived from tax data,² are also included, but

¹ For Ceylon, see Theodore Morgan and M. Swaminathan, "An Estimate of Inequality of Income in Ceylon, the United Kingdom, and the United States," *Central Bank of Ceylon Bulletin*, March 1952, pp. 9-11 for the Philippines W. I. Abraham, *op cit*, Table X, p. 24. For Japan, *Statistical Yearbook of Japan, 1950*, p. 374. The United States data used above for comparative purposes are found in a joint study of the Board of Governors of the Federal Reserve System and the Survey Research Centre, University of Michigan, "1950 Survey of Consumer Finances. Part III. Distribution of Consumer Income in 1949," *Federal Reserve Bulletin*, Vol. XXXVI, No. 8 (August 1950), pp. 948-965, especially Table 8, p. 965. For other countries, scattered data is reproduced in "National Income and its Distribution in Under-developed Countries," *op cit*, pp. 28-32.

² Japan has had a broad-based income tax since 1946. The size distribution of income in Japan is a fruitful field of study for Japanese economists and statisticians.

INCOME SIZE DISTRIBUTIONS



they are seriously distorted at both upper and lower extremes by tax evasion and avoidance and should not be considered comparable. Figures from these countries have somewhat less significance for world opinion than would figures from India, the traditional example of extreme inequality, or from the mainland of China, where the most ambitious attempt has been made at its elimination.

The results are found in Table 7 and illustrated in Chart 1, with similar data for the United States in 1949 for comparative purposes. The figures for the three countries are not perfectly comparable, particularly in their treatment of non-money income. (This is excluded in the American case, but included in the others, most completely in Ceylon. In general, inclusion of non-money income makes the distribution more equal than one based on money income alone.) There are also problems involved in the systematic under-reporting of income, in the definition of the income-receiving group, and many more. Nevertheless, within the limits of accuracy of the data, the popular view regarding extreme inequality in the ECAFE region is not supported even if the Japanese material is discounted. The distributions in Japan and the Philippines are slightly more equal than that in the United States, the distribution in Ceylon is somewhat less equal. The concentration ratios, or coefficients of inequality, are Ceylon 42, USA 40, Philippines 39, Japan 34.

The meaning of these concentration ratios is best explained with reference to Chart 1. On the horizontal axis of the chart is measured the cumulative percentage of income receivers, from 0 to 100. The lowest income groups are entered first, at the left, following Column 2 of Table 7. On the vertical axis is measured the cumulative percentage of total income received (before deduction of income taxes). Again the scale runs from 0 to 100, and the lowest income groups are entered first, at the bottom, following Column 4 of Table 7. Plotting the resulting points for each country separately, the four curves shown on the chart are obtained. They are known as Lorenz curves and are widely used in economic statistics.

If a country had an absolutely equalitarian income distribution, its Lorenz curve would be a 45-degree straight line. Any 10 per cent of income receivers would get 10 per cent of the income, any 20 per cent, 20 per cent of the income, and so on. On the other hand, if all the income in the country were received by one person, the Lorenz curve would correspond to the vertical and horizontal axes. The lowest 10, 20, 30, 90, or 95 per cent would receive no income. Only the last man would receive 10 per cent. This is perfect inequality.

All actual income distributions fall between the two extremes of perfect equality and perfect inequality. On the chart, the Lorenz curves also lie between the straight line of equality and the perpendiclar axes of inequality.

The more equal the distribution, the closer will its Lorenz curve lie to the line of equality. Thus, on the chart, the line representing Japan lies generally closest to this line, and those for the Philippines, the United States and Ceylon progressively further from it.

The area between the line of equality and the Lorenz curve for any country may be called A, and the area of the triangle under the line of equality may be called B. When there is perfect equality, area A vanishes, since the Lorenz curve coincides with the line of equality. The ratio of area A to area B is therefore zero. When there is perfect inequality, areas A and B coincide, since the Lorenz curve coincides with the horizontal and vertical axes. The ratio of area A to area B is therefore unity. These are the two extremes, in intermediate cases, the ratio of area A to area B is a fraction which can be expressed as a percentage. The greater the degree of equality, the closer the Lorenz curve to the line of equality, the smaller will be this percentage, or concentration ratio as it is known¹. It is this percentage, or concentration ratio, which has been computed for the four countries mentioned.

The relative uniformity in the degrees of income inequality prevailing in such different economies is indeed surprising, and suggests some generalization having the character of a statistical economic "law." Is it possible to reconcile the results with the conventional belief regarding the extreme degree of inequality in Asia and the Far East, assuming that similar results would hold for the remainder of the region? Two possible lines of reconciliation have suggested themselves. They are not mutually exclusive, and each can be submitted only tentatively and with diffidence, pending further research.

In the first place, the degree of inequality is perhaps more often judged less by the over-all degree of inequality prevailing in the entire income-receiving population, which is sought to be measured by the concentration ratio, than by the relative share of the topmost one, two, or five, per cent (the very rich). The degree of inequality elsewhere in the population leaves relatively little impression. As the studies of Professor Simon Kuznets on the relative share of the upper five per cent of American income receivers have indicated, this may change quite substantially over time while the income distribution as a whole follows a Lorenz curve.

¹ Because of the low accuracy of the data, areas under curves are not calculated with higher mathematical aids such as integration of fitted curves, but instead, by finding the total area under the sections of straight lines joining the various points. Accordingly, in interpreting concentration ratios from statistical data, account should be taken of a slight mathematical bias which arises in their computation. The greater the number of classes into which the data are divided, the smaller will be the concentration ratio computed from a given income distribution. In comparing results from three different income distributions the fineness of the class intervals should be noted. In the present instance, data from Ceylon are the most finely divided, followed by those from Japan, the United States and the Philippines in that order. The concentration ratios for Ceylon and Japan therefore have a slight upward bias as compared with that for the United States, and that for the Philippines a downward bias.

of almost unchanging pattern. National statistics show that in Ceylon the upper 13 per cent received 93 per cent of the total income and the upper 12 per cent in the Philippines received 79 per cent¹. (The closest comparable figure for the United States is for the highest 5 per cent of income receivers, their total money income was 20 per cent of the total)

A second possible explanation for exaggerated estimates of inequality in countries of the region is the inability of many travellers and many residents in foreign settlements to distinguish between middle-class and lower-class living standards in the countries concerned, in view of the admittedly low level of per capita income and the high prices of many Western goods. To a middle-class Western traveller in the region, or to a middle-class Western resident in a foreign settlement in the region, middle-class life involves the habitual consumption of certain conveniences, mainly Western in origin (Automobiles, flush toilets, and canned foods may be taken as examples). The traveller sees these consumed, within the region, mainly by those who, at the same time, occupy large houses, employ platoons of servants, possess stocks of jewellery and art objects, and otherwise live on a scale characteristic of extremely wealthy individuals in the West. The casual observer may draw from this condition quite unwarranted conclusions about the inequality of the income distribution, particularly if, as is likely, he ignores such distinctions as those between grass and tile on a farmer's roof, between wood and dirt on his floor, or between rice-vegetables-and-fish and rice-and-vegetables alone in his daily diet.

FOREIGN AID AND FOREIGN INVESTMENT INCOME

Considerable exaggeration appears to be current within the region as to the percentage of the gross geographical product of each country which is paid to foreign investors as interest and dividends. In Western Europe and America, there prevails a corresponding exaggeration as to the importance of grants and loans in maintaining the region's economies at their present levels. The fact of the matter appears to be as shown in Table 8. Both investment income and foreign aid are strategic in particular circumstances, such as alleviation of the Indian food shortage of 1951 or improving the port facilities of Bangkok, and they may produce substantial changes in the near future, but neither investment income nor foreign assistance has loomed very large in recent years, in comparison with the total geographical products of the countries concerned.

The investment income figures in Table 8 are taken net of similar payments to residents of the country concerned from their own foreign investments. A negative result means, therefore, that residents of the country in question receive larger amounts from their own foreign investments than is paid out to foreigners in interest and dividends on their investments in that country. The statistics include in principle returns in both directions which are either transmitted abroad or reinvested in the country where they are earned. Coverage of the last-named item, however, is admittedly faulty. It is probable that complete coverage would increase considerably the statistical importance of investment income as a percentage of gross geographical product. Payments to foreign employees, managers, etc., are not included in the totals as given.

Payments to foreign investors appear to have been significant before the last war in four of the countries studied (Burma, Ceylon, Indonesia, and probably also Malaya). During the post-war period, however, this item has rarely arisen above 2 per cent of the gross geographical product. Physical destruction during the war, internal disturbances in subsequent years, and some sales of investment properties to Asian nationals, have combined to produce this decrease.

For most countries, during the post war period, the total of net donations and international lending has been of greater significance than payments to foreign investors. In international lending are included all types of "official financing" as defined by the International Monetary Fund for its *Balance of Payments Yearbooks*. Decreases in gold holdings in foreign balances, for example, are included as "international lending," together with formal loans. Increases in these items are included with amortization of earlier loans as representing repayment of loans, a negative item.

After rising to substantial proportions in the early post war years, particularly in Japan, Korea, and the Philippines,² the importance of this item has fallen sharply since 1948. In several countries, it has turned positive. This implies (in Ceylon, and probably Malaya) a net outward movement of donations to China and India. In Burma and Thailand, accumulation of foreign balances plus some amortization of previous loans was the cause. The Colombo Plan and various other aid programmes are expected to raise the relative importance of foreign aid in many countries during the period 1952-1957, but it is doubtful whether the percentage in Table 8 will rise above 50, unless far more ambitious programmes are adopted and carried out for the international financing of economic development in the region.

¹ In Japan, the upper 10 per cent appears to have received only 64 per cent of the total. This figure, however, is not comparable, owing to the prevalence of under-reporting for tax avoidance purposes.

² In the occupied areas, GARIOA and EROA aid accounted for the bulk of the foreign aid received during 1946-1948. In the Philippines substantial demobilization allowances, pensions, etc. were paid to troops who had served with the United States forces during the war.

TABLE 8
NET DONATIONS, INTERNATIONAL BORROWING AND NET PAYMENTS TO FOREIGN
INVESTORS AS PERCENTAGES OF GROSS GEOGRAPHICAL
PRODUCT, ECAFE COUNTRIES

Country and Year	Net donations and international borrowing (+)		Net payments to foreign investors	
	Amount	Per cent of G G P	Amount	Per cent of G G P
BURMA (Million rupees)				
1950/51	-246	- 6.7	6	0.2
1949/50	-156	- 5.1	8	0.3
1948/49	-255	- 7.9	13	0.4
1947/48	225	6.4	6	0.2
1938/39	-167	11.6	85	5.9
CEYLON (Million rupees)				
1951	-184	- 3.9	65	1.4
1950	-206	5.0	55	1.3
1949	- 2	0.1	29	0.9
1948	-113	- 4.0	49	1.7
1938	- 15	- 21.2	47	6.6
INDONESIA (Million guilders)				
1938			195	6.3
JAPAN				
1950/51 (Thousand million yen)	128.6	3.2	2.4	0.1
1949/50 (Thousand million yen)	198.4	5.9	0.5	
MALAYA (Million Malayan dollars)				
1950 ^p			120	2.2
1949			47	1.4
1948			39	1.1
PHILIPPINES (Million pesos)				
1951	195	- 2.3	43	0.5
1950	- 13	- 0.2	30	0.4
1949	688	10.8	60	0.9
1948	269	4.2	54	0.8
THAILAND (Million bahts)				
1950	-546.4	- 2.1	- 1.6	
1949	-326.4	- 1.5		
1948	-616.8	- 3.3	5.6	

^p Preliminary

Sources and notes same as for Table 1 also International Monetary Fund *Balance of Payments Yearbook* Vol III (1949/50) and other data supplied by the International Monetary Fund

ASIAN ECONOMIC STATISTICS

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SYMBOLS EMPLOYED

The following symbols have been used throughout

*—Average of six to eleven months	Mn=million
!—12 months beginning April of the year stated	—not available
†—12 months ending September of the year stated	- —nil or negligible

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

K	=Kyat (Burma)
Rs	=Rupees (Ceylon, India and Pakistan)
NT\$	=New Taiwan dollar
HK\$	=Hong Kong dollar
Rp	=Rupiah (Indonesia)
Y	=Yen (Japan)
W	=Won (Republic of Korea)
M\$	=Malayan dollar (Federation of Malaya, Singapore, North Borneo, Brunei and Sarawak)
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 or published by the United Nations Statistical Office have been incorporated wherever possible, the 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

PRODUCTION

1 PRODUCTION OF SELECTED COMMODITIES

Monthly averages or calendar months

Thousand tons

	1938 ^p	1948	1950	1951	1 9 5 1				1 9 5 2						
					I	IV	I	Jan	Feb	Mar	Apr	May	June		
COAL															
India	2 400	2 551	2 735	2 905	2 964	2 978	3 209	3 240	3 270	3 117	3 236	3 225	2 895		
Indonesia	121	45	67	72	75	74	77	71	79	81					
Japan	3 484	2 810	3 205	3 610	3 247	4 004	4 306	4 111	4 262	4 545	4 019	3 973	3 824		
Korea south	19	67	47	9		31	38	48	34	32	28				
Malaya	40	32	35	32	32	31	24	24	21	26	30	27	27		
Pakistan ^a	—	20	37	43	47	48	67	70	62	68	47	42			
Viet Nam	195	30	42	52	48	63	67	60	50	89	78	68	58		
ELECTRICITY (mn kwh)															
Burma	—	2	3		3										
Cambodia	1	1	1	1	1	1	1	1	1	1	1	1	2		
Ceylon	3	5	7	9	8	9	9	10	9	10	9				
China (Taiwan)	—	70	87	107	99	111	103	106	104	100	102	120			
Hong Kong	—	13	24	29	28	31	32	31	32	32	31	33	32		
India	211 ^a	381	425	489	462	500	488	501	481	482	489	514	500		
Japan	2 004	2 644	3 236	3 426	3 462	3 313	3 470	3 545	3 289	3 576	3 732	3 847	3 696		
Korea south	—	41	34	26	14	42	45	48	42	47	45	49			
Malaya	—	—	56	66	62	70	79	79	76	80	79				
Pakistan	—	11	14	19	17	21									
Philippines (Manila)	12	30	38	41	39	44	44	45	42	45	43	46	45		
Thailand ^k (Bangkok)	3 [†]	4	4	5	4	5	5	5	6	6	5	5	5		
Viet Nam	8	8	14	16	15	18	19	19	17	19	19	19	18		
PETROLEUM, CRUDE															
Brunei	59	224	343		402										
Indonesia	616	361	534	620	600	657	623	662	586	622					
Japan	30	14	25	28	27	26	26	26	25	27	26	26	25		
Pakistan	—	5	14	13	14	12	14	12	13	16	15	16			
Sarawak	17	4	5		4										
IRON ORE															
Hong Kong	—	—	14	14	13	17	16	24	18	7	5	8	14		
India	232	193	250												
Japan	52	47	69	76	56	80	75	69	77	79	58	81	90		
Malaya	137	—	42	72	38	67	40	30	29	61	89	113	92		
Philippines	77	2	50	74	47	70	89	64	92	110	115	123	114		
PIG IRON & FERRO ALLOYS															
India ^b	131	124	142	154	145	159	161	162	156	166	156	153	142		
Japan	172	70	192	269	221	300	308	317	290	316	316	328	289		
STEEL INGOTS & CASTINGS															
India	82	106	122	127	124	130	136	141	127	139	138	125	120		
Japan	435	143	403	542	493	560	586	574	572	612	604	612	575		
FINISHED STEEL															
India	59	72	85	91	90	95	93	92	92	93	84	93	89		
Japan	379	105	289	438	415	419	465	439	471	486	479	444	416		
TIN IN CONCENTRATES (tons)															
Burma	419	97	148	80	80	80	80	80	80	80	80	80	80		
China	906	406	305	305	305	305	305	305	305	305	305	305	305		
Indonesia	2 517	2 592	2 718	2 623	2 526	2 758	2 429	1 997	2 358	2 931	2 755	3 092	3 010		
Japan	—	10	28	37	30	40	46	43	44	51	57	52	48		
Laos & Viet Nam	135	3	5	8	8	8	8	8	8	8	8	8	8		
Malaya	3 673	3 795	4 872	4 840	4 672	4 971	4 709	4 819	4 497	4 811	4 744	5 028	4 753		
Thailand	1 255	359	878	805	821	819	754	767	744	751	708	703	783		
TIN METAL (tons)															
Malaya	5 456	4 209	5 821	5 581	5 482	5 690	5 303	4 461	5 117	6 330	5 150	4 830	4 758		
NATURAL RUBBER ^c															
British Borneo ^d	24	52	70	56	52	48	49	57	40	49	57	33	56		
Burma ^d	08	10	08	09	12	04	18	23	18	13	13	10	10		
Cambodia	24	14	12	13	06	19	09	14	03	10	11	13	16		
Ceylon	43	80	96	89	88	107	75	91	61	71	71	56	66		
India	13	13	13	15	08	20	11	17	03	11	20	16	12		
Indonesia	270	366	582	682	729	655	653	696	652	612	630	582	520		
Malaya	304	591	588	513	556	508	477	517	440	474	454	465	464		
Thailand ^d	35	81	95	92	101	77	91	98	82	92	80	90	47		
Viet Nam	36	23	27	31	20	42	21	37	09	16	27	35	37		
VEGETABLE OILS															
Malaya	—	—	—	—	—	—	—	—	—	—	—	—	—		
Coconut oil	—	7 88	7 66	8 99	6 74	10 72	8 25	8 54	8 52	7 70	8 44	8 56	8 90		
Palm oil	4 32	3 83	4 50	4 09	3 86	4 68	3 26	3 23	3 16	3 38	3 40	3 12	3 07		
COTTON YARN															
Hong Kong	—	—	20	24	21	30	26	25	27	27	24	25	—		
India	493	550	437	490	461	512	510	518	503	508	524	535	513		
Japan ^e	545	104	199	281	245	296	308	333	323	268	279	258	273		
Korea, south	—	05	08	04	04	06	05	05	06	05	07				
COTTON FABRICS (mn metres)															
Ceylon (mn sq metres)	06	05	05	06	06	07	06	06	06	06	06	06	06		
India	325	337	275	318	291	295	314	315	311	316	334	358	344		
Japan ^e (mn sq metres)	2436	644	1074	1518	1287	1572	1625	1564	1683	1629	1567	1483	1515		
Korea, south	—	21	41	24	22	28	26	22	31	24	28				
Pakistan	—	67	81	87	87	103	111	111	110	113	118				
Philippines	—	06	07	08	08	07	07	07	07	07	08	08	08		

1 PRODUCTION OF SELECTED COMMODITIES—(Cont'd)

PRODUCTION

Monthly averages or calendar months

Thousand tons

	1938 ^a	1948	1950	1951	1951		1952							
					I	IV	I	Jan	Feb	Mar	Apr	May	June	
JUTE MANUFACTURES														
India ^d	107.2	92.0	70.8	74.1	68.4	79.8	87.5	93.3	85.0	84.2	83.0	83.6	74.9	
PAPER														
India (including paper products)	49.28	8.29	9.22	11.17	10.50	11.81	11.54	12.35	10.99	11.27	11.81	11.08	10.52	
Japan	88.12	35.33	72.58	97.36	89.26	99.59	101.74	98.13	100.23	106.86	105.04	108.07	109.26	
SOAP														
India		6.40	6.16	7.06	6.58	7.71	7.43	8.02	7.14	7.12	7.37	6.22	6.10	
Japan	15.97	1.26	8.03	12.17	14.00	8.74	10.22	8.50	10.48	11.68	12.48	13.56	13.52	
Korea, south		0.32	0.22	0.16	0.46	0.15	0.23	0.18	0.31	0.21	0.11			
Malaya		1.92	1.42	1.54	1.76	1.43	1.33	1.05	1.43	1.51	1.30	1.33	1.34	
CEMENT														
China (Taiwan)		19.6	27.7	32.4	27.9	33.9	27.6	21.8	24.6	36.3	4 ^e	4 ^e		
Hong Kong		4.4	5.7	6.0	6.5	6.7	7.1	9.9	7.7	3.6	5.2	7.3	5.7	
India	119	131	221	271	247	300	279	290	251	295	302	289	280	
Japan	473.6	154.9	371.9	545.6	456.6	604.0	548.3	505.9	574.1	564.8	591.2	653.9	521.4	
Korea, south		1.9	0.8	0.5		2.2	0.1		0.2		4.6			
Pakistan	—	25.8	34.3	42.2	41.5	43.3	43	41	38	51	50			
Philippines ^a	13.9	10.0	24.9	24.9	19.1	24.3	27.5	29.9	24.9	27.7	25.6	28.2	27.9	
Thailand	97 [†]	6.9	13.8	19.0	18.9	21.2	21.4	20.3	18.7	25.2	22.3	19.9	19.7	
Viet Nam	22.2	8.1	12.0	17.7	15.0	18.4	20.2	19.7	17.5	23.5	18.9	16.8	13.6	
SUPERPHOSPHATES														
China (Taiwan)		2.36	3.15	4.51	5.14	6.36	2.96	2.64	1.19	5.04				
India		1.81	4.44	5.17	3.94	6.11	4.70	5.74	4.31	4.06	2.18	4.65	5.87	
Japan ^b	119.77	79.64	117.33	125.47	128.72	142.46	141.79	151.33	151.75	122.28	123.36	107.20	100.00	
OTHER CHEMICALS														
India														
Sulphuric acid	2 05 [†]	6.77	8.68	9.05	8.67	9.83	7.41	9.46	6.07	6.71	6.11	8.94	8.60	
Ammonium sulphate		2.98	4.00	4.46	3.38	7.26	11.92	10.86	10.97	13.92	14.76	14.16	13.51	
Soda ash		2.47	3.71	4.02	4.17	3.85	3.71	4.02	3.90	3.22	2.04	1.18	2.81	
Caustic soda		0.37	0.92	1.25	1.04	1.56	1.46	1.52	1.33	1.53	1.39	1.17	1.14	
Liquid chlorine		0.15	0.34	0.45	0.40	0.52	0.49	0.48	0.47	0.52	0.51	0.45	0.50	
Bleaching powder		0.24	0.28	0.30	0.40	0.17	0.10	0.11	0.09	0.10	0.03	0.05	0.08	
Power alcohol (mn litres)		1.43	1.70	2.20	2.47	2.50	3.40	2.82	3.76	3.61	3.16	2.76	3.05	
Industrial alcohol (mn litres)		1.11	1.86	2.67	2.91	2.35	2.96	3.27	3.09	2.54	2.94	2.66	2.58	
Japan														
Sulphuric acid ^d	240.9	162.2	270.8	315.8	300.5	315.8	339.7	359.8	315.8	343.6	342.5	344.2	319.7	
Ammonium sulphate ^e	72.9	79.3	130.8	139.5	133.2	139.9	153.1	160.8	141.2	157.4	167.0	178.6	176.3	
Calcium cyanamide ^f	17.9	19.0	38.3	34.6	38.2	24.6	37.8	34.6	35.6	43.3	54.1	51.8	39.5	
Soda ash (finished)	19.4 [†]	6.3	13.8	18.8	17.3	18.7	16.8	18.4	16.5	15.4	15.2	14.6	15.2	
Caustic soda	24.9 [†]	8.8	16.2	27.0	22.9	28.0	22.0	24.1	20.6	21.5	21.4	21.4	20.2	
Liquid chlorine	0.8 [†]	0.5	1.4	2.0	1.8	2.0	2.1	2.1	1.8	2.2	2.6	2.3	2.2	
Bleaching powder	5.7	2.1	4.1	5.2	5.7	5.2	4.6	5.5	4.1	4.1	4.2	4.7	4.4	
Dyestuffs	1.59	0.42	0.75	1.18	1.30	1.17	1.03	1.02	1.07	0.99	0.92	0.99	0.99	
Methyl alcohol	0.36	0.63	1.97	2.46	3.19	2.25	2.69	2.80	2.38	2.89	2.53	1.99	1.85	
Ethyl alcohol (mn litres)	0.51	2.46	1.96	2.59	2.37	3.05	1.65	2.28	1.92	0.75	1.14	2.54	2.77	
MACHINERY & VEHICLES														
India (thousands)														
Bicycles		5.2	8.6	9.5	7.9	14.5	9.9	5.7	10.8	13.2	14.2	14.5	17.8	
Diesel engines (Units)		85	383	604	607	702	613	663	605	571	350	320	139	
Electric motors (1000 hp)		5.0	6.8	11.8	10.5	11.8	13.7	13.5	13.0	14.6	13.8	13.0	10.9	
Machine tools (1000 Rs)		456	222	394	426	423	355	289	364	411	412	541	361	
Sewing machines		1.7	2.6	3.7	3.0	3.9	4.3	4.2	4.4	4.2	4.6	4.5	3.9	
Electric transformers (1000 kva)		6.8	14.3	16.2	15.5	16.1	17.9	21.2	16.1	16.3	13.4	16.2	16.4	
Electric lamps		771	1,192	1,293	1,150	1,561	1,754	1,796	1,708	1,757	1,544	1,681	1,469	
Electric fans		15.0	16.1	18.0	18.1	15.9	17.8	16.4	17.0	20.0	19.5	20.0	18.1	
Insulators, 1 t		209	107	119	128	218	286	342	232	277	307	253	246	
Insulators, h t		7.5	14.5	20.4	12.1	23.6	38.1	36.8	37.1	40.4	18.8	10.5	9.2	
Motor car batteries		9.2	15.6	17.5	17.8	14.2	17.9	17.3	17.6	18.8	14.7	18.0	14.8	
Japan (Units)														
Railway locomotives	28	4	10	4	—	5	5	—	9	5	3	2	—	
Railway freight cars	406	367	186	503	128	834	399	389	438	371	46	62	307	
Industrial locomotives	37 [†]	42	35	39	35	40	28	26	27	30	40	39	45	
Industrial freight cars	592	1,612	752	955	522	1,364	1,124	1,280	1,276	815	1,080	922	1,270	
Motor vehicles	2,987 [†]	3,917	6,265	8,861	8,506	9,219	10,184	8,785	10,562	11,204	11,312	13,160	14,865	
Bicycles ('000)	87.9	28.1	81.8	82.3	92.0	83.1	74.9	69.5	78.5	76.7	76.2	77.7	85.3	
Vessels (gross '000 tons)		15.5	19.7	37.5	51.4	58.7	59.1	35.7	65.4	76.5	47.6	57.6	0.3	
Diesel & other internal combustion engines		6,332	8,297	12,907	10,468	16,780	13,985	13,595	14,075	14,285	13,627	14,365	16,301	
Cotton ring spinning frames			182	556	437	566	295	295	325	266	238	266	328	
Looms		3,070	2,044	4,165	3,077	4,672	3,413	3,569	3,380	3,290	2,679	2,025	1,615	
Sewing machines ('000)	3.1	15.0	43.1	92.7	68.8	114.1	118.8	107.8	102.1	146.4	134.6	138.1	133.0	
Machine tools	1,352	671	336	761	451	882	928	842	808	1,134	794	886	752	

^a Including lignite^b Including direct castings, except for 1988^c Including latex^d Net exports^e Including mixed yarn predominantly of cotton^f Data beginning 1960 refer to the output of member mills of Indian Jute Mills Association.^g Production of Cebu Portland Cement Company only^h Converted to 16 per cent phosphorus pentoxide contentⁱ Converted to 50° Be^j Converted to 20 per cent N₂ content^k Relates only to the consumption of electricity generated by the principal Electricity Works^l 1986 for Japan, unless otherwise indicated, 1988 figures for India include territory now under Pakistan^q 1959 ^r 1957

TRANSPORT

2 VOLUME OF TRAFFIC RAILWAY, SEA-BORNE SHIPPING AND CIVIL AVIATION

Monthly averages or calendar months

	1938 ^d	1948	1950	1951	1 9 5 1			1 9 5 2						
					I	IV	I	Jan	Feb	Mar	Apr	May	Jun	
RAILWAY TRAFFIC ^a														
Passenger kilometres (mn)														
Burma	59	40	14	28	27	26	35	28	37	41	41			
Cambodia & Viet-Nam	74	8	6	9	8	10	9	9	10	9	10	10	10	
India	2,385	4,925	5,396	5,078	5,382	4,961	5,116	4,614	5,182	5,552				
Japan	2,185	6,595	5,750	6,421	5,707	6,547	5,780	6,072	5,132	6,136	6,992	7,490	6,254	
Pakistan	—	656	781		903	829		844	826					
Philippines	40	24	30	32	21	29	31	34	28	30	39	40	39	
Thailand	25	109	120	152	161	146	204	171	221	221	236	220	169	
Freight ton kilometres (mn)														
Burma	95	52	7	17	17	18	28	21	34	30	33			
Cambodia & Viet-Nam	28	7	11	15	14	15	17	13	19	19	24	23	16	
India	2,968	3,040	3,638	3,807	3,812	3,980	4,044	3,754	4,036	4,341				
Japan	1,305	2,109	2,560	3,074	2,668	3,330	2,917	2,772	2,847	3,131	3,257	3,295	3,101	
Malaya	22	26	33	33	33	32	30	24	32	33	32	33	31	
Pakistan	—	319	370		412	439		392	379					
Philippines	14	10	13	12	13	10	13	12	14	13	12	12	11	
Thailand	38	25	40	45	46	44	47	46	45	48	44	43	44	
Freight tons ('000)														
Ceylon	77	102	108	127	128	133	137	137	136	138	151			
Hong Kong	40	8	29	23	28	19	14	20	12	12	10	10	13	
Indonesia	810	292	449	492	485	503	448	487	437	419	413	459	421	
INTERNATIONAL SEA BORNE SHIPPING														
Freight Loaded (L) and Unloaded (U) in External Trade ('000 metric tons)														
Ceylon (Colombo) L	54	63	61	60	62	62	64	80	55	57	56	75	60	
U	109	141	161	178	166	169	159	188	137	151	223	168	181	
Hong Kong L		89	189	142	188	120	123	143	109	116	95	108	114	
U		197	325	261	269	242	233	237	229	233	271	316	258	
Indonesia ^b L	916	432	704	749	501	779	624	785	313	774	782	676	706	
U	167	160	212	212	81	185	166	170	137	191	226	227	177	
Japan L	1,092	165	299	309	274	370	366	356	392	351	359			
U	2,771	563	971	1,760	1,229	1,637	1,656	1,437	1,521	2,010	1,955			
Malaya ^c (Singapore) L		121	197	217	212	211	194	190	188	203	215	179	191	
U		163	329	410	397	419	406	410	397	412	423	402	434	
Philippines (Manila) L			26	259	252	281	256	210	277	280	349	467		
U	192 ^e		156	217	199	228	207	212	169	240	185	217		
Viet-Nam (Saigon) L	142	46	46	70	68	72	61	51	51	80	69	71	63	
U	43	54	74	92	80	104	113	123	91	125	146	128	143	
Entrances (E) and Clearances (C) of Vessels with Cargo in External Trade ('000 net registered tons)														
Burma ^d E	311	118	86	106	97	92	80	94	106	40				
C	361	157	106	138	123	113	120	101	122	137				
India E	760	646 ^e	670	777	779	824	855	818	855	891	865	855		
C	793	567 ^e	607	649	720	642	659	665	546	765	695	730		
Pakistan ^f E		241	299	371	371	371	480	486	408	546	411	399	327	
C		176	264	283	240	279	334	342	326	335	308	290	229	
Thailand E	72	67	112	112	107	116	119	110	117	130				
C	100	92	138	133	142	137	134	146	125	131				
CIVIL AVIATION TRAFFIC ^g														
Passenger kilometres (mn)														
Ceylon	—	0 36	0 82	2 76	0 77	3 75	2 34	2 51	2 25	2 28	2 31	2 18	2 53	
India	0 11	23 65	31 30	34 49	32 72	35 92								
Indonesia		8 49	12 35	13 30	13 26	12 92	12 60	12 53	12 33	12 94	12 89	13 74	13 85	
Philippines	0 21	14 57	15 62	17 47	15 00	18 00	15 88	16 49	13 88	17 21	18 43	18 51	18 64	
Thailand	—	0 93	1 62	2 01	2 05	2 22	2 35	2 40	2 14	2 52	2 80	2 84	2 22	
Freight ton kilometres (mn)														
Ceylon	—	2	10	196	9	182	147	142	167	133	176	126	118	
India	34	475	1,868	2,204	1,917	2,322								
Indonesia		389	534	595	601	583	606	603	563	651	564	664	537	
Philippines		540	637	793	773	789	803	784	672	852	815	845	517	
Thailand	1	17	43	59	52	64	72	81	64	69	62	68	92	

^a Railway traffic coverage

India and Pakistan class I railways, broad and metre gauge only, Indonesia Postwar data relate to Federal Area only
 Japan State Railway only, Philippines Manila Rail Road Company

Annual data relate to 12 months beginning 1 April of year stated for India, Japan and Pakistan 12 months ending September of year stated for Burma for postwar, 12 months ending June of year stated for Philippines

^b Postwar data relate to Federal Area only^c Including coast-wise traffic of Malaya

^d Total number of entrances and clearances made during each voyage but excluding sailing vessels Annual figures relate to 12 months ending 30 September of postwar year stated

^e Scheduled domestic and international routes

^f Prewar data relate to 1936 for Japan, 1939 for Malaya, and April 1938 to March 1939 for Burma and Thailand prewar figures for India include territory now under Pakistan for both railway traffic and sea-borne shipping

^g 1987

EXTERNAL TRADE

3 VALUE OF IMPORTS AND EXPORTS AND BALANCE OF TRADE

Monthly averages or calendar months

Millions

	1938	1948	1950	1951	1951			1952					
					I	IV	I	Jan	Feb	Mar	Apr	May	Jun
N BORNEO (M\$)													
Imports	05	21	38	59	50	60	57	55	54	63	59	65	
Exports	08	25	78	102	121	91	70	89	62	59	59	56	
Balance	+ 03	+ 04	+ 40	+ 43	+ 71	+ 31	+ 13	+ 34	+ 08	+ 04		09	
BURMA (K)													
Imports	181	501	44	55	55	56	59	57	66	55			
Exports	411	637	61	82	84	60	47	54	62	26			
Balance	+ 23	+ 13	+ 17	+ 27	+ 29	+ 4	- 12	- 3	- 4	- 29			
CEYLON (Rs)													
Imports	20	83	97	130	117	127	151	152	151	151	141	129	170
Exports	24	84	130	159	173	149	143	172	140	116	136	136	127
Balance	+ 4	+ 1	+ 33	+ 29	+ 61	+ 22	- 8	+ 20	- 11	- 35	- 5	+ 7	- 43
CHINA (Taiwan) (NT \$)													
Imports			66	99	82	117	115	114	100	129	139	161	130
Exports			50	90	89	74	117	97	126	129	245	151	157
Balance			- 16	- 9	+ 7	- 43	+ 2	17	+ 26	-	+ 106	- 10	+ 27
HONG KONG (HK \$)													
Imports	52	173	317	408	445	426	335	386	335	285	285	301	269
Exports	51	134	313	372	517	270	218	199	214	242	217	233	215
Balance	- 1	- 39	4	- 36	+ 72	- 156	117	- 187	- 121	- 43	- 68	- 68	- 54
INDIA ¹ (Rs)													
Imports		523	508	805	562	780	900	929	847	926	816	786	683
Sea & air borne	130	452	472	717	539	686	845	881	781	874	797	771	605
Overland		71	36	88	23	94	55	48	66	52	19	15	78
Exports		378	521	820	705	573	578	666	497	571	450	508	519
Sea & air-borne	142	353	506	597	694	546	546	645	458	536	423	478	477
Overland		25	15	23	11	27	32	21	39	35	27	30	36
Balance	+ 12	- 145	+ 13	- 185	+ 143	- 207	- 322	- 263	- 350	- 355	- 366	- 278	- 110
INDOCHINA (Pr)													
Imports	16	197	362	523	385	678	838	934	809	770	833	748	
Exports	24	98	128	232	227	285	250	250	217	284	184	191	
Balance	+ 8	- 99	- 234	- 291	- 158	- 393	- 588	- 684	- 592	- 486	- 649	- 557	
INDONESIA (Rp)													
Imports	41	95	136	255	140	312	581	272	607	864	765	906	749
Exports	57	87	246	397	387	411	671	399	689	926	917	727	680
Balance	+ 16	- 8	+ 110	+ 142	+ 247	+ 99	+ 90	+ 127	+ 82	+ 62	+ 152	- 179	- 69
JAPAN ^a (U.S \$)													
Imports	89	57	81	170	129	143	156	129	147	193	172	177	176
Exports	92	22	68	113	96	127	119	108	126	122	115	108	104
Balance	+ 3	- 35	- 13	57	- 33	- 16	- 37	- 21	- 21	71	- 57	- 69	- 72
KOREA (South) (000 mn Won)													
Imports		07	04	102	21	169	171	141	174	199	284		
Exports		06	27	41	23	77	97	63	143	86	120		
Balance		- 01	+ 23	- 61	02	- 92	- 74	- 78	- 31	- 113	- 164		
MALAYA (M\$)													
Imports	46	149	243	396	425	385	361	390	350	343	332	335	300
Exports	50	147	334	506	590	438	376	385	378	368	337	305	287
Balance	+ 4	- 2	+ 91	+ 110	+ 165	+ 53	+ 15	- 5	+ 28	+ 25	+ 5	- 30	- 13
PAKISTAN ¹ (Rs)													
Imports		124	126	161	155	166	207	189	233	199	212	203	154
Sea borne		99	114	143	139	142	182	163	207	175	193	182	135
Overland		25	12	18	16	24	25	26	26	24	19	21	19
Exports		87	192	192	316	177	241	304	251	167	116	150	72
Sea borne		85	163	146	301	150	215	272	221	152	110	141	69
Overland		2	29	46	15	27	26	32	30	15	6	9	3
Balance		- 37	+ 66	+ 31	+ 161	+ 11	+ 34	+ 115	+ 18	- 32	- 96	- 53	- 82
PHILIPPINES (P)													
Imports ^b	221	976	594	788	604	535	811	875	872	686	728	661	614
Exports	194	530	554	680	825	507	609	674	487	666	645	694	619
Balance	- 27	- 446	- 40	- 108	+ 221	- 328	- 202	- 201	- 385	- 20	- 83	+ 33	+ 05
THAILAND (Baht)													
Imports	11	144	240	309	280	317	446	455	373	509	457	478	427
Exports	17	168	329	373	415	373	392	454	391	331	266	357	271
Balance	+ 6	+ 24	+ 89	+ 64	+ 135	+ 56	- 54	- 1	+ 18	- 178	- 191	- 121	- 156

GENERAL NOTE. Data relate to general trade for all countries excepting China (Taiwan), Indochina and Indonesia. Monthly data are not published for Brunei and Sarawak. Annual figures converted into monthly averages are as follows —

	1938	1948	1950	1951
Brunei (Mn M\$)				
Imports	0.24	2.93	4.59	
Exports	0.65	4.10	17.12	
Balance	+ 0.91	+ 1.17	+ 12.53	
Sarawak (Mn M\$)				
Imports	1.86	8.23	24.11	31.98
Exports	2.18	14.27	81.22	42.36
Balance	+ 0.82	+ 6.04	+ 7.11	+ 10.88

^a Including trade with Korea and Formosa. Post-war imports include merchandise procured from US property funds and goods diverted to the Japanese civilian economy from the occupation forces military stocks.

^b Imports valued f.o.b. for Philippines.

EXTERNAL TRADE

4. DIRECTION OF IMPORT TRADE
Monthly averages or calendar months

Millions

	1938	1948	1950	1951	1951			1952					
					I	IV	I	Jan	Feb	Mar	Apr	May	June
BURMA (K) from													
China	—	14†	10	12	03	08	02						
Hong Kong	03†	11†	05	18	04	18	31						
India	100†	124†	197	147	226	115	147						
Indonesia	—	—	01	04	05	08	01						
Japan	12†	03†	47	94	153	80	62						
Malaya	05†	17†	11	37	11	29	31						
United Kingdom	33†	232†	98	133	105	160	178						
United States	06†	18†	13	14	09	17	48						
CEYLON (Rs) from													
Burma	29	143	190	191	179	69	194	80	246	256	89	202	221
China	01	20	02	04	04	06	03	03	03	02	03	02	01
India	43	105	151	157	208	146	176	149	144	236	143	166	201
Indonesia	14	03	09	12	08	22	19	17	39	—	—	01	02
Japan	13	11	26	66	63	67	114	95	156	92	85	82	62
Malaya	02	03	07	08	03	18	15	07	22	16	02	04	23
Pakistan	—	09	11	26	23	20	20	46	06	10	08	08	05
Thailand	05	07	47	13	18	13	46	74	44	21	18	25	07
United Kingdom	40	143	192	285	236	312	357	395	324	353	392	331	355
United States	04	63	29	69	28	88	87	95	87	80	75	121	256
Canada	01	07	17	14	04	13	30	85	—	05	63	20	62
Australia	05	104	67	103	99	128	83	72	67	110	127	90	131
HONG KONG (HK \$) from													
N Borneo	02	08	10	25	18	24	24	14	20	38	22	31	22
Burma	04	29	15	08	06	18	20	28	24	08	28	25	11
Ceylon	—	01	02	03	03	02	01	01	02	01	02	02	02
China	194	359	714	771	782	835	665	743	733	520	611	577	534
India	10	40	140	132	203	61	53	45	56	60	60	74	105
Indochina	29	25	25	42	23	52	37	32	32	47	37	82	57
Indonesia	34	34	67	75	84	96	35	54	16	35	26	11	16
Japan	16	66	192	327	613	421	381	371	398	384	349	497	379
Korea (South)	—	—	19	03	02	03	04	06	06	01	04	09	02
Malaya	06	71	249	328	712	95	117	92	122	135	112	134	149
Pakistan	—	—	78	120	226	76	197	428	99	65	30	35	03
Philippines	02	08	14	11	11	10	11	12	11	09	14	11	05
Thailand	30	80	152	130	114	158	165	219	118	160	209	254	270
United Kingdom	47	251	337	516	437	583	442	488	459	381	372	381	258
United States	46	323	547	311	269	280	222	242	252	171	198	214	183
Canada	05	30	42	73	62	96	84	84	78	90	102	71	52
France	03	19	37	103	94	80	39	58	31	29	18	21	77
Oceania	11	47	67	76	79	74	37	22	44	44	66	31	33
INDIA* (Rs) from													
Burma	189	160*	66	195	222	177	218	113	130	410	314	258	
Japan	130	11*	62	185	126	221	207	275	200	145	195	94	
Malaya	32	58*	118	190	183	185	157	239	142	90	129	143	
Pakistan	—	125*	340	864	198	971	524	432	631	510	184		
United Kingdom	401	1135*	977	1192	1045	1254	1510	1599	1431	1501	1202	1303	
United States	95	866*	828	1673	1013	2336	3730	3720	3225	4246	3737	4037	
Canada	06	59*	88	185	313	132	199	119	177	302	385	276	
Australia	17	195*	332	149	185	135	174	145	236	142	113	165	
INDOCHINA (Pr) from													
China	12	89	93	115	63	146	104	118	70	124	123	141	
Hong Kong	12	11	12	07	03	08	18	23	06	26	18	12	
India and Pakistan	05	24	26	29	26	36	103	189	45	74	40	28	
Indonesia	07	36	92	124	88	192	147	189	113	138	166	140	
Thailand	03	53	21	32	18	48	30	28	33	29	35	24	
United States	08	249	208	280	132	357	503	437	545	527	264	355	
France	85	1232	2750	4031	3091	5144	6866	7368	6499	5950	6935	5820	
INDONESIA (Rp) from													
Burma	06	20	56	83	44	49	130	09	130	251	394	303	398
China	07	23	07	09	07	07	10	06	08	17	17	24	19
Hong Kong	05	21	88	140	123	140	367	145	332	624	514	839	650
India	09	12	70	85	103	53	111	29	30	273	70	217	139
Japan	60	156	134	477	203	576	1026	578	1165	1338	770	1043	828
Malaya	34	26	61	123	122	97	123	66	148	157	168	202	123
Philippines	01	01	—	01	01	01	05	02	08	06	04	09	02
Thailand	02	27	32	74	37	118	522	327	782	456	382	398	167
Netherlands	84	184	219	309	163	458	681	313	722	1007	758	1196	1109
United Kingdom	30	79	93	165	110	221	366	169	312	615	378	571	560
United States	38	212	283	510	229	621	1131	478	1212	1702	1383	1546	1509
Australia	11	27	09	33	18	40	62	27	41	118	121	194	168

EXTERNAL TRADE

4 DIRECTION OF IMPORT TRADE—(Cont'd)

Monthly averages or calendar months

Millions

	1938	1948	1950	1951	1951		1952						
					I	IV	I	Jan	Feb	Mar	Apr	May	Jun
JAPAN ^b (US \$) from													
China	229	21	65	67	106	42	86	39	56	162	69	85	49
Hong Kong		03	—	05	03	06	04	03	04	04	05	03	04
India	41	23	15	54	35	25	31	29	27	38	45	42	56
Indonesia	21	10	11	52	72	23	14	20	08	13	14	14	17
Korea	165	04	13	05	05	07	07	04	07	09	12	32	24
Malaya	24	09	33	54	49	51	45	37	36	62	55	35	74
Philippines	08	08	19	44	39	44	31	26	19	47	45	35	45
United Kingdom	15	04	05	30	13	31	35	24	35	47	19	41	41
United States	217	367	356	629	502	578	599	577	552	667	729	791	872
Australia	20	07	64	127	134	86	123	139	104	126	115	89	77
Canada	22	03	13	77	42	84	70	81	44	85	70	81	107
MALAYA (M\$) from													
N Borneo	02	13	43	47	62	43	33	49	25	26	31	18	21
Brunei	01	01	04	06	08	04	04	06	03	03	03	03	02
Sarawak	20	64	136	181	198	177	147	164	119	157	142	101	148
Burma	21	77	34	67	81	77	64	84	68	41	47	65	78
Ceylon	01	03	03	04	04	02	03	04	03	02	04	08	06
China	20	95	103	125	128	110	149	137	176	134	168	209	188
Hong Kong	07	38	75	107	124	102	94	97	76	110	86	89	72
India	14	29	163	172	302	100	80	79	67	93	68	80	65
Indochina	12	25	15	34	18	64	39	25	32	61	39	24	27
Indonesia	127	294	642	1190	1443	1052	804	865	871	681	732	622	669
Japan	10	11	78	203	185	193	279	300	236	300	289	286	233
Thailand	73	107	265	319	434	319	256	329	253	184	233	264	253
United Kingdom	85	287	422	657	550	785	825	892	791	792	768	750	587
United States	14	174	74	182	107	197	212	182	199	256	170	184	134
Canada	04	19	14	28	15	38	46	29	59	49	27	38	44
Oceania	12	79	95	122	111	131	153	180	125	154	82	162	172
PAKISTAN ^c (M\$) from													
Burma		07	03	03	05	04	06	12	03	04	04	09	
Ceylon		24	23	21	20	36	32	38	24	35	24	19	
China		57	51	47	56	23	12	15	20	02	05	03	
India		374	115	70	67	90	123	139	110	121	108	137	
Japan		08	144	299	210	292	779	374	501	1461	470	438	
Malaya		18	12	29	23	41	27	22	36	23	17	19	
United Kingdom		225	250	300	391	467	332	348	362	286	524	461	
United States		66	87	88	111	85	132	125	147	122	110	111	
PHILIPPINES (P) from													
China		38	—	—	—	02	—	—	—	01	01	—	—
Hong Kong		01	15	14	15	07	08	07	12	04	06	10	09
India		11	04	07	04	07	05	07	04	02	04	01	03
Indonesia		25	07	18	15	10	34	26	44	31	15	09	19
Japan		03	24	55	33	14	31	28	24	42	43	26	39
Thailand		01	02	24	15	04	—	01	—	—	—	—	—
United Kingdom		09	09	11	11	06	12	12	11	13	08	09	07
United States		783	425	569	429	339	598	669	665	460	568	540	432
THAILAND ^d (Baht) from													
Burma			04										
China		14	111										
Hong Kong		01	363										
India		13	29										
Indochina		01	22										
Indonesia		08	12										
Japan		16	34										
Malaya		10	475										
Philippines		—	11										
United Kingdom		66	100										
United States		11	130										

a. Overland imports from Pakistan in 1948 excluded

b. Imports from India include Burma and Pakistan in 1938 and Pakistan in 1948

c. Excluding overland trade Data beginning fourth quarter 1961 exclude government trade.

d. Prewar data relate to year ending March 1940

EXTERNAL TRADE

5 DIRECTION OF EXPORT TRADE

Monthly averages or calendar months

Millions

FROM	1938	1948	1950	1951	1951		1952						
					I	IV	I	Jan	Feb	Mar	Apr	May	Jun
BURMA (K) to													
Ceylon	22½	116½	189	176	194	68	109						
China	02½	37½	19	07	20	02							
Hong Kong	03½	16½	13	09	02	25	20						
India	220½	252½	114	194	225	180	65						
Indonesia	06½	27½	86	98	83	29	44						
Japan	08½	01½	81	115	112	75	34						
Malaya	28½	101½	35	69	57	61	39						
Pakistan	—	—	05	06	02	10	08						
Philippines	—	02½	—	—	—	—	—						
United Kingdom	57½	56½	23	52	44	40	59						
United States	01½	06½	02	04	05	03	05						
CEYLON (Rs) to													
India	07	17	24	39	41	52	38	29	55	32	13	34	43
Japan	01	01	01	06	04	07	06	05	06	08	07	10	09
Pakistan	—	15	32	28	16	55	38	61	34	18	29	40	17
United Kingdom	118	251	305	488	430	512	372	494	335	289	479	410	313
United States	28	138	277	165	258	124	166	223	150	125	101	129	109
Canada	08	33	78	61	92	45	66	84	66	48	82	24	47
Australia	09	70	95	110	90	81	67	119	53	31	75	85	98
New Zealand	05	18	32	32	32	10	14	05	02	35	05	03	39
HONG KONG (HK\$) to													
N Borneo	01	06	12	13	19	10	16	15	17	16	14	11	12
Burma	03	10	24	34	09	27	41	21	46	55	40	88	95
Ceylon	01	06	08	07	10	09	06	09	06	03	02	04	04
China	192	234	1216	1453	2319	769	374	398	306	418	499	478	607
India	04	40	20	22	26	16	06	06	07	06	05	09	14
Indochina	19	16	19	28	17	36	26	20	29	28	31	34	24
Indonesia	12	57	102	204	213	161	232	139	226	331	268	388	419
Japan	03	41	101	160	282	77	86	67	100	92	72	65	66
Korea (South)	—	—	19	18	10	29	11	11	18	04	25	48	15
Malaya	31	171	452	617	981	444	431	405	436	451	358	330	284
Pakistan	—	—	109	156	202	146	114	161	121	60	06	12	28
Philippines	08	114	69	58	63	70	25	16	35	25	32	49	41
Thailand	13	117	82	75	81	103	187	155	143	262	275	371	205
United Kingdom	18	63	140	179	186	106	105	110	111	95	62	41	33
United States	43	127	257	135	167	211	198	149	222	224	121	94	47
Canada	02	06	08	14	17	11	15	06	23	15	16	15	10
Oceania	03	17	36	67	42	56	24	19	11	41	12	17	09
INDIA* (Rs) to													
Burma	84	100*	188	155	145	172	173	191	151	177	176	302	
Ceylon	42	95*	140	142	198	124	176	130	145	254	105	143	
China	13	56*	20	50	57	50	82	41	193	12	—	—	
Pakistan	—	406*	238	270	148	406	571	491	588	635	409	376	
United Kingdom	460	783*	957	1566	1297	1625	1248	1638	1044	1063	746	785	
United States	112	597*	805	1084	1162	960	988	1005	597	1362	954	861	
Canada	17	69*	105	143	159	78	130	129	59	204	95	84	
Australia	25	172*	233	374	276	376	319	572	219	185	326	272	
INDOCHINA (Pr) to													
China	08	21	04	10	36	—	01	01	04	—	—	—	
Hong Kong	23	112	155	213	98	319	322	369	295	304	136	371	
Malaya	25	94	116	250	134	438	268	167	204	434	252	98	
Thailand	01	37	31	37	17	32	51	25	67	60	58	74	
United States	21	22	256	250	346	290	170	215	172	124	67	114	
France	114	426	499	879	1079	1084	891	1249	836	489	439	248	
INDONESIA (Rp) to													
Burma	—	—	—	—	—	—	01	—	—	02	—	—	02
Hong Kong	11	16	12	16	16	23	27	06	27	47	15	15	08
India	04	01	08	12	11	10	08	—	01	22	01	01	08
Japan	18	21	32	127	203	33	59	26	63	88	117	136	81
Malaya	107	166	832	1318	1023	869	1625	1292	1294	2289	2317	1300	1902
Philippines	05	08	14	21	09	25	24	02	01	71	23	59	34
Thailand	02	03	10	15	11	19	36	11	39	58	41	36	48
Netherlands	115	310	554	827	612	843	1209	712	1369	1546	1639	1471	1842
United Kingdom	31	17	83	247	78	126	185	227	171	158	314	196	173
United States	82	152	372	653	347	400	1545	863	1528	2242	1757	1634	1280
Australia	24	08	42	84	57	92	128	121	87	175	89	194	203

5. DIRECTION OF EXPORT TRADE—(Cont'd.)

EXTERNAL TRADE

Monthly averages or calendar months

Millions

FROM	1938	1948	1950	1951	1951				1952					
					I	IV	I	Jan	Feb	Mar	Apr	May	June	
JAPAN ^b (US\$) to														
China	35.0	0.3	4.8	4.7	6.4	3.6	4.1	2.6	5.2	4.3	6.0	5.8	4.7	
Hong Kong			5.3	5.1	6.4	8.8	6.8	5.2	7.6	7.4	7.2	7.8	6.2	
India	4.5	0.7	1.7	4.3	2.2	5.3	4.3	3.4	5.9	3.5	2.3	3.9	4.0	
Indonesia	2.5	4.7	3.9	10.7	8.3	8.7	6.4	7.4	8.3	3.5	2.7	3.2	4.5	
Korea	21.6	1.5	1.5	1.2	0.7	1.6	1.7	1.4	1.6	2.0	1.6	2.7	10.4	
Malaya	0.5	0.5	1.5	5.7	4.5	7.5	7.9	6.2	8.9	8.5	6.4	6.7	4.3	
Philippines	0.8	0.3	1.5	3.1	1.5	2.3	1.4	1.2	1.3	1.7	1.8	2.0	2.1	
United Kingdom	3.2	1.4	2.2	4.5	2.7	5.8	7.2	6.4	8.9	6.4	10.7	11.9	9.1	
United States	10.1	5.5	14.9	15.4	15.8	16.3	14.9	11.8	17.2	15.8	14.0	14.3	17.9	
MALAYA (M\$) to														
N Borneo	0.2	1.2	2.6	3.5	3.1	3.6	3.8	5.4	1.9	4.0	3.0	3.9	3.1	
Brunei	0.1	0.2	0.5	0.6	0.6	0.6	0.9	1.1	0.7	0.9	1.0	0.8	0.8	
Sarawak	0.7	2.6	4.9	5.8	4.8	6.1	5.7	5.5	6.0	5.7	6.5	5.9	3.1	
Burma	0.3	1.0	1.1	4.1	2.3	4.0	3.6	2.1	3.8	5.1	3.5	3.5	3.6	
Ceylon	0.2	0.8	1.9	2.0	2.1	3.4	0.9	1.2	1.0	0.5	0.4	0.6	0.8	
China	0.3	1.3	10.4	8.6	27.9	—	1.1	0.5	2.1	0.7	0.2	0.2	0.4	
Hong Kong	0.6	3.4	16.9	17.9	44.4	5.0	2.9	2.4	3.8	2.6	2.9	4.2	5.0	
India	1.8	5.3	6.3	9.7	9.3	10.7	8.2	14.3	7.0	5.9	5.1	4.8	7.9	
Indochina	0.1	0.7	1.0	1.5	1.4	1.5	2.0	3.6	2.2	0.3	1.1	1.5	1.2	
Indonesia	3.4	16.1	21.4	40.6	45.6	35.4	33.3	34.5	36.4	35.2	33.8	43.3	29.3	
Japan	4.5	1.6	9.6	13.1	15.9	14.2	14.0	5.5	17.3	19.2	11.0	15.0	11.2	
Korea	—	—	0.1	0.6	—	1.3	0.2	—	0.4	—	0.1	—	0.1	
Pakistan	—	0.6	1.0	2.1	1.1	3.6	2.1	3.8	0.9	1.5	0.6	0.6	1.5	
Philippines	0.1	0.5	1.3	1.4	1.6	0.8	1.9	1.7	2.1	2.0	2.7	1.5	1.9	
Thailand	1.3	4.1	6.0	8.0	6.8	9.9	13.5	12.5	11.9	16.2	14.2	12.9	10.1	
United Kingdom	6.8	20.0	45.6	101.3	89.9	108.1	81.0	89.0	74.0	80.7	71.9	64.2	54.0	
United States	14.4	38.2	87.3	99.5	117.6	75.9	74.6	79.0	71.9	72.8	73.3	37.8	42.9	
Canada	1.5	3.7	8.2	12.8	16.6	9.8	5.7	6.4	4.3	6.5	4.4	7.9	4.4	
Oceania	2.5	5.1	14.1	28.3	25.5	20.8	13.0	11.3	18.0	9.6	12.3	11.5	20.0	
PAKISTAN ^c (Rs) to														
Burma	—	0.31	0.1	1.0	0.6	0.1	0.3	0.2	0.6	0.1	0.1	0.2	—	
Ceylon	—	1.21	0.8	1.5	2.5	1.4	0.2	0.2	—	0.4	0.1	0.3	—	
China	—	2.71	2.6	12.5	20.8	13.7	14.9	6.4	32.1	6.1	41.3	71.6	—	
Hong Kong	—	2.11	9.6	9.4	22.3	11.1	5.7	13.0	—	4.0	0.9	0.7	—	
India	—	19.11	2.9	6.4	0.7	4.1	0.2	0.5	0.1	0.1	0.1	0.1	—	
Japan	—	1.01	12.1	21.2	59.8	8.7	53.4	84.7	44.6	30.9	11.5	8.6	—	
Malaya	—	0.11	0.1	0.1	0.1	0.2	0.1	0.1	—	—	0.1	—	—	
United Kingdom	—	12.31	36.2	26.4	46.5	19.5	43.1	45.3	56.8	27.2	11.4	5.7	—	
United States	—	10.91	10.1	8.8	16.6	1.8	5.4	2.6	5.9	7.8	4.4	10.2	—	
PHILIPPINES (P) to														
China	—	0.3	0.2	0.1	0.1	0.1	—	—	—	—	0.1	—	0.7	
Hong Kong	—	0.5	0.4	0.3	0.4	0.1	0.3	0.2	0.3	0.3	0.3	0.3	0.2	
India	—	0.3	0.1	0.2	0.1	0.1	0.2	0.4	0.2	0.1	—	0.2	0.1	
Indonesia	—	0.9	—	0.2	—	0.8	0.1	0.2	0.1	0.1	—	—	—	
Japan	—	2.6	3.7	5.0	5.0	1.7	5.0	4.4	3.6	7.0	5.8	5.8	7.3	
Korea	—	0.3	0.4	—	—	—	—	—	—	—	0.4	—	0.1	
Malaya	—	0.1	—	0.1	—	0.1	0.3	0.4	0.2	0.2	0.1	0.2	0.1	
Thailand	—	0.1	0.1	—	—	—	0.1	0.1	—	0.2	0.1	0.3	0.1	
United Kingdom	—	0.6	0.9	2.1	1.9	0.7	1.7	1.4	1.7	1.9	1.4	0.5	0.7	
United States	—	34.8	40.9	43.0	57.8	15.6	39.6	42.1	29.4	47.2	47.1	55.2	44.7	
THAILAND ^d (Baht) to														
N Borneo	—	2.1	3.3	3.2	4.5	3.3	1.9	1.3	4.4	—	6.0	5.7	0.7	
Ceylon	0.5	1.4	3.8	—	—	—	3.8	3.1	8.1	0.3	6.3	0.2	—	
Hong Kong	2.0	16.3	21.0	11.2	7.4	14.4	19.2	13.2	11.1	33.4	26.3	30.7	23.2	
India	2.0	16.7	8.8	20.8	26.9	20.1	12.4	8.5	5.2	23.4	15.9	57.4	26.4	
Indonesia	0.2	8.0	9.4	18.0	20.0	25.0	37.0	33.6	28.0	1.5	0.7	1.8	22.6	
Japan	1.0	0.5	30.8	35.9	45.4	26.1	55.5	63.4	66.8	36.2	5.0	42.3	25.2	
Korea	—	1.9	—	1.9	—	8.4	—	—	—	—	—	—	15.8	
Malaya	10.7	39.6	51.2	50.6	70.2	51.1	32.5	28.9	37.8	33.0	23.8	40.4	43.3	
Philippines	0.2	5.5	0.7	11.1	38.2	19.8	—	0.3	—	—	—	—	—	
United Kingdom	0.4	4.5	3.0	—	—	—	—	—	—	—	—	—	—	
United States	0.1	36.8	55.1	114.4	108.8	118.8	130.8	163.5	115.3	115.5	93.8	86.2	45.1	

a Overland exports to Pakistan in 1948 excluded

b Exports to India include Burma and Pakistan in 1938 and Pakistan

c Excluding overland trade Data beginning fourth quarter 1951
exclude government traded Prewar data relate to year ending March, 1940 Data from 1950
onwards relate to exports of Rice and Rubber sheets only which
account for 65% of total exports in 1948 and 1949

EXTERNAL TRADE

6 VALUE OF IMPORTS BY PRINCIPAL COMMODITIES AND/OR COMMODITY GROUPS

Monthly averages or calendar months

Million

	1938	1948	1950	1951	1951		1952						
					I	IV	I	Jan	Feb	Mar	Apr	May	June
BURMA (K)													
Cotton yarn and fabrics (incl thread)	34†	92†	106†	133	24.2	6.7	7.4	5.1	7.2	9.8			
Base metals and manufactures thereof	21†	59†	19†	3.1	2.3	3.7	4.1	3.6	3.9	4.9			
Machinery and transport equipment	18†	93†	43†	3.9	2.8	4.9	6.3	6.8	5.2	6.8			
CEYLON (Rs)													
Food and drink	8.7	42.5	48.9	57.0	51.7	50.3	66.4	58.7	71.2	69.1	58.3	51.7	83.0
Raw materials and articles mainly unmanufactured	2.8	8.8	9.9	13.5	12.3	15.1	16.2	16.1	19.2	13.4	12.5	6.6	14.3
Articles wholly or mainly manufactured	7.8	29.9	37.7	58.2	51.9	60.6	66.7	74.6	60.0	65.3	68.2	69.0	71.1
Cotton yarn and manufactures	1.4	10.3	10.5	11.8	15.2	9.2	11.6	12.2	10.0	12.7	12.4	12.7	10.6
Machinery and vehicles	1.0	5.2	5.7	11.0	7.5	12.7	64.8	16.6	14.0	17.7	17.4	14.7	18.4
Base metals and manufactures thereof	0.9	2.6	3.7	6.1	5.6	6.8	6.6	8.3	5.7	5.6	6.5	5.9	6.9
Electrical goods and apparatus	0.3	0.9	1.4	2.3	1.3	2.5	2.0	2.4	1.8	1.7	1.8	1.3	1.7
INDIA (Rs)													
Food and drink	14.9	73.7	102.6	175.8	118.2	226.2	257.4	246.0	177.4	348.7	282.3	271.0	
Raw materials and articles mainly unmanufactured	30.5	88.3	148.7	186.9	162.7	185.1	257.9	262.5	298.7	212.5	249.4	231.4	
Cotton, raw and waste	9.2	38.8	72.7	94.3	85.5	76.7	163.3	147.1	202.6	140.3	162.7	150.5	
Mineral oils	136 ^c	26.7	45.7	53.2	34.6	63.7	57.7	71.7	59.2	42.1	64.0	65.7 ^c	
Articles wholly or mainly manufactured	78.0	224.5	203.8	270.7	251.0	269.7	300.2	312.6	291.6	296.4	248.1	261.1	
Machinery and vehicles	22.1	89.4	94.9	104.1	90.7	114.6	131.7	143.4	122.7	128.9	97.4	112.7	
Implements and instruments	4.9 ^d	7.7	6.4	10.5	12.0	9.6	11.0	12.3	9.5	11.1	9.4	15.1 ^d	
Electrical goods and apparatus	2.8	8.0	8.5	7.6	6.6	9.0	10.5	9.0	9.9	12.7	9.4	10.5	
Base metals and manufactures thereof	8.9	26.4	40.0	33.2	33.0	33.7	42.1	41.2	42.6	42.3	42.2	39.9	
INDOCHINA (Pr)													
Live animals and food	1.0	15.6	41.4	83.4	36.4	75.2	87.4	97.8	104.9	59.7	60.0	71.1	
Textiles and apparel, incl yarn and thread	4.4	42.5	99.7	167.9	113.4	153.4	196.9	231.1	179.6	180.1	179.2	162.9	
Machinery and vehicles (incl electric machinery and fittings) and base metals and manufactures thereof	3.3	56.8	76.1	128.0	91.0	157.7	174.5	164.0	187.7	171.7	194.9	181.0	
INDONESIA^a (Rp)													
Food	7.3	9.5	18.3	27.0	12.9	33.9	107.7	49.1	120.9	153.2	270.8	208.5	
Textiles	10.3	23.5	36.0	61.7	44.9	52.7	89.9	45.8	98.1	125.9	75.6	99.1	
Base metals (incl ores) and manufactures thereof	4.9	4.2	4.6	12.1	5.4	25.2	18.7	9.2	19.5	27.4	28.0	42.6	
Machinery and appliances (incl electrical material)	5.1	6.8	7.2	8.6	4.8	12.5	18.6	7.5	20.4	27.8	29.1	57.3	
Transport equipment	3.0	3.7	1.1	6.6	2.8	9.4	13.9	8.0	21.1	12.6	8.8	20.8	
JAPAN (U.S.\$)													
Food		26.7 ^f	28.0	46.5	39.5	37.9	42.2	28.2	30.8	67.6	53.7	55.1	55.7
Crude materials (inedible) other than fuels				108.2	121.3	68.6	80.3	72.0	82.5	86.4	76.9	82.3	77.2
Mineral fuels, lubricants and related materials				13.9	7.5	16.1	18.0	16.1	18.4	19.4	22.8	21.7	24.6
Chemicals		3.9	4.8	3.1	2.3	3.6	3.2	2.9	3.0	3.7	4.0	3.2	4.2
Manufactured goods				5.4	2.7	7.8	4.4	4.5	3.4	5.2	4.0	3.1	3.7
Machinery and transport equipment		—	0.6	5.1	2.1	7.3	6.4	3.8	6.8	8.7	6.1	7.7	8.3

EXTERNAL TRADE

6 VALUE OF IMPORTS BY PRINCIPAL COMMODITIES AND/OR COMMODITY GROUPS—(Cont'd)

Monthly averages or calendar months

Millions

	1938	1948	1950	1951	1951		1952						
					I	IV	I	Jan	Feb	Mar	Apr	May	June
MALAYA (M\$)													
Food	119	482	578	820	779	870	850	913	837	802	836	946	890
Raw materials and articles mainly unmanufactured	112	252	678	1240	1636	1037	735	888	777	545	630	474	455
Articles wholly or mainly manufactured	176	691	1070	1758	1700	1785	1863	1917	1744	1925	1710	1768	1538
Cotton yarn and manufactures	22	179	229	300	421	203	201	220	176	206	179	157	104
Machinery and vehicles	31	99	121	229	177	294	350	353	363	332	279	333	269
Base metals and manufactures thereof	16	47	71	150	124	148	157	160	135	172	142	160	122
Electrical goods and apparatus	05	24	35	52	39	68	70	83	65	63	56	60	53
PAKISTAN (Rs)													
Cotton piecegoods		224‡	227	275	249	246	352				341	317	
Cotton twist and yarn		94‡	125	180	157	193	244				182	332	
Machinery and vehicles		86‡	133	172	151	183	254				294	225	
PHILIPPINES (P)													
Grains and preparations	13*	70	42	75	70	64*	54						
Cotton and manufactures	36	114	62	122	55	185*	109						
Rayon and other synthetic textiles	04	88	27	23	21	17*	49						
Mineral oils (petroleum products)	09	57	58	60	44	64*	67						
Machinery and vehicles (incl spare parts)	27	89	44	70	64	68*	120						
Iron and steel manufactures	18	47	44	60	39	63*	30						
Electrical machinery and appliances	06	29	22	18	14	22*	25						
THAILAND ^b (Baht)													
Cotton fabrics and manufactures	21‡	250	323	275			408	515	419	389	353	309	
Metal manufactures and machinery	20‡	138											
Gunny bags	04‡	82	108	233			99	157	31	108	361	392	

a Figures under column 1938 are for 1939. From 1948 onwards, textiles comprise cotton yarn and cotton piecegoods

b From 1950, Port of Bangkok only

c Including vegetable and animal oils

d Including cutlery and hardware

e 1937

f Including drink

g July—December

EXTERNAL TRADE

7 VALUE OF EXPORTS BY PRINCIPAL COMMODITIES AND/OR COMMODITY GROUPS

Monthly averages or calendar months

Millions

	1938	1948	1950	1951	1951			1952					
					I	IV	I	Jan	Feb	Mar	Apr	May	June
BURMA (K)													
Rice and products	182½	487½	480½	602	619	394	233	374	291	34			
Raw rubber	05½	05½	07½	22	34	13	20	24	30	06			
Teak	25½	46½	10½	44	31	48	37	24	39	48			
Metal and ores	48½	18½	11½	29	19	17	38	06	84	22			
CEYLON (Rs)													
Tea	144	492	630	667	626	589	588	735	555	473	680	673	703
Coconut and products	23	128	210	269	272	265	217	190	258	205	260	201	135
Rubber	38	120	338	485	720	477	466	661	432	305	267	329	289
INDIA (Rs)													
Food and drink	306	588	882	1198	1307	1389	1187	1387	1113	1062	507	685	
Tea	196	465	584	787	793	1050	733	921	748	531	243	316	
Spices	07	40	176	249	363	167	290	280	230	361	114	116	
Raw materials and articles mainly unmanufactured	595	803	885	1277	1722	824	1006	946	815	1257	1148	1300	
Cotton raw and waste	189	186	149	214	221	52	59	90	47	41	143	317	
Hides and skin raw or undressed	30	50	73	83	102	54	55	58	46	60	62	44	
Vegetable oil other than aromatic	07	109	93	254	494	101	166	134	140	222	270	312	
Articles wholly or mainly manufactured	402	1823	2438	3476	3511	3057	2942	3749	2384	2692	2308	2529	
Cotton yarns and manufactures	63	308	980	784	1742	448	523	672	481	417	355	534	
Jute yarns and manufactures	218	1263	994	2003	918	2095	1917	2534	1490	1727	1624	1489	
Hides and skins tanned or dressed and leather	44	99	190	278	415	188	157	187	134	151	51	130	
INDOCHINA (Pr)													
Food	134	522	562	1100	771	1219	1112	775	632	1929	1097	1230	
Rice	82	377	251	739	639	872	867	427	437	1734	952	1104	
Rubber	42	258	645	1027	1245	1100	969	1412	1074	422	377	323	
Mineral products	12	26	37	61	35	58	37	68	13	31	101	23	
INDONESIA (Rp)													
Tea	47	18	85	116	107	119	192	80	182	313	209	248	232
Copra	32	131	182	407	327	380	469	290	507	610	545	486	616
Rubber	130	213	1070	2069	2621	1969	3853	2447	4445	4667	4102	3121	3838
Tin (and Tin ore)	28	123	154	257	182	328	449	228	543	577	959	634	807
Petroleum and products	135	217	464	528	297	544	1007	583	544	1895	1912	1454	1510
JAPAN (U.S.\$)													
Food		15	41	56	46	75	69	53	78	75	52	67	71
Crude materials, inedible, except fuels				70	59	76	50	44	47	58	60	53	85
Chemicals		09	13	30	29	31	26	32	25	22	36	27	65
Manufactured goods				869	734	981	943	862	1023	946	779	714	607
Machinery and transport equipment		13	59	90	78	91	85	76	78	103	124	127	78
MALAYA (MS)													
Food	47	112	171	284	258	292	291	279	316	282	270	284	216
Rubber	232	732	2045	3301	4082	2686	2210	2251	2243	2135	1624	1458	1336
Articles wholly or mainly manufactured	123	439	852	1124	1241	1033	961	942	949	992	1169	995	1030
Tin (block, ingots, bars or slabs)	80	179	395	482	559	405	376	342	359	428	574	366	379
PAKISTAN (Rs)													
Raw jute		294½	462	598	762	737	1013				459	535	
Raw cotton		316½	433	802	1971	569	1235				600	868	
Raw wool		28½	47	49	77	33	31				11	22	
Hides and skins		31½	28	45	78	27	44				27	15	
Tea		31½	20	48	47	59	24				05	01	
PHILIPPINES (P)													
Abaca (unmanufactured)	17	50	67	112	125	76	86						
Coconut products	49	346	309	328	392	282	205						
Sugar centrifugal	77	35	81	114	183	42	162						
THAILAND (Baht)													
Rice ^a	81	782	1452	1563	1925	1552	1638	2017	1603	1293	852	1797	1596
Tin ore and concentrates	26	44	216	185	258	136	207	146	198	275	156	191	184
Rubber	39	349	714	1076	1323	795	1248	1463	1286	1018	856	832	432
Teak ^a	22	71	117	128	115		89	102	60	105	73	78	

^a From 1960 Port of Bangkok only

EXTERNAL TRADE

8 QUANTITIES OF EXPORTS OF SELECTED COMMODITIES

Monthly averages or calendar months

Thousand metric tons

					1951			1952						
	1938	1948	1950	1951	I	IV	I	Jan	Feb	Mar	Apr	May	June	
RICE														
Burma	253.3	102.2	99.2	107.1	107.2	69.4	107.7	69.3	88.3	165.4	139.8	99.0	102.5	
Indochina	77.8	13.4	8.7	25.5	23.6	14.1	25.8	16.6	11.9	48.8	30.8	41.8	24.6	
Thailand	115.4	67.6	123.2	129.5	159.5	125.1	134.0	142.0	134.9	125.2	69.8	117.1	140.3	
TEA														
Ceylon	8.9	11.2	11.1	11.8	10.5	12.6	10.4	11.9	9.6	9.6	13.2	14.2	15.5	
India	13.4 ^b	14.2	14.8	16.8	19.4	22.0	15.9	19.8	16.4	11.6	5.8	9.1		
Indonesia	6.0	0.8	2.4	3.3	2.8	3.7	2.6	2.4	1.9	3.4	2.4	3.1		
Japan	1.4	0.3	0.6	0.7	2.9	0.6	0.7	0.7	0.6	0.7	0.3	0.3		
Pakistan			0.5	1.8	1.2	2.1	0.7			0.2	—	0.2		
COPRA AND COCONUT OIL ^a														
Ceylon	8.7	9.2	7.5	10.3	10.1	11.1	9.9	7.8	12.2	9.6	17.0	13.7	8.8	
Indonesia (copra)	25.8 ^c	12.1 ^a	14.1	23.1	17.5	22.9	19.3	22.2	15.1	20.7				
Malaya	13.4	7.1	11.2	10.4	9.1	12.1	8.6	12.7	7.5	5.6	7.2	6.2	7.1	
N Borneo	0.4	0.3	1.4	0.9	0.8	0.9	0.5	0.6	0.4	0.6	0.5	1.0	0.6	
Philippines	28.9 ^c	35.3	41.0	45.0	40.2	46.8	39.7	47.3	38.0	33.9	33.5	34.0		
PALM KERNELS AND OIL ^a														
Indonesia (palm oil)	14.2	3.3	8.2	8.1	2.8	14.6	6.0	4.5	5.4	8.2	6.7			
Malaya	3.1	4.4	5.2	4.5	5.3	5.2	4.7	6.8	3.6	3.8	4.3	3.6	3.7	
GROUND NUTS AND OIL ^a														
Hong Kong	1.2	0.4	1.8	0.7	1.9	0.1	0.3	0.1	0.2	0.5	0.3	0.4	0.8	
India	22.0 ^b	5.5	5.8	5.8	17.4	0.7	4.1	4.2	1.3	6.9				
NATURAL RUBBER														
Brunei	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.2	0.1	0.1	
Burma	0.6	0.8	0.9	1.2	1.1	1.4	1.8	2.2	1.8	1.8	1.9	1.0	1.0	
Ceylon	4.2	7.8	10.0	87.7	10.9	10.3	9.1	11.6	8.2	7.5	3.8	8.4	5.8	
Indochina	5.0	3.5	4.4	4.4	4.5	5.7	4.4	6.7	3.7	2.9	2.7	2.8	5.3	
Indonesia	25.5	36.6	58.6	67.2	72.3	67.6	61.7	73.2	61.8	60.8	60.6	55.5	47.7	
Malaya (net export)	31.4	57.5	55.7	51.5	49.0	50.0	51.8	43.7	50.0	61.7	40.7	47.1	49.9	
N Borneo	0.8	1.7	2.0	1.8	1.8	1.9	1.7	2.0	1.6	1.7	1.6	1.4	1.5	
Sarawak	1.5	3.4	4.7	3.6	3.2	3.0	2.9	3.2	2.3	3.1	3.6	2.2	3.5	
Thailand	3.5	8.1	9.5	9.2	10.1	7.7	9.1	9.8	8.2	9.3	8.0	9.0	4.7	
COTTON RAW														
India	38.6 ^b	8.0	2.7	2.3	1.7	—	0.1	0.3	—	0.1	2.5	8.1		
Pakistan		13.6	17.2	18.3	45.3	14.9	31.2				16.6	23.3		
COTTON YARN (tons)														
Hong Kong			2,109	1,732	2,003	1,707	1,997	1,869	1,908	2,187	727	2,356	1,600	
Japan	1,745	458	892	1,025	1,160	1,259	2,195	1,325	2,876	2,384				
Malaya	197	22	388	167	260	161	76	92	40	95	42	77	96	
COTTON PIECE GOODS (mn metres)														
Hong Kong			10.8	12.2	13.1	15.6	7.0 ^f	5.1	6.5	9.4	7.0	12.0	11.0	
India	14.6 ^b	23.5	93.7	59.1	141.5	28.2	32.7	41.1	32.9	24.1	22.5	39.4		
Japan (mn sq metres)	158.4	28.2	76.9	75.3	72.1	75.6	70.4	70.7	77.0	63.4				
Malaya	2.0	7.5	14.5 ^f	14.5	19.2	11.2	10.3	13.3	7.6	10.1	6.4	11.7	7.1	
JUTE														
Pakistan (raw)		16.1	50.0	56.0	82.5	63.0	83.2				41.9	49.6		
India (bag and cloth)	78.9 ^d	78.4	54.0	67.1	49.7	83.2	61.4	77.5	49.8	56.9	64.7			
HEMP RAW														
Philippines	11.8	6.2	7.9	10.3	13.6	7.9	10.1				6.8	5.6	8.9	
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	0.1		
Indonesia	1.2	2.8	2.6	2.6	2.4	2.7	2.2	2.5	2.0	2.1	3.5	2.3	2.9	
Thailand	1.1	0.5	0.9	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.8		
TIN METAL														
Malaya	5.2	4.0	6.9	5.5	5.4	5.3	4.8	4.5	4.6	5.3	7.2	4.6	4.8	
PETROLEUM AND PRODUCTS														
Indonesia	506	321	504	506	319	530	452	582	188	586	584	522	524	
Malaya	84	82	165	163	167	180	154	158	207	98	188	168	264	

a Expressed in terms of oil equivalent figures under column for 1938 refer to averages for the period 1934-1938

b Including territory now under Pakistan

c 1935-1939

d Converted at 225 lbs per bag and 0.50 lb per yard of cloth

e Excluding exports to Singapore from Indonesia

f Unit changed from million meters to million square meters from 1950 for Malaya and 1952 for Hong Kong for cotton piecegoods

EXTERNAL TRADE

9 INDEX NUMBERS OF QUANTUM OF TRADE
1948=100

	1938	1950	1951	1951		1952						
				I	IV	I	Jan	Feb	Mar	Apr	May	June
Burma ^a												
Imports General	163½	95	87	126	66	74	67	78	11			
Food, etc	175½	79	87	56	66	111						
Textile & clothing	164½	328	92	223	28	53						
Coal & petroleum products	254½	153	238	121	438	119						
Minerals	132½	88	168	118	130	111						
Machinery & miscellaneous	106½	63	73	63	79	105						
Exports General	263½	42	96	104	60	101	60	89	109			
Food, etc	260½	51	106	112	60	79						
Timber	172½	18	51	36	56	92						
Cotton	170½	61	80	178	24	250						
Minerals	1,781½	197	129	90	159	70						
CEYLON												
Imports	89	121	135	140	125	146	145	142	152	133	131	157
Exports	80	110	112	111	115	117	135	116	100	132	130	128
INDIA ^b												
Imports All commodities	106½	88	108	94	118	138	148	127	140	126	125	
Food drink & tobacco		73	147	114	172	202	224	140	241	199		
Raw materials & semi manufactures		123	113	96	123	167	176	186	138	170		
Manufactures		79	92	85	95	100	105	96	99	77		
Exports All commodities	172½	115	114	162	91	96	108	83	99	78	103	
Food drink & tobacco		109	121	136	139	114	132	106	105	58		
Raw materials & semi manufactures		103	112	179	65	84	82	75	96	97		
Manufactures		122	111	164	84	95	110	79	96	77		
INDOCHINA												
Imports	85	151	189	151	229							
Exports	259	88	132	120	135	130						
JAPAN												
Imports		180	259	195	230	257	218	238	316			
Exports		400	404	411	449	472	400	482	532			
MALAYA												
Imports All commodities	81	137	181	188	177	178		170			160	
Food drink & tobacco	109	120	156	150	155	153		153			151	
Raw materials & semi manufactures	83	147	172	207	155	123		123			111	
Manufactures	66	85	199	197	199	219		219			190	
Exports All commodities	73	127	134	137	131	115		115			108	
Food drink & tobacco	162	122	172	167	165	165		165			143	
Raw materials & semi manufactures	60	115	124	126	121	101		101			90	
Manufactures	95	173	161	167	156	151		151			162	
PHILIPPINES												
Imports		74	82	70	86	83	87	90	71	76	73	68
Exports	143	133	149	176	121	169	182	133	193	184	215	183

a Base October 1947—September 1948=100

b Base April 1948—March 1949 Overland trade excluded The index numbers for the calendar year 1948 are 93 and 100 in the case of imports and exports respectively

EXTERNAL TRADE

10 INDEX NUMBERS OF UNIT VALUE OF TRADE

1948=100

	1938	1950	1951	1951		1952						
				I	IV	I	Jan	Feb	Mar	Apr	May	June
				Unit Value Indices								
BURMA ^a												
Imports General	23½	114	84	67	104	86	95	83	80			
Food, etc	26½	142	127	128	123	128						
Textile & clothings	18½	97	53	33	79	56						
Coal & petroleum products	30½	91	123	119	97	124						
Minerals	24½	77	114	116	107	106						
Machinery & miscellaneous	42½	123	116	96	150	119						
Exports General	17½	104	131	124	142	149	142	150	156			
Food, etc	15½	108	117	111	128	134						
Timber	23½	115	153	146	156	158						
Cotton	21½	111	199	212	169	201						
Minerals	54½	199	410	355	461	302						
CEYLON												
Imports	23	98	116	106	132	137	140	135	136	140	134	137
Exports All commodities	32	144	175	188	158	149	152	149	145	136	133	128
Tea	37	127	132	141	119	118	116	117	121	113	108	106
Rubber	56	222	367	410	321	299	313	309	274	268	278	258
All coconut products	14	144	169	170	155	129	140	141	117	103	98	97
Other export products	24	124	165	165	151	150	154	150	146	146	131	141
INDIA ^b												
Imports All commodities	28½	104	126	123	124	131	128	131	133	135	133	
Food, drink & tobacco		104	116	105	128	132	130	124	143	141		
Raw materials & semi-manufactures		113	152	154	139	142	137	148	141	135		
Manufactures		97	118	118	113	120	119	122	119	130		
Exports All commodities	24½	110	160	120	168	156	164	152	150	150	128	
Food, drink & tobacco		127	149	140	148	153	152	148	160	145		
Raw materials & semi-manufactures		114	148	129	150	148	144	149	153	146		
Manufactures		103	170	109	186	159	177	156	144	154		
INDOCHINA												
Imports	8	122	140	130	151							
Exports	11	147	182	190	204	198						
INDONESIA												
Exports All commodities	31	177	265	313	244	471	229	624	580	588	541	504
Estate produce	38	185	273	300	273	559	249	692	645	651	617	588
Peasant produce	27	171	219	306	220	432	216	577	604	509	489	449
Forest produce	12	99	148	139	156	302	143	404	360	350	364	298
JAPAN ^d												
Imports		79	116	109	110	107	105	109	108			
Exports		79	130	111	135	126	127	128	122			
MALAYA												
Imports All commodities	36	115	144	149	143	133		133			131	
Food, drink & tobacco	23	100	110	108	117	118		118			123	
Raw materials & semi-manufactures	53	175	283	314	266	238		238			190	
Manufactures	41	106	126	122	126	122		122			121	
Exports All commodities ^e	43	173	258	298	228	221		221			187	
Food, drink & tobacco	24	120	141	138	147	146		146			149	
Raw materials & semi-manufactures	52	214	330	394	281	274		274			210	
Manufactures	32	110	155	165	143	139		139			238	
PHILIPPINES												
Imports		79	100	89	106	99	102	99	97	96	93	92
Exports	25	77	84	87	79	67	68	63	64	64	76	62
Terms of Trade ^e												
BURMA ^a	74½	91	157	186	137	174	150	181	196			
CEYLON	141	147	151	177	120	109	109	110	107	97	99	93
INDIA ^b	86½	106	127	97	135	119	129	116	112	111		
INDOCHINA	138	120	130	147	135							
JAPAN ^d	100	100	112	102	122	117	121	117	110			
MALAYA	120	151	179	199	159	166			166			143
PHILIPPINES		97	84	98	74	67	67	70	66	67	82	67

a Base October 1947–September 1948=100

b Base April 1948–March 1949=100 Overland trade excluded

c Weighted wholesale price index numbers of 18 export products at f.o.b. prices. Figures from April 1950 to February 1952 exclude the value of exchange certificates. The rise beginning February 1952 is principally due to the change in the conversion rate of the rupiah from 8.60 (excluding the value of the exchange certificate) to 11.40 per U.S. dollar

d In terms of U.S. dollars

e Ratio of unit value index of exports to unit value index of imports multiplied by 100

PRICES

11 INDEX NUMBERS OF WHOLESALE PRICES

1948=100

	1949	1950	1951	1 9 5 1		1 9 5 2						
				I	IV	I	Jan	Feb	Mar	Apr	May	June
BURMA												
All agricultural produce	123	115	133	117	134	117	120	114	116			
Cereals	96	98	104	91	102	96	93	97	97			
Non food agricultural produce	161	196	204	235	173	183	169	157	221			
CHINA (Taipei) ^a												
General index		125 ^e	183	164	208	227	220	227	232	235	230	226
Food		108 ^e	140	137	151	166	164	164	168	174	172	170
Clothing		160 ^e	330	251	427	433	422	441	435	425	400	393
Fuel & light		141 ^e	156	154	160	183	173	186	190	202	193	184
Metals & electrical materials		137 ^e	218	172	262	274	270	271	282	290	273	272
Building materials		113 ^e	154	132	192	241	225	234	266	249	239	238
Miscellaneous		131 ^e	219	183	243	256	248	260	260	261	265	259
INDIA												
General index	104	109	120	116	119	111	117	113	103	103	100	102
Food articles	104	110	110	110	108	99	105	100	92	93	91	93
Industrial raw materials	108	117	141	133	135	120	135	127	99	101	97	100
Semi manufactured articles	104	108	119	117	119	113	117	115	108	107	102	104
Manufactured goods	101	102	116	109	118	115	118	116	113	112	109	110
Miscellaneous	108	136	145	143	147	137	146	141	124	119	116	120
INDONESIA (Djakarta imported goods)												
All articles	123	253	346	336	342	344	350	346	337			
Provisions	90	180	295	244	342	371	378	363	371			
Textile goods	194	351	318	375	281	261	273	265	245			
Chemicals	88	221	373	372	351	346	349	346	343			
Metals	95	220	381	353	390	384	386	383	384			
Other articles	108	243	383	323	379	403	402	414	394			
JAPAN												
General index	163	193	267	246	280	278	280	279	276	273	272	213
Edible farm products	178	207	258	226	285	285	285	286	285	283	286	296
Other foodstuffs & tobacco products	164	159	175	166	182	181	181	181	181	182	179	178
Textiles	215	262	363	389	340	307	323	310	288	280	286	289
Chemicals	138	180	250	221	280	290	291	291	289	286	274	262
Metal & products	143	214	423	351	438	436	433	439	435	427	416	409
Building materials	141	165	243	236	248	254	248	256	258	258	257	251
Fuels	150	170	203	177	232	247	246	247	250	249	258	263
Miscellaneous ^b	149	186	276	257	278	272	276	274	267	257	247	241
KOREA (Pusan) ^c												
General index					2 672	3 105	2 630	3 008	3 676	3 789	4 770	
Fertilizers					7 526	7 526	7 526	7 526	7 526	7 526	7 526	
Textile raw materials					2 039	1 916	1 829	1 943	1 977	2 222	2 222	
Textiles					2 062	1 907	1 752	1 880	2 088	1 988	1 964	
Building materials					3 252	3 257	3 445	3 143	3 183	3 367	3 521	
PHILIPPINES (Manila)												
General index	87	77	85	84	80	74	74	76	73	73	74	76
THAILAND (Bangkok)												
General index	93	95	103	99	107	107	104	108	109	108	106	108
VIET NAM (Saigon, Cholon) ^d												
General index	125	123	146	135	155	157	157	157	157	156	158	157
Rice & paddy	125	104	112	97	129	136	131	136	141	149	169	174
Other food products	125	125	140	132	148	157	156	157	157	156	156	153
Fuel & mineral products	136	153	161	159	162	162	162	162	162	163	160	163
Raw materials	120	172	237	262	227	215	223	215	208	194	168	160
Semi finished products	123	117	146	126	165	158	161	160	150	153	153	154
Manufactured products	125	105	142	122	142	143	144	144	141	125	123	119

a January-June 1950=100

b Revised series

c 1947=100

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

e Average of July to December

12 INDEX NUMBERS OF COST OF LIVING 1948=100

	1949	1950	1951	1951		1952						June
				I	IV	I	Jan	Feb	Mar	Apr	May	
BURMA (Rangoon)												
All items	135	114	112	106	109	105	106	103	106	101		
Food	142	120	120	111	121	109	111	106	110	106		
CAMBODIA (Phnom-Penh)												
All items	138	155	163	160	169	174	171	175	175	174	180	180
Food	133	150	154	153	158	168	163	171	171	168	176	176
CEYLON (Colombo)												
All items	99	105	109	109	109	110	112	110	108	108	106	107
Food	104	112	112	114	112	112	114	112	109	107	108	109
CHINA (Taipei) ^a												
All items		113 ^f	139	127	154	174	166	177	181	182	178	175
Food		101 ^f	146	107	118	131	127	131	134	138	135	132
HONG KONG ^b												
All items	112	117	128	126	129	128			128			128
Food	119	127	136	129	136	133			133			137
INDIA												
Bombay												
All items	101	103	109	107	110	106	109	107	103	114	112	112
Food	105	109	115	113	116	108	113	109	103	122	120	120
Delhi												
All items	100	100	108	104	110	106	108	107	103	110	112	110
Food	101	101	112	108	114	104	107	105	99	112	118	113
INDONESIA (Djakarta)												
Food	97	113	189	179	217	218	233	209	212	204		
JAPAN (Urban)												
All items	138	128	151	142	158	165	166	164	165	165	166	166
Food	134	120	140	132	141	148	147	147	150	150	151	151
KOREA (Pusan) ^b												
All items	123	281	1 397	881	1 857	2 473	2 068	2 465	2 887	2 836	3 391	
Food	131	302	1 427	977	2 040	2 999	2 338	2 991	3 670	3 583	4 513	
LAOS (Vientiane) ^c												
All items	106	107 [*]	113	107	117	122	119	125	123	129	133	134
Food	103	100 [*]	102	95	106	114	111	118	114	122	129	130
MALAYA (Kuala Lumpur)												
All items		101	133	125	139	141	141	141	141	140	139	138
Chinese	94	99	132	125	138	142	142	142	142	140	139	137
Indian	94	99	132	125	138	142	142	142	142	140	139	137
Malay ^d	98	108	136	132	140	143	143	143	143	139	138	138
PAKISTANE												
Karachi												
All items	98 [‡]	95	99	96	101	100	101	101	99	98	99	100
Food		93	99	96	103	102	102	102	101	99	100	102
Narayanganj												
All items	103 [‡]	98	102	99	107	106	111	108	98	99	109	
Food		97	101	98	105	104	110	107	95	96	110	
PHILIPPINES (Manila)												
All items	94	93	99	98	97	96	96	96	95	94	94	95
Food	93	86	94	92	92	90	91	91	89	89	89	90
THAILAND (Bangkok)												
All items	96	99	110	110	107	114	109	117	118	122	126	125
Food	95	97	106	107	100	110	103	114	114	117	122	120
VIET NAM (Saigon)												
All items	122	125	141	132	150	161	158	161	165	165	167	168
Food	120	114	124	115	136	153	150	153	158	157	160	162

a January-June 1950=100

b Retail price index

c December 1948=100

d January 1949=100

e April 1948-March 1949=100

f Average of July to December

PRICES

13 WHOLESALE PRICE QUOTATIONS OF SELECTED COMMODITIES

Monthly averages or calendar months per ton

	Currency Unit	1948	1950	1951	1951		1952						
					I	IV	I	Jan	Feb	Mar	Apr	May	June
RICE													
Burma	K		254	266	264	276	272						
China (Taiwan)	NT \$		1,247	1,285	1,400	1,331	1,835	1,820	1,776	1,909	2,109	2,082	1,896
India	Rs	436	432	432	432	432	432	432	432	432	432	449	449
Indonesia	Rp	870	971*	1,951*	2,177						2,550	2,400	
Japan	000 Y	24.9	41.0	47.9	41.0	47.9	47.9	47.9	47.9	47.9	47.9		
Korea* (south)	000 W	127	307*	1,948*		2,515	3,644	2,614	3,394	4,924	5,265	7,401	
Pakistan	Rs	917	475	623	517	676	676	670	690	668	650	691	707
Thailand	Baht		959	985	899	1,096	1,072	1,083	1,083	1,050	1,050	1,017	1,083
Viet Nam	Pr	2,100	2,200	2,322	1,993	2,663	2,790	2,720	2,800	2,860	3,020	3,440	3,560
WHEAT													
India	Rs	566	410	412	412	412	412	412	412	412	412	412	412
Korea* (south)	000 W	73	252*	1,305*		1,170	2,813	2,258	2,765	3,417	3,197	4,333	
Pakistan	Rs	320	270	289*	266	285	290	285	285	300	310	310	310
SUGAR													
China (Taiwan)	NT \$		1,382	3,462	3,711	2,898	2,499	2,622	2,450	2,424	2,582	2,528	2,850
India	Rs	990	773	822	822	822	822	822	822	822	822	822	822
Indonesia	Rp	2,290	2,906	2,945	3,243	2,820	2,747	2,690	2,810	2,740	2,850	2,900	2,919
Korea* (south)	000 W	411	1,078*	6,545*		6,422	8,278	5,867	7,633	11,334	15,917	15,434	
Pakistan	Rs	925	1,000	1,067	1,021	1,206	1,206	1,206	1,206	1,206	1,206	1,206	
Philippines	P	291	269	257	249	258	244	249	243	241	242	244	
Thailand	Baht	4,608*	5,330	6,015	6,219	6,325	5,533	6,200	5,450	4,950	4,950		5,450
PEPPER													
Cambodia	000 Pr	34.8	137.3	147.6	152.4	135.6	129.8	129.3	130.9	129.3	100.9	97.8	110.4
Malaya	000 MS	3.2	15.2	16.1	18.2	13.5	12.6	13.2	13.2	11.2	9.1	9.6	9.3
Thailand	000 Baht	23.8	95.6	101.8*	102.0	nt	nt	nt	nt	nt	nt	nt	nt
TEA													
China (Taiwan)	NT \$		7,431	10,193	9,074	11,482	11,833	11,944	11,667	11,889	12,000	11,667	11,667
Ceylon	Rs	3,594	4,453	4,056	5,020	3,741	3,697	3,704	3,858	3,527	3,219	3,285	3,483
India	Rs	3,593*	3,946*	3,814*	3,880	3,616	3,373*		3,373	3,373	2,557	2,557	
Indonesia	Rp	2,200	5,521	6,557	6,917	5,880	7,517	6,430	8,420	7,700	6,970	6,380	6,420
Pakistan	Rs	4,696	4,126*	3,686*	3,984*		2,888*		2,888				
U K	US \$	1,190	961	1,014	983	1,010	1,010	1,019	996	1,014	1,010	996	990
U S A	US \$	1,290	1,146	1,096	1,221*	1,027	1,052	1,067	1,067	1,023	941	941	941
TOBACCO													
China (Taiwan)	NT \$		9,197	14,597	17,278	15,963	25,408	22,666	29,334	24,222	20,000	20,000	20,666
India	Rs		2,700*	5,540*	2,973	7,118	2,305	2,305	2,305	2,305	2,305		
Pakistan	Rs	2,551	2,550*	4,131	4,097	4,528	4,381	4,489	4,556	4,100	2,613	2,197	2,143
Philippines	P	816	1,551	905	1,106	713	648	662	646	635	634	575	546
VEGETABLE OIL													
China (Taiwan)	NT \$		5,354	6,416	6,880	6,571	7,219	6,685	7,000	7,972	8,889	8,407	8,333
Ceylon	Rs	1,006	1,390	1,598	2,008	1,343	1,003	1,182	1,016	810	740	873	855
India	Rs		1,938*	1,963	2,035	1,879	1,453	1,673	1,466	1,220	1,161	1,201	1,201
Indonesia	Rp	1,221	1,695	2,290	2,160	2,580	2,447	1,970	2,930	2,440	2,330	1,910	
Malaya	MS	1,142	1,090	1,299	1,578	1,117	871	1,034	850	731	686	763	726
Pakistan	Rs	2,649	3,267	3,003	3,393	2,898	2,511	2,693	2,573	2,267	2,130	2,331	2,324
Philippines	P	980	676	700	890	580	460	520	460	400	370	380	440
COPRA													
Ceylon	Rs	531	826	963	1,173	836	612	732	606	497	514	563	555
India	Rs	986	1,486	1,561	1,585	1,590	1,124	1,365	1,112	893	879	968	997
Indonesia	Rp	390	1,194	1,400	1,533	1,167	1,100	1,200	1,100	1,000	1,000		
Malaya	MS	635	650	726	914	631	509	601	471	454	411	446	430
Philippines	P	515	360	362	480	303	236	271	237	198	185	196	234
Thailand	Baht	2,730	3,292	3,795	4,729	3,303	2,995	3,333	3,083	2,567	2,783	2,783	2,667
U S A	US \$	308	223	229	295	196	161	179	164	141	132	141	160
COTTON, RAW													
China (Taiwan)	NT \$		9,639	2,838	1,926	4,105	3,963	4,000	4,000	3,889	3,667	3,667	3,444
India	Rs	1,828*	1,086*	1,788	1,729	1,870	1,870	1,870	1,870	1,870	1,294	1,350	1,350
Korea* (south)	000 W	630	1,672*	3,423*		4,828	5,195	5,250	5,283	5,050	5,333	5,917	
Pakistan	Rs	1,879	2,218*	3,023	3,422	2,847	2,864	3,256	2,894	2,442	2,405	2,299	2,291
U K	US \$	785	917	1,175	1,230	1,107	1,102	1,171	1,080	1,054	1,054	1,030	1,016
JUTE RAW													
India	Rs	1,078	1,107	1,826	1,102	1,562	1,552	1,764	1,571	1,323	1,157	854	882
Pakistan	Rs	958	668	1,140	934	1,002	944	1,060	914	857			
U K	US \$	386	315	485	437	459	428	476	435	373	366	359	310
U S A	US \$	408	342	509	467	487	472	518	474	388	386	354	322

PRICES

13 WHOLESALE PRICE QUOTATIONS OF SELECTED COMMODITIES—(Cont'd)

Monthly averages or calendar months per ton

	Currency Unit	1948	1950	1951	1951		1952						
					I	IV	I	Jan	Feb	Mar	Apr	May	June
HEMP													
Philippines	P	837	841	990	1 091	803	754	756	764	744	694	583	546
COIR													
Ceylon	Rs	148	268	332	318	278	285	285	285	285	285	285	
India	Rs		1,624 ^d	1 637	1 775	1,449	1,236	1,345	1,181	1,181	984	886	869
WOOL, RAW													
India	Rs	1,967	3 992	4 440	5 861	2 617	2,505	2,416	2,550	2,550	1 745	2 886	2,550
Pakistan	Rs	3 137 ^f	7,125 ^b	4 758 ^e	7 568 ^e	3 532	3 475	3 791	3 771	2 863	2 211	3 007	3 304
SILK, RAW													
India	000 Rs	53	84	66	78	47	43	43	43	43	33	31	32
Japan	000 Y	1,556	2,579	3,761	4,582	3,574	3 563	3,521	3 637	3 531	3 568	3 570	3,618
Korea* (south)	000 W	7,067	15,733 ^c	61,333 ^c		77 680	93,413	81,600	88 533	110 133	120,800	131,733	
HIDES													
China (Taiwan)	NT\$		5 274	6 762	5 556	7 537	7 667	7 667	7 667	7 667	9 778	1 306	1 333
India	Rs	2 158	2 002	3 729	4 134	2 957	2 554	2 149	2 370	3 142	1 819	1 819	2 149
Pakistan	Rs	1,860	2,543	2,976	3,895	2,651	2,404	2 756	2 015	1 732	1,685	1,732	
Thailand	Baht	8,219	12 815	16,156	23 535	11 042	8 611	10,417	9,167	6 250	5 833	5,417	5 417
U S A	US \$	606	564	692	808	525	295	309	293	282	227	315	326
RUBBER, NATURAL													
Ceylon	Rs	1 367	3 417	4 740	6 598	3 887	3 461	3 814	3 329	3 241	3 351	3 197	3 505
Indonesia	Rp	1 020 ^b	5,958	9 300	12 100	8 080	7 797	7 710	8,180	7 500	7 330	5 800	6 300
Malaya	MS	929	2,385	3 730	4,753	3 231	2,731	3,090	2,646	2 456	2 416	1 945	1,956
Thailand	Baht	6,531	12 155	19 351	21 779	18 953	15 521	17 625	16 485	12 453	12 325	8 590	9 055
Viet Nam	Pr	7 150	15 230	24,100	30 000	21 830	19 180	20 800	10 000	17 750	16,300	13,500	12 500
U K	£	119	306	467	597	399	334	372	326	305	294	239	242
U S A	US \$	485	906	1,302	1,594	1 146	1,124	1 146	1 113	1,113	1 069	1,069	838
COAL													
China (Taiwan)	NT \$		137	214	172	284	396	389	400	400	400	389	352
India	Rs	16	16	15	16	16	16	16	16	16	16	16	16
Korea* (south)	W	3,607	4,000 ^c	66 ^c		85	85	85	85	85	85	85	
Viet Nam	Pr	347	583	587	583	594	637	637	637	637	637	637	714
TIN													
Malaya	000 MS	4 46	6 07	8 71	10 94	7 69	7 96	7 85	8 07	7 97	7 90	7 95	8 00
Thailand	Baht	29 440	31 480	52 040	46 333	53 330	48 333	50 000	50 000	45 000	40 000	40 000	40 000
U K	£	543	733	1 060	1,318	958	960	953	969	957	948	950	957
U S A	US \$	2 188	2,107	2,823	3,674	2 271	2 592	2,419	2,679	2 679	2 679	2 679	2 679
PIG IRON													
India	Rs	111	105	116	105	131	131	131	131	131	131	131	131
Japan	Y	4,354	13,134 ^a	27,490	16,862	30,300	30 220	30 260	30,200	30,300	30 300	30,300	
Korea* (south)	000 W	15	50 ^a	236 ^a		303	318	360	302	292	313	320	
CEMENT													
China (Taiwan)	NT \$		273	319	316	383	658	502	513	958	647	501	487
India	Rs	84	81	89	81	93	93	93	93	93	93	92	92
Japan	Y	2,794	5 006	7,760	6,411	8 667	8 800	8 800	8 800	8 800	8 800	8 800	8 800
Korea* (south)	000 W	22	46 ^a	272 ^a		342	319	312	316	330	388	420	
Pakistan	Rs		94	94	94	94	94	94	94	94	94	94	94
Viet Nam	Pr	746	986	1,035	976	1,078	1,093	1,079	1,100	1,100	1 100	1 100	1,100
COTTON YARN													
China (Taiwan)	NT \$		14,327	26,777	28,476	23 148	23,148	23,148	23,148	23,148	23 148	23,148	23,148
India	Rs	2,623 ^c	3,064	3,549 ^a	3,263								
Japan	000 Y	87	373	662	474	672	556	596	575	497	497	535	531
Viet Nam	000 Pr	50 ^a	51	65	57	66	57	60	53	57	58	53	53
COTTON FABRICS													
India	Rs	4 123	3,641	4,233	3,880	4,343	4 343	4 343	4,343	4 343	4 343	4 079	4,101
Japan (Metre)	Y		79	106	117	90	75	83	77	68	57	67	74
JUTE BAGS (per hundred)													
India	Rs	133	156	229	159	252	213	254	206	180	152	125	122
Pakistan	Rs	151	196	215	189	246	224	261	229	182	182	171	128
JUTE (hessian)													
India	Rs		1,904 ^d	2,741	1,904	2 590	2,305	2,697	2,146	2 071	1,871	1 704	1 770
U K	US \$	658	559	909	718	889	863	889	889	814	739	739	611
U S A.	US \$	660	776	1,055	1,183	926	774	926	822	573	600	485	476

GENERAL NOTE For details regarding specification and market centre see Revised Explanatory Notes to table 13 on page 50
 n t = no transaction

a As from the second quarter of 1951, figures relate to Pusan

b December

c April

d 30th December

e Average of January and March

f January

g Average of February and March

h February

FINANCE

14 RATES OF INTEREST Average rates in per cent per annum

	1938	1948	1950	1951	1 9 5 1		1 9 5 2						
					I	IV	I	Jan	Feb	Mar	Apr	May	June
BURMA													
Bank rate	3 00 ^r	3 00	3 00	3 00	3 00	3 00	3 00	3 00	3 00	3 00			
Call money rate				1 04	1 00	1 17	2 00	2 00	2 00	2 00			
Fixed deposit rate ^a	2 00	2 00	2 00	2 00	2 00	2 00	2 00	2 00	2 00	2 00			
CAMBODIA LAOS AND VIET-NAM													
Bank rate	5 00		5 50	5 50	5 50	5 50	5 50	5 50	5 50	5 50	5 50	5 50	5 50
CEYLON													
Bank rate				2 50 [*]		2 50	2 50	2 50	2 50	2 50	2 50	2 50	2 50
Call money rate				0 50 [*]		0 50	0 50	0 50	0 50	0 50	0 50	0 50	0 50
Commercial bank lending rate, ^b													
maximum				5 00 [*]		5 00	5 00	5 00	5 00	5 00	5 00	5 00	5 00
minimum				2 25 [*]		2 25	2 50	2 50	2 50	2 50	2 50	2 25	2 25
Fixed deposit rate,													
maximum				2 75 [*]		2 75	2 75	2 75	2 75	2 75	2 75	2 75	2 75
minimum				0 50 [*]		0 50	0 50	0 50	0 50	0 50	0 50	0 50	0 50
Treasury bill ^c				0 48 [*]		0 48	0 40	0 40	0 40	0 40	0 44	0 66	0 82
Government bond yield ^d				2 81	2 78	2 87	2 85	2 70	2 91	2 94	2 96	2 98	2 95
CHINA (Taiwan)													
Bank rate			39 60	23 40	23 40	23 40	23 40	23 40	23 40	23 40	23 40	23 40	23 40
Call money rate			16 42	10 80	10 80	10 80	10 80	10 80	10 80	10 80	10 80	10 80	10 80
Commercial bank lending rate ^e			81 00	52 20	46 80	54 00	54 00	54 00	54 00	54 00	54 24	55 80	50 64
Fixed deposit rate ^f			40 88	27 00	27 00	27 00	27 00	27 00	27 00	27 00	27 00	27 00	27 00
INDIA													
Bank rate	3 00	3 00	3 00	3 08	3 00	3 33	3 50	3 50	3 50	3 50	3 50	3 50	3 50
Call money rate		0 50	0 58	1 01	1 07	1 13	2 75	2 75	2 75	2 75	2 82	2 82	1 25
Commercial bank lending rate ^g													
lowest ^h			3 00	3 40	3 50	3 50							
highest ^h			6 00	6 00	6 00	6 00							
Fixed deposit rate ⁱ		1 35	1 59	2 08	1 76	2 28	2 71	2 56	2 75	2 81	2 97	2 65	2 22
Government bond yield ^j			3 11	3 39	3 23	3 47	3 73	3 74	3 73	3 71	3 69	3 63	3 61
INDONESIA													
Government bond yield rate ^k			3 50	4 28	3 86	4 50	4 32	4 42	4 28	4 25	4 27	4 22	4 24
JAPAN													
Bank rate													
Discount	3 29	4 56	5 11	5 29	5 11	5 84	5 84	5 84	5 84	5 84	5 84	5 84	5 84
Secured loans	3 29	4 93	5 48	5 68	5 48	6 21	6 21	6 21	6 21	6 21	6 21	6 21	6 21
Call money rate			6 40	7 12	7 12	7 12	7 97	7 12	8 40	8 40	8 03	7 85	8 03
Commercial bank lending rate ^{m,n}													
Y 3 million and under			9 13 [*]	9 13	9 13	9 13	9 13	9 13	9 13	9 13	9 13	9 13	9 13
above Y 3 million			8 76 [*]	8 76	8 76	8 76	8 76	8 76	8 76	8 76	8 76	8 76	8 76
Fixed deposit rate ⁿ		4 30	4 70	5 47	5 00	6 00	6 00	6 00	6 00	6 00	6 00	6 00	6 00
Government bond yield ^p						5 50		5 50					
PAKISTAN													
Bank rate	3 00 ^r	3 00 [*]	3 00	3 00	3 00	3 00	3 00	3 00	3 00	3 00	3 00	3 00	3 00
Call money rate			0 99	0 94	1 91	0 54	2 14	2 44	2 10	1 88	2 00	2 00	1 88
Fixed deposit rate		1 25 [*]	1 25	1 25	1 25	1 25		1 25		2 00	2 00	2 00	2 00
Government bond yield ^q			2 96 [*]	2 98	2 99	2 99	2 98	2 98	2 98	2 98	2 98	2 98	2 98
THAILAND													
Treasury bill		1 32	2 02	2 10	2 07	2 17	2 18	2 19	2 17	2 17	2 17	2 17	2 17

GENERAL NOTES All rates are those prevailing in the capital city of each country except in India where rates in Bombay have been taken. *Bank rate* relates to the rate charged by Central Bank on loans and/or discounts given to commercial banks. *In Burma* it relates to the discount rate on commercial bills. *In Ceylon* to interest rate on advances in India to the rate at which the Reserve Bank of India is prepared to buy or rediscount bills of exchange or other eligible commercial papers in Japan to the rediscount rate on commercial bills and the official interest rate of Bank of Japan for loans secured against Government Bonds and eligible corporate debentures, in *Pakistan* to the discount rate. *In China (Taiwan)* it relates to the rate charged by the Bank of Taiwan for overdrafts. *Call money rate* relates to inter-bank rate on money at call. *Fixed deposit rate* relates to rate paid by commercial banks on deposits of 12 months duration.

- a Post office saving accounts b Against government securities
c Weighted average of tender rates on new bills issued within the period
d Yield of 3 per cent national development loan 1965-70 calculated to earliest redemption date

- e Overdraft secured loans of other banks except Bank of Taiwan
f Period unknown
g Advances against government and trustee securities by the major scheduled banks
h End of quarter i 6 months deposits
j Yield of 3 per cent paper (running yield) to earliest redemption date
k Yield to maturity of 3 per cent bonds of 1938/75 on the Amsterdam Exchange, fully guaranteed by the Netherlands Government
m Loans on or discounts of bills preferentially treated by Bank of Japan
n Maximum money rates under the Temporary Money Rates Adjustment Law
p Weighted yield (simple rate of interest) to latest redemption date of medium dated government bonds issued during the period stated
q Yield to maturity of 3 per cent bonds of 1968
r Rate of the Reserve Bank of India which was the central bank at the time

15 CURRENCY AND BANKING

FINANCE

	1948	1949	1950	1951	1951		1952						
					I	IV	I	Jan	Feb	Mar	Apr	May	June
BURMA (mn K)													
Money Supply	505\$	610	596	650	640	606	722	663	747	755			
Currency Net active	335\$	405	388	431	439	388	500	461	514	524			
Deposit money	169\$	205	208	219	201	218	222	202	233	231	232	242	253
Commercial Banks													
Total deposits	199*	233	246	260	238	260	265	246	274	273			
Assets Cash	72*	109	69	53	48	52	50	40	53	57			
Short term Government	26	8	23	25	19	27	16	18	15	15			
Short term Other	67	60	100	153	170	151	194	192	203	187	172	169	156
Long term Government	—	—	7	8	7	8	9	9	9	9			
Union Bank of Burma													
Deposits Total	108*	149	226	379	277	472	350	389	304	357			
Government ^a	3\$	2\$	63	59	63	77	67	80	57	65	48	29	118
State Boards and Industries	102	46	141	274	173	340	240	276	204	241	271	325	273
Foreign Assets Total	358\$	505\$	504	696	616	737	749	753	720	773	780	795	799
Local Assets													
Short term Government	6*	20	18	16	17	14	16	16	16	16			
Short term Other	—	—	—	—	—	—	2	2	2	2			
Long term Government	10*	10	13	13	13	12	10	10	10	10			
Bank Clearings	151	128	138	151	167	142	171	164	168	182	160	198	201
Business and individuals	106	100	112	128	139	121	144	140	138	153	133	167	178
Government	46	28	26	23	28	21	28	24	30	29	27	32	23
CAMBODIA, LAOS & VIETNAM (mn Pr)													
Money Supply													
Notes Total issued	3,497\$	3,843\$	4,523	5,762	5,224	6,363							
Commercial Banks													
Total deposits	1,126	1,284	1,616	2,178	2,038	2,311	2,517	2,477	2,505	2,569	3,241	3,268	2,762
Assets Short term	338	600	707	724	632	891	1,082	1,053	1,069	1,124	1,186	1,186	1,222
CEYLON (mn Rs)													
Money Supply	607\$	649\$	746	1,012	1,008	1,005	998	1,006	1,002	985	978	946	923
Currency Net active	241\$	244\$	271	361	347	374	368	369	370	366	364	366	363
Deposit money	366\$	406\$	475	651	661	631	629	637	632	619	613	580	560
Commercial Banks													
Total deposits	641\$	687	660	809	860	715	782	794	787	764	773	732	707
Assets Cash	269\$	284	151	209	204	212	192	185	200	193	190	215	187
Short term	127\$	137	205	270	192	269	264	278	258	255	272	276	286
Long term	193\$	230	187	218	217	220	224	222	224	224	225	225	224
Central Bank of Ceylon													
Deposit Total			189	250	224	253	221	244	221	199	172	191	173
Government			20	54	32	59	45	76	36	23	7	7	12
Foreign assets Total			533	660	617	678	633	661	637	601	566	571	522
Local assets													
Short term Government			14	14	14	14	16	14	12	23	29	24	43
Long term Government			4	2	1	3	3	3	3	4	13	28	33
Bank Clearings	396	461	549	692	672	696	686	721	651	687	661	730	650
CHINA Taiwan (mn NT\$)													
Money Supply	199*	474	965	727	1,124	1,196	1,224	1,162	1,201	1,201	1,236	1,241	
Currency Total issued	124*	249	396	315	450	518	533	503	519	522	563	573	
Deposit money	75*	225	569	413	673	677	691	659	682	680	673	668	
Other Banks ^b													
Total deposits	38*	85	228	114	321	404	356	400	456	515	618	649	
Assets Cash ^c	122*	31	92	24	146	184	149	169	173	237	351	375	
Total loans	27*	57	121	86	155	203	179	201	228	240	238	261	
Bank of Taiwan													
Deposits Total	122*	431	733	533	900	981	933	989	1,023	1,131	1,857	1,969	
Government	76*	354	588	419	713	766	742	764	791	830	782	822	
Local assets Total loans	264*	847	520	489	637	781	746	757	841	881	809	850	
Government loans	234*	797	447	420	561	692	658	666	751	791	750	786	
Bank Clearings	83*	138	418	185	666	706	618	683	818	813	781	834	
HONG KONG (mn HK\$)													
Money Supply													
Notes Total issued	778	840	803	805	807	801	799	800	799	798	798	798	799
Bank Clearings	689	917	1,199	1,506	1,615	1,393	1,291	1,335	1,324	1,214	1,114	1,210	989

FINANCE

15 CURRENCY AND BANKING—(Cont'd)

	1948	1949	1950	1951	1951		1952						
					I	IV	I	Jan	Feb	Mar	Apr	May	June
INDIA (1000 mn Rs)													
Money Supply	21 65	19 44	19 28	19 83	20 21	18 82	18 91	18 86	18 98	18 88	18 90	18 73	18 51
Currency Net active	13 58	12 38	12 49	13 04	13 37	12 29	12 47	12 54	12 42	12 44	12 51	12 41	12 30
Deposit money	8 07	7 06	6 79	6 79	6 85	6 53	6 44	6 32	6 56	6 43	6 39	6 32	6 21
Scheduled Banks													
Total deposits	9 90	8 85	8 71	8 94	9 04	8 77	8 61	8 64	8 69	8 51	8 49	8 53	8 59
Assets Cash	1 28	1 04	0 98	0 99	0 89	0 99	0 78	0 78	0 79	0 79	0 79	0 81	0 86
Short term	4 33	4 47	4 40	5 31	5 21	5 24	5 76	5 69	5 78	5 80	5 63	5 39	5 24
Long term	4 65 ^k	3 74	3 73	3 33	3 49	3 33	3 18	3 19	3 19	3 17	3 15	3 18	3 22
Reserve Bank of India													
Deposits Total	4 29	3 10	2 94	3 27	3 03	3 44	3 22	3 24	3 25	3 18	2 61	2 34	2 35
Government	2 57	1 75	1 68	1 96	1 82	2 17	2 09	2 09	2 13	2 05	1 47	1 20	1 20
Foreign assets Total	13 74	8 85	8 68	8 76	9 01	8 25	7 84	8 04	7 84	7 63	7 40	7 28	7 23
Banking Department	3 44	1 87	2 08	2 00	2 03	1 97	1 44	1 71	1 41	1 20	0 97	0 85	1 00
Issuing Department	10 30	7 08	6 60	6 76	6 98	6 28	6 40	6 33	6 43	6 43	6 43	6 43	6 23
Local assets													
Short term Government	0 01	0 03	0 02	0 05	0 03	0 06	0 05	0 08	0 07	0 01	0 01	0 01	0 01
Short term Others	0 09	0 12	0 10	0 10	0 14	0 18	0 50	0 38	0 48	0 65	0 54	0 34	0 34
Long term Total	2 83	5 01	5 21	5 83	5 70	5 71	5 69	5 69	5 69	5 67	5 41	5 42	5 39
Banking Department	0 75	1 00	0 76	0 95	0 93	1 03	1 02	1 01	1 01	1 02	0 76	0 77	0 74
Issuing Department	2 08	4 01	4 45	4 88	4 77	4 68	4 67	4 68	4 68	4 65	4 65	4 65	4 65
Bank Clearings	5 55	5 07	5 25	6 56	6 58	6 31	6 59	6 89	6 42	6 44	5 89	5 75	5 11
INDONESIA (mn Rp)													
Money Supply	2 828 ^s	3 310 ^s	3 467 ^j	4 810	4 621	5 003	5 195	5 096	5 108	5 382			
Currency Net active	1 463 ^s	1 747 ^s	2 081 ^j	3 006	2 707	3 231	3 330	3 334	3 223	3 434			
Deposit money	1 365 ^s	1 563 ^s	1 386 ^j	1 806	1 914	1 772	1 865	1 762	1 885	1 948			
Bank of Java													
Deposits Total	902 ^m	729 ^m	997 ^m	903	1 122	738	1 066	806	861	1 034	1 166	1 223	1 157
Foreign assets Total	502 ^m	531 ^m	725 ^m	1 743	1 497	1 915	2 761	1 988	3 094	3 201	3 332	3 513	3 478
Local Assets													
Short term Government	916 ^s	972	2 007	1 957	2 782	1 425	1 855	1 475	1 841	2 248	1 927	2 177	2 849
Short term Others		70	138	420	173	585	611	551	605	677	216	337	251
JAPAN													
Money Supply	572	690	809	1 063	987	1 138	1 198	1 180	1 174	1 240	1 222	1 224	1 264
Notes Net active	338 ^s	294 [*]	315	397	378	434	431	440	431	423	433	417	431
Deposit money	234	396	494	665	609	704	767	740	743	817	789	807	833
All banks except Bank of Japan													
Total deposits	326	614	893	1 274	1 132	1 411	1 565	1 493	1 526	1 676	1 676	1 732	1 761
Assets Cash		23 ^s	22	28	29	28	37	34	33	43	38	34	37
Short term	248	497	826	1 248	1 029	1 470	1 545	1 531	1 528	1 576	1 611	1 644	1 690
Long term	68	115	117	155	141	171	180	176	180	184	193	196	201
Bank of Japan													
Deposits Total	30	57	57	143	165	84	96	69	97	123	72	103	93
Government	10	35	38	119	140	57	71	43	71	97	47	61	57
Local assets													
Short term Government	69	94	78	44	51	41	39	39	39	40	38	38	38
Short term Others	55	78	123	180	111	225	221	211	224	228	209	210	252
Long term Government	154	182	144	118	133	98	93	86	93	100	151	154	139
Bank Clearings	236	549	808	1 232	1 066	1 348	1 265	1 148	1 268	1 378	1 443	1 475	1 504
KOREA, south (1000 mn W)													
Money Supply	43 0	68 4	132 3	521 4	375 8	649 3	700 3	680 7	703 6	716 6			
Notes Net active ^d	31 2	47 3	108 4	444 7	328 1 ^s	537 3 ^s	576 4	574 3	579 0	576 0			
Deposit money	11 8	21 1	23 9	76 7	47 7	112 0	123 9	106 4	124 6	140 6			
All Banks													
Total deposits	32 9	56 9	56 7 ⁿ	122 2	61 2	191 0	242 2	207 0	237 8	281 9			
Assets Cash	8 3	15 4	6 2 ⁿ	35 6	18 0	52 3	59 3	50 0	53 0	74 8			
Short term Others	28 4	45 6	79 7 ⁿ	105 4	65 8	171 4	218 5	210 3	220 5	224 8			
Long term Government			3 6 ⁿ	3 2	1 9	5 3	6 9	6 2	6 6	7 8			
Long term Others	1 6	1 9	1 3 ⁿ	4 9	3 6	7 1	8 4	8 0	8 4	8 8			
Bank of Korea													
Deposits Total ^e	5 2	7 9	201 3 [*]	385 7	264 6	616 9	655 1	665 4	658 0	641 9			
Government			186 2 [*]	300 6	224 0	479 5	476 1	502 0	472 2	454 1			
Foreign assets Total			58 5 [*]	98 5	72 4	187 9	227 4	233 1	239 4	209 7			
Local assets													
Short term Government			209 0 [*]	367 1	359 3	384 4	385 4	390 5	380 4	385 2			
Short term UN Forces			28 8 [*]	234 4	88 7	385 5	505 9	476 8	503 9	537 0			
Short term Others	8 2	13 4	49 4 [*]	103 1	52 5	200 5	258 7	262 8	237 9	275 5			
Long term Government			3 3 [*]	4 0	3 5	2 8	1 1	1 5	0 9	0 9			
Bank Clearings	20 6	39 9	40 8	239 8	48 7	489 7	630 7	588 2	563 6	740 4			
MALAYA (mn MS)													
Money Supply	894	880	1 293	1 718	1 628	1 751	1 695			1 686			1 564
Currency Net active ^f	296 ^j	304 ^j	406 ^j	629 ^j	599 ^s	655 ^s	636 ^s			635			618
Deposit money	598 ^s	576 ^s	887 ^s	1 089	1 029	1 096	1 059	1 053	1 071	1 051	1 030	980	946
All Banks													
Total deposits	678 ^s	684 ^s	1 041 ^s	1 265	1 189	1 281	1 246	1 237	1 257	1 243	1 226	1 238	1 206
Assets Cash ^g	98 ^s	91 ^s	112 ^s	104	104	103	128	104	130	150	157	168	166
Short term	339 ^s	393 ^s	574 ^s	677	696	676	713	722	751	667	528	484	485
Long term	127 ^s	138 ^s	137 ^s	146	138	155	158	154	160	158	161	161	158
Debits to Current Deposits				4 167	4 339	4 210	3 713	3 748	3 581	3 809	3 463	3 379	2 902

15 CURRENCY AND BANKING—(Cont'd)

FINANCE

	1948	1949	1950	1951	1951		1952						
					I	IV	I	Jan	Feb	Mar	Apr	May	June
PAKISTAN (mn Rs)													
Money Supply	2,386*	2,741	2,848	3,347	3,248	3,606	3,717	3,821	3,718	3,611	3,577	3,467	3,186
Currency in circulation	1,333*	1,741	1,794	2,162	2,187	2,325	2,454	2,547	2,445	2,369	2,336	2,249	2,236
Deposit money	1,053*	1,000	1,055	1,184	1,061	1,281	1,263	1,274	1,273	1,242	1,241	1,218	1,150
Scheduled Banks													
Total deposits	1,092*	1,071	1,180	1,393	1,227	1,499	1,480	1,509	1,488	1,443	1,454	1,417	1,396
Assets	220*	204	149	200	129	211	158	168	159	148	150	143	160
Cash	322*	428	562	706	849	774	927	978	906	896	884	829	780
Short term													
State Bank of Pakistan													
Deposits Total	1,164*	1,015	792	969	957	870	838	807	841	865	779	730	594
Government	912*	794	604	758	811	663	674	638	669	713	624	577	444
Foreign assets													
Banking Department	1,009*	722	344	582	577	503		358	379				
Issuing Department	1,204*	1,618	1,272	1,381	1,321	1,533	1,610	1,677	1,627	1,527	1,527	1,427	1,325
Local assets													
Short term	117*	111	103	82	59	99	101	99	99	103	99	96	98
Government													
Short term Others		3	37	52	118	74	155	159	154	151	162	156	133
Long term													
Banking Department	32*	178	269	232	178	191	265	128	177	488	430	393	291
Issuing Department	25*	97	469	689	784	698	732	765	715	715	665	665	766
Bank Clearings ^a	326*	334	460	551	695	587	628	656	645	582	548	496	400
PHILIPPINES (mn P)													
Money Supply	1,093	1,097	1,146	1,124	1,176	1,049	1,043	1,044	1,039	1,046	1,039	1,024	1,027
Currency Net active	542	551	598	664	683	633	624	630	625	617	606	596	587
Deposit money	551	547	549	460	493	413	419	414	413	429	433	428	440
Commercial Banks													
Total deposits	870§	818	827	834	861	804	811	805	800	827	841	835	840
Assets	313	203	209	155	227	110							
Cash	563	536	536	606	544	669	733	739	732	727	712	698	674
Short term	84	62	70	69	66	49	51	47	48	55	55	55	55
Long term													
Central Bank of Philippines													
Deposits Total	144	164	212	185	236	245	245	247	243	251	249	253	253
Foreign assets Total	400	607	482	539	561	499	486	490	480	487	493	487	491
Local assets													
Short term	30	63	40	54	45	50	57	55	41	29	24	21	21
Others	20	130	210	163	235	240	241	241	240	235	235	235	235
Long term													
Bank Clearings	381	443	462	457	453	465	491	527	460	486	485	523	484
Debits to Checking Account	772	723	674	733	759	710	732	808	674	712	723	742	706
THAILAND (mn baht)													
Money Supply	3,117§	3,671	3,671	4,920	4,605	5,236		5,410	5,449				
Currency in circulation	2,205§	2,610	2,610	3,532	3,387	3,701	3,949	3,948	3,979	3,920	3,802	3,755	3,621
Deposit money	912§	1,061	1,061	1,388	1,218	1,535		1,462	1,470				
Commercial Banks													
Total deposits	786	829	867	1,144	1,000	1,279	1,235	1,254	1,220	1,232	1,250	1,291	1,271
Assets	369	330	274	433	317	502	407	349	419	453	407	415	453
Cash	406	546	609	714	694	747	857	863	852	855	870	886	824
Short term	102	101	96	98	96	109	100	104	104	92	92	102	97
Long term													
Bank of Thailand													
Deposits Total	717	1,166	1,447	1,725	1,454	1,934	1,786	1,736	1,733	1,889	1,873	2,017	2,020
Government	338	444	455	427	309	492	356	382	317	369	329	407	353
Foreign assets Total	2,180§	2,758	3,208	4,135	3,733	4,499	4,665	4,620	4,737	4,639	4,524	4,494	4,467
Local assets													
Short term	434	604	903	1,600	1,306	1,824	1,812	1,817	1,730	1,889	1,924	2,027	1,991
Others													
Long term													
Banking Department	5	150	142	152	155	148	147	147	147	147	147	147	147
Issuing Department	951	755	500	621	512	838	1,309	1,310	1,309	1,309	1,309	1,309	1,302
Bank Clearings	774	1,112	1,544	2,057	2,100	2,253	2,515	2,425	2,555	2,566	2,187	2,328	1,976
Debits to Sight Deposit		1,447§	1,973	2,786	2,930	2,980	3,185	3,263	3,217	3,074	2,793	3,932	2,774

GENERAL NOTES All figures, excepting bank clearings, relate to end of month figures and their averages. Bank clearings relate to monthly totals and their averages. *Net Active Currency* Total currency outstanding less holdings in all banks including the central bank and in government treasuries. *Currency in circulation* Total currency outstanding less holdings in all banks including the central bank. *Deposit money* Deposits in all banks (including central bank) withdrawable by cheques but excluding inter-bank liabilities and central government deposits. *Cash of commercial banks* Cash and balances with central bank. *Short term assets* Short term assets such as loans, advances and bills discounted. *Long term assets* Securities, bonds, debentures, etc. *Bank clearings* Total value of cheques and other collection items cleared through clearing houses.

§ End of period

a Deposits of central government includes ECA counterpart fund
b Includes the Land Bank, Cooperative Treasury and three commercial banks
c Balance with Bank of Taiwan only
d Prior to 1952 annual averages are based on end-of-quarter figures
e Figures for 1948 exclude treasury deposits, government deposits in foreign currency and special deposits for counterpart fund
f Figures include British Borneo g Cash in hand only
h Figures relate in 1948 and 1949 for 3 clearing houses in principal towns and as from 1950 for clearing houses in 4 towns the clearings in the 3 towns being Rs 862 and Rs 461 million in 1950 and 1951
j Average of end of quarter k Average of September-December
m March n Average of January-April

REVISED EXPLANATORY NOTE TO TABLE 13

Commodity description and market centres for quotations

COUNTRY	CENTRE	DESCRIPTION	COUNTRY	CENTRE	DESCRIPTION
RICE			HEMP		
Burma	Rangoon	Nagason 2nd Bazaar quality	Philippines	Manila	—
China (Taiwan)	Taipei	1st quality			
India	Calcutta	B Grade	COIR		
Indonesia	Djakarta	Manufactured quality BB	Ceylon	—	Fibre mattress at buyers' stores
Japan	—	Government fixed price to producers for medium quality rice including straw bags	India	Cochin	Yarn, real Alapart
Korea	Seoul & Pusan	Cleaned, 1st grade			
Pakistan	Dacca	Medium	SILK RAW		
Thailand	Bangkok	White 35 per cent broken	India	Malda	2400 Tana Kamru
Viet-Nam	Saigon	Milled white No 1 (25 per cent broken)	Japan	Tokyo	21 D AA Domestic
			Korea	Seoul & Pusan	28 Denier
WHEAT			WOOL RAW		
India	Hapur	Ordinary	India	Kalimpong	Tibetan
Korea	Seoul & Pusan	Free market, first grade	Pakistan	Karachi	Sind white
Pakistan	Karachi	Fair average quality			
SUGAR			HIDFS		
China (Taiwan)	Taipei	White, medium	China (Taiwan)	Taipei	Cow
India	Kanpur	D 28	India	Calcutta	Cow salted, raw
Indonesia	Djakarta	White	Pakistan	Karachi	Cow 225 lbs
Korea	Seoul & Pusan	Refined	Thailand	Bangkok	Cow dried
Pakistan	Karachi	Refined	U S A	Chicago	Packers green salted, steer heavy native, f o b
Philippines	Manila	White, No 1			
Thailand	Bangkok		RUBBER, NATURAL		
PEPPER			Ceylon	Colombo	Contract quality RSS No 1
Cambodia	Phnom-Penh	White	Indonesia	Djakarta	RMA 1 f o b inclusive of export duties
Malaya	Singapore	Muntok white	Malaya	Singapore	RSS No 1 f o b in bales
Thailand	Bangkok	White	Thailand	Bangkok	Mixed quality of four grades
TEA			Viet-Nam	Saigon	RSS No 1 f o b
Ceylon	Colombo	Medium grown	U K	London	RSS
China (Taiwan)	Taipei	Pouchong medium	U S A	New York	RSS
India	Calcutta	Clean common pekoe, with export rights			
Indonesia	Djakarta	B O P	COAL		
Pakistan	Karachi	Leaf, orange pekoe	China (Taiwan)	Taipei	Medium
U K	—	Unit value of imports c i f	India	Calcutta	Selected
U S A	New York	Black standard grade Lx ware house	Korea	Seoul	Lignite Pusan—anthracite
TOBACCO			Viet-Nam	Saigon	Coal (pieces 15/28 or 15/35)
China (Taiwan)	Taipei	Prepared	TIN		
India	Calcutta	Leaf Poolah	Malaya	Singapore	Metallic tin exworks
Pakistan	Dacca	Mothari	Thailand	Bangkok	Tin metal 99 per cent
Philippines	Manila	Leaf	U K	London	Refined tin 99.75/99.90 per cent for 1948-49, thereafter standard cash
VEGETABLE OIL AND OILSEEDS			U S A	New York	1948-49, thereafter standard cash
Ceylon	Colombo	Coconut white oil, naked wharf delivery	PIG IRON		
China (Taiwan)	Taipei	Peanut oil	India	Calcutta	Foundry No 1
India	Rombay	Groundnut oil	Japan	Tokyo	Pig iron 2nd grade for casting for 1948-49, thereafter pig iron No 2 for casting
Indonesia	Djakarta	Palm oil, export price f o b	Korea	Seoul & Pusan	Ingot
Malaya	Singapore	Coconut oil f o b	CEMENT		
Pakistan	Chittagong	Mustard oil, Ghani	China (Taiwan)	Taipei	Medium
Philippines	Manila	Coconut oil	India	Calcutta	Swastika F W L 16 to 23
COPRA			Japan	Tokyo	Portland common, domestic
Ceylon	Colombo	Estate No 1	Korea	Seoul & Pusan	—
India	Cochin	Fair average quality for 1948-1950, 1951 onwards selected	Pakistan	Karachi	Dalmia
Indonesia	Makassar	Sun-dried A	Viet-Nam	Saigon	Tonkin "Dragon"
Malaya	Singapore	Sun-dried No 1			
Philippines	Manila	Reseased	COTTON YARN		
Thailand	Bangkok	Bulk c i f Pacific ports	China (Taiwan)	Taipei	20 s
U S A	—		India	Bombay	18 s for 1948 to 1950, thereafter Madras 10 s
COTTON RAW			Japan	Tokyo	20 s single, cheese, domestic
China (Taiwan)	Taipei	Medium	Viet-Nam	Saigon	—
India	Bombay	Jarilla spot, M G F G from 1948 to 1949 Bengal fine M G substituted from January 1950	COTTON FABRICS		
Korea	Seoul & Pusan	Second grade	Japan	Bombay	Grey standard shirting
Pakistan	Karachi	4 F (Punjab) B G	Tokyo	Tokyo	Shirting grey S/No 2008, 3 8" export
U K	—	American middling	JUTE BAGS		
JUTE, RAW			India	Calcutta	B Twills
India	Calcutta	First	Pakistan	Karachi	B Twills
Pakistan	Narayanganj	Middle	JUTE HESSIANS		
U K	Dalasee	2/8 c & f through June 1951 Mill first c. & f Dundee, thereafter	India	Calcutta	10 1/2 oz 40"
U S A	New York	Raw native first	U K	Dundee	10 1/2 oz 40"
			U S A	New York	10 oz 40"

TRADE AGREEMENTS NEGOTIATED AND/OR FINALIZED DURING THE FIRST HALF OF 1952¹

I ECAFE INTRA-REGIONAL TRADE AGREEMENTS

Contracting parties	Period valid	Value of trade and types of commodities	Method of trade and payment	Remarks
Ceylon— India	1 January— 31 December 1952	Ceylon to exchange rubber, graphite copra, coconut oil, peanut oil and timber for Indian manufactured consumer and capital goods including 46 million yards of cotton textiles 300 000 tons of coal for the railway 25 000 tons of jute manufactures, 300 000 bales of cotton yarn for the handlooms	Payment in national currency	See also <i>Bulletin</i> , Statistical Supplement to Vol II page 19
Indonesia— Japan	Up to 30 June 1952			Extension of the previous agreement
Indonesia— Japan	1 July 1952— 30 June 1953	Tentative agreement Indonesia exports \$48 million goods in exchange for imports of \$55—\$6 million from Japan Major items of Indonesian exports include petroleum \$10 million raw rubber \$16 million (25,000 tons) copra, \$750 000 (30 000 tons) and 20 other items (scrap iron was removed from this agreement) The major item of Japanese exports is textiles about \$40 million If further agreement is reached regarding the settlements of payments the total value of textiles will increase further	In negotiating the new agreement for 1 July 1952 onward, Indonesia is reported to have proposed to pay the excess of the swing account one half in dollars and the other half on long-term basis with 10% reduction Japan accepted the first part of the proposal but rejected the second part Japan suggested that payment of the other half be made in installments over a period of 12 or 18 months Indonesia however counter-proposed that payments of the other part be deferred for 2 years, at the end of which period the method of payment be negotiated arguing that Indonesia should not be regarded as dollar-earning country in view of recent reduction in dollar demand for its export products It also proposed that in the forthcoming trade agreement the swing account be fixed at 10 per cent of trade value	In this tentative agreement matters other than the trade plan are also included, i.e. blanket clearance for Japanese shipping stationing of Japanese agents in Indonesia for purchases of rubber and copra easing of entry into Indonesia of representatives of Japanese firms and acceleration of development by the Indonesian Government of oil and iron ore mining resources, in order to achieve bigger exports to Japan
Philippines— Japan	Up to 30 June 1952	See <i>Bulletin</i> Vol II No 3	See <i>Bulletin</i> , Vol II, No 3	The previous trade and financial agreements were drawn up by the SCAP and would have become void when the Japanese Peace Treaty became effective on 28 April 1952 as do all SCAP-negotiated agreements In view of this fact the two governments agreed to extend the previous agreements up to 30 June 1952
Thailand— India	1952	Thailand sells 160 000 tons of rice to India	Payment in pound sterling at the free market exchange rate	See <i>Bulletin</i> , Statistical Supplement to Vol II
Thailand— Japan	Up to 30 June 1952	See <i>Bulletin</i> Vol II No 3		In view of the fact that the previous agreement signed by the SCAP became void upon the coming into effect of the Japanese Peace Treaty on 28 April 1952, the two governments agreed to extend the previous agreement up to 30 June 1952

II ECAFE COUNTRIES—EXTRA-REGIONAL COUNTRIES

Ceylon— Norway	Negotiation stage	Norway to exchange newsprint, steel goods, machinery canned fish, beer, cod liver oil and dried fish for Ceylon's tea, rubber and coconut products		
Ceylon— Sweden	Negotiation stage	Ceylon will export tea rubber, latex copra, coir and coir products and graphite in exchange for tea chests, paper, cement, medical supplies, surgical instruments and various types of hardware In addition technical assistance will be provided by Swedish concerns in connection with Ceylon's industrial development programme		
China— Poland	One year, 11 July 1952 to 10 July 1953	China mainland will export metallic oils, cotton, graphite, raw materials for textile industries, leather, cereals, tobacco, tea, peanuts and other commodities in exchange for metal products, metals various kinds of machinery, chemicals paper and other industrial commodities from Poland		Signed in Warsaw

1 For Vol II No 3 of the *Bulletin* published in February, 1952 page 19, the period valid for Pakistan—Iraq trade agreement should be corrected to read as '31 March 1951—30 March 1952' and the word 'other' on eighth line of text describing value of trade and types of commodities should be deleted

TRADE AGREEMENTS NEGOTIATED AND/OR FINALIZED DURING THE FIRST HALF OF 1952—(Cont'd)

II. ECAFE COUNTRIES—EXTRA-REGIONAL COUNTRIES—Continued.

Contracting parties	Period valid	Value of trade and types of commodities	Method of trade and payment	Remarks
China— USSR	One year	The agreement stipulates considerable expansion in exchange of goods to be made by the two contracting parties in the current year as against the 1951 level. The Soviet Union is to deliver to the People's Republic of China equipment and materials during 1952/1953 on account of credit granted under the Sino-Soviet agreement of 24 February, 1950. As usual China mainland will provide the Soviet Union with raw materials in exchange for metals and industrial goods, electrical generators and heavy industrial equipment.		
India— Afghanistan	Three years beginning 24 March 1952	The contracting parties agree to confer most-favoured-nation treatment to nationals of each country in matters relating to industry, trade and insurance in the territory of the other, and to provide similar treatment in regard to possession and management of properties, both movable and immovable, and subjection to taxes and duties. The treaty further provides for equality of treatment to the nationals of each country for free movement of goods through the territory of the other country.		Ratified on 25 January 1952 and to become effective two months after date of ratification (See <i>Bulletin</i> , Statistical Supplement to Vol II, 1952)
India— Sweden	One year extension for 1952	Same as previously. Sweden has undertaken to encourage industrialists to give the benefits of their experience in the development of Indian industries.	Sweden will continue to be treated as soft currency area unless a great change in the balance of payments calls for modification.	During the period April 1951 to February 1952 India's imports rose to Rs 66 million against exports of Rs 22 million. Sweden may purchase more tea, sports goods, brassware, cashewnuts, shawls, carpets, fishing rods, leather goods and cottage industries than had been previously imported from India.
India— Western Germany	1 November 1951 31 October 1952	Two lists of goods have been drawn up for Indian exports to Germany. List A, which contains 33 items under liberal measures, includes tobacco, ores, goat and sheep skins, etc. List B includes quotas for a number of goods, including \$5 million of tea, \$5.38 million of textile materials and products and \$2.62 million of peanut oil, etc. Western Germany also agreed to provide technicians and technical assistance to India's industrial projects.	India agreed to free Western Germany imports from import restrictions and regard Western Germany as a soft currency country. Western Germany accorded liberal treatment to List A imports of Indian commodities as it did to OEEC countries.	
Indonesia— Austria	5 February 1952— 1 February 1953	Indonesia to exchange rubber, coffee, tea, tobacco and tin for imports from Austria mainly of steel, textiles, paper, electrical machinery, bicycles and a number of other finished products.	Balance of trade under licence	Signed on 2 April (See <i>Bulletin</i> , Volume II, No 2)
Indonesia— France	1 May 1952— 30 April 1953	Indonesia will export agricultural produce to the value of 123.5 million Netherlands guilders in exchange for imports from France of industrial products, drugs, paper, textiles, transport equipment, electrical equipment, precision instruments, optical instruments and other goods to the value of 118.7 million guilders.		Concluded on 26 April 1952
Indonesia— Norway	31 January 1952— 1 February 1953	Indonesia exports copra, rubber, peanuts in exchange for paper including wrap paper, celluloid, cod liver oil, fishery products and fishery equipment from Norway.	Presumably balanced trade under licence	Signed on 18 March at Tugu, Indonesia.
Indonesia— Sweden		Indonesia exports copra, palm oil, spices, rubber and tin in exchange for matches, paper and various industrial products from Sweden.		Extension of the 1951-52 agreement (See <i>Bulletin</i> , Volume II, No 1)
Indonesia— United States	Three years	Indonesia agrees to supply to United States with 18,000 to 20,000 tons of tin in each of the next three years, at \$118 per pound for the first two years f.o.b. Indonesian ports or \$120.075 per pound c.i.f. U.S. ports. The price for the third year will be negotiated on the basis of conditions at that time. A "most-favoured nation clause" provides for a higher price should the United States pay more elsewhere, either contractually or in the free market. Indonesia will deliver 18,000 tons annually but should production drop, Indonesia would not be obliged to deliver more than 85% of its production. The agreement provides for an optional 2,000 tons annually, which Indonesia is free to sell either to the RFC or on the free market.	Bulk purchase with cash payment	Under an old contract which expired at the end of last year, Indonesia exported 25,000 tons a year to the United States.

TRADE AGREEMENTS NEGOTIATED AND/OR FINALIZED DURING THE FIRST HALF OF 1952—(Cont'd)

ECAFE COUNTRIES—EXTRA-REGIONAL COUNTRIES

Contracting parties	Period valid	Value of trade and types of commodities	Method of trade and payment	Remarks
Japan— France	1952	Japan's exports to the French Union, with France acting on behalf of the French Union, are estimated at US\$25 million, while imports from the French Union are planned at US\$41.43 million. The unbalanced trade plan was agreed upon in an effort to offset the 1951 trade deficit caused by Japan exporting substantially more to the French Union than its purchase. Principal Japanese exports to the French Union under this agreement will include raw silk, textiles, tea and other agricultural products, non-ferrous metals, metallic minerals, machinery and parts and cultured pearls. Japan's major imports from the French Union are to include rice, potash, anthracite coal, phosphate rock, iron ore, nickel ore, iron and steel scrap and essential oil.	On a dollar open account basis, with any balance above a stipulated amount to be payable in dollars on demand of the creditor country.	The Japan-French Union Trade and Financial Agreements -- which govern trade between the two areas and are supplemented by the new trade plan--had previously been extended beyond the effective date of the Japanese Peace Treaty.
Japan— Sweden	5 March 1952— 4 March 1953	The plan for 1952 which supplements the agreement estimates Japan's exports to Sweden at \$17.38 million. Japanese exports include cotton yarn and fabrics, other textiles, agricultural products, machinery, chemicals, optical instruments, shell buttons and ceramics. Sweden's exports include rayon pulp, iron and steel products, machinery, pig iron, iron ore, ships, chemicals and pharmaceuticals, etc.	Trade to be conducted on the basis of dollar open account with any balance above \$4 million payable on demand of the creditor party.	Because of the coming into force of the Japanese Peace Treaty on 28 April 1952 the new agreement was signed by the Japanese Government. The agreement provides for the adoption of the trade plan on an annual basis. Signed on 5 March 1952.
Malaya— United States	1952	The United Kingdom acted for Malaya and Canada in a tripartite agreement for exchange of metals between the United States, the United Kingdom, Canada and Malaya. The United States will furnish the United Kingdom about one million tons of additional steel during 1952 and in return the United Kingdom will make available to the United States about 33 million pounds of Canadian aluminium originally earmarked for delivery to Great Britain. The resumption of United States tin import is also assured under the agreement that the United Kingdom Government furnish 22,000 tons of Malayan tin at a fixed price of US\$1.18 per pound during the year, which is roughly the average in the Singapore market in recent months.		
Pakistan— France	1 March 1952	France will supply principally railway equipment, textiles machinery and iron and steel products, in exchange for Pakistan's raw materials.		An extension of the previous agreement. Extension of the previous agreement.
Pakistan— Hungary	1 January— 30 June 1952			
Pakistan— Switzerland	1 January— 30 June 1952	(See the previous agreement)	Import permits are to be granted by each country up to 50 per cent of quotas originally established, except for commodities currently on the Pakistan free list. General import regulations issued by Pakistan provide that certain licences covering imports from the dollar area and other countries except Japan may also be used for imports from Switzerland. However, licences granted under the bilateral Swiss-Pakistan quota agreement are restricted to imports from Switzerland exclusively.	Pakistan's trade with Switzerland showed an import surplus of Ra. 115 million (imports Ra. 18.2 million exports Ra. 17 million).
Pakistan— West Germany	1 July 1952— 30 June 1953	Under the agreement signed Pakistan will export goods valued at \$75 million including \$70 million of cotton and jute, in exchange for West Germany exports of \$64 million including iron and steel, machinery, non-ferrous metals and other essential and consumer goods.	Pakistan allows imports of a wide range of commodities under its open general licence which is also applicable to West Germany. On the other hand, West Germany has accorded Pakistan the advantages of its own OEEC liberal list to the widest possible extent.	The Agreement also provides for arrangements for technical assistance to Pakistan. An extension of 1951 agreement for half a year ending 30 June 1952 had been concluded previously.

ADDENDUM TO STATISTICAL SUPPLEMENT OF VOLUME I TRADE AGREEMENTS NEGOTIATED AND/OR FINALIZED IN THE FOURTH QUARTER 1950

I. JAPAN—ECAFÉ COUNTRIES

Contracting parties	Period valid	Value of trade and types of commodities	Method of trade and payment	Remarks
Japan—Sterling area	1 July 1950—30 June 1951	Total trade of £185.2 million Sterling area's exports include grains wool, cotton, crude oil, iron ore, salt, chemicals, rubber, hides and skins. Sterling area's imports include steel and steel manufacture, textiles, foodstuffs, machinery glass-ware, paper and pottery. A balanced exchange of goods of £92.6 million each way is also provided for.	Issuance of licences towards balanced trade	Signed at Tokyo on 29 November 1950. The participants from the sterling area countries are Australia, Ceylon, India, New Zealand, South Africa, United Kingdom and the British Colonies excluding Hong Kong.
Japan—Thailand	January—December 1951	Total trade of \$110 million Thailand exports rice, soya beans, seeds, cotton seeds, hides, teak, gum and other raw materials. Thailand imports textile manufactures, industrial machinery and parts, structural steels, building materials, electrical appliances, paper and paper products, chemicals, rubber manufactures, enamel, aluminium, porcelain, rolling stock, shipbuilding and other manufactured products.	Issuance of licences towards balanced trade	Signed at Tokyo on 27 December 1950. Trade to take place on an open account basis in terms of dollars. The present trade plan provides for a 22.2 per cent increase in trade over 1950's total trade plan of \$90 million.

II. ECAFÉ COUNTRIES—EXTRA-REGIONAL COUNTRIES

India—Egypt		India exports \$7 million (estimated value) consisting of 13,000 tons of jute goods, 10,000 tons of cotton-bale covering, 1,000 tons of onion sacks and 2,000 tons of burlap. India imports 50,000 tons of rice valued at Egyptian £40.68 per ton (i.e. \$116.75 per ton).	Barter agreement	Concluded on 30 September. It was felt that barter between the two countries could be continued indefinitely, and reported that negotiations for another similar transaction would be started immediately.
India—Turkey		India's exports jute, tea and hides. India's imports long staple raw cotton, coarse grains and dry fruits.		Negotiations stage.
Indonesia—West Germany		Total trade 730 million Rupiah. Indonesia exports rubber, copra and palm oil, tin, tobacco and coffee. Indonesia imports iron and steel goods, locomotives, automobiles, bicycles, chemical products, optical instruments, textiles, glassware and paper.		Signed at Frankfurt on 5 January 1951.
Pakistan—Egypt	1 July 1950—30 June 1951	Pakistan exports jute, wheat, hides and skins, sports goods and animal guts, surgical instruments, potassium nitrate and soda ash, rosin, turpentine, dried fruits, grain, vermicelli and tea. Pakistan imports cotton yarn, cotton textiles, woollen blankets, woolen cloth, cigarettes, leather, paper and cardboard of all sorts, garlic, matches, starch for industrial purposes, buttons made of mother of pearl, silk and artificial silk, fabrics and yarn within certain limits. No quantities or value were shown as the intention was to promote trade up to the maximum possible extent.		Signed on 27 July 1950. Provision also made for goods to be carried equally by vessels of the two countries.
Pakistan—Hungary	Date of approval—31 Dec 1951	Pakistan exports 4,000 tons of jute, 2,000 tons of cotton, 80 tons of tea, 3,000 tons of cotton seed cake, 3,000 tons of cotton seed, 300 tons of wool, 50,000 pieces of Persian lamb skins, 20,000 tons of wheat, 7,000 tons of rice and raw goat and sheep skins, raw cow hides, fish meal and sheep casings valued at \$315,000. Pakistan imports \$1.9 million consisting of cotton piecegoods (\$400,000), jute manufactures (\$145,000), agricultural machines, tractors and industrial machinery (\$330,000), chemicals excluding soda ash (\$100,000), electrometers and electric instruments, apparatus and fittings (\$32,000), drugs and medicines (\$75,000), telephonic and telecommunication equipments etc. (\$75,000) and other manufactured goods.	Issuance of licences towards balanced trade in two half yearly instalments to be valid for at least three months.	Signed in Karachi on 9 October 1950. Prices, quality etc. to be settled between exporters and importers. Trade plan not restrictive i.e. more trade to be promoted if possible. The quantities of agricultural commodities promised on the understanding that the crop is normal. Payments to be settled in pounds sterling.
Pakistan—Spain	22 January 1951—22 January 1952	Pakistan exports raw jute, raw cotton, cotton seeds, hides and skins, but imports light machinery and chemical products.		Signed in Madrid on 22 January 1951 for the first time between the two countries.
Pakistan—Switzerland	Period of one year after date of approval by governments	Pakistan export \$3.9 million Swiss francs consisting of cotton (16 million Swiss francs), rice (6 million), wheat (2.5 million), jute (7.3 million) hides and skins (1.0 million), and other commodities such as sports goods, tea, dried fruits, resin, handicrafts etc. Pakistan imports 36.3 million Swiss francs consisting of chemicals, drugs and medicines (5 million francs), aluminium sheets, rods etc. (1 million francs), matches, clocks etc. (6 million francs), tools and workshop equipment (5 million francs), machinery and millwork (10 million francs), cotton and rayon piecegoods and cotton and artificial silk yarns (5 million francs) and other manufactured products.	Issuance of licences towards balanced trade	Signed in Berne on 20 July 1950. Trade to ordinarily take place through normal channels and prices, quality etc. to be settled between exporters and importers. Trade plan not restrictive, i.e. more trade to be promoted if possible. The quantities of agricultural commodities promised on the understanding that the crop is normal. Payments to be made according to any monetary agreement applicable to payments between the two countries.

ADDENDUM TO STATISTICAL SUPPLEMENT OF VOLUME I

TRADE AGREEMENTS NEGOTIATED AND/OR FINALIZED IN THE FOURTH QUARTER 1950—(Cont'd)

III ECAFE INTRA-REGIONAL TRADE AGREEMENTS

Contracting parties	Period valid	Value of trade and types of commodities	Method of trade and payment	Remarks
Burma— India		Burma exports 150 000 tons rice	Rice contract	Concluded in September/October 1950
Indonesia— Thailand		Thailand exports 50 000 tons rice	Rice contract	Negotiations stage Payment to be made in dollars
Philippines— Thailand	January— Dec 1951	Total trade valued at \$30 million Thailand exports 150 000 tons rice	Barter	Negotiations stage The total value of trade will constitute a 20 per cent increase over 1950's total trade plan of \$25 million

UNITED



NATIONS

**ECONOMIC SURVEY
OF
ASIA AND THE FAR EAST
1952**

Also issued as Vol. III, No. 3 of the
ECONOMIC BULLETIN FOR ASIA AND THE FAR EAST.

NOTICE

**Economic Survey of Asia & The Far East, 1952
(Economic Bulletin for Asia and
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**For purposes of discussion by the Economic
and Social Council, this document will be identified by the symbol number E/CN.11/362.**

Please attach for further identification.



ECONOMIC SURVEY OF ASIA AND THE FAR EAST 1952

Also issued as Vol III, No 3 of the
ECONOMIC BULLETIN FOR ASIA AND THE FAR EAST

Prepared by the
RESEARCH AND STATISTICS DIVISION
ECONOMIC COMMISSION FOR ASIA AND THE FAR EAST

BANGKOK, 1953

PREFATORY NOTE

The *Economic Survey of Asia and the Far East 1952* is the sixth in a series of annual economic reports prepared by the Research and Statistics Division of the Secretariat of the Economic Commission for Asia and the Far East. This report, together with the quarterly *Economic Bulletin for Asia and the Far East*, are intended to serve the needs of the Commission and to help in the task of reporting on world economic conditions which the Economic and Social Council of the United Nations has entrusted to the Department of Economic Affairs.

The *Survey* is published on the responsibility of the Secretariat and the views expressed in it should not be attributed to the Commission or to its member Governments.

The Commission at its eighth session felt that it would be valuable for future sessions of the Commission to open with a discussion on the economic situation of the region, such discussion to be based on the most recent *Survey*. In accordance with the above view of the Commission, the date of publication of the present *Survey* has been brought forward to February instead of August. In the meantime, a provisional edition in English and French (not including the Introduction) was distributed to Governments on 15 December 1952 for the ninth session of the Commission at the beginning of February.

The present *Survey*, while following more or less the same pattern of treatment as in earlier editions, is however confined mainly to the developments during the first half of the year, though subsequent developments have been noted wherever data are available. Because of the change in the date of publication, the present *Survey* is also being issued as Volume 3 No. 3 of the *Economic Bulletin for Asia and the Far East*. The statistical series and trade agreements as regularly published in the *Bulletin* are given at the end of this *Survey* and will be continued in future numbers of the *Bulletin*.

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ECONOMIC SURVEY
OF
ASIA AND THE FAR EAST 1952

INTRODUCTION

Economic developments in the ECAFE region were dominated during 1952 by strongly conflicting tendencies. On the one hand, this *Survey* gives ample evidence of an *advance in the physical volume of production* if one takes the region as a whole. Output of foodstuffs was somewhat higher in 1951/52 than in the preceding year, inspite of the 1951 drought in important areas of India, and there is reason to believe that this increase will continue in 1952/53 under the stimulus of higher prices and of intensified development in the field of food production. Similarly the production of raw materials has expanded, though there has been an incipient decline in the case of a few commodities (particularly rubber). Industrial expansion made headway, helped by the provision of new equipment and by more ample supplies of basic materials. True, this advance was uneven and there were signs of a slowing down of the pace in two of the main centres of manufacturing (Japan and India). Yet, as far as physical output is concerned, on balance the factors making for growth have predominated. They were supported by the continuing inflow of foreign aid funds and loans, and by technical assistance.

On the other hand, depressive influences originating in foreign trade have had a retarding effect in the recent period. Since the spring of 1951 there has been a *decline in demand for the principal export commodities* of most countries of the region. The consequent drop in export prices (which on the whole was more significant than the fall in the volume of exports) made deep inroads into export earnings and introduced a contractionist element of varying strength into the economy of many countries.

Two main developments converged to bring about this crisis in exports. The one was the collapse of the raw material boom of 1950-51, the other the world recession in textiles. Both were part of a world-wide inventory cycle which affected the primary producers of the area (except the rice exporters) as well as the industrial countries. The mainland of China, however, was not exposed to this disturbance in international markets and there has been a large expansion of economic activity in that country.

Owing chiefly to the setback in exports, the increase in physical output was unevenly distributed among countries and in some countries was not associated with a corresponding increase in real income. One of the outstanding facts in the period under review was the sharp *worsening in the terms of trade* of all but the rice surplus countries. In consequence, the region's productive effort for export now gives a much lower return in terms of imported goods and services than the same effort gave a year or two ago. This change was part of the process of adjustment from the abnormal Korean war boom, but it is worth noting that in some ECAFE countries the terms of trade in mid-1952 dropped below the pre-Korean war level. Countries that are heavily dependent both on raw material exports and on food imports have suffered the greatest loss because of the scissor movement of falling prices of exports and rising prices of imports. In some of these countries real income has fallen, although the physical volume of production has been well maintained or has expanded.

The fall of export receipts has affected the relationship between supply and demand in domestic markets of the region. During 1951 and for the greater part of 1952 industries serving home markets generally turned out more goods, and in some cases there has also been an increase in the volume of imports, at least during part of the period. Home supplies therefore generally expanded. But as money income from exports declined, buying power did not keep pace with the increase in home supplies. The liquidation of commodity stocks, which occurred when prices and price expectations took a downward turn in international markets, accentuated this change, particularly in India where, moreover, monetary policy seems to have acted strongly as a check on investment in inventories. In consequence, and as a result also of other influences, inflationary pressures were gradually neutralised and finally gave way to a *tendency for prices to weaken*. Thus there was a general turn towards deflation, except in the war areas and in the rice surplus countries. It is true that the dividing line between inflation and deflation became rather blurred by strong sectional price

increases, especially in the food deficit countries where import prices have risen. Yet this very increase in import prices relative to money income has tended to reduce effective demand, except to the extent that subsidies were paid to offset the higher cost of imports.

Two financial aspects of the recent development are worth noting. The one is the *loss in revenues* which governments have begun to suffer since the export boom collapsed. In spite of the efforts of governments to tap new sources of income and to prune expenditures (other than on defence and development) the tendency in many countries has been for revenues to fall faster than could be made up by such counter measures. At the same time there has been a *decline in foreign exchange reserves*, and in some cases gains in reserves, which were made during the boom, have been practically wiped out. These changes were very rapid, and testify to the great instability which has characterised the payment position of the region, particularly of countries heavily dependent on the export of a few commodities.

The vulnerability of these countries to international economic disturbances is, of course, an aspect of under-development, but even Japan is now faced with a problem of re-development—or, at any rate, with a large problem of industrial adjustment—in view of the fact that a high proportion of its exports (textiles and other light goods) is no longer in the main stream of international demand, and that many of its heavy industries are producing at relatively high costs.

On account of the trade recession, the financing of imports has again become an acute problem. From the outbreak of the Korean war until well into 1951 the limits on importation had been mainly physical. Most primary producing countries had rapidly gained foreign exchange, a large part of which they could usefully have spent on goods essential to economic development. In some cases, they found that these goods were difficult to obtain, in other cases, development plans were not ready, and there were deficiencies in economic organization which put a relatively low ceiling on what they could absorb. In any event, foreign exchange was not then the most important limiting factor. The situation has now changed with the decline in export earnings, and what calls for emphasis is that at least a part of this decline has been due to factors which are likely to have a certain degree of permanency. For one thing, the decline reflects to no small extent the *subsiding of the abnormal demands* which during the Korean-war

boom had pushed raw material prices to quite untenable levels. At the peak prices were far beyond anything needed to induce expansion, and were quite out of line with basic scarcities judged by the requirements of current consumption in industry.

Perhaps equally important has been the *gradual growth in the world supply of raw materials*, a factor which may assume increasing significance in the future as a restraint on prices. It will be recalled that after the war the world was confronted with an acute shortage of food and raw materials. While world manufacturing had expanded (because of the increase in the United States industrial production), the output of primary products had lagged, partly because of the destructive effects of the war and partly because of the virtual cessation during the 'thirties of foreign investment in primary producing countries. As a result, the price of most primary products had risen in terms of manufactures, if one compares, say, the second half of the 'forties with an average for the 'thirties. Not in recent years there has been an increasing number of commodities, notably industrial materials, where the output-stimulating effect of high prices has begun to make itself felt. By 1951, when demand took a sudden downturn, the world supply of raw materials had increased quite substantially. It had increased partly through the development of new or substitute material in industrial countries, a phenomenon of long standing but of particular importance to various producers in the ECAFE region to whom it meant a reduction in the demand for their products. The price decline in international markets since 1951 does not seem to have arrested this tendency. There is some evidence of a change in the composition of primary production, with expansion continuing in the case of many commodities—not only food—the prices of which are still attractive to producing countries. Moreover the present supply potential for some commodities is larger than actual output. It is significant that the recent advance of United States industrial activity, which resulted in a rise in demand for many commodities, was associated in the second half of 1952 with a continued weakness in the quotations of a number of basic raw materials. This indicates that factors on the supply side have become a potent influence and that output can now match at least moderate increases in demand without the stimulus of higher prices. Naturally, this does not apply to every single commodity, it applies as yet less to food than to other primary goods, and it will hardly hold should there occur large and persistent increases in demand.

In the raw material boom of 1950-51 it was prices more than sales volumes that pushed up the export receipts of the countries of the ECAFE region. The benefits from these price gains were rather dubious, the rocketing of prices, followed as it was by an almost equally rapid decline, became a source of instability which did much damage, though in the case of at least one commodity (tin) recent agreements have introduced an element of stability. Signs have appeared towards the end of 1952 that the *inventory cycle* which was started off by the Korean war has worked itself out, and it seems that consumer purchases and industrial demands are now more closely related to current requirements than they were during the boom and in the period of inventory liquidation that followed. World industry which earlier in the year had suffered a check, particularly in the consumption trades, is expanding again, and if the upturn in United States production and imports continues, a new general advance may

follow. Primary producing countries, as a group, will gain from this expansion, but it may well be that the price-restraining influences mentioned above will confine these gains within narrower limits than in the recent past. In the meantime import requirements of the developing countries are growing and they are likely to press heavily against availabilities of foreign exchange. The implication is that *consumption and development will compete strongly for import finance*, whereas in the past, for a short period, competition was mainly for what was physically available. In the one case as in the other the problem is one of deciding between different claims on resources, but the size of the foreign exchange reserves and of current export earnings becomes an especially important element in the decision when external finance is the limiting factor. The programming of expenditures on imports, therefore, is crucial in development planning.

SYMBOLS EMPLOYED

The following symbols have been used throughout

*=average of six to eleven months	§=end of period
¶=average of end-of-quarter figures	Mn=million
‡=12 months beginning April of the year stated	= not available
†=12 months ending September of the year stated	-- = nil or negligible

Figures in italics are provisional

In referring to combinations of years, the use of an oblique stroke, e.g. 1951/52, signifies a twelve-month period (say from 1 July 1951 to 30 June 1952). The use of a hyphen, e.g., 1951-52, signifies the full period of calendar years covered (including the end years indicated) as either an average or a total, as specified.

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

HK\$=Hong Kong dollar
K =Kyat (Burma)
M\$ =Malayan dollar (Federation of Malaya, Singapore, North Borneo, Brunei and Sarawak)
NT\$=New Taiwan dollar
P =Peso (the Philippines)
Pr =Piastre (Cambodia, Laos and Viet-Nam)
Rp. =Rupiah (Indonesia)
Rs =Rupees (Ceylon, India and Pakistan)
W =Won (Republic of Korea)
Y =Yen (Japan)

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 or published by the United Nations Statistical Office have been incorporated wherever possible, the 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.

Chapter 1

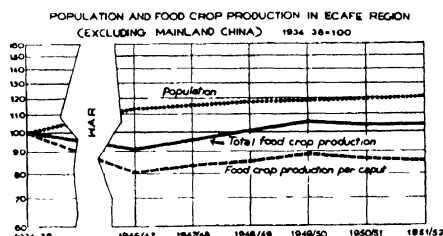
FOODSTUFFS¹

PRODUCTION

Production of foodstuffs in the region continued to increase during 1951/52, when it reached a postwar peak and was slightly above the pre-war level. Output per head of population, however, was still below pre-war, and has been decreasing since 1949/50 if one excludes China² (see table 1-1).

For food crops, substantial gains in 1951/52 over previous years were registered for wheat, coarse grains, potatoes and root crops (see table 1-2). Significant increases in output of wheat took place in India and Japan, of maize in India, Indonesia and the Philippines, and of barley in India, Japan and Korea (south).

CHART I



Although rice output increased in Burma, China, Indonesia and Thailand, decreases were recorded in Japan, Korea (south), Malaya and Pakistan.

In spite of an increase in the production of agricultural raw materials following the Korean war boom, food production in certain countries, including mainland China, was either maintained or was increased by more intensive use of agricultural resources and labour, for example, an indication of this is the increased consumption of fertilizers in the region³. Thus the production of non-food crops including fibres and rubber in the region increased by 5 per cent over 1950/51 and by 21 per cent over 1949/50, while food output increased only slightly. In Pakistan and India, jute acreage expanded by two fifths between 1950/51 and 1951/52, whereas rice acreage declined slightly and wheat acreage remained virtually unchanged. In Indonesia, rubber production increased by 16 per cent and rice production by 8 per cent.

- 1 Based on materials supplied by the Food and Agriculture Organization of the United Nations.
- 2 Statistics relating to the mainland of China are largely based on estimates. China's increase in food production in the last few years is largely due to the very low level of output in 1949/50.
- 3 In 1951/52 consumption of all fertilizers in Asia increased by 17 per cent, of nitrogen by 15 per cent, of phosphoric acid by 17 per cent and of potash by more than 34 per cent above 1950/51.

TABLE 1-1
INDEX NUMBERS OF VOLUME OF TOTAL AND PER CAPITA CROP PRODUCTION^a
(1934-38=100)

ECAFE region	1949/50	1950/51	1951/52
All crops	95	99	101
Food crops ^b	96	99	101
Non food crops ^c	86	99	104
Population	112	112	113
Per capita, all crops	85	88	89
Per capita, food crops	86	88	90
ECAFE region excluding China			
All crops	103	104	104
Food crops ^b	105	103	103
Non food crops ^c	91	107	110
Population	118	119	120
Per capita, all crops	87	87	87
Per capita, food crops	89	87	86

Source: FAO

^a These index numbers are weighted by values. They are preliminary only. The figures include estimates for the mainland of China which are approximations since 1949/50.

^b Food crops include cereals, sugar, root crops, pulses, edible oilseeds, tea, coffee and cocoa.

^c Non-food crops include fibres, linseed, tobacco and rubber.

TABLE 1-2
CROP PRODUCTION IN THE ECAFE REGION

Million tons

	1934-38 (Average)	1949/50	1950/51	1951/52
Grain crops				
Rice (cleaned basis)	100.6	98.2	97.5	98.3
Wheat	34.8	32.6	36.6	38.1
Coarse grains ^a	65.0	61.0	61.3	63.1
Total	200.4	191.8	195.4	199.5
Other food crops				
Potatoes and root crops	41.0	51.8	52.9	53.5
Vegetable oils and oilseeds—all equivalent	8.1	7.5	7.9	8.0
Sugar—raw equivalent	7.3	5.9	6.5	6.8
Tea	0.7	0.6	0.7	0.7
Raw materials				
Cotton	1.9	1.2	1.4	1.6
Jute	2.0	1.3	1.5	2.1
Rubber	0.9	1.4	1.8	1.8
Tobacco	1.5	1.2	1.2	1.1

Source: FAO

^a Including maize, barley, oats, millets and sorghum

During 1951/52, price relationships between food and non-food crops were undergoing a further change. Jute prices dropped rapidly with increased supply at the beginning of the season, then receded further during the first five months of 1952. Rubber prices in June 1952 were at their lowest level since the outbreak of the Korean war—a decline of about 50 per cent from the peak in February 1951 but still far above the pre-Korean war levels. World market prices of most oils and oilseeds had declined materially from the high level reached around March 1951, although by May and June 1952 prices began to recover. On the other hand, throughout most of 1951/52, prices of rice, wheat, other food grains and sugar were generally steady or increasing, although recently some grain prices declined on account of the larger crop prospect in the United States. In several countries, prices paid to producers of rice and other food grains were raised in order to provide incentives for increased food production. India allowed a 3 per cent increase for rice at the beginning of 1952, thus raising the price to \$94 per ton. In the three States of Indochina the price of rice at Saigon rose by 40 per cent between March 1951 and March 1952 to \$139 per ton, whilst Japan in September 1952 raised the price of paddy to internal producers from \$134 to \$143 per ton. The Ceylon government increased the guaranteed price of rice from Rs 9 to Rs 12 per bushel in the third quarter of 1951. In most rice exporting countries the internal procurement price is controlled and has remained nominally unchanged.

The present price relationships and the great efforts that are being made to expand food production make

it likely that with favourable weather conditions, food production in 1952/53 will exceed that of 1951/52.

TRADE

Although exports of foodstuffs from countries in the region continued to increase during 1951/52, they were still only 44 per cent in volume of pre-war level, mainly because of the slow recovery of rice production. Imports of foodstuffs into the region increased sharply in 1951/52 and almost reached the pre-war level (see table 1-3). The region continued to be a net importer of foodstuffs¹.

The region continued to be a net exporter of aromatic crops² and in 1951/52 the volume of net export exceeded the pre-war level (see table 1-3). Significant increases took place in 1951/52 in exports of tea from India and Indonesia, and of tobacco from India and the Philippines.

Although the disappointing output of rice in some of the main importing countries is intensifying the demand for rice in world markets, trade in rice has not expanded significantly in 1952. Of the main exporters, Thailand is pursuing a cautious policy and has reduced its official estimate of available supplies. Burma's liberal shipments in 1951 reduced its carry-over considerably, so that this year's increased crop may not be reflected in larger shipments. Pakistan has announced

¹ The net import of rice into the region (excluding the mainland of China) in the first half of 1952 was of the order of 90,000 tons. The region had been a net exporter of rice in 1951, 1950 and in pre-war.

² Aromatic crops comprise cocoa, coffee, tea and tobacco.

TABLE 1-3
INDEX NUMBERS OF VOLUME OF TRADE OF THE ECAFE REGION
IN AGRICULTURAL PRODUCTS*

(1934-38=100)

	Exports			Imports			Net Trade*		
	1949/50	1950/51	1951/52	1949/50	1950/51	1951/52	1949/50	1950/51	1951/52
Agricultural products	68	82	84	74	89	101	- 60	- 74	- 63
Food crops ^b	37	42	44	78	79	96	+	+	+
Aromatic crops ^c	94	88	100	68	81	86	- 99	- 90	-102
Natural fibres ^d and rubber	97	130	129	68	102	100	-143	-173	-163

a In basic data for trade indices the same commodities are included as for production indices as far as international trade existed, and they have been weighted by corresponding or applicable uniform price weights. (See footnote a to table 1-1) Not-reported China trade 1949-51 partially estimated.

b Food crops comprise wheat, rye, barley, oats, maize, millet and sorghum; rice, dry beans, dry peas, broad beans, chick peas, lentils, unspecified pulses, sugar, potatoes, sweet potatoes, vegetable oils, animal and marine fats and oils and meat.

c Aromatic crops comprise cocoa, coffee, tea and tobacco.

d Natural fibres comprise cotton, wool, jute, hard fibres, hemp and flax.

e — = net exports.

+ Changed from a net exporting region to a net importing region between 1934-1938 and during the postwar period.

that it will have no exportable surplus, but is exchanging some rice for wheat from India, nor can Egypt be depended upon for supplies. The sustained large output in Europe and North America will thus be doubly welcome. The United States and Italy are expected to increase their exports, and Spain and Portugal have recently joined the rank of exporters, if only on a modest scale. An unknown factor on the supply side is the extent of exports from the mainland of China in the second half of 1952.

The main increases in demand for rice have come from Japan and Indonesia, the Philippines have raised their import requirements by 35 per cent. Indian needs remain high, although unevenly distributed, for in some rice districts the monsoon has failed for the fifth consecutive year. Although the rise in purchasing power has been checked in Ceylon, Indonesia and Malaya by the sharp fall in the prices of their main export products, their effective demand for rice has not, so far, shown any sign of falling.

The price of rice in international trade has continued to rise and the price differential between rice and wheat has widened. Under these conditions rice consuming countries, in the region and elsewhere, took up their full wheat quota under the international wheat agreement and total exports of wheat and wheat flour to 10 ECAFE countries from Argentina, Australia, Canada and the United States continued to increase during the first half of 1952 to an annual rate almost double that of 1950 (See Appendix 1-2). India's increase in imports was partly made possible by the one

million tons of wheat loan from the United States and 200,000 tons under the Colombo Commonwealth Aid Plan. The year 1952/53 will be the last year of the present wheat agreement and negotiations are taking place regarding the character of any new agreement.

Exports of fats and oils from the region increased sharply in 1951 as compared with 1950, following the rapid price increases after the outbreak of the Korean war. A declining trend in prices began in the spring of 1951 and continued until April 1952, after which there was a moderate recovery. Partly as a result of this break in prices, exports of most fats and oils from countries of the region decreased in 1951/52. World consumer and industrial demand in 1952/53 are likely to be well sustained by a high level of economic activity. However, the prospects for large world supplies are favourable so that a major rise in world prices of fats and oils is unlikely in 1952/53.

For the first time since the end of war, exportable tea supplies in 1951/52 were larger than world imports for current consumption. Production increased in the main exporting countries except Japan, where the crop was reduced by unfavourable weather. The slightly lower harvest in Northern India was more than counterbalanced by an exceptionally large crop in the southern part of the country. Ceylon, which in 1950/51 produced a crop 42 per cent larger than prewar, again increased production by 3 per cent, and Pakistan harvested a record crop. Indonesia's production rose to 62 per cent of pre-war, notwithstanding labour difficulties and the spread of blister blight disease.

Actual export of tea during the first half of 1952 was, however, lower than in the first half of 1951, partly because of the decline in prices at the main auctions (see appendix table 1-1). Even so, prices during the 1952 season were still 150 to 200 per cent higher than pre-war. As production in 1952/53 is promising, prices may decline further. In Northern India, weather conditions have been favourable and total Indian production is likely to exceed the 1951/52 crop. In Ceylon, the campaign against blister blight is proceeding with a high degree of success. In Japan, production is likely to rise.

On the demand side, the most important development is the end of tea rationing in the United Kingdom which will raise import requirements by about 50,000 tons a year as compared with recent years and by 30,000 tons as compared with pre-war. The efforts of tea-producing countries to expand consumption in the United States and in European countries are likely to show slow but steady results.

CONSUMPTION

During 1951/52 there were some improvements in the energy value of the diet in many countries of the region (see appendix table 1-3), but the prewar level has still not been regained. The improvement noted in food consumption in 1951/52 was partly due to the large import of foodstuffs. In 1951/52 there was some recovery in India following the conditions of acute food stringency that prevailed in part of the country in the preceding year, with serious shortages still being reported from some areas.

Food consumption in the region is about the lowest among the regions of the world, and the slow improvement in the average per capita supplies in many countries of the region seems to indicate that considerable effort will be needed if both the quantity and quality of per capita food supplies are not to remain at levels lower than in pre-war years.

Within the region cereal and starchy foods still constitute the bulk of a quantitatively inadequate food supply. A recent survey in Ceylon shows that the diet is often inadequate in terms of necessary calories and that undernourishment is common among the population. In an appreciable number of families surveyed recently in India, the average daily calory intake was below 2,000 and, in a few cases, below 1,500. Even in countries in which calory levels are adequate the diet often does not contain enough protective food. Such unbalanced diets have deleterious effects on health and are responsible for the prevalence of various deficiency diseases.

It is imperative that the per capita food consumption within the region be raised. The Sixth Session of the FAO conference considered an annual increase in world food production by one to two per cent *in excess of the rate of world population growth* (currently about 1 per cent) as a minimum necessary to achieve some improvement in nutritional standards. Nutritional requirements in many countries of the region however are above effective demand.

Food import, although small in relation to total food production, plays an important part in determining supplies in many countries. It is linked up with the ability of the countries to finance imports. This is especially so in view of the decline in export earnings of many raw material exporting countries of the region, and the increase in the price of rice. Even allowing for unrecorded production such as subsistence fishing, consumption of animal protein is so low that, were it doubled or trebled in the next ten years, it would still remain far below the present standards in advanced countries. However, livestock production can be increased in the long run without drawing on additional grain supplies, by culling herds, reducing diseases, and improving methods of breeding and feeding. In the years immediately ahead, it would be unwise to attempt to expand livestock output by methods that might diminish the supply of high energy foods. While avoiding competition for human food on the part of animals, the supply of animal protein, it is conservatively estimated, can be doubled in most countries by improved production techniques without detriment to the output of food crops. There is also much scope for expanding fish production from inland sources, especially as the fish resources of the region are still far from being fully exploited.

COUNTRY REVIEWS

Major rice exporting countries

Production of rice (paddy) continued to increase in major rice exporting countries in 1951/52. Rice production in Burma benefitted from greater internal security. Current yield exceeds prewar levels, as re-cultivation first extends to better quality lands¹. In Thailand rice acreage increased in 1951/52 to about 42 per cent above prewar, though yields declined somewhat owing mainly to marginal lands being brought under cultivation. In the three States of Indochina the area under rice cultivation has increased, though it still remains 5 to 10 per cent below prewar.

¹ The area under rice cultivation in 1951/52 was about 23 per cent below prewar level.

The exportable surplus of the current crop of rice from these countries, however, will not significantly increase in 1952. In Thailand the Government planned to keep 300,000 tons as a reserve stock within the country and allocated only 800,000 tons for export in the first ten months of 1952. Towards the end of the year 3,000 tons were allowed to be exported. In Burma, although the rice crop is larger this year, liberal shipments in 1951 from carry-over stocks will reduce the exportable surplus (on the assumption that it is intended to build up stocks to the previous level). Burma's rice commitment up to June 1952 is 663,000 tons, or one half of the exportable surplus from the 1951/52 crop.

Burma and Thailand continued to export rice mainly to countries of the region (see appendix table 4), and India and Indonesia's share in Thailand rice exports are increasing. Indochina rice exports in prewar and early postwar years were mainly to countries outside the region but more recently, especially in 1952, greater rice exports have been made to countries within the region.

The increase in the price of rice in international markets tended to stimulate rice production in the three States of Indochina, and peasants were reported to be expanding rice cultivation owing to the establishment of an agricultural service, seed research, mechanization and use of fertilizers. In Thailand the producers do not have the full benefit of the high price of rice, owing to application of official exchange rates for surrender of foreign exchange earned on rice export, although some benefit has accrued to them through the working of the inducement system.¹ In Burma, in spite of the partial restoration of rice trade to private business, the control exercised by the State Agricultural Marketing Board as the sole buyer of rice for export has enabled it to keep the internal price of rice unchanged.

Taking Burma's internal price of rice as 100, internal prices elsewhere were roughly: Thailand 230, Egypt 280, India 310, Italy 330, USA 390, Japan 440, Indochina 460, Pakistan 550 and Brazil 740. These indices do not measure relative incomes or well-being of the rice farmers in the various countries, as incomes are dependent both on the price received and on costs of production and on very many other factors as well. The indices merely show that although the world market price of rice is the same for all countries, there are large differences in internal prices. In the rice exporting countries of Burma and Thailand, the internal price of rice is kept much below the external price, as a matter of marketing and fiscal policy. In other countries

subsidies on imports explain the difference, and there are also differences in costs of production as between the various countries. The disparity between the internal and the external prices of rice in Burma and Thailand suggests that, even if the international price should fall, at some future date, neither cultivators' incomes nor production would suffer immediately. To the extent that government revenues are dependent in these two countries on profits from rice marketing, the governments' financial position would be affected. In other countries rice output would be affected unless governments are willing to subsidize rice production.

Raw material exporting countries

The diversion of resources, especially labour, to the production of raw materials during the Korean war boom, affected the production of food in a few areas. At the same time raw material producing countries within the region increased their demand for foodstuffs as their incomes had risen, this additional demand increased their dependence on food imports from countries in the region and elsewhere.² Rice and wheat imports into Ceylon, Indonesia, Malaya and the Philippines rose substantially in 1951 and 1952, as compared with 1950. Wheat imports increased also because of the slow expansion of rice production in the major rice exporting countries of the region.

In view of the scarcity of rice supplies and the rapid growth of population,³ both Ceylon and Malaya are keen on expanding domestic production. Some of the land reclamation and irrigation projects undertaken in Ceylon are completed or are nearing completion. In Malaya, rice production in 1951/52 has been maintained at a relatively high level, which is 35 per cent above prewar. In Indonesia rice production is reported to have regained the prewar level but per capita supply remains well below this. Local shortages, due largely to disorganized marketing and dislocated transport, caused a steep rise in prices of rice and other foods and led the Government to plan for increased import of rice in 1952. The Government also decided to pay heavy subsidies on imported rice and control domestic prices. In the Philippines, sugar output in 1951/52 came up to the prewar level, but exports have not yet reached the United States quota of 850,000 tons. Food production, though well above prewar levels, suffered a slight set back in 1951/52 from typhoons and floods, and imports of rice were continued in order to check rising prices.

² During the first ten months (August-May) of the rice marketing year 1951/52 the United States exported rice to the world to the amount of about 650 000 tons or nearly twice the amount of 1950/51. Of this 64 per cent was shipped to Asian countries as compared with 8 per cent of total exports shipped to these countries in the corresponding period of 1950/51. See *Foreign Crops and Markets*, 21 July 1952, p. 52.

³ 2.8 per cent annum in Ceylon and 2.5 per cent in Malaya.

¹ See Chapter 4. Further decline in export earnings.

Pakistan for the first time became a food deficit country in 1952 and is stated to be requiring 400,000 tons of foodgrain imports. Unfavourable weather resulted in lower production of rice and wheat, which necessitated both an embargo on grain exports and intensive internal procurement for distribution to deficit areas. Pakistan succeeded in negotiating a \$15 million loan from the United States Export-Import Bank for the purchase of food imports. In the second half of 1952, negotiations were proceeding to procure 150,000 tons of wheat on the open market in the United States. Pakistan had already secured or made arrangements for the import of 310,000 tons of wheat from the Soviet Union, India, Turkey, Syria and Egypt. Earlier in the year, the British Government had given timely aid by diverting to Karachi 9,000 tons of wheat on route to the United Kingdom from Australia.

Pakistan's food deficit, however, is unlikely to continue for long, in view of the fall in the prices of jute and cotton and the government's policy of increasing foodgrain production, so that the country can expect to be self-sufficient in wheat and rice by the end of 1953. Given average weather conditions for grain production and effective control over food distribution, Pakistan may once more have a surplus for export in 1953/54, after meeting the expanding requirements for domestic consumption. Australia has offered Pakistan as part of its allocation under the Colombo Plan £1½ million worth of agricultural implements and electrical goods during 1952. Meanwhile, irrigation projects continue to be given high priority in Pakistan's development plans. Two major schemes costing about Rs 300 million, which have recently been approved, will bring 5 million additional acres under cultivation.

In Ceylon and Malaya, even if the short-term programmes for agricultural development are fully implemented, import demands for rice are unlikely to show any material decline by 1953/54. Indonesia's agricultural programme continues to concentrate on measures most likely to bring immediate improvement in the production of food and export crops. This, together with improvements in transport and marketing, may scale down imports of rice by 1953/54. Per capita food availability in the Philippines has exceeded the prewar level. With the financial and technical assistance from the United States, the country appears to be on its way to achieving self-sufficiency in rice, and rehabilitation of production and trade in export crops.

Food and raw material importing countries

India and Japan continued to be largely dependent on wheat imports from outside the region (See appendix table 1-2). Japan obtained most of its rice supplies in 1950 and 1951 from Burma, Indochina and Thailand. In 1952, owing to the shortage of rice within the region, it has to supplement its foodgrain requirements by rice imports from outside the region. In 1951/52 Japan produced almost 83 per cent of its total food supplies compared with 85 per cent prewar, despite a rapid increase in population in the last decade. This had been made possible mainly through slight undermilling of rice, restriction on industrial uses of food, and a somewhat lower consumption level. Japan's agricultural development plans are designed to increase domestic food production in line with population growth.

In India, foodgrain production in 1951/52 suffered from drought in some important areas. Foodgrain imports in 1951 of 4.7 million tons, twice the volume of the preceding year, eased the internal supply situation and the year-end stocks were larger. Production of groundnuts declined, but sugar cane and tea output rose owing to increased acreage and favourable growing conditions.

Despite drought in 1951/52, procurement of foodgrains was more successful in 1952 than in the previous year. With increased payments on internally procured grains, involving higher prices for farmers, marketable supplies and stocks in the hands of the Government increased. Millets have been decontrolled throughout India, while several deficit States have decontrolled some foodgrains. The food import target for 1952 is likely to be revised downwards from the target of 5 million tons previously fixed (including unshipped balance of 1951 United States loan of one million tons of wheat).

The Indian Planning Commission has given high priority to development of agriculture through completion of various large and small scale irrigation projects in the first Five-Year Plan, and aims to secure by 1955/56 additional production of 7.6 million tons of food grains, 1.2 million bales of cotton, 2 million bales of jute, and a substantial increase in output of sugar and oilseeds over the 1950 levels. These targets, if achieved, would increase domestic food production by 1955/56 by 16 per cent above that of 1949/50, while population is expected to increase only 9 per cent over that period. This would reduce India's requirements of food imports, and relieve the food shortage, especially in rice, of other countries within the region.

Chapter 2

RAW MATERIALS

Prices of both agricultural and mineral raw materials rose rapidly in the Korean-war boom period and by 1951 or 1952 had generally doubled compared with 1949 level. The steepest price rise was in rubber which at its peak level was five and a half times the 1949 level. The rise in prices of agricultural raw materials started earlier than that of minerals, and was more rapid, and the collapse of the boom affected them first, with the down-turn of prices occurring in the first or second quarters of 1951. With the exception of tin the rise in prices of minerals lasted longer, and in many cases the peak was reached only at the end of 1951 or in the first quarter of 1952. There were a few commodities, however, such as copper, iron ore and manganese ore whose prices continued to increase throughout 1952.

The increase in prices during the boom period stimulated production of both agricultural and mineral raw materials. Regional output of jute in 1951/52 was about 70 per cent, of rubber 26 per cent and of cotton about 40 per cent higher than in 1949/50. Output of minerals also reached levels 50 to 100 per cent above 1949, though in tin the expansion was much smaller (+10% at the peak). The most significant increases took place in the production of lead and zinc ore, and in refined sulphur in Japan. The increase in production of agricultural raw materials was made possible by a more intensive use of agricultural resources and to a limited extent by the diversion of resources from the production of foodstuffs. The expansion in mineral production was a continuation, in many countries, of the postwar recovery.

In spite of the collapse of the Korean war boom, prices of most raw material, towards the end of 1952 were still above the 1949 level, one of the exceptions is jute. Output of a number of primary materials has begun to decline in 1952 but in all cases it was still very much above the 1949 level.

AGRICULTURAL RAW MATERIALS

Cotton

Postwar cotton production in the region, though still below pre-war level, had improved. During

1951/52 production rose further to 1.6 million tons, with significant increases in mainland China, India and Pakistan where high prices at the planting season gave a stimulus.

World cotton production for 1951/52, estimated at 35.4 million bales, was the largest in postwar years and the second largest on record. The increase in supply together with the subsiding of speculative demands, brought about a rapid decline in prices during 1951, and this was aggravated by a contraction in 1951/52 of textile operations and cotton consumption, and by the accumulation of textile and apparel stocks at all levels from manufacturer to consumer. While traders reduced their orders, manufacturers reduced their commitments for cotton and the decline in cotton prices induced further caution with respect to new orders.

It is not clear whether the recession will have any great effect in India. Government controls have held down the price of Indian cotton (as well as prices of the end-products) so that the industry enjoys a strong competitive position in export markets, although the fall in textile prices in other countries has reduced its competitive advantage. In Japan, a large unsatisfied domestic market for textiles (rationing was abolished in Japan only in 1951) and substantial military orders offset the fall in exports.

As a result of the textile recession and the general uncertainty in the cotton market during 1951/52, trade in cotton (lint) of countries in the region decreased sharply during the second half of 1951 and in 1952. Exports of cotton from India and Pakistan fell substantially in the first half of 1952. During the first quarter of 1952 the cotton trade in Pakistan came practically to a standstill. Exports revived only when the Cotton Board revised its support policy and agreed to sell cotton at 10 per cent below the official minimum price. In the second half of 1952, the price support scheme was abolished.

World cotton supply and consumption in the last three seasons, as recorded by the International Cotton Advisory Committee, are shown in Table 2-1. The 1952/53 season opened with a carry-over of 13.7 million

TABLE 2-1
RAW COTTON WORLD SUPPLY AND CONSUMPTION

Million bales^a

Items	1949/50	1950/51	1951/52
Opening stocks	15.2	16.9	11.5
Production	31.2	27.9	35.4
Total supply	46.4	44.8	46.9
Consumption	29.5	33.3	32.2 ^p
Closing stocks	16.9	11.5	13.7 ^p

Source: FAO
^a One bale=478 lb net
^p Provisional

TABLE 2-2
RAW JUTE PRODUCTION AND DISTRIBUTION

Thousand tons

	1934/35- 1938/39 (Average)	1949/50	1950/51	1951/52
Production				
Pakistan	1 860	613	1 105	1,165
India		568	597	849
Total		1 181	1 712	2 026
Exports				
From Pakistan	760	305	471	309
To India				
Overseas		317	773	589
From India	760	109	—	—
Total overseas		426	773	589
Consumption				
India	1 178	905	966	1 045

Source: FAO

bales. Given a repetition of the 1951/52 volume of world production, total supply in 1952/53 would be about 48 million bales—a record postwar supply. It appears however that production is unlikely to be as large as in 1951/52, as price is less favourable to cotton planting.

Jute

Throughout the postwar era, jute and jute products have been in short supply, particularly in the first half of 1951 when prices reached a level 12 or 15 times the prewar. With the harvesting of much larger crops in 1951/52 supplies became plentiful while demand decreased, prices in consequence dropped.

Both Pakistan and India expanded their jute acreage by 35.40 per cent in 1951/52, resulting in a crop of over 11 million bales. This was the first time

since 1940 that production had exceeded the pre-war level. Yields in Pakistan were about average. In India yields, although slightly higher than last year, were still markedly lower than in earlier postwar years, owing to the extension of acreage outside West Bengal into areas less suited to, or less experienced in, jute cultivation.

With more raw jute, mills in Calcutta extended their operations in December 1951. On account of weak United States demand, hessian manufacture was relatively unprofitable and one eighth of the Hessian looms remained sealed. As larger output of sacking could not be absorbed, the Calcutta mills reverted to the 42½ hour week at the end of March.

To encourage exports, the Indian Government halved the export duty on hessian in February 1952 and

subsequently abolished quotas on exports of gunnies to soft currency markets. Even so the Calcutta industry was being undersold by European mills which increased their exports significantly to the United Kingdom, the United States and other markets. In the United Kingdom, notable improvements have taken place in the productivity of the Dundee industry and more ample supply of raw jute has made possible the abandonment of rationing. To strengthen the competitive position of India's jute mills, the export duty on both hessian and sacking was further reduced in May 1952.

Because of the large domestic crop and reduced demand for jute products, Calcutta mills have not been taking up their full quota (2.5 million bales for the season) of Pakistan jute. Shipments from Pakistan overseas, which in 1950/51 regained the pre-war level of exports from the Indo-Pakistan sub-continent, were also smaller in 1951/52.

With falling exports, prices in Pakistan receded sharply in the early months of 1952. In March, the Government announced a new schedule of minimum prices for loose jute, at which the Jute Board expressed its willingness to buy. As prices showed signs of falling further, especially in the Calcutta market, the Pakistan minimum price was reduced by about 26 per cent at the end of June 1952.

Pakistan had 97 per cent of the licensed area planted in 1951/52, but at the time of planting in 1952/53 jute prices were less favourable than rice prices and plantings were reported to be no higher than in the previous season. In addition, the Government announced in 1952 its intention to reduce substantially the area under jute. In India, the area planted in 1952/53 is expected to be less than in 1951/52. But

given favourable weather conditions production should be adequate to meet the requirements of jute factories and a recurrence of the very high prices of raw jute, which had prevailed in previous years, seems unlikely. Such high prices had greatly encouraged the displacement of jute at both the raw material and manufactured goods stages. Illustrative of this was the increasing use of paper as a packing material in the United States. With the fall in prices of raw jute in 1952 to levels below those prevailing in 1949, jute is likely to replace substitutes and the consumption of jute is likely to increase.

Silk

Silk production in Japan continued to increase during 1951/52 to 11,400 ton (machine reeled) which was 15 per cent greater than in the preceding season though only a third of pre-war production. In spite of the increase in recent production, Japan's export of silk, after an increase in 1950 declined in 1951 and 1952, owing partly to the increase in domestic consumption.

Rubber

The International Rubber Study Group gives the following estimate of the prospective supply of, and demand for, rubber in 1952 (see table 2-3).

The price of rubber, like that of many other raw materials, fluctuated violently during and after the Korean war boom. After reaching a peak in the first quarter of 1951, it continued to decline during the first half of 1952 (see appendix table 1-1). Mainly as a result of this price fall a drop of some 140,000 tons (7 per cent) is expected in natural rubber production in 1952, the loss of output is almost entirely on account of small holders.

TABLE 2-3
RUBBER UNITED STATES AND WORLD PRODUCTION AND CONSUMPTION

Thousand tons

	1951		1952 ^a	
	U.S.	World	U.S.	World
Production				
Natural	—	1,905	—	1,765
Synthetic	859	923	820	902
Total	859	2,828	820	2,667
Consumption				
Natural	461	1,524	448	1,466
Synthetic	771	828	815	893
Total	1,232	2,350	1,263	2,359

Source: International Rubber Study Group
a Annual rate based on Jan-Oct

As for synthetic rubber, the United States Reconstruction Finance Corporation has been directed to produce GR-S rubber at an annual rate of not less than 600,000 tons until, in addition to satisfying all other requirements, a Government stock of at least 75,000 tons has been accumulated. When this point is reached, production of GR-S rubber may be allowed to fall, but to not less than 450,000 tons annually, and only with a corresponding increase of GR-S stocks up to at least 122,000 tons. Limited exports of synthetic rubber from the United States are now taking place.

Total world consumption is expected to be about the same in 1952 as in 1951. The removal of restrictions on the use of rubber in the United States is not expected to have any appreciable effect on the relatively low level of natural rubber consumption there, in view of the price advantage enjoyed by synthetic rubber early in 1952. However, the sharp fall in natural rubber prices has narrowed the margin and recent statistics of rubber consumption in the United States during the month of August to November show that American manufacturers are now using a greater proportion of natural rubber as compared with the synthetic product than earlier in the year¹. The extent to which competition between the two products can take place is limited by the requirement that at least 510,000 tons of synthetic rubber (450,000 GR-S and 60,000 butyl) must be consumed. This amounts to about 22 per cent of total world consumption of both natural and synthetic rubber.

The excess of production over consumption, estimated at 308,000 tons in 1952, is considerably smaller than in the previous year. For natural rubber, it is 300,000 tons in 1952 as against 380,000 tons in 1951. The United States stockpiling programme is nearing completion, however, and purchasing is on a decreasing scale, while lower grade rubber is gradually being rotated out of the stockpile. The outlook for rubber, therefore, remains uncertain.

In view of the uncertainties in the rubber situation, the International Rubber Study Group resolved to establish a Working Party "to consider whether measures designed to prevent burdensome surpluses or serious shortages of rubber are necessary and practicable, to prepare drafts of any agreements required to implement such measures, and to report back to the Study Group as soon as possible."

Tobacco

Production of tobacco in the Far East declined in 1951/52, as a result of a decrease in area under cultivation (see table 2-4). Generally speaking, yields in 1951/52 were not very different from previous years, although they continued to be below pre-war levels. During the current year significant increases in production took place in China (Taiwan), Indochina and the Philippines and, to a lesser extent, in Ceylon and Thailand. In India production continued to decline, mainly because of the decrease in the area under the crop. Countries with larger outputs tended to increase their exports in 1951/52.

TABLE 2-4
TOBACCO PRODUCTION AND AREA

Thousand tons and thousand hectares

	1934/38 (Average)	1949/50	1950/51	1951/52
Total ECAFE Region				
Production	1,459	1 173	1,183	1 165
Area	1,478	1 287	1,286	1 269
CEYLON				
Production	1 0	2 6 ^a	3 4 ^a	3 6 ^a
Area		4 0 ^a	4 0 ^a	5 0 ^a
CHINA (Taiwan)				
Production	2 3	9 6	6 3	10 6
Area	1 0	10 0	5 0	8 0
INDIA				
Production	344 4	268 0	255 0	217 0
Area	364 0	348 0	340 0	286 0
INDOCHINA				
Production	13 0	6 8	7 7	12 4
Area	15 0	11 0	12 0	17 0
PHILIPPINES				
Production	34 7	24 1	29 9	32 5 ^a
Area	67 0	40 0	41 0	56 0 ^a
THAILAND				
Production	9 1	16 4	21 3	22 4
Area	10 0	26 0	30 0	33 0

Source: FAO
a. Unofficial

¹ cf. *London Economist*, 18 Dec 1952

TABLE 2-5
IRON ORE PRODUCTION
(Monthly averages or calendar months)

Thousand tons of iron content

	1949	1950	1951		1952			
			Jan-Jun	Jul-Dec	Jan-Jun	Jul	Aug	Sep
Hong Kong	25	70	63	73	62	74	60	62
India	152	161	199					
Japan	32.4	36.7		44.6	39.2	55.8	50.6	50.0
Malaya	0.5	27.0		41.6	41.4	73.0	78.1	79.8
Philippines	17.1	26.8		48.7	61.8	55.6	51.0	52.2

MINERAL RAW MATERIALS

Iron Ore and Ferro-alloys

Iron ore

Prices of iron ore¹ increased during 1950-52, mainly owing to the increase in prices of iron and steel products in world markets. The rate of increase in prices for iron ore, however, was not as rapid as that for other metallic minerals, especially tin. The increase in prices brought about an increase in output in the Philippines, Malaya, Japan and Hong Kong (see table 2-5). Statistics of India's 1952 production are not available, but judging from the increase in output in 1951 and from the increase in iron ore exports in 1952, production seems to have advanced.

The increase in demand for iron ore came mainly from Japan where rapid progress was recorded in the iron and steel industry. The production of pig iron and steel ingots in 1951 registered an increase of approximately 100 per cent over 1949, and this expansion continued till the middle of 1952 (May).

Japan's increased demand for iron ore was partly met by an increase in domestic iron ore production although the main supply came from imports which in 1951 were more than double the level in 1950, imports continued at high levels in 1952². They came mainly from Hong Kong, the Philippines, India, Malaya, the United States and Canada. India's position as a supplier of iron ore will be further improved as new iron ore deposits to the extent of 930 million tons have been located in the Madras and Madhya Pradesh states, thus bringing the total reserves of iron ore to 10,000 million tons.

Tungsten

A fairly rapid increase in world production of tungsten was recorded in 1951 and in 1952, but the shortage of tungsten increased as demand expanded more rapidly. In the region, especially in Burma and Korea, the improvement in output was slow. In China mainland, output is reported to have reached in 1950 76 per cent of the "pre-liberation" peak and in 1951 80 per cent.

Although tungsten was in short supply, prices did not increase as rapidly as for certain other minerals owing to allocations by the "Tungsten Molybdenum Committee"³ of the International Materials Conference. Furthermore, in the committee's recommendation for allocation for the third quarter of 1951, an arrangement was introduced whereby the spot purchase price of tungsten was not to be less than \$55 and not higher than \$65 f.o.b. per short ton. Although one participating country was unable to agree to this proposal and although this price arrangement was not continued, there has, in practice, been a considerable degree of stability of tungsten prices in the first half of 1952 owing to the general adoption of long-term contracts at prices ranging between \$60 and \$65.

Manganese

With the increase in prices,⁴ manganese ore output in India expanded from 900,000 tons in 1950 to 1.3 million tons in 1951. Judging from the further increase in exports of manganese ore from India, it seems likely that production has been rising during 1952. Exports from India continued to be directed mainly to the United States but also to the United Kingdom, west

¹ As indicated by the unit value of exports of iron ore from India, which increased from Rs 26.8 per ton in 1950 to Rs 32.2 per ton in 1951 and still further to Rs 39.2 per ton in the first four months of 1952.

² Monthly average of iron ore imports into Japan increased from 122,000 tons in 1950 to 288,000 tons in 1951 and during the first half of 1952 reached 380,000 tons.

³ This committee, first convened on 8 March 1951, has a membership consisting of Australia, Bolivia, Brazil, Chile, France, Germany, Portugal, Spain, Sweden, the United Kingdom and the United States.

⁴ As indicated by the unit value of exports of manganese ore from India which increased from Rs 96 per ton in 1950 to Rs 115 per ton in 1951 and still further to Rs 166 per ton in 1952.

Germany and Japan. Larger supplies from India and higher output elsewhere have helped to ease the world shortage of manganese in 1952.

India's position as a major supplier of manganese ore will be improved as a result of field work undertaken by the Geological Survey in Orissa which is expected to yield over a million tons of manganese deposits.

In the Philippines manganese production decreased continually from 32,739 tons in 1948/49 to 18,950 tons in 1951/52, owing to lack of suitable ore.

Non-Ferrous Metals

Tin

In 1948, world tin production exceeded consumption and the gap widened in 1949 (see appendix table 2-1). The outbreak of the Korean war increased both stockpiling demands and commercial consumption of tin so that in 1950 the excess supply was reduced compared with 1949, commercial stocks of tin also declined¹. The price of tin rose rapidly, reaching its

peak in February 1951 when the price was about twice that in the first half of 1950 and almost two and a half times the average of 1949. Under the stimulus of higher price increases the region's production of both tin-in-concentrates and tin metal increased during the second half of 1950 (see tables 2-6 and 2-7). The expansion result from the working of lower grade ground and marginal mines, rather than from new investment for the development of hitherto untapped resources, as the Korean war boom was too short a duration to serve as a stimulus for increased prospecting and investment.

In order to stabilize prices, two international conferences were held in 1950 and in 1951 but no agreement was reached between the producer and consumer countries².

¹ World commercial stocks of tin had declined from 173 600 tons at the end of 1946 to 133 000 tons in 1949 and were reduced further to 120 000 tons at the end of 1950.

² The first was the United Nations conference held at Geneva in Oct-Nov 1950. In Jan 1951 the governments of France, the United Kingdom and the United States proposed the creation of international commodity committees and in March a conference was held between the United States and some of the most important tin producing and consuming countries.

TABLE 2-6
TIN-IN-CONCENTRATES PRODUCTION
(Monthly averages or calendar months)

	1950		1951		1952			
	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Jun	Jul	Aug	Sep
Burma	129	129	138	138	80 ^e	80 ^e	80 ^e	80 ^e
China ^a	340	340	400	400	400	400	400	400
Indonesia	2,661	2,774	2,591	2,658	2,691	3,448	3,474	3,009
Japan	24	31	35	38	49	56	50 ^e	50 ^e
Laos and Viet Nam ^a	5	5	8	8	8	8	8	8
Malaya	4,902	4,841	4,744	4,937	4,775	4,925	4,831	4,564
Thailand	788	967	791	818	743	776	783	819
Total	9 849	9 087	8 707	8,995	8,746	9,696	9,623	8,930

Source: International Tin Study Group
e Estimated

TABLE 2-7
TIN METAL PRODUCTION
(Monthly averages or calendar months)

	1950		1951		1952			
	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Jun	Jul	Aug	Sep
China ^a	340	340	400	400	400	400	400	400
Japan	29	37	45	52	51	55	50 ^e	50 ^e
Malaya	5,715	5,926	5,555	5,607	5,108	5,491	5,796	6,183
Total	6 084	6 303	6,000	6,059	5,559	5,946	6,246	6,633

Source: International Tin Study Group
e Estimated

TABLE 2-8
INDICES OF METAL PRICES IN LONDON
(1949=100)

	1950		1951		1952		
	Jan Jun	Jul Dec	Jan Jun	Jul Dec	Jan Mar	Apr Jun	Jul-Sep
Aluminium	115.9	124.1	130.6	130.6	156.0	162.2	162.2
Copper ^a	120.5	147.6	158.1	172.3	170.2	180.0	214.0
Lead	90.5	117.4	144.6	172.9	166.6	140.4	128.5
Nickel	132.5	155.3	168.3	180.9	181.0	181.0	181.0
Tin	100.9	150.9	206.6	157.1	164.6	163.2	161.9
Zinc	109.3	160.4	175.9	211.4	214.9	192.0	141.8

Source: International Tin Study Group
^a Electro copper

Towards the end of the first quarter of 1951, however, the monopolization of U.S. imports by the government through the Reconstruction Finance Corporation, the decrease in stockpiling demand and also in commercial consumption of tin in the United States¹ caused tin prices to fall rapidly from February to August 1951.

In 1952, tin prices were levelling off at higher levels than those at which they had stood before the Korean war. A measure of price support and price stability was secured by the two long-term tin agreements which the United States concluded with Indonesia on the one hand and with the United Kingdom and Malaya on the other. In these agreements prices had been fixed at an equivalent of £965 per ton in London.²

Regional tin output, which contracted when prices fell during 1951, was stimulated again by the firmer price tendency and the greater stability secured by these agreements.

Copper, lead and zinc

These metals were in short supply in 1950 and 1951, and copper and zinc have been subject to allocations by the Copper-Zinc-Lead Committee of the International Materials Conference since 1951. During these two years the prices of all these metals rose rapidly (see table 2-8), but in early 1952 prices first for lead and later for zinc fell as more supplies became available. Copper has continued to be in short supply, with further price increases during 1952 (9 months).

When the supply position of zinc eased, international zinc allocations for the second quarter were suspended by the International Materials Conference in the last week of May and no further allocations were made for the third quarter. With the improvement in lead supplies, trading in lead on the London Metal Exchange was permitted in October 1952 after a suspension of 13 years. In the free transactions, prices slumped to £111 per ton as against the control rate of £131 at which the metal was pegged prior to decontrol. Free dealings in zinc will be resumed in London at the beginning of January 1953.

Under the stimulus of price increases, production of copper, lead and zinc within the region increased in 1951 and in 1952 (see table 2-9), as prices were still above pre-Korean-war levels. In Japan internal prices of these metals were above those prevailing in the world market. For copper, this has meant that although the International Materials Conference fixed Japan's export quota for the third and fourth quarters of 1952 at 4,100 and 3,400 tons respectively, not a single ton had been exported by November—in view of the high prices offered by Japanese smelters. In the case of lead and zinc, even though Japan's prices were reduced, as a result of the turn in market conditions, the internal price level, which was still above the world level, made exports difficult.

Although India is a producer of these metals it relies on substantial imports for its requirements. The International Materials Conference allocated to India 3,550 tons of copper and 6,500 tons of zinc³ for the second quarter of 1952. India, which at present produces only refined copper, will begin producing electrolytic copper in conjunction with the production of silver some time in 1954.

¹ The decline was mainly due to various governmental restrictions first issued in Dec 1950 and further tightened in 1951. See International Tin Study Group, *Tin, 1950-51: A Review of the World Tin Industry*, pp. 64-65.

² See Chapter 4 "Further decline of export earnings", p. 30, for details.

³ India imported 32,900 tons of copper metal and 26,200 tons of zinc metal in 1950.

TABLE 2-9
COPPER, LEAD AND ZINC PRODUCTION

(Monthly averages or calendar months)

Tons

	1950	1951		1952		
	Jan-Dec	Jan-Jun	Jul-Dec	Jan-Jun	Jul	Aug
Metallic ores (metal content)						
Copper						
Japan	3 286	3,403	3 724	4 172	4 601	4,572
Philippines	865	996	1,122	1 118	1 118	1,115
Lead						
Japan	908	1 104	1,041	1,369	1,590	1,468
Philippines	73	41	54	103	340	216
Zinc						
Japan	4,336	5,279	5 458	6,772	7,883	7,343
Smelter production^a						
Copper						
India	560	572	627	546	498	469
Japan	3 098	3,349	3,792	4 067	4,128	3 930
Lead						
India	53	74	71	96	61	91
Japan	832	900	890	1 187	1 410	1,260
Zinc						
Japan	4,084	4,644	4,747	5,863	5,945	5,901

^a From both domestic and imported ores and concentrates

Non-Metallics Other Than Fuel

Sulphur

The world shortage of sulphur continued in 1951 and in the first half of 1952. In the second half of 1952 the shortage was less serious and the Sulphur Committee of the International Materials Conference allocated 3.3 million tons of sulphur which was about 251,000 tons more than was available in the first half of 1952. For the first time also, the new allocations allowed a few countries enough sulphur to build up their depleted stocks. In the opinion of the conference, as the result of its sulphur allocations since July 1951 "consumption has been virtually brought into line with production and the severe drain on stocks halted."

Within the region Japan is the only significant producer of sulphur, while both India and Japan are

important consumers. Japanese production of refined sulphur and gypsum increased rapidly in 1951 and reached a peak towards the end of the year. In 1952, the rate of increase declined and sulphur production practically levelled out during the first eight months of the year. India, which relies on imports for its supply of sulphur, was able to obtain its minimum requirements for essential industries after having joined the Sulphur Committee of the International Materials Conference. India was allocated 30,000 tons for the period July-December 1952. This was expected to help the Indian sulphuric acid industry which had suffered from inadequate supplies of sulphur in the last few years causing its output to be much below capacity.¹

¹ Although the installed capacity is 16 000 tons per month during the first half of 1952 actual monthly production ranged between 6 000 and 9 500 tons. See Government of India, Ministry of Commerce, *Monthly Statistics of the Production of Selected Industries of India*.

Chapter 3

INDUSTRIAL PRODUCTION

GENERAL

Industrial production in the region is concentrated in Japan, India and China. Large additions to industrial output are reported from mainland China. In Japan and India, however, there have been some signs of a slowing down of industrial activity. The increase in output observed in both countries in the preceding year continued in 1952, but at a diminishing pace, and by the spring or early summer the rising curve of production had levelled off to a more or less horizontal course. As far as the other countries of the region are concerned, there are no indications that the recent recessive tendencies in international trade have interrupted the policies of establishing industries or of developing transport and power facilities as a basis of industrial growth. Thus taking the region as a whole, the general picture in 1952 has been one of continuing, though uneven, advance.

China In the mainland very large and continued increases are reported, over the whole field of production. The information is however not presented in the conventional statistical form. It consists throughout of statements of percentage or proportional increases against base figures for the year of "liberation" (1949). Thus, official figures show a rapid increase in basic industries during the period 1949 to 1952, e.g. power from 72 to 115, and coal from 45 to 90, pig iron from 11 to 104, steel ingots from 16 to 155, rolled steel from 18 to 167. Increases in consumer goods industries during the same period are also stated to have been notable, for example, cotton yarn from 72 to 144, cotton cloth from 73 to 161, cigarettes from 83 to 145 and wheat flour from 78 to 106. The year 1949, the year of "liberation," marked however a very low level of economic activity in mainland China (see appendix table 3-1).

Increases in industrial production are especially marked in the Northeast, the heart of industrial China, where state enterprises now predominate. In other parts

of China state enterprises have extended in scope, although private enterprises under government control are still functioning. Such control takes the form of allocation of raw materials and of transport facilities as well as production for government orders.

The rapid increase in production as represented by the official figures may be accounted for by a number of factors of which the most important are the restoration of internal peace and order, the rehabilitation of transport especially railways, and the application of competitive methods as a spur to both workers and firms.

Industrial production in Taiwan also increased in 1952 compared with 1951 for many products, especially coal, power, fertilizers, cement and salt, the output of sugar, however, declined. (See appendix table 3-2).

Japan Japan's industrial expansion in the years up to 1951 was mainly supported by the increase in private investment and in exports, while consumption was lagging behind. In the course of 1951 these expansionary forces weakened. Exports ceased to make further advance, and after a period of uncertainty declined sharply in the second and third quarters of 1952. Investment activity also decelerated after the late autumn of 1951 (except in power development and shipbuilding)¹ and output of investment industries began to contract, partly on account of declining exports. On the other hand, there has been some increase in public or semi-public investment and in government expenditure on "national security," as well as an increase in personal consumption. As a result of these conflicting tendencies, some industries show more or less pronounced output losses, while others, particularly consumer industries serving the home market, have continued to gain ground. The net effect on total industrial production has been a slackening in the rate of growth, between, roughly, mid-1951 and mid-1952.

¹ For evidence see *Economic Survey of Japan 1951-52*, by the Economic Stabilization Board, Japanese Government, July 1952.

TABLE 3-1
JAPAN INDICES OF INDUSTRIAL PRODUCTION
(1934-36=100)

	Total Industrial production	Manufactures		
		Total	Investment goods	Consumer goods
1950	93 8	93 2	117 2	66 5
1951 Jan-Mar	114 3	115 2	151 0	84 4
Apr-Jun	130 2	131 5	175 4	90 7
Jul-Sep	129 8	130 9	174 3	90 8
Oct-Dec	131 8	132 3	173 8	96 0
1952 Jan-Mar	129 4	129 0	157 8	100 6
Apr-Jun	135 6	136 4	167 0	104 9
Jul-Sep	139 1	140 2	173 3	110 7

Source Japan Economic Council Board

India The year 1951 and the early part of 1952 saw a relatively large expansion of industrial production in India, with basic materials, engineering and chemical industries in the forefront. Better raw material supplies, capacity extensions and permitted increases in various controlled prices stimulated production which reached a peak level in April 1952. Since then there has been a slightly recessionary tendency, extending not only to

export industries (particularly jute manufacturing) but to a fairly wide range of producer and consumer industries serving the home market. This slackening is probably attributable to more cautious buying both on the part of firms and of consumers who have taken a 'wait and see' attitude after the severe break in Indian commodity markets in February and March.

TABLE 3-2
INDIA INDICES OF INDUSTRIAL PRODUCTION
(1946=100)

	Cotton cloth	Jute	Steel	General engineer- ing and electric engineering	General index
1950	93 8	76 8	111 2	203 5	105 2
1951 Jan-Mar	101 0	75 2	114 7	262 3	113 6
Apr-June	106 2	82 3	115 0	258 5	117 3
Jul-Sep	106 5	77 8	115 8	284 9	117 8
Oct-Dec	103 3	85 8	117 6	256 2	120 5
1952 Jan-Mar	106 2	95 5	124 6	278 4	126 3
Apr-June	116 5	87 8	117 1	210 7	126 7
July	128 1	90 9	117 6	217 8	128 8
August	125 4	80 6	117 6	221 3	124 7

Source India Ministry of Industry and Supply

FUEL AND POWER

The region's share in world coal production shows a heartening increase from 5.9 per cent during the first half of 1951 to 6.9 per cent during the first half of 1952, and indicates that the rate of increase in production within the region exceeds that in the rest of the world by a significant margin.

The contribution of the region to world production of petroleum is still low but it is rising, and there are

indications that in the course of the next few years the rate of increase will be accelerated.

The fall in the region's share of electricity production from the second half of 1951 is partly due to the effects of abnormal weather conditions on the output of hydroelectric power, principally in Japan (which has three-quarters of the electric power capacity of the region) and secondly in India, but it is also a fact that the rate of electric power development outside the region is higher than within the region.

TABLE 3-3
PRODUCTION OF FUEL AND POWER IN ECAFE REGION EXPRESSED
AS A PERCENTAGE OF WORLD PRODUCTION^a

	1950	1951		1952
		Jan-Jun	Jul-Dec	Jan-Jun
Coal	5.77	5.89	6.15	6.87
Petroleum, crude	2.28	2.34	2.41	2.43
Electricity	6.27	6.30	5.90	6.18

^a World total excluding USSR production. Countries covered are —
For coal: China (Taiwan), India, Indonesia, Japan, Korea (south), Malaya, Pakistan and Viet-Nam.
For petroleum: Brunei, Burma, Indonesia, Japan, Pakistan and Sarawak.

For electricity: Burma, Cambodia, Ceylon, China (Taiwan), Hong Kong, India, Japan, Korea (south), Malaya, Pakistan, Philippines, Thailand and Viet-Nam.

Coal

As shown in Table 3-4, coal production in the region (excluding mainland China) in the first half of 1952 was about 15 per cent higher than in the corresponding period of 1951, owing to increased output

of Japan and India, though the recovery of minor producers, such as Viet-Nam and Korea (south), was a marked feature. Production in July and August was about 10 per cent below that for the first half of 1952, and may indicate a reversal of the trend.

TABLE 3-4
COAL PRODUCTION

(Monthly averages or calendar months)

Thousand tons

	1950	1951		1952		
		Jan-Jun	Jul-Dec	Jan-Jun	Jul	Aug
China (Taiwan)	117	130	147	173	193	190 ^c
India	2,735	2,922	2,888	3,164	2,906	2,878
Indonesia	67	74	71	78	86	85
Japan	3,205	3,414	3,805	4,122	3,822	3,538
Korea (south)	47	1	18	38	46	43
Malaya	35	32	33	26	34	29
Pakistan	37	45	41	54	42	42
Viet-Nam	42	49	56	67	62	53
Total	6,286	6,666	7,058	7,721	7,191	6,858

^c Estimated

The year began in *Japan* with market and colliery stocks reduced to about 1 million tons, a quarter of the available market stocks at the beginning of the Korean war. In the meantime, monthly production had risen to a postwar peak of 4.3 million tons on the average of the first quarter of 1952. The effects of the rationalisation in the preceding period continued to be felt, output per worker was still rising, though it had not yet reached pre-war levels. Meanwhile, industrial demand declined and market and colliery stocks increased rapidly (by some 35 per cent in the first quarter of 1952). The decline in demand and increase in stocks continued and were intensified in the second quarter; though the production of coal fell to an average of slightly less than 4 million tons per month for the second quarter, and to 3.5 million in August. Market stocks were over 2.2 million tons in June, and were estimated to have risen to over 2.5 million tons by August.

Government policy since 1951 has been to encourage the substitution of heavy fuel oil for coal. The present decline in the demand in *Japan* relates principally to the home-produced low-grade coals. High grade coals must still be imported, but these foreign coals which have been chiefly relied on during the recent period to replace coals from mainland *China* have recently been considerably reduced in price.

The course of the development was broadly the same in *India*. The production of coal in the first quarter of 1952 (with a monthly average of 3.2 million tons) was considerably above the rate of production in 1951 (monthly average just under 3 million tons). This high rate of production was maintained in April and May, but declined in June, July and August.

Distribution continues to present serious problems. A recurrent theme of comment in *India* has been the extent of the dependence of industries on coal supplies, and the dependence of coal supplies on improvement in transport. The improvements of recent years in the provision and handling of railway waggons do not seem to be sufficient, the continued accumulation of pithead stocks is partly attributable to this cause. In claims for transport priority, coal competes sharply with other commodities, especially food grains. It is estimated that proper provision for the carrying of coal would mean devoting to that purpose one fifth of all the waggons available on first class railways.

In *China* mainland, great increases in the output of coal are reported, these being attributed largely to

the enthusiasm of the workers, and also to the introduction of Soviet methods of work-planning.

In *Taiwan*, coal mining has been given special attention by the Government and the foreign assistance agencies, since lack of coal, high cost of production and high market price have been serious weaknesses in the island's economy. Production has recently increased, but costs have also increased, and the price of coal has recently risen more than other prices.

The output in *Viet-Nam* for the first quarter of 1952, with a monthly average of 67,000 tons, was much above the corresponding quarter of 1951 (monthly average 48,000). The output reached 89,000 tons in March 1952, a postwar record, but still much below pre-war levels (monthly average was 195,000 tons in 1938). Exports were increased in the first half of 1952. In the second quarter, the monthly production figures fell off from the high level of March (April 78,000 tons, May 68,000 tons), but the period as a whole shows a marked improvement.

The Government of *Pakistan* has stressed the need for mine-owners in *Baluchistan* to develop and modernise their operations. Though production of coal increased very considerably in the first half of 1952, official statements have suggested that the prospects of oil development in *Pakistan* are relatively favourable, and that oil fuel would be substituted for coal as far as possible. Meanwhile, the expert surveys recently concluded have established the existence of considerable lignite deposits in both East and West *Pakistan*.

In *Thailand* also, it is planned to develop the use of lignite fuel, in which a beginning has been made.

In *Burma*, preliminary work continued in the *Kalewa* area, where it is intended to exploit the newly-discovered deposits of low-grade coal.

The advance of production in *Brunei* continues to be striking. It is reported that during the first two months of 1952 a record output of 14,000 tons a day was reached in the *Seria* field. A new agreement was signed in June between the operators and the Government of *Sarawak*, clarifying the tax and royalty obligations of the company.

In *Indonesia*, the 1951 level of output was slightly exceeded during the first half of 1952. The output in July and August was maintained at a high level and reached 728,000 and 708,600 tons respectively.

Petroleum

The production of petroleum in the region is stated in Table 3-5

TABLE 3-5
CRUDE PETROLEUM PRODUCTION
(Monthly averages or calendar months)

Thousand tons

	1950	1951		1952		
		Jan-Jun	Jul-Dec	Jan-Jun	Jul	Aug
Brunel	343	408	420 ^e	429 ^e		
Burma	6	8	9	8		
Indonesia	534	594	646	653	728	709
Japan	25	29	28	26	27	26
Pakistan	14	13	13	14	14	15
Sarawak	5	4	4	4		
Total	927	1,056	1,119	1,134		

^e Estimated

There was slow progress towards formal agreements between the Government and foreign interests on the question of the latter's status, but both parties collaborated effectively in practical matters, especially in the development of new production

The opening, in July, of the third distillation unit of the refinery at Balikpapan completed the rehabilitation of that installation. Refinery output at Balikpapan was about 6,000 tons a day in the middle of 1952, but was expected to rise to nearly 7,000 tons a day. The present crude oil production of the district (about 70,000 tons per month, or half the prewar) is insufficient to occupy this refinery fully, the possibility is envisaged that it may serve a much wider district, since fields in the Balikpapan area are to some extent "drying out"

Rehabilitation at Tarakan, where wartime destruction was very great, had also been nearly completed, by June 1952, 463 wells were in production, compared to 475 in 1942, some 300 of which were totally destroyed during the war.

Production in the Minas field (Central Sumatra) began in April. Plans were made in the middle of the year for the rehabilitation of the North Sumatra fields. The erection of a large drum factory at Tjilatjap was planned, and machinery for this was received in April.

In Japan, production of crude petroleum continues evenly at a rate somewhat below prewar, though

consumption is now considerably above prewar. The refinery capacity has however been increased, and is expected to cover 20 per cent of the country's requirements of finished petroleum products in 1952. The supply position eased considerably in the early part of 1952, by which time "black-market" prices were hardly above official rates.

In the region generally, present plans mean that an increasing proportion of requirements will be refined locally in future years. The Philippines, which produce no petroleum, may become another centre of this activity for South Asia. The construction of a refinery was planned to begin in September 1952 to be completed in two years, at an outlay of \$20 million. Plans for refineries in Bombay and Chittagong have also been discussed.

In Pakistan, experimental drillings are continuing in both the Eastern and the Western parts of the country.

Electric Power

Production of electricity increased throughout the region in the first half of 1952 (Table 3-6). After the passing of the abnormal droughts which affected both Japan and India in the preceding months, and with the completion of new productive capacity, the supply of electricity increased in the early part of 1952.

TABLE 3-6
ELECTRICITY PRODUCTION
(Monthly averages or calendar months)

Million KWH

	1950	1 9 5 1		1 9 5 2		
		Jan Jun	Jul Dec	Jan Jun	Jul	Aug
Burma	3	3	3 ^p			
Cambodia	1	1	1	1	2	
Ceylon	7	9	9	9 ^a		
China (Taiwan)	86	104	110	108	119	
Hong Kong	24	28	31	32	34	34
India	425	477	502	494	534	532
Japan	3 236	3 555	3,297	3,614	3,874	3,681
Korea, south	34	16	36	47	55	53
Malaya	56	64	68	79	81	81
Pakistan	15	17	20	22		
Philippines ^b	38	40	43	44	48	48
Thailand ^c	4	5	5	5	5	
Viet Nam	14	16 ^p	18 ^p	19	19	20
Total	3 944	4 334	4,143	4,479		

Source

- a Jan-Apr
b Manila only

- c Electricity generated by Bangkok Electric Works only
p Preliminary figure

In *Japan*, the production in the second half of 1951 was severely affected by unusual weather conditions, but recovery was rapid after the New Year. Government plans for hydroelectric development are on a very large scale. In June a law "for the acceleration of electric power resources development" was passed. Under this law, the Electric Power Resources Development Company was established on 16 September, to develop electric power in areas where private companies are inadequate. Over one half of the authorized capital of 100 billion yen is expected to be government-subscribed.

In *India*, similarly, cuts imposed by the irregularity of the monsoon weather were discontinued, and new capacity came into operation, so that the first half of 1952 showed more electricity generated than in the corresponding period of 1951. The increased availability of electricity for rural use is a recent feature in India. The growth of tube-well irrigation in the United Province is sustained by power drawn from the Ganga canal stations. Other states in India have also tube-well programmes. The first of the new electricity generating stations under the plan, at Bokaro, will come into operation in 1953.

Generating capacity in *Pakistan* now totals nearly 100,000 KW, or about double the capacity at the time of the Partition, but is well below industrial needs.

The development programme includes large hydroelectric projects.

Production in mainland *China* is reported to have increased from 72 per cent of the "pre-liberation peak" in 1949 to an expected high of 115 per cent in 1952. In Taiwan, output shows a steady increase. Rehabilitation is declared to have been completed and a five-year expansion programme instituted, the aim of which is to raise output by 1957 to about double the present level.

The increase in the production of electricity in *Korea* (south) resulted partly from better weather conditions, but is mainly attributable to rehabilitation and renovation. Industrial consumption, at about 7 million KWH per month at present, is less than one-third of what it was four years ago. The increased availability of electric power is expected to stimulate the further restoration of industrial production.

MANUFACTURING INDUSTRIES

Iron and Steel

The iron and steel industry is concentrated in Japan, India and China, with limited production in other countries. During the second quarter there was a slight fall in total Indian production and in the production of finished steel in Japan (see Table 3-7).

TABLE 3-7
JAPAN AND INDIA: IRON AND STEEL PRODUCTION
(Monthly averages)

Thousand tons

	1950	1951	1952	
			Jan Mar	Apr Jun
Pig iron and ferro-alloys				
Japan	192	269	308	311
India	142	154	161	150
Steel ingots and castings				
Japan	403	542	586	597
India	122	127	136	128
Finished steel				
Japan	272	414	446	428
India ^a	85	91	83	89

^a includes secondary products

In *Japan* the industry is actively engaged in the modernization programme for the purpose of reducing costs of production through replacement of existing old style by up-to-date equipment. It is anticipated that upon completion of the programme in 1954, Japan would attain a production of 5.4 million tons of pig iron, 5 million tons of steel and 400,000 tons of special steel, and would be able to meet both probable domestic and foreign demand at lower prices.

In pre-war years China used to constitute the major market for Japan's iron and steel products, but recently Australia, Argentina, Pakistan, etc. have become more important as potential customers.

The industry's position with respect to raw materials, including iron ore and coking coal, has been adversely effected by increased freight charges and suspension of supply from mainland China. Of the total estimated requirement of 6 million tons of iron ore for 1952, it is planned to import 5 million tons including 1.9 million tons from the United States and Canada, 1 million tons each from the Philippines and Malaya and smaller quantities from India and Hong Kong. In the meantime, Japan has been exploring the possibility of developing iron ore resources in India, Indonesia, Malaya and the Philippines. Japan also requires for the current year 3 million tons of coking coal for metallurgical use. While imports from the United States have tended to decline, a contract for 1 million tons from India is reported to have been concluded.

India produces less than 2 million tons of pig iron and over 1 million tons of finished steel per year. There is a proposal to increase the output of the three

existing units by about 500,000 tons of finished steel in the next 4 or 5 years. The Government of India is actively engaged in planning the installation of new units in collaboration with Japan and the United States, possibly also with the assistance of a loan from the International Bank.

In the mainland of *China*, the iron and steel industry is concentrated in the Northeast. According to reports, the annual output of iron and steel has now increased by about 8 times the production of 3 years ago. Comparing 1952 figures with those of recorded peak years, the output of pig iron was expected to be 4 per cent greater, steel ingots 55 per cent greater and steel materials 67 per cent greater.

Among other countries of the region the *Philippines* has a number of small units for the melting and rolling of scrap. One of the plants has 3 electric furnaces for making steel from scrap and a newly installed merchant bar and rod mill. The Government has placed orders in the United States for a new steel plant, which is expected to come into operation early next year. In *Burma* there are at present small rolling mills with a capacity ranging from 400 to 800 tons per year. The Government plans to erect a small iron and steel plant with a capacity of about 16,000 tons annually. Tenders for machinery have been called for to process her large resources of scrap. *Pakistan* has advanced plans for the construction of additional electric furnaces with an annual capacity of about 15,000 tons to make billets from remeltable scrap and supply the existing foundries. It is also planned to establish a new hand bar mill with an annual capacity of 30,000 tons to supplement the existing rolling mill capacity, a part of which is of

the older type *Thailand* has a small iron and steel industry producing about 350 tons of bars per month at Tha Luang, Saraburi Province. The Government is promoting plans for the construction of an iron smelting works in the Northern province of Phrae, and for the production of 100 tons of finished steel shapes daily. In *Indonesia*, there are plans for the establishment in central Java of a steel manufacturing unit with a plant to utilize the country's scrap iron resources to the extent of about 30,000 tons annually. In *Ceylon* the Government has under consideration plans to establish a plant to manufacture pig iron and steel. It is expected to produce about 18,000 to 25,000 tons annually of merchant sections, bars, rods, hoop iron, belts, nuts, wood screws, etc. Though tenders have been called for and the Government have approved the scheme in principle, further action on the project has been deferred pending consideration of the International Bank Mission's report.

Cement

Changes in the demand for cement and in the output of the industry are a good index of changes in the volume of constructional activity.

In *Japan*, which is the leading producer of cement in the region, monthly average output during the first half of 1952 (572,000 tons) was at a somewhat lower rate than in the last quarter of 1951 (604,000 tons). Exports have fallen, and constructional activity in *Japan* has not expanded further since 1951. The industry is keenly aware of the possibility of over-production, but expects that the growth in public investment will provide new outlets.

In the mainland of *China*, taking the "pre-liberation" peak as the base, output is stated to have risen from the low level of 31 in 1949 to 66 in 1950 and to 107 in 1951 and is expected to reach 148 in 1952. The rapid increase in demand, to which output responded, arose mainly from extensive construction work in dyke and dam building for flood prevention and irrigation, as well as from other public construction projects.

In *India*, average monthly output in 1952 (295,000 tons for January to August) was well above the average for 1951 (271,000 tons).

In *Pakistan*, the output of cement, mostly from West Pakistan, increased from the February low of 38,000 tons to 51,000 tons in March and 50,000 tons in April, as compared with the monthly average of 42,000 tons in 1951. In view of increasing demand, the Government has proposed to install three more factories of 400 tons

daily capacity each in West Pakistan, and has advanced loans to the Chatak factory in East Pakistan to double its present capacity of 60,000 tons per year.

In other countries where production is at a low level, the first half of 1952 witnessed the launching of government plans to expand existing capacity or erect new plants. In *Ceylon*, the Kankasanturai State Cement Factory, with a present producing capacity of 65,000 tons per year, is expected to increase its capacity to 90,000 tons, to meet the country's consumption requirement of double the present capacity. In *Indonesia*, a proposal was presented to the Export-Import Bank for the building of a new cement factory near Sourabaya, to supplement the production of the Pudang cement factory. In the *Philippines* the cement output during the first eight months of 1952 averaged 26,700 tons which was slightly in excess of the average output of 25,200 tons in 1951. A new up-to-date portland cement factory in Guimaras Island was opened in April. The demand is increasing owing to government attempt to speed up its public works rehabilitation programme. In *Thailand*, in addition to the Thai Cement Company in Bangkok which has a daily producing capacity of 460 tons, the Government has approved the construction in 1953 of a new plant at Tha Luang in Saraburi Province, with a daily producing capacity of 600 tons, primarily to manufacture cement for the Chainat Dam and other projected hydro-electric installations.

Machinery

Machinery industry in the region is confined to *Japan*, *India* and *China*. In *Japan* the index of engineering production, with 1934-36 as the base, rose to the peak of 183 in the second half of 1951, from which it fell to 170 in the first half of 1952 owing to a decline in overseas demand, reduced domestic investment and shortage of power. This decline of output applied to machinery and electrical equipment, but not to the production of transport equipment.

Among other items, production of machine tools has suffered a drastic decline from its war-time peak. In 1951 production was not more than 9,100 units (4,600 tons in weight) as compared with the war-time peak of over 60,000 units. Manufacturing capacity at present is rated at 16,000 to 20,000 tons. There was a slight increase from the second half of 1951 to the first half of 1952. Future prospects depend on the tempo of equipment renovation in other industries.

An industry where overproduction is feared, and where production has actually been falling in the first half of 1952, is the manufacture of textile machines.

The 1952 output of spindles is estimated at 1.8 million units as against the total estimated demand of 1.2 million units (two-thirds for domestic consumption and one-third for export). The reported partial lifting of the embargo on exports to mainland China is considered welcome news to the textile machine makers.

Japan is beginning to manufacture TV sets, the number of which is expected to reach 25,000 by the end of September. The only deterring factor is the high cost under the present limited scale of production. Most makers have entered into contracts with leading overseas manufacturing establishments in the United States for the use of their patent rights and for obtaining technical aid.

In India production of selected machinery products showed increases from the second half of 1951 to the first half of 1952 in many items including electric motors, electric transformers, sewing machines, bicycles, etc., but there was a decline of production in some branches, particularly diesel engines. In the meantime, the project for the establishment of the machine tool factory at Jalahalli, near Bangalore, in collaboration with a Swiss concern, has taken more definite shape. Orders for plant and machinery worth about 10 million Swiss francs have been placed and the equipment has started to arrive, a provision of Rs 15 million for the project has been made in the budget estimates for 1952/53.

Chemicals

The production of heavy chemicals in several countries of the region continues to make significant progress. This is especially true of the fertilizer branch of the industry which, in this region, includes only nitrogenous and phosphoric products. According to an FAO survey¹ based on preliminary data for the period June 1951/July 1952, production of chemical fertilizers in the ECAFE region (excluding China mainland) increased by 20 per cent as compared with the previous year. The outlook for 1952/53 is for further increases of about 12 per cent for nitrogen production and 13 per cent for phosphoric acid production.

The country with the largest production of chemicals including fertilizers, in terms of both quantity and variety of products, is Japan. This situation is likely to remain unchanged for a considerable period despite new or additional capacity in China (Taiwan), India, Pakistan, the Philippines and other countries. Indeed, if fertilizers may be considered typical, the rate of imports by countries of the region other than Japan,

is still increasing even though production in the last four countries is expanding.

The shortage of sulphur,² perhaps the basic chemical raw material, in those countries which are members of, or cooperate with, the International Materials Conference amounted to 1.3 million tons in 1951. Early in 1952 the deficit for the year, despite increased production, was estimated to be in the neighbourhood of 1.7 million tons.³ But on the strength of later evidence it now seems that the shortage is likely to be of a smaller order. Japan as one of the larger sulphur producers has a balanced supply. India, on the other hand, had been experiencing difficulty, although some improvement was noted during the second half of this year. Effort to increase production of sulphur, thereby increasing fertilizer production, hinges on discovery and utilization of the material in forms other than the elemental state. Thus in India and Pakistan gypsum is being exploited while pyrite has been used in Japan over a long period and is now being experimented with in the Philippines.

For the year ending June 1952 the region produced 510,000 tons of nitrogen contained in fertilizers. This represents an increase of 80,000 tons of nitrogen and is due almost in equal measure to production from the new Sindri ammonium sulphate factory in India (capacity about 70,000 tons per year)⁴ and to increased capacity in Japan. India's production amounted to 38,000 tons, Japan's 457,000, while Korea (south) and China (Taiwan) accounted for 300 and 13,850 tons respectively. Ammonium sulphate is by far the major source of fertilizer nitrogen in the region. In India it is probably the exclusive product. Japan produces a wider range including ammonium nitrate, calcium nitrate and cyanamide. The last named is produced in small quantities in Taiwan.

Additions to nitrogen capacity may be expected in Ceylon, Pakistan and the Philippines. The Philippines has its plant under construction with production scheduled for 1953. Its capacity is 50,000 tons of ammonium sulphate (about 10,000 tons of nitrogen). In Ceylon and Pakistan negotiations are being concluded with foreign firms for setting up 80,000 tons ammonium sulphate plants.

Production of phosphoric fertilizers increased by a larger percentage than nitrogenous fertilizers. Of the total increase of 55,000 tons during 1951/52 Japan accounted for all but a 4,000 tons increase in Taiwan. India's production fell by 1,000 tons, possibly because of the dearth of sulphur. Total production in the region amounted to 310,000 tons.

1 FAO, *Fertilizers, A World Report on Consumption and Production*, Aug 1952.

2 *Supra*, section on sulphur, Chapter 2, p 15.

3 International Materials Conference, *Report on Operation 1951-52*.

4 Ammonium sulphate may contain about 18 to 20 per cent nitrogen.

TABLE 3-8
FERTILIZER PRODUCTION IN THE ECAFE REGION^a

Thousand tons

	1950/51	1951/52 (Estimate)	1952/53 (Outlook)
All fertilizers	684	819	916
Nitrogen (content)	429	509	567
Phosphoric acid (content)	255	310	349

Source FAO

^a Including China (Taiwan) India, Japan, Korea (south), and Thailand

It may be of interest to record that Japan's production of calcium superphosphate in February reached 151,800 tons. Subsequently, however, accumulation of stocks began to cause alarm as exports of this fertilizer fell off. From February to August, production has declined from the peak of 151,800 tons to 85,000 tons while inventories have increased over the same period.

It may be recalled that India and Japan made substantial gains during 1951 in the production of *caustic soda, soda ash and related products*. Since January 1952 Japan's production of caustic soda has decreased by about 20 per cent. There are indications that production will remain below capacity production until at least the third quarter of 1952.

The situation in India is not quite clear. The monthly average of soda ash for the period January-June 1952 was 2,900 tons as compared with a monthly average of 4,000 tons for the full year 1951. In July 1952, production was 4,600 tons. The chief customers for soda ash and caustic soda are the rayon industry and the paper and pulp manufacturers. The recent development of the rayon yarn industry should provide a steady market for these chemicals although disposition of chlorine, a by-product of the electrolytic process, may require special effort.

Small quantities of caustic soda are produced in Taiwan, and in both Ceylon and Pakistan, the Governments have concluded arrangements for the provision of caustic soda plants in connection with DDT manufacturing capacity.

The two main producers of *sulphuric acid* are Japan and India. Japan's production increased during the first half of 1952 as compared with the second half of 1951, while India's decreased during the same period.

Two plants of 20 and 10 tons per day respectively have been functioning in West Pakistan and a third (of 10 tons per day) is to be set up shortly. Still another 10 ton per day plant is to be built in East Pakistan. Ceylon is also installing a small plant. The Philippines and Taiwan produce small amounts.

Since 1947 the *pulp* industry in Japan has increased its production from a monthly average of 23,600 tons to one of 90,300 tons, owing to production from newly built or expanded factories. Almost 50 per cent of Japan's prewar pulp capacity was installed outside the main islands and is no longer available to Japan's economy. During 1951 the industry experienced favourable markets and showed an increase over 1950 production of some 45 per cent. From January to May 1952 production was about 10 per cent over the 1951 monthly average.

Some paper pulp is produced in India and Taiwan, but so far as is known, no rayon or chemical fibre pulp is produced outside of Japan. It is possible that the Philippines may implement a proposal for the construction of six pulp and paper mills having a total annual production of 223,000 tons of pulp. Of that amount, 100,000 tons may be converted into paper and the remainder exported.

Textiles

Cotton textiles The three major producers of cotton textiles in the region are, in the order of importance, India, Japan and China. Of these, a large portion of the output from Japan, and a smaller portion from India, cater to the export market. China is relatively self-sufficient.

Japan's cotton textile industry had increased its capacity when the ban on expansion beyond the 4,000,000 spindle limit was lifted by the SCAP (June 1950). This increase in productive capacity continued in the period under review, but faced with the textile recession, the Government had to take action to reduce cotton textile operation by 40 per cent in March 1952 and a limit was placed on cotton yarn output to around 150,000 bales (from the January peak of 178,000 bales). The subsequent monthly production figures of yarn during 1952 were below this limit which, in view of the gradual reduction in stocks, was raised to 165,000 bales for August and September.

Owing to a significant rise in the 1951/52 crop of raw cotton in *India*, cotton textile output rose on a monthly basis from 51,000 tons of yarn during the first quarter to 52,400 tons during the second, with corresponding increases of cotton cloth output from 324 million metres to 346 million metres during the same period. This represents a higher rate of output than was achieved in 1951. *India's* cotton textile production was largely absorbed by the domestic market, in fact exports were deliberately restricted in 1951 in order to maintain home supplies. With the easing of the supply position, controls were removed in 1952 (until end September), but overseas demand was too weak to sustain higher export sales.

In the mainland of *China*, taking the 'pre-liberation' peak as equal to 100, cotton yarn output during 1952 was planned to surpass the peak by 44 per cent, and cotton cloth output by 61 per cent.

Among other countries, *Pakistan* witnessed a rapid expansion of cotton textile production during the last 4 years, 1948-51, when the annual output of cotton fabrics rose from 6.7 million metres to 9.7 million metres. There are now 32 textile mills in the country, all working double shifts, with 870 power looms. Whereas at the time of partition *Pakistan* had 177,418 spindles, it now has 333,126 spindles, the target set by the First Industries Conference is 1,350,000. The Prime Minister in the inaugural address on 21 April to the First Session of the Council of Industries stated that in respect of cotton textiles, "we can reasonably hope to become self-sufficient within the next 3 or 4 years". In *Burma*, *Ceylon*, *Malaya* and *Thailand*,¹ development of cotton

textile industry is evidenced in the recent construction, or proposed construction, of new mills. These countries, like *Pakistan*, still depend, however, on the import of cotton textiles from *India*, *Japan* and the United Kingdom.

Jute manufactures *India*, the world's major producer and exporter of jute goods, continued to experience depression in the industry, owing to the slowing down of demand in major consuming countries. The target of the Planning Commission for 1955/56 is a level of production of 1.2 million tons and a level of export of 1 million tons, compared with about 890,000 tons and 780,000 tons respectively in 1951. The prospect for 1952 export is limited, despite the reduction in the export duty by the Government. On 1 March working hours were reduced from 48 to 42½ per week. The production of substitutes—paper bags—in the United States and elsewhere, and the establishment of new mills in *Pakistan* and the Philippines were factors contributing to the depression of the industry.

The problem now facing the industry, according to the Chairman of the Indian Jute Mills' Association at the latest annual meeting, is that of modernizing existing plant and machinery. According to one estimate, about 62,000 jute looms are old and require to be replaced at an estimated cost of Rs 700 million.

In *Pakistan*, the Government aims to set up jute mills with 6,000 looms by June 1955. Three new mills at Narayanganj, East Bengal with 1,000 looms each, to be jointly owned by the Government and a private enterprise, ought to be in full production by 1953. (The first of these mills has gone into production during the current year, a second mill will be in production by the end of 1952, and a third by June 1953). Orders have been placed for another 3,000 looms. The Finance Minister felt that the establishment of jute manufacturing in *Pakistan* would stabilize prices and bring new employment and prosperity to East Bengal. Emphasis is also laid on improved marketing facilities.

¹ In *Thailand* the appreciation of the currency which lowered prices of imported commodities, affected adversely the production of the only modern mill recently established in Bangkok (with Chinese capital).

Chapter 4

THE FURTHER DECLINE OF EXPORT EARNINGS

THE GENERAL VIEW

Owing mainly to the weakness in raw material markets, the total export earnings of the region in the first half of 1952 decreased further from the peak reached in the first half of 1951. The export earnings of fourteen countries of the region¹ totalling \$3,826 million, were 8 per cent below the second half of 1951 and 26 per cent below the first half of 1951 (the boom period). However, export earnings were still 55 per cent higher than in the half year before the outbreak of the Korean war.

The value of exports during the first half of 1952 of most countries listed in Table 4-1 fell below the level it had reached in both the first and the second half of 1951. The exceptions—apart from Japan²—are Burma,

China (Taiwan) where exports were at a higher rate than last year, and Pakistan and the Philippines where they were higher than in the second half of 1951 though lower than in the first half. However, in Pakistan, the total value of exports fell steeply in the second quarter of 1952 on account of the sharp decrease in prices of cotton and jute. Hong Kong's exports were lower not only than those in 1951, but also than those before the outbreak of the Korean war.

The raw material exporting countries generally suffered the heaviest losses. That both prices and quantities of exports of several primary commodities (particularly rubber) declined clearly indicates that the decrease in demand was the dominant factor. The movement of export prices and of the quantity of exports in the same direction aggravated the decrease in total earnings, though this was not the case in all countries. Moreover, the severe price fall placed various export industries in a difficult position as costs of

- ¹ Not including British Borneo, mainland China, Korea and Nepal for which data are not available.
² Japan will be dealt with separately in chapter 7.

TABLE 4-1
 VALUE OF EXPORTS
 (Monthly averages)

Million dollars

	1950	1951		1952
	Jan-Jun	Jan-Jun	Jul-Dec	Jan-Jun
Raw material surplus countries				
Malaya	66.9	190.2	140.6	111.9
Indonesia	41.7	111.5	98.3	76.3
Pakistan ^a	28.7	79.6	47.6	53.5
Philippines	23.7	40.1	28.2	31.4
Ceylon	22.5	36.0	30.9	29.0
Rice surplus countries				
Thailand ^b	19.8	27.7	26.3	25.8
Burma	12.5	19.3	15.1	21.8
Indochina (Cambodia, Laos, Viet Nam)	5.0	10.2	12.2	11.5
Other countries				
India	88.4	148.4	126.0	112.4
China (Taiwan) ^c	6.5	9.6	5.9	11.6
Hong Kong	42.3	82.6	47.4	38.5
Japan ^d	53.8	110.3	115.5	113.9
Total	411.8	865.5	694.0	637.6
Total, excluding Japan	358.0	755.2	578.5	523.7

Source: United Nations Statistical Office.

^a For 1950 excluding overland trade (private account only).

^b Source of 1950: IMF 1951 and later figures based on national trade statistics taking into account the effect of multiple exchange rates.

^c Data are from *Monthly Economic Review* published by the Bank of China.

^d Excluding special procurement.

production, which had risen during the boom period, resisted adjustment. This applies particularly to wages which generally follow the price of food, in the face of rising—or continually high—food prices, wages are rather sticky.

As to the rice surplus countries, Thailand and Indochina produce and export in addition to rice a substantial amount of raw materials, so that the bearishness in raw material markets, especially of rubber, affected their export earnings. However, the major component of their total export is still rice. That the total value of exports of these rice surplus countries decreased during the first half of 1952 is mainly explained by the fact that governments have decided to preserve a part of exportable rice for domestic markets.

The decline in India's total export earnings was mainly attributable to the fall both in the prices and the quantity of exports of tea and of jute manufactures. India's exports of cotton goods, however, were maintained in the first half of 1952.¹ The entrepot trade of Hong Kong remained inactive. In addition to the embargo and counter-embargo on trade with the mainland of China, Hong Kong's entrepot trade was hit by the fall in the purchasing power of raw material exporting countries and by the world textile recession.

¹ The sharp contraction of India's exports of cotton fabrics in the second quarter of 1951 was not so much the result of a decline in demand as of deliberate Government action designed to preserve supplies for the home market.

Several governments in the region have adopted measures to alleviate the decline in exports. Export control was relaxed in India where, among other measures, the destination control of jute and cotton manufactures was abolished. Export duties in several countries were considerably reduced, notably the duties on cotton, jute and wool in Pakistan, on jute manufactures in India, on rubber, copra and coconut oil, and tea in Indonesia. Those export duties that are levied on a sliding-scale basis, e.g. duties on rubber in Malaya, and on rubber, coconut products and tea in Ceylon, were automatically lowered when prices fell. In Indonesia, the rupiah export rate was changed from 3.80 to 11.40 per dollar.

THE BEARISHNESS IN RAW MATERIAL MARKETS

Raw material markets remained bearish in the first half of 1952. The demand for and the prices of almost all staple raw materials of the region, especially of natural rubber, copra, coconut oil, hides and skins, cotton, hemp and jute, declined further during the period under review. The price of tin, however, was relatively stable as a result of the two trade agreements concluded by the United States with the United Kingdom on behalf of Malaya on the one hand, and with Indonesia on the other. A brief account of changes in several major raw material markets during the first half of 1952 is given below —

TABLE 4-2
QUANTUM INDEX OF EXPORTS OF SELECTED COMMODITIES
OF ECAFE COUNTRIES^a
(Jan-Jun 1950=100)

	1950		1951				1952	
	III	IV	I	II	III	IV	I	II
Tin metal	125	99	81	81	89	80	73	84
Rubber	129	129	122	125	103	118	117	94
Hides & skins	73	83	93	114	78	72	75	69
Jute	143	216	231	122	98	176	205	90
Cotton	94	36	189	70	18	60	125	80
Hemp	110	126	161	156	151	107	127	97
Copra & coconut oil	152	170	134	150	174	161	134	128
Tea	131	156	142	111	143	169	124	109
Sugar	39	51	161	165	40	38	151	
Rice	101	91	123	111	115	89	114	108

Source: Rubber—International Rubber Study Group
Tin—International Tin Study Group
Tea—International Tea Committee
Others—National statistics

^a Based on exports from the following countries
Rubber North Borneo, Brunel, Burma, Ceylon, Indochina, Indonesia, Malaya, Sarawak, Thailand
Tin metal Hong Kong, Malaya (exports from Hong Kong were negligible in 1951 and 1952)

Hides and skins India
Jute Sea-borne exports of Pakistan
Cotton India and Pakistan
Copra and coconut oil North Borneo, Ceylon, Hong Kong, Indonesia, Malaya, Philippines, Sarawak, Thailand
Tea Ceylon, India, Indonesia, Pakistan
Hemp Philippines
Sugar Philippines
Rice Burma, Indochina, Thailand

Natural rubber represents a typical case in which the fall in both prices and quantum of exports since early 1951 indicates clearly that the decline in demand was the basic cause. The demand for rubber had been strongly influenced by stockpiling. Early in the year, it was stated by the President of the United States that the United States stockpiles of natural rubber had reached a high and 'safe' level and that it might be possible to begin soon to taper off stockpile purchase of natural rubber.¹ This statement, which had an unfavourable effect on the international rubber market, was followed, in early February, by the discontinuation of purchases of five of the lower grades of crude rubber.² This restriction hit especially Indonesia, the major exporter of low grade rubber. By June 1952, a surplus stock of about 300,000 tons of low grade rubber had accumulated in Indonesian ports. As to high grade rubber, the change in the rupiah export rate and the introduction of the dollar exchange certificate in February have increased the competitive power of the Indonesian product and forced down the price of rubber in Malaya.

The price of rubber in Singapore after a period of moderate fall during the latter half of 1951 dropped sharply during the first half of 1952. In the second quarter of 1952, it was 56 per cent lower than in the first quarter of 1951, the peak period. The volume of rubber exports from the region declined during the same period by 28 per cent.

The decontrol of natural rubber in the United States was welcomed by the producing countries. However, rubber was decontrolled on the condition that the consumption of the synthetic product in the United States should not fall below a certain minimum,³ and that the Government-built synthetic plants should be kept in peak operation, for shifting quickly to emergency production if necessary. It is only within these limits that natural rubber is allowed to compete with synthetic rubber in the United States market. It was estimated that in 1951 synthetic rubber was preferred for products representing some 25 per cent of the total consumption of new rubber. The preference for natural rubber was about 30-35 per

cent in tyres and other specialties. The remaining 45 per cent or less represented an area of indifference determined by price. The price of general purpose synthetic rubber has been reduced to 23 cents per pound since early March by the United States Reconstruction Finance Corporation (RFC) which controls the synthetic rubber industry. For the natural product the London price at the beginning of December 1952 hovered around 26 d or approximately 30 cents per pound (RSS).

As in the case of rubber, both prices and volume of exports of *copra* and *coconut oil* declined further during the first half of 1952. The prices of copra and coconut oil were about one third below the pre-Korean War level and one half of that in the first quarter of 1951, the peak period. The slackness in demand was due mainly to heavy inventories in importing countries in North America and Europe, to good harvests of cotton and other seed oil crops, and to increasing competition from babassu oil and synthetic detergents.

The prospect of the region's export of copra and coconut oil is rather uncertain. In Western Europe, except Germany, it appears that the per capita consumption is nearly at the pre-war level. In the United States, the development of synthetic detergents produced mainly from petroleum has restricted the use of fats and oils in the soap industry. The annual amount of coconut oil used by the soap industry, as reported by the Soap Institute, was reduced by one half between 1947 and 1950. On the other hand, the annual per capita consumption of synthetic detergents increased from 3 to 8 pounds during the same period.⁵ The three per cent excise tax on coconut oil imported from the Philippines also reduced its power to compete with other close substitutes produced in the United States. The price decline in copra and coconut products might be more than just temporary, and might reflect a long-term trend.

The slackening in the rate of purchases for stocks since late 1950 has reduced the demand for *raw jute*. The heavy purchases in the previous season, especially in several European countries, have greatly improved the stock position of foreign manufacturers. Moreover, there was a strong expectation of a very large jute crop in 1952/53, and the competition among the two jute exporting countries, India and Pakistan, was increasing.

1 A message from the President of the United States to the Congress for the extension of the Rubber Act.

2 The only exception to the new ruling is rubber offered by Thailand, owing to the buying agreement which the United States Government had concluded with Thailand in 1951.

3 In April 1952 the specification control which limits the amount of natural rubber that may be used in making end-products (with the exception of pale and sole crepe) was revoked. Specific inventory limits for manufacturers were also removed. In June, the importing of rubber was reverted to private business, subject to licences.

4 See Chapter 2 Raw Materials.

5 The American Chamber of Commerce Journal, Feb 1952 p 60-20, Manila.

The price of raw jute in East Pakistan thus fell by 40 per cent in the first quarter of 1952 from the peak of the second quarter of 1951. The quantity of raw jute export from Pakistan was 16 per cent lower in the first half of 1952 than in the corresponding period in 1951.

In order to maintain prices of jute at a level which might ensure a fair return to the cultivator, the Government announced in late March 1952 a jute support scheme authorizing the Jute Board to buy jute at fixed minimum price. It is estimated that by the end of May, the Government had purchased about 330,000 bales of jute. Because of the low foreign demand, the Government was unable, however, to take up all the jute offered at the floor price and the minimum price had to be reduced by one fourth. Beginning 1 July, 1952, export duty on raw jute was substantially reduced.¹

As jute in Pakistan was planted when the price of raw jute was very high, it is expected that the coming new crop will be nearly as big as the previous crop. There is also a sizeable amount of carry-over stock. Meanwhile, India, which normally buys large quantities of Pakistan jute, is well stocked and its own crop in 1952/53 is also expected to be large, as the trade difficulties between these two countries and the special levy on jute export to India² have stimulated the expansion of jute plantation in India. Moreover, India is planning to promote its own raw jute sales in overseas markets particularly in North America. The lower exchange rate of the Indian rupee in relation to the Pakistan rupee helps India's jute export in competition with that from Pakistan. All these are uncertainty factors in the market outlook for jute.

The upward tendency in prices of *raw cotton* in Pakistan since October 1951 continued until the end of January 1952. However, increased selling pressure caused by larger arrivals from upcountry and the announcement of an Export-Import Bank Loan to Japan for United States cotton purchases during the current season checked the price rise. In addition, there was a substantial reduction of foreign demand mainly because

of the textile recession. The cotton market at Karachi grew uneasy and broke sharply a few days before the end of January, resulting in the closure of the market for a few days toward the end of February. In order to maintain prices, the Government of Pakistan announced a price support scheme on 1 March authorizing the Cotton Board to buy cotton at fixed floor prices.³ Forward trading in cotton was suspended.

Although the Pakistan Government had by these measures maintained its internal prices of cotton, foreign demand shifted to other sources where prices had fallen more than in Pakistan. Meanwhile, cotton from upcountry continued to arrive in large quantities and heavy stocks were accumulated by both the Cotton Board and private traders. Cotton stocks at Karachi by the end of June were estimated at 550,000 bales as compared to 151,000 bales a year ago.⁴ The position had been aggravated by the abolition of the Egyptian export duty on cotton in May.

With a view to facilitating sales, the Cotton Board of Pakistan had introduced export subsidies since early April. It permitted sales abroad of certain varieties of cotton at prices below the government support levels and agreed to make good the difference to the exporter between the minimum prices and the actual export prices, provided the transactions had prior approval of the Board. The Cotton Board was also authorized to sell, for purposes of export, stocks held by it at 10 per cent lower than the support level. In August, the price support scheme was abolished.

Following the change in the buying policy of the United States, the price of *tin metal* improved further in early 1952, and remained remarkably stable during the first half of the year. In January 1952, an Anglo-American metals exchange agreement was concluded which involves the repurchase of the Malayan tin metal by the United States. According to this agreement the United Kingdom will in 1952 get about one third more steel and related metals from the United States than was initially announced, and in turn, the United States will get 20,000 long tons of Malayan tin and 55.1 million pounds of Canadian aluminium. The agreed price of tin is \$1.13 per pound, f.o.b. Singapore. The amount of tin metal thus supplied accounted for one third of total Malayan production of this commodity.

1 For destinations other than India, the reduction ranged from 46 to 57 per cent depending on the grade. As to export duty of raw jute to India, the net reductions were 11 to 21 per cent after allowing for the export licensing fee applied to shipments to that country.

2 Jute was excluded from the latest trade agreement between these two countries.

3 The worsening of the Egyptian situation and the successive reports of a smaller American crop had helped to maintain a firm tone in the market, which was also supported by the increased demand from Japan and several non-dollar countries. The worsening dollar position of many countries had induced them to divert purchases to Pakistan cotton at prices well above American parities.

4 The floor price for fully good 289F Roller ginned cotton of 15/16' staples was fixed at Rs 90/- with appropriate price differences for other varieties and 'off' and 'on' margins for differential grades.

5 Report of the Central Board of Directors, State Bank of Pakistan 1951-52, p. 24. It is also reported that government cotton stocks reached 300,000 bales.

The initial result of the agreement was to raise the domestic price of tin metal in the United States from \$1.03 per pound to \$1.2105 and to raise the price in Singapore by about 10 per cent between December 1951 and February 1952. The steadiness of the Singapore price during the subsequent months was chiefly due to the standing orders placed by the representatives of the British Government in its effort to fulfil the agreement with the United States. Purchase of Malayan tin by other countries, however, showed no increase.

In March another agreement on tin, a medium-term contract, was concluded between Indonesia and the United States, stipulating that the United States would buy 18,000 long tons of Indonesian tin a year.¹ This agreement marks an important move in American commercial policy, as it covers a period longer than one year customarily accepted by the United States. For the first two years the price has been fixed at \$1.18 f.o.b. Djakarta per pound which is the same as that agreed with the United Kingdom for the bulk sale of Malayan tin. The price for the third year will be discussed in 1953, in accordance with the market price then prevailing. The agreement also provides for an optional 2,000 long tons annually, which Indonesia is free to sell either to the RFC or on the free market. The amount of tin thus offered by Indonesia accounts for more than 60 per cent of its production.

The agreed price should thus set a floor limit to tin prices for the coming two years, and give producers confidence in maintaining and even expanding output.

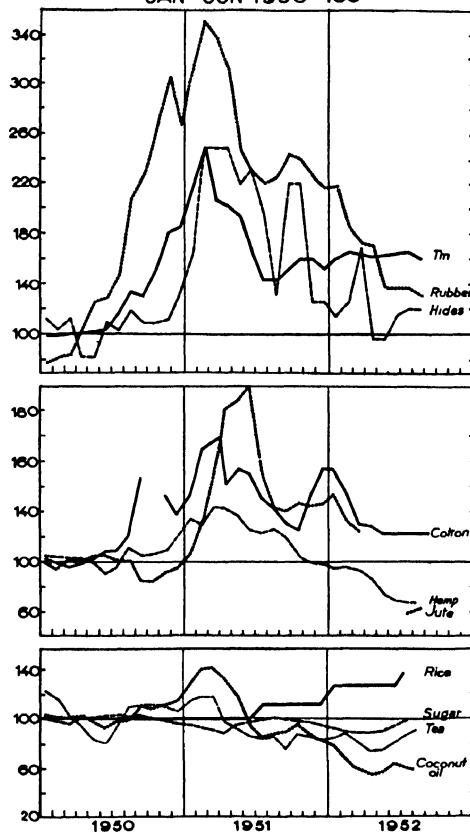
In early August, the RFC ceased to be the sole importer of tin for the United States. The sixteen-month ban on private imports of tin ended, and tin metal may be purchased at any price. Controls of the domestic use of tin were also relaxed.² The RFC, however, retained its right to buy and sell tin at the ceiling price of \$1.2105 per pound. The American importers will be able to find customers for their metal only if they can offer it below this level. So far, American traders are not showing inclination to buy even at much lower prices than this.

¹ But should production drop, Indonesia would not be obliged to deliver more than 85 per cent of its production.

² Consumers may now buy tin from a supplier of their own choice. They still may not use more than the amount allocated by the government, but can receive allocations for three-month periods rather than month-by-month as before.

Meanwhile, the British Government purchases were virtually completed. Demand from Continental Europe was also slack. However, it is generally believed that commercial stocks in the United States are low and it seems unlikely that American traders will be able to stay out of the market for long.

CHART 2
WHOLE SALE PRICE INDICES OF SELECTED
EXPORT COMMODITIES
JAN-JUN 1950=100



Note: The following specifications apply to the above selected commodities

Tin	ex-works, Singapore
Rubber	RSS No 1, Singapore
Hides	raw, salted, cow Calcutta.
Cotton	raw, 4F Punjab, R G, Karachi
Hemp	Manila
Jute	raw, middle, Narayanganj
Rice	white, government export price, Burma
Sugar	Manila
Tea	Medium grown Colombo
Coconut oil	Manila

ANALYSIS OF EXPORT DECLINE

Raw material exporting countries

The decline in export earnings varied from country to country, because of differences—and changes during the period—in the composition of exports. In Malaya, Indonesia and Pakistan raw materials form a larger share in total exports than in Ceylon and the Philippines where tea and sugar, in addition to several raw materials, are also important items.

The export earnings in dollars of Malaya, Indonesia and Ceylon decreased substantially during the first half of 1952 (see Table 4-1). In Pakistan and the Philippines, the total value of exports in the first half of 1952 was higher than in the previous half year but still lower than in the corresponding period in 1951. In Malaya the decrease in the total value of exports can be explained almost entirely by the fall in the export price and export quantum of rubber which in 1950 accounted for about 60 per cent of Malaya's total exports. In Indonesia, the dollar value of rubber exports during the first half of 1952 did not decrease as much as in Malaya, owing partly to devaluation of the rupiah for export¹ in February 1952 which stimulated Indonesia's rubber exports. In Pakistan, export of jute and cotton usually accounted for about 80 per cent of the total value of exports. In the second quarter, prices, quantity and value of jute and cotton exports were substantially reduced, and the total value of exports fell by more than one half from the first quarter. The decline continued in the third quarter (cf. Table 4-4).

Compared with the first half of 1951 (the boom period) so as to avoid seasonal variations, the decrease in total export earnings in dollars of these three major raw material exporting countries was especially striking. The decrease was a result of the fall in both prices and quantum of exports. For Malaya, statistics show that the 41 per cent decrease in total export earnings was the combined result of a 30 per cent fall in export prices and a 19 per cent reduction in the quantity of exports. In Indonesia and Pakistan, export volumes are also likely to have declined along with the fall in export prices.

In Ceylon, the decrease in total export earnings during the first half of 1952 would have been larger but for the stability of tea exports. In fact, the value of tea exports slightly increased because a larger export quantum more than offset the price fall. This, however, was partly seasonal. For nine months, the price of tea had been fairly stable, but fell substantially in March 1952. It rose again since June, but in August

it was still below the pre-Korean war level. The fall in tea prices was due not so much to a decline in demand as to the marked increase in output in almost all the principal producing countries. The world demand for tea showed no significant deterioration, it may improve in the near future on account of the abolition of tea rationing in the United Kingdom,² the world's largest importer. However, prices of tea have declined to a level at which a number of plantations are actually working at a loss not only in Ceylon but also in other tea exporting countries in the region, e.g. India, Indonesia and Pakistan. The relatively high costs of production mainly reflect wage increases during the boom.³ In Indonesia, several tea estates are reported to have closed down because of this unfavourable price cost development.

In the Philippines, the rise in exports in the first half of 1952 compared with the previous half year was due almost entirely to the considerable increase in sugar exports. For the first time in postwar Philippine trade sugar and related products outranked coconut products as the leading export, thus regaining their pre-war position.⁴ Exports of centrifugal sugar in the first half of 1952 were 28 per cent greater in volume and 26 per cent higher in value than in the first half of 1951. The production of sugar in the crop year 1952 increased by about 12 per cent. However, as sugar exports are seasonally low in the second half of the year, total exports during the remainder of the year are unlikely to reach the level of the first six months. Besides the general weakness of world prices and the slack demand for Philippine export products, the growing dollar shortage and the increasing competition from soft currency areas are of particular significance to the future of Philippine exports.

Unlike in Malaya (and probably also Indonesia and Pakistan), prices and quantum of exports in Ceylon and the Philippines moved in opposite directions, which mitigated the change (fall) in export proceeds. Thus the 20 per cent decrease in the total export earnings of Ceylon in the first half of 1952 as compared with the first half of 1951 was the result of a 25 per cent fall in export prices accompanied by an increase of 9 per cent in the quantity of exports. Similarly, in the Philippines, the 21 per cent decrease in export proceeds was the result of a 23 per cent fall in export prices accompanied by an increase of 7 per cent in the quantum of exports.

² See Chapter 1 on Foodstuffs.

³ Recently there have been wage reductions. See Chapter 8.

⁴ Sugar and related products made up 16 per cent of the total export value during the first half of 1952, followed by 29 per cent for coconut and preparations, and 16 per cent for abaca and manufactures.

¹ The effective rate of exchange applied to imports was not changed.

TABLE 4-3
INDICES OF UNIT VALUE, OF QUANTUM AND OF TOTAL VALUE OF
EXPORTS*

(Jan-Jun 1950=100)

	1951		1952			
	Jan-Jun	Jul-Dec	Jan-Jun	Jul	Aug	Sep
MALAYA						
Unit value	231	177	161		138	
Quantum	126	119	102		106	
Total value	285	211	168	152	159	155
INDONESIA^b						
Unit value ^c	218	182	381	378	382	350
Total value ^d	268	235	466	577	489	432 ^p
CEYLON^g						
Unit value	142	124	107	94	97	100
Quantum	111	111	122	123	117	116
Total value (domestic)	162	138	128	107	109	111
PHILIPPINES						
Unit value	122	113	94	81	82	92
Quantum	140	106	150	165	122	102
Total value	169	119	133	115	111	78
INDOCHINA (Cambodia, Laos, Viet Nam)						
Unit value	141	153	160 ^e			
Quantum	146	164	153 ^e			
Total value	206	246	230			
INDIA						
Unit value	133	160	132	112	108	107
Quantum	127	85	97	110	118	104
Total value ^f	165	138	121	125	128	113

Note Value indices are computed directly from value figures and will not necessarily equal quantum times unit value

a Indices are based on value of exports in national currencies

b Figures for Apr 1950-Feb 1952 exclude the value of exchange certificates. The rise in 1952 is principally due to the change in the conversion rate of the rupiah in Feb from 3.80 (excluding the value of the exchange certificate) to 11.40 per dollar

c Weighted wholesale price index of 18 export products at f.o.b. prices

d Including exports of petroleum

e First quarter only

f 1 and borne exports excluded

g Domestic exports only

Rice exporting countries

The rice surplus countries have been much less affected by the recent changes in international markets than those surveyed above. Burma, where 80 per cent of total export earnings are derived from rice, was the least affected. It was followed by Thailand with 50 per cent and the three States of Indochina where the share of rice in total exports before the raw material boom was 50 per cent and 30 per cent respectively. While markets of most primary commodities were weak, rice has been one of the outstanding exceptions. The export prices of rice were raised in early 1952, the season when bulk trading contracts on rice are negotiated and concluded between governments, as demand was strong while allocations by exporting governments were reduced.

In Burma, early in the year, one half of the exportable surplus of rice was allocated for the first half of 1952. Two thirds of the year's export will be undertaken by the government and one third by private traders, as compared with 90 per cent and 10 per cent respectively in 1951. The export prices of rice on a government-to-government basis were fixed for each half year, and in the first half of 1952 they were about 11 per cent higher than in the second half of 1951. Rice for export by private traders is also provided, through tenders, by the State Agricultural Marketing Board, the price paid by traders may change from time to time depending on bids of those submitting tenders in foreign exchange. Under present conditions this price is always higher, usually by about 10 per cent than the government trade agreement prices, thus bringing to the State Agricultural

TABLE 4-4
TOTAL VALUE OF EXPORTS AND VALUE OF EXPORTS OF SELECTED
COMMODITIES OF SELECTED ECAFE COUNTRIES

(Monthly averages)

	1950	1951		1952			
	Jan Jun	Jan Jun	Jul Dec	Jan Jun	Jul	Aug	Sep
Raw material exporting countries							
MALAYA (mn M\$)							
Rubber	99	396	264	184	133	137	127
Tin	32	54	42	41	49	45	55
Others	74	131	124	118	129	142	135
Total exports (including re export)	204	582	430	342	311	324	317
INDONESIA (mn Rp)^a							
Rubber	46	245	169	377	443	290	151 ^p
Tin	16	22	29	62	69	125	103
Copra	16	41	41	51	36	34	26
Others	38	66	80	115	167		
Total exports (excluding petroleum & petroleum products)	177	373	319	605	715		
Total exports (including petroleum & petroleum products)	158	423	371	737	909	822	
PAKISTAN (mn Rs)							
Cotton raw	45	123	37	92	44 ^p	68 ^p	15 ^p
Jute raw	32	61	58	60	14 ^p	15 ^p	34 ^p
Others	18	35	19	8	12 ^p	15 ^p	—
Total exports (including re exports)	99	220	115	161	70	98	48 ^p
CEYLON (mn Rs)							
Tea	62	72	62	64	69	62	58
Rubber	20	56	41	38	13	23	28
Coconut & products	12	26	28	21	19	19	19
Others	6	11	10	7	7	7	7
Total exports (domestic)	101	165	140	129	108	110	112
PHILIPPINES (mn Pesos)							
Copra & coconut oil	18	34	26	18 ^p			
Sugar	11	18	5	16 ^p			
Abaca	6	13	10	9 ^p			
Others	12	16	16	18 ^p			
Total exports (including re export)	47	80	56	63	54	52	37
Rice exporting countries							
BURMA (mn K)^b							
Rice and rice products	52	70	50	77	86	40	28
Others	7	21	21	26	13	13	9
Total exports (domestic)	59	92	72	104	99	53	37
INDOCHINA (Cambodia Laos Viet Nam) (mn Pr)							
Rubber	37	105	100	72			
Rice	29	61	85	104			
Others	36	44	67	61			
Total exports (special)	102	211	252	236			
THAILAND (mn Baht)							
Rice ^c		157	156	153	166	147	174
Rubber	19	121	94	98	82	87	
Tin	17	23	14	19	17	15	
Others		77	104	76	54	50	
Total exports (including re export)	275	377	368	345	319	299	
Other countries							
CHINA (Taiwan) (mn NT\$)							
Sugar	37	82	15	108	58	4	
Rice	—	7	16	10	20	52	
Others	6	24	39	32	38	42	
Total net exports	43	112	69	151	116	99	
INDIA (mn Rs)^d							
Jute yarn & manufactures	99	168	233	169	130	103	108
Cotton yarn & manufactures	89	118	39	52	71	105	72
Tea	40	60	97	53	69	78	90
Others	178	316	205	224	244	242	196
Total exports (domestic)	406	662	574	499	515	529	464

^a Figures for Apr 1950-Feb 1952 exclude the value of exchange certificates. The rise in 1952 is principally due to the change in the conversion rate of the rupiah in Feb from 3.80 (excluding the value of the exchange certificate) to 11.40 per dollar.

^b Figures for Jul-Sep 1952 relate to the port of Rangoon only.
^c Port of Bangkok only.
^d Excluding overland trade.
^p Provisional.

Marketing Board a larger profit per ton from its supply to private traders than from its direct sales to foreign countries. Even if the total quantity of rice exports should not be larger in 1952 than in 1951, Burma's total foreign exchange earnings will benefit from the higher export prices.

In *Thailand*, the baht value of rice export during the first half of 1952 was slightly lower than in both half year periods of 1951. It was predicted at one time that the exportable surplus of Thailand in 1952 would amount to 1.6 million tons. However, the government only allocated 800,000 tons of rice for export for the first ten months, the remainder to be kept as a reserve against possible local shortages and international disturbances. A small part of this reserved stock was released for export by October 1952. The allocations made in March were less than what had been wanted by the governments of importing countries, and prices were raised. For 35 per cent broken rice the ex-mill price was raised by 7.4 per cent above that for 1951. Prices for other grades were also adjusted. Export prices of private rice rose even more than this.¹

Other exports from Thailand show a declining trend since the first half of 1951, partly on account of the fall in the world price of the commodities concerned and recently only because of the currency appreciation which, at given world prices, reduces the baht proceeds of Thailand's exports (see table 4.4).

Both the quantum and value of exports from the three states of *Indochina* decreased slightly during the first two quarters of 1952, on account of the low level of export of rubber and rice. The value of rubber exports declined because of the decline in foreign demand and prices, while rice exports dropped owing to export restrictions.

It is reported that Viet-Nam and Cambodia expect to export at least 500,000 tons of rice this year with 60 per cent from Cambodia and the remainder from south Viet-Nam.

Whereas the centralized purchase of rice in Burma and the penalty exchange rate for export rice in Thailand have isolated—in the one case fully, in the other partly

—the internal price of rice from the export price, this is not so in Indochina where the strong foreign demand has brought about rapid increases in the internal price of rice. At the end of May, 1952, rice prices in Saigon were reported to be 50 per cent higher than a year ago. As a counter-measure, both Viet-Nam and Cambodia imposed embargoes on rice exports in late May, but the export ban had little effect on prices.

Other countries

In Taiwan, *China*,² rice counts less in total exports than sugar. The considerable increase in total exports for the first half year of 1952 was due to the (largely seasonal) expansion in sugar exports. While sugar exports will be much less, as usual, in the second half of the year, rice exports will increase. The first crop of rice was satisfactory, and exports will make more headway with the harvest of the second crop.

In *India*, the total export earnings decreased further in the first half of 1952 when they were about 11 per cent lower than in the second half of 1951. The increase in the quantity of exports could not offset the substantial fall in export prices. But in comparison with the first half of 1951 it was the fall in the quantum of exports rather than in prices which accounts for the lower export proceeds in the first six months of 1952.

The decrease in India's export earnings during the first half of 1952 was concentrated in the second quarter and was due mainly to the decrease in exports of "food drink and tobacco" and "manufactured articles". Among the former, the decrease in tea exports was striking. It was due partly to the fall in prices and partly to the reduction in the quantity of export.

Jute manufactures, the largest export item, accounted in 1943 for more than one third of India's total value of exports. Since October 1951 world demand for India's jute manufactures slackened. At the same time, the high export duties raised selling prices abroad. Substitutes were increasingly used in the United States and exports of jute manufactures from Continental Europe competed strongly with India's exports.

In order to enable the industry to improve its competitive position, the export duty on hessian was reduced by 50 per cent in February 1952. Foreign demand did not recover, however, with the result that stocks of jute manufactures remained high and that prices continued to decline. As a consequence the jute mills in India were forced to curtail production.

¹ Shipments of rice from Thailand were comparatively low during Feb and Mar, the normal peak shipment period, owing mainly to efforts of millers and merchants to hold rice and paddy for better prices which not only affected the local rice supply and prices, but also made it difficult for the Rice Bureau to secure enough rice to meet foreign contract commitments. As a result, the government had to impose an embargo against all private rice exports effective from 25 Feb. After seven days, the embargo was lifted and on 12 Apr, the Government announced an inducement measure for supplying rice to the Rice Bureau by permitting one ton of rice for private export for the supply of every 4.5 tons to the Rice Bureau. This measure worked out very satisfactorily and within a short time brought in more than 100,000 tons of rice to the Government.

² No new information on international trade in the mainland of China other than what was given in the last Survey is available.

In order to promote exports, the quota restrictions on exports to soft currency countries were removed at the end of July, and licences are now issued freely. In early May, export duties on jute manufactures were again reduced, for hessian by about 73 per cent.¹ Since this drastic reduction of the export duty, Indian exporters have been able to underbid competitors on the Continent of Europe.

It seems that the world slump in textile markets did not affect India as much as other industrialized countries. The value of export of cotton yarn and manufactures—another large item in India's exports—maintained its level during the first half of 1952, through a moderate increase in the quantity of exports. Com-

pared with 1950 and early 1951 the level of exports is low, however. Exports of cotton goods were deliberately restricted in 1951, with a view to maintaining domestic consumption. Recently, as a result of the decline in foreign demand and the improvement in domestic supply, quotas by destinations have been lifted for the time being. Restrictions on the export of cotton piecegoods to entrepot ports have been removed. The competitive position of the Indian industry in relation to other leading exporters is still relatively favourable—though India's price advantage is now smaller than in 1950—but demand is still weak.

¹ For jute hessian, the export duty was reduced from Rs 750 to Rs 275 per ton, for jute sacking from Rs 750 to Rs 175.



Chapter 5

DIVERGENT MOVEMENTS OF IMPORTS

CHANGES IN LEVEL AND COMPOSITION OF IMPORTS

The total imports of 14 countries of the ECAFE region¹ during the first half of 1952 amounted to \$4,750 million, this was slightly less than in the preceding half year but still 9 per cent above the corresponding period in 1951 and 89 per cent above the half year period preceding the Korean war. Compared with the second half of 1951, the value of imports decreased in Malaya, Indonesia, the Philippines and Hong Kong, but increased in all other countries. Compared with the first half of 1951, imports were lower in Malaya, Hong Kong and Japan (See Table 5-1)

Many factors accounted for these divergent move

ments. The extraordinary increase in exports during 1950-51 had given rise to an increase of money income in several raw material exporting countries, and this had resulted in an expansion of imports. Moreover, the increased availability of foreign exchange had made possible the relaxation of import controls. With the abatement of the boom, exports and money incomes fell in many countries and import controls were tightened again. Overstocking of some commodities, especially textiles, tended to act as an additional brake on import demands. However, the actually recorded imports during the first half of 1952 reflect the demand for them at the time when orders were placed, and when the factors mentioned above had not yet fully made themselves felt. The difference in the degree of the previous income expansion, in the timing of changes in import and exchange controls, and in inventory levels largely explain the divergent movements in imports.

¹ Not including British Borneo, mainland China, Korea and Nepal for which data are not available.

TABLE 5-1
VALUE OF IMPORTS

(Monthly average)

Million dollars

	1950	1951		1952
	Jan-Jun	Jan-Jun	Jul-Dec	Jan-Jun
Raw material surplus countries				
Malaya	60.9	135.6	123.3	110.8
Indonesia	24.5	44.0	90.3	68.8
Pakistan ^a	22.7	41.9	47.2	60.2
Philippines ^b	31.2	34.5	45.5	36.5
Ceylon	19.8	27.0	27.6	31.2
Rice surplus countries				
Thailand ^c	15.2	18.7	19.4	28.8
Burma	6.8	10.3	12.6	14.5
Indochina (Cambodia, Laos, Viet Nam)	14.0	19.8	31.0	39.5
Other countries				
China (Taiwan) ^d	7.7	6.1	7.9	9.8
Hong Kong	48.8	75.7	67.0	54.3
India	87.5	136.8	158.3	171.7
Japan	80.8	175.9	164.8	165.5
Total	419.9	726.3	794.9	791.6
Total, excluding Japan	339.1	550.4	630.1	626.1

Source: United Nations Statistical Office

^a For 1950 excluding overland trade (private account only)

^b Imports valued f.o.b.

^c Source of 1950 figures: IMF. 1951 and later figures based on national trade statistics taking into account the effect of multiple exchange rates.

^d Excluding MSA/ECA imports. Data are from Bank of China.

TABLE 5-2
INDICES^a OF UNIT VALUE, OF QUANTUM AND OF TOTAL VALUE OF IMPORTS
(Jan-Jun 1950=100)

	Unit value	Quantum	Total value
MALAYA			
1951 Jan-Jun	145	155	223
Jul-Dec	141	144	202
1952 Jan-Jun	131	140	182
CEYLON			
1951 Jan-Jun	114	122	137
Jul-Dec	133	106	139
1952 Jan-Jun	139	117	159
PHILIPPINES			
1951 Jan-Jun	121	89	109
Jul-Dec	137	105	142
1952 Jan-Jun	125	92	115
INDOCHINA			
1951 Jan-Jun	107	125	142
Jul-Dec	117	179	222
1952 Jan-Jun			282
INDIA^b			
1951 Jan-Jun	124	122	150
Jul-Dec	125	139	171
1952 Jan-Jun	130	153	200

^a Indices are based on value of imports in national currencies

^b Overland trade excluded

Another factor which is relevant in this context is the commodity structure of imports. In food deficit countries, such as Ceylon and India, the need for food imports is of paramount importance. As the demand for food is generally inelastic, a large change in disposable income may be accompanied by a small change in food imports. Furthermore, a crop failure within the country will result in an increase in food imports, although national income may fall. Imports of manufactured consumption goods, which constitute a substantial part of the total imports in most countries of the region, however, are sensitive to changes in income and inventories. Imports of raw materials which are highly responsive to changes in industrial production and in inventory are important only in India, Japan¹ and Malaya.

Among the countries which showed larger imports, the increase was mainly on account of food imports in India and Ceylon, and on account of manufactured goods in Burma and Pakistan. In Thailand, the appreciation of the baht on the free market was probably the chief factor making for higher imports, while in China

(Taiwan) and in the three states of Indochina the expansion of money incomes may have been decisive.

In India the increase in imports of "food, drink and tobacco" (of which food grains occupied a large share), which as compared with 1951 accounted for about 70 per cent of the total value increase in imports, was the result of larger volume and higher prices. The volume and value of raw material imports also increased because of the expansion in industrial production (See Table 5-3). The value of imports of manufactured commodities showed very little change from the second half of 1951, but imports of durable goods increased at the expense of consumer's goods. The increase in the import of several raw materials and manufactured goods was made possible by the relaxation in import control. For example, kerosene oil, petroleum, chemicals, drugs and medicines, electric machinery, prime movers and fuel oil are considered as essential items, and were imported more freely when import restrictions had been relaxed towards the end of 1951 and in early 1952.

¹ Japan will be dealt with in chapter 7.

TABLE 5-3
INDIA VALUE OF IMPORTS^a
(Monthly average)

Million rupees

Groups	1950	1951		1952
	Jul Dec	Jan-Jun	Jul Dec	Jan-Jun
All commodities	450	599	684	788
Food, drink and tobacco ^b	93	139	219	274
Raw materials and semi manufactures	145	190	184	232
Manufactures	210	267	276	271

^a Overland trade excluded

^b Excludes value of certain consignments of food grains and stores imported on government account pending adjustments

TABLE 5-4
INDIA INDICES OF UNIT VALUE AND OF QUANTUM OF IMPORTS^a
(Jan-Jun 1950=100)

Groups	Unit value	1950	1951		1952
		Jul Dec	Jan-Jun	Jul Dec	Jan-Jun
All commodities		103	125	125	130
Food, drink and tobacco		102	105	123	132
Raw materials and semi manufactures		105	144	135	124
Manufactures		105	127	122	130
Groups	Quantum	1950	1951		1952
		Jul Dec	Jan-Jun	Jul Dec	Jan-Jun
All commodities		111	122	139	154
Food, drink and tobacco		146	210	283	327
Raw materials and semi manufactures		92	85	90	122
Manufactures		117	121	130	120

^a Overland trade excluded

Ceylon is another food deficit country¹ But unlike India, Ceylon has only limited manufacturing facilities and has to import a substantial amount of manufactured goods from abroad. During the first half of 1952, one half of the increase in the total value of imports was accounted for by the increase in food items whose prices had risen substantially, while the other half consisted of manufactured goods, particularly vehicles, for which orders had generally been placed in 1951 or even earlier.

In Burma, the more liberal import policy was the chief factor in the expansion of imports. The rise in the value of imports during the first half of 1952, as compared with 1951, was due largely to the increase in imports both under open general licence and under special licences.

The total value of imports of Pakistan increased during the first half year. Among the various items, imports of cotton textiles, machinery and vehicles increased substantially. The main factors making for higher imports were (a) the resumption of trade relations with India resulting in a normal inflow of commodities from that country, (b) a liberal import licensing policy as effective 1 July, 1951, which helped to translate increased internal incomes into a rising demand for imports.

In Thailand, where import control is not extensive, changes in imports mainly reflect changes in international prices, exchange rates and in national income. In February, the Bank of Thailand lowered its selling rates of pound sterling to commercial banks from 51 to 45 bahts, which is equivalent to an appreciation of the baht by 11.8 per cent. As this rate was the predominant rate of exchange for commercial imports, it had the effect of stimulating imports by making them cheaper.

¹ In 1958 food imports accounted for about 40 per cent of Ceylon's total imports.

in terms of local currency. However, on 1 April, the government announced that import duties be evaluated on invoices in baht, by the use of free market exchange rates instead of official rates. This change which resulted in an increase in the duty, made imported goods dearer and partly offset the effect of the currency appreciation on the free market. During the first half of 1952, the dollar value of imports increased by 48 per cent from the previous half year, this increase added further to already heavy stocks.¹

Among the countries which showed a decrease both in the volume and value of imports during the first half of 1952, the decrease in raw material imports was important in Malaya and that of consumption goods (chiefly manufactured) in the Philippines and probably also in Indonesia. The decrease in trade in Hong Kong was referred to in the preceding chapter.

In Malaya, where Singapore is not only an entrepot, but also a processing centre for raw materials, the reduction in the total value of imports during the first half of 1952 was largely due to the fall in both prices and quantity of raw materials including rubber imported for processing and re-export.

In the Philippines imports declined chiefly as a result of lower imports of consumption goods. The decrease is only partly attributable to the reduction in the foreign exchange allocation for imports of controlled commodities. The fact that there was also a reduction in imports of decontrolled commodities and that imports of a number of controlled articles were below the permitted level indicates that the demand for imports had declined, this is explained by overstocking and, perhaps, by a decrease in disposable income. For example, the reduction in imports of dairy products and canned meat which were not under control was clearly due to overstocking. On the other hand, the value of imports of raw materials and capital goods increased because of high requirements of local industries.

In Indonesia, although the value of imports in terms of local currency increased, it decreased in terms of dollars, as there was a change in the valuation of trade.²

The dollar value of imports in Indonesia during the first half of 1952 fell by about 26 per cent from the previous half year. Fewer textiles and basic metals were imported partly because of overstocking.³ Expenditure on food imports was maintained, but as food prices have risen, the volume of food imports must have been reduced.

IMPORTS OF CAPITAL GOODS

The value of imports of capital goods into 12 countries⁴ of the region from the United States and the United Kingdom continued to increase during the first half of 1952. The unit value of finished manufactures exported from the United States rose only slightly during the period, but the U.K. unit value index of exports of metals and engineering products rose by 6 per cent from the second half of 1951 and was 26 per cent higher than before the Korean war. After correcting for price changes, imports of capital goods from the United States during the first half of 1952 increased by 35 per cent as compared with the second half of 1951, and were 17 per cent larger than during the half year preceding the Korean war. This increase probably reflects the orders placed during the boom period 1-1½ years ago. Capital goods imports at constant prices from the United Kingdom, however, were just maintained, but they were still about 8 per cent higher than before the Korean war.⁵ Preliminary information shows that imports of capital goods from Japan during the first quarter of 1952 decreased both in value and volume, and the absolute amount was very small as compared with those from the United States and the United Kingdom.

¹ Signs of congestion of imported commodities, especially textiles at main distribution centres in Java and at ports were already evident in late 1950. During October 1951 prices of textiles were generally 30 to 40 per cent below the years' peak. Domestic textile industry was therefore adversely affected and assistance was given by the government through placing government orders for civilian and military requirements. However, throughout the first half of 1952 little improvement was shown in the market for imported commodities. Many wholesale and retail lines continued to move sluggishly and in a number of cases cheaper textiles were unloaded at losses running as high as 40 per cent. Hardware, paper, ironware and chinaware were also depressed, dealers commonly taking 10 to 20 per cent losses. The Benteng group or Indonesian newcomer merchants with small capital but receiving specially favourable treatment in imports from the government were virtually bankrupt and it would be difficult for most of them to start business again because of the dissipation of their capital. Benteng merchants handling textiles suffered the most, while those handling technical goods such as building materials were best able to maintain their position.

² Burma, Ceylon, Hong Kong, India, the three states of Indochina, Indonesia, Malaya, Pakistan, the Philippines and Thailand.

³ The index of unit value of exports of the United Kingdom for 1949 taking Jan.-Jun. 1950 equal to 1 published in the *Economic Bulletin for Asia and the Far East*, volume 2, No. 2, page 17. Table 5 should read 1.29 instead of 0.97 and the total value of development goods at Jan.-Jun. 1950 prices exported from the United Kingdom to the countries in the region in the same table should read 100.6 instead of 129.8.

¹ The market in Bangkok is at present reported to be overstocked in many lines of consumer goods including pharmaceuticals, hardware, textiles and bicycles. Dealers in pharmaceuticals are especially hard hit and were at one time reported to be clearing stock at 10 per cent below cost price. The shortage of liquid funds also forced merchants to sell at very low prices.

² The previous effective exchange rate including the value of exchange certificate was considered as official rate since February 1952 and the exchange rate used for import valuation was also changed from the old official rate (excluding the value of exchange certificate) to the new official rate thus representing a two-fold increase.

TABLE 5-5
EXPORTS OF SELECTED GROUPS OF DURABLE GOODS BY THE UNITED KINGDOM,
UNITED STATES AND JAPAN TO TWELVE ECAFE COUNTRIES

(Monthly average)

Million dollars

	1950		1951		1952
	Jan Jun	Jul Dec	Jan Jun	Jul Dec	Jan Jun
From the United Kingdom					
Metal and manufactures	67	71	72	69	79
Electrical goods & apparatus	35	34	41	52	56
Machinery & parts thereof	139	122	133	154	189
Vehicles	92	107	137	153	149
Total	334	335	383	427	453
Unit value index of metal manufactures ^a (Jan-Jun 1950=100)	100	102	109	119	126
Total at Jan Jun 1950 prices	334	328	351	359	360
From the United States^b					
Metal and manufactures	46	42	38	49	55
Electrical goods & apparatus	28	19	25	40	44
Machinery & parts thereof	81	42	68	76	80
Vehicles	45	41	65	93	90
Total	200	144	197	258	269
Unit value index of exports (Jan Jun 1950=100)	100	104	113	114	115
Total at Jan Jun 1950 prices	200	138	174	226	234
From Japan					
Metal and manufactures					
Electrical goods & apparatus					
Machinery & parts thereof	14	33	41	40	20 ^c
Vehicles					
Total	14	33	41	40	20 ^c
Unit value index of exports (Jan Dec 1950=100)	100		152	175	161 ^d
Total at Jan Dec 1950 prices	14	33	27	23	12

Source U.S. Bureau of Census, U.K. Customs and Excise and Japan Economic Council Board

a Includes metals and engineering products

b For the United States unit value index of exports of finished manufactures is used

c Jan-Mar

d Provisional

Among the various groups of goods listed in table 5-5, imports of vehicles from the United States and the United Kingdom which had increased considerably during 1951 declined in 1952, while imports of metal and metal manufactures, electrical goods and apparatus, and machinery and parts increased.

During the postwar years British exports of capital goods to the region consisted largely of textile machinery chiefly for India and Pakistan, whereas the United States supplied mainly food processing machinery to the Philippines and India, construction machinery to India and Indonesia, and power generating plant to India, Indonesia and the Philippines. Japan exported textile machinery to Pakistan, internal combustion engines to India, and ships to the Philippines. Malaya and Indonesia imported mainly transport equipment, especial-

ly commercial vehicles. In Pakistan, textile machinery was the leading import item, reflecting the drive to build up the textile industry of the country.¹

Sterling area countries of the region have imported capital goods mainly from the United Kingdom, while the Philippines and Indonesia have imported such goods mainly from the United States. Thailand has been the only country in the region where European and American exports could compete fairly freely. Its imports of capital goods from the United States which had been negligible before the war increased considerably during the post war years and exceeded by far those from the United Kingdom in the first half of 1952. During this period exports of capital goods from the United Kingdom

¹ ECAFE document on Trade between the ECAFE region and Europe (L/CN.11/TP/8) chapter III

and the United States to most countries of the region showed an increase in volume, but those to India and Hong Kong a decrease

Japan as a supplier has so far shared only very little in the increased demand of the countries of the region for machinery and equipment, although Japanese production of a majority of engineering items considerably exceeded pre-war levels in 1951. Domestic needs for rehabilitation and modernization, so far, absorbed almost the whole of Japan's output. The weak competitive position of Japanese products on account of high costs has been another retarding factor. However, so far as delivery periods are concerned, Japan compared favourably with the United States and the United Kingdom.

Exports of capital goods from Germany to the ECAFE region (excluding China and Hong Kong) increased sharply and exceeded the pre-war level, but still lagged far behind the two major supplying countries.¹ The increase in German exports resulted mainly from the revival and rapid progress of engineering production, from the shift of orders from the United Kingdom to Germany on account of the more normal delivery periods in the latter country, and from Germany's improved access to markets due to the spreading network of trade agreements and to greater sterling transferability through the European Payments Union.

The future development of imports of capital goods into countries of the region depends on the rate at which development plans get under way, and the extent to which foreign finance will be available. There are no signs that the present fall in export earnings and in government revenues is retarding development activities and the new import restrictions are not so much on capital goods as on consumption goods.

The Colombo Plan gives some indication of the probable trend of capital goods imports for an important part of the region. The expected direct increase in imports of capital goods resulting from the implementation of these plans was estimated, for the four Commonwealth countries, i.e. Ceylon, Malaya, India and Pakistan, at some \$200 million annually. This figure may be compared with the total value (at constant prices) of imports of capital goods into these countries from Europe, the United States and Japan in 1950, which amounted to \$550 million. It would appear from this comparison that the development envisaged in the Colombo Plan means a comparatively large addition to the imports of capital goods from industrial countries.²

IMPORT POLICY

With the collapse of the commodity boom in early 1951, the balance of payments position of many countries in the region started to deteriorate. As the foreign exchange reserves of the countries in the region are rather small, and prospects for export markets still uncertain, many governments have adopted measures to restrict imports, in order to make the best use of their limited foreign exchange resources. In the Philippines, foreign exchange allocations for imports were reduced. In the sterling area countries, import restrictions were tightened, especially in view of the deterioration in the reserve position of the sterling area as a whole. In Pakistan restriction of imports by increased import duties was adopted in addition to direct controls. In Indonesia both quantitative restriction and restriction through devaluation-cum-multiple-exchange rates were carried out.

The tightening of quantitative import restrictions

The deterioration in the reserve position of the sterling area as a whole in early 1952 had caused concern to almost all countries in the area. As members of the sterling area, Ceylon, India, Malaya and Pakistan tightened their controls particularly over imports from the dollar area. Ceylon in late August removed 19 dollar items from open general licence, including textiles, radios and wireless accessories, and refrigerators. Four weeks later, Ceylon announced further import restrictions for a variety of goods, mainly from the dollar area and the non sterling EPU countries.

India adopted stricter import control for the second half of 1952, particularly with respect to goods from the dollar area. Nearly 50 items from the dollar area under open general licence have now been transferred to the soft currency open general licence. In October India put a ban on the import of 61 items including bicycles, razor blades, radio sets, china and porcelain.

In March 1952, the government of Pakistan tightened import licensing for the dollar area. Fifteen categories of commodities that previously could be imported from the dollar area have been excluded from the new list of licensable imports from that area. There was a tendency to remove from such list, those items that can be readily obtained from soft currency areas or from countries with which Pakistan has concluded trade agreements. In August, import controls were again tightened, mainly for goods imported from non-dollar areas, about 40 items were removed from the open general licence list, including cotton yarn and piecegoods, jute manufactures, matches, bicycles, paper

¹ *Ibid*

² *Ibid*

and timber. Items not on the open general licence list were licensed within the limit of foreign exchange allocated and released by the government. In November the Government went still further by suspending O.G.L. No. 14 under which items such as metals, machinery, cement and chemicals could be imported freely. The Government have made it clear however that this measure should not impinge on "essential" industrial requirements.

As a result of decisions reached at the Commonwealth Finance Ministers' Conference in London, additional restrictions have been applied since February to imports into *Malaya*, in order to keep the 1952 imports to the level of 1951. All imports from the United States, Canada and American-Account countries, and Japan continue to be subject to special permission on each and every occasion and are to be reviewed from time to time. Imports of some luxury items¹ from Japan were banned as Japan's sterling balances were too high. Imports from all non-sterling sources other than "neighbouring territories" are now subject to individual licences instead of being unlimited under the O.G.L. In August, a few more items of imports from hard currency sources were practically prohibited.

The comfortable balance of payments position enabled *Burma* to maintain its liberal import licensing policy, especially with respect to the non-dollar area. Import control, however, still applies to items competing with local production, and it is also used for the purpose of assuring the Burmese nationals a fair share in the import trade. Furthermore, in view of the implementation of plans for capital development, complete dismantling of import controls is unlikely.

Among the non-sterling area countries in the region, the Philippines and Indonesia also tightened their exchange and import controls. In the *Philippines* the foreign exchange allocation for controlled imports was reduced. In anticipation of a decline in export receipts, the Central Bank certification of foreign exchange for controlled imports was lowered from \$222 million for the first semester of 1951 to \$190 million for the first semester of 1952 and to \$160 million for the second semester. The actual reduction in imports of controlled goods during the first half of 1952 accounted for more than one half of the reduction in the total value of imports.

In August, in order to encourage local production and conserve dollar exchange, the government of the Philippines placed complete or partial ban on the importation of 23 items, largely light manufactured goods (including cotton yarn, zippers, plastic combs, tooth-brushes, etc.). Notwithstanding the reduction of foreign exchange allocation for imports during the second half of 1952, an adequate flow of essential imports is expected during the rest of the year, as decontrolled goods will continue to be imported without any exchange limitation and an increasing volume of essential producer goods is expected to arrive under the Mutual Security Agency programme.

In Indonesia, in early June, the Government announced that foreign exchange would no longer be available for 22 classes of luxury goods (including high-valued motor cars, watches and furnitures) even at the inducement rate (five times of the old official rate).²

The new multiple currency practice in Indonesia

The deterioration in the balance of payments and the increase in the budget deficit have led the Government of Indonesia to devalue the currency further and to introduce a new set of multiple exchange rates for imports in August. Under these regulations, imports are classified into four categories and differential rates of exchange were applied to them. Foreign exchange for imports of essential goods³ will be granted at the basic rate of 11.40 rupiahs to the dollar. To obtain exchange for importation of goods considered less essential, the importer must obtain a 100 per cent inducement certificate, which in effect raises the rate for these goods to 22.80 rupiahs to the dollar. Luxury goods for which foreign exchange will still be made available are subject to a 200 per cent inducement certificate. The effective rate of exchange for items on this list would therefore be 34.20 rupiahs to the dollar. The fourth category includes luxury goods for which no foreign exchange will be made available.

This device is expected to reduce the demand for imports and to bring in more revenue from the sale of exchange certificates.

¹ Including cameras, gramophones, fountain-pens, automatic pencils, cigarette lighters and vacuum flasks.

² See *Economic Survey of Asia and the Far East, 1951*.

³ They consist of basically the old free list minus any items which have been placed on other lists by the new regulation.

The increase of tariff rates on textiles in Pakistan

Changes in tariff rates were not popular in postwar years as a method of import restriction, probably because of the long legislative procedure involved and the governments' commitment under the GATT. They have, however, the advantage over direct import restrictions that they raise revenue unless they are prohibitive. The recent increase of import duties on textiles in Pakistan is worth mentioning. In order to balance the budget and protect the nascent cotton textile industry,

the Government of Pakistan in late June 1952 raised the import duty to 60 per cent on cotton piecegoods from countries other than the United Kingdom. The import duty on grey textiles from the United Kingdom has been raised from 36 to 54 per cent and that on cloth of United Kingdom origin from 30 to 55 per cent. The 6 per cent preferential treatment is maintained for the United Kingdom imports. The increase of import duties on textiles has not yet resulted in a rise in prices, as stocks are still high.

Chapter 6

THE DETERIORATION IN TERMS OF TRADE AND BALANCE OF PAYMENTS

CHANGES IN TERMS OF TRADE

The price relationships prevailing during the boom of 1950-51 changed in the subsequent period. The substantial fall in raw material prices reduced their purchasing power over food and manufactured goods. Within the group of manufactures, the prices of textile products fell while those of engineering products continued to rise. Thus the raw material exporting countries of the region suffered a substantial deterioration in their terms of trade. During the first half of 1952, the terms of trade of the three raw material exporting countries, namely Ceylon, Philippines and Malaya, were about 25 to 40 per cent below the peak levels they had reached in the second half of 1950 or the first half of 1951.

Ceylon, with its large food imports, suffered most and its terms of trade deteriorated further in July and August. Malaya's terms of trade losses came next because Singapore, as an entrepot and processing centre, is a substantial importer of raw materials so that it regained on the import side at least a part of the price losses on exports. Considering only exports of domestic produce and imports for domestic use, the terms of trade of Malaya may have deteriorated more.

As a result of the increase in rice prices, the terms of trade of the rice exporting countries have improved, especially in Burma where the proportion of rice in the total export is the largest. India's terms of trade

worsened, chiefly as a result of rising prices of imported food and of falling prices of textile exports.

Moreover, as rubber, tin, jute and jute manufactures were largely exported at falling prices to the dollar area, the "terms of trade with the dollar area" of the countries which exported those commodities must have deteriorated more than their over-all terms of trade, thus contributing to the deterioration in their balance of payments with the dollar area. In this regard, the sterling countries in the region and, therefore, the sterling area as a whole, was particularly affected.

The deterioration in the terms of trade has been a factor making for a reduction in the real income of the countries concerned, this has been particularly important in countries where foreign trade bears a high relation to total economic activity.

THE ENLARGEMENT OF TRADE DEFICITS AND THE REGIONAL TRADE PATTERN

The balance of trade of almost all countries of the region deteriorated further during the first half of 1952, as a result of falling exports and in some cases—higher imports. The only exceptions from the general trend were *Burma, China (Taiwan)*, where the improvement which led to a small export surplus¹ was largely seasonal, *Hong Kong* and the *Philippines*. In the remaining

¹ There was a trade deficit however if MSA imports were included.

TABLE 6-1
INDICES OF TERMS OF TRADE
(Jan-Jun 1950=100)

		Ceylon	Philippines	Malaya	India ^a
1950	Jul-Dec	117	107	135	98
1951	Jan-Jun	125	100	159	107
	Jul-Dec	93	82	126	128
1952	Jan-Jun	77	75	123	102
	Jul	65	71	} 110 {	86
	Aug	68	70		90
	Sep	76	80		85

Note: Unit value index of exports divided by that of imports and multiplied by 100.

^a Overland trade excluded.

TABLE 6-2
BALANCE OF TRADE

(Monthly averages)

Million dollars

	1950		1951		1952
	Jan Jun	Jul Dec	Jan Jun	Jul Dec	Jan Jun
raw material surplus countries					
Malaya	60	53.9	54.6	17.3	1.1
Indonesia	17.2	40.5	67.5	8.0	7.5
Pakistan	6.0	1.2	37.7	0.4	6.7
Philippines	7.5	6.6	5.6	17.3	5.1
Ceylon	2.7	11.2	9.0	3.3	2.2
rice surplus countries					
Thailand	4.6	8.5	9.0	6.9	3.0
Burma	5.7	2.0	9.0	2.5	7.3
Indochina (Cambodia Laos Viet Nam)	9.0	14.0	9.6	18.8	28.9
other countries					
India	0.9	3.6	11.6	32.3	59.3
China (Taiwan)	1.2	2.0	3.5	2.0	1.7
Hong Kong	6.5	5.2	6.9	19.6	15.8
Japan	27.0	1.3	65.6	49.3	51.6
Total	8.1	115.4	139.2	100.9	154.0
Total excluding Japan	18.9	116.7	204.8	51.6	102.4

Sources and notes. See tables 4-1 and 5-1.

Countries listed in table 6-2 trade deficits increased during the period, and surpluses diminished or were inverted into deficits. If one sums up the trade balances of all the countries, the general deterioration becomes evident by comparison with the preceding periods.

Of the countries which had deficits, those of India and the three States of Indochina were particularly large. In India both the fall in exports and the increase in imports were important factors contributing to the further decline in the balance of trade since the second half of 1951. In Indochina higher imports induced by inflation were mainly responsible. Thailand had a trade deficit for the first time in the postwar years, it was attributable to the fall in receipts from exports of rubber and tin, and to the appreciation of the currency. Indonesia was the only country which in spite of a somewhat lower trade balance retained a significant export surplus, the appreciation of the rupiah export rate had helped to mitigate the decline in the balance of trade. Of all the countries Japan showed the smallest negative movement in its trade balance during the period.¹

As regards trade balances with various areas, the region's (12 countries excluding China (Taiwan) and Japan) deficit during the first half of 1952 with the major part of the dollar area—the United States and Canada—was almost twice as large as in the second half of 1951, chiefly because of the substantial increase in imports from North America. A very considerable part of this deficit was accounted for by India's import surplus arising from large purchases of food and raw cotton from the United States. In contrast to the trade with North America, the region's exports to Japan increased more than imports and resulted in a smaller trade deficit. A large part of the increase in the region's exports to Japan was attributed to the seasonally large exports of cotton from Pakistan. The region's trade balance with the United Kingdom changed from a surplus to a deficit in the first half of 1952, chiefly because of the substantial decrease in exports to the United Kingdom from most countries of the region, especially India, Indonesia and Malaya. Owing to a larger decrease in exports than in imports, the region's trade surplus with other sterling area countries outside the region was considerably reduced and its trade deficit with Western Continental Europe substantially enlarged.

¹ cf Chapter 7 in regard to Japan.

TABLE 6-3

EXPORTS, IMPORTS AND BALANCE OF TRADE OF TWELVE ECAFE COUNTRIES BY REGIONS

(Monthly averages)

Million dollars

	1950	1 9 5 1		1952
		Jan Jun	Jul Dec	Jan Jun
EXPORTS				
United States and Canada	106	147	104	111
United Kingdom	55	94	101	69
Other sterling area countries outside the region	32	50	53	36
OEEC countries of continental Europe	71	120	100	76
Japan	17	40	19	30
ECAFE countries	110	179	142	126
Grand total	454	726	578	501
IMPORTS				
United States and Canada	69	87	126	151
United Kingdom	59	75	87	91
Other sterling area countries outside the region	31	55	40	33
OEEC countries of continental Europe	52	81	112	100
Japan	21	42	50	58
ECAFE countries	100	154	154	122
Grand total	386	543	626	615
BALANCE				
United States and Canada	37	60	— 21	— 40
United Kingdom	— 4	19	14	— 22
Other sterling area countries outside the region	1	— 6	13	2
OEEC countries of continental Europe	19	39	— 12	— 24
Japan	— 4	— 1	— 31	— 28
ECAFE countries	10	25	— 12	4
Grand total	68	183	— 48	— 114

Source United Nations Statistical Office

Note Countries covered are Burma, Ceylon, Hong Kong, India, the three states of Indochina, Indonesia, Malaya, Pakistan, the Philippines and Thailand. Figures relating to Jan-Jun 1952 partially estimated.

CHANGES IN BALANCE OF PAYMENTS AND FOREIGN ASSETS

The balance of payments of several raw material exporting countries and of India deteriorated during the first half of 1952, chiefly on account of the negative trend in the balance of trade. Foreign asset holdings also generally declined,¹ and their purchasing power over imports is now lower in some countries (India and Ceylon) than at the end of 1949, India's exchange reserves are smaller even in current value (cf Table 6-4).

Preliminary balance of payments statements are available for only six countries, namely Ceylon, Pakistan, the Philippines, Burma, Thailand and India, they will be dealt with below first for the three raw material exporting countries, then for the two rice exporting countries, and finally India.

Raw material exporting countries

The sudden change from a large export surplus to a large import surplus in Ceylon resulted in the first half of 1952 in a considerable depletion of official and banking institutions' short-term foreign assets, this trend continued in the third quarter. By the end of September 1952 the value of these assets was 24 per cent lower than at mid-1951 and only as high as at the end of 1949.² The reserves acquired during the boom period were thus entirely lost, though present holdings are still about double the "reasonable" minimum of Rs 450 million.³ This rapid depletion of foreign assets caused concern to the monetary authorities, and exchange restrictions were tightened again since September, withdrawing all relaxations introduced a year ago (see Appendix table 6-1).

1 The reserve position of the Philippines and of Thailand remained comparatively stable for reasons which will be explained below. Burma is the only country showing a persistent increase in foreign assets (of Table 6-4).

2 Central Bank of Ceylon Bulletin, Sep 1952.

3 International Bank Mission The Economic Development of Ceylon Part I pp 57-58.

TABLE 6-4

GOLD AND FOREIGN ASSETS OF SELECTED LCAFE COUNTRIES^a

Million dollars

	Ceylon	Indonesia	Pakistan	Philippines	Burma	Thailand	India
1949 Dec	203	201	512	283	119	218	1 982
1950 Jun	185	178 ^b	471	280		253	1 985
Dec	240	356	507	359	128	288	2 000
1951 Jun	266	451	605	396	159	327	2,048
Dec	262	511	639	318	166	358	1 888
1952 Jun	223	492	620 ^c	323	182	354	1,682
Jul	217	471		317	187	346	1 661
Aug	213	427		303		352	1 674
Sep	203	395		308	201	354	1 696
Oct	203	383			193	358	1 703

Source IMF

^a For Burma and Ceylon total gold and foreign assets possessed by monetary authorities, government and other banks for India Pakistan and Thailand Central Bank only for the Philippines Central Bank and other banks for Indonesia, Bank of Java only

^b Gold only

^c February

Owing mainly to the considerable reduction in the trade surplus, the large surplus on current account of the balance of payments of *Pakistan* in the first half of 1951 had changed to a small deficit of Rs 75 million in the second half of the year. This deficit increased to Rs 389 million in the first half of 1952,¹ owing to the low level of exports and the continued expansion of imports. As a result, the foreign assets with the State Bank of Pakistan fell by Rs 467 million within one year.² The low level of exports was due to the abatement of the commodity boom and to the textile slump which reduced considerably the demand for and prices of Pakistan's major export commodities jute and cotton. The continuous expansion of imports was induced by the previous rise in money incomes and the liberal import licensing policy. In addition, the price support schemes have had a doubly unfavourable effect on the balance of payments. While on the one hand "the prices offered internally were out of tune with international prices, exports were unduly restricted", on the other hand, "internal incomes have been sustained and saved from a corresponding fall so that the pressure on imports has not been sufficiently eased".³ The price support schemes, which retarded the process of adjustment of the balance of payments, were abolished in August. They afford an example of how difficult it is for an export economy to maintain both a stable income and an equilibrium in its balance of payments in the face of a sudden and large change in world demand.

Statements of Pakistan's balance of payments on current account, classified by currency areas, are available for the two successive fiscal years, 1950/51, the year of commodity boom, and 1951/52, the year of abatement for the boom. The statistics show that in this period there was more than a threefold increase in the deficit with the dollar area and an almost sixfold increase in that with the sterling area, especially the United Kingdom. The surplus with Continental Western Europe was reduced by one half, while that with Japan changed to a large deficit. However, although Pakistan had a deficit with the dollar area to the extent of Rs 259 million in 1951/52, this was largely off-set by the surplus with the Continental OEEC countries (+ Rs 220 million). Within the sterling area, the United Kingdom in 1951/52 had to settle in gold a substantial part of its deficit with the European Payments' Union. Pakistan's surplus with the Continental OEEC countries, therefore, offset part of its dollar deficit and so eased the dollar drain on the United Kingdom (See appendix table 6-2).

In the *Philippines*, the balance of payment position improved during the first half of 1952 and the downward movement in international reserves which started in July 1951 appeared to have been temporarily checked. The improvement was a combined result of several factors: (1) an increase in export earnings because of an exceptionally large volume of sugar export, (2) a decrease in imports arising from lower demand for imports, and from smaller foreign exchange allocations for controlled imports, (3) an increase in the United States government expenditures and (4) a reduction in other invisible payments both because of

¹ The State Bank of Pakistan Report of the Central Board of Directors for the year ended 30 June 1952 p. 17

² Ibid

³ Speech delivered by Mr Zahid Hussain Governor State Bank of Pakistan on 20 September 1952 on the occasion of Fourth Annual General Meeting of the Bank

smaller dollar allocations for travel and of a decrease in remittances on investments probably reflecting higher re-investments in the domestic economy. Of these factors, the decrease in imports and the increase in the United States government expenditures (including military expenditure and veterans' administrative payments) were especially significant.

Notwithstanding the improvement, the balance of payment during the first half of 1952 compared unfavourably with the corresponding period in 1951 when there was a sizable surplus chiefly on account of a large trade surplus. Looking forward to the second half of 1952, the Central Bank of the Philippines anticipates no substantial changes. A major decline in export receipts is expected, as sugar export will be reduced on account of the termination of the milling season, a heavier export volume of abaca and coconut, in view of prevailing low prices, cannot offset in value the seasonal decline in sugar. The Central Bank has therefore reduced the foreign exchange allocation for imports, so that on balance the reserve position at the end of 1952 may not show a significant change. However, the foreign exchange assets with the Central Bank and the commercial banks were reduced again in the third quarter. (See appendix table 6-3)

Rice exporting countries

While several raw material exporting countries experienced an unfavourable movement in their balance of payments, *Burma* showed an improved position during the first half of 1952, as reflected by the increase in the country's foreign exchange reserves. Both exports and imports increased, with a positive balance somewhat reduced as compared with 1951 (cf Appendix table 6-4). The increase in the total value of exports resulted chiefly from the higher prices obtained for rice. The expansion in imports was attributable more to the greater volume of imports than to an increase in the average prices of imports. The considerable increase in imports of producers' goods and technical services under the United States Technical Cooperation Administration (TCA, formerly ECA) improved the country's stock position and productive capacity. In view of the sizable foreign exchange (especially sterling) reserves and the favourable prospect for the balance of payments, the government is intensifying its development effort. *Burma* is now also looking upon foreign enterprise in a more favourable light than it did immediately after independence. The Ministry of National Planning has recently announced that foreign investment in Burmese enterprises would not

be nationalized for a period of 25 years. This change in policy will help to reduce the repatriation of foreign capital or even to encourage its inflow.

The large surplus on the current account of the balance of payments of *Thailand* during 1951 was reduced to a little over one-tenth in the first half of 1952. The most important item responsible for the change was the considerable reduction in the merchandise surplus, a result of (a) the declining earning power of *Thailand's* rubber, tin and other raw material exports, (b) the expansion of imports consequent on the increase of national income, and (c) the appreciation of the baht which stimulated imports but impeded exports. Other international transactions of *Thailand* in the period under review included large drawings on loans granted by the International Bank, and sales of sterling by the Bank of *Thailand* and the commercial banks. On the other hand, *Thailand* added to its short-term dollar assets, and there was also a net inflow of monetary gold (cf Appendix table 6-5).¹

India

India in the first half of 1952 had an external deficit with respect to goods and services of Rs 902 million, about a hundred million less than in the previous half year. The trade deficit was higher, but this was more than offset by an increased surplus on services. In comparison with the first half of 1951, however, when *India* had a surplus of Rs 79 million with respect to goods and services, the position has deteriorated, due entirely to the increase in the deficit on merchandise account. Two thirds of the increase in the trade deficit since the first half of 1951 are traceable to lower exports, one third to higher imports.

A part of the deficit with respect to goods and services was covered in the first half of 1952 by remittances from overseas Indians,² and by the aid provided by the governments of Australia, New Zealand and Canada under the Colombo plan.³ After allowing for these receipts and for capital movements, and allowing also for errors and omissions, there still remained a deficit of Rs 693 million which required compensatory financing, as compared with Rs 1,288 million for the previous half year. (See appendix table 6-6)

¹ See Chapter 4 on "Further decline of export earnings."

² Cf. Appendix table 6-6 where these remittances are included under "private donations." Remittances from overseas Indians in Ceylon had increased following the relaxation of exchange control in Ceylon.

³ Included in Appendix table 6-6 under "Special official financing." For an explanation of the term see Notes to the table.

The United States Food Loan of Rs 320 million financed almost one half of this deficit. Drawings on foreign exchange assets were of the same order as for the previous half year, and the foreign exchange reserves with the Reserve Bank of India showed a decrease. In short, barring unknown factors under errors and omissions, India's large trade deficit during the first half of 1952 was financed by the United States Food Loan, by the aid received under the Colombo plan and by drafts on sterling balances. This was necessary in view of the food shortage and the requirements for development.

As regards balances with various currency areas, there was during the first half of 1952 a considerable reduction in the surplus on current account with the Sterling area other than Pakistan, chiefly because of the

fall, partly seasonal, in exports of cotton textiles, tea and other commodities. As to the balance on current account with Pakistan, the previous deficit turned into a sizable surplus, on account of a reduction in imports of raw jute and an increase in exports of cotton textiles and other manufactured goods. In relation to Pakistan, India's terms of trade improved substantially. The favourable shift in the current account with Pakistan offset the unfavourable shift in transactions with the rest of the sterling area, and resulted in an improvement of India's balance on current account with the sterling area as a whole. With the dollar area there was a further deterioration in the current account, arising mainly from large imports of food and raw cotton. India's deficit with continental OEEC countries was reduced due chiefly to the effects of stricter import control. (See appendix table 6.7)

Chapter 7

INTERNATIONAL TRADE AND PAYMENTS OF JAPAN

The monthly deficit in Japan's visible trade was on the average lower in the first half of 1952 than in 1951. In 1951 Japan's trade deficit had grown. The quantum of exports was the same as in 1950 if one takes the year as a whole, though there were sharp upward and downward movements from quarter to quarter. As the terms of trade had improved relatively to 1950, these exports had an increased purchasing power over imports to the extent of 12 per cent. The actual quantum of imports, however, had expanded by more than was gained by the better terms of trade, and this in conjunction with the rise in the general level of international prices explains the increase in the trade deficit in 1951.¹

¹ If there is trade deficit to begin with, an equi-proportionate rise (fall) in export and import prices will increase (reduce) the trade deficit.

By mid-1952 the quantum of imports had risen still further while the quantum of exports had not shown much change since 1951. The adverse effect on the balance of trade of this relative increase in the volume of imports from January to June 1952 was more than offset, however, by price effects namely by the sharp fall in the general level of international prices and by some further improvement in the terms of trade (as against the average of 1951).

However, on closer inspection it appears that the better showing of the trade balance during the first half of 1952 was entirely due to favourable changes during the first quarter. Since then the tendency has been distinctly downward. At the end of 1951 the terms of trade, which at that time stood above the average for the year, began to turn against Japan, since then they have gradually worsened. Moreover the quantum of

TABLE 7-1

JAPAN MERCHANDISE TRADE^a

(Monthly averages)

Million dollars

TOTAL VALUE							
	1950	1951 ^b	1951		1952		
			Jan Jun	Jul Dec	Jan Mar	Apr Jun	Jul Sep
Exports	68.3	112.9	110.3	115.5	118.8	108.9	95.8
Imports	81.2	170.4	175.9	164.8	156.1	174.8	166.2
Balance	- 12.9	- 57.5	- 65.6	- 49.3	- 37.3	- 65.9	- 70.4
UNIT VALUE INDEX							
Exports	100.0	163.6	152.0	175.3	158.7	153.3	
Imports	100.0	146.0	144.4	147.7	135.7	133.9	
Terms of trade	100.0	112.1	105.3	118.7	116.9	114.5	
QUANTUM (Value at 1950 unit values)							
Exports	68.3	69.0	72.6	65.9	74.8	71.0	
Imports	81.2	116.7	121.8	111.6	115.0	130.5	
Balance	- 12.9	- 47.7	- 49.2	- 45.7	- 40.2	- 59.5	

Source: Japan Economic Council Board

^a Exports exclude procurement for United Nations and United States Forces

^b For 1950 the import figures relate to goods arriving at the port of entry during 1950. Beginning 1951, the import figures represent goods cleared for entry by the Customs Bureau during the periods shown. Goods arriving in 1950 but cleared for entry in 1951 are thus double-counted.

exports after its initial rise at the beginning of the year fell off later on. In the second quarter, these two factors, in conjunction with the further expansion of imports, gained the upper hand. The consequent decline in the trade balance continued in the third quarter, although imports were lower.

It is obvious from this brief summary that the fall in the foreign demand for Japanese goods has now become an important influence. Insofar as this shows in the quantum of exports, some fall had occurred already in the early summer and autumn of 1951, had it not been for the Anglo-Japanese agreement which gave a temporary stimulus to trade, it is probable that mid-1951 would have marked the turning point. In the meantime, the secondary effects of the recession in world markets—i.e. the effects of import restrictions—have come into play, and are contributing a good deal to the shrinkage of exports. The fact that the sharp decline in exports since April 1952 is entirely accounted for by falling sales in sterling countries and in the open account area, whereas dollar exports have kept up, is probably an indication of the growing importance of import restrictions.¹ More recently exports to the open account area have become steadier, possibly in response to successive trade agreements with Brazil, Indonesia and Thailand (See Appendix table 7-1).

What is most striking however is the terms of trade effect of the decline in the demand for Japanese exports.² That the terms of trade of a country exporting mainly industrial goods should deteriorate in a period of falling prices of primary products is rather exceptional. In the case of Japan this peculiar phenomenon is traceable to a number of circumstances which between them make up the essential features of Japan's post-war trade.

The first is the heavy dependence on dollar commodities the prices of which have fallen much less on the average than the prices of primary products supplied by other countries. The dependence on the dollar area, which also explains Japan's latent dollar shortage, has been lessened somewhat in recent months when purchases were switched to sterling countries. But it is still a factor that counts heavily, particularly in combination with a second factor, viz. the high relative importance of textiles in Japan's export trade. In spite of a definite shift towards producer goods, textile exports (including silk, rayon, staple fibres, woollens, etc.) still accounted in 1950 for almost half the total exports. Since in the

course of the recent recession—which to no small extent was a textile recession—the prices of textiles fell sharply, not only in terms of other manufactures but also in terms of wheat and even cotton, the terms of trade of Japan were bound to deteriorate.³ In the preceding period—that is, during the Korean war boom—Japan had raised export prices of textile products sharply, both absolutely and relatively to the cost of materials, whereas the quantum of Japanese textile exports had shown only a small expansion compared to that of other major suppliers, particularly India and the United States. When the boom collapsed in 1951, the price reaction was strong, the quantum of Japanese textile exports, after an initial drop in mid 1951, subsequently recovered and reached peak levels for most items at the end of the year or early in 1952 when the decline was resumed. By the autumn of 1952 (August) exports of cotton piece goods had fallen by 44 per cent from their average level in 1950 and 1951, and the ratio of exports to output had declined from about one half in 1950 to roughly one third.⁴

Next to textiles, metal and metal products are important items on Japan's export list. If machinery is added, the combined share of this group in total exports was about 28 per cent in 1950, as against 15 per cent before the war. In the period up to 1950/51, Japan was successful in finding larger markets for these products. A good deal of this success, however, was based on ability to supply at short notice, and not on cost advantages, and was therefore rather precarious. In the case of machinery, the quotations for Japanese plant, electrical equipment, trucks, rolling stock, and ships (but not textile machines) "stood hopelessly higher than those of the competitors".⁵ Already in 1951 these equipment exports lost ground, they had not been very large in any case. The situation was similar with regard to the quantitatively more important group of metals and metal goods, which includes iron and steel. The cost of steelmaking in Japan is high, partly because of the use of obsolete equipment, particularly in the rolling mills, and partly because of the extraordinarily high price of pig iron. Steel prices in Japan are therefore substantially above the level in Western industrial countries (See appendix table 7-2). In spite of this handicap Japan exported increasing quantities of steel during the period of the Korean war boom when there

¹ Japan itself in Feb 1952 had imposed restrictions on sterling exports in view of the heavy accumulation of sterling balances. But these restrictions were relaxed already in March and still further in May, and have now been completely abolished (October). In the meantime the balance of Japan's sterling trade has declined and become negative (see Appendix table 7-1).

² The terms of trade index, which is used in table 7-1, stood at 121 in the fourth quarter of 1951 but had fallen to 112 by June 1952.

³ By Apr 1952 export prices of Japanese textiles had fallen from their peak level by 78 per cent, whereas prices of imported foodstuffs and textile materials had only fallen by 8 per cent and 35 per cent respectively.

⁴ It is worth noting that total production of textiles has been rising continually in Japan and in Aug 1952 was higher than at any time since the war (though this is not true for cotton goods). Home sales have shown a substantial expansion during the first half of 1952 (cf. chapter 8 "Price movements and policy").

⁵ cf. *Foreign Trade of Japan, 1958*, Ministry of International Trade and Industry, p. 101.

were few alternative sources of supply, these exports fetched prices that were usually well above the domestic level (though not necessarily above international prices). Non ferrous metal products made in Japan found markets during that period although they were even more expensive relatively to prevailing international prices¹. All this changed, when towards the end of 1951 and during 1952 supply conditions in Western countries eased and markets became more competitive. Since then, Japanese producers have been forced to make very heavy price concessions. In the case of steel most Japanese export quotations—in contrast to American and European—are now well below domestic prices, so much so that, a few years after the abolition of price control, the question of subsidizing steel and steel products has become an important controversial issue². No doubt, these price concessions have helped to prevent a more serious fall in the foreign demand for Japanese products. The cost to the economy as a whole shows in the deterioration of the terms of trade to which the fall in the purchasing power over imports of Japanese metal and metal goods has contributed³.

Looking back, the setback which Japan's export earnings suffered on account of these developments has been mild when compared with the losses of the raw material producing countries of the area. Moreover, since the share of exports in total output is much lower in Japan than in those other countries, Japan's losses due to the foreign trade recession so far were of smaller relative importance. But this is not to imply that the fall in export earnings if it continues, will not have significant effects on the economy. Up to now, the

recession in exports did not impair the liquidity position of Japan. In fact, the foreign currency holdings of the Central Bank continued to increase until the summer of 1952 when they were higher than at any time before. External reserves accumulated in spite of the deficits in merchandise trade and in private invisible transactions. Extra dollar income from military sources (including special procurements and expenses of United States forces) covered these deficits and left something over for strengthening the reserves⁴. A slight reduction in external assets for the first time occurred in the third quarter of 1952, the main reduction was in sterling assets while dollar reserves kept on rising (See table 7-2).

Looking ahead the trading outlook is very uncertain. The consumer goods exports of Japan are increasingly exposed to import restrictions, the full effects of which have yet to show. The tentative estimates of the Economic Council Board, which anticipate a payment deficit for the fiscal year April 1952—March 1953 already allow by implication for a decline in exports in the second half of the year as compared with the first half (see Appendix table 7-3). Taking a longer view, due weight must also be given to the underlying precariousness of Japan's international economic position. Military procurements which are paid for in dollars can hardly be regarded as a permanent or as a steady source of income. They veil, and temporarily help to bridge, the overall deficit in current commercial transactions as well as the latent deficit in the dollar accounts. As this extra income is tapering off, its

1 *cf. ibid.*, p. 21

2 *cf. Oriental Economist*, Nov 1952

3 By April 1952 the export prices of Japanese metal and metal goods had fallen from their peak level by 24 per cent, whereas the fall in average import prices was only 16 per cent. See also Table 5-5

4 In addition there was substantial United States aid up to mid-1951

5 One striking feature of these estimates is the expected large change in the balance of Japan's economic transactions with the sterling area. This balance, which was strongly positive in 1951, is expected to show a deficit in 1952 (fiscal years)

TABLE 7-2

JAPAN TREND OF FOREIGN CURRENCY HOLDINGS

Million dollars

	1950	1951				1952		
	Dec	Mar	Jun	Dec		Mar	Jun	Sep
Total holdings	556	489	482	913	1,059	1,163	1,130	
Dollar	462	401	322	583	643	673 ^a	723 ^a	
Pound sterling	54	43	122	211	279	355	280	
Open account credit balance	40	45	38	119	137	135	127	

Source Bank of Japan

Note Figures relate to end of months

^a Dollar for June and Sep 1952 includes holdings of foreign exchange banks as follows: Jun—\$2,141,000, Sep—\$21,879,000

replacement will demand an increase in commercial exports, both visible and invisible. Moreover, the current level of import is still very low by pre-war standards: it is only about half of what it was before the war while industrial production has since increased by 40 per cent. Admittedly, a part of this fall in the ratio of imports to total production must be regarded as permanent, namely insofar as it reflects a change in the industrial structure. Various heavy and chemical industries, which depend less on imports than other industries, have grown in importance, and there has also been a substitution of domestic raw materials, such as timber and scrap iron, for supplies from abroad. Yet there can be little doubt that an increase in the national consumption level which is still materially lower than before the war is conditional upon more imports.

Japan's main problem therefore is to find markets for many more exports under difficult and highly competitive conditions. The advanced industrial countries are not likely to offer additional outlets on which Japan could rely. Although exports to these countries, particularly to the United States, are quite considerable, they consist very largely of marginal items which are not essential to the economy of the receiving countries. They are sensitive to small changes in prices and incomes, and can easily be dispensed with by the receiving countries. On the whole, trade with the under-developed countries of Asia and the Middle East, Latin America

and Africa, seems to hold out better prospects.¹ However, as a supplier of these countries Japan is at present handicapped by two main circumstances. In competition for these markets, Japan may have a cost advantage in many light industries over the more highly industrialized countries. But in respect of just these goods, Japan is meeting increasing competition from indigenous production which is usually protected. With the products of the heavier industries and particularly with capital goods, it is the other way round. They should offer more opportunities in under-developed countries whose demand for capital goods far exceeds local production. Yet in the majority of the industries concerned—though certainly not in every one of them—Japan cannot at present compete in price with Western countries,² as pointed out before, Japanese costs of production are too high. Nevertheless, to promote these exports, as well as exports of the more complex durable consumer goods, is Japan's main task. To bring its solution nearer presupposes the further development of the Japanese economy itself and a substantial improvement in production techniques.

¹ Proximity which can be a factor of some importance in determining trade may point particularly to trade with mainland China. At present however this trade has dropped to a mere trickle. Japanese exports to mainland China have fallen from Y 2100 million in 1951 to Y 150 million in the first half of 1952, while imports from mainland China have fallen from Y 8440 million to Y 420 million (in round figures).

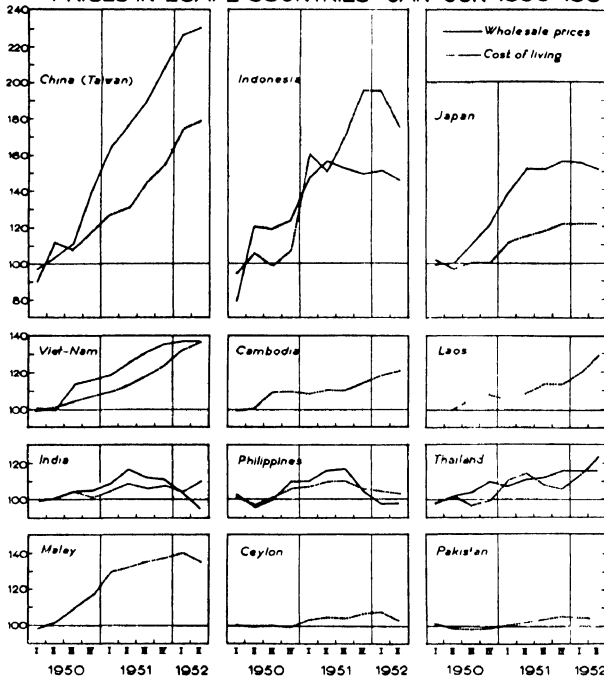
² For Japanese exports of capital goods to the ECAFE region see chapter 5 table 5-5.

Chapter 8

PRICE MOVEMENT AND POLICY

CHART 3

INDICES OF COST OF LIVING AND OF WHOLESALE
PRICES IN ECAFE COUNTRIES JAN-JUN 1950=100



PRICE MOVEMENTS

A glance at Charts 3 and 4 shows that price movements in the region have become more divergent during 1951-52 than they were before. From 1949 or 1950 until well into 1951, prices were rising throughout the region. Since then they have moved towards lower levels in most countries but in others the tendency for prices to rise has continued.

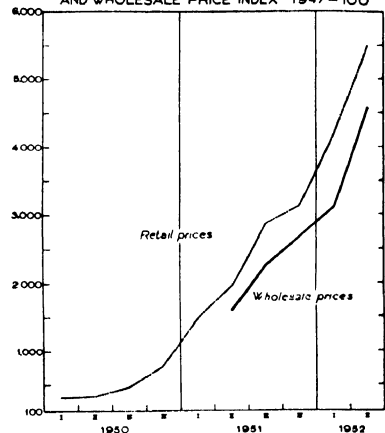
The countries where there has not been much change in the price trend include—apart from Burma which is a special case—China (Taiwan), Korea (south), Thailand and the three states of Indochina. In view

of this relative continuity a few comments on the price movements in these countries will suffice.

In south Korea and the three states of Indochina where military factors directly or indirectly dominate the scene, shortages and hence inflation have continued unabated. It is true that lower import prices have made

CHART 4

KOREA(SOUTH) INDEX OF RETAIL PRICES
AND WHOLESALE PRICE INDEX 1947=100



a difference, e.g. in Viet-Nam where wholesale prices remained comparatively stable from January to June 1952. This stability, however, conceals a substantial rise in the prices of domestically produced goods which pushed up the cost of living still further. In China (Taiwan) the basic situation is similar at least in that the maintenance of an army which is large in relation to human and material resources exercises an upward pressure on prices. Some levelling off and reversal were noticeable, however, in the course of the first half of 1952, this was due to lower import prices and a larger import volume (partly financed from United States aid) as well as to the fact that the gradual increase in production since 1951 was not associated with a

proportionate increase in spendable incomes (because of fiscal improvements).

The relative continuity of price movements in the main rice-surplus countries—Thailand and Burma—is explained by the continued firmness of the export price of rice, the most important single economic determinant. Neither Thailand nor Burma were exposed to the same depressive external influences as other countries. Thus in *Thailand* the price raising influences of the preceding period were still effective in 1952 and operated strongly on the cost of living until the middle of the year, while the steadier course of wholesale prices already reflects the reduced profitability of Thailand's subsidiary exports of rubber and tin as well as some uncertainty in internal trade due to the speculative over stocking and to recent changes in commercial policy. Wholesale prices of imported goods have come down sharply since March (-30 per cent), after the appreciation of the currency, but so far this had little effect on retail prices.

In *Burma*, there has been a downward trend in prices over a period of years, the price peak was in 1949 coinciding with the insurrections. Since then the disturbances, though less serious, have been an obstacle to economic development which could not be pushed to the limits of the country's resources, hence the absence of inflationary pressures. Nor did the increase in export income set up a general tendency for prices to rise, for the higher export earnings were partly used to finance heavy imports of consumer goods (particularly in 1951) and partly held in liquid form. There is, however, no doubt that the sagging price trend also reflects some rise in productivity, transport and internal distribution costs have come down as order was re-established in wider areas. Although the economy is still operating at a low level, the decline in prices has gone hand in hand for some time with a recovery in real income to which the gradual advance in production and better terms of trade have contributed.

TABLE 81

BURMA SEASONALLY ADJUSTED INDEX OF COST OF LIVING RELATING TO
BURMESE WORKING CLASS FAMILIES IN RANGOON

(Jan-Jun 1950=100)

	Annual	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
1949	118.4	113.4	123.8	122.2	114.1
1950	98.3	105.2	94.8	96.6	96.6
1951	96.0	93.3	92.6	97.7	100.3
1952	89.8 ^a	91.6	85.6	92.2	
% change 1951 to 1952	-6.5	1.8	-7.6	5.6	

Sources: Central Statistical and Economic Department, Burma.

a: Average of Jan-Sep.

In the rest of the region the price increases of the preceding years slowed down and died out during 1951 and finally gave way to a price decline. For *India* and the *Philippines*, and to a lesser extent for *Japan*, his tendency shows in the movements of the general index number of wholesale prices which is a fairly good indicator of the domestic price effects of changes in world markets.¹ The aggregative character of these indices however covers up price movements in individual commodity markets to which reference will be made later. That the dominant tendency has been for prices to weaken is confirmed by index numbers of the cost of living. These index numbers show that the rise in the cost of living which persisted during the greater

part of 1951 has been arrested or reversed.² Generally these index numbers display rather damped, and for certain periods opposite movements, when compared with wholesale prices: this is partly because of the stickiness of some of the component items and the steadiness of the consumer prices of basic food and partly because of the time lag between changes in import (or raw material) prices on the one hand and in the prices in the shops on the other.

The common factor behind the price fall is the decline in export prices and export incomes. Production of goods and services for home use expanded throughout 1951 in most countries of the region and was still rising in the aggregate in the spring of 1952. During

¹ Few such indices are available. For Indonesia the wholesale price index of imported goods which is based on importers' selling prices is stated to give a reasonably accurate record of changes in the price level.

² The upward movement in India during the second quarter of 1952 is explained by changes in subsidy policy.

the same period, or at any rate for the greater part of it, there was also a tendency in most countries for the volume of imports to expand. Thus total supplies to home markets became more plentiful at a time when lower export earnings reduced the flow of money incomes, if not absolutely so at any rate in relation to the flow of goods and services to home markets. Although a part of the loss in money income fell on governments, reducing their revenues as compared with expenditures, there was a relative decline in spendable incomes and in actual spending which operated in a direction of weaker prices.

The extent of the price recession and of the losses caused by it has varied from country to country. For one thing, the decline in export earnings (and in their purchasing power over imports) has been uneven, and as the dependence on exports and imports shows wide variations within the region, the fall in external demand was more significant for some countries than for others. Moreover, domestic factors have played a different role in the various countries. Thus in *India*, where exports make a relatively small contribution to total output, speculative influences from within the economy greatly accentuated the price fall. While consumers tended to postpone purchases in falling markets, commodities held in stock were unloaded when it no longer seemed profitable, or indeed possible, to finance inventories that had become excessive.¹ This collapse in inventory investment was mainly responsible in *India* for the shake out in domestic commodity markets during February and March 1952, the uncertainty created by it has made itself felt in domestic trade and production in the subsequent months.

In *Japan*, domestic influences played an entirely different role. The price recession in *Japan* was relatively mild, measured by the general index of wholesale prices. The main explanation probably lies in the buoyancy of the consumer market which was one of the outstanding features of the recent economic development. While consumption was lagging behind production in 1950/51, it caught up in the current year. Urban family expenditures at mid-1952 were 25 per cent higher than at mid-1951 which indicates an expansion in the volume of purchases of about 17 per cent, taking into account the rise in consumer prices. Clothing sales show an even more marked improvement (+ 35 per cent in volume), though in this case the expansion in consumer demand was partly in response to lower prices. This increase in personal expenditures may have been

due, to some extent to non-recurring factors such as high wage bonuses in December and tax remissions. However that may be, it certainly helped to stabilize production and to steady prices particularly in home market industries.²

Domestic influence also explains the very divergent price trends of food articles (at wholesale) in different countries of the region. In *India* food prices have fallen with the improvement in stocks and current supplies during 1952. In *Pakistan*, on the other hand, there has been a rather steep rise, particularly in wheat and maize prices, because of shortages in a number of areas, this was associated with a severe price decline in most other commodities in which *Pakistan* trades.

In spite of such divergencies, the dominant price tendency in most countries of the region has been downward during the first half of 1952. Signs of greater price stability and of a partial price recovery appeared towards the end of the period. By that time the price fall in various international commodity markets had flattened out while the quantum demand for a number of export products of the region, e.g. *Indian* cotton and *Pakistan* jute, had shown some response to lower prices, lower export duties and to the lifting of export restrictions.³ Cutbacks in production, while inventories were cleared and reductions in imports helped to restore a measure of price stability. This tendency has not yet persisted long enough, however, to indicate a trend. Nor, of course, was it evenly distributed. It extended mainly to those groups of commodities that had suffered the sharpest price recession, i.e. to industrial raw materials, while wholesale prices of many finished manufactures have continued to sag.

However, the tendencies operating on prices during the summer and autumn of 1952 were no more than a very partial and hesitant reversal of the much more substantial change in the structure of prices that had occurred during 1951/52, i.e. the depreciation of raw materials in terms of food and manufactures and—within the group of manufactures—the fall in the purchasing power of textile products. It was this shift in price relations rather than the scale change in prices that determined the impact of the trade recession on the economy of the various countries. The region taken as a whole also suffered on this score as it is a substantial exporter of raw materials to the outside world.

¹ No doubt monetary policy contributed to these developments partly by affecting the terms of borrowing including interest-cost and partly also by generating uncertainty.

² The behaviour of export prices was very different (see Chapter 7). Between Apr 1951 and Sep 1952 they dropped by about 27 per cent on the average whereas the general index of wholesale prices hardly changed over this period.

³ In the case of *Pakistan* jute the market revived only in September.

as well as a small net exporter of textile manufactures, for most industrial goods and for some of its food the region depends on outside supplies which have become relatively more expensive

PRICE POLICY

The price recession naturally enforced on governments certain changes in economic policy. These adjustments have taken various forms. *Export taxes* widely used in the region to insulate the economic system from inflationary influences originating abroad were taken off or scaled down. *Price support schemes* were put into operation in Pakistan when in April 1952 cotton and jute prices had fallen to the lowest level set by the government, in the case of cotton, the scheme—which was ended in August—permitted exports below the support price (subject to the approval of the Cotton Board) and offered compensation to exporters for the difference between the official price and the market price, so that in effect export subsidies had taken the place of export taxes. Support schemes were also formulated in India for cotton and in Japan for raw silk, and similar measures were taken in Burma to ease the textile glut. *Direct controls*, which were extensively employed in India in bottle-neck sectors, have been abandoned or relaxed, both in the field of manufacturing and food distribution, although the government has retained its power of control over the distribution and prices of essential commodities. In Japan the dismantling of controls was carried further (sugar).

Other measures not directly related to price policy are omitted here, but one particular problem deserves separate comment, namely, the problem of *consumer subsidies*. Persistently high living costs, combined as they are with falling incomes or government revenues, have raised this problem in a more acute form, at least in the food-deficit countries. Most of these countries operated food subsidy schemes during the inflationary period with a view to protecting the consumer and preventing further cost inflation. During 1951-52 the position of these countries changed radically, they were caught between the decline that has taken place in export earnings and the continuing rise in the cost of imported food. In this situation which clearly carries a threat to living standards a case could be made for continuing consumer subsidies on the ground that they would ease the pressure on certain income groups whom it might be difficult to protect by other means. Moreover, the need for bringing down money costs of production in export industries has made it if anything more important than before to tackle the high cost of living to which money wages are more or less closely tied. Yet the

decline in export incomes and in government revenues has rendered it more difficult to finance rising subsidy bills. The governments of the region have taken different decisions in this matter.

There has been no change in subsidy policy in the Federation of Malaya and in Indonesia where economic policy has been increasingly concerned with the cost of living.¹ In India food subsidies had been paid mainly in certain industrial cities and chronically food deficient areas. The purpose was to secure a uniform and relatively low price for foodgrains in spite of the growing differential between import prices and the prices of locally grown supplies. These subsidies were withdrawn in March 1952 when heavy imports of high priced grains greatly added to the subsidy bill. Moreover, it was thought that on account of these heavy imports the stock position had so improved that supply could hold its own with demand at reasonable prices, without controls and subsidies. However, the subsequent steep rise in food prices led to a partial restoration of subsidies though the total subsidy bill remained substantially reduced. Cost of living indices for various towns record this change in policy.

In Ceylon food subsidies had been paid at a rising cost throughout the financial year 1951/52, but decisions taken in the summer of 1952² involving a reduction in the rice ration and an increase in the consumer price of sugar marked a departure which is likely to show in a higher cost of living. At about the same time, the price of rationed rice was put up in Singapore.

The fiscal considerations which brought about this change in food price policy will be dealt with later.³

WAGES

Labour statistics in this region are very scanty, except for Japan, and it is impossible, therefore, to trace systematically the developments in labour markets.

In Japan, the number of workers regularly employed in manufacturing declined in the period between the summer of 1951 and the summer of 1952 by about 3 per cent. There is little direct or conclusive evidence that this decline in employment (and increase in unemployment) has impaired the power of the unions to raise money wages.

¹ In Indonesia among the measures taken is the regulation that rice mills shall not be permitted to buy rice themselves, and shall work only for the government (effective for one year until 1 Mar 1953).

² See Chapter 10.

³ *Ibid*.

CHART 5

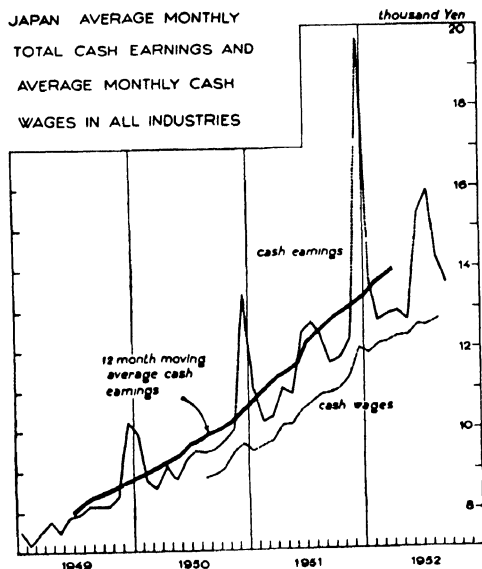
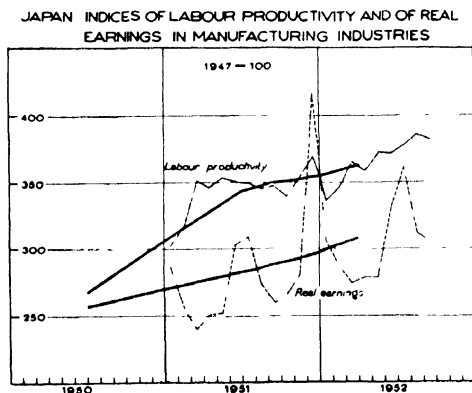


CHART 6



Note 1 The trends for the index of labour productivity and the index of real earnings between mid-1950 and mid-1951 are estimated on the basis of annual averages for 1950 and 1951 by linear interpretation. Figures between mid-1951 and January 1952 are based on 12 months' moving averages.

2 Index of real earnings is based on index of cash earnings adjusted by consumer price index for all cities.

In 1951, as in the previous years, average money earnings have shown a more or less persistent rise. Allowing for the special bonus payments which are usually made in the middle and at the end of each year, this rise in earnings continued in 1952 at about the same pace as before (of Chart 5). The rise in

contract wages ("cash wages"), however, has shown a slight tendency to slow down in 1952, and there have also been signs of a widening in the difference between wages paid in large scale industry and in small enterprises. The latter were more seriously affected by the slackening in the rate of industrial progress, and there have been many reports of wage cuts (in various forms) in small firms. The fact that the autumn campaign of the labour unions is partly directed against wage reductions in small enterprises is an indication of the change in the economic climate.

Real wages during the recovery period generally moved up with money wages, though much more slowly (because of the price rise), and this increase in real wages or real earnings appears to have continued at a slightly higher rate into 1952 (of chart 6). But one distinct feature of the development during 1950/51 has now disappeared. In 1950/51 real wages were definitely lagging behind the improvement in labour productivity, with the result that there was a very marked shift towards profits in Japanese industry. This process has come to an end since about the middle or autumn of 1951. Between then and mid-1952 there has been less improvement in output per man than in the earlier years when plants were still under utilized, while real wages (or earnings) have kept on increasing at a rather higher rate than in the period of rapidly rising prices. In consequence the share of wages in output is likely to have risen in many industries. An example would be textiles, where output per man does not seem to have improved recently,¹ and as textile prices have fallen relative to wages, the result must have been a rise in wage costs (labour income) per unit of output.

Similar tendencies prevailed in the textile industries of India—at least in jute manufacturing—where profit margins have been severely pruned since the spring of 1952, and also in the plantation industries of the region, which serve highly organised and sensitive markets. The outstanding case here is rubber. As a result of the sharp fall in the price of rubber, output and re-planting activity have declined. In Malaya a certain amount of local unemployment is reported from northern districts, and there has been some shift of labour away from the plantations. Workers had to accept wage cuts after protracted negotiations, and small properties still continue to reduce their wage bills. Since the cost of living has fallen only slightly, these wage cuts have meant a reduction in real wages. Product wages,

1 For cotton yarn the Bank of Japan gives the following figures for monthly output per worker in terms of 20s (based on a survey by the Cotton Spinners' Association) —

1950	1 030
1951	981
1952	981 (Jan-Jun)

TABLE 8-2
CEYLON AND THE PHILIPPINES INDICES OF MONEY WAGES AND REAL WAGES
(Jan-Jun 1950=100)

	Ceylon		Philippines	
	Money wage rates ^a	Real wage rates ^b	Money wage rates ^c	Real wage rates ^d
1951				
Jan-Jun	124	119	101	92
Jul-Dec	127	120	107	98
1952				
Jan	130	120	110	104
Feb	130	120	110	104
Mar	130	120	110	104
Apr	130	122		
May	128	125		
Jun	125	124		
Jul	123	122		
Aug	123	122		
Sep	123	119		

Source Ceylon Department of Labour and Central Bank of Ceylon
Philippines Bureau of the Census and Statistics

a Index of minimum money wage rates of tea and rubber estate workers

b Minimum money wage rate index for tea and rubber estate workers expressed as percentage of cost of living index for all estate labour

c Money wage rates index of unskilled labourers in industrial establishments in Manila

d Money wage rates index for unskilled labourers expressed as percentage of cost of living index of wage earners in Manila

however, have risen, that is, wages now form a higher proportion of the value of output

The statistics on wages for tea and rubber estate workers in *Ceylon* also show for the recent period (since May) a fall in real wages (see table 8-2)

The only other country for which relatively systematic information on labour market is available is the *Philippines* where the picture is rather different

With inflation halted, prices both wholesale and retail have been marked down. Employment has remained fairly stable. Money wages, however, have shown a marked improvement which started in the course of 1951, mainly in the second half of the year, this improvement was due to the gradual enforcement of the Minimum Wage Law. The combined effect of falling prices and rising money wages has been a rise in real wages, a reversal of the trend in 1950 and in early 1951.

Chapter 9

MONEY AND CREDIT

DEMAND AND SUPPLY OF LOANABLE FUNDS

The decline in prices and profits which took place in most countries of the region, except in the major rice exporting countries and in China (Taiwan) and Korea (south), was reflected in the money and credit sector

Caught in the price fall, businessmen tried to avoid losses by holding on to stocks in the expectation of better prices, the increase in their demand for loanable funds is indicated by the rise in the ratio of bank clearings to deposit money (see Appendix Table 9-1), and by the increase in the amount of trade loans granted by banks

However, commercial banks within the region became more cautious in view of the uncertain earnings outlook and low cash reserves¹ (see Appendix Table 9-2). Total bank credit during 1952 therefore expanded at a slower rate than before or even declined, especially in the raw material exporting countries and in India (see table 9-1), Pakistan was an exception

1 Cash reserves of commercial banks declined during 1950 and 1951, and in a few countries continued to do so in 1952

This decline in bank credit generally affected speculators and inventory investors more than those needing finance for genuine trade or industrial transactions

In the major rice exporting countries credit in 1952 continued to expand at the same rate as, if not at a faster rate than, in 1951. In Burma, however, credit expanded at a slower rate in 1952 after making allowances for seasonal variations² owing to the increase in interest rates charged by commercial banks since the end of 1951 and the easing of the demand for loanable funds to finance imports³

The overall expansion of credit in Japan during 1952, which proceeded at a slightly lower rate as in previous years, conceals certain underlying factors

2 Thus during the busy season 1951/52 (Sep to Feb) in Burma, short term credit of commercial banks increased by Kyats 51 million as compared with the expansion of Kyats 88 million in the busy season 1950/51 (Oct-Feb)

3 The demand on this account had been increased by the over-flooding of Burma's markets after introduction of many OGL's in 1950 and 1951. Credit for financing imports after increasing from Kyats 9.8 million in Sep 1950 to Kyats 35.2 million in Sep 1951 had levelled off at Kyats 30.4 million in Mar 1952

TABLE 9-1
INDEX OF COMMERCIAL BANKS' LOANS, ADVANCES AND BILLS DISCOUNTED
(Jan-Jun 1950=100)
End of month averages

	1950		1951				1952		
	III	IV	I	II	III	IV	I	II	III
Burma	91	108	170	151	140	151	195	166	150
Ceylon	149	156	165	171	165	166	163	171	170
China (Taiwan) ^a	158	202	212	266	332	381	499	606	745*
India ^b	93	92	114	123	113	115	128	122	110
Indochina (Cambodia, Laos, Viet Nam)	97	102	89	88	106	126	153	169	184*
Indonesia ^c	156	150	188	369	450	474			
Japan	114	126	137	154	177	196	206	219	235*
Korea (south) ^d			143	175	225	371	474	583	827*
Malaya ^e		146 ^f	177	174	166	172	181	127	124
Pakistan	101	136	165	129	104	150	180	161	148
Philippines	95	95	99	106	115	122	133	126	
Thailand	98	100	113	114	117	122	140	140	

a Figures include the Land Bank and Co-operative Treasury, they are based on total loans only

b Scheduled banks only

c Base March and June 1950=100 Includes the Bank of Java's commercial credit

d Base May 1950=100

e Base Dec 1949=100

f End of quarter

g Average of 2 months

Trade credit increased not only absolutely but also relatively to credit for other purposes. While the total amount of industrial bank loans rose, equipment loans hardly expanded¹ and for a few industries even declined. This affected investment in industry, though it was offset to some extent by an increase in public investment and in loans granted by public financial institutions.

Judging from the experience in Japan, it seems that borrowers had difficulties in making repayment, and the amount of overdue loans increased. In Japan, overdue loans with the banks increased from about Y 34 thousand million in December 1951 to over Y 40 thousand million in July 1952. Discount bills failures in Japan also increased significantly.²

CONTINUING RISE OF INTEREST RATES

As credit expansion did not keep up with the increase in the demand for loanable funds, interest rates in many countries of the region continued to rise during 1952. To a certain extent, the rise reflected the dearer money conditions prevailing in the London money market, especially in countries where British banks play an important part in the local money market. In *Burma* credit conditions remained tight in the first quarter of 1952 and the call money rate increased still further from $1\frac{1}{2}$ to 2 per cent per annum. In *India*, where the central bank's dearer money policy contributed to the rise in interest rates, the call money rates among the larger scheduled banks in the busy season of 1952 were quoted for many weeks around $2\frac{3}{4}$ and 3 per cent, while among the smaller banks they were occasionally quoted at as high as $3\frac{1}{4}$ per cent. This might be compared with the call rate among the larger scheduled banks during the busy season of 1951 when it hardly reached $1\frac{1}{8}$ per cent. In *Pakistan*, partly owing to tighter conditions in the money market and to a decrease in the inflow of banking funds into Pakistan, inter bank call money rates rose continuously from November 1951 until it reached an all time record of $2\frac{1}{2}$ per cent towards the end of January 1952. By June, however, conditions had eased slightly and call rates were at $1\frac{3}{4}$ per cent, as compared with a nominal $\frac{1}{4}$ per cent rate in the corresponding period of the previous year. In *Japan*, various public and semi public financial institutions reduced during 1952 their interest charges on loans granted for specific projects, and there was

also a decline in the average "free market" money rate from 18.2 per cent at the end of 1951 to 14.6 per cent in the third quarter of 1952.⁴ But the official rates of interest of the Bank of Japan and of the city banks remained unchanged.

MONETARY POLICY

The deterioration in business conditions was not regarded by the various Governments as serious enough to warrant the adoption of a general policy of monetary expansion. Moreover, balance of payments considerations would have made it difficult to take such a course. India and Japan which had taken disinflationary measures in 1951, by raising the bank rate, did not change them in 1952. The impact of the dearer money policy in *India* was somewhat softened, however, by the Reserve Bank of India's selective policy of re discounting usance bills of commercial banks at $\frac{1}{2}$ per cent below the new bank rate of $3\frac{1}{2}$ per cent.⁵ Furthermore, the Government of India during the first quarter of 1952 guaranteed to purchase, if necessary, from scheduled banks at prescribed prices American and East African cotton held by them as security against loans. In *Japan*, the internal loans of the Bank of Japan to the commercial banks increased, but foreign exchange loans declined owing to the abolition of the usance system of financing imports, on balance the Bank of Japan's lending decreased. On the other hand, the Government through its own financial institutions was granted more loans to industry and trade. The loans of the Japan Development Bank, established in March 1951, had risen by July 1952 to over Y 100,000 million, in the meantime (January 1952) the Development Bank had taken over the assets and liabilities of the Reconversion Finance Bank. The loans and discounts of the Export and Import Bank of Japan, which had started operations in February 1951, had risen by March 1952 to almost Y 7,000 million although there were some reductions in the following months.

In *Pakistan*, the government in addition to announcing a cotton price support policy in March 1952, requested banks to assume a price of Rs 90 per maund of cotton with the normal 25 per cent margin for the exporter. The banks were not to ask for repayment of

¹ Banks' loans for equipment increased by only Y 3,850 million during the second quarter of 1952 as compared with Y 14,568 million in the third quarter of 1951.

² The increase was from Y 11,100 million for Apr-Sep 1951 to Y 19,900 million in the corresponding months of 1952.

³ The Bank of England raised its bank rate for the second time, within a matter of months from 2½ to 4 per cent on 12 Mar 1952.

⁴ This was due to the easing of the overloan situation and the difficulty of finding dependable borrowers (under the weight of the depression) which allegedly caused many banks to start a keen competition for getting trust worthy borrowers.

⁵ See *Economic Survey of Asia and the Far East 1951* for the Reserve Bank of India's abandonment of support of the government securities market which had enabled the commercial banks in the past to replenish their cash reserves by selling government securities to the Reserve Bank. Loans advances and bills discounted by the Reserve Bank (other than to government) increased from Rs 79 million in July 1951 to Rs 651 million in Mar 1952.

loans or for additional collateral even if the price fell below Rs 90, and the Government undertook to make good any losses which might occur because of the additional risks taken by the banks.

Pakistan and the Philippines used selective credit controls in order to restrict the volume of imports. The State Bank of Pakistan in June 1952 directed authorized dealers in foreign exchange not to open any letter of credit for imports without the deposit of a margin of 75 per cent in the case of goods under the OGL and of 50 per cent in the case of licensable goods. Furthermore, during 1951/52 (July to June) the State Bank of Pakistan granted loans and overdrafts of about Rs 307 million to 9 banks including one Provincial Co-operative Bank, as against Rs 356 million to 13 banks during the previous year.

MONEY SUPPLY

In the raw material exporting countries and in India balance of payments deficits and credit contraction tended to reduce the supply of money. The reappearance

of budget deficits however had the opposite effect. As the strength of these factors varied from country to country, there were divergent movements in money supply (see Table 9-2). In *India*, money supply decreased during the year 1951/52 (April-March) by Rs 1,720 million, i.e. by 9 per cent. In *Malaya*, money supply was 10 per cent lower by the middle of 1952 than at the end of 1951. In the *Philippines* the decline during the year 1951/52 (May-April) was of the order of 15 per cent. On the other hand, in *Indonesia*, *Japan* and *Pakistan* money supply continued to increase though at a slower rate. In *Indonesia* the supply of money in May 1952 was 18 per cent higher than at the end of 1951, while in *Pakistan*, after making allowance for seasonal changes, there was an increase of 6 per cent between June 1951 and June 1952.

The deflationary effect of balance of payments deficits on money supply in the raw material exporting countries may be illustrated by the example of *Ceylon* where the decline in foreign currency assets was the most important factor reducing money supply (see Appendix Table 9-3).

TABLE 9-2
INDEX OF MONEY SUPPLY

(Jan-Jun 1950=100)

End-of-month averages

	1950		1951				1952		
	III	IV	I	II	III	IV	I	II	III
Burma	100	94	106	115	109	100	119	122	118 ^d
Ceylon	113	127	148	152	148	148	147	140	135
China (Taiwan)	142	165	195	249	289	301	320	328	337 ^d
Hong Kong	100	101	101	101	100	100	100	100	100
India	97	98	104	106	100	97		96	93
Indochina (Cambodia, Laos, Viet Nam)	103	108	122	129	136	145	97		
Indonesia ^a	120	148	156	163	162	169	176	202	
Japan	105	115	128	136	140	147	155	160	167 ^d
Korea (south) ^b	138	300	445	543	622	774	835	900	1,043 ^d
Malaya ^c		158	188	196	199	195	190	176	
Pakistan	98	101	114	113	115	126	130	122	112
Philippines	106	117	108	109	100	97	96	95	95
Thailand	104	119	133	140	144	151	156 ^d		

Notes. Money supply is net active currency (total currency outstanding less holdings in all banks including the central bank and in the government treasuries) plus deposit money (deposits of all banks, including central bank subject to checks, but excluding inter-banking liabilities and central government deposits). The following approximations however, are used for some countries. Ceylon deposit money includes deposits of certain government agencies. China (Taiwan) deposit money and total currency issued. Hong Kong notes in circulation. Indochina currency in circulation and total deposits. Japan and the Philippines deposits money with commercial banks only but for the Philippines includes unused overdraft lines. Malaya demand deposits of commercial banks. Pakistan currency in circulation and deposit money.

a March and June 1950=100. Figures for 3rd and 4th quarter 1950 relate to end of quarter.

b Average of March and June 1950=100. All figures relate to end of quarter except 1952 from second quarter 1950 onwards figures are estimated.

c Dec 1949=100. All figures relate to end of quarter.

d Average of 2 months.

Both *China* (Taiwan) and *Korea* (south) had seen a rapid expansion of money supply in 1950 and 1951. In 1952, however, the supply of money expanded at a much slower rate than before.¹ Larger imports, made possible by foreign aid or by agreement with the United Nations Forces, helped to reduce the degree of inflation pressure in *China* (Taiwan) and *Korea* (south) respectively and at the same time slowed down the rate of increase in money supply.

In the major rice exporting countries which did not experience any deflation, money supply continued to expand during 1952 at the same rate as in 1950 and

1951.² In these countries the expansion of commercial bank credit and the continuing accumulation of foreign assets were important factors tending to increase money supply, this was particularly so in *Burma*, and to a lesser extent in *Thailand*. There were also indications that government budget deficits were contributory factors.

Taking the whole period from 1950 to 1952, money supply in relation to price levels has changed as follows. During the years following the outbreak of the Korean War money supply and credit generally expanded at a much faster pace than wholesale prices and/or the cost of living. With the collapse of the boom in the second half of 1951 and in 1952 money supply and credit contracted in a few countries, notably *India*, *Malaya* and the *Philippines*, but allowing for the lower price levels the real value of cash balances has increased.

¹ In *Taiwan* during the first 8 months of 1952 money supply increased by 10 per cent as compared with 55 per cent increase in the corresponding months of 1951. In *Korea* (south) money supply in the first 3 months of 1952 increased by 10 per cent as compared with 50 per cent increase in the corresponding period in 1951.

² In *Burma* after making allowances for seasonal changes.

Chapter 10

FISCAL DEVELOPMENTS¹

As noted in the 1951 *Survey*, the recession in foreign trade has begun to affect materially the budgetary position of a number of countries in the region. In the meantime, new budgets for 1952/53 are available for Burma and Ceylon, covering the fiscal year ending 1 October, 1952. Some indications as to the trend of budgetary developments in the mainland China too are given in recent announcements from the Finance Minister of the People's Government. All these, along with fiscal developments in certain other countries, are noted in the following sections.

BURMA

The revised budget estimates for 1951/52 show a smaller overall deficit of the Central Government than was originally planned. Government revenue had been under-estimated and expenditure over-estimated. Details are given in table 10-1 and in the appendix tables 10-1 to 10-4 where the same classification is used as in previous *Surveys*.

The growth in revenues in 1951-52 was due in part to the liberalization of imports which increased

the yield of import duties. It also reflects higher contributions from the State Agricultural Marketing Board (Ks 213 million in 1951/52 as against Ks 167 million in the previous year).²

The increase in government expenditures during 1951/52, as given in the revised estimates, outpaced the increase in revenues so that the approximate balance in the 1950/51 accounts was converted into a deficit. The spending targets for 1951/52, however, had been set even higher, (particularly in regard to public investment) and revenues were more buoyant than had been anticipated, the revised estimate of the deficit is therefore well below the draft estimate. Later information is that the actual deficit will be still smaller.

The budget for 1952/53 is again a deficit budget. Larger revenues are expected from the same sources as before—tax rates are not to be increased nor are new taxes introduced—but it is proposed to step up expenditures to a still greater extent. Defence receives in

¹ This chapter specially should be read as a supplement to the chapter on Fiscal Developments in the 1951 *Survey*. Since most of the essential features have been fully described in the 1951 *Survey* only some special features have been noted in this chapter.

² In addition to the above contributions the State Agricultural Marketing Board increased substantially its deposits with the Treasury and the Union Bank of Burma (retained profits). The budget documents indicate that the State Agricultural Marketing Board Act according to which the Board was required to pay income and super taxes on its 1951/52 profits has not come into force nor are the expected contributions in 1952/53 (Ks 252 million) included in direct taxes.

TABLE 10-1

BURMA GOVERNMENT EXPENDITURE, REVENUE AND BALANCE

Million kyats

	Expenditure	Revenue	Balance
1949/50 A	419.9	491.6	71.7
1950/51 RE	540.1	544.3	4.2
1951/52 DE	809.9	580.0	-229.9
1951/52 RE	773.5	629.0	-144.5
1952/53 DE	1 087.3	785.9	-311.4

Notes: The fiscal years are from 1 Oct to 30 Sep. The notations A, RE and DE refer respectively to actuals, revised estimates and draft estimates.

Transactions of posts and telegraphs, aviation and State lottery are net for all the years of railways, civil supplies and electricity are net for 1949/50 and 1950/51; from 1951/52 only the contributions to or from revenue are included; the rest of the transactions are omitted owing to the creation of separate boards. Interest charges are gross, including payments from undertakings.

Expenditure: Excludes debt repayments and transfers to revenue reserve and contingency funds. 1950/51 excludes the write off of 75 million kyats of agricultural loans given during the year 1946/46 to 1948/49. 1951/52 excludes 80 million kyats for note subscription to International Bank and Fund.

Revenue: Excludes transfers from the Reserve Fund. 1949/50 and 1950/51 includes contribution from State Agricultural Marketing Board and State Timber Board to the National Development Fund. 1951/52 includes capital receipts from the civil supplies board. 1952/53 includes contribution from state managed boards for capital outlay.

the new budget the largest additional allocation, followed by public investment and social services. The planned deficit, raised from Ks 145 to Ks 311 million, is to be covered mainly by drafts on cash balances (see Appendix tables 10-1, 10-3 and 10-4).

By comparative standards, this is a large spending programme. The gross domestic product of Burma was last estimated at Ks 3,670 million for 1950/51, and of this the government absorbed by its expenditures a little less than one seventh. On present indications, the gross domestic product will reach and may exceed the 4,000 million mark in 1952/53, with government absorption raised to between a fifth and a quarter. The planned increase both in total government outlay and in the deficit is substantial and if these expenditures actually materialize, they can hardly fail to give a stimulus to the economy. The question is whether they will not be inflationary, in the sense of raising prices rather than output.

On the strength of what the national accounts and the state of the balance of payments show, this question can be answered with a fair degree of confidence. For the last four years, including 1951/52, Burma had a surplus of savings over domestic investment to the extent of over 5 per cent of income (except in 1949/50 when the surplus was smaller). These excess savings were invested abroad, i.e. they were used for the accumulation of sterling balances and sterling credits. What the present expenditure programme appears to involve, is the diversion of future savings to domestic use. Since the planned increase in the budget deficit will require no more savings than are now going into investment abroad, the programme seems to be within the limits of what can be financed without inflation. Some running down of the current external balance, which is still in surplus, is bound to occur if only because of the direct

import requirements of the programme.¹ Moreover, although there is a slackness in the economy so that domestic output is likely to respond to the increase in home demand,² one cannot be certain just how big and quick this response will be, and how much of the extra income will spill over into imports. However, as long as domestic supplies, particularly of consumer goods, can be augmented by imports at the expense of further foreign investment, shortages need not arise and the danger of inflation should not be great. For the time being, stagnation rather than inflation is the major problem of Burma.

CEYLON AND OTHER COUNTRIES

While in Burma, the budget deficit is the deliberate result of higher government expenditure in a period of rising revenue, it is quite different with the increased deficits (or reduced surpluses) which are now appearing in some other countries of the region where government revenues are falling faster than expenditures are cut. The new budget estimates and proposals of the Government of Ceylon will illustrate this development.

The figures in table 10-2 show a fairly substantial fall in the revenue of the government of Ceylon. The decline during 1951/52 (measured roughly by the difference between the original and the revised estimates) was from Rs 886 million to Rs 823 million. The equivalent estimate for 1952/53 is Rs 794 million.

¹ Though allowance must be made for the foreign exchange which the development programme itself may supply, at least in the longer run. In the case of Burma there is much scope for increased exports of rice and of minerals.

² It may be noted that the initial increase in domestic demand is smaller than the budget deficit because part of the increased government outlay directly goes into imports. According to the *Economic Survey of Burma 1952*, the direct import content of some of the new projects that are now being studied is nearly 40 per cent, though the import/expenditure ratio for total government outlay is probably much lower.

TABLE 10-2
ESTIMATES OF THE REVENUE AND EXPENDITURE OF THE GOVERNMENT OF CEYLON

Million rupees

	1950/1	1951/2	1951/2	1952/3
	Actuals	Draft estimates	Revised estimates	Estimates
REVENUE				
Customs	527.7	552.9	478.1	427.9
Import duties	245.0	201.0	258.5	237.5
Export duties	282.5	351.6	219.3	190.1
Sundries	0.2	0.3	0.2	0.3
Income tax, estates duty, etc.	152.2	219.1	219.4	219.9
All others	133.6	113.8	125.9	145.7
Total revenue	813.5	885.8	823.4	793.5
EXPENDITURE				
General estimates	708.2	884.6		837.8
Loan fund expenditures	146.7	345.0		377.1
Total expenditure	854.9	1,229.6		1,214.9

Note: Postal and tele-communications services and railways and electrical undertakings are included on a net basis.

The loss during 1951/52 was wholly due to lower revenues from export duties. Import duties, on the other hand, brought in more than was expected (and more than in the preceding year), and this offset part of the losses. However, in 1952/53 import duties are expected to give a smaller yield.

The General Expenditure Estimates for 1952/53 reflect economy measures that are to be applied to almost every Ministry or Ministerial Department, including health, education, labour and social services, external affairs, etc. The only major exception is the Ministry of Agriculture and Food which receives a higher allocation in connection with the campaign for more food production.¹ As to food subsidies, the Estimates provide an amount of Rs 161 million, as against an outlay of Rs 255 million last year. But for these cuts, the prospective deficit would have worked out at a higher figure, particularly as food subsidies, if not restricted, would have risen in 1952/53 to over Rs 300 million.

The budget proposals contain no cuts, however, in investment expenditures from Loan Funds, and the budget generally provides for the completion of the six-year plan 1947-53.² In the meantime, the International Bank for Reconstruction and Development has published the report of its mission to Ceylon, with recommendations for the six-year period 1953-59. These recommendations are to be brought into the provisions for 1953/54.

As to the methods of covering the deficit, domestic borrowing is involved, both in the form of borrowing from the public and drafts on cash balances.³ But from 1952/53 onwards, Ceylon will also need to draw considerably on foreign assets and on external assistance. So far, public development was financed entirely out of domestic resources.

Further measures were proposed in September, when the Prime Minister announced on eight-point plan⁴ to tide over the financial and economic crisis, namely

(i) Surcharge of 10 per cent on the existing import duties on certain luxury and semi-essential goods, (ii) surcharge of 10 per cent on the assessed income tax for a period of one year, (iii) doubling of the present rate of betting tax, (iv) continuation of the recent increase in sugar prices, (v) reduction of the rice ration in all groups, (vi) increase in guaranteed prices of rice, maize, kurakkan and sorghum, (vii) restriction of imports from non-sterling sources, (viii) restriction of non-urgent expenditures appearing in the 1952/53 budget by about 100 million rupees.⁵

The budget and the fiscal policy of Ceylon have been reported at some length because they contain certain features which recur in a number of *other countries of the region*. First, the tendency for government revenues to fall is fairly general. Lower revenues are shown for 1952 or 1952/53 in statistics or estimates for Indonesia, India and Pakistan and a decline is also anticipated for 1953 in Malaya. In all these cases the main revenue loss is traceable to lower yields from, or to the scaling down of, taxes on export commodities. Income and profit taxes, which are of a small relative importance in the region, generally still reflect the prosperity of the preceding year. The full impact of the recession therefore is expected to show only in the financial accounts covering 1953. Malaya is a case in point. Federal revenues in 1952 are likely to be higher than in 1951, owing to the buoyancy of income tax, but a falling-off is anticipated for 1953. The revenue estimates, in round figures, are:⁶

1951 (RE)	M\$ 690 million
1952 (DE)	M\$ 641 million
1952 (RE)	M\$ 712 million
1953 (DE)	M\$ 589 million

The second common feature is this: all governments faced with a more or less drastic fall in their revenues are trying to make up for this loss by a combination of measures which always include pruning of expenditure, except for expenditure on defence and on development. Expenditures in these two fields are generally still rising, defence⁷ for security reasons and development because of the high priority which it has received, and also because it cannot be turned on and off on tap.⁸

1 The increase in the vote for the Ministry of Home Affairs is mainly due to the transfer to this Ministry of the Cottage Industries Department which used to be under the Ministry of Industries and Fisheries.

2 Under the revised Colombo Plan, Ceylon's development outlay in 1952/53 will be Rs 583 million as against Rs 408 million in 1951/52. It is too early to say whether this programme can be carried out in full. For details and explanations see the *Annual Report of Consultative Committee on Economic Development in South and Southeast Asia*, Karachi, March 1952.

3 Two new Government loans—2½ per cent 1958-58 and 3 per cent 1973-78—were subscribed for between July 15 and Aug 21, 1952. The maturity periods of the two loans were designed to meet the demands both from commercial banks, whose preference is for "shorts", and institutional savers who generally prefer "longs". The size of each loan was not fixed beforehand but was left for the market to determine within a limit of Rs 100 million for the two loans together (see *Central Bank of Ceylon Bulletin*, Sep 1952, p. 10).

4 Some of these measures have already been passed by Parliament under the Subsidies Temporary Taxes Bill.

5 The projects affected are an iron and steel mill, a DDT-caustic soda factory, a cotton textile mill, a new paper factory, a new acetic acid factory, and an ore-dressing plant for mineral sands. Cf *Ceylon News*, 2 Oct 1952.

6 Cf report on the draft estimates for 1953, in *Brown's Malayan Economic Review*, Nov 15, 1952.

7 Ceylon seems the only country where defence expenditure is not increased.

8 If the recession continues, the possibility that volume and distribution of development expenditures will be affected, cannot be ruled out, however, as the steps taken by Ceylon show.

On the expenditure side, the axe is falling mainly on administrative expenditures at home and abroad, and on food subsidies (Ceylon, India). At the same time governments are trying to tap new sources of income to compensate, at least partly, for the loss. Thus, in addition to Ceylon, some of the State Government of India, which have presented 1952/53 budgets, have announced new taxation proposals, chief among which are, (a) extension of the scope of sales tax, (b) rise in petrol duty, and (c) increase in land revenue, either in the form of a surcharge or a betterment levy on land which has recently benefited by the provision of irrigation facilities.¹ In Indonesia, to quote another case, the inheritance tax will be re-imposed, luxury cars will be taxed, and differential exchange rates for imports (which are in fact selective taxes) have been introduced in place of the former charge for import certificates. In Pakistan, import duties on cotton goods were raised, no doubt, fiscal considerations had something to do with the choice of this particular method of import restriction. Recent measures also include tax concessions made on incentive grounds.

A third experience which some other countries are sharing with Ceylon is that, in spite of such counter-measures, revenues for the time being are falling faster than expenditures so that the government accounts tend to show growing deficits or declining surpluses. For Malaya, present indications are that the surpluses of 1951 and 1952 will be converted into a deficit in 1953. In Indonesia, the prospective 1952 deficit is particularly—and exceptionally—high. It seems that in 1951 the government accounts actually closed with a cash surplus of about Rp 1,000 million (although the original estimate was a deficit of the same order). At that time many commitments were made in various sectors involving additional expenditures in 1952. When subsequently receipts began to fall, the position quickly deteriorated, and it is now expected that there will be a deficit in 1952 of the order of Rp 4,000 million.² In 1953 revenues are likely to be still lower, by a substantial margin. For India and Pakistan, the latest official estimates were reported in the 1951 Survey.

It is perfectly clear that this growth of deficits is not the outcome of deliberate policies.³ The govern-

ments of the region have been using fiscal measures as an instrument of controlling inflation in recent years, but no government is making use of this method for controlling deflation. There are good reasons for this. Not only was the inflation of the last few years more easily identifiable and pervasive than the rather localised deflation of the present period. The main reason is that countries which are faced with a sudden fall in the demand for their exports, and which do not possess large reserves of foreign exchange, cannot employ expansionary home finance as a counter—it is ruled out by balance of payments consideration.⁴ Nor is there anything else they can do, apart from adjusting downward.

That these downward adjustments do not extend to development plans—except perhaps for some minor projects—is worth stressing again. All available estimates go to show that the amount of development work in progress, and the size of the plans that have been approved, are slowly growing.⁵ In fact, neither the Korean war boom nor the subsequent recession had much effect on the speed of development. Its pace was limited during the boom by such factors as administrative capacity, the maturity of plans or the availability of goods. The rise in export earnings found its main reflection at that time in an increase in exchange reserves. During the recession these reserves, augmented by foreign aid or loans, have so far proved sufficient to support prevailing levels of development, though restrictions had to be imposed in some other directions. It is clear, however, that a prolonged recession would materially alter the picture, for there are few countries that could stand the present strain on reserves for any length of time. Even an improvement in trade, of which there are now signs (end-1952), may leave behind conditions of greater financial stringency, in view of the fact that the changes that have taken place in world markets since the spring of 1951, represent at least in part an adjustment to more permanent, or less abnormal, conditions than prevailed during 1950/51.

MAINLAND CHINA

What information there is on budgetary policy in mainland China reveals a large increase in real expenditures and revenues, since 1950. The 1951 budget, which was not published, was stated to have been compiled "in the light of the worst possible conditions

1 For a detailed survey of the finances of Part A and Part B States, see *Reserve Bank of India Bulletin*, Nov 1952.

2 Data taken from *Facing the Situation*, published by the Ministry of Information, Republic of Indonesia.

3 Signs of a beginning shift towards a more liberal or expansionary financial policy are noticeable in Japan where inventory finance for Food Control and Foreign Exchange Special Accounts are now mainly provided by loans, under the "Dodge line" they had to be provided from current revenue.

4 It may be different for groups of countries whose economies are largely complementary if they act together. But this does not apply to the countries of the ECAFE region where the degree of complementarity is small.

5 Most of the relevant information was given already in the 1951 Survey.

confronting the country, and with a view to guaranteeing the international needs" Unofficial estimates show that the size of the budget considerably increased in comparison with 1950, military expenditures were the largest item With the Korean war still on in 1952, the Finance Minister recently announced that expenditure during the year was to rise 56 per cent and revenue 42 per cent over 1951 The budget was to be balanced whereas the year 1951 had closed with a surplus. The rise in the figures reflects both the recovery in production and the increase in the government's share in total economic activity

All major expenditure items—Defence, Investment in State Enterprises, Administration, Education and Health—received higher allocation in the budget plan Though no precise figures are available from official sources, it seems that military outlays and investment in state enterprises have gone up most The state enterprises are mainly concentrated in the Northeast (Manchuria), the heart of industrial China, but they also include large-scale construction projects such as building of dykes and dams along the Yellow River, the Yangtze river and other principal rivers of the country; completion of three railways in Northwest and Southwest China, and building of the new harbour in Tangku, North China

Administration expenditures must have increased (though perhaps not proportionately) in view of the large expansion in Government and Party personnel According to the Minister of Personnel of the Central People's Government, there were in all about 720,000 cadres at the time of the founding of the People's Republic of China on 1 October, 1949, by September 1952, the number of cadres (exclusive of military services) had reached 2,750,000, representing a fourfold increase in three years.

Among the sources of revenue the largest is taxation. In the 1950 budget about 41 per cent of revenue were derived from the national food levy (land tax), and 39 per cent from other taxes, especially the business tax on industry and trade. Earnings from state enterprises provided 17 per cent, and other sources 3 per cent. In the meantime, confiscations in the course of the various campaigns against landlords and capitalist have swelled state receipts, and there has also been a large increase in the contributions of state enterprises which in 1952 produced about two thirds of the country's industrial output.¹ The contributions of state enterprises

together with urban taxes now constitute the main source of Government revenue while the share of rural taxes has declined.

With the progress of land reform the extreme disparities in land ownership were removed in most parts of China An important change has occurred in agricultural taxation. New agricultural tax regulations were announced on 16 June, 1952 and were to apply to those parts where the land reform has been completed. Northeast and North China were expected to be included next year The new regulations, which simplify the tax system and reduce its progressivity,² have three principal features

- (i) The tax is to be collected solely by the Central Government, and all local surcharges will be abolished This feature forces the local authorities to apply to the Central Government to make up their loss of revenue and consequently strengthens the Central Government's control and assists its policy of centralization The abolition of local taxes is also expected to reduce on balance the tax burden on the agricultural population
- (ii) The tax is graduated according to the average production of each individual in the farmer's family, the scale ranging from 7 to 30 per cent.
- (iii) The tax is to be based on a fixed production quota

It is claimed that the majority of farmers will pay tax at rates between 11 and 15 per cent of their grain crops (Special regulations will apply to crops other than grains)

While the actual procedures for deciding the production of each individual in the farmer's family or the method of arriving at the estimate of annual production are not clear, the greatest significance of these regulations is the adoption in mainland China of centrally controlled agricultural taxation system which in practice would tend towards an increasing control by the government over the farmer.

² Steeply progressive land taxes, which put the maximum burden on high income groups and give relief to poor peasants, continue to apply to areas where land reform has not been completed The rates levied in kind ranged in 1950 from 10 per cent for poor peasants to 80 per cent for "special families" whose receipts were in excess of 5 000 bushels per annum Middle peasants, rich peasants and landlords paid 15 per cent, 25 per cent and 50 per cent respectively

¹ This refers to output of "modern" industry

APPENDIX TABLE 1-1
INDICES OF WHOLESALE PRICES OF SELECTED EXPORT COMMODITIES
(1949 = 100)

	1950				1951				1952	
	I	II	III	IV	I	II	III	IV	I	II
Copra (Singapore)	119	122	137	145	179	144	122	124	100	84
Groundnuts (Bombay)	102	110	115	106	121	127	104	101	85	73
Sugar (Manila)	101	104	109	105	100	105	102	97		
Tea (Colombo)	121	90	107	112	123	95	87	91	92	78 ^c
Tobacco ^a (Gunter)	100	100	108	108	108	106	106	104	108	103
Cotton, raw (Karachi)	87	87	104	151	199	190	159	147	144	128
Jute, raw ^b (Chittagong)	70	78	71	69	93	160	109	100	97	73 ^c
Rubber (Singapore)	136	198	326	468	567	446	389	382	323	258 ^c

Source FAO

^a Base Jan-Jun 1960^b Base average of Jan, Feb Jun and Jul 1949^c Two-month average

APPENDIX TABLE 1-2
EXPORTS OF WHEAT AND WHEAT FLOUR TO SELECTED ECAFE
COUNTRIES FROM ARGENTINA, AUSTRALIA, CANADA AND THE
UNITED STATES

	<i>Thousand tons</i>		
	1950	1951	1952 Jan Jun
Burma	4	4	15
Ceylon	226	311	133
China (Taiwan)	18	—	—
Hong Kong	125	59	28
India	1,583	3 322	1,752
Indonesia	74	188	121
Japan	1 403	1 649	1 173
Korea (south)	—	34	31
Malaya	171	226	91
Philippines	227	246	107
Total	3,841	6 039	3 451

Source FAO

APPENDIX TABLE 1-3
ESTIMATED ENERGY AND PROTEIN CONTENT PER CAPITA OF
DAILY AVERAGE FOOD SUPPLIES

	Calories				Total protein (Grams)				Animal protein (Grams)				Remarks on 1951/52 changes
	Pre-war	1949/50	1950/51	1951/52 as % of 1950/51	Pre-war	1949/50	1950/51	1951/52 as % of 1950/51	Pre-war	1949/50	1950/51	1951/52 as % of 1950/51	
Ceylon	2140	2010	2060	100	48	46	48	101	9	11	12	101	Slightly more meat
China ^a	2230	2030	2120	102	71	62	65	101	6	5	5	100	More rice and meat
India ^b	1970	1620	1570	102	56	42	42	102	8	6	6	100	More rice and sugar
Indonesia	2040	1880	1950	101	46	42	44	100	5	5	5	100	Slightly more cereals and more starchy roots
Japan	2180	2000	2100	102	64	52	53	100	10	9	10	95	More sugar less fish
Pakistan	—	2240	2160	100	—	60	58	100	—	11	11	100	Little significant changes
Philippines	1920	1960	2050	99	45	44	47	99	11	10	11	100	Slightly less rice and corn

Source FAO

^a Excluding Northeast (Manchuria) and Taiwan^b Pre-war relates to India and Pakistan

APPENDIX TABLE 1-4
RICE EXPORTS FROM SELECTED
ECAFE COUNTRIES

Thousand tons

	1950	1951	1951 Jan-Jun	1952 Jan-Jun
BURMA				
(1) To ECAFE countries ^a	1 052	1 132	680	562 ^b
(2) Total exports	1 138	1 325	770	648
(1) as percentage of (2)	88	85	88	87
INDOCHINA				
(1) To ECAFE countries ^a	15	149	31	107
(2) Total exports	121	334	151	186
(1) as percentage of (2)	12	45	21	58
THAILAND				
(1) To ECAFE countries ^a	1 189	1 383	677	679
(2) Total exports	1 508	1 612	820	729
(1) as percentage of (2)	79	86	83	93
TOTAL				
(1) To ECAFE countries ^a	2 256	2 664	1 388	1 348
(2) Total exports	2 827	3 271	1 741	1 563
(1) as percentage of (2)	80	81	80	86

Source: FAO

^a Comprising Ceylon, China, Hong Kong, India, Indonesia, Japan, Malaya, Pakistan and the Philippines

^b Estimated on basis of Jan-May figures

APPENDIX TABLE 3-1
CHINA (MAINLAND) INDUSTRIAL PRODUCTION
(Pre-liberation peak = 100)

	1949	1950	1951 (Fore cast)	1952 (Fore cast)
Electricity	72	78	94	115
Coal	45	59	69	90
Petroleum	38 ^a	51	65	136
Pig iron	11	49	64	104
Steel ingots	16	69	97	155
Rolled steel	18	67	120	167
Copper		253	333	
Tungsten		76	80	
Tin		38	46	
Cement	31	66	107	148
Glass		120	138	
Caustic soda		82	244	
Soda ash	63	97	124	
Cotton yarn	72	100	106	144
Cotton cloth	73	109	118	161
Paper	90	115	185	234
Gunny bags		43	99	
Auto tyres	36	66	196	
Cigarettes	83 ^a			145
Matches	85 ^a			111
Wheat flour	78			106
Sugar	40	48 ^b	60 ^b	100 ^c
Lumber				136 ^c

Sources: All of the 1949 figures are taken from a report by Li Fu-chun, Vice-Chairman of the Financial and Economic Committee, Peking, on Oct 25 1951 published in *China Fang Jih Pao* Shanghai Nov 5 1951 with the exception of those marked with (a) which are taken from a report made by the same official on Oct 1, 1952 published in *Ta Kung Pao*, Shanghai on the same date. All of the 1950 and 1951 figures are taken from an article contributed by Sung Shao-wen, Director of the Central Financial and Economic Planning Board to *Jen Min Jih Pao*, Peking Oct 6 1951 with the exception of those marked with a (b) which are worked out on the basis of a report carried in *Jen Min Jih Pao*, Peking Oct 15, 1951, which stated that the China sugar production showed an increase of 21 per cent in 1950 and was expected to show an increase of 51 per cent in 1951 when compared with the 1949 output.

All of the 1952 figures are taken from a report made by Li Fu-chun on October 1, 1952 with the exception of those marked with (c) which are taken from a report made by Po I-po, another Vice-Chairman of the Financial and Economic Committee, Peking on Oct 1, 1952, published in *Ta Kung Pao*, Shanghai, on the same date.

APPENDIX TABLE 2-1
TIN WORLD-PRODUCTION AND CONSUMPTION^a

Tons

	Production	Consumption	Excess of production over consumption
1938	164,700	150,900	+ 13 800
1946	101 100	116 300	- 15 200
1947	126 500	129,000	- 2 500
1948	160,000	133 100	+ 26 900
1949	170,700	116 350	+ 54 350
1950	176,300	150,400	+ 25 900
1951	170 200	139,200	+ 31 000
1952 ^b	160,800	119,500	+ 41 300

Source: International Tin Study Group

^a Excluding USSR

^b Annual rate based on Jan-Sep data

APPENDIX TABLE 3-2

CHINA (TAIWAN) INDUSTRIAL PRODUCTION,
1951-52

(Monthly averages or calendar months)

	Unit	1951	1952		
			Jan-Mar	Apr-Jun	July
Coal	'000 tons	138 0	149 0	196 0	193 0
Electricity	mn KWH	107 7	116 6	112 8	118 9
Gasoline	mn litres	6 7	6 3	8 0	8 4
Kerosine	"	2 7	4 3	4 0	3 7
Diesel oil	"	4 2	3 7	4 2	6 4
Fuel oil	"	10 3	11 6	11 7	14 9
Cement	'000 tons	32 4	27 6	40 0	43 9
Cotton yarn	'000 bales ^b		4 7	5 6	6 8
Cotton cloth	mn yards		6 1	7 8	7 6
Gunny bags	'000	437 0	447 0	554 0	596 0
Caustic soda	tons		778 0	824 0	564 0
Liquid chlorine			164 0	118 0	60 0
Hydrochloric acid			286 0	401 0	357 0
Paper			1 422 0	1 870 0	2 091 0
Paper board			579 0	410 0	496 0
Pulp	"		1 205 0	421 0	311 0
Chemical fertilizers					
Calcium cyanamide	"	9 166 0	4 812 0	5 617 0	5 889 0
Calcium superphosphate	"		2 955 0	4 485 0	5 727 0
Fused phosphate	"		997 0	537 0	590 0
Ammonium sulphate	"		464 0	491 0	453 0
Salt	'000 tons	22 0	40 0	37 0	9 0
Sugar ^a	"	351 0 ^c	164 0	7 0	—

Source: China Ministry of Economic Affairs

^a Production of sugar for crop year 1951/52 (Dec-Apr) was 520 454 tons

^b 1 bale=400 pounds

^c 1950/51 Dec-Apr total

APPENDIX TABLE 5-1

BURMA IMPORTS BY CONTROL CATEGORIES^a

<i>Million kyats</i>			
	1950	1951	1952 ^b
Private	450	538	656
Open general licence	146	328	388
Special licence	304	210	268
Government	59	120	140
Total	509	658	796

Source Union Bank of Burma

^a Actual payments^b Annual rate based on Jan-Jun figures

APPENDIX TABLE 5-3

PHILIPPINES IMPORTS BY CONTROL CATEGORIES

<i>Job value in million pesos</i>			
	1950	1951	1952 ^a
Completely decontrolled goods	51	76	43
Controlled goods	619	870	836
Essentials	399	555	551
Non essentials	220	314	285
Completely banned goods ^b	15	15	8
Total	685	961	887

Source Central Bank of the Philippines

^a Annual rate based on Jan-Jun figures^b Imports of commodities before announcement of ban on them

APPENDIX TABLE 6-2

PAKISTAN BALANCE OF PAYMENTS ON ACCOUNT OF CURRENT TRANSACTIONS BY REGIONS

Credit or debit (-) balances

<i>Million rupees</i>		
	1950/51 ^a	1951/52 ^a
Dollar area	— 80 8	—258 7
Japan	139 2	—246 6
Sterling area	— 95 6	—557 7
United Kingdom	—287 8	—512 8
India	158 0	2 4
Others	34 2	— 47 3
O E E C (excluding UK)	423 8	219 8

Source State Bank of Pakistan

^a Fiscal year Jul-Jun

APPENDIX TABLE 5-2

PHILIPPINES IMPORTS BY ECONOMIC GROUPS

Job in million pesos

	1950	1951	1952 ^a
Capital goods	84	151	191
Raw materials	258	276	290
Consumption goods	343	534	406
Total	685	961	887

Source Central Bank of the Philippines

^a Annual rate based on Jan-Jun figures

APPENDIX TABLE 6-1

CEYLON BALANCE OF PAYMENTS

*Credit or debit (-) balances**Million rupees*

	1951		1952
	Jan Jun	Jul Dec	Jan Jun
Current transactions			
Merchandise	268 0	60 8	— 85 0
Non monetary gold	— 1 4	— 0 8	1 4
Government expenditures and other services	— 87 8	— 72 6	— 81 4
Donations	— 29 9	— 47 2	— 59 0
Total	148 9	— 59 8	—226 8
Movement of capital and monetary gold			
Private capital movements	— 24 0	— 17 0	7 6
Official and banking institutions	113 7	3 8	185 1
Total	137 7	— 13 2	192 7
Errors and omissions	— 11 2	— 73 0	— 34 1

Source IMF

APPENDIX TABLE 6-3

PHILIPPINES BALANCE OF PAYMENTS

*(Credit or debit (-) balances)**Million dollars*

	1951		1952
	Jan Jun	Jul Dec	Jan Jun
Current transactions			
Merchandise	33 6	—104 8	— 32 6
Non monetary gold	6 6	7 1	7 4
Government	45 0	48 9	61 6
Other services	— 29 9	— 58 0	— 44 9
Donations	15 9	4 8	13 3
Total	71 2	—102 0	4 8
Movement of capital and monetary gold			
Private			
Long term	— 1 3	—	2 7
Short-term	— 34 0	38 8	12 9
Official & banking institutions			
Long term	2 8	— 14 5	— 3 7
Short term	— 19 8	75 6	— 3 5
Monetary gold	— 1 7	— 1 6	— 1 8
Total	— 54 0	98 3	6 6
Errors and omissions	— 17 2	3 7	— 11 4

Source IMF

APPENDIX TABLE 6-4
BURMA. BALANCE OF PAYMENTS
(Credit or debit (-) balances)

<i>Million kyat</i>		
	1951 (half year average)	1952 Jan-Jun
Current transactions		
Merchandise	173	150 ^a
Non monetary gold	— 6	—
Government expenditures and services	— 21	— 27
Donations	— 14	— 21 ^a
Total	132	102
Movement of capital and monetary gold		
Private	— 3	— 7
Official		
long term	— 15	—
short-term	— 85	—108
Monetary gold	—	—
Total	—103	—115
Errors and omissions	— 29	13

Source IMF

^a The figure for merchandise balance is derived from exchange control records. It is not comparable with the 1951 figure which included ECA imports. Imports of goods under ECA and during the first half of 1952 reached K 21 million and technical services provided by ECA and programme during Jan-May 1952 reached K 33 million. The counterpart of this item which should appear as official donations was omitted.

APPENDIX TABLE 6-5
THAILAND BALANCE OF PAYMENTS
(Credit or debit (-) balances)

<i>Million baht</i>			
	1951		1952
	Jan Jun	Jul Dec	Jan Jun
Current transactions			
Merchandise	615.6	369.2	124.8
Non monetary gold	2.0	— 6.2	5.5
Services	—112.0	48.3	— 78.8
Donations	— 11.8	32.3	— 1.6
Total	493.8	443.6	49.9
Movement of capital and monetary gold			
Private capital movements	—	—	—
Official & banking institutions			
Long term	— 7.4	—814.0	45.4
Short term	—455.8	169.5	10.3
Monetary gold	—	—	— 14.3
Total	—463.2	—644.5	41.4
Errors and omissions	— 30.6	200.9	— 91.3

Source IMF for 1951 and Bank of Thailand for Jan-Jun 1952

APPENDIX TABLE 6-6
INDIA BALANCE OF PAYMENTS*
(Credit or debit (-) balances)

<i>Million rupees</i>			
	1951		1952
	Jan Jun	Jul Dec	Jan Jun
Goods and services			
Trade balance	— 154	—1,180	—1,276
Investment income	— 128	— 113	— 30
Government	28	22	53
Other services	333	264	351
Total	79	—1,007	— 902
Private donations and capital movements			
Donations	66	68	81
Long term capital	— 11	— 23	— 60
Short term capital	30	— 3	10
Total	85	42	31
Special official financing			
Amortization and other contractual repayments	— 14	— 14	— 18
IBRD loans	39	10	5
Aid received under the Colombo Plan from Australia New Zealand and Canada		14	76
Aid received under the Indo-US Technical Co-operation Agreement	—	—	1
Total	25	10	64
Errors and omissions	21	— 333	114
Surplus or deficit (—)	210	—1,288	— 693
Compensatory official financing			
Barter deals	8	— 1	—
US food loan	—	585	320
Transfers of Indian currency	— 110	— 83	— 221
Foreign official holdings of Rupee securities	—	— 15	—
Short term liabilities	191	40	— 199
Foreign exchange assets	— 299	762	793
Total	— 210	1,288	693

Source Reserve Bank of India

Notes: Compensatory Official Financing cover inter-governmental financial transactions and transactions carried out by the monetary authorities to adjust a lack of balance arising from all those international transactions which have been carried out for purposes other than exchange stabilization. Special Official Financing cover official donations and capital movements which are not undertaken for general balance of payments purposes such as contractual obligations developmental loans educational grants etc. For details see Part I (Concepts and Definitions) of the *Balance of Payments Yearbook of the International Monetary Fund for 1949/50*.

^a Including transactions with Pakistan

APPENDIX TABLE 6-7
INDIA BALANCE OF PAYMENTS ON ACCOUNT OF CURRENT TRANSACTIONS BY CURRENCY AREAS
(Credit or debit (-) balances)

<i>Million rupees</i>			
	1951		1952
	Jan Jun	Jul Dec	Jan Jun
Sterling area (excluding Pakistan)	553	733	327
Pakistan	—192	—274	232
Dollar area	74	—897	—1,149
OECC countries	— 45	— 213	— 127
Rest of non sterling area	241	— 274	— 27
Total	145	— 924	— 744

Source Reserve Bank of India

APPENDIX TABLE 7-1
JAPAN VALUE OF TRADE BY CURRENCY AREAS
(Monthly averages)

Million dollars

	1950			1951			1952		
	Jan Jun	Jul Dec	Jan Dec	Jan Jun	Jul Dec	Jan Dec	Jan Mar	Apr-Jun	Jul-Sep
EXPORTS									
Dollar area	27.7	33.1	30.4	26.9	23.4	25.2	28.2	32.3	32.2
Sterling area	13.6	24.0	18.8	42.3	51.5	46.9	68.2	60.1	39.7
Open account area	8.7	21.7	15.2	39.8	32.4	36.1	33.1	22.2	18.5
Total	50.0	78.8	64.4	109.0	107.3	108.1	129.4	114.7	90.5
IMPORTS									
Dollar area	19.3	28.1	23.7	94.9	68.4	81.6	71.7	85.1	71.7
Sterling area	15.2	13.4	16.7	34.4	37.1	35.8	46.0	36.2	43.4
Open account area	13.4	18.2	13.4	35.2	17.6	26.4	17.1	18.3	19.0
Total	47.9	59.7	53.8	164.5	123.0	143.8	134.9	139.5	134.2
TRADE BALANCE									
Dollar area	+ 8.4	+ 5.0	+ 6.7	- 68.0	- 45.0	- 56.5	- 43.5	- 52.8	- 39.5
Sterling area	- 1.6	+ 10.6	+ 2.1	+ 7.9	+ 14.4	+ 11.1	+ 22.2	+ 23.9	- 3.7
Open account area	- 4.7	+ 3.5	+ 1.8	+ 4.6	+ 14.8	+ 9.7	+ 15.9	+ 3.9	- 0.5
Total	+ 2.1	+ 19.1	+ 10.6	- 55.5	- 15.8	- 35.7	- 5.4	- 24.9	- 43.7

Source Bank of Japan

APPENDIX TABLE 7-2
INTERNATIONAL COMPARISON OF STEEL PRICES

Dollars

Commodity	Country	Price	1951 Jun	1952 Jun	1952 Sep	
19 mm steel bar (per ton)	Japan	Q	136 0	136 0	136 0	
		M	148 0	100 0	95 8	
		E	145 0	100 105	100 0	
	U S A	Q	81 5	81 5	87 0	
	U K	Q	56 0	88 0	88 0	
	Belgium	Q	74 0	84 0	84 0	
		E	140 145	a) 120 125 b) 100 110	a) 116 125 b) 108 110	
	Germany	Q		91 0		
	16 mm sheet steel (per ton)	Japan	Q	208 0	175 0	175 0
			M	222 0	132 0	130 5
E			260 0	150 0	160 0	
U S A		Q	79 3	79 3	82 0	
U K		Q		114 0	114 0	
Belgium		Q	106 0	120 0	120 0	
		E		a) 160 170 b) 150 170		
Germany		Q	206 230	113 0		
6 mm steel plate (per ton)		Japan	Q	153 0	153 0	153 0
			M	149 0	103 0	115 2
	E		185 0	125 0	130 0	
	U S A	Q	81 5	81 5	86 0	
	U K	Q		83 0	83 0	
	Belgium	Q	84 0	95 0	95 0	
		E		a) 140 160 b) 130 140	a) 150-157 b) 130	
	Germany	Q	190 196 62 0	94 0		

Source Bank of Japan

Note: Q=quotation M=market price (price quoted among dealers),
E=export price. The Japanese quotations are those of the
Yawata Iron and Steel Co. Ltd. Of the Belgian export prices,
(a) are those bound for countries participating in the European
Payments Union and (b) for the dollar area. Some of the prices
for sources other than Japan are based upon estimates.

APPENDIX TABLE 7-3
JAPAN PROSPECT OF BALANCE OF
INTERNATIONAL PAYMENTS

Million dollars

	Forecast for fiscal year ending Mar 1952				Estimate for fiscal year ending Mar 1952			
	Dollar area	Sterling area	Open account area	Total	Dollar area	Sterling area	Open account area	Total
Receipts	1,025	525	324	1,874	1,264	710	429	2,403
Export	320	510	320	1,150	304	673	427	1,404
Special procurement	220	—	—	220	328	—	—	328
Services	485	15	4	504	632	37	2	671
Payments	1,145	574	311	2,030	1,084	467	286	1,837
Import	944	541	306	1,791	933	442	283	1,658
Services	201	33	5	231	151	25	3	179
Balance	— 120	— 49	+ 13	— 156	+ 180	+ 243	+ 143	+ 566
Trade balance	— 624	— 31	+ 14	— 641	— 629	+ 231	+ 144	— 254

Source Tentative estimate of the Board of Economic Affairs

APPENDIX TABLE 9-1
RATIO OF BANK CLEARINGS TO DEPOSIT MONEY*

	1950				1951				1952		
	I	II	III	IV	I	II	III	IV	I	II	III
Burma	0.64	0.68	0.64	0.71	0.83	0.67	0.62	0.65	0.77	0.77	0.77 ^a
Ceylon	1.10	1.11	1.29	1.12	1.02	1.03	1.11	1.10	1.09	1.16	1.27
China (Taiwan)	0.68	0.74	0.61	0.53	0.45	0.63	0.74	0.99	1.04	1.20	1.15 ^a
India	0.78	0.78	0.76	0.77	0.96	1.01	0.93	0.96	1.02	0.89	0.88
Japan	1.39	1.56	1.64	1.92	1.75	1.90	1.83	1.91	1.65	1.82	1.83
Korea (south) ^b	2.92	2.88	0.20	0.99	1.77	3.36	4.28	4.68	5.26	6.10	6.42 ^c
Malaya ^c					4.22	3.88	3.41	3.84	3.51	3.30	3.57
Pakistan	0.43	0.39	0.43	0.49	0.66	0.41	0.36	0.46	0.50	0.40	
Philippines ^d	1.20	1.21	1.24	1.25	1.54	1.47	1.67	1.72	1.75	1.67	
Thailand ^d	1.80	1.73	1.92	1.97	2.41	1.87	1.87	1.94			

a Averages based on monthly figures for bank clearings and end of month^e figures for deposit money

b End of quarter

c Ratio of bank debits to demand deposits

d Ratio of bank debits to deposit money

e Average of 2 months

f August

APPENDIX TABLE 9-2
LIQUIDITY RATIO OF COMMERCIAL BANKS
(Cash as percentage of total deposits)
End-of-month averages

	1950				1951				1952		
	I	II	III	IV	I	II	III	IV	I	II	III
Burma	32	30	28	23	20	20	21	20	19	28	24
Ceylon	28	17	22	24	24	25	26	30	25	27	23
India	10	10	12	12	10	10	13	11	9	10	11
Indonesia ^a	40	29	28	36	25	15	14	14			..
Japan	3	2	2	2	3	2	2	2	2	2	2 ^b
Korea (south)	13				21	24	25	20	16	23	22
Malaya				11 ^a	9	8	8	8	10	13	14
Pakistan	16	13	11	11	10	14	18	14	11	11	11
Philippines	24	22	23	31	26	19	14	14			
Thailand	32	31	30	34	32	42	37	39	33	33	

a. End of period

b. Average of 2 months

APPENDIX TABLE 9-3

CEYLON ANALYSIS OF CHANGES IN
MONEY SUPPLY*Million rupees*

Factors affecting money supply		Changes during Jan Jun 1952	
1	External banking assets (net)		-221 2
2	Bank credit		
(a)	Commercial bank credit extended to government sector (government securities and treasury bills)	+ 34 7	
(b)	Commercial bank credit extended to private sector (loans, advances, bills, etc.)	- 19 9	
(c)	Shift from demand to time and other liabilities of commercial banks	+ 3 5	
(d)	Commercial banks' net domestic credit creation (a) + (b) + (c)		+ 18 3
(e)	Central bank's net domestic credit expansion to government sector		+ 62 0
(f)	Total bank credit (d) + (e)		+ 80 3
3	Shift of government rupee cash to the public		+ 50 3
4	Adjustments for items in transit		+ 7 3
	Total		- 83 4

Source Central Bank of Ceylon

APPENDIX TABLE 10-1

BURMA DISTRIBUTION OF GOVERNMENT EXPENDITURE

Million kyats

	1949/50 A	1950/51 RE	1951/52 DE	1951/52 RE	1952/53 DE
Interest on debt	2 7	2 9	2 9	3 8	3 8
National defence	119 7	132 7	216 5	213 0	396 9
Economic development	20 3	20 7	28 8	25 9	35 7
Social services	22 0	35 0	56 2	54 2	86 9
Contribution to states	15 0	17 5	18 5	18 5	21 5
Other current expenditure	183 8	164 6	193 4	198 0	211 5
Investment	46 2	74 3	187 0	112 4	167 7
Loans and advances (net)	10 2	59 5	75 0	147 7	173 8
Total	419 9	507 2	778 3	773 5	1,097 8

Note For fiscal years and notations following the fiscal years see note to text table 10-1. Defence includes defence capital outlay. Loans and advances 1951/52 (RE) and 1952/53 include loans and advances to railways and electrical departments to cover deficits and for capital outlays.

APPENDIX TABLE 10-2

BURMA MAJOR COMPONENTS OF GOVERNMENT REVENUE

Million kyats

	1949/50 A	1950/51 RE	1951/52 DE	1951/52 RE	1952/53 DE
Total revenue	491 6	544 3	580 0	629 0	785 9
Tax revenue	401 8	460 5	513 5	552 8	813 0
Direct taxes	58 1	61 1	220 5	66 0	67 3
Taxes on income	48 7	45 1	197 5	44 5	45 0
Land taxes	9 4	16 0	23 0	21 5	22 3
Indirect taxes	343 7	399 4	293 0	486 8	545 7
Customs duties	112 3	150 0	160 0	193 1	210 0
Import duties	99 6	140 7	147 5	180 0	194 0
Export duties	10 9	10 0	12 6	12 0	14 6
Transaction & consumption taxes	47 4	68 4	66 4	63 6	66 3
Licences, registration fees, etc	9 4	10 2	10 8	10 8	11 1
Other tax revenue	174 6	172 8	55 8	219 3	258 3
Net receipts from public undertakings	52 6	28 6			

Note For fiscal years and notation following the fiscal years see note to text table 10-1. Transaction and consumption taxes excise duties plus "commercial taxes" the latter include entertainment tax, hotel and restaurant tax, business premises tax and sales tax. Licences, stamp duties, registration fees, etc. include betting and motor vehicles taxes. Other tax receipts net receipts from lottery, rehabilitation contribution and contribution to the National Development Fund (discontinued from 1951/52 DE) from the State Agricultural Marketing and State Timber Boards. Net receipts from public undertakings civil supplies and electricity.

APPENDIX TABLE 10-3

BURMA EXPENDITURE ON ECONOMIC AND SOCIAL DEVELOPMENT

Million kyats

	1949/50 A	1950/51 RE	1951/52 DE	1951/52 RE	1952/53 DE
Economic development	20 3	20 7	28 8	25 9	35 7
Social services	22 0	35 0	56 2	54 2	86 9
Education	15 4	26 0	44 3	37 1	56 6
Public health	6 5	9 0	10 9	13 0	27 8
Total current expenditure	42 3	55 7	85 0	80 1	122 6
Investment					
Railways	13 3	a	a	a	a
Electricity	1 6	3 1	a	a	a
Aviation	9	22 7	25 7	27 5	12 5
Civil works	22 5	27 5	68 5	40 9	74 2
Industrial development	7 4	12 5	28 7	22 7	18 9
Others	5	8 5	28 4	21 3	62 1
Total	46 2	74 3	187 0	112 4	167 7
Loans and advances					
Project boards	6 0	21 1	18 5	59 6	115 2
Railway board	—11 2	25 0 ^b	40 0 ^b	67 4 ^b	30 0 ^b
Public utilities	—5 2	—2 3	—4 3	—9	—1 2
Municipalities	1 6	1 9	2 4	2 3	3 3
Cultivators and credit societies	16 1	11 6	17 2	17 5	12 8
Others	2 9	2 2	1 2	1 2	13 7
Total	10 2	59 5	75 0	147 1	173 8

Note For fiscal years and notation following the fiscal years see note to text table 10-1

Economic development current expenditure on irrigation, scientific agriculture, veterinary, cooperative and industries, marine and lighthouses departments

Social services current expenditure on relief, education, medical and public health departments

APPENDIX TABLE 10-4

BURMA RECONCILIATION OF BUDGET RESULTS WITH CHANGES IN CASH BALANCES

Million kyats

	1949/50 A	1950/51 RE	1951/52 DE	1951/52 RE	1952/53 DE
Budget balance	71 7	4 2	—229 9	—144 5	—311 4
Contribution to the Bank & Fund			—81 0	—80 0	
Borrowing (net)					
Permanent debt	—	3 3	2 5	4 5	5 0
Floating debt	—16 3	—5 5	—5 0	—4 6	—
Unfunded debt	—7	—3	1 1	3 5	5 5
Less debt redemption	—2 1	—1 1	—1 1	—1 5	—1 1
Deposits (net)					
Depreciation and other reserve funds	1	—2 9	—	—3	—4
Fund for the contribution to Bank and Fund			81 0	80 0	
Other deposits	82 2	77 3	37 2	140 0	57 6
Remittances (net)	35 3	2 0	1 0	2 0	1 0
Changes in cash balances	170 0	77 1	—184 2	—9	—243 8

Note See note to Appendix Table XI-4 of Economic Survey of Asia and the Far East, 1951

ASIAN ECONOMIC STATISTICS

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PRODUCTION

1 PRODUCTION OF SELECTED COMMODITIES

Monthly averages or calendar months

Thousand tons

	1938 ^p	1948	1950	1951	1951	1952								
					II	I	II	Apr	May	Jun	Jul	Aug	Sep	
COAL														
India	2,400	2,551	2,735	2,905	2,879	3,209	3,119	3,236	3,225	2,895	2,906	2,878	2,809	
Indonesia	121	45	67	72	72	77	79	79	84	75	86	85		
Japan	3,484	2,810	3,205	3,610	3,582	4,306	3,939	4,019	3,973	3,824	3,822	3,538	3,954	
Korea, south	19	67	47	9	2	35	40	40	36	46	46	43		
Malaya	40	32	35	32	33	24	28	30	27	27	34	29	29	
Pakistan ^a		20	37	43	44	67	41	47	42	34	42	42	35	
Viet-Nam	195	30	42	52	49	67	68	78	68	56	62	56	55	
ELECTRICITY (Mn kwh)														
Burma	—	2	3											
Cambodia	1	1	1	1	1	1	2	1	1	2	2			
Ceylon	3	5	7	9	9	9		9	9					
China (Taiwan)		70	87	107	108	103	113	102	120	116	119			
Hong Kong		13	24	29	29	32	32	31	33	32	34	34	34	
India	211 ^a	391	425	489	492	488	501	489	514	500	534	532	530	
Japan	2,004	2,644	3,236	3,426	3,648	3,470	3,758	3,732	3,847	3,896	3,874	3,681	3,624	
Korea, south		41	34	26	19	46	49	45	48	55	55	53		
Malaya			56	66	65	79	80	79	81	79	81			
Pakistan		11	15	19	17	21	23	22	24	24	23			
Philippines (Manila)	12	30	39	41	40	44	44	43	46	45	48	48	47	
Thailand ^k (Bangkok)	3 [†]	4	4	5	5	5	5	5	5	5	5			
Viet-Nam	8	8	14	16	16	19	19	19	19	18	19	20	19	
PETROLEUM, CRUDE														
Brunei	59	224	343	415	415	419								
Indonesia	616	361	534	620	589	623	684	636	721	693	728	709		
Japan	30	14	25	28	32	26	26	26	26	25	27	26	25	
Pakistan		5	12	13	12	14	15	15	16	15	14	15	15	
Sarawak	17	4	5	4	4	4								
IRON ORE														
Hong Kong	—	—	14	14	12	16	9	5	8	14	7	6	6	
India	232	193	250	310										
Japan	52	47	69	76	73	75	76	58	81	90	107	101	100	
Malaya	137	—	42	72	100	40	98	89	113	92	122	130	133	
Philippines	77	2	50	74	86	89	117	115	123	114	101	93		
PIG IRON & FERRO-ALLOYS														
India ^b	131	124	142	154	156	161	150	156	153	141	152	156	152	
Japan	172	70	192	269	268	308	311	316	328	289	297	287	286	
STEEL INGOTS & CASTINGS														
India	82	106	122	127	126	136	128	138	125	120	131	130	130	
Japan	435	143	403	542	551	586	597	604	612	575	597	576	560	
FINISHED STEEL														
India	59	72	85	91	88	93	89	84	93	91	96	92		
Japan	367	102	272	414	446	446	428	458	428	396	394	395	417	
TIN IN CONCENTRATES (tons)														
Burma	419	97	129	138	158	80	80	80	80	80	80	80	80	
China	906	406	400	400	400	400	400	400	400	400	400	400	400	
Indonesia	2,517	2,592	2,718	2,623	2,656	2,429	2,953	2,755	3,092	3,012	3,449	3,474	3,009	
Japan		10	28	37	41	46	52	57	52	48	56	57		
Laos & Viet-Nam	135	3	5	8	8	8	8	8	8	8	8	8	8	
Malaya	3,673	3,795	4,872	4,840	4,816	4,709	4,842	4,744	5,028	4,753	4,925	4,831	4,564	
Thailand	1,255	359	878	805	760	754	731	708	703	783	776	779	820	
TIN METAL (tons)														
Malaya	5,456	4,209	5,821	5,581	5,628	5,303	4,913	5,150	4,830	4,758	5,492	5,796	6,183	
NATURAL RUBBER ^c														
British Borneo ^d	24	52	70	56	69	49	48	57	33	56	41	47	30	
Burma ^d	08	10	08	09	15	14	02	02	03	01	01	01	—	
Cambodia	24	14	12	13	12	09	13	11	13	16	17	16	17	
Ceylon	43	80	96	89	76	75	64	71	56	66	81	81	91	
India	13	13	13	15	14	11	16	20	16	12	15	12	28	
Indonesia	270	366	590	682	751	653	577	630	582	521	784	587	434	
Malaya	304	591	588	513	487	477	468	454	465	484	507	513	498	
Thailand ^d	35	81	95	92	86	91	72	80	90	47	85	94	78	
Viet-Nam	36	23	27	31	28	21	33	27	35	37	41	41	41	
VEGETABLE OILS														
Malaya		788	766	898	781	826	863	844	856	890	1002	991	1089	
Coconut oil		383	450	409	382	326	320	340	312	307	405	388	411	
Palm oil	432													
COTTON YARN														
Hong Kong			20	24	20	26	25	24	25	25	26	26	24	
India	493	550	437	490	483	510	524	524	535	513	394	372	562	
Japan ^e	545	104	199	281	284	308	270	279	258	273	282	297	300	
Korea, south		05	08	05	05	05	08	07	08	08	08	09		
COTTON FABRICS (Mn metres)														
Ceylon (Mn sq metres)	06	05	05	06	05	06	06	06	06	06				
India	325	337	275	319	349	324	346	334	358	344	388	379	360	
Japan ^e (Mn sq metres)	2436	644	1074	1518	1574	1625	1521	1567	1483	1515	1470	1547	1680	
Korea, south		21	41	25	25	26	35	28	35	41	49	47		
Pakistan		67	81	97	83	111	132	118	143	134	145	153	119	
Philippines		06	07	08	08	07	06	08	06	06	05	04	06	

1. PRODUCTION OF SELECTED COMMODITIES (Cont'd)

PRODUCTION

Monthly averages or calendar months

Thousand tons

					1951			1 9 5 2					
	1938 ^a	1948	1950	1951	II	I	II	Apr	May	Jun	Jul	Aug	Sep
JUTE MANUFACTURES													
India ^f	107.2	92.0	70.8	74.1	75.8	87.5	80.6	83.0	83.6	74.9	85.1	75.5	71.1
PAPER													
India (including paper products)	49.28	8.29	9.22	11.17	11.08	11.54	11.14	11.81	11.08	10.46	11.94	11.97	12.08
Japan	88.12	35.33	72.58	97.36	102.02	101.74	107.40	105.04	108.07	109.08	111.32	111.15	118.93
SOAP													
India		6.40	6.16	7.06	6.77	7.43	6.56	7.37	6.22	6.10	7.41	6.82	7.16
Japan	15.97	1.26	8.03	12.17	14.42	10.22	13.22	12.48	13.56	13.62	14.89	15.69	14.21
Korea, south		0.32	0.22	0.10		0.24	0.22	0.11	0.14	0.40	0.64	0.29	
Malaya		1.92	1.42	1.54	1.42	1.33	1.32	1.30	1.33	1.34	1.35	1.23	1.30
CEMENT													
China (Taiwan)		19.6	27.7	32.4	36.8	27.6	40.0	43.0	41.7	35.3	43.9		
Hong Kong		4.4	5.7	6.0	5.4	7.1	6.1	5.2	7.3	5.7	6.9	4.5	4.5
India	119	131	221	271	265	279	290	302	289	280	327	312	310
Japan	473.6	154.9	371.9	545.6	559.3	548.3	590.8	591.2	653.9	527.4	551.3	603.8	624.3
Korea, south		1.9	0.8	0.5		0.1	2.4	4.6	2.7				
Pakistan		20.7	35.1	42.3	42.4	43.0	50.1	49.8	51.8	48.8	42.7	33.5	
Philippines ^g	13.9	10.0	24.9	24.9	27.6	27.5	27.2	25.6	28.2	27.9	23.8	25.8	
Thailand	9.71	6.9	13.8	19.0	17.5	21.4	20.6	22.3	19.9	19.7	20.2	18.7	20.2
Viet-Nam	22.2	8.1	12.0	17.7	17.6	20.2	16.4	18.9	16.8	13.6	13.7	19.7	
SUPERPHOSPHATES													
China (Taiwan)		2.36	3.15	4.51	3.05	2.96	4.48	3.14	3.87	6.44	4.81	3.82	4.48
India		1.81	4.44	5.17	5.24	4.70	4.39	2.18	5.12	5.87	4.69	4.53	
Japan ^h	119.77	79.64	117.33	125.47	119.84	141.79	110.19	123.36	107.20	100.00	96.08	85.58	106.26
OTHER CHEMICALS													
India													
Sulphuric acid	2.051	6.77	8.68	9.05	8.45	7.41	7.92	6.11	8.94	8.72	7.70	7.30	6.98
Ammonium sulphate		2.98	4.00	4.46	2.77	11.92	14.14	14.76	14.16	13.51	14.47	18.34	18.40
Soda ash		2.47	3.71	4.02	4.11	3.71	2.01	2.04	1.18	2.91	4.50	4.33	4.77
Caustic soda		0.37	0.92	1.25	1.00	1.46	1.23	1.39	1.17	1.14	1.46	1.63	1.67
Liquid chlorine		0.15	0.34	0.45	0.39	0.49	0.48	0.51	0.45	0.50	0.54	0.49	0.57
Bleaching powder		0.24	0.28	0.30	0.32	0.10	0.05	0.03	0.05	0.08	0.04	0.08	0.09
Power alcohol (Mn litres)		1.43	1.70	2.20	2.21	3.40	2.99	3.16	2.76	3.05	3.77	2.12	1.77
Industrial alcohol (Mn litres)		1.11	1.86	2.67	3.21	2.96	2.72	2.94	2.66	2.58	2.00	1.80	1.91
Japan													
Sulphuric acid ⁱ	240.9	162.2	270.8	315.8	326.1	339.7	335.5	342.5	344.2	319.7	318.3	321.4	327.9
Ammonium sulphate ^j	72.9	79.3	130.8	139.5	148.1	153.1	174.0	187.0	178.6	176.3	181.1	166.4	168.0
Calcium cyanamide ^k	17.9	19.0	38.3	34.6	41.5	37.8	48.5	54.1	51.8	39.5	37.4	45.0	51.4
Soda ash (finished)	19.41	6.3	13.8	18.8	21.1	16.8	15.0	15.2	14.6	15.2	15.1	13.7	14.3
Caustic soda	24.91	8.8	16.2	27.0	28.9	22.0	21.0	21.4	21.4	20.2	19.1	19.8	21.1
Liquid chlorine	0.81	0.5	1.4	2.0	2.2	2.1	2.4	2.6	2.3	2.2	2.2	2.2	2.5
Bleaching powder	5.7	2.1	4.1	5.2	5.1	4.6	4.8	4.2	4.7	4.4	4.0	4.1	4.6
Dyestuffs	1.59	0.42	0.75	1.18	1.36	1.03	0.96	0.92	0.99	0.97	0.91	1.25	1.36
Methyl alcohol	0.36	0.63	1.97	2.46	2.62	2.69	2.13	2.53	1.99	1.85	2.13	1.95	1.89
Ethyl alcohol (Mn litres)	0.51	2.46	1.96	2.59	2.32	1.65	2.15	1.14	2.54	2.77	2.42	1.04	1.18
MACHINERY & VEHICLES													
India (thousands)													
Bicycles		5.2	8.6	9.5	7.0	9.9	15.5	14.2	14.5	17.8	19.6	18.6	18.0
Diesel engines (Units)		85	383	604	479	613	270	350	320	139	321	471	871
Electric motors (1000 h.p.)		5.0	6.8	11.8	11.9	13.7	12.6	13.8	13.0	10.9	12.6	13.7	14.3
Machine tools (1000 Rs)		456	222	394	346	355	438	412	541	361	352	397	448
Sewing machines		1.7	2.6	3.7	3.9	4.3	4.3	4.6	4.5	3.9	4.1	4.2	4.9
Electric transformers (1000 kva)		6.8	14.3	16.2	17.4	17.9	15.3	13.4	16.2	16.4	15.3	17.8	18.5
Electric lamps		771	1,192	1,293	1,073	1,754	1,565	1,544	1,681	1,469	1,793	1,760	1,787
Electric fans		15.0	16.1	17.7	20.8	17.8	19.1	19.5	20.1	18.1	18.1	18.2	15.0
Insulators, 11		209	107	119	71	286	277	307	253	271	228	38.2	240.3
Insulators, 11		7.5	14.5	20.4	15.8	38.1	12.7	18.8	10.5	9.3	11.5	18.3	11.5
Motor car batteries		9.2	15.6	17.5	19.0	17.9	13.5	14.7	12.0	13.9	11.3	11.8	19.0
Japan (Units)													
Railway locomotives		28	4	10	6	5	2	3	2	—	2	19	8
Railway freight cars		406	367	186	503	243	399	138	46	62	307	369	548
Industrial locomotives		37 ^r	42	35	38	38	28	41	40	39	45	53	71
Industrial freight cars		592	1,612	752	955	907	1,124	1,091	1,080	922	1,270	1,279	829
Motor vehicles		2,987 ^r	3,917	6,265	8,861	8,831	10,184	13,112	11,312	13,160	14,865	15,886	16,309
Bicycles (1000)		87.9	28.1	81.8	82.3	80.8	74.9	79.7	76.2	77.7	85.3	77.0	87.7
Vessels (gross 1000 tons)			15.5	19.7	37.5	12.8	59.2	35.2	47.6	57.6	0.3	11.0	39.5
Diesel & other internal combustion engines		6,332	8,297	12,907	11,753	13,985	14,762	13,627	14,365	16,294	15,328	18,937	
Cotton ring spinning frames			182	556	576	295	277	238	266	328	261	254	
Looms		3,070	2,044	4,165	4,141	3,413	2,106	2,679	2,025	1,615	1,397	1,525	
Sewing machines (1000)		3.1	15.0	43.1	92.7	94.4	118.8	135.2	134.6	138.1	133.0	140.9	157.4
Machine tools		1,352	671	336	761	894	928	811	794	886	752	759	852

a Including lignite

b Including direct castings, except for 1938.

c Including latex

d Net exports

e Including mixed yarn predominantly of cotton

f Data beginning 1950 refer to the output of member mills of Indian Jute Mills Association.

g Production of Cebu Portland Cement Company only

h Converted to 16 per cent phosphorous pentoxide content.

i Converted to 50° Be

j Converted to 20 per cent N2 content

k Related only to the consumption of electricity generated by the principal Electricity Works

l 1936 for Japan, unless otherwise indicated, 1938 figures for India include territory now under Pakistan

q 1959 r 1957

TRANSPORT

2 VOLUME OF TRAFFIC RAILWAY, SEA-BORNE SHIPPING AND CIVIL AVIATION

Monthly averages or calendar months

	1938 ^a	1948	1950	1951	1952	1952							
					II	I	II	Apr	May	Jun	Jul	Aug	Sep
RAILWAY TRAFFIC ^a													
Passenger-kilometres (Mn)													
Burma	59	40	14	28	32	35	40	41	42	38	31	38	80
Cambodia & Viet-Nam	74	8	6	9	10	9	11	12	10	10	10		
India	2,385	4,925	5,396	5,078	5,616	5,116		4,826					
Japan	2,185	6,595	5,750	6,421	6,691	5,780	6,912	6,992	7,490	6,254	6,498	7,290	6,565
Pakistan	—	656	761	820	793	860	812	824	855	758	851	829	
Philippines	40	24	30	32	38	31	39	39	40	39	27		
Thailand	25	109	120	152	164	204	209	236	220	169	172	172	159
Freight ton kilometres (Mn)													
Burma	95	52	7	17	19	28	26	30	26	24	20	20	18
Cambodia & Viet-Nam	28	7	11	16	18	17	21	24	23	16			
India	2,968	3,040	3,638	3,807	3,416	4,044		3,489					
Japan	1,305	2,109	2,560	3,074	2,993	2,917	3,218	3,257	3,285	3,101	3,101	3,197	3,291
Malaya	22	26	33	33	34	30	32	32	33	31	33	34	32
Pakistan	—	319	370	414	378	493	380	422	396	324	352	368	
Philippines	14	10	13	12	11	13	12	12	12	11	10		
Thailand	38	25	40	45	46	47	44	44	43	44	44	50	
Freight tons (1000)													
Ceylon	77	102	108	127	139	137	142	151	147	127	136	129	
Hong Kong	40	8	29	23	29	14	11	10	10	13	18	21	29
Indonesia	810	292	449	492	481	449	429	413	454	419	491	505	451
INTERNATIONAL SEA BORNE SHIPPING													
Freight Loaded (L) and Unloaded (U) in External Trade (1000 metric tons)													
Ceylon (Colombo)	L	54	63	61	60	51	64	64	56	75	60		
U	109	141	162	178	193	159	191	223	168	181			
Hong Kong	L	89	189	142	149	123	108	95	108	114	108	121	117
U	197	325	261	292	292	233	282	271	316	258	196	228	257
Indonesia ^b	L	916	432	704	746	961	624	726	782	675	721	922	725
U	167	160	233	212	284	166	210	226	227	177	238	664	544
Japan	L	1,092	165	299	309	294	366	453	359	417	583	446	
U	2,771	563	971	1,760	2,105	1,656	2,129	1,955	2,129	2,303	2,497		
Malaya ^c (Singapore)	L	121	197	217	235	194	195	215	179	191	206	188	185
U	163	329	410	406	406	420	423	402	434	412	372		326
Philippines (Manila)	L	50	26	260	254	256	415	349	467	429	337		
U	192 ^a	193	156	220	241	207	189	185	217	164	335		
Viet Nam (Saigon)	L	142	46	46	70	66	61	68	69	71	63	54	33
U	43	54	74	92	87	113	139	146	128	143	105	142	104
Entrances (E) and Clearances (C) of Vessels with Cargo in External Trade (1000 net registered tons)													
Burma ^d	E	311	118	86	106	98	80	135	96	158	150	94	129
C	361	157	106	138	120	120	36	30	36	43	19	53	17
India	E	760	646*	670	781	728	855	858	865	855	854	774	663
C	793	567*	607	651	643	659	697	695	730	665	731	766	723
Pakistan ^e	E	241	311	371	355	480	379	411	399	327	471	315	
C	176	259	283	282	334	276	308	290	229	293	352		
Thailand	E	72	67	112	112	110	119	124	116	123	132	156	
C	100	92	138	133	115	134	128	106	129	148	143		
CIVIL AVIATION TRAFFIC ^a													
Passenger kilometres (Mn)													
Ceylon	—	0 36	0 82	2 76	1 96	2 34	2 34	2 31	2 18	2 53	2 68	2 64	
India	0 11	23 65	31 30	34 49	36 68	34 68	31 04	33 30	31 04	28 78	29 90	26 20	
Indonesia		8 49	12 35	13 30	13 43	12 60	13 49	12 89	13 74	13 85	14 83	13 53	12 95
Philippines	0 21	14 57	15 62	17 47	19 26	15 86	18 52	18 43	18 51	18 64			
Thailand	—	0 93	1 62	2 01	1 93	2 35	2 62	2 80	2 84	2 22	2 26	2 00	1 96
Freight ton kilometres (Mn)													
Ceylon	—	2	10	196	343	147	140	176	126	118	206	184	
India	34	475	1,868	2,204	1,917	1,550	1,662	1,521	1,931	1,535	1,408	1,535	
Indonesia		389	534	595	607	606	582	564	644	537	597	585	563
Philippines		540	637	793	904	803	726	815	845	517			
Thailand	1	17	43	59	53	72	74	62	68	92	72	84	91

^a Railway traffic coverage

India and Pakistan class I railways, broad and metre gauge only. Indonesia Postwar data relate to Federal area only, Japan State Railway only, Philippines Manila Rail Road Company.

Annual data relate to 12 months beginning 1 April of year stated for India, Japan and Pakistan 12 months ending Sep of year stated for Burma for postwar 12 months ending Jun of year stated for Philippines.

^b Postwar data relate to Federal area only.^c Including coast-wise traffic of Malaya.^d Total number of entrances and clearances made during each voyage but excluding sailing vessels. Annual figures relate to 12 months ending 30 Sep of postwar year stated.^e Scheduled domestic and international routes.^f Prewar data relate to 1936 for Japan, 1939 for Malaya, and April 1938 to Mar 1939 for Burma and Thailand prewar figures for India include territory now under Pakistan for both railway traffic and sea-borne shipping.^g 1937.

EXTERNAL TRADE

3 VALUE OF IMPORTS AND EXPORTS AND BALANCE OF TRADE

Monthly averages or calendar months

Millions

	1938	1948	1950	1951	1951	1952							
					II	I	II	Apr	May	Jun	Jul	Aug	Sep
N BORNEO (M\$)													
Imports	05	21	38	59	63	57	61	59	65	59	51	56	58
Exports	08	25	78	102	105	70	53	59	56	45	49	48	40
Balance	+ 03	+ 04	+ 40	+ 43	+ 42	+ 13	08	- 09	- 14	- 02	- 08	- 08	- 18
BURMA^a (K)													
Imports	181	491	44	54	43	59	80	68	96	74	81	69	74
Exports	411	631	63	82	100	97	111	122	103	108	100	58	37
Balance	+ 23	+ 14	+ 19	+ 28	+ 57	+ 38	+ 31	+ 54	+ 7	+ 34	+ 9	- 15	- 37
CEYLON (Rs)													
Imports	20	83	97	130	141	151	147	141	129	170	141	102	148
Exports	24	84	130	159	165	143	133	136	136	127	115	119	119
Balance	+ 4	+ 1	+ 33	+ 29	+ 24	9	- 14	5	+ 7	- 43	- 26	+ 17	- 29
CHINA (Taiwan) (NTS)													
Imports ^b			66	99	99	115	143	139	161	130	184	175	
Exports			50	90	135	117	184	245	151	157	116	98	
Balance			- 16	- 9	+ 36	+ 2	+ 41	+ 106	- 10	+ 27	- 68	- 77	
HONG KONG (HK \$)													
Imports	52	173	317	408	421	335	285	285	301	269	308	280	340
Exports	51	134	313	372	427	218	222	217	233	215	263	229	285
Balance	- 1	- 39	- 4	- 36	+ 6	117	63	- 68	- 68	- 54	- 45	- 51	- 55
INDIA^c (Rs)													
Imports		523	508	785	740	895	740	810	786	625	591	588	482
Sea & air borne	130	452	472	718	657	851	725	793	772	610	579	570	468
Overland		71	36	67	83	44	15	17	14	15	12	18	14
Exports		378	521	620	700	578	493	449	511	518	543	552	477
Sea & air borne	142	353	506	597	685	546	452	422	481	483	519	531	467
Overland		25	15	23	15	32	31	27	30	35	24	21	10
Balance	+ 12	- 145	+ 13	- 165	- 40	317	- 247	361	- 275	107	- 48	- 36	- 5
INDOCHINA (Pr)													
Imports	16	197	361	523	430	838	788	817	748	809	698		
Exports	24	98	136	232	195	250	222	184	191	290	157		
Balance	+ 8	- 99	- 225	- 291	- 235	- 588	- 566	- 613	557	- 519	- 541		
INDONESIA^c (Rp)													
Imports	41	94	136	255	195	581	807	765	906	749	1005	1023	853
Exports	57	87	246	398	460	671	802	919	713	775	909	822	684
Balance	+ 16	- 7	+ 110	+ 143	+ 265	+ 90	- 5	+ 154	193	+ 26	- 96	- 201	- 169
JAPAN^d (US\$)													
Imports	89	57	81	170	223	156	175	171	177	176	170	154	174
Exports	92	22	68	113	125	119	109	115	108	104	91	100	94
Balance	+ 3	- 35	- 13	57	- 98	37	66	- 56	- 69	- 72	- 79	- 54	- 76
KOREA (south) (1000 Mn Won)													
Imports		07	04	102	76	171	372	284	355	476	1015	824	644
Exports		06	27	41	22	97	215	120	409	117	416	173	204
Balance		- 01	23	- 61	- 54	- 74	- 157	164	+ 54	- 359	- 599	651	- 440
MALAYA (M\$)													
Imports	46	149	243	396	406	358	321	332	310	300	308	277	303
Exports	50	147	334	506	574	376	309	337	305	287	311	324	317
Balance	+ 4	- 2	+ 91	+ 110	+ 168	+ 18	- 12	+ 5	25	- 13	+ 3	+ 47	+ 14
PAKISTAN^e (Rs)													
Imports		124	126	161	124	207	191	212	203	157	186	169	118
Sea borne		99	114	143	115	182	171	193	182	138	162	152	108
Overland		25	12	18	9	25	20	19	21	19	24	17	10
Exports		86	191	192	210	241	113	116	150	72	78	104	67
Sea borne		84	163	146	139	215	107	110	141	69	70	98	48
Overland		2	28	46	71	26	6	6	9	3	8	6	19
Balance		- 38	+ 65	+ 31	+ 86	+ 34	- 78	- 96	- 5	- 85	- 108	- 65	- 51
PHILIPPINES (P)													
Imports ^e	221	976	571	801	777	811	668	728	661	614	966	606	648
Exports	194	531	562	683	780	609	653	645	694	619	630	470	443
Balance	- 27	- 445	09	- 118	+ 03	- 202	- 15	- 83	+ 33	+ 05	- 336	- 136	- 205
THAILAND (Baht)													
Imports	111	146	240	309	327	446	454	457	478	427	492	474	491
Exports	171	174	298	373	340	392	298	265	357	271	319	299	298
Balance	+ 6	+ 28	+ 58	+ 64	+ 13	- 54	- 156	- 192	121	- 156	- 173	175	- 193

GENERAL NOTE Trade statistics of China (Taiwan), Indochina and Indonesia are based on "Special" trade system while all other countries compile their statistics on basis of General trade system. Monthly data are not published for Brunei and Sarawak. Annual figures converted into monthly averages are as follows:

	1938	1948	1950	1951
Brunei (MnM\$)				
Imports	024	293	459	
Exports	055	410	1712	
Balance	+ 081	+ 117	+ 1253	
Sarawak (MnM\$)				
Imports	186	823	2411	3198
Exports	218	1427	3122	4236
Balance	+ 032	+ 604	+ 711	+ 1038

a Figures for Jul-Sep 1952 relate to the Port of Rangoon only

b Imports exclude MSA/ECA imports

c Figures for Jan 1952 cover the period 1 Jan-3 Feb. As from 4 Feb 1952, the rise in value over the preceding figures is principally due to a change in the conversion rate from 3.80 (excluding the value of the exchange certificate) to 1140 rupiahs per US dollar

d Including trade with Korea (south) and China (Taiwan). Post-war imports include aid imports. Post-war exports include procurements for UN forces in Korea (south) and US forces

e Imports valued fob

EXTERNAL TRADE

4 DIRECTION OF IMPORT TRADE

Monthly averages or calendar months

Millions

	1938	1948	1950	1951	1952									
					II	I	II	Apr	May	Jun	Jul	Aug	Sep	
BURMA* (K) from														
China	—	14†	10	12	03	02	33							
Hong Kong	03†	11†	05	18	14	31	48							
India	100†	124†	197	147	121	147	226							
Indonesia	—	—	01	04	05	01	02							
Japan	12†	03†	47	94	64	62	118							
Malaya	05†	17†	11	37	30	31	50							
United Kingdom	33†	232†	98	133	109	178	164							
United States	06†	18†	13	14	12	48	58							
CEYLON (Rs) from														
Burma	29	143	190	191	306	194	171	89	202	221	76	148	206	
China	01	20	02	04	02	03	02	03	02	01	06	04	07	
India	43	105	151	157	129	176	170	143	166	201	155	145	209	
Indonesia	14	03	09	12	01	19	01	—	01	02	01	01	05	
Japan	13	11	26	66	70	114	76	85	82	62	45	32	67	
Malaya	02	03	07	08	02	15	10	02	04	23	02	03	36	
Pakistan	—	09	11	26	55	20	07	08	08	05	07	05	04	
Thailand	05	07	47	13	09	46	17	18	25	07	03	01	01	
United Kingdom	40	143	192	285	283	357	359	392	331	355	348	240	249	
United States	04	63	29	69	78	87	151	75	121	256	164	101	65	
Canada	01	07	17	14	14	30	48	63	20	62	62	08	08	
Australia	05	104	67	103	80	83	116	127	90	131	157	86	151	
HONG KONG (HK \$) from														
N Borneo	02	08	10	25	42	24	25	22	31	22	13	29	18	
Burma	04	29	15	08	03	20	21	28	25	11	79	13	21	
Ceylon	—	01	02	03	04	01	02	02	02	02	02	02	03	
China	194	359	714	771	879	665	574	611	577	534	764	785	938	
India	10	40	140	132	175	53	80	60	74	105	73	124	101	
Indochina	29	25	25	42	26	37	59	37	82	57	34	23	32	
Indonesia	34	34	67	75	70	35	18	26	11	16	11	08	30	
Japan	16	66	192	327	207	381	409	349	497	379	423	418	431	
Korea (south)	—	—	19	03	05	04	05	04	09	02	12	06	11	
Malaya	06	71	249	328	407	117	132	112	134	149	168	126	144	
Pakistan	—	—	78	120	143	197	23	30	35	03	02	16	15	
Philippines	02	08	14	11	13	11	10	14	11	05	05	04	04	
Thailand	30	80	152	130	85	165	244	209	254	270	191	96	144	
United Kingdom	47	251	337	516	515	443	337	372	381	258	358	318	442	
United States	46	323	347	311	358	272	199	198	214	189	125	143	175	
Canada	05	30	42	73	60	84	75	102	71	52	37	28	61	
France	03	19	37	103	137	39	39	18	21	77	90	28	78	
Oceania	11	47	67	76	97	37	43	66	31	33	64	43	44	
INDIA ^b (Rs) from														
Burma	189	160*	66	195	96	218	317	314	258	379	278	132	608	
Japan	130	11*	62	185	161	207	130	195	94	103	198	220	141	
Malaya	32	58*	118	190	222	157	124	129	143	101	145	88	108	
Pakistan	—	125*	340	864	1025	524	165	184	137	175	180	178	141	
United Kingdom	401	1135*	977	1192	1255	1510	1215	1202	1303	1138	1282	1388	884	
United States	95	866*	828	1673	1592	3730	3296	3737	4037	2134	1595	1229	612	
Canada	06	59*	88	185	207	199	316	385	276	259	277	430	462	
Australia	17	195*	332	149	87	174	179	113	165	259	95	64	36	
INDOCHINA (Pr) from														
China	12	89	93	115	122	104	124	123	141	106	132			
Hong Kong	12	11	12	07	03	18	15	18	12	14	06			
India and Pakistan	05	24	26	29	17	103	23	40	28	—	—			
Indonesia	07	36	92	124	67	147	170	166	140	124	287			
Thailand	03	53	21	32	29	30	27	35	24	21	16			
United States	08	249	208	280	310	503	360	264	355	460	313			
France	85	1232	2750	4031	3316	6606	6286	6767	5820	6271	5410			
INDONESIA (Rp) from														
Burma	06	20	56	83	73	130	365	394	303	398	344	376	284	
China	07	23	07	09	12	10	20	17	24	19	23	25	68	
Hong Kong	05	21	68	140	108	367	668	514	839	650	886	942	820	
India	09	12	70	85	84	111	142	70	217	139	189	190	214	
Japan	60	156	134	477	312	1026	880	770	1043	826	1233	1203	1141	
Malaya	34	26	61	123	121	123	164	168	202	123	251	184	128	
Philippines	01	01	—	01	—	05	05	04	09	02	05	03	09	
Thailand	02	27	32	74	73	522	316	382	398	167	416	440	216	
Netherlands	84	184	219	309	202	681	1021	758	1196	1109	1350	1261	1240	
United Kingdom	30	79	93	165	109	366	503	378	571	560	778	642	657	
United States	36	212	263	510	355	1131	1479	1383	1546	1509	1816	1470	1613	
Australia	11	27	09	33	32	62	161	121	194	168	80		89	

4 DIRECTION OF IMPORT TRADE (Cont'd)

EXTERNAL TRADE

Monthly averages or calendar months

Millions

	1938	1948	1950	1951	1952								
					II	I	II	Apr	May	Jun	Jul	Aug	Sep
JAPAN ^c (US\$) from													
China	22.9	21	6.5	6.7	8.0	8.6	6.8	6.9	8.5	4.9			
Hong Kong		0.3	—	0.5	0.8	0.4	0.4	0.4	0.4	0.4	0.8	0.7	
India	4.1	2.3	1.5	5.4	8.1	3.1	4.8	4.5	4.2	5.6	7.5	9.1	
Indonesia	2.1	1.0	1.1	5.2	7.4	1.4	1.5	1.4	1.4	1.7	1.7	2.8	
Korea	16.5	0.4	1.3	0.5	0.9	0.7	2.2	1.2	3.2	2.4	1.6	2.7	
Malaya	2.4	0.9	3.3	5.4	6.3	4.5	5.5	5.4	3.5	7.4	4.8	3.5	
Philippines	0.8	0.8	1.9	4.4	5.4	3.1	4.2	4.5	3.5	4.5	5.8	4.8	
United Kingdom	1.5	0.4	0.5	3.0	3.0	3.5	3.3	1.9	4.1	4.1	1.7	1.8	
United States	21.7	36.7	35.6	62.9	83.8	59.9	79.7	72.9	79.1	87.2	78.7	55.5	
Australia	2.0	0.7	6.4	12.7	17.8	12.3	9.4	11.5	8.9	7.7	6.8	11.9	
Canada	2.2	0.3	1.3	7.7	9.7	7.0	8.6	7.0	8.1	10.7	9.8	12.9	
MALAYA (M\$) from													
N Borneo	0.2	1.3	4.3	4.7	3.6	3.3	2.3	3.1	1.8	2.1	2.1	1.8	1.5
Brunei	0.1	0.1	0.4	0.6	0.5	0.4	0.2	0.3	0.3	0.2	0.2	0.2	0.2
Sarawak	2.0	6.4	13.6	18.1	17.1	14.7	13.0	14.2	10.1	14.8	15.3	14.8	26.0
Burma	2.1	7.7	3.4	6.7	4.9	6.4	6.3	4.7	6.5	7.8	6.3	2.2	8.1
Ceylon	0.1	0.3	0.3	0.4	0.6	0.3	0.6	0.4	0.8	0.6	0.5	0.6	0.5
China	2.0	9.5	10.3	12.5	13.2	14.9	18.5	16.8	20.9	18.8	8.5	11.5	11.6
Hong Kong	6.7	3.8	7.5	10.7	11.0	9.4	8.2	8.6	8.9	7.2	6.8	6.6	8.4
India	1.4	2.9	16.3	17.2	19.5	8.0	7.1	6.8	8.0	6.5	8.2	11.5	19.5
Indochina	1.2	2.5	1.5	3.4	2.9	3.9	3.0	3.9	2.4	2.7	1.9	2.8	1.8
Indonesia	12.7	29.4	64.2	119.0	127.2	80.4	67.4	73.2	62.2	66.9	80.5	65.0	79.6
Japan	1.0	1.1	7.8	20.3	25.2	27.9	25.9	28.9	29.6	23.3	16.8	14.7	13.9
Thailand	7.3	10.7	26.5	31.9	25.1	25.6	25.0	23.3	26.4	25.3	27.6	25.3	24.1
United Kingdom	8.5	28.7	42.2	65.7	62.4	82.5	66.8	76.8	75.0	58.7	64.9	60.7	48.1
United States	1.4	17.4	7.4	18.2	18.8	21.2	16.2	17.0	18.4	13.4	10.7	8.1	12.4
Canada	0.4	1.9	1.4	2.8	2.9	4.6	3.6	2.7	3.8	4.4	2.9	2.2	1.2
Oceania	1.2	7.9	9.5	12.2	10.5	15.3	13.8	8.2	16.2	17.2	10.6	13.5	10.5
PAKISTAN ^d (M\$) from													
Burma		0.7	0.3	0.3	0.2	0.6	0.8	0.4	0.9	0.9	0.2	0.8	
Ceylon		2.4	2.3	2.1	0.9	3.2	2.1	2.4	1.9	2.1	2.7	2.9	
China		5.7	5.1	4.7	6.8	1.2	0.3	0.5	0.3	0.1	0.3	0.3	
India		37.4	11.5	7.0	6.4	12.3	14.1	10.8	13.7	17.6	13.7	11.7	
Japan		0.8	14.4	29.9	28.9	44.6	41.7	47.0	43.8	34.3	29.0	23.0	
Malaya		1.8	1.2	2.9	1.0	2.7	1.4	1.7	1.9	0.6	3.4	1.9	
United Kingdom		22.5	25.0	30.9	26.9	33.2	44.2	52.4	46.1	34.0	43.3	38.0	
United States		6.6	8.7	8.8	5.8	13.2	10.1	11.0	11.1	7.9	12.2	7.7	
PHILIPPINES (P) from													
China		3.8	—	—	—	—	0.1	0.1	—	—	0.1	—	—
Hong Kong		0.1	1.5	1.4	1.1	0.8	0.8	0.6	1.0	0.9	1.6	0.7	1.0
India		1.1	0.4	0.7	0.5	0.5	0.3	0.4	0.1	0.3	1.0	0.3	0.6
Indonesia		2.5	0.7	1.8	1.4	3.4	1.4	1.5	0.9	1.9	5.2	0.7	1.0
Japan		0.3	2.4	5.5	8.3	3.1	3.6	4.3	2.6	3.9	3.9	3.3	1.7
Thailand		0.1	0.2	2.4	2.4	—	—	—	—	—	1.3	1.3	3.4
United Kingdom		0.9	0.9	1.1	0.9	1.2	0.8	0.8	0.8	0.7	1.0	0.9	0.6
United States		78.3	42.5	56.9	53.5	59.8	51.3	56.8	54.0	43.2	57.2	42.6	46.3
THAILAND ^e (Baht) from													
Burma			0.4										
China		1.4	11.1										
Hong Kong		0.1	36.3										
India		1.3	2.9										
Indochina		0.1	2.2										
Indonesia		0.8	1.2										
Japan		1.6	3.4										
Malaya		1.0	47.5										
Philippines		—	1.1										
United Kingdom		6.6	10.0										
United States		1.1	13.0										

a Figures for the second quarter 1952 relate to the Port of Rangoon only

b Overland imports from Pakistan in 1948 excluded

c Imports from India include Burma and Pakistan in 1938 and Pakistan in 1948

d Excluding overland trade Data beginning 1952 exclude government trade

e Prewar data relate to year ending Mar 1940

EXTERNAL TRADE

5 DIRECTION OF EXPORT TRADE

Monthly averages or calendar months

Millions

FROM	1938	1948	1950	1951	1952								
					II	I	II	Apr	May	Jun	Jul	Aug	Sep
BURMA ^a (K) to													
Ceylon	22½	116½	189	176	301	188	59						
China	02½	37½	19	07	—	—	—						
Hong Kong	03½	16½	13	09	06	25	08						
India	220½	252½	114	194	157	273	126						
Indonesia	06½	27½	86	98	260	146	59						
Japan	08½	01½	81	115	135	92	48						
Malaya	28½	101½	35	69	47	79	23						
Pakistan	—	—	05	06	05	06	15						
Philippines	—	02½	—	—	—	—	—						
United Kingdom	57½	56½	23	52	51	54	57						
United States	01½	06½	02	04	03	14	02						
CEYLON (Rs) to													
India	07	17	24	39	19	38	30	13	34	43	18	32	45
Japan	01	01	01	06	06	06	09	07	10	09	08	11	11
Pakistan	—	15	32	28	28	38	29	29	40	17	50	40	31
United Kingdom	118	251	305	488	536	372	401	479	410	313	366	286	264
United States	28	138	277	165	182	166	113	101	129	109	137	127	122
Canada	08	33	78	61	62	66	51	82	24	47	50	33	88
Australia	09	70	95	110	130	67	86	75	85	98	97	114	56
New Zealand	05	18	32	32	24	14	16	05	03	39	04	45	07
HONG KONG (HK\$) to													
N Borneo	01	06	12	13	14	16	13	14	11	12	14	11	24
Burma	03	10	24	34	31	41	75	40	88	95	55	24	30
Ceylon	01	06	08	07	04	06	03	02	04	04	10	13	10
China	192	234	1216	1453	1705	374	528	499	477	607	694	496	849
India	04	40	20	22	30	08	09	05	09	14	20	24	11
Indochina	19	16	19	28	25	26	30	31	34	24	28	32	33
Indonesia	12	57	102	204	263	232	358	268	388	419	530	616	633
Japan	03	41	101	160	169	86	68	72	65	66	153	149	126
Korea (south)	—	—	19	18	16	11	29	25	48	15	22	25	07
Malaya	31	171	452	617	686	431	328	358	330	284	341	293	320
Pakistan	—	—	109	156	244	114	15	06	12	28	23	33	69
Philippines	08	114	69	58	43	25	40	32	49	41	44	29	35
Thailand	13	117	82	75	54	187	284	275	371	205	234	153	149
United Kingdom	18	63	140	179	229	105	45	62	41	33	28	55	112
United States	43	127	257	135	91	198	87	121	94	47	54	30	47
Canada	02	06	08	14	19	15	14	16	15	10	21	13	19
Oceania	03	17	36	67	92	24	13	12	17	09	11	22	18
INDIA ^b (Rs) to													
Burma	84	100*	188	155	124	173	272	176	302	336	203	220	147
Ceylon	42	95*	140	142	120	176	137	105	143	162	136	151	148
China	13	56*	20	50	39	82	—	—	—	—	29	15	—
Pakistan	—	406*	238	270	246	571	565	409	668	619	438	305	177
United Kingdom	460	783*	957	1566	1579	1248	784	746	785	809	897	918	1100
United States	112	597*	805	1084	1328	988	940	954	861	1010	993	973	961
Canada	17	69*	105	143	210	130	99	95	84	117	101	136	119
Australia	25	172*	233	374	371	319	265	326	272	196	210	95	68
INDOCHINA (Pr) to													
China	06	21	04	10	—	01	—	—	—	—	—	—	—
Hong Kong	23	112	155	213	149	322	307	136	371	413	180	—	—
Malaya	25	94	116	250	197	268	204	252	96	263	141	—	—
Thailand	01	37	31	37	33	51	69	56	74	75	142	—	—
United States	21	22	256	250	146	170	109	67	114	148	98	—	—
France	114	426	499	879	710	891	429	439	248	601	543	—	—
INDONESIA (Rp) to													
Burma	—	—	—	—	—	01	01	—	—	02	—	02	—
Hong Kong	11	16	12	16	09	27	13	15	15	08	34	11	49
India	04	01	08	12	17	08	03	01	01	08	30	02	01
Japan	18	21	32	127	199	59	111	117	136	81	304	322	210
Malaya	107	166	832	1318	1835	1625	1839	2317	1300	1802	2573	1519	1797
Philippines	05	08	14	21	33	24	38	23	59	34	100	117	58
Thailand	02	03	10	15	20	36	41	41	36	48	71	62	66
Netherlands	115	310	554	827	900	1209	1651	1639	1471	1842	1788	2109	1627
United Kingdom	31	17	83	247	267	185	228	314	196	173	139	174	109
United States	82	152	372	653	899	1545	1550	1757	1634	1260	2064	1894	1060
Australia	24	08	42	94	144	128	165	99	194	203	205	209	274

5. DIRECTION OF EXPORT TRADE (Cont'd.)

EXTERNAL TRADE

Monthly averages or calendar months

Millions

FROM	1938	1948	1950	1951	1951	1952							
					II	I	II	Apr	May	Jun	Jul	Aug	Sep
JAPAN ^c (US\$) to													
China	350	03	48	47	43	41	55	60	58	48			
Hong Kong			53	51	28	68	71	72	78	62	62	70	
India	45	07	17	43	53	43	34	22	39	40	49	31	
Indonesia	25	47	39	107	165	64	35	27	32	45	48	54	
Korea	216	15	15	12	13	17	49	16	27	104	61	61	
Malaya	05	05	15	57	45	79	58	64	67	43	09	07	
Philippines	08	03	15	32	61	14	20	17	20	21	15	16	
United Kingdom	32	14	22	45	38	72	105	107	119	91	70	28	
United States	101	55	149	154	146	149	154	140	143	179	181	216	
MALAYA (M\$) to													
N Borneo	02	12	26	35	42	38	33	30	39	31	34	30	26
Brunei	01	02	05	06	08	09	09	10	08	08	06	09	07
Sarawak	07	26	49	58	77	57	52	65	59	31	56	63	61
Burma	03	10	11	41	41	36	35	35	35	36	39	48	49
Ceylon	02	08	19	20	09	09	06	04	06	08	33	04	07
China	03	13	104	86	60	11	03	02	02	04	04	10	01
Hong Kong	06	34	169	179	165	29	40	29	42	50	38	70	46
India	18	53	63	97	105	82	60	51	48	79	66	131	82
Indochina	01	07	10	15	13	20	13	12	15	12	21	13	15
Indonesia	34	161	214	406	500	333	355	338	433	293	352	359	286
Japan	45	16	96	131	136	140	124	110	150	112	127	147	115
Korea			01	06	02	02	—	01	—	01	01	01	—
Pakistan		06	10	21	14	21	09	06	06	15	32	05	14
Philippines	01												
Thailand	13	41	60	80	74	135	124	142	129	101	124	90	115
United Kingdom	68	200	456	1013	1016	810	634	719	642	540	768	719	680
United States	144	382	873	995	1275	746	513	733	378	429	382	396	445
Canada	15	37	82	128	146	57	56	44	79	44	50	52	42
Oceania	25	51	141	283	436	130	146	123	115	200	147	185	201
PAKISTAN ^d (Rs) to													
Burma		03†	01	10	02	03	01	01	02	01	01	—	—
Ceylon		12†	08	15	20	02	07	01	03	01	04	02	—
China		27†	26	125	44	149	452	413	716	226	375	598	—
Hong Kong		21†	96	94	36	57	05	09	07	—	10	07	—
India		191†	29	64	161	02	02	01	01	03	01	01	—
Japan		10†	121	212	134	534	81	115	86	43	45	69	—
Malaya		01†	01	01	02	01	01	01	—	01	01	01	—
United Kingdom		123†	362	264	231	431	76	114	57	55	71	55	—
United States		109†	101	88	127	54	64	44	102	47	47	51	—
PHILIPPINES (P) to													
China		03	02	01	02	—	03	01	—	07	01	01	01
Hong Kong		05	04	03	03	03	02	03	03	02	01	01	01
India		03	01	02	03	02	01	—	02	01	01	—	—
Indonesia		09	—	02	07	01	01	01	—	01	01	01	—
Japan		26	37	50	55	50	63	58	58	73	76	79	69
Korea		03	04	—	—	—	02	04	—	01	01	—	01
Malaya		01	—	01	—	03	01	01	02	01	—	—	01
Thailand		01	01	—	—	01	01	01	03	01	01	01	01
United Kingdom		06	09	21	23	17	09	14	05	07	05	06	07
United States		34.8	40.9	43.0	48.5	39.6	49.0	47.1	55.2	44.7	46.2	26.6	23.9
THAILAND ^e (Baht) to													
N Borneo	—	21	33	38	20	19	43	66	57	07	60	—	—
Ceylon	05	14	38	—	—	38	22	63	02	—	—	—	—
Hong Kong	20	163	210	112	84	192	267	263	107	232	84	86	122
India	20	167	88	208	175	125	332	139	75	264	166	192	77
Indonesia	02	80	94	186	84	90	80	07	18	220	178	198	179
Japan	10	05	30.8	35.9	10.8	55.5	25.2	5.0	42.3	25.2	51.1	36.0	61.5
Korea	—	1.9	—	1.9	—	—	5.8	—	—	5.8	—	—	—
Malaya	107	39.6	51.2	50.6	36.3	32.5	3.8	23.8	40.4	13.3	39.6	39.0	50.4
Philippines	02	5.5	0.7	11.1	6.8	—	—	—	—	—	6.2	11.0	8.8
United Kingdom	04	4.5	3.0	—	—	—	—	—	—	—	0.2	0.8	0.3
United States	01	36.8	55.1	114.4	115.5	110.8	75.0	23.8	86.2	45.1	—	—	—

a Figures for the second quarter 1952 relate to the Port of Rangoon only

b Overland exports to Pakistan in 1948 excluded

c Exports to India include Burma and Pakistan in 1938 and Pakistan in 1948

d Excluding overland trade Data beginning 1952 exclude government trade

e Prewar data relate to year ending Mar 1940 Data from 1950 onwards relate to exports of rice and rubber sheeta only which account for 85 per cent of total exports in 1948 and 1949

EXTERNAL TRADE

6. VALUE OF IMPORTS BY PRINCIPAL COMMODITIES AND/OR COMMODITY GROUPS

Monthly averages or calendar months

Millions

	1938	1948	1950	1951	1951									1952			
					II	I	II	Apr	May	Jun	Jul	Aug	Sep				
BURMA (K)																	
Cotton yarn and fabrics (incl thread)	34‡	92‡	106‡	133	88	74	153	136	214	109	259	137	188				
Base metals and manufactures thereof	21‡	59‡	19‡	31	32	41	75	75	65	84	65	67	68				
Machinery and transport equipment	18‡	93‡	43‡	39	34	66	76	68	70	90	71	61	72				
CEYLON (Rs)																	
Food and drink	87	425	489	570	668	664	643	583	517	830	537	495	745				
Raw materials and articles mainly unmanufactured	28	88	99	135	123	162	111	125	66	143	266	67	150				
Articles wholly or mainly manufactured	78	299	377	582	603	667	698	682	690	711	589	450	559				
Cotton yarn and manufactures	14	103	105	118	123	116	122	124	127	106	99	97	95				
Machinery and vehicles	10	52	57	110	109	161	168	174	147	184	136	94	107				
Base metals and manufactures thereof	09	26	37	61	60	66	64	65	59	69	76	48	75				
Electrical goods and apparatus	03	09	14	23	20	20	16	18	13	17	16	12	14				
INDIA (Rs)																	
Food and drink	149	737	1026	1758	1516	2574	2667	2823	2710	2454	1871	1562	1445				
Raw materials and articles mainly unmanufactured	305	883	1487	1869	2168	2579	2063	1494	2314	1400	1300	1365	1282				
Cotton, raw and waste	92	388	727	943	1356	1633	1230	1627	1505	559	386	533	639				
Mineral oils	136 ^c	267	457	532	531	577	634	644	596	665	651	629	438				
Articles wholly or mainly manufactured	780	2245	2038	2707	2805	3002	2419	2481	2611	2128	2549	2746	1937				
Machinery and vehicles	221	894	949	1041	994	1317	1037	974	1127	1008	1077	1071	754				
Implements and instruments	49 ^d	77	64	105	105	110	89	94	104	68	88	83	59				
Electrical goods and apparatus	28	80	85	76	74	105	98	94	105	95	124	126	101				
Base metals and manufactures thereof	89	264	400	332	339	421	389	422	399	316	465	359	305				
INDOCHINA (Pr)																	
Live animals and food	10	156	414	834	447	874	680	600	711	1468	1295						
Textiles and apparel, incl yarn and thread	44	425	997	1679	1063	1969	1740	1792	1629	2132	1889						
Machinery and vehicles (incl electric machinery and fittings) and base metals and manufactures thereof	33	568	761	1280	898	1745	1904	1949	1910	2028	1841						
INDONESIA* (Rp)																	
Food	73	95	183	270	233	1077	2096	2708	2085	1494	2028	2188	1205				
Textiles	103	235	360	617	521	1617	1854	1471	2197	1893	2290	2203	2130				
Base metals (incl ores) and manufactures thereof	49	42	46	121	90	531	741	699	811	714	965	909	851				
Machinery and appliances (incl electrical material)	51	68	72	86	57	186	325	291	340	343	462	396					
Transport equipment	30	37	11	66	28	139	138	88	208	116	407	205					
JAPAN (US\$)																	
Food		267 ^f	280	465	637	422	548	537	551	557	560	463					
Crude materials (inedible) other than fuels				1082	1371	803	788	769	823	772	745	699					
Mineral fuels, lubricants and related materials				139	151	180	231	228	217	246	237	185					
Chemicals		39	48	31	34	32	38	40	32	41	34	34					
Manufactured goods				54	48	44	45	53	44	38	24	48					
Machinery and transport equipment		—	06	51	43	64	74	61	77	83	56	63					

EXTERNAL TRADE

6 VALUE OF IMPORTS BY PRINCIPAL COMMODITIES AND/OR COMMODITY GROUPS (Cont'd)

Monthly averages or calendar months

Millions

	1938	1948	1950	1951	1951	1952							
					II	I	II	Apr	May	Jun	Jul	Aug	Sep
MALAYA (M\$)													
Food	11.9	48.2	57.8	82.0	72.8	85.0	89.1	83.6	94.6	89.0	82.0	80.7	78.7
Raw materials and articles mainly unmanufactured	11.2	25.2	67.8	124.0	133.7	73.5	52.0	63.0	47.4	45.5	57.7	42.9	38.2
Articles wholly or mainly manufactured	17.6	69.1	107.0	175.8	184.6	186.3	167.2	171.0	178.8	153.8	155.3	140.5	177.3
Cotton yarn and manufactures	2.2	17.9	22.9	30.0	36.0	20.1	14.7	17.9	15.7	10.4	12.5	14.4	22.5
Machinery and vehicles	3.1	9.9	12.1	22.9	20.5	35.0	29.4	27.9	33.3	26.9	28.4	25.2	17.8
Base metals and manufactures thereof	1.6	4.7	7.1	15.0	16.6	15.7	14.1	14.2	16.0	12.2	14.3	12.6	11.2
Electrical goods and apparatus	0.5	2.4	3.5	5.2	4.3	7.0	5.6	5.6	6.0	5.3	5.7	5.7	3.4
PAKISTAN (Rs)													
Cotton piecegoods		22.4‡	22.7	27.5	28.7	35.2	32.0	34.1	31.7	30.1	26.9	16.6	12.3
Cotton twist and yarn		9.4‡	12.5	18.0	19.9	24.4	25.3	18.2	33.2	24.4	14.2	11.1	8.0
Machinery and vehicles		8.6‡	13.3	17.2	16.8	25.7	28.9	29.4	22.5	23.5	24.6	21.6	14.6
PHILIPPINES (P)													
Grains and preparations	13*	7.0	4.2	7.5	6.2	5.4	2.3	3.1	2.0	1.9	18.3	7.4	8.5
Cotton and manufactures	3.6	11.4	6.2	12.2	7.9	10.9	8.4	8.9	9.1	7.1	9.9	6.2	11.1
Rayon and other synthetic textiles	0.4	8.8	2.7	2.3	3.0	4.9	4.2	4.8	4.3	3.5	3.2	1.8	3.0
Mineral oils (petroleum products)	0.9	5.7	5.8	6.0	7.4	6.7	7.2	6.6	4.6	10.3	10.3	5.6	4.3
Machinery and vehicles (incl spare parts)	2.7	8.9	4.4	7.0	8.1	12.0	9.7	11.5	10.0	7.6	10.9	8.1	6.9
Iron and steel manufactures	1.8	4.7	4.4	6.0	7.7	3.0	4.8	4.7	5.4	4.3	6.1	3.1	2.3
Electrical machinery and appliances	0.6	2.9	2.2	1.8	1.5	2.5	2.3	2.8	2.7	1.5	3.0	1.7	2.1
THAILAND^b (Baht)													
Cotton fabrics and manufactures	2.1‡	25.0	32.3	27.5		40.8	35.9	35.3	30.9	41.5	49.3	52.5	47.9
Kerosene	0.3	3.0	2.6	2.6		3.0	4.2	4.3	4.0	4.1	3.1	2.7	4.3
Petrol and aviation spirit	0.3	4.2	5.1	7.1		8.3	11.5	12.2	14.7	7.8	11.7	10.2	11.7
Gunny bags	0.4‡	8.2	10.6	23.3		9.9	29.1	36.1	39.2	11.9	18.2	8.0	19.3

a Figures under column 1938 are for 1939. From 1948 onwards, textiles comprise cotton yarn and cotton piecegoods

b From 1950, Port of Bangkok only

c Including vegetable and animal oils

d Including cutlery and hardware

e 1937

f Including drink

EXTERNAL TRADE

7 VALUE OF EXPORTS BY PRINCIPAL COMMODITIES AND/OR COMMODITY GROUPS

Monthly averages or calendar months

Millions

	1938	1948	1950	1951	1952								
					II	I	II	Apr	May	Jun	Jul	Aug	Sep
BURMA (K)													
Rice and products	18 2½	48 7½	48 0½	60 2	78 8	68 5	85 7	97 8	77 8	81 6	86 4	40 2	27 6
Raw rubber	0 5½	0 5½	0 7½	2 2	3 3	3 5	3 5	3 9	4 3	2 2			
Teak	2 5½	4 6½	1 0½	4 4	3 8	4 0	4 0	5 8	1 9	4 3	1 7	1 9	2 7
Metal and ores	4 8½	1 8½	1 1½	2 9	2 3	5 7	3 9	1 9	1 0	8 8	0 8	0 7	1 4
CEYLON (Rs)													
Tea	14 4	49 2	63 0	66 7	80 6	58 8	68 6	68 0	67 3	70 3	69 2	62 0	57 9
Coconut and products	2 3	12 8	21 0	26 9	24 6	21 7	19 8	26 0	20 1	13 5	19 1	18 5	19 2
Rubber	3 8	12 0	33 8	48 5	40 0	46 6	29 9	26 7	32 9	29 9	13 2	22 7	28 5
INDIA (Rs)													
Food and drink	30 6	58 9	88 2	119 6	77 3	118 7	74 0	50 7	68 5	102 9	131 5	121 0	117 8
Tea	19 6	46 5	58 4	78 7	40 4	73 3	32 9	24 3	31 6	42 9	68 9	78 2	90 3
Spices	0 7	4 0	17 6	24 9	22 1	29 0	15 5	11 4	11 6	23 5	21 1	15 4	14 7
Raw materials and articles mainly unmanufactured	59 5	90 3	88 5	127 7	156 3	100 6	124 4	114 8	130 0	121 4	131 2	130 8	109 3
Cotton raw and waste	19 9	18 6	14 9	21 4	50 3	5 9	24 5	14 3	31 7	27 4	34 1	34 3	31 1
Hides and skin raw or undressed	3 0	5 0	7 3	8 3	11 2	5 5	4 9	6 2	4 4	4 0	4 0	5 1	3 6
Vegetable oil other than aromatic	0 7	10 9	9 3	25 4	27 9	16 6	27 8	27 0	30 1	26 2	23 6	23 4	11 6
Articles wholly or mainly manufactured	40 2	192 3	243 8	347 6	383 6	294 2	240 9	230 8	252 9	239 1	239 4	258 0	220 6
Cotton yarns and manufactures	6 3	30 8	98 0	78 4	61 2	52 3	52 0	35 5	53 4	67 2	71 8	105 3	72 3
Jute yarns and manufactures	21 8	126 3	99 4	200 3	244 2	191 7	146 9	162 4	149 9	128 5	129 9	103 5	105 6
Hides and skins tanned or dressed and leather	4 4	9 9	19 0	27 8	30 5	15 7	9 8	5 1	13 0	11 3	9 4	16 2	15 8
INDOCHINA (Pr)													
Food	13 4	52 2	56 2	110 0	71 8	111 2	134 5	109 7	123 0	170 8	50 2		
Rice	8 2	37 7	25 1	73 9	59 2	86 7	121 2	95 2	110 4	158 1	41 5		
Rubber	4 2	25 8	64 5	102 7	86 2	96 9	46 6	37 7	32 3	69 8	57 0		
Mineral products	1 2	2 6	3 7	6 1	7 2	3 7	4 7	10 1	2 3	1 5	10 2		
INDONESIA (Rp)													
Tea	4 7	1 8	8 5	11 6	13 1	19 2	23 0	20 9	24 8	23 2	27 2	20 3	17 5
Copra	3 2	13 1	18 2	40 7	48 5	46 9	55 2	54 5	49 6	61 6	36 3	34 1	26 1
Rubber	130	21 3	107 0	206 9	227 5	385 3	367 8	418 8	297 8	286 7	442 6	289 7	150 7
Tin (and tin ore)	2 8	12 3	15 4	25 7	26 3	44 9	80 0	95 9	63 4	80 7	69 0	124 8	102 5
Petroleum and products	13 5	21 7	46 4	52 8	70 9	100 7	162 6	191 2	145 4	151 0	197 3	145 5	225 4
JAPAN (US\$)													
Food		1 5	4 1	5 6	3 6	6 9	6 3	5 2	6 7	7 1	10 0	9 2	
Crude materials, inedible, except fuels				7 0	6 1	5 0	6 6	5 9	5 3	8 5	7 4	9 3	
Chemicals		0 9	1 3	3 0	2 3	2 6	4 3	3 6	2 7	6 5	4 7	2 1	
Manufactured goods				86 9	100 2	94 3	78 5	86 0	79 5	69 9	49 8	55 9	
Machinery and transport equipment		1 3	5 9	9 0	11 4	8 5	11 0	12 4	12 7	7 8	6 9	9 6	
MALAYA (Ms)													
Food	4 7	11 2	17 1	28 4	33 3	29 1	25 7	27 0	28 4	21 6	30 8	30 5	28 7
Rubber	23 2	73 2	204 5	330 1	384 0	221 0	147 3	162 4	145 8	133 6	133 3	137 2	126 6
Articles wholly or mainly manufactured	12 3	43 9	85 2	112 4	118 8	96 1	106 5	116 9	99 5	103 0	114 6	124 7	129 1
Tin (block, ingots, bars or slabs)	8 0	17 9	39 5	48 2	53 0	37 6	43 9	57 4	36 6	37 9	48 6	45 2	55 4
PAKISTAN (Rs)													
Raw jute		29 4½	46 2	59 6	46 3	101 3	40 3	45 9	53 5	21 6	13 9	15 3	34 1
Raw cotton		31 6½	43 3	80 2	49 3	123 5	61 4	60 2	86 8	37 2	43 8	67 5	15 4
Raw wool		2 8½	4 7	4 9	6 9	3 1	2 1	1 1	2 2	3 1	5 7	4 7	4 4
Hides and skins		3 1½	2 8	4 5	5 2	4 4	1 8	2 7	1 5	1 3	2 0	1 7	1 1
Tea		3 1½	2 0	4 8	4 1	2 4	0 9	0 1	0 5	2 0	4 1	1 8	3 6
PHILIPPINES (P)													
Abaca (unmanufactured)	1 7	5 0	6 7	11 2	13 1	8 6	7 3	9 0	6 3	6 5	6 6	6 4	4 6
Coconut products	4 9	34 6	30 9	32 8	33 9	20 5	15 2	15 1	14 0	16 5	18 7	20 9	23 6
Sugar centrifugal	7 7	3 5	8 1	11 4	17 8	16 2	26 1	22 2	36 0	20 2	14 9	1 9	2 8
THAILAND (Baht)													
Rice*	8 1	78 2	145 2	156 3	120 8	163 8	141 5	85 2	179 7	159 6	166 1	147 4	173 8
Tin ore and concentrates	2 6	4 4	21 6	18 5	19 7	30 3	31 2	35 9	36 6	21 2	35 9	34 4	
Rubber	3 9	34 9	71 4	107 6	110 5	124 8	70 6	85 6	83 2	43 2	82 0	86 7	
Teak*	2 2	7 1	11 7	12 8	13 4	8 9	7 8	7 3	7 8	8 3	6 9	8 6	8 5

EXTERNAL TRADE

8 QUANTITY OF EXPORTS OF SELECTED COMMODITIES

Monthly averages or calendar months

Thousand tons

	1938	1948	1950	1951	1951	1952							
					II	I	II	Apr	May	Jun	Jul	Aug	Sep
RICE													
Burma	253.3	102.2	99.2	107.1	138.0	107.7	113.8	139.8	99.0	102.5	65.5	53.9	48.7
Indochina	77.8	13.4	8.7	25.5	19.4	25.8	32.4	30.8	41.8	24.6	14.1	4.3	
Thailand	115.4	67.6	123.2	129.5	104.2	134.0	109.1	69.8	117.1	140.3	137.3	108.6	147.7
TEA													
Ceylon	8.9	11.2	11.1	11.8	13.0	10.4	14.3	13.2	14.2	15.5	13.6	13.6	10.4
India	13.4 ^b	14.2	14.8	16.8	8.4	15.9	8.6	5.8	8.8	11.3	16.6	18.6	21.9
Indonesia	6.0	0.8	2.4	3.3	3.5	2.6	2.8	2.4	3.1	3.0	3.6	3.9	2.5
Japan	1.4	0.3	0.6	0.7	0.4	0.7	0.3	0.3	0.3	0.8	1.4	1.4	1.0
Pakistan			0.5	1.8	1.7	0.7	0.5	—	0.9	0.7	1.4		
COPRA AND COCONUT OIL^a													
Ceylon	8.7	9.2	7.5	10.3	8.8	9.9	13.2	17.0	13.7	8.8	13.2	12.0	11.5
Indonesia (copra)	25.8 ^c	12.1 ^c	14.1	23.1	25.0	19.3	19.5	20.2	17.1	21.3	11.9	13.2	10.1
Malaya	13.4	7.1	11.2	10.4	10.4	8.6	6.8	7.2	6.2	7.1	7.5	8.3	9.1
N Borneo	0.4	0.3	1.4	0.9	0.6	0.5	0.6	0.5	1.0	0.4	0.5	0.7	0.7
Philippines	28.9 ^c	35.3	41.0	45.0	41.6	39.7	34.6	33.5	34.0	36.2	33.8		
PALM KERNELS AND OIL^a													
Indonesia (palm oil)	14.2	3.3	8.2	8.1	6.4	6.0	8.4	6.7	5.4	12.9	12.6	16.3	10.2
Malaya	3.1	4.4	5.7	4.5	3.9	4.7	3.9	4.3	3.6	3.7	3.9	4.2	3.8
GROUND NUTS AND OIL^a													
Hong Kong	1.2	0.4	1.8	0.7	0.7	0.3	0.5	0.3	0.4	0.8	1.0	1.0	0.6
India	22.0 ^b	5.5	5.8	5.8	4.0	4.1	9.8	6.9	12.9	9.7	6.8	4.1	
NATURAL RUBBER													
Brunei	0.1	0.2	0.5	0.2	0.2	0.2	0.1	0.2	0.1	0.1	0.2	0.1	0.2
Burma	0.6	0.8	0.5	0.8	0.9	1.0	1.1	1.0	1.0	1.0	0.7	0.1	0.7
Ceylon	4.2	7.8	10.0	8.8	6.8	9.1	6.0	3.8	8.4	5.8	6.4	6.3	8.5
Indochina	5.0	3.5	4.4	4.4	3.4	4.4	2.8	2.7	2.8	5.3	5.3	6.4	5.3
Indonesia	25.5	36.6	58.6	67.2	72.8	65.3	51.1	60.6	55.5	47.9	80.0	62.3	32.5
Malaya (net export)	31.4	57.5	55.7	51.5	57.6	51.8	45.9	40.7	47.1	49.9	37.4	50.5	57.9
N Borneo	0.8	1.7	2.0	1.8	1.8	1.7	1.5	1.6	1.4	1.5	1.5	1.7	1.4
Sarawak	1.5	3.4	4.7	3.6	4.7	2.9	3.1	3.6	2.2	3.5	2.7	2.9	1.9
Thailand	3.5	8.1	9.5	9.2	8.6	9.1	7.3	8.0	9.0	4.7	8.5	9.4	7.8
COTTON RAW													
India	38.6 ^b	8.0	2.7	2.3	7.8	0.1	5.8	2.5	8.1	6.9	8.8	8.8	7.1
Pakistan		13.6	17.2	18.3	9.6	31.2	16.6	16.6	23.3	10.1	11.9	19.1	5.2
COTTON YARN (tons)													
Hong Kong			2 109	1 732	2 048	1 997	1 561	72.7	2 356	1 600	1 357	1 268	1 474
Japan	1 745	458	892	1 025	1 018	2 195	1 012	1 340	932	765	577	1 528	
Malaya	197	22	388	167		76	72	42	77	96	162	223	230
COTTON PIECE GOODS (Mn metres)													
Hong Kong			10.8	12.2	9.4	7.0 ^f	10.0	7.0	12.0	11.0	13.5	9.9	11.1
India	14.6 ^b	23.5	93.7	59.1	45.9	32.7	37.9	22.5	38.6	52.6	54.7	77.2	54.5
Japan (Mn sq metres)	158.4	28.2	76.9	75.3	94.4	70.4	58.1	59.7	60.6	53.9	44.8	42.8	
Malaya	2.0	7.5	14.5 ^c	14.5	17.0	10.3	8.4	6.4	11.7	7.1	9.3	7.3	9.4
JUTE													
Pakistan (raw)		16.1	50.0	56.0	43.5	83.2	37.4	41.9	49.6	20.8	24.0	16.6	64.7
India (bag and cloth)	78.9 ^d	78.4	54.0	67.1	67.0	61.4	65.9	64.7	69.2	63.7	69.2	60.7	59.8
HEMP RAW													
Philippines	11.8	6.2	7.9	10.3	11.9	10.1	9.4	11.0	8.3	9.0	9.3	10.3	7.3
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	0.1	0.1
Indonesia	1.2	2.8	2.6	2.6	3.0	2.2	2.9	3.5	2.3	2.9	2.4	4.4	3.6
Thailand	1.1	0.5	0.9	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
TIN METAL													
Malaya	5.2	4.0	6.9	5.5	5.4	4.8	5.5	7.2	4.6	4.8	6.0	5.6	7.0
PETROLEUM AND PRODUCTS													
Indonesia	506	321	504	506	701	452	544	584	522	524	718	509	824
Malaya	84	82	165	163	123	154	207	188	169	264	189	250	231

a Expressed in terms of oil equivalent figures under column for 1938 refer to averages for the period 1934-1938

b Including territory now under Pakistan

c. 1935-1939

d Converted at 2.25 lbs per bag and 0.50 lb per yard of cloth

e Excluding exports to Singapore from Indonesia

f Unit changed from million meters to million square meters from 1950 for Malaya and 1952 for Hong Kong for cotton piecegoods

EXTERNAL TRADE

9. INDEX NUMBERS OF QUANTUM
1948=100

	1938	1950	1951	1951	1952							
				II	I	II	Apr	May	Jun	Jul	Aug	Sep
Burma ^a												
Imports General	163‡	95	87	66	74	131	88	194	110	376	171	
Food, etc	175‡	79	87	89	151	164		164				
Textile & clothing	164‡	328	92	52	43	174		174				
Coal & petroleum products	254‡	153	238	156	119	114		114				
Minerals	132‡	88	168	196	113	87		87				
Machinery & miscellaneous	106‡	63	73	57	104	91		91				
Exports General	263‡	42	96	123	101	102	118	93	94	63	128	
Food, etc	260‡	51	106	140	79	118		118				
Timber	172‡	18	51	42	32	42		42				
Cotton	170‡	61	80	60	250	140		140				
Minerals	1,781‡	197	129	152	70	616		616				
CEYLON												
Imports	89	121	135	159	146	140	133	131	157	127	100	152
Exports	80	110	112	114	117	130	132	130	128	125	119	118
INDIA ^b												
Imports All commodities	106‡	88	108	108	138	115	126	125	98	94	101	78
Food, drink & tobacco		73	147	132	202	185	199	186	170	129	113	102
Raw materials & semi manufactures		123	113	123	167	144	170	164	97	85	92	82
Manufactures		79	92	93	100	76	77	82	69	84	100	67
Exports All commodities	172‡	115	114	111	96	98	78	103	113	118	126	111
Food, drink & tobacco		109	121	82	114	86	58	86	114	140	140	130
Raw materials & semi manufactures		103	112	140	84	110	97	119	113	112	109	94
Manufactures		122	111	109	95	97	77	102	112	112	128	111
INDOCHINA												
Imports	85	151	189	159								
Exports	259	88	132	129	130							
JAPAN												
Imports		180	259	334	256	290	279	294	298			
Exports		400	404	455	449	416	412	420	415			
MALAYA												
Imports All commodities	81	137	181	190	178	160		160			148	
Food, drink & tobacco	109	120	156	158	153	151		151			130	
Raw materials & semi manufactures	83	147	172	175	123	111		111			113	
Manufactures	66	85	199	213	219	190		190			178	
Exports All commodities	73	127	134	139	115	108		108			116	
Food, drink & tobacco	162	122	172	207	165	143		143			141	
Raw materials & semi manufactures	60	115	124	128	101	90		90			96	
Manufactures	95	173	161	161	151	162		162			180	
PHILIPPINES												
Imports		74	82	81	83	72	76	73	68	112	68	75
Exports	143	133	149	163	168	194	184	215	183	200	148	124

a Base Oct 1947—Sep 1948=100

b Base Apr 1948—Mar 1949. Overland trade excluded. The index numbers for the calendar year 1948 are 93 and 100 in the case of imports and exports respectively.

EXTERNAL TRADE

10 INDEX NUMBERS OF UNIT VALUE

1948=100

	1938	1950	1951	1951	1952							
				II	I	II	Apr	May	Jun	Jul	Aug	Sep
Unit Value Indices												
BURMA*												
Imports General	23†	114	84	82	86	73	76	76	68	74	68	
Food etc	26†	142	127	125	128	112		112		73		
Textile & clothings	18†	97	53	51	56	43		43				
Coal & petroleum products	30†	91	123	146	124	154		154				
Minerals	24†	77	114	114	106	107		107				
Machinery & miscellaneous	42†	123	116	105	119	138		138				
Exports General	17†	104	131	129	149	156	150	162	156	162	148	
Food, etc	15†	108	117	116	134	155		155				
Timber	23†	115	153	152	158	148		148				
Cotton	21†	111	199	257	201	165		165				
Minerals	54†	199	410	385	302	247		247				
CEYLON												
Imports	23	98	116	119	137	137	140	134	137	142	140	129
Exports All commodities	32	144	175	186	149	132	136	133	128	124	126	131
Tea	37	127	132	138	118	109	113	108	106	111	114	120
Rubber	56	222	367	383	299	268	268	278	258	216	232	220
All coconut products	14	144	169	191	129	99	103	98	97	93	93	93
Other export products	24	124	165	179	150	139	146	131	141	135	128	137
INDIA ^b												
Imports All commodities	28†	104	126	130	131	133	135	133	132	132	121	128
Food, drink & tobacco		104	116	114	132	141	141	142	141	143	135	138
Raw materials & semi-manufactures		113	152	161	142	132	135	130	133	141	136	143
Manufactures		97	118	121	120	127	130	127	123	122	109	115
Exports All commodities	24†	110	160	171	156	133	150	128	119	122	117	117
Food, drink & tobacco		127	149	151	153	142	145	140	140	135	131	136
Raw materials & semi-manufactures		114	148	161	148	132	146	126	124	136	139	135
Manufactures		103	170	180	159	130	154	126	110	110	103	102
INDOCHINA												
Imports	8	122	140	137								
Exports	11	147	182	159	198							
INDONESIA ^c												
Exports All commodities	31	177	265	261	471	597	516	511	505	500	505	465
Estate produce	38	185	273	262	429	619	601	617	609	592	599	561
Peasant produce	27	171	219	248	474	478	409	419	419	411	414	397
Forest produce	12	99	148	151	302	337	300	360	298	311	350	302
JAPAN ^d												
Imports		79	116	120	107	106	109	105	103			
Exports		79	130	130	126	121	129	120	116			
MALAYA												
Imports All commodities	36	115	144	143	133	131		131			126	
Food, drink & tobacco	23	100	110	99	118	123		123			127	
Raw materials & semi-manufactures	53	175	283	305	238	190		190			163	
Manufactures	41	106	126	125	122	121		121			118	
Exports All commodities	43	173	258	287	221	187		187			175	
Food, drink & tobacco	24	120	141	135	146	149		149			171	
Raw materials & semi-manufactures	52	214	330	370	274	210		210			183	
Manufactures	32	110	155	169	139	138		138			137	
PHILIPPINES												
Imports		79	100	99	99	94	96	93	92	89	91	89
Exports	25	77	84	87	67	67	64	76	62	58	59	66
Terms of Trade*												
BURMA	74†	91	157	158	174	213	198	213	229	223	233	
CEYLON	141	147	151	156	109	97	97	99	93	87	91	102
INDIA	86†	106	127	131	119	99	111	97	90	91	86	91
INDOCHINA	138	120	130	116								
JAPAN		100	112	109	117	115	118	113	113			
MALAYA	120	151	179	201	166	143			143			138
PHILIPPINES		97	84	88	67	72	67	82	67	65	65	74

a Base Oct 1947–Sep 1948=100

b Base Apr 1948–Mar 1949=100 Overland trade excluded

c Weighted wholesale price index numbers of 18 export products at fob prices. Figures from April 1950 to February 1952 exclude the value of exchange certificates. The rise beginning February 1952 is principally due to the change in the conversion rate of the rupiah from 3.60 (excluding the value of the exchange certificate) to 11.40 per U.S. dollar.

d In terms of U.S. dollars

e Ratio of unit value index of exports to unit value index of imports multiplied by 100

PRICES

11 INDEX NUMBERS OF WHOLESALE PRICES

1948=100

	1949	1950	1951	1951	1952							
				II	I	II	Apr	May	Jun	Jul	Aug	Sep
BURMA												
All agricultural produce	123	115	133	132	117	112	110	111	114	114	117	112
Cereals	96	98	105	109	96	100	98	100	102	103	103	103
Non food agricultural produce	161	196	205	219	183	156	167	151	145	147	179	143
CHINA (Taipei) ^a												
General index		125 ^e	183	177	227	230	235	230	226	224	223	223
Food		108 ^e	140	138	166	172	174	172	170	169	176	180
Clothing		160 ^e	330	306	433	406	425	400	393	376	349	353
Fuel & light		141 ^e	156	155	183	193	202	193	184	187	193	193
Metals & electrical materials		137 ^e	218	205	274	278	290	273	272	275	270	263
Building materials		113 ^e	154	142	241	242	249	239	238	230	226	225
Miscellaneous		131 ^e	219	215	256	262	261	265	259	259	252	238
INDIA												
General index	104	109	120	124	111	102	103	100	102	105	106	106
Food articles	104	110	110	110	99	92	93	91	93	98	100	98
Industrial raw materials	108	117	141	159	120	99	101	97	100	101	104	107
Semi manufactured articles	104	108	119	122	113	104	107	102	104	110	111	111
Manufactured goods	101	102	116	120	115	110	112	109	110	108	108	109
Miscellaneous	108	136	145	145	137	118	119	116	120	125	126	125
INDONESIA (Jakarta, imported goods)												
All articles	123	253	346	357	346	334	333	334	335	343	343	347
Provisions	90	180	295	273	375	365	375	357	363	366	358	358
Textile goods	194	351	318	331	262	242	232	247	248	273	278	293
Chemicals	88	221	373	402	342	334	333	335	334	346	346	345
Metals	95	220	381	378	394	375	383	377	366	360	359	359
Other articles	108	244	387	429	400	412	396	401	409	409	410	411
JAPAN												
General index	163	193	267	272	278	272	273	272	272	274	272	272
Edible farm products	178	207	258	250	285	288	283	286	286	309	289	284
Other foodstuffs & tobacco products	164	159	175	174	181	180	182	179	178	179	179	179
Textiles	215	262	363	394	307	285	280	286	289	294	297	296
Chemicals	138	180	250	241	290	274	286	274	262	251	254	257
Metal & products	143	214	423	454	436	417	427	416	409	408	407	405
Building materials	141	165	243	246	254	255	258	257	251	257	271	280
Fuels	150	170	203	192	247	257	249	258	263	259	259	260
Miscellaneous ^b	149	186	276	291	272	248	257	247	240	237	234	233
KOREA (Pusan) ^c												
General index				1,594	3,105	4,565	3,789	4,770	5,137	5,594	5,980	6,198
Fertilisers				3,356	7,526	7,526	7,526	7,526	7,526	8,449	8,449	8,449
Textile raw materials				1,566	1,916	2,368	2,222	2,424	2,458	2,682	2,604	2,637
Textiles				1,454	1,907	1,953	1,988	1,964	1,907	1,928	2,130	2,150
Building materials				2,220	3,257	3,483	3,367	3,521	3,561	3,097	4,064	4,347
PHILIPPINES (Manila)												
General index	87	77	85	88	74	74	73	74	76	75	71	76
THAILAND (Bangkok)												
General index	93	95	103	103	107	107	108	106	108	108	108	108
VIET NAM (Saigon, Cholon) ^d												
General index	125	123	146	143	157	157	156	158	157	164	168	167
Rice & paddy	125	104	112	101	136	164	149	169	174	190	210	205
Other food products	125	125	140	138	157	154	156	156	153	167	159	157
Fuel & mineral products	136	153	161	159	162	162	163	160	163	163	163	163
Raw materials	120	172	237	236	215	174	194	168	160	165	161	163
Semi-finished products	123	117	146	136	158	153	153	153	154	149	149	149
Manufactured products	125	105	142	152	143	123	125	123	119	113	118	118

a Jan-Jun 1950=100

b Revised series

c. 1947=100

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

e Average of Jul-Dec

12 INDEX NUMBERS OF COST OF LIVING

PRICES

1948=100

	1949	1950	1951	1951		1952							
				II	I	II	Apr	May	Jun	Jul	Aug	Sep	
BURMA (Rangoon)													
All items	135	114	112	110	105	104	101	104	107	120	119	118	
Food	142	120	120	115	109	111	106	110	116	137	135	134	
CAMBODIA (Phnom-Penh)													
All items	138	155	163	163	174	178	174	180	182	185	185		
Food	133	150	154	157	168	175	168	176	180	186	186		
CEYLON (Colombo)													
All items	99	105	109	109	110	107	108	106	107	107	106	107	
Food	104	112	112	112	112	108	107	108	109	107	107	108	
CHINA (Taipei) ^a													
All items		113 ^f	139	131	174	178	182	178	175	175	187	187	
Food		101 ^f	146	103	131	135	138	135	132	132	159	159	
HONG KONG ^b													
All items	112	117	128	128	128	128			128			132	
Food	119	126	136	135	133	136			136			143	
INDIA													
Bombay													
All items	101	103	109	111	106	113	114	112	112	109	112	111	
Food	105	109	115	116	108	121	122	120	120	115	121	117	
Delhi													
All items	100	100	108	107	106	111	110	112	110	108	108	110	
Food	101	101	112	111	104	114	112	118	113	112	113		
INDONESIA (Djakarta)													
Food	97	113	189	167	218	196	204	193	190	189	187	192	
JAPAN (Urban) ^c													
All items	92	86	100	99	105	104	105	104	104	106	106	106	
Food	97	87	100	99	164	104	105	102	103	106	106	105	
KOREA (Pusan) ^b													
All items	123	281	1 397	1 152	2 473	3 253	2 836	3 391	3 532	3 798	4 287	4 569	
Food	131	302	1 427	1 325	2 999	4 281	3 583	4 513	4 746	5 162	5 896	6 324	
LAOS (Vientiane) ^e													
All items	106	107 [*]	113	111	122	132	129	133	134	148	151	151	
Food	103	100 [*]	103	99	114	127	122	129	130	149	153	153	
MALAYA (Kuala Lumpur)													
All items													
Chinese	94	101	133	132	141	139	140	139	138	137	136	136	
Indian	94	99	132	132	142	139	140	139	137	135	134	133	
Malay ^d	98	108	136	135	143	138	139	138	138	137	135	135	
PAKISTAN ^e													
Karachi													
All items	98 [†]	95	99	98	100	99	98	99	100	102	101	101	
Food		93	99	98	102	100	99	100	102	106	104	103	
Narayanganj													
All items	103 [†]	98	102	101	106	106	99	109	111	114	113	114	
Food		97	101	101	104	107	95	110	114	118	117	118	
PHILIPPINES (Manila)													
All items	94	93	99	100	96	94	94	94	95	95	96	96	
Food	93	86	94	95	90	89	89	89	90	91	90	91	
THAILAND (Bangkok)													
All items	96	99	110	114	114	125	122	126	125	123	122	121	
Food	95	97	106	112	110	120	117	122	120	117	117	116	
VIET NAM (Saigon)													
All items	122	125	141	138	161	167	165	167	168	174	182	180	
Food	120	114	124	117	154	160	157	160	162	171	182	180	

^a Jan-Jun 1950=100^b Retail price index^c Dec 1948=100^d Jan 1949=100^e Apr 1948-Mar 1949=100^f Average of Jul-Dec^g New index base 1951=100

PRICES

13 WHOLESALE PRICE QUOTATIONS OF SELECTED COMMODITIES

Monthly averages or calendar months

Price per ton

	Currency Unit	1948	1950	1951	1952									
					II	I	II	Apr	May	Jun	Jul	Aug	Sep	
RICE														
Burma	K		254	266	259	272	292		292				291	
China (Taiwan)	NT \$		1 247	1 285	1 270	1 835	2 029	2 109	2 082	1 896	1 887	2 143	2 170	
India	Rs	436	432	432	432	432	443	432	449	449	449	449	449	
Indonesia	Rp	870	1 028	2 283	1 650	2 917	2 580	2 670	2 530	2 540	2 470	2 400	2 450	
Japan	000 Y	24 9	41 0	48 2	41 0	48 2	48 2	48 2	48 2	48 2	48 2	48 2	51 3	
Korea* (south)	000 W	127	307*	1 948*	1 315	3 644	7 081	5 265	7 401	8 576	9 704	10 379	10 038	
Pakistan	Rs	917	475	623	630	676	683	650	691	707	707	705	717	
Thailand	Baht		959	985	968	1 072	1 050	1 050	1 017	1 083	1 173	1 192	1 192	
Viet Nam	Pr	2 100	2 200	2 322	2 187	2 790	3 340	3 020	3 440	3 560	3 840	4 280	4 170	
WHEAT														
India	Rs	566	410	412	412	412	412	412	412	412	412	412	412	
Korea* (south)	000 W	73	252*	1 305*	970	2 813	3 778	3 197	4 333	3 803	3 348	3 697	4 212	
Pakistan	Rs	320	270	289*	302	290	310	310	310	310	310	310	310	
SUGAR														
China (Taiwan)	NT \$		1 382	3 462	3 724	2 499	2 653	2 582	2 528	2 850	3 278	3 294	3 189	
India	Rs	990	773	822	822	822	822	822	822	822	822	822	822	
Indonesia	Rp	2 290	2 906	2 945	3 060	2 747	2 890	2 850	2 900	2 919	2 938	2 919	2 850	
Korea* (south)	000 W	411	1 078*	6 545*	5 975*	8 278	16 955	15 917	15 434	19 517	21 650	15 750	14 517	
Pakistan	Rs	925	1 000	1 067	1 021	1 206	1 206	1 206	1 206	1 206	1 206	1 206	1 206	
Philippines	P	291	269	257	251	244	247	242	244	253	263	263	263	
Thailand	Baht	4 608*	5 330	6 015	5 490	5 533	5 200*	4 950		5 450	5 350	5 250	5 075	
PEPPER														
Cambodia	000 Pr	34 8	137 3	147 6	156 1	129 8	103 0	100 9	97 8	110 4	110 4	115 1	116 7	
Malaya	000 MS	3 2	15 2	16 1	13 3	12 6	9 3	9 1	9 6	9 3	9 6	9 7	10 1	
Thailand	000 Baht	23 8	95 6	101 8*	101 1	n t	n t	n t	n t	n t	n t	n t	n t	
TEA														
China (Taiwan)	NT \$		7 431	10 193	10 370	11 833	11 778	12 000	11 667	11 667	12 031	13 056	13 333	
Ceylon	Rs	3 594	4 453	4 056	3 946	3 697	3 329	3 219	3 285	3 483	3 792	3 946	4 034	
India	Rs	3 593*	3 946*	3 814*	3 770	3 373*	2 557*	2 557	2 557	2 557	2 271	2 072	1 852	
Indonesia	Rp	2 200	5 521	6 557	7 000	7 517	6 590	6 970	6 380	6 420	7 070	7 430	7 650	
Pakistan	Rs	4 696	4 126*	3 686*	3 533	2 888 ^h								
U K	US \$	1 190	961	1 014	1 043	1 010	999	1 010	996	990	990	994	1 016	
U S A	US \$	1 290	1 146	1 096		1 052	941	941	941	941	941	941	816	
TOBACCO														
China (Taiwan)	NT \$		9 197	14 597	13 889	25 408	20 222	20 000	20 000	20 666	21 000	21 000	21 00	
India	Rs		2 700*	5 540*	4 057*	2 305	2 305*	2 305	2 305	2 305	2 439	2 707	2 439	
Pakistan	Rs	2 551	2 550*	4 131	3 918	4 381	2 318	2 613	2 197	2 143	2 143	1 688	1 842	
Philippines	P	816	1 551	905	976	648	585	634	575	546	462	446	446	
VEGETABLE OIL														
China (Taiwan)	NT \$		5 354	6 416	6 185	7 219	8 543	8 899	8 407	8 333	7 408	7 870	7 944	
Ceylon	Rs	1 006	1 390	1 598	1 708	1 003	823	740	873	855	853	818	878	
India	Rs	1 479	1 961	1 963	2 132	1 453	1 187	1 161	1 201	1 201	1 309	1 319	1 516	
Indonesia	Rp	1 221	1 695	2 290	2 150	2 447	2 260	2 330	2 210	2 240	2 100	2 080	1 900	
Malaya	MS	1 142	1 090	1 299	1 367	871	725	686	763	726	690	648	705	
Pakistan	Rs	2 649	3 267	3 003	2 869	2 511	2 262	2 130	2 331	2 324	2 277	2 299	2 311	
Philippines	P	980	676	700	760	460	400	370	380	440	400	390	420	
COPRA														
Ceylon	Rs	531	826	963	1 036	612	544	514	563	555	560	521	562	
India	Rs	986	1 486	1 561	1 534	1 124	948	879	968	997	1 113	1 081	1 113	
Indonesia	Rp	390	1 194	1 400	1 550	1 100	867	1 000	800	800	900	900	1 000	
Malaya	MS	635	650	726	736	509	429	411	446	430	428	395	434	
Philippines	P	515	360	362	369	236	205	185	196	234	208	209	232	
Thailand	Baht	2 730	3 292	3 795	4 014	2 995	2 745	2 783	2 783	2 667	2 650	2 725	2 750	
U S A	US \$	308	223	229	232	161	144	132	141	160	138	143	160	
COTTON, RAW														
China (Taiwan)	NT \$		9 639	28 380	20 370	39 630	35 926	36 667	36 667	34 444	32 222	29 444	36 185	
India	Rs	1 828*	1 086*	1 788	1 729	1 870	1 331	1 294	1 350	1 350	1 490	1 476	1 547	
Korea* (south)	000 W	630	1 672*	3 423*	2 388	5 195	5 750	5 333	5 917	6 000	6 000	6 133	6 500	
Pakistan	Rs	1 879	2 218*	3 023	3 178	2 864	2 331	2 405	2 299	2 291	2 287	2 277	2 277	
U K	US \$	785	917	1 175	1 319	1 102	1 034	1 054	1 030	1 016	1 003	899	917	
JUTE, RAW														
India	Rs	1 078	1 107	1 826	2 811	1 552	965	1 157	854	882	772	661	854	
Pakistan	Rs	958	668	1 140	1 585	944						409	431	
U K	US \$	386	315	485	617	428	345	366	359	310	216	223	223	
U S A	US \$	408	342	509	616	472	354	386	354	322	246	231	243	

13 WHOLESALE PRICE QUOTATIONS OF SELECTED COMMODITIES (Cont'd)

PRICES

Monthly averages or calendar months

Price per ton

	Currency Unit	1948	1950	1951	1951	1952							
					II	I	II	Apr	May	Jun	Jul	Aug	Sep
HEMP													
Philippines	P	837	841	990	1 085	754	608	694	583	546	538	577	580
COIR													
Ceylon	Rs	148	268	332	423	285	280	285	285	271	180	172	173
India	Rs		1 624 ^d	1 637	1 737	1 236	913	984	886	869	864	853	820
WOOL RAW													
India	Rs	1 967	3 992	4 440	5 234	2 505	2 394	2 745	2 886	2 550	3 087	2 980	3 087
Pakistan	Rs	3 137 ^f	7 125 ^b	4 758 ^c	5 300	3 475	2 848	2 111	3 007	3 304	3 516	3 606	3 831
SILK, RAW													
India	000 Rs	53	84	66	74	43	32	33	31	32	41	39	43
Japan	000 Y	1 556	2 579	3 761	3 560	3 563	3 585	3 568	3 570	3 618	3 928	3 957	4 021
Korea ^a (south)	000 W	7 067	15 733 ^c	61,333 ^c	51 200	93 413	134 666	120 800	131 733	151 466	142 666	157,066	160 000
HIDES													
China (Taiwan)	NTS		5,274	6 762	6 556	7 667	12 056	9 778	13 056	13 333	13 333	13 333	13 333
India	Rs	2 158	2 002	3 729	4 390	2 554	1 929	1 819	1 819	2 149	2 260	2 260	2 260
Pakistan	Rs	1 850	2 543	2 976	3 003	2 404	1 715	1 732	1 685	1 732	1 732	1 732	1 732
Thailand	Baht	8 219	12 815	16 156	17 408	8 611	5 556	5 833	5 417	5 417	5 200	4 667	3 833
U S A	US \$	606	564	692	728	295	289	227	315	326	342	386	353
RUBBER, NATURAL													
Ceylon	Rs	1 367	3 417	4 740	4 537	3 461	3 351	3 351	3 197	3 505	3 042	2 646	2 337
Indonesia	Rp	1 020 ^b	9 598	9 300	8 880	7 797	6 570	7 330	5 980	6 400	6 160	6 400	5 610
Malaya	MS	929	2 385	3 730	3 706	2 731	2 106	2 416	1 947	1 956	1 946	1 870	1 678
Thailand	Baht	6 531	12 155	19 351	19 104	15 521	9 990	12 325	8 590	9 055	8 978	8 220	7 003
Viet Nam	Pr	7 150	15 230	24 100	23 550	19 180	14 100	16 300	13 500	12 500	12 900	12 000	11 700
U K	£	119	306	467	455	334	259	294	239	242	245	235	206
U S A	US \$	485	906	1 302	1 455	1 124	992	1 069	1 069	838	673	647	604
COAL													
China (Taiwan)	NT \$		137	214	183	396	380	400	389	352	333	333	333
India	Rs	16	16	15	16	16	16	16	16	16	16	16	16
Korea ^a (south)	W	3 607	4 000 ^c	66 ^c	28	85	85	85	85	85	85	85	105
Viet Nam	Pr	347	583	587	585	637	663	637	637	714	714	714	714
TIN													
Malaya	000 MS	4 46	6 07	8 71	9 10	7 96	7 95	7 90	7 95	8 00	8 05	7 85	8 00
Thailand	Baht	29 440	31 480	52 040	58 333	48 333	40 000	40 000	40 000	40 000	40 000	40 000	45 000
U K	£	543	733	1 050	1 091	950	951	948	950	956	954	933	945
U S A	US \$	2 188	2 107	2 829	2 968	2 592	2 679	2 679	2 679	2 679	2 679	2 671	2 676
PIG IRON													
India	Rs	111	105	116	105	131	131	131	131	131	141	141	141
Japan	Y	4 354	13 134 ^c	27 490 ^c	32 578	30 220	30 300	30 300	30 300	30 300	30 300	29 300	28 800
Korea ^a (south)	000 W	15	50 ^c	236 ^c	200 ^c	318	296	313	320	256	250	340	350
CEMENT													
China (Taiwan)	NT \$		273	319	287	658	545	647	501	487	430	397	394
India	Rs	84	81	89	86	93	92	93	92	92	92	92	92
Japan	Y	2 794	5 006	7 760	7 572	8 800	8 800	8 800	8 800	8 800	8 800	8 800	8 800
Korea ^a (south)	000 W	22	46 ^c	272 ^c	165	319	403	389	420	420	440	440	460
Pakistan	Rs		94	94	94	94	94	94	94	94	94	94	94
Viet Nam	Pr	746	986	1 035	1 009	1 093	1 100	1 100	1 100	1 100	1 110	1 110	1 110
COTTON YARN													
China (Taiwan)	NT \$		14 327	26 777	32 334	23 148	23 148	23 148	23 148	23 148	23 148	23 148	23 148
India	Rs	3 790	3 613	4 176 ^c	4 244	4 484	4 054	4 550	3 805	3 805	3 904	3 854	3 880
Japan	000 Y	87	373	662	796	556	521	497	535	531	544	549	554
Viet Nam	000 Pr	50 ^c	51	65	67	57	54	58	53	53	48	49	46
COTTON FABRICS													
India	Rs	4 123	3 641	4 233	4 343	4 321	4 167	4 277	4 079	4 101	4 101	4 034	4 034
Japan (Metre)	Y		79	106	120	75	66	57	67	74	74	74	74
JUTE BAGS (per hundred)													
India	Rs	133	156	229	268	213	133	152	125	122	110	93	115
Pakistan	Rs	151	196	215	216	224	160	182	171	128	119	112	119
JUTE (hessian)													
India	Rs	1 811	1 904	2 741	3 950	2 305	1 781	1 871	1 704	1 770	1 603		1 687
U K	US \$	658	559	909	803	803	696	739	739	611	573	487	487
U S A	US \$	660	776	1 055	1 177	774	520	600	485	476	444	441	503

GENERAL NOTE For details regarding specification and market centre see Revised Explanatory Notes to table 13 on page 50

a t = no transaction

b As from the second quarter of 1951 figures relate to Pusan

c Dec

d Apr

e 30 Dec

e Average of Jan and Mar

f Jan

g Average of Feb and Mar

h Feb

i Average of Apr and Jun

j Average of May and Jun

FINANCE

14 RATES OF INTEREST Average rates in per cent per annum

					1951	1952							
	1938	1948	1950	1951	II	I	II	Apr	May	Jun	Jul	Aug	Sep
BURMA													
Bank rate	3 00 ^r	3 00	3 00	3 00	3 00	3 00	3 00	3 00	3 00	3 00	3 00	3 00	3 00
Call money rate				1 04	1 00	2 00	1 83	2 00	2 00	1 50	1 50	1 50	1 50
Fixed deposit rate ^a	2 00	2 00	2 00	2 00	2 00	2 00	2 00	2 00	2 00	2 00	2 00	2 00	2 00
CAMBODIA, LAOS AND VIETNAM													
Bank rate	5 00		5 50	5 50	5 50	5 50	5 50	5 50	5 50	5 50	5 50	5 50	
CEYLON													
Bank rate				2 50 [*]	2 50	2 50	2 50	2 50	2 50	2 50	2 50	2 50	2 50
Call money rate				0 50 [*]	0 50	0 50	0 50	0 50	0 50	0 50	0 50	0 50	0 50
Commercial bank lending rate ^b													
maximum				5 00 [*]	5 00	5 00	5 00	5 00	5 00	5 00	5 00	5 00	5 00
minimum				2 25 [*]	2 25	2 50	2 33	2 50	2 25	2 25	2 25	2 25	2 25
Fixed deposit rate													
maximum				2 75 [*]	2 75	2 75	2 75	2 75	2 75	2 75	2 75	2 75	2 75
minimum				0 50 [*]	0 50	0 50	0 50	0 50	0 50	0 50	0 50	0 75	0 75
Treasury bill ^c				0 48 [*]	0 48	0 40	0 64	0 44	0 66	0 82	0 89	0 92	0 92
Government bond yield ^d				2 81	2 75	2 85	2 96	2 96	2 96	2 95	2 96	2 96	2 96
CHINA (Taiwan)													
Bank rate			39 60	23 40	23 40	23 40	23 40	23 40	23 40	23 40	23 40		
Call money rate			16 42	10 80	10 80	10 80	10 80	10 80	10 80	10 80	10 80		
Commercial bank lending rate ^e			81 00	52 20	54 00	54 00	53 52	54 24	55 80	50 40	46 80		
Fixed deposit rate ^f			40 88	27 00	27 00	27 00	27 00	27 00	27 00	27 00	27 00		
INDIA													
Bank rate	3 00	3 00	3 00	3 08	3 00	3 50	3 50	3 50	3 50	3 50	3 50	3 50	3 50
Call money rate		0 50	0 58	1 01	1 00	2 75	2 25	2 88	2 62	1 25	1 62	1 75	1 75
Commercial bank lending rate ^g													
lowest			3 00 ^h	3 40 ^h	3 50 ^h	4 00 ^h	4 00 ^h			4 00 ^h			
highest			6 00 ^h	6 00 ^h	6 00 ^h	6 00 ^h	6 00 ^h			6 00 ^h			
Fixed deposit rate ^h		1 35	1 59	2 08	2 13	2 71	2 61	2 97	2 65	2 22	2 41	2 82	
Government bond yield ⁱ			3 11	3 39	3 23	3 73	3 64	3 69	3 63	3 61	3 72	3 75	3 74
INDONESIA													
Government bond yield rate ^j			3 50	4 28	4 24	4 32	4 24	4 27	4 22	4 24	4 10	3 94	4 08
JAPAN													
Bank rate													
Discount	3 29	4 56	5 11	5 29	5 11	5 84	5 84	5 84	5 84	5 84	5 84	5 84	5 84
Secured loans	3 29	4 93	5 48	5 66	5 48	6 21	6 21	6 21	6 21	6 21	6 21	6 21	6 21
Call money rate			6 40	7 12	7 12	7 97	7 97	8 03	7 85	8 03	8 03	8 21	8 03
Commercial bank lending rate ^{k,l}													
Y 3 million and under			9 13	9 13	9 13	9 13	9 13	9 13	9 13	9 13	9 13	9 13	9 13
above Y 3 million			8 76 [*]	8 76	8 76	8 76	8 76	8 76	8 76	8 76	8 76	8 76	8 76
Fixed deposit rate ^m		4 30	4 70	5 47	5 27	6 00	6 00	6 00	6 00	6 00	6 00	6 00	6 00
Government bond yield ⁿ				5 50	—	5 50	5 50	—	—	5 50	—	—	5 50
PAKISTAN													
Bank rate	3 00 ^q	3 00 [*]	3 00	3 00	3 00	3 00	3 00	3 00	3 00	3 00	3 00	3 00	3 00
Call money rate			0 99	0 94	1 06	2 14	1 96	2 00	2 00	1 88	1 91	1 92	2 06
Fixed deposit rate		1 25 [*]	1 25	1 25	1 25	2 00	2 00	2 00	2 00	2 00	2 00	2 00	2 00
Government bond yield ^p			2 96 [*]	2 98	2 98	2 98	2 98	2 98	2 98	2 98	2 98	2 97	2 97
THAILAND													
Treasury bill		1 32	2 02	2 10	2 10	2 18	2 17	2 17	2 17	2 17	2 15	2 15	2 17

GENERAL NOTES. All rates are those prevailing in the capital city of each country except in India where rates in Bombay have been taken. Bank rate relates to the rate charged by Central Bank on loans and/or discounts given to commercial banks. In Burma it relates to the discount rate on commercial bills. In Ceylon it relates to the discount rate on commercial bills. In India it relates to the rate at which the Reserve Bank of India is prepared to buy or rediscount bills of exchange or other eligible commercial papers in Japan to the rediscount rate on commercial bills and the official interest rate of Bank of Japan for loans secured against Government Bonds and eligible corporate debentures in Pakistan to the discount rate in China (Taiwan) it relates to the rate charged by the Bank of Taiwan to overdrafts. Call money rate relates to inter-bank rate on money at call. Fixed deposit rate relates to rate paid by commercial banks on deposits of 12 months duration.

- a Post office saving accounts. b Against government securities.
c Weighted average of tender rates on new bills issued within the period.
d Yield of 3 per cent national development loan 1945-70 calculated to earliest redemption date.
e Overdraft secured loans of other banks except Bank of Taiwan.

- f Period unknown.
g Advances against government and trustee securities by the major scheduled banks.
h 6 months deposits.
i Yield of 3 per cent paper (running yield) to earliest redemption date.
j Yield to maturity of 4 per cent bonds of 1948/75 on the Amsterdam Exchange fully guaranteed by the Netherlands Government.
k Loans on discounts of bills preferentially treated by Bank of Japan.
l Maximum money rates under the Temporary Money Rates Adjustment Law.
m Weighted yield (simple rate of interest) to latest redemption date of medium dated government bonds issued during the period stated. Figure for 1951 relates to average of 4 months Sep Dec. The figures shown for first and second quarter of 1952 relate to Jan and Jan respectively.
n Yield to maturity of 3 per cent bonds of 1968.
o Rate of the Reserve Bank of India which was the central bank at the time.

15 CURRENCY AND BANKING

FINANCE

	1948	1949	1950	1951	1952								
					II	I	II	Apr	May	Jun	Jul	Aug	Sep
BURMA (Mn K)													
Money supply	505½	610	596	650	694	722	739	745	734	739	732	700	
Currency Net active	335½	405	388	431	470	500	497	513	492	486	467	448	428
Deposit money	169½	205	208	219	224	222	242	232	242	253	264	252	
Commercial banks													
Total deposits	199*	233	246	260	265	265	284	273	283	294	310	299	295
Assets Cash	72*	109	69	53	54	50	75	69	72	83	77	73	65
Short term Government	26	8	23	25	23	16	16	13	16	18	18	20	25
Other	67	60	100	153	151	194	166	172	169	156	168	146	135
Long term Government	—	—	7	8	8	9	9	9	9	9	9	9	9
Union Bank of Burma													
Deposits Total	108*	149	226	379	304	350	418	379	420	453	486	521	569
Government ^a	3½	2½	63	59	38	67	65	48	29	118			
State Boards and Industries	102	46	141	274	229	240	290	271	325	273	340	402	428
Foreign assets Total ^b	358½	505½	504	696	669	749	792	780	795	799	806	824	870
Local assets													
Short term Government	6*	20	18	16	17	16	16	16	16	16	15	12	10
Other	—	—	—	—	—	2	1	—	2	—	—	—	—
Long term Government	10*	10	13	13	13	10	10	10	10	10	10	10	10
Bank clearings	151	128	138	151	150	171	186	160	198	201	214	183	199
Business and individuals	106	100	112	128	126	144	159	133	167	178	184	158	165
Government	46	28	26	23	24	28	27	27	32	23	30	25	34
CAMBODIA LAOS & VIETNAM (Mn Pr)													
Money supply													
Notes Total issued	3 497½	3 843½	4 523	5 762	5 543								
Commercial banks													
Total deposits	1 126	1 284	1 616	2 178	2 173	2 517	3 090	3 241	3 268	2 762	2 967	2 958	
Assets Short term	339	600	707	724	626	1 082	1 199	1 186	1 186	1 222	1 306	1 306	
CEYLON (Mn Rs)													
Money supply	607½	649½	746	1 012		998	949	978	946	923	916	916	910
Currency Net active	241½	244½	271	361	358	368	364	364	366	363	362	362	352
Deposit money	366½	406½	475	651	672	629	584	613	580	560	554	554	548
Commercial banks													
Total deposits	641½	687	660	809	856	782	737	773	732	707	709	713	743
Assets Cash	269½	284	151	209	217	192	197	190	215	187	152	150	189
Short term	127½	137	205	270	277	264	278	272	276	286	284	283	276
Long term	193½	230	187	218	216	224	225	225	225	224	250	251	251
Central Bank of Ceylon													
Deposit Total			189	250	250	221	179	172	191	173	146	128	170
Government			20	54	46	45	8	7	6	12	15	4	6
Foreign assets Total			533	660	660	633	553	566	571	522	530	503	464
Local assets													
Short term Government			14	14	14	16	32	29	24	43	—	—	72
Long term Government			4	2	—	3	24	13	28	33	41	50	58
Bank clearings	396	461	549	692	692	686	680	661	730	650	752	623	724
CHINA Taiwan (Mn NT\$)													
Money supply	199*	474	965	992	1,196	1,226	1,201	1,236	1,241	1,231	1,252		
Currency Total issued	124*	249	396	394	518	552	522	563	573	567	569		
Deposit money	75*	225	569	535	677	673	680	673	668	665	713		
Other banks ^c													
Total deposits	38*	85	228	181	404	594	515	618	649	698	725		
Assets Cash ^d	122*	31	92	64	164	321	237	351	375	376	419		
Total loans	27*	57	121	108	203	246	240	238	261	297	319		
Bank of Taiwan													
Deposits Total	122*	431	733	655	981	1,652	1,131	1,857	1,969	1,990	2,100		
Government	76*	354	588	556	766	811	830	782	822	794	832		
Local assets Total loans	264*	847	520	441	781	847	881	809	850	837	918		
Government loans	234*	797	447	367	692	582	791	750	786	774	864		
Bank clearings	83*	138	418	336	706	809	813	781	834	763	822		
HONG KONG (Mn HK\$)													
Money supply													
Notes Total issued	778	840	803	805	806	799	798	798	798	799	798	798	798
Bank clearings	689	917	1 199	1 506	1 534	1 291	1 104	1 114	1 210	989	1 214	1 152	1 276

FINANCE

15 CURRENCY AND BANKING (Cont'd)

	1948	1949	1950	1951	1952								
					II	I	II	Apr	May	Jun	Jul	Aug	Sep
INDIA (1000 Mn Rs)													
Money supply	21 65	19 44	19 28	19 83	20 74	18 91	18 71	18 90	18 73	18 50	18 32	18 09	17 97
Currency Net active	13 58	12 38	12 49	13 04	13 82	12 47	12 41	12 51	12 41	12 30	12 04	11 83	11 92
Deposit money	8 07	7 06	6 79	6 79	6 93	6 44	6 30	6 39	6 32	6 20	6 28	6 26	6 05
Scheduled banks													
Total deposits	9 90	8 85	8 71	8 71	8 75	8 61	8 54	8 49	8 53	8 59	8 73	8 72	8 62
Assets Cash	1 28	1 04	0 98	0 99	0 93	0 78	0 82	0 79	0 81	0 86	0 95	1 00	0 95
Short term	4 33	4 47	4 40	5 31	5 61	5 88	5 57	5 77	5 55	5 40	5 18	4 97	4 88
Long term	4 65	3 74	3 73	3 33	3 20	3 18	3 18	3 15	3 18	3 22	3 23	3 27	3 32
Reserve Bank of India													
Deposits Total	4 29	3 10	2 94	3 27	3 03	3 22	2 43	2 61	2 34	2 35	2 34	2 64	2 69
Government	2 57	1 75	1 68	1 96	1 76	2 09	1 29	1 47	1 20	1 20	1 08	1 36	1 49
Foreign assets Total	13 74	8 95	8 68	8 76	9 11	7 84	7 30	7 40	7 28	7 23	7 13	7 19	7 30
Banking Department	3 44	1 87	2 08	2 04	1 83	1 44	0 94	0 97	0 85	1 00	1 20	1 42	1 52
Issuing Department	10 30	7 08	6 60	6 76	7 28	6 40	6 36	6 43	6 43	6 23	5 93	5 78	5 78
Local assets													
Short term Government	0 01	0 03	0 02	0 05	0 07	0 05	0 01	0 01	0 01	0 01	0 03	0 03	0 03
Others	0 09	0 12	0 10	0 16	0 23	0 50	0 40	0 54	0 34	0 34	0 11	0 11	0 10
Long term Total	2 83	5 00	5 21	5 83	6 02	5 69	5 41	5 41	5 42	5 39	5 52	5 53	5 49
Banking Department	0 75	1 00	0 76	0 95	0 90	1 02	0 76	0 76	0 77	0 74	0 87	0 88	0 88
Issuing Department	2 08	4 00	4 45	4 88	5 12	4 67	4 65	4 65	4 65	4 65	4 65	4 65	4 61
Bank clearings	5 55	5 27	5 25	6 56	7 00	6 59	5 58	5 89	5 75	5 11	6 03	5 04	5 27
INDONESIA (Mn Rp)													
Money supply	2,828 ^h	3,310 ^h	3,467 ^h	4,810	4,825	5,195	5,995	5,864	5,902	6,220			
Currency Net active	1,463 ^h	1,747 ^h	2,081 ^h	3,006	3,008	3,330	3,770	3,554	3,647	3,918			
Deposit money	1,365 ^h	1,563 ^h	1,386 ^h	1,806	1,817	1,865	2,288	2,309	2,255	2,301			
Bank of Java													
Deposits Total	902 ^k	729 ^k	997 ^k	903	894	1,066	1,678	1,662	1,720	1,654	1,840	1,985	1,698
Foreign assets Total	502 ^k	531 ^k	725 ^k	1,743	1,684	2,761	3,441	3,332	3,513	3,478	3,230	3,732	2,370
Local assets													
Short term Government	916 ^h	872	2,007	1,957	2,035	1,855	2,318	1,927	2,177	2,849	3,428	3,959	3,291
Others		70	138	420	395	611	235	216	337	251	377	537	685
JAPAN													
Money supply	572	690	809	1,063	1,047	1,198	1,237	1,222	1,224	1,264	1,270	1,303	1,389
Notes Net active	338 ^h	294 [*]	315	397	385	431	427	433	417	431	427	438	426
Deposit money	234	396	494	665	662	767	810	789	807	833	843	865	963
All banks except Bank of Japan													
Total deposits	326	614	893	1,274	1,238	1,565	1,723	1,678	1,732	1,761	1,784	1,850	2,009
Assets Cash		23 ^h	22	28	26	37	36	38	34	37	35	33	45
Short term	248	497	826	1,248	1,160	1,545	1,648	1,611	1,644	1,690	1,735	1,799	1,851
Long term	68	115	117	155	150	180	197	193	196	201	205	212	215
Bank of Japan													
Deposits Total	30	57	57	143	177	96	89	72	103	93	109	123	111
Government	10	35	38	119	155	71	55	47	61	57	60	79	84
Local assets													
Short term Government	69	94	78	44	43	39	38	38	38	38	38	38	38
Others	55	78	123	180	152	221	224	209	210	252	275	286	296
Long term Government	154	182	144	118	127	93	148	151	154	139	136	132	106
Bank clearings	236	549	808	1,232	1,260	1,265	1,474	1,443	1,475	1,504	1,587	1,572	1,822
KOREA, south (1000 Mn W)													
Money supply	43 0	68 4	178 6	500 2	456 0	700 7	755 5	720 6	742 8	803 2	834 8	917 0	
Notes Net active	31 2 ^h	47 3 ^h	146 7 ^h	971 3 ^h	401 8	577 4	606 2	589 0	597 6	632 1	548 7	705 5	
Deposit money	11 8	21 1	23 9	95 7	54 2	123 4	149 3	131 6	145 2	171 0	186 1	211 5	
All Banks													
Total deposits	32 9	58 9	56 7 ^m	122 2	91 8	242 2	316 1	285 2	311 0	352 0	370 1	399 4	
Assets Cash	8 3	15 4	6 2 ^m	35 6	28 7	38 7	71 3	60 3	78 6	75 0	89 2	81 5	
Short term	28 4	45 6	79 7 ^m	105 4	80 6	218 5	268 9	240 5	265 6	300 4	350 4	412 3	
Long term			3 6 ^m	3 2	2 0	6 6	7 7	7 1	8 0	8 1	9 4	11 5	
Others	1 6	1 9	1 3 ^m	4 9	3 7	8 4	9 5	8 9	8 7	9 8	11 2	13 3	
Bank of Korea													
Deposits Total*	5 2	7 9	201 3 [*]	385 7	295 0	655 1	730 8	739 5	714 0	738 8	779 8	860 8	
Government			186 2 [*]	300 6	227 7	476 1	566 5	567 3	557 1	575 1	569 9	598 7	
Foreign assets Total			58 5 [*]	98 5	66 1	227 4	202 3	207 0	209 4	190 6	193 4	165 1	
Local assets													
Short term Government			209 0 [*]	387 1	364 8	385 4	434 8	439 0	441 7	443 7	446 8	456 9	
UN Forces			28 8 [*]	234 4	174 6	505 9	610 8	570 2	611 5	650 7	695 9	744 1	
Others			49 4 [*]	103 1	66 1	258 7	321 3	253 5	312 4	387 9	410 1	477 1	
Long term Government			3 3 [*]	4 0	4 3	1 1	0 9	0 9	0 9	0 9	0 9	3 9	
Bank clearings	20 6	39 9	40 8	239 8	149 9	630 7	1,003 6	914 6	1,053 8	1,042 4	1,331 4	1,356 9	
MALAYA (Mn M\$)													
Money supply	894	880	1,293	1,718	1,722	1,694	1,604			1,564			
Currency Net active*	296 ^h	304 ^h	406 ^h	828 ^h	624 ^h	635 ^h	618 ^h			618			
Deposit money	598 ^h	576 ^h	887 ^h	1,089	1,098	1,058	986	1,030	980	946	943	939	946
All Banks													
Total deposits	678 ^h	684 ^h	1,041 ^h	1,265	1,272	1,246	1,223	1,226	1,238	1,206	1,208	1,206	1,214
Assets Cash*	98 ^h	91 ^h	112 ^h	104	105	128	184	157	168	166	171	161	166
Short term	338 ^h	393 ^h	574 ^h	677	684	713	499	528	484	485	493	494	478
Long term	127 ^h	138 ^h	137 ^h	146	141	158	160	161	161	158	157	128	130
Debits to current deposits				4,167	4,254	3,713	3,248	3,463	3,378	2,902	3,683	3,181	3,222

15 CURRENCY AND BANKING (Cont'd)

FINANCE

	1948	1949	1950	1951	1952									
					II	I	II	Apr	May	Jun	Jul	Aug	Sep	
PAKISTAN (Mn Rs)														
Money supply	2,386*	2,741	2,848	3,347	3 237	3,717	3 477	3,577	3,467	3 388	3,320	3,154	3 198	
Currency in circulation	1 333*	1,741	1 794	2 162	2 091	2 454	2,274	2 336	2 249	2,238	2 101	2 052	2 038	
Deposit money	1,053*	1,000	1,055	1,184	1,146	1 263	1,203	1 241	1 218	1,150	1 219	1,102	1 159	
Scheduled banks														
Total deposits	1,092*	1 071	1,180	1,393	1,380	1,480	1 422	1,454	1 417	1 396	1 410	1 367	1 402	
Assets														
Cash	220*	204	149	200	192	158	151	150	143	160	153	124	189	
Short term	322*	428	562	706	664	917	831	884	829	780	782	743	757	
State Bank of Pakistan														
Deposits Total	1,164*	1,015	792	969	1,023	838	701	779	730	594	552	495	433	
Government	912*	794	604	758	819	674	548	624	577	444	393	353	229	
Foreign assets														
Banking Department	1 009*	722	344	582	637									
Issuing Department	1 204*	1,618	1 278	1,380	1 337	1 610	1 426*	1 527	1 427	1 325	1 190	1 073	992	
Local assets														
Short term														
Government	117*	111	103	82	85	101	98	99	96	98	47	48	3	
Others		3	37	52	13	155	150	162	156	133	106	89	104	
Long term														
Banking Department	32*	178	269	232	258	265	371	430	393	291	346	310	271	
Issuing Department	25*	97	469	689	669	732	699	665	766	752	809	900		
Bank clearings ^b	326*	334	460	551	470	628	481	548	496	400	553			
PHILIPPINES (Mn P)														
Money supply	1,145§	978§	1,148§	1,119	1 181	1,038	1 025	1 034	1 019	1 022	1 034	1,020	1 030	
Currency Net active	571§	565§	669§	659	688	619	591	601	591	582	571	578	582	
Deposit money	574§	414§	479§	460	493	419	434	433	428	440	462	442	468	
Commercial banks														
Total deposits	870§	818	827	834	860	811	839	841	835	840	864	845	863	
Assets	313	203	209	156	166	122	123	130	116	124	131	132	154	
Short term		563	536	606	581	733	695	712	698	674				
Long term		84	62	70	75	49	55	55	55	55				
Central Bank of Philippines														
Deposits Total		144	164	212	193	245	251	251	249	253				
Foreign assets Total	400	607	482	539	563	486	490	493	487	491	470	473	500	
Local assets														
Short term		30	63	40	29	50	25	29	24	21				
Long term		20	130	210	211	240	235	235	235	235				
Bank clearings	381	443	462	457	452	491	497	485	523	484	1 223	1 019		
Debits to checking account	772	723	674	733	727	732	724	723	742	706				
THAILAND (Mn baht)														
Money supply	3 117§	3 671	3 671	4 920										
Currency in circulation	2 205§	2,610	2 610	3 532		3 949		3 802	3,755	3 621				
Deposit money	912§	1,061	1,061	1 388										
Commercial banks														
Total deposits	786	829	867	1 144	1 117	1 235	1 270	1,250	1 291	1 271				
Assets														
Cash	369	330	274	433	470	407	425	407	415	453				
Short term	49	25	8	17	14	14	14	13	17	12				
Government	357	521	601	697	683	843	846	857	869	812				
Long term	102	101	96	98	92	100	97	92	102	97				
Government														
Others	1	1	2	3	3	3	4	4	4	4				
Bank of Thailand														
Deposits Total	717	1,166	1,447	1,725	1,730	1,786	1,970	1,873	2,017	2,020				
Government	338	444	455	427	449	356	363	329	407	353				
Foreign assets Total	2,180§	2 758	3 208	4,135	4 101	4 665	4 481	4 524	4 459	4 460	4 363	4 432	4,458	
Local assets														
Short term														
Government														
Others														
Long term														
Banking Department														
Bank clearings	774	1,112	1,544	2,057	1 931	2 515	2 164	2 187	2,328	1 976				
Debits to sight deposit		1,447§	1 973	2,786	2,546	3,185	2,823	2,763	2,932	2,774				

GENERAL NOTES All figures, excepting bank clearings, relate to end of month figures and their averages. Bank clearings relate to monthly totals and their averages. Net Active Currency Total currency outstanding less holdings in all banks including the central bank and in government treasuries. Currency in circulation. Total currency outstanding less holdings in all banks including the central bank. Deposit money Deposits in all banks (including central bank) withdrawable by cheques but excluding inter-bank liabilities and central government deposits. Cash of commercial banks. Cash and balances with central bank. Short term assets Short term assets such as loans, advances and bills discounted. Long term assets Securities, bonds, debentures, etc. Bank clearings Total value of cheques and other collection items cleared through clearing houses.

a Deposits of central government includes ECA counterpart fund

b Includes foreign assets of the Burma Currency Board. The assets and liabilities of the Board were taken over by the Union Bank of Burma in July 1952.

c Includes the Land Bank, Cooperative Treasury and three commercial banks.

d Balance with Bank of Taiwan only.

e Figures for 1948 exclude treasury deposits, government deposits in foreign currency and special deposits for counterpart fund.

f Figures include British Borneo. h Cash in hand only. i Figures relate in 1948 and 1949 for 3 clearing houses in principal towns and as from 1950 for clearing houses in 4 towns the clearings in the 3 towns being Rs 362 and Rs 461 million in 1950 and 1951.

j Average of Sep-Dec.

k Average of Jan-Apr.

REVISED EXPLANATORY NOTE TO TABLE 13

Commodity description and market centres for quotations

COUNTRY	CENTRE	DESCRIPTION	COUNTRY	CENTRE	DESCRIPTION
RICE			HEMP		
Burma	Rangoon	Nagasen 2nd Bazaar quality	Philippines	Manila	
China (Taiwan)	Taipei	1st quality			
India	Calcutta	B Grade	COIR		
Indonesia	Djakarta	Manufactured quality BB	Ceylon	Cochin	Fibre mattress at buyers' stores
Japan	—	Price to producers for brown rice, including straw bags from 1947, government fixed price excluding shipping charges early delivery and quota bonuses but including production bonuses	India	—	Yarn, real Alapart
			SILK, RAW		
Korea	Seoul & Pusan	Cleaned 1st grade	India	Malda	2400 Tana Kamru
Pakistan	Dacca	Medium	Japan	Tokyo	21 D 4A Domestic
Thailand	Bangkok	White 35 per cent broken	Korea	Seoul & Pusan	28 Denier
Viet-Nam	Saigon	Milled white No 1 (25 per cent broken)	WOOL, RAW		
			India	Kalimpong	Tibetan
WHEAT			Pakistan	Karachi	Sind white
India	Hapur	Ordinary			
Korea	Seoul & Pusan	Free market first grade	HIDES		
Pakistan	Karachi	Fair average quality	China (Taiwan)	Taipei	Cow
			India	Calcutta	Cow salted raw
SUGAR			Pakistan	Karachi	Cow 2 25 lbs
China (Taiwan)	Taipei	White, medium	Thailand	Bangkok	Cow dried
India	Kanpur	D 28	U S A	Chicago	Packers green salted steer heavy native fob
Indonesia	Djakarta	White			
Korea	Seoul & Pusan	Refined	RUBBER, NATURAL		
Pakistan	Karachi	Refined	Ceylon	Colombo	Contract quality RSS No 1
Philippines	Manila	White No 1	Indonesia	Djakarta	RMA 1 fob including regular but not extra export duties
Thailand	Bangkok		Malaya	Singapore	RSS No 1 fob in bales
			Thailand	Bangkok	Mixed quality of four grades
PEPPER			Viet-Nam	Saigon	RSS No 1 fob
Cambodia	Phnom-Penh	White	U K	London	RSS
Malaya	Singapore	Muntok, white	U S A	New York	
Thailand	Bangkok	White			
TEA			COAL		
Ceylon	Colombo	Medium grown	China (Taiwan)	Taipei	Medium
China (Taiwan)	Taipei	Pouchong medium	India	Calcutta	Selected
India	Calcutta	Clean common pekoe, with export rights	Korea	Seoul	Lignite
Indonesia	Djakarta	BOP	Viet-Nam	Saigon	Coal (pieces 15/28 or 16/35)
Pakistan	Karachi	Leaf, orange pekoe			
U K	—	Unit value of imports c i f	TIN		
U S A	New York	Black, standard grade Ex ware house	Malaya	Singapore	Metallic tin exworks
			Thailand	Bangkok	Tin metal 99 per cent
TOBACCO			U K	London	Refined tin 99.75/99.90 per cent for 1948-49 thereafter standard cash
China (Taiwan)	Taipei	Prepared	U S A	New York	Prompt c.i.f. A 99.8 per cent or higher
India	Calcutta	Leaf Poolah			
Pakistan	Dacca	Mothari	PIG IRON		
Philippines	Manila	Leaf	India	Calcutta	Foundry No 1
			Japan	Tokyo	Pig iron 2nd grade for casting for 1948-49, thereafter pig iron No 2 for casting
VEGETABLE OIL AND OILSEEDS			Korea	Seoul & Pusan	Ingot
Ceylon	Colombo	Coconut white oil, naked wharf delivery			
China (Taiwan)	Taipei	Peanut oil	CEMENT		
India	Bombay	Groundnut oil	China (Taiwan)	Taipei	Medium
Indonesia	Djakarta	Palm oil export price fob	India	Calcutta	Sevastika FWL 16 to 23
Malaya	Singapore	Coconut oil, fob	Japan	Tokyo	Portland common domestic
Pakistan	Chittagong	Mustard oil, Ghani	Korea	Seoul & Pusan	Dalmia
Philippines	Manila	Coconut oil	Pakistan	Karachi	Tonkin 'Dragon'
			Viet-Nam	Saigon	
COPRA			COTTON YARN		
Ceylon	Colombo	Estate No 1	China (Taiwan)	Taipei	20 s
India	Cochin	Fair average quality for 1948-1950	India	Bangalore	20 s
		1951 onwards selected	Japan	Tokyo	20 s single cheise domestic
Indonesia	Makassar	Sun-dried A	Viet-Nam	Saigon	Unbleached No 20 Optorg
Malaya	Singapore	Sun-dried No 1			
Philippines	Manila	Rescada	COTTON FABRICS		
Thailand	Bangkok	Dried	India	Bombay	Grey standard shirting
U S A	—	Bulk c i f Pacific ports	Japan	Tokyo	Shirting grey S/No 2003, S 8" export
COTTON, RAW			JUTE BAGS		
China (Taiwan)	Taipei	Medium	India	Calcutta	B Twills
India	Bombay	Jarilla spot, M G F G from 1948 to 1949	Pakistan	Karachi	B Twills
		substituted from January 1950			
Korea	Seoul & Pusan	Second grade	JUTE HESSIANS		
Pakistan	Karachi	4 F (Punjab) RG	India	Calcutta	10½ oz 40
U K	—	American middling	U K	Dundee	10½ oz 40"
			U S A	New York	10 oz 40"
JUTE, RAW					
India	Calcutta	First			
Pakistan	Narayangunj	Middle			
U K	Dalasee	2/3 c & f through June 1951 Mill first c & f Dundee, thereafter			
U S A	New York	Raw native first			

TRADE AGREEMENTS NEGOTIATED AND/OR FINALIZED DURING THE SECOND HALF OF 1952

I. ECAFE INTRA-REGIONAL TRADE AGREEMENTS

Contracting parties	Period valid	Value of trade and types of commodities	Method of trade and payment	Remarks
Ceylon— China— (Mainland)	5 years	Under the agreement, Ceylon will sell to China 50 000 tons of sheet rubber annually for 5 years at a price varying by grades and subject to yearly revision China will sell to Ceylon 250,000 tons of rice annually at \$55 a ton, a price which is said to be considerably lower than the world market rate	Barter	Signed on 17 December 1952 previously a temporary agreement was signed on 5 October 1952 to provide urgently needed food grains in Ceylon
Ceylon— Japan	One year	Total value of trade not specified in either direction Japan undertakes to export iron and steel products machinery, cement, textiles, chemical, sewing machines, electrical goods, ceramics etc in exchange for Ceylon's tea, rubber coconut products, coir goods, graphite, coconuts, essential oil and oil seed	Payment to be made under the terms of Japan's overall sterling payments agreement with the British Commonwealth balanced trade under licence	Signed at Colombo on 6 September 1952
China (Mainland)—India	Unspecified	The Chinese People's Republic will ship to India 50,000 tons of rice	Payment to be made in cash either in Indian rupee or in transferable pound sterling account	This bulk purchase contract signed in Peking on 13 October 1952 is the fifth food agreement between these two countries
China (Taiwan)— Japan	Unspecified	Japan will ship 130 000 tons of fertilizer, metal, machinery and beans in exchange for Taiwan's sugar, banana and other agricultural products, the total trade being fixed at \$75 million		Negotiation at final stage
Indonesia— Japan	1 July 1952— 30 June 1953	Japan will export \$55 million worth of textile goods metals and metal product in exchange for Indonesian crude rubber, bauxite tin petroleum etc to the value of \$40 million	Settlement on open account in terms of dollars with a swing balance of \$5 million to be paid in cash	The current outstanding balance is \$60 million in favour of Japan the settlement of which constitutes a major issue for further trading \$54 million in favour of Japan will be paid in dollars by instalments over a period of 5 years and the remaining \$6 million will be deposited in a special dollar account in Java bank, for which the method of payment will be determined 5 years hence The present agreement was signed on 7 August 1952 and became retroactively effective from 1 July 1952
Indonesia— Thailand	Unspecified	Thailand will export to Indonesia 90 000 tons of rice	Cash payment in pound sterling	Fifty percent of the rice will be transported by Thai ships
Japan— Burma	Unspecified	An extension of 16 March 1950 agreement (see Bulletin Vol 1 No 1, First Quarter 1950)	Same as 1950 agreement	This extension shall be effective until conclusion of any other trade agreement
Japan—Korea (south)	Until conclusion of a new agreement	See Bulletin Vol 1 No 2 Second Quarter 1950	Payments same as previous agreement in dollars	
Japan— Philippines	120 days beginning 30 September 1952	The pattern of trade follows the previous agreement (see Bulletin Vol 1, No 2, Second Quarter 1950)	Same as 1950 agreement	
Japan— Thailand	1-31 August 1952	Extension of the old agreement (see Bulletin Vol 1 No 1, first quarter 1950) The pattern of trade and range of commodities are the same as in the previous agreement	Balanced trade under licence based on dollar open account The agreement was extended for one month with the exchange rate set at 18.20 baht per dollar	The signing of the agreement is delayed over the question of Thailand's rice allocation to Japan and Thailand's requirement that Japan should also buy annually 150 000 tons of Thai salt at the price per ton of \$2.3 higher than salt from other sources
Japan— Thailand	1 September 1952 to 31 August 1953	The new agreement effective upon signing is similar in most respects to old agreements although the trade value has been increased by \$2 million over the previous figure of \$10 million Japan exports mainly textiles, machinery construction steel paper, metal products rubber goods enamelled iron ware agricultural and marine products chemicals and glassware in exchange for Thailand's rice, soyabean castor bean cotton and kapok seeds peanuts hides, animal-yue materials, teak, gum dammar sticklac shellac salt bon-meal antimony ore and other mineral ore and raw mate salts	The new agreement provides an exchange of goods on the basis of dollar account, with any balance above the stipulated amount to be payable in dollars on demand of the creditor party However, whereas the previous payment agreements provided for fixed exchange rates trade between the two countries will now be conducted at a rate to be set every half month taking into account as far as possible the trend of the free market rate of dollars in Bangkok Trade will be conducted under licence with a view to affecting balance at the end of the agreement	Signed on 1 September 1952

TRADE AGREEMENTS NEGOTIATED AND/OR FINALIZED DURING THE SECOND HALF OF 1952—(Cont'd)

II ECAFE COUNTRIES—EXTRA-REGIONAL COUNTRIES

Contracting parties	Period valid	Value of trade and types of commodities	Method of trade and payment	Remarks
China (main-land)—Czechoslovakia	Probably one year	See Bulletin, Volume II, No 8 1951. Commodities to be exchanged follow the same pattern as in the 1951 agreement		Extension of the 1951 agreement. Signed on 15 July 1952 at Peking
China (main-land)—Finland—USSR	Through 1952	The agreement stipulates that within 1952 commodities valued at 34 million roubles in each case should be supplied to Finland by the Soviet Union, to China by Finland and to the Soviet Union by China. Types of commodities were not specified		
China (main-land)—France	Probably one year	China exports to France 41 million worth of commodities consisting of silk and textiles, tea, casings egg products, tung oil etc. France exports to China iron, steel and other metal products, chemicals, medicines and miscellaneous items	Payment in pound sterling	Non-governmental agreement. Signed on 9 August, 1952 at Peking
China (main-land)—Poland	One year	China will export metal ore, silver ore, textile materials, leather, grains, tobacco leaves, peanuts, tea and other agricultural commodities in exchange for Poland's metal products, tools, machinery, chemical products, paper and other manufactures		Non-governmental agreement. Signed on 11 July in Warsaw, as the result of negotiations carried out by trade delegations at the Moscow Conference
China (main-land)—United Kingdom	One year	£10 million worth of commodities to be exchanged under this agreement. United Kingdom will export £3.5 million worth of textiles consisting of the following: wool tops, £1.7 million, raw wool £0.3 million, cotton piecegoods £0.9 million, wool and worsted piecegoods £0.3 million, rayon yarn £0.3 million and chemical £1.3 million. Pharmaceuticals £1.5 million, in exchange for China's soybeans, bristles, wood oil, frozen eggs, oil seeds of cakes, animal products and other agricultural products		Signed on 9 June at the Moscow Conference
China (Main-land)—West Germany	Probably one year	A total value of 150 million roubles worth of commodities will be exchanged between China and West Germany. China will supply mineral ore, soyabean, fur, leather, bristle, cotton and cotton waste, vegetable oil, animal fats in exchange for West Germany's chemicals, synthetic metals, paper, spare parts for machinery, medicine and textiles	Balanced trade under licence. Payments based upon rouble	
India—Argentina	Five years	Under the agreement Indian jute goods would be exchanged for the equivalent value of Argentine wheat. Shipment of Indian jute goods to Argentina was already reported but shipment of Argentine wheat is not to begin until the new crop is harvested in January 1953	Barter. Issuance of licences	Last year India shipped 600,000 tons of jute goods to Argentina and received in exchange 450,000 tons of wheat. The agreement was signed on 23 October in Buenos Aires
India—Finland	Retroactive to 1 January and effective to 31 December 1954	India will export tobacco, vegetable and essential oils, nuts, spices and certain chemical products, certain textiles, carpets, linoleum, rubber goods, sugar, soap, hides, wool, leather, iron ore and miscellaneous raw materials, in exchange for Finland's cheese, potassium chlorate, wood and wood products, newsprint and paper products, porcelain ware, steel files, certain machinery and electrical cables	Payments in pound sterling. Issuance of licences	Signed in New Delhi on 2 September 1952
India—Norway	Retroactive to 1 January until 31 December 1953	India will export tobacco, spices, jute goods, tea, coffee, shellac, coal and products, vegetable and essential oil, fish oil, cotton waste, drugs, medicines, chemicals, fibres, manganese ore, textiles, carpets, rubber goods, sugar, hides and skins, wool, iron ore, bones, linoleum, cigarettes and spirits etc. in exchange for Norway's newsprint, calcium carbide, wood pulp, welding equipment, certain machinery and machine tools, products for tannery and textile industries, resins, certain chemicals and other miscellaneous items	Payments in pound sterling. Issuance of licences. The Government of Norway will extend to India import licence concessions granted to member nations of OEEC and each country will accord to the other the same treatment as is given other countries of the same currency group	Signed in New Delhi on 18 September 1952. Norwegian companies and individuals will also be encouraged to place their technical experience at the disposal of the Indian Government and interested Indian parties
Indonesia—Australia	Negotiation stage	The old agreement valid for one year expiring on 1 October 1952 calls for export of goods from Australia to Indonesia up to A \$5 million and for export of goods from Indonesia to Australia to the value of A \$6.5 million. Attempts are understood to have been made for expansion of trade during negotiation		

TRADE AGREEMENTS NEGOTIATED AND/OR FINALIZED DURING THE SECOND HALF OF 1952—(Cont'd)

II. ECAFE COUNTRIES—EXTRA-REGIONAL COUNTRIES—Continued

Contracting parties	Period valid	Value of trade and types of commodities	Method of trade and payment	Remarks
Indonesia—Finland	1 April 1952-31 March 1953	Total value of each way trade was fixed at \$2.6 million. The range of commodities will probably follow the same pattern of the old agreement which expired on 11 April 1952.	Issuance of licence. Payment for any balance to be made through the good offices of the Netherlands Government within the framework of E.F.U.	Signed on 17 June 1952, in Helsinki Finland. See <i>Bulletin</i> , Vol II, No 3, 1951.
Indonesia—Hungary	One year	Total value of each way trade was fixed at 22 million Dutch guilders. Indonesia will export coffee, oil, tin, rubber, cocoa, hides, quinine, etc. in exchange for Hungary's industrial and agricultural machinery, bicycles, textiles, chemical goods and wheat flour.	Issuance of licence. Contrary to the previous trade agreement, trade will be conducted on direct open accounts, not through the Netherlands Government and the E.F.U.	Signed in Djakarta on 16 October 1952. For the time being Rotterdam will be used as port of transshipment.
Indonesia—Switzerland	One year. May be extended for a further period by mutual agreement.	The volume of trade will be determined according to circumstances. No price, but quantity is specified. Indonesia will export rubber, tobacco, spices, tea, coffee, palm oil, tin and tapioca in exchange for Switzerland's industrial machinery, printing press, telephone installations, chemical products and medical instruments. The agreement also provides for the possibility of exchanging other goods not mentioned in the schedule.		Signed on 27 September in Djakarta but effective on 1 October 1952.

TRADE AGREEMENTS NEGOTIATED AND/OR FINALIZED DURING THE SECOND HALF OF 1952 (Cont'd)

Contracting parties	Period valid	Value of trade and types of commodities	Method of trade and payment	Remarks
Japan—Brazil	1 July 1952 to 30 June 1953	Japan will export \$33.5 million worth of iron and steel products, non-ferrous metals, chemicals, textiles, machinery, ships and agricultural and aquatic products in exchange for Brazil's raw cotton, rice hides and skins, coffee soybeans, raw wool and vegetable oils, to the value of \$35.6 million	Trade will be conducted on a dollar open account basis. Any balance above the stipulated amount is to be paid in dollars on demand of the creditor party	Signed on 12 September 1952. The present agreement is to be automatically extended for another year, unless advance notice of termination be given by either of the contracting parties
Japan—Italy	Negotiations at final stage	The final draft agreement for an annual exchange of \$35 million worth of goods in each direction calls upon Italy to supply annually 150,000 tons of rice in exchange for Japan's iron and steel products	Open account on a dollar basis	
Pakistan—Czechoslovakia	1 July 1952—30 June 1953	Pakistan will export 80,000 bales of raw jute 28,000 bales of cotton \$5,000 sports goods and an unspecified quantity of chrome ore in exchange for a complete textile plant from Czechoslovakia which has a sufficient number of looms to go into production within two years time. In addition, Pakistan will import the following: tractors accessories and spare parts \$70,000 tanning and processing machinery \$4,000 motor-cars \$50,000 motor-cycles including motor-rickshaws \$15,000, rifles and ammunition excluding single-barrel shot-guns \$30,000, asbestos pressure and oil pipes \$50,000, asbestos cement corrugated sheets \$250,000 matches \$450,000 enamel ware including bath tubs \$50,000 sheet and plate glass \$50,000, glass and glass ware including thermos-flasks \$20,000 chinaware including porcelain \$30,000 art silk piece goods \$20,000, woollen fabrics \$30,000 cotton fabrics exceeding Rs 1/8 per yard cif) \$110,000 cotton fabrics (not exceeding Rs 1/8 per yard cif) \$250,000, and 20,000 tons of sugar. The schedule "B" comprises a total of 111 items		Signed on 28 June 1952 but effective on 1 July 1952
Pakistan—France	1 January—31 December 1952	Pakistan will export 105,000 tons of jute and 275,000 bales of raw cotton as well as hides and skins, cotton seeds and raw wool in exchange for France's export of 5,000 tons of pig iron, 40,000 tons of iron and steel products and unspecified quantities of agricultural and industrial machinery. A thermal electric power plant costing \$1 million will also be imported from France	Issuance of licences. Payment in pound sterling	See <i>Bulletin</i> , Volume III No 1 and 2, 1952
Pakistan—Hungary	1 July 1952—30 June 1953	Pakistan will export jute cotton skins tea surgical instruments and sports goods in exchange for Hungary's cotton cloth machinery and other items	Balanced trade. Issuance of licences. Payment in pound sterling. See <i>Bulletin</i> , Volume II No 1, 1951	
Pakistan—Poland	1 January 1952—30 June 1953	Pakistan will export raw jute cotton tea hides and skins and sports goods in exchange for Poland's coal textiles chemicals cement sugar and other metallurgical goods	Balanced trade. Issuance of licences. Payment in pound sterling	Signed on 27 June 1952
Pakistan—Spain	Up to 30 June 1952	Pakistan will export 30,000 tons of cotton 2,000 tons of cotton seeds 750 tons of hides 5,000 tons of raw jute etc. in exchange for exports from Spain including cotton fabrics (containing more than 90 per cent cotton) \$15 million cif value woollen fabrics (containing more than 90 per cent of wool) \$83,000 textiles, machinery and parts thereof with knitting machinery and sewing machines and clothing cards \$1 million machinery for building industry and for road construction and public works and agricultural machinery etc \$70,000 industrial machinery \$80,000	Balanced trade. Issuance of licences. Payment in pound sterling	Extension of previous agreement which expired on 21 January 1952. See <i>Bulletin</i> , Volume II, No 1, 1951
Pakistan—USSR	Unspecified	The value of goods to be exchanged is approximately \$6 million. Pakistan will export 22,000 tons of jute and 13,150 tons of cotton in exchange for 150,000 tons of wheat from the Soviet Union. The shipment of wheat will start immediately and final delivery will be completed by 31 December 1952. Jute and cotton will be loaded on Soviet ships on their return voyage	Barter	This agreement signed on 16 September 1952 is the first barter deal between the two countries

