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ECONOMIC COMMISSION FOR ASIA AND THE FAR EAST

BANGKOK, August 1950

This is the first issue of a BULLETIN intended to provide a regular review of the economic situation of Asia and the Far East in the intervals between the publication of the annual ECONOMIC SURVEY OF ASIA AND THE FAR EAST. In the future, three issues of the BULLETIN will be published annually, in August, November and February, covering the first, second and third quarters of the years respectively. The analysis of economic developments in the fourth quarter of the year will be included in the ECONOMIC SURVEY OF ASIA AND THE FAR EAST (which will be published in the future, as in the past, at the end of May). In addition to the general review of economic developments in the quarter and the compendium of Asian Economic Statistics on which it is based, the BULLETIN will contain special articles on particular subjects related to the problems of the Asian economy.

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

TABLE OF CONTENTS

		PAGE
I.	REVIEW OF THE ECONOMIC SITUATION IN ASIA AND THE FAR EAST, JANUARY-MARCH 1950 ...	1
II.	SPECIAL ARTICLES:	
	MOBILIZATION OF DOMESTIC RESOURCES FOR ECONOMIC DEVELOPMENT AND THE FINANCIAL INSTITUTIONS IN THE ECAFE REGION	20
	CHEMICAL FERTILIZER INDUSTRY IN ASIA AND THE FAR EAST	29
III.	ASIAN ECONOMIC STATISTICS	40

(For list of tables see pages 41—55)

REVIEW OF THE ECONOMIC SITUATION IN ASIA AND THE FAR EAST

JANUARY—MARCH 1950

GENERAL SUMMARY

CROP returns are not available on a quarterly basis, but those for 1949/50 indicate a fall in agricultural production below the previous year's level by 2 per cent, owing mainly to decline in the Chinese production.

Industrial and mineral production declined slightly during the quarter in most ECAFE countries, but remained essentially unchanged in Japan, as compared with the fourth quarter of 1949. Excluding China for which figures are not available, the decline in ECAFE countries was in the order of 1—4 per cent for electricity, pig iron and steel ingots and castings, 8 per cent for cotton yarn, and 14 per cent each for finished steel and sulphuric acid. For cement and coal, however, there was a rise of 3 and 5 per cent respectively, but coal despatches to industry in some countries, such as India, were reduced owing to transport difficulties. Output of chemicals as a whole also rose. Production of tin-in-concentrates remained unchanged, while that of iron ore appeared to have increased.

The value of trade in national currencies during the quarter tended to show an increase over the previous quarter, owing mainly to devaluation. Government controls over imports, exports and exchange helped to boost exports and reduce imports, especially in relation to the dollar areas. The export surplus from India, Indonesia, Malaya and Pakistan increased somewhat in the first quarter of the year as compared with the fourth quarter of 1949, while that for Ceylon remained more or less unchanged. For south Korea there was a slight decrease in the import surplus, although for Japan and Hong Kong the import surplus during the quarter rose considerably.

Decline in production and continued export surpluses, coupled at times with monetary expansion, were responsible for the continuation of inflationary pressure in Ceylon, India, Indonesia, and Malaya. In Hong Kong and south Korea the inflationary trend in 1949 continued into this quarter. In Burma, Indochina, the Philippines and Thailand, prices tended to fall through monetary contraction, import surpluses, production increases and/or other factors.

China, a country having undergone hyper-inflationary conditions in the last decade, was unique in having achieved some degree of economic stabilization at the end of the quarter, owing mainly to the government's policy of siphoning off the excess purchasing power through a vigorous campaign to push the sales of victory bonds. In Japan free market prices fell but official prices were revised upward.

PRODUCTION

Agricultural Production.[1]

According to the preliminary index of agricultural production prepared by the Food and Agriculture Organization (FAO), the volume of agricultural production in the Far Eastern countries in 1949/50 showed a decrease of 2 per cent below the previous crop year, bringing down the regional production again to 92 per cent of the pre-war (1934-38) average. The index of food production was 94 per cent and that of non-food production 86 per cent of the pre-war—1 per cent and 2 per cent respectively below last year's level. Output of rice, the staple food of Asian population, declined from 136.5 to 135.5 million tons, owing to significant reductions in Burma and China. For all other rice-producing countries, output of rice increased from 82.7 to 84.7 million tons. The estimated production of wheat and coarse grains in 1949/50 was respectively 700,000 tons and 2.6 million tons less than the previous year's. Oilseed production was slightly above the 1948 level by 200,000 tons, owing to rapid recovery of production in Indonesia.

Among non-food crops, tea, cotton and raw silk increased in production, while jute, natural rubber and tobacco decreased, as compared with the output for the previous year. There was a decline in the output of raw cotton in China from 460 million tons in 1948/49 to 369 million tons in 1949/50, which affected adversely the supply of raw cotton to spinning mills.

Output of natural rubber decreased from 1.48 million tons in 1948 to 1.44 million tons in 1949. In the first quarter of 1950, the average monthly output amounted to 118,300 tons which was 6 per cent above the corresponding quarter in 1949, but 8 per cent below the fourth quarter. Decreased production, and hoarding of stocks in Indonesia in anticipation of revaluation of currency with unfilled overseas demand resulted in rising prices, which in Singapore reached its highest point in over twenty years. The New York price also rose by 11 per cent between the fourth quarter of 1949 and the first quarter of 1950.

Industrial and mineral production.

There was a slight recession in industrial and mineral production in Asia and the Far East during the first

1 Although production statistics on agricultural commodities except natural rubber are available once a year, a brief summary of the supply of foods, raw materials and other agricultural products in 1949/50 may provide a general background to the trend of agricultural production in the first quarter of 1950. For a full account see Chapter I, Food and Agriculture, in United Nations, **Economic Survey of Asia and the Far East, 1949.**

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

(Monthly averages in thousand tons)

	1949				1950	Relative changes in 1st quarter of 1950	
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	1st quarter 1949 = 100	4th quarter 1949 = 100
Tin in concentrates	7.3	8.2	8.0	8.2	8.2	112	100
Coal	2.907	2.784	2.782	2.920	3.054	105	105
Electricity (million kilowatt hours)	486	529	525	533	513	106	96
Pig iron and ferro alloys	119	130	136	139	136	114	98
Steel ingots and castings	107	116	114	121	120	112	99
Finished steel	82	83	91	93	80	98	86
Cement	196	212	228	265	272	139	103
Cotton yarn	55	53	51	51	47	86	92
Sulphuric acid	6.8	2.4	8.6	9.1	7.9	117	86

a. Countries included under each product in this table are as follows:

Tin concentrates — Burma, Indonesia, Malaya and Thailand.
Coal — India, Indochina, south Korea, Malaya and Pakistan.
Electricity — Hong Kong, India, south Korea and the Philippines.
Sulphuric acid — India.
Pig iron and ferro alloys, steel ingots and castings and finished steel — India.
Cement — Hong Kong, India, Indochina, south Korea, the Philippines and Thailand.
Cotton yarn — India and south Korea.

quarter of 1950 as compared with the previous quarter. Compared with the corresponding quarter in 1949, however, the level of production was still higher.

In the ECAFE region excluding China, the recession was from 1 to 4 per cent for electricity, pig iron and steel ingots and castings; 8 per cent for cotton yarn, and 14 per cent each for finished steel and sulphuric acid. For cement and coal there was a rise of 3 and 5 per cent respectively as compared with the previous quarter. As compared with the corresponding quarter in 1949, however, the ECAFE region excluding China during the first quarter in 1950 showed a slightly higher level of production of from 5 to 6 per cent for coal and electricity, 12 to 17 per cent for pig iron, tin concentrates and sulphuric acid and 39 per cent for cement. Cotton yarn and finished steel showed a fall of 14 and 2 per cent respectively, compared with the first quarter of 1949. In Japan, the recession was negligible. Compared with the corresponding quarter in 1949, the level of economic activity in Japan was 11 per cent higher.

In China, industrial production suffered from a decline in effective demand and shortage of capital, owing mainly to the government's tax collection policy, the floating of victory bonds and the flight of capital abroad. In order to assist industries, state-owned department stores and various trading companies made purchases of finished products from private factories and distributed them to various districts. Industries benefited by these purchases included electric machine works, steel rolling mills, and industries producing rubber goods, towels and bed sheets, knitting, thermos bottles and chemicals. The People's Bank and the Bank of China also played a prominent part in the recovery of industries by releasing industrial loans. In Northeast China (i.e. Manchuria), industrial production steadily progressed, but in Shanghai, the air-raid damage inflicted on power plants resulted in a considerable reduction of power supply which, in turn, reduced industrial production. Shortage of coal and raw materials was still a serious problem for Shanghai industries. As a long-term solution, the People's Government encouraged and assisted factories to move to the interior. Sixty-three factories were transferred to the interior during the period from August 1949 to the end of March 1950.[2] The year 1950 witnesed the first step towards a planned economy in China, as plans for transportation and water conservation and industrial and mineral production were prepared after a series of conferences held since November 1949. Rehabilitation and reconstruction in all economic fields are the primary objectives this year, with scarcely any construction or creation of new plants.

In India, after a recession in the second and third quarters of 1949, industrial activity showed substantial improvement in the fourth quarter following the

2 Twelve of the transferred Shanghai factories moved to Tientsin, ten to Chengchow, seven to Kaifeng, three to Hankow, and the rest to other cities. Among these factories, nineteen were cotton mills, eleven cigarette factories, ten match factories, eight printing plants, seven electrical and equipment manufacturing plants and eight other works.

devaluation of the rupee. In the quarter under review, however, there was again a slight recession. Using 100 for the 1948 base year, the index of industrial production which had risen from 92.3 in the third quarter to 98.7 in the fourth quarter of 1949 again dropped to 95.7 in February 1950. While output of coal increased as compared with the last quarter of 1949, the supply of coal to industries was reduced owing to shortage of transport facilities. Production of iron, steel, cotton yarn and cotton cloth registered a fall below the levels attained in the previous quarter. Many industries were still working below capacity, mainly due to shortages of raw materials such as steel, raw cotton, jute and a few chemicals resulting partly from import control. Tariff protection was granted to many industries, especially engineering and chemicals. Without improvement in industrial efficiency and balance of payments position, the difficulties faced by Indian industries today hardly promise a solution.

In Japan. the level of economic activity during the quarter was slightly below the last quarter, though higher than in the corresponding quarter in 1949. The index (base: 1948) was 131.8 in the quarter as compared with 132.4 in the last quarter of 1949. The rate of increase in industrial production slowed down after the disinflation programme was initiated in April 1949. The levelling off of effective demand, the reduction and abolition of subsidies, the cut in American aid and the devaluation of pound sterling and associated currencies have necessitated a substantial measure of rationalization in Japanese industry, especially during the quarter under review. Meantime, expenses on some essential raw materials cannot be much reduced, since imports from nearby sources, such as coking coal and iron ore from China, are negligible and not likely to improve in the near future. A revaluation of yen, therefore, was advocated by many industrialists. During the quarter production of coal, electricity and metals fell, while that of manufacturing goods rose as compared with the previous quarter.

In Burma and Indochina, civil disturbances affected production adversely. In Burma, the destruction in transport facilities was still serious, though there was improvement owing to more areas being cleared of insurgents. Logs and mineral products could hardly move to ports. As a result, sawmills in Rangoon remained closed down, and tin mining and oil production were almost at a standstill. The trend of deterioration in Burma's economy worsened during January as rice exports were virtually stopped, because the purchasing countries, particularly of the British Commonwealth, refused to take any commitments unless Burma agreed to a downward adjustment in its annuonced 1950 price scheme. During February the Commonwealth loan of £6 million was in an advanced stage of negotiation and the Burmese Government announced receipt of the terms of the loan on 7 March 1950. The announcement of the Burmese-Japanese Trade Agrement for 1950 and the acceptance of rice shipments by Ceylon also had favourable repercussions on the Burmese economy.

In Ceylon, Indochina and Malaya although rubber production fell, rubber export increased in the first quarter of 1950 as compared with the last quarter. This, coupled with the rise of rubber price, had favourable effects on the economy of these countries. On the other hand, both production and export of rubber in Indonesia and Thailand decreased.

In south Korea, the quarter witnessed a severe recession in economic activity compared with the previous quarter, but showed improvement over the corresponding quarter in 1949. Fisheries were most affected, but this was partly due to seasonal factors. The index with 1948 as 100 dropped from 166.9 in the last quarter to 131.5 in February 1950. In Pakistan, the suspension of coal shipment from India reduced power supply, railway transport services and fuel for industry. Trade deadlock with India affected the market outlets for jute and cotton. In the Philippines, import control encouraged local industries such as cigarettes, nails, zippers, household utensils, syrup and even fabricated buildings which rely mainly on indigenous raw materials.

Coal and Electricity

Coal. Total production of coal in India, Indochina, south Korea, Malaya, Pakistan and Japan showed a slight decrease in the first quarter of 1950: it reached a monthly average of 6 million tons which was 1 per cent and 2 per cent respectively below that in the first and fourth quarters of 1949. The decrease was especially marked in Japan, 8 per cent below the last quarter. Pakistan coal output showed, however, a considerable increase.

Available information gives the impression that China's coal production in the first quarter of 1950 was comparatively higher than in previous quarters in 1948 and 1949. Prices of coal sold in Tientsin by National Coal and Iron Corporation were reduced by 10 per cent in March, while the fall of the general price level was less. Target of production for 1950 was fixed at 36.7 million tons, of which 23.5 million tons were for domestic consumption. Production will be increased

mainly in the Northeast, where it is hoped that old pits will be restored and new pits developed. In North and East China, efforts will be directed towards restoration of former peak-production levels.

Output of coal in India which decreased slightly in January rose considerably in February and March. The monthly average output in the quarter — 2.84 million tons — was 4 per cent above that of the previous quarter. Transport available for coal movement, which had taken a turn for the better in the latter half of 1949, once again became a matter of concern, as more wagons were shifted to other uses, particularly movement of crops. As a result, coal despatches were reduced from 2.31 million tons in December 1949 to 2.02 million tons in February 1950, a fall of 13 per cent.

Pakistan depends mainly on imports from India for coal supply. In the trade agreement signed in June 1950, India agreed to supply 2 million tons of coal to Pakistan for the period July 1949 to June 1950. This quantity was six times the indigenous output in Pakistan in 1949. Because of the currency disagreement, India temporarily suspended coal despatches to Pakistan after 23 December, 1949, as a counter-measure to Pakistan's stopping of jute export to India. As a result, some passenger trains and steamer services were cancelled and many industries paralysed for want of adequate coal supplies in East Bengal and, to a lesser degree, in West Pakistan. In order to ease the situation, Pakistan strived to import coal from other countries, increase indigenous production and make more use of wood. Production of coal increased considerably from 87,000 tons in the fourth quarter of 1949 to 132,000 tons in the first quarter of 1950. Shipments of 195,000 tons of coal contracted from Britain, Poland, France and South America had also begun to arrive at the end of January and were expected to be completed before April. Prices of coal from other countries, however, were higher than those from India.

In Japan, coal mining continued to be rationalized after the restoration of the free marketing system in April 1949. Wage earners, especially surface workers, had been further reduced in number. Monthly output of coal in January and February was slightly below the average monthly output in the last quarter, probably due to the decreased working days. In March, output dropped by 19 per cent to 2.58 million tons from 3.19 million tons in February, owing to the strike of colliery workers.

Electricity. Electricity generated in Hong Kong, India south Korea, the Philippines and Japan during the quarter averaged 3,568 million kwh per month, 5 per cent above the corresponding quarter in 1949, but 3 per cent below the previous quarter. Except Hong Kong, the other four countries all registered a fall in electric power output as compared with the last quarter.

In China, an air raid by the National Government forces in February resulted in a severe damage to Shanghai's power installations. Power supply to industries was considerably reduced, but employees of the Shanghai Power Company worked overtime in effecting repairs to damaged equipment. At the same time, many factories which already possessed power generating equipment were given aid in repairing and reinstalling their equipment and a guaranteed supply of diesel oil by the government.[3] As a result, power supply was much improved towards the end of March. In Northeast and North China, power supply was considerably improved. In Tientsin, the capacity reached 22,500 kw. and new consumers, both industrial and residential, were permitted to apply for supply. The target for 1950 has been fixed at 20.3 per cent higher than for 1949.

In south Korea and Pakistan, power generation was adversely affected by the shortage of coal supply in the quarter. In south Korea, it was anticipated that power supply would drop after April because the coal stock pile at the Yongwol thermal plant was expected to be exhausted by mid-April. To obtain further supply would necessitate another costly supplementary truck haul. It was planned to finance the haul from the proceeds of the increase in the wholesale electric-power rate effective 1 April. In Pakistan, the suspension of coal import from India cut down the supply of electric power. In some cities, part-time stoppage of electricity became necessary. The total generating capacity of Pakistan at its inception was about 40,000 kw., the major portion of which was generated by old and inefficient diesel and steam stations. In spite of the ample possibilities of water power, Pakistan inherited only two small hydro-power houses, generating about 10,000 kw. The situation was further aggravated when the managing agents of several electric supply companies and the trained technical personnel left for India on partition; with the result that some of the power houses had to be shut down, while others continued to function under great handicaps. In order to increase the capacity of electric generation, a 5,000 kw. diesel generating plant is to be erected in Chittagong within the first half of the year. Three other towns will be equipped with generating plants to be put into operation by the end of the year.

3 The total capacity of power generation in Shanghai factories (most of which are using oil) was estimated at 36,000 kw.

In Burma, Ceylon, the Philippines and Thailand, electric power supply was also poor. At present, all are endeavouring to increase their existing capacity. In Burma, installation of the new plant of 10,000 kw capacity in Rangoon was completed. In Ceylon, the hydro-electric scheme at Watawala, expected to be completed in March and linked up with Colombo, had been delayed by about three months. In the Philippines, a 25,000 kw turbo-generator unit, shipped from New York, was expected to arrive in Manila in mid-April. In Thailand, the two power plants in Bangkok were negotiating for purchase of two new plants with an aggregate capacity of 11,000 kw.

Mining

Tin. Average monthly production of tin concentrates in the first quarter of 1950 in four major producing countries was 8,187 tons, 12 per cent above the corresponding quarter in 1949, but was at the same level as in the previous quarter. Malaya and Indonesia accounted for 90 per cent of the total output. Increase of output in Indonesia, 6 per cent above the previous quarter's, offset the decrease of output in Burma and Thailand and left the region's total almost unchanged. In Burma, the British-owned mines in the Tavoy area, the principal sources of the small quantity of minerals still being extracted, were occupied by the insurgents and production came almost to a standstill. World production of tin concentrates in 1950 was estimated by the International Tin Study Group at 127,000 tons, which will be 45,720 tons in excess of commercial tin consumption. This caused great concern at its March meeting in Paris where it was tentatively decided that an agreement on production and price control should be reached and referred to the United Nations for consideration at the forthcoming meeting of its Interim Coordinating Committee for Inter-governmental Commodity Agreements.

Iron ore. Output in Malaya jumped from 180 tons in the first quarter and 8,000 tons in the fourth quarter of 1949 to 66,150 tons in the first quarter of 1950, owing to the resumption of operation of the iron mine at Bukit Besut in Trengganu. In Japan, output in the quarter was 162,600 tons, 20 per cent above the corresponding quarter in 1949, but only 80 per cent of the previous quarter. In the Philippines, export of iron ore in the first quarter of 1950 was 103,000 tons, as compared with 45,000 tons in the corresponding quarter of 1949, and a quarterly average of 71,000 tons in 1949.

Petroleum. The major petroleum producing countries in the region are Indonesia, Burma and Brunei, but information on current petroleum production in Indonesia and Brunei is not available. In Burma, the rehabilitation of the oil industry was at a complete standstill due to the occupation by insurgents of important oil fields and destruction of railways. In January the Burmah Oil Company announced it would discharge all employees since the British Government had informed the company that it could no longer guarantee its operating losses, and since there was no immediate prospect for the resumption of normal operations. About 4,500 workers were laid off.

Small amounts of crude petroleum had been produced in India, Pakistan and Japan. Output during the first quarter in Japan was 67,500 tons, and in Pakistan 30,300 tons.

Manufacturing

Iron and Steel. Production of iron and steel during the quarter in India and Japan went against the increasing trend noted in 1949. Production of the three main categories of iron and steel products in India registered a decrease as compared with the last quarter. In Japan, production of pig iron and ferro-alloys and finished steel was below and output of steel ingots and castings was above the last quarter, but the rate of increase showed a decrease. As compared with the first quarter of 1949, however, production of these products in both India and Japan in the quarter was still higher. The average monthly output in India and Japan was: pig iron and ferro-alloys, 288,000 tons; steel ingots and castings, 459,000 tons; and finished steel, 325,000 tons.

In China, the steel industry was handicapped by a shortage of engineers and technicians. The industry in the past had depended on foreign personnel for specialized technical processes. As many Japanese and other foreign technicians withdrew from the country after World War II, the ratio of trained technicians to unskilled workers was only 0.71 per cent.[4]

Data on production of iron and steel are not available for the first quarter of 1950. Targets for production in the Northeast for 1950 had been fixed at 720,000 tons for pig iron; 540,000 tons for steel ingots; and 340,000 tons for steel castings. Small iron and steel plants in Shanghai were recovering from post-war dislocations. Current monthly steel output ranged

4 The ratio was unevenly distributed; East China had the highest percentage of 4.6, Northeast China, the centre of the steel industry, only 0.2 per cent. The People's Government, therefore, transferred technicians from coastal provinces to the Northeast. Large steel plants were to train their own technicians through the establishment of technical schools.

between 1,000—1,200 tons. The industry as a whole was experiencing considerable difficulty in maintaining operations, however, because of lack of coking coal, iron ore and scrap.

In India, in order to enable iron and steel companies to undertake renewals and replacement of machinery and expand their existing production, the Government had decided to grant a loan of Rs. 35 million to the Steel Corporation of Bengal and of Rs. 15 million to the Indian Iron and Steel Company. A sum of Rs. 7 million had been paid to the latter as the first instalment of the loan. It was expected that replacements and expansions financed by these loans would increase the total output by about 200,000 tons.

In Japan, the iron and steel industry was facing a new phase with the drastic reduction of subsidies, following the policy of disinflation and rationalization. Although the cost of production in Japan had been far above that in the United States, the consumer's price was maintained at a low level by subsidies for price adjustment, supply of coal and import of raw materials. The subsidies of Y.74,500 million in the fiscal year 1949/50 were cut drastically in the supplementary budget revisions. When the coal subsidy was abolished last year, the prices of pig iron and steel had already been raised considerably. The prices would be raised further, probably by 30 per cent for pig iron, and 40 to 50 per cent for rolled steel, as subsidies for iron and steel for 1950/51 were to be reduced to Y.29,500 million.

To counteract the adverse effects of disappearing subsidies the Japanese iron and steel companies planned to increase their rationalization efforts. The productivity of labour had increased,[5] but expenses on such basic materials as coking coal and iron ore were still high. It is estimated that if materials were imported from the Far Eastern sources, material expenses as compared with the total output cost would drop from 55 to 44 per cent for pig iron and from 28 to 21 per cent for bar steel. The recent fall in prices of imported materials would probably aid attempts at cost reduction, but at the same time, prices of iron and steel products fell in the United States and Europe; and Indian-made iron and steel products also became cheaper. Thus, the competitive power of Japanese iron and steel products in the international market had suffered a serious setback.[6]

Some countries, such as Burma and Ceylon, in the region were planning to construct steel plants. In Burma plans were being completed for the construction of a government-owned steel rolling plant with an annual capacity for processing 5,000 tons of scrap steel. The initial survey had been completed and arrangements were being made for the purchase of machinery and equipment abroad. It is estimated that enough scrap steel is now available to keep the plant in operation for about ten years. In Ceylon, the steel plant was still at its planning stage.

Machinery. Like iron and steel, machinery output in India showed a decline compared with the previous quarter, except for a few items such as diesel engines, machine tools, light tension insulators and motor car batteries. Most items, however, had a larger output than in the first quarter of 1949. In Japan, although the index of machinery production in the first two months of 1950 was about 3 per cent higher than last December, it was at a low level compared with the first ten months in 1949. Production of industrial locomotives, motor vehicles, ring spinning frames, looms, pumps, mining and excavating machinery, pulp and paper machinery and food products machinery was especially low compared with any quarter in 1949.

The machinery industry in India enjoyed prosperity during World War II, but was still in its infant stage. Many branches of the industry had enjoyed tariff protection and other governmental assistance since 1945. The industry, however, was working considerably under capacity because of shortage of raw material, especially steel. In 1949, about one-fifth to one-third of the equipment for producing engineering and electrical goods was not used and the production of machine tools had been only one-third of capacity. The total requirement of steel for India was estimated at 1.5 million tons annually over and above home production. This excess requirement was not being fully met on account of import restrictions. The establishment of new steel plants had not been possible because of shortage of funds. Allocation of steel by the quota system was still maintained.

In Japan, demand for machinery products for industrial rehabilitation and export had boosted the industry after World War II. The increasing trend of production was checked, however, in April 1949 because: (1) domestic demand was reduced as it had been satisfied to a certain degree and by reduction of governmental expenditures and the contraction of credits; (2) prices of iron and steel had risen due to the drastic reduction of subsidies, and (3) export markets became unfavourable as a result of the higher

5 The productivity of direct workers increased from 4.28 tons of steel per month in 1948 to 8.97 tons at the end of 1949 and that of factory workers from 2.22 tons to 4.29 tons.

6 Since the devaluation of the pound sterling, the f.o.b. price per ton of Japanese-made rolled steel has been about $70 for bars, $78 for shapes and $80 for plates which are priced $3, $16 and $15 respectively higher than British products.

cost of production and the devaluation of pound sterling and associated currencies. Small and medium factories felt the recession more than large producers.

Data was not available on machinery production in China in the first quarter of 1950, but the industry in Shanghai was still facing difficulties due to a shortage of basic raw materials, fuel and power. Plans for the production of machinery products in 1950 in Northeast China had been fixed at 3,800 units for electric motors and 3,300 units for machine tools.

Cement. Manufacture of cement in Hong Kong, India, Indochina, south Korea, the Philippines, Thailand and Japan amounted to a monthly average of 547 million tons in the quarter, 9 per cent below the previous quarter and still much above the first three quarters of 1949. The decline was mainly accounted for by an 18 per cent fall of production in Japan, the largest producer in the region, and to a lesser degree, by a decline in Indochina and south Korea. On the other hand, production increased from 5 per cent for India, to 10 per cent each for Hong Kong and Thailand. Compared with the first two quarters of 1949, all producing countries but Indochina showed a substantial increase.

In India, three new cement factories had come into operation and the capacity of other plants was substantially expanded. The total additional capacity was nearly 800,000 tons annually.

The decline in production in Japan during the quarter was mainly due to the rigid restrictions on power consumption and the reaction to active deliveries just prior to the abolition of control in January. As implementation of the 1950/51 budget appropriations for public works was near and free sales had revived requirements in building and construction, however, production in March rose again. Total cement deliveries this year were anticipated to reach 3.6 million tons, or 20 per cent above 1949.

In Ceylon, the Government factory at Kankesanturai would begin supplying cement by the middle of July. The initial annual output was estimated at approximately 105,000 tons.

In China, the target of cement production in the Northeast for 1950 was fixed at 430,000 tons as compared with 218,000 tons in 1949.

Textiles. Production of cotton textiles showed divergent tendencies during the first quarter. In areas of China other than Shanghai and in Japan, production moved upward; while in Shanghai, India and south Korea, it suffered severe setbacks. The combined production of cotton yarn in India, south Korea and Japan in the first quarter averaged 62,400 tons per month, 5 per cent below the first or last quarter of 1949. Production of jute manufactures in India showed a slight improvement while synthetic textiles, like rayon products in Japan, showed a significant increase.

The serious decline in cotton textile production in Shanghai was due to the sudden cutdown of the electric power supply and the shortage of raw cotton. Cotton yarn production of the China Textile Corporation, which accounted for half the total Shanghai output, was 2,000 tons in February. This was only one-third of that in January and less than one-half of the monthly average production in 1949. In March, it rose to 4,600 tons because of the improved electric power supply. To increase the raw cotton supply, a special financial syndicate, the Joint Cotton Purchasing Office of the Textile Mills in Shanghai, was formed by private banks and cotton mills. The Office by listing the total needs of each factory secured an accurate estimate of the city's requirements. Its purchasing agents were sent to all cotton producing areas within China. This assured mills of their share at a reasonable price without competitive bidding and the expenses of collecting cotton on their own. The office's large capital enabled it to send agents to more remote districts so that the total collection was higher than when each factory had carried out its own collection programme. Exemption of import duty on raw cotton, originally effecttive only for the first quarter, had been extended to September. The Government rendered direct aid in purchasing finished products by the state-owned Cotton, Cotton Yarn and Cotton Cloth Corporation. About two-thirds of the privately-operated mills in Shanghai had produced 4,053 tons of cotton yarn and 925,000 bolts of cloth for the Corporation up to 20 April. In North China, many cotton mills signed one or two month contracts with the Corporation for production of yarn or cloth. In Taiwan, the China Textile Corporation's plant was installing 5,000 new spindles out of 10,000 spindles and 300 looms anticipated from Japan. The plant would begin operation when installation was completed.

Cotton-textile production in India in the quarter continued to follow the downward trend of 1949. Output of cotton yarn fell from a monthly average of 49,300 tons in the last quarter to 45,700 tons in the first quarter of 1950, which was 7 and 16 per cent respectively below the monthly average in the last and the first quarter of 1949. Piece goods production fell from a monthly average of 293 million metres in the last quarter to 282 million metres in the first quarter of 1950, which was 3 and 7 per cent respectively below

the monthly average in the first and last quarters in the previous year. This decline was caused by the inadequate supply and high price of raw cotton and the control policy.

In conformity with the anti-inflationary policy, the Government of India had enforced price ceilings for raw cotton and cotton piece goods, but had found it impossible to apply such ceilings to cotton in its unginned state, viz. *kapas,* which was scattered throughout the country. The price of *kapas* rose very high as the demand for it increased considerably after the drastic reduction of cotton supply from Pakistan, the inadequate import for lack of foreign exchange and an increased demand for cotton piece-goods abroad. The more resourceful and efficient mills succeeded in obtaining *kapas* and boosted up the prices, while the marginal mills were left in a difficult position. As a result of the failure of the monsoons, the cotton crop was expected to be less than usual.

Jute manufactures in India in the quarter amounted to a monthly average of 72,700 tons which was slightly above that for the two previous quarters, but still 9 per cent below the corresponding quarter in 1949. The slight recovery was mainly attributed to the improvement in the supply of raw jute. Imports from Pakistan by land for the first time after the devaluation of the Indian rupee reached a sizable value of Rs. 14.6 million in February. The Central Jute Purchasing Board was constituted by the Indian Jute Mills' Association at Calcutta to buy all available jute in the country at fixed prices. Although it intended to make the suppliers realize that they would not get more than these rates and that they must release their stocks to the Board, the supply remained unsatisfactory. At the end of March representatives of the Pakistan Jute Board and the Indian Jute Mills' Association commenced discussions on this problem.

Meanwhile, the establishment of the three jute mills in East Pakistan had been well in progress with the first expected to start producing within twelve to fourteen months. Selected sites were four miles upstream at Narayanganj, the largest island port in the Bharat-Pakistan sub-continent. These were already connected by rail with Narayanganj, while a road link would shortly be provided. Power generating and telephone facilities were being arranged. Their chief promoter had gone to the United Kingdom to purchase machinery.

Textile production showed a continuing upward trend in Japan. Production of cotton yarn and fabric, rayon filament yarn and fabric in the quarter was 5, 25, 11 and 74 per cent, respectively, above the previous quarter and 42, 43, 35 and 127 per cent, respectively, above the corresponding period in 1949. The expansion of cotton textile production was attributed to the favourable supply of raw materials and the expansion of textile exports. Since domestic demand was tapering off considerably owing to the recent shrinkage of effective demand, Japanese manufacturers were concentrating upon export business. Finished fabrics had been offered at lower prices to foreign buyers so that manufacturers could maintain their operation at any cost. The tight money situation added pressure for immediate sale of products and since quotas for American raw cotton were allotted in proportion to the volume of cotton goods exports the mills were stimulated to make as many export contracts as possible. Leading cotton spinning corporations had already sold all May and most of June deliveries.

The rayon industry in Japan progressed rapidly after World War II. It was orginally dependent upon imports of caustic soda, pulp and other raw materials, but had steadily attained self-sufficiency. It could now operate on almost all indigenous materials except a certain proportion of pulp and industrial salt for manufacturing caustic soda. During the last quarter of 1949, with the rapid increase of home production and the levelling off of export expansion, rayon stocks in Japan piled up to the extent that official control became necessary. The control on distribution of rayon filament yarn was abolished in October 1949 and the price ceiling in January this year. After the decontrol, the market price rose a little, but was much below the former black market quotations; and the released home demand helped in reducing the stock-pile and keeping up production, despite the general contraction of effective demand. The future of the industry depended much upon export prospects.

In south Korea, production of cotton yarn in the quarter was reduced by 30 per cent below the previous quarter owing to the shortage of cotton. Production of cotton fabrics in the Philippines in the quarter increased by 25 and 135 per cent respectively above the last and the first quarter of 1949, partly because of import restriction on foreign cotton cloth. In Burma, the Government spinning and weaving plant completed its first successful test runs during March and, according to the present schedule, was expected to be ready for full-scale operation by September. The plant, located at Okkyin, a few miles from Rangoon, contained 20,000 spindles and 200 power looms. In Thailand, the Bangkok mills set up last year by Chinese industrialists would install an additional 4,000 spindles and the production of yarn would be doubled when the new power plant was put

into operation. Two factories were being planned to supply gunny sacks for Thailand's rice trade, which required about 12 million sacks a year. The first shipment of machinery for one of the two factories was already on the way from the United Kingdom. The factory, with an annual capacity of 2 million sacks, was expected to be in operation within 15 months.

Chemicals. Chemical production in China, India and Japan, the three major producing countries in the region, showed steady progress, although there was a shortage in a few raw materials during the quarter.

Production of caustic soda had already exceeded demand in North China. In order to protect the industry, the People's Government announced in early April that import of caustic soda would be prohibited and that the quantity already imported into East China could not be re-exported to North China. Meanwhile, the state-owned China's Department Store decided to purchase the product in bulk and distribute it to other parts of the country. Alcohol also was over-produced and from 15 February all imports of alcohol were prohibited as a protective measure. Targets for paper production in the Northeast for 1950 had been fixed at 50,000 tons as compared with 22,800 tons in 1949. For Shanghai, where 74 per cent of the paper plants on the mainland outside the Northeast were to be found, the target for 1950 was fixed at 60,000 tons.

Monthly average output of major chemical products in India in the quarter showed an increase over the first and the fourth quarters of 1949 except for sulphuric acid and superphosphates and, to a slight degree, liquid chlorine, as compared with the previous quarter. The low production of sulphuric acid was due to some plants being shut down for repairs and overhauling and that of superphosphates to accumulation of stock. During the quarter tariff protection was extended or granted to a few branches of the chemical industry. A three-year protective tariff was granted to the soda ash and plastic industries. A subsidy of 1 rupee per cwt. was granted to soda ash production. The protective duty on imported bichromates and calcium chloride was extended for two more years.

Chemical production in Japan in the quarter continued its upward trend since World War II. The index of chemical production in March 1950 already exceeded the pre-war (1932-36) average by 7 per cent while in the first quarter of 1949 it was only 68 per cent of the pre-war level. Index of heavy chemical production in March was 58 per cent over pre-war, but its rate of increase was slower than for other chemicals during the year ending March 1950. Manufacture of superphosphate of lime registered the highest figure since the surrender due to the improved import of phosphate rock. Despite the increase in the allotment of industrial salt, manufacture of soda ash and caustic soda showed only a slight improvement because of the recent rise of electric power rates. These were reflected in raised soda ash and caustic soda prices and reduction of power allocation. The price of chemical fertilizers was also expected to be raised. The subsidy to these industries would be reduced gradually in line with the price rise and would be entirely abolished from August 1950 for soda ash and caustic soda and some time in 1950/51 for chemical fertilizers.

INTERNATIONAL TRADE

Factors Affecting Trade

Devaluation of currencies in September 1949 helped to improve balances of trade in some countries of the region during the last quarter of 1949 and more so in the first quarter of 1950. Devaluation, adverse balances of trade and other factors led however to speculation in Indonesia, the Philippines, Japan, Pakistan and India as to the possible changes in the foreign exchange value of their currencies. In Indonesia, the 50 per cent demonetization of the Indonesian guilder was mainly responsible for the speculation. In Japan, it was doubted that the country could compete effectively in the sterling area because of sterling devaluation and the protection given to certain industries in India. Rumours of revaluation of the Pakistan and Indian rupee to a new parity of e.g. 1s.9d. arose mainly from the exchange deadlock between the two countries.

Trade and exchange control continued in the first quarter in almost all countries of the region. India's decision to continue trade controls until 31 March 1955 was signified by passage of the Import and Export (Control) Amendment Bill. In China, control by the Peking Government over trade was increased by the centralization of imports and exports under the Ministry of Trade. In Thailand, stricter import controls were effective from 15 December 1949, whereby the import of many toilet accessories was prohibited. In the Philippines, largely as a result of loss in import duties, the House Import and Price Control Committee recommended that import controls on such items as cigarettes be relaxed when the existing Act terminated in April. In Ceylon, however, import controls were relaxed considerably in March. Goods, including luxuries, could be imported more freely from soft currency countries.

In all countries of the region, import controls from dollar countries continued to be strictly enforced; even Ceylon tightened such imports inasmuch as US$10

TRADE AGREEMENTS NEGOTIATED AND/OR FINALIZED IN THE FIRST QUARTER 1950

I. JAPAN—ECAFE COUNTRIES

Contracting parties	Period valid	Value of trade and types of commodities	Type of agreement	Remarks
Japan-Sterling Area	June 1949—June 1950	Sterling area's exports, £55 million, consisting of cereals, cotton, wool, iron ore, rubber, salt, petroleum, hides and skins and tanning materials etc. Sterling area's imports, £45.5 million, consisting of textiles, machinery, canned fish, lumber, electrical products, metals, chemicals, potteries, glassware, etc.	Issuance of licences towards balanced trade.	Concluded in November 1949. On 30 June 1949 Japan had a favourable balance of trade of £10 million with the Sterling Area.
Japan-Ceylon	June 1949—June 1950	Ceylon's imports, Rs. 32 million.	Licences	Participation in the Japan-Sterling Area agreement.
Japan - Malaya, Sarawak and North Borneo	June 1949—June 1950	Malaya, Sarawak and North Borneo, imports, US$ 42 million, consisting of textiles, constructional steel and other building materials, foodstuffs and sundries.	Licences	Participation in the Japan-Sterling Area agreement.
Japan-Pakistan	June 1949—June 1950	Pakistan's exports consisting of 127,000 bales of raw cotton and raw jute, 2 million lbs. of raw wool and hemp, 46,000 tons of cotton seeds, 20 000 tons of rock salt, 500 tons of cotton linters, 100 tons of hides and Rs. 300,000 of animal products. Pakistan's imports, US$ 25 million, consisting of manufactured goods such as cotton textiles and machinery, hydro-electric plants, chemicals and electrical goods etc., and 60,000 spindles and 500 looms.	Licences	Participation in the Japan-Sterling Area agreement.
Japan-Burma	1 Jan. 31 Dec. 1950	Burma's exports, US$ 24.67 million f.o.b. Burma, consisting of rice, cotton seed, rubber, antimony ore, tungsten ore etc. Burma's imports, US$ 24.67 million c.i.f. Burma, consisting of manufactured products e.g. textiles, iron and steel products, electrical goods, rubber goods, chemicals etc.	Licences	Payment to be made on a pound sterling basis.
Japan-Hong Kong		Hong Kong's exports, HK$ 35 million, consisting of foodstuffs, oils and fats, oil seeds, metals etc. Hong Kong's imports, HK$ 35 million, consisting of ceramics, chemicals, machinery and equipment, paper, textiles etc	Issuance of licences towards balanced trade.	Negotiating stage.
Japan-Korea	25 Dec. 1949—31 March 1950	Korea's exports, US$ 577,000. Korea's imports, US$ 5.11 million.	..	
Japan-Philippines	..	Philippine's exports consisting of raw materials including abaca, lumber, manganese and iron ore etc. Philippine's imports consisting of machinery, chemicals, drugs etc.	Barter trade	Concluded in early April 1950.
Japan-Thailand	January—December 1950	Total trade, US$ 90 million. Thailand's exports consisting of food and raw materials and imports consisting of manufactured goods, including structural steel, building materials, chemicals, transport equipment etc.	Balanced trade on an open account basis in US$.	Represented a 50 per cent increase over the previous one of US$ 60 million. Rate of exchange, Baht 20 = US$ 1.

II. UNITED KINGDOM—ECAFE COUNTRIES

Contracting parties	Period valid	Value of trade and types of commodities	Type of agreement	Remarks
United Kingdom-Ceylon		Ceylon's exports consisting of 130 million pounds tea.	Tea contract	Negotiations in process for a new agreement as its predecessor was to expire in March 1950.
United Kingdom-Indonesia		Indonesia's exports, £ 13 million consisting of copra, palm oil, tea, rubber, hides and skins etc. Indonesia's imports, £ 7 million consisting of electrical equipment, motor-cars, textiles, chemicals and pharmaceuticals.		
United Kingdom-Thailand	Signed March 1950.	Thailand's exports consisting of rice to Malaya, 220,000 tons; Singapore, 80 000 tons; Hong Kong, 120.000 tons; Sarawak, 13,500 tons; North Borneo, 6 000 tons and United Kingdom, 25,000 tons. Total 464,500 tons	Rice contract. Payment in sterling	Price at £ 40 per ton. Rate of exchange to be at official rate of 35 Baht to £1.

TRADE AGREEMENTS NEGOTIATED AND/OR FINALIZED IN THE FIRST QUARTER 1950—*contd*

III. OTHER EXTRA-REGIONAL COUNTRIES—ECAFE COUNTRIES

Contracting parties	Period valid	Value of trade and types of commodities	Type of agreement	Remarks
West Germany-India		India's exports, US$ 25-40 million, consisting of tobacco and various raw materials. India's imports, US$ 25-40 million, consisting of technical equipment.	Issuance of licences towards balanced trade.	Negotiations for new agreement as existing one for a US$ 25.2 million total would expire on 20 June 1950
West Germany-Pakistan	Early 1950 30 June 1950	Pakistan's exports, US$ 42.14 million f.o.b., consisting of food and agricultural products, textiles including raw jute and raw cotton, hides and skins, chemicals and chromium. Pakistan's imports, US$ 41.77 million f.o.b., consisting of chemicals, metal products, iron and steel, machinery, vehicles, electrical goods etc.	Issuance of licences towards balanced trade through normal channels	Agreement on "most favoured nation" treatment regarding customs duty, regulations on import, export facilities shipping etc. Provision made for acquisition of patent rights, trade marks etc.
West Germany-Thailand		Thailand's exports consisting of rice.		Negotiations in progress during February 1950.
Czechoslovakia-India	March 1950—March 1951	India's exports consisting of jute and jute products, iron ore, mica, shellac, hides, coffee and spices. India's imports consisting of light engineering products, glass, textiles, paper and ceramics.	Licences	Negotiations as old agreement expiring on 31 December 1949 was extended only for three months.
Czechoslovakia-Pakistan	31 Dec. 1949 31 December 1950	Pakistan's exports consisting of 28,000 bales of cotton; 85,000 pucca bales of raw jute; 500,000 pieces of raw cowhides; 520,000 pieces of goat and sheep skins and 500 tons of fishmeal and dried fish. Pakistan's imports, £ 28.5 million, consisting of manufactured goods ranging from crockery, playing cards, combs, needles to machine tools, tractors, diesel engines etc. and 5,000 tons of chemicals, paints, newsprint etc.	Issuance of licences towards balanced trade through normal channels.	Signed on 31 December 1949. Payments to be made in pounds sterling. Provision made for issue ance of additional licences if necessary to balance trade.
Sweden-India		Discussion on supply and availability in each country of commodities mutually important.		Negotiations in February 1950.
Sweden-Indonesia	1 March 1950	Indonesia's exports consisting of copra, rubber, tobacco, spices, cinchona barks and kapok. Indonesia's imports consisting of machinery, ball bearings and various consumer goods.		
Iran-India		Would concern commerce and navigation.		Negotiations in January 1950.
Iraq-India		Exchange of foodstuffs.		Negotiations.
Switzerland-India				Negotiations in March 1950 as existing agreement expired 28 February 1950.
Spain-Pakistan				Negotiations continued during first quarter 1950.

IV. ECAFE INTRA-REGIONAL TRADE AGREEMENTS [a]

Contracting parties	Period valid	Value of trade and types of commodities	Type of agreement	Remarks
Ceylon-Thailand		Thailand's exports, 80,000 tons rice.	Rice contract	
Indonesia-Thailand	One month in early 1950.	Thailand's exports, 12,000 tons rice.	Rice contract	At £ 40 per ton.
Philippines-Thailand		Total trade valued at US$ 25 million per year. Thailand's exports consisting of rice and its imports, mainly vegetable oils.	Barter	Renewable annually unless six months' notice given.
Ceylon-Burma		Burma's exports, 356,000 tons rice.	Rice contract	1950 shipment.
India-Burma		Burma's export, 106,000 tons rice.	Rice contract	1950 shipment.
Indonesia-Burma		Burma's export, 152,000 tons rice.	Rice contract	1950 shipment.
Malaya and Singapore-Burma		Burma's export, 41,000 tons rice.	Rice contract	1950 shipment.

a. Over and above the participation of Hong Kong, Malaya, Singapore, North Borneo and Sarawak in the United Kingdom-Thailand rice agreement.

million had been spent by the end of December 1949 out of the US$18 million allocated from the sterling area dollar pool for the period July 1949 to June 1950. Only machinery and equipment required for the economic development of Ceylon were allowed to be imported. Malaya and the Philippines also continued to exercise strict controls over dollar imports.

The trade policies of the ECAFE countries continued to be directed towards increasing exports though conserving essential commodities, reducing non-essential imports and maintaining balanced trade at as high a level as possible. This policy of balanced trade was most noticeable in India, the Philippines and Japan.

In India, protective tariff was continued for periods varying up to 1951 and 1953 for starch, cotton-textile machinery, electrical motors, glass and glassware, cotton, hair belting, cocoa powder and chocolate, sewing machines, non-ferrous metals, aluminium and ferro-silicon, but reduced for cellulose nitrate, rennet cassein, ploy vinyl chloride and small tools. Protective tariff was to be discontinued after 31 March 1950; but the Government, if it wished, would levy duties for revenue purposes on steel belt lacing and sugar. In Pakistan, a tariff commission was constituted for the first time in January 1950 for an initial period of three months; it would study and review the question of protection and assistance given to various industries.

The desire to increase balanced trade was evident in the large number of trade agreements negotiated or signed during the first quarter, which provided for the issuance of export/import licences up to certain prescribed limits for individual groups of commodities. Some provided for barter transactions. The agreements concluded with other countries by Burma and Thailand were for the sale of rice, while Pakistan and India attempted to find alternative sources of supply in the face of their existing exchange and trade deadlock. Most agreements were signed by ECAFE countries with Japan and the United Kingdom and a few with west Germany, Sweden, Czechoslovakia and other European countries. Agreements between countries within the ECAFE region constituted only a small proportion of the total trade agreements signed. (See table on pages 10-11).

General Pattern of Trade

Available statistics of some ECAFE countries for the first quarter of 1950 indicated an increase in the total value of external trade in terms of national currencies, as compared with the last quarter of 1949, owing to the September 1949 devaluation of currencies. As compared with the last quarter of 1949, imports during the quarter increased in Burma, Japan and Malaya, while increases in exports took place in Indochina, Indonesia, Japan, south Korea, Malaya and Pakistan. Decreases in imports were registered in Ceylon, India, Indochina, Indonesia, south Korea and Pakistan; and decreases in exports in Ceylon, Hong Kong and India. The balance of trade improved during the first quarter of 1950 as compared with the last quarter of 1949 in India, Indonesia, Malaya and Pakistan. In Ceylon the positive balance of trade was slightly smaller than in the fourth quarter. Burma, Hong Kong, Indochina, south Korea and Japan, however, still showed unfavourable balances. In Burma and Hong Kong, the import surplus more than doubled during the first quarter of 1950 as compared with the fourth quarter of 1949. In Indochina and south Korea, although there was an import surplus, the amount was reduced in the first quarter of 1950 as compared with the fourth quarter of 1949. In Japan the import surplus, though considerably greater than in the fourth quarter, was less than in the first quarter of 1949. In Thailand there was an unfavourable balance of trade in January 1950 as compared with the favourable balance in 1949.

Exports. From available statistics for the first quarter of 1950 countries in the region except Burma, Pakistan and Thailand registered higher values of exports than in the first quarter of the previous year. (Ceylon, Hong Kong, India, Indochina, Indonesia, Japan, south Korea and Malaya in the first quarter was above that in the last quarter of 1949). The increase in the value of exports from the countries might be attributed to devaluation and the desire on their part to promote exports.

INDICES OF VALUE OF EXTERNAL TRADE

(1948 = 100)

Country	Exports			Imports			Total		
	1949		1950	1949		1950	1949		1950
	1st Quarter	4th Quarter	1st Quarter	1st Quarter	4th Quarter	1st Quarter	1st Quarter	4th Quarter	1st Quarter
British N. Borneo	...	.	192	...	...	129	.	...	163
Burma	131	18	51	50	65	73	97	55	61
Ceylon	96	121	118	115	97	95	105	109	107
Hong Kong	123	195	172	105	161	164	113	177	168
India	98	133	132	125	106	72	113	118	99
Indochina	109	92	112	117	198	118	111	163	136
Indonesia	121	161	163	98	121	101	109	142	131
Japan	186	187	223	133	78	130	118	108	155
South Korea	52	90	157	78	58	55	76	61	61
Malaya	102	111	130	99	108	116	101	111	123
Pakistan	140	81	118	134	74	68	136	77	90
Thailand	166	159	91[a]	123	131	132[a]	146	146	111[a]

a January only.

Imports. The value of imports increased in Burma. Malaya and Thailand during the first quarter of 1950. In Hong Kong, Indochina and Indonesia imports, though less than in the fourth quarter of 1949, were higher than in the first quarter of 1949. Decreases in imports were registered in Ceylon, India, south Korea and Pakistan during the quarter as compared with the first and last quarters of 1949. In Japan though imports were more than in the last quarter, they were less than in the first quarter of 1949.

The decrease in imports in Ceylon, India and Pakistan was largely due to the continuation of strict import controls. The major reason for an increase in imports was the need for food in Malaya and for rehabilitation in Indonesia.

Balances of trade. Positive balances of trade were registered in India, Indonesia, Malaya and Pakistan in the first quarter of 1950 which were greater than the small positive balances during the last quarter and contrasted with the adverse balance of the first quarter of 1949. In Ceylon, the positive balance in the first quarter of 1950 was greater than that of the third quarter, though slightly less than that of the fourth quarter of 1949. British North Borneo's favourable balance of trade in the first quarter of 1950 was greater than the monthly average favourable balance of M$300,000 in 1949. In Burma, Hong Kong, Indochina, Japan and south Korea unfavourable balances of trade continued. In Hong Kong the import surplus was greater than in either the first or last quarter of 1949, while in south Korea, it was less. In Japan the unfavourable balance, though greater than the last quarter, was less than in the first quarter of 1949.

BALANCES OF TRADE

(monthly average in millions)

Countries having favourable balances of trade in the first quarter of 1950.		Quarters. I, 1949	IV, 1949	I, 1950
British North Borneo	(M$)	...	.	+ 2.1
Ceylon	(Rs.)	- 11.6	+ 21.0	+ 20.3
India	(Rs.)	-196.6	+ 8.7	+ 151.3
Indonesia	(Fl.)	+ 11.6	+ 22.1	+ 45.1
Malaya	(M$)	- 2.0	+ 4.0	+ 11.8
Pakistan	(Rs.)	- 23.7	- 10.2	+ 23.8
Countries having unfavourable balances of trade in the first quarter of 1950.				
Burma	(Rs.)	+ 59.8	- 1.9	— 4.0
Hong Kong	(HK$)	— 18.3	- 25.6	- 56.7
Indochina	(Pr.)	123.0	299.7	-182.4
Japan	(US$)	35.8	— 1.2	26.0
South Korea	(US$)	11.5	7.7	- 6.2
Thailand	(Baht)	+101.7	+ 38.3	31.3

Trade in selected commodities

Rice. Export of rice from Burma, Indochina and Thailand during the quarter totalled 532,000 tons, only 62 per cent of that in the corresponding quarter in 1949.[7] Exports were especially low in January and February because exporters were waiting for the conclusion of trade agreements by their governments with rice-importing countries. The drastic reduction in the British purchases and shipments during January and February and the piling up of the backlog in Thai mills compelled the farmers to sell their rice in rural areas below the government-fixed prices, while the Government's Rice Bureau borrowed money to tide over

7 For imports of rice into countries of Asia and the Far East, see table VI in Section III, Asian Economic Statistics.

EXPORT OF RICE

(in thousand metric tons)

	1949				1950			
	Quarter I	Quarter II	Quarter III	Quarter IV	Quarter I	Jan.	Feb.	Mar.
Burma	422.7	346.4	260.8	160.3	151.1	15.7	37.2	98.2
Indochina	34.6	46.2	11.6	1.4	33.0	6.6	11.0	15.4
Thailand	408.1	323.2	212.5	271.4	347.9	65.4	92.1	190.4
Total ...	865.4	715.8	484.9	433.2	532.0	87.7	140.3	303.9

Source: United Kingdom Ministry of Food, *Food Statistics Relating to South East Asia.* June, 1950.

its temporary cash shortage. In Burma the decrease of exports was also attributed to a depletion of stocks at the ports and a delay in transporting rice from the surplus areas to the ports.

After the termination of the International Emergency Food Council on 1 January 1950, rice was no longer supplied to importing countries according to the allocation fixed by the Council. Governments of the exporting and importing countries started negotiations for trade agreements.

Surplus rice for export from Thailand during the year was estimated at 1.2 million tons. From February to April about 900,000 tons had already been contracted for delivery to Ceylon, Indonesia, Japan and the Philippines under separate agreements and to the United Kingdom and its South East Asia territories under the United Kingdom-Thailand trade agreement. These exports were on a government-to-government basis, but some small-sized exports were contracted for by private traders with Canada, Europe and the Middle East upon permission of the Thai Government.

Exports from Burma for 1950 were estimated at 843,000 tons. With the extension of control over the insurgent areas, the Government hoped to make available an additional 200,000 — 300,000 tons to raise the estimated quantity of 1950 exports to above 1 million tons. From February to April, about 823,000 tons of rice had been contracted under trade agreements with Ceylon, India, Indonesia, Japan, Malaya and Singapore. Rice shipments from Burma to Pakistan were suspended after devaluation when Pakistan refused to continue payment at the pre-devaluation rate.[8] The distribution of rice exports from both Burma and Thailand scheduled under trade agreements, so far as information is available, is shown in earlier table on trade agreements.

The Government of the Republic of Korea had been negotiating since early December 1949 to export 100,000 tons of rice to Japan; the foreign exchange so obtained was to be used to purchase cheaper grains.

Vegetable oils. Monthly average exports of such vegetable oils as coconut oil, palm oil, and copra and palm kernels (in oil equivalent) during the first quarter of 1950 from eight countries (British North Borneo, Sarawak, Ceylon, Hong Kong, Indonesia, Malaya and Singapore and the Philippines) in the region were 50,650 tons, 29 per cent and 16 per cent, respectively, below the fourth and first quarters of 1949. The reduction was notable in Ceylon and the Philippines. In Ceylon, uncertainty in the export policy on coconut products had an adverse affect on the exporters and oil-crushing mills. On 21 December 1949, the government declaration of a free market for all coconut products resulted in a rise of prices and difficulty for the Government in meeting its export contracts for 10,000 tons at lower prices fixed prior to the announcement. Local oil-crushing mills also complained that the supply of copra was inadequate to keep them going. As a result, the Ceylon Government placed a ban on the export of fresh coconuts, but it was lifted towards the end of February. In Indonesia, export of copra was especially low in February, partly due to the strike of dock workers. In the Philippines, the exports of copra and coconut oil decreased from the peak of 39,800 tons in the third quarter of 1949 to 36,480 tons in the fourth quarter and to 25,980 tons in the first quarter of 1950. A factor in the decline was the devaluation which increased the prices of Philippine copra and coconut oil as compared with those from the sterling area. This unfavourable market abroad made many crushing mills idle.

8 Pakistan intend to make an all-out effort to increase wheat cultivation in order to cut down future food imports.

Tea. Monthly average of tea exports in the first quarter of 1950 from Ceylon, India, Pakistan, and Indonesia was estimated at 27,200 tons, considerably below that of the last quarter of 1949. Early in the year, the Ministry of Food of the United Kingdom was negotiating new contracts for about 465 million pounds of tea with the Governments of Ceylon, India and Pakistan. Negotiations with Ceylon, nearly half of whose annual production is consumed by the United Kingdom and whose trade in the past has provided stability to the Colombo tea market, had been prolonged by differences in price, quantity and purchasing methods. Negotiations were started in March upon expiration of the 1949/50 agreement. Since the market price in the Colombo auctions had been consistently above the average price of Rs. 1.62 per pound under the previous agreements, Ceylon demanded a price increase. In April, the two Governments agreed on a Rs. 1.86 price per pound, but Colombo trade circles estimated that producers would supply under it only about half the amount sought.

Since the weekly tea ration had increased from 2 to 2.5 ounces in December, the United Kingdom desired to buy more than the 130 million pounds contracted for under the previous agreement, but Ceylon was reported as having agreed to allow producers to tender only 110 million pounds. Instead of the bulk buying of the previous year, which it blamed for supply of an inferior quality of tea, the United Kingdom wished to reopen the pre-World War II London auctions. This was alleged to be more advantageous to the United Kingdom which could then re-export tea to hard currency areas and produce more freight, insurance and banking income.

Ceylon contended that the shipping of the inferior tea had been partly due to its low price and desired that all the tea be bought through the Colombo auctions. This would allow Ceylon to obtain the best tea prices, diminution of the middlemen's commission and the earning of hard currency. The Colombo auctions had considerably expanded since 1942. While in 1938 the United States purchased 50 per cent of its requirement of Ceylon tea at London auctions, all was purchased now through Colombo auctions. Ceylon could also not agree to the reopening of London auctions until rationing and price control of tea in the United Kingdom had been abolished.

The Interim Producers Agreement entered into by the representatives of the tea industry in Ceylon, India, Indonesia and Pakistan ended 31 March 1950, but a Five-Year International Tea Agreement was expected to be signed by the tea producers in the four countries in continuance of the International Tea Regulation Scheme.

Rubber. Parallel with the decrease in production, export of natural rubber from countries in the region during the quarter declined to a monthly average of 117,650 tons, 6 and 4 per cent, respectively, below the fourth and first quarters of 1949. Effect of devaluation was shown in the increase of natural rubber exports from countries in the region to the United States from 137,000 tons in the third quarter of 1949 to 177,000 tons in the fourth quarter. In the first quarter of 1950, however, the exports decreased again to about 165,000 tons. As the price of rubber in New York rose by 11 per cent and export to the United States decreased only by 7 per cent between the last quarter and this quarter, the exporting countries were generally not worse off in terms of dollar value.

Tin. Tin concentrates produced in countries of the region, except Malaya where local smelting facilities exist, are usually exported. In 1949 about 40 per cent of the tin concentrates mined in the region (mostly from Indonesia and Thailand) was exported. In the first quarter of 1950 monthly average export of 2,560 tons in tin concentrates from Indonesia was an improvement over the downward 1949 trend, but was still below export for the first quarter in 1949. Monthly average export of 760 tons from Thailand in the quarter was much lower than that in the last quarter, but was a little above the first quarter in 1949.

Indochina and Burma usually exported most of the tin concentrates produced and Thailand, a portion, to Singapore and Penang, for smelting. Some tin concentrates from Burma were exported to the United Kingdom and those from Thailand to the United States. Tin concentrates produced in Indonesia had been exported mainly to the Netherlands and the United States since World War II.

During the quarter exports to the United States of 928 tons from Indonesia and 701 tons from Thailand showed a considerable decrease, being for Indonesia 50 and 78 per cent below; and for Thailand 30 and 28 per cent below, those in the last and the first quarters of 1949. On the other hand, export of tin concentrates from Indonesia to the Netherlands increased from 4,913 and 4,470 tons, respectively, in the first and fourth quarters in 1949 to 6,731 tons in the first quarter of 1950 and export to Malaya from Thailand increased from 568 and 1,357 tons, respectively, in the first and last quarters in 1949 to 1,595 tons in the first

quarter of 1950. The decrease of export to the United States was attributed to the insistence by the Reconstruction Finance Corporation that payments be based on prices prevailing one month after arrival of shipment at Galveston, Texas.

Export of tin metal from the region was mainly from Malaya and Singapore, one of the largest smelting centers in the world. In the quarter, total export of tin metal from Malaya and Singapore was 17,770 tons, slightly below the corresponding quarter in 1949, but 9 per cent above that in the last quarter. Export to the United States declined, while export to Europe increased considerably. Export of tin metal from Hong Kong was reduced in the quarter to only one-half of that in the last quarter and two-thirds of that in the first quarter in 1949. This reflected low production and export of tin from China.

Cotton textiles. Trade in cotton yarn and piece goods was active in the region's two *entrepots*, Hong Kong and Singapore. Most imports from China, India and Japan and extra-regional countries like the United Kingdom and the United States were re-exported to countries where cotton yarn was used for hand loom weaving and cotton piece goods for direct consumption. Average monthly imports of cotton goods into Hong Kong, Malaya and Singapore during the first quarter were 3.7 million tons, compared with 2.6 and 0.7 million tons, respectively, in the fourth and first quarters of 1949. Import of cotton yarn into India was halved from 668,000 tons in the third quarter to 316,000 tons in the fourth quarter of 1949 and amounted to only 6,800 tons in the first quarter of 1950, mainly due to the devaluation of the Indian rupee; import of cotton yarn into Ceylon increased and that into south Korea decreased in the quarter, as compared with the last quarter of 1949.

Export of cotton piece goods from India, Japan, Malaya and Singapore increased during the quarter, while export from Hong Kong decreased, as compared with the first quarter of 1949. A substantial increase in India's export of cotton piece goods from a monthly average of 36.3 million yards in the third quarter of 1949 to 92.5 million yards in the first quarter of 1950 reflected influence of devaluation. The export target of 800 million yards for 1949/50 would soon be reached. Owing to the increased exports it was thought that India could, by removing its export control and raising the existing price of Indian cotton cloth abroad, obtain more foreign exchange. Since a rise in export prices might also induce a rise in domestic prices in contradiction of its anti-inflationary policy, the Government hestitated to remove the control until early January when mills in direct export trade could sell at any price obtainable.

In late March the Government also changed its export quota system: (1) to extend the quota from 800 million yards for the year ending August 1950 to 1,000 million yards for the 16 month-period ending December, 1950; (2) to grant freely licences for export to hard currency countries and to exclude sales on all cloth made after 1 April from their quota; and (3) to make sales for exports of handloom cloth, fine and superfine cloth from 1 April outside the quota.

Exports of cotton piece goods from Japan during the quarter averaged 65.6 million square yards per month, compared with 41.5 and 52.0 in the first and fourth quarters, respectively, of 1949. The increase resulted from the favourable supply of raw cotton and the cut in export price.

PRICE MOVEMENTS

Inflationary tendencies were noted during the first quarter of 1950, as compared with both the first and last quarters of 1949, in Ceylon, Hong Kong, India, Indonesia, south Korea and Malaya; and deflationary tendencies in Burma, Indochina, Japan, the Philippines and Thailand. The major inflationary pressures were monetary expansion and export surplus. In some cases, although production had increased, it was offset by inflationary pressures. The major reasons for deflationary pressures were monetary contraction and import surplus.

Rises in Prices

Judging from the wholesale price indices, prices rose in India and south Korea in the quarter, as compared with both the first and fourth quarters of 1949. South Korea's cost-of-living index also rose, but in India the cost-of-living indices fell. Prices rose in Ceylon, Hong Kong and slightly in Malaya, as judged by cost-of-living indices, and in Indonesia by food indices. In Ceylon, the price rise, started since the devaluation, continued. Indonesia's food prices were also higher than in either the first or the fourth quarter of 1949, whereas Malaya's cost-of-living index in January 1950, though higher than in the fourth quarter, was lower than in the first quarter of 1949. Hong Kong's prices had been rising steadily since the end of 1948.

PRICE INDICES

(1948 = 100)

	1949 quarters				1950			
	I	II	III	IV	I	Jan.	Feb.	Mar.
Burma (Rangoon)[a]	128.3	141.1	149.0	122.0	116.5	120.0	116.1	113.3
Ceylon (Colombo)[a]	100.1	98.0	98.5	100.6	103.6	104.2	104.2	102.3
Hong Kong[a, d]	100.0	121.7	120.7	132.6	134.8	...	...	134.8
India[b]	101.5	102.7	105.3	105.8	106.2	104.8	106.9	106.9
Indochina								
Cambodia (Phnom-Penh)[a]	126.2	138.2	141.7	146.6	142.8	142.7	143.1	142.7
Laos (Vientianne)[a]	106.1	115.9	120.7	115.9	108.1	107.3	107.9	109.2
Viet-Nam (Saigon)[b]	123.7	119.1	129.6	127.4	115.1	118.9	114.7	111.8
Indonesia (Djarkarta)[c]	87.3	110.0	88.5	101.4	105.3	104.9	103.4	107.6
Japan[a]	136.3	140.7	140.7	134.0	131.3	136.0	130.0	128.0
South Korea (Seoul)[b]	109.0	119.8	148.3	170.0	202.3	197.7	265.4	204.0
Malaya[a]	96.5	93.1	92.8	93.9	...	94.2	...	...
Philippines (Manila)[a]	95.9	95.1	93.2	91.1	...	90.7	92.2	...
Thailand (Bangkok)[b]	94.1	95.1	93.3	91.1	90.1	90.1	90.2	90.1

a. Cost of living.
b. Wholesale prices.
c. Food prices.
d. Last month of each quarter.

Monetary expansion was a major inflationary factor in Ceylon, Hong Kong, Indonesia and south Korea, and export surplus in Ceylon, India, Indonesia and Malaya. In Hong Kong, price rises occurred in spite of increasing import surpluses. While decline in industrial production had an inflationary effect in India, in many other countries prices rose in spite of increases in production.

The trade and production factors have been dealt with in previous sections. Influence of the monetary factor was felt in south Korea, where currency in circulation increased. The monthly average of loans and advances by the Bank of Korea to the Government increased from W.130 million during the first quarter to W.415 million in the last quarter of 1949 and to W.453 million in January/February 1950. Deposit money and bank clearings also remained high. In Ceylon the inflationary pressures from the monetary side were partly offset by the deflationary pressures from the export surplus. In India, currency, deposit money and clearings were higher than in the last quarter of 1949, though still lower than in the first quarter of 1949.

In Hong Kong although total note issue decreased, it did not indicate deflationary pressure as large amount of Hong Kong notes returned from circulation in China. Bank clearings, though less than in the last quarter, were higher than in the first quarter of 1949.

INDICES OF CURRENCY, DEPOSIT MONEY AND CLEARINGS[a]

(1948 = 100)

	Currency			Deposit Money			Bank Clearings		
	I 1949	IV 1949	I 1950	I 1949	IV 1949	I 1950	I 1949	IV 1949	I 1950
Burma	..	..	...	111	118	111	91	68	86
Ceylon	99	101	105	112	139	116	100	129	133
Hong Kong	108	103	103	..	..		119	133	127
India	94	88	92	92	84	85	104	94	95
Indochina	...	...	..	112	121	140	...	..	...
Indonesia[b]	100	116	127	100	122	181	..	...	..
Japan	130	128	126	123	151	155	192	289	279
South Korea	121	200	209	148	228	226	129	277	273
Malaya	100.2	100.5	100.9	...	..	...	..	...	..
Philippines	109	112	110	107	89	89	91	95	77
Thailand	112	113	118	96	103	..	138	161	174

a. See notes to table VII in Section III, Asian Economic Statistics.
b. First quarter 1949 = 100.

In Indonesia, private deposits of the Bank of Java increased from Fl.690 million in the first quarter of 1949 to Fl.843 million in the last quarter and to Fl.1,251 million in the first quarter of 1950. The amount of loans and advances by the Bank of Java to the Government also increased from Fl.834 million in the first quarter of 1949 to Fl.1,140 million in the last quarter and to Fl.1,659 million in the first quarter of 1950. The total quantity of Government notes and Bank of Java notes in circulation increased from Fl.1,580 million in the first quarter of 1949 to Fl.1,828 million in the last quarter and to Fl.2.000 million in the first quarter of 1950.

In Ceylon the rise in prices had also been due to deficits in Government finance amounting to Rs.600,000 in January 1950 as compared with a surplus of Rs.17.5 million in the corresponding month of 1949. This deficit rose to Rs.3.6 million in February 1950. The inflationary effects of these deficits on prices were especially marked as a surplus of Rs.30.7 million had been estimated for October 1949 to February 1950.

Fall in Prices

Fall in prices took place in Burma, China, Indochina, Japan, the Philippines and Thailand. In Thailand, the price index for the quarter remained the same as December 1949, indicating an end to the continuous fall experienced since 1947. In the Philippines, although prices rose as compared with the last quarter, they were still lower than in the first quarter of 1949. In Cambodia, the trend toward rising prices were reversed, while in Burma and Laos the fall in cost-of-living indices during the fourth quarter of 1949 continued into the first quarter of 1950. In Japan, cost-of-living and black market prices continued the declining trend of 1949. The upward revision of certain official prices, however. raised the official wholesale price index above that of the last quarter.

Of the deflationary factors, the increase of production was important in the Philippines and Thailand, while probable import surpluses and improvement in transport were important for Burma, owing to larger areas being cleared of insurgents. In Indochina and Japan, prices fell in spite of inflationary pressure from the monetary side.

The deflationary effect of the monetary factor was most noticeable in the Philippines where total bank debits to checking accounts declined from the monthly average of P.701 million during the first quarter of 1949 and of P.732 million during the last quarter to one of P.597 million in the first quarter of 1950. In Indochina and Thailand, although the monetary factor had been inflationary, prices had fallen. The average total deposits of commercial banks in Indochina increased from 1,263 million piastres in the first quarter of 1949 to 1,357 million piastres in the last quarter and to 1,582 million piastres in the first quarter of 1950. The amount of loans and advances increased from 488 million piastres in the first quarter of 1949 to 668 million piastres in the last quarter and to 742 million piastres in the first quarter of 1950. Expansion of banking funds was accompanied by greater utilization as the percentage of advances and bills discounted to total deposits increased from 37.7 in the first quarter of 1949 to 49.2 in the fourth quarter and to 46.9 in the first quarter of 1950.

In Burma, there appeared to have been an increase in the volume of notes in circulation as the foreign balance held by the Union Bank of Burma in the quarter was Rs.146 million as against Rs.106 million during the first quarter and Rs. 206 million during the last quarter of 1949. As Burma is on the automatic sterling exchange standard, changes in foreign balance indicated changes in currency circulation. Although demand deposits were lower than in the last quarter and about the same as in the first quarter of 1949, the utilization of banking funds was greater, as the per cent of advances and bills discounted to total deposits increased from 35.6 in the first quarter of 1949 and 20.7 in the last quarter to 41.6 in the first quarter of 1950. The net effect appeared to have been neutral, as the Union Bank of Burma, which had lent about Rs. 4 to Rs. 10 million during the first quarter of 1949, stopped lending after the end of June 1949. The Union Bank's support to the Government treasury bills was also reduced.

In China, where hyper-inflation had been taking place for the last ten years, signs of stabilization were visible during the quarter. Subscription of the quarter's 100 million *fen*[9] victory bond quota and parity unit deposits[10] absorbed much of the purchasing power of the people. With the improvement in tax collection and other receipts, government deficits were reduced by 80 per cent, as compared with January and by 72 per cent, as compared with February. Emphasis on austerity in living was reflected in price fall. Prices in North China, which had risen by 140 per cent, and those in East and South China, as represented by Shanghai and Canton, respectively, by more than 70

9. A fen is a commodity unit equivalent to the value of 3 kilogrammes of rice, 0.75 kilogramme of wheat flour, 1.33 meters of cotton cloth and 3 kilogrammes of coal.

10. Parity unit deposit is a kind of deposit the purchasing power of which on a specified quantity of commodities is maintained constant.

per cent, from the end of December 1949 to the end of February 1950, began to fall in North China in the first week and in East China in the middle of March. Prices in South China did not fall until April. Inevitably, after a prolonged period of hyper-inflation, the stabilization and consequent fall in price, following the contraction of purchasing power, affected adversely private enterprises. Those enterprises required much government assistance as shown by loans from the Government banks to private enterprises in Shanghai of PBY 224,400 million[11] in March as compared with 97,300 million in January and 157,900 million in February.[12] Orders were also placed by the Government with private enterprises to help dispose of their products.

11. PBY is the abbreviation of "People's Bank Yuan".

12. The corresponding loans to public enterprises in Shanghai were considerably smaller, being PBY 15,400, PBY 21,300 and PBY 33,800 million respectively in January, February and March.

MOBILIZATION OF DOMESTIC RESOURCES FOR ECONOMIC DEVELOPMENT AND THE FINANCIAL INSTITUTIONS IN THE ECAFE REGION[1]

In almost all countries of the ECAFE region the post-war production effort in agriculture, industry and trade has not resulted in a national output of sufficient size to meet the expressed desire for improved living. In some it has not even permitted a tolerable sub-standard level of living. Per capita level of production and, therefore, income is still below pre-war levels[2] Emergence of independent national political life and/or much internal strife in many countries has inspired them to look to greatly expanded economic development as a solution to their difficulties. Increased production and increased use of industrial processes are therefore seen as the key answer to the fundamental problem of poverty. This has raised the question of resources to be applied for the task, the financial aspects of which are extremely important. Since each country must look to its own resources for much of its own development, the problem is largely one of internal finance. Even if external aid is freely available, the requirements of funds and resources from the domestic economy are still extremely large. They may be expected to far exceed the amount of external aid received.

Accordingly in April 1949 the Economic Commission for Asia and the Far East asked the Secretariat to undertake, as a top priority project, "an exhaustive inquiry into the facilities in the region for the mobilization of resources in the financial and monetary field for promoting productive investment, with a view to indicating opportunities for the improvement of these facilities and consequently for the promotion of industrial and general economic development."[3]

Some definitions of terms will be helpful. An "under-developed country" in economic terms is one in which "on the whole, production is carried on with a relatively small amount of real capital per head and with relatively backward techniques in the broadest sense of the word." Economic development can be defined as "the process of increasing real capital and improving techniques of production."[4] Thus mobilization of resources for economic development in an under-developed country involves means that a government and a people take to bring together physical and human resources not now employed for investment purposes and steps taken to reduce current consumption to make such development possible.

One financial aspect in economic development is the making of resources available (savings) and the other is channelling them into industrial and other productive areas (investments). There is some advantage in distinguishing between the two but the one frequently involves the other. When the farmer improves his land or contributes his service to build a road, both mobilization and channelling of resources exists. Some investment from voluntary cash savings, especially the ploughing of profits back into business enterprises, represent both sides of the process closely inter-linked. On the institutional side individuals and financial corporations accumulating saved resources are frequently, though not always, quite distinct from the organizations that channel them into investment. In this region governments are important investors, in part because they are in a unique position to secure voluntary and involuntary savings from postal savings banks, bond issues, taxes and other means of raising revenue. Though a field such as agriculture may be of primary importance in terms of channelling savings, it can be subsequently and for that very reason, an important source of savings.

MAGNITUDE OF THE PROBLEM

Little is known about the amount or rate of savings in the individual countries of the region. Substantial dis-saving has been taking place in many since World War II, particularly in Burma and Indochina and possibly in China and Indonesia.

The rate of saving in post-war India has been estimated at 6 to 7 per cent of national income[5] or perhaps lower. Ceylon's rough estimates show gross capital formation in 1948 to be 8 per cent of gross national expenditure.[6] In south Korea, a rough estimate by the Government indicated that in 1949, total investment was perhaps 1.6 per cent of net income.

No precise information is available on national income in the region. A possible estimate is that the annual average is approximately equivalent to $40 per

1 Prepared by the Division of Economic Studies.

2 United Nations. **Economic Survey of Asia and the East, 1949** (Lake Success, June 1950).

3 E/CN.11/179.

4 "Memorandum on Financing Economic Development" submitted by the International Bank for Reconstruction and Development (E/CN 1/50), also published in **Methods of Financing Development in Under Developed Countries** (United Nations Publication, November 1949) p.90.

5 The various estimates by Colin Clark and others are indicated in the International Monetary Fund, **Financial Institutions of India with Special Reference to the Mobilization of Domestic Resources for Development**, by S.L.N. Simha, February 17, 1950, (mimegraphed) p.5, see also **Report on International Investment and Financing Facilities**, Fifth Session, FAO Conference, 21 November 1949 (Food and Agriculture Organization, Washington, D.C.) p.22.

6 **Statistical Abstract of Ceylon, 1949.**

capita.[7] If net savings average 2 to 6 per cent. of national income, the regional total may be about $800 million annually and possibly as high as $2,400 million.[8]

Only fragmentary information exists on financial requirements for economic development. The Food and Agriculture Organization (FAO) estimated that, on the basis of national plans, investment needs for the Far East in a four-year period aggregated approximately $11,000 million (or $2,750 million per year), of which nearly $6,000 million (or $1,500 million per year) would be required from foreign sources.[9] An ECAFE working party placed the cost of various proposals for economic development in countries of the region for a period varying from country to country from two to ten years, at nearly $14,000 million or approximately $2,300 million per year. Of the total, some $7,000 million were calculated to have been foreign exchange requirements.[10]

Based on these estimates, the total investment requirement is 6 to 7 per cent of national income, of which local investment requirements account for 3 to 3.5 per cent of national income.

Another FAO calculation, based on given assumptions,[11] indicated that for a population of 100 million people, an investment of about $920 million annually would be required for a rapidly expanding economy in under-developed countries. The sum would be required, according to the estimate, to move 1 per cent of the farm population and at the same time absorb the annual increase in the working population into the non-farm occupations. Since the ECAFE region includes more than 1,000 million persons, if the same assumptions can be applied, the "limited" programme for economic development suggested above would require an annual mobilization of $10,000 million in investment resources. Other estimates have been even larger.[12]

Aside from the problem of technical abilities of the people and the stage of development during which such rate of expansion would be feasible, a programme of the size indicated is well beyond the mobilization capacity of the region for some time to come.

In the United States, under war-time controls and consumption restriction, and with peak income levels, net private investment did reach as high as a quarter of the national income. However, from 1946 to 1948, it was 9 per cent, or less.[13] In Europe, net capital formation was indicated to be as high as 26 per cent of national income for Norway, and 19 per cent for the Netherlands in 1949, but for other countries, it was 7 to 12 per cent.[14] This was in part made possible by substantial borrowings or gifts from abroad. With per capita annual income of perhaps $40 in the ECAFE region, as compared with approximately $1,400 in the United States and $400 to $900 in another fourteen countries outside the ECAFE region (1947 estimates), savings of more than 8 per cent of income, voluntary or compulsory, are not to be expected.

Even a proposal to expand the present industrial population at a slower rate, to develop cottage industries more vigorously as a partial substitute for factory production, but at the same time to build up the capital investment in agricultural production, would require an extremely large capital mobilization, and would probably require the utmost effort of accumulation and might result in estimated needs that are quite as "unrealistic."

Rough comparisons between probable levels of current savings ($800 million to $2,400 million per year) and possible requirements for rapid economic development (upward of $10,000 million annually) suggest a wide

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7 Based roughly on per capita estimates in United Nations, **Economic Survey of Asia and the Far East, 1948**, p.9, weighted by population estimate. See also Economic Commission for Asia and the Far East, **Financial Institutions and the Mobilization of Domestic Capital in Thailand**, (Bangkok, Thailand, March 1950) p.1. The weighted mean per capita income computed from available figures works out to approximately US$34. The higher figure of US$40 is adopted here to take into account a probable under-estimation in the available figures in certain countries. This may arise from the non-valuation of certain non-market transactions and under-estimation in the imputed values of other non-market transactions; insufficient coverage of available statistics of production; under-estimation of incomes based on available income tax assessment records etc.

8 A rough indication of the movement of capital goods into the region from foreign sources is obtained from data on exports from the principal supplying countries, the United Kingdom, the United States and Japan. These were valued at approximately $2,600 million in 1949. Of this amount approximately $1,000 million were in the form of producers goods including machinery, equipment and materials. These imply external as well as internal finance and include maintenance and repair as well as net savings.

9 **Report on International Investment and Financing Facilities, op. cit.**

10 E/CN.11/131, October-November 1948.

11 The assumptions were that 40 per cent of its population was in the labour force, that 80 per cent of its workers was in rural occupations, that population increased at the rate of 1.5 per cent annually, that national income was $70 per capita, and that a capital investment of $1,000 per person was required for the 920,000 persons for which non-farm occupations were to be provided. The population structure was based on that in under-developed areas, including Southern and Eastern Europe, the Soviet Union, the Near and Far East, Africa and Latin America and the capital requirement estimate on investments actually made in rapidly expanding countries. See **Report on International Investment and Financing Facilities, op. cit.**, p.16.

12 See S.L.N. Simha, **Financial Institutions of India**, op. cit. p.5. In the **Report and Recommendations of the Joint Philippine-American Finance Commission** (House Document No. 390, 80th Congress, 1st Session United States Government Printing Office, Washington 1947) a survey of economic development is set forth, with the cost estimated to be equivalent to $1,500 million over a five-year period. This would have involved expenditure at somewhat over 15 per cent of the 1946 estimated national income the per capita sum of which is higher than the regional average. This report pointed out the unusually favourable circumstances, especially extensive outside assistance, for a programme of this size during the particular period under review.

13 U.S. Department of Commerce, Bureau of Foreign and Domestic Commerce, **Survey of Current Business**, National Income Number, July 1948, p.16; **National Income Statistics, 1938-48** (Lake Success 1950).

14 United Nations, **Economic Survey of Europe in 1949** (Geneva, May 1950).

gap. The situation may well be that the present amount of savings effectively mobilized for investment in several countries is not sufficient to maintain and replace existing capital resources and assure maintenance of current consumption levels.

Such calculations have value, nevertheless. They show that if the under-developed areas are to increase their supplies of goods and services through economic development, an enormous investment effort will be required. Realistic consideration of "absorptive capacity" should not blind observers to the fact that if the countries are limited in their ability to provide, secure and absorb sufficient amount of capital they cannot expect or be expected to show any rapid change in real income.

EXTERNAL FINANCE AND DOMESTIC SAVINGS

For this region much of the equipment and materials involved in capital investment must be obtained from foreign sources and therefore require foreign exchange. Both FAO and ECAFE estimates place import requirements to meet the development plans at about one-half of the total needed. At present, and in the near future, few if any countries in the region can readily expand exports sufficiently to pay for the imports necessary to implement plans. Until industries producing export goods are sufficiently expanded, or until local capital goods industries are developed enough to substitute a significant portion of the import requirements, foreign capital, in addition to available domestic savings, is necessary if the development plans are to be realized within a specified period of time. Governments, corporations and individuals, therefore. seek to meet their needs in part at least from foreign savings. It is generally agreed that the countries in the region must have substantial loans and assistance from foreign sources if they are to speed up the rate of economic development.[15]

The precise relationship between domestic and supplementary external funds can vary widely. It is determined by the relation between domestic resources and import supplies required to meet the needs of a given development plan (dependent on the stage of economic development in a given country including the position of export industries) and by the supply of foreign capital under various conditions. The minimum requirement of domestic capital is likely to be smaller when private channels rather than government loans are employed. If legislative or other provisions do not require that a certain proportion of an investment be supplied from domestic resources, private foreign investors might make available the necessary funds for a project in which they are interested. When governments apply for loans to other governments or international agencies, it is difficult to convince the holders of foreign resources that these should be loaned to pay for local expenditure items, including land, buildings or other equipment that can be provided locally. Post-war experience simply demonstrates that equipment and materials supplied from external resources may be wasted or improperly used because of inadequately mobilized financial and technical internal resources required for their utilization.

Effective mobilization of resources is also hindered by the lack of specific and detailed programmes for economic development which constitutes an important pre-requisite to investment. As the International Bank for Reconstruction and Development has pointed out, "it appears axiomatic that a programme (for economic development) should be related to and based on the existing natural resources, the country's location, climate, and type of population and the financial and administrative resources available. It should attempt to balance the increase of economic production to meet essential domestic needs with the development of exports to accessible markets. It should favour the application of the limited supplies of capital to projects which will result in the greatest increase in production and trade in relation to the size of the investment. If these practical ends are kept in view it should not be too difficult to outline a balanced programme setting forth a general pattern of development, on the basis of which public policies and projects can be intelligently formulated and appropriate private enterprise stimulated."[16] This need for adequate planning has also received much emphasis in the Commission and the work of the Secretariat.[17] It has special importance in financing economic development. Such planning may act as an inducement to further saving and contribute toward the confidence so essential for the saving and investment process. The financial needs therefore provides a basic criterion for the determination of priorities. Since the process of economic development does require large savings, proposed investments which can themselves provide a substantial source of savings, should receive special consideration. Sound planning helps to mobilize savings and also reduce waste and economizes the

15 The International Chamber of Commerce emphasized this in the Statement of its President before the Tenth Session of the Economic and Social Council: "In the first place, it is dangerous, we think, to place excessive reliance upon domestic capital formation in countries with a very low **per capita** income. In these countries one cannot expect much by way of individual savings until such time when economic development will have progressed a certain distance". See also International Chamber of Commerce, **Financing Economic Development**, Brochure No. 142 (Paris, June, 1950), pp 10—12.

16 International Bank for Reconstruction and Development, **Third Annual Report 1947-48** (Washington, D.C.) p.16.

17 See the report of the Secretariat on **Industrial Development and Planning: Programmes and Priorities**, E/CN11/I&T/15 and Annexes A—L.

utilization of resources. In other words, it minimizes the financial requirements necessary for a given rate of development.

UNITED NATIONS STUDIES

Since December 1948, when the General Assembly requested the Economic and Social Council to give "more consideration to economic development of under-developed countries," three reports of particular interest on the financial aspects have been published. These are: "Methods of Financing Economic Development in Under-Developed Countries,"[18] "Methods of Increasing Domestic Savings and Ensuring Their Most Advantageous Use for the Purpose of Economic Development"[19] and "Practical Recommendations for Financing Economic Development of Under-Developed Countries for Consideration by the Council."[20]

In the past two years, other studies and reports have been made available on this subject, both by the Commission and other United Nations bodies.[21] They have sought to reveal basic principles and to suggest policy guidance for individual countries and have included evaluations of many current practical problems for under-developed areas.

As pointed out in the report on *Methods of Financing Economic Development*, "the relative desirability of particular methods of financing economic development, their effects and the techniques of applying them vary widely from country to country, according to existing institutions, customs and habits, the stage of development reached and the objective sought. Hence, no general statement can substitute for direct recommendations to particular countries, but these can be arrived at only as a result of specific studies of the countries concerned." For this reason studies are being made by the Commission's Secretariat and the International Monetary Fund (IMF) on the status of financial institutions and mobilization of domestic capital within individual countries in the region. The Fund has made available its studies on China, south Korea, India and Pakistan.[22] The Commission's Secretariat has released its study on Thailand and its preliminary paper on Burma.[23] Its study of Ceylon is under way and information has been gathered for most of the remaining countries.

In each study the economic background of the individual countries has been reviewed. While most of these countries are predominantly agricultural, some are so acutely specialized that they must import much of their food, clothing and other primary requirements. All have relatively large segments of the working population in which cash transactions are infrequent. Frequently they have highly-industrialized extractive industries and agriculture for export, though such developments are sometimes found in iron and steel, textiles and other manufactures. Variations in experience with industrial processes are extreme. Even those with the most experience, however, still have a relatively small proportion of their working population engaged in activities using highly industrialized methods.

Considerable differences exist in the degree to which nationals have had responsible experience in government, finance and industry. Especially with respect to the former, most of the areas have only recently acquired independent responsibility and experience. All countries are faced with complex economic difficulties. They have had to deal with such intricate problems as inflation, exchange control and export and import regulations at the same time as they have been seeking to improve their financial institutions. The extent to which political instability and civil disturbances have dominated the economic scene also varies as between countries and within the same country over the post-war period. It is not surprising therefore that the institutions devised for channellizing savings vary considerably in their nature and operation. There have been many differences in the public investment programmes and policies and in techniques for raising funds for such purposes. Brief reference to some of the studies undertaken indicates the types of material brought together and points to further steps to be taken.

Burma [24]

The post-war experience in Burma is illustrative primarily of the paralysing effects of internal disorder and insecurity in mobilizing domestic resources for economic development. The Union Bank of Burma was

18 Originally E/1333, E/1333/Add.1 and E/1333 Corr.1. It is now available as a publication of the United Nations (1949, II.B.4).

19 E/1562, 16 December 1949 (mimeographed).

20 Report of the Fouth Session of the Sub-Commission on Economic Development, E/CN.1/80, 19 May 1950 (mimeographed).

21 Commission papers of particular interest include **Report and Recommendations for Industrial Development** by the Industrial Development Working Party, E/CN.11/131 (31 October 1948), (Mimeographed); **Foreign Investment Laws and Regulations in the ECAFE Region** E/CN.11/I&T/25 (28 March 1950) mimeographed); **Industrial Development and Planning: Programmes and Priorities, Nature and Extent of Dollar Shortage and Possible Remedial Measures,** E/CN.11/I&T/24 and Annexes A and B, (March 1950) mimegraphed) Other United Nations studies include: **Survey of Policies Affecting Private Foreign Investment,** E/1614 Rev.1 (8 March 1950) mimeographed); **Relative Prices of Exports and Imports of Under-Developed Countries,** (1949) II.B.3; **International Capital Movements During the Inter-War Period,** (1959). II.B.2; **The Effects of Taxation on Foreign Trade and Investment** (1950. XVI.1); **National and International Measures for Full Employment,** (1949). II.A.3.

22 **Financial Institutions of India** (17 February 1950), **Financial Institutions of Pakistan** (4 March 1950), **Financial Institutions of China** (4 March 1950), and **Financial Institutions of south Korea** (4 March 1950).

23 **Financial Institutions and Mobilization of Domestic Capital in Thailand** (March 1950) (mimeographed); **Financial Institutions and the Mobilization of Domestic Capital in Burma** (8 May 1950) (mimeographed).

24 For additional details see **Ibid.**

established 1 October 1947 as the central bank. Though acting as a depository for its Government and coping with the foreign exchange situation, it has mainly conserved its resources and exerted little leadership in the investment field. Notes, coins and balances held abroad were equal to 95 per cent of deposits and bills payable in 1949. As the Bank reported in its annual report of 1948, this high rate was maintained "in pursuance of the considered policy of the Board to refrain from making investments or from undertaking any commitments which, in view of the prevailing uncertain times and unsettled conditions, might prevent them from bringing the whole of the resources to bear whenever and wherever they might be best employed on preserving the stability of the monetary system."

Commercial banking is performed by primarily British and Indian banks and its activities at present are limited generally to Rangoon where eighteen out of the country's twenty commercial banking offices are located. Post office savings banks had only 48,500 accounts in January 1949, compared with 143,400 pre-war. Other types of savings have decreased notably. Agricultural credit facilities, always extremely limited, have been even more gravely restricted since World War II.

Government revenues have been dependent primarily on customs and sales of supplies, including operations of the State Agricultural Marketing Board, the State Timber Board and others. An extensive programme of public investment was started in 1945/46 and 1946/47, but the limited revenues and rapid depletion of assets resulted in a sharp reduction of investments.

Indochina

The Indochinese have not yet played an important role in the development of financial institutions and the initiation of modern enterprise. At present all banks but one are foreign, i.e. French, British, or Chinese, and they are concentrated in the densely populated and economically more developed areas of Viet-Nam (Saigon, Hanoi, Haiphong). A few French banks have branches in Cambodia. Laos does not possess a banking system.

Similarly, most of the private capital invested in Indochina is foreign. This originated both in French savings and reinvested profits from French firms operating in Indochina. Much of this capital is controlled by strong financial groups, the most important being the Bank of Indochina, which had either a direct or an indirect interest in a wide number of concerns in the area. In respect of public investment substantial road, irrigation, and flood control programmes had been carried out.

The established financial institutions were able to meet the needs of European undertakings in a fairly satisfactory way, but not always those of the Indochinese population. Money-lenders charging exhorbitant rates were a principal source of funds in rural areas. While the Government encouraged an agricultural cooperative credit system, this was quite limited in scope and activity. There was a limited development of Government "pawn-shops" as well. The development of savings banks, the Saigon Savings Bank being the only such institution in Indochina, was hindered by large profits secured from usury.

The state of internal disorder prevailing since the war has been a serious handicap to development of institutions and techniques for the mobilization of domestic resources. Deposits in banks have been reduced, compared with pre-war, and practically all loans are of short duration (3 to 6 months). Even these loans are much below the pre-war volume. Disinvestment is prevalent on a large scale. The operations of the agricultural cooperative credit societies have also been considerably slowed down. Most of the Government pawn shops have been pillaged and destroyed. Public investment has suffered greatly.

The newly established states of Cambodia, Laos and Viet-Nam are now organizing an economic and customs union and a fairly close political union of a federal character. This has raised new problems including the establishment and administration of common financial institutions. So far as the latter is concerned, changes in the currency issue, the general budget, special capital budgets, the public debt and the co-operative agricultural credit system, are being discussed between the three states and France at a conference which began its work at Pau (France) at the end of June. Pending conference decisions such institutions are provisionally managed by the French authorities.

India.[25]

Because of India's size and economic problem, its institutions and techniques for mobilizing financial resources are extensive and complicated. An important distinction in India and elsewhere is between the *organized* and *unorganized* money market. The *organized* market consists of the Reserve Bank of India, which is the central bank, and joint stock banks, co-operative societies, and loan offices. There are some 486 joint stock banks with 5,000 branches and more than 100,000 agricultural and non-agricultural credit societies, supervised and to a considerable extent financed by provincial co-operative banks. The *unorganized* sector consists of many "indigenous bankers," i.e. individuals or firms that frequently engage in trade as well as banking, and probably 300,000 money-lenders. The unorganized

25 For additional information see footnote 22.

groups engage in short-and long-term operations and offer to a great extent the major banking facility for agriculture, small-scale industry and trade.

The number of institutions engaged in the assembling and direction of investment is quite limited. The Government is itself an important mobilizer of such resources. By the end of 1949, Government securities in India were over 2½ times the paid-up capital of joint-stock companies.[26] On 1 July 1948. the Government established the Industrial Finance Corporation to provide medium and long-term finance.

Another development on the investment side. the managing agency system. is of particular interest to the region. This is a relatively old development in India and combines the functions of company promotion. issuing and underwriting fixed capital, provision of working capital and the management of companies. At the end of 1947, there were 125 firms of managing agents for about 700 companies. They are a principal means for bringing forth private savings for industrial purposes. Though not without difficulties and handicaps, this type of mobilizing resources appears to be extremely useful for and adaptable to the region's economic development.

The detailed examination of the Indian techniques and institutions indicates numerous gaps. Efforts are being made to fill these. The Bank Companies Act and the growing prestige and influence of the Reserve Bank of India are establishing an improved basis for guidance and directions. The co-operative movement, on which great emphasis has been placed, has had its difficulties. It has not mobilized substantial funds. but has been primarily a means of channelling resources; nor has it developed the community leadership and direction that was expected. India has undertaken investigation of these problems. It is also studying improvement of other banking facilities in rural areas and giving attention to the unorganized sector of financial institutions.

Indonesia

The financial institutions of Indonesia consist of the Java Bank. commercial banks, the Post Savings Bank, the People's Credit Bank and village and paddy banks and cooperative institutions. The Java Bank, which has note-issue and limited central banking functions, was established in 1828 as a private share holder's bank and has remained so to this day. It also acts as banker to the government and as a bankers' bank. It performs ordinary commercial banking functions, subject to certain limitations particularly as regards making long-term loans and the investment of its funds. It has played an important role as a bankers' bank. accepting deposits on a large scale from the other commercial banks. Since 1946 its activities have been dominated by the Government's budgetary situation. The Bank has increased its note-issue and its advances to the Government to help the latter meet its deficits.

The seven commercial banks are foreign-owned and were established in Indonesia in the 19th century. At present they perform ordinary commercial banking functions. In the earlier decades. with the exception of the British banks, they played a notable part in the financing of the estates and enterprises. They now retain some interest in such enterprises, but do not engage in long term industrial or mortgage finance.

The development of commercial banking institution under Indonesian enterprise has been meagre, partly due to historical conditions and policies which have prevailed, and owing to the inexperience and the lack of an entrepreneurial and financial community, which could guide the development of modern corporate enterprise. These defects explain many difficulties at present encountered in mobilizing and channelling the country's domestic financial resources.

Systematic efforts are now being made to promote the growth of Indonesian banking enterprises. The Bank Negara Indonesia (State Bank of Indonesia) was established in 1946 as a bank of note-issue of the Republic of Indonesia, together with functions in financing industry, agriculture and trade.

The system of postal savings banks was widespread before the war and served, with some success. in mobilizing savings, but these savings belonged predominantly to European depositors. Current difficulties in mobilizing savings through the existing postal savings banks are caused by inflationary conditions and the high cost of living. The rate of interest offered is only 2.4 per cent, partly because that earned by the investments of the postal savings banks in government securities amounts to something like 2.5 per cent.

The People's Credit Bank, established in 1934 as the central organization of the People's Credit Banks in the regencies, has been dispensing a considerable volume of credit, both agricultural and non-agricultural. Beginning in 1946, the Republic of Indonesia organized its own People's Credit Bank and established branches. Simultaneously in the Dutch controlled territories, the People's Bank with its headquarters in Djakarta has continued to operate.

26 Simha, op.cit. pp.56, 68. As Mr. Simha pointed out, this does not give an accurate picture of the capital invested in Indian business since it leaves out debentures, company reserves, private companies, single proprietorships and foreign investments. It may also be noted that a part of the Government securities may have been issued for purposes other than investment in production.

With respect to capital investment a proposal had been made to establish a recovery bank with a capital of Fl. 300 million, half of which was to be subscribed by the Netherlands and the balance by Indonesians. It is now proposed to convert the Bank Negara Indonesia into a reconstruction bank. It is not clear, however, as to how its increased capital requirements are going to be raised.

Indonesia's mobilization of domestic capital is intimately related to the country's general economic and financial conditions. The impetus to the inflation it is now experiencing has come from currency expansion caused by budget deficits. In March, the Government introduced both foreign exchange and currency reforms calculated to meet this budgetary situation.

According to the economic and financial agreement between the Netherlands and Indonesia at the Round Table Conference in late 1949. a new circulation bank will be established in which matter the Indonesian Government will consult the Netherlands Government. This will involve clarification of the relationships and functions of other parts of the financial structure.

South Korea[27]

Korea is predominantly agricultural and was developed primarily as a source of agricultural supplies for Japan. Pre-war cash income on the farm was estimated to be equivalent to $12 to $23 per year for each family. Practically all industrial, financial, commercial. transportation and mining enterprises were owned and operated by Japanese, who also controlled approximately 15 per cent of the best rice lands. By the end of 1949 the surviving financial institutions were eight banks with 168 branches, including the Central Bank of Korea. They were supplemented by cooperative credit associations, the postal savings deposit system. insurance companies and money lenders. The most significant phases of Korean experience with measures undertaken to encourage savings include: (1) reforms in central banking facilities for combating inflation, a most important deterrent to domestic savings, (2) considerable participation in postal savings. and (3) widespread local financial societies for deposit as well as loans.

Korea has been in the grip of an inflationary spiral, induced primarily by large-scale deficit spending by the Government financed by bank borrowing and by excessive extension of bank credit to government agencies and others. In this atmosphere the willingness to save has rapidly disappeared. Existing resources were used primarily for short-term foreign trade and speculative activities. In June 1950, a comprehensive effort was made to improve the credit control mechanism by fundamental changes in the Bank of Korea. A Monetary Board made up of representatives of Government, banking, commercial and industrial interests was given responsibility for bank operations. Except for foreign exchange operations or under unusual circumstances. its commercial banking activities were eliminated. Ordinarily the Bank could accept deposits from and make loans only to banks, to the Government and to designated government agencies. Strict regulations were established for the loans and discounts to other banks. The Central Bank was given strong quantitative and qualitative controls, including flexible reserve requirements and complete discretion as to the loans it would approve. The maximum extent to which the Central Bank could make loans to the Government and Government Agencies was to be determined by the National Assembly.

Post offices are generally accessible in south Korea. The more than two million depositors in 1931 increased in 1942 to over eight million. and in September 1949 were in excess of seven million. Funds obtained have been invested in public works. The important lesson from the Korean experience is the wide support for such voluntary saving. This is the result of efficient operation. the availability of the facilities, and the fact that different kinds of services were made available to the public. On ordinary savings accounts an interest rate of 2.88 per cent was paid; deposits and withdrawals could be made at any time. Other types of accounts, with higher interest rates but more restrictive conditions of withdrawal, were also established.

Some two million members were enrolled in local financial associations, the most widespread financing agencies for farming and fishing communities other than the money lenders. By 1948 they had 142 main offices with over 400 branches. The associations are controlled by the Central Federation of Financial Associations. which is also engaged in the purchase and distribution of certain commodities to its members as incentive goods for increasing production. These associations were widely used for making deposits. By 1948 over half of the deposits were savings accounts. Most of the loans were short-term, and a large part of the deposits were redeposited with other banks.

Pakistan [28]

After partition the banking services in Pakistan almost broke down as a result of the considerable migration of banking personnel to India. The number of bank offices fell from 398 to 102, many of which were run with depleted staff. Conditions, however, gradually improved.

27 For additional details see **Financial Institutions of South Korea.** op.cit.

28 For additional information see **Financial Institutions of Pakistan** op.cit.

and the number rose to 195 in July 1948 and to 218 a year later. The banking services are, however, still inadequate. The organized financial institutions consist of the State Bank of Pakistan, the National Bank of Pakistan, commercial banks, co-operative banks and societies, the Post Office Savings Bank, insurance companies, the Industrial Finance Corporation and the Stock Exchange.

The State Bank is the country's central bank. As its name indicates, it is controlled directly by the Government, which owns 51 per cent of its share capital. It has the sole right of note-issue and acts as a banker to the central and local governments. It manages the public debt, holds balances of the commercial banks and possesses wide powers for the control of the country's banking system. Although it has been in existence only two years, it has already helped create favourable conditions for the growth of sound banking. It has withdrawn in an orderly manner the India notes that were in circulation, exchanging them for Pakistan notes, and has provided facilities for training banking personnel, the shortage of which is impeding the development of banking.

The National Bank of Pakistan is a semi-government institution, 25 per cent of its capital having been subscribed by the Government. It was established in November 1949 to make up for the deficiency in the available banking facilities and to provide credit for agriculture and agricultural produce. The Bank has already established a number of offices and is playing an important role in financing the marketing of jute, the country's most important commercial crop.

There are 139 co-operative banks and approximately 49,000 co-operative societies, having over 2 million members. These institutions are mainly intended to mobilize the savings of the rural areas and to finance agricultural production and development. Progress of the co-operative movement is, however, considered to be short of expectations.

There were no institutions for providing long term finance to industry. The government has tried to fill this gap by establishing the Industrial Finance Corporation, of which it owns 51 per cent of the share capital. The corporation grants long-term loans to industries. A Stock Exchange was established in Karachi in March 1949 to provide facilities floating new capital issues and for dealings in existing stocks and shares; it is expected to encourage corporate activity.

Of Pakistan's seventy-two insurance companies, ten are local and the others foreign. In October 1949 there were 9,200 licensed insurance agents,[29] but the volume of life insurance business transacted was small. In 1948 the premium income on life policies was only Rs.7 million.

The Post Office Savings Bank is an important institution for encouraging and mobilizing the savings of people in areas not provided with banking facilities. The Bank has about 2,200 offices and holds deposits amounting to about Rs.300 million. The Government has thus far raised over Rs.900 million through tthe bond drive a part of which has been used for the financing of development schemes.

Thailand

The network of financial institutions in Thailand includes a central bank, twenty-three commercial banks (fifty-two offices in all), of which ten are foreign owned, some 6,200 co-operative societies and the Bank for Co-operatives to finance them. There is also a Government Savings Bank, which took over the postal savings system in 1949, with a rather widespread coverage of offices and agencies. The Thailand study[30] indicates that, as in other under-developed countries,[31] the savings which have been mobilized and canalized for development are relatively small. Factors which explain this include a low rate of savings and apparently much hoarding of bullion, jewellery and currency. Investment opportunities have been limited with much of the savings going into land and buildings. Individual financing of projects and ploughing back of profits appear to be the principal inducements for private savings. The accumulation and direction of savings is also limited by the small number of entrepreneurs, and technicians who can prepare promising plans and bring them forward for financing. At the same time detailed study suggests that further improvements are possible in the workings of the existing facilities for mobilizing resources.

CONCLUSIONS

Mobilization of domestic resources is receiving increasing attention, both public and private, in all the countries of the region. Each country has its peculiar set of problems and each therefore must take specific steps to improve its financial facilities and resources for economic development. The individual studies now undertaken do suggest emphasis on certain phases of the problem throughout the region.

29. Information supplied by the Government of Pakistan.

30 See ECAFE, Financial Institutions and the Mobilization of Domestic Capital in Thailand, Op. cit.

31 See International Labour Office, The Economic Background of Social Policy including the Problem of Industrialization, 1947, p. 3.

There appear to be many gaps in the structure and working of the financial institutions. Careful improvement may provide the basic framework for voluntary savings. A few examples will illustrate. Central banking is new, or does not yet exist for some countries. Its influence and control frequently are very limited. Even in the most advanced countries of the region the habit of using commercial banking facilities for financial transactions is not widely established, especially in rural areas and among small-scale industries and trades. Modern financial institutions, which in many countries of the region fail to meet the needs of the large mass of rural population, are owned and operated to a large extent by foreign nationals. Postal savings offices quite generally exist, even in many of the rural areas. The volume of saving through such offices might be increased under a general educational programme encouraging their use, and by improvements in the services offered. Extension of commercial banking facilities to smaller towns appears practicable in many cases. Much need for improvement is apparent in the co-operative credit movement. If special efforts were made their deposit activities could be expanded.

To some extent the difficulty in encouraging and channelling savings is related to the fact that investment opportunities do not appear great. Entrepreneurial and technical skill required to launch new projects are limited. Long-term risks and uncertainties are high. As a consequence, short-term transactions and facilities (the money market) are much more developed. It takes time and experience to meet the situation. The managing agency arrangement has been found useful in countries where the capital market is not well developed and where the entrepreneurial and technical skills are limited.

Experience in countries have varied with efforts to broaden the investment side of banking activities. In some, the central banks have sought both qualitative and quantitative limits on "speculative" activities and thus, in a somewhat negative way, to encourage investment. Varied devices have been used by government to inspire confidence in investment, including embarking on investment enterprises, subscribing to enterprises partly financed from private sources, setting up investment banks, and allowing special tax concessions. Encouraging commercial banks to develop long-term credit departments to absorb long-term deposits and to invest in stock and bonds for investment purposes has been considered as well. The wider use of the joint stock principle, encouraged by the financial institutions of the country, is a key step toward mobilization of resources Companies which are jointly owned by government and private enterprise might provide a suitable device for encouraging the joint stock principle. Notable instances exist where the public has over-subscribed stocks when the government has announced its intention to participate.

Governments have apparently become an important factor in the mobilization of resources for economic development. This is a major distinction between the process of economic development in the region and the traditional pattern of the western world. In part this situation reflects the fact that many of the most urgent and basic needs for capital investment are in the field of "social overhead costs," which must be incurred in order to permit further economic expansion. Thus the governments must invest large sums to obtain adequate knowledge of the resources of the region. In most cases railways, roads, internal waterways, port facilities and the means of communication must be improved and expanded. An enormous investment is required for education and sanitation and health. Flood control, irrigation and power generally lend themselves to government rather than private finance.

At the same time it is well known that the low levels of income in the region limit the amount of savings. The fact that very small per-capita savings must be obtained from a huge population, increases the difficulty of mobilizing resources by voluntary methods. Moreover, an important factor inhibiting mobilization of resources through the financial institutions of the countries by voluntary methods, is political instability and insecurity. There may be much disagreement on the capacity of the individual countries to save, but there would be no question that the volume of voluntary savings and its channelling into financial institutions can be substantially increased wherever political instability or the threat of it are no longer dominant factors. For these reasons, Governments seek to bridge the gaps in saving and investment that would otherwise exist.

The governments have developed many devices for bringing together funds on a relatively large scale. These include duties, sales taxes, profits from domestic purchase and export sale of important commodities, foreign exchange sales and controls, and sale of government securities and currency issue. To the extent that governments use or make available the funds obtained for investment purposes, they become an extremely significant mobilizer of resources. To date the specific contribution in this field has been limited by large expenditure for current purposes. However, the use of funds for investment and loans and advances is already quite large.[32] Undoubtedly this will be a major technique for mobilizing the resources of the country in national programmes for economic development.

32 Economic Survey of Asia and the Far East 1949, op.cit. p. 154.

CHEMICAL FERTILIZER INDUSTRY IN ASIA AND THE FAR EAST[1]

Chemical fertilizer production is unique among basic heavy industries since its development results in a direct contribution to both the agricultural and the industrial sides of the economy. Its end product without further processing is used by the farmer and leads to higher crop yields and probably higher farm income, while its intermediate products, such as ammonia and sulfuric acid, are important constituents of many heavy and light chemicals, dyes, plastics and pharmaceuticals. Under certain conditions its by-products, such as calcium carbonate sludge from the gypsum process for the manufacture of ammonium sulphate, may be used advantageously for the production of basic industrial materials.

The increased productivity of land, which results from the production of chemical fertilizers, is particularly important to Asia and the Far East where progress in industrialization has been slow and where it may take time to bring about a general improvement in the standard of living. This increased productivity of the land should make possible production of the required food for an increasing urban population, and at the same time, because of the increase in the purchasing power of the farmer, assure a market for factory products.

CURRENT PRODUCTION OF FERTILIZERS

Countries now actively engaged in opening up virgin lands may find that in the first few years yields will be substantial without fertilizers, but since much of this land is to be cultivated mechanically and perhaps to be double cropped, the soil will be depleted rapidly. In a few years, these lands will require large amounts of fertilizers in order to maintain high productivity. Because of these considerations many countries have given a high priority in their development plans to projects which will increase the availability of chemical and organic fertilizers.

According to the Food and Agriculture Organisation (FAO), fertilizer production from existing plants and imports from outside the region do not meet its needs. Despite whatever standards and methods used in estimating the need, the existing regional capacity is not adequate. The Government of India has indicated that its long-range production goal for chemical fertilizers is 2 million tons, but present production is barely one-twentieth of this figure. It will be raised to about one-fourth when the new plant at Sindri comes into full production, and increased when existing facilities produce at capacity.

Nitrogenous Fertilizers

Nitrogen is needed more than any other fertilizer in the region. Tropical and sub-tropical conditions cause rapid decomposition of organic matter, thus diminishing the nitrogen content of the soil. Heavy rainfall in some areas combined with the sandy texture of some soils accelerates the leaching-out process.

India with a capacity of about 80,000 tons of ammonium sulphate and China with a capacity of 36,000 tons of the sulphate of ammonia and 15,000 tons of cyanamide are the only producers in the ECAFE region. North Korea, however, produces about 100,000 tons of ammonium sulphate, while Japan with the largest capacity in the AFE region is expected to produce an estimated 288,000 tons of contained nitrogen, or about 1.44 million tons on an ammonium sulphate basis. Present production in India of about 60,000 tons and in China of 40,000 tons of nitrogenous fertilizers is below capacity.

In *India* the largest operating plant is that of Messrs. Fertilizers and Chemicals Travancore Ltd., (FACT). Equipped to produce 50,000 tons per year of ammonium sulphate, it began operations in May 1947 and has been steadily increasing its output to approximately 25,000 tons per year, or 50 per cent of capacity. FACT is owned by the Governments of Travancore, Cochin and Madras, which hold about 70 per cent of the shares, but it is operated by a private Indian firm.

In order to erect this plant in the south of India a radical departure had to be made from the ordinary processes of producing ammonium sulphate. Coal, or alternatively, cheap electric power, is the usual basis for the process. In designing this plant special attention was given to the utilization of readily available indigenous raw materials, viz. firewood from the Travancore Malayattur forests and gypsum from Trichinopoly.[2] Innovations, in addition to firewood for gas production, include the steam iron process for large-scale hydrogen generation and the combination of the gypsum and sulphuric acid process for the conversion

1. This article, prepared by the Industrial Development Division, presents some of the findings of the ECAFE portion of a forthcoming joint report being prepared by ECAFE and FAO on respectively the production and utilization of chemical fertilizer, arising from an ECAFE resolution on the subject (E/CN.11/AC.11/3, dated 5 April 1949).

2. According to Sri Vi Seshasavee, member of the firm of FACT's managing agents.

to the sulphate in the same system. The plant also produces superphosphate using its own sulphuric acid capacity.

The firewood requirements for this plant are met by the Forest Industry Travancore Ltd., a government-controlled company, which has placed 113 square miles of forest at its disposal. Re-forestation by scientific methods assures a continuous supply of wood. To produce 40 tons a day of synthetic ammonia and the subsequent 150 tons per day of ammonium sulphate, the plant requires 200 tons of wood, 140 tons of 85 per cent gypsum, 25 tons of sulphur, and an operating staff of about 650 technicians and skilled and unskilled labourers.

The oldest, but a smaller manufacturer of ammonium sulphate from synthesis ammonia in India, is the Mysore Chemicals and Fertilizer Ltd. (MCAF) whose plant is located at Belagula (M.S. Railway). MCAF Ltd. uses the electrolytic process for producing hydrogen, obtaining its power requirement from the Sivasamudram hydro-electric project by special arrangement with the Government of Mysore. The ammonia is converted to the sulphate by the neutralization process using sulphur from the United States for the production of sulphuric acid. The plant's capacity is about 6,000 tons per year and current output approaches capacity.

By-product ammonia, that is ammonia from the destructive distillation of coke, was the only commercial source of this compound until the synthetic method was developed in Germany by Haber and Bosch in 1913. With the increase in world production of synthetic ammonia and the decline in its price, it is sometimes uneconomical to extract ammonia from coke oven gas. In India, where several large iron and steel works exist and the railways use coke for raising steam, modern coke installations, however, do extract much by-product ammonia and convert it into the salt for fertilizer. The yield of ammonium sulphate in India is about 25 pounds per ton of coal coked. Estimates of the amount of nitrogenous fertilizers produced from by-product ammonia vary from 25,000 — 35,000 tons per year.

In *China*, the Pukow plant of the Yung Li Chemical Industries Ltd., located near Nanking, produces ammonium sulphate by the water gas method using coke and pyrites and drawing its power from the Nanking electric system.[3] According to the United States Economic Co-operation Administration (ECA) the existing capacity is 36,000 tons with current output of about 25,000 tons.

Except for a small plant producing cyanamide in Taiwan, nitrogenous fertilizer other than ammonium sulphate is not produced in the region. The Keelung plant of the Taiwan Fertilizer Company has a current annual production of 15,000 tons of calcium cyanamide.

Some countries are investigating the possibility of manufacturing other forms of nitrogenous fertilizer, especially ammonium nitrate, which does not require sulphur and sulphuric acid, but no such production exists as yet.

The largest and, except for Japanese plants, the oldest ammonium sulphate plant in Asia is at Konan in *north Korea*. It had a capacity of about 500,000 tons per year and manufactured hydrogen for ammonia synthesis from the electrolysis of water drawing its power from hydro-electric stations in the vicinity. Recent FAO information indicates that dismantling after World War II cut its production to one-fifth the previous capacity, or to 100,000 tons.

Production of nitrogenous fertilizer in *Japan* and the Ryukyus and South Korea before World War II amounted to about 256,000 tons of contained nitrogen.[4] With ammonium sulphate as a basis, this quantity of nitrogen is contained in an estimated 1.28 million tons of the sulphate. Production fell drastically after the war but by 1948/49 the production in these countries of 265,000 tons exceeded the pre-war level. In 1949/50 an estimated 288,000 tons will be produced. Despite this fact and indicative of the need, these countries will probably have imported 210,000 tons of contained nitrogen during 1949/50. On an ammonium sulphate basis, the total Japanese utilization will amount to about 2.5 million tons for the year.

Superphosphate

In addition to increasing the yield for any given crop, fertilizers are also applied to provide a balanced plant food diet. The exact quantities and types to be added must be determined by experiment and practical experience. Since many soils are deficient in more than one nutrient, the addition of only one nutrient may produce little or no increase in yield, whereas the addition of all deficient nutrients produces a large increase. Even if one nutrient increases the yield, it may accentuate the deficiency of another. In Asia and the Far East, nitrogen and phosphoric acid are the two basic fertilizers required and for the best results a balance must be maintained between the two.

3. Before the war ammonium sulphate was produced in North China. Information as to current capacity and output is not available.

4. ECAFE Secretariat, Chapter 1, "Food and Agriculture", Economic Survey of Asia and the Far East 1949 (Lake Success, United Nations Publication, 1950) pp. 3—18.

Prior to World War II, total consumption of superphosphate in *India* was about 10,000 tons a year, almost all of which was imported. Current annual production is estimated at 30,000 to 40,000 tons which could be raised to at least 50,000 tons without plant expansion. Estimates of existing capacity vary from 75,000[5] to 90,000[6] tons per year in eleven plants. Superphosphate has been manufactured from both bones and rock phosphates, but most factories have been switching over to the mineral as the raw material, with Morocco and the United States being the chief suppliers. It has been found more profitable to export large quantities of bones at prevailing attractive prices and to import the cheaper mineral phosphate for home need. Compared to capacity, production of superphosphate has been low and irregular, difficulty in obtaining raw materials and sulphuric acid being contributing factors. A further consideration relates to size of plant and integral sulphuric acid in producing this material economically. Several Indian factories, small in size, do not produce their own acid. The largest and newest producer of superphosphate in India is FACT, which began such production shortly after that of ammonium sulphate. The company uses rock from Morocco and sulphuric acid from a 75-ton plant designed to supply acid for converting ammonia to the sulphate. Current operating practice releases only enough sulphuric acid to produce about 1,200 tons of superphosphate per month. It is expected that from 3,000 tons to 5,000 tons per month will be produced when the capacity of the acid plant is increased. Machinery and equipment are now being shipped from the United States.[7]

Since superphosphate production is directly dependent upon the availability of sulphuric acid, the Government of India had imported four 10-ton contact acid plants. These plants were allotted to private firms and came into production between 1946-48. The present total capacity is about 100,000 tons annually.[8] Since 75 per cent of this acid is used by the fertilizer industry[9], its increased production during the past four years has enabled India to increase superphosphate production, from a negligible amount prior to World War II, up to the present annual production.

5. Journal of Messrs. Fertilizers and Chemicals Travancore Ltd., Vol. 3, No. 8, March 1949.
6. **I & S Bulletin**, Government of India, Ministry of Supply, Vol. II, No. 3, July—September 1949.
7. Paul Pothen, Construction Engineer, FACT LTD., November 1949.
8. Proceedings of the second meeting of the Central Advisory Council of Industries, Ministry of Industry and Supply, Government of India, July 1949, p. 123.
9. P, J. Thomas, **India's Basic Industries** (Orient Longmans Ltd., Calcutta, 1948).

The plant of the Chosun Chemical Fertilizer Company in *south Korea* was built by the Japanese in 1937. Its principal products are 55°Be. sulphuric acid and superphosphate. During World War II it produced 24,000 tons of superphosphate. Its acid plant produced 8,000 tons over the amount required for fertilizer production. Its rated capacity is 36,000 tons of the phosphate and 24,000 tons of acid. Its production ceased in 1948. According to government consultants[10], the plant could be operating now at two-thirds capacity providing the necessary raw materials, none of which are produced in Korea, were imported.

Approximately 12,000 tons of phosphate rock, 9,000 tons of pyrites and 75 tons of ammonia would be required. It would be necessary to install laboratory equipment, replace acid pumps and some miscellaneous operating and maintenance supplies. Even if competent managerial and technical personnel were available, the foreign exchange needed for the purchase of these raw materials and the local currency for minor rehabilitation and operating capital cannot now be obtained.

There is no production of superphosphate on the mainland of *China*, but the Japanese built several chemical fertilizer factories in Taiwan. Since World War II, these factories have been re-organised by the National Resources Commission and consolidated as the Taiwan Chemical Fertilizer Company.[11] Two of its five plants produce superphosphate fertilizers and have a total capacity of 30,000 tons.[12] Raw materials for these plants were formerly imported from the mainland and Indochina. The Haichow deposit in northern Kiangsu was the main supplier of phosphate rock. Some sulphur and pyrites found in Taiwan have been used.

Phosphatic and Potassic

Ground phosphate rock is considered a suitable fertilizer for direct application under a wide range of crop and soil conditions. Several islands in the Pacific are significant producers. A portion of their production is ground and exported for use as such, while the balance, likewise exported, is processed into superphosphate. In *Indonesia* about 33,000 tons per year of ground rock were produced before World War II. Two factories to process this material are near Cheribon, Java. Both during and after the war, these

10. Day and Zimmerman Inc. Engineers, Philadelphia.
11. Communication from the Taiwan Fertilizer Co., 1 September 1948.
12. Communication from the J. G. White Engineering Corp.

plants and the supplying mines suffered considerable damage.[13] Production during the past year was only 5,300 tons.[14]

The manufacture of potassium-bearing fertilizers is generally restricted to areas where there are underground deposits of water soluble minerals. Few countries are favoured with such minerals. Known occurrences in the region are scarce and none are commercially exploited for fertilizer. Even from rich deposits, the process of extracting and separating the potassium salts from other salts and concentrating the product into a suitable high-grade fertilizer is complex. Some 2,000 tons of potash fertilizer are produced in *Japan*, chiefly from bittern and feldspar. Most of the country's potash supply is imported from Germany and other countries.

PLANS FOR INCREASING PRESENT PRODUCTION OF CHEMICAL FERTILIZERS

The FAO/ECAFE Joint Working Party on Agricultural Requisites[15] emphasized the need for increasing the amount of nitrogen available to the region and recommended that priority be given to the expansion of existing plants and that new ones be established. While nitrogen is the most needed fertilizer, the working party believed that more phosphatic and organic materials should be made available.

In its Commodity Series Bulletin on *Fertilizers*, FAO stated that the trend is definitely upward in the world-wide production and consumption of commercial fertilizers. According to present plans, as reported by governments, the world production of nitrogen is expected to be 511,000 tons higher in 1949/50 than in 1948/49, but the potential demand for particular kinds of fertilizers will continue to exceed the supply. While the production of phosphoric acid in the Far East is increasing, the Bulletin notes it is still not adequate to produce the necessary balance between nitrogen and phosphate consumption.

Consideration of the plans for increasing the production of fertilizers by countries of the region shows that definite progress has been made in the past few years. In India, construction of the Sindri ammonium sulphate plant is in an advanced state, while the Government of Mysore has completed arrangements for the design and construction of a plant at Bhadravati. In Taiwan, efforts are being made to rehabilitate and increase the capacity of a small ammonium sulphate plant at Kaohsiung, expand the facilities for the production of calcium cyanamide at the Keeling cyanamide plant, and rehabilitate and convert Factory No. 5 of the Taiwan Fertilizer Co. at Hsinchu, originally planned for calcium carbide, into cyanamide. Other countries have proceeded with the detailed design specifications, have hired consultants and set target dates for construction and production. Plans which appear most likely to be translated into producing units soon include those for ammonium sulphate in the Philippines and Pakistan and, until the outbreak of fighting in south Korea and a superphosphate plant in the Philippines. Preliminary planning also exists in China. Indochina, Ceylon and India.

Plants under Construction

When completed the Sindri ammonium sulphate plant in Bihar Province of *India* will be the largest such plant in the region and that in the world operating on the gypsum process. It incorporates the latest factory developments in the United Kingdom and the United States. Its completion will represent an achievement in co-operation between India and these two countries in establishing in India a major basic industry.[16]

The history of this plant dates back to the July 1943 meetings of the Foodgrains Policy Committee, which recommended that since India would require at least 2 million tons of chemical fertilizers per year, immediate action should be taken to establish plants for the production of 350,000 tons per year of nitrogenous fertilizers. Acting upon this advice, the Secretary of State for India arranged for technical assistance from two British firms. A mission was formed which, after research, investigation, consultation and field work, submitted its report in November 1944, five months after it had arrived in India. Despite several deviations from the Mission's recommendations and although the time factor has affected some of the conclusions, the report is considered a model study, and can be a source of valuable information for other countries in the region considering fertilizer capacity.

An agreement was signed in February 1946 with an American firm for design of the factory and in June 1947 with a British firm for the equipment in accordance with the design specifications. Indian firms have been supplying all structural steel work and a considerable tonnage of the plant items. The Central Public Works Department, the Bihar Public

13. "Fertilizers in Indonesia", Economic Review of Indonesia, October/November/December, 1948, p.156.
14. Fertilizers, FAO Commodity Series Bulletin No. 17, September 1949.
15. E/CN.11/135 Add.1. November 1948.
16. Brig. M. H. Cox, Chief, Technical Adviser, The Sindri Fertilizer Project: A Great National Undertaking. (Mimeographed), 5 January 1949.

Health Department and the East Indian Railway are carrying forward the work on site preparation, roads and foundations, assurance of the water supply and connection of the factory with the railway and construction of the marshalling yards.

The production of ammonia from coke and its conversion to sulphate by means of gypsum at the rate of 1,000 tons per day throws up a by-product of about 900 tons of calcium carbonate sludge. Considering the shortage of limestone in the nearby coal-field area and the needs of the Damodar Valley Flood Control Scheme, the Government decided to construct a cement factory as part of the fertilizer factory. Realizing that the fertilizer factory must have its own power station because of the large amount of low pressure process steam required, and considering the request of the Bihar Government for additional power for its grid system, it was decided to construct a power station with 80.000 kilowatts firm capacity. About 20,000 kilowatts will be available for the grid.

The Sindri factory includes a modern housing estate and laboratory, as well as the ammonia synthesis and conversion factory, the cement and power plants. A conception of the size of the operation may be had by considering that the boiler plant requires about 700 tons of coal per day; the gas plant, 500 tons; the sulphate plant about 1,500 tons of gypsum and at capacity production about 2,000 tons of ammonium sulphate will be packed for shipment each working day.[17]

It was first thought that direct Government control, as is the practice in operation of the ordnance factories, would be best. A more recent proposal is that a Statutory Corporation be organised and that the provinces and states be invited to participate both by subscribing capital and guaranteeing off-take. The contribution of a fixed minimum of capital and/or of off-take would entitle participants to a seat on the Board of Management. It is now believed that production will be under way in 1951.

Since the sulphur resources of the region are limited, many countries probably will have to import this chemical if ammonium sulphate or superphosphate is to be produced in sizeable amounts. Ammonium nitrate, however, does not require sulphur for its manufacture and, when its explosive characteristic is removed, becomes a satisfactory nitrogenous fertilizer. Provision of fertilizer nitrogen in the form of ammonium nitrate from ordnance plants in North America and Europe has given a vital source of additional supply for agriculture in periods of critical need.

The Government of Mysore signed agreements with an American construction firm early in 1949 for construction of an ammonium nitrate plant, the first in the region, to be built at Bhadravati. Construction is expected to begin at the end of this year with the estimated capital cost at Rs. 30 million. The plant will also be designed for the production of ammonium sulphate. Hydrogen for ammonia synthesis will be obtained from the electrolysis of water using power from the hydro-electric plant at Jog Falls, about 75 miles from Bhadravati. According to the Government of Mysore, the plant is expected to come into production by 1951. When operating at capacity it will produce 25,000 long tons of ammonium sulphate and 25,000 long tons of a mechanical mixture of ammonium nitrate and limestone. The sulphur required for that portion of the ammonia which is to be converted to the sulphate will be imported.

In *China*, an American engineering firm which has been working closely with the National Government and ECA states that a small ammonium sulphate plant, which is in a "knock-down" condition, is located in Kaohsiung, Taiwan. Negotiations for the transfer of this plant from the Chinese Army to civilian authorities have been accomplished and it is now being re-erected. While its capacity is reported at 7,000 tons per year, the engineering firm advises that it is possible to increase this capacity soon to 25.000 tons.

Plans have been completed for increasing the capacity of the Keelung cyanamide plant in Taiwan which now produces about 15,000 tons of calcium cyanamide to 35,000[18] tons per year. The plant received substantial UNRRA assistance and, according to the National Resources Commission, $300,000 would make possible the conversion of an extra furnace, which was used by the Japanese to manufacture ferro-silicon. It is understood that this project has ECA approval and that the funds have been made available. A total of 8,000 kilowatts of power for the expansion programme has been contracted for with the Taiwan Power Co. About one-third of the cost of expansion is required for the construction of a coke oven.

Factory No. 5 of the Taiwan Fertilizer Co., formerly the Taiwan Organic Synthesis Company, was established in Hsinchu by the Japanese during the last war, but bombings and sinkings prevented much of the

17. According to the Technical Mission the railway and materials handling operations must be designed to handle the full 24-hour requirement in one shift.

18. Private communication, The J. G. White Corporation, 10 September 1949.

equipment from reaching the site and it never came into production. Originally this plant was to produce calcium carbide, mainly for organic synthesis,[19] but because of the urgent need for fertilizers, the Taiwan Provincial Government has set aside US$2 million[20] to rehabilitate the existing machinery and to convert it into a cyanamide producer. Planned production is about 40,000 tons per year.

Although planning for production of nitrogenous fertilizers in the *Philippines* was begun in 1937, it was not until 10 years later that a concrete proposal was made for a plant in connection with the electric power programme as prepared by an American electrical engineering firm. Its proposed location is between the mouth of the Agus river and the city of Illigan on the Northwest coast of Mindanao, giving it easy access to the Maria Cristina Hydro-electric project, which was to be the power source, and abundant water and raw materials. Construction time was estimated at four years and cost at $14.7 million.[21] As originally conceived, this plant would produce 126,000 short tons of ammonium sulphate. Hydrogen produced from the electrolysis of water, nitrogen from liquefied air and sulphuric acid from indigenous pyrite were to be the principal methods and raw materials. It was estimated that the entire operation would consume 60,000 kilowatts from the Maria Cristina project, or 75 per cent of its power production. In negotiations, however, with the International Bank to obtain funds for the power development programme, the opinion was expressed that the project should rely on more than one major customer. As a result, attempts are being made to broaden the field of potential power uses and to decrease the capacity of the fertilizer factory. A more recent proposal is for a capacity of about 50,000 short tons per year.

Plans in south Korea have been disrupted by the present situation, but the report of an American consulting engineering firm to the Government had recommended the construction of an ammonium sulphate plant to produce 250,000 tons per year. The Government's five-year economic recovery programme (1949-1953) indicated that an ammonium nitrate plant with a capacity of 300,000 tons was being planned with a contemplated 250,000 tons production in 1952.

The Republic of Korea depended upon ECA for the development of such large scale plants. ECA recognised that south Korea, in order to build a sound economy, required fertilizer capacity. It is not known which type of plant would have been constructed, but construction on one or the other was to begin late this year, or early in 1951. Foreign exchange was to be provided by the ECA.

The shortage of power in south Korea, as contrasted with the relative abundance of coal, was the determining factor in the consultants' recommendation that hydrogen be produced by a modified water gas re-action using pulverized Korean anthracite and steam drives wherever possible. It was estimated that such a plant would require about US$12 million in foreign exchange and about W. 1,800 million at W. 450 to US$1.

A combined United States-United Kingdom technical mission and an independent Belgian group are now in *Pakistan* surveying possibilities for the production of ammonium sulphate, utilizing the large gypsum deposits available in Western Punjab. While no report has yet been published, it is expected that the technical groups will shortly present their detailed recommendations for a 100,000 ton plant.[22] A yearly fertilizer target of 50,000 tons to be reached by 1954/1955 has been set by the Central Government's Advisory Planning Board on recommendations of the Industries Conference. Fertilizer was one of the twenty-seven industries under the country's statement of industrial policy to which planning of the Central Government was confined. It is believed that for Pakistan a suitable method to manufacture the required hydrogen is by the electrolysis of water and that the required power might be obtained from a projected hydro-electric development.

It is expected that in the *Philippines* a 50,000 ton superphosphate plant will be constructed in or near Manila this year with production scheduled for 1951. The following facts about this plant have been made known: (1) an American engineering firm has been retained to furnish technical information on the possibility of producing this chemical in the Philippines; (2) P.200,000 was expended during the fiscal year 1948/1949 on surveys of fertilizer minerals, principally pyrite and phosphate rock, and substantial reserves of rock and pyrite of commercial grade have been discovered; (3) further surveys are to be carried out during the next five years to enable the government to determine if the proposed plant can be supplied by local raw materials; (4) it is estimated that about P.2.6 million will be required for execution of the plans, of

19. Communication from the Taiwan Fertilizer Co., 1 September 1948.
20. Private communication, The J. G. White Corporation, 10 September 1949.
21. **Electric Power Development Programme of the Philippines**, The Westinghouse Electric International Co., December 1947.
22. Abbas Khaleeli, Director General (Supply & Development) and Joint Secretary of the Government of Pakistan, 2 August 1949.

which about US$380,000 is foretgn exchange, and that an additional P.1,400,000 will be required as operating expenses during the first year; (5) 60 per cent of the capital requirement will probably be furnished by private enterprise and 40 per cent by the government; (6) production targets are 25,000 tons in 1950 and 50,000 tons in 1951.

Preliminary Plans

A comparison of the present status of plans with that shown in the Report of the FAO/ECAFE Working Party on Agricultural Requisites indicates in several cases that progress has been delayed. This is perhaps most noticeable in China and Indochina where the disturbed political conditions retard implementation. and must now be contemplated in south Korea.

In *China* although tentative plans have been prepared for two ammonium sulphate plants and one combined sulphate and nitrate plant. these plants are not believed to be further developed. The status of plans in *Indochina* is essentially unchanged from 1948 when construction of four plants was proposed. These plants were to produce a defluorinated apatite. triple superphosphate. ammonium sulphate and cyanamide. In addition to other considerations. these projects must await 60.000 kilowatts of firm power. The Commissariat General du Plan prepared these plans in France. noting that before work could begin on-the-spot investigation would be necessary.

Ceylon's plans have now reached the stage where efforts are being made to obtain the services of certain key personnel. They call for the construction of an ammonium sulphate plant to produce 80.000 tons per year and at an estimated cost of about Rs. 15 million. The Government of Mysore in *India* has under consideration the construction of a superphosphate plant and has retained expert consultants.

MINERAL RAW MATERIALS FOR FERTILIZER MANUFACTURE

In discussing the mineral raw materials for fertilizer manufacture, it is important to realize that the region as a whole has been inadequately surveyed; consequently the available knowledge cannot convey a complete picture of the region's mineral wealth. On the basis of the existing knowledge, the region's picture is not too bright. Careful thought must be given to the proper ways of utilizing the known resources and to the need for additional surveys in order to discover new sources of supply or to re-evaluate the deposits already known.

Fair-sized deposits of *sulphur* have been discovered only in Indonesia, but the locations of these deposits at the top of high volcanoes have so far prevented exploitation on a large scale. The known sulphur deposits of the Philippines are very small. The Pakistan sulphur deposits contain a low percentage of sulphur and arsenic as an impurity. The Commissariat General du Plan of the French Government did not recommend the manufacture of superphosphate made with the sulphuric acid for Indochina because of the lack of sulphur. Scattered sulphur deposits have been reported in other countries of the region. but none are found to be of economic value.

The *pyrite* situation is brighter, but it is too early to draw any conclusion. The Philippine Government has been considering the use of indigenous pyrite for fertilizer manufacture. Pyrite deposits have been found near Sundi of Trengganu in the Federation of Malaya and near Chittaldrug in India. No reserve figures, however. are available. China has one well-developed pyrite deposit located near Nanking on the Yangtze River, which has been supplying chemical plants in north and central China. and in Taiwan. The Yingtch pyrite deposit in Kwangtung provice has not been developed and its potential value is uncertain. While it is possible that as metal mines are developed in this region that more pyrite may become available as by-products from these mines. it is premature to rely on these developments for present plans.

Pakistan, India and China are the only countries of the region known to have *gypsum* deposits of commercial importance. Gypsum available in the Salt Range in Pakistan is estimated at a minimum quantity of 70 million tons. India also has substantial reserves of gypsum deposits, although the quality may not be as good as those in Pakistan. The largest gypsum deposits in China are conveniently located along the Yangtze River and the material can be easily transported. The Khewra deposit of the Salt Range also contains anhydrite. The exact quantity is still unknown. In view of the great importance recently attached to the anhydrite in fertilizer manufacture. a detailed survey seems desirable.

Phosphates have been found in China. Indochina. Indonesia and Christmas Island and several Far Eastern Pacific islands. The Haichow deposit of China, though of substantial reserve, seems only to have been able to take care of the Taiwan fertilizer plant. The Yunnan deposit is of much larger potential value, but it is handicapped by lack of transportation. The Laokay apatite deposit of Indochina is well known in the Far

East. The phosphate reserves of Indonesia were formerly thought to be insignificant, but the picture now seems to be changed. Exports from the phosphate mines on Christmas Island, a dependency of Singapore, go principally to Japan.

In respect to *coal*, the region is characterized by the predominance of lignite deposits in many countries, limited amounts of higher grade coal in a few countries and the general shortage of coking coal, except in China. Comparatively speaking, China, India and Indochina are favoured nations in the region in both quality and quantity of coal.

Certain countries are considering using *natural gas* as a raw material for fertilizer manufacture. The Lung Chuang Project of China had definitely counted on the natural gas found in Szechuan province as a source of supply. Immediately before the Pacific War broke out, plans were being made for the production of ammonia from gas near oil fields in central Java, Indonesia.

Manufacture of nitrogenous fertilizer does not necessarily depend upon the availability of specific irreplaceable raw materials, such as steel which must have iron ore, or cement which is dependent on limestone. Only a source of power is needed to manufacture ammonium nitrate as the raw materials consist of air and water. Coal may be used where cheap electric power is unavailable and coal itself may be replaced by wood as it is done at the FACT Plant in India. In producing the sulphate of ammonia, sulphur itself, or alternatively gypsum, pyrite or other sulphur bearing minerals, may be used. Recent developments indicate that anhydrous ammonia alone appears to be a suitable fertilizer. A nation possessing certain raw materials, however, will naturally be in a more favoured position than another, but the combinations are many and production of nitrogenous fertilizer by any of several methods appears to be competitive. The basic need continues to be for more extensive and intensive surveys of the raw materials available. Only when this is completed can countries select that method most suitable to them.

COST OF PRODUCTION OF CHEMICAL FERTILIZER

Production of chemical fertilizer must be considered from the point of view of raw materials, methods to be employed, transport, capital cost, business organisation, personnel requirements and the resulting unit cost of production. For nitrogenous fertilizers, depending upon the size of plant, capital investment can involve an initial expenditure equivalent to from US$7 million to US$40 million per plant. Of this amount, possibly 60 to 75 per cent may represent a need for foreign currency, as many essential supplies and equipment must be imported.

Since a fertilizer plant is a relatively complex chemical undertaking, the time lag between construction of plant and production of fertilizer is at least two to four years depending on the size of plant. Another year and possibly longer will be devoted to consideration of plant location, design, business organisation and finance. In the case of the Sindri plant, a period of eight years will probably have passed since 18 November 1943, when it was resolved that the government should be responsible for production of artificial fertilizer as a nationalized industry until early in 1951 when the plant is expected to be in production. Actual design and construction time will amount to about five years.

In the project for a 126,000-ton fertilizer plant utilizing hydro-electric power in the Philippines, the time interval had been calculated at four years.

Capital Investment

The capital investment required depends both upon the method of production and the size of the plant. In Europe electrolysis of water and fractionation of coke oven gas are important sources. In the Far East, hydrogen from coke is a principal source, though a very large plant uses hydro-electric power in north Korea and the FACT plant uses wood rather than coke. In the United States, synthesis of hydrogen is based almost wholly on hydrogen from water gas or reformed natural gas. Prior to World War I, natural gas was used as a source of hydrogen in only one plant. By 1949, however, about 40 per cent of the United States ammonia producing capacity was so based and it will undoubtedly continue to expand.

For the United States conditions in 1949, the capital requirement to erect a natural gas synthetic ammonia plant including power, water, steam supply, land and construction costs varied from $6.25 million to slightly over $9.5 million for 150 tons of synthetic ammonia per day.[23] Costs were estimated at $8 million for the average plant.

A new plant using hydrogen from coke is estimated to cost from $750,000 to $1,500,000 more than a plant using natural gas. The savings in capital investment in the use of natural gas are the results of differences in the cost of steam supply, power and raw gas preparation.

23. Willard C. Cope, "Ammonia Part II. Cost of Production and End-Use Pattern", **Chemical Industries**, vol. 65 No. 1, July 1949, pp.53-56. 150 tons per day of ammonia are sufficient for approximately 600 to 700 tons of ammonium sulphate.

Though there are few known sources of natural gas in the region as noted previously, the possibilities of using it for ammonium sulphate production have been explored for the Lung Chuang plant and for a plant in Java. The gas has also been found in Brunei.

Most countries of the region desiring to employ hydro-electric power for the fertilizer production will first have to invest in hydro-electric projects. The power requirement is reported to be 10,000 kwh. per ton of ammonia produced or roughly 4,000 kwh. per ton of ammonium sulphate.

In the case of the ammonia sulphate factory contemplated in the Philippines, the plant was estimated to involve a capital investment of some $14.4 million, of which $11.5 million was for purchases in the United States, not including capital investment for housing or community service for workers. This estimate was based by a commercial company on the 126,000 short ton capacity and included detailed estimates of the probable costs of a process utilizing electrolysis of water to produce hydrogen and liquefaction of air to produce nitrogen and pyrites.[24] An additional $11.7 million was required for development of the Maria Cristina Hydro-electric project upon which it was dependent. At that time 60,000 kilowatts of the proposed capacity of the power project would have been used for the fertilizer factory.

The capital investment also obviously varies with the size of production unit. This point is well brought out in the *Report* of the Technical Mission appointed to advise on the Production of Artificial Fertilizer in India.[25] Here the problem was the size of plant unit to employ for a total production capacity of 350,000 tons. The difference in capital investment was as follows:

Production scheme	Capacity	Million rupees
6 factories	5 at 50,000 tons	
	1 at 100,000 tons	210
3 factories	3 at 116,700 tons	157
2 factories	1 at 250,000 tons	
	1 at 100,000 tons	127
1 factory	1 at 350,000 tons	101

In other words, six plants with a capacity of 350,000 tons would have required more than twice the capital investment that a single plant of the same capacity would have required. Three plants would have required more than 50 per cent greater investment and two factories would have required a 25 per cent greater outlay.

Even though it is now estimated that the capital investment for the single installation which was decided upon may be as much as $40 million,[26] there is little doubt that the initial cost of larger units is substantially smaller than that for a series of smaller units. In view of the limited funds available for such long-term investment, it is obvious that an initial decision as to the right-sized installation is of primary importance. If a decision is made to install a small plant, it will be desirable to plan the construction so as to permit expansion without further duplication or enlargement of many of the facilities, including underground facilities.

Unit Cost of Production.

Factors affecting the unit cost of production are somewhat similar to those affecting the initial capital investment. Those to be considered are availability and price of raw material, the size of the production unit and the processes used, the extent of the investment and the nature of the management and labour programme utilized.

As noted earlier, natural gas installations are generally less expensive than coke units for hydrogen production and under conditions existing in the United States, this method was accompanied by lower unit costs of production.

For manufacture of ammonium sulphate by the semi-water gas process, prices of coal, coke and gypsum or anhydrite and sulphur or pyrite are crucial to the problem of unit costs. In the water-gas method, each ton of fertilizer requires approximately the following material:

Coal	...	.71 tons (12,000 B.U.T. per lb. net)
Coke	...	.51 tons (75 per cent fixed carbon)
Gypsum	...	1.35 (93 per cent purity) or
Anhydrite	...	1.22 tons (92 per cent purity)

A variation of prices of these materials can change the operating costs considerably. In India for example, between November 1944 and November 1949, coal prices increased from about Rs. 12.5 to Rs. 16 per ton. Coke prices also increased.

A considerable factor in selection of the Sindri location in India was ability to use the gypsum from the Salt Range in West Punjab. It was expected that a relatively inexpensive freight charge would be incurred in the movement of gypsum in coal freight cars returning from Punjab. A decision to utilize gypsum within the national boundaries, instead, could materially increase

24. **Philippines Power Programme, op.cit.**

25. **Published by the Manager of Publications, Delhi. (Printed by the Manager, Government of India Press, Simla, 1945).**

26. **"Fertilizer Project", Quarterly Bulletin of the Ministry of Industry and Supply, Government of India, January-March 1948, page 48**

freight and handling charges. Serious differences in the quality of the gypsum from the two regions would also increase costs.

In the water electrolysis method, unit costs are particularly dependent upon the cost of power. Presumably these costs must be well under 3 mills per kwh. in order to be competitive with natural gas and the most efficient coke method of producing hydrogen. In the Philippines project, an analysis[27] indicated that costs f.o.b. plant, excluding sales, research and others, could be $31.71 per ton of ammonium sulphate for the 126,000 short ton capacity. So far as operating charges are concerned, the estimated cost structure was based largely on a proposed power rate of 2.25 mills. The fixed charges were calculated on the basis of 20 year amortisation at 4½ per cent interest on the locally financed portion of the expenditure and 3 per cent on the portion to be financed in U.S. dollars.[28]

Plant size is another important factor affecting unit cost of production. The following shows the cost for total production of 359,000 tons, depending on size and location of plant, according to the *Report* of the Technical Mission appointed to advise on the Production of Artificial Fertilizers[29] in India.

Production scheme	Capacity	Cost of product	
		At factory (Rs. per ton)	At depot
6 factories	5 x 50,000 tons		
	1 x 100,000 tons	167	167
3 factories			
each of	116,700 tons	139	111
2 factories	1 x 250,000 plus		
	1 x 100,000 tons	127	125
1 factory	350,000 tons	114	126

Depot here means distributing centre in the consuming region and is the first point of distribution after the fertilizer leaves the factory. In this instance the estimated costs per ton at the point of distribution were over 30 per cent higher when six production units were to be employed than when one factory was to turn out the entire production. The differences were less marked for distribution from two to three factories. Thus the estimates were that unit costs for three plants of 116,700 tons each were 14 per cent. higher than for one plant. Two plants with capacities of 250,000 tons and 100,000 tons respectively had an estimated cost only 7 per cent higher. The potential savings at the factory were considerably greater, but were offset by distribution costs as the production centres were reduced.[30]

Comparative Cost

From fragmentary information it appears that the United Kingdom and United States costs at the point of manufacture are at the present time substantially lower than the costs in the ECAFE region. This is primarily owing to the easier accessibility to raw materials and natural gas in the former areas. It is quite likely, however, that economies can be made in the cost of current and prospective production in the region.

The most complete available information on current fertilizer prices is for India. Imported sulphate of ammonia is apparently selling for about Rs. 330 per ton (equivalent to about $69) f.o.b. main ports. This price appears to have prevailed from January 1949 onward. Actual imports of 124,000 tons for 1947/48 are indicated to be valued at about Rs. 279. For the fiscal year 1948/49, they were equal to Rs. 303 for the 141,000 tons imported.

In Indonesia imported data are not given on the individual fertilizers, but a separate record is shown for "manures." The 35,000 tons of "manure" imported in 1948 had an import value of some Fl. 8.5 million, or about $91 per ton. The 51,000 tons imported for January to November 1949 had an import value of some Fl. 12.7 million, or about $89 per ton. In Ceylon, the 1949 price was about $89 per ton. A marked decrease to $56—$61 per ton was indicated, however, for the first three months of 1950. The import level appears to show a recent general decline to under $70 per ton for ammonium sulphate.

The fragmentary information on present and prospective costs indicates that domestic production in India, for example, can be undertaken at such prices. FACT, however, reports a sales price of about Rs. 340. This is well above the import level and may be a temporary situation reflecting the relatively low level of output as yet obtained from the new plant. Projected costs at the level of about Rs. 180 to Rs. 190 (equivalent to about $40) per ton were indicated at Sindri for the end of 1949. Possibilities of low costs are indicated for other countries of the region where hydro-electric power or gas can be used.

27. **Westinghouse, op. cit.**

28. No costs are included to cover community facilities for workers.

29. **Op. cit.**

30. It may be noted that the costs enumerated above are not representative today though they probably reflect the approximate difference between costs at a number of small factories and one large factory. A revised estimate is given in "The Lessons of Sindri", **The Eastern Economist**, New Delhi, 22 April 1949, pp.660-651. For various reasons the estimated investment is now increased to Rs. 170 million (some $38 million) and f.o.b. costs of production have been increased to some Rs. 180 per ton. See also **The Sindri Fertilizer Project: A Great National Enterprise, op. cit.**, p.3.

Since the region has produced so little and constituted so modest a part of the world demand for fertilizers, it has not been an area of great price competition and import prices for ammonium sulphate may be well above production and shipping costs. The primary advantage that domestic production in the region can have over obtaining supplies from outside must not be evaluated solely by the above comparison. As long as the United States and United Kingdom production costs are low, the only long-range cost advantages that the countries of the region should use in appraisal of efficiency of their own production are relatively high overseas shipping handling charges. Efficient production on even a relatively small scale may be helpful to the countries of the region in increasing the competition for the market and thus reducing prices. The domestic industry can be said to be relatively efficient, however, only if its product can be supplied substantially below current prices imported materials.

CONCLUSION

The decision of an individual country to produce chemical fertilizers will be not only dependent on a catalogue of indigenous resources and probable cost, but also influenced by the national aspiration for self-efficiency and defence. It will be guided by the interest of governments in developing chemical manufacturing as a foundation for other industrial purposes. Ammonia and sulphuric acid are basic materials for many manufacturing activities. In India, FACT is developing a caustic soda division, while the management at Sindri is considering the manufacture of ammonium nitrate and urea, and already has a cement plant as noted.

While the region has a fair share of problems in the development of fertilizer production, these are not insuperable. In addition to the chronic dearth of foreign exchange, there is the problem of raw material and of trained personnel. Since a high degree of technical skill is required for the operation of such a plant, for a long period many key officials will have to come from outside the region, as is the case in India. Countries which plan to enter into production must secure experienced persons to whom considerable responsibility for direction and management must be given. A high degree of competence is necessary for personnel at several levels, including foremen, who must be specially recruited and trained under actual operating conditions. The dynamic charcter of the developments in the industry involving different processes and varying economies of operation emphasizes the need for continuous research in chemical engineering, marketing and economic analysis.

ASIAN ECONOMIC STATISTICS

List of Tables

	PAGE
I. Indices of Industrial Production	41
II. Production of Selected Commodities	42
III. Volume of Railway, Shipping and Air Traffic	44
IV. External Trade in Merchandise	45
V. Export of Selected Commodities	46
VI. Import of Rice by Source	47
VII. Financial Statistics	48
VIII. Wholesale Price Indices	51
IX. Cost-of-living Indices	52
X. Wholesale Price Quotations of Selected Commodities	53
Explanatory Note to Table X	55

SYMBOLS EMPLOYED

The following symbols have been used throughout this appendix:

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

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

Figures in italics are provisional.

Unless the contrary is 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 Far East:

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

HK$ = Hong Kong dollar.

Fl. = guilder (Indonesia).

Y. = yen (Japan).

W. = won (Republic of Korea).

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

P. = peso (the Philippines).

Pr. = piastre (Indochina).

SOURCES

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

I. INDICES OF INDUSTRIAL PRODUCTION

(1948 = 100)

Description	1936	1946	1947	1949	1949				1950			
					I	II	III	IV	I	Jan.	Feb.	Mar.
INDIA												
General index	....	90.2	88.6	97.7	104.2	97.6	92.3	98.7	..	98.5	95.7	..
KOREA												
Economic activity	...	....	80.6	152.4	115.3	158.9	167.7	166.9	..	139.5	*131.5*	..
Mining	....	....	63.3	136.7	115.2	153.2	133.5	144.3	..	139.9	*125.3*	..
Utilities	.. .	....	78.1	126.6	115.6	131.2	127.3	131.2	..	131.2	*125.0*	..
Manufacturing	.. .	....	82.0	182.0	133.6	177.9	207.4	209.8	..	162.3	*155.7*	..
Fisheries	.. .	....	105.3	105.3	40.0	143.2	137.9	97.9	..	60.0	*50.5*	..
JAPAN												
Industrial activity	161.8	65.6	77.1	126.2	118.5	127.5	127.1	132.4	*131.8*	129.8	129.1	*136.4*
Utilities	79.7	81.2	91.3	113.9	111.1	114.8	108.2	119.6	*116.7*	117.6	110.7	*121.8*
Industrial production	206.5	57.0	69.2	132.9	122.2	134.4	137.2	139.2	*139.9*	136.3	139.1	*144.2*
Mining	131.3	62.6	82.4	115.5	113.1	112.8	118.1	118.1	*109.7*	113.3	116.2	*99.3*
Manufacturing	220.1	56.1	66.8	136.1	123.9	138.5	140.9	143.1	*145.5*	140.6	143.3	*152.5*
Durable manufacturing	181.0	54.5	64.6	133.9	128.2	136.8	135.4	137.9	*139.0*	138.8	135.9	*142.0*
Metals	268.0	33.1	54.4	180.3	150.1	170.0	184.0	217.7	*222.0*	*222.4*	208.2	*235.3*
Machinery	149.1	61.9	66.0	116.6	117.8	125.6	117.4	105.4	*107.2*	107.7	109.1	*105.0*
Transport equipment	158.0	71.2	49.6	100.1	105.5	101.6	103.7	93.8	*103.2*	108.1	103.8	*97.7*
Other machinery	143.4	55.9	76.9	127.2	132.7	141.3	126.6	113.0	*110.0*	107.6	112.5	*109.8*
Non-durable manufacturing	291.3	58.8	70.9	140.2	116.3	141.5	150.7	152.5	*157.2*	143.8	156.7	*171.4*
Textiles	576.2	53.4	85.6	129.3	111.6	126.5	134.8	146.4	*156.9*	134.3	165.7	*171.3*
Chemicals	236.4	48.2	61.6	143.9	121.4	147.0	142.9	162.3	*174.5*	161.8	171.1	*190.5*
Heavy chemicals	138.8	41.6	62.6	134.8	115.1	144.4	135.7	145.7	*140.6*	134.4	133.1	*154.3*
Other chemicals	336.5	54.9	60.4	151.2	128.1	149.6	150.4	176.6	*207.3*	187.1	207.3	*227.6*
Food, beverages & tobacco	186.7	83.8	77.3	141.1	108.0	141.9	180.8	133.3	*117.3*	109.5	114.5	*127.8*

II. PRODUCTION OF SELECTED COMMODITIES

(Monthly averages in thousand tons)

COMMODITY	1938	1946	1947	1948	1949	1949				1950			
						I	II	III	IV	I	Jan.	Feb.	Mar.
COAL													
India a	2,400	2,479	2,546	2,525	2,668	2,737	2,595	2,617	2,722	2,841	2,641	2,971	2,910
Indochina	195	22	21	30	32	31	29	26	39	36	54	19	37
Indonesia	121	13	25	45	55	49	50	59	63	63	62	61	67
Japan	4,057	1,697	2,270	2,810	3,164	3,182	3,082	3,189	3,204	2,957	3,107	3,186	2,577
Korea b	19	21	39	67	89	77	99	81	98	96	*101*	88	98
Malaya	41	19	19	32	33	30	35	34	32	37	39	32	40
Pakistan c	..	34	13d	20	28	32	26	24	29	44	45	42	44
ELECTRICITY (million kwh)													
Hong Kong	..	..	9	13	18	15	17	19	21	21	21	20	23
India a	211e	336	347	382	410	387	419	414	420	403	412	381	415
Korea b	225	19	23	40	55	50	58	56	55	..	57	51	..
Pakistan	..	..	10d	11	14	12	14	14	14	..	..	..	..
Philippines f	12	13	..	30	35	34	35	36	37	35	38	34	34
Thailand g	3h	3	3	4	4	5	4	4	5	..	..	..	..
Japan	2,062i	2,282	2,461	2,802	3,033	3,925	3,053	2,883	3,141	3,055	3,065	2,896	3,203
PETROLEUM, CRUDE													
Indonesia	616	22	93	361	494	455	485	522	514	477	439	468	525
Pakistan		4	2j	4	8	6	6	9	11	10	10	9	11
Japan	29i	16	16	14	17	13	17	18	19	23	23	21	24
IRON ORE													
India a	232	204	212	194	..	..	..	..	..	..	..	..	..
Malaya	166k	—	—	—	1	—	—	—	3	22	23	19	24
Philippines	77	—	—	2	24 l	19	26	28	..	..	..	..	..
Japan	52l	46	41	46	63	45	58	81	68	56	48	55	66
PIG IRON & FERRO-ALLOYS													
India	131	115	113	120	131	119	130	136	139	136	135	124	149
Japan	173i	18	31	70	134	107	128	136	164	152	161	128	168
STEEL INGOTS & CASTINGS													
India	82	110	102	106	115	107	116	114	121	120	123	108	130
Japan	435i	47	78	143	259	218	240	261	319	339	328	324	366
FINISHED STEEL													
India	71e	84	83	81	87	82	83	91	93	80	79	77	82
Japan	379i	38	54	105	185	150	175	187	229	*245*	218	241	276
TIN IN CONCENTRATES (tons)													
Burma	419	30	151	98	151	154	187	*145*	*117*	*102*	*102*	*102*	*102*
Indonesia	2,517	544	1,349	2,592	2,453	2,354	2,655	2,401	2,400	2,541	2,409	2,557	2,658
Malaya	3,673	714	2,288	3,795	4,649	4,324	4,640	4,745	4,891	4,833	5,263	4,431	4,805
Thailand	1,255	89	119	359	661	461	678	719	790	*711*	*711*	*711*	*711*
NATURAL RUBBER m													
British Borneo n	2.4	2.4	4.5	5.3	5.1	5.4	4.7	5.6	5.0	6.6	6.5	6.4	6.8
Burma n	0.6	0.5	0.7	0.8	..	0.6	..	..	..	..	..	..	..
Ceylon	4.3	8.0	7.5	8.0	7.6	6.8	7.1	7.6	8.8	6.8	8.6	4.6	7.1
India	1.3	1.3	1.4	1.3	1.3	0.8	1.2	1.2	2.0	0.8	1.3	0.2	1.0
Indochina	5.0	1.7	3.2	3.7	3.6	1.8	3.3	4.1	5.1	..	5.0	1.5	..
Indonesia	27.0	15.0	23.5	36.6	36.5	30.8	33.6	39.1	42.4	38.8	32.7	35.2	48.6
Malaya	30.4	34.2	54.7	59.1	56.9	58.9	51.4	58.3	58.9	54.8	63.0	51.0	50.5
Thailand n	3.5	2.1	4.4	8.1	8.0	8.3	8.1	8.1	7.5	7.2	6.8	8.8	5.9
CEMENT													
Hong Kong	....	....	3	4	5	4	2	7	7	8	8	7	7
India a	119	173	147	131	178	154	168	180	209	220	230	205	224
Indochina	22	....	3	8	13	14	11	11	16	10	7	11	12
Korea b	51	1	2	1	2	2	2	1	3	....	3	3	....
Philippines	14	....	11	10	17	12	20	18	19	....	18	20	....
Thailand	10h	....	5	7	11	10	11	11	11	12	12	10	13
Japan	465o	77	103	154	273	208	253	296	335	275	269	256	301
COTTON YARN													
India a	48.7	52.8	49.8	54.3	51.4	54.1	52.3	50.0	49.3	45.7	46.3	44.1	46.7
Korea b	....	0.3	0.5	0.5	1.1	0.6	1.1	1.1	1.5	....	1.1	1.0	....
Japan q	54.5l	4.8	10.2	10.2	13.1	11.0	13.2	13.4	14.9	15.6	14.2	16.7	16.0
COTTON FABRICS (million metres)													
India a	328	307	290	335	298	304	302	294	293	282	286	269	292
Korea b	11.4	1.68	2.33	2.14	4.85	2.48	5.01	5.08	6.84	....	5.79	5.64	....
Philippines	....	....	0.53	0.75	0.36	0.26	0.29	0.39	0.49	0.61	0.67	0.44	0.72
Japan q	243.6l	16.8	46.1	64.4	68.6	65.3	64.5	70.2	74.4	93.2	85.2	97.0	97.4

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

(Monthly averages in thousand tons)

	Units	1938	1946	1947	1948	1949	1949 I	1949 II	1949 III	1949 IV	1950 I	1950 Jan.	1950 Feb.	1950 Mar.
JUTE MANUFACTURES														
India		107.2	92.2	89.0	92.0	78.1r	80.1	89.9	70.9	71.7	72.7	72.2	73.6	72.4
SOAP														
India		....	....	....	6.38	*6.90*	7.15	4.78	5.99	*6.10*	....	....	....	....
Korea b		....	....	....	....	0.42	0.10	0.59	0.77	0.22	....	0.25	0.23	....
Japan		15.96i	1.32	0.43	1.16	2.12	2.05	1.92	1.36	3.14	*4.51*	3.34	3.42	*6.76*
Malaya		....	....	0.88	0.64	0.52	0.60	0.56	0.52	0.39	0.39	0.38	0.38	0.41
PAPER														
India (including paper products)		....	8.97	7.88	8.29	8.74	8.32	9.12	8.90	8.61	8.96	9.03	8.59	9.26
Japan		88.12i	17.48	23.92	35.72	52.39	43.87	53.37	53.51	58.80	*62.48*	57.56	65.61	*64.28*
OTHER CHEMICALS														
India														
Sulphuric acid a		2.05h	3.40h	2.94d	2.33	6.70	6.77	2.35s	8.60	*9.14*	*7.90*	*8.74*	*7.47*	*7.48*
Superphosphates		....	0.38	0.42	1.81	3.96	2.43	3.82	4.73	4.86	2.79	2.76	2.75	2.87
Soda ash		....	1.02	1.15	2.47	1.52	3.12	0.75	—	2.20	3.88	3.83	3.81	4.01
Caustic soda		....	0.25	0.28	0.37	0.53	0.52	0.44	0.50	0.68	0.86	0.83	0.87	0.89
Liquid chlorine		....	0.13	0.14	0.15	0.22	0.13	0.18	0.23	0.35	0.34	0.30	0.39	0.33
Bleaching powder		....	0.17	0.22	0.24	0.21	0.27	0.15	0.20	0.22	0.32	0.28	0.30	0.37
Power alcohol	(mil. litres)	....	....	0.86	1.39	1.60	1.41	1.53	1.39	2.07	2.18	1.93	2.42	2.19
Industrial alcohol	(mil. litres)	....	....	1.82	1.11	1.13	1.45	0.89	0.96	1.23	1.46	1.52	1.48	1.39
Japan														
Sulphuric acid t		240.9i	76.5	124.1	162.5	215.2	189.1	214.1	217.4	240.5	*243.1*	244.1	234.7	*251.2*
Ammonium sulphate u		72.9i	39.1	60.1	78.9	102.7	87.4	78.2	95.4	116.5	*112.7*	116.2	104.0	*117.8*
Calcium cyanamide u		17.9i	12.1	14.6	17.1	29.1	18.8	33.9	30.8	33.2	*29.6*	28.6	25.3	*35.0*
Calcium superphosphate v		119.8i	16.7	59.1	79.6	96.7	93.0	86.1	104.1	103.8	*123.6*	73.5	141.3	*155.9*
Soda ash (finished)		19.4h,i	1.9	3.2	6.3	10.3	9.2	9.6	10.7	11.6	*11.7*	12.5	11.7	*10.9*
Caustic soda		24.9h,i	2.4	3.6	9.0	12.1	11.7	12.3	12.3	12.2	*12.2*	12.1	11.5	*12.9*
Liquid chlorine		0.8h,i	0.2	0.3	0.5	0.9	0.7	0.8	0.9	1.1	*1.1*	1.2	1.1	*1.1*
Bleaching powder		3.6h,i	0.6	1.1	2.3	3.5	3.1	3.7	3.5	3.9	*4.0*	4.1	3.8	*4.1*
Dyestuffs		1.59i	0.14	0.23	0.44	0.55	0.68	0.64	0.46	0.40	*0.56*	0.50	0.65	*0.52*
Methyl alcohol		0.36i	0.38	0.36	0.63	0.92	0.69	0.95	0.91	1.15	*1.41*	1.42	1.15	*1.76*
Ethyl alcohol (mil. litres)		0.51i	1.32	1.58	2.41	2.15	2.10	2.39	1.05	3.06	*2.07*	0.97	1.68	*3.56*
MACHINERY PRODUCTS														
India														
Diesel engines	Units	....	39 4	57 1	85 4	173 0	121 3	139 0	209 3	222 3	294	225	301	356
Electric motors	1000 h.p.	....	3 82	3 17	5 00	5 67	5 76	5 96	5 80	5 17	5 28	4 52	4 26	7 07
Machine tools	1000 Rs.	....	760	382	456	394	541	472	320	243	187	185	166	211
Sewing machines	Units	....	0 51	0 49	1 67	2 09	1 87	1 87	2 21	2.40	2 35	2 38	2 23	2 44
Bicycles w	Units		4 22	4 07	5.39	7 33	5 57	6.81	9 04	7 89	8 81	8 96	7 53	9 95
Electric transformers	1000 kva	....	3 25	2 67	6 83	9 06	8 82	6 02	7 91	13 51	13 19	10 85	13 63	15 09
Electric lamps	Thousands	....	676	635	771	1,137	1,085	1,074	1,107	1,281	1,254	1,055	1,227	1,481
Electric fans	Thousands	....	9 20	13 33	15 00	*14.92*	12 19	16 35	*13.99*	*17.14*	*15.09*	12 66	15 06	17 56
Insulators, l.t.	Thousands	....	....	119	209	187	241	168	64	273	215	209	172	263
Insulators, h.t.	Thousands	....	....	6 18	7 49	11 40	8 59	11 96	13 03	12 00	14 51	8 32	20 07	15 14
Motor car batteries	Thousands	....	2 26	5 84	9 17	8 83	11 94	5 03	5 81	12 56	*15.19*	14 43	14 83	*17.22*
Japan														
Railway locomotives	Units	28i	19	12	3	9	9	8	15	4	6	13	1	3
Railway freight cars	Units	406i	98	86	367	258	390	380	193	70	79	108	82	48
Industrial locomotives	Units	37y	31	40	42	36	47	39	28	33	*17*	19	19	*22*
Industrial freight cars	Units	592i	251	698	1,612	804	1,400	908	470	439	*5.34*	399	594	*610*
Motor vehicles	Units	2,987x	1,546	1,850	3,917	5,547	5,827	5,561	5,441	5,324	*5,325*	5,064	5,272	*5,618*
Vessels (gross)		....	15 6	8 8	15 4	13 3	13 0	15 8	16 2	8 3	13 4	27 9	1 6	10 7
Diesel & other internal combustion engines	Unit	....	....	2,894	6,332	8,859	7,915	9,420	8,512	9,591	8,510	8,153	8,792	8,585
Ring spinning frames	Units	....	....	....	....	153	136	174	145	155	120	102	139	118
Looms		....	....	990	3,070	3,390	4,861	4,542	2,568	1,589	1,405	1,344	1,510	1,362
Power transmission equipment		....	....	0 3	0 6	1 2	1 1	1 3	1 2	1 2	1 1	1 1	1 1	1 2
Pumps		....	....	1 2	1 2	1 2	1.5	1 4	1 1	0 8	0 7	0 7	0 8	0 7
Cranes, derricks, hoists & winches		....	....	1 2	1 4	1 7	1 8	1 7	1 6	1 6	1 8	1 6	1 9	1 8
Mining & excavating machinery		....	....	1 1	2 2	2 6	3 3	2 8	2 4	1 9	1 7	1 6	1 9	1 5
Iron & steel works & coke oven plant equipment		....	....	1 9	3 1	5 2	6 1	5 4	5 1	4 0	5 2	4 9	5 2	5 6
Chemical industry machinery & equipment		....	....	2 7	2 2	3 5	3 2	3 8	3 5	3 5	3 7	4 3	3 4	3 5
Pulp & paper industry machinery		....	....	0 1	0 3	0 4	0 5	0 4	0 4	0 3	0 3	0 3	0 2	0 3
Food products machinery		....	....	0 6	0 5	1 0	1 1	0 9	0 9	1 1	0 8	0 7	0 8	0 9

a Including Pakistan territory up to July 1947.
b South Korea only for 1946-50.
c Including lignite.
d Average of five months August-December.
e 1939.
f Manila only.
g Beginning 1946, Bangkok only.
h Average of twelve months beginning 1 April of the year stated.
i 1936.
j Average of four months September-December.
k 1940.
l Average of nine months January-September.
m Including latex.
n Net exports.
q Including mixed yarn, predominantly cotton.
r Beginning 1949, data refer to the output of member mills of Indian Jute Mills' Association.
s June only.
t Converted to 50° BE.
u Converted to 20 per cent nitrogen.
v Converted to 16 per cent phosphorus pentoxide content.
w With the exception of 1950, data include, in addition to complete bicycles, spare parts and accessories expressed in terms of complete cycles.
x 1937.

III. VOLUME OF RAILWAY, SHIPPING AND AIR TRAFFIC

(Monthly averages)

Description	1938	1946	1947	1948	1949	1949 I	1949 II	1949 III	1949 IV	1950 I	1950 Jan.	1950 Feb.	1950 Mar.
RAILWAY TRAFFIC													
Passenger-kilometres (millions)													
India a, b	2,385c	5,390c	3,748d	4,880	5,055e	5,034	5,282	4,946	5,128	5,216	4,933	4,600	6,116
Indochina	73.7	2.6	6.2	8.3	6.5	6.4	6.9	6.7	6.1	....	5.2	6.1	....
Korea f	254	251	234	236	247g	....	215	236	290	....	297	....	....
Philippines h	39.6	....	18.9	23.9	31.0	30.2	38.5	25.8	....	....	32.3	....	....
Japan b, i	2,185j	7,287	7,343	6,595	5,368e	5,906	6,293	4,708	5,388	4,984	5,362	4,524	5,066
Freight ton-kilometres (millions)													
India a, b, j	2,968c	3,620c	2,271d	2,812	3,220e	3,741	3,141	3,157	3,367	3,601	3,208	3,180	4,415
Indochina	27.9	1.2	3.5	6.5	10.6	11.5	10.5	10.8	9.5	....	10.2	9.4	....
Korea f	280	52	83	87	107g	.. .	107	102	111	.. .	164	....	....
Philippines h	13.5	....	6.8	10.4	13.6	15.0	15.1	12.1	....	....	....	....	....
Japan b, i	1,305j	1,379	1,751	2,109	2,369e	2,251	2,177	2,184	2,778	2,360	2,323	2,325	2,431
Freight tons (thousand)													
Ceylon k	77	116	94	104	107	108	113	104	101	....	109	....	....
Indonesia	810	....	851	292	416	340	387	500	437	.. .	398	380	....
INTERNATIONAL SEA-BORNE SHIPPING													
Entrances and clearances of vessels with cargo in external trade. (1000 net registered tons)													
Burma	Entered	310b	46k	96k	118k	93k	84	93	105	91	74	73	83	65
	Cleared	350b	36k	100k	157k	114k	122	114	120	100	77	64	63	104
Ceylon	Entered	913	222	331	475	640	568	634	630	727	641	613	622	687
	Cleared	891	198	312	469	570	502	529	574	673	570	539	595	575
Hong Kong n,p.	Entered	1,228	342	668	782	988	836	1,023	1,113	985	992	1,050	913	1,013
	Cleared	1,233	....	669	775	977	868	987	1,164	957	990	1,003	950	1,015
India	Entered	760c	407c	570c,q	647r	741	762	791	690	720	575	625	421	679
	Cleared	793c	370c	524c,q	570r	559	540	546	525	625	535	530	505	569
Indochina n,s,	Entered	269	...	96	124	148	..	..	..	..	..	..	..	..
	Cleared	245	135	97	119	151	125	147	160	172	163	162	172	155
Korea, f,n,	Entered	1,088	3	90	25	31	39	42	21	30	..	45	89	..
	Cleared	1,083	3	91	25	30	40	42	19	27	..	39	83	..
Malaya	Entered	1,354	.. .	789	951	1,195	1,100	1,212	1,292	1,176	..	..	..	..
	Cleared	1,308	....	699	892	1,083	974	1,091	1,188	1,076	..	..	..	..
Pakistan	Entered	....	.. .	115d	201	301	299	306	317	282	313	279	308	353
	Cleared	....	.. .	78d	144	204	203	226	193	195	242	267	225	235
Philippines	Entered	371t	124u	....	450	476	489	488	487	439	485	484	457	514
	Cleared	436t	59u	....	438	475	481	490	490	440	473	474	424	522
Thailand	Entered	72b	20	43	67	90	84	88	93	94	..	..	..	..
	Cleared	101b	23	50	92	122	130	116	120	121	..	..	..	..
Japan n	Entered	5,824k	200	623	948	1,541	1,308	1,592	1,668	1,595	776	760	730	837
	Cleared	5,785t	....	615	929	1,489	..	..	..	..	..	..	..	..
CIVIL AVIATION TRAFFIC													
Passenger-Kilometres (millions)													
Ceylon		..	..	..	0.36	0.95	0.76	0.83	1.15	1.05	..	..	..	..
India		0.11	8.19	19.03	24.05	26.22	25.74	27.66	23.94	27.54	..	28.32	..	..
Philippines		0.21	8.28	10.75	14.57	..	12.27	14.85	..	..	..	..	..	..
Thailand		—	0.01	0.42	0.93	1.57	1.49	1.74	1.58	1.47	1.53	1.62	136	1.60
Freight ton-kilometres (thousands)													
Ceylon		..	..	..	1.6	7.3	5.7	7.0	9.0	7.5	..	..	..	..
India		34	125	293	489	878	661	839	869	1,142	..	1,879	..	..
Philippines		..	245	455	540	..	499	418	..	..	..	..	..	..
Thailand		1.0b	0.1	5.5	16.9	28.9	26.8	26.3	29.2	33.4	30.1	29.7	26.0	34.6

a Class I railways, broad and metre gauge only.
b Annual figures relate to twelve months, beginning 1 April of year stated.
c Including Pakistan territory.
d September-December.
e Average of eleven months, April to February.
f Beginning 1947, south Korea.
g Average of nine months, April to December.
h Manila Railroad Co. Annual figures relate to twelve months ending 30 June of year stated.
i State Railways only.
j 1936.
k Annual figures refer to twelve months ending 30 September of year stated.
l Beginning 1947, Federal area.
m Total number of entrances and clearances made during each voyage.
n With cargo and in ballast.
p Beginning 1947, including river boats of more than 60 tons.
q January-July.
r March-December.
s Port of Saigon.
t 1937.
u January-September.
v Scheduled domestic and international routes, and except India, revenue traffic only.

IV. EXTERNAL TRADE IN MERCHANDISE

(Monthly average of values in millions)

COUNTRY	1938	1946	1947	1948	1949	1949				1950			
						I	II	III	IV	I	Jan.	Feb.	Mar.
BRITISH NORTH BORNEO (M$)													
Imports	0.5	..	1.7	2.1	2.8	..	..	..	..	2.7	2.6	2.6	2 8
Exports	0.8	..	1.4	2.5	3.1	..	..	..	..	4.8	4.6	4.2	5 6
Balance	+0.3	..	—0.3	+0.4	+0.3	..	..	..	..	+2.1	+2.0	+1.6	+2 8
BURMA a (Rs.)													
Imports	18.0	24.2	39.4	49.7	31.1	24.7	28.1	36.6	32.2	36.3	44.8	37 0	17 2
Exports	40.5	8.4	39.9	63.1	61.1	84.5	69.5	49.8	30.3	32.3	14.6	24 2	58.0
Balance	+22.5	—15.8	+0.5	+13.4	+30.0	+59.8	+41.4	+13.2	—1.9	—4.0	—30.2	—12.8	+30 8
CEYLON (Rs.)													
Imports	20	58	80	83	86	95.3	93.3	73.7	80.7	79.0	87.0	65.0	85.0
Exports	24	64	74	84	89	80.7	83.7	88.7	101.7	99.3	108.0	93.0	97.0
Balance	+4	+6	—6	+1	+3	—14.6	—9.6	+15.0	+21.0	+20.3	+21.0	+28.0	+12.0
HONG KONG (HK $)													
Imports	52	78	129	173	242	181.0	232.0	271.7	283.0	284.0	322.0	249.0	281.0
Exports	51	66	105	132	206	162.7	168.0	236.3	258.0	227.3	246.0	203.0	233.0
Balance	—1	—12	—24	—41	—36	—18.3	—64.0	—35.4	—25.0	—56.7	—76.0	—46.0	—48.0
INDIA b (Rs.)													
Sea and airborne													
Imports	130	278	372	432	461	540.3	586.0	488.3	458.0	312.0	368.0	266.0a	302.0
Exports	142	266	349	352	395	343.7	313.3	335.7	466.7	463.3	475.0	453.0	462.0
Balance	+12	—12	—23	—80	—66	—196.6	—272.7	—152.6	+8.7	+151.3	+107.0	+187.0	+160.0
Landborne													
Imports	..	..	..	71	26	..	32.3	50.1	13.9	8.7	0.7	14.9	10.4
Exports	..	..	..	25	22	..	33.7	29.4	19.4	3.4	2.2	2.9	5.2
Balance	..	..	..	—46	—4	..	+1.4	+20.7	+5.5	—5.3	+1.5	—12.0	—5.2
INDOCHINA (Pr.)													
Imports	16	26	81	197	328	229.7	312.7	378.7	389.7	292.4	239.6	261.2	376 4
Exports	24	58	39	98	95	106.7	98.0	84.0	90.0	110.0	140.3	114.6	25 0
Balance	+8	+32	—42	—99	—233	—123.0	—214.7	—294.7	—239.7	—182.4	—99.3	—146.6	—301.4
INDONESIA (Fl.)													
Imports	40.5	23.4	64.6	94.5	119.0	93.1	121.8	143.7	117.1	95.6	60.3	82.1	144.3
Exports	57.4	12.9	29.1	86.7	120.3	104.7	117.0	120.0	139.5a	141.0	113.1	108.2	201.7
Balance	+16.9	—10.5	—35.5	—7.8	+1.3	+11.6	—4.8	—23.7	+22.4	+45.4	+52.8	+26.1	+57.4
KOREA, SOUTH (US$)													
Imports	..	4.12	15.90	15.75	10.98	12.35	14.22	8.30	9.16	3.67	5 48	9.33	*11.20*
Exports	..	0.06	0.67	1.57	1.19	0.82	1.69	0.82	1.41	2.46	3.34	2.54	*1.50*
Balance	..	—4.06	—15.23	—14.18	—9.79	—11.53	—12.53	—7.48	—7.75	—6.21	—2 14	—6.79	—9.70
MALAYA AND SINGAPORE (M$)													
Imports	46	..	114	149	153	148.3	164.3	140.7	160.7	*173.0*	180.0	150.0	189.0
Exports	48	..	108	144	140	146.3	117.3	130.7	164.7	*187.8*	190.0	164.0	209.4
Balance	+2	..	—6	—5	—13	—2.0	—47.0	—10.0	+4.0	14.8	+10.0	+14.0	+20.4
PAKISTAN c (Rs)													
Imports	..	..	20.0	98.3	113.1	131.5	124.2	124.0	72.8	66.8	66.4	56.6	77.3
Exports	..	..	64.8	76.9	75.9	107.8	85.5	47.9	62.6	90.6	88.5	95.9	87.3
Balance	..	..	+44.8	—21.4	—37.2	—23.7	—38.7	76.1	—10.2	+23.8	+22.1	+39.3	+10.0
PHILIPPINES (P.)													
Imports	22.10	49.31	85.22	94.70	94.48	114.15	93.53	72.92	97.38	..	..	..	..
Exports	19.42	10.70	44.09	53.14	42.29	45.62	46.07	41.86	36.98	..	..	..	..
Balance	—2.68	—38.61	—41.13	—41.56	—52.19	—68.53	—47.46	—31.06	—60.40	..	..	..	..
THAILAND d (Baht)													
Imports	10.8	45.7	92.5	143.6	191.4	176.8	224.9	175.6	188.2	..	*189.0*	..	..
Exports	16.8	38.0	80.7	168.0	234.0	278.4	239.1	192.0	226.5	..	*157.3*	..	..
Balance	+6.0	—7.7	—11.8	+24.4	+42.6	+101.7	+14.2	+16.4	+38.3	..	—31.3	..	..
JAPAN (US$)													
Imports	89.2	19.1	43.8	56.9	75.1	75.8	92.5	75.8	44.4	73.9	70.8	76.4	76.2
Exports	92.4	6.5	14.5	21.5	42.6	40.0	47.4	42.8	40.2	47.9	39.5	51.2	52.9
Balance	+3.2	—12.6	—29.3	—35.4	—32.5	—35.8	—45.1	—33.0	—4.2	—26.0	—31.3	—25.2	—23.3

a **BURMA**—For 1938 and 1946, sea-borne trade only. For 1938, twelve months starting April. For 1946, eight months ending September. For 1947, 1948 and 1949, twelve months ending September.

b **INDIA**—Annual figures twelve months starting April. Sea and airborne: Figures for 1946 and April—July 1947 figures include Pakistan territory. Indo-Pakistan trade excluded from August 1947 to February 1948 Land borne trade: with Pakistan (incomplete).

c **PAKISTAN**—Sea-borne trade only. For 1947, eight months ending March 1948 and excluding trade with India. For 1948 and 1949, twelve months starting April.

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

e **JAPAN**—Trade with Korea and Formosa included. For 1946, sixteen months' average ending December.

V. EXPORT OF SELECTED COMMODITIES

(Monthly averages in thousand tons)

COMMODITY	1938	1947	1948	1949	1949 I	1949 II	1949 III	1949 IV	1950 I	1950 Jan.	1950 Feb.	1950 Mar.
TEA												
Ceylon	8.91	10.86	11.18	11.58	10.11	13.27	11.74	11.20	8.72	10.68	6.60	8.87
China	3.47	1.37	1.46	....	....	....	....	....	...	....	...	...
India	13.38a	16.06a	14.23	16.05	15.33	6.49	18.80	23.60	..	19.51	11.79	..
Pakistan	....	....	...	1.20	0.82	0.59	0.92	2.46	1.18	2.31	1.10	0.12
Indochina	0.16	0.01	0.02	....	....	....	....	....	....	..	..	...
Indonesia	5.99	0.33	0.75	1.79b	1.46b	1.70b	1.90b	2.08b	....	1.74	1.56	..
Japan	1.40	0.25	0.34	0.60	0.30	0.95	0.95	0.18	0.40	..	....	0.08
COPRA AND COCONUT OIL c												
Ceylon	8.69	5.09	9.18	8.64	10.69	6.24	8.68	8.99	3.35	4.24	4.44	1.38
Hong Kong d	0.05	1.58	0.69	0.26	0.29	0.10	0.37	0.33	0.17	0.14	0.14	0.22
Indonesia e	25.77f	7.63	12.12g	15.80	17.17	17.34	15.85	12.80	11.95	16.76	7.41	11.68
Malaya & Singapore	13.44	4.02	7.09	9.75	7.28	8.23	12.37	11.11	7.69	5.49	7.82	9.75
North Borneo	0.42	0.19	0.26	0.84	0.51	0.76	0.97	1.12	1.31	1.20	1.11	1.64
Philippines	28.93f	51.16	35.34	33.42	24.28	33.12	39.80	36.48	25.98	26.01	21.74	30.18
Sarawak	0.14	0.04	0.10	0.17	0.10	0.11	0.21	0.27	0.20	0.26	0.20	0.15
Thailand	....	..	....	0.32	0.23	0.20	0.46	0.40	...	....	....	....
PALM KERNELS AND OIL e												
Indonesia h	14.24	0.19	3.33	8.49	6.50	5.72	9.22	12.50	5.59	2.95	5.69	8.13
Malaya & Singapore	3.07	4.06	4.39	5.03	6.56	4.07	4.78	4.68	5.22	5.58	3.25	6.81
GROUND NUTS AND OIL c												
Hong Kong	1.22	0.21	0.36	0.71	0.16	0.59	1.19	0.96	1.47	1.06	1.26	2.11
India	21.97	3.03	5.47	3.97	4.73	6.12	1.59	3.45	..	21.81	..	....
NATURAL RUBBER												
Brunei	0.10	0.17	0.17	0.14	0.17	0.11	0.14	0.15	0.20	0.21	0.20	0.18
Burma	0.57	0.73	0.77	0.63	0.63	0.63	0.63	0.63	..	...	...	...
Ceylon	4.17	6.98	7.77	7.66	9.69	5.57	6.63	9.75	10.23	12.18	9.87	8.64
Indochina	5.01	4.28	3.49	3.46	4.41	2.07	3.54	3.82	5.69	8.02	7.53	1.51
Indonesia	25.48	24.30	36.58	35.73	29.83	33.24	36.79	43.06	29.73	22.54	25.33	41.32
Malaya	29.13	54.20	57.49	57.50	64.78	50.46	58.21	56.54	58.23	58.69	52.77	63.22
North Borneo	0.80	1.27	1.70	1.65	1.65	1.43	1.70	1.83	1.83	1.95	1.50	2.05
Sarawak	1.51	3.01	3.38	3.29	3.54	3.12	3.27	3.22	4.54	4.31	4.73	4.59
Thailand	3.52	4.45	8.12	7.97	8.34	8.06	8.05	7.45	7.20	6.83	8.83	5.94
TIN CONCENTRATES												
Burma	0.17	0.15	0.16	0.12	0.12	0.05	0.15	0.15	0.10	0.10	0.10	0.10
Indochina i	..	....	....	0.04	0.02	....	....	0.02	..	....	...	....
Indonesia	1.16	1.32	2.75	2.58	3.04	2.64	2.52	2.11	2.56	2.81	1.86	3.00
Thailand	1.14	0.48	0.47	0.61	0.51	0.76	0.39	0.79	0.76	1.16	0.42	0.71
TIN METAL												
Hong Kong	....	....	0.17	0.28	0.22	0.44	0.14	0.30	...	0.15	0.18	...
Malaya	5.18	2.72	4.00	4.65	5.99	2.83	4.30	5.50	5.92	6.47	4.49	6.81

a Including territory of Pakistan.
b Federal territory only.
c Expressed in terms of oil equivalent: figures under column for 1938 refer to averages for the period 1934-38.
d Coconut oil only.
e Copra only.
f 1935-39.
g Excluding exports to Singapore.
h Palm oil only.
i To Malaya only

VI. IMPORT OF RICE BY SOURCE

(Monthly averages in thousand tons)

Importing country and source	1938	1946	1947	1948	1949	1949				1950			
						I	II	III	IV	I	Jan.	Feb.	Mar.
BRITISH BORNEO													
Total imports	3.5	1.1	2.6	2.7	2.2	5.6	1.1	0.9	1.0	0.3	--	—	0.9
From Burma	—	0.1	0.4	0.9	0.1	0.5	—	—	—	—	—	--	--
From Thailand	0.5a	0.9	2.2	1.8	2.1	5.2	1.1	0.9	1.0	0.3	--	--	0.9
Other sources	3.0	0.2	—	—	—	--	—	--	—	—	--	—	--
CEYLON													
Total imports	46.8	23.0	20.3	33.5	33.4	52.5	37.2	17.8	26.2	2.3	0.4	1.9	4.5
From Burma	30.7a	3.6	9.2	25.8	21.6	37.0	22.9	12.1	14.3	1.5	—	0.6	3.8
From Thailand	6.3	—	—	0.9	7.2	8.2	7.5	2.3	11.0	0.6	0.4	1.3	0.8
Other sources	9.8	19.3	11.0	6.8	4.6	7.4	6.8	3.4	0.8	—	--	—	--
CHINA													
Total imports	27.5	17.8	22.4	32.0	13.3	14.9	31.9	3.1	3.0	0.9	--	—	2.6
From Burma	2.2a	0.2	0.7	5.2	4.1	2.9	7.4	3.0	3.0	0.9	--	--	2.6
From Thailand	0.2a	9.0	11.0	18.4	6.5	11.6	14.5	0.1	—	--	--	—	—
From Indochina	1.5	4.2	0.1	0.3	—	--	—	—	—	—	—	--	--
Other sources	23.6	4.3	1.5	8.1	2.6	0.4	10.0	--	—	--	—	--	—
HONG KONG													
Total imports	41.5	6.7	7.2	9.4	6.0	9.2	5.2	3.6	5.9	0.6	0.2	0.5	1.0
From Burma	3.7a	0.8	2.8	3.1	1.4	2.6	1.5	1.6	—	—	--	--	—
From Thailand	24.2a	5.9	3.2	5.0	4.5	6.6	3.7	1.9	5.9	0.6	0.2	0.5	1.0
From Indochina	13.5	—	0.4	1.0	--	--	—	—	—	--	--	--	--
Other sources	—	—	0.8	0.3	—	—	—	—	—	—	—	—	--
INDIA													
Total imports	130.8	30.5	38.7	66.6	66.9	119.4	71.5	54.9	21.7	—	—	—	—
From Burma	130.2a	19.6	28.8	41.7	31.5	65.3	35.9	24.1	0.7	—	—	—	--
From Indochina	0.1	0.3	0.8	0.8	0.1	0.2	—	—	—	--	—	--	—
From Thailand	0.5c	2.2	2.6	13.8	26.1	47.1	28.0	14.1	15.4	--	—	—	--
Other sources	—	8.3	6.5	10.2	9.2	6.7	7.7	16.7	5.7	-	--	—	—
INDONESIA													
Total imports	24.1	8.2	9.7	17.2	27.6	35.0	23.9	16.0	36.2	3.0	--	0.2	8.7
From Burma	8.4a	1.3	4.0	5.0	10.5	8.2	14.0	8.8	11.0	1.3	—	--	3.9
From Indochina	2.1	0.1	0.7	—	—	--	—	—	—	—	—	—	--
From Thailand	0.2a	5.6	3.6	6.5	11.0	18.0	6.7	7.3	12.1	1.7	—	0.2	4.8
Other sources	13.4	1.1	1.4	5.7	6.3	8.9	3.2	—	13.0	—	—	--	—
MALAYA & SINGAPORE													
Total imports	72.2	22.9	23.6	12.4	41.2	51.9	53.0	34.6	25.4	1.6	0.6	0.3	3.9
From Burma	20.6a	9.8	11.1	1.6	12.0	15.3	23.6	7.8	1.2	—	0.1	—	0.1
From Indochina	1.9	1.3	—	1.8	0.4	1.7	—	—	—	—	—	--	--
From Thailand	48.0a	8.2	6.7	1.3	23.5	28.7	20.1	21.4	23.8	1.5	0.5	0.3	3.7
Other sources	1.6	3.6	5.7	7.7	5.3	6.2	9.3	5.4	0.4	—	--	—	--
PAKISTAN													
Total imports	—	--	—	—	5.3	4.7	2.0	14.6	—	--	--	--	--
From Burma	—	--	—	--	4.9	4.7	2.0	12.9	—	—	—	—	—
Other sources	—	—	—	—	0.4	—	—	1.6	—	--	--	—	--
PHILIPPINES													
Total imports	3.3	18.5	2.8	7.3	13.3	—	25.7	22.7	4.7	0.2	—	—	0.5
From Burma	—	—	—	0.3	1.6	—	4.9	2.3	—	—	--	—	—
From Thailand	1.0a	4.5	1.5	5.5	3.6	—	8.7	5.1	0.7	0.2	--	--	0.5
Other sources	2.3	14.0	1.3	1.5	8.0	—	12.7	15.4	4.1	--	—	—	--
JAPAN													
Total imports	145.4	--	—	2.9	13.4	0.3	13.0	15.1	25.2	24.2	19.5	22.8	30.4
From Burma	—	—	—	—	3.8	--	—	2.3	12.9	3.7	2.8	5.4	2.9
From Thailand	2.1a	—	—	—	9.4	—	13.0	12.8	11.8	18.6	10.8	17.5	27.6
Other sources	143.2	—	—	2.9	0.2	0.3	--	—	0.6	1.9	5.8	--	--

a Year commencing 1 April.
b Including Pakistan territory up to 1947.
c Estimated.

VII. FINANCIAL STATISTICS[a]

	1938	1948	1949	1949 I	1949 II	1949 III	1949 IV	1950 I	1950 Jan.	1950 Feb.	1950 Mar.
BURMA (million Rs.)											
Currency and Deposit Money											
Deposit money b	....	174	202	193	203	207	205	193	187	193	200
Commercial Banks											
Total deposits	....	199c	233	225	233	239	237	226	219	225	233
Assets: Cash	....	72c	109	88	110	117	121	72	80	69	68
Short term	....	67c	60	80	59	52	49	94	80	95	108
Union Bank of Burma											
Deposits: Total	....	108d	149	104	136	166	191	136	153	122	132
Government	....	44d	46	22	30	55	76	70	79	59	72
Foreign assets: Total	....	88d	172	117	167	200	205	141	161	129	133
Local assets:											
Short term: Government	....	14d	30	31	35	28	33	30	27	31	34
Bank Clearings		157c	133	143	139	143	107	135	106	128	170
CEYLON e (million Rs.)											
Currency and Deposit Money											
Notes: Net active	36	220	222	217	216	226	229	230	223	231	230
Deposit money b	...	529	621	592	515	642	734	613	...	..	613
Commercial Banks											
Total deposits	....	633	687	659	581	708	801	679	806	771	679
Assets: Cash	....	....	284	252	153	331	401	194	....	..	194
Short term	....	....	137	128	131	136	155	169	....	..	169
Long term	....	....	230	225	235	229	232	236	....	..	236
Bank Clearings	90	391	461	390	462	431	502	519	478	408	519
HONG KONG (million HK$)											
Currency and Deposit Money											
Notes: Total issued	....	778	840	842	878	833	804	803	804	803	802
Bank Clearings	....	689	917	823	992	935	918	878	881	784	970
INDIA f (1000 million Rs.)											
Currency and Deposit Money											
Currency: Net active	3.03g	13.53	12.38	12.80	12.81	12.00	11.89	12.53	12.35	12.52	12.73
Deposit money	1.35g	8.07	7.06	7.39	7.03	7.02	6.81	6.89	6.94	6.80	6.93
Scheduled Banks											
Total deposits	2.27	9.90	8.85	9.28	8.86	8.66	8.61	8.61	8.61	8.66	8.55
Assets: Cash	0.22	1.28	1.04	0.93	0.99	1.12	1.11	0.87	0.89	0.89	0.83
Short term	1.16	4.33	4.47	4.78	4.84	4.23	4.04	4.45	4.31	4.42	4.62
Long term	....	4.65h	3.75i	3.98	3.51	3.72	3.83i	....	....	..	..
Reserve Bank of India											
Deposits: Total	0.32	4.29	3.10	3.43	2.93	2.93	3.12	2.95	2.97	2.96	2.91
Government j	0.15	2.57	1.75	2.19	1.66	1.47	1.71	1.77	1.77	1.79	1.75
Foreign assets: Total	1.15	13.74	8.95	10.06	9.05	8.28	8.43	8.86	8.73	8.84	8.99
Banking Department	0.04	3.44	1.87	2.21	1.56	1.73	1.99	2.02	2.02	1.94	2.08
Issuing Department	1.11g	10.30	7.08	7.85	7.49	6.55	6.44	6.84	6.70	6.90	6.90
Local assets:											
Short term: Government	0.02	0.01	0.03	0.03	0.06	0.03	....	0.01	0.04	—	—
Short term: Others	0.02	0.09	0.12	0.11	0.15	0.11	0.11	0.14	0.13	0.16	0.13
Long term: Total	0.39	2.83	5.01	4.72	5.16	5.08	5.07	5.10	5.03	5.10	5.16
Banking Department	0.06	0.75	1.00	1.10	1.09	0.90	0.92	0.86	0.87	0.95	0.76
Issuing Department	0.32	2.08	4.01	3.62	4.07	4.18	4.15	4.24	4.15	4.15	4.40
Banking Clearings	1.54	5.12	4.83	5.32	4.76	4.44	4.80	4.87	5.02	5.12	4.48
INDO-CHINA (million Pr.)											
Commercial Banks											
Total deposits	....	1,126	1,284	1,263	1,223	1,293	1,357	1,582	1,594	1,588	1,563
Assets: Short term	....	338	600	488	581	662	668	742	711	773	742
INDONESIA (million Fl.)											
Currency and Deposit Money											
Notes: Total issued k	195 l	1,327 l	1,390	1,580	1,663	1,725	1,828	2,000	1,919	2,017	2,064
Bank of Java											
Deposits: Private	....	....	763	690	747	770	843	1,251	1,289	1,301	1,162
Foreign assets: Total	128g	....	551	532	557	567	549	735	758	726	722
Local assets:											
Short term: Government	...	856	985	834	949	1,026	1,140	1,659	1,646	1,719	1,612
Short term: Others	...	....	70	81	68	66	65	71	70	65	77

VII. FINANCIAL STATISTICS *(Contd.)*

	1938	1948	1949	1949 I	1949 II	1949 III	1949 IV	1950 I	1950 Jan.	1950 Feb.	1950 Mar.
JAPAN (1000 million Y.)											
Currency and Deposit Money											
Notes: Total issued	3.3g	251.5	314.9	327.2	309.5	298.7	324.2	317.1	323.1	314.3	313.8
Deposit money	5.3g	266.9	363.8	326.7	340.8	383.6	404.0	....	413 2	411.3	..
All banks except Bank of Japan											
Total deposits	19.1	326.4	613.9	520.4	560.5	653.7	720.7	806.7	769.7	774.1	876.3
Assets: Cash	1.5g	52.6	101.5	92.7	89.8	105.4	118.0	..	117.7	115.4	..
Short term	12.7	248.3	496.8	396.5	437.0	529.3	631.0	715.8	685.0	710.9	751.6
Long term	5.8	68.2	115.4	109.5	121.3	113.6	112.1	106.4	106.7	106.7	105.9
Bank of Japan											
Deposits: Total	0.4	29.5	57.2	51.4	65.7	67.6	44.2	48.8	32.7	50.6	63.2
Government	0.3	10.4	35.2	23.9	43.0	43.9	19.9	30.6	14.5	34.8	42.4
Local assets:											
Short term: Government	—	69.0	94.1	80.5	98.1	99.5	98.5	84.5	87.3	81.5	81.8
Short term: Others	0.1	54.6	77.8	67.2	68.2	78.1	97.6	101.3	88.5	106.6	108.8
Long term: Government	1.8	153.8	182.3	215.8	188.7	165.3	159.3	170.2	176.2	170.8	163.5
Bank Clearings	..	235.7	549.2	451.6	518.2	545.4	681.6	656.4	586.7	637.2	745.5
KOREA (1000 million W.)											
Currency and Deposit Money											
Notes: In circulation	0.31	28.90	42 06	35.03	34.49	40.86	57.86	..	59.24	61.66	..
Deposit money	4.12	11.48	20.65	17.04	15.56	23.82	26.18	..	28.28	23.56	..
All Banks											
Total deposits	0.52	32.93	56.93	47.47	49.31	66.13	64.81	..	74.19	65.65	..
Assets: Cash	0.05	8.31	15 44	12.75	12.62	17.59	18.79	..	29.57	22.52	.
Short term	1.05	32.16	52.92	42.19	39.00	54.23	76.25	..	86.76	85.03	..
Long term	0.41	3.25	3.53	3.39	3.48	3.57	3.68	..	3.75	4.52	.
Bank of Korea											
Deposits: Total	0.63	5.18	7.86	6.47	7.14	10.33	7.06	..	10.31	7.34	..
Government	0.06	0.13	0.54	0.28	0.46	0.85	0.64	..	0.95	0.42	..
Local assets:											
Short term: Government	0.09	0.14	0.30	0.13	0.32	0.40	0.42	..	0.45	0.46	..
Short term: Others	0.97	8.20	13.45	9.40	7.12	11.75	26.57	..	35.76	33.53	..
Long term	0.28	0.18	0.41	0.33	0.40	0.44	0.48	.	0.50	0.59	..
Bank Clearings	0.20	20.57	39.87	26.53	34.29	41.73	56.93	..	56.22	56.64	..
MALAYA (million M$)											
Currency and Deposit Money											
Currency: Total issued	..	400g	402	401	402	403	402	403	403	402	403
PAKISTAN (million Rs.)											
Currency and Deposit Money		1,708	1,741	1,813	1,741	1,718	1,694	1,799	1,785	1,800	1,812
Currency: In circulation	..	990	999	995	973	982	1,043	1,045	1,032	1,072	1,032
Deposit money	..										
Scheduled Banks		1,092	1,072	1,015	1,083	1,061	1,094	1,151	1,122	1,155	1,177
Total deposits	..	218	264	160	224	187	244	182	219	189	138
Assets: Cash	..	322	428	443	426	429	414	519	489	512	556
Short term	..										
State Bank of Pakistan		1,164	1,015	1,076	1,118	935	930	796	798	780	809
Deposits: Total	..	911	795	909	883	716	669	579	563	518	658
Government	..										
Foreign assets:		1,009	722	829	629	673	551	361	409	346	327
Banking Department	..	1,203	1,618	1,789	1,789	1,575	1,378	1,475	1,474	1,525	1,428
Issuing Department	..										
Local assets:		117	111	112	117	108	105	106	107	105	106
Short term: Government	..	..	3	5	....	1	8	17	10	19	22
Short term: Others	..										
Long term:		65	178	104	155	181	271	301	277	277	348
Banking Department	..	25	92	50	..	136	265	297	265	265	361
Issuing Department	..	296	326	401	349	266	288	360	322	364	394
Bank Clearings	..										
PHILIPPINES (million P.)											
Currency and Deposit Money											
Currency: Net active	141g	513	551	556	552	524	571	.. .	558	566	....
Deposit Money	73g	547	547	594	560	536	497	....	498	495	....

VII. FINANCIAL STATISTICS *(Contd.)*

	1938	1948	1949	1949				1950			
				I	II	III	IV	I	Jan.	Feb.	Mar.
Commercial Banks											
Total deposits	....	....	886	919	889	882	855	814	833	825	784
Assets: Cash	65g	313	203	238	204	190	178	....	179	178	....
Short term	210	....	563	576	560	550	567	586	574	591	594
Long term	49	....	84	82	82	91	83	55	55	55	56
Central Bank of Philippines											
Deposits: Total	....	....	144	141	184	141	110	133	129	130	140
Foreign assets: Total	....	400	607	703	671	567	485	442	443	442	442
Local assets:											
Short term: Others	....	....	30	....	3	25	91	85	83	85	87
Long term	....	....	20	..	5	16	59	103	97	105	106
Bank Clearings	26	381	443	416	495	433	426	460	477	448	455
Total Bank Debits to Checking Account	175	772	723	702	723	735	732	597	632	574	584
THAILAND (million baht)											
Currency and Deposit Money											
Notes: In circulation n	191g	2,237	2,505	2,509	2,509	2,487	2,516	2,648	2,590	2,655	2,699
Deposit money	....	1,914	1,920	969	1,010	1,061	1,041	....	....	....	....
Commercial Banks											
Total deposits	53	786	829	781	817	865	851	....	....	....	....
Assets: Cash	13	369	330	325	329	340	325	....	....	....	....
Short term	28	406	546	617	497	516	556	....	....	....	....
Long term	8	102	101	104	101	100	99	..	....	..	....
Bank of Thailand											
Deposits: Total	....	717	1,166	887	1,181	1,326	1,268	1,308	1,267	1,312	1,343
Government	....	338	444	328	492	533	423	437	394	470	446
Foreign assets											
Banking Department	....	301	390	134	419	532	475	401	429	338	437
Issuing Department	111g	1,421	1,878	1,592	1,804	1,844	2,170	2,291	2,233	2,303	2,338
Local assets:											
Short term: Others	....	434	604	610	580	588	638	820	744	886	830
Long term:											
Banking Department	....	5	150	151	158	152	141	143	143	143	143
Issuing Department	....	951	755	923	858	739	500	500	500	500	500
Bank Clearings	....	774	1,112	1,069	1,042	1,092	1,246	1,350	1,426	1,215	1,410

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

b Demand deposits of commercial banks.

c Average March-December.

d Average April-December

e Figures for 1949 are end of quarter and their averages. 1950 figures are end of period.

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

g End of year.

h Average of September-December.

i December not included.

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

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

l End of March.

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

VIII. WHOLESALE PRICE INDICES

(1948 = 100)

	1938	1946	1947	1949	1949				1950			
					I	II	III	IV	I	Jan.	Feb.	Mar.
INDIA												
All items	27.2a	....	81.0	103.8	101.5	102.7	105.3	105.8	106.2	104.8	106.9	106.9
Industrial raw materials	23.2a	....	84.9	107.8	106.6	107.3	106.7	110.6	113.7	112.9	114.6	113.7
Semi-manufactured articles	31.6a	....	79.6	103.6	102.0	102.7	104.5	105.3	106.5	105.9	106.8	106.8
Manufactured goods	29.4a	....	81.2	101.0	99.4	102.1	102.2	101.8	101.6	101.2	101.7	102.0
KOREA (Seoul)												
All items	....	33.8	61.4	136.8	109.0	119.8	148.3	170.9	202.3	197.7	205.4	204.0
Fertilizers	....	....	79.0	299.6	179.8	179.8	389.5	449.4	663.6	553.6	718.6	718.6
Textile raw materials	....	11.4	47.7	144.3	96.8	109.7	160.4	210.1	196.3	207.7	201.1	185.0
Textiles	....	14.7	48.5	140.1	120.2	121.0	146.0	173.0	149.4	181.5	182.9	171.1
Building materials	....	20.5	55.2	143.0	119.6	129.4	145.7	177.1	186.9	182.7	191.5	186.5
PHILIPPINES (Manila)												
General	19.7	140.8	96.0	85.3	86.5	86.6	85.8	82.2	....	79.5	....	....
THAILAND (Bangkok)												
General	60.6	....	105.9	93.4	94.4	95.1	93.3	91.1	90.1	90.1	90.2	90.1
VIET-NAM (Saigon)												
General index	5.9b	48.3	68.2	125.0	123.7	119.1	129.6	127.4	115.1	118.9	114.7	111.8
Fuel & mineral products	7.0b	....	68.4	136.5	123.3	135.5	142.3	145.0	152.1	153.1	151.7	151.7
Raw materials	13.9b	58.0	50.3	119.7	130.1	121.1	113.0	114.0	121.8	121.8	124.1	119.4
Semi-finished products	6.8b	....	76.2	123.2	122.3	124.3	129.9	122.3	121.4	119.8	119.8	124.7
Manufactured products	4.4b	91.5	87.9	125.2	139.5	121.3	120.9	119.5	102.4	103.7	103.7	99.9
JAPAN												
All items	1.01	12.7	37.7	158.9	149.5	157.8	162.0	166.5	176.2	174.6	173.4	172.8
Textiles	0.85	11.2	34.2	180.8	150.1	179.1	191.3	202.4	188.3	194.1	186.8	184.0
Chemical fertilizer	1.11	22.1	43.6	140.8	139.1	141.5	139.5	142.8	160.1	159.5	160.2	160.7
Metal & products	2.26	19.2	42.2	143.1	136.3	140.4	142.0	153.7	178.9	177.7	179.1	180.0
Building materials	1.21	13.1	44.1	124.8	123.2	125.4	123.6	126.6	155.4	155.3	157.0	154.0
Fuels	1.20	9.2	37.0	151.1	143.3	143.6	153.5	163.9	176.1	179.4	176.2	175.3

a Year ending August, 1939.

b January to June, 1939.

IX. COST OF LIVING INDICES

(1948 = 100)

	1938	1946	1947	1949	1949				1950			
					I	II	III	IV	I	Jan.	Feb.	Mar.
BURMA (Rangoon)												
Cost of living	27.5	105.8	107.8	135.0	128.3	141.1	149.0	122.0	116.5	120.0	116.1	113.3
Food	24.1	136.2	114.9	142.9	131.1	148.0	161.8	127.3	119.1	124.3	118.8	113.9
CAMBODIA (Phnom-Penh)												
Cost of living	..	..	83.8	138.2	126.2	138.2	141.7	146.6	142.8	142.7	143.1	142.7
Food	..	..	80.2	132.7	122.1	129.3	135.8	143 3	138.0	137.5	138.9	137.5
CEYLON (Colombo)												
Cost of living	—	88.1	96.9	99.2	100.1	98.0	98.5	100.6	103.6	104.2	104.2	102.3
Food	—	82.4	91.9	104.2	105.6	102.8	103.8	107.5	111.9	113.0	112.3	110.2
HONK KONG												
Cost of living	—	—	101.1	111.8	100.0	112.8	112.8	120.4	121.5	..	..	121.5
Food	—	—	100.0	118.5	100.0	121.7	120.7	132.6	134.8	..		134.8
INDIA												
Cost of living	35.0	85.3	91.9	101.1	102.7	100.2	100.6	101.7	100 8	102.1	100.7	99.6
Food	32.5	91.2	99.0	105.2	103.7	102.6	106.2	108.1	106.3	108.9	106.2	103.9
INDONESIA (Djakarta)												
Food	7.6	..	179.5	96.6	87.3	110.0	88.5	101.4	105.2	104.9	103.4	107.6
KOREA (Seoul)												
Retail price index	..	35.5	65.1	125.9	110.5	113.6	131.7	151.2	195.3	186.6	194.3	205.1
Food	..	44.4	66.3	123.5	103.2	119.5	135.3	202.3	202.4	187.5	205.6	214.1
LAOS (Vientianne)												
Cost of living	..	..	86.5	114.6	106.1	115.9	120 7	115.9	108.1	107.3	107.9	109.2
Food	..	.	83.2	109.5	101.9	110.9	115.9	109.3	105.5	104.7	104.7	107.1
MALAYA												
Cost of living		..	105.7	94.2	96.5	93.4	92.3	93.9	94.2	94.2	94.2	94.2
Food	..	..	..	76.0	80.9	75.7	74.2	73.4	..	71.9	69.6	..
PHILIPPINES (Manila)												
Cost of living	25 4	142.7	105.8	79.3	95.9	95.4	93.2	91.4	92.0	90.7	92.2	92.7
Food	23.8	166.3	107.5	92.7	95.1	94.0	92.5	89.4	87.9	87.2	88.1	87.4
THAILAND (Bangkok)												
Cost of living	8.0	86.0	100.0	96.1	98.9	98.6	92.2	94.5	98.2	94.2	97.3	103.0
VIET-NAM (Saigon)												
Cost of living	..	46.2	74.3	122.2	119.7	124.3	123.6	120.9	120.7	121.6	121.9	118.7
Food	..	43.5	73 9	120.1	121.2	123.4	120.0	113.9	..	..	..	..
JAPAN												
Cost of living	..	27	57	138.0	136.3	140.7	140.7	134.0	131.3	136.0	130.0	128.0
Food	..	32	64	134	136.0	140.0	137.7	126.0	123.7	127.0	123.0	121.0

X. WHOLESALE PRICE QUOTATIONS OF SELECTED COMMODITIES[a]

(Monthly average per ton)

COMMODITY	Currency	1938	1947	1948	1949	1949				1950			
						I	II	III	IV	I	Jan.	Feb.	Mar.
RICE													
Burma	Rs.	..	281	266	264	264	264	264	264	..	..	..	..
India	Rs.	..	..	439	442	442	442	442	442	432	432	432	432
Indonesia	Fl.	..	..	870	840	..	790	740	720	..	990	1,080	..
Japan	000 Y.	0.21b	12.1	24.9	29.1	..	24.9	24.9	27.7	29.1	29.1	29.1	29.1
Korea	000 W.	..	85	127	145	108	133	166	171	268	258	262	285
Pakistan	Rs.	..	..	..	1,014	965	1,107	1,045	723	..	..	..	..
Thailand	Baht	..	1,486	1,424	1,326	1,296	1,347	1,323	1,358	1,894	1,894	1,894	1,894
Viet-Nam	Pr.	106	1,720	2,100	2,630	2,500	2,440	2,850	2,720	2,180	2,350	2,150	2,040
WHEAT													
India	Rs.	..	..	566	532	697	545	478	407	407	407	407	407
Korea	000 W.	..	37	73	95	55	105	90	128	224	177	242	253
Pakistan	Rs.	..	..	323c	322	321	323	322	323	..	323	312	..
SUGAR													
India	Rs.	..	..	990	846	854	854	907	778	769	769	769	769
Indonesia	Fl.	..	..	2,290	1,550	1,780	1,210	970	2,230	..	2,700	2,950	..
Korea	000 W.	..	517	411	745	511	726	858	887	1,150	1,033	1,333	1,083
Pakistan	Rs.	..	..	969	975	998	965	965	965	..	998	998	..
Thailand	baht	..	10.6	4.6	5.7	5.2	..	6.5	5.2	4.1	4.1	4.1	4.1
PEPPER													
Cambodia	000 Pr.	0.41	23.4	35.1	96.0	45.5	68.8	135	135	136	135	132	143
Indonesia	Fl.	—	—	5.47	19.4	8.9	12.5	19.9	36.2	..	47.5	45 0	..
Malaya	000 M$	—	2.1	3.0	8.1	..	..	8.9	15.1	14.3	13.6	14.6	14.6
Thailand	000 baht	—	17.7	23.8	46.0	33.6	40.8	63.6	62.5	62.5	62.5	62.5	62.5
TEA													
Ceylon	Rs.	1,543	3,461	3,329	4,167	3,461	3,660	4,343	5,225	4,894	5,269	5,026	4,409
India	Rs.	..	..	3,594	3,663	3,238	3,410	3,640	4,444	..	..	4,202	3,824
Pakistan	Rs.	..	..	4,765	4,088	3,950	5,787	2,687	3,812	..	3,582	4,271	..
Indonesia	Fl.	..	..	2,200	2,870	2,130	2,450	3,130	3,770	..	4,200	3,700	..
TOBACCO													
Pakistan	Rs.	..	..	1,295	2,262	2,277	2,009	2,277	2,501	..	2,813	2,599	..
Philippines	P.	123	711	816	806	843	793	782	..	..	..	..	..
VEGETABLE OIL d													
Ceylon	Rs.	181	980	1,006	1,006	1,006	1,006	1,006	1,006	..	1,405	..	..
India	Rs.	—	—	666	768	715	748	856	753	818	808	836	810
Indonesia	Fl.	—	—	1,220	900	990	930	930	900	..	930	920	..
Malaya	M$	149e	645	1,146	906	—	—	883	1,000	..	..	..	..
Pakistan	Rs.	—	—	2,827	3,032	2,813	2,858	2,947	3,483	..	4,287	3,215	..
Philippines	P.	130	800	980	610	700	590	550	—	..	..	..	..
COPRA													
Ceylon	Rs.	1,110	493	540	600	600	600	600	600	798	767	808	820
India	Rs.	..	..	986	1,289	1,221	1,183	1,311	1,437	1,462	1,530	1,509	1,345
Indonesia	Fl.	—	—	390	470	520	440	420	510	..	570	760	..
Malaya	M$	—	357	646	506	..	..	475	592	614	590	624	628
Philippines	P.	60	350	515	315	347	300	276	335	..	..	..	..
Thailand	Baht	..	..	..	2,317	..	2,133	2,217	2,750	3,033	3,000	3,000	3,083
COTTON, RAW													
India	Rs.	—	1,254	1,829	1,801	1,956	1,956	1,984	1,309f	1,309	1,309	1,309	1,309
Japan	000 Y.	..	15.3	48.3	211	66	256	266	255g	..	..	..	..
Korea	000 W.	..	236	630	929	681	578	1,011	1,444	1,655	1,467	1,733	1,767
Pakistan	Rs.	..	..	1,849	2,091	2,206	2,251	1,876	1,889	..	..	..	..
JUTE, RAW													
India	Rs.	..	..	1,078	1,066	1,115	1,073	974	1,102	1,102	1,102	1,102	1,102
Pakistan	Rs.	..	..	..	868	991	982	814	690	..	670	697	..

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

(Monthly average per ton)

COMMODITY	Currency	1938	1947	1948	1949	1949 I	1949 II	1949 III	1949 IV	1950 I	1950 Jan.	1950 Feb.	1950 Mar.
HEMP													
Philippines	₱.	118	683	883	907	994	917	723	992	....	....	....	....
WOOL, RAW													
India	Rs.	....	....	1,963	2,031	2,152	2,773	1,652	2,545	2,925	2,947	2,947	2,880
SILK, RAW													
India	Rs.	....	....	52.9	66.9	60.9	61.5	68.6	76.5	78.6	72.9	77.2	85.8
Japan	000 Y.	....	....	1.6	2.3	2.5	2.4	2.0	2.4	2.7	2.3	3.7	2.0
Korea	000 W.	....	3.4	7.1	11.6	7.3	9.2	11.4	18.4	16.7	17.1	16.5	16.5
HIDES													
India	Rs.	....	....	2,159	2,007	2,260	1,929	1,874	1,966	2,039	2,094	1,929	2,094
Pakistan	Rs.	....	....	2,201	2,265	2,241	2,597	2,067	1,929	....	....	....	....
Thailand	000 baht	....	6.58	8.22	9.93	9.17	9.78	10.03	10.75	12.09	12.04	12.12	12.12
RUBBER, NATURAL													
Cambodia	Pr.	1,020	2,940	7,150	8,300	9,400	8,720	7,450	7,610	8,213	8,310	8,480	7,850
Ceylon	Rs.	816	1,433	1,367	1,257	1,168	1,124	1,168	1,521	1,741	1,653	1,764	1,808
Indonesia	Fl.	....	....	1,180	1,210	1,100	1,100	1,120	1,520	....	1,570	1,830	....
Malaya	M$	530	822	929	84	805	755	792	1,015[b]	1,151	1,102	1,165	1,187
Thailand	baht	..	4,833	6,531	6,233	6,665	7,294	5,950	5,950	....	—	—	—
U.K	£	66	113	119	108	107	98	102	127	145	140	147	150
U.S.A.	US$	322	623	485	387	417	388	372	371	423	404	428	438
COAL													
India	Rs.	....	....	16.1	16.0	16.1	16.1	16.1	15.7	15.5	15.5	15.5	15.5
Indochina	Pr.	23	251	342	533	470	553	556	556	580	581	579	579
Japan	000 Y.	....	....	3.9	5.7	5.8	5.8	5.7	5.4	6.0	6.0	6.0	6.0
Pakistan	Rs.	....	—	85.5	89.3	89.3	89.3	89.3	89.3	....	....	....	....
Korea	000 W.	....	1.02	3.61	3.80	3.47	3.20	4.22	4.30	....	....	....	....
TIN													
Malaya	000 M$	1.58	6.81	....	9.30	9.16	9.16	9.22	9.62	9.56	9.38	9.39	9.58
Thailand	000 baht	....	—	—	20.04	20.88	20.88	20.19	18.19	16.53	16.53	16.53	16.53
U.K.	£	187	421	543	596	563	563	579	679	590	591	590	589
U.S.A.	US$	932	1,719	2,188	2,186	2,271	2,271	2,263	1,939	1,661	1,674	1,639	1,670
PIG IRON													
India	Rs.	....	....	111	111	112	112	112	108	105	105	105	105
Japan	000 Y.	....	....	4.4	6.4	5.4	5.2	6.2	8.9	9.8	9.8	9.8	9.8
Korea	000 W.	....	4.5	15.0	27.5	20.0	23.2	29.3	37.3	50.3	48.0	53.0	50.0
CEMENT													
India	Rs.	....	....	83.7	81.2	81.2	81.2	81.2	81.2	81.2	81.2	81.2	81.2
Indonchina	Pr.	30	523	746	961	926	975	971	971	994	890	996	996
Japan	000 Y.	....	....	2.8	4.1	4.0	4.0	4.2	4.3	5.0	5.1	5.0	4.9
Korea	000 W.	....	9.18	21.8	40.6	27.0	36.0	48.7	50.7	48.0	50.0	50.0	44.0
Pakistan	Rs.	....	....	....	93.8	....	93.8	93.8	93.8	....	....	....	....
COTTON YARN													
India	Rs.	....	....	2,618	3,135	3,066	3,181	3,181	3,089	3,054	3,054	3,054	3,054
Indochina	Pr.	1.8	....	50.1	45.0	45.0	45.0	45.0	45.0	55.1	54.8	54.7	55.8
Japan	000 Y.	....	....	87	280	122	255	385	359	360	361	361	357
COTTON FABRICS													
India	Rs.	....	....	4.1	3.8	3.9	4.0	3.8	3.7	3.7	3.7	3.6	3.6
Japan (Y. per meter)	000 Y	....	....	....	61.8	56.9	72.9	59.1	58.3	58.3	58.0	59.1	58.0
JUTE BAGS (per hundred)													
India	Rs.	....	....	133	146	138	129	161	156	156	156	156	156
Pakistan	Rs.	....	....	159	176	166	181	177	182	....	193	228	....

a For details regarding specification and market centre see "Explanatory Notes to Tables"
b 1937.
c Average of November and December.
d Coconut oil for Ceylon, Malaya and the Philippines; groundnut oil for India; palm oil for Indonesia; and mustard oil for Pakistan.
e 1939.
f India, raw cotton, Bengal Fine M.G. substituted from third quarter 1949 for original specification the price of which in the third quarter of 1949 was 1309.
g October.
h October-November.

EXPLANATORY NOTE TO TABLE X

Commodity description and market centres for quotations published in table x

Country	Centre	Description
RICE		
Burma	Rangoon	White (Nagasien)
India	Calcutta	B. Grade.
Indonesia	Batavia	Processed, quality B.B.
Korea	Seoul	Cleaned, free market, first grade.
Pakistan	Dacca	Medium.
Thailand	Bangkok	No. 2, 35 per cent broken.
Viet-Nam	Saigon	Milled, white No. 1 (25 per cent broken)
Japan	Tokyo	Base price to producers for medium quality rice including straw bags.
WHEAT		
India	Hapur	Ordinary.
Korea	Seoul	Free market, first grade.
Pakistan	Karachi	Kangni.
SUGAR		
India	Kanpur	D. 28.
Indonesia	Batavia	White.
Korea	Seoul	Refined.
Pakistan	Karachi	Refined.
Thailand	Bangkok	White, 1st grade.
PEPPER		
Cambodia	Phnom-Penh	White.
Indonesia	Batavia	White, Lampong.
Malaya	Singapore	White.
Thailand	Bangkok	White.
TEA		
Ceylon	Colombo	Medium.
India	Calcutta	Clean, common pekoe, with export rights.
Pakistan	Karachi	Leaf, orange pekoe.
Indonesia	Batavia	....
TOBACCO		
Pakistan	Dacca	Motihari.
Philippines	Manila	Leaf.
VEGETABLE OIL AND OILSEEDS		
Ceylon	Colombo	Coconut white oil, naked.
India	Bombay	Groundnut, bold.
Indonesia	Djakarta	Palm oil.
Malaya	Singapore	Coconut oil.
Pakistan	Chittagong	Mustard oil, Chani.
Philippines	Manila	Coconut oil.
COPRA		
Ceylon	Colombo	Estate no. 1.
India	Cochin	Fair average quality.
Indonesia	Makassar	Sun-dried A.
Malaya	Singapore	Sun-dried no. 1.
Philippines	Manila	Resecada.
Thailand	Bangkok	....
COTTON, RAW		
India	Bombay	Jarilla spot, M.G.F.G. Bengal fine MB substituted from January 1950.
Korea	Seoul	Second grade.
Pakistan	Karachi	4 F (Punjab) R.G.
Japan	Tokyo	
JUTE, RAW		
India	Calcutta	First.
Pakistan	Narayangunj	Middle.
HEMP		
Philippines	Manila	....
SILK, RAW		
India	Malda	2400 Tana Kamru.
Korea	Seoul	28 Denier.
Japan	Tokyo	21 D, AA, Domestic.
WOOL, RAW		
India	Kalimpong	Tibetan
HIDES		
India	Calcutta	Cow salted.
Pakistan	Karachi	Cow, 2.25 lbs.
Thailand	Bangkok	Cow, dried.
RUBBER, NATURAL		
Cambodia	Phnom-Penh	Ribbed smoked sheet R.S.S. No. 1.
Ceylon	Colombo	Contract quality R.S.S. no. 1.
Indonesia	Djakarta	R.S.S. 1 and crepe 1.
Malaya	Singapore	R.S.S. no. 1,
Thailand	Bangkok	Mixed quality of four grades.
U.K.	London	R.S.S.
U.S.A.	New York	R.S.S.
COAL		
India	Calcutta	Selected Jaria.
Indochina	Saigon	Coal (pieces 15/28 or 15/35).
Korea	Seoul	Lignite.
Pakistan	Karachi	First class Bengal (Trimmed into bunkers).
Japan	Tokyo	Coal, Coking, fourth grade.
TIN		
Malaya	Singapore	Metallic tin.
Thailand	Bangkok	Tin ore.
U.K.	London	Refined tin 99.75/99.90 per cent.
U.S.A.	New York	Grade A 99.8 per cent or higher.
PIG IRON		
India	Calcutta	Foundry no. 1.
Korea	Seoul	Ingot.
Japan	Tokyo	Pig iron no. 2 for steel.
CEMENT		
India	Calcutta	Swastika F.W.L. 16.5 to 23.0.
Indochina	Saigon	Tonkin "Dragon".
Korea	Seoul	....
Pakistan	Karachi	Dalmia.
Japan	Tokyo	Portland, common, domestic.
COTTON YARN		
India	Bombay	16 s.
Indochina	Saigon	
Japan	Tokyo	20 s. single, cheese, domestic.
COTTON FABRICS		
India	Bombay	Grey standard shirting.
Japan	Tokyo	Shirting grey S/2003, 30s/36s, 72x69, export.
JUTE BAGS		
India	Calcutta	B. Twills 2¼ lbs. 44 x 26½.
Pakistan	Karachi	B. Twills 2¼ lbs.

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This is the second issue of a BULLETIN intended to provide a regular review of the economic situation of Asia and the Far East in the intervals between the publication of the annual ECONOMIC SURVEY OF ASIA AND THE FAR EAST. Three issues of the BULLETIN will be published annually, in August, November and February, covering the first, second and third quarters of the year respectively. The analysis of economic developments in the fourth quarter of the year will be included in the ECONOMIC SURVEY OF ASIA AND THE FAR EAST (which will be published in the future, as in the past, at the end of May). In addition to the general review of economic developments in the quarter and the compendium of Asian Economic Statistics on which it is based, the BULLETIN will contain special articles on particular subjects related to the problems of the Asian economy.

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TABLE OF CONTENTS

		Page
I.	REVIEW OF THE ECONOMIC SITUATION IN ASIA AND THE FAR EAST, APRIL-JUNE 1950	1
II.	SPECIAL ARTICLES:	
	DEVALUATION, PRICE MOVEMENTS AND CHANGES IN EXTERNAL TRADE IN ECAFE COUNTRIES ...	21
	DEVELOPMENT OF THE TOURIST INDUSTRY IN ASIA AND THE FAR EAST	47
	A NOTE ON THE UTILISATION OF TRANSPORT FACILITIES IN THE ECAFE REGION	53
III.	ASIAN ECONOMIC STATISTICS	57

(For list of tables see page 56)

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REVIEW OF THE ECONOMIC SITUATION IN ASIA AND THE FAR EAST

APRIL—JUNE 1950

SUMMARY.

DURING the second quarter of 1950 several important steps were taken towards providing economic aid to countries of the ECAFE region. The United Nations adopted an expanded technical assistance programme for under-developed areas, which include many countries of the region. The Commonwealth agreed on a plan of aid to south-east Asia, and the Griffin Mission recommended to the United States Government a programme of technical assistance in the same area. The United States Government prepared to send ECA missions to Indonesia, Thailand and Burma, and announced its willingness to provide agricultural experts to assist in expanding food production in the Far East. At the same time several countries in the region took action to encourage private foreign investment.

The chief feature of agricultural production during the quarter was a large increase in rubber production, as a result of the sharp rise in price. In the sphere of industry and mining, production of coal, pig iron, steel and cement fell slightly, increases in some countries being more than offset by a decline in India. Production of tin continued to increase, and the production of sulphuric acid and the generation of electricity, which had fallen slightly in the first quarter, rose once more to levels above those of the last quarter of 1949. In Japan there were appreciable advances over the whole field of industrial production, with the exception of machinery manufacture.

The trade of the region continued to be subject to an elaborate network of controls, though they were relaxed in a few countries and some attempts were made to improve and simplify their operation. The controls chiefly affected trade with the United States and Japan. In Japan particular attention continued to be paid to the promotion of exports.

Most of the countries of the region for which statistics are available showed improvement in their trade balances in the second quarter of the year, in comparison with the first quarter. The exceptions were India, Ceylon and Indochina. Japan's negative balance was smaller than in the first quarter, a rise in imports being more than offset by a substantial increase in exports.

Price movements within the region during the quarter followed no general pattern. Compared with the first quarter of the year, prices rose in India, Indonesia, Malaya, Thailand and south Korea, but fell in Burma, Ceylon, China, Hong Kong and the Philippines. Except in Indonesia, Burma and Hong Kong the price changes were slight. In Japan prices declined appreciably, chiefly owing to increased production.

GENERAL

Following the Conference of Commonwealth Foreign Ministers held at Colombo in January, a Commonwealth Conference was held in Sydney during May to discuss development plans for south-east Asia. At this Conference, it was agreed that £8 million would be spent on technical aid for south-east Asian countries, and that a Commonwealth Aid Bureau would be set up in Colombo to coordinate operations. Each participating country would be requested to make a realistic and comprehensive survey of its economic development plans for consideration by the next Conference, which would be held in London in September 1950.

During March and April, a mission headed by Mr. R. Allan Griffin visited the south-east Asian region on behalf of the United States Government. Although the mission was reported to have recommended a $64 million programme of technical assistance, the amount finally made available for the U.S. Point Four programme of help to under-developed areas was only $35 million.

By the end of the second quarter the U.S. Administration was preparing to send ECA missions to Indonesia, Thailand and Burma, in addition to the one already established in Indochina. It was disclosed that the aid to Indochina would be limited for the present to technical assistance, basic health measures, and aid to agriculture. It was also announced in Washington that the United States Department of Agriculture would eventually send about 500 specialists in food crops to the Far East in a programme to expand food production.

Requests for United Nations Technical Assistance during the first half of 1950 again exceeded the available funds. However, it was hoped that, with the coming into operation of the expanded technical assistance programme, funds would be sufficient. To enable this programme, which was agreed upon at the end of June, to be carried through, members of the United Nations subscribed a sum of $20 million, sixty per cent of which was provided by the United States.

In *Burma* conditions improved with the recapture of Toungoo and Prome. The recapture of Prome re-opened the Irrawaddy River for through traffic along its whole length, while the recapture of Toungoo freed the road and railway traffic between Rangoon and Mandalay. With the recapture of these areas, the Government announced its intention to push ahead with several schemes for development which were interrupted by the civil war.

The Government stated that it would welcome foreign investment in Burma and in order to encourage its in-flow, it concluded an agreement with the United Kingdom for the avoidance of double taxation. On 28 June, Commonwealth countries gave a loan to Burma of £6 million, of which the United Kingdom subscribed £3.75 million, India £1.0 million, Pakistan £0.5 million. Australia £0.5 million and Ceylon £0.25 million. The loan, consisting of blocked sterling, is repayable in two years.

In *Ceylon* efforts were directed towards attracting foreign investments, and it was pointed out by the Government that the public debt was less than one year's revenue and that Ceylon had great national wealth and unlimited resources of hydro-electric power.

In *China* it was decided at the meeting of the Committee on Finance and Economics held in June that a national economic plan should be drawn up within the coming six months to cover the five years 1951-55. It was also reported that the People's Government might nationalize all foreign-owned public utility companies within two years. It was further reported that a new company law was being drafted whereby foreign investment could not constitute more than 49 per cent of the total capital of a company. Profits earned by foreigners would not be allowed to be sent out of the country. Foreign investment would be encouraged only for heavy industry and mining and not for light industries.

In June the ECA announced plans for a 50 per cent increase in United States assistance to Taiwan. Provision was to be made for expanding the aid programme from $2.2 million monthly to $3.3 million for the coming fiscal year.

In *India* the Government decided to relax controls on the repatriation of foreign capital. Repatriation of capital owned by residents of sterling area countries and Norway, Sweden and Denmark will be freely allowed. Capital owned by residents of other countries can be repatriated, provided it was invested after 1 January 1950 in Government-approved projects. British investment in India during January to June 1950 amounted to Rs.2.3 million, while Canada invested Rs.1.7 million and the U.S.A. and Hong Kong each invested Rs.100,000. This may be contrasted with total foreign investment in India for 1948/49 of Rs.52.4 million and Rs.15.9 million for April to December 1949. During 1948/49 British investments were Rs.50.6 million.

The U.S. Government informed *Indochina* in May that the first instalment of American aid would amount to $15 million plus $5 million in medical supplies. This would cover the period up to July 1950, when a second allocation would be made.

In *Indonesia* preparation was completed of projects for consideration by the Export-Import Bank under the $100 million credit authorized in February 1950. In addition to immediate foreign exchange requirements of $100 million, it was anticipated that additional foreign exchange amounting to about $200 million would be required for completing the projects. In June the Netherlands Government submitted to the States-General a bill for a 200 million guilder loan to Indochina.

In *Japan* the Government enacted a "Law concerning Foreign Investment." with a view to creating a sound basis for foreign investment. A commission was established to screen foreign investments with reference to their potential contribution to the Japanese economy.

Korea was allocated in June an additional $50 million of aid by the U.S. Government. With the $60 million authorized at the beginning of the fiscal year, the total funds appropriated for aid to Korea amount to $110 million.

In *Pakistan* a master economic plan for increasing the national wealth of the country was evolved at the first conference of the Senior Forest Officials of Pakistan. The plan sought to eradicate erosion and water logging. The Government of East Pakistan planned to spend Rs.5.2 million in 1950/51 for improvement of railway communications in East Pakistan and for further development of the Chittagong port.

In the *Philippines* the major economic problem was the balance of payments, especially in view of the imminent termination of war damage receipts from the United States. Of a total of 914 million pesos authorized for payment by the Philippine War Damage Commission, 700 million pesos had already been received. The introduction of trade controls at the end of 1949 and their renewal during the second quarter had narrowed the gap between exports and imports.

Thailand was officially informed by the United States Government of the Point Four aid which would be made available. The Ministry of Agriculture received 20 million baht from the United States under the Point Four Programme for development of agriculture through irri-

gation projects. A loan for Thailand's ten-year plan for the construction of 450 kilometres of railways was under negotiation with the International Bank for Reconstruction and Development.

PRODUCTION

Agricultural production.

The Food and Agriculture Organization, in a recent report on the production of rice in 1950/51, estimated that world production might exceed the prewar level if no widespread crop failures occurred in the major producing countries in the Far East. It is to be noted that crop yields in many South East Asian countries were below prewar levels. In Thailand, although land under cultivation apparently increased by about 46 per cent over the prewar level, production increased by only 29 per cent. In India, although rice producing areas have increased since the war, production has failed to rise correspondingly. Furthermore, production of rice in Burma and Indochina depends to a great extent upon the restoration of law and order.

It is estimated by the U.S. Government that world output of copra and coconut oil will be smaller than in 1949. It is expected that the Philippines and Malaya will show increases over last year, while Indonesia and Ceylon will show decreases.

The monthly average production of natural rubber in British Borneo, Ceylon, India, Indonesia, Malaya and Thailand during the quarter was 142.200 tons,[1] which was 23 per cent higher than in the first quarter of 1950. The major increase was accounted for by Indonesia where production reached 60,700 tons. In Indochina output was reported to be reduced by as much as a half, mainly owing to unrest within the country.

The International Wheat Council in June admitted Indonesia as a member but rejected Japan's application. During the same month Commonwealth discussions took place on agricultural problems. It was decided that an Asian centre on the appraisal of agricultural and allied projects should be set up in Lahore in October under the auspices of the Food and Agriculture Organization.

In *North Borneo* a good rice harvest for the third year in succession should make the current year's production slightly greater than last year's 30,000 tons. During the quarter a scheme was submitted to the Secretary of State for the Colonies for allocation of £34,360 from colonial development and welfare funds for agricultural development in North Borneo. In addition, the Government of North Borneo is devoting £10,000 to experiments on the mechanical cultivation of rice in the Bandau area. It was also understood that roads in North Borneo and Sarawak were to be developed out of a fund of M$3 million to be made available by the ECA programme for help to the overseas territories of Marshall plan countries.

In *Burma* plans for the nationalization of agricultural land continued to be implemented. In 1948, when the Act was passed, the original intention was to apply it first to six areas, namely Tharawaddy and Kyaukse Districts, Amarapura, Henzada and Taikyi townships, and Zeyawaddy. However, owing to disturbed conditions, little was done to implement the Act. In May it was decided to extend its application to other areas, and a beginning was made with the transfer of 60,000 acres of land in Syriam. Financial assistance amounting to Rs.400,000 was given by the Government. In addition to Syriam the Nationalization Act will be applied mainly in the districts of Mandalay, Amarapura, Tharawaddy, Kyaukse, Henzada, and Insein.

An Indian delegation arrived to discuss with the Government the question of compensation for land which is to be nationalized, 25 per cent of which is owned by Indians. The point at issue was that, under the provisions of the Act, compensation is not to exceed twelve times the land revenue assessable in 1947/48, plus compensation for improvements. Under this provision compensation would not exceed Rs.40 per acre, whereas the market price of land was stated to be between Rs.200 and Rs.300 per acre. No change in the Government's plan seems to have resulted from the discussions.

During May the Irrigation Department completed all work contemplated in Upper Burma, except in areas that were not yet reoccupied by the Government. In lower Burma, important repair work on embankment in the Irrawaddy delta was satisfactorily completed.

In *Ceylon* a government scheme for opening up 4 to 5 million acres of land for cultivation was in full progress. The scheme provides mainly for irrigating and settling the dry zone in Central Ceylon. Other schemes for cultivation of cane sugar and cotton were still in an experimental stage. A government scheme for purchasing food crops at guaranteed prices helped cultivators to secure fair returns. Intensive campaigns to increase food production were planned for the coming year, with special emphasis on improved methods of cultivation to increase the yield of paddy. The programme for increasing food production requires estate owners to cultivate a certain quantity of foodstuffs or to pay the Government a specified sum of money.

1. Reference through is to metric tons.

In *China* the People's Government was planning agricultural reform, and the second meeting of the National Committee of the Chinese People's Political Consultative Conference was held in Peking in June. A draft agrarian reform law was discussed. It was reported that the Chinese had planted nearly 600,000 acres of cotton fields in North Kiangsu province. It was hoped to raise the cotton output in the area to pre-war levels in three to five years. For the whole of China it was reported that cotton had been planted on more than 3.5 million hectares of land, which was 150,000 hectares more than the original estimate. Production was expected to reach 650,000 tons, which would ensure adequate supplies for all Chinese textile mills. It was, however, reported that in South China the rice areas had been affected by drought which, coupled with recent floods, would affect at least 23,000 acres of valuable farm land.

In Taiwan it was expected that the year's rice crop would total 1.4 million tons, of which 200,000 tons would be available for export. The wheat crop was expected to amount to 15,000 tons, which would be the highest on record.

In *India* the Government sanctioned about Rs.83 million for grants and about Rs.44 million in the form of loans to state and local administrations for cultivation schemes out of a budget provision of Rs.150 million for 1949/50. The Government of Bihar sanctioned for the year 1950/51 loans amounting to Rs.4.2 million under various Acts.

The final estimate of the jute crop for 1949/50 was 3.1 million bales of 400 lbs. each, as compared with 2.1 million bales in 1948/49. By June sowing of the new jute crop was completed and conditions were reported to be satisfactory.

The fourth estimate of the cotton crop for the whole of India for 1949 gave the acreage as 11.5 million and production as 2.2 million bales of 392 lbs. each, compared with corresponding estimates of 10.9 million acres and 1.7 million bales for the previous year.

Indonesia was stated to be striving towards self-sufficiency in food within 3 to 5 years, based on a per capita consumption of 2,000 calories a day. The agricultural and food situation was reported to be generally satisfactory in Java, Sumatra, the Bali-Flores area and South Celebes, but not so favourable in Macassar, parts of North and Central Celebes, North Moluccas and Ambon. Sugar production for 1949/50 was estimated to be nearly 423,000 tons, as compared with a total cane yield of about 2.2 million tons in 1948/49. The major reason for the decline was the disturbed condition of the country.

Japan continued to be faced with the problem of the reduction of U.S. aid for 1951/52 by about one-third as compared with the previous two years. The SCAP requested the Japanese Government to submit a plan for food deliveries and a statement of the supply position, with a view to abolishing controls over various items. During the quarter the Ministry of Agriculture and Forestry tentatively agreed to permit free sales of this year's wheat and barley crops after completion of the prescribed quota delivery.

In *South Korea* the rice crop on 600,000 acres was endangered by the cutting off of the water supply from north of the 38th parallel. Marine landings in April, when the fishing season started, were estimated at 15,850 tons, compared with 9,230 tons in March.

In *Malaya* plans were made for the development of rice production for the six years 1950 to 1955, involving an expenditure of over M$49 million. In the three years 1947, 1948 and 1949, the Government spent nearly M$25 million. The new programme covers construction of major drainage and irrigation works and building of main roads giving access to the new paddy areas. Malaya's rice production in 1949/50 set an all-time record of 1.422 million pounds, which exceeded the previous year's crop by 330 million pounds.

In *Pakistan*, at a conference between representatives of the Central and Provincial Governments, plans for agricultural development were discussed. Pakistan is likely to ask for a loan from the International Bank and also to seek technical aid under the Point Four programme. Plans to irrigate 40,000 acres in Baluchistan were being considered by the Government.

It was disclosed that Pakistan's new jute policy would be to cut down the acreage under jute by about 38 per cent. In spite of this, the next crop was likely to yield 5 million bales, which would be the same as last year. The fourth final forecast for cotton was 1.17 million bales as against 1.02 million bales in the previous year. The fourth forecast for wheat also showed an increase in the Punjab, and the area under this crop was estimated as 1 per cent more than last year. The final forecast of the area under sugar-cane for 1949/50 was 750,000 acres as against 714,000 acres in the previous year. The second forecast of the area under gram for 1949/50 was 2.85 million acres as against 2.75 million acres in the previous year.

In the *Philippines*, a new system of crop loans was introduced and the President authorized the release of P.6 million for the abaca and tobacco industries. The

National Development Corporation urged farmers to make use of the aid that it could extend in mechanization of agriculture by renting tractors and implements at cost.

Prices for the new tobacco crop declined during the quarter, partly owing to increased production and partly owing to heavy arrivals of Virginia leaf. Leaf tobacco output during 1950 was estimated at 24,000 tons by Government sources and at 28,000 tons by the trade. In regard to abaca, it was considered that the investment of $35 million by the United States in Central America would jeopardise the industry in the Philippines.

In *Thailand* it was estimated at first that the rice crop for 1950 would be about the same as for the previous year and would yield a surplus of about 1.2 million tons for export. Later estimates, however, showed that there might be an increase, as there were 34 million *rai* of land planted, compared with 30 million *rai* in the previous year. In order to help farmers in the production of rice, it was hoped both in Government and trade circles that farm machines and ploughs requiring the use of only one buffalo could be imported from Japan.

Industrial and Mineral Production.

Compared with the first quarter of 1950, production within the region of coal, pig iron and ferro-alloys, steel ingots and castings, finished steel and cement declined by amounts varying from three to eight per cent. Production was also below that of the corresponding quarter of 1949 in the case of pig iron and ferro-alloys, steel ingots and castings and finished steel. Production of cement, however, was 23 per cent and coal 8 per cent above that of the corresponding quarter of 1949. Production of tin in concentrates, electricity and sulphuric acid was much above that of both the first quarter of 1950 and the corresponding quarter of 1949. It was higher by three to five per cent in the case of tin in concentrates and electricity, while in the case of sulphuric acid, it was 19 per cent higher than in the first quarter of 1950 and almost four times that of the corresponding quarter of 1949. The decreases in production were mainly due to the fall in production in India, which more than offset the rise in other countries.

In *Japan* production reached new high levels and the index of industrial production during the quarter was 10 per cent above that of the first quarter of 1950. The index for mining and manufacture was also 10 per cent higher. The largest increases, ranging from 23 to 32 per cent, were in pig iron, cement and textiles. Practically the only exception was machinery, where the index of production was 6 per cent below that of the first quarter.

In *India* the general interim index of industrial production (1946 = 100) during April fell to 98.4, as compared with a monthly average of 108.1 during the first quarter. Production of pig iron and ferro-alloys, steel ingots and castings and finished steel was also slightly lower. Production of coal during the quarter was 6.6 per cent below that of the first quarter of 1950, though 3 per cent above the second quarter of 1949. Jute manufactures reached a low monthly figure of 63,800 tons. Chemical production was higher than in the first quarter.

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

(Monthly averages in thousand tons)

	1949				1950		Relative changes in second quarter of 1950		
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	2nd Quarter 1949 = 100	1st Quarter 1950 = 100	4th Quarter 1949 = 100
Tin in concentrates	7.70	8.57	8.32 p	8.51 p	8.50 p	8.92b, p	104 p	105 p	105 p
Coal	2,879	2,734	2,763	2,896	3,022	2,838	108	94	98
Electricity (million Kilowatt hours)	436	471	469	497	461	483	103	105	97
Pig iron and ferro-alloys	117	130	136	139	136	125	96	92	90
Steel ingots & castings	107	116	114	121	120	112	97	93	93
Finished Steel	81.8	82.7	90.8	92.9	79.6	77.4 c	94	97	83
Cement	193	212	226	262	270	261 d	123	97	100
Cotton Yarn[e]	54.1	52.3	50.0	49.3	47.4	47.7 f	—	101	—
Sulphuric acid	6.77	2.35 g	8.60	9.14 p	7.43 p	8.87 p	377 p	119 p	97 p

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

b. Average of April and May for Burma, China, Indochina and Thailand; only April figures available for Indonesia.

c. Average of April and May for India.

d. Average of April and May for Thailand; April and June figures available for Philippines.

e. 1949 quarterly figures for Hong Kong not available.

f. Average of April and May for Hong Kong.

g. June only.

p. Provisional.

Controls on paper were withdrawn, with effect from 24 June, following the removal on 1 May of controls on domestic production of paper and prices of imported paper. Many other commodities, e.g. coal, cement, cotton, iron, steel, and kerosene, were still subject to Government control.

The Sindri fertilizer factory was scheduled to be completed in August 1950 with an expected production of 356,000 tons per annum. The Government showed its interest in increasing output of cottage industries by providing Rs.1.6 million in the 1950/51 budget as compared with Rs.200,000 and Rs.500.000 during the previous two years. The Cottage Industries Board was also re-constituted.

In *China* it was reported that about 32 per cent of Shanghai's total labour force were idle or underemployed. In the first half of 1950, 1,612 factories and 6,800 shops applied for permission to close. It was reported, however, that the Bank of Communications had been giving assistance in the development of industries, mines and communications. Targets for industrial production continued to be set and Manchuria's goal in 1950 was stated to be an increase of output over 1949 of 93 per cent for industry and 37 per cent for agriculture.

In *Burma* the general situation improved as a result of the recapture of Prome and Toungoo. As a result of increased arrivals of timber in Moulmein and Rangoon, the price fell slightly.

Partly owing to restoration of river and rail traffic to Prome and rail traffic to Toungoo, the load on the internal airlines for long distance cargo movement was reduced and all chartered air lines, except Air Burma and Indonesian Airways, terminated their activities in June. A bilateral air transport agreement was signed on 29 June 1950 between Ceylon and Burma.

A commission was appointed to reorganize the Inland Water Transport Board. The Irrawaddy Flotilla in June received from the Government £309,153 as the second and final portion of compensation for the taking over of its property in Burma by the Government.

The Zeyawaddy Sugar Factory resumed production after more than a year's stoppage and produced 2,500 tons of sugar during the first month. It was expected that by November 10,000 tons would have been produced before the next season began. The re-opening of the river route between Chauk and Mandalay increased the production of the topping plant from 500 to 1.500 gallons of crude oil a day.

In *Ceylon* a proposal was made to establish an impregnating plant for the manufacture of railway sleepers and thus revive the industry, which had suffered as a result of competition from sleepers imported from Australia. It was hoped that the total output of sleepers would increase from the low post-war figure of 20.000 a year and reach the pre-war average of 100.000 a year.

The project for a paper factory, which was expected to meet all local requirements, had reached the contract stage. The Government also decided to set up an oil factory having the latest mechanical devices, which was expected to yield 600,000 tons of oil a year. A new company was established for the production of rubber shoes from local rubber and canvas from the United Kingdom or India. It was expected that the company would turn out about 1.800 pairs of shoes a day in the first year.

The Prime Minister of *Pakistan*, in his tour of the United States, made public Pakistan's need for industrialisation in order to raise living standards. Meanwhile, the Minister of Industries told the Executive Committee of the Council of Industries that the present pace of industrial development within the country was unsatisfactory. In order to attract foreign investment, the Government of Pakistan made certain tax concessions. In April 1950 a bill was enacted providing for an Industrial Development Corporation with a capital of Rs.10 million through which the Government would assist in the development of jute, paper, heavy engineering, shipbuilding, heavy chemical and fertilizers.

Production of coal in Pakistan during the quarter was 39.000 tons, compared with 45,000 tons in the first quarter. Production of crude petroleum was 16.000 tons, which was one-third greater than in the first quarter.

In the *Philippines*, mainly owing to the introduction of import controls in December 1949, investment increased sharply. Investment figures supplied by the Securities and Exchange Commission show that the paid up capital of manufacturing corporations registered within the Philippines increases from P41,000 in the second quarter of 1949 to P1.5 million in the first quarter of 1950 and to P3 million in the second quarter.

In *Thailand* the Government planned to invest in private factories as well as encourage private interest in the development of industries. It also planned to sell to the public shares in its paper factories. A two-year plan for expanding the Government sugar, paper and gunny bag factories and for establishment of an Industrial Bank was being finalized. The capital of the In-

dustrial Bank is to be about 100 million baht of which 51 per cent is to be provided by the Government. The plan would require an outlay of about 30 million baht.

Coal and Electricity.

Coal. Total output of coal in India, Indochina, Indonesia, Malaya and Pakistan during the quarter was 6 per cent less than in the first quarter of 1950. In Japan, however, it increased by 9 per cent. This increase was mainly due to the fact that in March 300,000 miners had struck, causing an estimated loss of 500,000 tons of coal. By 1 April, however, all mines had resumed operations. The financial position of the coal mines continued to be unsound, despite the subsidies granted by the Government in order to keep down prices.

In India coal production during the quarter was 6.6 per cent below that of the first quarter. With a view to securing equitable distribution of coal among the cotton ginning and pressing factories the Government issued an order requiring them to submit information regarding capacity and output, past consumption of coal, stocks of coal and other fuel and estimated requirements of coal during the next season. The problem of whether coal should be decontrolled continued to be discussed.

Indochina's coal production during the quarter was the same as in the first quarter, but there was an increase in Indonesia. Pakistan's production during the quarter was below that of the first quarter. South Korea's production in April was 105,000 tons as compared with a monthly average of 97,000 tons for the first quarter.

Electricity. Electricity generated in Burma, Hong Kong, India and the Philippines during the quarter averaged 485 million K.W.H. monthly, an increase of 4 per cent over the first quarter of the year. In Japan there was an increase of 7 per cent, which was much greater than the target set by the Economic Stabilization Board for 1950/51 production. A government plan to reorganize the electric power industry by abolishing the Government -controlled combine and establishing nine private enterprises was opposed by industrial circles, which argued that it would merely increase the monopolistic practices of power producers.

Hong Kong's generation of electricity during the quarter averaged 24 million K.W.H., as compared with 21 million K.W.H. in the first quarter. India's output was 422 million K.W.H., which was above that of the first quarter of 1950. On 18 April 1950 India received a loan of $18.5 million from the International Bank for Reconstruction and Development for the further development of the Damodar River Valley. The loan will be used to finance part of the cost of the Bokaro-Konar project, which will provide electricity at reasonable rates for the expansion of coal production and the electrification of coal mines. The project will also supply water for irrigation in the lower valley and later will be integrated into the unified scheme of development of the Damodar Valley. The Bokaro thermal plant is designed for an initial installation of 150,000 K.W. and completion of the project is scheduled for 1954. It was estimated that the annual supply of energy from the Bokaro thermal plant and the hydro-electric station at the Konar dam would reach 578 million K.W.H. in 1957.

In the Philippines the output of 37 million K.W.H. was the same as in the first quarter of 1950. The first 25,000 K.W. turbine for the Rockwell Station arrived in Manila on 18 April while the second arrived at the end of May. President Quirino approved two big industrial projects during May. One was the establishment of a fertilizer plant for which P16 million was set aside and which involves the establishment of a 25,000 K.W. hydro-electric power unit at Maria Christina Falls, where a total power potential of 750,000 K.W. is said to exist. The other was the construction of a hydro-electric power plant at Ambuklao in Mountain Province for which P10 million was set aside for initial work. It was understood that American and Italian firms were bidding for contracts to build the plants.

In Korea sites were selected during April for the proposed 15,000-kilowatt and 30,000-kilowatt thermal plants. In North Borneo, a joint British-Canadian Mission arrived to examine the aluminium production scheme based on the Padas river hydro-electric development. In Burma, implementation of the Government's electric supply scheme resulted in power being made available in May to Akyab, which had been deprived of electricity for eight years. In Ceylon, progress continued to be made in the construction of the dam for the Gal-Oya scheme, which is expected to be completed in 1951, one year ahead of schedule, at a total cost of Rs.70 million. Progress was also made on the Watawala scheme and it was expected that electricity would be available to Colombo in October. In Pakistan, with the taking over by the Government of the Jacobabad Electric Corporation, about 65 per cent of Sind electrial concerns were nationalized. A 50-kilowatt electric generating plant was installed in Tando Adam Khan.

In Thailand, owing to small budget allocations for electrical installations, it has been impossible to carry out large-scale development. In Bangkok the existing productive capacity of 17,500 kilowatts was not sufficient for the connected demand of 35,000 to 40,000 kilowatts.

Arrangements were being finalized, however, for the purchase of two additional plants of 7,000 and 13,500 kilowatts respectively. The completion of the hydro-electric project in Kanchanaburi would provide sufficient electric power to enable factories to dispense with the use of wood and charcoal.

Mining.

Tin: Production of tin in concentrates in Burma, China, Indochina, Indonesia, Malaya and Thailand during the second quarter of 1950 reached a monthly average of 8,875 tons, which was 4.4 per cent higher than in the first quarter. Burma's production continued to be at a low level because of insurgent activity. Indonesia's production of tin in concentrates averaged 2,782 tons which was higher than the figure for the first quarter. In Malaya, in spite of "terrorist" activities, production during the quarter averaged 4,970 tons monthly, a slight increase over the figure for the first quarter. It was disclosed that the War Damage Commission in Malaya had finalized its scheme for the payment of claims by the tin mining companies. In Thailand, the production of tin ore in June reached a post-war peak of 1,210 tons, owing to the bringing into operation of more rehabilitated dredgers. The production of tin in concentrates was 711 tons, which was the same as in the first quarter.

Iron ore. Output of iron ore increased in both Hong Kong and Malaya. In Hong Kong monthly production reached 18,000 tons, as compared with 12,000 tons in the first quarter. In Malaya production reached 40,000 tons, which was almost double that of the first quarter. Japan's iron ore production was also much higher than in the first quarter of the year.

Petroleum: Production of crude petroleum in Indonesia, Pakistan and Japan during the quarter increased to a monthly average of 592,000 tons, as compared with 511,000 tons for the first quarter. The major increase in production occurred in Indonesia. In Burma the Burmah Oil Company increased its shipments of oil and the production rate of the topping plants was consequently raised from 500 to 1,500 gallons of crude oil per day. The Burmah Oil Company obtained from the Government of the United Kingdom payments of £4.5 million for war damage to the Company's installations. It was stated by the Company, however, that this amount was only a small fraction of the total loss suffered and therefore it would still be claiming war damage payment from the Burma Government.

It was reported that oil had been found in the Patharia forests of eastern Pakistan and that the area would yield about 1.08 million barrels of oil per year at the rate of 3,000 barrels per day. It was stated that an oil refinery would be set up within the next three years, when production of oil reached the commercial level of 3,000 barrels a day. It was also reported from China that oil deposits had been discovered in 39 places in North and Central Shensi.

Manufacturing.

Iron and Steel: Production of pig iron and ferro-alloys, steel ingots and castings, and finished steel in India fell during the quarter by amounts varying from 3 to 8 per cent, as compared with the first quarter. The greatest decline was in pig iron and ferro-alloys. It was stated that the Indian National Planning Commission had now turned its attention to the iron and steel industry. The Commission had previously temporarily shelved the Rs.900 million scheme for constructing a steel plant in the Central Provinces with a production target of 500,000 tons of steel a year.

Japan's production of pig iron, steel ingots and castings and finished steel increased as compared with the first quarter. Production of pig iron rose by 32 per cent and of steel ingots and castings by 17 per cent.

In Pakistan the United States Mission reported in favour of stock piling billets etc. rather than the establishment of an integrated steel plant. The Mission considered that Pakistan's requirements during 1950/53 would be 260,000 tons a year, and for 1954 to 1970 would be 400,000 tons a year. The Government considered that the long term consumption figure was an underestimate. The Mission pointed out that the cost of steel production in Pakistan would be twice that of imported steel. Nevertheless, it suggested the expansion of present iron and steel facilities and also recommended various ways of increasing production and reducing wastage. It was also stated that the North Western Railway Administration was providing all possible facilities to foster indigenous manufacture of railway wagons.

In the Philippines, iron and steel were the subject of a report submitted to the Technical Committee of the Government's Economic Council. The report envisaged the erection of a plant to manufacture between 80,000 and 100,000 tons of steel a year. The cost was not disclosed but it was felt that investment in such a plant would be amply compensated by the dollar saving. It was considered that the plant should start operations with scrap, of which there was estimated to be between 300,000 to 500,000 tons within the country. In the meanwhile, an American group was stated to be planning the erection of steel finishing mills in the Philippines. The group, however, desired to obtain prior

assurances from the Philippine Government regarding the protection of its investment, transfer of profits and freedom to bring in key personnel.

Machinery: In India, there was a general increase in the production of machinery as compared with the first quarter. In Japan, however, the index of machinery production for April/May 1950 declined by 8 per cent.

Cement: Production of cement in Hong Kong, India, Indochina, the Philippines and Thailand during the quarter reached a monthly average of 261,000 tons which was 3 per cent below that of the first quarter. In Japan, production increased by 23 per cent to a monthly average of 337,000 tons. In India there was a decline from 221,000 tons to 207,000 tons, but it was considered within the industry that it had reached a stage when it could confidently hope to meet the demands of the home market.

In West Pakistan, owing to the fact that production of cement had not kept pace with demand, efforts were made to install additional machinery. An agreement on cement machinery export was understood to have been signed between Pakistan and India. In the Philippines the production of cement in April/June averaged 22,500 tons, an increase of 3,500 tons over the first quarter.

Textiles: Production of cotton yarn in Hong Kong and India during the quarter reached a monthly average of 47,700 tons, which was 1 per cent above the first quarter. Production of cotton yarn in Japan increased substantially, reaching 18,500 tons as compared with 15,600 tons in the first quarter. With effect from 26 June 1950 SCAP removed the spindleage limitation of 4 million which had been placed on Japan's cotton spinning industry since February 1947. Japan's industrialists generally desired to expand the cotton spinning capacity to 6 million spindles.

India's production of cotton yarn during the quarter was only 45,700 tons, which was slightly below that of the first quarter of 1950. It was hoped, however, that production would increase with the decision of the Government on 16 June to raise the basic ceiling price of cotton for the 1950/51 crop by Rs.150 per candy. Indian cotton had not been available to mills at ceiling prices since the acute shortage of cotton developed early in the year.

In the Philippines negotiations were begun with an American company for the erection of a 60,000-spindle factory with spinning, weaving, dyeing, bleaching and other facilities for manufacture of cotton prints. In Thailand the Bangkok Cotton Mills requested the Government to grant protection when it increased its spindleage from 9,000 to 19,000, as it proposed to do by November. The daily production rate of cotton yarn would then be increased to 50 bales of 400 lbs. each, and this would represent 80 per cent of yarn consumption within the country.

Production of cotton fabrics in India, the Philippines and Japan increased during the quarter. Japan's production in the quarter reached 106 million square metres, compared with 93 million square metres in the first quarter, and the index of textile production rose by 24 per cent.

In India representatives of small textile mills demanded special treatment from the Government inasmuch as some of them had been forced to close down owing to non-availability of cotton at ceiling prices. The Government in early April appointed a working party for the cotton textile industry but little was accomplished during the quarter. In Pakistan eight cotton weaving centres were established in Sind to develop cottage industries. A Textile Finance Corporation was also set up with the object of improving the condition of the handloom industry.

India's jute textile industry continued to face a shortage of supplies, as deliveries of raw jute from Pakistan were not according to schedule. In Pakistan the Jute Board met with difficulties in procurement. It was reported that Pakistan had ordered jute spinning and weaving machinery from the United Kingdom worth £1.25 million.

Chemicals: Production of sulphuric acid in India during the quarter reached 8,870 tons, which was 19 per cent higher than in the first quarter. Indian production of other chemicals, such as caustic soda, superphosphates and industrial alcohol, also increased substantially. In Japan there were large increases in the production of sulphuric acid, ammonium sulphate and caustic soda.

INTERNATIONAL TRADE.

Trade and Exchange Controls.

Trade and exchange controls continued to be enforced in the region during the second quarter of 1950, although they were relaxed in a few countries. The controls mainly affected trade with the United States and Japan. The United States Government took steps to block shipments of strategic materials from Japan to China. The items controlled included chemicals, alloys, minerals, fuels and related products. United States shipments to China fell from $6.9 million in April 1949 to $4.2 million in March 1950 and to $0.8 million in April 1950.

In *Burma* the trade agreements signed in the previous quarter were reflected in import-licensing policy. Applications were invited for imports from Japan for the shipping period March-June 1950, preference being given to industrial and agricultural machinery and equipment. The Government also called for applications to import from hard currency countries excluding Japan. The list of imports for which applications could be submitted covered not only essential commodities such as machinery, hardware, motor accessories and spares, dye-stuffs and chemicals, etc. but also certain non-essentials. It was reported that the applications for import licences for hard currency countries were mostly for textiles rather than for machinery, tools, and scientific and surgical instruments.

In *Ceylon* applications for import licences were called for in May for textiles from Switzerland and in June for cotton piecegoods from Germany for the shipping period July 1950 to June 1951. Export controls were removed from coconut, poonac, dessicated coconut, copra and coconut-oil, but fresh coconuts continued to be governed by existing licensing procedure. It was also decided to allow the export of reasonable quantities of soap manufactured in Ceylon.

In *China* a ban was placed on the export of all art objects, famous paintings and documents of historical importance. The import of paper unless absolutely necessary was prohibited. A Customs Conference was held in Peking on 19 June to review the customs tariff. It was intended that, with effect from 1 August 1950, a normal rate of duty would be applied to commodities imported from countries having trade agreements with the People's Government, whereas higher rates would be collected on commodities imported from countries which did not have such agreements. It was also intended that the rates of duty should be very low on essential industrial raw materials, production equipment and machinery, grain seeds, fertilizers, scientific books etc., but sufficiently high to protect commodities produced within the country and to limit the import of non-essential and luxury goods. The policy was also to have low export duties on semi-manufactured products exported from China. It was decided that a 50 per cent reduction on freight charges would be enforced on commodities approved for export, with effect from 9 June.

In Taiwan new rules and regulations governing applications for import and export permits were introduced, with effect from 16 June 1950, to ensure, amongst other things, against leakage of foreign exchange. A comprehensive system of checking prices as stated in documents and the actual amount of goods exported and imported was also enforced.

In *Hong Kong* the total number of import and export licences issued during June was 11,306, of which 1,854 were for import and 9,452 for export. The 1950 Export Control Order promulgated on 26 June revoked the old Export Control Order of 1947 and consolidated all amendments made thereafter. Its effect was that all goods, with the exception of those originating in the Continent of America or the Philippines, or goods specifically prohibited, could be exported freely from Hong Kong into the sterling area. Similarly, all goods, with the exception of such commodities as coconut-oil, copper, diamonds, lead, petroleum products, rubber, silver, tin, wood oil, could be exported freely from Hong Kong to China (including Taiwan) or Macao. New exchange regulations designed to lighten exchange control were introduced for payments between Hong Kong and other countries in the sterling area.

In *India* trade controls were continued. It was hoped that, with the change in the method of making sterling releases from a six-monthly to an annual basis for 1950/51, licences would be issued for a year so that traders could better plan their purchases. In order to implement the Indo-Pakistan trade agreement, Open General Licence No. 18 was issued to cover the import of such commodities as vegetables, poultry eggs, cotton seed, soda-ash etc.

Export controls continued to be directed towards promotion of export, and the Government decided that exports of straw boards, mill-boards, cardboards, and grey boards etc. should be licensed freely. Export controls on silk and art silk manufactures were removed and a rebate of 12 as. a pound was allowed on fabrics exported up to 30 June 1950. The export duty on cigarettes, which had been reduced from 15 to 7½ per cent *ad valorem* in November 1949, was abolished in order to improve their competitive position in foreign markets. In the case of tea exports, however, the Government raised the tea cess from Rs.1/10/- to Rs.2/- per 100 pounds.

Regarding tariff policy, on the one hand the mid-year review of tariff values made it necessary to increase the duties on goods such as diesel oil, acetic acid, coal tar dyes, etc. as a result of increases in prices of imports after devaluation; on the other hand, tariff duties were reduced, with effect from 20 May 1950, on aluminium manufactures, canned bacon ham and lard, potassium chloride, natural essential oils, pre-fabricated timber

houses etc., in accordance with the Annecy Protocol of the Terms of Accession to the General Agreement on Tariffs and Trade, which was accepted by India.

In *Indochina* a system of exchange compensation had been in operation since 1948. By this system exporters were allowed to retain a part of their exchange in order to bring in imports. These transactions accounted for 20 per cent of total exports in 1949 as compared with 10 per cent in 1948. The products allowed to be exported under this system usually have a low value on the internal market, for example green beans, dried prawns, water melon seeds etc., while imported products included medicinal products, cotton yarn, raw silk etc. The regulations affecting such transactions were amended on 18 June 1950 with the purpose of progressively dissociating import operations from export operations, and substituting a simple control. The Indochina Exchange Bureau issued regulations on 24 May 1950 reducing the amount of money which could be transferred to France by postal money order in any one month by any one person from 25,000 to 5,000 French francs.

In *Indonesia* trade and exchange control policy continued to be directed towards utilizing the available exchange to finance essential imports. Although there were relaxations on imports during the quarter, foreign exchange control was expected to continue for some time. Imports without allocation of exchange were not allowed after 17 June 1950, even if the foreign exchange funds were made available by the importer, and all importers were required in future to purchase foreign exchange certificates equivalent in amount to twice the c.i.f. cost of imports. On 19 June 1950 domestic sales restrictions, price regulations and the "free sales profits tax" on "free list" imported goods were eliminated in order to bring down prices, stimulate competition and prepare the way for freer import trade.

In *Japan* attention continued to be paid to export promotion. Japanese Government officials arrived in May 1950 in the United States to open trade promotion agencies in five American cities. The Japanese Government Foreign Exchange Control Bureau had originally announced a foreign exchange budget for April to June 1950 of $128.75 million, which represented a 16 per cent increase over the January/March quarterly budget. This was later increased to $144 million. Of this amount the major items earmarked for imports were $52.78 million for foodstuffs and $48.03 million for industrial raw materials. Export contracts (bank certifications of export applications) during the first quarter of 1950 averaged $47.3 million monthly. They amounted to $48.3 million in April, $66.2 million in May, and $63.1 million in June, due to the considerable gain in textiles, especially cotton piecegoods. Thus, of the June figure for export contracts, textiles accounted for $26.5 million or 42 per cent.

In *Malaya* the Singapore exchange control authorities published a pamphlet entitled "Travellers' Guide" giving detailed information on exchange control. A limit of 270 rupees was placed on the importation of Indian currency into Singapore, in order to prevent smuggling. With a view to restoring the rice trade to private commerce, the Federation and Singapore Governments announced that, with effect from 15 April, commercial imports of certain qualities of Thai rice would be permitted. Imports from Indochina, however, were confined to cargo rice and damaged rice, while no private imports were permitted from Burma for the time being.

In *Pakistan* it was announced by the Chief Controller of Imports and Exports that the Government policy was to allow the greatest possible measure of freedom to trade and to encourage the establishment of business in Pakistan without discrimination. He also gave an assurance that the working of the import trade control would be made as smooth and automatic as possible. Under the Imports and Exports Control Act 1950 the Government on 1 June published the Import Control Schedule, by which import of all items in the schedule except those put on the Open General List was prohibited. On 6 June 1950 the import licensing system for the American account area was liberalised by listing eight categories in the O.G.L., including tools, machinery and chemicals. It also included cotton fabrics for import from Japan; four categories for import from Switzerland and Liechtenstein, and nearly 60 categories for import from other countries. Liberal allocations for textiles were made from all countries, while import was freely allowed from India. The import of raw rubber from all countries was also permitted.

Exchange control was applied to proceeds from export to India and French and Portuguese possessions in India, with effect from 1 June 1950, except for items mentioned in paragraph 7 of the Indo-Pakistan Trade Agreement of 21 April 1950, which included vegetables, fruits, fish, milk and milk products, and cotton seed. In accordance with the Government's desire to promote exports, Pakistan declared its policy of appointing five Deputy Trade Commissioners in the near future, in addition to the four Trade Commissioners already functioning in the United Kingdom, Ceylon, Australia and the United States and the two Deputy Trade Commissioners in India and Italy. The Government also decided to permit during the quarter the export of cement, wool, hides and skins, and chrome ore.

In the *Philippines*, in order to protect the monetary reserve and to achieve a positive balance of trade, the Government enacted, on 18 May, a new law to replace the one that expired on 30 April 1950. By this Act commodities were classified into four categories for the purpose of establishing percentage cuts based upon the average of imports during 1946 to 1948. The cuts for prime needs were not to be more than 40 per cent; for essential goods not less than 40 nor more than 60 per cent; for non-essential goods not less than 60 nor more than 80 per cent; and for luxury goods not less than 80 nor more than 90 per cent. A new feature of the law was the reservation of a certain percentage of import quotas for new importers, who must be Philippine citizens or juridical entities in which Philippine nationals held at least 60 per cent of the capital, and who did not import during 1946, 1947 and/or 1948. 30 per cent of the total import quota for 1950/51 was reserved for these new importers, 40 per cent for 1951/52 and 50 per cent for 1952/53.

In *Thailand* the Government reserved its stand on importation of goods from Japan and decided to encourage private purchase of Japanese products, even though it was expected that an unfavourable trade balance with Japan of 20 or 30 million baht might arise. The Government also lifted the ban on imports of luxury goods such as cosmetics, soap, perfumeries etc. and consumer goods such as foreign foods and fruits. The ban on oxygen, linseed oil and some of the paint oils remained. Cement, automobiles and sugar were to be allowed under a strict quota system. The ban on cement was lifted, because, although duties on cement were lowered from 100 baht per ton to 50 baht, there still existed a shortage within the country. It was also disclosed that the Government intended to increase duties on cigarettes, liquor and fuel oil, so as to yield an extra revenue of 139 million baht. On the other hand, import duties on cement, insecticides, and fungicides were lowered. Export duties on a number of items were also lowered in order to encourage exports. The ban on export of coconut oil was lifted but its export was to be strictly controlled by quotas.

Trade agreements.

Trade agreements negotiated and/or finalised during the second quarter of 1950 were of the same pattern as those of the first quarter, being mainly concerned with trade between ECAFE countries and countries outside the region. A few agreements were signed with Japan, and the rest were mainly with European countries, such as Czechoslovakia, Switzerland and West Germany. The agreements within the region were mainly rice contracts

TRADE AGREEMENTS NEGOTIATED AND/OR FINALIZED IN THE SECOND QUARTER 1950.

I. JAPAN—ECAFE COUNTRIES

Contracting parties	Period valid	Value of trade and types of commodities	Type of agreement	Remarks
Japan-Burma		Burma exports rice	Rice contract	Contract signed 9 June 1950 but amount and price not disclosed. Probably arising out of Japan-Burma Trade Agreement recorded in previous issue.
Japan-Korea		Korea exports 9,000 tons rice.	Rice contract.	Signed in April 1950. This amount is in addition to 100,000 tons rice contracted in February, and compensates the import of 9,000 tons of Australian barley.
Japan-Korea	1 April 1950-31 March 1951	Korea's exports $9.5 million consisting of mineral products such as manganese ore, zinc ore, graphite, tungsten concentrate, agricultural products including hemp, cotton seed cake, animal hair products, tobacco leaf; marine products including fish scale, fish liver oil etc. Korea's imports $25.0 million consisting of forestry products and live animals, textiles, metal manufactures, machinery, transportation equipment, chemicals, paper, cement, coal, sheet glass etc	Trade agreement excluding rice shipments from Korea and ECA purchases and Japanese food sales.	Concluded in April 1950, to be conducted on an open account basis. Value of agreement approximately double that of last year.
Japan-Philippines	1 July 1950-30 June 1951	Total trade in both directions $50 million Philippines' exports consisting of iron ore $8 million; copra $6 million, hemp $5 million and other commodities such as hides and skins, molasses, and lauan logs. Philippines' imports consisting of ocean-going vessels, fishing boats, structural steel products, iron sheets, hydro-electric and mining machinery, sugar refining equipment and textile products and chemicals.	Trade and financial agreement. Issuance of licences towards balanced trade. In effect a barter agreement.	Signed at Tokyo on 18 May 1950. Goods to be invoiced in dollars. Agreement to operate on an open account basis, settlement of net balance in gold at official rate of U.S.A. or in U.S. dollars. Net balances in excess of $5 million payable on demand and final settlement due after two months of termination of agreement. Agreement can be cancelled upon 60 days' written notice.

TRADE AGREEMENTS NEGOTIATED AND/OR FINALIZED IN THE SECOND QUARTER 1950—*(Contd.)*

II. OTHER EXTRA-REGIONAL COUNTRIES—ECAFE COUNTRIES

Contracting parties	Period valid	Value of trade and types of commodities	Type of agreement	Remarks
China*-U.S.A.		China's exports 60,000 tons soya beans to Japan; China's imports 45,000 tons surplus cotton from U.S.A.	Barter agreement.	Reportedly agreed to by the U.S. Commerce Department.
India-Afghanistan	For three years after it comes into operation (two months after date of ratification).		Treaty of trade and commerce.	Signed at Kabul on 4 April 1950 Provided for most favoured nation treatment in matters relating to commerce, industry and trade insurance.
India-Czechoslovakia	1 April 1950-31 March 1951	India's exports consisting of jute and jute products, iron ore, mica, shellac, hides, coffee and spices. India's imports consisting of light engineering products, glass, textiles, paper and ceramics.	Licences	Signed in Prague on 5 April 1950. Progress of trade to be reviewed after September 1950 to revise schedules if necessary.
India-Switzerland	1 March 1950-28 February 1951	India's exports 15,000 tons groundnuts, 5,000 tons groundnut oil, 4,000 tons linseed, 500 tons hessians, 700 tons coffee, 1,000 tons manganese ore, leather, hides and tropical goods. India's imports, goods worth 97 million francs of which watches and clocks 15 million francs; textiles 10 million francs; chemicals 17 million francs; aluminum 4 million francs; machine tools 18 million francs; rolling stock 5 million francs; machinery and apparatus 25 million francs and various agricultural and industrial products 3 million francs	Licences	Signed at Berle on 18 April 1950.
India-West Germany	1 July 1950-30 June 1951	India's exports, $26.425 million consisting of hides and skins, castorseeds, crude drugs, essential oils, raw jute, raw wool, manganese ore, mica, coffee, tea, tobacco, pearls, linseed etc. India's imports, $26,420 million consisting of acetic acid, dyes, fertilizers, electrical machinery, machine tools, printing machines, textiles mill stores, telephone equipment, rolled steel products, surgical and medical instruments etc.	Issuance of licences towards balanced trade.	Signed at Bonn.
Indonesia-Hungary	1 June 1950 - 31 May 1951	Indonesia's exports, 6 million guilders consisting mainly of tin and rubber. Indonesia's imports, 2 million guilders consisting of miscellaneous machinery and chemicals.		Signed at Budapest on 31 May 1950, Indonesia participating in the Netherlands, Indonesia and Hungary trade agreement. Agreement to be ratified.
Indonesia-Netherlands	Nine months	Indonesia's exports, 175 million guilders consisting of 30,000 tons of palm oil, 70,000 tons of copra and also tobacco, rubber, tea, coffee, spices and tin ore. Indonesia's imports, 125 million guilders of which textiles valued at 30 million guilders and metal products valued at 50 million guilders.		Concluded some time in April/May.
Indonesia-Poland	1950	Exchange of goods valued $13 million between Poland and Netherlands and Indonesia. Indonesia's exports, seeds, tin, rubber, copra, tobacco, spices and tea. Indonesia's imports, steel products and chemicals.	Trade and payments.	Signed in April/May 1950. Indonesia participating in Poland, Netherlands and Indonesia trade and payments agreement.
Indonesia-Sweden	1 March 1950 - 1 January 1951	Indonesia's exports, 60 million Swedish Crowns, consisting of raw rubber, copra and copra cakes, palm oil and kernels, sugar and tin. Indonesia's imports, 20 million Swedish Crowns, consisting of matches, cement, pulp and paper, telegraph and telephone equipment, and ball and roller bearings and parts. Indonesian credit balance to be used in amortization of certain Swedish State and private credits to Netherlands estimated at 28 million Swedish Crowns.	Trade and payments.	Signed in Stockholm on 20 February 1950 Indonesia participating in a Sweden-Netherlands, Indonesia trade agreement. Indonesia could if desired at a later date increase the quotas by one-fifth and extend the agreement till 31 March 1951.

* Referring to areas under the Peking Government.

III. ECAFE INTRA-REGIONAL TRADE AGREEMENTS

Contracting parties	Period valid	Value of trade and types of commodities	Type of agreement	Remarks
Burma-Ceylon		Burma's exports, 350,000 tons rice.	Rice contract.	Signed in Rangoon on 2 April 1950.
Burma-India		Burma's exports, 100,000 tons of rice valued approximately Rs 55 million at Rs. 535/5 per ton f.o.b.	Rice contract.	Signed in Rangoon on 22 April 1950.
Burma-Indonesia		Burma's exports, 138,000 tons of rice.	Rice contract.	Signed in Rangoon on 19 June 1950. Agreement was reached early in the year between the two governments.
India-Pakistan	21 April 1950 - 31 July 1950	Pakistan's exports, 4 million maunds raw jute consisting of "cuttings" 1.9 million maunds; "rejections" 2 million maunds and 0.1 million maunds of Hubbi Jubbi and ropes at prices ranging from Indian Rs.28/- per maund FOB Indian mill for "cuttings" to Indian Rs.34/- per maund FOB mill for 'rejections." Total value estimated at Indian Rs.130 million each way. Pakistan's imports 20,000 tons of jute manufactures; cotton textiles, fine and superfine, 45,000 bales; cotton yarn of counts 40 and above, 5,000 bales; mustard oil, 7,000 tons; tobacco 500,000 lbs.; steel sheets, 5,000 tons; wheels, tyres and axles 1,000 tons; timber 12,000 tons; cement, 50,000 tons and woollen manufactures valued at Indian Rs.5 million.	Issuance of licences towards balanced trade. In effect a barter agreement.	Signed at Karachi on 21 April 1950. Payment to be made in Indian rupees, to a separate account to be maintained by the State Bank of Pakistan with the Reserve Bank of India. Provision also made for exports from Pakistan of cotton seeds, hides and skins and exports from India of paints, chemicals, machines etc. without foreign exchange, which is estimated to be Rs.40 million each way. Pakistan to supply 150,000 tons of wheat at prices to be settled when negotiations began for this purpose.
India-Thailand		Thailand's exports, 40,000 tons rice.	Rice contract	Payment to be made half in pounds sterling and half in U.S. dollars.

as before. The exception was a trade agreement between India and Pakistan signed on 21 April 1950 and effective until 31 July 1950, which attempted to by-pass the exchange deadlock. It provided for the supply of 4 million maunds of raw jute by Pakistan against 20,000 tons of jute manufactures and various other commodities from India. Payment was to be in Indian rupees through an account to be maintained by the State Bank of Pakistan with the Reserve Bank of India.

General Pattern of Trade.

Available statistics from eleven countries of the region excluding China indicate that the value of total trade in national currencies during the second quarter of 1950 was greater than that of the first quarter and also of the corresponding quarter of 1949. The exceptions were India and the Philippines, where total trade seems to be declining. In Japan and Pakistan trade during the quarter, though larger than in the first quarter of 1950. was below that of the second quarter of 1949. This general improvement in trade was merely a continuation of the trend noticed in the first quarter. There was an expansion in some cases of both exports and imports. Pakistan's increase in trade may be attributed to the partial solution of the trade deadlock with India and the trade agreements negotiated with other countries, while the sudden increase in Indonesia's trade was mainly due to the currency reform.

Exports. The value of exports during the quarter was greater than in both the first quarter of 1950 and the second quarter of 1949 in Burma, Ceylon, Hong Kong, Indonesia, Malaya, Pakistan, the Philippines and Japan. In India although exports were less than in the previous quarter, they were still above those of the corresponding quarter of 1949. British North Borneo's exports were also greater than in the previous quarter. The increase in exports continued the trend noticed in the previous quarter. The exception was in Indochina where exports were below both those of the first quarter of 1950 and the second quarter of 1949.

Imports. Imports were greater than in the previous quarter for all countries except Burma, Hong Kong, Indochina and the Philippines. In Ceylon and Malaya they were also greater than in the second quarter of 1949, while in India, Indochina and the Philippines they were less than in the second quarter of 1949. Hong Kong's imports, though less than in the first quarter of 1950. were above those of the corresponding quarter of 1949.

INDICES OF VALUE OF EXTERNAL TRADE

(1948 = 100)

	IMPORTS				EXPORTS				TOTAL			
	1949		1950		1949		1950		1949		1950	
	II	IV	I	II	II	IV	I	II	II	IV	I	II
British North Borneo	...	...	129	171	...	..	192	228	...	...	163	196[a]
Burma	57	65	74	58	110	48	52	138	86	55	62	103
Ceylon	112	97	95	133	100	121	118	137	106	109	107	135
Hong Kong	131	161	164	158	125	193	169	192	130	176	166	173
India	126	98	72	95	87	130	137	91	109	112	100	93
Indochina	159	197	148	144	100	92	112	97	139	162	136	128
Indonesia	128	175	101	315	134	163	162	131	131	169	130	370
Japan	163	96	139	139	220	187	223	278	179	121	162	177
Korea, South	90	58	55	...	105	88	157	...	91	61	61	...
Malaya[a]	110	108	117	134	81	115	131	150	96	111	121	142
Pakistan	126	74	68	76	110	72	103	117	118	73	84	95
Philippines	99	103	68	63	87	70	85	93	94	91	75	74
Thailand	156	131	160	...	142	135	185	...	149	133	174	...

a. Includes Singapore.

Balance of Trade. Positive balances of trade during the second quarter of 1950 were registered in British North Borneo, Burma. Ceylon, Indonesia, Malaya and Singapore, and Pakistan. This may be contrasted with the negative balances for the corresponding quarter of 1949, except for Burma which had a positive balance and for British North Borneo where no data are available for that quarter. These positive balances were greater than in the first quarter except for Ceylon, due to the fact that exports expanded at a faster rate than imports. Burma's positive balance was due both to a decline in imports and an increase in exports. In Ceylon, although both exports and imports increased in the second quarter, the rate of expansion of imports was greater than that of exports, thus resulting in a smaller positive balance.

Negative balances were registered during the quarter in Hong Kong, India, Indochina, Japan and the Philippines, but they were all smaller than the negative balances for the corresponding quarter of the previous year. They were also smaller than in the previous quarter for Hong Kong, Japan and the Philippines, though greater for Indochina. Japan's smaller negative balance in the second quarter, as compared with that in the first quarter, was due to a greater expansion of exports than imports, while Hong Kong's smaller negative balance was due to a decline in imports coupled with an expansion of exports. Indochina's increased negative balance was due to the greater decline in exports as compared with imports. In India the change from a positive to a negative balance was due to both an increase of imports and a decrease of exports. The smaller negative balance of the Philippines was due both to an increase of exports and a decline in imports resulting from effective import controls.

BALANCES OF TRADE

(Monthly average in million units of national currency)

Countries having favourable balances of trade in the second quarter of 1950.		1949 quarters I	II	III	IV	1950 quarters I	II
British North Borneo	(M$)	...	...	...	...	+ 2.1	+ 2.1
Burma	(Rs.)	+ 60	+ 41	+ 13	— 2	— 4	+ 58
Ceylon	(Rs.)	— 15	— 9	+ 15	+ 20	+ 20	+ 5
Indonesia	(Fl.)	+ 12	— 5	— 23	— 21	+ 45	+ 76
Malaya[a]	(M$)	— 2	— 47	— 10	+ 4	+ 11	+ 17
Pakistan	(Rs.)	— 24	— 39	76	— 10	+ 24	+ 28
Countries having unfavourable balances of trade in the second quarter of 1950.							
Hong Kong	(HK$)	— 18	64	— 36	— 25	— 57	16
India	(Rs.)	—224	— 273	— 152	+ 10	+159	—116
Indochina	(Pr.)	— 123	215	295	— 299	—182	—188
Japan	($)	— 36	— 45	— 36	— 15	— 31	— 19
Philippines	(P.)	— 69	— 47	— 31	— 60	19	— 10

a. Includes Singapore.

Trade in Selected Commodities.

Rice. The world rice shortage continued during the second quarter of 1950 and was felt very keenly in many Asian countries. In China, as a result of recent floods and political upheavals, a rice shortage was also felt. The overall situation was aggravated by the fact that the supply of rice from Korea was slowed down owing to war within the country. In the Philippines, however, as a result of rice contracts made earlier in the year and improved rice production, there was an adequate supply. Monthly average imports during the second quarter were 1,600 tons as compared with 500 tons for the first quarter. In the corresponding quarter of 1949 the Philippines imported a monthly average of 8,600 tons. In Japan there was not so much a shortage of rice as of wheat.

The total monthly exports from Burma, Thailand and Indochina for the second quarter of 1950 reached 295,200 tons. compared with 167,400 tons in the first quarter and 238,600 tons in the corresponding quarter of 1949. The major increase was from Burma, where monthly exports rose from 40,400 tons in the first quarter to 148,200 tons in the second. The Burmese Government recovered between 135,000 and 200,000 tons additional rice and rice products in the Prome District when it recaptured that area on 19 May. Burma's exports in the second quarter were shipped mainly to countries of the region. Ceylon received 50,500 tons, Japan 26,300 tons, Indonesia 20,300 tons, India 18,000 tons, China 7,600 tons, Malaya and Singapore 7,500 tons, and Hong Kong 2,700 tons.

Thailand's monthly rice exports during the second quarter amounted to 134,200 tons, compared with 116,000 tons for the first quarter and 107,700 tons for the corresponding quarter of 1949. This increase was achieved in spite of difficulties encountered by Thai rice merchants from delays in receiving payments from the Government Rice Bureau. The delay in rice payments was partly due to the fact that the Thai-Japanese trade agreement, in which rice was one of the main items of export, was on a barter basis. This meant that no cash was received for rice exports to Japan and payment could be made only when the corresponding imports from Japan were made. Of Thailand's monthly rice exports during the second quarter, Malaya and Singapore received 41,400 tons, Japan 32,200 tons, Hong Kong 14,000 tons, China 8,600 tons, Indonesia 3,000 tons, British Borneo 1,900 tons, and the Philippines 1,600 tons.

Vegetable Oils. The total monthly exports of copra and coconut oil for Ceylon, Hong Kong, Indonesia, Malaya and Singapore, British North Borneo, the Philippines and Sarawak during the first quarter of 1950 averaged 60,400 tons, which, though higher than the 50,650 tons for the previous quarter, was below the 65,900 tons for the corresponding quarter of 1949. Ceylon's export of copra and coconut oil declined at the end of the second quarter owing to the ban placed on copra exports which, as noted above, was subsequently removed. Exports of copra and coconut oil from the Philippines improved slightly during the quarter, reaching a monthly average of 28,420 tons as compared with 26,010 tons in the first quarter. Compared with the figure of 33,120 tons for the corresponding quarter of 1949, however, there was an appreciable decline, due to the increase in local consumption and to political disorder caused by the Hukbalahaps.

Of the total exports of copra and coconut oil from the Philippines, the major part in post-war years has been copra. Thus during 1949 556,600 tons of copra were exported, as compared with 64,150 tons of coconut oil. This was attributed to the opening of outports, which benefit from comparatively low freight rates, for the shipment of copra from different parts of the country. At the moment there exists crushing capacity for over 250,000 tons per annum, of which more than 150,000 tons is available for the export trade. The Philippine outports were ordered to be closed, with effect from 30 April 1950, in order to prevent smuggling etc. This is likely to increase the share of coconut oil in the export trade, as compared with copra.

The monthly export of ground nuts and oil from Hong Kong and India for the second quarter was 3,600 tons, which was much below that of 15,630 tons for the previous quarter and 6,710 tons for the corresponding quarter of 1949. Although Hong Kong's export more than doubled during this quarter as compared with the previous one and was about five times that of the corresponding quarter of 1949, India's export declined sharply, primarily owing to the ban on export of groundnuts. This ban did not encourage export of oil owing to the unsatisfied local demand for oil and the difficulties of the oil mills in procuring raw materials at reasonable prices.

Tea. On 8 May 1950 a tea agreement was signed between the tea growers owning or renting the major portion of the tea areas in India, Pakistan, Ceylon and Indonesia. The first tea agreement was signed on 9 February 1933 and had been renewed many times. The present agreement is for five years, from 1 April 1950 till 31 March 1955. The purpose of the agreement is to regulate tea exports from the producing countries, in accordance with a standard fixed on the basis of the maximum exports of tea in any one of the three years 1929, 1930, or 1931. The standard fixed for India was 348.3 million pounds, for Pakistan 35.0 million pounds, for Ceylon 251.6 million pounds, and for Indonesia 173.6 million pounds, in all totalling 808.4 million pounds. For the first year each producing country was allowed to export 130 per cent of the standard. For each of the subsequent four years of the agreement, the percentage is to be fixed on 28 February preceding each annual period. By the agreement permissible acreages on 31 March 1950 were laid down as 806,700 acres for India, 79,800 acres for Pakistan, 588,200 for Ceylon, and 539,800 for Indonesia.

Monthly average exports of tea from Ceylon, India, Pakistan, Indochina, Indonesia and Japan during the second quarter of 1950 were 23,100 tons, which was below the previous quarter's figure of 25,470 tons but slightly higher than the figure for the corresponding quarter of 1949 of 23,040 tons. The main reason for the decline in exports of tea from these countries was that the United Kingdom's tea contract with Ceylon was signed only at the end of May, when it was still negotiating tea contracts with India and Pakistan.

In Ceylon, mainly owing to the delay in signing the tea contract with the United Kingdom, the price of tea fell from Rs.5,269 per ton in January 1950 to Rs.3,616 per ton in May. The U.K./Ceylon tea contract signed in late May provided for a 4d. per pound increase over last year's price as already agreed during the first quarter of 1950. After the signing of the agreement tea prices began to rise. Ceylon's monthly exports of tea during the quarter reached 12,870 tons, which was

greater than the 8,720 tons for the previous quarter though less than the 13,270 tons for the corresponding quarter of 1949.

It was reported from China that plans for doubling the production of tea in certain areas in 1950 were being implemented. The state-owned China Tea Company was confident that its programme for manufacture of 200,000 piculs of Keeman and 150,000 piculs of brick tea for export would be realised. Planters had been given loans where necessary for ploughing, fertilizers and reclamation of fallow fields. The Tea Company also intended to establish 21 mechanical tea processing plants scattered over the various producing centres.

India's export of tea during the second quarter was 7,500 tons which, though higher than the 6,490 tons for the corresponding quarter of 1949, was much below the monthly average of 23,600 tons for the last quarter of 1949, and that of 13,450 tons for the first quarter of 1950. Previously India was one of the world's leading suppliers of tea, normally accounting for half of the world's exports, but its share of the tea trade in the region during the quarter amounted to only 35 per cent, whereas Ceylon's share was 55 per cent. The decline was partly due to an increase of the export tax on tea on 6 May 1950 from 34 to 42 cents per hundred pounds which followed an earlier increase in the tax from 29 to 34 cents per hundred pounds effective 6 November 1949. Another reason was that the United Kingdom was still negotiating its tea agreement with India for 1950.

Pakistan hoped to get an increase of more than 4d. a pound for its tea in the new agreement which it was negotiating with the United Kingdom.

Rubber. The price of rubber in New York had hovered around 15¼ cents a pound for a long time till 1 April 1950, when an upward movement started, and the price had risen to 34 cents a pound on 1 June. Amongst the reasons for the increase were Russian buying, greater demand from the United States as a result of its stock-piling policy, the de-rationing of petrol in the United Kingdom, the tying-up of large stocks in Indonesia, and speculative activity as a result of the Korean war. Although there was an increase in world production of natural rubber from a monthly average of 115,800 tons in the second quarter of 1949 to a monthly average of 125,000 tons in the first quarter of 1950 and of 151,400 tons in the second quarter, world consumption of natural rubber increased from a monthly average of 121,900 tons in the second quarter of 1949 to one of 137,200 tons in the same quarter of 1950. The consumption for the first quarter of 1950 was 131,100 tons.

The Soviet Union took delivery of nearly 40,000 tons, mainly from Southeast Asian stocks, up to April of this year. Most of it had been purchased earlier. In Indonesia there were stocks of between 66,000 and 71,100 tons of natural rubber. Rubber holders were unwilling to sell for fear of further devaluation arising from the currency reform of March 1950. The situation, however, improved slightly during the second quarter owing to the imposition of export duties, which were to be effective in the third quarter. In Malaya, rubber growers were strip tapping their trees twice daily in order to obtain a higher output.

The United States Government warned the principal producing countries that continued sharp increases in the price of natural rubber might lead to decreased demand. The Government-pegged price of synthetic varieties was 18½ cents per pound. During World War II it had spent some $700 million to develop 51 synthetic rubber plants with a capacity of 914,500 tons a year. It still owned 33 of the plants and 17 were in operation under contracts with major rubber companies. In June Congress extended the synthetic rubber programme for two years.

Exports of natural rubber from Brunei, North Borneo, Ceylon, Indochina, Indonesia, Malaya, Sarawak and Thailand rose from a monthly average of 104,000 tons during the second quarter of 1949 to 120,000 tons in the first quarter of 1950 and to 130,000 tons in the second quarter. Ceylon's shipments amounted to a monthly figure of 8,220 tons, compared with 10,230 tons in the first quarter. Indonesia's shipments of natural rubber increased during the quarter to a monthly average of 63,590 tons, as compared with 29,730 tons for the previous quarter, as traders wanted to avoid as far as possible payment of the export duty which was to come into effect in the third quarter. Malaya's exports of natural rubber during the quarter declined sharply, amounting to only 38,970 metric tons, compared with 58,300 metric tons for the previous quarter and 50,460 metric tons for the corresponding quarter of 1949. Owing to this decline in shipments trade circles alleged that Malaya was withholding supplies in order to get better prices.

Tin. World production of tin in concentrates during March was 15,900 tons, which was 3,900 tons more than world consumption. By May 1950 this excess was reduced to 2,100 tons, production being 14,300 tons and consumption 12,200 tons. A Tin Study Group has been set up to study problems arising out of the tendency of production to outstrip consumption. In pre-war years the International Tin Committee operated so as to keep production in line with consumption, but unlike the old

Tin Committee the Tin Study Group has no power to restrict output and therefore the tin market is comparatively free. In spite of world over-production of tin, there has been an increase in exports from the region of both tin in concentrates and tin metals. Exports of tin in concentrates from Burma, Indochina, Indonesia and Thailand increased from a monthly average of 3,450 tons in the second quarter of 1949 and 3,430 tons in the first quarter of 1950 to 3,540 tons in the second quarter of 1950. Exports of tin metal from Hong Kong and Malaya increased from a monthly average of 3,270 tons in the second quarter of 1949 to 6,070 tons in the first quarter of 1950 and to 7.160 tons in the second quarter.

Raw Cotton and Cotton Textiles. Exports of raw cotton from India declined but increased substantially from Pakistan. India's exports fell from a monthly average of 6,800 tons in the second quarter of 1949 and 8,100 tons in the first quarter of 1950 to a monthly average of 1,700 tons owing to its increasing consumption of raw cotton, part of which was even imported from the United States. Thus the Indian Government had up to 22 May licensed the import of 357,000 bales of long staple cotton and 42,487 bales of short staple cotton. Pakistan's exports of raw cotton increased from a monthly average of 16,900 tons in the second quarter of 1949 and 14,700 tons in the first quarter of 1950 to a monthly average of 32,000 tons, mainly owing to the trade agreements which were signed previously, for example the trade agreement with West Germany. The main buyers of Pakistan raw cotton, in addition to West Germany, were Canada, U.S.A., Japan and Switzerland among hard currency areas, and China, Czechoslovakia, France, Hong Kong, Spain, Australia and Ceylon among soft currency areas. During May agents of the People's Government of China bought nearly 33,000 bales of Pakistan cotton directly from Karachi.

Exports of cotton fabrics from Japan increased from 52.0 million square metres in the last quarter of 1949 to 71.5 million square metres in the first quarter of 1950 and 78.5 million square metres in the second quarter. The monthly average of exports for June reached 74.8 million square metres. Up to the first quarter of 1950 exports of cotton piecegoods from India had been increasing, largely owing to the vigorous export drive for yarn and cloth markets following the removal of handicaps such as the export duty on cotton textiles and price control on exports. Exports increased from a monthly average of 25.3 million yards in the second quarter of 1949 to 67.0 million yards in the last quarter of 1949 and to 101.0 million yards in the first quarter of 1950. In the second quarter of 1950, however, they declined to 84 million yards for April-May, primarily owing to the continued fall in production of yarn and cloth, as a result of non-availability of raw cotton in sufficient quantities and at low enough prices. This decline in the export of cotton piecegoods developed in spite of provisions made under the Indo-Pakistan short term agreement for the purchase by Pakistan of 45,000 bales of Indian cotton cloth. Hong Kong's exports of cotton piecegoods during April-May 1950 averaged 6.8 million yards, which, though greater than the monthly average of 6.6 million yards for the first quarter of 1950, was much below the monthly average of 9.8 million yards for the second quarter of 1949. Malaya's exports of cotton piecegoods increased from a monthly average of 3.7 million yards in the second quarter of 1949 to 9.1 million yards in the last quarter of the year. They again increased from 15 million square yards in the first quarter of 1950 to 15.9 million square yards in the second quarter. Part of the increase in textile exports from Malaya comprised re-exports from Singapore to Pakistan of Indian cotton fabrics, as direct trade between India and Pakistan had stopped owing to the exchange deadlock.

PRICE MOVEMENTS.

Prices rose during the quarter, as compared with both the first quarter of 1950 and the second quarter of 1949, in India, Indonesia, South Korea and Malaya. In Thailand prices, though higher than in the first quarter, were below those of the second quarter of 1949. The major reasons for price rises were monetary in Indonesia, and a positive balance of trade in Indonesia and Malaya.

A fall in prices took place in Burma, Ceylon, China, Hong Kong, Japan and the Philippines, as comapred with the first quarter. The major reasons for price falls were an increase of production in Japan, the re-opening of transportation facilities in Burma, and the absorption of the excess purchasing power by the Government in China.

Rises in Prices.

The indices of wholesale prices and cost of living in India and South Korea, the index of food prices in Indonesia, and the cost of living index in Malaya rose during the second quarter of 1950, as compared with both the first quarter and the corresponding quarter in 1949. These increases continued the trend of the previous quarter. In Thailand the wholesale price index, though still below the corresponding quarter in 1949, was 4 per cent higher than the first quarter of 1950, thus

showing a reversal of the trend during the previous three or four quarters. The price rise was quite substantial in the case of Indonesia, but only slight in the case of India, Malaya and Thailand.

Monetary expansion was an important factor in the case of Indonesia. Although the total private deposits at the Bank of Java declined considerably, loans, advances and bills discounted by the Bank of Java increased from a monthly average of 1,729 million guilders in the first quarter to 1,836 million guilders in the second quarter. In Thailand although notes in circulation increased from 2,643 million baht in the first quarter to 2,708 million baht in April/May, deposit money and bank clearings declined. In India there was not much pressure from the monetary side, although the ratio of advances and bills discounted to total deposits in commercial banks increased slightly during the quarter, in conformity with the pattern of the previous year. In Malaya there was a slight expansion in currency issued.

In India it is doubtful whether the decline in production was responsible for the slight rise in prices. The negative balance of trade, as compared with the positive balance of the previous quarter, was not able to prevent the rise. In other countries rises in prices occurred where there were increases in the production of some of the non-wage goods. In Indonesia and Malaya, the positive balance of trade, which was much greater than before, was the major cause of the rise.

PRICE INDICES

(1948 = 100)

	1949			1950				
	II	III	IV	I	II	Apr.	May	June
Burma (Rangoon)[a]	141	119	122	116	113	110	111	116
Ceylon (Colombo)[a]	98	98	101	104	103	102	102	104
Hong Kong[a,d]	113	113	120	121	115	...	...	115
India[b]	102.7	105.3	105.8	106.2	107.2	106.6	107.1	107.8
Indochina								
Cambodia (Phnom-Penh)[a]	138	142	147	145	..	..	..	...
Laos (Vientianne)[a]	116	121	116	108	...	...	...	...
Viet-Nam (Saigon)[b]	120	130	127	115	114	114	114	115
Indonesia (Djarkarta)[c]	86	89	101	105	118	121	115	118
Japan[a]	141	141	134	131	125	124	126	124
South Korea (Seoul)[b]	119.8	148.3	170.0	202.3	...	208.6	...	...
Malaya[a]	93	92	94	94	97	95	95	100
Philippines (Manila)[a]	95	93	91	92	89	91	88	88
Thailand (Bangkok)[b]	95.1	93.2	91.1	90.1	93.7	92.3	94.8	94.1

a. Cost of living.
b. Wholesale prices.
c. Food prices.
d Last month of each quarter.

INDICES OF CURRENCY, DEPOSIT MONEY AND CLEARINGS[a]

(1948 = 100)

	Currency				Deposit Money				Bank Clearings[d]			
	1949		1950		1949		1950		1949		1950	
	II	IV	I	II	II	IV	I	II	II	IV	I	II
Burma	...	...	...	...	117	118	111	117	80	68	86	89
Ceylon	97	103	104	109	89	127	106	111	117	127	131	133
Hong Kong	113	103	103	103	...	...	...	...	144	133	127	137
India	94	88	92	95	87	84	85	83	93	94	95	91
Indochina	...	...	...	...	109	121	140	135	...	...	...	...
Indonesia[b]	108	118	126	139	83	94	140	94	...	...	...	...
Japan	86	90	88	87	128	151	161	164	220	289	279	317
South Korea	118	200	209	...	136	228	226	...	167	277	273	...
Malaya	101	101	101	103	...	...	...	...	...	...	...	...
Philippines	108	111	111	112	102	91	90	97	94	95	77	83[c]
Thailand	112	112	118	121[b]	100	103	93	92	135	161	174	170[b]

a. See notes to table XII in Section III on Asian Economic Statistics.
b Average of 2 months only (April and May).
c. April only.
d. Except in the case of Philippines where it refers to total bank debits to checking accounts.

Falls in prices.

A fall in the cost-of-living index took place in Burma, Ceylon, Hong Kong, Japan and the Philippines, as compared with the previous quarter. Prices were also lower than in the corresponding quarter of 1949 in Burma, Japan and the Philippines, where the price fall continued the trend of the previous quarters. Prices were higher than in the second quarter of 1949 in Ceylon and Hong Kong, where the price fall was a reversal of the increase in prices noted for the previous quarters. The price fall was quite considerable in Burma, Hong Kong and Japan, though slight in the case of Ceylon and the Philippines. In Viet-Nam prices were more or less the same as in the first quarter.

Monetary contraction took place in Viet-Nam, but in other countries the monetary factor was either neutral or price falls took place in spite of monetary expansion. In Burma and Ceylon there was an expansion of deposit money and a greater utilisation of banking funds as indicated by lower cash reserves and higher ratios of advances and bills discounted to total deposits. In Burma bank clearings also increased. In Hong Kong the expansion of bank clearings indicated the increased effect of monetary factors. Although the total of notes issued was the same as in the previous quarter, the amount of notes in circulation in Hong Kong must have increased as Hong Kong notes circulating in China were returned from circulation. In Japan both bank clearings and deposit money increased, while in the Philippines total bank debits to checking accounts rose considerably.

Increased production was an important factor in the fall in prices in Japan. In the case of Burma, it was not so much due to expansion of production as the restoration of internal transport facilities. Thus during the quarter the amount of railway freight averaged 6.9 million ton-kilometres monthly, which was almost three times that of the first quarter and nearly fourteen times as great as in the corresponding quarter in 1949.

These falls in prices took place in spite of the large positive balance of trade in Burma and the smaller negative balance of trade, as compared with the first quarter, in Hong Kong, Japan and the Philippines. Indochina's negative balance, which was larger than that of the first quarter, was a contributory factor to a fall in prices in Viet-Nam. In Ceylon the budget surplus during the quarter amounted to Rs.36.5 million, which was greater than the Rs.35.5 million of the previous six months October 1949 to March 1950. This was more or less counterbalanced by the positive balance of trade, and thus Ceylon's fall in prices was negligible.

In China the general level of prices, which was still rising in March, fell sharply in April and May, when a point of stability appeared to have been reached. The reversal of the rising trend was achieved primarily through the sale of 100 million *fen* of victory bonds. The process of absorbing excess purchasing power was continued through the operations of the numerous branches and offices of the People's Bank which had been established throughout the country. At the same time efforts were made by government agencies to increase revenue and reduce government expenditure, and it was reported that by May a balance of revenue and expenditure had virtually been achieved. These factors, combined with the increase in supplies of commodities and government control over essentials, enabled prices to be kept stable during the latter part of the quarter.

DEVALUATION, PRICE MOVEMENTS AND CHANGES IN EXTERNAL TRADE IN ECAFE COUNTRIES

EXTENT AND CAUSES OF DEVALUATION

Extent of devaluation.

Following the devaluation of the pound sterling in relation to the dollar in September 1949, ten countries in the ECAFE region changed their exchange rates. All the sterling-area countries in the region except Pakistan, viz. Burma, Ceylon, Hong Kong, India, Malaya, North Borneo, Brunei and Sarawak devalued their currencies to the same extent as the pound sterling had been devalued in relation to the dollar, i.e. by 30.5 per cent. Other countries in the region which have a traditional link with European countries, viz. Indochina with France and Indonesia with the Netherlands, also devalued their currencies to the same extent as the French franc and the Netherlands guilder respectively. After devaluation, the Paris free market rate — 350 francs to 1 dollar — was made effective as the new uniform official rate, which was about 38 per cent below the previous official rate and about 22 per cent below the average of the previous official and market rates[1]. As the Indochinese piastre still maintained its old parity of 17 francs to 1 piastre, it was automatically devalued to the same extent as the French franc. In Indonesia, the official exchange value of the guilder (or florin) remained on a par with the Netherlands guilder, which was devalued by 30.2 per cent in relation to the dollar. The official value of the baht in Thailand, which has no definite link with any other currency, was lowered in relation to the dollar by 20 per cent, but appreciated with reference to sterling by 14.3 per cent. Four countries in the region did not follow this wave of devaluation, viz. China, Pakistan, the Philippines and south Korea. Hong Kong, as an entrepôt, mainly reflected changes in other countries closely related with it, while little information is available concerning the results of devaluation in North Borneo, Brunei and Sarawak. These countries, therefore, will be omitted from consideration. On the other hand, Pakistan, although it did not devalue, has such close relations with the rest of the sterling area, especially India, that it has been considered desirable to examine the situation which arose in that country as a result of devaluation elsewhere.

1. For details of the French exchange system before devaluation see International Monetary Fund, International Financial Statistics.

Signs of over-valuation.

The necessity for devaluation generally arose from dislocation in international cost-and-price relations and/or the appearance of disequilibrium in the balance of payments for a certain period, taking into account exchange and trade controls and other institutional factors.

In Table 1 a *rough* indication is given of the discrepancy in the price relations of seven countries with the United States for the eight month period preceding devaluation (average for January to August 1949). In Ceylon the rise in the general level of prices was 50 to 60 per cent, in India and Malaya 75 to 95 per cent, and in Burma 200 per cent higher than the corresponding rise in the United States. In Malaya, although the cost of living index was 90 per cent higher, the export price index was 7 per cent. and the export price index of raw materials 24 per cent, lower than in the United States. The low level of export prices of raw materials during January to August 1949 in Malaya did not indicate an increase in the competitive power of Malayan raw materials in the world market but was a result of the American recession. A fall in industrial production in the United States caused a decline in purchases of raw materials from Malaya, especially rubber. Furthermore, the discrepancy between the cost of living and export price indices indicated a dislocation of the cost-price structure in Malaya. A higher cost of living with a lower income from exports placed the raw material producers in a very difficult position.

On the other hand, the exchange rates of these four sterling-area countries had not changed since before the war. Although there were exchange and trade controls to a certain degree, there were no important black markets in foreign exchange in these countries. The unchanged rates of exchange, associated with the relatively higher domestic price level, resulted in cheaper imports from and dearer exports to the United States and other countries with a relatively lower price level. This unfavourable situation, coupled with the huge pent up postwar demand and with low production and exports, made it necessary to exercise import control, especially with respect to the dollar area. Nevertheless, even with import controls, over-all trade balances, before devaluation,

TABLE 1.

*General price index in seven ECAFE countries in terms of corresponding price index in the United States**

Country	Type of price index	Base period	Average for January August 1949	
			Price index	As percentage of corresponding index in corresponding period of U.S.A.
Burma	Cost of living	1937	502	304
Ceylon	Cost of living	Nov. 1938-Apr. 1939	257	152
	Export price	1934-38	313	161
India	Wholesale price	1937	353	95
	do. : General	July 1938-Aug. 1939	377	86
	do. : Raw materials	do.	459	95
	do. : Manufactured goods	do.	342	179
	Export price	1937	380	195
Malaya	Cost of living	1939	317[1]	190
	Export price: General	1938	214[2]	93
	do. : Raw materials	1938	173[2]	76
Indochina	Wholesale price: General	Jan.-June 1939	881	434
	do. : Raw materials	do.	2,120	902
	Export price	1939	1,311	572
Indonesia	Export price	1938	496	218
Thailand	Wholesale price	1938	1,557	778

* Price index of the seven countries in January-August 1949 as percentage of corresponding price index in the same period in the United States with same base period. Export price index is deflated by U.S. wholesale price index of raw materials, as the main export goods of these countries are raw materials. Whenever there is no corresponding period index for the U.S., the index of nearest is taken.

1 1938.

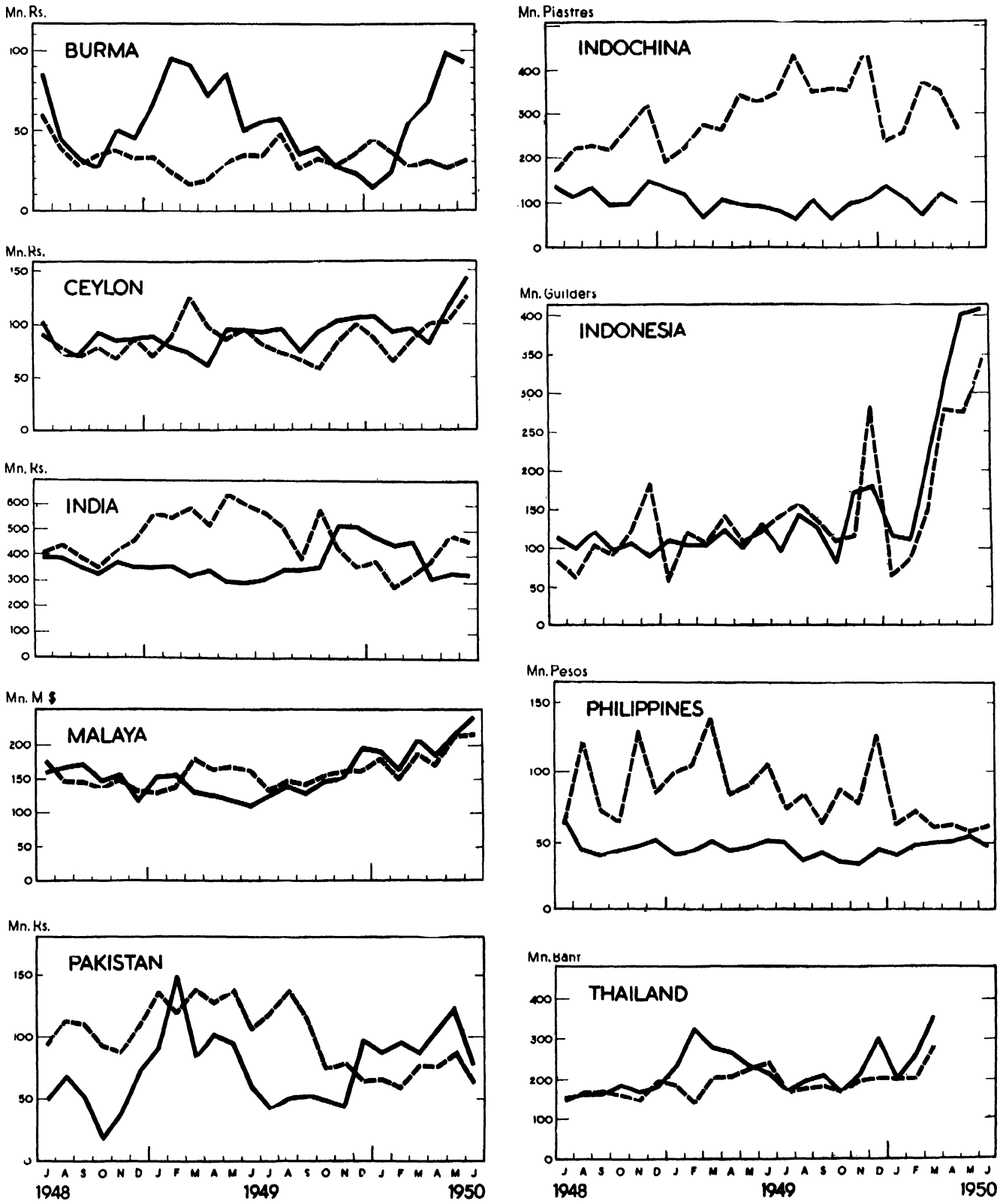
2 Jan.-Sept. 1949

became adverse in India, Ceylon and Malaya (see Chart I). During the same period trade balances with the United States were adverse in Burma and India and became less favourable than before in Ceylon and Malaya. The decline in the general level of prices in the United States, arising from the recession in industrial production, exercised a highly depressing effect on demand for raw material exports from the region, particularly rubber, tin and copra, and reduced the competitive power of manufactured goods exported from India. The devaluation initiated by the United Kingdom, therefore, was regarded as a welcome measure.

In Thailand, although the official rate was overvalued, the free market rate was about at par. Thailand has a dual exchange system. The official rate is restricted to a few items of imports and exports. All other transactions are conducted at the free market rate, which is maintained partly by the limited licensing of imports but mainly by the Bank of Thailand's sale in the open market, at fairly stable rates of exchange, of foreign exchange derived from export of designated commodities at the official rate of exchange. The trade balance has been favourable since 1948 (see Chart I). The lowering of the official rate of exchange had little effect on the free market rate of exchange and import prices. It affected mainly the prices of a few export commodities and payments in national currency to exporters at the official exchange rate. As the government's earnings of foreign exchange are fairly large and its financial position strong, the price level and the open market rate of exchange have been kept stable and in step with each other. The prewar value of the baht was about $0.40, which was more than eight times its value in January to August 1949 on the basis of the market rate of exchange. The rise in prices during the same period was about eight times greater than in the United States. This *rough* calculation indicates that, in the free market, the baht was not overvalued.

CHART I VALUE OF IMPORTS AND EXPORTS

Imports. Exports.



In Indochina and Indonesia the fall in the exchange value of the currency on the black market, along with the progress of inflation, indicated international disequilibrium. The continued existence in Indonesia of smuggling to Singapore, and in Indochina of an adverse balance of trade, as well as a wide margin in both countries between official and free market rates of exchange, indicated that the devaluation of September 1949 had been insufficient to restore exchange equilibrium. The new exchange system of Indonesia introduced in March 1950 actually meant a further devaluation.

Relations with major countries which devalued.

The effects on trade of the discrepancy between their price levels and that of the United States were not of the same degree in all the seven countries which devalued. The United States had a sizeable share in both the import and export trade of India and Indonesia. The share of exports going to the United States was also important in the case of Ceylon, Malaya and Thailand. United States trade with Burma, however, was insignificant, as also was the share of exports going to the United States from Indochina. On the other hand, a larger part of both the import and export trade of the four sterling-area countries in the region was with the sterling area, especially the United Kingdom. Similarly, a larger part of Indochina's trade was with France and of Indonesia's trade with the Netherlands. The devaluation of the pound sterling, the franc and the Netherlands guilder was, therefore, another important reason for devaluation in the seven countries, for if their major trade partners devalued their currencies and they did not, their price relations with them would be dislocated.

The pound sterling, the franc and the guilder had been overvalued in relation to the dollar, and since they were not freely convertible into dollars they were known as soft currencies. As prices were generally lower and delivery dates more favourable in the hard currency area, importers in the seven countries tended to seek supplies in the hard currency market. On the other hand, exporters diverted their sales to soft currency areas in which higher prices were obtainable, in terms of domestic currencies. Hence governments were forced to tighten exchange controls and devise licensing systems designed to preserve not only a balanced over-all current account but also a balanced hard currency account. The result was that goods frequently had to be bought in soft currencies at prices which, at the existing exchange rates, were generally higher than in the hard currency area, while exports were diverted to countries which paid hard currencies but generally offered lower prices. The devaluation of the pound sterling and other European soft currencies reduced the discrepancies in their price relations with the hard currency area and made their products more competitive in both domestic and foreign markets. If countries in the region had not devalued, the over-valuation of their currencies in relation to the pound sterling and other European currencies would have been as great as with the dollar. Thus, imports from the United Kingdom, France or the Netherlands (and also other countries which devalued) would have been cheaper and exports to these countries in terms of their currencies would have been dearer. Their trade balances would have become more unfavourable or less favourable, and exchange equilibrium would have been more disturbed. By devaluing their currencies these countries could, on the one hand, adjust their price relation with the United States, and on the other avoid the creation of more international disequilibrium with countries which had devalued. This consideration was probably more important to Burma (and possibly Ceylon) than to other sterling-area countries in the region.

The traditional pegging of the currencies of the sterling area countries to the pound sterling, of the Indochinese piastre to the franc, and of the Indonesian guilder to the Netherlands guilder, was also a factor. There was reluctance to attempt any change in this relation. Thus, even if their price relations with the metropolitan countries also showed signs of over-valuation of their currencies, although to a lesser degree than with the dollar, they did not devalue more than the metropolitan countries had done. An exception was Pakistan which, though having a very large share of trade with the United Kingdom and India, did not devalue its currency in relation to the dollar. Another exception was the Philippines which, though having the major portion of its trade with the United States and showing signs of overvaluation, did not devalue its peso, because of an agreement with the United States.

EXPECTED EFFECTS OF DEVALUATION AND THEIR LIMITATIONS

Effects on import and export prices.

If the prices of dollar imports remain unchanged, a devaluation of 30.5 per cent in relation to the dollar would make such imports dearer by 44 per cent in terms of the national currency, and if the prices of exports in terms of local currencies should remain unchanged exports would be cheaper by 30.5 per cent in terms of dollars. As prices of dollar imports in terms of the national currency rise, domestic demand for dollar imports will be reduced. The price of imports from countries which devalued more or to the same degree, however, will not rise immediately, but will fall in terms of dollars. Therefore, there will be a substitution of

imports from such countries for dollar imports. Reduced demand for dollar imports and substitution of imports from countries which devalued will mean that the price of imports formerly obtained from the dollar area, as well as the price of all imports, will not rise by as much as 44 per cent. To what extent import prices will rise depends mainly on the elasticity of domestic demand and the elasticity of substitution as well as the elasticities of supply both in countries which devalued and those which did not. On the other hand, export prices, though not necessarily changing in terms of the national currency, will fall in terms of the dollar, and dollar demand for the exports will be increased. Also, exports from the country which has devalued will to some extent replace exports from countries which have not devalued. Thus exports from the country which has devalued will increase both to countries which have devalued and those which have not, and export prices in terms of dollars will not fall to the full extent of 30.5 per cent. To what extent export prices in terms of dollars will fall depends on the elasticity of foreign demand and the elasticity of substitution, as well as the elasticities of supply of exporting countries. Export prices will rise in terms of the national currency as a result of increased foreign demand. However, as compared with import prices in terms of the national currency, it is to be expected that export prices will be lower. Thus the terms of trade will become unfavourable. This was the case in the United Kingdom, France, the Netherlands, Denmark, Belgium, Sweden and Norway during the first few months after devaluation[1].

Effects on trade.

The change in relative prices may be expected to have effects on imports and exports which will tend to correct the unfavourable trade position prevailing before devaluation. As a result of higher import prices in terms of the national currency and the consequential decreased demand for imports from countries which have not devalued, the quantity of goods imported will be reduced. Imports from other countries which have devalued will, however, increase, but usually not to the same extent as the decrease in imports from the countries which have not devalued. The net result is likely to be a decrease in the total *quantity* of imports. Nevertheless, the total *value* of imports may not decrease, since this depends mainly on the elasticity of domestic demand. If the elasticity is very high (i.e. the elasticity of domestic demand is greater than unity), the total value of imports will be reduced, thus contributing to the reduction of the unfavourable trade balance. If the elasticity is low (i.e. the elasticity of domestic demand is less than unity), the total value of imports will rise, thus increasing the unfavourable balance of trade. On the export side, the case is just the opposite. Without going into details, it may be said that the total *quantity* of exports will increase, while exports to countries which have not devalued will increase more than to other countries which have devalued. Whether the *value* of exports will increase or not depends mainly on the elasticity of foreign demand. If the latter is very inelastic (less than unity), the value of exports may even decrease rather than increase.

This generalization, however, must be qualified. We have so far mentioned only the effects of relative price changes. If, however, we also take into consideration the effects of changes in income, even though the price elasticity of demand for exports from the region is low, both the quantity and the value of exports can be increased because of increased income and industrial activity in countries not devaluing, particularly the United States. (In other words, the demand curve shifts to the right because of an increase of income. Therefore, at the same price, quantity demanded is more than before the demand curve shifts). A second consideration is that imports are a function not only of national income but also of exports. This is especially true when there was a "suppressed" import demand during the post-war years. More imports would have been purchased at prevailing prices than were actually purchased, because of the shortage of generally acceptable means of payment. So if exports from countries which devalue increase, for whatever reasons, and bring in more foreign exchange, especially dollars, then the imports of these countries will also increase. Furthermore, exchange and trade controls and trade agreements are generally not functions of relative price changes. Quantitative import restrictions or monetary import ceilings set a limit to imports without direct reference to price changes. Trade agreements once contracted for a specified quantity or value of commodities to be exchanged, have in most cases to be fulfilled without much consideration for price changes. Also, bulk buying contracts fix the price and quantity of exports for a designated period. Finally, there are non-economic factors which will also have some effect.

The internal effects.

Changes in external trade and import and export prices arising out of devaluation influence income, employment, wages and the cost of living in a variety of ways. In all of the seven countries which devalued, except Thailand, there has long existed an exchange standard. Exchange rates have been pegged with the pound sterling in the four sterling-area countries viz.

1. International Monetary Fund, **International Financial Statistics**, March 1950, page 3.

Burma, Ceylon, India and Malaya, with the French franc in Indochina and with the Netherlands guilder in Indonesia. Currency notes were backed respectively by sterling, franc and Netherlands guilder assets. The volume of currency in circulation changed automatically with changes in the respective foreign asset reserves. Through the operation of this mechanism, external equilibrium could be reached by the adjustment of domestic prices and costs. A favourable balance of trade resulting from devaluation would, under this system, contribute to an increase in foreign exchange reserves, enabling a monetary expansion to take place. Meantime, as both import and export prices would rise after devaluation, more money would be needed for financing import and export transactions. This would have the effect of raising income and the general price level. Moreover, devaluation would increase import prices, and this would affect the cost of living and the cost of production. Devaluation would also increase export prices and thus stimulate production, employment and income. The result would be a rise in the general price level.

This mechanism, however, was operative only to a limited extent during the post-war years. The money supply was affected not only by the trade balance but also by government deficit financing for increased defence and capital expenditure. The unfavourable balance of trade was checked mainly by import control, or a favourable balance of trade was maintained with the help of import control, and only to a small extent through the price mechanism. Devaluation was supposed to correct the overvaluation of currencies and restore exchange equilibrium. As dollar imports in terms of national currencies became dearer and the trade balance became favourable through devaluation the need for import control should have been reduced. However, control over imports was still extensive after devaluation and served as the chief means of maintaining equilibrium in external trade.

Since all these factors are at work, relative price movements and changes in mports and exports are unlikely to conform to a simple pattern. It is, therefore, difficult to distinguish those effects of devaluation on trade which are the result mainly of relative price changes. However, it may be said that the effects of devaluation would not be so powerful in the post-war period as in pre-war years, when less control was exercised over finance and trade.

PRICE MOVEMENTS AND CHANGES IN TRADE BEFORE AND AFTER DEVALUATION

In the light of the general analysis given above, price movements and changes in imports, exports and the balance of trade in the seven Asian countries which devalued their currencies will be briefly surveyed. For convenience of analysis these countries may be divided into three groups: (1) India, which has greater manufacturing facilities than other countries and exports both raw materials and manufactured goods; (2) Ceylon, Malaya and Indonesia, all of which are raw material producing and exporting countries; and (3) Burma, Indochina and Thailand. which are the chief rice exporting countries.

INDIA

General pattern of changes in prices and trade.

From early 1947 up to the time of the devaluation there had generally been an adverse balance of trade. This was especially large during 1949. The adverse balance was accounted for more by an increase of imports than by the low level of exports. The trend of exports was rising, with a set-back during mid-1949. Although the trend of imports since the end of the war was also rising, and at a higher rate in the period just before devaluation, it had fluctuated more than that of exports. The huge adverse balance of trade during 1949 in the period before devaluation. was mostly accounted for by a great increase in imports. After devaluation, exports showed a substantial increase while imports were greatly reduced, with the result that the balance of trade became favourable from November 1949 to March 1950. From April 1950 there was again an adverse balance of trade because of a decrease in exports and an increase in imports. To what extent these changes were due to devaluation calls for careful examination.

Table 2 shows that the relative price movements and changes in imports, exports and balance of trade after devaluation appear to be very close to the theoretical pattern as outlined above. A rise in import prices (as shown by the index of unit value of imports) was more than counterbalanced by a decreased volume of imports (as shown by the quantum index of imports), resulting in a decrease in the value of imports (as shown by the index of total value of imports) during the first two quarters after devaluation. On the other hand, the index of export prices, which rose less than the index of import prices, was only 6 to 8 per cent higher in these two quarters than in the third quarter of 1949, which in terms of dollars would be considerably lower than the pre-devaluation level. Associated with this was an increase in the volume of exports by about 30 per cent and an increase in the value of exports in terms of rupees by about 38 per cent. As a result of both the decrease of imports and the increase of exports, there emerged a favourable balance of trade during the last quarter of 1949 and the first quarter of 1950[1].

1. The terms of trade which were unfavourable before devaluation remained so afterwards. However, a comparison on a quarterly basis is not a good indicator.

TABLE 2

India: Indices of unit value, quantum and total value of imports and exports

(Base: Third quarter, 1949 = 100)

	Index of unit value		Quantum index		Index of total value		Balance of trade
	Imports	Exports	Imports	Exports	Imports	Exports	
1949							
I	112	99	107	106	116	102	...
II	102	101	117	93	120	93	..
III	100	100	100	100	100	100	..
IV	113	106	83	131	94	139	+
1950							
I	111	108	61	127	68	137	+
II	110	112	80	86	91	98	..

Generally speaking, however, as export prices rise, the price advantages of devaluation diminish, and the volume of exports falls. In India this was generally true. But the drastic fall of exports by about 40 per cent in the second quarter of 1950 can hardly be accounted for by the moderate increase of about 3 per cent in the index of export prices. On the import side there seems also to be some deviation from the theoretical pattern. The very low quantum index of imports during the first quarter of 1950 can hardly be explained by changes in prices, because the index of import prices in that quarter was also lower than in the preceding and following quarters. The reasons for such deviations from the theoretical pattern must be sought elsewhere than in relative price movements.

Substitutional effects between exports to the dollar area and exports to other currency areas, as well as those between imports from the dollar area and imports from other currency areas, can be seen from Table 3. Compared with the third quarter of 1949, while the total value of exports increased by 33 per cent in the fourth quarter of 1949 and by 28 per cent in the first quarter of 1950, exports to the hard currency area increased by 62 per cent and 70 per cent respectively. However, on the import side, the substitutional effect does not appear. While total imports were reduced by 23 per cent in the

TABLE 3

India: Value of imports and exports by currency areas

(In million rupees)

	Exports				Imports				Balance			
	All areas	Sterling area	Hard currency area	Other areas	All areas	Sterling area	Hard currency area	Other areas	All areas	Sterling area	Hard currency area	Other areas
1949												
I	905	470	268	167	1,879	919	536	425	- 974	- 449	—268	-258
II	941	515	234	190	1,752	818	470	471	—811	—303	—236	—281
III	1,009	575	267	167	1,350	722	342	286	- 341	—147	—75	-119
IV	1,338	722	433	182	1,042	610	266	166	+296	+112	+167	+16
1950												
I	1,290	657	453	180	1,157	542	398	217	+133	+115	+55	—37
IIa	1,100				1,350				—250			

Source: **Reserve Bank of India Bulletin, August, 1950.**

Note : a. **Estimated**

first quarter after devaluation, hard currency area imports were reduced by 22 per cent. In the following quarter, while total imports were 14 per cent lower than in the quarter before devaluation, hard currency area imports were 16 per cent higher. This probably indicates the existence of some indispensable imports or a partial satisfaction of "suppressed" import demand through the use of proceeds from increased exports to the hard currency area.

In the initial period after devaluation, although import and export prices rose, the general price level remained stable. The favourable balance of trade between November 1949 and March 1950 resulted in an increase of currency in circulation. Food prices began to rise after February 1950, while the prices of raw materials rose somewhat later, thus bringing about a rise in the wholesale price index.

Export expansion and its limitations.

The principal exports from India are raw cotton and cotton manufactures, raw jute and jute manufactures, tea, pepper, seeds and oil, hides and skins, manganese, mica and lac. The export value of some of these, as shown in Table 4, increased in the quarter immediately following devaluation. In the first quarter of 1950, however, while some exports were still increasing, others decreased. In the second quarter, all of them showed a decrease. The effects of devaluation differed for different commodities. In regard to the export of cotton piece goods, although there was a setback in the second quarter of 1950, it was much higher than for the pre-devaluation quarters. Favourable factors already existed before devaluation, such as the removal of export restrictions by the Government and the abolition of the 10 per cent export duty on cloth in June 1949. However, the most powerful factor was the price advantage in foreign markets arising from devaluation. As shown in Chart II, the price of Indian cotton fabrics after devaluation moved downward even in terms of rupees. In terms of dollars it was much lower than the price for American or Japanese cotton fabrics, but little advantage was obtained in countries which had not devalued, as India's cloth exports went mostly to soft currency areas, mainly the Red Sea ports, East Africa and Malaya. It was the comparative cheapness of Indian cloth in these markets and its substitution for exports both from countries which had devalued and those which had not, that accounted for the export expansion. Cotton cloth from Japan and the United States was dearer as compared with Indian cloth because of the rupee devaluation; that from the United Kingdom was also dearer because the cost of cotton imported from the hard currency area had increased on account of devaluation and that from other countries which devalued, such as Egypt, also rose considerably (see Chart II).

The rise in the sterling price of raw cotton in the United Kingdom by more than 30 per cent after devaluation cancelled a great deal of the favourable effect of devaluation on the export price of its cotton fabrics. India was comparatively fortunate in that, for nearly two-thirds of its requirements, it could rely on local cotton, the price of which was under government control. Although the mills had often to pay a premium over the

TABLE 4

India: Value of export of selected commodities

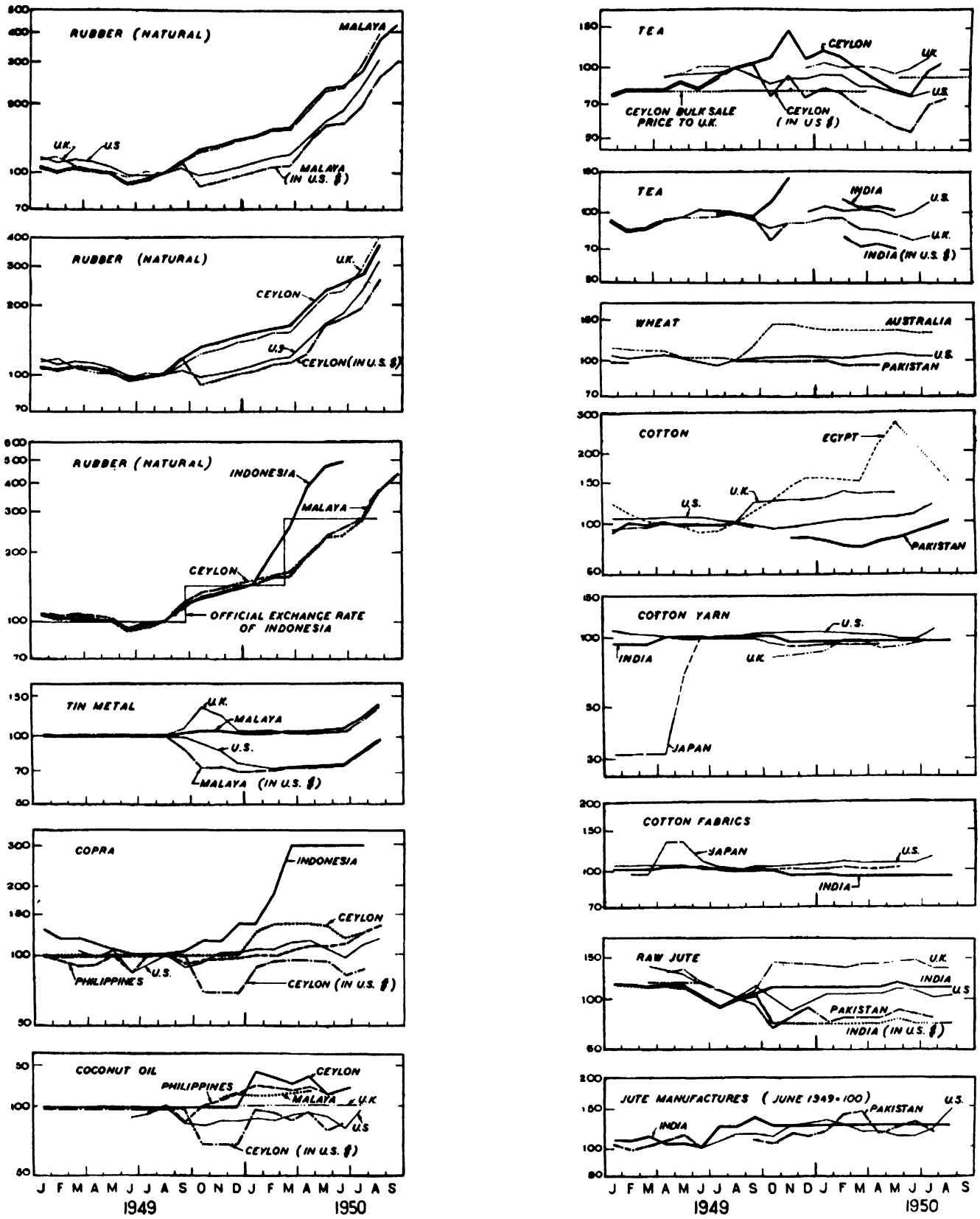
(Monthly average in million Rupees)

Commodity	1948	1949				1950	
		I	II	III	IV	I	II
Tea	47	73	32	66	91	51	28
Seeds (including nuts for oil) ...	8	6	10	6	8	25	7
Cotton, raw and waste	16	14	16	7	15	26	10
Jute, raw and waste	21	20	15	11	25	2	—
Cotton yarn and manufactures ...	31	27	28	36	74	104	67
Jute yarn and manufactures	125	108	89	110	115	110	88
Hides, skins and leather	15	18	20	13	22	30	19

Source: Government of India Monthly Abstract of Statistics.

CHART II WHOLESALE PRICES OF SELECTED COMMODITIES

Index numbers of national currencies, August 1949 = 100



official price, the effective price on the whole still permitted a moderate advantage to be reaped by the industry. Yet there are limitations to the export expansion of Indian cotton piece goods. Firstly, India has to import long staple cotton from abroad, usually from Pakistan, for making fine or superfine cloth for export.[1] When cotton imports from Pakistan came to a standstill following the disagreement arising out of the non-devaluation of the Pakistan rupee, India had to look for supplies from overseas, where prices of cotton had risen considerably[2]. Secondly, expansion of export depends on expansion of production, which in turn depends mainly in the short run on the availability of raw cotton. As the supply of raw cotton in India is insufficient to support a great expansion of cloth production, larger exports will be at the expense of domestic consumption[3]. A scarcity of almost all popular varieties of mill-made cloth, especially the coarse and medium grades for which the demand is so heavy, has made itself felt since April, with the result that prices have risen. The hoarding which started after the outbreak of the Korean War has aggravated the scarcity. The inelastic supply of cotton and the expansion of export will result in a further price rise which will narrow down the comparative price advantage in foreign markets which resulted from devaluation.

Exports of oilseeds had also been stimulated by devaluation. The export of groundnuts and linseed and their oils was low in the post-war years, owing to the large internal consumption of oilseeds and oils and the rapid development of the vanaspati industry. But it was also to a great extent due to the high prices of Indian products as compared with those from Canada, the United States and South American countries. The growth of farm surpluses and the drop in their prices in the United States during late 1948 and early 1949 also exercised a depressing effect on India's exports of seeds and oil[4]. The net result of these developments was that Indian export of oilseeds during 1948/49 remained very low.

1. During 1947/48 imports from Pakistan accounted for about one-half of the total raw cotton imports into India.

2. In order to encourage the export of fine and superfine cloth of Indian manufacture, the Government of India, from the end of January, granted a rebate of the import duty paid on the imported cotton that enters into the production of such cloth. This, however, will still not help much.

3. In order to conserve cotton for the domestic industry, the export duty on raw cotton was raised from Rs. 140 to Rs. 150 from 18 November 1949 onward.

4. In the United States, prices of fats and oils during the first half of 1949 were well below those quoted a year before. Lard and tallow had fallen by 60 per cent, margarine by 22 per cent, and cotton seed oil by 33 per cent. Further, the improved supply position led the United States to raise its oilseed exports by 600,000 tons to 4.5 million tons, most of which went to Europe under the Marshall Aid Programme. Brazilian castor-seeds were quoted at between £30 and £38 per ton, as against the Indian prices of £50 to £57. In the case of groundnuts, the Belgian Congo price of £67 per ton fell far below the Indian price.

The devaluation of the rupee gave a fresh impetus to the export of oilseeds, as it reduced export prices in terms of dollars. The export of oilseeds increased substantially during the last quarter of 1949 and the first quarter of 1950. However, the local prices of oilseeds also increased on account of increased overseas demand, speculation after devaluation, and the shortage of oils and oilseeds for domestic consumption. In order to retain a sufficient quantity for domestic consumption and alleviate the problem of food shortage, the Government of India decided to prohibit further sales of groundnut kernels to other countries[5]. Exports of groundnuts in shell were also suspended. As a result the export of groundnuts and oil in April and May was reduced considerably. This is a further illustration of inelastic supply of export goods.

In contrast with the export of cotton manufactures, the export of jute manufactures had been almost monopolized by India. India was thus in a favourable position to fix a price which would yield maximum net revenue. Exports of jute hessians went mainly to the United States, where demand is inelastic. The devaluation of the rupee would have caused India to lose dollar earnings if the price of hessians in terms of dollars had been allowed to fall. Therefore, almost immediately after devaluation, the Government of India increased the export duty on jute hessians from Rs.80 to Rs.350 per ton, and the new duty was so fixed that the price in dollars would remain the same as before devaluation and the domestic price would not rise. Hence, the benefit of devaluation from exports of this commodity went mainly to the Government. As it was intended to keep the dollar price of hessians unchanged, there would be no effect on exports to the United States. Exports of jute yarn and manufactures, which increased slightly in the first quarter after devaluation, fell in the next quarter and were reduced in the ensuing quarter. The increase in exports was mainly from goods in stock, while the fall in exports later on was attributable chiefly to the acute shortage of raw jute supplies to the Indian mills, as a result of the Indo-Pakistan trade deadlock following the non-devaluation of the Pakistan rupee. In April 1950, however, an Indo-Pakistan Jute Agreement was concluded, but, up to 15 July, India had only received 1.7 million maunds[6]. As a result of the shortage of raw jute, the production of jute manufactures was reduced and a smaller quantity

5. Sales of groundnuts to Switzerland up to February 1950, however, were to be allowed in view of India's trade agreement with that country.

6. See "Review of the Economic Situation in Asia and the Far East. April-June, 1950" in this issue of the **Bulletin.**

was available for export. Therefore, the difficulty in increasing exports of jute manufactures was due not so much to the prices of raw jute and jute products as the shortage of raw jute. The price of raw jute has fallen since the trade deadlock. Also, even if there had been no trade deadlock and the price of raw jute from Pakistan in terms of Indian rupees had risen because of the non-devaluation of the Pakistan rupee, India could have maintained or increased its exports of jute manufactures by refraining from increasing the export duty.

The increase in exports of raw cotton and raw jute immediately after devaluation was mainly due to the price advantage arising from devaluation. However, as there were shortages of raw materials for the cotton and jute textile industries, exports of these two commodities were restricted. Export of raw jute under open general license was cancelled, and no export to any country was allowed with an export license. As to raw cotton, the government raised the export duty from Rs.40 to Rs.100 per bale in order to preserve it for the domestic textile industry. An export quota for raw cotton was also fixed, and some varieties were licensed for export only to hard currency countries. As a result of all these restrictions, the export of raw cotton decreased considerably in the second quarter of 1950 and that of raw jute in the first and second quarters of 1950.

India supplies over half of world exports of tea, while the United Kingdom takes about one half of world imports of tea. The quantity and price of tea exported from Ceylon, India and Pakistan to the United Kingdom had been governed by bulk purchase contracts. The prices once fixed remained unchanged during the contract period. Also, India and the United Kingdom had devalued to the same degree. Hence devaluation would have no effect on the quantity and price of tea exported to the United Kingdom. Some tea, however, was exported from India to the United States and other countries. Soon after devaluation, exports of tea increased, but the increase was partly seasonal and partly the result of deferred foreign demand. Orders came from the hard currency countries which, in anticipation of the devaluation, had for some time been buying only sufficient quantities to cover their immediate needs. From January 1950 onwards exports of tea again decreased.

In short, the increase of exports in the quarter immediately after devaluation was mainly due to the price advantage in foreign markets caused by devaluation. After that, the decrease in exports was mainly due to the lack of an exportable surplus, which was due to the inelastic supply of export commodities and raw materials for the manufacture of export commodities or to urgent domestic needs. As these will be reflected in a rise in the price of export goods, the favourable conditions created by devaluation will level off in course of time.

Import control vis-a-vis devaluation.

Changes in the total value of imports in India had not been affected by relative price movements so much as by changes in import control policy which had almost synchronized with changes in the total value of imports. Whenever there was a relaxation of import control there was a conspicuous rise in imports and whenever there was a tightening of import control, imports fell almost immediately. This can be seen from the four major changes in imports and changes in import policy (see Chart I).

The first major change of policy was in 1946 when import control was relaxed in order to combat inflation arising from the war. Imports grew rapidly up to July 1947, resulting in an adverse balance of trade during 1946/47. In addition, the "convertibility crisis" of the pound sterling occurred in July 1947. Britain had to economize dollar expenditure and restrict drawings on sterling balances by other sterling-area countries. As a member of the sterling bloc India agreed to exercise the maximum economy in the use of dollars and the pound sterling, and to limit its drawings to the amount of sterling that could be released by the United Kingdom and the amount of dollars it could acquire from the sterling area dollar pool, in addition to the dollars India could currently earn from its exports[1]. Import control, therefore, was tightened from July 1947 onwards, with special emphasis on minimizing imports from hard currency areas. This was the second major change. Following the tightening of import controls, although imports and exports were kept in line with each other and the unfavourable balance of trade disappeared during 1947/48, inflation developed once more and the general price level mounted from about 300 in July 1947 to more than 375 in July 1948 (year ending August 1939 = 100). Thus the policy of restricting imports had to be revised, and from July 1948 import controls were again liberalised, with the object of increasing supplies of consumer goods to counteract inflation. This was the third major change. Up to November 1948, restrictions on imports were increasingly relaxed. From that time onward until May 1949, imports rose tremendously, with the general price level being stabilized at around 370. However, the import surplus again threatened the exchange equilibrium. The situation became especially critical as the American recession and the emergence of a farm products surplus

1. India's foreign exchange reserve consists of gold and sterling balances, there being no dollar reserve in the Reserve Bank of India.

placed the whole sterling area in a difficult position in maintaining exports and resisting the increase of imports from the dollar area, resulting in a decline in the gold and dollar reserves of the sterling area. After the conference of Commonwealth Ministers, the countries of the sterling area agreed to restrict imports from the dollar area to 75 per cent of the total import value in 1948 or 1948/49. India, which by then had a very large import surplus and was feeling the shortage of foreign exchange acutely, had in May 1949 cancelled permission to import from sterling and soft currency areas without licence, and had instituted a system of much restricted open general licence, which in turn was replaced by an even more limited one giving permission to import without licence only capital goods and essential raw materials. Severe restrictions were placed upon imports of goods from the United States. Importers desiring to obtain goods from hard-currency areas were required to show that similar goods or substitutes could not be obtained from soft-currency areas[1]. This was the fourth major change in post-war import control. Following this change, imports fell sharply.

In September 1949 came the devaluation of the rupee, which raised the prices of imported goods and had the effect of reducing imports. Imports between November 1949 and March 1950 were very low[2]. However, since devaluation coincided with tightened import controls and the stoppage of trade with Pakistan, it is difficult to single out its effects on imports. Since imports were already controlled by strict licensing and were, for the most part, limited to commodities which were almost indispensable to the functioning of the country's economy, there appeared to be little margin for further reduction. However, the import control system provided for monetary ceilings on the import of many commodities, so that a rise in prices automatically reduced the volume of such commodities imported. The actual situation that developed was that imports fell in both value and quantity, but, as would be expected, the reduction in quantity was much greater than the reduction in value (see Table 2).

In addition to the more restrictive import control which coincided with devaluation, the time-lag in the examination and issue of import licences helped to limit imports between November 1949 and March 1950. Since the applications that were sent to the control authorities for examination were very numerous and delays occurred in dealing with them, actual imports were lower than would otherwise have been the case. The congestion was remedied after April 1950, and imports began to rise and exceed exports, thus converting the favourable balance of trade to an unfavourable one.

During the period of a favourable balance of trade, the Government announced its new policy of import control for January-June 1950[3]. Import controls were again relaxed in order to meet essential needs for machinery, raw materials and consumer goods, so far as this could be done within the limits of a balanced foreign exchange budget. Capital goods and machinery continued to be given priority, and adequate provision was made for imports of drugs and medicines. More liberal arrangements were made for imports of raw materials from soft-currency areas, and licences were to be granted for the import of raw cotton and unmanufactured tobacco from dollar areas.

Except that imports from soft currency areas received more liberal treatment, import control policy in the second half of 1950 did not differ greatly from that which was applied in the first half. Imports in the second half of the year are, therefore, unlikely to fall. The effects of devaluation, which were limited even in the period immediately following devaluation, are unlikely subsequently to be greater.

CEYLON, MALAYA AND INDONESIA

General pattern of changes in prices and trade.

The post-devaluation pattern of change in prices, imports and exports in Ceylon, Malaya, and probably Indonesia was opposite to the theoretical pattern and the developments in India, as a favourable balance of trade prevailed with favourable terms of trade. In Ceylon and Malaya imports in the third quarter of 1949 were especially low and are not a good basis for comparison. After devaluation, though the quantum and total value of imports rose in both countries in the fourth quarter as compared with the third quarter, they were still below those of the second quarter. But there was a sharp rise of both the quantum and total value of imports in both countries in the second quarter of 1950. The favourable balance of trade was attributed to the greater increase in the value of exports than imports. Also, the export price index rose higher than the import price index. In Indonesia the favourable balance of trade arose from a decrease in imports and an increase in exports, but the export price index rose higher than the import price index (see Table 5).

1. For a further account, see Economic Commission for Asia and the Far East, Economic Survey of Asia and the Far East 1949, p. 284.
2. The sudden jump of imports in October 1949 was mainly due to the unusually large arrivals of essential imports, e.g. wheat, machinery, kerosene and petroleum, some of which had been paid for before devaluation
3. The announcement was made late because of the uncertainties in trade after devaluation.

TABLE 5.

Ceylon, Malaya and Indonesia: Indices of unit value, quantum and total value of imports and exports

(Base: Third quarter, 1949 = 100)

	Index of unit value		Quantum index		Index of total value		Balance of trade
	Import	Export	Import	Export	Import	Export	
CEYLON							
1949							
I	105	100	135	95	129	92	—
II	99	98	140	99	127	95	—
III	100	100	100	100	100	100	+
IV	101	113	113	100	109	115	+
1950							
I	106	130	108	92	107	112	+
II	105[a]	127	152[a]	109	149	130	+
MALAYA							
1949							
I	106	103	100	109	105	112	—
II	104	101	114	88	117	99	—
III	100	100	100	100	100	100	—
IV	106	122	107	103	114	126	+
1950							
I	102	128	119	111	123	144	+
II	106	147	134	112	135[a]	153[a]	+
INDONESIA							
1949							
I	103	101			65	87	+
II	101	93			85	97	—
III	100	100			100	100	—
IV	104	116			81	116	+
1950							
I		124			66	117	+
11[b]		273			208	313	+

a. Average of April and May.
b. From April 1950 includes the value of certificate.

In Ceylon the favourable balance of trade which existed in the second and third quarters of 1949 (before devaluation) contributed to the slight increase of currency in circulation and the rise in the cost of living. This movement continued after devaluation, when the balance of trade became still more favourable. Notes in circulation increased from Rs.214 million in May 1949 to Rs.226 million in September 1949 and Rs.233 million in April 1950. The cost of living index (August-December 1939 = 100) rose from 235 to 237 and then to 246 during the same period. In Malaya the cost of living index had risen about 4 per cent by May 1950 as compared with August 1949.

The second devaluation in Indonesia.

An important change in the foreign exchange system was instituted in Indonesia on 13 March 1950. Effective from that date, a foreign exchange certificate system was established for all transactions. The basic official buying and selling rates of 3.79 and 3.81 guilders per dollar are still maintained. All exchange proceeds are sold at the official rate of 3.79 guilders per dollar. In addition, an

exchange certificate expressed in guilders is issued for the equivalent of 50 per cent of the exchange sold. Thus the effective rate for selling exchange to the authorities becomes the official rate plus 50 per cent of the certificate quotation. On the other hand, exchange for authorized transactions is sold at the official rate of 3.81 guilders per dollar, upon the presentation of a guilder certificate in an amount equivalent to the foreign exchange required. Thus the effective rate for those purchasing exchange becomes the official rate plus the price of certificates. Transactions in certificates must be conducted through authorized banks rather than directly between the parties concerned. The certificate rate would be determined by the forces of demand and supply as originally announced. However, for the attainment of stability in the financial and trade sector the rate was fixed at 1.99 guilders for buying and 2.00 for selling up to June 1950[1]. On the basis of these certificate quotations, the effective buying rate was 7.56 guilders per dollar and the effective selling rate was 11.43 per dollar[2]. As both import and export price indices and the total value of imports and exports included the value of exchange certificates, they all increased tremendously in the second quarter of 1950 (see Table 5).

The new exchange system in Indonesia actually meant another devaluation of one half of the exchange rate for exports and two-thirds for imports. As this doubled the guilder proceeds for the exporters, exports were stimulated and the smuggling trade with Singapore reduced. As the increased exports brought more foreign exchange to finance imports, imports also increased. This also accounted for the tremendous increase in the total value of imports and exports.

Meanwhile, in order to counteract inflation, the Indonesian Government introduced monetary reform with effect from 19 March 1950. Under this reform all paper notes carrying a denomination higher than 2.5 guilders were cut in half, with the left half remaining in circulation at half the face value and the right half entitling the holder to obtain government bonds at half its face value. One half of bank deposits over and above 1,400 guilders were transferred to a blocked account, with which the depositors were obliged to buy government bonds to the full value. By means of this reform the government was able to reduce the value of money and to raise a compulsory loan of about 50 per cent of the money supply. It was expected that the general price level would be reduced or at least stabilised, that trade would improve and the external value of the guilder would be at par. However, the favourable balance of trade after the first devaluation and the still more favourable balance after the second devaluation helped greatly to bring about an increase in foreign assets, from 542 million Indonesian guilders in October 1949 to 752 million in July and August 1950. Notes in circulation also increased during the same period, from 1,812 million in Indonesian guilders in October 1949 to 2,310 million in August 1950, despite the currency reform in March 1950, which was supposed to reduce the money supply by 50 per cent. The price index of food (1948=100) rose after devaluation from 89 in the third quarter of 1949 to 118 in the second quarter of 1950. The black market rate of the guilder in terms of dollars, although it fell from 27.5 guilders in April 1949 to 24.5 in June 1950, was still considerably lower than the new selling rate of 11.43.

Export prices and exports.

The total value of exports from Ceylon, Malaya and Indonesia before the new exchange system was started increased mainly as a result of the rise in export prices. The export price index rose by 30 per cent in the first quarter of 1950 in Ceylon and by 47 per cent in the second quarter of 1950 in Malaya, as compared with the quarter before devaluation. The export price index in Indonesia rose by 24 per cent in the first quarter of 1950, before the new exchange system was started, as compared with the quarter before devaluation. On the other hand, the quantum index of exports decreased in Ceylon in the first quarter and rose less than the price index of exports in the second quarter of 1950. In Malaya, the quantum index of exports also rose less than the price index of exports after devaluation. In Indonesia, although no index of volume of exports and imports is available, the position probably did not differ much from that in Malaya, as both had rubber and tin as their major export commodities. Considering also the hoarding of exports goods in anticipation of a further devaluation of the Indonesian guilder, the volume of exports might have decreased in the first quarter of 1950.

The price movements of principal export commodities (such as natural rubber, tin metal, tea, copra and coconut oil), in terms of both national currencies and dollars, in Ceylon, Malaya and Indonesia are shown in Chart II. Except for coconut oil in Ceylon, the prices of almost all the principal export commodities rose in terms of the national currency immediately after devaluation. Wholesale prices of export commodities in Indonesia in terms of guilders rose much higher than corresponding prices in Ceylon and Malaya, because of inflation. The disparity between prices in Indonesia and those in the international market, however, had been

1. Speculation by exporters on a probable deviation from the fixed rate is rendered practically impossible as certificates are valid for only one month.
2. International Monetary Fund, **International Financial Statistics**, August 1950, p.173.

TABLE 6.

Prices and Exports of Rubber from Ceylon, Indonesia and Malaya

	Wholesale prices[a]		Total exports	Exports to U.S.A.	Percentage exports to U.S.A. of total exports
	Singapore (M$)	New York (US$)	(in thousand metric tons)		
1949					
I	805	417	375	104	28
II	755	388	316	110	35
III	792	372	361	86	24
IV	1,015	371	382	127	33
1950					
I	1,151	423	359	126	35
II	1,675	606	442	162	37

a. Monthly average per ton for R.S.S. No. 1 in Singapore and R.S.S. in New York.

reduced by the new foreign exchange rate including the certificate value. For purposes of comparison, changes in the exchange rate are shown in the rubber price chart for Indonesia (see Chart II).

Owing to the American recession and the consequent decline in demand, the price of rubber fell in Ceylon, Malaya and Indonesia before devaluation and placed the rubber producers in a difficult position. Unemployment resulted as the wage structure was rigid and the cost of living did not move in step with rubber prices. After devaluation, the rise in the price of rubber (see Chart II) helped to expedite the recovery of production and employment. The price of rubber in terms of dollars in Malaya was, however, up to January 1950, still lower than before devaluation. After that date, the price continued to rise, and in terms of dollars began to exceed the pre-devaluation level. Exports of rubber increased after devaluation, with a slight setback in the first quarter of 1950. As the increase of exports coincided with improvement in the American business situation, increased Soviet buying, and increased consumption of rubber in other countries[1], it can be attributed only to a very limited extent to the cheaper dollar price after devaluation, especially in the second quarter of 1950 when both prices and exports of rubber exceeded their pre-devaluation levels (see Chart II and Table 6). After the outbreak of the Korean War, rubber prices rose mainly owing to increased stock-piling by the United States and also to speculation. Taking advantage of this situation, a special export duty was levied by the governments of the three countries, with a view to obtaining more revenue and stabilizing domestic prices[2].

After devaluation the price of tin metal in Singapore in terms of Malayan dollars rose by about 5 per cent up to June, but in terms of United States dollars it fell by about 30 per cent. This should have helped to stimulate exports during the period. However, tin exports from Malaya and Indonesia, especially to the United States had already increased in the quarter before devaluation. After devaluation, although total exports were still increasing, exports to the United States were about the same in the fourth quarter as in the quarter before devaluation and decreased in the first quarter of 1950 (see Table 7). As the price of tin in terms of United States dollars was 30 per cent lower (see Chart II) and the quantity of tin exports increased by less than 30 per cent in the two quarters following devaluation, the total proceeds from exports in terms of United States dollars was less than during the quarter before devaluation. This confirmed the view that devaluation would not increase the total value of exports so long as the price-elasticity of demand for the commodity remained low. However, as the price of tin metal in terms of local currency was higher after devaluation, it still had the effect of helping the producers. After the outbreak of the Korean war, the price of tin metal rose considerably, mainly on account of the intensified stock-piling programme of the United States.

1. See "Review of Economic Situation in Asia and the Far East January-March 1950" in the first issue of the **Bulletin.**

2. After devaluation the Government of Indonesia also abolished the regulation by which exporters were obliged to export 50 per cent of estate rubber to dollar countries.

TABLE 7.

Prices and Exports of Tin Metal from Malaya and Indonesia.

	Wholesale price[a]		Total exports	Exports to U.S.A.	Percentage of exports to U.S.A. of total exports
	Singapore (M$)	New York (US$)	(in thousand metric tons)		
1949					
I	9,160	2,271	27.1	18.2	67
II	9,160	2,271	16.7	6.6	40
III	9,220	2,263	20.5	16.1	79
IV	9,620	1,939	22.7	16.2	71
1950					
I	9,450	1,661	25.4	12.8	50
II	9,710	1,701	28.8	17.1	59

a. Monthly average prices per ton for metallic tin in Singapore and grade A 99.8 per cent or higher in New York.

Prices of copra and coconut oil also rose in Ceylon, Malaya and Indonesia after devaluation. During the first five months of 1950, the prices of copra and coconut oil were more than 30 per cent above the pre-devaluation level. The price of copra in Ceylon in terms of dollars was still below that in the United States, one of the major importers of copra, but after devaluation it rose, after having first fallen slightly. It was also below the price in the Philippines, one of Ceylon's major competitors, which did not devalue. Therefore, the competitive power of Ceylon's copra in the world market increased. But as the export of copra from Ceylon was sometimes banned[1], the price advantage derived from devaluation had no effect in increasing its exports. The post-devaluation price of coconut oil in Ceylon, in terms of dollars, was below the pre-devaluation level, and the United States price also fell by more than 10 per cent after devaluation. After January 1950 prices in the two markets approximated closely, and from then onwards the advantage of devaluation tended to disappear. Although the price of coconut oil in the Philippines rose by about 20 per cent after January 1950, its competitive power was not seriously reduced because of the levy of an excise tax by the United States on non-Philippine coconut oil. In Indonesia, the hoarding of coconut products in anticipation of a further devaluation reduced exports before mid-March. The above-mentioned factors were so powerful that the expected advantage from devaluation was not realized in the case of copra and coconut oil. On the whole, exports from the three countries were reduced after devaluation.

1. See "Review of Economic Situation" in Vol. I. Nos. 1 and 2 of the Bulletin.

The post-devaluation price of tea in Ceylon rose in terms of the national currency but fell in terms of dollars. This should have had the effect of stimulating exports to the United States. Such exports, however, accounted for only a small portion of the total exports, the larger part of which went to the United Kingdom. After March 1950, since the bulk buying contract for 1950/51 was not concluded, the price of tea fell considerably and the fall was arrested only after the contract was signed.

Total exports of tea from Ceylon fell during the first two quarters of 1950 and increased a little in the ensuing quarter, probably owing to the fall in price.

The above analysis suggests that the major factors responsible for the post-devaluation increase in exports from Ceylon, Malaya and Indonesia were the increased buying from the United States as a result of economic recovery and stock-piling, and increased consumption and buying from other countries. The increase of exports from Indonesia in the second quarter of 1950 was also due to the further devaluation of the guilder. However, taking these three major raw material producing countries as a whole, factors other than price advantages from devaluation mainly accounted for the rise in both export prices and the total value of exports. Nevertheless, domestic production and employment benefited from devaluation, as local prices of export commodities rose.

Import prices, import control and changes in imports.

Devaluation, by raising the prices of dollar imports, would also raise the price index of all imports. However, in Ceylon and Malaya (and probably Indonesia) the import price index rose only slightly after devaluation. The reasons were twofold. Firstly, the share of imports from

TABLE 8.

Trade with U.S.A. as percentages of trade with U.K., France or the Netherlands of six ECAFE countries *

	Ceylon	Malaya	Indonesia	Indochina	Thailand	Pakistan
	Imports from U.S.A. as percentages of imports from U.K. France or the Netherlands					
1948	44	61	462			
1949						
I	41	33	131	17	264	26
II	32	31	115	16	191	43
III	46	30	100	8	129	33
IV	33	25	132	12	176	74
1950						
I	17	16	99	8	140[a]	34[a]
II	17	17	132	10	123[a]	37
	Exports to U.S.A. as percentages of exports to U.K., France or the Netherlands					
1948	55	190	49			
1949						
I	64	215	38	2	553	69
II	25	180	60	2	306	64
III	17	178	59	1	237	21
IV	51	257	55	3	1,071	38
1950						
I	76	185	31	46	526[a]	33[a]
II	97	216	53	23	366[a]	45

* For Ceylon, Malaya, Thailand and Pakistan, the table shows trade with the U.S.A. as a percentage of trade with U.K.; for Indochina, trade with U.S.A. as percentage of trade with France; and for Indonesia, trade with U.S.A. as percentage of trade with the Netherlands.

Sources: Except for Pakistan and Thailand, for which data are from U.S. and U.K. sources, figures are from national sources.

a. Estimates from two months' figures.

the United States in the total imports of Ceylon and Malaya are small and that from the sterling area, especially the United Kingdom, was large[1]. Secondly, there was a shift of imports from countries which did not devalue to countries which devalued, as can be seen from Table 8.

This shift was due not so much to higher dollar import prices because of devaluation as to import control policy. Ceylon and Malaya, like India and other countries in the sterling area, had a large import surplus during 1949 before devaluation. In order to economize dollar expenditure for the whole sterling bloc, they agreed to reduce the total for 1949/50 to 75 per cent of the dollar expenditure in 1948. Articles still allowed entry from the dollar area have to be highly essential and not available in the sterling area. This strict control was still continued and was not relaxed after devaluation, although the balance of trade became favourable. In Ceylon, although the net dollar earnings, calculated at the prevailing exchange rate, were $18.2 million during the first five months of 1950, as compared with $6.8 million during the corresponding period of 1949, dollar imports had to be restricted to a total amount of $18 million for 1949/50 (75 per cent of 1948 dollar expenditure), as agreed in the Commonwealth Conference. As it had already spent $10 million during July to December 1949, it had to limit its dollar imports to $8 million

1. Percentage of imports from U.S.A. and U.K. in the total imports of Ceylon and Malaya:

	From U.S.		From U.K.	
	1938	1949	1938	1949
Ceylon	2.2	7.1	20.6	18.0
Malaya	3.1	6.1	18.8	20.7

Source: **Economic Survey of Asia and the Far East, 1949, pages 212-3.**

for the first half of 1950. In Malaya, although its net dollar earnings from trade were $132 million in 1949, the release of dollars to Malaya for all types of payments in 1949 was only $32 million.

On the other hand, the control of imports from the sterling area was relaxed in March in Ceylon, and 55 new items, which had hitherto been under control, were allowed free import[1]. These items consist mostly of food and other essential consumer goods, the prices of which affect the middle and low income groups. After devaluation the total value of imports increased in both Ceylon and Malaya. The initial large increase in exports was followed by a period in which both exports and imports tended to rise, and at the same rate. It appears, therefore, that a large part of the increased earnings from exports was expended on imports. A favourable balance of trade was restored, but at a higher level of both imports and exports.

In contrast to exports, the increase in which was due not so much to an increase in volume as to a great rise in export prices, the increase in imports was due not so much to a rise in prices as to an increase in volume. The terms of trade thus became favourable.

The Indonesian guilder was greatly over-valued. A devaluation of 30.2 per cent in September 1949 had done little to restore exchange equilibrium. In order to keep trade in balance, the Indonesian Government had exercised strict import control, especially over dollar imports. A system of priorities was in force whereby foodstuffs, textiles and the import requirements of the export industries were given preference. Import permits were not issued for products from the dollar area, if they could be obtained from the soft currency area and there was no great difference in regard to time of delivery, price and quality. After the new exchange system started, the over-valuation of the guilder was reduced. Import control was relaxed with the object of combating the rise in prices. A large number of articles, including cotton yarn and medicines, were placed on the free list. However, most dollar imports were financed by ECA aid allocated through the Netherlands. ECA aid, which had been withdrawn in November 1948, was resumed at the end of 1949. The allocation for the first half of 1950 was $40.5 million. This accounted in part for the increase in total imports and the relative share of imports from the United States in the second quarter of 1950 (see Tables 5 and 8).

Although the devaluation in September 1949 contributed little towards it, Indonesia actually achieved a favourable balance of trade following the devaluation, as a result of an increase in exports. The rise in exports, as explained before, was mainly due to the considerable rise in the price of rubber, and after March 1950 also to the new exchange system which actually meant a further devaluation. As exports increased and provided more foreign exchange to finance imports, the latter also increased. Thus imports closely followed the fluctuations in exports, just as in the case of Ceylon and Malaya.

BURMA, INDOCHINA AND THAILAND.

For a variety of reasons imports, exports and the balance of trade in Burma, Indochina and Thailand since September 1949 have not been much influenced by devaluation to the same extent as in other countries.

The ineffectiveness of devaluation in Burma.

In Burma exports, following a certain pattern of seasonal variations, have since the end of 1947 fluctuated more than imports (see Chart II). Exports increased in the first half of the year but decreased in the second. This was mainly due to the fluctuation in rice exports, which accounted for about 80 per cent of total exports[2]. Exports of rice went largely to soft currency areas in Asia, including India, Ceylon and Malaya, which took 90 per cent of the total in 1949, the other 10 per cent going to China, Japan and the Philippines against payment of hard currencies.

The export price of rice was usually quoted in sterling. As most importers of Burma's rice also devalued to the same extent as the United Kingdom, and the quantity of exports was fixed by bilateral agreements, it was to be expected that devaluation would have little effect on rice exports and, therefore, on total exports.

The slightly unfavourable balance of trade in the two quarters following devaluation was due to the normally low level of rice exports toward the end of the year and to delay in the conclusion of rice contracts in the early part of this year. Following the signing of the contracts, rice exports increased considerably, and there was a large export surplus from March 1950. The large export surplus, however, did not result in a rising general price level. The cost-of-living index fell after devaluation, probably because of a reduction in public expenditure. The £6 million Commonwealth loan was negotiated with the object of financing government expenditure, especially for suppressing insurgents.

Imports fluctuated much less and in value were generally lower than exports, so that there has been a favourable balance of trade during the last two years. The

1. Of these 55 items, 26 are related to food, 12 to clothing and apparel, the rest being other essential goods, viz, bonemeal, machinery, bicycles, spare parts for motor vehicles, cement etc.

2. It was 79 per cent in 1947/48 and 82 per cent in 1948/49.

low level of imports and the favourable balance of trade were maintained chiefly by close control over imports. Part of Burma's sterling reserve was blocked in the United Kingdom. The amount of free sterling available was quite small in mid-1947, and it became necessary to institute import control, which was put into effect in September 1947[1]. Imports, therefore, declined from early 1948 to early 1949. In April 1949 import control was relaxed. Certain luxury imports hitherto prohibited were permitted, and licences for certain essential imports were more freely issued, with the object of keeping down prices[2]. From that time onward, imports showed a slight increase. After February 1950, Burma had an increasingly favourable balance of trade, and control over imports from the hard currency area was therefore relaxed. Applications were permitted during the second half of 1950 for licences to import 29 commodities, including cotton, rayon and woollen goods, as well as machinery and tools. The object was to stabilize prices.

Imports into Burma came chiefly from India, the United Kingdom and other sterling-area countries in the region. During 1948/49, imports from India and the United Kingdom accounted for 60 per cent of total imports, those from Ceylon, Malaya and Hong Kong accounted for 10 per cent, and those from the United States and Japan for only 7 per cent. As about 80 per cent of Burma's imports came from non-dollar countries which devalued to the same extent as Burma, it was to be expected that both prices and volume of imports would not be much affected by devaluation.

The above analysis suggests that devaluation had no appreciable effect on Burma's foreign trade. However, if Burma had failed to devalue when its major trade partners did so, the adverse effects on its foreign trade would have been very significant.

Disparity with the franc and devaluation in relation to the dollar in Indochina.

Indochina had experienced an increasingly large import surplus since 1947. In 1948, while the quantum of imports exceeded the 1937 level by 18 per cent, the quantum of exports was only 36 per cent of the 1937 level. In 1949 the quantum of imports increased tremendously, by 62 per cent over the 1937 level, while the quantum of exports decreased to only 27 per cent of the 1937 level. The basic reason for this disequilibrium was that the low production consequent upon disturbed political conditions caused prices in Indochina to get out of line with international prices. While the official rate of exchange was 12.7 piastres to 1 U.S. dollar and the "open market" rate was about 16 to 1, the cross rate in Hong Kong averaged about 47 piastres to the dollar. Moreover, while the cost of living index in Indochina, with 1939 as the base year, was 2.2 and 2.4 times that of France in 1948 and 1949 respectively, the exchange rate of the Indochinese piastre in relation to the franc appreciated by 70 per cent during the same period. It was the overvaluation of the piastre which accounted mainly for the huge import surplus with France and the United States. During the first eleven months of 1949, the total import surplus was 2,450 million piastres, of which 2,015 million piastres were with France and 297 million piastres were with the United States. The overall import surplus, including the dollar trade surplus, was financed by substantial French aid.

The piastre was so greatly overvalued that the devaluation in September 1949 would have had little effect. Between January and September 1949 the official exchange rate was set at 12.55 piastres to the dollar. Besides the official exchange rate, there had been since October 1949 an open market piastre-dollar rate of about 17 piastres to the dollar. From October 1948 to September 1949 dollar trade took place at an average between the official and the open market rates. During most of 1949 this rate was about 16 piastres to one dollar. In September 1949 the official rate was abolished and foreign trade transactions have since taken place at the open market rate of about 20.5 piastres to the dollar. Thus, the devaluation of the piastre in relation to the dollar in September 1949 was only 22 per cent (the same as the French franc), as compared with 30.5 per cent in sterling-area countries. A black market in foreign exchange continued to exist, and the average rate for the dollar throughout 1949 was about 40 to 45 piastres. The exchange value of the piastre in relation to the franc, however, remained unchanged.

As over 60 per cent of Indochina's imports were from the French Union, which also took 60 per cent of its exports, the major part of Indochina's trade would not be affected by devaluation. Imports from the United States were about 9 per cent of total imports in the first eleven months of 1949, while exports to the United States were less than 1 per cent of total exports in the same period. As imports were under control, and imports from the United States were partly financed by ECA aid,

1. Essential goods for which licences were to be issued freely included such items as agricultural implements, machinery, chemicals, medicines, flour, and milk. Useful items licensed on a quota basis, provided there was sufficient foreign exchange to cover the cost, included cotton fabrics, butter, cheese, paints and glue. Finally, luxury goods which were not to be licensed under any circumstances included motorcars and textiles made wholly or mainly of wool, silk or artificial silk.

2. In addition, import licences were issued freely to applicants for the import of any goods into Burma without the remittance of foreign exchange, thus facilitating imports from India, as Indian merchants could finance their imports from India out of their own resources without asking for foreign exchange from the Burmese Government. However, free import without remittance of foreign exchange was stopped after a few months, as it gave rise to black markets in exchange.

devaluation would also have little effect on the trade of Indochina with the United States. In connection with the issue of import licences, "franc" sources are considered first. When essential goods cannot be secured from within the French Union or when procurement involves undue delay, provision is made for import from other sources. Exchange control is strict for the expenditure of non-franc currencies[1].

The large unfavourable balance of trade financed by French and ECA aid counteracted the inflationary effects caused by deficit spending and resulted in a stable cost-of-living index.

Revaluation and the dual exchange system in Thailand.

In Thailand only the official rate of exchange was revalued. The free market rate of exchange, supported by sales by the Bank of Thailand, had been kept fairly stable and in line with the relationship between internal and international prices, as explained above. It was expected, therefore, that revaluation would not have much effect on imports and exports transacted at free exchange rates.

The use of the official rate of exchange has been restricted to the import and export of a few items. At the beginning of 1949, exporters of rice and cement had to surrender to the government all foreign exchange proceeds at official rates, while exporters of tin had to surrender 50 per cent and exporters of rubber 20 per cent. Exporters of rice, however, were allowed to buy sterling (but not dollars) at official rates up to 10 per cent of the value of the proceeds from the sale of rice. With effect from 11 June 1949, exporters of cement were no longer required to surrender foreign exchange proceeds to the Bank at the official rate. After 1 January 1950, it was also decided that the proportion of foreign exchange to be surrendered by exporters of tin would be reduced from 50 to 40 per cent, and exporters of rice were not required to surrender any part of their foreign exchange above amounts fixed by the Ministry of Commerce on the basis of ruling prices in foreign markets. Exporters of other commodities were allowed to use their foreign exchange either for financing imports or for sale in the open market. These arrangements resulted in multiple rates of exchange. At the close of 1949 the effective exchange rates were 12.50 baht to the dollar and 35 baht to £1 for export of rice, 18.25 baht to the dollar and 47 baht to £1 for tin, 21.70 baht to the dollar and 54.20 baht to £1 for rubber, and about 23 baht to the dollar and 59 baht to £1 for all other exports.

Rice, rubber and tin are the three major exports from Thailand. During the first half of 1949, rice exports accounted for 56 per cent of total exports, tin for 9 per cent and rubber for 14 per cent. Deducting the 10 per cent sale of sterling to rice exporters at the official rate, and taking into account the surrender of 20 per cent of foreign exchange from exports of rubber and 50 per cent from export of tin, the Bank of Thailand could have obtained at the official rate an amount of foreign exchange equal to 58 per cent of total exports during the first half of 1949. This portion, plus other foreign exchange earned from items other than exports minus the portion which the Bank of Thailand had to provide at the official rate for government requirements, and for imports such as petroleum products, health and educational requirements, became what the Bank could sell in the free market at near market rates. By these arrangements the Bank of Thailand made a profit from the difference between the official buying rate and the free market selling rate, which went to the Government, and importers could buy as much as they required at free market rates to finance imports of commodities which were not controlled.

With this background of the exchange system in mind, the effects of the appreciation of the baht in relation to sterling, and of devaluation in relation to the dollar, may be examined. On the export side, the export price of rice was, as mentioned before, quoted in sterling in the international markets in the region. As both the supply and demand of rice were inelastic, its price was mainly determined by bargaining among a few countries. The price and quantity were fixed by inter-governmental agreements for a certain period, usually one year. The price of rice would, therefore, be very little affected by the revaluation of the baht. The export price of rice in sterling has not changed since devaluation, being fixed at £38 per long ton, and the quantity exported has been fixed in various trade agreements. Other exports, such as rubber and tin, the greater part of which go to the United States, might have slightly increased after devaluation, as in the case of Ceylon, Malaya and Indochina. However, the increase was due not so much to devaluation in terms of the dollar as to the considerable rise in prices as a result of increased U.S. stock-piling and other factors to which attention has been called above. On the whole, as rice exports account for more than one half of total exports from Thailand, the latter vary very closely with rice exports. The sudden increase in December 1949 and February 1950 was mainly due to the fulfilment of the new trade agreements which had been concluded.

1. In the allocation of foreign exchange for imports and other purposes, Indochina follows instructions from the French Foreign Office, and the Indochinese Exchange Office receives from the French Exchange Office the necessary foreign exchange and puts it at the disposal of the licensed importers.

On the import side, revaluation of the official rate of the baht also had little effect, due not so much to strict import control as to the financing of most imports at free market rates of exchange. Even trade conducted under the Thai-Japanese trade agreement was transacted at a rate of 20 baht to one dollar which was very close to the free market rate. Import control in Thailand was confined to a few luxury items, and there was no discrimination between hard-currency and soft-currency sources, because of the relatively comfortable position of its balance of payments, both on hard-currency and on other accounts. It is estimated that only about 10 per cent of imports from the United States were affected by import controls in 1949. Imports have been fairly stable since July 1949 (see Chart 1), and devaluation appears to have had little effect.

Nevertheless, the appreciation of the baht in relation to sterling and the lowering of the official rate in relation to the dollar affected the profit margin of the Bank of Thailand in buying and selling foreign exchange, as well as the baht income of exporters. Since the export price of rice was usually quoted in sterling, which remained at £38 per long ton after devaluation, the Bank paid exporters 5 baht per £1 less than before the appreciation. On the other hand, as the free market rate of stering fell after devaluation, the Bank received about 3 baht less from the sale of sterling in the free market. The difference of 2 baht per £1 is the benefit accruing to the Government from not having devalued the baht to the same extent as sterling. On the other hand, exporters of rice are receiving 5 baht less per £1 than before, i.e. 190 baht per ton.

Part of the tin and rubber was exported to the United States. As far as the portion of foreign exchange which had to be surrendered to the Bank of Thailand was concerned, the Bank had to pay 2.5 baht more per dollar after devaluation. As the free market rate of the dollar only rose by 1 to 1.5 baht per dollar after devaluation, the Bank gets a little less on the sale of dollars in the free market than before devaluation. However, since the amount of dollars earned from the export of tin and rubber which has to be surrendered to the Bank is relatively small, the loss is unimportant. On the other hand, exporters of tin and rubber received more baht per dollar than before. Furthermore, the reduction of the foreign exchange to be surrendered by exporters of tin from 50 to 40 per cent toward the end of 1949 reduced the Bank's loss and increased the baht income of the tin exporters.

The reduction of income for rice exporters had deflationary effects which were, however, counteracted by the favourable balance of trade. Notes in circulation kept increasing and the cost of living index rose (1948 = 100) after devaluation from 92 in the third quarter of 1949 to 103 in the second quarter of 1950 (average of April and May).

THE NON-DEVALUATION OF THE PAKISTAN RUPEE

Reasons for non-devaluation.

Pakistan was the only sterling-area country in the region which did not devalue its currency. The arguments put forward against devaluation were that, since Pakistan was primarily an agricultural country, the demand for its exports was inelastic. If it devalued, its dollar earnings from jute, cotton, hides and skins would decrease, thus wiping out its favourable balance. For an agricultural country seeking to develop new industries it was better not to devalue, so that producers' goods might be obtained without increase of cost from dollar countries, and more cheaply from the United Kingdom. Imports of consumer goods from the sterling area would also be cheaper, and the high prices prevailing within the country, especially in East Pakistan, would be reduced. It was also felt by the Government that devaluation was not needed when the balance of payments was favourable.

Exchange and trade deadlock with India.

However, as Pakistan's major trade partner, India, devalued its currency, difficulties arose. Pakistan and India had very close economic relations. The major products of Pakistan, jute, cotton, hides and skins were largely exported to India, as Pakistan had very few manufacturing facilities. On the other hand, India's cotton and jute mills, especially the latter, depended greatly on the supply of raw materials from Pakistan, in exchange for which India exported to Pakistan manufactured goods, especially cotton piecegoods. Thus, during 1948/49 India supplied about 54 per cent of Pakistan's imports and purchased 62 per cent of Pakistan's exports.

After devaluation of the Indian rupee, Pakistan fixed the rate of exchange at Indian Rs.144 to Pakistan Rs.100, instead of 1 to 1. If this rate was accepted by India, then imports from Pakistan would cost more, and India's industries, especially jute and cotton textiles, would be handicapped. The Reserve Bank of India refused to quote any exchange rate for the Pakistan rupee, arguing that, according to the Indo-Pakistan Financial Agreement, the two rupees were to remain at par. Legitimate exchange transactions dwindled away, and though it was not possible to prevent smuggling of goods and money across the long land frontier between the two countries the volume of trade moving in normal channels was very

TABLE 9

Pakistan: Sea-borne Trade in Private Merchandise with Countries other than India

(in million rupees)

(Figures are for twelve months beginning July)

	Imports		Exports		Balance	
	1948/49	1949/50	1948/49	1949/50	1948/49	1949/50
Hard currency countries	146	278	344	232	+198	— 46
Sterling & other soft currency countries ...	730	581	459	652	—272	+ 71
Total ...	876	859	803	881	— 74	+ 25

Source: State Bank of Pakistan Report.

seriously reduced. Meanwhile, India was not prepared to pay more for jute and cotton by accepting the new exchange rate, and it fixed the maximum price of jute. Purchasers were required to buy at rates fixed by the Indian Jute Mills' Association, which was appointed by the licensing authority for mills and balers alike, and no unlicensed persons were allowed to import jute, the Open General Licence for the import of jute being cancelled. Pakistan countered by fixing a minimum price which, at the new parity and including transport and other costs, was much above that in Calcutta. It also decided on a system of jute purchase through a special commercial bank, controlled freight and baling charges, and licensed merchants to handle the trade. Furthermore, the Government of India suspended the Open General Licence for Pakistan imports, allowing only imports of fish, milk and milk products, poultry and fresh vegetables without licence. On the other hand, the Government of Pakistan suspended the Open General Licence in respect of mill-made and handloom cloth, yarn, groundnut oil, vanaspati, tea, cigarettes, matches and toilet soaps imported from India. Thus a deadlock ensued.

As both countries were levying export duties, it was hoped in certain quarters that the Government of Pakistan would help exporters of jute and cotton to India by reducing the duties of Rs. 60 per bale on cotton and Rs. 20 per bale on jute, thus diminishing the effect of devaluation in raising prices to Indian importers, while the Government of India would help exporters of manufactured jute and cotton goods to maintain their competitive position by reducing export duties. But Pakistan found the export duties too important a part of its revenues, and India, in order to prevent speculation and also to ensure that the Government should share in the higher rupee-prices of goods sold to dollar-area countries, raised export duties on hessian goods. Indian millers were gravely embarrassed when the Pakistan authorities held up in transit some 300,000 bales of jute bought before devaluation. In retaliation, and to put pressure upon the Pakistan authorities, the Government of India banned the export of coal to East Bengal, threatening a partial paralysis of the transport system in that country.

Changes in prices and trade

Level and balance of trade. It was to be expected that Pakistan's imports from India and other countries which had devalued would increase on account of lower prices in terms of the Pakistan rupee, and its exports to these countries would decrease because of higher prices in terms of the Indian rupee or other devalued currencies. The balance of trade would become unfavourable and the terms of trade more favourable. The result, so far as the balance of trade is concerned, was just the opposite. As shown in Chart I, Pakistan's sea-borne trade balance changed from unfavourable to favourable from December 1949 onward. Table 10 shows also that the overland trade balance with India, after having been slightly unfavourable in the fourth quarter of 1949, became favourable from the first quarter of 1950. Table 9 shows also that the trade balance with sterling and other soft currency countries, from being unfavourable in 1948/49, became favourable in 1949/50, as a result of a decrease in imports from and an increase in exports to these countries. On the other hand, the trade balance with hard currency countries, from being favourable in 1948/49, became unfavourable in 1949/50, as a result of an increase of imports from and a decrease of exports to these countries. Among the

TABLE 10

Pakistan's imports, exports and balance of trade

(Monthly averages in million rupees)

Year	Imports		Exports		Balance	
	Total[a]	From India by land	Total[a]	To India by land	Total[a]	With India by land
1948b	98.3	25.3	76.9	70.8	—21.4	+45.5
1949						
I	131.5	...	107.8	...	—23.7	...
II	124.2	33.9	85.5	32.3	—38.7	— 1.6
III	123.9	29.4	47.9	50.1	—76.0	+20.7
IV	72.8	19.4	62.6	13.9	—10.2	— 5.5
1950						
I	66.8	3.40	90.6	8.7	+23.8	+ 5.3
II	75.4	9.06	106	23.4	+30.6	+14.3

Sources: U.N. Monthly Bulletin of Statistics; Monthly abstract of Statistics
Notes: a Excluding trade by land with India but including sea-borne trade with India, which was small compared with trade with India by land.
b Twelve months commencing April 1948.

reasons underlying the deviation from the theoretical pattern, the most important are (1) the fall in Pakistan's export prices, which prevented a decrease of exports to countries which devalued, (2) the strict control of imports from soft currency countries, including India, imposed after the devaluation in those countries; and (3) the abnormal trade situation with India. As price indices of imports and exports are not available for Pakistan, it is not possible to ascertain the terms of trade. However, judging from the considerable fall in export prices, the terms of trade have not become as favourable as expected.

Exports and export prices. Over-all exports stayed at a low level from September to November 1949,[1] mainly owing to the stoppage of regular trade with India, especially the exportation of jute. The sudden interruption of demand for jute resulted in a sharp fall in jute prices in late September which continued into October. In October, the Pakistan Government announced the establishment of floor prices and offered to buy jute which could not be sold at those prices. The prices were fixed at about 25 per cent below the mid-September level and still left the cost of Pakistani jute, landed at Calcutta, in terms of Indian rupees, well above the official ceilings which had been established in India at the end of September.

Chart II shows that the index of wholesale prices of jute in India in terms of pre-devaluation Indian rupees (same as the index in terms of U.S. dollars) had fallen more after September than in Pakistan. The value of jute imports from Pakistan to India was reduced from Indian Rs. 110 million in the third quarter of 1949 to Rs. 33 million in the fourth quarter of 1949 and Rs. 24 million in the first quarter of 1950.

Since Pakistan's announcement of floor prices at the end of October, wholesale quotations of jute at baling centres in East Bengal have shown comparatively little variation. Top qualities have commanded a certain premium, but prices of medium and low quality fibres have generally been at or near the fixed minimum rates.

Compared with the price in the United States and the United Kingdom (in terms of dollars), the price of jute in Pakistan was much lower after September. This had the same effect in stimulating exports of jute as devaluation, although not to the same extent. Jute exports to countries other than India increased from 60,000 bales in October 1949 to 187,000 bales in January 1950. Jute exports to American account countries increased from 1,000 bales in October 1949 to 47,000 bales in February 1950.

In April 1950, an agreement was reached between India and Pakistan, providing for the supply of 4 million maunds of raw jute by Pakistan at prices ranging from Indian Rs. 28 to Rs. 34 per maund for delivery at Indian mills. India agreed to supply 20,000 tons of jute manufactures and various other commodities, so that the total

1. Chart I shows sea-borne trade only.

value of trade between the two countries could be balanced. The price of jute thus fixed was below the maximum price of Rs. 35 per maund fixed by India. India's imports of jute from Pakistan consequently increased from Rs. 24 million in the first quarter to Rs. 51 million in the second quarter of 1950.

Cotton was another item whose export to India was at a standstill after India's devaluation. The price of cotton in Pakistan fell gradually to about 80 per cent of the September price. On the other hand, the price of cotton in the United States rose gradually after January 1950 and in the United Kingdom and Egypt rose considerably (see Chart II). The competitive power of Pakistan cotton in the world market therefore increased. The same happened to the price of Pakistan wheat, which also fell, although slightly, after September 1949.

Meanwhile, the Government of Pakistan took steps to increase trade with other countries, such as the conclusion of many trade agreements with European countries and the promotion of trade among Muslim countries etc. As a result of the downward adjustment of export prices and direct export promotion measures, Pakistan's exports increased considerably in December 1949 and again after March 1950. The increase in sea-borne exports from Pakistan, and the low level of exports to India by land (which accounted for a great part of total exports to India), are shown in Table 10. The sudden increase of exports to India during the second quarter of 1950 was due to the new trade agreement with India.

Imports. As in most other countries, changes in imports into Pakistan were greatly influenced by import control. The high level of imports and the large import surplus during the period before September 1949 was mainly due to a relaxation of import controls which had been achieved progressively up to March 1949, especially in respect of the sterling area and other soft currency areas. In March 1949 there were 25 items requiring an import licence, while 600 items were licence-free so far as sterling and other soft-currency area countries were concerned. A year earlier more than 500 items required individual licences, and only 100 items could be imported without licence. The large import surplus was partly financed through sterling balance releases by the United Kingdom.

After September, since Pakistan did not devalue, imports from the sterling area and other countries which had devalued were expected to increase. Imports from India, however, were at a standstill, owing to the dispute over the exchange rate. Meanwhile, immediately after the devaluation in September 1949, the Open General Licence for imports from sterling and other soft-currency areas was suspended. Automatic licencing of machinery, drugs, medicines and selected chemicals from the hard-currency area was, however, allowed to continue. The Government announced at the same time that it would make available to traders for commercial purposes substantially the same amount of foreign exchange as the actual expenditure incurred on imports during the period from July 1948 to June 1949. Imports after September 1949, therefore, were considerably reduced and remained at a low level. This is shown in Table 10.

Like the direction of exports, the direction of imports also changed. Japan and other countries replaced India as major suppliers of cotton piecegoods, while India's share declined from Rs. 160 million in 1948/49 to Rs. 55 million in 1949/50, that of the United Kingdom rose from Rs. 47 million to Rs. 95 million, and that of Japan rose from Rs. 0.6 million to Rs. 66 million.

In the April trade agreement with India, Pakistan was to import 20,000 tons of jute manufactures from India through the Jute Board of the Pakistan Government. In addition, imports of cotton yarn and textiles, mustard oil, woollen manufactures, tobacco, steel, cement, wheels, tyres, etc. through normal trade channels were to be facilitated. All these imports were to be in terms of Indian rupees, financed through the proceeds from exports of raw jute from Pakistan, and a balance was to be kept between imports and exports. In May the Government also decided to issue licences freely for the importation of cotton yarn, paper, spare parts for motorcars and trucks, etc. from the American Account area, to be valid for shipment up to the end of June. As a result, imports from both India and other countries increased in the second quarter of 1950.

Internal effects of non-devaluation

One of the major arguments against devaluation was that it would keep down the cost of living, especially in East Pakistan. Deflationary tendencies became visible in West Pakistan after partition, owing to restriction in state expenditure, the breakdown of banking services and contraction of credit, and a consequent fall in internal prices. In addition, the heavy inflow of imports under the Open General Licence had brought down prices considerably, especially of cotton manufactures. Thus the wholesale price index in Karachi dropped by about 8 per cent from November 1948 to June 1949. In December 1949, it dropped by another 8 per cent, more as a result of developments before devaluation than because of the failure to devalue. Since then no price index statistics

have been available. In East Pakistan, inflationary tendencies were visible, as a result of shortages of consumer goods and high prices of export products. The failure to devalue in September 1949 reduced the price of jute, which is the main cash crop. The wholesale price index (July 1949 = 100) of seven commodities, including jute, also fell from 106 in September 1949 to 77 in April 1950, rising again to 88 in June. As the supply of jute is inelastic, a fall in price means a fall in agricultural incomes and has an adverse effect on jute producers. This, in turn, should have had the effect of reducing demand and prices. However, as imports were kept at a low level by strict control, the supply of consumer goods was reduced. The favourable trade balance would also be inflationary, through its "multiplier" effect on income. On balance, there would probably have been no downward movement in the cost of living in East Pakistan. The improvement in the balance of trade and the possible rise in prices probably made it possible and necessary to relax import control once more. Thus, a substantial change has been made in import control beginning July 1950. Important extensions in the scope of Open General Licences have been ordered. From the American account area machinery and selected chemicals are placed on the O.G.L. In the case of Japan, the O.G.L. will cover not only machinery and chemicals but also cotton yarn and cloth. For Switzerland, machinery comes under the O.G.L. For the rest of the world, which includes all the soft-currency countries, the Argentine, Belgium and West Germany, important additions have been made to the items which can be imported without a licence. The most important items are metals, chemicals, drugs and medicines, dyeing and tanning substances, various types of glass, electrical instruments and appliances, machinery, mineral oils, paper, etc.

SUMMARY AND CONCLUSIONS

The principal points in the above analysis may be summarized as follows: —

(1) Of the countries of the ECAFE region which we have considered above, all except Pakistan and Thailand followed rather passively the lead taken by the United Kingdom, France and the Netherlands in devaluation. The course which they pursued was part of the over-all readjustment of the disequilibrium between the dollar area and the sterling and other soft-currency areas.

(2) In India the balance of trade, which was unfavourable before devaluation, became favourable after devaluation, but the terms of trade continued to be unfavourable. After April 1950, the balance of trade again became unfavourable. The favourable balance of trade was achieved by a low level of imports and an increase in exports. The low level of imports was due more to a tightening of import controls than to devaluation. On the other hand devaluation, by lowering export prices in terms of dollars, helped India to increase its exports. But the future expansion of exports depends on the availability of an exportable surplus and therefore on an expansion of production. The revival and improvement of trade with Pakistan is especially important for the jute and cotton industries.

(3) In Ceylon, Malaya and Indonesia devaluation, by raising the local prices of export commodities in the initial period, helped the recovery of production and employment. The subsequent rise of export prices was mainly due to the improvement of business conditions in the United States and stock-piling by the United States Government, as well as increased purchases of rubber, tin and other commodities by other countries. The considerable rise in export prices contributed greatly to the restoration of a favourable balance of trade in these three countries. After the second devaluation which took place in Indonesia in March 1950 the balance of trade became still more favourable. Future exchange equilibrium and internal prosperity depend on the maintenance of profitable and stable prices for the principal export commodities.

(4) Thailand had approximately achieved both internal stability and exchange equilibrium at the free market rate of exchange. The revaluation of the official rate of exchange had little effect on its import and export prices and trade. Unlike Thailand, Indochina has continued since 1947 to have an unfavourable balance of trade which has been financed by French and ECA aid. Devaluation in relation to the dollar has had little effect in restoring exchange equilibrium, since in addition to the decline in production and exports due to a continuance of internal disturbances, the currency has been also over-valued in relation to the franc.

(5) Devaluation also has had little effect on prices and trade in Burma, since its trade with the dollar area is limited. However, if Burma had not devalued, there would have been adverse effects on its trade, because the major portion of Burma's trade is with other sterling-area countries. Some evidence of this is to be found in the situation which arose in Pakistan as a result of its failure to devalue. After September 1949, Pakistan experienced a deflationary adjustment of export prices and income to the new exchange rates of countries which had devalued, especially India.

(6) Import control has played a major role in maintaining the trade balance or reducing the unfavourable trade balance in the post-war period. It has prevented the adjustment of domestic prices and income through the mechanism of the exchange standard which exists in almost all countries dealt with in this article. After devaluation, control over imports from sterling and other soft-currency areas was relaxed in most countries. This, coupled with the increased dollar earnings of the sterling area countries, has contributed to the improvement of the sterling-area dollar reserve. On the other hand, import control with respect to dollar areas has been only slightly relaxed. This seems to show that even after devaluation there still exists a disequilibrium which is more or less "fundamental" between this region and the dollar area, as well as between the dollar area and the rest of the world taken as a whole.

DEVELOPMENT OF THE TOURIST INDUSTRY IN ASIA AND THE FAR EAST[1]

The International Union of Travel Organizations at its Sixteenth General Assembly in Dublin last month sanctioned the creation of a Regional Travel Commission for Asia and the Far East. This action is consonant with a recommendation made a year ago by the Economic Commission for Asia and the Far East urging that IUOTO establish a regional office in this area. This is the sixth regional travel commission to be created by IUOTO. It marks an appreciable advance in recognizing the importance of tourist travel to Asia. IUOTO, composed of forty members representing six continents, enjoys a consultative status with the United Nations. It has been entrusted by the United Nations Economic and Social Council with the task of following international developments in the field of travel. It is therefore timely to review what the development of the tourist industry can mean to Asian countries.

Significance and Scope of the Industry.

The tourist industry brings in foreign exchange and contributes towards strengthening the financial position of the countries receiving the tourists. As a large portion of tourist expenditure is for living expenses and services in which there is a very high element of wage labour required, it benefits employment. In this region particularly, the purchase of souvenirs is a large factor in the total of tourists' expenses. The souvenirs most sought after are those peculiar to the country, and this benefits the national handicraft industries and so provides employment.

It may be emphasized that the tourist industry stimulates and assists in the promotion of foreign capital investments. It has also the further advantage of earning foreign exchange without a corresponding export of goods, as the industry has as its basis the attractions of natural scenery and national culture, which together provide a fascination for the foreign visitor. These basic attractions do not diminish with their employment and remain within the country in perpetuity. An important factor to be considered in this connection is that the tourist traffic which is attracted because of the beauty of scenery and natural features will include a high proportion of business men who will record impressions in matters of trading conditions. It follows, therefore, that conventional trade can benefit from the knowledge gained by traders whose original purpose was solely sight-seeing.

1. The Economic Commission for Asia and the Far East has since April, 1949 actively fostered the encouragement of international tourist travel to the region, and urged upon its governments to facilitate travel in every possible way. This article was prepared in the Trade Promotion Division.

The value of the industry is not solely economic. The movement of people between nations fosters the mutual regard and greater understanding which is so essential if the objectives of world peace and prosperity are to be achieved.

The international character of the tourist traffic was given prominence by the League of Nations Economic Committee in a survey of tourist traffic in 1936. The Committee pointed out that the economic wealth of any nation has a direct bearing on those other nations with which it trades. When a country receives more foreign exchange through development in the tourist industry, its importations of goods from other countries can be increased.

The regional character of the tourist industry is also an important aspect. National tourist development in a particular country inevitably benefits its neighbours. Most tourists who come to the ECAFE region from the United States or Europe do not come to see one country only. If a lengthy trans-oceanic voyage is undertaken, they want to see as many countries in the region as possible before returning.

The definition of a "tourist" varies as between countries, and this necessarily has a bearing on what constitutes the tourist industry. The Study Commission of the International Union of Official Travel Organisations on international statistics has accepted the definition which was adopted by the League of Nations in 1937: —

> "To secure the comparability of international tourist statistics, the term "tourist" shall, in principle, be interpreted to mean any person travelling for a period of twenty-four hours or more in a country other than that in which he usually resides.
>
> The following are to be regarded as tourists:
>
> 1. Persons travelling for pleasure, for domestic reasons, for health, etc.
>
> 2. Persons travelling to meetings, or in a representative capacity of any kind (scientific, administrative, diplomatic, religious, athletic, etc.)
>
> 3. Visitors travelling for business purposes.
>
> 4. Visitors arriving in the course of a sea cruise, even when they stay less than twenty-four hours. The latter should be reckoned as a separate group, disregarding, if necessary, their usual place of residence.

The following are not to be regarded as tourists: —

1. Persons arriving, with or without a contract, to take up an occupation or engaged in any business activity in the country.

2. Other persons coming to establish a residence in the country.

3. Students and young persons in boarding establishments or schools.

4. Residents in a frontier zone and persons domiciled in one country and working in an adjoining country.

5. Travellers passing through a country without stopping, even if the journey takes more than twenty-four hours."

The important point in the above definition is that it includes visitors travelling for business purposes, and it is on this point that there is the greatest diversity of opinion. A reason for including business men is that many persons travel with the dual purpose of business and pleasure. Any attempt to exclude business men from the definition would lead to a difficult problem in ensuring the accuracy of the statistics concerned.

The importance to trade development of the knowledge and information gained by tourists in their travels has already been pointed out. The foreign currency expended by business men is just as important as that spent in the country by the purely vacationist type of tourists. There is no fundamental reason why business men should not be included in the tourist category when on temporary visits. It is a different matter if they engage in business other than of the conference or inspection character —more active participation would exclude them from the tourist category.

There is a definite link between the development of internal travel by residents of a country and that by arrivals from overseas.

In New Zealand. Australia and Japan, the level of facilities and standard of amenities for foreign tourists exceeds that of countries in the ECAFE region. This is aided by a substantial amount of tourism by persons already in the country. It would be quite uneconomic to maintain this level of amenities if these countries were dependent solely on overseas tourists. Hotels and transportation amenities assured of an even flow of business throughout the year obtain financial results which will be reflected in the standard of service given. Where the traffic is seasonal there is an even greater need for volume during the restricted period being made available.

This aspect is of greater importance during the early stages of development of the tourist industry. Organisations then are faced with the problem of instituting a standard of amenities suitable for foreign tourists, although the volume of arrivals from overseas has not reached a level which might enable their maintenance without serious financial losses.

In the ECAFE region there are some countries (India, Pakistan, Indonesia, etc.) where the changed political situation has resulted in a great reduction in the number of European residents who used to form a large proportion of the internal tourist traffic. As a result, hotels and amenities at hill stations and other resorts are now less able to maintain standards suitable to foreign tourists. Nevertheless, among the large populations of countries in this region there is a sufficient proportion of nationals with the financial means to replace this loss in numbers of European local tourists. Active steps must be taken, however, to encourage the use of these amenities by such nationals. Considerable numbers of them have used European style hotels in the past and the proportion can be increased. Since such encouragement has the effect of maintaining employment and the standard of living, it is an economic advantage in itself.

Development of the Industry.

The value of the tourist industry has been realized by some countries of the region for many years while others have taken little action to develop this industry.

In *Japan,* the Japan Travel Bureau was founded in 1912 as a non-profit organization maintained by contributions from railway, steamship and automobile companies, city and town offices, Chambers of Commerce, hotels and other concerns connected with the travel business. The Tourist Division of the Ministry of Transportation is now the chief governmental agency and the Japan Travel Bureau is again in full operation.

Statistics of the Japanese tourist industry show that tourist arrivals doubled from 4,367 in 1948 to 8,889 in 1949. The U.S. dollar revenue in 1949 is estimated at $3,500,000, including expenditure by business men and Occupation personnel. Of this sum, the amount from tourists is shown at $750,000 ($250,000 in tour fares and $500,000 from entertainment and souvenir expenditure). It is particularly interesting to note the high proportion attributed to entertainment and souvenir expenditure. This might be expected also in other countries where there exists a major development of national handicrafts.

In Japan, the tourist industry is widely acknowledged as important to the national economy. The Japan Travel Bureau produces a wide range of attractive tourist

literature and maintains travel offices where tourists can obtain full information and purchase tickets for all forms of travel. There are several tourist associations formed to assist in advancing the claims of local resorts, in addition to a tourist association of hotel interests and another one for tourist guides.

Conditions in Japan at the present time provide good touring facilities for meeting the existing volume of business. Rail and road travel is of a good standard and hotels provide excellent accommodation for the bulk of the traffic. These accommodations are not of the luxury class, but concentrate upon supplying good food and maintain high standards of cleanliness and hygiene. As more hotels are released by the Occupation authorities, the expected increase in tourist arrivals from overseas will find adequate hotel space.

In the *Philippines*, there has not been any considerable progress in tourist development projects since the war. In pre-war years there was a Philippines Tourist Bureau. Legislation is now at a final stage for the re-establishment of this government office. In the meantime, the Department of Commerce and Industry has been performing certain tourist functions.

The political trouble in the Philippines, which tends to be exaggerated, is a deterrent to longer distance road touring. There are, however, many interesting tourist attractions which can be visited under present conditions. An excellent system of internal air services is maintained. This, and sea transport between the islands, provide two most attractive means whereby tourists may travel within the country. Hotel accommodation at Manila and Baguio is of good standard, although very expensive when compared with similar hotels in the region.

In a region where government regulations affecting the entry and exit of tourists are complicated and time-consuming, those of the Philippines probably stand most in need of revision in the interest of tourist promotion.

In *Thailand*, the country today is in a unique position to benefit from the tourist traffic through its situation on international air routes and possession of many unusual tourist attractions.

The government tourist promotion bureau in Bangkok was established as early as 1937. It is becoming more active in tourist expansion activities, but has lacked the means for real progress to be made. The bureau is now undergoing re-organization, and a sum of baht 3 million requested from the Cabinet for this purpose was recently approved.

Hotel accommodation in Bangkok under normal conditions is in short supply. The standard of the hotels is fair and charges reasonable for the service and accommodation. There could be an improved standard with advantage to the industry, but that does not mean that super-luxury hotels are essential. A hotel company composed of Thai government and American air line interests was recently formed and is proceeding with plans for a new modern hotel. Outside Bangkok, there is a great shortage of suitable tourist accommodation to enable expansion of tourist travel to the interior. It is apparent, though, that such travel would enable a greatly increased expenditure per individual tourist, with consequent benefit to the industry. A great need also exists for improved roads to enable tourists to make more use of motor transport in travel to interior regions.

In *Indonesia*, the Ministry of Transport has been given certain responsibilities in the matter of tourist promotion, but otherwise there is no organization covering the whole industry. At Jogjakarta there is a State Hotel and Tourism Organization. Although the general position is such as to discourage widespread tourist activity, there are appreciable numbers visiting Bali, Bandung and Jogjakarta. There is a great shortage of hotel accommodation at Djakarta, which is the main sea and air port for tourist arrivals.

In the pre-war period, the tourist attractions of Indonesia were widely acknowledged and the traffic reached considerable volume. There is no reason why this tourist traffic cannot again be established and augmented.

In *Singapore*, consciousness is growing of the value of increasing the volume of tourist arrivals. The Colony is in a favourable position geographically for tourist traffic and has much to offer the western tourist in a relatively small space. Hotels, roads and transportation are good. There is a great need for tourist publicity. It is the intention of the newly formed Malayan Travel Association to remedy this position and to undertake other work which should result in both increased tourist arrivals and in a longer period being spent in Singapore by individual tourists. When conditions are more appropriate, the organization can be readily extended to the Federation of Malaya which in cities like Penang and Kuala Lumpur has much to interest tourists.

In *Indochina*, the Angkor Wat ruins in Cambodia are world famous. Regular air services operate from Saigon to Phnom-penh connecting with a motor bus service to Angkor where there is good hotel accommodation. Special air excursions frequently operate from Bangkok. An acute shortage of hotel accommodation in Saigon and Haiphong, however, makes it difficult to increase tourist traffic at present to Dalat and Baie d'Along in Northern Viet-Nam.

The Office de Tourisme et Expositions of the Economic Department of the Office of the High Commissioner of France was dissolved on 1 January 1950, pursuant to agreements concluded between France and the Associated States of Indochina. Its activities during 1948-1949 were directed primarily to the rehabilitation of hotel establishments. Airline networks were extended and most centres of touring or hunting interest can be reached within a few hours.

New tourist organizations for the Associated States of Cambodia, Laos and Viet-Nam are not yet in operation.

In *Ceylon*, the Government Tourist Bureau has been active (apart from the war years) from 1937. It is now a sub-department of the Department of Commerce. Considerable tourist development work has been carried out and attractive publicity material distributed. Ceylon has the advantage of being on certain important steamer routes as well as having good international air connections. Inland roads are good and motoring is a popular means of transport for tourists. The national railways are also catering to tourists by use of special coaches and by improving the standards of equipment. In Colombo, hotel accommodation is somewhat short in supply, although the standard of the leading hotels is quite good. Outside Colombo, the accommodation position is not so favourable for development of the traffic--resthouses provide a restricted amount of inexpensive accommodation. If the inland touring is to become a major factor in development of the industry, its accommodation standard needs to be raised.

In *India*, a tourist division has been established in the Ministry of Transport. Tourist publicity material is being produced and distributed; factors tending to retard the inflow of tourists are being examined and remedies sought.

In India there is a shortage of suitable hotels not only at tourist resorts, but also in certain of the main cities during the tourist season. Owing to long distances between cities and tourist resorts, road travel is not generally suitable for tourists as a principal means of transport. There are excellent air services and the railways have some good tourist coach accommodation which is being rapidly increased to meet the demands. A feature of these tourist coaches is their use by tourists to substitute for hotel accommodation. This allows areas to be visited which the lack of hotels would otherwise preclude from inclusion in itineraries.

India has already established regional tourist information offices at Bombay, New Delhi and Madras and an office at Calcutta is also to be opened.

The restriction upon the sale of alcoholic liquor in certain parts of India causes some complaint from tourists, but the effect upon the hotel industry is even more important. Most hotels apparently rely to a major degree upon the profits available from liquor sales. The standard of accommodation and service may deteriorate unless the loss in income can be offset by some other means.

In *Kashmir*, outstanding tourist attractions are provided. During the period of political uncertainty, the traffic has suffered considerably. The reduction in European residents of India and Pakistan will mean a greater reliance upon overseas traffic and from amongst the nationals of India and Pakistan. The access to the main tourist centre at Srinagar is at present mainly by air service from Delhi, although there is one road pass available from that direction. When the political situation enables the more convenient motor routes from Pakistan to be used by tourists visiting the Srinagar area there should be a major recovery in the tourist business upon which this State so much depends. Hotel accommodation at Srinagar requires improvement. That is also the case in neighbouring resorts reached from Srinagar.

In *Pakistan*, a Tourist Division of the Railways Department has recently been established. It is intended that a tourist information service be instituted, that tourist advertising material be produced for overseas distribution and that the development of the industry generally be undertaken. In competing for tourist traffic Pakistan is at some disadvantage when compared with neighbouring India, because the official rate of exchange is fixed by Pakistan at approximately 3.3 rupees as against 4.76 rupees in India to the United States dollar. The charges for hotel accommodation and other tourist requirements in terms of rupees is not correspondingly less than in India. The result is that Pakistan charges to tourists require in general 40 per cent greater outlay of dollar or other foreign currency for the same service.

The distances between main tourist attractions do not render motor transport suitable for main travelling. The railway services are well organized. There are good tourist saloon coaches as well as air-conditioned compartments, as in the case of India. These saloon coaches may be engaged for specific periods and in this manner be used both for transportation and in place of hotel accommodation.

The shortage of hotel accommodation is perhaps the major problem facing tourist development in Pakistan.

The question of tourist travel promotion in the ECAFE region must not be left without reference to the magnificent tourist attractions in *China*. With the tourist advantages which the country enjoys this industry may receive the attention of its Government as soon as general conditions are suitable. Reports received indicate that railway services are good but that hotels in the main cities may require adjustment to be in a position to cater to foreign tourist traffic as in former years. The air services between the main cities, resumed on 1 August. 1950, are reported to have been partly suspended owing to lack of traffic. The China Travel Service still operates some branches on the mainland of China. This commercially owned enterprise has done magnificent work in the interests of travel promotion in past years. Given suitable conditions travel organizations, like the China Travel Service, might take a major part in the rehabilitation of hotel and other facilities for travellers in China.

Hong Kong, although mainly a trading entrepot, also attracts a considerable number of foreign tourists because of its central location and the availability of modern conveniences. To most tourists it has served as a gateway to the Chinese mainland.

In respect of almost all countries of the region, there are regulations affecting tourists which are a most definite retarding factor in the development of incoming tourist trade. These formalities are annoying and time-consuming. In the course of a brief visit, it is possible for a tourist to find that half his time available must be spent waiting in customs and immigration offices. It is particularly annoying to tourists in some countries to be referred to city offices of such departments for entry or exit formalities. Such offices are not always easy to locate and the hours for business vary in different countries.

Officials employed by authorities dealing with tourists are almost invariably courteous, but their instructions do not appear to emphasize that the obvious tourist should be treated leniently in the application of regulations. The Government of India has made a move in the right direction by the issue of tourist introduction cards which are to be available to *bona fide* tourists as a means of identifying them as such visitors. On presentation of these cards, it is intended that tourists will receive preferred treatment within the scope of regulations. It is the intention also that tourist card holders receive special consideration from hotels and other organizations connected with the travel business.

In many Asian tourist cities there is a problem created by the annoyance to tourists from beggars and hawkers. Taxi operators, rickshaw and tricycle cab operators are difficult to control and tourists are overcharged and subject to annoyance. Tourist guides are not subject to any licensing system and the visitor has no guarantee of their ability or character. Arrangements are usually made between guides and vendors of souvenirs so that the visitor does not always receive fair treatment.

These factors reduce the number of travellers who return home as satisfied tourists; satisfied tourists are the best possible advertisement for any country.

Suggested measures for further development.

It will be seen from the foregoing that national tourist promotion in the AFE region is for the most part in its initial stages of development. Japan is well advanced, but in all other countries much remains to be done.

In each country there should be an advisory committee of government and commercial representatives of departments and interests dealing with the travelling public. This committee would ensure liaison between the major components of the industry, thus making their practical knowledge available to the Government.

There must be a Tourist Bureau to assist travellers; to carry out the policy of the Government; to issue tourist publicity material, and to implement programmes of development and preservation of tourist attractions.

Each country needs efficient tour planning and selling organizations. There must be commercial agents concentrating on internal travel promotion; or in their absence Governments will have to operate such travel bureaux. This is the practice, for instance, in New Zealand, Australia and Japan. Such offices must not compete with commercial travel agencies by engaging in the business of arranging outgoing international travel. They must cooperate with such commercial travel agencies in encouraging them to promote incoming traffic.

The government travel agency should take a leading part in developing travel by its own nationals within the country. Low cost touring should be encouraged so as to cater also to lower income groups.

Every encouragement must be given to private capital to invest in hotels and in other improvements to tourist amenities. Practical assistance in the way of finance on easy terms, waiver of customs duty and facilitation of essential imports should be considered.

If private capital cannot be induced to provide hotels at national tourist resorts, the development of which is considered essential in the interest of the tourist industry, then the Government should undertake their construction and operation. This is the case in New Zealand and other countries outside the ECAFE region.

Good overseas representation is essential by means of qualified travel officers. These officers can be maintained economically when attached to the staff of existing embassies and other overseas offices. The principal work of these officers should be in the distribution of publicity material, visiting commercial travel agencies, air and shipping companies. The object would be to assist the travel organizations in tour planning and in general to create interest in the country that the travel officer represents.

Governments must endeavour to reduce entry and exit formalities for tourists to a minimum compatible with the interests of security and other reasons for their enforcement. Periodic review will ensure that regulations are repealed as they become no longer essential.

There should be close co-operation between the national tourist organizations of the region so as to take advantage of joint publicity campaigns and to ensure action in the common interest of the regional development of tourist travel.

Statistics must be compiled to show the number of tourist arrivals, their country of residence and durations of stay. A common basis of definition should be employed to enable comparisons to be made between national statistics.

It is impossible to expect the development of a lucrative tourist industry unless there is an initial investment. Finance is required for tourist publicity material, the maintenance of tourist bureaux and the development and preservation of the national assets of the industry.

So many sections of the nation benefit from tourist traffic that there is a reluctance on the part of particular interests to make donations towards this finance except in the way of normal taxation. The most equitable basis appears to be for the necessary finance to be set aside in national budgets, as has been done in Ceylon, India, Japan and Thailand.

Prospect of the Industry.

The natural tourist attractions in the ECAFE region are comparable to those in Europe. The manner of living, the culture and customs of the national populations in the East provide an additional source of interest to western tourists.

There is no reason why in the long run the proceeds from the tourist industry in the Far East should not increase considerably over the present level. An estimate made of the dollar income to be derived by Western Europe from services (mainly tourism) in 1953 is $1.300 million. At the present time it is doubtful whether the *dollar* tourist income of six AFE countries exceeds $15 million[1] annually but there are immense possibilities of development. This development can be rapid under intelligent and energetic guidance.

1. This estimate has been arrived at by a conservative appraisal of 1948-1949 data from Hong Kong, India, Japan, Philippines, Thailand and Ceylon. Statistics are not available for the whole of the ECAFE region.

A NOTE ON THE UTILISATION OF TRANSPORT FACILITIES IN THE ECAFE REGION

Information on the utilisation of transport facilities in the ECAFE region is inadequate in many respects, and the following brief note on the subject attempts merely to consider broadly certain aspects of the situation.

Railways.

The strain placed upon the railways of the region by the heavy demands on them arising out of the war, coupled with the failure to maintain and replace locomotives and rolling stock, left them, when hostilities ended, in a serious state of disrepair and disorganization. In some countries locomotives and rolling stock had been reduced by more than fifty per cent, while hundreds of miles of track needed to be relaid. The average speed of trains had dropped well below pre-war standards and the turn-round time of wagons had increased substantially. In India the average turn-round time of wagons is about 20 per cent greater than before the war and in Burma it is as much as 40 per cent greater.

Efforts to restore the railways to the pre-war standard of operation and equipment have been hindered by the inability to obtain rapid delivery of new equipment. The demand for new equipment could, however, be reduced if standards of maintenance could more speedily be brought back to the pre-war level.

Political disturbances and a decline in the productivity of the labour force have added to the difficulties. In spite of many obstacles, however, the number of locomotives and the volume of rolling stock within the region probably now slightly exceed the pre-war figures. It is nevertheless doubtful whether there has been any increase in effective capacity, since much of the equipment is in very poor condition and the average age of locomotives and rolling stock is appreciably higher than before the war.

The existing facilities are being called upon to transport a very much larger number of passengers and a substantially greater volume of freight. Since even before the war there was, by normal standards of operation, little reserve capacity, it is clear that the railway facilities of the region are being subjected to excessive strain. If the increased demand for railway transport is to be satisfactorily met, increased repair capacity and efficiency, a large amount of new equipment, and an improvement in its utilisation, will be needed within the next few years.

The immediate problems of attempting to restore the railways to something like their pre-war standard of operation have forced into the background the problems of long-term improvements directed towards their more economical and efficient operation, taking into account the special features and resources of the region. Consideration is being given, however, to such matters as the use of new kinds of motive power. The rapid development of the diesel locomotive in the United States and elsewhere, and the economies achieved through electrification have attracted the notice of railway administrators in the region. The necessity, in the one case, of importing fuel and thus spending much-needed foreign exchange, and, in the other case, the very high capital costs involved, have prevented development along such lines. Nevertheless several countries, e.g. Pakistan and Thailand, have plans for a considerable increase in the use of diesel locomotives.

More immediate possibilities are to be found in the greater use of fuels which are available locally and make it feasible to dispense with imported coal and oil. In Thailand, for example, firewood is a more economical fuel for locomotives than either coal or bunker oil, and in Indochina use is already made of a mixture of firewood and anthracite, both of which are procurable from within the country.

Among the countries of the region, only China and India have any important deposits of bituminous coal, but in many areas there are deposits of lignite and subbituminous coal. The railways of Indonesia and Malaya have always used these forms of fuel, and they have experienced no difficulties because of their use of specially constructed locomotives. The use of heavy bunker oil where this fuel is locally obtainable, is another possibility. At present the Philippines have the only railway which exclusively uses bunker oil. Pakistan also uses it extensively.

The greater use of such locally procurable fuels would involve some capital expenditure but it is believed that the resultant economies would rapidly compensate for the outlay involved. There would also need to be some re-training of operatives, but this should present no great difficulty.

It appears from the foregoing brief sketch that, insofar as there is a failure to utilise to the fullest advantage the existing railways in the region, it is due partly to the insufficient quantity of locomotives and rolling stock in serviceable condition and the excessive age and poor condition of what is available. At the same time defects in the training of personnel are manifested in such matters as the excessive turn-round time of wagons and the long periods taken to effect repairs.

Road Transport.

The mileage of roads in the region is very small in relation to area and population, and the roads are generally in very poor condition. There is a lack of systematic surveys of the condition of existing roads and coordinated plans for their improvement and the building of new ones. Study of the best types of roads to meet the needs of particular areas has not often been carried very far.

In regard to the financing of road maintenance and extension, the principle of devoting road-user taxes to these purposes is rarely applied in the region. In countries where this principle is in operation, it appears to have been beneficial in effecting an improvement of the highway network, and the failure, with certain exceptions, to relate revenue from road use to expenditure on the maintenance, improvement and extension of roads, has probably to some extent impeded highway development in the region.

The existing highway facilities could generally be used to greater advantage through the application of better organisation and methods of traffic control. In the cities motor traffic moves spasmodically and hazardously, and substantial improvement can only be achieved by a systematic process of education and an effective enforcement of regulations, both of which are generally lacking. Another factor which has assumed serious proportions in hampering highway development is the damage done to roads by animal-drawn iron-tyred country carts, particularly in rural areas. If an effective solution to this problem is not found, by the adoption of improved design of the wheels, axles, etc. of these carts and the installation of pneumatic equipment, it may become a source of financial embarrassment to governments.

The number of motor vehicles in the region in proportion to population varies widely from country to country but in general is extremely low. In Ceylon the number of persons per vehicle is about 200, while in Indonesia the figure is well over 3,000, and in China it is much higher still. The general tendency in the region appears to be to run motor vehicles with a minimum of attention to maintenance and repair, resulting in uneconomic utilisation, rapid deterioration, and early scrapping. Overloading of vehicles, whether carrying passengers or goods, is habitual. The vehicles used are often not constructed to fulfil the special functions for which they are intended, and, with rare exceptions, there is a lack of standardisation both of vehicles and their equipment. The position is aggravated by inexpert operation, the inadequacy of repair facilities, and the dearth of well-trained mechanics.

Traffic regulations and their enforcement leave much to be desired. There is a great need for improvement in the systems employed for the inspection of vehicles, as maintenance of proper standards of construction and use of vehicles is essential for safe operation and for preventing an uneconomical use of the limited facilities which are available for the motor transport of passengers and goods. Since most of the equipment has to be imported from outside the region it is all the more desirable that the best use should be made of available facilities.

Inland Water Transport.

The rivers and canals of the region are very extensive. They provide a means of transport of the highest importance, and, more particularly, a relatively cheap means of carrying bulk cargo. The development of railways and the demands on waterways for irrigation purposes have to some extent led to their neglect and lessened their utility as a means of transport. In more recent years increasing attention has been paid to developing their capacity, though very little has actually been accomplished in this direction.

A very large number of wooden craft, designated "country boats," ply on the waterways of the region. They are more or less adapted in design to the type of commodity usually carried in them and to the character of the waterways on which they are used. They are mostly of shallow draft and can therefore negotiate waterways which are inaccessible to vessels of more conventional design. Excluding those which are used entirely for local traffic, their average carrying capacity is probably around sixty tons. The motive power is mainly sail, supplemented by oars and towing along the banks where necessary. Since on long journeys they depend entirely on monsoon wind direction it is often possible to make only one round trip a year. Despite this drawback, they are, because of their low construction and operation costs, fairly remunerative.

Statistics of the carrying capacity of such vessels and the total volume of goods transported are available in only a few instances. As an illustration of their im-

portance, however, it may be mentioned that in India and Pakistan over fifteen million tons of goods a year are carried in "country boats" over an average distance of 300 miles, and their capacity has been conservatively estimated at around five million tons.

The drawbacks to the use of such vessels, in addition to their dependence on sail and the slowness of their movement, are that their owner-operators are frequently illiterate and no transport documents can therefore be issued, that the cargoes are not insurable because of the considerable risk of theft, and that, because of the failure to mark the frequently shifting channels, the boats run aground and movement is impeded for long periods. As a consequence industrial and commercial concerns are reluctant to entrust their goods to "country boats" which are outside their supervision. There are a number of regularly organised lines which do not have these disadvantages, or have them to a less degree, but the number of vessels which they own form a small proportion of the total of "country boats."

To the extent that they can be made independent of wind power through the attachment of engines and the use of tugs, and improvements in organisation can be effected, the "country boats" offer a means of substantially increasing the goods transport capacity of some areas in the region. There may also be possibilities in improvement of design, in the direction of constructing craft which are just as manageable as those at present in operation but which have a larger carrying capacity.

Air Transport.

Air transport within the region has made considerable progress, particularly in India, Pakistan, the Philippines and Thailand. Development has been aided by governmental support, through the establishment of state-owned airlines and the subsidisation of private lines. It has been stimulated also by the need to re-establish quickly communication systems which had been disrupted by the war. In some cases disturbed political conditions have made air transport the safest means of communication. Much of the equipment consists of war surplus material, including transport aircraft, airports and navigational equipment.

Further development in this field has been limited by the necessity of finding foreign exchange for new aircraft and spare parts, and particularly by the lack of trained personnel familiar with navigational facilities.

The foregoing comments indicate that the economic development of the region is impeded not only by lack of transport facilities but also by a failure to utilise existing facilities to the fullest advantage. Better use of existing facilities requires improvements in organisation and maintenance of equipment, the systematic training or re-training of operatives, mechanics and traffic-controllers, and, in some cases, the modification of existing equipment. The cost of efforts directed towards the better use of existing facilities by such means would be relatively small, compared with the benefit to be derived.

ASIAN ECONOMIC STATISTICS

List of Tables

		Page
I.	Production of Selected Commodities	57. 58
II.	Volume of Traffic: Railway. Sea-borne Shipping and Civil Aviation	59
III.	Value of Imports and Exports and Balance of Trade	60
IV.	Quantum Indices of Imports and Exports	61
V.	Direction of Import Trade	62. 63
VI.	Direction of Export Trade	64. 65
VII.	Quantities of Exports of Selected Commodities	66
VIII.	Index Numbers of Unit Value of Imports and Exports	67
IX.	Index Numbers of Wholesale Prices	68
X.	Index Numbers of Cost of Living and Retail Prices	69
XI.	Wholesale Price Quotations of Selected Commodities	70. 71
XII.	Financial Statistics	72. 73. 74

Symbols Employed

The following symbols have been used throughout this appendix:

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

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

Figures in italics are provisional.

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

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

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

HK$ — Hong Kong dollar.

Fl. — guilder (Indonesia).

Y. — yen (Japan).

W. — won (Republic of Korea).

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

P. — peso (the Philippines).

Pr. — piastre (Indochina).

The term Malaya includes the Federation of Malaya and Singapore.

Sources

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

I. PRODUCTION OF SELECTED COMMODITIES

(Monthly averages in thousand tons)

	1938	1946	1947	1948	1949	1949 II	1949 III	1949 IV	1950 I	1950 II	1950 Apr.	1950 May	1950 June
COAL													
India a	2,400	2,516	2,540	2,525	2,664	2,594	2,620	2,730	2 852	2,663	2,760	2,749	2,479
Indochina	195	22	21	30	31	29	26	39	36	36	48	31	30
Indonesia	121	13	25	45	55	50	59	63	63	67	63	67	71
Korea, south	19	21	39	67	89	99	81	98	97	..	105	..	..
Malaya	40	19	19	32	33	35	34	32	37	33	34	33	32
Pakistan b	..	34	13q	20	28	26	24	30	45	39	44	42	30
Japan	3,484*	1,698	2,270	2,822	3,172	3,089	3,196	3,213	2,957	3,235	3,224	3,227	3,254
ELECTRICITY (mil. kwh)													
Burma	—	—	1	2	2	2	2	2	2	2	2	2	2
Ceylon	3	4	5	5	6	6	6	6	6	..	..	..	..
Hong Kong	..	..	9	13	18	17	19	21	21	24	24	24	25
India a	211	336	345	381	410	419	414	420	403	422	406	428	433
Korea c	225	19	23	41	55	58	56	55	..	..	..	..	..
Pakistan d	..	..	10q	11	14	14	14	14	..	..	..	..	..
Philippines e	12	12	..	30	35	35	36	37	37	37	35	38	38
Thailand	3r	3r	3	4	4	4	4	5	4	4	4	4	4
Japan r	2,062*	2,282	2,461	2,802	3,033	3,053	2,883	3,141	3,055	3,260	3,204	3,309	3,268
PETROLEUM, CRUDE													
Brunei	59	24	144	224	280	275	293	304	295	..	..	..	..
Indonesia	616	22	93	361	494	485	522	514	477	553	530	571	559
Pakistan	.	4	28	5	10	8	11	13	12	15	15	16	15
Sarawak	17	..	2	4	5	5	5	5	5	..	..	..	..
Japan	29*	16	15	14	17	16	17	19	22	24	23	24	25
IRON ORE													
Hong Kong	..	..	..	—	5	6	6	6	12	18	29	15	10
India a	232	204	212	193	..	..	..	..	..	..	..	..	..
Malaya	137	—	—	—	1	—	—	3	22	40	38	40	43
Philippines	77	—	—	180	31	24	28	54	*52*	*24*	*23*	*25*	*25*
Japan	52*	46	41	46	63	58	81	68	56	69	63	70	75
PIG IRON & FERRO-ALLOYS													
India	131	115	113	120	131	130	136	139	136	125	137	127	110
Japan	173*	18	30	70	134	128	136	164	152	200	186	209	205
STEEL INGOTS & CASTINGS													
India	82	110	106	106	115	116	114	121	120	112	116	117	104
Japan	435	47	78	143	259	240	261	319	339	398	386	414	395
FINISHED STEEL													
India	71	84	83	81	87	83	91	93	80	..	76	79	..
Japan	379*	38	54	105	185	175	187	229	245	278	255	263	315
TIN IN CONCENTRATES (tons)													
Burma	419	29	152	97	151	187	145	117	*102*	..	*102*	*102*	..
China	906*	229	364	406	*356*	*106*	*305*	*305*	*305*	..	*305*	*305*	..
Indochina	135	—	—	3	*5*	*5*	*5*	*5*	*5*	..	*5*	*5*	..
Indonesia	2,517	544	1,349	2,592	2,452	2,655	2,401	2,400	2,541	2,782	2,824	2,874	2,647
Malaya	3,673	714	2,288	3,795	4,649	4,640	4,745	4,891	4,833	4,970	4,836	5,259	4,815
Thailand	1,255	89	119	359	662	678	719	790	*711*	*711*	*711*	*711*	*711*
Japan	..	6.9	8.6	10.2	*10.2*	*10.2*	*10.2*	*10.2*	*10.2*	..	*10.2*	..	..
TIN METAL													
Malaya	5,397	977	2,482	4,209	5,312	4,818	5,302	6,012	5,698	..	5,491	5,519	..
NATURAL RUBBER g													
British Borneo h	2.4	2.4	4.5	5.3	5.1	4.7	5.6	5.0	6.6	6.6	6.7	6.6	6.5
Burma h	0.6	0.5	0.7	0.8	..	..	..	..	..	..	..	..	..
Ceylon	4.3	8.0	7.5	8.0	7.6	7.1	7.6	8.8	6.8	9.5	9.1	9.7	9.7
India	1.3	1.3	1.4	1.3	1.3	1.2	1.2	2.0	0.8	1.3	1.7	1.5	0.9
Indochina	5.1	1.7	3.2	3.7	3.6	3.3	4.1	5.1	2.7	3.3	2.8	3.5	67.5
Indonesia	27.0	15.0	23.5	36.6	36.5	33.6	39.1	42.4	38.9	60.7	53 2	58.4	57.6
Malaya	30.4	34.2	54.7	59.1	56.9	51.4	58.3	58.9	54 8	54.4	48.9	56.6	3.4
Thailand h	3.5	2.1	4.4	8.1	8.0	8.1	8.1	7.5	8.1	9.7	10.8	8.6	10.4
CEMENT													
Hong Kong	..	..	3	4	5	2	6	7	8	5	6	4	4
India a	119	173	147	131	178	168	180	209	221	207	213	195	213
Indochina	22	..	3	8	13	10	11	16	10	12	16	11	8
Korea c	53	1	1	1	2	2	1	3	..	..	..	..	..
Pihlippines	14	4	11	10	17	20	18	19	19	..	22	..	23
Thailand	19r	3u	5	7	11	11	11	11	12	..	13	14	..
Japan	465*	77	103	154	273	253	296	335	275	337	327	339	345
COTTON YARN													
Hong Kong	..	..	..	..	0.9	..	..	..	1.6	..	1.9	2.1	..
India a	48.7	52.8	49.8	54.3	51.4	52.3	50.0	49.3	45.7	45.9	45.9	45.3	46.4
Korea c	..	0.3	0.5	0.5	1.1	1.1	1.1	1.5	..	..	..	..	..
Japan i	54.5*	4.8	10.2	10.4	13.1	13.2	13.4	14.9	15.6	18.5	17.9	17.9	19.7
COTTON FABRICS (million metres)													
India a	328	307	290	335	298	302	294	292	282	298	290	302	303
Korea c	11.44	1.68	2.33	2.14	4.85	5.01	5.98	6.84	..	..	..	..	..
Philippines	..	..	0.53	0.65	0.36	0.29	0.38	0.49	0.61	..	..	..	0.79
Japan i (million sq. metres)	243.6*	16.8	46.1	64.4	68.6	64.5	70.2	74.4	93 2	106.0	107.2	102.6	108.1

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

(Monthly averages in thousand tons)

	1938	1946	1947	1948	1949	1949 II	1949 III	1949 IV	1950 I	1950 II	1950 Apr.	1950 May	1950 June
JUTE MANUFACTURES													
India	107.2	92.2	89.0	92.0	78.1j	89.9	70.9	71.7	72.7	63.8	40.3	73.4	77.7
SOAP													
India	..	..	6.77	6.38	6.33	4.78	5.99	7.42	*5.99*	..	..	..	..
Korea c	..	..	..	..	0.42	0.59	0.77	0.22	..	..	..	..	..
Malaya	..	..	2.47	1.92	1.67	1.83	1.72	1.36	1.25	1.34	1.34	1.26	1.41
Japan	15.96*	1.33	0.45	1.16	2.12	1.92	1.36	3.14	4.58	*7.09*	7.19	7.59	*6.48*
PAPER													
India (including paper products)	49.28	8.19	7.49	7.15	8.74	9.12	8.90	8.61	8.76	9.13	8.88	9.68	8.83
Japan	88 12*	17.48	23.92	35.72	52.61	53.37	53.51	58.80	62.84	*70.60*	72.52	69.40	*69.87*
OTHER CHEMICALS													
India													
Sulphuric acid a	2.05r	3.40r	2.94q	2.33	8.42	2.35v	8.60	*9.14*	*7.43*	*8.87*	*8.95*	*8.81*	*8.90*
Superphosphates	..	0.38	0.42	1.81	3.96	3.81	4.73	*4.62*	2.79	*3.81*	3.81	3.78	*3.84*
Soda ash	..	1.02	1.15	2.47	1.52	0.75	—	2.20	3.88	3 87	4.17	4.06	3 38
Caustic soda	..	0.25	0.28	0.37	0.53	0.44	0.50	*0.67*	0.86	*0.92*	*0.92*	*0.92*	*0.92*
Liquid chlorine	..	0.13	0.14	0.15	0.22	0.18	0.23	0.35	0.34	*0.39*	*0.39*	*0.39*	*0.39*
Bleaching powder	..	0.17	0.22	0.24	0.21	0.15	0.19	0.22	0.32	0.27	0.21	0.22	0.38
Power alcohol (mil. litres)	..	..	0.86	1.39	1.60	1.53	1.39	1.74	2.18	1.59	1.67	1.49	1.61
Industrial (mil. litres)	..	..	1.82	1.11	1.13	0.89	0.96	1.23	1.46	1.49	1.74	1.46	1 28
Japan													
Sulphuric acid k	240.9*	76.5	124.1	162.5	215.2	214.1	217.3	240.5	242.9	*273.9*	263.1	283.7	
Ammonium sulphate l	72.9*	39.1	60.1	78.9	102.7	111.5	95.4	116.5	112.7	*146.8*	137.2	157.7	*274.9*
Calcium cyanamide l	17.9*	12.1	14.6	17.1	29.1	33.9	30.8	33.2	29.6	*44.9*	44.2	47.7	*145.7*
Calcium superphosphate m	119.8*	16.7	59.1	79.5	96.7	86.1	104.1	103.8	123.5	*119.5*	120.6	119.6	*42.7*
Soda ash (finished)	19.4r*	1.9	3.2	6.3	10.3	9.6	10.7	11.6	11.7	*11.5*	11.1	12.0	*118.2*
Caustic soda	24.9r*	2.4	3.6	9.0	12.1	12.3	12.3	12.2	12.2	*14.2*	13.7	14.8	*11.4*
Liquid chlorine	0.8r*	0.2	0.3	0.5	0.9	0.8	0.9	1.1	1.1	*1.4*	1.3	1.5	*14.2*
Bleaching powder	5.6r*	0.6	1.1	2.3	3.5	3.7	3.5	3.9	3.9	*3.8*	4.1	3.9	*1.4*
Dyestuffs	1.59*	0.14	0.23	0.44	0.55	0 64	0.46	0.40	0.56	*0.59*	0 61	0.59	*3.4*
Methyl alcohol	0.36*	0.38	0.36	0.63	0.92	0.95	0.91	1.15	1 44	*1.46*	1.42	1 61	*0.53*
Ethyl alcohol (mil. litres)	0.51*	1 32	1.58	2.41	2.15	2 39	1.05	3.06	2.06	*2.69*	2.32	3.29	*1.31* *2.47*
MACHINERY PRODUCTS													
India													
Diesel engines (Units)	..	39	57	85	173	139	209	222	294	356	3.75	384	303
Electric motors (1000 h.p.)	..	3 82	3 17	5.00	5.67	5.96	5 80	5 13	5.29	6.41	5.77	7.06	6.40
Machine tools (1000 Rs.)	..	760	382	456	394	472	320	*245*	183	197	130	269	192
Sewing machines (Thousands)	..	0.51	0.49	1.67	2 09	1 87	2.21	2.40	2.35	2.63	2.33	2.85	2 73
Bicycles n (Thousands)	..	4.22	4 07	5.40	7 33	6 81	9.04	8.43	8.81	7.59	7 14	7.19	8.43
Electric transformers (1000 kva)	..	3.25	2 67	6.83	9 06	6 02	7.91	13.38	13.19	*13.78*	15.59	11.76	*13.99*
Electric lamps (Thousands	..	676	635	771	1,137	1,074	1,107	1,286	1,249	1,186	1,083	1.185	*1,190*
Electric fans (Thousands)	.	9.20	13 33	15 00	*14.92*	16 35	*13.99*	*11.39*	17.55	*19.56*	*19.36*	17.61	*21.72*
Insulators, l. t. (Thousands)	..	..	119	209	187	168	64	273	215	75	98	78	50
Insulators, h. t. (Thousands)	..	..	6 18	7 49	11 40	11.96	13.03	12.00	14.51	10.56	16.61	3.37	11.69
Motor car batteries (Thousands)	..	2.26	5.84	9.17	8.92	5.03	5.81	*13.36*	15.42	16.23	15.49	18.20	14 98
Japan													
Railway locomotives (Units)	28*	19	12	3	9	8	15	4	6	8	8	9	6
Railway freight cars (Units)	406*	98	86	367	258	380	193	70	79	68	8	3	193
Industrial locomotives (Units)	37†	31	40	42	36	39	28	33	17	32	31	34	30
Industrial freight cars (Units)	592*	251	698	1,612	804	908	470	439	534	761	836	562	885
Motor vehicles (Units)	2,917†	1,546	1,850	3,917	5,547	5,561	5,441	5,324	5,311	5,337	5,371	4,905	5,735
Vessels (gross)	..	15 6	9.7	15.5	14.6	14.7	13.6	15.5	7.0	*9.8*	1.6	3.0	*24.9*
Diesel & other internal combustion engines (Units)	..	..	2,894	6,332	8,859	9,420	8,512	9,591	8,510	7,423	7,916	6,741	7,613
Ring spinning frames (Units)	..	..	..	..	153	174	145	155	122	131	122	110	160
Looms (Units)	..	..	990	3,070	3,390	4,542	2,568	1,589	1,405	1,638	1,484	1,730	1,701
Power transmission equipment	..	..	0 3	0 6	1 2	1 3	1 2	1 2	1 1	1.1	1.0	1.1	1.1
Pumps	..	..	1 2	1 2	1 2	1 4	1 1	0.8	0.8	0.8	1.1	0.7	0.7
Cranes, derricks, hoists & winches	..	..	1 2	1.4	1 7	1 7	1 6	1.6	1 8	2.3	1.8	2.3	2.9
Mining & excavating machinery	..	..	1 1	2.2	2.6	2 8	2.4	1.9	1 7	1.4	1.5	1.3	1.4
Iron & steel works & coke oven plant equipment	..	..	1.9	3 1	5.2	5.4	5.1	4.0	5 2	6.1	5.9	6.6	5.8
Chemical industry machinery & equipment	..	..	2.7	2.2	3.5	3.8	3.5	3.5	3.7	4.6	5.0	4.5	4.3
Pulp & paper industry machinery	..	..	0.1	0.3	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.2	0.3
Food products machinery	..	..	0.6	0.5	1.0	0.9	0.9	1 1	0 8	1.0	0.8	1.7	0.6

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

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

(Monthly averages)

	1938	1946	1947	1948	1949	1949 II	1949 III	1949 IV	1950 I	1950 II	1950 Apr.	1950 May	1950 June
RAILWAY TRAFFIC													
Passenger-kilometres (millions)									*10.7*	..	..	..	..
Burma	62.3q	..	37.8	36.3	4.8	2.5	2.5	5.0	4,960	5,768	5,716	6,041	5,547
India a, p	2,385b	5,390b	2,748r	4,880	5,143	5,282	4,946	5,128	5.3	6.3	6.5	6.3	6.0
Indochina	73.7	2.6	6.2	8.3	6.5	6.9	6.7	6.1	..	..	..	..	..
Korea c	169*	251	234	236	237s	215	236	290	..	..	..	..	..
Pakistan	..	..	389	511	685	654	732	720	..	..	..	..	33.7
Philippines d	39.6	..	18.9	23.9	31.0	38.5	25.8	28.8	..	..	..	..	..
Thailand	32.7s	63.2	86.7	108.9	..	124.1	..	..	..	..	..	..	..
Japan e, p	2,185*	7,287	7,343	6,595	5,585	6,293	4,708	5,388	4,984	5,931	7,454	5,785	4,553
Freight ton-kilometres (millions)									*2.6*	*6.9*	*4.3*	*7.5*	*8.9*
Burma	90.8q	23.6q	48.1	47.8	3.9	0.5	0.8	2.5	3,322	3,354	3,220	3,331	3,511
India a, p	2,968o	3,620b	2,271r	2,812	3,317	3,141	3,157	3,367	10.6	11.7	11.1	11.5	12.4
Indochina	27.9	1.2	3.5	6.5	10.6	10.5	10.8	9.5	..	..	..	..	..
Korea c	185*	52	83	87	107s	107	102	111	..	..	34.4	32.5	..
Malaya	..	16.1s	22.8	26.4	27.1	..	..	..	..	..	..	..	..
Pakistan	..	..	128	363	309	292	287	318	..	..	..	..	12.0
Philippines d	13.5	..	6.8	10.4	13.6	15.1	12.1	12.2	..	..	..	..	..
Thailand	50.3s	9.8	18.6	25.1	34.0	33.2	30.8	41.6	..	..	..	..	..
Japan e, p	1,305*	1,379	1,751	2,109	2,375	2,177	2,184	2,778	2,359	2,365	2,493	2,429	2,262
Freight tons (thousands)									..	..	..	..	..
Ceylon q	77	116	94	104	107	113	104	101	18.1	23.1	24.9	23.2	21.1
Hong Kong	..	..	11.0	7.5	3.6	2.7	3.0	5.6	399	416	362	435	445
Indonesia	810	..	85f	292	415	387	501	430					
INTERNATIONAL SEA-BORNE SHIPPING													
Entrances and clearances of vessels with cargo in external trade. (1000 net registered tons)													
Burma g	Entered	311p	46q	98q	118q	99	94	105	92	74	93	77	103	100
	Cleared	361p	36q	101q	157q	129	132	120	100	77	139	151	166	99
Ceylon	Entered	913	222	331	475	610	634	630	727	641	647	631	667	644
	Cleared	891	198	312	469	570	529	574	673	570	561	538	570	575
Hong Kong h, i	Entered	1,228	342	668	782	988	1,023	1,113	985	992	1,047	999	1,147	995
	Cleared	1,233	337	669	775	977	987	1,101	957	990	1,054	1,029	1,103	1,031
India	Entered	750b	497b	570b,t	646u	741	791	690	720	575	656	564	704	699
	Cleared	793b	370b	524b,t	567u	559	546	525	625	535	574	563	583	577
Indochina h, j	Entered	269	132	96	124	150	..	..	..	166	164	174	147	171
	Cleared	245	..	97	119	151	147	160	172	163	160	183	156	142
Korea h, k	Entered	1,088	3	90	25	31	42	21	30	..	..	..	..	..
	Cleared	1,083	3	91	25	30	42	19	27	..	..	..	..	..
Malaya	Entered	1,354	..	789	951	1,195	1,212	1,292	1,176	1,083	..	1,177	1,250	1,183
	Cleared	1,308	..	699	892	1,083	1,091	1,188	1,076	1,032	..	1,157	1,055	1,119
Pakistan p	Entered	..	..	128v	241	305	306	318	282	313	..	355	434	..
	Cleared	..	..	83v	176	214	225	193	195	242	..	219	262	..
Philippines	Entered	371†	124w	..	450	473	488	487	439	485	..	..	..	452
	Cleared	436†	59w	..	438	475	490	490	440	473	..	..	..	563
Thailand	Entered	72p	20	43	67	90	88	93	94	100	..	135	112	..
	Cleared	101p	23	50	92	122	116	120	121	137	..	171	152	..
Japan	Entered	5,824†	200	623	948	1,541	1,592	1,668	1,595	776	860	939	890	849
	Cleared	5,785†	..	615	930	1,489	..	..	..	..	..	..	..	..
CIVIL AVIATION TRAFFIC l													
Passenger-kilometres (millions)													
Ceylon		..	..	..	0.36	0.95	0.83	1.15	1.05	0.82	..	0.86	0.98	..
India		0.11	8.19	19.03	24.23	26.22	27.66	23.94	27.54	29.48	..	34.60	..	..
Indonesia		..	..	..	8.49	10.44	10.08	11.11	12.04	13.42	11.26	11.49	10.82	11.47
Philippines		0.21	8.28	10.75	14.57	..	14.86	..	..	..	..	..	..	..
Thailand		—	0.01	0.42	0.93	1.57	1.74	1.58	1.47	1.53	1.57	1.58	1.68	1.46
Freight ton-kilometres (thousands)														
Ceylon		..	..	..	1.6	7.3	7.0	9.0	7.5	10.0	..	10.7	10.2	..
India		34	125	293	489	878	839	869	1,142	1,935	..	1,653	..	..
Indonesia		..	..	..	0.30	0.38	0.37	0.42	0.42	0.46	0.35	0.33	0.34	0.38
Philippines		..	245	455	540	..	418	..	..	..	..	..	..	..
Thailand		1.0p	0.1	5.5	16.9	28.9	26.3	29.2	33.4	30.1	37.0	37.0	33.8	40.3

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

III. VALUE OF IMPORTS AND EXPORTS AND BALANCE OF TRADE

(Monthly averages in millions)

	1938	1946	1947	1948	1949	1949 II	1949 III	1949 IV	1950 I	1950 II	1950 Apr.	1950 May	1950 June
BR. N. BORNEO (M$)													
Imports	0.5	..	1.7	2.1	2.8	..	..	.	2.7	3.6	3.2	3.5	4.0
Exports	0.8	..	1.4	2.5	3.1	..	..	..	4.8	5.7	4.6	6.5	6.0
Balance	+0.3	..	—0.3	+0.4	+0.3	..	..	..	+2.1	+2.1	+1.4	+3.0	+2.0
BURMA a (Rs.)													
Imports	18	24	39	50	31	28	37	32	34	29	30	26	30
Exports	41	8	40	63	61	69	50	30	33	87	68	99	95
Balance	+23	—16	1	+13	+30	+41	+13	— 2	—4	+58	+38	+73	+65
CEYLON (Rs.)													
Imports	20	58	80	83	86	93	74	81	79	110	101	103	126
Exports	24	64	74	84	89	84	89	101	99	115	82	117	145
Balance	+4	+6	—6	+1	+3	— 9	+15	+20	+20	+5	—19	+14	+19
HONG KONG (HK $)													
Imports	52	78	129	173	242	232	272	283	284	273	251	298	270
Exports	51	66	105	134	206	168	236	258	227	257	233	371	267
Balance	—1	—12	—24	—39	—36	—64	—36	—25	—57	—16	—18	—27	—3
INDIA b (Rs.)													
Sea and air-borne													
Imports	130	278	372	466	467	586	488	458	334	444	383	487	462
Exports	142	266	340	360	395	313	336	468	493	328	313	339	333
Balance	+12	—12	—32	—106	—72	—273	—152	+10	+159	—116	—70	—148	—129
Land-borne													
Imports	..	..	..	71	26	32	50	14	9	24	8	30	33
Exports	..	..	..	25	22	33	29	19	3	9	5	10	12
Balance	..	..	..	—46	—4	+1	—21	+5	—6	—15	—3	—20	—21
INDOCHINA (Pr.)													
Imports	16	26	81	197	325	313	379	389	292	283	354	288	*223*
Exports	24	58	39	98	95	98	84	90	110	95	122	98	*64*
Balance	+8	+32	—42	—99	—230	—215	—295	—299	—182	—188	—232	—170	*—161*
INDONESIA (Fl.)													
Imports	41	23	65	95	131	122	144	166	96	299	273	275	345
Exports	57	13	29	87	123	117	120	142	141	375	317	401	408
Balance	+16	—10	—36	—8	+3	—5	—24	—24	—45	+76	+39	+126	+63
KOREA, SOUTH (US$)													
Imports	..	4.1	15.9	15.8	11.6	14.2	3.3	9.2	*8.7*	..	..	..	..
Exports	..	0.1	0.7	1.6	1.2	1.7	0.8	1.4	*2.5*	..	..	..	..
Balance	..	—4.0	—15.2	—14.2	—10.4	—12.5	—7.5	—7.8	*—6.2*	..	..	..	..
MALAYA (M$)													
Imports	46	66	114	149	153	164	141	161	174	199	169	213	214
Exports	48	60	108	144	140	117	131	165	188	216	185	218	241
Balance	+2	—6	—6	—5	—13	—47	—10	4	+14	+17	+16	+5	+27
PAKISTAN c (Rs.)													
Imports	..	..	20	99	97	124	124	73	67	75	76	84	63
Exports	..	..	65	88	75	97	51	63	91	103	106	124	78
Balance	..	..	+45	—11	—22	—27	—73	—10	—24	+28	+30	+36	+15
PHILIPPINES d (P.)													
Imports	22.1	49.3	85.2	*94.7*	94.5	93.5	72.9	97.4	*64.8*	*59.3*	*62.1*	*56.2*	*61.2*
Exports	19.4	10.7	44.1	53.1	42.3	46.1	41.9	37.0	*45.3*	*49.1*	*49.1*	*53.2*	*46.0*
Balance	—2.7	—38.6	—41.1	—41.6	—52.2	—47.4	—31.0	—60.4	*—19.5*	*—10.1*	*—13.0*	*—3.0*	*—15.2*
THAILAND e (Baht)													
Imports	11	46	93	144	191	225	176	188	231	..	..	.	..
Exports	17	38	81	168	234	239	192	226	311	.	..	..	..
Balance	+6	—8	—12	+24	+45	+14	+16	+38	+80	..	..	..	..
JAPAN f (U.S.$)													
Imports	89.2	19.1	43.6	56.9	75.5	92.7	78.5	54.9	79.2	79.1	92.3	78.0	66.9
Exports	92.4	6.5	14.5	21.5	42.5	47.5	42.7	40.2	47.9	59.7	61.3	52.0	65.8
Balance	+3.2	—12.6	—29.1	—35.4	—33.0	—45.2	—35.8	—14.7	31.3	—19.4	31.0	26.0	—1.1

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

	1938	1946	1947	1948	1949
Brunei (Mn. $)					
Imports	0.32	0.54	1.37	2.92	2.99
Exports	0.80	0.15	2.59	4.10	5.17
Balance	+0.48	—0.39	+1.22	+1.18	+2.18
Sarawak (Mn. $)					
Imports	1.86	3.39	6.02	8.23	9.16
Exports	2.18	3.24	8.59	14.27	15.63
Balance	+0.32	—0.15	+2.57	+6.04	+6.47

BURMA—For 1938 and 1946, sea-borne trade only. For 1938, twelve months starting April. For 1946, eight months ending September. For 1947, 1948 and 1949 twelve months ending September.

b **INDIA**—Annual figures twelve months starting April. Sea and air-borne trade. Figures for 1946 and April-July 1947 figures include Pakistan territory. Indo-Pakistan trade excluded from August 1947 to February 1948. Land borne trade: with Pakistan (incomplete).

c **PAKISTAN**—Sea-borne trade only. For 1947, eight months ending March 1948 and excluding trade with India. For 1948 and 1949, twelve months starting April. Export figures are revised to include exports via the port of Calcutta.

d **PHILIPPINES**—Data for 1950 are supplied by the Central Bank of the Philippines.

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

f **JAPAN**—Trade with Korea and Formosa included. For 1946 sixteen months' average from September 1945 to December 1946.

IV. QUANTUM INDICES OF IMPORTS AND EXPORTS

(Base 1948 = 100)

	1938	1946	1947	1949	1949 I	1949 II	1949 III	1949 IV	1950 I	1950 II	1950 Apr.	1950 May	1950 June
CEYLON													
Imports	89	79	98	108	120	125	89	101	96	149	142	128	177
Exports	80	98	91	99	97	100	101	102	93	116	75	111	143
INDIA a													
Imports: All Commodities	106b	35b	100b	115c	123	135	114	95	69	90	79	105	86
Food, drink and tobacco	..	..	..	100c	..	112	91	97	66	33	30	44	25
Raw materials and Semi-manufactures	..	..	..	114c	..	125	115	101	77	167	147	208	145
Manufactures	..	..	..	121c	..	148	123	92	66	80	70	85	86
Exports: All Commodities	172b	114b	114b	102c	101	87	94	124	120	82	80	84	81
Food, drink and tobacco	..	..	..	117c	..	76	118	157	100	65	65	66	64
Raw materials and Semi-manufactures	..	..	..	96c	..	108	74	106	115	67	52	83	65
Manufactures	..	..	..	98c	.	82	94	119	130	95	98	92	94
INDOCHINA													
Imports	85	32	65	136	97	130	153	153	120	..	..	..	..
Exports	256	136	62	75	90	79	64	69	85	85	121	82	49
MALAYA													
Imports: All Commodities	81	..	85	101	96	109	96	103	114	129	..	..	..
Food, drink and tobacco	109	..	92	109	114	125	96	103	98	113	..	..	.
Raw materials and Semi-manufactures	83	..	105	82	83	74	82	87	91	141	.	..	..
Manufactures	66	..	73	107	95	118	103	111	133	131	..	..	..
Exports: All commodities	73	..	89	98	107	86	98	101	109	110	..	..	..
Food, drink and tobacco	162	..	102	96	92	92	92	107	102	97	..	.	..
Raw materials and Semi-manufactures	60	..	97	93	103	82	95	93	98	95	..	.	..
Manufactures	95	..	59	114	124	100	106	125	149	167	.	.	..
PHILIPPINES													
Imports	..	..	..	99	106	107	76	106	..	..	..	..	..
Exports	157	33	92	119	123	142	122	91	..	..	..	..	..

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

b. Year beginning 1 April

c Average of nine months April to December.

V. DIRECTION OF IMPORT TRADE

(Monthly averages in millions)

	1938	1946	1947	1948	1949	1949 I	1949 II	1949 III	1949 IV	1950 I	1950 II	1950 Apr	1950 May	1950 June
Into Burma a in Rs from														
China	—	..	..	1.4	2.7	..	..	..	0.9	..		..	..	..
Hong Kong	0.3	..	.	1.1	1.5	..	..	..	1.2	..	..	..	..	..
India	10.0	..	..	12.4	9.8	..	..	..	12.4	..	..	..	..	..
Indonesia	—	..	..	—	0.3	..	..	..	0.4	..	..	..	..	..
Malaya	0.5	..	..	1.7	2.8	..	..	..	2.0	..	..	..	..	..
Japan	1.2	..	..	0.3	1.2	..	..	..	3.3	..	..	..	..	..
United Kingdom	3.3	..	..	23.2	8.7	..	..	..	9.1	..	..	..	..	..
United States	0.6	.	..	1.8	1.1	..	..	..	0.6	..	..	..	..	..
Into Ceylon in Rs. from														
Burma	2.9	0.4	5.6	14.3	12.7	17.3	17.1	7.5	9.1	1.8	37.5	38.0	25.8	48.8
China	0.1	0.1	0.2	2.0	0.2	0.3	0.2	0.1	0.1	0.1	0.2	0.3	0.1	0.2
Ind a	4.3	14.0	10.6	10.5	12.7	13.0	10.7	11.5	15.7	14.5	13.1	10.5	15.2	13.5
Indonesia	1.4	--	--	0.3	0.5	—	—	1.4	0.5	1.3	0.9	0.1	1.3	1.3
Ma'aya	0.2	0.2	0.2	0.3	0 4	0.2	0.3	0 2	0.8	0.8	0.4	0.3	0.5	0.4
Pak'stan	—	--	—	0.9	1.0	1.1	0.9	1.3	0 8	0.9	1.3	1 4	1.7	0.8
Tha'land	0.5	—	—	0.7	3.3	4.5	4.2	3.4	1.1	12.7	3 2	6 3	1.6	1.2
Japan	1 3	9.2	0 5	1 1	1.7	1.7	1.8	1.3	2.0	0 4	2.2	1.0	2.1	3.5
United Kingdom	4.0	3.5	12.8	14.3	15.4	14.3	16.6	14 4	16.5	16.3	16.2	16.5	18.2	13.9
United States	0 4	1.6	9.4	6.3	5.8	5.8	5.4	6.7	5 5	2.8	2.7	2.3	2.1	3.8
Canada	0.1	7.9	5.6	0.7	0.9	0.3	1 2	1.2	0.8	0.2	6.1	0.3	7.0	11.1
Australia	0 5		9.6	10.4	8 5	7.8	11.2	6.8	8.2	7.3	3.8	2.3	2.7	6.5
Into Hong Kong in HK$ from														
Br. N. Borneo	..		0.6	0.8	1 0	0 9	1.2	1.0	1.0	1.3	1.0	0.7	1.0	1.2
Burma	..	.	1.4	2.8	1.5	2.7	1.3	1.9	0.2	0.1	1.8	0.1	2.3	3.0
Ceylon	.	..	0.1	0.1	0.2	0.1	0.2	0.2	0.2	0.2	0.2	0.3	0.2	0.2
China	..	..	31.8	35.8	49.4	41.0	59.0	46.9	50.9	49.3	62.7	49.2	80.9	58.0
India	..	..	3 8	4.0	7.5	2.0	2.8	8.1	17.2	27.8	8.6	9.4	10.2	6.2
Indochina	.	..	1.7	2.5	1.8	1.1	2.0	2.3	1.7	2.0	1.6	1.7	1.9	1.2
Indonesia	..	.	1 8	3.4	3.2	2.4	2.7	2.2	5.7	5.8	6.1	6.1	5 0	7.2
Korea, South	..	..	- -	3.5	3.1	3.1	3.0	3.1	3.2	4.8	2.3	2.5	3.0	1.3
Nor h	..	..			4.6	4.5	4.9	4.2	4.7	4.3	1.6	2.6	1.7	0.6
Malaya	..	..	8.5	7.1	9 0	3.4	5.4	12.6	14.5	7.9	7.5	5.6	5.8	11.2
Pakistan	..	..	—	—	2.8	0.1	0.3	5.5	5.2	8.1	6.1	8.4	3.9	5 9
Philippines	.	..	1 2	0.8	1.3	1.2	1.8	1.3	1.0	0.8	1.5	0.9	1.9	1.6
Thailand	.	..	5.0	8.0	9.2	10.3	6.7	9.3	10.5	11.4	15.2	17.1	15.7	12.8
ECAFE TOTAL	..	.	56 0	69.0	92.0	72.6	91.3	93.1	110.9	123.9	116.2	104.5	133.6	110.4
Japan	.	.	3.0	6.6	6.7	8.7	7.5	7.1	3.5	4.0	6.3	7.4	5.0	6.6
United Kingdom		..	13.7	25.1	32 3	25.6	33.7	30.2	39.8	38.9	33.2	35.5	36.4	27.8
United States		.	24.9	52.3	47.9	36.9	51.0	46.3	57.6	57.0	56.3	42.9	69.5	56.6
Canada	.	..	1.7	3 0	4.8	3.3	4.1	5.6	6.2	4 3	3.7	3.6	2.5	5.0
France	..	..	1.4	1.9	2 8	2 6	3.3	2.8	2.5	3.7	5.0	7.0	4 8	3.1
Oceania	..	..	4.4	4.7	5.6	6.0	4.7	4.5	7.3	9.1	9.0	6.0	5.7	15.2
Into India b in Rs. from														
Burma	18.9	3.1	7.5	17.7	13.5	12.7	25.4	11.3	4.6	1.6	3.6	0.5	6.0	4.2
Ma'aya	3.2	3.2	6.6	5 8	10.5	10.1	10.6	11.5	9.8	10.1	10.3	7.3	7.7	16.0
Pakistan	..	..	..	12.5c	61.0	106.9	52.3	59.3	25.5	9.3	25.3	8.6	30.9	36.4
Japan	13.0	—	—	1.1	21 3	17.9	46.2	12.2	8.9	4.0	4.6	1.8	3.4	8 6
United Kingdom	40.1	84.1	93.8	113.5	131.0	166.8	169.6	141.8	45.7	86.6	103.8	91.7	113.8	105 8
United States	9.5	38.6	97.7	86.6	83.2	91.0	92.0	75.7	74.2	51.2	109.4	93.2	143.1	91.8
Canada	0.6	8.1	7.9	5.9	10.8	8.9	7.0	11.8	15 6	5.5	10.7	4.9	4.8	22.4
Australia	1.7	8.2	8.6	19.5	18.7	13.7	15.4	24.5	21.2	49.4	30.5	25.9	32.3	33 2
Into Indochina d in Pr. from														
China	1.2	—	0.3	8.9	10.6	7.5	10 3	13.3	11.1	8.7	10.5	12.4	11.4	7.7
Hong Kong	1.2	4.1	1.2	1.1	1.3	1.8	0.9	1 6	0.7	0.9	0 7	0.7	1.0	0.4
India	0.5	3.4	1.7	2.4	7.0	3.2	8.6	14.2	1.9	2.6	2.1	0.7	3.7	1.8
Indonesia	0.7	2.1	1.2	3.6	6.1	5.5	5.1	5 9	7.8	8.1	8.3	7.7	8.3	8.9
Thailand	0.3	—	0.4	5.3	3 3	1.4	4.6	3.7	3.7	2.3	2.3	2.0	2.2	2.6
United States	0.8	9.3	17.4	24.9	29.5	25.9	34.4	22.3	35.5	17.2	18.7	19.4	21.5	15.2
France	8.5	16.4	49.7	123.2	237.8	152.1	221.6	284.4	293.1	214.0	195.4	258.1	169.3	158.7
Into Indonesia in Fl. from														
Burma	0.6	0.2	1.2	2.0	4.0	0.5	3.6	5.5	6.4	0.4	13.8	1.9	16.2	23 2
China	0.7	0.2	3.0	2 3	2.5	1.8	5.4	1.6	1.1	0.5	2.1	0.9	3.1	2.2
Hong Kong	0.5	0.2	1.9	2.1	3 2	2.8	2.7	3.9	3.4	5.0	14.2	6.8	15.5	20.3
India	0.9	0.6	1.3	1.2	1.8	1.4	1.1	1.6	3.0	5.0	17.1	27.7	8.1	15.6
Malaya	3.4	1.5	4.4	2.6	2.7	2.8	2.0	1.3	4 5	3.5	8.3	9.1	7 3	8 4
Philippines	0.1	0.1	—	0.1	—	—	—	—	0.1	—	0.1	0.1	0.2	—
Thailand	0.2	2.2	0.9	2.7	4.7	5.3	4.9	3.7	5.1	2.5	2.8	2.0	5.9	0.5
Japan	6.0	--	5.1	15.6	9 3	13.5	6.6	10.5	6.7	7.5	38.0	29.3	39.5	44 8
Netherlands	8.4	1.7	9.6	18 4	28 0	17.6	28 4	31.3	34.8	19.1	47.7	46.7	43.8	52.6
United Kingdom	3.0	0.9	5.4	7.9	13.4	6 3	11.0	16.1	20.3	7.7	23.2	23 0	18.9	27.7
United States	3.6	13.4	25.5	21.2	33.2	23.1	32.6	31.3	46.0	19.0	63.1	58.9	54.4	75.9
Australia	1.1	0.4	1.5	2.7	0.5	0.4	0.3	0.5	0.7	0.2	0.7	0.3	0.4	1.4

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

(Monthly averages in millions)

	1933	1946	1947	1948	1949	1949 I	1949 II	1949 III	1949 IV	1950 I	1950 II	1950 Apr.	1950 May	1950 June
Into Malaya in M$ from														
Br. N. Borneo,	..	..	0.7	1.3	1.8	1.5	1.5	1.7	2.3	2.4	3 2	3.0	3.1	3.5
Brunei	..	..	0.1	0.1	0.1	0.2	0.1	0 1	0,1	0.2	0.2	0.2	0.1	0.4
Sarawak	..	..	4.1	6.4	6.8	5.7	8.6	6.2	6.8	8.7	9.9	7.9	11.2	10.7
Burma	..	..	2.7	7.7	6.9	7.7	11.7	6.3	2.0	2.0	3.4	3.0	2.0	5.3
Ceylon	..	..	0.2	0.3	0.3	0.3	0.3	0.3	0.2	0.3	0.3	0.2	0.2	0.4
China	..	..	10.2	9.5	7.8	9.0	10.6	7.3	4.5	8.6	10.5	10.3	11.8	9.4
Hong Kong	..	..	5 0	3.8	4.0	3.7	3.7	4.3	4.2	4.9	5.3	4.4	5 9	5.6
India	..	..	3.1	2.9	5.6	3.5	3.6	4.8	10.5	17.3	14.3	12 5	15.2	15.3
Indochina	..	..	0.9	2.5	1.8	1.9	2.5	1.8	1.0	1.4	1.6	1.0	1.5	2.4
Indonesia	..	..	21.8	29.4	26.5	23.1	24.8	25.2	32.8	33.1	44.8	35.8	44.0	54.5
Thailand	..	..	9.7	10.7	16.2	17.6	15.2	13.6	18.4	12.3	24.5	21.7	25.0	26.8
Japan	..	..	0.5	1.1	3.3	3.1	2 9	3.4	3.9	2.8	5.2	2.3	6.2	7.1
United Kingdom	..	..	22.0	28.7	31.9	30.7	34.7	28.3	33.9	40.3	36.6	35.1	41.5	33.2
United States	..	..	11.5	17.4	9.4	10.1	10.6	8.4	8.4	6.5	6.1	4 9	6.3	7.0
Canada	..	..	1.6	1.9	1.5	2.3	1.2	1.5	1.1	2.2	1.0	0.3	2.3	0.5
Oceania	..	..	7.2	7.9	8.9	8.6	10.8	7.4	8.7	9.2	9.6	7.3	9.3	12.1
Into Pakistan e in Rs. from														
Burma	..	..	..	0.7	2.0	..	0.9	5.5	..	..	0.2	0.3	0.1	0.3
Ceylon	..	..	..	2.4	1.4	..	0.5	1.5	..	..	1.4	1.0	0.9	2.3
China	..	..	..	5.7	4.5	..	8.3	5.8	..	..	2.4	3.0	1.7	2.6
India	..	..	..	37.4	14.2	..	18.4	21.6	..	..	9.1	12.4	10.1	4 8
Ma aya	..	..	..	1 8	0.8	..	1.2	0.6	..	..	0.9	1.2	1.0	0.6
Japan	..	..	..	0.8	7.3	..	3.6	7.9	..	..	13.4	15.7	18.5	6.1
United Kingdom	..	..	..	22.5	29.0	..	41.6	35.3	..	..	20.9	22.6	24 7	15.3
United States	..	..	..	6.6	10.0	..	11.0	13.0	..	..	7.8	7.5	8.5	7.4
Into Philippines in Ps. from														
Burma	..	..	..	..	0.3	0.5		0.2		—		..	..	..
China	..	0.8	2.4	3.8	1.7	2.2		1.2		0.1		..	..	..
Hong Kong	..	—	—	0.1	0.2	0.2		0.3		1.1		..	..	..
India	..	0.2	0.7	1.1	0.9	0.6		1 2		0.4		..	..	..
Indonesia	..	0.2	0.4	2 5	2.7	2.6		2.8		0.3		..	..	..
Thailand	..	0.5	0.4	0.1	0.9	1.6		0.1		0.2		..	..	..
Japan	..	—	0.2	0.3	2.7	1.4		4.0		3.1		..	..	..
United Kingdom	..	0.2	0.5	0 9	0.8	0.8		0 8		0.8		.	..	..
United States	..	43.1	73.3	73.2	76.3	84.7		68.0		48.4		..	.	..
Into Thailand f in Baht from														
Burma	—	0.4	0.3	0.4	*0.9*	1.7								
China	1 4	3.1	4.9	12.5	*8.3*	12.4		*0.1*		..	..	..	..	..
Hong Kong	0.1	17.9	35.4	36.3	*33 3*	41.7		*4.2*		..	..	..	..	..
India	1.3	. –	1.5	2.9	*13.3*	15.0		*24.9*		..	..	..	..	..
Indochina	0.1	3.5	3.7	2.2	*0.5*	0.9		*11.6*		..	..	..	..	..
Indonesia	0.8	0.4	0.3	1.2	*4.9*	**5.6**		—		..	..	.	..	..
Malaya	1.0	16.5	20.5	47.7	*30.1*	33.5		*4.3*		..	..	..	..	..
Philippines	—	0.1	1.3	1.3	*0.6*	0.7		*26.7*		..	..	..	..	..
Japan	1.6	—	—	3.4	*15.7*	11.0		*0.4*		..	..	..	..	..
United Kingdom	6.6	1.1	8.5	10.0	*16.5*	15.5		*20.5*		..	.	..	..	.
United States	1.1	2.8	26.0	15.0	*29.7*	29.4		*17.5*		.	..	..	..	
								30.1		..	..	..	..	..
Into Japan in US$ from														
China	22.9	0.3	0.4	2.1	3.8	3.4	4.3	2.9	4.4	8.2	4.6	5.8	2.7	5.3
Hong Kong	..	..	..	..	..	..	..	..	..	..	..	..	..	..
India	4.1g	– –	0.8	2.3	1.1	0.5	2.3	1.5	0.3	1.5	2.0	3.6	1.4	0.9
Indonesia	2.1	—	0.1	1.0	1.3	1.1	1.9	1.2	1.0	0.6	1 1	1.0	1.2	1.0
Malaya	2.4	—	0.4	0.9	1.8	1.6	1.4	2.8	1.3	0.9	1.2	0.8	1.3	1.5
Korea	16.5	—	0.2	0.4	0.3	0.2	0.6	0.2	0.2	0.1	4 7	3.9	5 6	4.6
Phil ppines	0.8	—	0.2	0.8	1.1	1 3	1.8	0.7	0.8	1.7	1 1	1.5	0.6	1.2
United Kingdom	1.5	– –	0.8	0.4	0.5	0.8	0.5	0.3	0.3	0.5	0.5	0.4	0.7	0.3
United States	21.7	18.6	40.3	36.8	48.0	50.7	59.4	51.6	30.3	35.3	37.6	38.7	39.2	35.0
Australia	2.0	—	0.1	0.7	2.3	2.9	2.5	1.4	2.5	7.0	4 5	6.9	3.3	3.4
Canada	2.2	—	—	0.3	0.5	0.8	0.4	0.5	0.1	2.1	1 5	—	1.9	2.6

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

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

c. Excluding imports from Pakistan by land in 1948.

d. Indochina: Data for 1946 are averages for August-December and for 1947 averages for April-December.

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

f. Thailand: Prewar data refer to year ending March 1940. Figures for second quarter of 1949 refer to average of first six months. Averages for third and fourth quarters of 1949 are figures for the Port of Bangkok only, which account for more than 90% of the total trade of the country. Annual figures for 1949 are simple averages of these statistics and are, therefore, provisional.

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

VI. DIRECTION OF EXPORT TRADE

(Monthly averages in millions)

	1938	1946	1947	1948	1949	1949 I	1949 II	1949 III	1949 IV	1950 I	1950 II	1950 Apr.	1950 May	1950 June
FROM BURMA a * in Rs. to														
Ceylon	2.2	..	..	11.6	11.6	..	..	..	7.4	..	..	..	..	..
China	0.2	..	..	3.7	8.1	..	..	..	2.1	..	..	..	..	..
Hong Kong	0.3	..	..	1.6	1.0	..	..	..	0.2	..	..	..	..	..
India	22.0	..	..	25.2	23.1	..	..	..	0.5	..	..	..	..	..
Indonesia	0.6	..	..	2.7	3.9	..	..	..	6.8	..	..	..	..	..
Malaya	2.8	..	..	10.1	8.1	..	..	..	2.3	..	..	..	..	..
Pakistan	..	..	..	..	2.8	..	..	..	—	..	..	..	..	..
Philippines	—	..	..	0.2	0.9	..	..	..	..	..	..	..	..	..
Japan	0.8	..	..	0.1	1.3	..	..	..	6.5	..	..	..	..	..
United Kingdom	5.7	..	..	5.6	3.2	..	..	..	2.6	..	..	..	..	..
United States	0.1	..	..	0.6	0.5	..	..	..	0.1	..	..	..	..	..
FROM CEYLON in Rs. to														
India	0.7	3.0	2.9	1.7	1.7	2.1	1.2	3.1	0.4	1.3	0.3	0.1	0.3	0.5
Pakistan	..	..	..	1.5	1.8	2.2	0.5	1.4	3.0	1.7	3.3	1.9	3.9	4.0
Japan	0.1	..	—	0.1	0.3	0.2	0.3	0.8	0.1	—	—	0.1	—	—
United Kingdom	11.8	33.4	25.4	25.1	27.8	16.1	33.9	34.6	26.7	19.5	22.6	9.7	17.1	40.9
United States	2.8	7.3	9.9	13.8	9.5	10.3	8.5	5.8	13.5	20.5	22.0	15.3	22.9	27.8
Canada	0.8	1.1	4.7	3.3	3.7	4.1	2.0	3.5	5.1	5.9	8.9	6.5	11.3	9.0
Australia	0.9	..	5.9	7.0	7.0	6.9	6.9	8.5	5.7	7.3	14.1	7.0	16.6	18.6
New Zealand	0.5	1.5	1.9	1.8	2.8	2.1	4.9	1.3	2.7	3.6	6.1	2.4	10.6	5.3
From HONG KONG in HK$ to														
Br. N. Borneo	..	..	0.6	0.6	0.8	0.6	0.7	0.9	1.1	0.9	1.1	0.7	1.1	1.6
Burma	..	..	0.6	1.0	1.5	0.7	2.1	2.0	1.2	0.9	4.7	1.1	1.1	12.0
Ceylon	..	..	0.5	0.6	0.5	0.8	0.4	0.3	0.4	0.1	0.7	0.4	0.4	1.2
China	..	..	22.3	23.3	48.7	22.5	29.1	54.7	88.7	90.3	79.2	83.6	76.3	77.7
India	..	..	2.1	4.0	3.2	3.4	3.5	3.7	2.2	1.2	1.2	0.8	1.3	1.6
Indochina	..	..	1.5	1.6	1.6	1.6	1.8	2.0	1.2	1.3	2.7	3.0	2.6	2.4
Indonesia	..	..	4.4	5.7	4.6	6.2	6.1	3.0	3.3	4.8	12.4	13.4	11.5	12.2
Korea, South	..	..			6.2	4.6	5.9	7.9	6.5	4.3	3.1	2.8	4.8	1.8
North	..	..	—	4.9	4.1	7.8	1.7	3.4	3.6	1.3	1.3	—	2.8	1.0
Malaya	..	..	17.9	17.1	20.0	17.4	18.4	24.6	19.6	23.8	30.6	24.5	30.6	36.6
Pakistan	..	..	—	—	4.5	13.5	1.7	1.1	1.6	4.0	5.6	1.8	6.0	9.1
Philippines	..	..	5.1	11.4	8.6	7.4	8.3	8.9	10.0	3.0	7.2	5.8	9.8	6.0
Thailand	..	..	7.2	11.7	9.6	14.4	14.1	4.8	5.3	5.9	7.0	7.4	5.2	8.3
ECAFE TOTAL	..	..	62.2	81.8	110.0	87.5	93.8	115.9	142.9	141.6	156.8	145.4	153.6	171.5
Japan	..	..	1.3	4.1	5.8	5.4	7.2	5.2	5.6	10.3	8.2	11.1	7.7	5.8
United Kingdom	..	..	3.2	6.3	11.6	14.3	11.0	10.5	10.8	11.3	21.3	17.2	25.7	21.0
United States	..	..	12.6	12.7	19.5	12.5	15.9	22.7	27.1	16.2	22.4	14.5	29.2	23.6
Canada	..	..	0.2	0.6	1.2	0.4	2.3	1.4	0.7	0.8	0.8	0.8	0.6	1.1
Oceania	..	..	1.0	1.7	3.4	1.9	2.6	5.2	4.0	3.4	3.2	3.3	2.6	3.6
FROM INDIA b in Rs .to														
Burma	8.4	5.5	11.1	10.0	7.8	3.2	6.6	10.4	11.2	16.8	7.3	7.4	7.3	7.2
Ceylon	4.2	11.7	11.4	9.5	11.9	11.2	10.2	10.5	15.9	15.4	10.3	9.6	9.7	11.6
China	1.3	10.8	5.2	5.6	1.8	1.6	1.6	0.5	3.6	2.1	0.4	0.8	—	0.5
Pakistan	..	..	..	40.6c	43.5	50.7	49.5	42.7	31.1	9.0	16.8	13.1	14.6	22.6
United Kingdom	46.0	58.5	78.7	78.3	93.4	90.8	78.0	94.2	110.4	87.8	75.5	63.7	88.2	74.7
United States	11.2	58.4	61.2	59.7	57.1	54.4	43.2	46.1	84.5	84.6	60.0	46.5	63.8	69.7
Canada	1.7	5.8	9.3	6.9	7.6	7.2	5.5	6.2	11.5	12.9	8.7	10.4	9.9	5.7
Australia	2.5	9.3	14.5	17.2	20.4	16.9	17.3	22.8	24.7	21.7	19.0	21.2	22.3	13.6
FROM INDOCHINA d in Pr. to														
China	0.6	2.8	0.3	2.1	0.6	0.5	0.9	0.6	0.4	0.4	0.5	1.1	0.3	—
Hong Kong	2.3	1.8	1.3	11.2	13.2	8.6	16.4	16.5	11.1	11.9	13.1	19.8	11.4	8.2
Malaya	2.5	5.1	4.0	9.4	9.9	13.6	9.9	5.8	10.1	5.4	—	—	—	—
Thailand	0.1	—	0.7	3.7	4.9	5.4	3.8	4.6	5.8	4.2	2.9	3.6	2.6	2.6
United States	2.1	6.2	2.5	2.2	1.0	1.3	0.6	0.3	1.9	35.4	5.9	10.0	5.3	2.3
France	11.4	39.2	18.0	42.6	46.6	64.2	30.7	45.5	46.1	37.1	25.7	14.5	35.1	27.4
FROM INDONESIA in Fl. to														
Burma	—	—	—	—	0.2	0.1	0.4	0.1	0.1	—	—	—	—	—
Hong Kong	1.1	0.1	0.6	1.6	1.0	1.3	0.7	1.3	0.8	0.8	2.3	1.2	3.4	2.2
India	0.4	—	—	0.1	0.5	0.1	1.0	0.4	0.6	0.4	1.6	2.3	1.5	1.0
Malaya	10.7	0.8	6.1	16.6	29.8	26.3	27.5	39.8	25.6	38.0	103.1	75.9	101.9	131.5
Philippines	0.5	—	0.1	0.8	1.1	0.8	1.1	1.2	1.1	1.1	3.3	3.8	2.2	3.8
Thailand	0.2	—	—	0.3	0.8	1.0	1.0	0.6	0.6	1.2	1.7	2.5	1.8	0.7
Japan	1.8	—	0.4	2.1	2.8	3.1	3.9	2.4	1.8	1.8	6.7	7.7	4.7	7.7
Netherlands	11.5	5.6	12.9	31.0	41.2	41.9	38.4	49.8	39.5	50.6	114.2	100.1	135.3	107.2
United Kingdom	3.1	0.2	0.7	1.7	5.5	2.3	3.4	8.9	7.6	3.7	14.6	10.1	14.8	18.8
United States	8.2	5.8	5.3	15.2	19.4	16.0	20.2	25.1	16.2	15.8	60.1	52.7	59.8	67.7
Australia	2.4	—	0.2	0.8	1.8	0.4	1.8	2.3	2.6	2.4	8.1	5.2	10.8	8.2

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

(Monthly averages in millions)

	1938	1946	1947	1948	1949	1949 I	1949 II	1949 III	1949 IV	1950 I	1950 II	1950 Apr.	1950 May	1950 June
From Malaya in M$ to														
Br .N. Borneo	..	..	0.8	1.2	1.7	1.6	1.6	1.5	1.9	2.0	2.2	2.0	2.2	2.5
Brunei	..	..	0.1	0.2	0.3	0.3	0.3	0.3	0.4	0 5	0.5	0.5	0.5	0.5
Sarawak	..	..	2.1	2.6	2.3	2.2	2.4	2 1	2.3	3.3	4.1	3.4	3.8	5.0
Burma	..	..	0.7	1.0	1.0	0.8	1.4	1.0	0.8	0.8	0.7	0.3	0.4	1.5
Ceylon	..	..	0.2	0.8	2.3	1.9	2.5	0.9	4.1	1.9	2.1	1.9	2.1	2.2
China	..	..	0.7	1.3	0.7	1.4	0.5	0.5	0 5	—	0.2	0.5	0.1	—
Hong Kong	..	..	4.1	3.4	5.5	2.2	3.5	6.2	10.0	6.3	6.2	4.8	4.4	9.5
India	..	..	4.3	5.3	5.1	3.9	6 8	6.5	3.1	4.4	4.7	2.8	5 5	5.7
Indochina	..	..	0.3	0.7	0.7	0.9	0.7	0.6	0.5	0.7	0.7	0 1	1.3	0.8
Indonesia	..	..	10.5	16.1	11.6	12.8	10.9	10.5	12.0	14.0	17.7	10.4	17.8	25 0
Korea	..	..	—	—	0.1	—	0.5	—	—	—	0.4	0.3	1.0	—
Pakistan	..	..	—	0.6	0.8	1.6	0.9	0.6	0.2	0.5	0.8	0.6	0.7	1.1
Philippines	..	..	0.1	0 5	0.9	1.2	0.7	0.5	1.2	1.3	1.3	1.3	1.9	0.7
Thailand	..	..	1.3	4.1	3.8	3.2	3.8	3.4	4.6	5.3	5.0	4.2	5.9	4.9
ECAFE TOTAL	..	..	25 2	37.9	36 7	34.2	36.5	34.8	41.5	41.1	46.7	32.9	47.8	59.4
Japan	..	..	1.1	1.6	2.5	2.8	1.3	2.6	3.4	2.3	3.6	1.6	4.8	4.5
United Kingdom	..	..	17.3	20.0	17.0	18.7	13.1	17.6	18.5	27 5	29.6	23.4	32.9	32.4
United States	..	..	36.6	38.2	35.8	40.2	23.6	31.3	48.3	50.8	63.7	63.0	60.7	67.4
Canada	..	..	3.7	3.7	3.0	4.8	1.7	2 1	3.6	4.3	3.8	3.8	3.4	4.2
Oceania	..	..	3.5	5.1	7.2	5.8	6.3	7.7	8.8	11.7	10.2	7.5	10.1	12.9
From Pakistan e * in Rs. to														
Burma	..	..	..	0.2	0.1	..	0 2	0.1	..	..	0 2	0.5	0.1	0.1
Ceylon	..	..	..	1.2	0.6	..	1.0	0.6	..	..	0.8	1.2	0.3	1.0
China	..	..	..	2.7	1.0	..	0.3	1 5	..	..	3.6	0.4	7.6	2.9
Hong Kong	..	..	..	2.1	4.9	..	0.3	7.9	..	..	13.4	12.2	23.7	4.3
India	..	..	..	19.1	7.1	.	20.2	6.4	..	..	2.2	0.8	2.7	3 2
Malaya	..	..	..	0.1	0.1	..	—	0.2	..	..	1.1	—	3.3	0.1
Thailand	..	..	..	—	—	..	—	—	..	..	—	—	—	—
Japan	..	..	..	1.0	4 4	..	13.4	1.0	..	..	10.3	12.8	8.5	9.6
United Kingdom	.	..	..	12.5	14.7	..	14.4	8.2	..	..	14.4	17.6	15.5	10.2
United States	..	..	..	10.9	10.0	..	11.7	7.5	..	..	8.1	12.8	7.3	4.1
From Philippines * in Ps to														
China	..	0.1	0.2	0.3	0.1	0.1		0.1	0.2		..	..	..	
Hong Kong	..	0.2	0.5	0.5	0.8	1.0		0.5	0.5		..	..	..	
India	..	—	0.4	0 3	0.3	0.4		0.2	0.1		..	..	..	
Indonesia	..	—	0.8	0.9	0.4	0.1		0.7	—		..	..	..	
Korea	..	—	—	0.3	—	—		0.1	0.1		..	..	..	
Malaya	..	—	1.2	0.1	0 1	0.1		0.1	—		..	..	..	
Thailand	..	—	0.1	0.1	—	0.1		—	0.1		..	..	..	
Japan	..	—	0.4	2.6	1.9	2.5		1.3	2.3		..	..	..	
United Kingdom	..	0.4	1.4	0.5	0.5	0.6		0.5	0.9		.	..	..	
United States	..	6.4	25.4	34.8	30.6	31.7		29 6	36.6		..	..	..	
From Thailand f in Baht to														
Br .N. Borneo	—	—	0.4	2.1	*2.3*	3.6		*1.0*			..	..	..	..
Burma	—	—	0.3	1.5	*0.7*	1.4		*0.1*			..	..	.	..
Ceylon	0.5	—	0.1	1.4	*8.5*	10.4		*6.6*			..	..	..	..
China	0.2	1.0	4.3	21.7	*7.3*	13.8		*0.8*			..	..	..	..
Hong Kong	2.0	12.4	18.0	16.3	*17.3*	16.7		*17.9*			..	..	..	..
India	2.0	—	4.0	16.7	*31.2*	46.2		*16.2*			..	..	..	..
Indochina	—	—	0.5	1.0	*0.3*	0.6		—			..	..	..	..
Indonesia	0.2	—	0.6	8.0	*12.8*	14.2		*11.5*			..	..	..	..
Korea	—	—	0.6	1 9	*0.3*	—		*0.1*			..	..	..	..
Malaya	10.7	15 5	32.4	42.1	*51.8*	66.2		*37.4*			..	..	..	..
Philippines	0.2	2.3	1.0	6.6	*4.4*	5.6		*3 3*			..	..	..	..
Japan	1.0	—	—	0.5	*14.2*	11.5		*16.9*			..	..	.	..
United Kingdom	0.4	0 2	2.0	4.6	*9.3*	12.7		*5.9*			..	..	..	..
United States	0.1	4.7	10.1	38.4	*30.3*	42 9		*17.7*			..	..	..	..
From Japan * in US$ to														
China	35.0	0.3	0 8	0.3	1.0	0.4	0.2	1 4	1 8	3.1	3.8	4.4	3 4	3.5
Hong Kong	..	..	..	..	..	..	..	..	..	.	..	..	..	..
India	4.5g	—	0.7	0.7	5.4	11.5	6.3	2.4	1.3	0 9	1.6	1 4	1.4	1.9
Indonesia	2 5	—	2.0	4.7	2.3	1.2	6.8	0 4	0.8	3.5	3 3	6.1	3.2	0.5
Korea	21.6	0.9	1.6	1.5	1.4	1.7	1.5	1.0	1.2	1.8	1.4	1 8	1.0	1.3
Malaya	0.5	—	0.3	0.5	1 3	0.8	0.5	1.6	2.1	0.4	2.0	2.1	2.0	2.0
Philippines	0.8	—	0.1	0.3	1.8	0.6	1.5	1 8	3.1	1.8	0.7	0.5	0.8	0.7
United Kingdom	3.2	0.1	1.7	1 4	3.5	2.6	4.6	5.4	1.4	1.2	2 9	3.5	1.6	3.5
United States	10.1	4.8	1.7	5.5	6.6	6.5	6.0	5.8	8.0	11.4	13.5	13.3	13.7	13.6

* Including Re-exports.

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

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

c. Excluding exports to Pakistan by land in 1948.

d. Indochina: Data for 1946 are averages for August--December and for 1947 averages for April-December.

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

f Thailand: Prewar data refer to year ending March, 1940. Averages for the second half year of 1949 are figures for the Port of Bangkok only, which account for more than 90% of the total trade of the country. Annual figures for 1949 are simp'e averages of these heterogeneous statistics and are, therefore, provisional.

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

VII. QUANTITIES OF EXPORTS OF SELECTED COMMODITIES

(Monthly averages in thousand tons)

	1938	1947	1948	1949	1949 II	1949 III	1949 IV	1950 I	1950 II	1950 Apr.	1950 May	1950 June
RICE												
Burma	253.3	67.0	102.2	99.2	115.5	86.9	53.4	40.4	148.2	113.8	169.5	161.4
Thailand	115.4	32.9	67.6	101.3	107.7	70.8	90.5	116.0	134.2	153.2	144.0	105.5
Indochina	77.8	3.6	13.4	7.8	15.4	3.9	0.5	11.0	12.8	15.4	13.1	9.8
TEA												
Ceylon	8.9	10.9	11.2	11.6	13.3	11.7	11.2	8.7	12.9	9.5	13.1	16.0
China	3.5	1.4	1.5	..	..	..	..	..	..	..	..	..
India	13.4a	16.1a	14.2	16.1	6.5	18.8	23.6	13.5	7.5	9.5	6.8	6.3
Pakistan	..	..	..	1.2	0.6	0.9	2.5	1.2	0.1	—	0.1	—
Indochina	0.2	—	—	0.1	—	0.1	0.1	0.1	0.1	0.1	0.1	—
Indonesia	6.0	0.3	0.8	1.8b	1.7b	1.9b	2.1b	..	2.1	1.3	2.2	2.7
Japan	1.4	0.3	0.3	0.6	0.9	0.9	0.2	0.4	0.4	0.1	0.4	0.8
COPRA AND COCONUT OIL c												
Ceylon	8.7	5.1	9.2	8.6	6.2	8.7	9.0	3.4	4.9	5.4	5.5	3.8
Hong Kong d	0.1	1.6	0.7	0.3	0.1	0.4	0.3	0.2	0.3	0.2	0.1	0.7
Indonesia e	25.8f	7.6	12.1g	15.8	7.3	15.9	12.8	11.9	15.7	9.1	21.2	16.8
Malaya	13.4	4.0	7.1	9.8	8.2	12.4	11.1	7.7	9.5	10.1	8.9	9.5
Br. N. Borneo	0.4	0.2	0.3	0.8	0.8	1.0	1.1	1.3	1.4	1.0	1.6	1.6
Philippines	28.9f	51.2	35.3	33.4	33.1	39.8	36.5	26.0	28.4	26.9	25.1	33.2
Sarawak	0.1	—	0.1	0.2	0.1	0.2	0.3	0.2	0.2	0.1	0.2	0.2
Thailand	..	..	..	0.3	0.2	0.5	0.4	..	..	..	..	..
PALM KERNELS AND OIL c												
Indonesia h	14.2	0.2	3.3	8.5	5.7	9.2	12.5	5.6	8.0	4.2	9.0	10.7
Malaya	3.1	4.1	4.4	5.0	4.1	4.8	4.7	5.2	..	3.8	6.4	..
GROUND NUTS AND OIL c												
Hong Kong	1.2	0.2	0.4	0.7	0.6	1.2	1.0	1.5	2.8	1.7	5.2	1.5
India	22.0	3.0	5.5	4.0	6.1	1.6	3.5	14.2	0.8	0.6	1.5	0.3
NATURAL RUBBER												
Brunei	0.1	0.2	0.2	0.1	0.1	0.1	0.2	0.2	0.2	0.1	0.2	0.2
Burma	0.6	0.7	0.8	0.6	0.6	0.6	0.6	1.6	1.3	0.4	2.1	1.4
Ceylon	4.2	7.0	7.8	7.7	5.6	6.6	8.8	10.2	8.2	7.0	7.3	10.3
Indochina	5.0	4.3	3.5	3.5	2.1	3.5	3.8	5.7	2.7	2.3	2.5	3.3
Indonesia	25.5	24.3	36.6	35.7	33.2	36.8	43.1	29.7	63.6	61.0	63.1	66.7
Malaya	29.1	54.2	57.5	57.5	50.5	58.2	56.5	58.3	39.0	37.5	46.8	32.6
Br. N. Borneo	0.8	1.3	1.7	1.7	1.4	1.7	1.8	1.8	1.8	1.4	2.1	1.9
Sarawak	1.5	3.0	3.4	3.3	3.1	3.3	3.2	4.5	4.6	5.2	4.3	4.4
Thailand	3.5	4.5	8.1	8.0	8.1	8.1	7.5	8.1	9.9	10.8	8.6	10.4
COTTON RAW												
India	38.6	19.3	8.0	4.4	6.8	2.0	3.8	8.1	1.7	2.0	2.0	1.0
Pakistan	..	..	13.6	14.0	16.9	7.4	9.4	14.7	26.1	26.8	37.2	14.2
COTTON YARN (ton)												
Hong Kong	..	..	..	1,387	843	1,667	1,721	2,100	2,551	2,289	2,162	3,201
Malaya	..	..	..	335	14	108	1,201	377	108	103	132	88
Japan	1,745	903	458	893	510	820	700	1,307	813	1,081	407	951
COTTON PIECE GOODS (mn. metres)												
Hong Kong	..	..	..	7.4	9.0	6.2	7.7	6.0	7.2	6.0	6.3	9.3
India	14.6	22.9	23.5	35.5	23.1	33.2	61.3	92.3	67.4	70.4	83.2	48.5
Malaya	..	..	22.6	5.2	3.4	4.6	8.3	12.5i	13.3	6.9	12.9	20.1
Japan (mn. sq. metres)	158.4	26.4	28.2	52.2	68.0	47.6	51.9	71.5	78.5	98.6	62.2	74.8
JUTE RAW												
India	55.9	23.4	20.0	15.4	11.9	10.5	22.7	2.0	—	1.0	—	—
Pakistan			16.1	17.3	14.3	7.6	21.8	34.7	29.4	33.1	31.5	2.37
JUTE MANUFACTURES												
India												
Bag j	49.0	33.7	41.5	37.6	36.0	47.3	35.0	30.3	25.2	27.6	18.4	29.6
Cloth j	29.9	27.0	33.3	23.5	19.6	22.1	23.4	23.2	18.0	18.1	13.2	22.7
HEMP RAW												
Philippines	11.8	7.2	6.2	5.3	5.8	4.4		5.9	8.6	..	..	..
TIN CONCENTRATES												
Burma	0.2	0.2	0.2	0.1	0.1	0.2	0.2	0.1	.	0.1	0.1	..
Indonesia	1.2	1.3	2.8	2.6	2.6	2.5	2.1	2.6	2.5	2.0	2.7	3.1
Thailand	1.1	0.5	0.5	0.6	0.8	0.4	0.8	0.8	0.9	0.9	0.8	1.1
TIN METAL												
Hong Kong	..	..	0.2	0.3	0.4	0.1	0.3	0.2	.	0.1	..	..
Malaya	5.2	2.7	4.0	4.7	2.8	4.3	5.5	5.0	7.1	8.2	5.2	7.8
PETROLEUM												
Indonesia k	..	..	320.8	474.5	512.8	514.9	522.9	421.8	..	..	..	..
Malaya l	..	..	15.5	25.5	19.1	25.9	39.7	44.7	34.9	39.7	47.0	18.1

a Including territory of Pakistan.
b Federal territory only.
c Expressed in terms of oil equivalent, figures under column for 1938 refer to averages for the period 1934-38.
d Coconut oil only.
e Copra only.
f 1935-39.
g Excluding exports to Singapore.
h Palm oil only.
i Unit changed in 1950 to million square meters.
j Converted at 2.25 lbs. per bag and 0.50 lb. per yard of cloth.
k Petroleum and products.
l Motor spirit.

VIII. INDEX NUMBERS OF UNIT VALUE OF IMPORTS AND EXPORTS

(Base 1948 = 100)

A. IMPORT UNIT VALUE INDICES

	1938	1946	1947	1949	1949				1950				
					I	II	III	IV	I	II	Apr.	May	June
CEYLON													
All commodities	23.0	81	93	95	99	93	94	95	100	96	98	99	..
INDIA													
All commodities	..	.	..	97a	..	93	92	104	102	101	104	100	98
Food, drink & tobacco.	..	..	.	109a	..	98	100	122	106	97	94	101	96
Raw material & semi-manufactures	.	..	..	106a	..	103	101	108	113	108	113	104	105
Manufactures	..	..	..	90a	..	88	86	94	94	95	98	94	93
INDOCHINA													
All commodities	7.8	44	65	123	121	122	120	128	116	..	..	.	..
INDONESIA b													
All commodities	4.6	..	..	94	95	93	92	93	.	..	..	..	..
Textiles	10.3	.	..	84	88	81	80	87	..	..	..	..	..
Provisions	14.4	..	..	97	96	96	94	101	.	..	..	..	..
Metals	16.4	..	..	100	102	99	99	101	..	..	..	..	..
Chemicals & dyes	16.4	..	..	101	98	95	103	108	..	..	..	..	..
Sundries	18.1	..	..	94	95	101	92	88	..	..	..	..	..
MALAYA													
All commodities	35.9	..	89	100	99	98	97	105	*102*	*105*	..	..	..
Food, drink & tobacco.	24 2	..	89	105	102	103	105	112	*107*	*115*	..	..	..
Raw materials	51 0	..	85	92	95	91	84	99	*110*	*108*	..	..	..
Manufactures	41.4	..	93	98	99	98	94	101	*97*	*98*	..	..	..

B. EXPORT UNIT VALUE INDICES

CEYLON													
All commodities	32.5	74	98	107	104	102	104	118	135	131	133	133	128
Tea	36.3	65	99	109	102	104	109	121	135	122	130	122	115
Rubber	56.2	143	108	90	85	86	82	107	125	154	132	151	180
All coconut products	14.5	60	94	111	115	107	106	116	147	148	149	161	134
Other export products	25 1	106	98	93	102	87	86	99	116	113	111	117	112
INDIA													
All commodities	..	..	..	104a	..	100	99	105	107	111	108	112	114
Food, drink & tobacco.	..	..	..	115a	..	108	109	116	121	133	123	136	143
Raw material & semi-manufactures	..	..	..	111a	..	103	100	104	110	121	124	118	120
Manufactures	..	..	..	97a	..	96	94	99	102	103	101	103	105
INDOCHINA													
All commodities	11.1	45	68	128	121	126	135	130	132	121	103	121	138
INDONESIA													
All commodities	28.1	..	..	94	88	88	90	110	115	246	231	246	261
Estate produce	31.3	.	..	103	97	101	100	113	129	260	249	259	275
Peasant produce	27.1	..	..	92	85	81	85	116	110	246	227	249	263
Forest produce	11.8	..	..	77	72	78	76	83	82	187	190	189	183
MALAYA													
All commodities	46.1	..	88	97	94	92	91	112	*118*	*136*	..	..	..
Food, drink & tobacco.	21.3	..	94	127	104	108	124	173	*178*	*166*	..	..	..
Raw materials	53.0	..	89	91	89	86	84	105	*121*	*152*	..	..	..
Manufactures	34.0	..	83	105	104	103	100	112	*100*	*103*	.	.	..

a. Average of twelve months April 1949 to March 1950.
b. Unweighed wholesale price index of imported goods.

IX. INDEX NUMBERS OF WHOLESALE PRICES

(1948 = 100)

	1938	1946	1947	1949	1949 II	1949 III	1949 IV	1950 I	1950 II	1950 Apr.	1950 May	1950 June
INDIA												
All items	27.2a	..	81.0	103.8	102.7	105.3	105.8	106.2	107.2	106.6	107.1	107.8
Industrial raw materials	23.2a	..	84.9	107.8	107.3	106.7	110.6	113.8	113.1	112.4	112.9	114.0
Semi-manufactured articles	31.6a	..	79.6	103.6	102.7	104.5	105.3	106.5	105.6	105.1	105.8	106.0
Manufactured goods	29.4a	..	81.2	101.0	102.1	102.2	101.8	101.6	102.1	102.1	102.3	102.1
KOREA (Seoul)												
All items	..	33.8	61.4	136.8	119.8	148.3	170.1	202.3	..	208.6	..	..
Fertilizers	..	..	79.0	299.6	179.8	389.5	449.4	663.6	..	718.6	..	..
Textile raw materials	..	11.4	47.7	144.3	109.7	160.4	210.1	196.3	..	196.3	..	..
Textiles	..	14.7	48.5	140.1	121.0	146.0	173.0	149.4	..	154.5	..	..
Building materials	..	20.5	55.2	143.0	129.4	145.7	177.1	186.9	..	186.4	..	..
PHILIPPINES (Manila)												
General	20.3	143 0	93.1	85.6	83.6	85.8	81.5	78.2	72.7	74.8	72.3	71.1
THAILAND (Bangkok)												
General	6.06	..	105.0	93.4	95.1	93.3	91.1	90.1	93.8	92.3	94.8	94.1
VIET-NAM (Saigon) c												
General index	5.9b	48.3	68.2	125	120	130	127	115	114	114	114	115
Fuel & mineral products	7.0b	..	68.4	136	136	143	146	153	152	153	151	153
Raw materials	13.9b	58.0	50.3	120	121	113	115	122	140	132	144	146
Semi-finished products	6.8b	..	76.2	123	124	124	122	121	116	116	117	115
Manufactured products	4.4b	91.5	87.9	125	121	121	120	103	101	100	101	101
JAPAN												
All items	1.04	12.7	37.7	158.9	157.7	161.9	166.6	174 0	174.7	173.9	174.7	175.6
Textiles	0.85	11.2	34.2	181.5	179.1	191.3	205 5	188.4	..	185.5	192.1	..
Chemical fertilizer	1.11	22.1	43.6	140 7	141.5	139.5	142.8	164.4	..	173 3	173.2	..
Metal & products	2.26	19.2	42.2	143.1	140.4	142.0	153.7	179.3	..	180.2	183.1	..
Building materials	1.21	13.1	44.1	141.4	141.1	141.3	142.7	155.4	..	151.4	150.7	..
Fuels	1.20	9.2	37.0	149.7	143.6	153.5	158.6	176.1	..	164.1	160.4	..

a Year ending August, 1939.
b January to June, 1939.
c. New series beginning 1949, which is linked to the old series.

X. INDEX NUMBERS OF COST OF LIVING AND RETAIL PRICES

(1948 = 100)

	1938	1946	1947	1949	1949			1950				
					II	III	IV	I	II	Apr.	May	June
BURMA (Rangoon)												
Cost of living	28	106	108	135	141	149	122	116	113	110	111	116
Food	24	136	115	142	148	162	127	119	115	111	113	121
CAMBODIA (Phnom-Penh)												
Cost of living	..	..	84	138	138	142	147	145	..	..	..	..
Food	..	..	80	133	129	136	143	138	..	..	..	..
CEYLON (Colombo)												
Cost of living	..	88	97	99	98	98	101	104	103	102	102	104
Food	..	82	91	104	102	103	107	111	110	108	109	112
HONK KONG												
Cost of living	..	..	101	112	113	113	120	122	115	..	..	115
Food	..	..	100	118	122	121	133	135	125	..	..	125
INDIA (Bombay)												
Cost of living	35	85	92	101	100	101	102	101	102	101	103	103
Food	32	91	99	105	103	106	108	106	108	107	109	109
INDONESIA (Djakarta)			119									
Food	8	..		97	86	89	101	105	118	121	115	118
KOREA			65									
Retail price index (Seoul)	..	35	66	127	114	132	151	195	..	204	..	..
Food (Republic)	..	45		123	119	135	136	206	..	..	..	..
LAOS (Vientianne)			86									
Cost of living	..	..	88	115	116	121	116	108	..	..	..	..
Food	..	..		109	111	116	109	105	..	..	..	..
MALAYA (Kuala Lumpur)			106									
Cost of living	..	..	112	94	93	93	94	94	97	95	95	100
Food	..	..		95	95	92	94	95a	97	96	97	98
PHILIPPINES (Manila)			106									
Cost of living	25	143	108	94	95	93	91	92	89	91	88	88
Food	24	166		93	94	92	89	88	82	85	80	81
THAILAND (Bangkok)												
Cost of living	8	86	100	96	99	92	95	98	102	104	102	99
VIET-NAM (Saigon)			74									
Cost of living	..	46	74	122b	124	124	121	121	122	121	122	124
Food	..	43		120	123	120	114c	115	112	111	112	111
JAPAN (Urban)												
Cost of living	..	2'/d	57	138	141	141	134	131	125	124	126	124
Food	..	32d	64	134	140	138	126	124	119	118	122	117

a. Average of January and March.
b. January to November.
c. Average of October and November.
d. August–December.

XI. WHOLESALE PRICE QUOTATIONS OF SELECTED COMMODITIES[a]

(Monthly averages per ton)

	Currency	1938	1947	1948	1949	1949 II	1949 III	1949 IV	1950 I	1950 II	1950 Apr.	1950 May	1950 June
RICE													
Burma	Rs.	..	280	266	264	264	264	264	257	235	235	265	265
India	Rs.	..	..	436	442	442	442	442	432	432	432	432	432
Indonesia	Fl.	..	..	870	870	790	740	1,075	1,073	940	1,130	900	790
Japan	000 Y.	0.21[f]	12.1	24.9	29.1	24.9	24.9	27.7	29.1	..	29.1	29.1	..
Korea	000 W.	..	85	127	145	133	166	171	268	..	318	..	..
Pakistan	Rs.	..	..	..	1,014	1,107	1,045	723	..	..	..	..	..
Thailand	Baht	..	1,490	1,420	1,330	1,350	1,320	1,360	1,890	..	..	1,890	..
Viet-Nam	Pr.	106	1,720	2,100	2,630	2,440	2,850	2,720	2,180	1,910	1,940	1,830	1,920
WHEAT													
India	Rs.	..	..	566	532	545	478	407	407	409	407	407	412
Korea	000 W.	..	37	73	95	105	90	128	224	..	280	..	..
Pakistan	Rs.	..	..	323[f]	322	323	322	323	316	..	..	..	..
SUGAR													
India	Rs.	..		990	846	854	906	778	769	769	769	769	769
Indonesia	Fl.	..		2,290	1,550	1,210	970	2,230	2,857	3,500	3,500	3,500	3,500
Korea	000 W.	..	..	411	745	725	858	887	1,150	..	957	..	..
Pakistan	Rs.	..	517	969	975	965	965	965	998	998	998	998	998
Thailand	Baht	..	..	4.61	5.66	..	6.50	5.23	4.10	..	..	4.10	
		..	10.61										
PEPPER													
Cambodia	000 Pr.	0.41	23.4	35.1	96.0	68.8	135	135	136	127	133	127	121
Indonesia	000 Fl.	..	..	5.47	19.4	12.5	19.9	36.2	46.2	..	44.5	..	..
Malaya	000 M$	..	2.1	3.0	8.1	..	8.9	15.1	14.3	..	14.4	14.2	..
Thailand	000 Baht	..	17.7	23.8	46.0	40.8	63.6	62.5	62.5	..	..	62.5	..
TEA													
Ceylon	Rs.	1,540	3,460	3,330	4,170	3,660	4,340	5,220	4,890	..	4,030	3,620	..
India	Rs.	..	..	3,590	3,660	3,410	3,640	4,440	..	..	3,920	3,730	..
Pakistan	Rs.	..	..	4,760	4,090	5,790	2,690	3,810	4,034	..	4,140	4,410	..
Indonesia	Fl.	..	..	2,200	2,870	2,430	3,130	3,770	4,583	5,167	6,250	4,750	4,500
U.K.	U.S. $	630	1,020	1,190	..	1,240	1,290h	897[i]	924	888	904	862	899
U.S.A.	U.S. $	..	1,213	1,290	1,243	1,259	1,279	1,177	1,207	1,066	1,113	1,060	1,025
TOBACCO													
India	Rs.	..	..	..	5,800	5,794	6,040	6,100	6,100	7,143	7,165	7,165	7,099
Pakistan	Rs.	..	..	1,290	2,260	2,010	2,280	2,500	2,610	2,280	2,540	2,410	1,880
Philippines	P.	123	711	816	798	793	782	772	..	..	..	..	..
VEGETABLE OIL [b]													
Ceylon	Rs.	181	980	1,006	1,006	1,006	1,006	1,006	1,332	..	1,361	1,286	..
India	Rs.	..	..	666	768	748	856	753	818	878	863	895	878
Indonesia	Fl.	..	..	1,221	940	930	930	900	923	1,777	1,830	1,520	1,980
Malaya	M$	149[j]	645	1,146	906	..	883	1,000	994	1,012	1,022	1,048	965
Pakistan	Rs.	..	..	2,830	3,030	2,860	2,950	3,480	3,390	2,810	2,680	2,950	2,810
Philippines	P.	130	800	980	..	590	550	..	..	..	..	..	..
COPRA													
Ceylon	Rs.	1,110	493	540	600	600	600	600	799	..	817	801	..
India	Rs.	..	..	986	1,289	1,183	1,311	1,437	1,462	1,398	1,379	1,115	1,399
Indonesia	Fl.	..	..	390	470	443	423	510	860	1,250	1,250	1,250	1,250
Malaya	M$	..	357	646	506	..	475	592	614	625	639	643	593
Philippines	P.	60	350	515	315	300	276	335	377	..	400	..	330
Thailand	Baht	..	..	..	2,320	2,130	2,220	2,750	3,000	..	..	3,080	..
COTTON, RAW													
India	Rs.	..	1,250	1,830	1,800	1,960	1,980	1,310c	1,310	..	1,310	1,310	..
Japan	000 Y.	..	15.3	48.3	211	256	266	255[g]	..	..	..	..	..
Korea	000 W.	..	236	630	929	578	1,010	1,440	1,650	..	1,730	..	..
Pakistan	Rs.	..	..	1,850	2,090	2,250	1,880	1,890	1,870	1,980	1,880	1,980	2,080
U.K.	£	..	..	..	232	214	239	271	286	..	286	291	..
JUTE, RAW													
India	Rs.	..	..	1,078	1,069	1,078	981	1,102	1,102	1,102	1,102	1,102	1,102
Pakistan	Rs.	..	..	..	868	982	814	690	688	719	697	744	717
U.K.	U.S.$	90	323	385	..	410	380	314	316	328	322	330	320
U.S.A.	U.S.$	95	348	408	..	417	356	313	348	358	348	364	361

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

(Monthly averages per ton)

	Currency	1938	1947	1948	1949	1949 II	1949 III	1949 IV	1950 I	1950 II	1950 Apr.	1950 May	1950 June
HEMP													
Philippines	P.	118	683	883	907	917	723	992	997	919	983	925	850
WOOL, RAW													
India	Rs.	..	..	1,963	2,031	1,773	1,652	2,545	2,925	3,237	2,880	3,349	3,483
Pakistan	Rs.	..	..	..	3,180	3,160	3,010	..	3,920	4,260	3,870	3,980	4,920
SILK, RAW													
India	000 Rs.	..	.	52.9	66.9	61.5	68.6	76.5	78.6	90.8	91.1	89 0	92.2
Japan	Mn. Y.	..	..	1.57	2.29	2.25	2.01	2.45	2.67	..	2.01	2.08	..
Korea	Mn. W.	..	3.4	7.1	11.6	9.2	11.4	18.4	16.7	..	16,5	..	..
HIDES													
India	Rs.	..	..	2,160	2,010	1,930	1,870	1,970	2,040	1,710	1,540	1,540	2,040
Pakistan	Rs.	..	..	2,200	2,260	2,600	2,070	1,930	2,520	2,410	2,440	2,440	2,360
Thailand	000 baht	..	6.5	8.2	9 9	9.8	10.0	10.7	12.1	..	..	12.1	..
RUBBER, NATURAL													
Ceylon	Rs.	816	1,411	1,339	1,257	1,124	1,161	1,528	1,742	..	2,161	2,623	..
Indonesia	Fl.	..	..	1,177	1,210	1,100	1,120	1,520	1,583	3,870	2,490	4,030	4,180
Malaya	M$	530	823	929	812	755	792	1 015	1,151	1,675	1,459	1,760	1,807
Thailand	baht	..	4,833	6,531	6,233	7,294	5,950	5,950	..	..	..	..	..
U.K	£	66	113	119	108	97	102	127	145	209	181	219	228
U.S.A.	US$	324	459	483	383	387	373	373	423	606	518	631	681
Viet-Nam	Pr.	1,020	2,940	7,150	8,300	8,720	7,450	7,610	8,210	10,470	8,900	11,250	11,250
COAL													
India	Rs.	..	..	16.1	16.0	16.1	16.1	15.7	15.5	15.5	15 5	15.5	15 5
Indochina	Pr.	23	251	342	533	553	556	556	580	572	573	573	569
Japan	000 Y.	.	..	3.94	5.66	5.79	5.66	5.40	5.96	..	..	..	..
Pakistan	Rs.	..	..	85.5	89.3	89.3	89.3	89.3	89.3	89.3	89 3	89 3	89.3
Korea	000 W.	..	1.02	3.61	3.80	3.20	4.22	4.30	4.33	..	4 00	..	..
TIN													
Malaya	000 M$	1.59	3.47	4.49	4.73	4.67	4.70	4 89	4.83	4.96	4.88	4.97	5.02
Thailand	000 baht	..	..	..	20.04	20.88	20.19	18.19	16,53	..	..	18 53	..
U.K.	£	187	421	543	596	563	579	679	590	536	581	585	592
U.S.A.	US$	932	1,719	2,188	2,186	2,271	2,263	1,939	1,654	1,702	1,685	1,709	1,713
PIG IRON													
India	Rs	..	..	111	111	112	112	108	105	105	105	105	105
Japan	000 Y.	..	..	4.35	6.43	5.18	6.16	8.95	9.75	..	9.75	9 75	..
Korea	000 W.	..	4.5	15.0	27.5	23.2	29.3	37.3	50.3	..	50 0	..	..
CEMENT													
India	Rs.	..	..	83.7	81.2	81 2	81.2	81,2	81.2	81.2	81.2	81.2	81.2
Indochina	Pr.	30	523	746	961	975	971	971	994	996	996	996	996
Japan	000 Y.	..	..	2.79	4.12	3.98	4.21	4.32	4.99	..	4.80	4.80	..
Korea	000 W.	..	9.18	21.8	40.6	36.0	48.7	50.7	48.0	..	23.0	..	..
Pakistan	Rs.	..	..	..	93.8	93.8	93.8	93.8	93.8	93 8	93 8	93 8	93.8
COTTON YARN													
India	Rs.	..	..	2,620	3,130	3,180	3,180	3,060	3,050	3,050	3,050	3,050	3,050
Indochina	Pr	1.6		50.1	45.0	45.0	45.0	45.0	55.1	50.2	52.3	52.3	45.0
Japan	000 Y.	..	..	87	280	255	385	359	359	..	357	357	..
COTTON FABRICS													
India	000 Rs.	..	.	4.1	3 8	4 0	3 8	3.7	3.7	3.6	3.6	3.6	3.6
Japan (Y. per meter)		..	..	..	62	73	59	58	58	..	58	59	..
JUTE BAGS (per hundred)													
India	Rs.	..	..	133	146	129	161	156	156	156	156	156	156
Pakistan	Rs.	..	..	159	176	181	177	182	219	199	187	200	210
JUTE (hessian)													
U.K.	U.S.$	1,837	5,695	6,584	..	7,269	..	5,592	5,592	5,592	5,592	5,592	5,592
U.S.A.	U.S.$	1,728	7,549	6,596	..	5,220	5,914	6,377	6,514	5,861	6,025	5,771	5,788

a. For details regarding specification and market centre see "Explanatory Notes to Table X" in vol. I No. 1, with the exception of the following new quotations introduced in the current issue:

Country	Centre	Description
Wool Raw		
Pakistan	Karachi	Sind white
Jute (hessian)		
U.K.	Dundee	10-1/2 oz., 40 inch
U. S. A.	New York	10 oz., 40 inch
Jute, Raw		
U.K.	Dundee	Daisee 2/3 c. and f.
Cotton, Raw		
U.K.		15/16" U.S. middling, average raw cotton, commission price to spinners
Tea		
U.K.		Unit value of imports, c.i.f.
U.S.A.		Standard grade (composite)
Tobacco		
India	Guntur	Agmark grade 1

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

c. India, raw cotton, Bengal Fine M.G. substituted from third quarter 1949 for original specification the price of which in the third quarter of 1949 was 1309.

f. Average of November and December

g. October.

h. Average of July and August.

i. December

† 1937

‡ 1939

XII. FINANCIAL STATISTICS[a]

	1938	1948	1949	1949 II	1949 III	1949 IV	1950 I	1950 II	1950 Apr.	1950 May	1950 June
BURMA (million Rs.)											
Currency and Deposit Money											
Deposit money b	..	174	202	203	207	205	193	204	199	202	211
Commercial Banks											
Total deposits	108	199c	233	233	239	237	226	240	241	244	251
Assets: Cash	3	72c	109	110	117	121	72	74	64	74	83
Short term	48	67c	60	59	52	49	94	105	118	104	94
Union Bank of Burma											
Deposits: Total	..	108d	149	136	166	191	136	189	161	172	234
Government	..	44d	46	30	55	76	70	122	103	106	157
Foreign assets: Total	..	88d	172	167	200	205	141	173	144	157	219
Local assets:											
Short term: Government	..	14d	30	28	28	33	30	35	36	34	34
Bank Clearings	68	157c	128	125	143	107	123	139	116	158	143
CEYLON e (million Rs.)											
Currency and Deposit Money											
Notes: Net active	35	222	222	216	226	229	230	242	233	238	242
Deposit money b	..	579	621	515	642	734	613	640	..	.	640
Commercial Banks											
Total deposits	..	641	687	581	708	801	679	706	655	685	706
Assets: Cash	..	269	284	153	331	401	194	201	..	.	201
Short term	..	127	137	131	136	155	169	181	..	.	181
Long term	..	193	230	235	229	232	236	279	..	..	279
Bank Clearings	91	396	461	462	431	502	519	525	448	436	525
HONG KONG (million HK$)											
Currency and Deposit Money											
Notes: Total issued	..	778	840	878	833	804	803	801	801	800	801
Bank Clearings	..	689	917	992	935	918	878	945	913	1,005	917
INDIA f (1000 million Rs.)											
Currency and Deposit Money											
Currency: Net active	3.03g	13.58	12.38	12.81	12.00	11.89	12.54	12.86	12.95	12.94	12.70
Deposit money	1.35g	8.07	7.06	7.03	7.02	6.81	6.85	6.73	6.78	6.71	6.71
Scheduled Banks											
Total deposits	2.27	9.90	8.85	8.86	8.66	8.61	8.61	8.70	8.72	8.62	8.75
Assets: Cash	0.22	1.28	1.04	0.99	1.12	1.11	0.87	0.94	0.85	0.89	1.03
Short term	1.16	4.33	4.47	4.84	4.23	4.04	4.45	4.70	4.83	4.68	4.60
Long term	..	4.65h	3.74	3.51	3.72	3.76	3.60	..	..	..	..
Reserve Bank of India											
Deposits: Total	0.32	4.29	3.10	2.93	2.93	3.12	2.95	2.70	2.73	2.65	2.72
Government i	0.15	2.57	1.75	1.66	1.47	1.71	1.77	1.56	1.61	1.52	1.56
Foreign assets: Total	1.15	13.74	8.95	9.05	8.28	8.43	8.86	8.76	8.89	8.72	8.67
Banking Department	0.04	3.44	1.87	1.56	1.73	1.99	2.02	1.94	1.98	1.94	1.89
Issuing Department	1.11g	10.30	7.08	7.49	6.55	6.44	6.84	6.82	6.90	6.78	6.78
Local assets:											
Short term: Government	0.02	0.01	0.03	0.06	0.03	—	0.01	0.02	0.04	0.01	0.01
Short term: Others	0.02	0.09	0.12	0.15	0.11	0.11	0.14	0.13	0.14	0.13	0.12
Long term: Total	0.39	2.83	5.01	5.16	5.08	5.07	5.10	5.27	5.21	5.31	5.29
Banking Department	0.06	0.75	1.00	1.09	0.90	0.92	0.86	0.59	0.61	0.59	0.57
Issuing Department	0.32	2.08	4.01	4.07	4.18	4.15	4.24	4.68	4.60	4.72	4.72
Banking Clearings	1.54	5.07	4.77	4.71	4.37	4.75	4.83	4.61	4 56	4.79	4.49
INDO-CHINA (million Pr.)											
Commercial Banks											
Total deposits	..	1,126	1,284	1,323	1,293	1,357	1,574	1,520	1,466	1,523	1,572
Assets: Short term	..	338	600	581	662	668	735	683	745	634	670
INDONESIA (million Fl.)											
Currency and Deposit Money											
Notes: Total issued j	1886	1,577j	1,740	1,706	1,772	1,864	1,994	2,114	2,287	2,008	2,048
Bank of Java											
Demand deposits	83g	884j	756	737	761	835	1,238	833	1,190	655	654
Foreign assets: Total	128g	..	551	557	567	549	735	726	717	735	725
Local assets:											
Short term: Government	9g	916g	972	939	1,010	1,105	1,622	1,980	2,262	1,674	1,854
Short term: Others	61g	..	70	68	66	65	69	120	91	171	97

XII. FINANCIAL STATISTICS *(Contd.)*

	1938	1948	1949	1949 II	1949 III	1949 IV	1950 I	1950 II	1950 Apr.	1950 May	1950 June
JAPAN (1000 million Y.)											
Currency and Deposit Money											
Notes: Net Active k	2.9	338.1	294.0	292.2	281.4	304.7	296.8	298.1	305.3	293.7	295.3
Deposit money	5.3g	266.9	364.2	342.5	383.6	404.0	430.4	437.8	437.4	435.2	440.9
All banks except Bank of Japan											
Total deposits	19.1	326.4	613.9	560.5	653.7	720.7	806.7	852.3	839.5	849.0	868.5
Assets: Cash	1.5g	52.6	101.5	89.8	105.4	118.0	134.5	130.5	124.3	131.6	135.7
Short term	12.7	248.3	496.8	437.0	529.3	631.0	715.8	786.1	775.7	781.3	801.4
Long term	5.8	68.2	115.4	121.3	113.6	112.1	106.4	110.2	107.6	111.2	111.8
Bank of Japan											
Deposits: Total	0.4	29.5	57.2	65.7	67.6	44.2	48.8	49.7	51.5	52.5	45.2
Government	0.3	10.4	35.2	43.0	43.9	19.9	30.6	32.3	33.3	35.5	28.2
Local assets:											
Short term: Government	—	69.0	94.1	98.1	99.5	98.5	84.5	70.2	70.2	70.2	70.2
Short term: Others	0.1	54.6	77.8	68.2	78.1	97.6	101.3	128.6	123.7	131.9	130.2
Long term: Government	1.8	153.8	182.3	188.7	165.3	159.3	170.2	145.1	160.6	138.8	136.0
Bank Clearings	..	235.7	549.2	518.2	545.4	681.6	656.4	746.6	716.8	760.1	762.7
KOREA m (1000 million W.)											
Currency and Deposit Money											
Notes: In circulation	0.31	28.00	42.06	34.49	40.86	57.86	60.45	..	..	..	..
Deposit money	0.12	11.48	20.65	15.56	23.82	26.18	25.92	..	..	..	..
All Banks											
Total deposits	0.52	32.93	56.93	49.31	66.13	64.81	69.88	..	..	..	..
Assets: Cash	0.05	8.31	15.44	12.62	17.59	18.79	26.05	..	..	..	..
Short term	1.05	32.16	52.92	39.00	54.23	76.25	85.90	..	..	..	..
Long term	0.41	3.25	3.53	3.48	3.57	3.68	4.14	..	..	..	..
Bank of Korea											
Deposits: Total	0.62	5.18	7.86	7.14	10.33	7.06	8.83	..	..	..	..
Government	0.06	0.13	0.54	0.46	0.85	0.64	0.68	..	..	..	..
Local assets:											
Short term: Government	0.09	0.14	0.30	0.32	0.40	0.43	0.46	..	..	..	..
Short term: Others	0.97	8.20	13.45	7.12	11.75	26.57	34.64	..	..	..	..
Long term	0.28	0.18	0.41	0.40	0.44	0.48	0.54	..	..	..	..
Bank Clearings	0.20	20.57	39.87	34.29	41.73	56.93	58.13	..	..	..	..
MALAYA (million M$)											
Currency and Deposit Money											
Currency: Total issued	..	400g	402	403	403	403	403	410	403	409	418
PAKISTAN (million Rs.)											
Currency and Deposit Money											
Currency: In circulation	..	1,708	1,741	1,741	1,718	1,694	1,804	1,789	1,823	1,799	1,744
Deposit money	..	990	999	978	982	1,043	1,045	1,081	1,073	1,089	1,081
Scheduled Banks											
Total deposits	..	1,092	1,072	1,083	1,061	1,094	1,151	1,198	1,179	1,194	1,221
Assets: Cash	..	218	204	224	187	244	182	161	149	155	179
Short term	..	322	428	426	429	414	519	511	534	510	491
State Bank of Pakistan											
Deposits: Total	..	1,164	1,015	1,118	935	930	796	*760*	791	760	*727*
Government	..	911	795	883	716	669	579	*586*	628	596	*534*
Foreign assets:											
Banking Department	..	1,009	732	837	673	551	361	*313*	328	284	*323*
Issuing Department	..	1,203	1,618	1,729	1,575	1,378	1,475	*1,401*	1,428	1,428	*1,348*
Local assets:											
Short term: Government	..	117	111	117	108	105	106	*103*	105	102	*103*
Short term: Others	.	..	3	—	1	3	17	*10*	12	18	—
Long term:											
Banking Department	..	65	178	155	181	271	301	*336*	347	331	*331*
Issuing Department	..	25	97	..	136	265	297	*361*	361	361	*361*
Bank Clearings	..	300	325	331	280	295	355	327	336	359	286

XII. FINANCIAL STATISTICS (*Contd.*)

	1938	1948	1949	1949 II	1949 III	1949 IV	1950 I	1950 II	1950 Apr.	1950 May	1950 June
PHILIPPINES (million P.)											
Currency and Deposit Money											
Currency: Net active	141g	513	551	552	524	571	568	574	576	570	577
Deposit Money	73g	547	547	560	536	497	493	530	519	540	531
Commercial Banks											
Total deposits	..	..	886	889	882	855	814	..	838	864	..
Assets: Cash	65g	313	203	204	190	178	181	..	187	173	..
Short term	210	..	563	560	550	567	586	545	545	543	544
Long term	49	..	84	82	91	83	55	..	67	67	..
Central Bank of Philippines											
Deposits: Total	..	..	144	184	141	110	133	138	141	134	139
Foreign assets: Total	..	400	607	671	567	485	442	447	449	450	441
Local assets:											
Short term: Others	..	..	30	3	25	91	85	62	73	48	64
Long term	..	..	20	5	16	59	103	122	116	124	126
Bank Clearings	26	381	443	495	433	426	460	..	441	524	..
Total Bank Debits to Checking Account	175	772	723	723	735	732	597	..	584	695	..
THAILAND (million baht)											
Currency and Deposit Money											
Notes: in circulation n	191g	2,237	2,505	2,509	2,487	2,516	2,648	..	2,737	2,680	..
Deposit money p	..	1,014	1,020	1,010	1,061	1,041	*939*	*935*	*923*	*946*	*937*
Commercial Banks											
Total deposits	53	786	829	817	865	851	821	815	821	820	803
Assets: Cash	13	369	330	329	340	325	263	247	248	245	249
Short term	28	406	546	497	516	556	625	600	622	608	568
Long term	8	102	101	101	100	99	88	90	88	88	95
Bank of Thailand											
Deposits: Total	..	717	1,166	1,181	1,326	1,268	1,308	1,451	1,350	1,464	1,540
Government	..	338	444	492	533	423	437	501	434	510	560
Foreign assets											
Banking Department	..	301	390	419	532	475	401	550	471	559	610
Issuing Department	111g	1,421	1,877	1,804	1,844	2,168	*2,291*	*2,373*	*2,373*	*2,373*	*2,373*
Local assets:											
Short term: Others	..	434	604	580	588	638	820	827	825	833	822
Long term:											
Banking Department	..	5	150	158	152	141	143	143	143	143	144
Issuing Department	..	951	755	858	739	500	500	500	500	500	500
Bank Clearings	..	774	1,112	1,042	1,092	1,246	1,350	..	1,170	1,458	..

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

b Demand deposits of commercial banks.

c Average March-December.

d Average April-December.

e Figures for 1949 are end of quarter and their averages. 1950 figures are end of period.

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

g End of year.

h Average of September-December.

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

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

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

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

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

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

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This is the third issue of a BULLETIN intended to provide a regular review of the economic situation of Asia and the Far East in the intervals between the publication of the annual ECONOMIC SURVEY OF ASIA AND THE FAR EAST. Three issues of the BULLETIN will be published annually, in August, November and February, covering the first, second and third quarters of the year respectively. The analysis of economic developments in the fourth quarter of the year will be included in the ECONOMIC SURVEY OF ASIA AND THE FAR EAST (which will be published in the future, as in the past, at the end of May). In addition to the general review of economic developments in the quarter and the compendium of Asian Economic Statistics on which it is based, the BULLETIN will contain special articles on particular subjects related to the problems of the Asian economy.

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

TABLE OF CONTENTS

Page

I. REVIEW OF THE ECONOMIC SITUATION IN ASIA AND THE FAR EAST, JULY-SEPTEMBER 1950 ... 1

II. SPECIAL ARTICLES:

THE ECONOMIC RECLASSIFICATION OF GOVERNMENT BUDGETS AND ACCOUNTS ... 20

FISHING INDUSTRIES OF ASIA AND THE FAR EAST ... 31

FIELDS OF ECONOMIC DEVELOPMENT HANDICAPPED BY LACK OF TRAINED PERSONNEL IN ECAFE COUNTRIES ... 40

III. ASIAN ECONOMIC STATISTICS ... 53

(For list of tables see page 52)

REVIEW OF THE ECONOMIC SITUATION IN ASIA AND THE FAR EAST

JULY—SEPTEMBER 1950

SUMMARY

THE effects of the Korean hostilities on the economy of the region began to make themselves felt in the third quarter of 1950, in the form of rising prices, a strong demand for goods from Japan and for essential raw materials from south and south-east Asia, and further restriction of trade with China.

In the field of international co-operation, there were several important developments. These included the start that was made in the practical application of the Commonwealth plan for the economic development of south and south-east Asia, the admission of Ceylon and Pakistan to membership of the International Monetary Fund and the International Bank, and an increase in the activities of the United States Economic Co-operation Administration in the region.

Reports on agricultural production in the region indicated a slightly improved position in regard to food production. Production of rubber continued to increase. In the field of mining, production of coal and tin concentrates in the region declined slightly. Production of coal was also slightly lower in Japan. Electric power generation continued to increase in the region. In Japan there was a seasonal decline but production was substantially higher than in the corresponding period of 1949. In the sphere of manufacturing industry, there was an increase in iron and steel production in India, but a fairly marked decline in cotton textiles. In Japan increases were registered in most important industries.

Trade controls were relaxed slightly in Burma, India, Indochina, Malaya and Pakistan but were tightened in China and Hong Kong. The value of total trade in terms of national currencies was greater in the third quarter of 1950 than in the preceding quarter and the corresponding quarter of 1949. During the quarter more positive balances of trade were registered among the countries of the region than negative balances, and it appeared that the region was returning to its pre-war pattern of positive trade balances which were used to pay for invisible imports.

There was an inflationary tendency in the region taken as a whole, mainly as an indirect result of the Korean war and world rearmament.

GENERAL

During the period under review the hostilities in Korea began to affect the economy of the region in several ways. Apart from the severe blow dealt to the economy of Korea itself, the most clearly perceptible effect was the sudden demand in Japan for supplies for the United Nations forces and consequently an appreciable rise in Japanese exports. Events in Korea, by speeding up the movement towards rearmament, also contributed to a rise in the prices of many commodities, in some cases purely speculative, and, in particular, to an increase in the prices of rubber and tin. In addition, the Korean developments caused an acceleration of the movement initiated by the United States to restrict exports to China.

At the end of August, Ceylon became the forty-ninth member of the International Monetary Fund and the International Bank. The Government of Pakistan announced in July the enforcement of the International Monetary Fund and Bank Act, with effect from 7 July, thus completing the process of Pakistan's entry into membership, and it was understood that Pakistan had submitted sixteen projects for consideration by the Bank. The Bank was also reported to have granted a loan of $19.9 million to Thailand for the improvement of roads, railways, postal and telegraphic services, and the harbour of Bangkok, as well as for agricultural and irrigation projects. Orders for locomotives, rolling stock and rails were reported to have been placed in Japan, and for diesel locomotives in the United States.

Other developments in connection with United Nations activities in the field of economic aid to countries of the region were the signature in September of agreements between the Food and Agriculture Organization and the Governments of Burma and Ceylon regarding technical assistance for agriculture and forestry, and the discussions in this connection which were begun with Pakistan. In addition, certain of the allocations made by UNESCO for technical aid to Ceylon, India, Indonesia and Pakistan covered projects of an economic character.

The most noteworthy, if not the most immediately significant, of developments in connection with external economic aid was the working out of the Colombo plan for economic assistance to the countries of south and south-east Asia. The plan originated in a meeting of Commonwealth foreign ministers held at Colombo in January, 1950. This was followed by further conferences at

Sydney in May and again at Colombo in July, when a plan was drafted for a technical assistance bureau to supply expert advice on technical problems, for which purpose a sum of £8 million is to be provided. Meanwhile the countries concerned proceeded with the task of drawing up six-year plans of economic development. These plans were presented at a further meeting of Commonwealth ministers which began in London on 26 September. The meeting was also attended by representatives of Burma, the Associated States of Indochina, Indonesia and Thailand. The first action taken was to approve the plan for the establishment of a technical assistance bureau.

The United States Economic Cooperation Administration continued at an accelerated pace its programme of aid to countries in the region. On 13 September an agreement was signed between the United States Government and the Government of the Union of Burma providing for aid in reconstruction and development. The Burmese Foreign Minister stated that the value of the aid contemplated for the period up to 30 June 1951 was eight to ten million dollars and that it was expected that this would be considerably increased in the following year. The Economic Cooperation Administration made various additional grants to Indochina during the quarter. On 13 September a credit of $360,000 was opened for the purchase of textiles from Japan and another of $115,000 for the purchase of insecticides. The total of ECA grants to Indochina at that date was reported as $1,318,000. On 19 September an agreement on economic and technical cooperation was reached between the United States Government and the Government of Thailand. It followed the pattern of other ECA agreements, and the Government of Thailand agreed to establish an account in which would be deposited the local currency accruing from the sale of commodities supplied by the United States Government, the account being used for purposes approved by the latter.

Economic conditions within the Philippines were the subject of study by the United States and a mission headed by Mr. Daniel W. Bell arrived in the Philippines in July. It was indicated in Washington that after the mission had reported it was likely that the Philippines would receive ECA and Point Four aid.

The United States Export-Import Bank announced in August that authority had been given for the use of about $22 million of the $100 million credit for Indonesia, for the rehabilitation of road transport. In addition, a Netherlands general purpose loan to Indonesia of 200 million guilders, plus a credit of 80 million guilders to consolidate a debt assumed by Indonesia at the Round Table Conference in 1949, was approved in August by the Netherlands Lower House. The total credit is to run for 11-1/2 years from 1 July, 1951, with an interest rate of 3-1/2 per cent annually and redemption beginning in 1953.

PRODUCTION

Agricultural production

Such reports as became available during the quarter indicated a slightly improved position in regard to food production. It was reported by the FAO in August that, in spite of the necessity of shipping rice to Korea for relief purposes, no serious overall shortage was expected, since additional supplies were likely to be forthcoming within the next six to twelve months. The report stated that, in general, world rice production had attained the prewar level, despite a partial crop failure in China. There was an increased area under rice in India and large crops in the western hemisphere. The report stated, however, that the precarious balance between world supply and demand could easily be upset by unforeseen developments in any major rice producing or consuming country.

Information from the countries of the region indicated that the next rice crop was likely to be somewhat better than the preceding one. The second forecast of Burma's rice production for 1950/51 gave the area sown as 9.4 million acres. The corresponding estimate for the previous crop year was 8.9 million acres, and the actual area sown was 9.3 million acres. Production in 1950/51 was therefore likely to be somewhat greater than in 1949/50, and, with the improvement that has taken place in transport facilities, more should become available for export.

From Indochina it was reported that measures had been taken to check the rise in the price of rice. Supplies to northern Viet-Nam were to be assured through controlled purchases in the trans-Bassac area, while the export of cargo rice and white rice to foreign countries was suspended in Saigon with effect from 15 August.

In the Philippines it was estimated that the area under rice had increased by about 400,000 acres to 5.9 million acres, and favourable growing conditions indicated that a larger crop could be expected than in previous years. The preliminary estimate of paddy was 2.6 million tons, which would be a 4 per cent increase on 1949.

In regard to grain crops, the final estimate of production of jowar (maize) in India for 1949/50 was 5,760,000 tons, compared with 5,013,000 tons for the previous year. Acreage was estimated to have increased from 36,525,000 acres to 37,438,000 acres. From Indochina it was reported that the exportable surplus of maize was likely to be the largest in the post-war period and to amount to about 50,000 tons. Negotiations were going on with the French authorities in order to sell the maize above world prices.

In Pakistan it was reported that the area under wheat in the North-West Frontier Province had increased by 200,000 acres, and the 1949/50 crop was estimated at 300,000 tons, an increase of 78 per cent over the previous year. For the whole of Pakistan, the wheat crop was esimated to be slightly lower in 1949/50 than in the previous crop year. A surplus of wheat was tending to develop, and proposals were made to switch to cotton, sugar cane and oil seeds. In August higher standards were prescribed for wheat purchased by the Government and for exported wheat.

The Japanese Ministry of Agriculture and Forestry announced in August that grain crops were expected to attain almost the pre-war (1935 to 1939) average. Barley production was estimated at 81 million bushels. The actual production of barley in 1949 was 82.5 million bushels, and the average for 1935-1939 was 65 million bushels. The yield per acre, however, was still below the pre-war level. Because of larger supplies, the Foodstuffs Control Corporation reduced the milling rates of both wheat and barley.

The production of soybeans in China was reported to have increased from 1.7 million tons in 1949 which was probably the smallest in several decades, to 2.9 million tons in 1950. Between 1930 and 1940 Manchuria produced an average of 3.6 million tons of soybeans annually, but this figure has never been attained since that period. The official plan for soybean production in Manchuria was said to provide for a production in the coming year of 117.2 million bushels from 75 million acres.

Estimates of sugar production in India for 1950/51 indicated an increase of about five per cent over the previous year. The increase in area planted to sugar, which is entirely accounted for by the additional acreage in Uttar Pradesh, was about 4.7 per cent. Production of sugar in the Philippines in 1950/51 was expected, for the first time since the war, to attain the pre-war level and to reach almost one million tons, with the result that it may be possible to meet the export quota of about 850,000 tons. The 1949/50 crop was only 635,000 tons.

In regard to tea production, the original estimate of damage to the tea gardens of Assam through the earthquake appears to have been unduly high. Later reports gave a loss of only 1.5 million pounds, or about 0.3 per cent of the estimated tea crop of northern India for the year. Total production of tea in India was expected to be about 600 million pounds. The first estimate of tea production in Japan for 1950 indicated that production would be about 67 million pounds, an increase of about nine per cent over 1949 but not much more than half the annual average production for 1935 to 1939.

In regard to oilseeds, it was reported from India that the flax seed crop in 1949/50, in comparison with the previous crop year, had declined by about four per cent to 17 million bushels, mainly owing to unfavourable weather in Bihar. In Pakistan, however, production of flax seed in 1949/50 was 520,000 bushels compared with 480,000 bushels in the previous year. On the other hand, there was an estimated decline of about four per cent in the production of rape seed and mustard seed, despite a larger acreage sown to these crops. This decline was due to unfavourable weather in Bahawalpur State, the North-West Frontier Province and the Punjab.

The second forecast of the cotton crop in Burma for 1950/51 showed a slight decline compared with 1949/50. In both India and Pakistan, on the other hand, the cotton crop was reported to be doing well, in spite of damage from rain and floods in some areas. Planting in India was delayed because of the lateness of the monsoon. Both the Central and State Governments in India continued to devote attention to increasing cotton production. In Pakistan the Government sanctioned expenditure for the production of pure seed of long-staple American cotton, and work on this had already started at two research centres. The cotton crop in China for 1950, which was reported to be sufficient to operate all China's existing spindles, was estimated to amount to 15 million piculs, compared with 8.5 million piculs in the previous year.

A decline in the area under jute in Pakistan for 1950/51 was reported in August, though it was estimated that the yield would be larger than in the previous year. The Government of Pakistan decided in September to enter the jute market as a purchaser of certain qualities of jute in order to stabilize prices. Arrangements were made by the Jute Board to set up a net-work of agencies, and credit facilities are to be provided where necessary. Jute production in India was said to be increasing.

The position of the abaca industry in the Philippines continued to cause concern. Attempts were made to induce the United States Government to include the Philippines in the United States programme to expand abaca production in Central America. A new corporation, called the Ramie Corporation of the Philippines, was organized in September. It plans to have 1000 hectares of ramie plants in growth by October 1951.

Production of rubber in the region continued to increase during the quarter. Total production in British Borneo, Ceylon, India, Indochina, Indonesia, Malaya and Thailand averaged 165,000 tons a month, compared with 146,000 tons a month in the preceding quarter. With the exception of India, which accounts for a very small part of the total, all the countries named increased their production.

In Ceylon it was stated that, under the 1947-1950 programme of land development, 36,000 acres would be developed by the end of September 1950. A further 14,000 acres were to be developed in the following year.

It was reported by the Indian Ministry of Agriculture in July that the Government had allocated 285,000 tons of ammonium sulphate during 1949/50 to various States for the production of food crops. This was an increase of 45 per cent over the previous crop year. The Reserve Bank of India in August sanctioned a loan of Rs.50 lakhs to the State Cooperative Bank for crop raising in Madhya Pradesh during 1950/51. In September the Rural Banking Enquiry Committee submitted to the Government a report containing detailed recommendations for the mobilization of rural savings and the establishment of rural credit machinery.

The Government of Bombay decided in July to subsidize rural credit societies. On 7 September the Government of Madras took over all the zamindaris of Krishna and West Godawari under the Zamindari Abolition Act. On 25 September the Land Reforms Act, which provides for the abolition of zamindaris in Bihar, came into operation.

In the Federation of Malaya the Six-year Development Plan was approved in July by the Federal Legislative Council. This provided, among other things, for capital expenditure to increase by substantial amounts the production of rubber, rice, pineapple, fish, copra, coconut and palm oil, and timber. It was proposed also to increase the number of cattle in the country.

In Pakistan a beginning was made on construction of the Kotri Barrage in Sind. This is expected to be completed in 1954 and to irrigate about 2.8 million acres. Steps were also taken in Sind to promote the mechanization of agriculture by importing tractors and providing for their maintenance and most economical use. At the meetings of the Council of Technical Education, it was proposed to increase the provision for research in agricultural and veterinary science.

Industrial and Mineral Production

Compared with the second quarter of 1950, a slight decline was registered in the region's production of tin in concentrates and coal. In comparison with the corresponding quarter of 1949, production of tin in concentrates was five per cent higher and production of coal was almost the same. Production of cotton yarn (India only) was eight per cent lower than in the second quarter of 1950 and 16 per cent lower than in the third quarter of 1949.

Pig iron, steel ingots and finished steel production (India only) rose by five to eleven per cent compared with the previous quarter. Pig iron production was four per cent lower than in the third quarter of 1949, but steel ingots and finished steel were up by nine and seven per cent respectively. Cement and sulphuric acid production, and electricity generation, rose in comparison both with the preceding quarter and the corresponding quarter of the previous year.

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

(*Monthly averages in thousand tons*)

	1949				1950			Relative changes in 3rd quarter of 1950	
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	3rd Quarter 1949 = 100	2nd Quarter 1950 = 100
Tin in concentrates	7.70	8.57	8.32 p	8.51 p	8.50 p	8.88 p	8.76 p	105 p	99 p
Coal	2,878	2,734	2,763	2,894	3,033	2,838	2,775 b	100	98
Electricity (million kilowatt hours)	436	471	469	478	461	483	492 c	105	102
Pig iron and ferro-alloys	119	130	136	139	136	125	131	96	105
Steel ingots & castings	107	116	114	121	120	112	124	109	111
Finished Steel d	76	74	81	83	82	79	87	107	110
Cement	182	191	208	243	251	239	245	118	103
Cotton Yarn	54.1	52.3	50.0	49.3	45.7	45.9	42.0	84	92
Sulphuric acid	6.77	2.35 e	8.60	9.14 p	7.43 p	8.89 p	9.07 p	105 p	102 p

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

b. Average of July and August for Indonesia; only July figure available for Pakistan.

c. Average of July and August for Philippines.

d. Revised figures.

e. June only.

p. Provisional.

In Japan industrial production rose, though there was a seasonal decline in the generation of electricity and a slight fall in coal production. The rise continued a trend which has been noticeable for a long period, but it was probably sustained in part by the "special demand" arising out of the Korean hostilities.

Governments in the region continued to devote attention to the problems of industrialization, and some developments in this connection are described below. In Ceylon a Cabinet sub-committee, consisting of the Ministers of Finance, Commerce and Trade, and Industries, Industrial Research and Fisheries, was appointed in August to report on foreign investments, the inducements that might be offered to foreign investors, and the safeguards that should be applied to protect local capital. The Minister of Industries emphasized that the Government's policy was to encourage the inflow of foreign capital, while at the same time promoting the growth of domestic capital.

The Development Plan of the Federation of Malaya, which was approved in July by the Federal Legislative Council, provides for a six-year programme involving a capital expenditure of 186 million Malayan dollars, and a recurring annual expenditure of 43 million. Part of this is to be used for increasing the production of iron ore from 600,000 tons to 1.5 million tons a year, and the production of coal from 400,000 tons to 700,000 tons a year. It is proposed also to increase tin production by about 15 per cent. The Government had previously announced its decision to set up an interim organization, designated the Rural and Industrial Development Authority, to decide on the priorities to be given to the various projects laid before it and to determine how they shall be controlled and financed. It is intended that the Authority shall have its own finance and develop into a statutory corporation.

The mission headed by Lord Burghley, which had visited Pakistan at the request of the Government, issued its report on the possibilities of industrialization in that country. It called attention to the deficiency in many raw materials and the present lack of technical personnel. In connection with the proposal contained in the 1949 report on Pakistan industry to manufacture 100,000 tons of ammonium sulphate annually in the Punjab for use mainly in East Pakistan, the report pointed out that the high freight costs involved made the plan uneconomical, and it suggested that, in general, plans for heavy chemical manufacture should be postponed. The Mission also considered that the present development of Pakistan did not justify the establishment of works for the manufacture of heavy machinery and electrical equipment. It suggested the increased manufacture of light products and the development of spinning, to supply yarn for the hand-loom industry, and made recommendations for increasing the number of technicians. The mission estimated total expenditure on the government development plan over the next five years at about £200 million.

The President of the Philippines on 10 August issued Executive Order No. 341 under Republic Act No. 35, establishing regulations for the exemption from taxation of "new" and "necessary" industries. The Order defined such industries and authorized the Secretary of Finance, in consultation with other departmental chiefs dealing with economic affairs, to determine the particular enterprises which should qualify.

On 28 August the National Economic Council of the Philippines recommended to the Government the release of five million pesos for the rehabilitation of the mining industry, to be made available in the form of loans from the Rehabilitation Finance Corporation. It was proposed that the money should come from the balance of the 200 million pesos earmarked by the Central Bank for self-liquidating productive projects.

On 22 August the Department of Economic Co-ordination submitted to the President a report by the Committee on Reorganization of Government Corporations. The general trend of the report was in favour of leaving as much scope as possible to private enterprise. It recommended the reduction of the number of government enterprises from twenty-four to sixteen, the limitation of the rôle of the Government in the exploitation of the country's resources to necessary financial assistance and the organization of development banks in rural areas. The report recommended that the Government should not participate in export trade, agriculture, or activities competing with private enterprises. It also proposed that the Government should give preference in the establishment of essential industries to iron and steel, those using local products as raw materials, and those using well proven processes.

Coal and Electricity. Total output of coal during the quarter in India, Indochina, Indonesia, Malaya and Pakistan declined by a little over two per cent compared with the preceding quarter but was very slightly higher than in the third quarter of 1949. Malaya was the only country where production was higher in comparison both with the preceding quarter and the corresponding quarter of 1949.

The total amount of electricity generated in Hong Kong, India and the Philippines increased both in comparison with the preceding quarter and the third quarter of 1949. In Japan there was a seasonal decline but the amount generated was still over 6 per cent greater than in the corresponding period of 1949.

Mining. Production of tin in concentrates in Burma, China, Indochina, Indonesia, Malaya and Thailand during the third quarter of 1950 reached a monthly average of 8,760 tons, which was about 1.4 per cent less than in the second quarter but more than five per cent greater than in the corresponding quarter of 1949. Production of tin metal in Malaya reached the high figure of 6,252 tons a month, an increase of nine per cent over the preceding quarter.

The Federal Mines Department in Malaya attributed the decline in the production of tin in concentrates in the third quarter to the fact that fewer dredges were in operation in some of the Malayan states, to the seasonal shortage of water and to the high price of tin, which enabled lower grades of ore to be worked. In Thailand tin operators requested the Government to assist in finding new lodes and veins, since deposits in several mines were becoming exhausted. Production of tin in Thailand is currently about two-thirds of the amount produced before the war. It was also reported that five companies had applied to the Mines Department for permission to prospect for tin off the west coast of Thailand. Four of these companies are British, including three which are already operating in Thailand, and the fifth is a Thai company.

Production of iron ore in Malaya continued to increase and reached a monthly average of 54,000 tons. In Hong Kong production declined slightly. Japanese production was about 12 per cent greater than in the second quarter, though slightly less than in the corresponding quarter of 1949.

From India it was reported that prospecting for petroleum was being continued at Barsilla, Assam, about 100 miles from Digboi, where India's present oil production is obtained by the Burma Oil Company. In New York it was stated by a representative of the Government of Pakistan that the participation of American experts in the development of the country's oil resources would be welcomed. It was stated also that if prospecting operations were successful, the licensee would have the right to obtain an oil mining lease for a period of up to 30 years. In Burma, the Oil Fields Enquiry Committee appointed by the Government in November 1949 to enquire into conditions in the oil industry and suggest measures for its rehabilitation, published its report in September.

Manufacturing. Notes on developments in the sphere of manufacturing industry in countries of the region and in Japan are given below.

Ceylon. The government glass factory at Nattundiya resumed production in August, after a suspension of operations for four months. The Government decided to permit the Bata Shoe Company to establish a branch in Ceylon to manufacture rubber shoes. The cottage industry of mat-weaving located in Panadura was said to be in difficulties owing to lack of raw materials.

China. Industrial production in Manchuria was reported to be expanding as the result of heavy governmental investment, but no details are available. It was also reported that Soviet technicians were assisting in the industrial rehabilitation of Manchuria. Plans for the manufacture of motor-cars in China were said to be under way.

Hong Kong. The rubber manufacturing industry was reported to be hit by rising costs and lack of orders. On the other hand, the iron and steel industry, which has a monthly maximum output of 2,000 tons, was reported to be flourishing because of orders from the Philippines, Singapore, Thailand and other Asian countries.

India. Production of pig iron and ferro-alloys, steel ingots and castings, and finished steel increased in India in the third quarter as compared with the preceding quarter. The increase in the production of ingots and finished steel was about ten per cent. As compared with the third quarter of 1949 pig iron production was lower, but production of ingots and finished steel was higher by about eight per cent.

In his speech of 24 August, the Chairman of the Tata Iron and Steel Company commented on the present position and future prospects of the iron and steel industry in India. He said that in the Tata works the labour force continued to be much in excess of needs, but that a better spirit among the workers, together with plant improvements, had brought about an increase in the production of finished steel from 664,000 tons in 1947/48 and 671,000 tons in 1948/49 to 727,000 tons in 1949/50. He referred to discussions with the Government concerning a long-term loan for the purpose of raising the capacity of the Jamshedpur plant from 750,000 tons to about 935,000 tons a year over a period of six years. He then mentioned the plans of the Government to construct at least one new steel plant with a capacity of 600,000 tons a year and expressed doubt as to whether the Government would be able to finance such a project in the near future.

Production both of cotton yarn and cotton fabrics declined in India by about 10 per cent compared with the previous quarter and was also substantially below production in the corresponding quarter of 1949.

Indonesia. The Indonesian Government was said to have decided to establish two dessicated coconut plants, in collaboration with American industrialists, at an estimated cost of $3 million. The Government will contribute about 51 per cent of the capital.

Pakistan. Textile production increased, though capacity was still much less than was planned under the five-year programme, which calls for one million spindles and about 17,000 looms. So far only about 100,000 spindles and 800 looms have been installed. Current production was reported to be at the annual rate of 75,000 bales of cloth of 1,500 yards each and 19,000 bales of yarn of 400 lbs each.

The first stage of construction of the Pioneer Woollen Mill at Gujranwala was completed and the manufacture of worsted goods was begun. The remainder of the machinery for the mill has arrived and the factory is expected to be in full operation shortly.

A modern silk factory, known as the Al-Meen Silk Mills, was opened in September. In July orders were placed in the United Kingdom for machinery for Pakistan's first three jute mills, comprising a thousand looms, and shipments are expected to begin in January 1951 and to be completed by the middle of 1952.

In July the Government approved various plans for the development of cottage industries, and the services of an American expert in the marketing of handicraft goods were obtained. In September the Government sanctioned the establishment near Chittagong of a paper mill with a capacity of 30,000 tons a year.

Thailand. In July the Government decided to send a study group to India to study the lac industry in that country, with a view to its revival in Thailand. The Cabinet Council, in September, approved the expenditure of three million baht for new machinery for the Government paper factory. The Ministry of Industry's plans to establish a central government printing plant and to start a gunny sack factory were reported to have been approved.

The National Economic Council was said to be considering plans to promote four industries, viz. paper, cotton cloth, spinning, and leather tanning. It was also reported that the Government was obtaining a sugar mill from Taiwan. In September the industry sub-committee of the National Economic Council approved a plan to establish an industrial bank, with a capital of 100 million baht.

Japan. Compared with the preceding quarter, there was a slight decrease in pig iron production and a slight increase in the production of steel ingots, the latter reaching a figure of 404,000 tons a month, which is the highest since the end of the war. In both cases production was at a much higher rate than in the corresponding quarter of 1949.

Cement production was over 10 per cent higher than in the preceding quarter and about 25 per cent higher than in the third quarter of 1949. There was a further rise in production of both cotton yarn and fabrics and this continued a trend which has existed since the beginning of 1949.

INTERNATIONAL TRADE

Trade and exchange controls

During the quarter trade controls were relaxed in Burma, India, Indochina, Malaya and Pakistan, but tightened in China and Hong Kong. Exchange control was relaxed in Ceylon, as a result of the improvement in its balance of payments position. The United States Government stopped all exports of strategic goods and materials to the Soviet Union and certain adjacent countries, including China. It also tightened controls on shipments to Hong Kong to prevent reshipments to China. The United Kingdom Government in July placed an embargo on oil shipments to China.

In *Burma* import controls were relaxed considerably, owing mainly to an improvement in the balance of trade position in the previous quarter. By Open General Licence No. 4 of 15 July specified varieties of cotton textiles such as long cloth and shirting could be imported freely, provided they were shipped between 15 July and 31 October and were of sterling area origin. The value of goods imported under this Open General Licence up to 28 August amounted to Rs. 3.9 million of which long cloth and shirting accounted for Rs. 2.3 million. With effect from 15 August 1950 medicines from sterling area countries were placed on the Open General Licence provided they were shipped between 15 August and 31 December.

In *Ceylon*, owing to the improvement in the balance of trade and the foreign exchange position, the Government decided to relax restrictions on remittances to persons abroad. Discussions took place on the desirability of abolishing import controls completely, but "the Ceylonization of Trade Committee" submitted a report to the Government recommending that the machinery of import control should be preserved even if import control was abolished. Meanwhile import licences for Japanese goods were issued on the basis of last year's allocation, pending the final agreement between Japan and the sterling area.

With effect from 21 July 1950 the Government levied a new export duty of 15 Ceylonese cents per pound on raw rubber and also increased the export duty on tea from 38 cents per pound to 53 cents per pound. The Government justified the export duty on rubber on the grounds that it was one of the industries which had benefited most as a result of the rise of prices.

The Government withdrew the ban on export of coconut products, although the ban on fresh coconuts remained. New rates of export duties on copra, fresh co-

conuts and coconut poonac were levied, at the rate of Rs. 300 per ton for copra of every kind, Rs. 42 per thousand nuts on fresh coconut, and Rs. 100 per ton on coconut poonac.

In *China* there was a general tightening of trade and exchange controls. State operated companies by the end of the quarter had already taken over about half of China's foreign trade, monopolizing especially the exports of hog bristles and certain metal ores. In imports the State dealt in certain industrial and military equipment and other goods in sufficient quantities to regulate market prices. New regulations were announced to the effect that registered export and import firms which had not done any business up to the end of September were liable to have their trade permits cancelled.

In an effort to increase the supply of foreign exchange the Government tightened allocations for private use, allowing exchange only for essential imports such as machinery and tools, transport equipment, electrical equipment, chemicals, dyes, etc. There was also tightening over the uses to which privately owned currencies could be put. With a view to increasing exports, the People's Government in Peking announced that the tax on exported goods would be refunded. On the other hand, the export of bean cakes was made into a state monopoly and a ban was placed on private exports.

In *Hong Kong* export controls on raw materials such as petroleum products, rubber, tin, lead, copper and tung oil, etc. were tightened. It was also understood that the restrictions would be widened considerably to include some 200 items. Owing to a shortage of cotton supplies which would affect Hong Kong's infant spinning industries, the Government placed a ban on export of raw cotton. It was reported that only three months' supply was in stock.

In *India* the import licensing policy for July/December 1950 was announced, together with the import programme for July 1950 to June 1951 for a substantial number of items. India accepted a cut of 25 per cent in dollar imports for the period July/December 1950, as it was anticipated that she would not be able to maintain the existing volume of trade with the United States. The Import Control Enquiry Committee appointed in June made recommendations for improving the efficiency of the import control organization. Amongst other things it recommended that greater use should be made of Indian shipping, banking and insurance facilities, that existing Open General Licences should continue indefinitely, that only two currency areas, hard and soft, should be used, that licensing procedure should be further decentralized and the granting of licences should be simplified to make it practically automatic for established traders, and that no changes should be made in the import policy without consultations with interested persons. Meanwhile Belgium and Western Germany were placed in the soft currency area for purposes of import trade control.

Open General Licence No. 18 for hides and skins was extended up to 31 December 1950, and a new O.G.L. No. 20 was issued for the free import of certain raw materials necessary for industrial production. The items which could be imported from any country in the world except South Africa included non-ferrous metals, ball and roller bearings, sewing machine needles, electro-medical apparatus, etc. Later other items such as agricultural tractors and spare parts, textile chemicals, etc. were included. The items which could be imported from soft currency areas included iron and steel electrodes, barks for tanning and dyeing, unexposed cinematograph films, streptomycin etc.

Relaxation on the licensing of imports from soft currency areas took place for wood separators, German silver and nickel silver, coal tar dyes etc. Other items for which import licences were given more liberally included artificial silk yarns, samples and advertising materials and centrifugal pumps. Import licences for bamboo poles against the export of fishing rods, coal tar dyes against the export of processed dyes and rough synthetic stones were also permitted. The import quota was fixed up to 50 per cent of the sums received for exports after 1 July 1950.

There was some tightening of import control. For example, industrial exhaust fans and blowers were excluded from the scope of O.G.L. No. 14, while O.G.L. No. 18 which covered import of certain types of goods from Pakistan as authorized under the trade agreement was suspended, while certain types of diesel engine licences were issued only to established importers.

The Export Advisory Council was reconstituted for a term of two years and it was announced that, among other things, it would discuss at its next meeting on 28 October 1950 the effects of devaluation on India's trade. The Government also took steps to boost India's exports on the recommendations made by a special committee. These included liberalization of export control, regulation of forward contracts and simplification of licensing procedure. On the other hand a ban was placed on the export of raw wool on 7 July 1950, and this also applied to wool waste and the exportation of Tibetan wool. Later it was modified to permit the export of Tibetan wool.

The Government announced that it would license 125 million yards of coarse and medium cloth for export to soft currency areas before the end of the year. This would bring the total quantity allowed for export for the 16 months ending December 1950 to 1,150 million yards.

The licences for the export of fine and superfine cloth, however, were to be issued only for shipment in January/ June 1951.

Mainly owing to the rise in prices after devaluation the Government issued a new tariff schedule for imported goods for purposes of customs valuation, to come into effect on 1 July. The items which were increased in value included diesel oil, acetic acid, aniline oil and salts, almonds, etc. The export duty on black pepper was modified so that the maximum which could be collected should not exceed Rs. 120 per hundredweight.

The Government accepted the Tariff Board's recommendation that the fountain pen ink industry should be protected and thus the existing revenue duty of 37.5 per cent ad valorem was converted into a protective duty for a period of three years. The Tariff Board also recommended that the existing protective duty of 30 per cent ad valorem for plywood and tea chests should be continued for a period of three years. The revenue duty of 36 per cent ad valorem on sago globules and tapioca pearls was changed into a protective duty of 45 per cent ad valorem. The Tariff Board was also engaged in reviewing the existing protective duty and subsidy given to the aluminium industry. In order to promote the domestic manufacture of automobiles and trucks the Government had decided some time ago to grant foreign exchange for the import of automobiles only up to 31 December 1950. However, as some long established firms had not yet decided whether they would manufacture automobiles in India or not, the Government decided to continue the present licensing policy until the end of 1952. However, all automobiles imported had to be in a completely or semi-knocked down condition.

In *Indochina* it was decided that, with effect from 9 August, goods entering into the country under any United States aid programme would be admitted duty free, provided they were for use of the armed forces or for free distribution. Permission was also given on 22 August 1950 to permit the temporary entry of aluminium sheets and alloys, provided the finished products were re-exported.

In *Indonesia* the rubber export duty for the quarter was increased by 10 per cent to 34.6 cents per kilogramme, inasmuch as there was considerable fluctuation in the daily rubber quotations in Jakarta. This increase was said to have very little influence.

In *Malaya* it was reported that the Government was considering raising the export duty on rubber to meet defence and emergency expenditure. The existing rate of export duty was 5 per cent ad valorem as imposed many years ago, plus an additional cess levied some time ago. Business people felt that a higher export duty would lead to a virtual stoppage of trade in rubber, inasmuch as the existing duty had already caused substantial losses to those in the rubber trade. The Government promised that the revised export duty would not be instituted before 1 December, if at all. It was understood that the question of revising export duties on tin or tin ore was also under consideration.

The policy of the Government of Malaya, however, was in general directed towards freeing trade. For example, it was stated that the wheat flour import trade would be returned from government procurement to the free market on 1 September, and also that the Government intended to revert to the commercial procurement of rice from Thailand and Burma as soon as it could be done without endangering adequate supplies for Malayan consumers. On the other hand, the Government announced that it would reimpose stringent trade controls if necessary. The Singapore Government was drafting a new exchange control bill to consolidate the existing regulations covering the purchase, sale and loan of foreign currency and gold, and the importation into Malaya of currency and securities.

In *Pakistan*, when the non-devaluation of the Pakistan rupee was about to be discussed in Paris at the meeting of the Board of Directors of the International Monetary Fund and when it was feared that the Pakistan representative might agree to devalue the Pakistan rupee, much opposition to devaluation was expressed in the Pakistan press, and business circles, including the Federation of Pakistan Chambers of Commerce and Industry, cited facts and figures showing that non-devaluation of the rupee had been very helpful to Pakistan.

The import policy of the Government of Pakistan for the year beginning July 1950 was announced. It included important extensions in the scope of the O.G.L. for hard currency areas, especially for machinery and selected chemicals. For Japan extension included cotton cloth and yarn. The O.G.L. was also extended for many other areas, including all soft currency countries, for various items such as metals, ores and tools, machinery, butter, matches, medicines, dyes, artificial silk yarn and thread etc. It was disclosed that the O.G.L. would continue for a year for these commodities. Licences were to be issued in two periods of six months. For imports from India, cotton seeds, oil cakes, gur, gram etc. were placed on the O.G.L. In order to promote trade a Foreign Trade Development Council was formed and a committee for exports appointed by it. A Pakistan International Industries Fair was held in Karachi during September and October. Licences for the export of raw cotton which expired on 30 June 1950 were extended to 31 July. Various commodities, such as typewriter carriage straps, tubular furniture,

tea, brocades containing silver and gold thread, castor seeds and cakes were placed on the O.G.L. for exports. The Government decided, however, that it would not permit the free export of surplus rice and also temporarily stopped the export of wheat, as a result of damage to private and government stocks caused by the Punjab floods. The Pakistan Government forwarded 25 applications for tariff protection from various industries to the Tariff Commission for consideration.

In the *Philippines* exchange controls continued to be exercised in spite of the request by the Philippines Exporters' Association that business people should be allowed to retain at least 75 per cent of the dollar exchange earned from exports to Japan. Rumours of the possibility of the Philippine peso being devalued were stated by the Central Bank's Monetary Board to be without foundation. The country's foreign exchange position at the end of August, with dollar reserves amounting to $269 million, was the most favourable since exchange controls were introduced in December 1949.

In *Thailand* the Cabinet Council agreed that there would be a reduction in the percentage of foreign exchange earned on exports of tin which had to be handed over to the Government at the official rate. At that time 40 per cent of foreign exchange from tin exports, whether dollars or pounds sterling, had to be given up. In order to encourage the production of rubber, the Government disclosed that it was very likely to grant foreign exchange at official rates, for the import of coagulants. This would be done either by giving foreign exchange to the Department of Agriculture for the import of formic and acetic acid which could be sold to producers at cost price or by giving foreign exchange to private traders who would have to sell the imports at officially fixed prices. In order to promote the cigarette industry and also to save foreign exchange the Government said it would cut down the import of foreign-made cigarettes. Over a million baht in foreign exchange was being spent on purchase of cigarettes, mostly from the United Kingdom and the United States. On the other hand, however, it was decided to allow the import of non-essential commodities from Japan and the export of rice above the allocated 300,000 tons; both transactions would be outside of the open account. The implication of this was that imports would have to be transacted at the open market rate of 22 baht to a dollar, instead of the open account rate of 20 baht. Japan would also have to pay in dollars for rice purchased in excess of the 300,000 tons. It was also disclosed that the idea of permitting exports of mai yang timber on a quota system had been abandoned. The desired effect of reducing the price of mai yang by imposing the ban had to a certain extent been achieved.

The Customs announced the basic prices for the third quarter on the basis of which export duties would be levied on rice, seeds, rubber and teak. Higher rates of duty were to be placed on luxury imports, as they constituted a drain on foreign exchange. The ban on luxury imports had been lifted in June 1949 because of increased smuggling. In order to increase production of tin and other minerals the Ministry of Industry submitted plans to the Ministry of Finance to abolish the import tax on mining machinery.

In Japan, in accordance with the foreign exchange and trade control law, the exchange budget for private imports for the quarter July-September 1950 was fixed at $257 million, which constituted a considerable increase over the preceding quarter's imports of $144 million. Of this amount, $104 million was earmarked for imports from dollar areas, while $67.6 million was earmarked for imports of raw and semi-finished materials. Relaxation of import controls was brought about in this budget for the import of rice, bananas and coffee.

Trade Agreements.

The most important of the trade agreements between ECAFE countries and Japan has been the sterling area-Japan agreement. During the quarter a new agreement, for July 1950 to June 1951, was being negotiated. It was reported that the United Kingdom delegation was in favour of limiting trade with Japan, but other Commonwealth countries, including Ceylon, India, South Africa, Australia and New Zealand, were anxious to expand trade in order to obtain cheap Japanese goods. The United Kingdom appeared to consider that, as Japan has a reserve of nearly £10 million from the trade agreements of previous years, it might accumulate further surpluses. This might intensify Japanese buying activities in south-east Asia, thus increasing the prices which the United Kingdom has to pay for the goods it buys from Malaya and the African colonies. Furthermore, the United Kingdom export market in south-east Asia might suffer from increased exports of cheap Japanese goods, notably textiles.

The Japan-Thailand trade agreement has been operating satisfactorily. In Thailand, licences have been authorized for the import of $68 million worth of goods from Japan for this year, $23 million more than the $45 million provided for in the open account agreement. It is expected that Thailand will have an adverse balance of $7 million from the present agreement and that this will be settled either by paying cash in dollars or by carrying it over to the next year's agreement.

Rice contracts are the largest among the ECAFE intra-regional trade agreements. Until the end of August, rice exports from Thailand under the agreement with the United Kingdom amounted to 286,000 tons. Total rice exports from Thailand under the agreement were 439,500 tons.

In regard to extra-regional agreements, India renewed its trade agreements with Australia, Czechoslovakia, Germany and Switzerland. A few changes were made in their original provisions. Indonesia renewed the early agreements entered into by the Netherlands with Sweden, Italy, Poland, the United Kingdom, Norway, Denmark, Hungary, Finland and Japan. On account of a virtual standstill in normal trade between India and Pakistan, the latter has tried to expand its trade with the Middle East and Europe. Pakistan sent a six-man trade delegation to several European countries and concluded trade agreements with Egypt, Australia, Italy, Poland and West Germany. The April trade agreement between India and Pakistan was extended to the end of September. After the expiry of the six-month-old agreement, trade relations again came to a standstill. Pakistan was willing to export 200,000 more maunds of jute to India up to 10 October in exchange for 50,000 tons of coal. However, the Indian Government was said to prefer to wait until the International Monetary Fund had settled the par value of the Pakistan rupee before resuming normal trade with Pakistan. Trade agreements of ECAFE countries, intra-regional and extra-regional, negotiated and/or finalized during the quarter are shown in the Table.

TRADE AGREEMENTS NEGOTIATED AND/OR FINALIZED IN THE THIRD QUARTER 1950.

I. JAPAN—ECAFE COUNTRIES

Contracting parties	Period valid	Value of trade and types of commodities	Type of agreement	Remarks
Japan-Sterling area	June 1950-June 1951	Total trade of £186 million. Sterling area's exports include Australian wool and wheat, Malayan rubber etc. Japan's exports include £30 million worth of cotton goods.	Balanced trade under licence.	Negotiation state. United Kingdom negotiating on behalf of all sterling area countries in the Commonwealth except Pakistan. Pending the finalization of this new agreement the old one was extended.
Japan-Ceylon	June 1950-June 1951	Ceylon's imports £5.4 million i.e. Rs. 62 million	Licences.	Participation in the Japanese-sterling area agreement. The amount of imports allocated is almost three times the Rs. 23.5 million available last year. Pending finalization imports under old agreement permitted till 30 September.
Japan-Federation of Malaya	June 1950-June 1951	Federation of Malaya's imports M$ 36.6 million	Licences.	Participation in the Japanese-sterling area agreement.
Japan-Singapore	June 1950-June 1951	Singapore's imports M$ 24 million of which textiles will account for 45 per cent, steel and building materials 15 per cent and cement 5 per cent.	Licences.	Participation in the Japanese-sterling area agreement.
Japan-Pakistan	10 October 1950-30 September 1951	Pakistan's exports £ 34.8 million consisting of 300,000 bales of raw cotton, 100,000 to 150,000 tons of wheat, quantities of jute, wool, rock salt, raw hides and skins, cotton-seed, cereals and other products. Pakistan's imports £ 34.8 million consisting of textiles, machinery, metals and metal products, chemicals and medicines, paper, cardboard, cork products, rubber goods, wood and wood products and miscellaneous commodities.	Balanced trade under licence.	Signed and concluded on 15 September 1950 in Tokyo. Separate from the Japanese-sterling area agreement, but payment to be made in sterling in accordance with the overall sterling payments arrangement. Present agreement constitutes a three and half times increase over the previous one. Provision also made in the agreement for the supply by Japan of technological services for Pakistan's industrialization programme particularly for cottage industries.
Japan-Taiwan	1 July 1950-30 June 1951	Total trade $ 100 million. Taiwan's exports consisting of sugar (at least 60,000 tons), rice, fruits, graphite, molasses, alcohol, cedar and pulp. Taiwan's imports, fertilizers (at least 300,000 tons), foodstuffs, cotton textiles, rayon yarn, chemicals and dyestuffs, iron and steel products, machinery, tools and parts, locomotives, coaches, rails, electrical equipment, vehicles and communication equipment.	Balanced trade under licence.	This is the first agreement of the kind between the two countries since the end of war. It was signed on 6 September 1950. Trade to be conducted on an open account basis in dollars.
Japan-Indonesia	1 July 1950-30 June 1951	Indonesia's exports $ 30 million consisting of raw materials such as copra, crude rubber, palm and other oils, hides and other agricultural products. Indonesia's imports $ 44.4 million consisting chiefly of textiles, industrial machinery and parts, pottery and porcelainware, metal and metal products, chemicals and drugs, and miscellaneous consumer goods.	Licences.	Trade to be conducted on an open account basis in dollars.
Japan-Philippines	1 July 1950-30 June 1951	Philippine's exports $ 67.5 million.		This is an increase in trade plan from $50 million as a result of greater Japanese import requirement since April 1950.

TRADE AGREEMENTS NEGOTIATED AND/OR FINALIZED IN THE THIRD QUARTER 1950—(*Contd.*)

II. OTHER EXTRA-REGIONAL COUNTRIES—ECAFE COUNTRIES

Contracting parties	Period valid	Value of trade and types of commodities	Type of agreement	Remarks
China-East Germany	1 December 1950-30 November 1951	China to export various raw materials in exchange for industrial equipment and materials.	Barter.	
India-Egypt		Egypt to supply India with 60,000 tons of rice, valued at £E 40.68 a ton (approximately $ 116.75 at the rate of £E equal to £ 2.87), in exchange for 14,000 tons of jute products, deliveries to be made by December 1950.	Barter.	Signed in September 1950.
Indonesia-Australia	One year	Value of Indonesia's exports is 4.94 million Australian pounds and that of Australian exports 3.765 million Australian pounds. Chief exports from Indonesia are tea, rubber, coffee, kapok, tobacco and rattan. Chief exports from Australia are wheat, flour, milk products, textiles, metals, machinery, chemicals, paper, stationery and live animals.		Officially announced on 7 September 1950. This is the first trade agreement between the new Indonesian Republic and Australia.
Indonesia-Netherlands	1 October 1950-30 September 1951	Netherland's exports about 320 million guilders and imports about 435 million guilders.		
Pakistan-Austria	13 July 1950-12 June 1951	Total trade £3.9 million in both directions. The largest items of Austria's exports are to be machinery £250,000; machine tools, instruments, telecommunication equipment and other iron and metal products, £183,000; textile piece goods, £185,000; vehicles (including bicycles), £150,000 and newsprint 1,500 tons. Other exports include wood fibre and paper board, matches, pharmaceuticals, chemicals etc. Pakistan's exports include jute 6,500 metric tons; cotton, 2,200 tons; wheat, 10,000 tons; casings, £75,000; carpet wool, 600 tons; skins, £30,000; fishbone meal, 1,000 tons; chromium ore, 500 tons; tea, 50 tons; cotton-seed cakes 2,000 tons; various commodities £20,000.	Under licence. All payments arising from this agreement are to be made in pounds sterling through Austrian account in the United Kingdom, or through other accounts mutually agreed upon.	Signed on 13 July 1950. This is the first official trade agreement between the two countries. Subject to the approval of the two governments. Both nations grant each other most-favoured-nation treatment in custom duties, taxes and charges on imports or exports, in international transfer of payments and in customs regulations and formalities, etc.
Pakistan-Egypt		Pakistan's exports include 4,000 tons of raw jute and 200,000 tons of wheat and tea, hides, caustic soda and toys. Egypt's exports include raw cotton, cotton yarn, woollen, silk and rayon textiles and hardware.		
Pakistan-West Germany	1 July 1950-31 September 1950.	Pakistan's exports to be increased from $21 million to $30 million for a three months period; the increased exports include cotton, jute, dried fruits and oilseeds. The value of Germany's exports is to remain unchanged.		An extension of the 1949/50 agreement.
Pakistan-Italy	1 July 1950-30 June 1951.	Total trade is to amount to £25 million in both directions. Pakistan's exports include 40,000 tons of raw jute (£4 million), 40,000 tons of raw cotton (£6 million), 1,000 tons of raw wool (£100,000) 8,000 tons of cotton-seed (£175,000), 600 tons of saltpetre (£150,000), 100 tons of tea (£50,000), and raw hides, horns, chromite, etc. Italy's exports include £2 million cotton yarn, 10,000 tons of jute tissues and sacks, costing £1.7 million, and machinery, motor cars, bicycles, steel, chemical products, dyeing and tanning materials, etc.	Balanced trade, payment in pounds sterling.	
Pakistan-Poland	1 July 1950-30 June 1951.	Value of Pakistan's exports is £6,135,000 and value of Poland's exports £6,975,000. Pakistan's exports include cotton £3.8 million, jute, rice, tea, hides and skins etc. £1.65 million. Poland's exports include coal £4.7 million, textiles £754,000, metallurgical products £463,000, matches £450,000, food products, £377,000, chemicals £100,000, glassware £90,000, miscellaneous commodities £41,000.	Under licence, the period of validity of licences to be not less than three months.	Signed on 5 July 1950. A renewal of 1949/50 agreement.
Thailand-U.K.		Thailand exports 464,500 metric tons of rice to sterling area countries.		

III. ECAFE INTRA-REGIONAL TRADE AGREEMENTS

Contracting parties	Period valid	Value of trade and types of commodities	Type of agreement	Remarks
Burma-Ceylon	1950/51	Burma to supply 300,000 tons of rice which will cover the greater part of Ceylon's rice requirements in 1951. Delivery to begin December 1950. All deliveries under the agreement signed in March 1950 to be completed by November.		Signed on 10 August 1950.
Burma-Indonesia		Burma to sell 150,000 tons of rice at £40 per ton.		Signed in September 1950.
India-Indonesia	October 1950-30 June 1951	Total value of trade in both directions, 74 million Indonesian guilders. India's exports to include textiles, chemicals, pharmaceutical products, iron and steel products and machinery. Indonesia's exports to include palm oil, copra, tapioca, maize, spices, wood; hides, tin and other commodities to the value of 37 million guilders.		
India-Pakistan	1 August 1950-30 September 1951	An extension of the April trade agreement, as Pakistan had only supplied about half of the raw jute up to the end of July. A few new articles are included: magnesium chloride and ready-made garments from India to Pakistan, and kapok, bamboo and rock salt from Pakistan to India without licence. Free movement both way of herbs, crude drugs and indigenous medicines also allowed.		

General Pattern of Trade

Available information from eleven countries of the region indicates that the value of total trade in national currencies during the third quarter of 1950 was greater than that of the previous quarter and also of the corresponding quarter of 1949. There was, however, a decrease in Indonesia, Japan and Thailand. In Indonesia the decline, compared with the previous quarter, was more apparent than real as it was mainly due to a change in the method of valuation. In Japan trade during the quarter, although less than in the previous quarter, was still more than in the corresponding quarter of 1949

The increase in trade was due to an increase in both exports and imports in the case of North Borneo, Hong Kong, India, Indochina, Malaya, and Pakistan, while it was due to an increase of exports in Ceylon. The decrease in value of trade in Thailand was due to a decline of both exports and imports, while in Japan it was due to a decline in imports.

Exports. Increases in exports over those of the previous quarter and the corresponding quarter of 1949 were registered in all countries, except Burma, Indonesia and Thailand. In North Borneo there was an increase over the previous quarter but no information is available for the corresponding quarter of 1949. The increase of exports was a continuation of the trend in the previous quarter.

Imports. Imports were greater than in the previous quarter and in the corresponding quarter of 1949 in Burma, Hong Kong, Indochina, Malaya and the Philippines, while in India and Pakistan they were only greater than in the previous quarter. Decreases in imports took place compared with both the previous quarter and the corresponding quarter of 1949 in Indonesia and Japan, while in Ceylon the decrease was only over the previous quarter.

Balance of Trade

In as much as positive balances of trade during the quarter were registered in more countries of the region than negative balances, it seems that the region is again regaining its pre-war pattern of having positive balances of trade in order to pay for invisible imports. Of the countries registering positive balances of trade as indicated in the Table below, there was in all of them, except Burma, either an increase in the amount of the positive balance or a positive balance emerged as compared with a negative balance in both the previous quarter and the corresponding quarter of 1949. A year ago only three out of ten countries in the region had positive balances, while in the quarter under review seven of these countries had positive balances. In the case of Burma the positive balance, though below that of the previous quarter, was still above that of the corresponding quarter of 1949. In Burma the smaller positive balance was due to the fact that imports increased considerably while exports decreased. In North Borneo, Hong Kong and Malaya the improvements were due to exports increasing at a faster rate than imports, while in Ceylon and Japan the improvements were due to an expansion of exports coupled with a decline of

imports. In Indonesia the improvement in the balance of trade might partly be due to the change in the method of valuation.

Negative balances of trade were registered only in India, Indochina and Thailand. In India the negative balance was much smaller than that of both the previous quarter and the corresponding quarter of 1949, as exports increased at a faster rate than imports. In Indochina it was about 65 per cent greater than in the previous quarter while slightly over the corresponding quarter of 1949. Thailand's negative balance was the first to be registered for many quarters.

INDICES OF VALUE OF EXTERNAL TRADE

(1948 = 100)

	IMPORTS				EXPORTS				TOTAL			
	1949	1950			1949	1950			1949	1950		
	III	I	II	III	III	I	II	III	III	I	II	III
North Borneo	...	129	171	186[a]	...	192	228	300[a]	...	163	202	247[a]
Burma	74	68	58	100	79.4	52	138	110	77	59	103	105
Ceylon	89	95	133	124	106	118	137	165	98	107	136	146
Hong Kong	157	164	158	173	176	169	192	263	165	166	173	212
India	105	72	95	99	93	137	91	117	100	101	94	108
Indochina	192	148	144	229[a]	86	112	97	151	157	136	128	203
Indonesia	152	101	315	138	138	162	431	361	145	130	370	245
Japan	138	139	144	117	199	223	278	326	155	162	180	174
Korea, South	53	55[p]	...	...	50	156[p]	...	...	52	64	...	...
Malaya	95	117	134	179	91	130	148	262	93	123	141	220
Pakistan	125	68	76	110	58	103	124	138	94	84	98	119
Philippines	77	68	63	140[p]	79	85	93	...	78	74	74	...
Thailand	122	160	158	141	114	185	161	110[p]	118	174	159	124

Notes: a = average of July and August.
p = provisional

BALANCES OF TRADE

(Monthly average in million units of national currency)

Countries having favourable balances of trade in the third quarter of 1950		1949 quarters		1950 quarters		
		III	IV	I	II	III
North Borneo	(M$)	...	...	+ 2.1	+ 2.1	+ 3.5[a]
Burma	(Rs.)	+ 13	— 2	— 4	+ 58	+ 19
Ceylon	(Rs.)	+ 15	+ 20	+ 20	+ 5	+ 36
Hong Kong	(HK$)	— 36	— 25	— 57	— 16	+ 53
Indonesia	(Fl)	— 24	— 24	+ 45	+ 76	+183
Malaya	(M$)	— 7	+ 8	+ 17	+ 17	+119
Pakistan	(Rs.)	— 73	— 10	+ 24	+ 34	+ 18
Japan	(US$)	— 36	— 15	— 31	— 22	+ 4
Countries having unfavourable balances of trade in the third quarter of 1950.						
India	(Rs.)	—152	+ 10	+159	—116	— 39
Indochina	(Pr.)	—295	—299	—182	—188	—312[a]
Thailand	(Baht)	+ 16	+ 38	+ 80	+ 43	— 18[p]

Notes: a = Average of July and August.
p = provisional

TRADE IN SELECTED COMMODITIES.

Rice. The monthly average of rice exports from Burma, Thailand and Indochina during the quarter was 235,400 tons, which was 20 per cent. below that of the previous quarter, but 46 per cent above that of the corresponding quarter of the previous year. This indicates an improvement in the over-all rice export position. because the third quarter of each year is usually a slack period in comparison with the second quarter. In each of the countries also the exports of the quarter were below the previous quarter and above that of the corresponding quarter of 1949. Burma shipped 1,000 tons of rice as a gift to India to meet the food shortage in some of the areas affected by floods.

A rice conference was convened by the United Kingdom in Singapore during September, consisting of representatives of eight rice importing countries, namely North Borneo, Ceylon, Hong Kong, India, Indonesia, Pakistan, Sarawak and the United Kingdom, with representatives of the United States and Australia attending as observers. It was learned that SCAP proposed purchases from Burma and Thailand for 1950 of 800,000 tons. Furthermore it was reported that Burma would be able to export during 1950 only about 600,000 to 1,000,000 tons, of which Burma had already agreed to export 300,000 tons to Ceylon.

There were indications that the price of rice in the forthcoming year might increase. For example. in Burma the State Agricultural Marketing Board sold about 100,000 tons of rice of the 1949/50 Burma rice crop, largely recovered from the insurgent held areas. through tender from private agencies instead of on contract to foreign countries, and thus obtained £6 to £12 more per ton, even though the quality had somewhat deteriorated owing to exposure for nearly seven months. Despite this the Burma Government asked the Economic Council to enquire into the slow-down of rice sales abroad following the decision by the Japanese Government to import 60,000 tons of rice from Egypt rather than from Burma. In Thailand, however, the Government reduced the price of 100.000 tons of Grade A1 broken rice from £32.18.9d. to £27.16.3d. for the A1 special and from £31.9.9d. to £27.6.3d. for the A1 ordinary, in order to attract overseas buyers. Thailand, by the end of the quarter, had not yet sold its 1950/51 exportable surplus, even though many countries were reportedly showing an interest in purchasing it.

In Ceylon a compromise was reached between shipping lines and local food authorities over the proposal to raise freight charges of rice from Burma. The companies had reduced their freight rates in 1949 but had expressed their intention to raise their rates to earlier levels. Although the Government had made a saving in the rice subsidy on this account, an additional sum of Rs. 6.5 million was requested to subsidize rice and flour as the budget provision of Rs. 36.7 million had almost been spent. This additional sum was requested as a result of the rise in prices.

Vegetable oils. The monthly export of vegetable oils (consisting of copra and coconut oil, palm kernels and oil, ground nuts and oil) during the quarter from North Borneo. Ceylon. Hong Kong. India, Indochina. Indonesia. Malaya. the Philippines, Sarawak and Thailand was 112,400 tons which was 45 per cent above that of the previous quarter and 17 per cent above the corresponding quarter of 1949, mainly because of the considerable increase of exports of copra and coconut oil from Ceylon and the Philippines and of palm kernels and oil from Indonesia. The increase in copra and coconut oil exports from the region was owing to the increased demand which also brought about a rise in prices. The exports of this commodity from Ceylon during the quarter expanded considerably as it was the copra and coconut oil exporting season. Pakistan was becoming Ceylon's second biggest buyer of this commodity, especially as the non-devaluation of the Pakistan rupee was believed to be in favour of buyers in that country. In the Philippines the export of copra and coconut oil increased rapidly and was almost double that of the previous quarter. The main buyers from the Philippines continued to be the United States. Japan. Belgium and Italy. It was fortunate for the Philippines that the increase in demand for copra and coconut oil coincided with the season of greatest productivity in the Philippines. There were, however, certain problems such as the shortage of steamer space which might advance freight rates from time to time. Exports of copra and coconut oil from Indonesia during the quarter were, however, considerably reduced mainly owing to the unrest in certain parts of Indonesia. particularly the Celebes. Meanwhile the Government planned to increase production of copra through the study of the economic conditions of the industry by a newly appointed Copra Commission.

Tea. The total monthly export of tea from Ceylon. India, Indochina. Indonesia, Pakistan and Japan during the quarter was 71 million pounds and was 40 per cent above that of the previous quarter but 6 per cent below that of the corresponding quarter of 1949. The increase of tea exports compared with the previous quarter was mainly because India had doubled its exports. Ceylon

by the end of August had shipped 34.7 million pounds of tea which represented about one-third of the 1950/51 tea contract.

The British Government on 26 July 1950 announced the decision to reopen the London Tea Market in April 1951. This market had been closed for the last ten years. Rationing, price control and subsidy arrangements were to continue in Britain in spite of this reopening. It was stated that the subsidy would be "injected" only after the auctions took place so that the price at the London auctions would be comparable to prices in other tea-markets. An Indo-Ceylon conference was held in September to decide the allocations of tea for export to Great Britain. It was agreed between the two countries that India would export about 250 to 275 million pounds of tea to England, thus leaving 200 to 230 million pounds for disposal at Calcutta and Cochin. Ceylon agreed to export only 100 million pounds of tea under the tea contract to the United Kingdom, plus an additional 30 million pounds to be sold outside of the tea contract, thus leaving about 200 million pounds for sale in Colombo. The purpose of the agreement was to permit the United Kingdom to satisfy its own import requirements for tea through the London auctions and at the same time to leave sufficient quantities of tea in India and Ceylon to permit the development of local tea markets. During the conference due regard was also given to the fact that on account of freight charges it would be cheaper to ship directly to consumers in Europe and America but that there were physical limitations on the handling of the entire output in the two countries.

It was reported that Shanghai tea exporters had contracted for the shipment of more than 30,000 cases of tea during July and August. Pakistan was faced with the price difficulty in promoting exports of tea, as owing to the non-devaluation of the Pakistan Rupee the cost of Pakistan tea in sterling was much above the world price. Although Pakistan is a relatively small producer, tea constitutes about 12 per cent of its total exports to the United Kingdom.

Rubber. The total monthly export of rubber from British Borneo, Burma, Ceylon, Indochina. Indonesia, Malaya and Thailand during the quarter was 163,000 tons, which was 24 per cent above that of the previous quarter and 37 per cent above that of the corresponding quarter of 1949. Malaya's export of rubber increased during the quarter and in July reached 63,100 tons, which was the largest amount in a single month since 1937. It was reported that the Soviet Union had doubled its purchases of rubber from Malaya since the outbreak of the Korean war and that it obtained about three-fifths of its total requirements from that country. China was also buying Malayan rubber via Hong Kong. Hong Kong's rubber imports from Malaya until May averaged slightly more than HK$ 2 million, while in June and July they jumped to about HK$ 7 million monthly. Largely as a result of this, the United States proposed an embargo on the export of rubber to the Soviet Union and efforts were made to set up international machinery for the purchase, sale or barter of rubber along the lines of the International Board for the disposal of wheat. This proposal was objected to by trade circles in Ceylon who considered that the withdrawal of Russia from the rubber market would cause an immediate drop in price. In Penang, however, a number of rubber exporters were instituting a self-imposed ban on the sale of rubber to the Soviet Union.

The price of rubber during the quarter fluctuated by as much as 50 per cent not only during the quarter but even in the same month. However, the boom in rubber seemed to be continuing at the end of the quarter. This fluctuation occurred with changes in the Korean war situation, plans for the production of synthetic rubber in the United States, strikes in rubber plantations in Malaya, export duties in Ceylon, purchases of rubber from Russia, and stockpiling by the United States. For example, the imposition of a 15-cent per pound tax on the export of rubber in Ceylon during July caused the price of sheet rubber to drop by 11 Ceylonese cents a pound immediately. In Ceylon the price of rubber rose to Rs. 2.40 a pound in early August and after fluctuating uneasily it dropped to Rs. 1.30 a pound towards the middle of the month. This fall was supposed to be due to new restrictions on the non-governmental use of natural rubber in the United States. At the beginning of September, however, owing to the receipt of news from Korea the price again began to rise. This was also supported by the delay in the settlement of strikes of the Malayan rubber plantation workers. The price of rubber in Singapore around the middle of September reached M$1.58 a pound. As a result of the fluctuations, difficulties arose in financing the purchase of rubber, and traders also cut down the percentage of their money advances to dealers.

The United States synthetic rubber industry was placed on a capacity production basis towards the end of the quarter, which would amount to approximately 821,800 tons annually. This was mainly due to the report of the Senate Military Preparedness Sub-Committee set up by the Senate Armed Services Committee. Among other things, it recommended an intensive programme for stockpiling of natural and

synthetic rubber to meet problems precipitated by the Korean war. In Thailand a rubber trade association was formed with the object of promoting natural rubber trade, protection against fraudulent practices and the establishment of a reliable reputation for the members of the association.

Tin. Total monthly export of tin in concentrates from Burma, Indonesia and Thailand was 3,500 tons during the quarter, which was the same as that of the previous quarter, but nine per cent above that of the corresponding quarter of 1949. The monthly export of tin metal from Malaya during the quarter was 8,300 tons, which was 17 per cent above that of the previous quarter and 89 per cent above that of the corresponding quarter of 1949. The price of tin fluctuated in the same way as that of rubber, owing to changes in the Korean war situation. At the beginning of the quarter the export price of tin in London was around £620 per ton. However, the price began to rise partly because of the warning given by the British Ministry of Supply that dealers should not depend upon the Ministry for supplies, and the highest level reached was in the middle of August when it touched $838 per ton in London. However, the boom collapsed after a few days and by the 20th of the month the price had fallen to $744 per ton. This was due to an unexpected quantity of about 65 tons coming to the market, and the inability on the part of the market to absorb this quantity without exaggerated effects on prices indicated its weakness. Toward the end of September, however, the price again rose to around $800 a ton in London.

An inter-governmental tin study group sponsored by the United Nations was held between 25th October and 21 November to enquire into the methods of inter-governmental co-operative action, as it was realised that a tin surplus or shortage was likely to occur. The conference had before it " the Paris draft " which provided for the creation of a buffer stock to maintain equilibrium in the market. However, details of prices were not discussed. The conference merely concluded that there was need for inter-governmental co-operative action and that conditions justified a further conference.

Raw cotton and cotton textiles. Exports of raw cotton from India and Pakistan during the quarter amounted to 21,000 tons, which was 25 per cent below that of the previous quarter. However, compared with the corresponding quarter of 1949, they were more than double, mainly because of the extremely low exports from Pakistan in that quarter. The increase of exports in this quarter was mainly from Pakistan, where cotton exports for the season ending August 1950 were at an all-time record. Japan was the principal customer among the hard currency areas and Hong Kong the biggest importer among the soft currency countries. There was a deadlock in the cotton trade at Karachi following the decision of the Karachi and the Pakistan Cotton Association to close the market, which was necessary because many traders and shippers could not meet their obligations as they were not receiving their supplies from ginners or from the zamindars in the interior. This was obviously due to the unprecedented rise in cotton prices. Japan was supposed to buy the major portion of its raw cotton requirements from the United States.

The total monthly export of cotton piece goods from Hong Kong, India and Malaya during the quarter reached 102 million metres, which was 16 per cent above that of the previous quarter and was 232 per cent of the exports of the corresponding quarter in 1949. Japan's exports of cotton piece goods during the quarter were 77.4 million square metres, which was slightly below the previous quarter, but about 60 per cent above that of the corresponding quarter in 1949 when exports were especially low. The demand for textiles from Japan for countries of south and south-east Asia continued unabated and this brought about a doubling in the price of cotton cloth. In fact, difficulties were experienced by certain countries in obtaining supplies. In Thailand it was reported that the textile merchants planned to form their own association in order to remedy the existing chaotic situation of the textile market.

PRICE MOVEMENTS

There was an inflationary tendency in the region as a whole during the quarter under review, as revealed by a rise in the general price level in most countries, mainly as an indirect result of the Korean war and world rearmament. The cost of living index rose in Burma, Ceylon, India, Malaya, the Philippines, Viet-Nam and Japan while it remained stable in Hong Kong, compared with the preceding quarter. Food prices rose in Burma, Ceylon, India and the Philippines, following closely the general cost of living index. In Japan food prices rose only slightly, while in Indonesia they declined. The wholesale price index, so far as information is available, showed a substantial rise in India, Viet-Nam and Japan. In Thailand, although the cost of living index fell slightly, there was a slight rise in the wholesale price index. The Korean hostilities affected price levels in Japan and the Philippines both directly and indirectly.

In Japan the wholesale price index which had remained stable in the preceding two quarters, rose by eleven per cent during the quarter. Prices of metals and metal products and textiles rose more rapidly than the

prices of other groups of commodities. Associated with the rising prices was the expansion of monetary supply which reflected an increase in expenditure and income in relation to production. Both currency in circulation and bank clearings increased substantially. In the Philippines it was reported that inflation was threatening the country's economy. This was mainly due to the inflationary tendency in the United States, which has very close economic relations with the Philippines, and to the strict import control. Essential goods such as rice, milk, sugar, coffee, meat, canned food, butter, cotton piece goods and other imported commodities, were reported to be in short supply. Both retail and wholesale prices in Manila and in the provinces showed a steadily rising trend. The Price Administration Board appealed to the public to observe the official price ceilings of prime articles and foodstuffs, but in many cases it was impossible to enforce them. Merchants reportedly appealed to the Government to revise upwards the controlled prices of many essential items which were established about two months before. In addition to the rising prices, import controls were reported to have caused partial or complete closing of some firms, thus aggravating unemployment. Partial or total lifting of import controls may be offered by the Cabinet as a solution to the serious inflation. Monetary factors also contributed to the rise in prices. Both currency and deposit money increased in the quarter as compared with the preceding quarter.

The stock-piling of essential raw materials, such as rubber and tin, mainly by countries outside the region, has caused a continuous rise in prices in the exporting countries. In Malaya prices continued the rising trend which has been in evidence since the beginning of 1950. During the quarter the favourable balance of trade increased from M$ 17 million in the first and second quarters to M$ 119 million in the third quarter. The total value of trade increased by 40 per cent as compared with the preceding quarter. The expansion of trade was mainly due to the considerably increased purchase and the rising prices of rubber and, to a lesser degree, of tin. In order to finance the expanded trade, currency and credit had to be expanded and income and expenditure were inflated accordingly. The index of currency in circulation which had only fluctuated in the preceding four quarters between 101 and 103, jumped to 115 in the third quarter (1948 = 100). In Ceylon, the favourable balance of trade also increased considerably, from Rs. 5 million in the second quarter to Rs. 36 million in the third quarter. This had a considerable influence on the general price level. The cost of living index rose from 102 in April to 109 in September (1948 = 100). The monetary factor, however, seemed to have only slight effects on prices, as there was only a very small increase in currency in circulation, deposit money and bank clearings. Indices of wholesale prices and cost of living are not available for the other major rubber and tin exporting country, Indonesia. However, the considerable increase in the favourable balance of trade and the substantial rise in prices of major export commodities must have caused an upward movement in the general price level. The monetary factor in Indonesia was neutral as, although currency in circulation expanded, it was more or less counterbalanced by a decline in deposit money compared with the preceding quarter, but in comparison with the correspondng quarter of 1949 it had a slight upward influence as the increase of currency was much greater than the decline in deposit money.

The rising prices and increased exports of raw materials also caused a rise in prices in the smaller rubber and/or tin exporting countries such as Viet-Nam and Thailand. In Viet-Nam, the wholesale price index rose from 115 and 114 in the preceding two quarters to 130 in the third quarter, mainly because of the considerable rise in prices of raw materials, the index of which was 197 in the third quarter, as compared with 140 in the preceding quarter (1948 = 100). However, the cost of living index in Viet-Nam rose less than the wholesale price index. This moderate rise can be attributed to the large unfavourable balance of trade financed by foreign aid. In Thailand, although there was monetary expansion, the cost of living index fell in the third quarter. It seemed that the monetary expansion was mainly associatted with the rise in wholesale prices while the fall in the cost of living index was mainly associated with the unfavourable balance of trade, as many cost-of-living items are imported commodities. The wholesale price index also contains export commodities, among them some important items, such as rubber and tin, the prices of which rose considerably.

In Burma, the general price level reversed the falling trend since the corresponding quarter in 1949, mainly as a result of monetary expansion. During the quarter the index for deposit money and bank clearings rose. Furthermore, the ratio of cash and balances held by commercial banks at the Union Bank of Burma to total deposits during the quarter was only 28 per cent as compared with 30 per cent in the previous quarter and 49 per cent in the corresponding quarter of 1949. This expansion of money supply was probably mainly due to increase of trade as a result of the restoration of transport facilities in the previous quarter. Normally the third quarter of each year in Burma is more or less a slack period, especially with reference to rice.

In India the cost of living index which was around 101 and 102 during the last four quarters rose to 106 in August (1948 = 100). The wholesale price index rose

from 107 in the last quarter to 114 in this quarter (1948 = 100). Two factors accounted for the rise — a substantial reduction of the unfavourable balance of trade and the decrease in production. The index of industrial production fell from 105 in the last two quarters to 103 in this quarter (1946 = 100) while the unfavourable trade balance was reduced from Rs. 116 million in the second quarter to Rs. 39 million in the third quarter. However, there was a slight contraction in currency in circulation during the quarter and no change in deposit money and bank clearings, as compared with the preceding quarter. The monetary factor appeared to be neutral.

Hong Kong, as an entrepôt, is in a special position in regard to price movements. The cost of living index was about the same in this quarter as in the preceding quarter although the balance of trade turned from unfavourable to substantially favourable and bank clearings were approximately 50 per cent greater than in the previous quarter and the corresponding quarter of 1949. It seemed that the large increase in bank clearings was connected largely with speculative financial transactions due to the Korean war which had little effect on the cost of living index in the short period. The stable cost of living index might be explained by the stable currency circulation.

PRICE INDICES

(1948 = 100)

	1949		1950					
	III	IV	I	II	III	July	Aug.	Sept.
Burma (Rangoon) a	149	122	116	113	121	125	123	116
Ceylon (Colombo) a	98	101	104	103	106	105	105	109
Hong Kong a, d	113	120	122	115	116	...	...	116
India (Bombay) a	101	102	101	102	...	105	106	...
India b	105.3	105.8	106.2	107.2	111.4	110.4	111.5	112.4
Indonesia (Djakarta) c	89	101	105	118	111	116	108	108
Japan (Urban) a	141	134	131	125	129	127	130	130
Japan b	166.7	171.2	177.4	178.0	196.7	189.1	198.3	202.7
Malaya (Kuala Lumpur) a	93	94	94	97	...	100	103	...
Philippines (Manila) a	93	91	92	89	...	91	91	...
Thailand (Bangkok) a	92	95	98	102	97	96	97	97
Thailand (Bangkok) b	93.3	91.1	90.1	93.8	96.4	96.0	96.0	97.2
Viet-Nam (Saigon) a	124	121	121	122	127	125	127	128
Viet-Nam (Saigon) b	130	127	115	114	130	122	132	136

a. Cost of living.
b. Wholesale prices.
c. Food prices.
d Last month of each quarter.

INDICES OF CURRENCY, DEPOSIT MONEY CLEARINGS

(1948 = 100)

Countries	Currency				Deposit Money				Bank Clearings			
	1949	1950			1949	1950			1949	1950		
	III	I	II	III	III	I	II	III	III	I	II	III
Burma	...	...	...	...	119	111	117	129	91	78	89	96
Ceylon	102	104	109	111[a]	111	106	110	104	109	131	132	133[a]
Hong Kong	107	103	103	103	...	...	...	...	136	127	137	201
India	88	92	95	90	88	85	84	84	86	95	91	91
Indochina	...	...	...	...	115	110	135	140	...	...	...	...
Indonesia	112	126	134	146	86	110	93	82	...	...	...	...
Japan	83	88	87	91	144	161	164	...	231	278	317	348
South Korea	140	209	...	...	207	226	...	...	203	273	...	...
Malaya	101	101	103	115	...	...	...	...	...	...	...	...
Philippines	102	111	112	117	98	91	97	100	95	77	83	...
Thailand	111	118	121[b]	...	105	93	93	102	141	174	175	214

a = July only
b = April and May only

THE ECONOMIC RECLASSIFICATION OF GOVERNMENT BUDGETS AND ACCOUNTS

INTRODUCTION

Governments today plan an active rôle in determining the level of employment of economic resources of the community. This they do indirectly through the operation of their central banks, but a more potent instrument of economic policy is the budget. In countries with a planned economy or where private savings and investments are small, governments also play an important rôle in long term investment to increase productive capacity. This paper attempts to show how alternative sets of accounts can be prepared from the conventional form in which budgetary proposals are set out, so as to secure a better appraisal of their economic significance. Without such an appraisal planning may be misguided and control over the budget may be incomplete.

The question of reform in budgetary presentation is not confined to academic circles. The United Kingdom Government recently set up a Committee on the form of Government Accounts. Their report was published in June 1950. The need for some scheme of reclassification was also recognized by the 73rd session of the Council of the International Chamber of Commerce on 13 and 14 June 1950. In a Resolution adopted at that time the Council urged governments "to set in hand a study of the principles which should govern their accounting and to consult with other governments through the machinery of the United Nations with a view to the formulation of agreed principles and recommendations for the adoption of those principles by all governments."

The conceptual and procedural questions in budgetary reclassification have been outlined in an internal working paper (Introduction to Budgetary Classification Problems) prepared by the Fiscal Division of the United Nations. The outline of classification in this article is the ECAFE Secretariat's contribution to the growing literature on this subject. The issues involved are so complex, and the various interests that have been proposing reform have such divergent needs, that an enquiry of this character can hardly offer a definitive and precise solution.

THE PURPOSE OF ECONOMIC RECLASSIFICATION

For purposes of maintaining full employment, or for economic planning or for taking overall decisions on economic policy, the modern administrator needs to know the magnitude of the government's operations, the distribution of transactions between enterprises and the ordinary functions of government, how much the government receives and spends at home and how much abroad, the magnitude of the government's current expenditure and capital formation, and how government spending is financed. Finally, the administrator requires an answer to the overall question: Of what magnitude is the difference between the government's total receipts and total payments and how is the gap bridged? The accounts as set out here attempt to provide an answer to all these questions.

COMPREHENSIVENESS

The reclassification of accounts as developed in this paper aims to meet the first requirement of modern budgeting that *all governmental programmes should lie within the scope of the reclassification.*

Besides the traditional functions of law and administration the governments of the present day engage in industrial and business activities directly or through special boards created for the purpose. The reclassified accounts take into consideration all such enterprises operated by the government or government-sponsored agencies. In addition, the governments set apart special funds and accounts (such as road funds) to meet specific purposes. All such special accounts have also been accommodated in the outline of reclassification.

EXPENDITURE CLASSIFICATION

Segregation of Capital and Current Accounts

Perhaps the most important distinction in expenditure classification is that between current and capital outlay. Governments in some countries are already publishing separate capital budgets. Current expenditure refers to the purchase of goods and services which are expected to be consumed within the budget year; capital outlay represents goods of a longer life expectancy. The capital transactions, therefore, should include all expenditures which add to the governments' assets. There are at least three reasons for the segregation of capital expenditure. First, the volume of real assets acquired by a government is an important guide to its public debt policy. Thus, productive enterprises may be financed by an increase in its public debt. Secondly, capital expenditures very often involve long-run contractual obligations extending beyond the immediate budget year. A separate listing of capital expenditures helps to focus attention on the control of these long-term obligations. Thirdly, a measurement of government investments separated from government outlays for goods and services which are consumed within the accounting period is essential in all resources development programmes to plan the rate of construction and gauge performance under the plan. This is imperative also for ascertaining the scope and operation of controls to secure economic stabilization or development.

Classification of capital accounts

Classification of expenditure as capital involves a number of distinctions within the capital account itself if it is to reflect information necessary for the measurement of national income and preparation of related estimates required for an overall economic analysis. Where a go-

vernment agency such as a public undertaking invests in the securities of the central government, the consolidated capital account should cancel such intra-governmental transactions. The total capital expenditures of the government should measure only capital expenditures vis-a-vis the non-governmental sector. Secondly, there is need to distinguish between capital formation in newly produced assets from acquisition of assets already produced or claims on these assets which the government acquired from the non-governmental sector. The former add to the capital formation of the community; the latter do not. As regards the acquired assets, a distinction ought to be made between real assets and financial assets. The acquisition of financial assets may be described as lending. Lending may be purely a financial transaction or it may be for the purchase or creation of assets by the borrower. On the payments side in the capital account lending refers only to lending for capital outlay. Outright grants for capital outlay are also included in the capital account under a separate category.

Purely financial transactions such as lending or repayment of national debt, on the other hand, have been allocated to the receipts side as negative borrowing. All the borrowings of the government have been taken on a net basis. Similarly, various banking transactions of the government have also been taken on a net basis.

An important distinction often made in the capital budgets of governments is between revenue producing and "unproductive" capital outlays. One method of classification would simply eliminate all non-revenue producing outlays from the capital account, restricting the concept of "capital" to income producing assets. This method has the advantage of a reasonably unambiguous criterion of distinguishing "capital" and "current" expenditures. The extreme advocates of this method would exclude all outlays for defence, for roads and construction of public buildings. It appears, however, that for purposes of adequate measurement of governments' gross investments certain types of non-revenue producing but service rendering assets should be included in the capital account. Thus, expenditures on public roads and buildings although they do not typically produce an annual revenue might properly be regarded as adding to the nation's productive assets. They are therefore included in the capital account. All national defence outlays are, however, excluded from the capital account, regardless of the life expectancy of the military assets acquired. This is because their future service value to the community is uncertain. Unfortunately, no precise criteria for separating current items is possible once the "revenue-producing" requirement is abandoned. With the solitary exception of capital assets acquired for defence, distinction is made between current and capital expenditures on the basis of life expectancy: current expenditures are those the products of which are consumed within the accounting period; expenditures with a longer life expectancy are classed as capital. Even this raises quite a few problems. It is difficult to measure the life expectancy of the effects of education, health improvement measures, etc. Such nation-building social welfare activities should properly be classed as capital expenditures. These are, however, classed as current expenditures; the term capital is, therefore, restricted to tangible assets whose service life expectancy stretches beyond the accounting period.

It is also important to be able to obtain an estimate of net investment of the government as distinguished from gross. This is important for government debt policy since net investment and not gross investment provides a possible justification for public borrowing. In most of the budgets as at present available, it is not possible to break down gross capital expenditure into maintenance and net capital formation. Only in a few cases do we get separate statistics of maintenance expenditure. In the reclassified accounts, therefore, the maintenance estimates are described as ascertainable maintenance. The balance of maintenance is included under capital expenditure.

Classification of current account.

The classification of expenditure on current account makes a distinction between economic payments and transfer payments. This distinction is of importance for national income calculation. Broadly, economic payments are made in respect of some economic good; either for service, or for rent, or for capital, or for sale or supply, etc. Transfer payments, in social accounting terms, are payments with no corresponding direct economic return in goods and services rendered. Typical instances include payments to war veterans or subsidies aiming at the stabilization of prices.

The economic payments are sub-divided according to five main classifications of governmental functions; viz., tax collection, civil administration, defence, economic development and social improvement. The limitation that this is sub-classification of only economic payments in current expenditure should be noted. Thus the total expenditure on economic development would definitely be greater as some of it will be capital expenditure; similarly, total expenditure on social improvement will also be greater on account of some of it being included in transfer payments. As mentioned above capital expenditure on defence is considered as current expenditure.

Each category of economic payments is further classified into wages and salaries, other factor payments

(interest, rent) and purchases of goods. Where it is not clear to which category the expenditure item belongs or if it is a composite item which cannot be broken down, these are allocated to a further sub-classification item, "unallocable." Transfer payments are sub-divided according to recipients. These are other governmental bodies, such as states and local governments (contributions and grants), to private enterprises (subsidies), to persons (scholarships, pensions, bad debts), and to institutions (grants to schools, hospitals, etc.). Following the conventions adopted in social accounting, interest on national debt, or dead-weight debt, is also classed as a transfer payment. Transfer payments may be considered as the re-distributive transactions of the government.

RECEIPTS CLASSIFICATION.

Most government budgets separate current revenues and borrowings into two accounts, which are called the ordinary and the ways-and-means budgets. Countries which prepare separate capital budgets give borrowing figures in the capital budget. Practical considerations behind meeting financial obligations seem to suggest that this distinction is arbitrary. In many countries the rule that government expenditure on capital account should only be undertaken to the extent that the governments are able to borrow appears to be breaking down. The governments of the present day have found it hard to conform to this injunction. Expenditures on defence have been met from borrowing even while they do not lead to capital formation. On the other hand, where governmental borrowing is very meagre, governments have drawn upon heavy profits from monopoly trading or large surpluses on current account to finance their capital expenditures. It appears unrealistic to make a distinction between current account receipts and capital account receipts. All receipts are, therefore, considered together and the distinction between current and capital is made only in respect of expenditures.

The receipts of the government are divided between revenue and net borrowing. The term revenue refers to receipts in respect of which there is no corresponding obligation to repay. Revenue is sub-classified into tax revenue (direct and indirect taxes); non-tax transfers (such as fines, private contributions); earnings (income from sales, service income such as fees and income from property, such as rents, income from forests, interest on loans); and transfer from enterprises (profits and other appropriations to revenue). The distinction between direct and indirect taxes is fairly well-known in public finance. The distinction between earnings and other receipts is important for national income calculation; earnings are economic payments made by the public to the government; the remaining government receipts are transfer payments.

ACCOUNTS RECLASSIFIED FOR ILLUSTRATION.

In the following pages the current budget of the Government of the Union of Burma has been reclassified in order to illustrate how such economic accounts can be drawn up.[1] Similar reclassification has also been attempted for Hong Kong, India and the Philippines. These studies are available in a Report presented to the seventh session of the Economic Commission for Asia and the Far East at Lahore in February 1951.

The observations below are made after accepting one limitation, viz. that no information is used other than what is already available in the published document accompanying the budget; in this case, the Budget Estimates of the Government of the Union of Burma. This causes a few theoretical inconveniences but the advantage of a constructive practical approach implied in its acceptance outweighs any disadvantages. Nevertheless, the paper points out certain difficulties that arise in the compilation of the reclassified accounts and suggests measures designed to make the working out of such accounts more accurate. These suggestions are in no way intended as a criticism either of the contents or of the presentation of the budget.

SEPARATION OF DOMESTIC FROM FOREIGN TRANSACTIONS.

For studying the impact of budget proposals on the price level in an economy it is necessary to break down all receipts and payments into domestic and foreign. A budget can be a surplus budget taking all receipts and payments into account. But if the payments at home exceed receipts in home currency, the budget is likely to lead to an upward pressure on prices unless there are other off-setting factors at work elsewhere in the economic system. From the budget documents at present available it is difficult to separate domestic receipts and payments from foreign receipts and payments. In the case of Burma (and India and Pakistan) only one classification is maintained: viz., sterling receipts and payments, accounts for which are maintained in London. Inadequate as they are the results indicate that the Burma Government's home receipts were expected to approximate Rs. 529 million (Item 37), while the Government's home payments were to reach the large sum of about Rs. 924 millions (Item 50). This means that by itself the Budget was likely to be inflationary. This may, however, not be a cause for alarm as most of Burma's important exports are of rice and are on Government account. The inflationary effects

1 The Government of Burma had for some time felt that a clear picture of the overall economic implications of the budget proposals was necessary as an aid to national planning. Recently a member of the ECAFE Secretariat reclassified the current budget of the Union Government on lines here indicated. The Secretariat is indebted to the Government of Burma for permission to reproduce statistics from his report. The Government of Thailand has also requested a similar reclassification of its budget

of these exports may be offset by an import surplus on private account. A complete appraisal requires the information on the amount of exchange purchased and sold by the central bank.

If foreign receipts and payments on government account are clearly distinguished from receipts and payments at home it will serve two purposes: first, it will give an idea of the impact of the Budget on the price level; and second, it will help in the construction of a statement on the balance of payments. The latter may also be incorporated into the budget documents.

SEPARATION OF TRANSACTIONS WITH THE PUBLIC FROM INTRA-GOVERNMENTAL TRANSACTIONS.

The Government budget as presented has to be pruned of all inter-departmental or intra-governmental receipts and payments before a statement can be obtained of the Government's receipts from and payments to the public, both on enterprise account and government account. It is also necessary to distinguish payments made to local authorities. One of the difficulties in doing this is that government transactions of this nature are not in general clearly classified. Thus, for instance, the omnibus description "payments to Governments, departments, etc." in the Budget of Burma (and also of India and Pakistan) contains such diverse elements as payments to a foreign (Indian) Government (Marine, for Dufferin cadets), payments to State Governments (Civil Works, for works executed by State Governments), payments to local bodies (Defence to Port Commissioners for charges on account of pilotage and buoys), payments to government enterprises (Customs, commission paid to Posts and Telegraphs on customs duty collected on inward parcels), or inter-departmental payment (General Administration, payment from Kachin State ministry, a Department of the Union Government to Shan State Ministry, another Department of the Government). This is true of most of the budgets as at present constructed. The reclassification would be greatly improved if a clear statement was available in respect of all such payments, distinguishing between foreign governments, state governments, local authorities, government enterprises, public utilities and government departments. The payee should be clearly named, and the purpose for which the payments are made also be stated. This observation also holds true for all items included under receipts.

Another item causing inaccuracy in the estimation of transactions net of intra-governmental payments is that we have to take all the revenue of the railways and other nationalized enterprises as from the public. That is not true. In Burma the railways also earn revenue from defence, from boards like the Agricultural Marketing Board, and the State Timber Board, and from government officials and others travelling on official purposes. All these would be intra-governmental payments. This is a common feature of the budgets of many governments. Possibilities of remedying this defect might be considered.

CONCEPT OF BUDGET SURPLUS.

The difference between revenue and current expenditure may be considered as the current surplus (or deficit, if it is negative) of the government. This in practice works out at a very different figure from the conventional budget surplus or deficit. When it is remembered that before the war a deficit or a surplus of a few million units of currency was a serious matter, the superficial discrepancies may often appear startling.

ADVANTAGES OF THE PROPOSED SETS OF ACCOUNTS.

The scheme of classification as outlined in this paper secures the following advantages:

(a) Distinction between enterprise and non-enterprise transactions.

This has obvious reference to the role of the government in the economic system.

(b) Distinction between current and capital expenditure.

The accounts as set out here distinguish capital items which are included in the revenue accounts of the budgets. On the other hand, it sifts out from capital budgets and ways-and-means accounts items which are not capital from the economic point of view. Thirdly, purely banking transactions of the Government are separated from transactions which lead to the acquisition or construction of real assets. Even in the countries which prepare separate capital budgets this mix-up is often the result of the blurred line of demarcation in public accounts between current expenditure and capital expenditure, which have been commonly accepted, however inadequately from the economists' point of view, in business accounting. In public accounts strict definitions have often been compromised for the sake of expediency. The reclassification of expenditure between current and capital, therefore, presents a very thorny problem in applied economics.

(c) Distinction between internal and external receipts and payments.

From the budget documents at present available it is unfortunately not convenient to separate domestic from foreign receipts and payments. It is desirable that this distinction should be made in all government accounts. It is important for ascertaining the impact of the government budget on the price level and for the construction of a statement on the balance of payments.

(d) Distinction between economic and transfer payments.

This distinction, while useful for social accounting purposes, reduces the usefulness of expenditure classifica-

tion in so far as the classification of economic payments is functional, while the classification of transfer payments is according to recipients. Thus, the expenditure under social welfare in a budget gets broken down into direct economic payments and grants, but grants may be to institutions or to persons in the form of scholarships. The advisability of making also a functional classification of transfer payments is at present under the consideration of the Secretariat.

(e) Distinction between factor payments and purchases.

The government's activities as purchaser of goods are distinct from its functions as an entrepreneur employing factors of production. In this particular connection, payments for the employment of persons are distinguished from payments of rent or interest. It is unfortunate, however, that in not many cases is it possible to obtain a clear breakdown.

(f) Summary provided of the overall cash position.

The reclassification poses the fundamental question behind all budget examination: How far is the overall government expenditure expected to be met from revenue and borrowing from the market, and how far is the government counting on receipts from borrowing from the central bank and from a fall in its cash balances? No satisfactory answer, however, can be provided so far as budgets are concerned, since central banks do not forecast their annual transactions as do governments, nor do governments admit at budget time their intention to borrow from the central banks. The scheme of reclassification, however, when applied to accounts for previous years, admits their tying up with the balance sheets and profit and loss accounts of the central banks. This has been attempted by the Secretariat in the study on India. A study of the magnitude of the government borrowing from the central bank and a fall in its cash balances is essential to consider their probable influence on the price level in the economy.

(g) Accounts fit in easily within social accounting categories.

These accounts set out transactions in a form which easily lends itself to categories of interest in the compilation of an economic budget of the community as a whole; namely, national income and related estimates. The governments of various countries have already prepared official estimates of their national incomes. This is a result of the realization by these governments that their fiscal measures require for their proper appraisal a complete picture of the nation's budget on the basis of which the finance minister can present the government budget. If this is accepted, a scheme as above would be helpful to bring the government budget also into line with that of the nation.

CONSTRUCTION OF ACCOUNTS OF OTHER PUBLIC AUTHORITIES.

Only in respect of the Burma budget of 1950-1951 has it been possible to include accounts of the Governments of Shan, Kachin and Karenni States, budgets for which are included with the Union budget for the current year. For reasons of space only the totals for the States have been given. For India, it would have been too unwieldy a task for the Secretariat. However, such a classification of the budgets of the states composing a federal government is of particular importance to countries like India. Attention directed only to the Central Government accounts and budgets overemphasises some expenditures, as on defence, which are the sole responsibility of the central government, while they underestimate expenditure on social services which falls within the purview largely of the state governments.

Finally, it should be possible to prepare on lines here indicated statements on the enterprise, current and capital transactions projected by local authorities, including port authorities. The suggested outline of accounts may also provide a framework on which these budgets may be classified. It would then be possible to prepare a consolidated statement of the central, states and local authorities' budgets. This would give a comprehensive picture of the magnitude and composition of the projected outlay of the entire public authorities sector. Evaluation of the budgetary policies aimed at attaining price stabilization or any other objective, can be properly made only after taking into account the projected outlays and finances of all public authorities. Otherwise the lone efforts of the central government might well be offset by reverse actions of other public authorities. It is suggested that standardization of accounts on similar lines would help each sector of public authorities to appreciate the tendencies inherent in the actions of others and would help the public to appraise the cumulative effect of them all.

CONCLUSION.

To conclude, this paper indicates the general outlines of alternative sets of economic accounts applicable to all public authorities which, if adopted, may prove useful to secure an appraisal of the economic significance of their projected outlays better than is available from their conventional presentation. In the appended accounts the inclusion or exclusion of an item in a particular pigeonhole is a matter sometimes of a borderline decision, and it is not improbable that revisions may be suggested both in respect of contents and classification. The appended tables may, therefore, be taken as provisional.

ACCOUNT A.

Burma: Government Enterprises.

(Rs. Lakhs)

RECEIPTS	HOME		ABROAD	Total	PAYMENTS	HOME		ABROAD	Total
	Union Government	States	Union Government			Union Government	States	Union Government	
1. Operating and non-operating receipts					5. Operating and non-operating expenses				
a. From the public ...	19,24		47,60	66,84	a. Payments to the public				
b. From local authorities	2			2	(i) Wages and salaries	2,67		..	2,67
c. From Government ...	77			77	(ii) Factor payments ...	2,69			2,69
					(iii) Purchases	37,29		25	37,54
Total ...	20,03		47,60	67,63	(iv) Unallocable ...	4,33		2	4,35
2. Transfers from the Government					Total ...	46,98		27	47,25
a. Grants	—			—	b. Transfers to the public	4			4
b. Advances	4,47			4,47	c. Payments for interest and services to the Government	2,24			2,24
Total ...	4,47			4,47					
3. Receipts not included in the Budget	22			22	Total operating and non-operating expenses	49,26		27	49,53
					6. Ascertainable maintenance expenditure				
					(i) Wages and salaries	35		..	35
					(ii) Factor payments ...	1,97		..	1,97
					(iii) Purchases	8		1	9
					(iv) Unallocable ...	1,31		..	1,31
					Total ..	3,71		1	3,72
					7. Capital formation				
					a. Construction of assets				
					(i) Purchases	28		14	42
					(ii) Unallocable ...	4,66		—	4,66
					Total ...	4,94		14	5,08
					b. Acquisition of assets...	—			—
					c. Increase in stock ...	— 7			— 7
					d. Less Sale of assets ...	—10			—10
					Total capital formation	4,77		14	4,91
					8. Net lending	19			19
					9. Transfers to the Government				
					a. Appropriation to revenues	15,09			15,09
					b. Repayment of advances	65			65
					Total ...	15,74			15,74
					10. Disposals not included in the Budget	1,15			1,15
4. Total receipts	24,72		47,60	72,32	11. Total payments	74,82		42	75,24

ACCOUNT B.

Burma: Government.

(Rs. Lakhs)

RECEIPTS	HOME		ABROAD	Total
	Union Government	States	Union Government	
12. Tax revenue from the public				
a. Direct taxes	5.01	1	..	5.02
b. Indirect taxes ...	19.78	7	—	19.85
Total ...	24.79	8	..	24.87
13. Non-tax transfer from the public	13	1	—	14
14. Earnings				
a. Sales	15		..	15
b. Service income ...	83	3	..	86
c. Income from property	1.49	17	—	1.66
Total ...	2.47	20	..	2.67
15. Transfers from enterprise account				
a. Payment for interest and services	2.24			2.24
b. Appropriation to revenues	15.09			15.09
c. Repayment of advances	65			65
Total ...	17.98			17.98
16. Payments by other public authorities				
a. State Governments ...	2			2
b. Local authorities ...	9			9
Total ...	11			11
17. Contributions				
a. From Union Government	—	1.74		1.74
b. From States and State Chiefs	—	26		26
Total ...		2.00		2.00
18. Total revenue	45.48	2.29	..	47.77

PAYMENTS	HOME		ABROAD	Total
	Union Government	States	Union Government	
Current Account				
21. Economic payments				
a. Direct demands on revenue				
(i) Wages and salaries...	1.98	11	..	2.09
(ii) Other factor payments	11	2	..	13
(iii) Purchases	4	--	..	4
(iv) Unallocable	9	1	..	11
Total ...	2.22	14	1	2.37
b. Civil Administration				
(i) Wages and salaries...	7.86	44	18	8.48
(ii) Other factor payments	95	5	8	1.08
(iii) Purchases	1.15	4	20	1.39
(iv) Unallocable	97	11	15	1.23
Total ...	10.93	64	61	12.18
c. Defence				
(i) Wages and salaries...	6.20		13	6.33
(ii) Other factor payments	52		2	54
(iii) Purchases	2.75		6.43	9.18
(iv) Unallocable	1.57		7	1.64
Total ...	11.04		6.65	17.69
d. Economic Development				
(i) Wages and salaries ..	51	6	..	57
(ii) Other factor payments	4	1	3	8
(iii) Purchases	6	2	2	10
(iv) Unallocable	70	7	1	78
Total ...	1.31	16	6	1.53
e. Social Improvement				
(i) Wages and salaries...	2.90	37	..	3.27
(ii) Other factor payments	8	2	..	10
(iii) Purchases	24	7	—	31
(iv) Unallocable	34	7	2	43
Total ...	3.56	53	2	4.11
f. Payments to Government enterprises ...	77			77
g Payment to local authorities	16	1		17
h. Payment to Union Government		2		2
i. Payment to State Governments	1			1
j. *Less* unallocable inter-departmental payments	—12			—12
Total economic payments	29.88	1.50	7.35	38.73

19. Net borrowing from the public	6.01	57	—15	6.43
20. Total receipts	51.49	2.86	—15	54.20

22. Transfer Payments				
a. Transfer to local authorities	36	2		38
b. Transfer to State Governments	1.75			1.75
c. Transfer to Government enterprises ...	—			—
d. Transfer to private enterprises	5			5
e. Interest on national debt	23		5	28
f. Transfer to persons ..	1.62	5	53	2.20
g. Grants	25	5		30
Total transfer payments	4.26	12	58	4.96
23. Total current expenditure	34.13	1.63	7.93	43.69
Capital Account				
24. Lending				
a. To local authorities ...	24			24
b. To Government enterprises	4.47			4.47
Total ...	4.71			4.71
25. Suspense Accounts ...	—94			—94
26. Maintenance expenditure				
a. Wages and salaries ...	28	9	..	37
b. Factor payments ...	2	2		4
c. Purchases			36	36
d. Unallocable	1.78	35	..	2.13
Total ...	2.08	46	36	2.90
27. Capital formation				
a. Construction of assets	2.21	54		2.75
b. Acquisition of assets ...	82	9		91
c. Increase in stores ...	1			1
d. *Less* Sale of assets ...	—2			—2
Total capital formation	3.02	63		3.65
28. Total gross capital formation	5.10	1.09	36	6.55
29. Total expenditure on capital account	8.87	1.09	36	10.32
30. (a) Reserve at the disposal of the Finance Minister	30			30
(b) Probable savings ...		—21		—24
31. Total government expenditure ..	13.30	2.48	8.29	54.07

ACCOUNT C.

Burma: Overall cash position of the Government vis-a-vis the public at home.

	RECEIPTS	Union	States	TOTAL		PAYMENTS	Union	States	TOTAL
32.	Operating and non-operating receipts of government enterprises, and receipts not included in the Budget	19,46		19,46	13.	Operating and non-operating expenses of government enterprises and disposals not included in the Budget	48.17		48,17
33.	Tax revenue	24,79	8	24,87	14.	Current expenditure of the Government			
34.	Non-tax transfers from the public and revenue earnings	2,60	47	3.07		a. Economic payments ...	28.94	1,50	30,44
						b. Transfer payments ...	2.15	10	2,25
35.	Total revenue	46.85	55	47,40		Total ...	31.09	1,60	32,69
36.	Net borrowing from the public	6,01	57	6,58	15.	Ascertainable maintenance expenditure			
						a. Government enterprises	3,71		3,71
37.	Total receipts at home ..	52,86	1,12	53,98		b. Government	2,08	46	2,54
38.	Receipts abroad	47,60		47,60		Total ...	5.79	46	6,25
39.	Total receipts	1,00,46	1,12	1,01,58	16.	Capital formation			
40.	Net borrowing from the Central Bank	—		—		a. Government enterprises	4,77		4,77
						b. Government	3.02	63	3,65
41.	Fall in cash balances					Total ...	7.79	63	8,42
	a. As budgeted ...	2,97	—38	2,59	17.	Net lending and suspense accounts	—75		—75
	b. Correction for over-estimation of interest to be received from Railway Board ...	20		20	18.	Reserve at the disposal of the Finance Minister ...	30		30
					19.	Probable savings	—	—24	—24
					20.	Total payments at Home	92.39	2,45	94,84
					21.	Transactions between Union and State Governments	1.73	—1,73	—
					22.	Transactions with Local Governments (net) ...	65	2	67
					23.	Payments abroad	8.86		8,86
42.	Grand Total	1,03,63	74	1,04,37	24.	Total payments	1,03,63	74	1,04,37

ITEM NOTES

Lakh = 100,000
.. = less than Rs. 50,000.
— = nil.

UNION GOVERNMENT

1. *a.* Receipts from the public by Railways, Irrigation, Posts and Telegraphs, for jail manufactures, for sale of Civil Supplies, for provision of electricity; and the receipts of Inland Water Transport Board, State Timber Board and State Agricultural Marketing Board. All the receipts of State Agricultural Marketing Board are assumed to be from abroad while all the other receipts, except interest on Depreciation Reserve Fund "B" Account of the Railways, are assumed to be earned in Burma.

b. Receipts by the Electricity Supply Department in respect of street lighting.

c. Receipts by the Posts and Telegraphs for service stamps, interest on Renewals Reserve Fund, from Customs, from Broadcasting, for savings work, for weather telegrams; receipts by Union Bank for interest on Reserve Fund, for Debt work and for exchange control; and receipts by Road Transport Board from Defence on account of traffic and job earnings and sales of vehicles, tyres and tubes, stores and equipment and the sale of Base Workshop.

2. *b.* Advances received by the State Timber Board and the Burma Railway Board.

3. Balancing items in respect of pro-contra debits in respect of contribution to Revenue of profits of the Union Bank of Burma, Central Procurement and Marketing Board and the Rangoon Electric Supply and Tramway Company and interest and repayment of advances paid by Rangoon Electric Supply and Tramway Company.

5. *a.* Payments made by the Railways, Posts and Telegraphs, Civil Supplies, Electricity Supply Department, Inland Water Transport, Road Transport, State Timber Board and the State Agricultural Marketing Board; and the cost of jail manufactures.

b. Mainly in respect of loss of cash and stores, compensations, pensions, evacuation expenses etc. paid by Railways and Posts and Telegraphs.

c. Payment for interest, audit, pensions, stationery and printing, civil works and for Civil Departments' share of unified stamps by Posts and Telegraphs; payments for interest on capital and on Lease Lend Loan, railway police and stationery by Railways; payments for royalty on timber, interest, pensions and audit by State Timber Board; payment for interest by Inland Water Transport and payment for pensions and audit by other Boards; payment for interest by the Rangoon Electric Supply and Tramway Company.

6. Maintenance expenditure by the Railways charged to working expenses; expenditure from the Railway Depreciation Reserve Fund; expenditure for maintenance by the Irrigation Department, Posts and Telegraphs, Electricity Supply Department, State Timber Board, and State Agricultural Marketing Board; expenditure from the Posts and Telegraphs Renewals Reserve Fund.

7. *a.* Capital construction by Railways, Irrigation, Posts and Telegraphs, Electricity Supply Department, State Timber Board and State Agricultural Marketing Board.

c. Stores suspense of Railways, Irrigation Department, Civil Supplies; and the fall in stock of the State Timber Board.

d. Sale of stores on Railway Capital and Rehabilitation account and Depreciation Reserve Fund account.

8. Net advances to contractors by State Timber Board.

9. *a.* Profits of the Union Bank of Burma, Central Procurement and Marketing Board and Rangoon Electric Supply and Tramway Company; customs duty paid by the Civil Supplies Department, State Timber Board and State Agricultural Marketing Board; and Rehabilitation contribution by State Agricultural Marketing Board and State Timber Board.

b. Repayment of advances by Rangoon Electric Supply and Tramway Company, the Inland Water Transport and the Road Transport Boards; and payment by Railways towards repayment of United States Lease Lend Loan.

10. Balancing items in respect of the credit to the Depreciation Reserve Fund of the Railways *minus* expenses chargeable to it; contribution by the Railways to Provident Fund; interest received by the Union Bank on its Reserve Fund and the amount received for debt management and exchange control; balance of income less expenditure of Inland Water Transport and Road Transport Boards and net profits of State Agricultural Marketing Board.

12. *a.* Taxes on income, Thathameda and house tax.

b. Customs, Excise Duties, State Lottery, Land Revenue, Excise, Stamps, Commercial taxes, Betting tax and licence fees on import of gold and import licence fees included in Miscellaneous revenues.

13. Unclaimed prizes in State Lottery, assignments and compensations under Land Revenue, fines under Excise, Stamps, Justice, Police, Forests; sale of unclaimed property under Justice, contributions under Medical and unclaimed deposits under Miscellaneous.

14. *a.* Sale of books, medicines, sera and vaccines, radios, maps, Government publications, waste paper, stores and equipment under Defence, Industries and sale at cost of relief supplies.

b. Licence fees of fishing implements and record room receipts under Land Revenue; registration fees, motor vehicles tax; court fees under Justice; receipts of Jails; Police receipts; Marine receipts; Light house receipts; and income from services and fees under Education, Medical, Public Health, Veterinary, Co-Operative and Aviation; Immigration fees; licence fees for Broadcasting; registration of Accountants, Examination fees; Inspection of steam boilers; Registration of Joint Stock Companies; and Partnerships; registration of births, deaths etc., service income under Civil Works, printing receipts; naturalization and passport fees and fees of the Custodian of Property and other miscellaneous service receipts.

c. Petroleum revenue; mining royalties; rent of leased fisheries; royalty on rubber; income from forests; interest income; rents under Civil Works; income from the hire of Government Motor Vehicles; hire of radios and incomes received by Military Engineering Service under Defence on account of rent from property.

15. *a.* Same as 5 *c*.

b. Same as 9 *a*.

16. *a.* Recovery from Shan States for prisoners in Burma and receipts in respect of stationery and printing and civil works.

b. Receipts under Land Revenue, Civil Works, Stationery and Printing; Interest paid by Municipalities and Port Commissioners; Receipts by Marine in payment for local lights.

19. Recovery of pre-evacuation advances; repayment of United States Lease Lend Loan; payments towards commutation of pensions; net increase in sale of Treasury Bonds; net increase or decrease in Post Office Savings Bank deposits, Post Office cash certificates, saving certificates, Provident funds, Post Office cash certificates bonus fund, savings certificates bonus fund, departmental and judicial deposits, repayable advances and loans to agriculturists and co-operative societies.

21. *a.* Land revenue; Customs; Excise; Taxes on Income; State Lottery; Excise; Stamps; Registration; Forests; and Other Taxes.

b. Parliament; General Administration; Audit; Justice; Jails; Police; Marine; Lighthouses; External Affairs; Immigration; Rent Control; Administration of the Viniseya Htana Act, 1949; Fire Services; Remittance of treasures; Stationery and Printing; Durbars; Books and Periodicals; Special commissions of enquiry;

Independence day anniversary celebration; Unforeseen Charges; Custodian of Property; Motor Transport; and Pre-evacuation liabilities in respect of pay.

c. Expenditure included in Defence Estimates less paid to Marine and Road Transport and advances to Ordnance Workshop Board.

d. Expenditure on Timber Research Branch, Scientific Departments, Agriculture, Veterinary, Co-operatives, Grow-More-Food campaign, Industries, Aviation and Registration of Accountants and Joint-Stock Companies; contribution to Rehabilitation Board and payment of annual subscription to the Rubber Study Group, London.

e. Expenditure under Education, Medical, Public Health, Inspection of factories, Labour, Inspection of Steam Boilers, Vital Statistics, Broadcasting, Census, and Evacuee Welfare.

f. Same as 1 *c*.

g. Payments to Port Funds under Customs, Marine and Defence; to local bodies for maintenance of communications.

j. Payments made to Stationery and Printing, to Posts and Telegraphs for service stamps, to Civil Works and for ex-Army and CAS(B) stores.

22. *a.* Transfer to Rangoon Corporation under Motor Vehicles Tax; Medical and Public Health contributions; rates and taxes and miscellaneous contributions to local bodies; and payment of pre-evacuation liabilities in respect of Local Fund treasury balances.

b. Contributions to the revenues of Shan, Kachin and Karenni States.

d. Subsidies for paddy cultivation; grants-in-aid for exhibitions under Agriculture and Industries; and grants for industrial development mainly to cottage industries.

e. Interest on Rupee Debt; Savings Bank deposits; State Provident Funds; and interest under Section 18A, Burma Income Tax Act.

f. Assignments and compensations under Land Revenue; stipends, scholarships and unrecovered advances to students under Forests, Marine, Education, Medical, Public Health, Veterinary and Industries; bad debts; pensions; expenses towards funeral of Buddhist monks; net grants of relief supplies; and compensations for disabled men.

g. Discretionary grants under General Administration; and grants under Jails, Education, Medical, Public Health, Industries; general religious contribution under Miscellaneous.

24. *a.* Net payments on loan account to Municipalities, District Councils and Deputy Commissioners' Local Funds.

b. Same as 2 *b*.

25. Net receipts in Cash Balance Investment Account, Departmental and similar Accounts and Other Suspense Accounts.

26. Maintenance expenditure under Forests, Marine, Lighthouses, Scientific Departments and Civil Works.

27. *a.* Expenditure on buildings and other works under Forests, Police, Education, Agriculture, Aviation and Civil Works; Aviation Capital Outlay; additions to plant and machinery under Stationery and Printing; and expenditure from the National Development Fund.

b. Purchase of boats under Customs; acquisition of land under Land Revenue; purchase of livestock, tools and plant under Forests; furniture grant to the President; stockpiling of medicines; and expenditure on stores, tools and plant under Broadcasting.

c. Stores suspense under Forests, Marine, Lighthouses and Civil Works.

d. Sale of government estates and waste lands under Land Revenue; vessels and stores under Marine; old stores and materials and motor vehicles under Miscellaneous Departments and Miscellaneous.

28. 26 *plus* 27.

32. 1 *a plus* 3.

33. Same as 12.

34. 13 *plus* 14.

36. Same as 19.

38. Same as 1 *a*.

43. 5 *a plus* 5 *b plus* 10.

44. *a.* 21 *a plus* 21 *b plus* 21 *c plus* 21 *d plus* 21 *e plus* 21 *h plus* 21 *i*.

b. 22 *d plus* 22 *e plus* 22 *f plus* 22 *g*.

45. *a.* Same as 6.

b. Same as 26.

46. *a.* Same as 7

b. Same as 27

47. 8 *plus* 25.

48. Same as 30.

51. 22 *b less* 16 *a*.

52. 21 *g plus* 22 *a plus* 21 *a less* 1 *b less* 16 *b*.

53. Payments on enterprise account and government account *plus* repayment of United States Lease Land Loan and towards commutation of pensions included in 19.

STATES GOVERNMENTS

SHAN

12. *b.* Excise and Stamps revenue.

13. Fines in respect of Forests, Justice, Police and Excise; and contributions under Medical.

14. *a.* Sales of stationery.

b. Receipts under Registration, Motor Vehicles Act, Justice; Police; Education; Medical; Veterinary; Co-operatives; Naturalization; passport and copyright fees; and Miscellaneous receipts.

c. Mining royalties; income from Forests; Agricultural receipts; and receipts from rents.

16. *a.* Receipts from Kachin and Karenni State in respect of Justice, Veterinary and Motor Transport.

19. Contribution for pensions, recovery of pre-evacuation advances; net advances to cultivators and government servants; net increase or decrease in provident funds, local funds; civil deposits and civil and special advances.

21. *a.* Excise; Forest; Registration and motor vehicles.

b. State Council; General Administration; Justice; Police; travelling allowance of officials and non-officials attending durbars; cost of books and periodicals; Miscellaneous Durbar Charges, Miscellaneous Unforeseen charges; Custodian of Property, Government Motor-Transport and Pre-evacuation Liabilities.

d. Expenditure on Geological survey, Agriculture, Veterinary, Industries and Co-operatives.

e. Expenditure on Education, Medical, Public Health and Evacuee Welfare and Relief.

h. Payment to Union Government in respect of Shan prisoners, and Stationery and Printing.

22. *f.* Scholarships and stipends under Education, Forests, Medical Public Health, Agriculture and Veterinary; Pensions; Evacuee Relief supplies and free grants of forest produce; and pre-evacuation liabilities in respect of Pensions.

g. Grants under Education, Medical, and Public Health; contributions under Miscellaneous.

26. Maintenance expenditure under Forests and Civil Works.

27. *a.* Works expenditure under Forests, Jails, Agriculture and Civil Works.

b. Acquisition of land under agriculture and tools and plant under civil works.

33. Same as 12.

34. 14 *plus* 17 *b*.

36. Same as 19.

41. Surplus on ways and means account less deficits on revenue account and on loans and advances by government.

44. *a.* 21 *a plus* 21 *b plus* 21 *d plus* 21 *e*.

b. 22 *f plus* 22 *g*.

45. Same as 26

46. Same as 27.

51. 17 *a less* 21 *h*.

52. Same as 22 *a*.

KACHIN

12. *a.* Land revenue in lieu of capitation tax and thathameda tax.

b. Excise, Stamps and Land Revenue.

13. Fines under Forests, Justice and Excise.

14. *a.* Sale of jail manufactures.

b. Receipts under Registration, Motor Vehicles Act, Court fees, Police, Education, Medical, Land Revenue, Jails and Miscellaneous receipts.

c. Mining royalties, income from forests, Agriculture, rents and Civil Works.

20. *a.* Land revenue. Excise; Stamps; Forests; and Registration.

b. State Council; General Administration; Justice; Jails; Police; Rewards for destruction of wild animals; Miscellaneous Durbar Charges; Government motor transport; and Pre-evacuation liabilities in respect of pay.

d. Scientific Departments, Agriculture, Veterinary, Co-operative and Industries.

e. Expenditure under Education, Medical, Public Health and Evacuee Welfare.

g. Payments to Local authorities in respect of maintenance of communications.

h. Payment to Union Government in respect of Stationery and Printing.

i. Payment to Shan State Government in respect of Justice, Veterinary and Motor Transport.

22. *a.* Transfers to Local authorities in respect of Medical, Public Health and contributions under Miscellaneous.

f. Scholarships and stipends under Education, Medical, Agriculture, Veterinary, Industries; Pensions; grant of supplies and free forest produce to evacues; Pre-evacuation liabilities in respect of pensions.

g. Discretionary grants under General Administration, grants under Education, Medical and Public Health and contributions under Miscellaneous.

26. Maintenance expenditure under Forests and Civil Works.

27. *a.* Works expenditure under Forests, Civil Works and Agriculture.

b. Acquisition of tools and plant under Civil Works.

33. Same as 12.

34. 13 *plus* 14.

41. Deficit on Revenue account *plus* deficit on account of net loans and advances by Government.

44. *a.* 21 *a plus* 21 *b plus* 21 *d plus* 21 *g*.

b. 22 *f plus* 22 *g*.

45. *b.* Same as 26.

46. *b.* Same as 27.

51. Same as 17 a.

52. Same as 22 *a*.

KARENNI

13. Fines in respect of Justice.

14. *a.* Sale of medicines.

b. Fees under Education.

c. Income from Rents and Forests produce.

21. *a.* Land Revenue and Forest.

b. Legislature, General Administration, Justice, Jails, Police, Miscellaneous and Unforeseen Charges, cost of books and periodicals and Government Motor Transport.

d. Expenditure under Agriculture, Veterinary and Industries.

e. Expenditure under Education, Medical, Public Health and Evacuee Welfare.

h. Payment to Union Government in respect of Stationery and Printing.

i. Payment to Shan State Government in respect of Justice.

22. *a.* Contributions to Local authorities under Miscellaneous.

f. Scholarships and stipends in respect of Education, Public Health, Veterinary and Industries; and supplies for Evacuee Relief and Welfare.

g. Grants in respect of Education.

26. Maintenance expenditure under Forests and Civil Works.

27. *a.* Works expenditure under Agriculture and Civil Works.

b. Acquisition of tools and plant under Civil Works.

34. 14 *plus* 17 *b*.

44. *a.* 21 *a plus* 21 *b plus* 21 *d plus* 21 *e plus* 21 *g*.

b. 22 *a plus* 22 *f plus* 22 *g*.

45. *b.* Same as 26.

46. *b.* Same as 27.

51. Same as 17 *a*.

THE FISHING INDUSTRIES OF ASIA AND THE FAR EAST[1]

The fishing industries of Asia and the Far East[2], although of very great importance to the region as a whole, are as variable in their importance to each country as they are in their development. The region includes one of the greatest, if not the greatest fishing nation of the world and of all time, and some of the nations least developed in respect of fisheries, as well as some of the most neglected fishing resources. The expression "neglected resource" denotes not only the ostensible magnitude of the resource and the prospective production of an industry which would exploit it, but also the relative importance which the added production would have in the economy of the country concerned.

The industry of the region possesses certain features which distinguish it from the fisheries of other regions. These include as positive features the magnitude of its labour force, the importance of the subsistence operations, and the remarkable intensity of operations in certain regions. As negative features may be noted the mechanical inefficiency of much of the equipment and the almost complete absence of modern fish-handling equipment.

For this industry in particular a discussion of the economic aspects presupposes effective recognition of the principal features of the exploited resources and the main outlines of the chief sections of the industry. This necessary descriptive material will therefore precede the discussion of the economy proper.

NATURAL RESOURCES

With certain reservations the location of the fishery resources may be indicated as approximately coincident with the limits of occurrence of stretches of water, but it must be recognized that bodies of water vary in respect of their productivity as much as areas of land do. Just as some stretches of land consist of utterly infertile sand incapable of sustaining plant life until water and nutrient materials are brought to them, so there are bodies of water which have no nutrient material and therefore can sustain no plant life. In regard to tropical waters, which constitute the bulk of the waters of this region, there is a difference of opinion among experts as to fundamental productivity. This argument has very considerable bearing on the prospects of developing trawl and other fisheries comparable with the fisheries of Europe and America, yet there is a possibility that the arguments which have developed concerning these prospects arise out of misconceptions the elimination of which would leave the way clear for a progressive policy of development of these resources by methods suitable to the particular conditions of the region.

The region includes some of the great river and freshwater lake systems of the world, especially in China, Indochina, India and Pakistan; in addition it includes the bulk of the world's rice growing lands which, particularly in the plains and the deltaic regions, offer tremendous scope for fish stocks. Among the freshwater systems particular note should be taken of the Yangtze River and its associated lakes, of the Mekong and its associated lakes in Cambodia, and of the Ganges and its tributary streams. With each of these systems is associated a distinct freshwater fauna of considerable dimensions as evidenced by the catches which are annually taken. Similar, although less spectacular, resources exist in other freshwater systems of the mainland and of the Philippine and Indonesian Archipelagoes. In world trade the most important freshwater group of fish is the Salmonid because of its usefulness for canning; this group does not occur in this region, except in the extreme north-eastern corner, and it is not to be expected that the group could be introduced and an industry developed on it in the warm waters. The fish stocks which do occur are nevertheless commercially valuable. The distinctive biology of these species, correlated with the special hydrological regimes of each system, induce special technological features in the associated fishing industries.

In the coastal zones of the region there are extensive areas of low-lying land which consist of primitive swamp and seaward are covered with mangrove. Land of this type has been developed in various ways for fishery purposes. The most striking of these developments, and probably the most important, are those of the Philippines and Indonesia where great areas have been embanked for a very advanced technique of fish-culture based upon the *milkfish (Chanos chanos)*[1]. In other parts of the region similar practices have been developed for other species of the brackish-water fauna, notably of mullets, Lates, and various shrimps and prawns. This brackish water fauna is extensive, varied and in some cases very abundant. It

1 This article was prepared by the Fisheries Division of the Food and Agriculture Organization at the Organization's Regional Office for Asia and the Far East.

2 The term Asia and the Far East is used to cover the ECAFE countries (Burma, Ceylon, China, Hong Kong, India, Indochinese Federation, Indonesia, Korea, Federation of Malaya and Singapore, Nepal, North Borneo, Brunei and Sarawak, Pakistan, the Philippine Republic, Thailand), together with Japan.

1 This fish is known as bandeng in Indonesia and as bangos in the Philippines.

includes not only the above species but also the Hilsa of India of which catches of many thousands of tons are taken each year.

In the marine waters there are extensive resources within the narrow zone along the coast and in fact these at present sustain the greater part of the marine operations of much of the area. The fish stocks of this zone are extremely diversified. Beyond the onshore zone there are separate resources to be found in surface and bottom waters. Throughout the marine waters a distinction from the waters of Europe and America is to be noted: the famous groups, herring, cod, haddock, halibut and so forth are missing from these waters, and in their place are to be noted the croakers of the China sea, the bilis group which includes Stolephorous and other clupeiod species, the Kembong (Pla thu) group, and the spanish mackerel group. There are substantial stocks of fish in the surface waters, and these include the tunas, especially in the eastern half of the region; the sharks and rays also are numerous. The demersal stocks are more enigmatical: these are usually indicated in the first instance in terms of the area of shallow water or continental shelf, and while the region contains some of the world's greatest oceanic depths, there are also extensive areas of shallow waters. These include the China Sea and adjacent waters, the Gulfs of Tonkin and Thailand and the Bay of Bengal with its adjacent waters, the continental shelf of Peninsular India and of West Pakistan, and the shelves of the Philippine and Indonesian Archipelagoes. All of these areas carry some fishing operations and generally their fish stocks are fairly well known; on the other hand, with the exception of the China Sea, none of them sustains any intensive operations approaching in importance the bottom fisheries of the North Sea, the Great Banks and the North Pacific, and this has been taken to mean that the bottom-living fauna is sparser in these waters than in colder waters. This may be true as an average for the region as a whole, although there are exceptional areas such as Wadge Bank off Southern India.

THE PRINCIPAL FISHERIES OF THE REGION

In considering the fisheries of this region, it is important to bear in mind the significance of the distinction between subsistence and commercial operations and to recognize the universality of the latter in the region. Whereas in other regions the character of distinct unit fisheries maintains clear boundaries between the different types of operations and the exploitation of different stocks, in this region the general substratum of subsistence operations transcends almost all such boundaries. Therefore, the listing of distinct fisheries relates chiefly to the commercial operations.

One other general note must be made at this juncture. In the fisheries programme of this region it is convenient for various reasons, some of which appear below, to divide the region into three sectors[1] : eastern (comprising Japan, Korea and China), central (comprising the Philippines, Indochina, Malaya, Thailand and Indonesia) and western (comprising Burma, Pakistan, India and Ceylon). In discussing the developed industries of the region this division is of considerable significance, more especially in connection with Japan. In the following sections it will be found that with almost monotonous regularity it is necessary to make reservations in respect of Japan whose resources include some cold water stocks (as distinct from the warm water stocks elsewhere in the region), and whose fisheries are greater, more extensive, more mechanized and more developed than those of any country of the region.

Organized commercial capture operations occur in most of the fresh water systems mentioned, reaching unique dimensions, and displaying special features, in the Great Lakes of Cambodia. Somewhat analogous to these operations (especially to the net-fisheries of the Lakes as distinct from the barrage fisheries of Tonle Sap) are the bheel fisheries[2] of the Gangetic system.

Freshwater cultural operations are most highly developed in China, India and Pakistan, employing, however, substantially dissimilar techniques. In China the techniques of fry collection and transportation, of pond construction and management, of stocking, feeding and managing, are highly elaborated and, while involving greater operational costs, give higher yields than the practices in the other two countries.

Especial mention must be made of the use of rice fields as a base for trapping and, in some cases, cultivation. Although subsistence operations undoubtedly exploit a fair proportion of these resources it is clear that tremendous development could be accomplished by the elaboration of the techniques and by the development of sources of supply of stocks for such waters.

Brackish-water capture operations take place throughout the region wherever suitable waters exist; for the most part too, such operations merge with the on-shore. Generally these operations are fairly diffuse but special mention must be made of the operations at Bagan Si-api api, for shrimp and numerous other species, and of the big fishery for Hilsa in the Gangetic delta and in nearby similar waters. Of the brackish-water cultural operations

1 This division into sectors, which is based primarily on oceanographic grounds, follows the practice of the Indo-Pacific Fisheries Council.

2 A bheel is a biome, lying adjacent to a river whose water is supplied by overflow when the river floods, at which time certain of the faunal elements are introduced in a natural planting.

mention has already been made of those in the Philippines and Indonesia for *Chanos* and elsewhere, especially in southern India, for shrimps, mullets and other species.

As mentioned earlier, on-shore fisheries are to be found throughout the region; in the central sector they are chiefly characterized by the use of traps, although other gear (nets and lines) is also used. In the eastern sectors greater use is made of nets, both of beach seines (e.g. Ceylon) and of purse seines or various forms of ring-net.

The off-shore fisheries are of extremely variable development, and properly so-called, are most important in the fisheries of China and Japan. The latter country had, before the war, fishing operations throughout the eastern and central sectors and in the western sector to the Andaman Islands. These fisheries exploited all types of resources, but perhaps the most significant were the reef fisheries which, especially in the Indonesian Archipelago, yielded considerable quantities of fish. Since the war the fisheries have been renewed to some extent by local fishermen. Another important group of off-shore fisheries includes the surface fisheries for tunas and for flying fish, also chiefly Japanese. Again, the Malayan fishery for kembong, in the vicinity of the Dindings, is of some value, although apparently sensitively responsive to prevailing marketing situations. Trawling operations, which probably can develop into a distinct fishery, take place on the Wadge Bank off Peninsular India. This is a special extension of the fisheries which exploit the bottom fauna of the continental shelf of India and Pakistan, operated by vessels out of both countries. The Karachi sections of this fishery are well developed and probably could be the basis of a substantial industry.

The secondary phase of this industry also is of variable development. In the western sector there exists a most tenuous framework of secondary industry concerned chiefly with the marketing and distribution of fish. Drying and salting of fish is carried on in West Pakistan (chiefly Karachi), in India (chiefly on the Peninsula) from which a fairly considerable quantity is exported to Ceylon, and in West Pakistan in the provinces of Silhyet, Chittagong and Khulna. There is also some manufacture of manure in India. A special product, known as Maldive fish, is produced in the Maldive Islands chiefly for export to Ceylon. In the central sector there are, in addition to the activities concerned with marketing and distribution, substantial industries for the production of dried and salted fish, fish pastes and fish sauces, especially in Thailand and Indochina, which before the war had substantial surpluses for export chiefly to Indonesia, through Singapore. Malaya and Burma also have industries for these products, as has the Philippines, but there are no surpluses for export. In the eastern sector the industries for production of dried and salted, canned and other forms of processed fish are highly developed with a considerable output and very important exportable surpluses. The marketing and distribution of fish is much more advanced in this sector, at least in Japan, than in the other sectors.

TECHNOLOGY

In their technology, these industries are characterized by a maximum use of local materials, especially of bamboo and palm and their derivatives, a minimal use of mechanical equipment and a very general dependence on wind and manpower for propulsion and for the operation of equipment. Lacking the aid of mechanical equipment the average yield per unit of manpower is naturally low, and it is a further characteristic that generally many more individuals are to be found assisting in any operation than is usual for western operations.

Technology of Fishing. The most common type of gear is the trap. It would be difficult to give a precise definition of what constitutes a trap, or to provide a general classification of such gears, but they range from the small hand-held baskets to the elaborate, specially set, net constructed masuami and muroami operated at sea by the Japanese. These are used in all types of water for a wide range of types of fish.

Apart from traps, practically every other type of fishing gear is employed in the region to a varying degree. In the eastern sector there is extensive use of modern gear, chiefly by the Japanese. In the central sector the trap is pre-eminent in importance whilst in the western sector the fishing is chiefly by simple nets, and lines.

Similar observations might be made concerning the fishing craft. Japan and China have many mechanized craft whereas in the remainder of the region such craft are exceptional. In the inland fisheries the capture operations, for the most part, are carried out with elementary gear and similar observations may be made in respect of fresh water culture operations. The brackish water fisheries in many places merge imperceptibly into the fresh water fisheries and frequently the methods and even the manpower and gear of the one are indistinguishable from those of the others. Mechanization is beginning to make its appearance in all phases of the inland operation and one can observe isolated instances of engined craft or mechanized equipment for various operations.

It is in the marine fisheries, of course, that, in a comparative sense, the consequences of the lack of mechanization manifest themselves most clearly. The Japanese fishing industry has many mechanized craft which before the war ranged widely over the world, and since the war have, step by step, been restoring the range of operations. For the rest of the region the marine fishing operations are carried out from craft even as primitive as the catamaran, which impose severe limitations on the length of voyage which can be undertaken, the types of fishing operation which can be carried out, the kinds of fish which can be caught, the quantity of fish which can be brought to port, the quality of the landed catch and the types of weather conditions under which fishing can be conducted. For the most part fishing operations throughout the region are confined to the fairly narrow zone parallel to the coast, and whilst it cannot be said dogmatically that rich resources lie out beyond the limits of the present operations, and simply await the coming of the fishermen, there is no doubt that the restrictions imposed on these fishing operations have the significant secondary effect of restraining exploratory activity and the discovery of new grounds.

Technology of Processing. In very broad geographic divisions it can be said that in the western sector of the region the principal method of processing is by drying with or without salt with the exception of the Maldive fish. This processing is very simple and, in many cases, produces for human consumption a product of inferior quality, barely distinguishable from the manure prepared by similar methods.

In the central sector more complicated methods of processing are employed, the most important of which are conversion into paste of various forms and into sauces. The pastes are made by pounding various species of fish and crustacea and mixing them in varying quantity with materials such as rice flour, salt and spice. The pastes vary considerably in colour, texture and moisture content. The sauces are made by a sustained process of fermentation which reduces the protein of the fish flesh to amino acids which are virtually free of fish odours. Further use is made of the fermentative process in the preparation of other products; for instance, a minor degree of fermentation is used in preparing some of the dried fish of Cambodia and also of Indonesia and the Philippines. Fermentation is used in one process to reduce the carcase into a kind of soup in which float unrecognizable lumps of fish flesh. Another process which is employed in the central sector is that of boiling. In the eastern sector less use is made of the fermentative process but, especially in Japan, there is an increase in the variety of processed fish produced and, in particular, use is made of modern methods such as canning. Moreover, considerable quantities of various types of fish oil are produced in the eastern sector, whereas the quantities of these in the central sector are negligible, and in the western sector there is to be found only one really effective shark liver oil unit.

Technology of Marketing and Distribution. The pattern of marketing and distribution in the region is basically a simple one consisting of sales of fresh-landed catch, as far as circumstances permit, in a fresh condition for immediate consumption and the processing of the remainder for consumption at later date[1]. Whilst distribution of processed fish has developed along more complicated lines, the distribution of fresh fish continues to be relatively simple. Wherever current facilities such as roads, rail or shipping lines permit, fresh fish is despatched for immediate sale and immediate consumption. Ice is used fairly generally although inefficiently and in insufficient quantity. There is a bare minimum of efficient cold storage, which is used, in point of fact, only for unavoidable holding pending the next sales. Japan is exceptional in this regard, although in certain places in the other sectors proper systems of collecting and transportation of fish have been organized, as, for instance, in Bombay, Singapore and Hongkong. In general there is no proper organization of the means of carrying fish in fresh condition from the point of catch or of landing to the market and/or the consumers, and there can be no doubt that the provision of organized facilities will have a profound effect on the development of this industry.

The facilities for selling fish wholesale and retail are generally most primitive. There are only a few genuine wholesale fish markets in the region and these service the principal cities such as Hongkong, Jakarta and Singapore. With the exception of the markets in Japan, none of these wholesale markets is really satisfactory in capacity, lay-out, or technical equipment. The facilities for wholesale and retail selling of fish are generally entirely inadequate. The fish are placed on bare stone slabs without protection from insects or climate with the result that spoilage is extensive.

MANPOWER AND EMPLOYMENT

Nature of Manpower Available. In considering the manpower of this industry the first step must be the recognition of the fact that there is available a very considerable body of amateur talent engaged in taking fish for subsistence purposes. From the technical point of view of the labour force of the industry this may or may not

1 It could not be held however that no fish would be processed if transport and marketing facilities could deliver the entire catch in fresh condition.

have great significance. It would seem, in the first place, that these subsistence operators would constitute a considerable pool of potential labour to be drawn upon in emergency and from which recruitment could be made for permanent operatives. However, it is likely that whilst the first point is, in fact, true, the second is more apparent than real. The established labour force of the industry is already considerable, and capable, by natural reproduction, of providing adequate recruitment. This pool of subsistence operators has an importance, however, from another point of view, namely, that it introduces some considerable difficulties into the statistical task of taking a census of the industry labour force. The distinction between a subsistence fisherman and a professional operative is often very slight. At the one extreme, there is the farmer who catches fish in his spare time, using simple gear to take a few fish as required, for himself. At the other extreme, among the subsistence operatives, there are those people who engage in some fishing operation to meet their daily food requirements, but catch no fish for either barter or trade. From the latter there extends by indistinguishable steps a series which leads, through individuals who divide their time more or less equally between some agricultural or other pursuits, and fishing, for money income, to the professional operative. This situation is particularly practicable for individuals living close to the natural resources as in the case of fresh-water and brackish-water fisheries and also of those operations which take place either on the sea-beach or in the shallow coastal waters. In these cases the fishing grounds are of easy access, and, moreover, the fishing operations are simple and the fishing gear itself is most simple and inexpensive. In this situation, where fishing does not constitute a specialization, it is not surprising that technical development is slow to take place. In addition to this general psychological effect in the industry, there are others such as the fact that fishing is regarded as a low-caste occupation and, in fact, was specifically designated so in the Hindu caste system. In general the consequence has been that the fishing community, even when distinguishable as such, is isolated, low-caste, illiterate, and impoverished. A notable example of this is to be found in the case of the fishermen of the Tambak area of Java, who are the descendants of banished convicts, and still, after centuries, are isolated and carry the social and educational marks of their low condition. It could not be held, however, that these populations are unintelligent, unenterprising or unadventurous. There is ample evidence of their ability, within certain limits, to improvise equipment and methods to meet a specified situation. There is evidence also of their adaptability to new equipment and that, given the training, they not only can operate new fishing gear but can manage motor engines. And although in certain cases they appear to be reluctant to venture out to sea, in other cases there is every evidence of their hardihood and of their willingness to explore. It cannot be too strongly urged that in this section of the industry's problem, there is an immediate need on the one hand for intensive socio-economic study of the various aspects of the social and educational problems and on the other hand for an effective educational programme.

Special note must be made of an unassessed labour force available to the fishing industry in Cambodia which centres its fishing operations chiefly in the Great Lakes and Tonle Sap. Each year there occurs, in synchrony with the phases of the moon during the months of December-January-February, a heavy run of fish through Tonle Sap; these are captured by means of barrages and set nets installed in the channels of this system. At this time the Tonle Sap, chiefly at Phnom-Penh, is visited by a large body of farming peasants who come from villages as far as 150 kilometres distance from Phnom-Penh. These people come, in whole families and even whole villages, with buffalo carts loaded with paddy which is exchanged for fish, either directly with the fishermen or through a dealer. The fish which they receive is round, which they themselves clean, gut and prepare for conversion into fish paste, *pra huoc*, which is made by pounding the fish and mixing with rice flour and other material and allowing it to ferment. The *pra huoc* is held in earthern-ware jars and is carried back to the villages where it is eaten with rice as the main source of protein during the remainder of the year. The significant feature of this example is that not only do these peasants present themselves (with their own transport) at Phnom-Penh as a significant avenue of disposal of a large quantity of fish (of the order of 25.000 tons each year) but also that it is probable that if these peasants did not arrive to accept the fish in round condition, the fishermen would not catch it, since the manpower is not available to process the fish and place it on an alternative market.

Magnitude of Manpower Force. Table 1 gives the estimates which are available of the numbers of persons engaged in fishing in the various countries of this region. There is no doubt whatsoever that these figures are far from accurate and that considerable confusion has arisen out of the lack of precise definition of fishing as an occupation, and fishermen as a category of persons enumerated during census. Certain of the figures given as representing fishermen are actually estimates of the entire fishing population and include not only those engaged in occupations subsidiary to the fishing industry, such as

net-making and ship-building and so forth, but also the dependents of the fully occupied persons, including both engaged and non-engaged dependents.

Productivity of Labour. In view of the general inadequacy of the statistics available in the region, no exact estimate of productivity of labour can be given. As just mentioned, it is generally impossible even to indicate the precise number of persons engaged in genuine fishing operations and, while there are some good grounds for indicating the level of production in certain sections of this industry, when the uncertainty of the amount of production is coupled with the vagueness of estimates of manpower, it will be recognized that the estimates of productivity are unreliable. With these reservations in mind, the figures in Table I may be considered as an approximate indication of the relative conditions of the industry in parts of the region.

Level of living. In the absence of detailed studies it is impossible to furnish quantitative measures of the living standards of fishermen. It may only be stated that it is easily observable that the majority of fishermen have a low standard of living. Few of them have anything more than the most humble of dwellings; most of them are in debt and spend the whole of their income on food, clothing and entertainment. Few of them earn enough to make savings with which to acquire their own capital, to give their children education or to establish security for themselves. In these respects fishermen are in much the same condition as a great many other people of the region, but as a body fishermen probably have a lower average standard of living than most other groups in these communities.

TABLE I

Fish production in relation to population and factors of production (approximate figures only).

Country	Population '000 s (1948)	Men '000 s	Boats '000 s	Production '000 metric tons	Production tons per man engaged	Kilograms per person in pop.
Ceylon	7,095	44	12	40	0.91	5.6
China (not including Taiwan)	457,370			2,700		0.6
India	342,105	390	70	531	1.36	1.5
Indochina	27,000			266		9.9
Indonesia	76,360	258	25	472	1.83	6.2
Japan	80,697	2,000		3,180	1.09	39.8
Pakistan	73,321	200	17	250	1.25	3.4
Philippines	19,234			249		13.1
Hong Kong	1,800	58	4	52	0.89	32.6
Taiwan	6,126 *	170	20	57	0.34	9.3
Thailand	17,666	43	3	150	3.49	8.5
Singapore	964	5	2	2	0.42	2.1
Malaya	5,000	64	22	42	0.66	8.4

* 1947

The above figures are intended, except in the case of population, merely to give an indication of order of magnitude. They are grossly rounded from the original figures, some of which were drawn from official publications, others from official and semi-official reports.

FINANCE

Because of the nature of fishery resources the property rights in the fishing industry differ substantially from those in agricultural industry. The most general situation is that the only property rights possessed by the fisherman are in respect of his boat and gear. In cultural operations the fisherman may have exclusive property rights in the area he has developed and on which he is operating his culture practices, or he will be in possession of a lease from some person who holds the title to the grounds. In respect of capture of species in inland waters the situation varies. In some cases exclusive property is held by individuals or groups of individuals; in other cases, the rights to exploit may be granted in the form of a licence to operate or a lease from Government or other owners. Notable examples of the latter are to be

found in Cambodia, Burma and in East Pakistan where the rights refer to a section of natural water. Here the fishermen are exploiting natural water conservation measures which depend largely on mutual confidence among the fishermen. Probably the most expensive property rights are those in respect of ground on which Tambaks have been developed and in these the population features of the fish stock, are, apart from questions of diseases and pest, dependent solely on the wishes of the owners or lessees and it is likely therefore that the exploitation should be made on a more rational basis.

Capitalization. Except for the advanced Japanese industry very little precise information is available on the capital structure of the fishing industry of the region. The most that is available is some general information on ownership, means of savings and relative size of fishing outfits.

Numerically the owner operative is the most numerous type of individual in the industry; but although the amount of actual labour represented in the amount of equipment possessed by such individual might be greater than the equipment of other categories, the average owning would be of much smaller dimensions. Usually the equipment of the owner operative is relatively small and where an outfit operates more complicated equipment the operative has generally been obliged to turn to others for financial help and, in doing so, has brought into the industry individuals who may otherwise have little connection with it. The equipment of the industry may be owned by individuals engaged in ancillary occupations such as in the market dealing with processed fish or dealing in nets and other fishery requirements; or the equipment may be owned by individuals of entirely different occupations who have turned to the industry for investment. The amount of money which is invested in this way varies very considerably; in the mechanized Japanese fishing, units such as steam trawlers cost hundreds of thousands of dollars, and the barrages of the Cambodian Lakes involve capitalization in some cases in excess of a million piastres, i.e. 20.000 dollars. The fish traps of Thailand and Singapore involve capitalization of about half this amount.

Operational Costs. It is probably in connection with the operational costs, that is, the cost of repair and maintenance of gear and the current financial commitments for foodstuffs, wages, etc. that the major financial problems of the industry are to be found. Probably the majority of the fishermen of this region are at present seriously in debt in respect of finance for these operational expenses and most of them are bound by agreement to fish dealers through whom they must sell their fish as a means for repayment of the debt. But the situation is such that the debt is really never repaid in full, and when a fishing season ends the revenue from the total catch has been insufficient to cover the interest plus the operating expenses required for the season, and the fisherman commences the quiet season of the year with a debt which he is compelled to increase by further borrowing from the dealer. It is probably true that this section of the problems of the industry offers the greatest opportunity for remedial action by government. Undoubtedly certain dealers are fair and scrupulously honest in their dealings with the fishermen, but with them, as much as with their dishonest colleagues. the system itself has a damping effect on the industry.

ORGANIZATION

In this industry there can be recognized three principal types of individual. Firstly, those who are employed and who do not own either equipment or property rights, and who are paid wages or receive rewards in kind. Secondly, there are those who are owner operatives, meaning those who own part or all of the equipment of the fishing outfit and also engage in working the outfit, and who draw from the returns a share both for the equipment employed and for their labour. Finally, there are those who stand in the position of owner but do not participate in any way in the operations of the industry. The relationships which exist between these types of individual are extremely varied, involving differences in the amount of equipment owned and in the proportion of the total returns to which the individual is entitled. Co-operative societies have been formed in various parts of the region with extremely variable success. The highest degree of development of such societies is to be found in Japan.

OPERATION OF THE INDUSTRY

Table I presents the estimates at present available of the quantity of the different production factors (men and boats) of this industry, and gives the estimates which are available at present of the total production in each of these countries. From this table tentative estimates of production capacity and efficiency have been prepared as shown in the last columns. The statistics of this table demonstrate in some measure the chief facts which are qualitatively recognized in respect of these industries; apart from the fact of the great number of people associated with the industry in various phases. and the very considerable number of units of equipment employed. the table indicates the extreme variability not only in the relative production, but also in the production per operative. The table however does not indicate the fluctua-

tions in catch which occur from month to month, season to season and year to year. Gross seasonal effects are present in most of the fisheries and in some parts of the region there is a complicated pattern of activities based on the seasonal cycle in the fishing.

In addition to the within-the-year rhythms in fishing activity and availability of fish, there are distinct, and in some cases very considerable fluctuations as between years. A notable example of these is that which occurs in the catch of the Indian oil sardine which, from a level of millions of maunds per year, has declined to virtual disappearance. Another example is the catch of Hilsa which displays distinct variation from year to year. In its present condition the industry is neither well adjusted to these fluctuations, nor capable of taking remedial measures of any type. Its secondary equipment is not of a kind that can cope with strong changes in volume of supply, and this is more especially true of the equipment for marketing and distribution, which is easily glutted. One of the most significant changes to be brought about in the secondary equipment must be the development of reserve capacity.

The records of fish catch, or even of market handlings, are generally insufficiently detailed to permit of the deeper analysis of fluctuations or to attempt the correlations with various factors in the resources, the industry and the general economy, by which the fluctuations might be understood and from which a prediction system might be evolved.

TRADE IN FISH AND FISHERY PRODUCTS

External trade in fresh fish has never been of major proportions in this region and has consisted chiefly of movement of immediate market supplies across adjacent national boundaries, as in the case of the importations into Singapore from the nearby Indonesian archipelago and into Hong Kong from the Chinese mainland.

A substantial trade in dried fish existed before the war and moved through certain well-established channels. The principal supplying countries were Indochina, Thailand, Malaya and India, much of whose product went through Singapore, chiefly to Indonesia. China imported various dried fishery products (for instance, sharks' fins) from various countries of the region, including Sind Province in Pakistan. Hong Kong was the entrepôt for much of this trade. In the west the principal movements were of dried fish from India to Ceylon, Maldive fish to Ceylon, and dried fish from southern India to Burma. Certain supplies which before the war moved within the boundaries of undivided India have now acquired the status of international trade, but these have suffered interference in common with the rest of the fish trade of the region and at present the international movement of fish and fish products is at a very low level. Among the factors responsible for this change probably that of currency difficulties has the greatest influence. The trade between India and Ceylon has been uninterrupted whilst the importations by Indonesia have become negligible.

In the eastern sector the movement of fishery products into and out of China, Korea and Japan was considerable before the war. The Philippines participated in this trade, which included canned goods of numerous types, oils and other by-products, as well as dried and salted fish. Although this trade has been rapidly recovering since the war, recent restrictions introduced by the Philippine Government seemed likely to cause a serious set-back and there is no doubt that the complicated political situation in the sector is having a marked effect.

ROLE OF FISH IN NATIONAL ECONOMIES

Fish in Asian Diet. It is a familiar fact that for a great many people of the region fish is the principal source of protein and for many the staple diet is rice and fish. Nevertheless, there are many people who have only very limited supplies of fish and some who have none at all; there is thus extreme variation both between countries and between sections of each country. Unfortunately it is impossible to give, for most of the countries, any quantitative measure of the importance of fish in the diet of the people: the most that can be said is that fish and fish products supply, on the average, a large proportion of the animal protein and of calcium, vitamins and other essential items of diet.

Contribution to National Income. In view of the inadequacy of the statistical data in respect of the total quantity of fish and fishery products, it is inevitable that any attempt to assess the contribution of this industry to the various national economies must be unsuccessful. Table II gives the published statistics for this purpose. Whilst none of these figures can be submitted to any test it may be stated that it is the writer's impression that most of the estimates are underestimated, whilst some of them are grossly overestimated. However, it must be stressed that at this juncture this industry's contribution to national income (depending of course on the definition of national income) can hardly be measured in terms of its products in respect of which money has changed hands, or on which a money value has been set. It has been remarked earlier in this article that the volume of catch taken in the course of subsistence operations must be, as a total for the region, very considerable indeed. None of this is ever assigned a money value and it would

be extremely difficult to do so. Hypothetically it might be possible to estimate the average daily subsistence catch and then, as a means to giving a value, to estimate some characteristic daily price level for species of the type taken in these operations and apply this, allowing for transport and marketing differentials, to the average daily catch. It is obvious that such a procedure would be extremely difficult and it is doubtful whether the end result would be of much value. Perhaps the best that could be achieved would be to make an estimate of the subsistence catch and to add this to the commercial catch in equivalent dietary terms and then to adjudge the relative importance of fish in the total dietary of the country. This procedure would of course neglect those quantities of fish and fish products which pass from the country as exports, and those quantities used for non-food purposes.

TABLE II

Estimates of fish production and national income (net national product) of a few countries in Asia and the Far East.

Country	Year	Unit	Value of Fish Production	Net National product	%
Burma	1946/47	Million Rupees	48	2,385	2.0
Ceylon	1944	Million Rupees	26	1,701	1.5
China	1933	Million Yuan	176	19,946	0.9
India	1946/47	Million Rupees	150	55,800	0.3
Japan	1948	Billion Yen	18.85	1,907.2	1.0
S. Korea	1948	Million Won	3,577	692,428	0.5
Philippines	1948	Million Pesos	257	3,662	7.0
Thailand	1948	Million Baht	1,776	14,619	12.1

Sources:
Burma The National Income of Burma, by Miss Phyllis Ady (unpublished and confidential), page 54.
Ceylon Report of the Commission on Social Services, February 1947, Government of Ceylon. Appendix I, Dr. B. B. Das Gypta's note on Estimate of National Income, page 125.
China National Income of China, 1933 (in Chinese), Institute of Social Sciences, Academica Sinica, Nanking January 1947. Vol. 1
India National Income of the Indian Union Provinces, 1946/47, Ministry of Commerce, Government of India, page 0.
Indonesia National Income Statistics, 1938-1948, Statistical Office of the United Nations, page 98.

THE FUTURE OF ASIAN FISHERIES

There are numerous encouraging signs in the region that significant developments are germinating in the industry. On every hand there are to be found examples of the movement toward mechanization, in both the primary and secondary phases. Junks at Hong Kong are being converted to mechanical operation; Ceylon has purchased a new trawler to replace the 'Raglan Castle'; India continues, in Bombay and Bengal, its programme of introducing western-designed mechanically operated vessels. In every country fishery departments are formulating plans for the development of the industry. These developments will bring about extension and/or intensification of operations, improvement in the methods of handling the catch, and improvements in the marketing and distribution of the supply. Again, most governments are planning extension of their programmes of research, of all types, for this industry. There is noticeable a considerably heightened interest in the industry. In general terms these developments are certain to effect an increase in the volume of the fish catch and improvement in its quality. Whether, in addition to an increased supply of improved quality and a wider range of types of product, these developments will also give cheaper fish is a question which cannot yet be answered although it seems likely that the actual money cost of fish will, in company with the cost of most other commodities in this region, show a marked increase. This would seem inevitable when these improvements are considered in conjunction with the present status of the fishermen of the region. As noted above, the majority of the fishermen live rather frugal lives: their occupation is frequently a hazardous one, attended by considerable uncertainty in respect of opportunity to work and of income to be obtained; their product is an extremely perishable one for which at times they can obtain no return. Also there is no doubt that there is a wide margin between the producer's return for his catch and the price paid by consumers. Much of this is due to the uncertainty of supply and the perishability of the product and much to the charges made by the middlemen — justified by the high risk element in the industry. Possibly the improvements which can be expected in the industry, which would result in a substantial reduction in the risk element and improvement in the investment status of the industry, would also serve to reduce this price discrepancy. On the other hand, much of this possible reduction will inevitably be taken up by improved returns to fishermen, and the increase in costs resulting from mechanization.

FIELDS OF ECONOMIC DEVELOPMENT HANDICAPPED BY LACK OF TRAINED PERSONNEL IN ECAFE COUNTRIES

INTRODUCTION

The following article deals only with the industrial field, including hydro-electric power schemes, mining and constructional projects, but in general excluding transport and telecommunications. Personnel have been classified into two groups — Group A, covering scientific, technical, professional and higher administrative personnel and Group B, covering supervisory, skilled and semi-skilled workers. An endeavour has been made to limit the enquiry to the more important projects included in each country's plan of industrial development.

Only one country in the region — India — has undertaken a scientific manpower enquiry[1] covering Group A and supervisory personnel, and no country has made any detailed investigation of its position in relation to Group B personnel. Moreover, only a few countries of the region have State Employment Services to assist them to clarify their availabilities and requirements in respect of the latter group.

Information in a variety of forms has been forthcoming from most countries of the region and has been supplemented by other evidences of shortages, such as the types of overseas training facilities being provided or urgently desired by Governments for their nationals, requests for the expert assistance of foreign specialist personnel, and finally the plans being developed or the enquiries undertaken in respect of the enlargement or reorientation of national schemes of technical training, both for Group A and Group B personnel.

In view of the importance of the period 1949-1950 in the evolution of international plans of technical assistance, covering the programme of the United Nations and its specialized agencies, the United States ECA and Point Four programmes, and the Commonwealth scheme for south and south-east Asia, it was to be expected that the information finally forthcoming would be considerably more specific in relation to Group A than to Group B personnel. Nevertheless, although it was realized that much of the itemized information in the country studies would be subject to rapid change as technical assistance programmes got increasingly under way, their importance to the survey lay in the general conclusions that could be drawn from them as to the fields in which long-term needs were likely to persist. In this article, therefore, the more urgent needs of the individual countries are set out very generally and briefly and are followed by a précis of the more important regional long-term shortages. Finally, certain additional requirements brought to light by the enquiry are indicated, in view of their importance in relation to the future handling of the problem of both regional and national shortages of trained personnel.

1 Report of the Scientific Man Power Committee, June 1949.

THE POSITION OF INDIVIDUAL COUNTRIES IN 1950

Burma

Owing to disturbed internal conditions the industrial section of the Two Year Development Plan of 1947, originally scheduled for implementation in 1948-49, still remains largely on paper. Almost all the country's industries, such as petroleum and mining and even railways and water transport, had originally been developed by foreign enterprise and, with the coming of political independence, the withdrawal of managerial and trained personnel left Burma largely bereft of the skills to enable it to carry out what was in effect a scheme of nationalization of its main industries.

With recent improvements in the internal conditions of the country, the Government is faced with certain urgent requirements to fulfil the modified plans of development now envisaged. High priority is given to the needs of key government departments. The Mines Department is to be expanded so as to be able to advise the Government in regard both to the mining possibilities and the efficiency of the present methods of operation, but in the absence of trained Burmese mining engineers and geologists, foreign personnel must be sought. The proposed Industrial Research Laboratory — a key institution under the new plan — must also seek overseas specialist staff until sufficient Burmese graduates with overseas training become available. The Central Statistical Office, which has had the services of two United Nations statistical experts for varying periods and which is faced with the task of reorientating the whole statistical machinery of government, is faced with the lack of well trained and experienced economists, statisticians and sociologists. The Geological Survey Department is similarly dependent on foreign staff and it will take many years for the small and at present poorly equipped Geology Department of the University of Rangoon to provide the necessary personnel. The Directorate of Industries

also lacks key personnel both at controlling levels for departments dealing with factory and cottage industries and for technical and vocational education.

In regard to particular industries, the help of foreign personnel is sought in the fields of mining, sericulture, silk spinning, glass manufacture, leather goods and, in relation to a wide field of engineering skills, in electric power generation and transmission. Recent plans of the Government have concentrated on the urgent need to modernize existing cottage and handicraft industries and to introduce new ones along lines made familiar to the Burmese during the war years by the Japanese. A request for a large number of Japanese technicians in different small-scale industries, to be made available through United Nations technical assistance, has resulted in a team of three experts being sent to the country by the United Nations and the International Labour Office. It will survey all aspects of these industries, including personnel requirements and training facilities, which, if developed along sound lines, should be of great importance in meeting the present shortage of consumer goods.

Ceylon

The Government's Six Year Plan (1947-48 to 1952-3) is now in its fourth year of implementation. It aims at offsetting the dependence of the country on export crops by diversifying its industries. Recently, the importance of the plan in relation to manpower has been stressed, foreign personnel being sought only where trained Ceylonese are not available. There has been a considerable lag in the implementation of the plan, not in respect of irrigation and hydro-electric development, but in relation to the majority of industrial projects. The cement plant has been completed and is in production, and a big paper mill is under construction. Other top priority projects, such as iron and steel, fertilizers, cotton textiles and sugar manufacture, have not emerged from the planning stage. Existing industries such as leather, glass, paper and ceramics, have been running at a considerable loss. Two of the main reasons for both delays and financial losses can be attributed to the lack of directing personnel both in the government departments concerned and amongst higher managerial personnel required for existing and new industries.

The Government has recently been seeking for the Ministry of Industries a chief planning expert and a commissioner of cottage industries, as well as specialist supporting staffs. Managerial personnel and technologists were required for the following industries — caustic soda, research on salt and by-products, fertilizers, vegetable oil processing, paper manufacture, cement works, steel works, mining and beach mineral sands, cotton and rayon textile manufacture, ceramics and pottery works, a fishery research vessel, and a series of proposed ice plants. In all forty-five foreign personnel were sought primarily as works managers, engineers and chemists. Overseas training facilities for Ceylonese nationals have been arranged or are being sought in respect of caustic soda manufacture, fertilizers, paper, steel, rayon textiles and fish processing. Domestic training facilities are considered to be inadequate both for Group A and Group B personnel.

India

In view of the availability of the report, published in June 1949, of the Scientific Manpower Committee, it is unnecessary to deal here with more than a few of the more important recent developments in connection with current shortages of trained personnel. Development Committees dealing with particular industries have been set up under the Central Advisory Council of Industries which was established in 1948, when the fall in production, noticeable since the middle of 1946, was causing the Government grave concern. A shortage of trained personnel, particularly of managerial grades, was diagnosed as one of the main impediments to production and a tripartite committee of the council is now investigating this problem.

Prior to the evolution of the Six Year Development Plan, the Government "high-lighted" its more immediate shortages of trained personnel in relation to statistical organizations, hydro-electric development schemes, housing, and certain industries, including cellulose, mining mechanics, the grading of both wool and hides and skins, engineering in connection with the saw milling industry and plywood manufacture, and food packing and preservation. In November 1950, with the completion of the Six Year Development Plan, the Government submitted details on a project basis, as far as these had been worked out at the time, of their more immediate requirements for foreign personnel and overseas training facilities for Indian nationals to enable the schemes embodied in the plan to be accelerated. The total of these, in relation to the present field of enquiry, as then assessed, included the following Group A personnel:

	Foreign Experts	Nationals for Overseas Training
Engineers and technological experts	906	398
Scientific and educational research	854	17

Detailed requirements, where already assessed, covered projects of both the Central and Provincial Governments and included the geological survey, chemicals (raw film,

fertilizers, explosives, penicillin, sulphur and anti-malarial drugs, and plastics), paper and cellulose, cement, ferrous metallurgy (steel and electric pig-iron plants), salt mining, sericulture and silk weaving, wool and hide and skin grading, food processing and packeting, wood products (particularly research in relation to plywood manufacture) and tobacco auctioning. In the field of engineering, where shortages of qualified personnel are particularly marked, a wide variety of engineers were listed for teaching, research and manufacture. These were required for marine engineering, a steel tube mill, electric power generation, transmission and distribution, large scale constructional works such as aerodromes and dams, aeronautical research, telephone operation, and the manufacture of machine tools, wire and wire products, telephone, radio and radar equipment, mathematical and precision instruments, locomotives and rolling stock, and aircraft.

In addition, Technical Government Directorates were seeking experts in their special fields, including the Poona Research Station, the Post and Telegraph Department, the Ministry of Agriculture (statisticians), the National Physical Laboratory, the Research Laboratory of the Central Water Power, Irrigation and Navigation Commission and the Central Institute of Education (in relation to vocational guidance).

The development of cottage industries, which is receiving increasing attention, is primarily the responsibility of the State Governments, the function of the Central Government being exercised through a Cottage Industries Board concerned mainly with coordination and general guidance, training of instructors, research, and development of export markets. A difficulty in relation to these industries is wastage of skills acquired through already inadequate training facilities. Some 5,000 schools, mainly state owned or run by some public body, train not more than 125,000 pupils a year, of whom more than half seek employment in industries other than those in which they have been trained, and a further 25 per cent remain as wage earners in the cities. The village crafts thus benefit by under 25 per cent of the yearly output of trained personnel. In the last few years the Government has made considerable use of Japanese technicians with a view to opening up new industries, modernizing existing crafts and improving packeting and marketing techniques. There still exists, however, a nation-wide shortage of persons capable of acting as supervisors and trainers of the rural craftsmen.

No manpower survey has been carried out in relation to Group B personnel and the available information is largely obtained by the Ministry of Labour (Directorate of Resettlement and Employment) through the nation-wide network of state employment exchanges. Persistent demands exist for highly skilled draughtsmen, machinists, welders, tractor drivers, electricians, pattern makers, fitters, turners, overseers, etc. These shortages cover many industries and are not restricted to any particular area. At the same time there is a surplus in some of these fields of insufficiently trained men who can only be profitably absorbed if given additional training. In certain other fields, such as clerical work and allied occupations, there is a surplus of labour which requires to be diverted into channels where there is an actual or potential shortage. It is estimated that government and other training facilities for Group B personnel cover some 23,000 skilled and semi-skilled workers annually, but the outstanding need is for a wide extension of in-plant training, a point which is stressed in the Scientific Manpower Committee report.

The Associated States of Indochina (Laos, Cambodia and Viet-Nam)

The standing development plan for these three territories is embodied in the report of the Sub-Committee on the Modernization of Indochina (1948). By October 1950 existing industries, including alcohol, paper and pulp, cement, tin, coal, cotton, silk, glass, mechanical engineering industries and power generation, transmission and distribution were at varying stages of reconstruction, in many cases delayed through further damage resulting from the present hostilities. New industries, principally chemical, metallurgical and textile, have not got beyond preliminary surveys, and in many cases these have been considerably slowed down because of disturbed conditions.

Under treaties recently concluded between France and the Associated States, the latter have agreed to give priority to French technicians and to seek from France the technical assistance they desire and facilities for scientific training. The more immediate need is for offers of overseas training. Because of depleted funds, help is wanted to provide such facilities both in France and in other French-speaking territories, the order of priority (exclusive of agriculture) being industries dealing with the conditioning and processing of tropical agricultural products, mining industries (coal, iron phosphates, non-ferrous metals), chemical industries (particularly the manufacture of fertilizers), power generation and transmission, and the mechanical industries. In the meanwhile, even with restricted operations and the slowing down of new developments, there is likely to be a shortage of skilled technicians amongst the Vietnamese for some time to come, and even more so amongst the people of Laos and Cambodia.

Korea

The information available, prior to the outbreak of hostilities on 21 June 1950, mentioned requests for experts in economic planning, public finance and taxation and on marketing questions. Details were also provided of (1) the number of trained nationals currently available, (2) the number of nationals for whom training could be undertaken in the country, (3) requirements for foreign personnel and (4) requirements for overseas training of Koreans. The industries covered were in the following groups — chemicals, paper, metallurgical industries, mining, petroleum and a wide variety of constructional occupations. In all, 105 foreign experts were sought and overseas training facilities for 142 Koreans.

Nepal

A report was prepared in 1950 by the National Economic Planning Committee embodying a Fifteen Year Plan of Economic Development, but, as far as is known, it has not yet been endorsed by the Government. The plan covers three five-year periods and, in relation to industry, includes an oil expeller plant, sugar mill, pulp and paper mills, a cement factory, wool and cotton spinning and weaving mills, a rice mill and a wood sawing mill. Other industries envisaged for the later stages of the plan include chemicals, soap, jute, shoes, glass, canning, matches, plywood, tobacco and cigarettes. The development of mineral resources (china clay, graphite, ochres and limestone) and a hydro-electric power scheme are also included in the first stage of the plan. No reference to personnel was contained in the summary provided except in relation to the staff required for the establishment of a geological survey, the bulk of whom (geologists, surveyors and a museum keeper) would presumably have to be foreign experts. The report also indicated a wide use of foreign firms in connection with mineral development, and the execution of the plan would require (1) specialists as advisers in the formulation of a scheme for each industry concerned; (2) managerial and higher grade technicians on a contract basis for sanctioned schemes; (3) overseas scholarships for Nepalese; (4) geologists, surveyors, and electrical and mining engineers.

Pakistan

The partition of the Indian sub-continent had an immediate effect upon the position in relation to personnel availabilities and requirements. Many technicians in the fields of commerce and banking as well as in certain industries (e.g. cotton ginning) were non-Muslims and their migration was immediately felt. The coal mining industry was directly affected by the loss of coal getters, who were mainly Hindus. On the other hand, there was a surplus of railway workers, a disproportionate number of such in undivided India having been Muslims. At the same time the urgent need arose to develop new industries, such as jute and cotton cloth, shoes and leather goods, woollen fabrics and electric power, where existing manufacturing units were wholly or mainly in India.

During most of the period under review the National Planning Advisory Board had laid down no industrial priorities, although a statutory corporation is now planned which will be responsible for promoting companies to develop heavy chemicals, fertilizers, paper, jute fabrics, heavy engineering and ship building. Moreover, the Technical Education Committee appointed by the Council of Technical Education had not at the time issued its report. It was therefore impossible to obtain information on personnel shortages except on the basis of material originally compiled with a view to clarifying the Government's needs in respect of technical assistance. These covered certain requirements for foreign personnel for advisory services or on a contract basis, as well as requirements for overseas training of Pakistanis. In the last quarter of 1950, however, important developments took place, namely (1) the report of the Technical Education Committee, (2) the publication of a national plan for Pakistan (1951-6), and (3) the scheme of cooperative economic development in south and south-east Asia, arising out of the Commonwealth plan for technical assistance. Although the Technical Education Committee did not include in its report "a survey of the needs of Pakistan (present and anticipated during the next seven years) for technical personnel of various categories," as indicated in its terms of reference, it admitted serious shortages in a number of directions due to restricted openings in the past, the filling of more remunerative posts by imported technicians, and the reluctance of Muslim youths to taking up industrial occupations. With the creation of the new State of Pakistan, there was in consequence "a pressing demand for technicians of all types and of approved standards." Certain shortages were specifically mentioned e.g. architects and engineers, the latter with particular relation to the staffing of the three engineering colleges with personnel of the required number and calibre. The report is valuable as indicating in advance of the National Development Plan a full realization of the need for the systematic training of personnel at all levels — semi-skilled, skilled and supervisory workers, as well as graduate technicians in industry, research and teaching.

The Six Year Plan lays special emphasis on (1) the development of railways, roads and telecommunications, (2) hydro-electric and other forms of power, (3) exploitation of mineral wealth, including a general geological

survey, (4) establishment of basic and key industries, including jute, textiles, cotton and paper mills, as well as miscellaneous industries such as sugar, ceramics, glass, chemicals and fertilizers. The Government proposes to give considerable help to private enterprise by, among other things, steps to increase the availability of technical personnel. Substantial sums are earmarked for this purpose by Central and Provincial Governments. Universities are being helped to equip themselves better and considerable numbers of scholars are being sent overseas for training in universities, technical institutes, laboratories and factories.

The information available indicates that for some years to come the Government will mainly depend on foreign technicians for (1) economic surveys of particular industries, (2) key government or quasi-government posts for organizing special types of industrial development (e.g. cottage industries) or controlling research and other operations of technical institutes (e.g. ceramics, tanning), (3) organizing technological departments at universities and technical training centres for skilled and semi-skilled workers or modernizing existing training establishments. Requirements for 136 foreign personnel to hold key positions in technical institutes were notified in the second half of 1950 and a director for the proposed new institute for scientific research was also being sought from overseas. A reorientation of the Government's statistical machinery, on which a United Nations expert is giving advice, will include long and short-term steps to be taken to train Pakistanis for statistical operations.

In addition to the above, the Government indicated its need for foreign experts on an advisory basis for

(1) a geological survey;

(2) improving dockyard facilities at Narayangunj in East Pakistan;

(3) excavating an inland ship canal in East Bengal;

(4) a pilot project of trial borings for exploiting underground water resources in Baluchistan;

(5) reclamation of saline and alkaline lands of the Punjab Salt Ranges;

(6) a plan for modernizing the working of the port of Chittagong;

(7) equipment for freezing and canning modern produce and processing of foods, vegetables, milk products, etc.

Advice from individual experts was required covering a wide variety of schemes in connection with the following industries: chemicals (fertilizers, drugs, insecticides, etc.), industries based on fermentation, iron and steel ceramics (fire bricks and use of clays for pottery), engineering and related projects (with particular reference to railways and telecommunications), and town planning.

Foreign personnel on a contract basis were required in government posts, such as a Deputy Director of Industrial Planning and Development and Assistant Director or Cottage Industries, as well as in chemicals, sugar, wool, jute, ceramics, leather, wood products, and rubber. A wide variety of engineers were also sought for training and research institutes, industrial plants and constructional works, such as hydro-electric power schemes and land reclamation.

The list of overseas training facilities desired for Pakistanis, additional to those made available through Government scholarships, covers the bulk of the fields already indicated as well as training facilities to enable Pakistanis subsequently to fill a wide variety of key positions as managers and foremen in technical and vocational training centres and as supervisers of cottage industries. It is considered that the approximately 2,300 industrial training places, largely in the engineering and building construction trades, currently available in technical training centres, and the approximately 950 for cottage and small scale industries in vocational training centres are wholly inadequate to meet national requirements for Group B personnel. The shortage of skilled operators was stressed as being particularly noticeable in the following categories: light castings, small internal combustion engines, hand-machine tools, agricultural implements, motor dynamos, motors and accessories, instrument machines, hosiery machines, needles and fittings, and machinery and machine parts.

The Philippines

The destruction in the Philippines resulting from the war was greater in industry than in agriculture and it has been estimated in the report of the recent United States Economic Survey Mission (November 1950) that three-quarters of the production facilities of the country, outside agriculture, had to be restored in the post-war period.

Among the Government's top priority projects, to which only the minimum financial allocations have so far been made, are paper bag manufacture, steel, textiles, shipyard and heavy industries, hydro-electric power development, and industrial utilization of coconut products. Other projects to be established in the near future are fertilizers, caustic soda, lime, paper pulp, oil and alcohol refineries, ramie, rayon and jute textiles and fibre, and agricultural implements. Foreign personnel and/or overseas training facilities for Filipinos are required in the majority of these cases.

The report of the United States Economic Survey Mission stressed that present limitations on the employment of foreign engineers and technicians should be modified as their services were essential to the development of the mineral resources of the country and would be required until sufficient trained and experienced Filipinos became available. The need for additional facilities for the education of engineers and geologists was recommended through the provision of a school of mining industries and sciences at the university. In the cottage and handicrafts industries it was stated that new fields for export awaited development, but help was needed to train the directing personnel in marketing techniques, packeting methods and advertising, as well as in improved systems of manufacture and new fields of enterprise.

The report summed up the position by stating that "the available technical and management skill in the Philippines will not be sufficient for extensive development of industries for some time. This does not mean that industrial development must be postponed. It does indicate that rapid progress must be made in the training of engineers and business managers. This deficiency must be overcome by providing engineering education and by providing experienced men in actual operation. In the meantime, use should be made of competent and experienced planning, management and technical personnel from abroad." To this end the Government was recommended "to remove barriers to the employment of foreign technicians and take steps to improve training facilities for technicians." The Government has since made clear to the United States Government its need to avail itself of the services of American technicians, and a formal request to that effect has already been conveyed.

Thailand

No overall plan of economic development has yet been approved by the Government of Thailand, but the National Economic Council, set up in March 1950, will be responsible for considering and coordinating all such plans, and for establishing priorities. The main fields of industrial development are currently the concern of the Ministries of Industries, Finance, Defence, Communications and Agriculture. Those planned for or in process of extension are oil extraction, sugar, alcohol distilleries, paper, pig iron and steel, cotton textiles, gunny sack manufacture, tanning, tobacco, rubber tyres, food processing, and printing, as well as gold mining and hydro-electric power development. Plans for overseas training of Thai nationals have been drawn up in the majority of these cases. Foreign experts are contemplated for the paper industry, gold mining, gunny sack manufacture, food processing (tapioca and fish preservation), rubber tyre making, and hydro-electric power schemes.

In the field of technical training, expert advice on curricula and teaching methods is required by the universities, with special reference to engineering, mining, geology, accountancy and statistics. Vocational schools for teaching machine shop practice and motor mechanics are urgently required. It is recognised by the Government that the existing vocational training facilities for both Group A and Group B personnel will not meet the requirements of an expanding economy. A recent UNESCO survey of the Thai school system stressed the need for greater coordination of education with the industries of the country, but also noted that increasing public recognition was being given to vocational training and expressed the hope that training could be given in additional industries, including electrical services.

United Kingdom Territories (Hong Kong, Singapore, Federation of Malaya, Brunei, Sarawak and North Borneo).

The general aim of the United Kingdom Government has been defined by the Colonial Office as under: —

> "Economic development in the colonies cannot be sound unless it also provides for a permanent improvement in the supply and the quality of technicians from among the colonies themselves. The task of outside experts is as much to assist in training the experts from amongst the local population as it is to carry out particular technical projects. It should, however, be realised that in attempting to improve the supply of local technicians it is necessary to build from the bottom..... At present the major emphasis in providing for technical training in the colonies is on producing skilled artizans and in giving basic trade training coupled with a general improvement in educational standards. More advanced training must initially be mainly provided at universities outside the colonies which are in a position to impart the knowledge and skill of more highly developed communities. University colleges and universities can then be provided in the colonies themselves and this stage has in fact been reached, on a regional basis, in the colonial empire."

Whereas the six territories are still dependent for Group A personnel upon the United Kingdom, and, in the case of the oil companies of Brunei and Sarawak, upon an even wider area, an increasing use of qualified local personnel is now the accepted policy of each

government. There is a general shortage of engineers of all types throughout these territories. In Malaya, where the position was particularly acute, the Government reported at the beginning of 1950 that approximately a quarter of the senior pensionable posts in the "resources" and "utilities" departments were vacant because of inability to secure the necessary qualified staff. This was particularly noticeable in the Public Works and Mines Departments.

Apart from the shortage of engineers, Hong Kong and Singapore report no shortage of Group A personnel. Brunei is currently limited in recruitment by difficulties of housing, and Sarawak is approaching the stage where further staff expansion is limited, not by the colony's requirements, but by the Colonial Government's financial capacity to engage further staff. North Borneo is experiencing difficulty in securing surveyors, whether on a long or short term basis.

In respect of Group B personnel, the British Malayan Petroleum Company of Brunei reports a lack of trained automotive fitters, diesel mechanics, carpenters, electricians and operatives of heavy equipment such as bulldozers. There is also a shortage in the colony of skilled building labour and of experienced surveyors. Sarawak is similarly short of skilled building labour and North Borneo is short of draftsmen and subordinate personnel for the Survey and Mines Departments as well as of skilled building labour. The recurrence of shortages in the building trades is largely a result of extensive rebuilding and re-conditioning schemes consequent on the extensive damage resulting from the war and aerial bombardment.

Republic of Indonesia

Two missions visited the country in the first half of 1950, the Griffin Mission under the United States Point Four technical assistance programme and a United Nations exploratory mission, and the following information on personnel shortages was in the main prepared as basic material for use in connection with these missions. Foreign experts were sought in the industrial field to advise in connection with chemicals (fertilizers, caustic soda, use of agricultural waste materials), paper (kraft and ordinary papers and manufacture of pulp from certain species of trees), food processing (fish and fruit canning, nationalization of coconut oil and rice milling industries, deep freezing of meat and fish, and research on soya milk and soya bean products), tanning, and finally, air-field designing and construction.

One of the main shortages experienced by the Government was in respect of scientific research workers because, at the end of the war, owing to deaths, disablement and retirement, most of the scientific institutions were left with a skeleton staff and some with none at all. The numbers sought in the fields covered by this study (chemical technology, engineering, textiles, ceramics etc.) far exceeds the numbers likely to be secured to man the research institutions and laboratories of the country, whether in respect of men with university degrees or those with non-university education, some forty of the former and forty-two of the latter. In view of the world shortage of this category of trained personnel, an expert survey is clearly indicated to establish priorities.

The Geological Service and Geological Museum of Bandoeng had a staff of nine scientists compared with forty in pre-war days. The completion of the Geological Survey, essential to a full knowledge of the country's mineral resources, would require a hundred experts for approximately twenty-five years. A department of the Technical University of Indonesia was opened in 1949 to train geologists and mining engineers and fourteen students were enrolled for the opening session. Meanwhile, foreign geologists were being sought to conduct surveys on the island of Halmabam and to make a final survey in West Borneo.

In the field of hydro-electric power, the Government has an extensive scheme covering four stages of development over a period of twenty-five years and is seeking the services of technical planning experts and engineers specializing in large dam construction. No survey of requirements for foreign training or overseas training had at the time of writing been made in relation to the Government's extensive plans for harbour construction, but in view of the wide destruction during the war and subsequent plans for reconstruction and expansion, overseas and local training facilities for construction workers are clearly indicated.

The Government was early conscious of its need to re-orientate its technical and vocational training schemes to meet urgent requirements both in factory industries and local cottage and handicraft industries and was seeking experts both to review these requirements and also to organize a polytechnic centre at Jakarta to train workers in metal work, textiles, printing and motor vehicle repairing. It was recognised, however, that in a "new" country such as Indonesia, faced with a re-orientation of its whole educational system, schemes of technical and vocational training were needed to fit into a wider pattern of development designed to serve the whole community, and the help of UNESCO and the International Labour Office in these fields has since been secured.

SOME OUTSTANDING SHORTAGES CHARACTERISTIC OF THE REGION AS A WHOLE

In dealing with a region so vast as that covered by the Economic Commission for Asia and the Far East, it is impossible to do more in the present article than stress certain outstanding shortages of trained personnel. The extension of existing training facilities and conclusions and recommendations for meeting the shortages, differing as they do in relation to each category and even in respect of each country because of significant degrees of shortage, do not admit of a ready summary and therefore are not included here.

Geologists and Mining Engineers

The shortage of geologists and, to a lesser extent, of mining engineers is today a world problem but is shown in its most intractable form in the ECAFE region. Not only is the region inadequately explored, making sound estimates of mineral wealth difficult and underlining the urgent need for building up national geological surveys, but there is also a great paucity of training facilities for both categories throughout the region. India is the only country which can be said to have anything resembling an adequate staff. In other countries, such as Burma, Ceylon, Indochina, Thailand, Pakistan, Malaya and Indonesia the numbers are all below ten and in some cases less than half that number. Only India has universities able to give a full course of training in geology and mining.

In view of the primary importance of geological surveys, the ECAFE Secretariat has made a separate study of possible sources for obtaining geologists, as well as of existing facilities for training and selected methods for carrying out geological surveys with a minimum number of scientific personnel.

Technical Staff for Hydro-Electric Schemes

The bulk of the countries of the region are faced with the urgent need to develop hydro-electric multipurpose schemes in connection with their plans for both agricultural and industrial development. Some (India, Pakistan, Thailand, Ceylon) have already a varied number of important schemes under construction or in an advanced stage of planning. Others, such as Indonesia and the Philippines, have plans still not advanced enough to assess personnel requirements, but are nevertheless well aware of the gap between ultimate requirements and present availabilities. Shortages exist in respect of the following Group A personnel:

(1) principal planning engineers, survey engineers and assistants, hydrological and hydraulic engineers, engineering geologists and planning economists;

(2) principal designing engineers with assistant civil, mechanical and electrical engineers of varying categories according to the nature of the schemes;

(3) construction engineers with supporting personnel such as contract and specification engineers, foundation engineers, concrete engineers, material testing engineers etc.

Among Group B personnel there are universal shortages of skilled operators for earth-removing machinery, for tube well boring, for foundation drilling, for concrete machinery of all types as well as supervisor/foreman personnel for all these operations and for the maintenance and repair of modern construction machinery.

Personnel in the Field of Flood Control

The shortage of personnel in this field is keenly felt throughout the region in relation both to Group A personnel, such as high ranking hydraulic engineers, and Group B personnel, such as supervisors and foremen operating construction machinery. India and China are comparatively well off in relation to the senior grades, but Indochina, Indonesia, Ceylon, Pakistan and Burma cannot attempt to meet their needs and rely on foreign specialists. Training facilities are inadequate and are wanted not only for university graduates of moderate experience capable of becoming engineers in charge of planning, design, construction and operations of flood control projects, but also graduates of technical schools who will become draftsmen, surveyors and supervisors of flood control works. Practical training facilities are also needed for foremen and skilled workers who possess sufficient knowledge of modern machinery to comprehend the operation of mechanical equipment.

Chemical Technologists

In the main five types of personnel are sought — manufacturing chemists and various types of engineers for particular plants, chemists for research, teaching staff for technical institutes, experts to survey the possibilities of setting up particular branches of the chemical industry and top supervisory staff capable of handling the complex problems involved in modern chemical production. Among the chemical industries experiencing these shortages are fertilizers, sulphuric acid, caustic soda and chlorine, vegetable oil processing, soap, soda ash, and salt and its by-products.

Fertilizer manufacture has been the subject of a special joint study by FAO and ECAFE, in view of its importance to the countries of the region in relation to food production. Among the personnel shortages being experienced in this field are high grade technologists such as superintendents, works managers, works engineers, che-

mists and chemical, electrical, mechanical, civil, petroleum and hydraulic engineers, as well as draftsmen. India has the largest number of trained personnel, but even that country is required to employ foreign personnel at the present time. In most other countries of the region foreign firms will be responsible for the erection of fertilizer plants.

Industrial Research Workers

In an effort to meet the growing need for research, several countries of the region have been developing research laboratories and institutes. The furthest advanced are those sponsored by the Government of India. Governments recognise that, for most of the factories and plants in the region, independent research departments are financially and technically impossible for some time to come, because of lack of equipment and trained personnel. This gives added importance to the equipping and training of personnel for the staffing of these institutes. Fields of special importance are chemicals (including process industries such as soap, oils, fats, foods, as well as pharmaceuticals, dyes and heavy chemicals), paints and varnishes, fuel (especially in the utilization of low grade coal), textiles (including artificial and special fibres and research in dyeing and finishing processes), ceramics and glass (utilizing indigenous raw materials), leather and tanning processes. Laboratories lack equipment, libraries and, in some cases, adequate quarters. Furthermore, as laboratory administration and direction is a complicated problem, organizational assistance is also in demand.

Managerial Personnel

Although a low level of managerial efficiency is not the only factor in the low production which is troubling most countries of the region — including India, the most highly industralized — it is nevertheless one of the major problems. In addition to the need to improve the techniques of existing managerial personnel, a number of countries committed to a policy of state control of particular industries are thwarted in the implementation of important schemes by inability to provide their own managerial personnel, as well as by difficulty in securing foreign personnel. This is noticeable e.g. in Ceylon. There is a need to provide increased training opportunities for selected personnel and to break new ground in regard to new types of training to meet the needs of a scheme which requires both academic and practical training.

Administrators and Organizers of Cottage and Handicraft Industries

A number of countries of the region (e.g. India and Ceylon) have evolved schemes for training supervisory personnel in these industries which are now recognized as of growing importance to a balanced industrial economy. The contribution which Japan has to offer in the mechanization of many of the small-scale industries through sub-division of processes and the use of simple machinery in the worker's own home, is being increasingly recognized. There is a growing need also for personnel trained to develop an export market by improved techniques of styling, packeting and advertising. Improved training facilities are required to provide these different types of supervisory and training personnel as well as to teach the workers themselves more modern and efficient techniques and higher standards of craftsmanship, design and finish.

Public Administrators

A number of countries of the region are faced with a grave problem in building up efficient public administration machinery and securing an adequate supply of trained civil servants. The problem is most acute as a result of factors such as the withdrawal of a metropolitan power and most of its administrative personnel (e.g. Indonesia), or the division of a territory into several independent units (e.g. Indochina in relation to Laos, Cambodia and Viet-Nam). War and civil war have further depleted the available supply of civil servants in some instances. Finally, the functions and responsibilities of government have greatly increased in the region as in many other parts of the world. Improvement in public administration has therefore emerged as a key problem in all countries of the region. The United Nations has recognized this fact and also its importance to the most efficient use of technical assistance funds, and to this end has made an important contribution in setting up in New York the International Centre for Training in Public Administration which will operate through seminars, fellowships and scholarships and the dissemination of technical information.

In a number of countries of the region public administration is handicapped by too many civil servants both inadequately trained and remunerated. The problem is so wide-spread and so well recognized that it does not need to be enlarged upon in this context. In addition, however, to international training facilities, there is a need for on-the-job training of junior civil servants as well as diploma courses at universities for promising actual and potential staff.

Economic Planners

A recent report of the ECAFE Secretariat stressed that "the increase in serious national planning is unquestionably one of the most significant post-war phenomena in the region, but the inadequacy of sound planning is still a basic and perhaps the greatest difficulty to be overcome in the region's struggle for economic development".

The International Bank also reported that "the most striking lesson" of its experience to date was "the dearth of soundly conceived development projects." [1] The reason for this is a lack in most countries of the region of a nucleus of personnel with knowledge of the principles of economic planning.

As economic planners are in short supply throughout the world, the countries of the region cannot hope to provide their own senior personnel in this field for some time to come, but must rely on foreign specialists. Nor is there any short cut to the production of such personnel. A temporary training institute under governmental and international auspices has already been organized as a pioneering venture in Pakistan with the aim of enabling delegates "to raise the general standard of competence in the preparation and planning of projects so that these could subsequently be dealt with expeditiously by the national and international organizations responsible for their selection. execution and financing." [2] This is an important pioneer venture which should lead to more wide-spread development.

Statisticians

The absence of accurate statistical data has been one of the main difficulties experienced by countries of the region in evolving plans of economic development. The setting up of adequate government statistical machinery requires the availability of a wide variety of trained statisticians — high grade personnel possessed of the techniques and knowledge necessary to organize the national statistical machine in the most economical manner. intermediate levels of personnel capable of accepting responsibility for the organization in particular fields of statistical operations down to the supervisory grades. enumerators and junior statistical personnel engaged on day-to-day operations. Even in these broad categories specialist types are needed (in the science of sampling, in widely varied fields such as demography, labour. agriculture and industry. experts in applying mechanical devices etc.).

The urgency of the need for trained statisticians at all levels was early recognized by governments of the region and the first request for United Nations experts was in this field. Training courses have already been, or will shortly be, held in different parts of the region and fellowships and scholarships are offered by the United Nations. What, however. many of the countries lack to take full advantage of these facilities is basic training in statistical techniques and related skills and the subject matter to which statistics are to be applied. as well as training in the absolute objectivity essential both in handling statistical material and in finding the solution to statistical problems. Unfortunately, in a number of countries of the region such training at the university level is either not available or wholly inadequate. Facilities for training junior personnel, both already in the civil service and prior to recruitment. is recognized by experts to be as necessary as the training already in course of evolution for more experienced personnel deficient in modern techniques.

Economic and Research Workers

Trained personnel in this field are basic to the formulation of economic policies and the evolution of national plans of economic development. Unless based on systematic research, national plans may be built up on unsound policies and give rise to serious financial and other consequences in the course of their implementation. Many economists in government service in countries of the region have lost touch with the latest developments in the techniques of economic research because of heavy administrative responsibilities and other factors. Moreover, the spread of national planning has resulted in most countries of the region having an inadequate supply of trained economic research workers both of senior and intermediate grades -- the best off probably being India and China. The gap between requirements and availabilities in these grades cannot be bridged by empirical methods. The whole has to be built up upon a broad basis and necessitates the gradual provision of adequate academic and research facilities and teaching personnel — a field now covered primarily by UNESCO in relation to international technical assistance. But Governments themselves are increasingly aware of the need to investigate their own training facilities and shape them more in accordance with modern needs.

Commercial Attachés and Trade Promotion Officers

It is true to say that shortage of trained personnel is a greater handicap in the promotion of foreign trade within the region than shortage of finance. In most instances sufficient trained or experienced personnel to conduct such services simply does not exist. The historic background of a number of Far Eastern countries has been such that both private and government trade promotion services have been in the hands of nationals of the countries to only a limited extent, thus precluding the necessity for taking the initiative. Moreover the relatively minor significance of pre-war inter-regional trade did not require substantial government commercial representation. As a result of these factors the philosophy and the techniques of trade promotion are new to traders and governments of the region.

1 "Methods of Financing Economic Development in Underdeveloped Countries". UN Publication Sales No. 1949:II.B.4, 1949, page 1.

2. Advance notice of the sponsoring organizations of the nature of the prepared course.

At present the need for trained personnel is acute in all phases of foreign trading and trade promotion activities, both governmental and private, and there is an awakened interest amongst the governments to assume the leading role in the conduct of their foreign trade. During 1949 and 1950 Ceylon, India, Indonesia, Pakistan and the Philippines made plans for extending or actually augmented their overseas commercial services. Training in the techniques of trade promotion is an approved subject of study under the United Nations fellowship and scholarship scheme and a few countries send selected personnel overseas for training. Recently a course has been inaugurated at the College of Business Adiministration of the University of the Philippines, but in general governments of the region still have no adequate machinery for training in this important field.

Commercial and Entrepreneur Personnel

In almost all countries of the region there is a great scarcity of nationals who have experience or skill in the fields of industry, commerce and banking. Often the big traders and bankers were or are westerners and other foreign personnel, and the small traders Chinese or Indians. This means that in many of the countries nationals have only the most limited experience in trading, in starting and running a business or a plant, or in opening and managing banking facilities. This is the case, for instance, in Burma, Indonesia and Thailand.

These factors are basic handicaps to efforts to stimulate economic development, and there is no simple solution. Some governments have sought to reduce their dependence on outside skills by requiring that foreign enterprises include a minimum number of national employees. Sometimes special priorities are given to nationals in the allocation of import permits. Although this is not a field normally related to an investigation of shortage of national technical skills, it is of major importance and a field where there is further need for detailed study.

Regional Shortage of Supervisors, Skilled and Semi-skilled Workers

Although, as already indicated, less specific information was available in respect of this group than on specialists in scientific and technical fields, the evidence available shows the universal shortage of what — for want of more specific information — are generically referred to as "artizans and mechanics." In general it may be stated that countries of the region are particularly in need of supervisors and foremen and that the two main "group" fields of shortage are in respect of trained operatives in the construction and engineering trades.

There is a general realization of the position by governments and an appreciation of the opportunities available to them through technical assistance programmes, with special reference to those of the International Labour Office. This agency now has an Asian Field Office for Technical Training which is already engaged in a four point programme for:

(1) supervisor training through the "training within industry" (TWI) process, now internationally accepted as of tried value in this field;

(2) organization and administration of national vocational training programmes;

(3) organization and administration of apprenticeships;

(4) organization and administration of vocational instructor training.

There are several avenues to the desired goal, of which a rapid expansion of on-the-job training is one of the more obvious and badly needed throughout the region. However, the "newer" countries and those now seeking to enter upon plans of industrial development have available to them not only diversified programmes and techniques tested by experience, but also a number of technical assistance programmes in which international agencies as well as individual countries can offer them advice and practical assistance in building up sound schemes of development for training both supervisory personnel and technical and vocational training staff — the two classes jointly forming the key to the growth of a skilled labour force.

ADDITIONAL REQUIREMENTS AND RECOMMENDATIONS FOR MEETING THEM

The foregoing analysis indicates the following needs in countries of the region in matters analogous to the field under review:

Employment Information Programmes

There exist in the region: —

(i) a lack of adequately developed machinery for obtaining employment information on a systematic and continuing basis;

(ii) a lack of standard techniques and procedures for employment market analysis;

(iii) difficulties in distinguishing between short and long-term requirements for workers and between technical, skilled and semi-skilled and other manpower requirements.

Single one-time surveys — which only India has attempted in respect of scientific, technical and supervisory personnel — are of little enduring value for the purpose of planning and executing policy in the economic and employment fields. Where no state employment service exists, ad hoc arrangements are required for collecting and analysing employment market data.

Need for State Employment Services

Two further types of machinery of great importance in organizing man-power are a national employment service and a national scheme for vocational and technical training. Countries of the region are increasingly aware of the need for the latter, but those without the former (India, Pakistan and Ceylon being notable exceptions) have hitherto been less aware of the value of making a start, however restricted in the first instance, in inaugurating employment exchanges in their main cities.

A national employment service cannot itself overcome shortages of trained personnel. It can, however, ensure the most effective use of all available trained personnel by indicating where the shortages and surpluses exist, thus pointing to effective action in relation to such matters as the scope and content of technical and vocational training and re-training, the selection and placement of trainees and the transfer and re-settlement of particular groups or categories of workers.

The international agency primarily concerned to help countries of the region in both of the above fields is the International Labour Office.

Need for including personnel requirements and training facilities as a part of any national plan for economic development

Few countries when drawing up plans of economic development include *as an integral part of the plan itself*:

(i) a list of requisites of technical and other personnel for the projects covered — in other words, a budget of personnel;

(ii) a survey of available technical training facilities and requirements to meet present and future needs in relation to projects included in the plan.

Both should be regarded as an essential aspect of any national plan and, if available, would be an invaluable guide for international and other agencies operating technical assistance programmes.

ASIAN ECONOMIC STATISTICS

List of Tables

		Page
I.	Production of Selected Commodities	53
II.	Volume of Traffic: Railway, Sea-borne Shipping and Civil Aviation	55
III.	Value of Imports and Exports and Balance of Trade	56
IV.	Quantum Indices of Imports and Exports	57
V.	Direction of Import Trade	58
VI.	Direction of Export Trade	60
VII.	Quantities of Exports of Selected Commodities	62
VIII.	Index Numbers of Unit Value of Imports and Exports	63
IX.	Index Numbers of Wholesale Prices	64
X.	Index Numbers of Cost of Living and Retail Prices	65
XI.	Wholesale Price Quotations of Selected Commodities	66
XII.	Financial Statistics	68

Symbols Employed

The following symbols have been used throughout this appendix:

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

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

Figures in italics are provisional.

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

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

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

The term Malaya includes the Federation of Malaya and Singapore.

Sources

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

I. PRODUCTION OF SELECTED COMMODITIES

(Monthly averages in thousand tons)

	1938	1946	1947	1948	1949	1949 III	1949 IV	1950 I	1950 II	1950 III	1950 July	1950 Aug.	1950 Sept.
COAL													
India a	2,400	2,516	2,540	2,525	2,664	2,620	2,730	2,852	2,663	2,612	2,338	2,632	2,866
Indochina	195	22	21	30	31	26	39	36	36	35	29	30	46
Indonesia	121	13	19	45	55	59	63	63	67	..	65	70	..
Korea, south	19	21	39	67	89	81	98	97	..	..	..	..	..
Malaya	40	19	19	32	33	34	32	37	33	37	35	38	37
Pakistan b	..	34	13q	20	28	24	30	45	39	28	23	35	27
Japan	3,484*	1,698	2,270	2,822	3,172	3,196	3,213	2,957	3,235	3,165	3,304	2,982	3,208
ELECTRICITY (mil. kwh)													
Burma	—	—	1	2	2	2	2	2	2	..	..	..	..
Ceylon	3	4	5	5	6	6	6	6	..	..	..	..	..
Hong Kong	..	..	9	13	18	19	21	21	24	26	25	26	27
India a	211‡	336	345	381	410	414	420	403	422	426	444	431	403
Korea c	225	19	23	41	55	56	55	..	..	..	..	..	..
Pakistan d	..	..	10q	11	14	14	14	10	..	..	..	..	..
Philippines e	12	12	..	30	35	36	37	37	37	..	39	40	..
Thailand	3r	3f	3	4	4	4	5	4	4	..	4	5	..
Japan r	2,062*	2,282	2,461	2,802	3,033	2,883	3,141	3,055	3,260	3,073	3,155	3,072	2,992
PETROLEUM, CRUDE													
Brunei	59	24	144	224	280	296	304	295	..	..	..	..	..
Indonesia	616	25	93	361	494	522	514	477	553	..	587	..	..
Pakistan	..	4	3s	5	10	11	13	12	15	15	15	16	14
Sarawak	17	..	2	4	5	5	5	5	..	..	..	..	..
Japan	29*	16	15	14	17	17	19	22	24	26	26	27	26
IRON ORE													
Hong Kong	..	..	..	—	5	6	6	12	18	15	16	17	12
India a	232	204	212	193	238	..	..	..	..	..	..	..	..
Malaya	137	—	—	—	1	—	3	22	40	54	46	45	72
Philippines	77	—	—	18t	31	28	54	54	26	..	..	..	..
Japan	52*	46	41	46	63	81	68	56	69	79	82	75	80
PIG IRON & FERRO-ALLOYS													
India p	131	122	122	124	136	142	146	145	131	139	140	136	141
Japan	173*	18	31	70	134	136	164	152	200	197	204	192	194
STEEL INGOTS & CASTINGS													
India	82	110	106	106	115	114	121	120	112	124	126	124	123
Japan	435*	47	78	143	259	261	319	339	398	404	403	408	400
FINISHED STEEL													
India	71‡	75	76	72	79	81	83	82	79	87	84	91	85
Japan	379*	38	54	105	185	187	229	245	277	273	255	274	290
TIN IN CONCENTRATES (tons)													
Burma	419	29	152	97	151	145	117	*102*	*102*	*102*	*102*	*102*	*102*
China	906*	229	364	406	*356*	*305*	*305*	*305*	*305*	*305*	*305*	*305*	*305*
Indochina	135	—	—	3	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*5*
Indonesia	2,517	544	1,349	2,592	2,452	2,401	2,400	2,541	2,782	2,757	2,837	2,874	2,559
Malaya	3,673	714	2,288	3,795	4,649	4,745	4,889	4,833	4,970	4,883	5,152	4,828	4,669
Thailand	1,255	89	119	359	662	719	790	*711*	*711*	*711*	*711*	*711*	*711*
Japan	..	7	9	10	*10*	*10*	*10*	*10*	*10*	*10*	*10*	*10*	*10*
TIN METAL (tons)													
Malaya	5,397	977	2,482	4,209	5,312	5,302	6,012	5,698	5,733	6,252	5,318	6,982	6,456
NATURAL RUBBER g													
British Borneo h	2.4	2.4	4.4	5.2	5.1	5.6	5.0	6.6	6.6	7.6	9.2	6.8	7.0
Burma h	0.6	0.5	0.7	0.8	..	..	..	..	..	..	..	..	..
Ceylon	4.3	8.0	7.5	8.0	7.6	7.6	8.8	6.8	9.5	10	10	11	10
India	1.3	1.3	1.4	1.3	1.3	1.2	2.0	0.8	1.3	1.1	0.8	1.1	1.4
Indochina	5.1	1.7	3.2	3.7	3.6	4.1	5.1	2.7	3.2	4.2	4.1	4.7	3.9
Indonesia	27.0	25.0	23.5	36.6	36.5	39.1	42.5	38.9	60.8	66.0	64.4	68.0	65.6
Malaya	30.4	34.2	54.7	59.1	56.9	58.3	58.9	54.8	54.4	65.4	66.7	63.7	65.9
Thailand h	3.5	2.0	4.4	8.1	8.0	8.0	7.4	8.1	9.9	11.0	10.0	12.1	10.8
CEMENT													
Hong Kong	..	..	3	4	5	6	7	8	5	4	5	4	4
India a	119	173	147	131	178	180	209	221	207	220	214	223	224
Indochina	22	..	3	8	13	11	16	10	11	10	11	10	10
Korea c	53	1	1	1	2	1	3	3v	..	..	..	..	..
Philippines	14	4	11	10	17	18	19	20	23	..	..	..	..
Thailand	10r‡	3u	5	7	11	11	11	12	13	15	14	14	16
Japan	465*	77	103	154	273	296	335	275	337	372	339	358	419
COTTON YARN													
Hong Kong	..	..	..	..	0.9	..	..	1.6	2.0v	..	..	..	..
India a	48.7	52.8	49.8	54.3	51.4	50.0	49.3	45.7	45.9	42.0	48.7	42.5	34.9
Korea, south	..	0.3	0.5	0.5	1.1	1.1	1.5	..	..	..	..	..	..
Japan i	54.5*	4.8	10.2	10.4	13.1	13.4	14.9	15.6	18.5	20.6	20.0	20.2	21.5
COTTON FABRICS (million metres)													
India a	328	307	290	335	298	294	292	282	298	263	313	265	211
Korea c	11.44	1.68	2.33	2.14	4.85	5.08	6.84	5.79v	..	..	..	..	..
Philippines	..	..	0.53	0.65	0.36	0.38	0.49	0.61	0.79v	0.81	0.69	0.84	0.88
Japan i (million sq. metres)	243.6*	16.8	46.1	64.4	68.6	70.2	74.4	93.2	106.0	107.6	105.3	108.7	108.8

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

(Monthly averages in thousand tons)

	1938	1946	1947	1948	1949	1949 III	1949 IV	1950 I	1950 II	1950 III	1950 July	1950 Aug.	1950 Sept.
JUTE MANUFACTURES													
India	107.2	92.2	89.0	92.0	78.1j	70.9	71.7	72.7	63.8	74.4	71.2	78.0	74.0
COCONUT OIL													
Malaya	..	..	8.15	7.88	7.70	9.17	7.92	6.74	7.42	7.42	7.33	7.26	7.66
PALM OIL													
Malaya	4.32	1.00	3.31	3 83	4 28	4.46	4.46	4 22	4.60	4.41	4.43	4.66	4.15
SOAP													
India	..	..	6.77	6.38	6.33	5.99	7.42	5.49	*5.49*	..	..	..	..
Korea, south	..	..	..	..	0.42	0.77	0.22	..	..	..	..	..	..
Malaya	..	..	2.47	1.92	1.67	1.72	1.36	1.25	1.34	1.60	1.59	1.58	1.64
Japan	15.96*	1.33	0.45	1.16	2.12	1.36	3.14	4.58	7.16	*8.74*	6.98	8.48	*10.76*
PAPER													
India (including paper products)	49.28	8.19	7.49	7.15	8.74	8.90	8.61	8.76	9.14	9.50	9.42	9.53	9.57
Japan	88.12*	17.40	23.62	35.23	52.15	53.06	59.05	65.39	70.76	*74.41*	72.74	70.31	*80.17*
OTHER CHEMICALS													
India													
Sulphuric acid a	2.05r	3.40r	2.94q	2.33	8.42	8.60	*9.14*	*7.43*	*8.89*	*9.07*	*8.91*	*9.14*	*9.17*
Superphosphates	..	0.38	0.42	1.81	3.96	4.73	*4.62*	2.79	*3.91*	*4.40*	4.79	4.19	*4.22*
Soda ash	..	1.02	1.15	2.47	1.52	—	2.20	3.88	3 87	3.96	3.98	3.78	4.10
Caustic soda	..	0.25	0.28	0.37	0.53	0.50	*0.67*	0.86	*0.92*	*0.96*	*0.93*	*1.01*	*0.93*
Liquid chlorine	..	0.13	0.14	0.15	0.22	0.23	0.35	0.34	*0.39*	0.44	0.40	0.47	0.45
Bleaching powder	..	0.17	0.22	0.24	0.21	0.19	0.22	0.32	0.27	0.30	0.28	0.30	0.32
Power alcohol (mil. litres)	..	..	0.86	1.39	1.60	1.39	1.74	2.18	1.59	1.22	1.11	1.62	0.94
Industrial alcohol (mil. litres)	..	..	1.82	1.11	1.13	0.96	1.23	1.46	1.75	1.57	1.51	1.60	1.60
Japan													
Sulphuric acid k	240.9*	76.5	124.1	162.5	215.2	217.3	240.5	242.9	275.0	*271.0*	285.1	264.8	*263.0*
Ammonium sulphate l	72.9*	39.1	60.1	78.9	102.7	95.4	116.5	112.7	145.8	*128.0*	140.4	118.2	*125.4*
Calcium cyanamide l	17.9*	12.1	14.6	17.1	29.1	30.8	33.2	29.6	44.8	*36.9*	46.5	29.5	*34.6*
Calcium superphosphate m	119.8*	16.7	59.1	79.5	96.7	104.1	103.8	123.5	119.5	*100.2*	119.0	85.9	*95.7*
Soda ash (finished)	19.4r*	1.9	3.2	6.3	10.3	10.7	11.6	11.7	*11.8*	*13.2*	11.6	12.2	*15.7*
Caustic soda	24.9r*	2.4	3.6	9.0	12.1	12.3	12.2	12.2	*14.3*	*17.2*	16.4	17.3	*18.0*
Liquid chlorine	0.8r*	0.2	0.3	0.5	0.9	0.9	1.1	1.1	1.4	*1.5*	1.5	1.4	*1.5*
Bleaching powder	5.6r*	0.6	1.1	2.3	3.5	3.5	3.9	3.9	3.8	*3.8*	3.4	3.9	*4.2*
Dyestuffs	1.59*	0.14	0.23	0.44	0.55	0.46	0.40	0.56	0.59	*0.66*	0.48	0.74	*0.78*
Methyl alcohol	0.36*	0.38	0.36	0.63	0.92	0.91	1.15	1.44	1.46	*1.73*	1.34	1.52	*2.32*
Ethyl alcohol (mil. litres)	0.51*	1.32	1.58	2.41	2.15	1.05	3.06	2.06	2.69	*1.79*	2.29	1.95	*1.12*
MACHINERY PRODUCTS													
India													
Diesel engines (Units)	..	39	57	85	173	209	222	294	356	389	383	318	465
Electric motors (1000 h.p.)	..	3 82	3 17	5 00	5.67	5 80	5 13	5.29	6.41	*7.12*	6.26	*6.59*	8.51
Machine tools (1000 Rs.)	..	760	382	456	394	320	*245*	188	197	134	144	64	193
Sewing machines (Thousands)	..	0.51	0.49	1.67	2 09	2.21	2.40	2.35	2.65	2.79	2.93	2.93	2.51
Bicycles n (Thousands)	..	4.22	4.07	5.40	7 33	9.04	8.43	8.81	7.59	7.76	6.13	7.82	9.34
Electric transformers (1000 kva)	..	3.25	2 67	6.83	9 06	7.91	13.38	13.19	13.78	*15.99*	13.32	*15.72*	*18.92*
Electric lamps (Thousands	..	676	635	771	1,137	1,107	1,286	1,249	1.207	*1.180*	1,193	1,204	*1.144*
Electric fans (Thousands)	.	9.20	13 33	15 00	*14.92*	*13.99*	*11.39*	17.55	*18.83*	*19.03*	*19.91*	*18.44*	*18.75*
Insulators, l. t. (Thousands)	..	..	119	209	187	64	273	215	75	73	67	97	55
Insulators, h. t. (Thousands)	..	..	6 18	7 49	11 40	13.03	12.00	14.51	10.56	15.76	11.07	13.76	22.46
Motor car batteries (Thousands)	..	2.26	5.84	9.17	8.92	5.81	*13.36*	15.42	16.23	*17.22*	17.20	16.95	*17.50*
Japan													
Railway locomotives (Units)	28*	19	12	3	9	15	4	6	8	14	22	12	8
Railway freight cars (Units)	406*	98	86	367	258	193	70	79	68	250	181	339	230
Industrial locomotives (Units)	37†	31	40	42	36	28	33	17	32	44	35	48	50
Industrial freight cars (Units)	592*	254	698	1,612	804	470	439	534	761	914	975	1,043	724
Motor vehicles (Units)	2,987†	1,546	1,850	3,917	5,547	5,441	5,324	5,311	5.347	6,484	6,025	6,639	6,789
Vessels (gross)	..	15 6	9.7	15.5	14.6	13.6	15.5	7.0	11.0	*7.99*	8.21	6.54	*9.21*
Diesel & other internal combustion engines (Units)	..	..	2,894	6,332	8,859	8,512	9,591	8,510	7,423	7,804	7,937	7,113	8,361
Ring spinning frames (Units)	..	..	..	..	153	145	155	122	131	181	168	176	199
Looms (Units)	..	..	990	3,070	3,390	2,568	1,589	1,405	1,638	2,684	2,566	2,547	2,938
Power transmission equipment	..	..	0 3	0 6	1 2	1 2	1.2	1 1	1.1	1.1	1 1	1.1	1.0
Pumps	..	..	1 2	1 2	1 2	1 1	0.8	0.8	0.8	0.8	0.7	0.8	0.9
Cranes, derricks, hoists & winches	..	..	1 2	1.4	1 7	1 6	1.6	1 8	2.3	1.8	1 8	2 0	1.5
Mining & excavating machinery	..	..	1 1	2.2	2.6	2.4	1.9	1 7	1.4	1.6	1.4	1.8	1.7
Iron & steel works & coke oven plant equipment	..	..	1 9	3 1	5.2	5.1	4.0	5 2	6.1	4.0	4.8	3.7	3.6
Chemical industry machinery & equipment	..	..	2.7	2.2	3.5	3.5	3.5	3.7	4.6	4.7	5.1	4.5	4 4
Pulp & paper industry machinery	..	..	0.1	0.3	0.4	0.4	0.3	0.3	0.3	0.5	0.6	0.4	0.5
Food products machinery	..	..	0.6	0.5	1.0	0.9	1 1	0 8	1.0	0.7	0 5	1 0	0.7

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

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

(Monthly averages)

	1938	1946	1947	1948	1949	1949 III	1949 IV	1950 I	1950 II	1950 III	1950 July	1950 Aug.	1950 Sept.
RAILWAY TRAFFIC													
Passenger-kilometres (millions)													
Burma	62.3q	..	37.8	36.3	4.8	2.5	5.0	*10.7*	..	..	..	..	..
India a, p	2,385b	5,390b	3,748r	4,880	5,143	4,946	5,128	4,960	5,768	5,058	5,227	4,947	4,999
Indochina	73.7	2.6	6.2	8.3	6.5	6.7	6.1	5.3	6.3	6.6	6.2	6.9	6.6
Korea c	169*	251	234	236	247s	236	290	..	..	..	..	..	..
Pakistan	..	..	389	511	685	732	720	..	..	..	..	..	..
Philippines d	39.6	..	18.9	23.9	31.0	25.8	28.8	28.9	35.8	25.7	27.1	23.1	27.0
Thailand	32.7s	63.2	86.7	108.9	..	..	..	..	..	..	..	..	..
Japan e, p	2,185*	7,267	7,343	6,595	5,585	5,621	5,388	4,984	5,931	5,452	5,483	5,572	5,300
Freight ton-kilometres (millions)													
Burma	90.8q	23.6q	48.1	47.8	3.9	0.8	2.5	*2.6*	*6.9*	..	..	..	..
India a, p	2,968b	3,620b	2,271r	2,812	3,317	3,157	3,367	3,322	3,354	3,370	3,197	3,347	3,565
Indochina	27.9	1.2	3.5	6.5	10.6	10.8	9.5	10.6	11.7	11.5	11.1	10.8	12.5
Korea c	185*	52	83	87	107s	102	111	..	..	..	..	..	..
Malaya	..	21.5	24.8	26.4	27.1	..	..	32.2	32.9	34.3	32.1	35.1	35.7
Pakistan	..	..	128	263	306	287	318	..	..	..	..	..	..
Philippines d	13.5	..	6.8	10.4	13.6	12.1	12.2	13.3	12.6	13.3	12.1	14.7	13.0
Thailand	50.3s	9.8	18.6	25.1	34.0	30.8	41.6	39.7	..	..	..	..	..
Japan c, p	1,305*	1,379	1,751	2,109	2,375	2,184	2,778	2,359	2,365	2,365	2,272	2,375	2,447
Freight tons (thousands)													
Ceylon q	77	116	94	104	107	104	101	110	106	..	..	..	..
Hong Kong	40	16	11.0	7.5	3.6	3.0	5.6	18.1	23.1	37.8	31.8	38.5	43.6
Indonesia	810	..	85f	292	415	501	430	399	416	470	446	485	479
INTERNATIONAL SEA-BORNE SHIPPING													
Entrances and clearances of vessels with cargo in external trade, (1000 net registered tons)													
Burma g	Entered	311p	46q	98q	118q	99	105	101	74	93	88	90	64	104
	Cleared	361p	36q	101q	157q	129	120	100	77	139	107	111	98	111
Ceylon	Entered	913	222	331	475	640	630	727	641	647	667	638	730	632
	Cleared	891	198	312	469	570	574	673	570	561	572	561	556	599
Hong Kong h, i	Entered	1,228	342	668	782	988	1,113	985	992	1,047	943	950	943	935
	Cleared	1,233	337	669	775	977	1,101	957	990	1,054	962	910	994	982
India	Entered	750b	407b	570b,t	646u	741	690	720	575	656	631	595	650	647
	Cleared	793b	370b	524b,t	570u	559	525	625	535	574	531	493	519	580
Indochina h, j	Entered	269	132	96	124	150	162	169	166	164	170	142	200	169
	Cleared	245	..	97	120	151	160	172	163	161	170	143	184	184
Korea h, k	Entered	1,088	3	90	25	31	21	30	..	..	..	..	..	..
	Cleared	1,083	3	91	25	30	19	27	..	..	..	..	..	..
Malaya	Entered	1,354	..	789	951	1,195	1,292	1,341	1,086	1,203	1,257	1,293	1,303	1,176
	Cleared	1,308	..	699	892	1,083	1,188	1,234	1,032	1,110	1,143	1,202	1,162	1,065
Pakistan p	Entered	..	..	128v	241	305	318	282	313	378	..	336	374	..
	Cleared	..	..	83v	176	214	193	195	242	241	..	303	357	..
Philippines	Entered	371†	124w	..	450	476	487	439	485	448	..	404	..	..
	Cleared	436†	59w	..	438	475	490	440	473	474	..	384	..	..
Thailand	Entered	72p	20	43	67	90	93	94	100	121	..	128	..	..
	Cleared	100	23	50	92	122	120	121	137	144	..	107	..	..
Japan	Entered	5,824†	200	623	948	1,541	1,668	1,595	776	860	871	838	822	952
	Cleared	5,785†	196	615	930	1,489	1,652	1,579	..	..	..	..	..	..
CIVIL AVIATION TRAFFIC l													
Passenger-kilometres (millions)													
Ceylon		—	—	—	0.36	0.95	1.15	1.05	0.82	0.87	..	0.69	..	..
India		0.11	8.19	19.03	24.23	26.22	23.94	27.54	30.22	34.23	30.25	29.54	30.61	30.59
Indonesia		..	..	..	8.49	10.44	11.11	12.04	13.42	11.26	12.16	12.51	11.93	12.05
Philippines		0.21	8.28	10.75	14.57	..	..	..	..	..	..	..	..	..
Thailand		24.5p	0.01	0.42	0.93	1.57	1.58	1.47	1.53	1.57	1.57	1.51	1.61	1.59
Freight ton-kilometres (thousands)													
Ceylon		—	—	0.1	1.6	7.3	9.0	7.5	10.0	10.8	..	10.9	..	..
India		34	125	293	494	878	869	1,142	1,963	1,708	1,838	1,798	1,813	1,902
Indonesia		..	..	..	389	516	550	555	583	349	534	505	540	558
Philippines		..	245	455	540	..	..	..	..	..	..	..	..	..
Thailand		37.7p	0.1	5.5	16.9	28.9	29.2	33.4	30.1	37.0	54.1	66.8	54.5	41.0

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

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

(Monthly averages in millions)

	1938	1946	1947	1948	1949	1949 III	1949 IV	1950 I	1950 II	1950 III	1950 July	1950 Aug.	1950 Sept.
N. BORNEO (M$)													
Imports	0.5	..	1.7	2.1	2.8	..	..	2.7	3.6	..	4.0	3.9	..
Exports	0.8	..	1.4	2.5	3.1	..	..	4.8	5.7	..	7.4	7.6	..
Balance	+0.3	..	—0.3	+0.4	+0.3	..	..	+2.1	+2.1	..	+3.4	+3.7	..
BURMA a (Rs)													
Imports	18	24	39	50	31	37	32	37	29	50	47	43	59
Exports	41	8	40	63	61	50	30	33	87	69	77	48	81
Balance	—23	—16	+ 1	+13	+30	+13	— 2	—4	+58	+19	+30	+5	+22
CEYLON (Rs.)													
Imports	20	58	80	83	86	74	81	79	110	103	90	114	105
Exports	24	64	74	84	89	89	101	99	115	139	133	139	144
Balance	+4	+6	—6	+1	+3	+15	+20	+20	+5	+36	+43	+25	+39
HONG KONG (HK $)													
Imports	52	78	129	173	242	272	283	285	273	299	241	296	359
Exports	51	66	105	134	206	236	258	227	256	352	299	351	406
Balance	—1	—12	—24	—39	—36	—36	—25	—58	—17	+53	+58	+55	+47
INDIA b (Rs.)													
Sea and air-borne													
Imports	130	278	372	463	467	488	458	334	450	485	428	541	487
Exports	142	266	340	360	395	337	468	493	330	422	370	428	469
Balance	+12	—12	—32	—103	—72	—151	+10	+159	—120	—63	—58	—113	—18
Land-borne													
Imports	..	..	..	71	26	50	14	4	24	55	45	70	49
Exports	..	..	..	25	22	29	19	3	9	21	11	22	31
Balance	..	..	..	—46	—4	—21	+5	—1	—15	—34	—34	—48	—18
INDOCHINA (Pr.)													
Imports	16	26	81	197	325	379	389	292	283	479	409	495	533
Exports	24	58	39	98	95	84	90	110	95	148	139	142	164
Balance	+8	+32	—42	—99	—230	—295	—299	—182	—188	—331	—270	—353	—369
INDONESIA e (Fl.)													
Imports	41	23	65	95	131	144	166	96	*125*	131	156	129	108
Exports	57	13	29	87	123	120	142	141	*209*	287	269	326	266
Balance	+16	—10	—36	—8	+8	—24	—24	+45	*+84*	+156	+113	+197	+158
KOREA, SOUTH (US$)													
Imports	..	4.1	15.9	15.8	11.6	8.3	9.2	*7.4*	..	..	..	..	..
Exports	..	0.1	0.7	1.6	1.2	0.8	1.4	*2.9*	..	..	..	..	..
Balance	..	—4.0	—15.2	—14.2	—10.4	—7.5	—7.8	*—4.5*	..	..	..	..	..
MALAYA d (M$)													
Imports	46	66	114	149	154	141	160	174	200	266	252	282	263
Exports	50	60	110	147	143	134	168	191	217	385	306	402	446
Balance	+4	—6	—4	—2	—11	—7	+8	+17	+17	+119	+54	+120	+183
PAKISTAN e (Rs.)													
Imports	..	..	20	99	98	124	73	71	81	108	70	122	134
Exports	..	..	65	85	76	51	63	91	106	122	106	129	133
Balance	..	..	+45	—14	—22	—73	—10	+20	+25	+14	+36	+7	—1
PHILIPPINES f (P.)													
Imports	22.1	49.3	85.2	97.6	94.8	73.9	98.4	*64.8*	*59.8*	*47.8*	*54.7*	*52.5*	*36.2*
Exports	19.4	10.7	44.1	53.0	42.3	41.9	37.0	*45.3*	*49.4*	*60.0*	*50.3*	*71.6*	*58.1*
Balance	—2.7	—38.6	—41.1	—44.6	—52.5	—31.0	—61.4	*—19.5*	*—10.4*	*+12.2*	*—4.4*	*+19.1*	*21.9*
THAILAND g (Baht)													
Imports	11	46	93	144	191	176	188	231	226	231	220	230	244
Exports	17	38	81	168	234	192	226	311	270	246	244	240	253
Balance	+6	—8	—12	+24	+45	+16	+38	+80	+44	+15	+24	+10	+9
JAPAN h (U.S.$)													
Imports	89.2	19.1	43.6	56.9	75.4	78.2	55.0	79.5	82.0	66.3	62.9	68.2	67.9
Exports	92.4	6.5	14.5	21.5	42.5	42.7	40.2	47.9	59.7	70.1	63.0	71.9	75.5
Balance	+3.2	—12.6	—29.1	—35.4	—32.9	—35.5	—14.8	—31.6	—22.3	+3.8	+0.1	+3.7	+7.6

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

	1938	1946	1947	1948	1949
Brunei (Mn $)					
Imports	0.32	0.54	1.37	2.92	2.99
Exports	0.80	0.15	2.59	4.10	5.17
Balance	+0.48	—0.39	+1.22	+1.18	+2.18
Sarawak (Mn. $)					
Imports	1.86	3.39	6.02	8.23	9.16
Exports	2.18	3.24	8.59	14.27	15.63
Balance	+0.32	—0.15	+2.57	+6.04	+6.47

a **BURMA**—For 1938 and 1946, sea-borne trade only. For 1938, twelve months starting April. For 1946, eight months ending September For 1947, 1948 and 1949, twelve months ending September

b **INDIA**—Annual figures twelve months starting April. Sea and air-borne trade. Figures for 1946 and April-July 1947 figures include Pakistan territory. Indo-Pakistan trade excluded from August 1947 to February 1948 Land borne trade: with Pakistan (incomplete).

c **INDONESIA**—Figures for the second quarter of 1950 have been corrected to exclude the price of the exchange certificates.

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

e **PAKISTAN** Sea-borne trade only. For 1947, eight months ending March 1948 and excluding trade with India. For 1948 and 1949, twelve months starting April. Export figures are revised to include exports via the port of Calcutta.

f **PHILIPPINES**—Data for 1950 are supplied by the Central Bank of the Philippines.

g **THAILAND**—For 1938, twelve months starting April. Data for September 1950 is for the Port of Bangkok only, which account for more than 90% of the total trade of the country.

h **JAPAN**—Trade with Korea and Formosa included. For 1946 sixteen months' average from September 1945 to December 1946.

IV. QUANTUM INDICES OF IMPORTS AND EXPORTS

(Base 1948 = 100)

	1938	1946	1947	1949	1949 II	1949 III	1949 IV	1950 I	1950 II	1950 III	1950 July	1950 Aug.	1950 Sept.
CEYLON													
Imports	89	79	98	108	125	89	101	96	149	..	119	146	..
Exports	80	98	91	99	100	101	102	93	110	..	131	118	..
INDIA a													
Imports: All Commodities	106b	85b	100b	115c	135	114	95	69	93	104	94	116	104
Food, drink and tobacco	..	..	..	100c	112	91	97	67	46	78	55	56	121
Raw materials and Semi-manufactures	..	..	..	114c	125	115	101	77	179	159	149	217	119
Manufactures	..	..	..	121c	148	123	92	66	81	93	90	97	91
Exports: All Commodities	172b	114b	114b	102c	87	94	124	128	82	107	93	109	116
Food, drink and tobacco	..	..	..	117c	76	118	157	110	65	115	79	114	151
Raw materials and Semi-manufactures	..	..	..	96c	108	75	106	121	67	85	73	90	92
Manufactures	..	..	..	98c	81	94	119	138	95	113	112	115	113
INDOCHINA													
Imports	85	32	65	136	130	162	153	128d	128d	183	166	216	191
Exports	256	136	62	75	79	64	69	85	85	85	85	77	90
MALAYA													
Imports: All Commodities	81	..	85	101	109	96	103	114	129	..	..	..	..
Food, drink and tobacco	109	..	92	109	125	96	103	93	113	..	..	..	..
Raw materials and Semi-manufactures	83	..	105	82	74	82	87	91	141	..	..	..	..
Manufactures	66	..	73	107	118	103	111	133	131	..	..	..	..
Exports: All commodities	73	..	89	98	86	98	101	109	110	..	..	..	..
Food, drink and tobacco	162	..	102	96	92	92	107	102	97	..	..	..	..
Raw materials and Semi-manufactures	60	..	97	93	82	95	93	93	95	..	..	..	..
Manufactures	95	..	59	114	100	103	125	149	167	..	..	..	..
PHILIPPINES													
Imports	..	..	..	99	107	76	106	85	89	65	71	73	51
Exports	157	33	92	119	142	122	91	130	135	150	138	175	136

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

b. Year beginning 1 April.

c. Average of nine months April to December.

d. Average of six months January to June.

V. DIRECTION OF IMPORT TRADE

(Monthly averages in millions)

	1938	1946	1947	1948	1949	1949 II	1949 III	1949 IV	1950 I	1950 II	1950 III	1950 July	1950 Aug.	1950 Sept.
Into Burma a in Rs. from														
China	—	..	..	1.4	2.7	0.2	0.7	0.9	0.2	1.7	..	7.3	..	..
Hong Kong	0.3	..	..	1.1	1.5	2.0	2.3	1.2	0.6	0.6	..	0.4	..	..
India	10.0	..	..	12.4	9.8	11.3	14.4	12.4	15.9	10.1	..	14.5	..	..
Indonesia	—	..	..	—	0.3	0.8	—	0.4	—	0.7	..	0.2	..	..
Malaya	0.5	..	..	1.7	2.8	3.3	2.2	2.0	1.1	0.9	..	2.7	..	..
Japan	1.2	..	..	0.3	1.2	1.1	2.2	3.3	0.8	0.6	..	7.3	..	..
United Kingdom	3.3	..	..	23.2	8.7	5.6	11.1	9.1	12.3	8.2	..	6.9	..	..
United States	0.6	..	..	1.8	1.1	0.4	0.6	0.6	1.6	1.3	..	1.4	..	..
Into Ceylon in Rs. from														
Burma	2.9	0.4	5.6	14.3	12.8	17.1	7.5	9.1	1.8	37.5	21.5	19.1	23.2	22.2
China	0.1	0.1	0.2	2.0	0.2	0.2	0.1	0.1	0.1	0.2	0.3	[illegible]	0.4	0.2
India	4.3	14.0	10.6	10.5	12.7	10.6	11.4	15.7	14.5	13.1	15.5	[illegible]	15.7	16.4
Indonesia	1.4	—	—	0.3	0.5	—	1.4	0.5	1.3	0.9	0.9	[illegible]	0.3	2.0
Malaya	0.2	0.2	0.2	0.3	0.4	0.3	0.2	0.8	0.8	0.4	1.3	[illegible]	0.7	2.8
Pakistan	—	—	—	0.9	1.0	0.9	1.3	0.8	0.9	1.3	1.3	1.0	1.4	0.9
Thailand	0.5	—	—	0.7	3.3	4.2	3.4	1.1	12.7	3.2	1.3	1.4	1.3	1.3
Japan	1.3	—	0.5	1.1	1.5	1.8	1.3	1.0	0.4	2.2	5.3	4.0	10.5	1.5
United Kingdom	4.0	9.2	12.8	14.3	15.4	16.6	14.4	16.5	16.3	16.2	21.0	21.1	18.9	22.9
United States	0.4	3.5	9.4	6.3	6.1	5.4	6.6	6.6	2.8	2.7	3.0	1.9	4.3	2.7
Canada	0.1	1.6	5.6	0.7	0.9	1.2	1.2	0.9	0.2	6.1	0.3	—	0.3	0.5
Australia	0.5	7.9	9.6	10.4	8.5	11.2	6.8	8.2	7.3	3.8	6.5	7.8	4.9	6.7
Into Hong Kong in HK$ from														
N. Borneo	..	..	0.6	0.8	1.0	1.2	1.0	1.0	1.3	1.0	0.9	1.1	0.8	0.9
Burma	..	..	1.4	2.9	1.5	1.3	1.9	0.2	0.1	1.8	0.6	1.7	—	0.1
Ceylon	..	..	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	—
China	..	..	31.8	35.9	49.5	59.0	46.9	50.9	49.3	62.7	82.6	62.0	76.2	109.5
India	..	..	3.8	4.0	7.5	2.8	8.1	17.2	27.8	8.6	6.9	5.8	8.8	6.0
Indochina	..	..	1.7	2.5	1.8	2.0	2.3	1.7	2.0	1.6	4.7	6.7	5.8	1.5
Indonesia	..	..	1.8	3.4	3.3	2.7	2.2	5.7	5.8	6.1	6.1	4.8	7.3	6.2
Korea, South	..	..	—	3.5	3.1	3.0	3.1	3.2	4.8	2.3	0.5	1.0	0.3	0.1
North	..	..	8.5	7.1	4.6	4.9	4.2	4.7	4.3	1.6	0.5	1.5	—	—
Malaya	..	..	—	—	9.0	5.4	12.6	14.5	7.9	7.5	26.7	15.7	20.0	44.4
Pakistan	..	..	1.2	0.8	2.8	0.3	5.5	5.2	8.1	6.1	9.1	2.0	11.9	13.4
Philippines	..	..	5.0	8.0	1.3	1.8	1.3	1.0	0.8	1.5	1.2	1.8	0.9	0.8
Thailand	..	..	56.0	69.0	9.2	6.7	9.3	10.5	11.4	15.2	18.4	15.4	15.7	24.1
ECAFE TOTAL	..	..	3.0	6.6	94.8	91.3	93.1	110.9	123.9	116.2	157.8	118.6	147.8	207.0
Japan	..	..	13.7	25.1	6.7	7.5	7.1	3.5	4.0	6.3	17.8	8.4	19.0	25.9
United Kingdom	..	..	24.9	32.3	32.3	33.7	30.2	39.8	38.9	33.2	31.2	33.1	27.6	32.9
United States	..	..	1.7	3.0	47.9	51.0	46.3	57.6	57.0	56.3	45.0	37.3	47.8	49.8
Canada	..	..	1.4	1.9	4.8	4.1	5.6	6.2	4.3	3.7	3.5	3.7	3.0	3.8
France	..	..	4.4	4.7	2.8	3.3	2.8	2.5	3.7	5.0	2.2	2.5	2.9	1.1
Oceania	..	..			5.5	4.7	4.5	7.3	9.1	9.0	3.5	4.0	2.6	4.0
Into India b in Rs. from														
Burma	18.9	3.1	7.5	16.0	13.5	25.4	11.3	4.6	1.6	3.6	7.2	5.0	2.8	13.9
Malaya	3.2	3.2	6.6	5.8	10.5	10.6	11.5	9.8	10.1	10.3	16.1	13.4	19.2	15.6
Pakistan	..	..	..	12.5c	61.0	52.3	59.3	25.5	9.3	25.3	61.0	49.1	79.9	54.1
Japan	13.0	—	—	1.1	21.3	46.2	12.2	8.9	4.0	4.6	8.8	7.4	8.5	10.5
United Kingdom	40.1	84.1	93.8	113.5	144.4	169.6	141.8	99.5	86.5	103.8	98.2	99.1	93.0	102.4
United States	9.5	38.6	97.7	86.6	83.2	92.0	75.7	74.2	51.2	109.4	102.4	91.3	140.8	75.1
Canada	0.6	8.1	7.9	5.9	10.8	7.0	11.8	15.6	5.5	10.7	12.2	9.4	14.4	12.9
Australia	1.7	8.2	8.6	19.5	18.7	15.4	24.5	21.2	49.4	30.5	18.7	8.3	17.1	30.7
Into Indochina d in Pr. from														
China	1.2	—	0.3	8.9	10.6	10.1	13.3	11.2	8.7	10.5	10.0	8.4	11.2	10.3
Hong Kong	1.2	4.1	1.2	1.1	1.3	0.9	1.6	0.7	0.9	0.7	0.8	0.5	1.1	0.9
India and Pakistan	0.5	3.4	1.7	2.4	7.0	8.6	14.2	1.9	2.6	2.1	2.9	0.9	3.2	4.7
Indonesia	0.7	2.1	1.2	3.6	6.1	5.1	5.9	7.8	8.1	8.3	9.3	4.3	5.4	18.1
Thailand	0.3	—	0.4	5.3	3.3	4.6	3.7	3.7	2.3	2.3	1.9	0.5	3.5	1.6
United States	0.8	9.3	17.4	24.9	29.5	34.4	22.3	35.5	17.2	18.7	23.0	26.9	21.5	20.6
France	8.5	16.4	49.7	123.2	237.8	221.6	284.8	293.1	214.0	195.4	392.5	339.9	386.5	451.1
Into Indonesia in Fl. from														
Burma	0.6	0.2	1.2	2.0	4.0	3.6	5.5	6.4	0.4	13.8	7.0	6.4	9.5	5.1
China	0.7	0.2	3.0	2.3	2.5	5.4	1.6	1.1	0.5	2.1	0.8	0.6	0.5	1.3
Hong Kong	0.5	0.2	1.9	2.1	3.2	2.7	3.9	3.4	5.1	14.2	8.1	8.1	7.5	8.7
India	0.9	0.6	1.3	1.2	1.8	1.1	1.6	3.0	5.0	17.1	5.6	10.6	2.4	3.9
Malaya	3.4	1.5	4.4	2.6	2.7	2.0	1.3	4.5	3.5	8.3	6.1	9.9	4.6	3.9
Philippines	0.1	0.1	—	0.1	—	—	—	0.1	—	0.1	—	—	—	—
Thailand	0.2	2.2	0.9	2.7	4.7	4.9	3.7	5.1	2.5	2.8	2.4	1.3	1.3	4.6
Japan	6.0	—	5.1	15.6	9.3	6.6	10.5	6.7	7.5	38.0	13.5	18.4	11.5	10.6
Netherlands	8.4	1.7	9.6	18.4	28.0	28.4	31.4	34.8	19.1	47.7	21.0	21.4	24.1	17.5
United Kingdom	3.0	0.9	5.4	7.9	13.4	11.0	16.1	20.3	7.7	23.2	9.2	10.0	9.4	8.3
United States	3.6	13.4	25.5	21.2	33.2	32.6	31.3	46.0	19.0	63.1	30.6	41.8	30.8	19.3
Australia	1.1	0.4	1.5	2.7	0.5	0.3	0.5	0.7	0.2	0.7	1.3	0.3	1.8	1.8

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

(Monthly averages in millions)

	1938	1946	1947	1948	1949	1949			1950					
						II	III	IV	I	II	III	July	Aug.	Sept.
Into Malaya in M$ from														
N. Borneo,	..	..	0.7	1.3	1 8	1.5	1.7	2.3	2.4	3.2	5.2	5.1	4.8	5.7
Brunei	..	..	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.5	0.3	0.5	0.6
Sarawak	..	..	4.1	6.4	6.8	8.6	6.2	6.8	8.7	9.9	17.0	11.4	22.5	17.0
Burma	..	..	2.7	7.7	6.9	11.7	6.3	1.9	2.0	3.4	3.5	1.7	7.4	1.4
Ceylon	..	..	0.2	0.3	0.3	0.3	0.3	0.2	0.3	0.3	0.3	0.3	0.3	0.2
China	..	..	10.2	9.5	7.8	10.6	7.3	4.5	8.6	10.5	11.8	14.4	10.3	10.6
Hong Kong	..	..	5.0	3.8	4.0	3.7	4,3	4.2	4.9	5.3	8.2	7.0	7.5	10.0
India	..	..	3.1	2.9	5.6	3.6	4.8	34.0	17.3	14.3	14.5	17.7	11.4	14.4
Indochina	..	..	0.9	2.5	1.8	2.5	1.8	1.0	1.4	1.6	1.5	1.3	1.3	2.0
Indonesia	..	..	21.8	29.4	26.5	24.8	25.2	32.8	33.1	44.8	74.9	55.2	85.3	84.3
Thailand	..	..	9.7	10.7	16.2	15.2	13.6	18.4	12.3	24.5	31.0	32.0	29.6	31.3
Japan	..	..	0.5	1.1	3.3	2.9	3.4	3.9	2.8	5.2	10.4	8.9	11.4	11.0
United Kingdom	..	..	22.0	28.7	31.9	34.7	28.4	34.00	40.3	36.6	40,9	44.9	42.4	35.3
United States	..	..	11.5	17.4	9.4	10.6	8.4	8.4	6.5	6.1	25.0	7.0	7.7	60.2
Canada	..	..	1.6	1.9	1.5	1.2	1.5	1.1	2.2	1.0	1.3	1.8	0.7	1.3
Oceania	..	..	7.2	7.9	8.9	10.8	7.4	8.7	9.2	9.6	9.3	11.3	10.1	6.4
Into Pakistan e in Rs. from														
Burma	..	..	..	0.7	2.0	0.9	5.5	1.4	..	0.2	0.4	0.4	0.6	0.1
Ceylon	..	..	..	2.4	1.4	0.5	1.5	1.9	..	1.4	4.1	3.1	5.7	3.5
China	..	..	..	5.7	4.5	8.3	5.8	2.3	..	2.4	6.7	4.0	6.5	9.5
India	..	..	..	37.4	14.2	18.4	21.6	9.0	..	9.1	12.2	5.3	15.8	15.4
Malaya	..	..	..	1.8	0.8	1.2	0.6	0.7	..	0.9	1.3	—	2.0	2.0
Japan	..	..	..	0.8	7.3	3.6	7.9	3.0	..	13.4	12.1	5.0	8.8	22.6
United Kingdom	..	..	..	22.5	29.0	41.6	35.3	21.5	..	20.9	29.2	21.5	32.6	33.6
United States	..	..	..	6.6	10.0	11.0	13.0	8.5	..	7.8	10.4	8.6	15.3	7.3
Into Philippines f in Ps. from														
Burma	..	..	..	..	0.3	0.5	0.2		—		..	..	..	..
China	..	0.8	2.4	3.8	1.7	2.2	1.2		0.1		..	..	..	..
Hong Kong	..	—	—	0.1	0.2	0.2	0.3		1.1		..	..	..	..
India	..	0.2	0.7	1.1	0.9	0.6	1.2		0.4		..	..	..	..
Indonesia	..	0.2	0.4	2.5	2.7	2.6	2.8		0.3		..	..	.	..
Thailand	..	0.5	0.4	0.1	0.9	1.6	0.1		0.2		..	..	..	..
Japan	..	—	0.2	0.3	2.7	1.4	4.0		3.1		..	..	..	..
United Kingdom	..	0.2	0.5	0.9	0.8	0.8	0.8		0.8		..	..	..	..
United States	..	43.1	73.3	78.3	76.3	84.7	67.9		48.4		..	..	..	..
Into Thailand g in Baht from														
Burma	—	0.4	0.3	0.4	*0.9*	1.7	*0.1*		..	..	..	..	..	..
China	1.4	3.1	4 9	11.1	*8.3*	12.4	*4.2*		..	..	..	..	..	..
Hong Kong	0.1	17.9	35.4	36.3	*33.3*	41.7	*24.9*		..	..	..	..	..	..
India	1.3	—	1.5	2.9	*13.3*	15.0	*11.6*		..	..	..	..	..	..
Indochina	0.1	3.5	3.7	2.2	*0.5*	0.9	—		..	..	..	..	..	..
Indonesia	0.8	0.4	0.3	1.2	*4.9*	5.6	*4.3*		..	..	..	..	..	..
Malaya	1.0	16.5	20.5	47.5	*30.1*	33.5	*26.7*		..	..	..	..	..	..
Philippines	—	0.1	1.3	1.1	*0.6*	0.7	*0.4*		..	..	..	..	..	..
Japan	1.6	—	—	3.4	*15.7*	11.0	*20.5*		..	.	..	..	.	..
United Kingdom	6.6	1.1	8.5	10.0	*16.5*	15.5	*17.5*		..	..	.	.	..	..
United States	1.1	2.8	26.0	13.0	*29.7*	29.4	*30.1*		..	..	..	..	..	..
Into Japan h in US$ from														
China	22.9	0.3	0.4	2.1	3.8	4.3	2.9	4.5	8.2	4.6	4.4	6.8	3.6	2.7
Hong Kong	..	..	0.4	0.3	..	..	0.1	..	—	..	..	..	..	..
India	4.1g	—	0.8	2.3	1.1	2.3	1.5	0.3	1.5	2.0	0.3	0.3	0.2	0.4
Indonesia	2.1	—	0.1	1.0	1.3	1.9	1.2	1.0	0.6	1.1	1.0	1.3	1.2	0.4
Malaya	2.4	—	0.4	0.9	1.8	1.4	2.8	1.3	0.9	1.2	4.3	3.0	5.3	4.7
Korea	16.5	—	0 2	0.4	0.3	0.6	0.2	0.2	0.1	4.7	0.2	0.4	0.1	—
Philippines	0.8	—	0.2	0.8	1.1	1.8	0.7	0.8	1.7	1.1	1.8	1.7	2.9	0.9
United Kingdom	1.5	—	0.8	0.4	0.5	0.5	0.3	0.3	0.5	0.5	0.2	0.3	0.3	0.1
United States	21.7	18.6	40.3	36.7	48.0	59.4	51.5	30.4	35.3	37.6	30.7	30.5	24.0	37.6
Australia	2.0	—	0.1	0.7	2.3	2.5	1.4	2.5	7.0	4.5	2.1	2.5	2.9	0.9
Canada	2.2	—	—	0.3	0.5	0.4	0.5	0.1	2.1	1.5	0.9	2.4	0.1	0.1

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

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

c. Excluding imports from Pakistan by land in 1948.

d. Indochina: Data for 1946 are averages for August-December and for 1947 averages for April-December.

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

f. Philippines: Figures for second quarter of 1949 refer to average of first six months.

g. Thailand: Prewar data refer to year ending March 1940. Figures for second quarter of 1949 refer to average of first six months. Averages for third and fourth quarters of 1949 are figures for the Port of Bangkok only, which account for more than 90% of the total trade of the country. Annual figures for 1949 are simple averages of these statistics and are, therefore, provisional.

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

VI. DIRECTION OF EXPORT TRADE

(Monthly averages in millions)

	1938	1946	1947	1948	1949	1949			1950					
						II	III	IV	I	II	III	July	Aug.	Sept.
FROM BURMA a * in Rs. to														
Ceylon	2.2	..	..	11.6	11.6	11.9	6.2	7.4	9.4	27.0	..	19.6	..	..
China	0.2	..	..	3.7	8.1	4.1	1.7	2.1	0.2	1.6	..	0.4	..	..
Hong Kong	0.3	..	..	1.6	1.0	1.0	0.9	0.2	—	1.5	..	—	..	..
India	22.0	..	..	25.2	23.1	23.7	13.8	0.5	2.3	11.0	..	24.2	..	..
Indonesia	0.6	..	..	2.7	3.9	7.0	4.4	6.8	2.0	10.7	..	16.4	..	..
Malaya	2.8	..	..	10.1	8.1	12.8	5.3	2.3	2.1	6.3	..	1.4	..	..
Pakistan	..	..	..	..	2.8	1.4	6.6	—	0.3	0.4	..	0.6	..	..
Philippines	—	..	..	0.2	0.9	2.2	1.2	—	—	—	..	—	..	..
Japan	0.8	..	..	0.1	1.3	1.1	2.7	6.5	6.1	14 6	..	6.8	..	..
United Kingdom	5.7	..	..	5.6	3.2	3.1	4.0	2.6	2.0	2.3	..	2.0	..	..
United States	0.1	..	..	0.6	0.5	0.1	—	0.1	0.1	0.1	..	—	..	..
FROM CEYLON in Rs. to														
India	0.7	3.0	2.9	1.7	1.7	1.2	3.1	0.4	1.3	0.3	2.3	1.0	2.8	3.0
Pakistan	..	..	..	1.5	1.8	0.5	1.4	3.0	1.7	3.3	5.0	6.4	4.9	3.8
Japan	0.1	..	—	0.1	0.4	0.3	0.8	0.1	—	—	0.1	0.1	0.1	—
United Kingdom	11.8	33.4	25.4	25.1	27.9	33.9	34.6	26.7	19.5	22.6	39.6	51.1	31.9	35.9
United States	2.8	7.3	10.0	13.8	9.5	6.5	5.8	13.5	20.5	22.0	33.7	28.6	37.3	35.1
Canada	0.8	1.1	4.7	3.3	3.7	2.0	3.5	5.1	5.9	8.9	6.8	7.3	7.8	5.5
Australia	0.9	..	5.9	7.0	7.0	6.9	8.5	5.6	7.3	14.1	7.8	10.2	7.2	5.9
New Zealand	0.5	1.5	1.9	1.8	2.8	4 9	1.3	2.8	3.6	6.1	0.6	0.1	1.4	0.2
From HONG KONG in HK$ to														
N. Borneo	..	..	0.6	0.6	0.8	0.7	0.9	1.1	0.9	1.1	1.6	1.1	2.0	1.7
Burma	..	..	0.6	1.0	1.5	2.1	2.0	1.2	0.9	4.7	3.2	0.6	6.5	2.4
Ceylon	..	..	0.6	0.6	0.5	0.4	0.3	0.4	0.1	0.7	1.2	1.2	1.2	1.1
China	..	..	22.2	23.4	48.7	29.1	54.7	88.7	90.3	79.2	127.2	94.2	113.5	173.9
India	..	..	2.2	4.0	3.2	3 5	3.7	2.2	1.2	1.2	2.4	2.1	1.9	3.2
Indochina	..	..	1.5	1.6	1.6	1.8	2.0	1.2	1.3	2.7	1.9	1.6	3.1	1.1
Indonesia	..	..	4.4	5.7	4.6	6.1	3.0	3.3	4.8	12.4	10.1	6.3	11.0	13.0
Korea, South	..	..			6 2	5.9	7.9	6.5	4.3	3.1	—	—	—	—
North	..	..	—	4.9	4.1	1.7	3.4	3.6	1.3	1.3	—	—	—	—
Malaya	..	..	17.9	17.1	20.0	18.4	24.6	19.6	23.8	30.6	52.4	47.0	49.4	60.7
Pakistan	..	..	—		4.5	1.7	1.1	1.6	4.0	5.6	23.9	28.6	25.2	18.0
Philippines	..	..	5.1	11.4	8.6	8 3	8.9	10.0	3.0	7.2	8.0	4.5	10.1	9.5
Thailand	..	..	7.2	11.7	9.7	14.1	4.8	5.3	5.9	7.0	13.2	11.5	18.4	9.6
ECAFE TOTAL	..	..	62.2	81.8	109.5	93.8	115.9	142.9	141.6	156.8	245.1	198 8	242.6	294.0
Japan	..	..	1.3	4.1	5.8	7.2	5.2	5.6	10.3	8.2	5.1	8.1	6.0	10.3
United Kingdom	..	..	3.2	6.3	11.6	11.0	10.5	10.8	11.3	21.3	11.7	10.6	12.7	11.9
United States	..	..	12.6	12.7	19.5	15 9	22.7	27.1	16.2	22.4	35.7	31.3	42.3	33.5
Canada	..	..	0.2	0.6	1.2	2.3	1.4	0.7	0.8	0.8	0.9	0.6	0.9	1.2
Oceania	..	..	1.0	1.7	3.4	2.6	5.2	4.0	3.4	3.2	3.7	4.9	4.2	2.0
FROM INDIA b in Rs .to														
Burma	8.4	5.5	11.1	10.0	7.8	6.6	10.4	11.2	16.8	7.3	11.6	10.9	11.8	12.0
Ceylon	4.2	11.7	11.4	9.5	11.9	10.2	10.5	15.9	15.4	10.3	15.6	16.0	12.7	12.2
China	1.3	10.8	5.2	5.6	1.8	1.6	0.5	3.6	2.1	0.4	4.0	3.2	5.2	3.7
Pakistan	..	..	..	40.6c	43.5	49.5	42.7	31.1	9.0	16.8	42.5	21.7	40.8	64.9
United Kingdom	45.0	58.5	78 7	78.3	93.4	78.0	94.2	110.4	87 8	75.5	94.5	71.5	95.3	116.6
United States	11.2	58.4	61.2	59.7	57.1	43.2	46.4	84.5	84.6	60.0	87.5	73.7	91.3	97.4
Canada	1.7	5.8	9.3	6.9	7.6	5.5	6.2	11.5	12.9	8.7	10.3	8.5	12.0	11.2
Australia	2.5	9.3	14.5	17.2	20.4	17.3	22.8	24.7	21.7	19.0	26.0	22.9	28.6	26.6
FROM INDOCHINA d in Pr. to														
China	0.6	2 8	0.3	2.1	0.6	0.9	0.6	0.4	0.4	0.5	0.6	0.1	—	1.6
Hong Kong	2.3	1.8	1.3	11.2	13.2	16 4	16.5	11.1	11.9	13.1	23.8	42.3	15.7	13.5
Malaya	2.5	5.1	4.0	9.4	9.9	9.9	5.8	10.1	5.4	—	10.9	11.7	13.6	7.5
Thailand	0.1	—	0.7	3.7	4.9	3.8	4.6	5.8	4.2	2.9	1.4	2.2	0.6	1.3
United States	2.1	6.2	2.5	2.2	1.0	0.6	0.3	1.9	35.4	5.9	26.7	14.6	38.9	26.5
France	11.4	39.2	18.0	42.6	46.6	30.7	45.5	46.1	37.1	25.7	71|2	55.1	67.6	91.0
FROM INDONESIA in Fl. to														
Burma	—	..	—	—	0.2	0.4	0.1	0.1	—	—	—	—	—	—
Hong Kong	1.1	0.1	0.6	1.6	1.0	0.7	1.3	1.0	1.1	2.3	1.2	0.8	1.3	1.6
India	0.4	—	—	0.1	0.5	1.0	0.4	0.6	0.4	1.6	1.7	1.7	0.6	2.8
Malaya	10.7	0.8	6.1	16.6	29.8	27.5	34.1	32 9	38.6	103.1	108.5	90.4	129.5	105.6
Philippines	0.5	—	0.1	0.8	1.1	1.1	1.2	1.1	1.1	3.3	1.7	1.6	1.6	1.9
Thailand	0.2	—	—	0.3	0.8	1.0	0.5	0.6	1.2	1.7	1.4	1.0	1.7	1.4
Japan	1.8	—	0.4	2.1	2.8	3.9	1.6	2.6	1.8	6.7	2.6	3.7	0.8	3.2
Netherlands	11.5	5.6	12.9	31.0	41.2	33.4	34.3	54.5	50.6	114.2	59.9	56.0	75.3	48.4
United Kingdom	3.1	0.2	0.7	1.7	5.5	3.4	8.9	7.6	3.7	14 6	11.5	11.7	13.3	9.6
United States	8.2	5.8	5.3	15.2	19.4	20.2	19 6	21.7	15.8	60.1	51.4	48.7	51.7	53.9
Australia	2.4	—	0.2	0 8	1.8	1.8	2.3	2.6	2.4	8.1	5.1	5.1	5.6	4.6

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

(Monthly averages in millions)

	1938	1946	1947	1948	1949	1949 II	1949 III	1949 IV	1950 I	1950 II	1950 III	1950 July	1950 Aug.	1950 Sept.
From Malaya in M$ to														
N. Borneo	..	..	0.8	1.2	1.6	1.6	1.5	1.9	2.0	2.2	2.9	3.0	2.5	3.3
Brunei	..	..	0.1	0.2	0.4	0.3	0.3	0.4	0.5	0.5	0.6	0.5	0.5	0.8
Sarawak	..	..	2.1	2.6	2.3	2.4	2.1	2.3	3.3	4.1	5.4	5.7	3.7	6.9
Burma	..	..	0.7	1.0	1.0	1.4	1.0	0.8	0.8	0.7	1.4	1.5	1.2	1.5
Ceylon	..	..	0.2	0.8	2.3	2.5	0.9	4.1	1.9	2.1	1.6	1.5	1.2	2.2
China	.	..	0.7	1.3	0.7	0.5	0.5	0 5	—	0.2	8.5	2.7	8.0	14.7
Hong Kong	..	..	4.1	3.4	5.5	3.5	6.2	10.0	6.3	6.2	17.9	9.1	23.3	21.3
India	..	..	4.3	5.3	5.1	6.8	6.5	3.1	4.4	4.7	9.5	10.4	9.6	8.4
Indochina	..	..	0.3	0.7	0.7	0.7	0.6	0.5	0.7	0.7	1.6	1.3	2.2	1.2
Indonesia	..	..	10.5	16.1	11.6	10.9	10.5	12.0	14.0	17.7	21.3	14.8	18.5	30.5
Korea	..	..	—	—	0.1	0.5	--	—	--	0.4	—	—	—	—
Pakistan	..	..	—	0.6	0.8	0.9	0.6	0.2	0.5	0.8	1.8	2.0	2.1	1.2
Phil ppines	..	..	0.1	0.5	0.9	0.7	0.5	1.2	1.3	1.3	1.8	1.4	3.4	0.5
Thailand	..	..	1.3	4.1	3.8	3.8	3.4	4.6	5.3	5.0	8.4	7.4	10.0	7.7
ECAFE TOTAL	..	..	25 2	37.9	36 7	36.5	34.6	41.5	41.1	46.7	32.6	61.4	86.2	100.2
Japan	..	..	1.1	1.6	2.5	1.3	2.6	3.4	2.3	3.6	16.0	12.1	13.6	22.2
United Kingdom	..	..	17.3	20.0	17.0	13.1	17.6	18.8	27 5	29.6	50.6	41.3	46.9	63.6
United States	..	..	36.6	38.2	35.8	23.6	31.3	48.3	50.8	63.7	89.6	67.9	101.1	99.9
Canada	..	..	3.7	3.7	3.0	1.7	2.1	3.6	4.3	3.8	9.5	7.4	8.3	12.7
Oceania	..	..	3.5	5.1	7.2	6.3	7.7	8.8	11.7	10.2	15.2	15.4	16.2	14.0
From Pakistan e * in Rs. to														
Burma	..	..	..	0.3	0.1	0.2	0.1	0.1	..	0.2	0.1	0.3	—	—
Ceylon	..	..	..	1.2	0.6	1.0	0.6	0.4	..	0.8	0.7	0.9	0.6	0.5
China	..	..	..	2.7	1.0	0.3	1 5	1.6	..	3.6	1.3	1.9	1.1	0.9
Hong Kong	..	..	..	2.1	4.9	0.3	7.9	2.5	..	13.4	9.6	15.9	7.5	5.4
India	..	..	..	19.1	7.1	20.2	6.4	1.1	..	2.2	9.2	4.0	12.4	11.1
Malaya	..	..	..	0.1	0.1	—	0.2	—	..	1.1	0.1	—	0.1	0.1
Thailand	..	..	..	—	--	—	—	—	..	—	0.1	—	0.3	0.1
Japan	..	..	..	1.0	4.4	13.4	1.0	2.9	..	10.3	23.5	26.5	21.2	22.8
United Kingdom	.	..	..	12 3	14.7	14.4	8.2	14.3	..	14.4	13.4	7.5	17.2	15.6
United States	..	..	..	10.9	10.0	11.7	7.5	6.3	..	8.1	10.3	5.4	11.9	13.5
From Philippines f * in Ps to														
China	..	0.1	0.2	0.3	0.1	0.1	0.1		0.2		..	..	..	..
Hong Kong	..	0.2	0.5	0.5	0.8	1.0	0.5		0.5		..	..	..	..
India	..	—	0.4	0.3	0.3	0.4	0.2		0.1		..	..	..	..
Indonesia	..	--	0.8	0.9	0.4	0.1	0.7		—		..	..	..	..
Korea	..	—	—	0.3	—	--	0.1		0.1		..	..	..	..
Malaya	..	—	1.2	0.1	0.1	0.1	0.1		—		..	..	..	..
Thailand	..	—	0.1	0.1	--	0.1	—		0.1		..	..	..	..
Japan	..	--	0.4	2.6	1.9	2.5	1.3		2.3		..	..	..	..
United Kingdom	..	0.4	1.4	0.6	0.5	0.6	0.5		0.9		..	..	..	..
United States	..	6.4	25.4	34.8	30.6	31.7	29.6		36.6		..	..	..	..
From Thailand g in Baht to														
N. Borneo	—	--	0.4	2.1	*2.3*	3.6	*1.0*		..	..	..	..	..	..
Burma	—	--	0.3	1.5	*0.7*	1.4	*0.1*		..	..	..	..	..	..
Ceylon	0.5	--	0.1	1.4	*8.5*	10.4	*6.6*		..	..	..	..	..	..
China	0.2	1.0	4.3	21.7	*7.3*	13.8	*0.8*		..	..	..	..	..	..
Hong Kong	2.0	12.4	18.0	16.3	*17.3*	16.7	*17.9*		..	..	..	..	..	..
India	2.0	—	4.0	16.7	*31.2*	46.2	*16.2*		..	..	..	..	..	.
Indochina	—	—	0.5	1.0	*0.3*	0.6	—		..	..	..	..	..	..
Indonesia	0.2	--	0.6	8.0	*12.8*	14.2	*11.5*		..	.	..	..	..	..
Korea	--	—	0.6	1 9	*0.3*	—	*0.1*		..	..	..	..	..	..
Malaya	10.7	15 5	32.4	39.6	*51.8*	66.2	*37.4*		..	..	..	..	..	..
Phil ppines	0.2	2.3	1.0	5.5	*4.4*	5.6	*3.3*		..	..	..	..	..	..
Japan	1.0	—	—	0.5	*14.2*	11.5	*16.9*		..	..	..	..	..	..
Un ted Kingdom	0.4	0.2	2.0	4.5	*9.3*	12.7	*5.9*		..	..	..	..	..	..
United States	0.1	4.7	10.1	36.8	*30.3*	42.9	*17.7*		..	..	..	..	..	..
From Japan * in US$ to														
China	35.0	0.3	0 8	0.3	1.0	0.2	1.4	1.8	3.2	3.8	1.8	1.6	1.5	2.2
Hong Kong	..	..	..	..	..	..	..	..	..	..	..	..	..	..
India	4 5h	—	0.7	0.7	5.4	6.3	2.4	1.3	0 9	1.6	1.9	2.4	1.8	1.6
Indonesia	2 5	—	2.0	4.7	2.3	6.8	0 4	0.9	3.5	3.3	3.5	1.3	3.2	6.1
Korea	21.6	0.9	1.6	1.5	1.4	1.5	1.0	1.2	1.8	1.4	0.9	0.5	1.1	1.0
Ma'aya	0.5	—	0.3	0.5	1.3	0.5	1.6	2.1	0.4	2.0	1.7	2.3	1.4	1.3
Philippines	0.8	—	0.1	0.3	1.8	1.5	1 8	3.1	1.8	0.7	0.6	0.7	0.5	0.5
Un'ted Kingdom	3.2	0.1	1.7	1 4	3.5	4.6	5.4	1.4	1.2	2.9	2.4	2.6	2.2	2.4
United States	10.1	4.8	1.7	5.5	6.6	6.0	5.8	8.0	11.4	13.5	17.7	15.5	18.5	19.0

* Including Re-exports.

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

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

c. Excluding exports to Pakistan by land in 1948.

d. Indochina: Data for 1946 are averages for August—December and for 1947 averages for April-December.

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

f. Philippines: Figures for second quarter of 1949 refer to average of first six months.

g Thailand: Prewar data refer to year ending March, 1940. Figures for second quarter of 1949 refer to average of first six months. Averages for the second half year of 1949 are figures for the Port of Bangkok only, which account for more than 90% of the total trade of the country. Annual figures for 1949 are simple averages of these heterogeneous statistics and are, therefore, provisional.

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

VII. QUANTITIES OF EXPORTS OF SELECTED COMMODITIES

(Monthly averages in thousand tons)

	1938	1947	1948	1949	1949 III	1949 IV	1950 I	1950 II	1950 III	1950 July	1950 Aug.	1950 Sept.
RICE												
Burma	253.3	67.0	102.2	99.2	86.9	53.4	50.4	146.0	*113.6*	130.9	118.9	*91.0*
Thailand	115.4	32.9	67.6	101.3	70.8	90.5	115.8	135.1	115.7	89.2	118.8	139.2
Indochina	77.8	3.6	13.4	7.8	3.9	0.5	11.0	12.8	6.1	6.9	8.0	3.5
TEA												
Ceylon	8.9	10.9	11.2	11.6	11.7	11.2	8.7	12.9	12.1	14.7	12.5	9.2
China	3.5	1.4	1.5	..	..	..	..	..	..	..	..	..
India	13.4a	16.1a	14.2	16.1	18.8	23.6	13.5	7.5	15.7	8.6	16.8	21.8
Pakistan	..	..	..	1.2	0.9	2.5	2.1	0.1	0.1	—	0.1	0.2
Indochina	0.2	—	—	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Indonesia	6.0	0.3	0.8	1.8b	1.9b	2.1b	1.5	2.1	3.1	2.2	5.2	1.8
Japan	1.4	0.3	0.3	0.6	0.9	0.2	0.4	0.4	0.6	0.6	0.7	0.6
COPRA AND COCONUT OIL c												
Ceylon	8.7	5.1	9.2	8.6	8.7	9.0	3.4	4.9	8.2	7.4	9.3	7.9
Hong Kong d	0.1	1.6	0.7	0.3	0.4	0.3	0.2	0.3	0.5	0.6	0.5	0.5
Indonesia e	25.8f	7.6	12.1g	15.8	15.9	12.8	11.9	16.0	..	13.5	13.9	..
Malaya	13.4	4.0	7.1	9.8	12.4	11.1	7.7	9.5	11.6	9.2	11.7	13.9
N. Borneo	0.4	0.2	0.3	0.8	1.0	1.1	1.3	1.4	1.5	1.6	1.3	1.7
Philippines	28.9f	51.2	35.3	33.4	39.8	36.5	26.0	28.4	53.9	46.9	57.1	57.6
Sarawak	0.1	—	0.1	0.2	0.2	0.3	0.2	0.2	0.3	0.3	0.3	0.3
Thailand	..	..	..	0.3	0.5	0.4	..	..	..	..	..	..
PALM KERNELS AND OIL c												
Indonesia h	14.2	0.2	3.3	8.5	9.2	12.5	5.6	8.0	..	16.1	9.1	..
Malaya	3.1	4.1	4.4	5.0	4.8	4.7	5.2	4.6	6.6	6.0	6.4	7.3
GROUND NUTS AND OIL c												
Hong Kong	1.2	0.2	0.4	0.7	1.2	1.0	1.5	2.8	1.5	1.9	0.5	2.2
India	22.0	3.0	5.5	4.0	1.6	3.5	14.4	1.5	..	2.2	1.8	..
NATURAL RUBBER												
Brunei	0.1	0.2	0.2	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.3
Burma	0.6	0.7	0.8	0.6	0.6	0.6	1.6	1.3	..	0.6	..	..
Ceylon	4.2	7.0	7.8	7.7	6.6	8.8	10.2	8.2	10.5	9.0	12.3	10.3
Indochina	5.0	4.3	3.5	3.5	3.5	3.8	5.7	2.7	4.1	3.5	4.7	4.0
Indonesia	25.5	24.3	36.6	35.7	36.8	43.1	29.7	63.6	68.3	72.2	68.3	64.3
Malaya	31.4	54.2	57.5	57.5	58.2	56.5	58.3	39.0	60.7	63.1	62.3	56.6
N. Borneo	0.8	1.3	1.7	1.7	1.7	1.8	1.8	1.8	2.2	2.4	1.9	2.2
Sarawak	1.5	3.0	3.4	3.3	3.3	3.2	4.5	4.6	5.3	6.6	4.8	4.5
Thailand	3.5	4.5	8.1	8.0	8.1	7.5	8.1	9.9	11.0	10.0	12.1	10.7
COTTON RAW												
India	38.6	19.3	8.0	4.4	2.0	3.8	8.1	1.7	1.0	1.0	1.0	1.0
Pakistan	..	..	13.6	14.0	7.4	9.4	14.7	26.1	20.0	25.9	18.3	15.8
COTTON YARN (ton)												
Hong Kong	..	..	..	1,387	1,667	1,721	2,100	2,551	..	4,109	..	..
Malaya	197	..	22	152	49	544	377	108	708	833	877	413
Japan	1,745	903	458	803	820	700	1,307	813	947	1,215	1,016	610
COTTON PIECE GOODS (mn. metres)												
Hong Kong	..	..	..	7.4	6.2	7.7	6.0	7.2	*17.3*	12.8	*20.2*	*18.8*
India	14.6	22.9	23.5	35.5	33.2	61.3	92.3	67.4	77.4	80.5	73.2	78.6
Malaya	2.0	4.0	7.5	5.2	4.6	8.3	12.5j	13.3	13.5	8.6	16.3	15.5
Japan (mn. sq. metres)	158.4	26.4	28.2	52.2	47.6	51.9	71.5	78.5	77.4	76.4	76.7	79.1
JUTE RAW												
India	55.9	23.4	20.0	15.4	10.5	22.7	2.0	—	—	—	—	—
Pakistan			16.1	17.3	7.6	21.8	34.7	36.8	51.1	30.5	58.0	64.7
JUTE MANUFACTURES												
India												
Bag k	49.0	33.7	41.5	37.6	47.3	35.0	30.3	25.2	31.3	30.6	30.6	32.7
Cloth k	29.9	27.0	33.3	23.5	22.1	23.4	23.2	18.0	20.2	20.4	23.6	16.6
HEMP RAW												
Philippines	11.8	7.2	6.2	5.3	4.4		5.9	8.6	..	..	..	..
TIN CONCENTRATES												
Burma	0.2	0.2	0.2	0.1	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1
Indonesia	1.2	1.3	2.8	2.6	2.5	2.1	2.6	2.5	2.5	1.9	3.1	2.6
Thailand	1.1	0.5	0.5	0.6	0.4	0.8	0.8	0.9	0.9	1.0	0.9	0.7
TIN METAL												
Hong Kong	..	..	0.2	0.3	0.1	0.3	0.2	0.1	—	—	—	—
Malaya	5.2	2.7	4.0	4.6	4.3	5.4	5.9	7.1	8.3	8.5	7.6	8.7
PETROLEUM												
Indonesia l	..	..	320.8	474.5	514.9	522.9	401.8	500.8	..	..	..	..
Malaya m	30.5	11.6	15.5	25.5	25.9	39.7	44.7	35.6	42.4	50.3	47.1	29.8

a Including territory of Pakistan.
b Federal territory only.
c Expressed in terms of oil equivalent; figures under column for 1938 refer to averages for the period 1934-38.
d Coconut oil only.
e Copra only.
f 1935-39.
g Excluding exports to Singapore.
h Palm oil only.
i Net exports.
j Unit changed in 1950 to million square meters.
k Converted at 2.25 lbs. per bag and 0.50 lb. per yard of cloth
l Petroleum and products.
m Motor spirit.

VIII. INDEX NUMBERS OF UNIT VALUE OF IMPORTS AND EXPORTS

(Base 1948 = 100)

A. IMPORT UNIT VALUE INDICES

	1938	1946	1947	1949	1949 II	1949 III	1949 IV	1950 I	1950 II	1950 III	1950 July	1950 Aug.	1950 Sept.
CEYLON													
All commodities	23.0	81	93	95	93	94	95	99	98	98	98	98	98
INDIA													
All commodities	..	..	..	97a	93	92	105	102	101	109	98	100	100
Food, drink & tobacco.	..	..	..	108a	98	100	122	106	101	103	106	107	97
Raw material & semi-manufactures	..	..	..	106a	103	101	108	113	108	110	108	109	111
Manufactures	..	..	..	90a	88	86	94	94	95	92	89	90	96
INDOCHINA													
All commodities	78	44	65	123	122	120	128	116		126	126	118	134
INDONESIA b													
All commodities	14.6	..	..	94	93	92	96	..	..	..	..	..	..
Textiles	10.3	..	..	84	81	80	87	..	..	..	..	..	..
Provisions	14.4	..	..	97	96	94	101	.	..	..	..	..	..
Metals	16.4	..	..	100	99	99	101	..	..	..	..	..	..
Chemicals & dyes	16.4	..	..	101	95	103	108	..	..	..	..	..	..
Sundries	18.1	..	..	94	102	92	88	..	..	..	..	..	..
MALAYA													
All commodities	35.9	..	90	101	101	97	103	99	102	..	..	..	..
Food, drink & tobacco.	23.2	..	78	95	95	94	94	90	97	..	..	..	..
Raw materials	53.2	..	85	106	106	99	122	136	133	..	..	..	..
Manufactures	40.7	..	106	99	96	98	101	98	99	..	..	..	..
PHILIPPINES				102	93	102	98	82	73	81	90	77	75

B. EXPORT UNIT VALUE INDICES

CEYLON													
All commodities	32.5	74	98	107	102	104	118	134	129	143	129	143	158
Tea	36.3	65	99	109	104	109	121	135	122	124	113	125	133
Rubber	56.2	143	108	90	86	82	107	125	154	237	194	233	284
All coconut products	14.5	60	94	111	107	106	116	147	145	138	133	135	145
Other export products	25.1	106	98	93	87	86	99	116	113	124	110	122	141
INDIA													
All commodities	..	..	..	104a	100	99	105	107	111	109	107	109	113
Food, drink & tobacco.	..	..	..	115a	108	109	116	121	133	127	129	126	125
Raw material & semi-manufactures	..	..	..	111a	103	100	104	110	121	112	112	109	116
Manufactures	..	..	..	97a	96	94	99	102	103	103	100	103	105
INDOCHINA													
All commodities	11.1	45	68	128	126	135	130	132	121	188	196	185	184
INDONESIA													
All commodities	31.2	..	..	105	99	100	122	128	274	382	338	383	426
Estate produce	37.7	..	..	124	121	121	136	155	314	390	365	386	420
Peasant produce	27.2	..	..	92	82	86	116	110	248	370	316	374	421
Forest produce	12.0	..	..	78	79	76	84	92	190	202	189	205	212
MALAYA													
All commodities	43.5	..	86	98	93	92	113	118	135	..	..	..	..
Food, drink & tobacco.	23.5	..	93	103	96	97	116	119	111	..	..	..	..
Raw materials	51.8	..	88	94	90	90	108	125	157	..	..	..	..
Manufactures	32.2	..	88	97	93	92	107	96	98	..	..	..	..
PHILIPPINES	62	..	..	174	162	171	187	173	183	200	180	205	215

a. Average of twelve months April 1949 to March 1950.
b. Unweighted wholesale price index of imported goods.

IX. INDEX NUMBERS OF WHOLESALE PRICES

(1948 = 100)

	1938	1946	1947	1949	1949 III	1949 IV	1950 I	1950 II	1950 III	1950 July	1950 Aug.	1950 Sept.
INDIA												
All items	27.2a	..	81.0	103.8	105.3	105.8	106.2	107.2	111.4	110.4	111.5	112.4
Food articles	26.7a	70.2	78.1	104.0	107.8	105.7	104.3	107.2	114.0	113.0	114.0	115.1
Industrial raw materials	23.2a	..	84.9	107.8	106.7	110.6	113.8	113.1	118.9	117.5	119.2	120.1
Semi-manufactured articles	31.6a	..	79.6	103.6	104.5	105.3	106.5	105.6	108.5	107.3	108.6	109.6
Manufactured goods	29.4a	..	81.2	101.0	102.2	101.8	101.6	102.1	102.6	102.2	102.7	102.9
Miscellaneous	19.8a	..	92.8	108.2	107.4	119.7	124.1	129.2	145.2	140.6	144.3	150.9
KOREA (Seoul)												
All items	..	33.8	61.4	136.8	148.3	170.1	202.3	..	..	..	..	..
Fertilizers	..	..	79.0	299.6	389.5	449.4	663.6	..	..	..	..	..
Textile raw materials	..	11.4	47.7	144.3	160.4	210.1	196.3	..	..	..	..	..
Textiles	..	14.7	48.5	140.1	146.0	173.0	149.4	..	..	..	..	..
Building materials	..	20.5	55.2	143.0	145.7	177.1	186.9	..	..	..	..	..
PHILIPPINES (Manila)												
General	20.3	143.0	90.1	85.6	85.8	81.5	78.2	72.7	75.8	72.5	75.2	79.7
THAILAND (Bangkok)												
General	6.06	..	105.0	93.4	93.3	91.1	90.1	93.8	96.4	96.0	96.0	97.2
VIET-NAM (Saigon) c												
General index	5.9b	48.3	68.2	125	130	127	115	114	130	122	132	136
Rice & paddy	5.9b	48.3	65.2	124.8	133.4	130.1	103.5	93.2	115.6	103.2	118.1	125.5
Other food products				124.7	136.7	131.8	124.3	123.9	122.2	120.6	123.1	123.1
Fuel & mineral products	7.0b	..	68.4	136	143	146	153	152	154	153	154	154
Raw materials	13.9b	58.0	50.3	120	113	115	122	140	197	174	206	212
Semi-finished products	6.8b	..	76.2	123	124	122	121	116	115	113	115	116
Manufactured products	4.4b	91.5	87.9	125	121	120	103	101	106	106	105	106
JAPAN												
All items	1.02	12.7	37.7	163.3	166.7	171.2	177.4	178.0	196.7	189.1	198.3	202.7
Edible farm products	1.18	9.8	33.7	178.0	184 5	184.2	194 8	208.3	218.3	229.5	216.7	208.7
Processed foods	0.69	10.2	35 2	164.2	165.7	166.9	158 8	153.9	159 8	157.4	160.7	161.2
Textiles	0.85	11.2	34 2	214.8	228.7	239.4	221.2	224.5	280.3	254.8	290.0	296.1
Chemical fertilizer	1.14	22.8	46.6	1 8 1	136 9	140 3	160.9	169.3	187.6	169.7	197.8	195.3
Metal & products	2.27	19.4	42.5	142.9	141.7	153.4	173.1	177.3	220.6	200.2	216 8	244.8
Building materials	1.21	13.1	44.1	141.3	141.1	142.6	154.1	147.9	160.7	151 4	162 5	168.1
Fuels	1 20	9.2	35.9	150.1	153.3	160.1	176.3	161.8	160.9	159 1	160.3	160.7
Miscellaneous	1.31	13.6	37.0	148.9	148.6	154 0	164.8	169.2	187.6	175.8	187.6	200.1

a Year ending August, 1939.
b January to June, 1939.
c. New series beginning 1949, which is linked to the old series.

X. INDEX NUMBERS OF COST OF LIVING AND RETAIL PRICES

(1948 = 100)

	1938	1946	1947	1949	1949 III	1949 IV	1950 I	1950 II	1950 III	1950 July	1950 Aug.	1950 Sept.
BURMA (Rangoon)												
Cost of living	28	106	108	135	149	122	116	113	121	125	123	116
Food	24	136	115	142	162	127	119	115	132	136	135	126
CAMBODIA (Phnom-Penh)												
Cost of living	..	..	84	138	142	147	145	149	161	159	159	164
Food	..	..	80	133	136	143	138	..	..	..	..	..
CEYLON (Colombo)												
Cost of living	..	88	97	99	98	101	104	103	106	105	105	109
Food	..	82	91	104	103	107	111	110	114	112	113	117
HONG KONG												
Cost of living	..	..	101	112	113	120	122	115	116	..	..	116
Food	..	..	100	118	121	133	135	125	124	..	..	124
INDIA (Bombay)												
Cost of living	35	85	92	101	101	102	101	102	106	105	106	107
Food	32	91	99	105	106	108	106	108	114	113	114	115
INDONESIA (Djakarta)												
Food	8	..	179	97	89	101	105	118	111	116	108	108
KOREA												
Retail price index (Seoul)	..	35	65	127	132	151	195	..	..	..	..	..
Food (Republic)	..	45	66	123	135	136	206	..	..	..	..	..
LAOS (Vientianne)												
Cost of living	..	..	86	115	121	116	108	..	..	..	..	..
Food	..	..	88	109	116	109	105	..	..	..	..	..
MALAYA (Kuala Lumpur)												
Cost of living	..	..	106	94	93	94	94	97	103	100	103	105
Food	..	..	112	95	92	94	95a	97	..	100	..	..
PHILIPPINES (Manila)												
Cost of living	25	143	106	94	93	91	92	89	92	91	91	93
Food	24	166	108	93	92	89	88	82	85	84	84	87
THAILAND (Bangkok)												
Cost of living	8	86	100	96	92	95	98	102	97	96	97	97
VIET-NAM (Saigon)												
Cost of living	..	46	74	122b	124	121	121	122	127	125	127	128
Food	..	43	74	120	120	114c	115	112	114	112	114	117
JAPAN (Urban)												
Cost of living	..	27d	57	138	141	134	131	125	129	127	130	130
Food	..	32d	64	134	138	126	124	119	122	121	123	122

a. Average of January and March.
b. January to November.
c. Average of October and November
d. August—December.

XI. WHOLESALE PRICE QUOTATIONS OF SELECTED COMMODITIES[a]

(Monthly averages per ton)

	Currency	1938	1947	1948	1949	1949		1950					
						III	IV	I	II	III	July	Aug.	Sept.
RICE													
Burma	Rs.	..	280	266	264	264	264	257	265	..	..	..	..
India	Rs.	..	..	436	442	442	442	432	432	432	432	432	432
Indonesia	Fl.	..	..	870	870	740	1,075	1,073	940	920	910	920	930
Japan	000 Y.	0.21†	12.1	24.9	29.1	24.9	27.7	29.1	..	..	..	..	..
Korea	000 W.	..	85	127	145	166	171	268	..	..	..	..	..
Pakistan	Rs.	..	..	917	977	989	870	427	507	..	452	445	..
Thailand	Baht	..	1,490	1,420	1,330	1,320	1,360	1,890	..	..	..	..	..
Viet-Nam	Pr.	106	1,720	2,100	2,630	2,850	2,720	2,180	1,910	2,410	2,160	2,460	2,610
WHEAT													
India	Rs.	..	..	566	532	478	407	407	409	412	412	412	412
Korea	000 W.	..	37	73	95	90	128	224	..	..	..	..	..
Pakistan	Rs.	..	..	326	317	320	320	316	287	..	244	226	..
SUGAR													
India	Rs.	..	..	990	846	906	778	769	769	769	769	769	769
Indonesia	Fl.	..	..	2,290	1,550	970	2,230	2,867	3,500	2,943	3,530	2,750	2,550
Korea	000 W.	..	517	411	745	858	887	1,150	..	..	..	..	..
Pakistan	Rs.	..	680	925	964	957	957	981	989	..	989	1,013	..
Philippines	P.	72	551	307	313	321	319	276	289	293	294	291	293
Thailand	Baht	..	10.61	4.61	5.66	6.50	5.23	4.10	..	..	..	..	..
PEPPER													
Cambodia	000 Pr.	0.41	23.4	35.1	96.0	135	135	136	127	147	147	150	145
Indonesia	000 F.	..	..	5.47	19.4	19.9	36.2	46.2	..	..	..	..	..
Malaya	000 M$	..	2.3	3.2	8.2	8.1	14.7	14.5	14.0	16.7	15.9	17 2	17.1
Thailand	000 Baht	..	17.7	23.8	46.0	63.6	62.5	62.5	..	..	..	..	..
TEA													
Ceylon	Rs.	1,540	3,460	3,330	4,170	4,340	5,220	4,900	3,700	4,530	4,010	4,740	4,830
India	Rs.	..	..	3,590	3,660	3,640	4,440	..	..	..	..	4,100	4,120
Pakistan	Rs.	..	..	4,696	4,248	4,203	4,271	3862	4,343	..	..	4,363	..
Indonesia	Fl.	..	..	2,200	2,870	3,130	3,770	4,583	5,167	6,333	4,750	7,250	2,000
U.K.	U.S. $	630	1,020	1,190	..	1,290h	897i	924	888	999	1005	1,010	981
U.S.A.	U.S. $	..	1,213	1,290	1,243	1,279	1,177	1,207	1,066	1,133	1,067	1,182	1,153
TOBACCO													
India	Rs.	..	..	..	5,800	6,040	6,100	6,100	7,143	7,099	7,099	7,099	7,099
Pakistan	Rs.	..	..	2,551	2,368	2,308	2,443	2,651	2,281	..	..	2,285	..
Philippines	P.	123	711	816	796	779	772	925	1,296	1,241	1,261	1,243	1,217
VEGETABLE OIL b													
Ceylon	Rs.	181	980	1,006	1,006	1,006	1,006	1,332	1,259	1,421	1,209	1,468	1,587
India	Rs.	..	..	666	768	856	753	818	878	888	886	925	854
Indonesia	Fl.	..	..	1,221	940	930	900	923	1,777	1,977	1,980	1,980	1,970
Malaya	M$	149‡	673	1,160	913	883	1,000	1,014	1,029	1,150	1,015	1,184	1,253
Pakistan	Rs.	..	..	2,649	2,986	3,075	3,189	3,281	2,737	..	3,012	3,800	..
Philippines	P.	130	800	980	620	547	600	670	640	673	640	650	730
COPRA													
Ceylon	Rs.	109	480	531	590	590	590	785	762	842	733	866	926
India	Rs.	..	..	986	1,289	1,311	1,437	1,462	1,398	1,476	1,416	1,471	1,539
Indonesia	Fl.	..	..	390	470	423	510	860	1,250	1,283	1,250	1,250	1,350
Malaya	M$	59	351	646	518	475	558	607	615	693	611	709	759
Philippines	P.	60	350	515	311	278	317	354	358	347	340	361	401
Thailand	Baht	..	..	..	2,320	2,220	2,750	3,000	..	..	..	..	..
COTTON, RAW													
India	Rs.	..	1,250	1,830	1,800	1,980	1,310c	1,310	..	..	..	..	..
Japan	000 Y.	..	15.3	48.3	211	266	255g	256	259	..	265	279	..
Korea	000 W.	..	236	630	929	1.010	1,440	1,650	..	..	..	..	..
Pakistan	Rs.	..	1,328	1,879	2,109	2,160	1,900	1,867	1,934	..	2,071	2,274	..
U.K.	£	..	..	..	232	239	271	286	..	..	318	..	..
JUTE, RAW													
India	Rs.	..	..	1,078	1,069	981	1,102	1,102	1,102	1,102	1,102	1,102	1,102
Pakistan	Rs.	..	..	958	849	758	661	673	713	..	695	696	..
U.K.	U.S.$	90	323	385	..	380	314	316	328	311	313	311	309
U.S.A.	U.S.$	95	348	408	..	356	313	348	358	339	331	339	348

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

(Monthly averages per ton)

	Currency	1938	1947	1948	1949	1949		1950					
						III	IV	I	II	III	July	Aug.	Sept.
HEMP													
Philippines	P.	118	683	883	892	794	864	884	832	882	815	940	891
WOOL, RAW													
India	Rs.	..	..	1,963	2,031	1,652	2,545	2,925	3,237	3,087	3,221	2,953	3,087
Pakistan	Rs.	..	..	..	3,180	3,010	..	3,920	4,260	..	5,242	5,107	..
SILK, RAW													
India	000 Rs.	..	..	52.9	66.9	68.6	76.5	78.6	90.8	93.3	100 8	87.9	91.1
Japan	Mn. Y.	..	..	1.57	2.29	2.01	2.45	2.67	2.02	2.92	2.51	3.26	3.00
Korea	Mn. W.	..	3.4	7.1	11.6	11.4	18.4	16.7	..	..	..	..	..
HIDES													
India	Rs.	..	..	2,160	2,010	1,870	1,970	2,040	1,710	2,058	1,929	2,205	2,039
Pakistan	Rs.	..	1,941	1,860	2,296	2,131	1,850	2,412	2,473	..	2,224	2,236	..
Thailand	000 baht	..	6.6	8.2	9.9	10.0	10.7	12.1	..	..	..	..	..
RUBBER, NATURAL													
Ceylon	Rs.	816	1,411	1,389	1,257	1,161	1,528	1,742	2.543	3,939	3,086	4,101	4,270
Indonesia	Fl.	..	..	1,177	1,210	1,120	1,520	1,583	3,870	2,820	5,580	6,690	7,660
Malaya	M$	539	791	944	85	730	1,032	1,170	1,711	6,677	2,167	3,025	3,267
Thailand	baht	..	4,833	6,531	6,233	5,950	5,950	..	..	.	.	..	.
U.K	£	66	113	119	108	102	127	145	209	363	280	384	427
U.S.A.	US$	324	459	483	388	373	373	423	606	1,078	862	1,138	1,234
Viet-Nam	Pr.	1,020	2,940	7,150	8,300	7,450	7,610	8,210	10,470	18,730	15,230	20,280	20,680
COAL													
India	Rs.	..	..	16.1	16.0	16.1	15.7	15.5	15.5	15.5	15.5	15.5	15.5
Indochina	Pr.	23	251	342	533	556	556	580	572	580	582	579	579
Japan	000 Y.	..	..	3.94	5.66	5.66	5.40	5.96	..	..	.	.	..
Pakistan	Rs.	..	78	83	89.2	89.2	89.2	89 2	89.2	.	89.2	89.2	.
Korea	000 W.	..	1.02	3.61	3.80	4.22	4.30	4.33	..			.	..
TIN													
Malaya	000 M$	1.60	3 53	4 53	4.46	4.73	4.90	4.86	4.99	6.37	5.96	6.56	6 58
Thailand	000 baht	..	..	..	20.04	20.19	18.19	16,53	..	..	..	..	..
U.K.	£	187	421	543	596	579	679	590	536	733	661	772	764
U.S.A.	US$	932	1,719	2,188	2,186	2,263	1,939	1,654	1,702	2,155	1,981	2,250	2,233
PIG IRON													
India	Rs.	..	..	111	111	112	108	105	105	105	105	105	105
Japan	000 Y.	0 02	0.92	3 1	4.7	4.6	7.4	9.8	9.8	..	11.9	11.9	..
Korea	000 W.	..	4.5	15.0	27.5	29.3	37.3	50.3	..	..	..	..	..
CEMENT													
India	Rs.	..	..	83.7	81.2	81.2	81.2	81.2	81.2	81.2	81.2	81.2	81.2
Indochina	Pr.	30	523	746	961	971	971	994	996	976	976	976	976
Japan	000 Y.	..	..	2.79	4.12	4.21	4.32	4.99	4.78	4.8	4.7	4.8	5.0
Korea	000 W.	..	9.18	21.8	40.6	48.7	50.7	48,0	..	..	..	..	..
Pakistan	Rs.	..	..	..	93.7	93.7	93.7	93.7	93.7	..	93.7	93.7	..
COTTON YARN													
India	Rs.	..	..	2,620	3,130	3,180	3,090	3,060	3.060	3,060	3,060	3,060	3,060
Indochina	000 Pr.	1.8	.	50.1	45.0	45.0	45.0	55.1	50.2	47.6	45.9	47.2	49.8
Japan	000 Y.	..	..	87	280	385	359	359	357	357	357	357	357
COTTON FABRICS													
India	000 Rs.	..	..	4.1	3.8	3.8	3.7	3.7	3.6	3.6	3.6	3.6	3.6
Japan (Y. per meter)		..	..	..	62	59	58	58	59	90	79	94	97
JUTE BAGS (per hundred)													
India	Rs.	..	..	133	146	161	156	156	156	156	156	156	156
Pakistan	Rs.	..	118	151	174	177	179	214	200	..	198	187	..
JUTE (hessian)													
U.K.	U.S.$	183.7	569.5	658 4	..	..	559.2	559.2	559.2	559.2	559.2	559.2	559.2
U.S.A.	U.S.$	172.8	754.9	659.6	..	591.4	637.7	651.4	586.1	759.4	625.8	767.2	885.0

a. For details regarding specification and market centre see "Explanatory Notes to Table X" in Vol. I No. 1, and Footnote a to Table XI in Vol. I No. 2, with the only modification that Pakistan wheat quotations are for fair average quality at Karachi.

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

c. India, raw cotton, Bengal Fine M.G. substituted from third quarter 1949 for original specification the price of which in the third quarter of 1949 was 1309.

g. October.

h. Average of July and August.

i. December.

† 1937.

‡ 1939.

XII. FINANCIAL STATISTICS[a]

	1938	1948	1949	1949 III	1949 IV	1950 I	1950 II	1950 III	1950 July	1950 Aug.	1950 Sept.
BURMA (million Rs.)											
Currency and Deposit Money											
Deposit money b	..	174	202	207	205	193	204	225	226	223	225
Commercial Banks											
Total deposits	108	199c	233	239	237	226	240	267	266	265	269
Assets: Cash	3	72c	109	117	121	72	74	74	84	71	68
Short term	48	67c	60	52	49	94	105	91	93	92	89
Union Bank of Burma											
Deposits: Total	..	108d	149	166	191	136	189	291	278	287	307
Government	..	44d	46	55	76	70	122	223	200	223	245
Foreign assets: Total	..	88d	172	200	205	141	173	271	251	268	294
Local assets:											
Short term: Government	..	14d	30	28	33	30	35	31	34	29	29
Bank Clearings	68	157c	128	143	107	123	139	151	149	149	153
CEYLON e (million Rs.)											
Currency and Deposit Money											
Notes: Net active	35	222	222	226	229	230	242	277	247	259	277
Deposit money b	..	579	621	642	734	613	640	611	..	.	611
Commercial Banks											
Total deposits	..	641	687	708	801	679	706	681	727	805	681
Assets: Cash	..	269	284	331	401	194	201	167	..	.	167
Short term	..	127	137	136	155	169	181	220	..	.	220
Long term	..	193	230	229	232	236	279	297	..	..	297
Bank Clearings	91	396	461	431	502	519	525	614	527	740	614
HONG KONG (million HK$)											
Currency and Deposit Money											
Notes: Total issued	..	778	840	833	804	803	801	802	801	802	803
Bank Clearings	..	689	917	935	918	878	945	1,408	1,164	1,523	1,539
INDIA f (1000 million Rs.)											
Currency and Deposit Money											
Currency: Net active	3.03g	13.58	12.38	12.00	11.89	12.54	12.86	12.26	12.45	12.23	12.09
Deposit money	1.35g	8.07	7.06	7.02	6.81	6.85	6.80	6.79	6.82	6.79	6.77
Scheduled Banks											
Total deposits	2.27	9.90	8.85	8.66	8.61	8.61	8.66	8.75	8.77	8.73	8.75
Assets: Cash	0.22	1.28	1.04	1.12	1.11	0.87	.90	1.08	1.09	1.04	1.11
Short term	1.16	4.33	4.47	4.23	4.04	4.45	4.68	4.26	4.38	4.27	4.13
Long term	..	4.65h	3.74	3.72	3.76	3.60	3.60	..	3.75	..	..
Reserve Bank of India											
Deposits: Total	0.32	4.29	3.10	2.93	3.12	2.95	2.70	3.04	2.92	2.99	3.21
Government	0.15	2.57	1.75	1.47	1.71	1.77	1.56	1.66	1.54	1.64	1.80
Foreign assets: Total	1.15	13.74	8.95	8.28	8.43	8.86	8.76	8.50	8.58	8.46	8.47
Banking Department	0.04	3.44	1.87	1.73	1.99	2.02	1.94	2.22	2.20	2.23	2.24
Issuing Department	1.11g	10.30	7.08	6.55	6.44	6.84	6.82	6.28	6.38	6.23	6.23
Local assets:											
Short term: Government	0.02	0.01	0.03	0.03	—	0.01	0.02	0.03	0.02	..	0.08
Short term: Others	0.02	0.09	0.12	0.11	0.11	0.14	0.13	0.07	0.08	0.07	0.06
Long term: Total	0.39	2.83	5.01	5.08	5.07	5.10	5.27	5.23	5.23	5.24	5.22
Banking Department	0.06	0.75	1.00	0.90	0.92	0.86	0.59	0.71	0.56	0.72	0.85
Issuing Department	0.32	2.08	4.01	4.18	4.15	4.24	4.68	4.52	4.67	4.52	4.37
Banking Clearings	1.54	5.07	4.77	4.37	4.75	4.83	4.61	4.60	4.41	4.99	4.39
INDO-CHINA (million Pr.)											
Commercial Banks											
Total deposits	..	1,126	1,284	1,293	1,357	1,574	1,520	1,580	1,563	1,588	1,590
Assets: Short term	..	338	600	662	668	735	683	658	625	712	637
INDONESIA (million Fl.)											
Currency and Deposit Money											
Notes: Total issued j	188g	1,577g	1,740	1,772	1,864	1,994	2,114	2297	2,182	2,310	2,400
Bank of Java											
Demand deposits	83g	884g	756	761	835	1,238	833	724	666	692	813
Foreign assets: Total	128g	..	551	567	549	735	726	770	752	752	806
Local assets:											
Short term: Government	3g	916g	972	1,010	1,105	1,622	1,930	2,030	1,931	2,034	2,125
Short term: Others	61g	..	70	66	65	69	120	169	141	157	210

XII. FINANCIAL STATISTICS *(Contd.)*

	1938	1948	1949	1949 III	1949 IV	1950 I	1950 II	1950 III	1950 July	1950 Aug.	1950 Sept.
JAPAN (1000 million Y.)											
Currency and Deposit Money											
Notes: Net Active k	2.9	338.1	294.0	281.4	304.7	296.8	298.1	307.4	302.8	307.5	311.9
Deposit money	5.3g	266.9	364.2	383.6	404.0	430.4	437.8	..	..	..	..
All banks except Bank of Japan											
Total deposits	19.1	326.4	613.9	653.7	720.7	806.7	852.3	917.1	888.0	899.2	964.1
Assets: Cash	1.5g	52.6	101.5	105.4	118.0	134.5	130.5	..	..	..	..
Short term	12.7	248.3	496.8	529.3	631.0	715.8	786.1	855.5	825.2	859.1	882.2
Long term	5.8	68.2	115.4	113.6	112.1	106.4	110.2	120.4	116.0	119.6	125.6
Bank of Japan											
Deposits: Total	0.4	29.5	57.2	67.6	44.2	48.8	49.7	51.0	49.5	43.5	60.1
Government	0.3	10.4	35.2	43.9	19.9	30.6	32.3	32.7	30.9	25.2	41.9
Local assets:											
Short term: Government	—	69.0	94.1	99.5	98.5	84.5	70.2	89.9	108.2	83.2	78.2
Short term: Others	0.1	54.6	77.8	78.1	97.6	101.3	128.6	140.2	118.3	146.4	156.0
Long term: Government	1.8	153.8	182.3	165.3	159.3	170.2	145.1	123.2	121.4	120.6	127.6
Bank Clearings	..	235.7	549.2	545.4	681.6	656.4	746.6	819.6	795.6	814.9	848.4
KOREA m (1000 million W.)											
Currency and Deposit Money											
Notes: In circulation	0.31	28.90	42.06	40.86	57.86	60.45	..	..	..	..	..
Deposit money	0.12	11.48	20.65	23.82	26.18	25.92	..		..	..	..
All Banks								..			
Total deposits	0.52	32.93	56.93	66.13	64.81	69.88	..	..	..	..	..
Assets: Cash	0.05	8.31	15.44	17.59	18.79	26.05	..	..	..	..	..
Short term	1.05	32.16	52.92	54.23	76.25	85.90	..	..	..	..	..
Long term	0.41	3.25	3.53	3.57	3.68	4.14	..	..	..	..	..
Bank of Korea									..	..	..
Deposits: Total	0.62	5.18	7.86	10.33	7.06	8.83	..	..			
Government	0.06	0.13	0.54	0.85	0.64	0.68	..	..	..	..	..
Local assets:									..	..	..
Short term: Government	0.09	0.14	0.30	0.40	0.42	0.46	..	..			
Short term: Others	0.97	8.20	13.45	11.75	26.57	34.64	..	..	..	..	..
Long term	0.28	0.18	0.41	0.44	0.48	0.54	..	..	..	..	..
Bank Clearings	0.20	20.57	39.87	41.73	56.93	58.13	..	..	..	..	..
MALAYA (million M$)											
Currency and Deposit Money											
Currency: Total issued n	..	407	402	402	403	403	410	461	429	457	496
PAKISTAN (million Rs.)											
Currency and Deposit Money											
Currency: In circulation	..	1,708	1,741	1,718	1,694	1,804	1,789	1,704	1,721	1,705	1,686
Deposit money	..	990	999	982	1,043	1,045	1,081	1,085	1,083	1,108	1,085
Scheduled Banks											
Total deposits	..	1,092	1,072	1,061	1,094	1,151	1,198	1,202	1,232	1,195	1,180
Assets: Cash	..	218	204	187	244	182	161	127	139	123	120
Short term	..	323	428	429	414	519	511	521	480	508	574
State Bank of Pakistan											
Deposits: Total	..	1,164	1,015	935	930	796	766	796	763	804	821
Government	..	911	795	716	669	579	595	600	558	610	631
Foreign assets:											
Banking Department	..	1,009	722	673	551	361	308	315	325	318	301
Issuing Department	..	1,203	1,618	1,575	1,378	1,475	1,352	1,130	1,140	1,140	1,110
Local assets:											
Short term: Government	..	117	111	108	105	106	103	102	102	102	102
Short term: Others	..	..	3	1	8	17	10	40	20	45	56
Long term:											
Banking Department	..	65	178	181	271	301	286	247	192	192	356
Issuing Department	..	25	97	136	265	297	411	519	519	519	519
Bank Clearings	..	300	325	280	295	355	327	366	411	361	326

XII. FINANCIAL STATISTICS (*Contd.*)

	1938	1948	1949	1949 III	1949 IV	1950 I	1950 II	1950 III	1950 July	1950 Aug.	1950 Sept.
PHILIPPINES (million P.)											
Currency and Deposit Money											
Currency: Net active	141g	513	551	524	571	568	574	601	591	599	613
Deposit Money	73g	547	547	536	497	493	530	545	512	531	593
Commercial Banks											
Total deposits	..	..	886	882	855	814	851	875	844	859	921
Assets: Cash	65g	313	203	190	178	181	174	*175*	*162*	*152*	209
Short term	210	..	563	550	567	586	579	568	567	567	570
Long term	49	..	84	91	83	55	68	75	74	76	76
Central Bank of Philippines											
Deposits: Total	..	..	144	141	110	133	138	148	140	125	180
Foreign assets: Total	..	400	607	567	485	442	447	459	439	447	491
Local assets:											
Short term: Others	..	..	30	25	91	85	62	63	69	53	66
Long term	..	..	20	16	59	103	122	139	132	137	149
Bank Clearings	26	381	443	433	426	460	461				
Total Bank Debits to Checking Account	175	772	723	735	732	597	639				
THAILAND (million baht)											
Currency and Deposit Money											
Notes: In circulation p	191g	2,237	2,505	2,487	2,516	2,648	2,700	2,781	2,690	2,760	2,893
Deposit money r	..	1,014	1,020	1,061	1,041	*939*	*943*	*1,030*	*1,015*	*1,050*	*1,026*
Commercial Banks											
Total deposits	53	786	829	865	851	820	821	864	844	879	870
Assets: Cash	13	369	330	340	325	263	252	255	273	265	227
Short term	28	406	546	516	556	625	600	598	584	604	605
Long term	8	102	101	100	99	88	90	104	105	105	101
Bank of Thailand											
Deposits: Total	..	717	1,166	1,326	1,268	1,308	1,451	1,542	1,524	1,504	1,597
Government	..	338	444	533	423	437	501	511	519	459	555
Foreign assets											
Banking Department	..	301	390	532	475	401	550	627	640	674	567
Issuing Department	111g	1,421	1,877	1,844	2,168	*2,291*	*2,373*	*2,431*	*2,373*	*2,373*	*2,548*
Local assets:											
Short term: Others	..	434	604	588	638	820	827	933	862	889	1,048
Long term:											
Banking Department	..	5	150	152	141	143	143	140	144	138	138
Issuing Department	..	951	755	739	500	500	500	500	500	500	500
Bank Clearings	..	774	1,112	1,092	1,246	1,350	1,357	1,653	1,504	1,801	1,654

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

b Demand deposits of commercial banks.

c Average March-December.

d Average April-December

e Figures for 1949 are end of quarter and their averages. 1950 figures are end of period.

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

g End of year.

h Average of September-December.

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

j Total of Bank of Java notes and government paper money

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

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

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

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

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