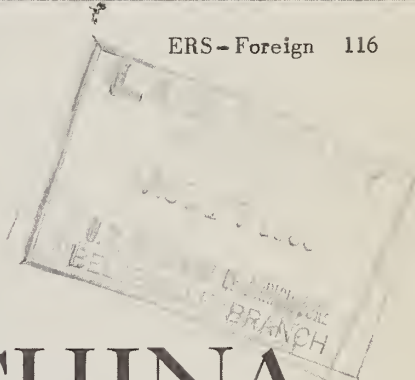


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THE  
1965 FAR EAST,  
COMMUNIST CHINA,  
OCEANIA  
AGRICULTURAL  
SITUATION



U.S. DEPARTMENT OF AGRICULTURE  
ECONOMIC RESEARCH SERVICE  
Washington, D.C.

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# 1965 Far East, Communist China, Oceania Agricultural Situation Summary



## FAR EAST

Total agricultural production in the Far East made but limited gains in 1964 (table 1). An increase of less than 2 percent over 1963 trailed an increase in population estimated at 2.3 percent (figure 1). Food shortages have appeared and in some quarters have become serious.

Since 1952-54, agricultural production in the region increased at a compound annual rate of 3.0 percent for 11 years; the growth rate for population was 2.2 percent. But for the past 3 years, agriculture gained less rapidly while population gained momentum. As a result, output per capita slipped back to the level of 1960, but the pattern varied. For the 11-year period, agricultural production in the countries of South Asia as well as Burma and Indonesia gained at less than the 3 percent rate for the region.

In measuring 1964 against the previous year, the picture was essentially the same, but Indonesia made a good gain while the Philippines showed no change. South Korea made a striking comeback from the disastrous harvest of 1963. Japan, Taiwan, and South Vietnam also made good gains after reverses a year earlier.

Regional foodgrain output in 1964 stood only 1 percent above the year before, a gain far below the long-term rate of 2.6 percent. There were notable increases in corn (India and Indonesia), millets (India), and barley (Japan and South Korea). Some countries had appreciably larger rice harvests in 1964. But these gains were offset in large part by early reports of a smaller rice crop in Pakistan and a shortfall in the Indian wheat crop. Output of pulses, of which India is the main producer, declined 11 percent. Sweetpotatoes and cassava were up about 3.5 percent. Fruit and vegetable output in Japan continued to gain in response to market demand.

Sugar production was up in the major exporting countries, and India had gains to augment foreign exchange earnings. Output was up for rubber, tobacco, tea, and palm kernel. Declines were registered for copra, jute, cotton, rapeseed, cottonseed, and soybeans.

Table 1.--Far East and Oceania: Indices of agricultural production,  
1959 through 1964 1/

(1952-54=100)

Region and country	1959	1960	1961	1962	1963 <u>2/</u>	1964 <u>3/</u>
<u>Far East</u>						
Afghanistan	114	114	113	119	117	121
Burma	114	112	116	119	122	123
Cambodia	127	131	126	150	151	154
Ceylon	114	122	131	137	137	138
India	120	125	132	132	136	135
Indonesia	115	116	116	122	117	122
Japan	136	141	144	150	148	155
Laos	102	98	98	98	87	87
Malaya, States of	122	130	136	137	144	147
Pakistan	115	117	123	124	135	129
Philippines	131	134	141	157	168	168
Singapore	142	149	176	181	184	187
South Korea	127	125	142	133	127	152
South Vietnam	205	207	195	215	208	220
Taiwan	129	129	139	141	138	150
Thailand	122	142	147	155	166	169
Total	122	126	131	134	137	139
<u>Oceania <u>4/</u></u>						
Australia	122	125	128	135	143	145
New Zealand	121	123	126	128	133	137
Total	122	125	128	134	141	143

1/ Agricultural production during stated calendar years, except for rice and some minor crops. The figures for these crops also include the production in the early months of the next year.

2/ Preliminary.

3/ Forecast.

4/ Split years 1958/59 through 1963/64.

## FAR EAST: Per Capita Farm Production Continues to Lag

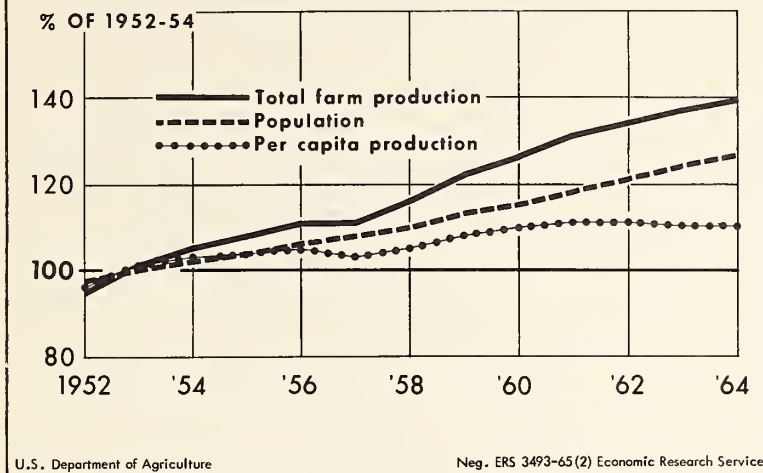


Figure 1

Japan led in economic growth of the Far East last year. Japan has the largest industrial base in the area, and industrial production in the third quarter of 1964 was 16 percent higher than a year earlier. In India, the second largest industrial country, industrial output for the first half of 1964 gained nearly 5 percent over the first half of 1963. In Hong Kong, industrial output expanded at a rapid rate and remained a principal focus for additional investment. Taiwan, South Korea, and Paki-

also made industrial gains in 1964, though in each of these countries industry is still overshadowed by agriculture.

Holdings of gold and foreign exchange in the Far East were estimated at nearly \$5.3 billion at the end of March 1964, showing a fairly steady gain over the previous 2 years. By midyear, however, the level had fallen slightly. There was a slight drop in Japan's holdings. India and Pakistan also had losses, but the imports of these countries are more closely tied to the level of external assistance. Foreign aid is also important to the economies of South Korea and South Vietnam. Taiwan has sharply reduced its dependence on aid and will be cut free of the program this year.

The prolonged and pronounced decline in rubber prices, vitally important to Malaysia, Indonesia, and Thailand, appeared to bottom out in 1964, and prices showed signs of strength in the latter part of the year. Likewise, growers of jute and makers of burlap could take heart as prices of these products seemed to steady after declining from the high levels in 1961. Philippine sugar exporters got substantially lower prices last year for their product than the year before. Rice exporters of the Far East were not rewarded with higher prices despite pressing food needs elsewhere in the region; some countries with large food deficits lack foreign exchange resources to make commercial imports. Tea prices held generally steady. The price of tin mounted sharply and reached new highs in 1964, somewhat easing Malaysia's difficulties from the low rubber prices. The Philippines, Indonesia, and Ceylon enjoyed prices for coconut products at or above the high levels in 1963.

India was faced with strong pressures on domestic foodgrain prices, growing out of persistent shortages of foodstuffs and increased money supplies. In South Korea, rising wholesale prices continued to pose a problem; the third-quarter average for 1964 was 27 percent above the previous year. In Indonesia, the cost-of-living index has skyrocketed; the official rate of exchange has become almost meaningless.

Exports of all commodities from Far Eastern countries totaled \$14.0 billion in 1963 and moved at a slightly higher rate during the first half of 1964. Japan's exports, mostly manufactured goods, accounted for two-fifths of the total. For 11 countries of the region for which data are available, exports in 1962 of food, beverages, and agricultural raw materials amounted to \$3.8 billion (table 4). Of this total, rubber accounted for a fourth. Fish, nearly all from Japan, was a large item. Tea, sugar, fruits and vegetables, rice, jute, coconut products, tobacco, and silk were all important foreign exchange earners. Data are not available for 1963 for all countries, but India and Taiwan showed notable gains over 1962. Taiwan greatly expanded its exports of sugar, and also showed gains for cereals, fruits and vegetables. India, too, exported more sugar and fruits and vegetables, and made general increases in other categories.

For many years, imports into Far Eastern countries have exceeded exports by a considerable margin. Imports of all commodities in 1963 totaled \$17.8 billion. The up-trend continued into 1964. Food, beverages, and agricultural raw materials make up a large portion of this trade, amounting to \$4.3 billion in 1962. Prominent in this total were natural fibers (mostly cotton) and cereals, each exceeding \$1 billion. Rubber also is important but much of this moves into Singapore and is subsequently re-exported after a degree of processing. Oilseeds and sugar are sizable items; Japan is the principal destination.

Japan's imports of foods, beverages, and agricultural raw materials approach \$2 billion each year--virtually all commercial trade. India is the next largest importer; trade was \$600 million in 1962, much supplied under foreign aid.

U.S. exports of all commodities to the Far East reached the record level of \$4.2 billion in 1963. Agricultural commodity exports also set a record, at \$1.6 billion. But the agricultural share of the total was less than two-fifths, whereas in the early 1950's it was half. U.S. Government programs have played a vital part in financing agricultural exports to the Far East, accounting for about half of U.S. shipments of farm goods to the region in 1962 and 1963. The Far East accounts for 25-30 percent of all U.S. farm exports, but for 40-50 percent of those moving under government program.

Japan is the largest Far Eastern market for U.S. farm products; in most years it is the largest U.S. market worldwide. The Philippines and Hong Kong are next in importance as dollar markets, but at levels far below Japan's \$651 million in 1963. Shipments to India totaled \$361 million in 1963, more than 90 percent under government program. Shipments to Pakistan and South Korea also moved largely as concessional sales and in each case exceeded \$100 million. Half of U.S. exports to the Far East consist of cereals--mainly wheat to India, Japan, and Pakistan. Cotton is next in importance. Oilseeds rank third with 10 percent of the total.

U.S. agricultural imports from the Far East totaled \$697 million in 1963, one-fourth of all commodities imported from the region. The proportion has steadily declined--it was about two-thirds in the early 1950's--as the flow of manufactured goods from Japan has grown. About one-sixth of all U.S.

agricultural imports come from the Far East. Rubber and sugar are the leading commodities. The region supplies 80 percent of the rubber and a third of the sugar imports. Several products come almost entirely from this area--tea from Ceylon and India, copra and abaca from the Philippines, silk from Japan, jute from Pakistan, and pepper from Indonesia.

Two-fifths of U.S. imports of agricultural products from the Far East come from the Philippines. Imports of farm products from that country were valued at \$277 million in 1963; they exceeded \$200 million in every year but one since 1950. The States of Malaya and India followed in importance. Although Indonesia has lost ground over the past few years, it still sells some \$70 million worth of agricultural products to the United States. Japan also ranks high despite its status as an industrial nation. Silk is the principal item, but canned fruits also make up a considerable value.

#### COMMUNIST CHINA

Communist China's economy, which depends heavily on agricultural production--agriculture accounts for about half of China's GNP--continued a sluggish recovery in 1964. Agriculture registered both spotty gains and losses. Total agricultural production appears not to have regained 1957 levels, and for the sixth consecutive year failed to keep pace with population growth. Food availabilities may be no better than in 1963, and may even be less, despite record imports of grain in 1964.

Government efforts to establish more precise ideological lines as guiding forces for the economy and as incentives for greater peasant cooperation have not noticeably spurred agricultural production. Nevertheless, the regime has displayed firmer control than in any year since 1960/61, although still tolerating most of the concessions adopted during that period to spur economic recovery. As in the past, investments for agriculture are channeled primarily into support industries rather than for immediate productive needs of small farming units. Local improvements therefore depend upon local capital.

Production from private plots continued to increase in 1964, thus making this sector increasingly important, particularly if food shortages should occur in the socialized sector. Production of most industrial crops, particularly cotton, increased but remained below the level of 1957. Some increases occurred in livestock but, except possibly for sheep and goats, numbers remain well below those of 1957. Early grain harvests exceeded those in 1963 as did total rice production. Wheat and potato production about equaled that of the previous year, but reduced acreage, poor yields, and possibly harvest losses of late crops due to unfavorable weather may have spoiled an otherwise good total grain harvest.

The country's foreign trade, which bottomed out in 1962, continued to expand in 1964. Stronger trade ties were made with the West, and there was a sudden upswing in trade with Japan. Major imports in 1964 were grain and industrial factories, while major exports consisted of farm products and manufactures made of agricultural raw materials. A large portion of the manufactures went to the USSR for debt repayment. Attempts at obtaining more

liberal credit continue with western industrial nations. Expanded trade is being sought with Africa, the Middle East, and Latin America. With the country's continuing need for imports of grain, more effort is expected in expanding exports of the type of goods now going to the USSR. The acceptability of such goods by western countries may be a vital factor in the rate of expansion of China's future trade.

### OCEANIA

The high level of economic activity which prevailed in Australia and New Zealand in 1963/64 is expected to continue in 1964/65. There were record foreign exchange earnings in 1963/64, derived chiefly from exports of farm products. But increased expenditures for imports, high freight costs, and other trade invisibles absorbed a large portion of the foreign exchange earnings in each country's balance-of-payments transactions. Some of these same conditions are expected to figure in both countries' balances of payments again in 1964/65.

Net farm income rose sharply in both Australia and New Zealand in 1963/64. Smaller increases in farm income are expected in both areas in 1964/65 due largely to the uncertain marketing conditions prevailing for wool, sugar, wheat, and meat. Prices for most fruit and dairy products are expected to continue favorable during 1964/65.

Agricultural production for the area will likely increase about 1.5 percent (figure 2). With the 1964/65 season, Australia is experiencing its third successive year of record wheat and rice harvests. Increased acreages, heavier fertilizer applications, and favorable moisture and growing conditions in 1964 have resulted in record or near-record output of most crops. Wheat production is estimated at well above the 331 million bushels harvested in 1963/64. Both the wheat and sugar crops have seriously taxed storage and processing facilities in many areas. Only small increases are forecast for New Zealand's livestock products; dairy and wool production are expected to increase slightly while meat output may decline as the result of dry weather and poor pasture conditions in 1963/64.

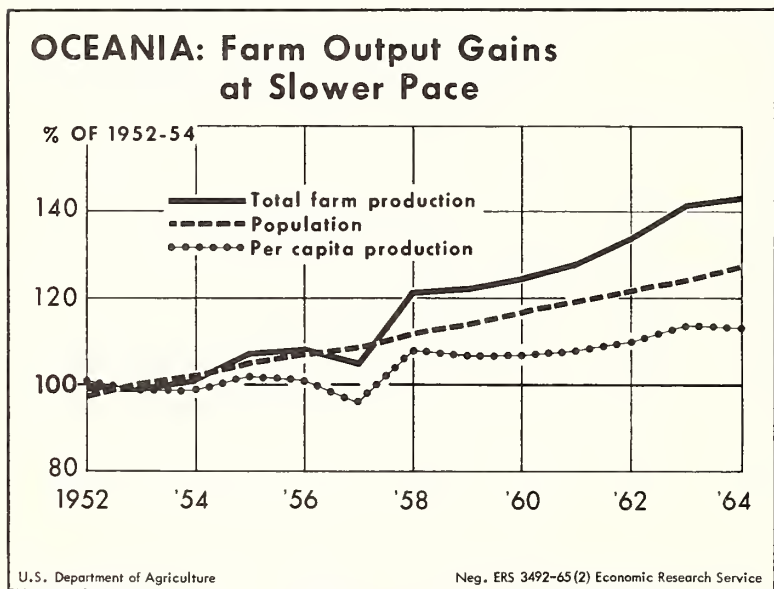


Figure 2



Both New Zealand and Australia are encountering difficulties in adjusting their dairy industries to take advantage of foreign marketing opportunities. Both countries have shifted large amounts of their frozen beef exports from the U.S. market to take advantage of favorable prices which developed in Western Europe and other markets in 1964.

Australia's wheat and flour trade continues favorable in 1964/65, with particularly large sales of grain to Communist China and fulfillment of traditional market commitments. Later in the season, Australia may have trouble in selling all of the current crop because of less favorable marketing prospects. Thus, by the end of the 1964/65 season, Australia may have a substantial carryover of wheat, in contrast to the minimum stocks of the last several years.

# SITUATION

## By Country



### FAR EAST

#### Japan

Economic conditions: The economy of Japan in 1964 continued a long record of growth and strength that now spans 14 of the postwar years. In 1950-59, the growth rate averaged more than 9 percent annually; it was more than 10 percent in 1955-60. Some year-to-year fluctuations have occurred. Business cycles have been noticeable as the economy boomed, then paused for retrenchment and corrections of imbalances. The growth rate dropped below 6 percent in 1962, bottomed out in that year, and returned to around 8 percent in 1963. The rate of expansion for 1964 will not be known for some months, but preliminary indications put it at 8 to 10 percent in real terms. To double national income in the 1960's, a major national goal, the gross national product is planned to increase by an average of 7.8 percent annually; advance so far is ahead of schedule.

Economic strength in 1964 showed up in all sectors, though not evenly, and there were some soft spots. Industrial output, exports, imports, wages, employment, and consumer expenditures all moved ahead briskly and registered strong gains. Demand for consumer goods, spurred by increasing numbers of consumers with more money to spend, added new strength and vigor to the domestic market. Total consumer expenditures in 1964 were estimated to have increased by 12 percent, and much of the increase was among the low income groups, adding additional broad strength to the market.

Stresses and strains that usually accompany high economic activity made themselves felt in 1964. Keeping consumer prices reasonably stable continued to cause concern. The consumer price index (Tokyo) quarterly average (July-September 1964) rose to 126 (1960=100), up 4 points from the same period in 1963. Wages reportedly increased by 10.3 points in 1963 and productivity by only 9.4, failing to keep pace. The industrial production index, seasonally adjusted, reached a high of 172.1 (1960=100) in September. The July-September quarterly average in 1964 was 169.8, up 15.9 percent from a year earlier.

The wholesale price index remained rather stable in 1964. In 1965, consumer prices will face upward pressures. The government is committed to holding down the cost of living, but the task will be difficult. In November

the government raised the consumer price of rice by 15 percent. Also, labor unions were expected to make gains in bargaining for new benefits, pushing wages up further. Labor was becoming scarce and full employment prevailed.

Signs of impending balance-of-payment difficulties late in 1963 led the government to adopt certain precautionary measures. A "tight money" policy and some companion moves intended to discourage imports were applied gradually. Fortunately, exports continued to boom, benefiting particularly from good business conditions in the United States and Europe and purchases from the developing nations. Also, net inflows of long-term capital continued.

Japan's gold and foreign exchange holdings amounted to \$1,757 million on June 30, 1964, a decline of \$121 million in the first half of the year. But by the end of the third quarter, the downtrend in the foreign account apparently had been arrested and the situation considerably eased. Japan appeared to have weathered its fourth postwar balance-of-payments difficulty with only minor effects on the domestic economy, adding to an already impressive record of successful use of monetary policy to correct threatening imbalance in the foreign account. However, the recent problems came hard on the heels of the 1962 trouble and could recur.

The Japanese citizen already enjoys the highest level of living in the Far East and things get better for him every year. Prices are going up, but wages and other income are rising faster. Import demand for more products, for goods of higher quality, and for new items is steadily advancing--important to sellers in the Japanese market who are able to exploit the opportunities. In 1964 Japan reduced restrictions on imports, making sorghums and lemons no longer subject to foreign exchange allocation. Article VIII status under the International Monetary Fund (IMF) was assumed, committing Japan to discontinue restricting imports through foreign exchange allocation. Japan also became a full member of the Organization for Economic Cooperation and Development (OECD). These moves enhanced Japan's progress as a leading trading nation and increased access to the Japanese market.

Prosperity in Japan remains unevenly distributed. Farmers' earnings, though high by Far East standards, are low compared to those in the industrial sector. The lag in farm income is proving difficult as well as expensive to overcome, even though the government is committed to improving the lot of the farm people. Farmers, especially the young, quit farming by the hundreds of thousands every year and go to off-farm jobs. Others live on the farm, but commute to better paying jobs in nearby towns. Farm labor, once abundant, is increasingly scarce and costly. Japan knows that the country's future is in industry and trade, but for the present generation of farmers the transition from rural to urban life creates difficult adjustment problems, economic and social.

Agricultural production: The year 1964 was, for the most part, favorable for Japanese agriculture. The agricultural production index went up from 148 in 1963 to 155 in 1964 (1952-54=100). However, 1963 was not a good crop year for Japan; and part of the 7 point gain represents recovery. Also, the index measures gross production rather than net, in that feed for livestock is not deducted. Nevertheless, Japanese agriculture in 1964 made substantial progress as it has throughout most of the postwar period.

The 1964 rice crop turned out to be a good one though below first estimates. Now estimated at 12,765,000 metric tons (brown rice basis), the crop is about two percent smaller than the record harvest of 1962. Rice accounts for more than 40 percent of farm receipts in Japan. In 1964 the prices paid to rice growers were increased by 13.6 percent, giving the Japanese farmers one of the highest rice support prices in the world. Even so, production seems to be one of regularly good crops rather than one of marked advance. This can put Japan back into the rice importing business on a larger scale than appeared likely a few years ago.

The big gains in 1964 were in the production of wheat, barley, tobacco, and rapeseed. These crops were severely damaged in 1963 by unfavorable weather conditions. The 1964 barley production increased by about 58 percent over 1963. The long-term trend, however, is down. Japanese consumers have sharply cut back on barley consumption, and farmers are reducing barley acreage. Weather damage was more localized in 1964. It involved different enterprises, and total losses were smaller.

A destructive typhoon swept through central Japan in late September. In the most northern of the main islands, Hokkaido, cold weather and unseasonable rains in late September and October damaged crop prospects. Despite the setbacks, however, Japanese agriculture made good gains in 1964.

Production of soybeans registered a further sharp decline in 1964. The crop was down one-fifth from the year before and two-fifths from the 1952-54 average. Although demand is rising, imported soybeans, mainly from the United States, are moving with increasing advantage. Production of pulses, primarily azuki beans and kidney beans, was down sharply in 1964. On the other hand, tobacco production is at a record level.

Changes taking place in Japanese agricultural production, reflecting shifts in consumer demand, continue and can be seen clearly despite the temporary effects of weather. The trend and the course of the future is toward greater production of meat, milk, eggs, fruits, and vegetables. These items show sharp increases reflecting both the changing consumer income effect and government policy. Increased livestock production will provide strong impetus to imports of feedgrains.

Agricultural trade: Japan's imports of foods, beverages, and agricultural raw materials in 1963 reached an alltime record high of \$2,480 million, up almost 30 percent from the previous year and 21 percent above 1961. A shortfall in 1963 production of wheat and barley increased import requirements for these products and contributed to the rapid gain in 1963. But the main overall strength of the market came from the booming Japanese economy with a solid base of growing need for imports. The impact of the poor 1963 wheat and barley crop carried over into 1964, again with some stimulating effect. As in 1963 this temporary condition was not the major stimulant. Japan exported foods, beverages, and raw materials valued at \$404 million in 1963, down by about \$53 million. Most of this decline occurred in the export of fish, but shipments of silk, fruits and vegetables, and tea were also down.

The United States supplied some 29 percent of Japan's farm imports in 1963. During the first 9 months of 1964, Japan's imports of major agricultural commodities from the United States totaled \$559.2 million, up 14 percent by value over a year earlier. Imports of U.S. wheat, corn, grain sorghum, raisins, miscellaneous feedstuffs, tobacco, safflower seed, raw cotton, and beef tallow increased substantially, both in quantity and in value. Hides and skins imports were up slightly in quantity, but lower prices dropped the value below the previous year. For soybeans, the reverse was true. The quantity was down slightly, but higher prices moved the value ahead of the like period in 1963.

In general, 1964 was an excellent year in the Japanese market for American farm goods. A booming Japanese economy, increasing population, rising consumer incomes, and limited farm resources feed the demand for increased imports of farm products. These same forces probably will continue to prevail.

### South Korea

Economic conditions: On December 17, 1963, Korea installed a civilian government. During 1964 the economy and the people's level of living showed some evidence of improving. Both industrial and agricultural production indices rose. The government is grappling with the stubborn problems of achieving and maintaining stability while striving for a strong, sustained growth rate in the economy. Inflation remains one of several barriers. The overall results in 1964 were mixed and inconclusive.

During recent years, economic improvements have been difficult for the divided country to attain, even with generous U.S. assistance. Gains have been small and erratic. The gross national product increased at an estimated average annual rate of 7 percent in 1957-59. But for the next 3 years the rate averaged around 3 percent, only slightly above the annual population increase. Per capita income virtually leveled at less than \$90 per year.

The growth rate in the GNP accelerated in 1963 and showed a 5.9 percent increase over the previous year. Cautious optimism is being expressed that the economy has entered an upswing that will quicken the pace in moving the country forward to the goal of economic strength and self-sufficiency.

Some important economic indicators provide qualified support for guarded optimism. Other indicators underscore how long and how difficult the task will be. On the bright side, industrial production reached 140 in 1963 (1960=100) up 16 points from the previous year. Further industrial gains were made in 1964.

The emerging manufacturing sector, though small, now contributes 12 to 13 percent of the GNP. In the longrun, this sector holds the major key to Korea's economic success. Progress is being made, but not easily.

In Korea as in any underdeveloped country, monetary and import policies intended to stimulate industrial development, a desirable objective, tend to operate at cross purposes with the need to control inflation, maintain sufficient foreign exchange reserves, and generally keep the economy stable. This dilemma and associated problems occupied much of the government's attention in 1964.

Inflation in 1964 prompted a devaluation in the won from 130 to 255 to the U.S. dollar. The more realistic exchange rate should, or so the authorities hoped, make the price of Korean exports more attractive to foreign buyers and discourage imports by increasing domestic prices of imports. Both of these are vital objectives for Korea.

Korea's foreign exchange earnings and expenditures have been badly unbalanced for years. Finding the means to balance the country's international account affords one of the leading challenges. Some slight progress in this respect was made by increasing exports in 1963, when sales abroad increased from \$55 million to \$87 million, a gain of 58 percent. Exports in the first 9 months of 1964 reached \$84 million. The target for 1964 was \$120 million, and actual sales might have approached that figure, but seemed more likely to fall between \$100 million and \$110 million.

Efforts to close the gap between imports and exports showed no firm progress prior to 1964. Imports went up from \$422 million in 1962 to \$560 million in 1963 and the chronic trade deficit rose from \$367 million to \$474 million. Imports in the first 9 months of 1964 amounted to \$284 million with a deficit of \$200 million, suggesting substantial improvement for the year. The ratio of exports to imports was 1 to 3.4 for the period whereas it was 1 to 10 in 1960 and even higher in earlier years. U.S. grants and loans, private transfer payments, and military expenditures have largely financed the trade deficits.

Foreign investors are finding ways to bring money and improved technology into Korea, and if stability can be achieved, this inflow could increase, adding new strength to the economy.

Agricultural production: Despite emphasis on industry and its long-term importance, Korea is still a nation of small farmers. The present state of the economy depends in large part on what takes place on the nation's farms. Keeping a supply of food, particularly rice, at reasonable prices is vital in battling inflation and in maintaining security. The current Five Year Plan aims at self-sufficiency in agriculture by the end of 1966. Crop and livestock production is increasing.

With favorable weather for both early and late harvests, total production of foodgrains in 1964 surpassed the record output of 1961 by 5 percent. The gain over 1963, a good year for rice but a disastrous one for barley and wheat, was much greater. The output of rice, the all-important staple food, neared 4 million tons for a new high in 1964, up 200,000 tons from the previous year. Production of barley, second in importance, was almost 1.2 million tons, far above 1963's 300,000 tons and a shade better than the previous record year of 1961. The output of wheat, a much smaller crop, also returned to normal. All grains showed increases in both area and yield. Sweetpotatoes--eaten unprocessed or converted to noodles, candies, glucose, alcohol, or animal feed--continued a steady gain. No official reports were available, but fruits and vegetables also apparently had a good year. The larger soybean crop resulted mainly from increased yield.

Although nearly ideal weather stimulated yields, other factors also played a part. Korean agriculture is gradually improving and production going up, but so is population. Propagating improved seeds, expanding irrigation,

improving cultural practices, controlling pests and diseases, increasing the use of the fertilizers, and disseminating technical information are the major ways agriculture is being improved.

Agricultural trade: Korea exported food, beverages, and agricultural raw materials valued at \$28.1 million in 1963, about the same as the year before, but nearly \$12 million more than 1961. Fish is a large item in this total. Rice, silk, and live animals are the major farm exports. With good crop production in 1964, exports in 1965 could increase but probably not substantially. Korea has very little export potential in farm products.

Imports of food, beverages, and agricultural raw materials reached \$180 million in 1963, one-third of all imports. The increase of nearly \$80 million from the previous year resulted principally from expanded imports of grain needed to offset the poor rice crop of 1962. Imports of wheat, rice, and barley soared to 1,217,000 metric tons, three times the average level of the previous 3 years. The United States is the principal supplier of farm products to South Korea, and most of the shipments have moved under U.S. Government programs. In 1963 the proportion was 92 percent. The latest aid agreement, signed in March 1964, called for farm products worth \$61.9 million, including ocean transportation. Shipments consisted of cotton, wheat, barley, and tallow. Cotton and wheat are the major imports. If the livestock industry expands, as seems likely, feedgrains from abroad will be needed.

## Taiwan

Economic conditions: Economic and business conditions in Taiwan were generally good in 1964 as the growth and strength of the economy overshadowed any problems and weaknesses. Advances occurred on a broad front and in depth, with benefits widely distributed. Farm families as well as urban dwellers shared in the gains, though not equally. Significantly, 1964 was the sixth year in a row of sustained progress in which the gross national product was expanded at the rate of around 6 to 7 percent annually in real terms.

This achievement has stirred high hopes for the future and convinced observers, including the Taiwanese leaders, that the island has now joined Japan as the second Far East country with a viable economy capable of continuing growth and self-reliance. One of the major events of 1964 was the announcement by the United States that Taiwan could stand alone, no longer requiring U.S. economic assistance. The country would still require some U.S. farm products after 1965 on easy payment terms, but even this will soon be phased out. With the job finished, aid personnel are to leave. Only time will tell whether the optimism is overdrawn. Certainly, the current situation lends much support to the hope that Taiwan has reached a point of self-sustaining economic growth.

Current economic indicators reveal many of the supporting factors on which the optimistic appraisal is based. The economy has grown and the production pattern has altered, broadening the economic base by diversification, adding new enterprises, thus providing built-in strength and stability. Rapid industrialization, led by the textile industry, is challenging agriculture as the leading contributor to national income. Despite steady gains in agriculture,

industry has expanded faster and is the most dynamic sector of the economy. Chinese leadership has become outward looking in seeking foreign markets; recent success has convinced them that Chinese goods can compete and gain foreign customers.

Industrial production went up sharply in 1963, rising from 245.8 in the previous year to 270.6 (1953=100). Agricultural production increased also, but at a much slower pace. Industrial growth was reflected in larger output of textiles, lumber products, metal manufactures, chemicals, cement, and construction materials. Significantly, rapid economic expansion was achieved without uncontrolled inflation. Wholesale and retail prices have advanced, as have wages, but at a rate that has not destroyed economic stability and confidence in the currency. The cost-of-living index went up 3 points in 1963 and averaged 148 (1958=100). Cost of living dropped from 148 in January 1964 to 146 in August.

Economic growth and diversification of industry and agriculture, plus opening foreign markets for Chinese goods, enabled Taiwan to move recently into a favorable relationship in the foreign trade account. This had long been a soft spot in the economic picture. For several years a large gap existed between the country's import bill and export earnings. The deficit was covered largely by U.S. aid. The gap narrowed in 1963, and for 1964 the account will likely show a favorable balance. Exports for the first 9 months ran 36 percent ahead of a year earlier and exceeded imports by almost \$92 million. Some of the rapid gains in 1963, but by no means all, were due to spiraling world sugar prices, which provided a windfall that more than doubled the amount earned from sugar exports the previous year. Many of the gains, however, were solid advances coming from increased exports of textiles and other manufactures. The uncomfortable position of top-heavy dependence on a single export no longer holds. Sugar sales accounted for only 35 percent of the \$370 million worth of exports sold in the first 9 months of 1964.

Closely related to foreign trade are foreign exchange holdings, a measure of the country's ability to meet international obligations. In this important aspect Taiwan's position showed much improvement; holdings stood at \$246 million at the end of 1963, a gain of \$124 million in a 12-month period. Holdings reached \$340 million at the end of September 1964. As an indication of the adequacy of the foreign exchange situation, total imports in 1963 amounted to about \$362 million, including foreign aid and on a c.i.f. basis.

Against this brighter side of the Taiwan picture may be noted several underlying difficulties. Unemployment is a continuing problem. Average per capita income, though rising, was still below \$160 per year in 1964, good only relative to the more depressed countries of the world. In 15 years the population has increased from 7.4 million to more than 12 million. The current growth rate, among the highest in the world, is put at around 3 percent annually. Cultivated land area remains nearly constant, meaning less available farmland per person.

Agricultural production: With a few minor exceptions, Taiwan's harvests were bountiful in 1964. All major crops showed substantial gains over the



previous year. The agricultural production index increased from 138 to 150 (1952-54=100). Part of the 12-point gain represented a recovery from a slack 1963 year, when some crops were seriously damaged by unfavorable weather.

In sharp contrast, weather conditions last year were unusually favorable for planting, growing, and harvesting crops. Typhoons, floods, droughts, unseasonable hot or cold spells that often plague Taiwan did not develop. The important rice and sweetpotato crops, the main food items, yielded record harvests. The sugarcane crop, important to the export interests, rose 5 percent. Good gains were also made in other enterprises.

Favorable weather was not the whole story. Taiwanese farmers and supporting groups, including the government, are steadily improving agriculture. Crop yields are being further increased by adopting modern cultural methods, practicing intensive farming, improving the land and water supply, and increasing the use of mineral fertilizers.

Important to the island's farm economy is the development and introduction of improved varieties and strains of crops and livestock. Mushroom growing, a recent addition, is a notable example of progress. About 50,000 families are growing mushrooms as a profitable sideline. Banana production is also proving a highly rewarding enterprise, so much so that some farmers are diverting rice land to banana growing. Production of vegetables and livestock is also being pushed with vigor and success.

Agricultural trade: Farm exports coupled with U.S. aid have provided an economic springboard for developing Taiwan's industry. Total farm exports amounted to \$105 million in 1962 and \$188 million in 1963. This constituted 57 percent of the island's total exports. Sugar, though declining in relative importance, was still the leading foreign exchange earner, bringing in \$103 million in 1963, about 55 percent of the farm export total. Rice accounted for \$18 million. Tea, bananas, citronella oil, canned pineapples, and canned mushrooms all figured prominently in the export picture. The increased earnings from the mushroom industry have been most dramatic, rising from zero in 1957 to more than \$16 million in 1963. Japan is Taiwan's major farm market. Quantities of rice, sugar, bananas, and other items available for shipment in 1965 should be up again. Rice shipments of at least 150,000 metric tons to Japan were expected.

For a small country, Taiwan is a substantial importer of farm products. Farm imports averaged nearly \$87 million in 1960-62 and reached \$123 million in 1963. The United States is by far the principal supplier; exports of agricultural products to Taiwan averaged \$67 million annually during 1960-62 and totaled \$79 million in 1963. A large part of these shipments (\$60 million in 1963) has moved under U.S. aid programs. Raw cotton for the expanding textile industry plus wheat, soybeans, tobacco, and dairy products are the major farm imports. As the Taiwan economy gains strength, cotton imports are being shifted over to loans and will eventually revert to straight commercial purchases. Other products are expected to follow, eventually making Taiwan a dollar market. The products imported are not grown in significant amounts in Taiwan, so despite the good 1964 crops the need for imports will not likely be reduced.

## Hong Kong

Economic conditions: The phenomenal progress in the economic growth of Hong Kong continued in 1964. The annual rate of growth has been about 10 percent per year during the past 5 years; individual incomes have increased significantly. The population, estimated at 3,642,500 at the end of 1963, has increased by 37 percent since 1958. Exports are up 60 percent and re-exports up 90 percent from 1958. The number of registered factories has increased 60 percent, and the Colony has become one of the most popular tourist attractions in the Far East. Despite this rapid expansion, the government has been able to hold the line on prices. The retail price index (1947=100) rose from 117 in 1958 to 124 in 1963. Bank deposits have increased over 300 percent since 1958, and loans to commerce and industry have gone up even more. Prospects for continued growth are good.

The level of consumption per capita continues to expand despite the rapid rise in population. Average per capita income in 1963 was estimated at about US\$400, among the highest in Asia. The distribution of wealth, however, is quite uneven. Employment is high, and unemployment is only slightly over 1 percent.

Industry has replaced entrepot trade as the major economic support and provides the greater portion of the livelihood for the population. It was developed with a minimum of government direction and without centrally directed plans.

Agricultural production: Hong Kong imports essentially all of its food. The value of food products produced in 1963 was but 10.5 percent of the value of net food imports. Traditional crops, particularly rice, are giving way to high value crops such as vegetables, sweetpotatoes, and pond fishing enterprises. Production of most food crops was down significantly in 1963 from previous years because of the long dry season. The production of poultry also was down, but the production of pigs, which is developing into a major farm enterprise, increased rapidly, up more than 133 percent from 1961. Agricultural production in 1964 probably increased substantially over 1963 mainly because of better weather conditions.

Agricultural trade: Hong Kong is the third largest dollar market--after Japan and the Philippines--for U.S. farm products in the Far East. The average annual value of U.S. agricultural products imported by Hong Kong since 1959 exceeds \$43 million and represents about two-fifths of Hong Kong's total imports from the United States. Principal imports of U.S. farm products include cotton, tobacco, meat and meat preparations, fruits and vegetables, vegetable oilseeds, and ginseng. During the first 6 months of 1964 the United States replaced the United Kingdom as the third most important supplier of products in the Colony's trade, behind Communist China and Japan, and continued in first place as the Colony's major foreign market. Greater local demand for U.S. raw cotton, plastic raw materials, tobacco, and fruits largely accounted for the increased imports from the United States, which showed a 39 percent gain over the total for the January-June period in 1963.

## Philippines

Economic conditions: The Philippine economy and the long-term development program moved slowly ahead in 1964. Proposed legislation intended to speed the advance died in a deadlocked congress. Although recently established manufacturing plants won their drive for reduced taxes and lower import duties on needed raw materials, tight credit restricted expansion of production.

With congress recessed in the last quarter of 1964, the general fund neared bottom. Advances from the central bank permitted the national treasurer to meet cash obligations, but borrowings were reported getting close to the statutory limit. Also disturbing were speculative reports that the stability of the peso was in danger.

A substantial gain in the gross national product in 1963 was acclaimed. But in the same year the population climbed 3 percent and the cost of living went up 8 percent. Despite its goal of becoming self-sufficient in the production of food crops, the government had to import 250,000 tons of rice in 1963 and 300,000 tons in 1964.

A lively debate on how to reduce concessions granted in the U.S.-Philippines Trade Agreement spiced the business scene during much of 1964. Extension of the parity treatment of U.S. businessmen after termination of the agreement was generally opposed. This parity provision permits Americans to engage in development of natural resources and operation of public utilities--two fields otherwise reserved for Filipinos. Support mounted for nationalization of all industrial and commercial enterprises--not just retail. Leaders of this movement favored the establishment of joint ventures controlled by domestic interests. A plan to lease a huge tract of government land to a U.S. firm--to grow bananas for export--raised a storm of protest in Manila newspapers, although Philippine investors were to have a minority interest. The plan was shelved.

Exports of copra and coconut oil, sugar, timber, and abaca continued to earn the bulk of Philippine foreign exchange in 1964. A record \$727 million in total exports in 1963 established a favorable trade balance--\$40 million--for the first time in the history of the young republic.

Total trade continued at an accelerating pace in 1964, but an adverse balance developed in the first 6 months. Low prices received for sugar contributed to this difficulty. Despite a high level of imports, customs collections fell behind revised targets.

Although hampered by lean appropriations, the administration of the land reform program took a long step forward by establishing a handful of test areas where the program can be activated on a pilot basis to iron out kinks in the law and to provide experience for the men expected to direct an expanded professional staff. The new land law is designed to ease rural poverty by: (1) helping both landlords and tenants to make maximum use of their resources, (2) establishing owner-operated farms of economic size, and (3) encouraging landlords to shift capital tied up in idle land to industrial projects.

Agricultural production: Low agricultural yield continued as the main obstacle blocking the Philippine goal of attaining self-sufficiency in the production of food for its rapidly rising population. In 1963/64 the average output of rough rice was less than 1,100 pounds per acre, low compared with almost 1,600 pounds in neighboring Indonesia and more than 2,000 pounds in the States of Malaya. Corn, the second most important food crop in the Philippines, yielded but 580 pounds per acre; in Indonesia 950 pounds, and in Thailand 1,790 pounds. Government efforts to increase irrigation facilities, fertilizer supplies, production credit, and extension education in improved cultural techniques--all have been hampered by fund shortages.

Thanks almost entirely to more abundant rainfall, the production of rice in 1964 was expected to climb about 4 percent over the disappointing 1963 output. This gain was believed insufficient to carry through the lean months preceding the next main harvest in the autumn of 1965, and more imports were in prospect. Although the population went up about 10 percent since 1961, the 1964 rice crop gained scarcely 2 percent over the period.

A very slight increase in the production of corn was too little to ease the prospective shortage of domestic food supplies. The crop failed to keep pace with the population advance. Meantime, corn was in increasing demand as a feedgrain for livestock.

The livestock industry continued a steady expansion. Meat production in 1963 was 5 percent higher than in 1962, and a 6 percent advance was anticipated for 1964. Hogs, which provided more than 70 percent of the meat, sparked the advance. However, the new cattle dispersal act, if implemented, could stimulate future production of beef. The act provides for tax-free importation by the government of breeding cattle for distribution to farmers who will pay for them by turning in the first 2 calves.

Domestic production of dairy products remained low. The output of eggs, which went up 6 percent in 1963 from the year before, was expected to make an equally good gain in 1964.

Root crops, especially cassava, and green vegetables and beans were expected to do better in 1964. Total production of fruit, because of loss of bananas blown by typhoons, probably was about the same as in 1963.

Coconuts and sugar, the Philippines' two most lucrative commercial crops, each went its own way in 1964. Shortage of rainfall in important growing areas cancelled an increase in the number of bearing coconut trees and the production of copra fell below 1963. Sugar, growing on more land than ever before, headed towards a new production record. Large areas of rice land were converted to sugarcane in 1963 to cash in on U.S. nonquota allocations and high prices. The new land reform law also stimulated the shift to sugar, since areas in cane are not included in lands subject to expropriation for leasing to tenants. A severe typhoon late in 1964 was expected to reduce the 1965 production of both sugar and coconuts.

Agricultural trade: As 1964 neared an end, Philippine business, under government coordination began a comprehensive evaluation of the advantages and

disadvantages of the Laurel-Langley Trade Agreement. This agreement, which took effect in 1956, scheduled a sharp reduction in U.S. tariff preferences and duty-free import quotas on Philippine goods beginning January 1, 1965. On that day the U.S. duty on all nonquota imports from the Philippines doubled from 20 percent to 40 percent of the full duty. At the same time, the Philippine duty on imports from the United States rose from 75 percent to 90 percent of the full duty.

A favorite target of those seeking early modification of the agreement was the U.S. schedule for reducing the duty-free quota on Philippine coconut oil, a top earner of foreign exchange. The Philippines filled a 160,000-ton quota in 1963 and 1964, and were faced with only a 120,000-ton quota in 1965. Some business interests on both sides of the Pacific seek more favorable tariff treatment of both coconut oil and copra so the products may stay price competitive in a world turning more and more to substitute products. Worldwide exports of Philippine coconut oil increased slightly in 1964, at least partly offsetting a decline in shipments of copra.

The year 1964 frazzled the nerves of sugar growers, processors, and exporters. The price of sugar in the United States, which takes practically all Philippine sugar exports, fell steadily from a January average of 9.3 cents a pound to 6.1 cents in November. The Philippines delivered its 1964 quota and proration commitments of 1,184,000 short tons of sugar to the United States but still had a surplus of 300,000 tons left over from its record harvest. At year-end, how to dispose of this surplus was a problem, since estimates of U.S. sugar requirements from the Philippines in 1965 were down 134,000 short tons from 1964, while world prices of less than 4 cents a pound were the lowest in 2 years.

Mostly because of heavy shipments and high prices for sugar in the U.S. market, the aggregate value of 1963 agricultural exports rose 45 percent over 1962. Agricultural commodities made up 59 percent of all Philippine exports; about two-thirds of them went to the United States.

The value of agricultural imports went up 4 percent in 1963; about 41 percent of the value came from the United States. Wheat and wheat flour, dairy products, raw cotton, and meat were the principal imports. The U.S. share of the raw cotton market declined from 1962, but this loss was offset by an increased share of the wheat market. The United States continued losing ground in the dairy products market to the Netherlands in condensed and evaporated milk, and to Australia and New Zealand in dry skim milk. No improvement in dairy exports is anticipated unless U.S. prices become more competitive.

U.S. marketing opportunities received a boost from passage of legislation permitting Philippine dealers to import 1 kilo of flue-cured and burley blending tobacco for every 4 kilos of domestic Virginia-type tobacco purchased and exported. The old ratio was 1 to 9. The recent tax exemption for the textile industry and a stepped-up government drive against textile smuggling also could benefit the market for raw cotton by encouraging increased local production of cotton goods.

The Philippine congress passed a special act authorizing the importation of 300,000 tons of rice to avert a threatened food shortage in the fall of 1964. The measure also was designed to neutralize an expected price rise which might stimulate a general inflationary trend. Most of the rice came from Thailand and Burma, with 75,000 tons from the United States under P.L. 480, Title I. With a continuing shortage anticipated, President Macapagal in a visit with President Johnson obtained a U.S. commitment for 100,000 tons of rice in 1965 in exchange for local currency. The United States also agreed to send the Philippines 25,000 tons of some other grain on a grant basis for the relief of typhoon victims.

## Indonesia

Economic conditions: The ailing economy of Indonesia generally weakened somewhat in 1964. Scattered gains were dissipated in the surge of a fast rising population, the dizzy spiral of uncontrolled inflation, diminishing industrial production, and the costly confrontation with Malaysia.

Almost half of government expenditures were based on deficit financing in 1963, and printing presses nearly doubled the money supply. Fiscal conditions continued to deteriorate in 1964. In the year following President Sukarno's proclamation of an aggressive policy of confrontation with Malaysia, retail prices of food and basic necessities in the nation's capital soared 160 percent while the value of the rupiah, in terms of ready convertibility, dropped from 1,050 per U.S. dollar to 3,000. Interest and repayments on growing overseas debts required a staggering share of Indonesia's vital foreign exchange earnings. The population recently passed 100 million and is increasing more than 2 million a year.

The unfavorable economic situation was aggravated by partial paralysis of the transportation system. Half of the roads were said to be unusable by motor traffic. Half of the trucks and buses were inoperative. Half of the ships which link the many islands were out of commission. Rail movements slowed to a crawl. Trouble was blamed on shortages of spare parts and maintenance equipment. The confrontation policy, proclaimed in September 1963, banned the use of Singapore coastal vessels which traditionally carried a large portion of the cargoes to and from the small outlying ports.

In a flurry to rebuild before total collapse of the distribution network, Indonesia in 1964 signed more than \$50 million in foreign contracts for road construction equipment, trucks, locomotives, rails, railroad cars, inter-island freighters, tankers, and ship repair facilities. Most of the contracts were based on existing credits, a large share from the Soviet Bloc.

In midsummer the Netherlands government announced it would guarantee \$27.5 million in commercial credits. This marked the first real thaw in the icy Indo-Netherlands relations since the Dutch were driven from the islands in 1958. Also noteworthy was a contract signed by Japanese interests to build a \$12 million sugar mill and refinery. The investment will be recovered through a 40-60 production sharing agreement which may set a pattern for future joint ventures.

Indonesia's raids on Malaysia, takeovers of the vast agricultural estates which had been under British management for more than 100 years, and increasing displays of antagonism to the United States reduced the prospects for new private investment capital from the West. Just as 1964 ended, President Sukarno announced withdrawal from the United Nations and its affiliated agencies. This move, reportedly encouraged by Communist China and opposed by the Soviet Union, may cost Indonesia \$50 million in public health and educational assistance, food grants, supplies, equipment, and technical aid.

A slow and painful improvement of the trade balance was sought by slight increases in overall exports and by restriction of imports, including even raw materials, machinery, and spare parts needed for the support of the nation's infant industries. In consequence, these industries were reported operating at but 30 percent of capacity in late 1964.

Fortunately for Indonesia, almost 80 percent of the people--the peasants--live for the most part outside the money economy and suffer little from its gyrating pressures. Also, the oil fields operated by foreign interests and the large self-contained agricultural estates seized from the Dutch seem relatively immune to the spreading economic erosion. However, exports of oil, which were strong in 1963, began falling in early 1964.

Agricultural production: Although a rare midseason dry spell threatened the 1964 rice crop, late rains nurtured a delayed harvest comparing favorably in volume with that of 1963 but falling substantially below the record of 1962. During the 3 months of mounting anxiety, panic buying and hoarding doubled the price of rice in the big cities. Numerous food-deficit areas developed on Java; and in some communities hunger was reported widespread. A quarter of the rice ration of civil servants and a slightly greater portion of the larger military ration were temporarily replaced by corn. Many ration recipients received less than their allotments. Later, as news of the better-than-expected harvest spread, rice prices fell but only to a level which still reflected the forces of inflation, and the ration changes were forgotten for the moment.

Uneven distribution of rainfall, rodent damage, and a reduction in planted area dropped the 1963 production of corn more than 15 percent below the 1962 record. To ease the pinch of the chronic rice shortage, the government in 1964 launched a concerted corn expansion drive. Goals for area planted were raised, higher yielding seeds--developed by U.S. technicians--were distributed, efforts were made to increase the availability of fertilizer, and rodent control measures were initiated. Preliminary estimates indicated that 1964 corn production made good gains but fell short of high government targets.

With farm production of food crops unable to satisfy the needs, all sectors of the population were rallied to grow something for themselves. City dwellers were given seeds and asked to plant them wherever they could. Estates worked up their unused and reserve lands and interplanted rubber and other commercial crops with corn, dryland rice, and vegetables.

The production of rubber, Indonesia's top money crop, fell sharply in 1963, with output 15 percent below 1962. Early reports for 1964 indicated a slight recovery. Continuing failure to replace overaged trees was aggravated by the disruption of marketing channels following launching of the confrontation campaign.

The same dry spell which delayed the rice harvest was expected to cut 1964 production of sugar below the 1963 level despite government efforts to stimulate a much larger output, in hopes that some could be exported. To make sugar growing more attractive, the government authorized a large increase in the wholesale price of sugar in mid-1963 and another boost in September 1964.

Agricultural trade: In recent years, Indonesia has been the world's largest importer of rice--about 1 million tons annually. In mid-August of 1964, President Sukarno announced Indonesia would sign no new contracts for foreign rice and exhorted the people to eat more corn, sweetpotatoes, and tapioca. (Presumably, long-term agreements with Thailand and Burma for around 500,000 tons of rice a year will remain in force.) Reaction was immediate. The price of the poor man's second quality rice--just down from the exorbitant early Spring scare level--jumped from 160 to 230 rupiahs per liter in 10 days. And despite government threats of severe punishment for speculators and profiteers, the price stayed up.

Much of the government procurement to supply its rice ration obligations has come from imports. Following the apparent decision to eliminate about half the imports, the Indonesian food board issued regulations to conserve the restricted supply. It formalized the substitution of corn for 25 percent of the rice in the modest ration of civil servants working in cities or rice deficit areas, but it reduced the substitution of corn in the large military ration from more than 40 percent to approximately 20 percent. Civil servants in rice surplus areas will get cash allowances instead of rations, thus losing their previous immunity to erratic price rises. The food board also withdrew the government guarantee of rations to employees of state enterprises and vital industries.

The last shipments of U.S. rice--38,000 tons--were unloaded in Indonesian ports in early 1964 as obligations under a long-term P.L. 480 program were completed. Before the start of Indonesia's campaign against Malaysia, these shipments had been running more than 200,000 tons a year.

Confrontation and its ban on trade initially slowed to a trickle the usual flow of Indonesia's smallholder-grown rubber to Malaya for processing, grading, and packing for shipment to consuming countries. Immediate efforts were made to divert this rubber directly to the final markets, principally in the United States and Europe. As time passed the movement of crude rubber to Malaya gradually resumed through devious channels--smuggling, off-loading of cargoes documented for delivery elsewhere, and transshipment from ports of original destination, especially Hong Kong.

Total rubber exports, Indonesia's leading earner of foreign exchange, declined substantially in 1963, but showed signs of firming up in 1964. Losses of volume in shipments to Malaya and the United Kingdom were partially offset as Communist China warmed its relationship with Indonesia by tripling its purchases of rubber. Exports to the United States increased substantially, but the low and uneven quality of much of the rubber brought rejection of some shipments and claims for adjustment.



Exports of coffee, tea, tobacco, palm oil, and copra recovered slightly in early 1964 from the low levels of corresponding months in 1963. Losses were registered by sugar, molasses, palm kernels, hard fibers, cinnamon, pepper, nutmeg, tapioca, and peanuts.

### South Vietnam

Economic conditions: The political uncertainty and many governmental changes coupled with the increasing insurgent activity during 1964 hindered and depressed the agricultural and business conditions throughout the country. Internal movement of goods was hampered by sabotage and the temporary cutting of land transportation, resulting in a slowdown of industrial output as well as widespread shortages and accumulation of excessive inventories.

The cost of living in Saigon, as measured by the government price indexes at the end of the third quarter of 1964, rose less than 1 percent from a year earlier. Modest fluctuations occurred during the year in response to seasonal changes in food availability. Prices in the countryside are independent of Saigon prices and are affected primarily by local supply.

Also at the end of the third quarter of 1964, gold and foreign exchange holdings were approximately \$152 million, down \$20 million from the same period a year earlier.

Agricultural production: The Republic of (South) Vietnam, despite the insurgent action of the Viet Cong and its harrassment of the peasant, has managed to maintain agricultural production and keep the country's economy on a reasonably stable basis.

The stepped-up counterinsurgency program, which includes economic as well as military revitalization, has aided farm production by making available additional amounts of fertilizer to farmers. The production of rice, the principal crop, was expected to reach about 5.3 million metric tons during the 1964/65 crop season. Tropical storms in central Vietnam and activity of insurgents decreased the amount of rice available for export during 1964.

Rubber is the most valuable agricultural product for export. Production of almost 80,000 metric tons a year has been maintained since 1959, despite Viet Cong activities. Most rubber plantations are in heavily infested Viet Cong areas, and the latex has to be transported over many miles of roadway, affording many opportunities for ambush. Other major crops are sugarcane, fruit, vegetables, and corn for feed.

Agricultural trade: Imports of all commodities in 1963 were valued at \$286.2 million, nearly four times the level of exports. During the first half of 1964, imports were up about 6 percent from the year before. Exports, on the other hand, fell one-third, mainly because of a sharp reduction in rice exports. Rice shipments in 1963 reached 323,000 tons, a near record; 1964 exports are not expected to exceed 50,000 metric tons. Rubber exports in 1964 decreased slightly from the previous year. Weak world prices for rubber also

accounted for lower revenue from exports. Other commodities are minor in South Vietnam's export trade. Some, such as peanuts, cassia, duck feathers, and coffee, were larger in 1964; in some cases their value was double that of 1963. France remained the best customer for Vietnamese products, followed by West Germany, Japan, and the United Kingdom. U.S. imports from South Vietnam were valued at \$2,375,000 in 1963, scarcely more than half the level of a few years earlier. The decline occurred primarily as a result of a cutback in rubber purchases.

More than half the value of Vietnamese imports comes from the United States and Taiwan; France and Japan are also major suppliers. U.S. exports of all commodities to South Vietnam reached \$115 million in 1963, double the level of 1960. Agricultural commodities accounted for one-third of the 1963 total. Condensed milk, cotton, flue-cured tobacco, wheat flour, wheat cereal foods, and corn were the principal items. For nearly a decade, virtually all U.S. agricultural exports to South Vietnam have moved under Government programs.

### Cambodia

Nationalization of banks, foreign trade, and industry was partially completed during 1964. State enterprises, created to take over the nationalization of the economy, are as yet not fully operational.

U.S. military and economic assistance programs were terminated early in 1964, soon after the Cambodian chief of state rejected all U.S. aid. Additional aid agreements were signed by Cambodia with France and Mainland China to help fill the gap.

Agricultural production made a further moderate increase in 1964. Adverse weather conditions for rice in 1961 and for corn in 1963 resulted in a temporary reduction in their output for those years. By the end of 1964, rice, the major crop, was estimated at about 2.7 million metric tons of paddy for the 1964/65 crop year. This was about the same amount produced during the previous season. Of the 2.7 million tons, about 1.5 million are needed for internal food use. Exports of around 500,000 tons (325,000 tons milled basis) were expected during 1964, while the remaining amount was utilized for seed, feed, and industry or was lost during harvest, transporting, and storage.

Gold and foreign exchange holdings in August 1964 were \$90 million, or the equivalent of the value of one year's imports. The chief sources of Cambodian imports were Japan, France, and Hong Kong with an increasing amount from Mainland China and other communist countries. Exports to communist countries in Asia and East Europe increased also. Sales of Cambodian agricultural products were mainly to France and the franc zone, Hong Kong, and Singapore. Rubber, rice, and corn were the principal exports with smaller amounts of pepper, palm oil, tea, and jute.

During the first half of 1964, Cambodia exported goods valued at \$50.2 million and imported goods worth \$38.4 million. In comparison with the same period in 1963, both exports and imports dropped about one-third. The only agricultural imports noticeably curtailed were fresh and canned vegetables and fruit.

Trade between the United States and Cambodia is declining as diplomatic relationships between the two countries have been strained since cancellation of U.S. military and economic assistance. The United States imported \$6.2 million worth of products, mostly rubber, from Cambodia in 1963, while exports were about \$9.1 million. Less than 10 percent of U.S. exports were agricultural products. The principal items were condensed milk, tobacco, and wheat flour. Most of the U.S. agricultural exports have moved under Government programs. These shipments declined from \$2.4 million in 1961 to \$491,000 in 1963.

The United States slipped from the third largest supplier of Cambodian imports in 1963 to sixth or seventh place during the first half of 1964. The United States also stood in about seventh place as a purchaser of Cambodian products, mostly rubber.

### Malaysia

Economic conditions: The foundation of the Malaysian economy--natural rubber--was severely shaken as prices in world markets fell almost 20 percent during 1963. High prices for tin and increased production eased the blow. The rubber industry normally provides 30 percent of the nation's employment and 60 percent of the value of all exports. The New York average monthly prices fell from 29.0 cents a pound in January 1963 to 23.4 cents in January 1964, when the trend was reversed.

Although prices recovered slowly from the January low, the average for the first 9 months of 1964 was 1½ cents below the 1963 level. The price fall was attributed not only to the intense competition of synthetics but also to a near freeze of heavy Soviet buying following proclamation of Indonesia confrontation against Malaysia.

Despite reduction of revenue, the governments of Malaysia and its commercial center, Singapore, continued to push their industrial and agricultural development programs with almost undiminished vigor. Although the mounting expense of security measures may force retrenchment, both federal and state officials seemed determined to keep building the foundation of a stronger economy just as long as possible.

Establishment of scores of new factories, refineries, and mills--many with the help of foreign capital and technical assistance--went far to offset financial and job losses resulting from stoppage of normal trade with Indonesia. More than 200 new plants have been granted pioneer status, making them eligible for government credit and initial freedom from taxes.

A string of government-built industrial estates, circling Singapore Island and stretching up the west coast of the Malay Peninsula, churned with activity. New installations under construction or already in production on these estates ranged from a potato chip maker to a \$50 million chemical complex backed by a large British concern. U.S. oil firms are investing \$40 million in new processing, storage, and distribution facilities; one will produce ammonia. Japanese, Australian, and Hong Kong interests have committed themselves to a wide assortment of promising joint ventures with local businessmen.

A building boom unique in that part of the world--Singapore alone was completing a low-cost public housing unit every 40 minutes--provided a boom market for fledgling enterprises producing cement, reinforcing bars, construction steel, plywood, bricks, ceramic roof tiles, vinyl floor tiles, steel pipe, paint, wire, insulated cable, nuts and bolts.

A new tariff advisory board visited all parts of Malaysia and began hearings to determine which industries and products are to be protected by instituting a tariff on imports. In support of increased defense expenditures budgeted by Malaysia for 1965, the government proposed new taxes to bring in an additional \$50 million. Costs of development were expected to create an overall deficit of about \$175 million which would be financed both by borrowing and by use of government assets. The government estimated that the Malaysian gross national product rose 7 percent in 1964 and predicted that losses in gross foreign exchange reserves will be held below \$35 million.

Agricultural production: Exceptionally dry weather at just the wrong times in some areas and floods in others cut the 1964 rice crop more than 10 percent from the peak 1963 level in the States of Malaya. Early droughts delayed land preparation and planting; other dry spells in midseason retarded growth. In one normally rich growing area 40,000 acres of stalks bore no grain.

The loss stimulated action on the government program to improve and extend irrigation and drainage facilities. The setback also strengthened the drive to double the area planted in a second crop from 50,000 acres to 100,000 acres. To overcome the unpopularity of the starchy variety ordinarily grown in the second crop, a new type of tastier rice, developed in cooperation with Japanese scientists, is being distributed to farmers.

To increase the main rice crop, the government is replacing more than 100 varieties of traditionally-grown seeds with 20 higher yielding varieties. Also, a 10 percent subsidy for fertilizer purchases is being made available to rice farmers throughout the country. Previously this subsidy was limited to selected areas.

Despite the generally unfavorable weather, mainland Malaysia's hardy, well-tended rubber trees produced a record volume of latex for the seventh year in a row. Most of the gains were credited to scientific development of superior high yielding trees. Little more than a generation ago, 400 pounds an acre was considered good. In 1964, as some of the best commercial plantings neared 2,000 pounds an acre, researchers revealed that they were getting 3,000 pounds from test stands which had not yet reached full maturity.

Since production costs fall as yields rise, the Malaysian government is encouraging estate operators and smallholders to replace low yielding with high yielding trees. With liberal government subsidies, 67,000 acres of improved stock were planted in 1963, and the 1964 level was expected to be equally high. Almost 60 percent of the estate land has been replanted, but smallholders are acting more slowly.

The uneven distribution of rainfall made a poor year for coconut growers and copra producers. Despite an increase in area, production of palm kernels and palm oil barely held their own. The harvest of sweetpotatoes, bananas, and pineapples rose slightly.

Scientific feeding of livestock and poultry made some progress, but the output of meat and eggs registered only minimal gains. Government development efforts concentrated on the introduction of improved fodder crops suitable for the relatively poor lowland soil along the east coast of the peninsular states.

Agricultural trade: The United States in the first 9 months of 1964 lost its position to Japan as the leading market of Malayan exports. Soviet Russia, with a drastic cut in rubber purchases, dropped from third to fifth place while the United Kingdom and Hong Kong moved up. As a supplier of Malayan imports, the United States clung to the fifth spot with Australia just behind and gaining ground. Leading suppliers were the United Kingdom, Japan, Thailand, and Red China.

Total imports and total exports each declined about \$200 million from the corresponding 9 months of 1963. This decline corresponded closely with the trade loss resulting from Indonesia's severance of all commercial relations with Malaysia. Although the gap between imports and exports appeared to be narrowing, Singapore was heading towards another trade deficit. A surplus in the States of Malaya and Singapore's normal trade invisibles were expected to go far towards offsetting the deficit.

Russia, taking 198,710 long tons, moved ahead of the United States as the leading world buyer of Malaysian rubber in 1963. At year-end Soviet purchases came to an unexplained halt, then resumed at a much lower tempo. By the end of the first 8 months of 1964, Russia's 45,880 tons occupied fourth place after the United States (81,140 tons), United Kingdom (77,860 tons), and West Germany (63,660 tons). Japan was just behind with 43,150 tons. Red China, which bought almost 10,000 tons in 1963, dropped out of the market and switched its buying to Indonesia.

U.S. exports of agricultural products to Malaysia in 1963 fell to \$11.4 million, almost \$1.8 million below the 1962 level. A large drop in sales of tobacco, rice, coffee, ginseng, and other minor commodities was partially offset by gains in exports of poultry, fruit and fruit products, vegetables and vegetable sauces, and dairy products. Outstanding gains were made by fresh apples--90 percent--and fresh and frozen chickens--50 percent. Exports of canned vegetables, fresh citrus fruit, orange juice, and nonfat dried milk also showed significant advances.

Singapore's infant textile industry--only 2 years old and growing fast--has recently had trouble marketing its products.

Exports of piece goods and garments to the United Kingdom soared from near zero to \$0.5 million in the last 6 months of 1963 and on up to \$2.5 million in the first half of 1964. Singapore, which shared Malaysia's membership in the Commonwealth, had no positive quota; and most of the garments were made from cloth shipped in from Hong Kong which already had exhausted its own marketing

allocation. Britain applied the brakes. The State of Singapore responded with blanket restrictions on a wide range of imports from the United Kingdom. Following urgent discussions with British and Malaysian officials, Singapore canceled the restrictive measures pending conclusion of negotiations.

Another jolt to the commercial sector was Singapore's ban on the traditional barter trade. When Indonesia shut off conventional trade with Malaysia as part of its confrontation policy, heavily laden barter boats continued to ply the sheltered seas between parts of Sumatra and the nearby Rhio Islands and Singapore. Daily 50 to 150 small craft, mostly ancient sampans with modern outboard motors, slipped into Singapore to unload crude rubber, copra, coffee, spices, vegetables, firewood, and fish in return for rice, provisions, building materials, household goods, and textiles. The volume of these exchanges was more than 10 percent of the entire normal trade with Indonesia. Officials were well aware that the swarms of boats, constantly coming and going, exposed the whole harbor area to attack. When explosives from three terrorist bombings were traced to the barter boats, the ban was ordered with reluctance.

### Thailand

Economic conditions: During the past few years Thailand has enjoyed a sound financial situation. Government policies aim at further strengthening and diversifying the predominantly agricultural economy. Successful efforts are being made to develop exports other than rice, to build light industries, construct more rural roads, and attract foreign investors.

Though Thailand's merchandise trade balance continues unfavorable, the deficit is more than offset by foreign capital investments and government transfers. Gold and foreign exchange holdings steadily increased during 1964. At the end of July, those holdings were over \$574 million, equal to about one year's value of all Thai imports.

Manufacturing and mining industries continued to increase their output. The production of gunny bags during 1964 reached nearly 50 million bags, the second consecutive year of doubled output. The increasing capacity is providing the Thai farmer a market for his kenaf and also saving foreign exchange which formerly was used for imports of gunny bags. Rising exports of corn, rice, castor beans, and other agricultural products are increasing the demand for gunny bags.

Agriculture's contribution to the Kingdom's gross domestic product is forecast to decline from 36.9 percent in 1964 to 33.2 percent in 1966. All other sectors of the economy are planned to contribute slightly more to the total GNP.

The cost-of-living index for 1964 apparently held at about the same level as it has been since 1962, when it rose to 105 from 101 in 1961 (1958=100).

Agricultural production: Agricultural production continues to expand. The largest corn crop ever, 980,000 tons, was harvested during 1964, as well as another 10-million ton rice crop. Production of most other crops continued upward, except for rubber, burley tobacco, and cassava.

Thai farmers are increasing agricultural production in response to incentives of a more favorable market. New roads are making possible the utilization of land outside the traditional flood areas. One of the most significant trends in recent years is the increasing emphasis on output of upland crops such as corn, kenaf, cassava, sugarcane, castor beans, and peanuts.

Sugarcane production rose rapidly in 1964. The harvest of 5.0 million tons of cane was 43 percent above 1963 and approached the alltime high of 5.38 million tons in 1960. The commercial sugarcane and cassava crops compete for much of the same land and labor in the southeast part of Thailand. Cassava products are facing a declining market for tapioca sales in the United States and higher tariffs for cassava meal in the European Common Market. Meanwhile, demand is strong for centrifugal sugar both at home and abroad.

Rice is still the mainstay of Thai agriculture. Production over the past 4 years has increased at an average rate of about 7 percent per year while population has grown at about 3.2 percent annually. Rice accounts for about two-thirds of the calories in the diet and 35 percent of the value of all exports.

The demand for dairy, livestock, and poultry products continues to increase. During 1964, hog numbers declined 6 percent from the previous year but the number of cattle, buffalo, and chickens increased. Changes in supply of these products are generally reflected in the amount available for export. Export demand for eggs declined slightly in 1963 and 1964, while pricing problems at Bangkok municipal slaughterhouse temporarily slowed down the slaughter and export of pork.

Agricultural trade: Thailand's trade continues to grow. Total value of exports in 1963 was \$469.0 million, about 2.1 percent higher than the previous year. For the first 6 months of 1964, the value of all exports was 24 percent higher than for the same period in 1963. Agricultural products still compose the bulk of all exports. Rice exports of approximately 1.8 million metric tons during 1964 make Thailand the world's largest exporter of rice. With the prospects of another crop as large as the 1963/64 crop, exports of rice should continue throughout 1965 at almost the same level. Corn has become the third largest export item in value. It is surpassed only by rice and rubber. About 85 percent of the corn crop is exported, mostly to Japan. Exports of rubber, cassava, and livestock and forest products declined slightly in 1964. Exports of kapok, castor beans, sugar, and native tobacco continued to increase slightly.

Total value of all imports was \$601.8 million in 1963. In the first 6 months of 1964, imports were 15 percent more than in the same period of the previous year. The U.S. share of Thai imports was 17.3 percent in 1963, agricultural products comprised about 10 percent. Cotton and tobacco are the two main products purchased from the United States.

Thai imports of cotton during 1963 were 9,208 tons of which 72 percent was purchased from the United States. Domestic demand for cotton is increasing as more mills and spindles are being erected. A strong demand for imports of long-staple varieties is expected to continue. Most of the domestic production of cotton is of the short-staple varieties.

## Burma

Economic conditions: The nationalization of the economy, begun early in 1963, is continuing. All banks have been nationalized and all significant wholesale and retail businesses have been taken over and operated by government organizations. The purchase, sale, processing, and distribution of agricultural products are virtual governmental monopolies. This means that prices are fixed by the government agency, and no private individual or business may buy, sell, distribute, or possess these commodities for business purposes.

The purchase of rice from the grower is entirely in the hands of the state-controlled Union of Burma Agricultural Marketing Board. It sets prices paid to farmers and the rates paid to rice millers. Many other agricultural products, especially those for export, are similarly controlled. The government's policy of nationalization has adversely affected farm production and distribution by disrupting traditional patterns. Farmers are now required to deliver their products for sale to government depots; previously, they often sold at the farm to middlemen. Prices offered to the grower by the government are reported to be lower than those previously paid. With the elimination of private traders and millers as purchasers of most agricultural products, farmers have lost their main sources of credit. The government is now the principal source of farm credit, and funds made available to the farmers are inadequate to meet demand. During the past year, shortages of cooking oil and, in some places, rice have been reported.

Agricultural production: Burma's major crop is rice. The 1964 paddy crop decreased by about 1 percent from the postwar high of 8.4 million metric tons in 1963. The production of rice on a per capita basis has changed very little over the past 5 years. Weather conditions are still the major cause of fluctuations in paddy output. Production of most other crops and livestock products has, like rice, continued to advance steadily along with population.

Two crops, wheat and kenaf, have been successful in the agricultural expansion programs of the Burmese government. Wheat production jumped from 15,000 tons in 1962 to 40,000 tons in 1964, permitting decreased imports of wheat flour. Kenaf was introduced into Burmese agriculture in 1962. Commercial production in the past 2 years has been over 20,000 tons annually. Kenaf is used by the Burmese Jute Mill for manufacturing gunny bags. Output of peanuts and cotton made large gains in 1964.

Agricultural trade: Burmese exports in 1963 exceeded imports by some \$37 million. A similar condition was expected for 1964.



The government controls import products to balance its foreign exchange and to give priority to internal supply requirements. Gold and foreign exchange holdings totaled \$182 million at the end of September 1964, virtually unchanged from a year earlier. Burma imports only small quantities of agricultural products. The major items are milk products, wheat flour, and vegetable oils. The United Kingdom, Japan, India, and Mainland China are the principal suppliers of manufactured goods. West Germany, the Netherlands, and the United States hold smaller portions of this market. The volume of imports is affected by the terms of foreign aid and grants extended to Burma. Japan is the largest supplier, partly because of reparation payments. Mainland China is expected to increase its exports to Burma as a result of the recent \$84 million non-interest-bearing loan extended to Burma.

Agricultural exports contribute more than 90 percent to Burma's foreign exchange earnings, with rice alone accounting for 70-75 percent of the total value of all exports. Burma was the world's leading exporter of rice through 1963 but was surpassed by Thailand in 1964. Total exports of milled rice by Burma in 1964 were expected to reach 1.6 million metric tons, less than in any of the past 3 years.

### Ceylon

After several years in which agricultural production rose 5 percent or more, the past 2 years have seen little if any change from the peak level of 1962.

Food production in 1964 declined about 2 percent below 1962. The output of rice, the basic food of the Ceylonese diet, has held at slightly more than 1 million metric tons of paddy for the past 3 years. With population increasing at a rate of 2.8 percent annually, the index of agricultural production per capita dropped from a high of 109 in 1962 to 105 in 1964 (1952-54=100).

During the first 6 months of 1964, Ceylonese exports rose slightly from a year earlier, but imports rose sharply. Most of the increase was in food products.

Exports, primarily agricultural products, dropped from \$380 million in 1962 to \$363 million in 1963, or about the level of 1961.

The volume of tea exports held steady in 1963, while shipments of rubber and coconut products declined from the 1962 level. Prices received for tea and rubber were less in 1963 than in 1962; prices were higher for all coconut products.

Imports have declined since the alltime high in 1959. In recent years, tighter governmental control has been applied to conserve foreign exchange. Thus, Ceylon has continued to maintain a favorable balance in its foreign trade. The value of exports was \$49 million more than imports in 1963, \$31 million more in 1962, and \$6 million more in 1961.

In 1962, rice accounted for 12.8 percent of the total value of all Ceylonese imports. Other major agricultural imports are wheat flour, sugar, and dairy products.

United Kingdom, United States, Iraq, and Australia are the major markets for Ceylonese tea. Ceylon buys most of its rice from Burma and Mainland China and virtually all its wheat flour from Australia and the United States.

In 1963 the value of U.S. exports to Ceylon and imports from Ceylon increased slightly over 1962. Of the \$34.4 million worth of products imported from Ceylon in 1963, 72 percent was tea and 20 percent was rubber. U.S. agricultural exports to Ceylon in 1963 were \$8.6 million, about three-fifths of the total. The principal farm products shipped to that country are wheat flour, tobacco, milk products, and baby foods. Shipments under U.S. Government programs fell from \$6.7 million in 1962 to \$3.1 million in 1963.

## India

Economic conditions: In the 3 years following 1961, India's population explosion added another 33 million mouths to be fed. In the same 3 years, the production of foodgrains and pulses made one weak gain, then fell back to the 1961 level. Despite mounting imports, the yearly per capita availability of these staple foods fell from 195 kilograms in 1960 to 178 kilograms in 1964. With the bitterly disappointing harvest of the last 3 years, the target of a 30-percent increase in agricultural production by the end of the Third Five Year Plan in 1966 seemed beyond reach.

Linked closely to the grain deficit, the prices of foodstuffs increased more in 1964 than in any year but one since the beginning of the First Five Year Plan in 1951. The price situation was aggravated by an overall expansion of the money supply, hoarding, and restrictions on the free movement of foodgrains from one state to another.

As demonstrations and protest meetings spread, the government acted with vigor. It accelerated the release of government stocks of wheat and rice and opened additional fair-price stores to sell stocks at subsidized prices. It moved to eliminate the restrictions on food shipments from surplus to deficit areas. Police raided warehouses to bring out hoarded stocks. Maximum wholesale and retail prices were fixed.

The government also pushed negotiations for the import of more foodstuffs, although its ability to pay is weak. Foreign exchange reserves have dwindled since the early 1950's and recently have been fluctuating between \$500 and \$700 million. Reserves in mid-1964 were judged sufficient only to cover about 3½ months of average imports, a thin cushion for a country the size of India. Low export earnings and servicing foreign debts accounted for much of the unsatisfactory condition. World demand for India's exports has been slow to expand and prices have not been especially favorable. At the same time, needs have been great for imports of machinery, equipment, and supplies to support industrial development.

India's large trade deficits, more than \$700 million in 1963, have been met and economic development pushed by extensive foreign assistance provided by a consortium of European countries, Canada, Japan, and the United States. About 40 percent of the funds have come from the United States. The Third Five Year Plan called for \$5,460 million of aid, exclusive of foodgrain imports under P.L. 480 sales agreements. A total of \$4,445 has been pledged for the first 4 years of the plan.

National income for the fiscal year begun April 1963 was listed at \$29.3 billion compared with \$28.1 billion in 1962/63, an increase of 4.3 percent. Although the reported increase was considerably greater than in the 2 preceding years, it fell well below the average annual growth rate of 6 percent established as the goal of the Third Five Year Plan.

Some phases of industrial development partially offset the disappointing record of agriculture in 1964. A growing domestic output of railway freight cars and locomotives almost halved the foreign exchange cost of the railway equipment program. Coal production has doubled since 1951, thus easing the general shortage that prevailed during the Second Five Year Plan. Although the output of electric power increased four-fold under the three plans, some needed additional facilities were delayed by the pinched availability of foreign exchange. Between 1962 and 1963 the production of iron ore, steel ingots, and aluminum all made healthy gains.

India's 1964/65 budget includes a number of items designed to encourage private investment, both domestic and foreign. A 10-percent tax rebate will be granted to companies in basic industries with government priority. The corporation dividend tax, which ran as high as 50 percent, has been cut to 25 percent. Income from foreign loans to Indian firms and foreign purchases of Indian securities will be tax exempt. Certain special tax exemptions will be available for foreigners working in India. Taxes on export earnings will be eased.

Agricultural production: India's production of foodgrains--which provide 80 to 85 percent of the calories in the meager diet--has made heartening gains since independence. Output rose from about 53 million tons in 1947 to 82 million tons in 1963, but then slipped back in 1964 to an estimated 81 million tons, about the same as in 1961 and 1962. The 1964 output of principal oilseeds (peanuts, sesame, rape, mustard, flax and castor) was listed at nearly 5.8 million tons, down 3 percent from 1963; unfavorable weather was blamed. Sugar gained nearly 8 percent from 1963 but was still below the record output of 1961.

The 1964 production of commercial nonfood crops was cheerless. Cotton and tea maintained 1963 levels, but tobacco fell off 8 percent and jute was down 4 percent.

The disappointing record of the recent foodgrain crops did not destroy hope for improvement of the critical food situation. Although official, the report indicating a stagnating level of production in 1964 was based on estimates made before completion of late autumn harvests of rice, corn, and millets. These early estimates have on occasion been low and the same may have

been true of 1964. Furthermore, India's overall output of foodgrains since the end of World War II has advanced more often from one plateau to another rather than in a steady trend from year to year.

Most of India's new land suitable for cropping already has been put into cultivation. Hopes for a brighter future are pinned primarily on increasing output per acre by double-cropping more land and by raising yields, which are among the world's lowest.

To attain better yields the government is assigning higher priority to strengthening the extension service to speed the teaching of improved cultural practices to farmers now using methods bordering on the primitive. More water from irrigation projects now in advanced stages of development will ease the blight of recurring droughts. Under a crash program with wide support, domestic production of fertilizer--in chronic short supply--may be increased substantially by establishment of a petrochemical industry tied in with oil refineries already in operation or under construction. For the more immediate future the Minister of Food and Agriculture recently announced a broad price support program to stimulate farmers to greater efforts to grow more foodgrains

Agricultural trade: With domestic production holding within a narrow range, the Indian government launched a drive for greater imports of foodgrains to help feed the rapidly expanding population. The volume received from foreign sources climbed from an annual average of 2.5 million tons during the First Five Year Plan (1951-55) to 4.6 million tons in 1963 and was expected to reach 6.2 million in 1964.

U.S. exports of wheat to India in the first 9 months of 1964 were 3.9 million tons, a shade above the total for the entire previous year. About 90 percent of these exports were under P.L. 480. The United States also shipped rice and corn. Other foreign sources of foodgrains included Australia and Canada for wheat, and Burma and the United Arab Republic for rice. It seemed highly probable that India's grain imports will continue to increase in the next few years even if growing conditions are normal.

To minimize an unfavorable trade balance, India cut nonfood imports 10 percent in 1963 and initiated a vigorous sales campaign which raised exports 14 percent above the 1962 level. Exports of agricultural commodities and products made from them, especially jute sacking and cotton textiles, earned more than 70 percent of India's vital foreign exchange. Tea and jute products headed the export list, both making good gains in 1963. Exports of cotton textiles, which reached a peak in 1958, continued to decline as foreign competition for the Asian and African markets became more severe. With high world prices prevailing, exports of sugar doubled. Even more could have been sold at profit but mounting domestic needs left little surplus to ship abroad. Overall exports of foods and agricultural raw materials (excluding manufactures of cotton and jute) totaled \$759 million in 1963, up \$95 million from 1962 and \$130 million from 1961.

Total imports of foods and agricultural raw materials amounted to \$624 million in 1963, slightly above 1962 but considerably below the \$698 million of 1961. Grains were valued at \$358 million. Next in line were raw cotton, fruits and vegetables, dairy products and eggs, and oilseeds.

#### Pakistan 1/

Economic conditions: Although heavily dependent on continuing foreign assistance, the overall economy of Pakistan moved steadily ahead in 1964. The gross national product, which rose 6 percent in 1963, appeared to be climbing at a slightly accelerated rate in 1964. Industry carried almost the entire load as agricultural production showed little or no improvement from the record level of 1963. Industrial output was stimulated by a liberalized trade policy which eased restrictions on the importation of raw materials and equipment needed by manufacturers and processors to maintain operations at capacity. The revised industrial production index for the first quarter of 1964 was 150, up 18 points from the same period in 1963 (1959/60=100). Pakistan's population of 111 million in mid-1964 made it the fifth most populous nation in the world. The fast rate of growth, estimated at 2.6 percent for 1964, tended to negate many elements of the general economic advances.

Representatives of a consortium of nations and institutions supporting the economic development of Pakistan met in Washington in May 1964 to assess the most urgent needs ahead. They pledged funding and supplies with a value of \$430 million for the 1964/65 fiscal year. This boosted total external assistance for 4 years of the Second Five Year Development Plan to \$1,820 million. About half of the assistance, much of it in the form of surplus food crops, is being provided by the United States.

Continued financial support was made available for the Indus Basin Development which, when completed, will be the largest irrigation system in the world. Other major projects advancing with U.S. assistance include a 120,000 kilowatt hydroelectric plant and the expansion of electric power and natural gas distribution facilities. Private external capital financed a sugar mill, a pesticide plant, a rubber manufacturing plant, a pharmaceutical plant, and a large hotel to attract foreign travelers.

Agricultural production: Early reports indicate that Pakistan's agricultural production in 1964 declined somewhat from the record harvests in 1963. Except for 1963, production per capita has remained nearly unchanged for more than a decade. Average yields in general have remained among the lowest in the world. Government critics contend that no real progress can be expected

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1/ After the index of production was constructed and the accompanying statement was prepared, there were indications that the estimate of Pakistan's 1964 rice crop was being revised upward to a level above the record 1963 harvest. These reports have not yet been fully evaluated, and a new figure cannot be given at this time. If the 1964 crop should equal that of the previous year, the index of agricultural production for Pakistan would be revised from 129 to 134, a drop of only 1 point from the previous year.

until agriculture is given a larger share of the investment in the overall development program. Although some progress has been made in clearing new lands, a recent report on the Second Five Year Development Program showed such essentials as distribution of fertilizer and improved seeds lagging far behind planned levels.

Early estimates pointed towards a drop in output of rice, the staple item in the diet. The wheat crop was good, but it too fell short of the 1963 record. Other grains were off 2 percent from the previous year. Production of oil-seeds--peanuts, cottonseed, sesame, flaxseed, rape, and mustard--was down very slightly from 1963. A late winter freeze sharply reduced the output of sugarcane. Jute continued the decline shown since the high level of 1961. Rainstorms and floods in the Hyderabad area threatened to reduce the overall cotton crop by about 7 percent, although the growing season was very favorable in the northern districts of West Pakistan.

Projections for the Third Five Year Plan set gains of approximately 25 percent as the targets for rice and wheat production in 1970. Since suitable new land for rice is extremely limited and the harvests of wheat have shown no improvement for more than 15 years, prospects of attaining the goals have met with some skepticism.

Agricultural trade: Pakistan's imports continue to grow faster than exports. The imbalance in merchandise trade rose to \$472 million in 1963, nearly double the level for 1960 and 1961. Exports exceeded \$400 million in 1963, but lower levels were in prospect for 1964. Imports for the first 3 quarters of 1964 were at a rate above the record \$889 million a year earlier. Reserves of gold and foreign exchange, \$264 million at the end of September 1964, are maintained only by virtue of substantial foreign assistance.

Food, beverages, and agricultural raw materials make up three-fourths of all exports. Jute is the principal item of this group, 80 percent of the \$306 million total in 1963, but fish, cereals, and hides and skins are also important.

Somewhat less than one-fourth of all imports consist of food, beverages, and agricultural raw materials. This category of imports rose to \$210 million in 1963, sparked by the sharp increase in need for foreign foodgrains. Oils and fats constitute the next largest item of imports. Also important are fruits and vegetables, sugar, spices, tobacco, rubber, cotton, and wool. Most of this category of imports comes from the United States--virtually all under Government programs. U.S. exports of wheat to Pakistan increased from 121,000 tons in 1952 to 700,000 tons in 1958, exceeded 1 million tons in 1960 and 1961, and reached nearly 1.9 million tons in 1963. For the first 9 months of 1964, shipments totaled 914,400 metric tons, an annual rate of 1,220,000 tons.

Economic conditions: China's domestic economy continued a sluggish recovery in 1964. Having plunged to its lowest point under the communists in 1961, the economy made but slight improvement in 1962, gained momentum in 1963, and continued upward in 1964. Even so, 1964 appeared to be little better than a year of adjustment and balancing compared with the official description of "recuperation" for 1963. The level of the economy, which depends on agriculture for roughly half of its GNP, likely is little if any higher than the levels of 1957 and 1958. Per capita supplies of necessities, although significantly above the bare survival level of a few years ago, are still much below those before the "leap forward" period.

Following the economic upturn in 1962, dominant elements of economic policy have included national self-reliance, agricultural priority, adjustment and balance, gradualism, birth control, and centralization. During 1964, the regime continued to tolerate most of the concessionary practices adopted in 1960-61 to spur economic recovery, particularly private plots, free market (with increased restrictions), small collective production units, and other lesser measures geared to material incentive systems. However, the regime embarked on a broad program of re-establishing the communist ideology as the major incentive in the countryside.

As 1964 progressed, better early harvests provided larger quantities for the regime and some increases in consumer availabilities. Noticeable shifts in food production and consumption patterns (varying according to regional differences) appeared, suggesting a general improvement in both the quantity and quality of the diet. In some areas, prices and income influenced consumption more than government rationing.

State investments for agriculture continued to go into support industries, including fertilizer, machinery, petroleum, and some light consumer industries which utilize agricultural raw products. State funds for short-term working capital are limited. Thus, the major share of investment for working capital and for capital improvements at the brigade level and production-team level must be financed locally. It is becoming evident that the regime's huge so-called "latent" savings in the countryside exist mainly in the form of thrift, a virtue which has been overworked by government persuasion and propaganda. Even the re-establishment of the Agricultural Bank--in late 1963--and the continued promotional activities of credit cooperatives, both of which have attempted to accumulate larger peasant savings and to wield more local monetary control, have been only moderately successful.

Agricultural production: Reduction of yields and possible harvest losses, the magnitude of which cannot yet be ascertained, due to unfavorable weather in the latter part of the crop season, may have spoiled an otherwise successful year for agriculture in Mainland China. Per capita production in 1964, while above the critical 1959-61 level, was substantially below 1957. Thus, the food supply remains critically low and numerous items are still under government rationing. Although production of food and industrial crops has increased in the socialized sector since 1961, the best production gains

occurred on private plots where the output of vegetables, fruits, pork, poultry, and eggs continued to rise at a rapid rate. Much of the increase in production of earlier crops was attributed to more favorable weather. However, larger acreages of some crops also were contributing factors, as well as more and better use of irrigation facilities, better distribution of chemical fertilizers, increased use of insecticides, and improved seeds.

Revised estimates for grain production in 1963, totaling 179 million metric tons, comprised 78.4 million tons of rice, 21.8 million tons of wheat, 54.6 million tons of miscellaneous grains, and 24.3 million tons of potatoes on a grain equivalent basis of 4 units of potatoes to 1 unit of grain.

Officials claimed larger grain production in 1964 than in 1963. Available information on acreage and weather indicate that the production of rice exceeded that in 1963 and that the production of wheat and potatoes approximated that in 1963. However, the effects of weather on late crops are unclear and production of miscellaneous grains, which probably suffered most from unfavorable weather in North China at about harvesttime and which were sown on a smaller acreage, may have been reduced.

The production of oilseeds, cotton, and tobacco in 1964 exceeded that in 1963, but both acreage and production apparently were smaller than in 1957. Production of sugarcane, which has received special emphasis in South China during the last 2 years, may have surpassed the 1957 level. Production of oilseeds in 1964 apparently made the first real recovery from the bad harvests of 1959 and 1960. Recovery in oilseed production depended largely upon the recovery in supplies of foodgrains, which began in 1962. A similar situation exists for cotton.

Acreage of cotton had been drastically reduced through transfers to food production but was increased substantially in 1963 and further increased in 1964. Even so, cotton was grown on less than 80 percent of the 1957-59 average area. Although production, tentatively estimated at about 1.25 million metric tons of lint in 1964, was a fifth above 1963, it stayed less than three-fourths of the 1957-59 average.

Least is known about China's livestock, but livestock numbers, with the exception of sheep and goats, were evidently reduced drastically as the result of communalization in 1958 and 1959 and the poor harvests during 1959-61. Estimates based on incomplete data (mostly official statements) indicate that in 1961, large animals (buffalo, cattle, horses, donkeys, and mules) decreased to 61 percent and hogs to 41 percent of 1957 numbers. Sheep and goat numbers declined less and likely are near or may now have surpassed 1957 levels. Despite official claims of a rapid recovery, it is estimated that by the end of 1963 the number of large animals and hogs had climbed to 65 percent and 59 percent, respectively. It is doubtful if this rapid comeback can be maintained in light of sluggish crop production. The critical shortage of animal draft power and the unprecedented scarcity of meat, which occurred during the "calamity" years, appear to have no quick or easy solution.



Agricultural trade: China's foreign trade bottomed out in 1962, rebounded somewhat in 1963, and went still higher in 1964. Trade continued to shift from the communist bloc to the west (from a ratio of 63-37 in 1959 to an estimated 40-60 ratio in 1963). The year 1964 witnessed a sudden upswing in trade with Japan. Imports of grain increased, but restrictions on imports of industrial goods--with the exception of complete plants--created a favorable balance. The large one-sided trade arrangement with the USSR was designed to enable the Chinese to repay debts incurred since 1952, hopefully by the end of 1964.

Trade patterns have reflected economic trends since the announcement of the new economic policy in 1961. During 1958-60, about 50 percent of China's total imports was made up of plant and machinery and another 40 percent was composed of fuels and raw materials. These industrial imports were cut by about two-thirds during 1961-62 as a result of reduced exports, increased food imports, and accelerated debt retirement. Prior to 1961, China's major agricultural imports included industrial crops such as rubber, wool, and cotton. Beginning in 1961, grains were added and have become the major import item.

Since 1960, China has used almost half its annual foreign exchange earnings for the purchase of foreign grain. By the end of 1964 the country had imported over 22 million metric tons of grain, primarily wheat, at a cost estimated in excess of \$1.5 billion. Also during 1963/64, China more than doubled its usual volume of cotton imports. Increased imports of grain (exceeding 6 million tons in 1964) were justified by the communist regime on the basis that current economic policy calls for imports of cheaper grains to offset more valuable farm exports such as rice and soybeans.

In 1952, farm products accounted for about 80 percent of the country's exports. Although dollar volume of farm products increased between then and 1960, the share of farm products in total exports declined to between 50 and 60 percent as China gradually began exporting processed goods made from domestically grown raw materials and mineral products. Farm products and manufactures made of agricultural raw materials constituted about 70 percent of the country's total exports in 1963. Although exports of some farm products, particularly soybeans, are increasing somewhat, there has been no appreciable increase in the export of rice, a major export item prior to 1961.

Attempts are being made to establish better trade relations and to obtain more liberal credit with western industrial nations. These attempts likely will be broadened and intensified after China has discharged its debt to the USSR. However, China faces the problem of acceptability of many of its products by western countries. Many of China's most important exports, particularly textiles and clothing, have not found the degree of acceptance expected, particularly in those countries which China depends upon for grain. With grain imports in the picture for the next several years on a cash basis, and with untested products for sale in western markets, the expected rise in China's trade tends more toward the gradual than the spectacular, especially in the near future.

## OCEANIA

### Australia

Economic conditions: Australia's economy has been particularly bright since 1962/63, and generally favorable production and marketing trends are expected to continue in 1964/65. The market demand generated in 1963/64 for wheat, wool, hides and skins, and dairy products is expected to be maintained. A dramatic expansion of industry in 1963/64 resulted in a 9 percent increase in Australia's GNP in 1963/64 totaling \$19.6 billion. A further rise is forecast for 1964/65. Gold and foreign exchange holdings are at record levels, not only as the result of favorable export earnings during the past 2 years, but also because of heavy capital investment in Australian industry and agriculture by the United Kingdom, United States, and Japan.

Population continues to increase at about 2 percent per year and is currently estimated at 11.2 million. Farmers' proportion of the total work force has gradually declined in recent years and now represents about 11 percent.

The gross value of farm production in 1964/65 is estimated at \$3.8 billion or about 1 percent above 1963/64. Net farm income increased by 20 percent in 1962/63 and 25 percent in 1963/64. Increases, if any, in net farm income in 1964/65 will depend upon the extent of anticipated increases in costs, particularly freight, wages, and fertilizers.

Agricultural production: Total farm output in 1964/65 is expected to increase 1.7 percent over 1963/64, or approximately 85 percent above the pre-war years, 1934-38. Weather and moisture conditions in 1964 were particularly favorable to crops and pastures. The increase in production will depend largely upon the outcome of the wheat harvest which late reports indicate might reach 400 million bushels, a record. This is the third year in succession in which a record wheat production has been established. The new crop will be harvested from an estimated 18 million acres, the most in over 30 years. Sugarcane is another crop which is expected to set a record, now estimated at 14 million tons. All of this cane may not be cut, however, because of limitations in processing and storage facilities. In any event, sugar production will probably be above the record output in 1962/63. A record rice crop is also predicted, with acreage increases of about 6 percent above 1963/64 and growing and moisture conditions particularly favorable for the 1964/65 harvest.

Much of the increase in agricultural production in the past 3 years has been due to the intensified use of fertilizers, particularly superphosphate. Quantities of fertilizers applied to crops and pastures have increased more than 70 percent since the early 1950's. Fertilizer consumption is now encouraged by subsidy payment to farmers on purchases of superphosphate. Plans are also being developed to encourage farmers to increase the usage of nitrogen to improve pasture growth in some areas.

Early forecasts for the cotton crop are more than double the output of 1963/64, and flaxseed production is expected to be up substantially, with an increase in acreage of over 25 percent. Fruit crops are expected to be generally good, with production up slightly in most areas. Prices and demand

for canned fruits strengthened in 1964, and further strength is expected. The dried fruit industry is benefiting from a government support price and stabilization program introduced in 1964.

Tobacco is the only major crop in which a slight decline in output is predicted for 1964/65. This is due primarily to the above-normal production of the past year and the large stocks held by manufacturers. There was also a decline in prices paid for domestic leaf because of the poor quality of some offerings from the 1963/64 crop. As a result, some marginal producers have discontinued tobacco production.

Livestock slaughterings and total meat production in 1964/65 will probably be affected by the market and price situation for Australian meats, particularly in the United States, the United Kingdom, and Western Europe. Total sheep and lamb slaughter in 1964/65 will also be affected by the marketing situation for wool, should substantial price fluctuations in the commodity occur.

Cattle and sheep inventories in 1964 were about 4 percent above 1963 levels. Further increases in numbers and slaughtering of cattle and sheep have been forecast by the Australian Government for 1964/65. Wool production will likely be at a record high of about 1,800 million pounds in 1964/65.

Total lamb slaughter in the past season was about 3 percent below 1962/63. Sheep slaughter was up slightly, but lighter carcass weights resulted in a decline of about 2 percent in mutton production. Early forecasts indicate that production of both mutton and lamb will probably increase in 1964/65.

The output of beef and veal totaled 986,000 metric tons in 1963/64, 6 percent above 1962/63, and is expected to increase another 2 percent in 1964/65. Pasture improvement has contributed to growth in meat production during the last 2 years. Also important is the road construction program in some of the more remote cattle areas of the Northern Territory, Western Australia, and Queensland. New roads have facilitated the transport of cattle to marketing centers and resulted in slaughtering at heavier weights.

No increase in milk production is expected in 1964/65. No appreciable increase in the output of dairy products is forecast, even though foreign marketing demand for butter and other dairy products has been particularly favorable during the past several months.

Agricultural trade: Exports of farm products in 1962/63 were valued at approximately \$1.9 billion, or less than 1 percent above the previous year (table 4). With a larger volume of major commodities available for export and favorable prices prevailing, total value of agricultural exports rose sharply in 1963/64. Valued at about \$2.3 billion, this trade was more than 30 percent above 1962/63. Most of this increase occurred from substantially larger shipments of wheat, wool, sugar, and meats.

In both 1962/63 and 1963/64, agricultural exports represented roughly 77 percent of the value of Australia's receipts from all exports. Wool alone accounted for more than 40 percent of this trade. Although the value of total

exports exceeded that of imports by about \$400 million in 1963/64, the high cost of trade invisibles probably limited any substantial trade surplus accumulation.

Some recent changes in Australia's trade patterns are expected to affect trade in 1964/65. As a result of a voluntary agreement with the United States and meat legislation passed by the U.S. Congress in 1964, Australia's meat exports to the United States are now subject to quota allocations, if the U.S. domestic supply situation warrants such action. Under this policy, Australia's exports of meat to the United States dropped about 30 percent in 1964 and shipments were diverted to the United Kingdom and other Western European areas. A strong market has also been developed for Australian mutton in Japan and certain African countries, and this demand is expected to continue strong.

Australia enjoyed one of its most profitable wheat marketing years in 1963/64. Exports of wheat and the wheat equivalent of flour amounted to about 300 million bushels (nearly 8.2 million metric tons), with Communist China and the USSR the largest purchasers. Aside from Australia's larger traditional customers--United Kingdom, Japan, India, New Zealand, and Malaysia--sizeable sales were made to West Germany, Norway, the Middle East, and African countries. Despite the record production, the increased wheat sales left only a very minimum carryover for the 1964/65 season.

Much European wheat buying in 1963/64 resulted from poor crops in some countries of Europe. With better 1964 crops in Europe, Australia will have to find some alternative outlets for the large crop now being harvested.

Wheat exports to Mainland China will probably continue large. A credit sale totaling 56 million bushels for delivery by April 1965 has been completed. A further sale of another 56 million bushels is anticipated, plus a 10 percent overage option which is a general feature of most Chinese contracts. Allowing for domestic needs and carryover, usual sales to traditional markets, and large sales to Communist China, several million bushels remain uncommitted.

Although the volume of wool exports is expected to be up in 1964/65, early forecasts seem to indicate that the favorable prices secured in the 1963/64 season will probably not continue throughout 1964/65.

### New Zealand

Economic conditions: The general economy in 1964 enjoyed a period of great prosperity; a continuation was expected in 1965. High prices and a favorable demand for New Zealand's livestock products in the 1963/64 season resulted in record total trade. Total exports were valued at \$1,023 million, or \$16.5 million greater than in 1962/63. Despite the increased foreign exchange generated from the 1963/64 exports, however, increases in imports and freight costs resulted in an overall trade surplus at the end of June 1964 of only \$15 million.

New Zealand's gross national product for fiscal year 1964 was reported as \$4.4 billion, or about 10 percent above the previous year. Net farm income

for this same period was estimated at about \$459 million, or about 20 percent above 1962/63. The Government took steps to curb inflationary tendencies by introducing controls on credit and spending.

The population continues to increase by more than 2 percent a year and is currently estimated at 2.6 million.

The outlook for the economy in 1964/65 is favorable. The high prices and continued demand for meat and dairy products in many markets of the world are expected to continue. Markets for New Zealand livestock products in the United Kingdom, Common Market countries, and Japan are particularly good. Meat and dairy exports to the United States, although more regulated than in the past year, are expected to continue at a fairly high volume. The only uncertainty in the 1964/65 economic picture is the level of foreign exchange earnings which might come from wool exports. Prices dropped at early auctions in September 1964, and indications were that the yearly average return might be considerably below 1963/64.

Agricultural production: Overall farm output for 1964/65 is expected to be up about 3 percent from the year before, chiefly because of increases in the production of wool and hops. Despite the excellent marketing outlets developing for New Zealand's exports, general production prospects for many commodities are not too bright. Only slight increases in the output of wool and milk are expected, while the total volume of meats produced may be lower than in any year since 1960.

Most of this decline in meat production stems from dry weather conditions in 1963/64 which necessitated an unusually high rate of livestock culling in certain areas with feed shortages. The small increase in wool production is expected as a result of some increase from 1963/64 in sheep numbers and fleece weights. Most crops are forecast at below 1963/64 levels.

New Zealand faced a major problem in its agricultural development--how to expand its pastoral production to the levels needed to satisfy its domestic requirements and still take advantage of its export marketing opportunities. New Zealand must find ways and means not only of fulfilling the requirements of its traditional markets for meat and dairy products but also of servicing new markets opened by promotion and export diversification programs of recent years. Considerable emphasis was given to this problem in 1964 in the form of long-range plans for expansion of agricultural production.

Special government incentives to encourage production have either been continued or newly adopted for the 1964/65 season. Tax depreciation allowances will be granted in the form of deductions for expenditures on farm buildings, fertilizers, and lime. A tax deferralment plan for retiring farmers and a pension plan for farm laborers are also in the process of development.

Agricultural trade: New Zealand's exports of butter to the United Kingdom will continue to be governed by a basic quota amounting to 40 percent of all United Kingdom's butter imports. In addition, New Zealand has the opportunity to participate in any supplementary quotas issued by the United Kingdom in 1964/65, providing New Zealand's production permits. Aside from this main

traditional market, New Zealand hopes to take advantage of the favorable price and demand for butter and other dairy products in such newly developed markets as the Caribbean, Latin America, Africa, Southeast Asia, and West Germany. In 1964, New Zealand negotiated a special contract for the sale of casein to Japan.

Exports of beef and veal to the United States through 1966 will be governed by quotas set forth in a voluntary agreement between the two countries in February 1964. This agreement will be subject to provisions of U.S. meat legislation passed in August 1964. Despite these limitations, the United States will remain an attractive market for New Zealand's exports of beef and veal.

A considerable shift in trade patterns has been noted in recent months. Favorable prices and increased demand for meats in the United Kingdom and the Common Market, and for mutton in Japan have caused a diversion of New Zealand's exports away from the United States and to these countries. This trend of marketing will probably continue during the coming year.

Although early forecasts for wool indicated that overall average auction prices for the 1964/65 season might be as much as 10 percent below 1963/64, the total volume of the wool trade was expected to continue in line with former years because of the predominance in New Zealand of coarser carpet type wools which enjoy a constant demand in many markets of the world.

**STATISTICAL**

**APPENDIX**

Table 2.--Far East and Oceania: Indices of per capita agricultural production, 1959 through 1964 1/

(1952-54=100)

Region and country	1959	1960	1961	1962	1963 <u>2/</u>	1964 <u>3/</u>
<u>Far East</u>						
Afghanistan	101	99	97	99	96	98
Burma	103	99	101	102	102	101
Cambodia	113	114	108	126	123	123
Ceylon	98	103	107	109	107	105
India	106	109	112	110	111	107
Indonesia	102	100	97	101	94	96
Japan	127	132	132 <sup>a</sup>	138	133	138
Laos	91	86	84	82	72	70
Malaya, States of	100	104	105	101	104	104
Pakistan	102	101	103	102	108	100
Philippines	109	109	111	119	124	119
Singapore	107	109	124	125	123	121
South Korea	108	102	114	103	95	112
South Vietnam	164	162	148	159	150	154
Taiwan	105	102	107	105	101	106
Thailand	105	119	120	122	127	125
Total	108	110	111	111	110	110
<u>Oceania <u>4/</u></u>						
Australia	107	107	108	112	115	115
New Zealand	106	105	105	104	106	106
Total	107	107	108	110	114	113

1/ Agricultural production during stated calendar years, except for rice and some minor crops. The figures for these crops also include the production in the early months of the next year.

2/ Preliminary.

3/ Forecast.

4/ Split years 1958/59 through 1963/64.



Table 3.--Far East and Oceania: Indices of population, 1959 through 1964, population estimate for 1964, and rates of increase

Region and country	Indices (1953=100)						Population estimate	Compound rate of increase	
	1959	1960	1961	1962	1963	1964	1964	1953-1959	1959-1964
<u>Far East 1/</u>							<u>Millions</u>	<u>Percent</u>	
Afghanistan	113	115	117	120	122	124	14.0	2.0	2.0
Burma	111	113	115	117	120	122	24.2	1.7	2.0
Cambodia	112	115	117	119	123	125	6.0	2.0	2.1
Ceylon	116	119	123	126	128	132	10.9	2.5	2.5
India	113	115	118	120	123	126	475.1	2.0	2.3
Indonesia	113	116	119	121	124	127	103.1	2.1	2.3
Japan	107	107	109	109	111	112	96.8	1.1	0.9
Laos	112	114	116	119	121	124	2.5	1.9	2.0
Malaya, States of	122	125	129	135	138	142	7.8	3.3	3.1
Pakistan	113	116	119	122	125	129	110.9	2.1	2.5
Philippines	120	123	127	132	136	141	31.3	3.1	3.3
Singapore	133	137	142	145	150	154	1.8	4.8	3.7
South Korea	118	122	125	129	133	136	27.6	2.8	3.0
South Vietnam	125	128	132	135	139	143	15.7	3.8	2.8
Taiwan	123	126	130	134	137	142	12.5	3.5	3.0
Thailand	116	119	123	127	131	135	30.5	2.5	3.1
Total	113	115	118	121	124	126	970.8	2.0	2.3
<u>Oceania 2/</u>									
Australia	114	117	119	121	124	126	11.2	2.2	2.0
New Zealand	114	117	120	123	126	129	2.6	2.2	2.4
Total	114	117	119	122	124	127	13.9	2.2	2.1

1/ Indices calculated from midyear data.

2/ Indices calculated from end-of-year data.

Table 4.--Far East and Oceania: Exports and imports of foods, beverages, and agricultural raw materials, selected countries, calendar years 1961-63

SITC code 1/	Direction and commodity group	Burma			Ceylon			Hong Kong		
		1961	1962	1963 2/	1961	1962	1963	1961	1962	1963
----- Million U.S. dollars -----										
EXPORTS										
<u>Food (including feed)</u>										
00	Live animals	—	—	—	—	—	—	1.1	0.9	0.8
01	Meat	—	—	—	—	—	—	0.9	0.7	0.9
02	Dairy products and eggs	—	—	—	—	—	—	1.2	1.4	1.6
03	Fish	—	0.1	—	0.1	0.1	0.1	5.5	8.0	12.3
04	Cereals	147.9	168.0	—	—	—	—	9.8	14.3	9.6
05	Fruits and vegetables	10.2	13.4	—	10.4	12.2	13.2	16.8	18.6	16.9
06	Sugar	—	—	—	—	—	—	7.6	11.5	19.2
07	Coffee, cocoa, tea, spices	0.1	1.1	—	239.3	246.7	246.0	4.3	4.4	4.7
08	Animal feed	17.5	19.8	—	0.2	0.7	0.3	0.8	0.7	1.1
09	Misc. food preparation	—	—	—	—	—	—	6.3	5.9	5.8
11	<u>Beverages</u>	—	—	—	—	—	—	1.3	1.5	1.6
<u>Agricultural Raw Materials</u>										
121	Unmanufactured tobacco	—	—	—	0.1	0.2	0.1	0.9	0.6	0.3
21	Hides and skins	0.4	0.7	—	0.1	0.1	0.1	0.9	1.0	1.0
22	Oilseeds	0.1	0.1	—	10.0	12.4	8.2	3.4	4.3	3.4
231.1	Natural rubber	5.9	6.1	—	54.6	60.9	53.9	0.1	—	0.1
261-265	Natural fibers	6.1	9.1	—	8.4	8.0	9.0	3.7	5.5	4.8
29	Crude materials	0.2	0.4	—	0.3	0.3	0.2	16.7	17.2	15.3
4	Oils and fats	—	—	—	22.4	23.4	20.8	3.2	3.7	3.7
TOTAL 3/		188.4	218.7	—	345.9	365.0	352.0	84.6	100.3	103.0
IMPORTS										
<u>Food (including feed)</u>										
00	Live animals	—	—	—	0.3	0.2	0.1	37.3	45.5	54.9
01	Meat	0.1	0.1	—	0.8	0.8	0.6	16.6	15.1	15.7
02	Dairy products and eggs	11.1	11.4	—	14.5	16.3	16.2	23.5	26.1	29.6
03	Fish	4.3	3.7	—	14.4	11.7	12.8	17.6	19.5	22.3
04	Cereals	3.3	3.2	—	61.2	57.0	54.1	62.6	81.0	77.9
05	Fruits and vegetables	1.7	1.8	—	21.4	21.8	21.9	45.9	50.2	53.3
06	Sugar	1.8	1.3	—	16.6	12.5	15.6	16.0	19.4	27.9
07	Coffee, cocoa, tea, spices	0.8	0.7	—	9.5	10.2	9.5	11.0	10.0	10.1
08	Animal feed	—	—	—	0.1	0.1	0.7	5.6	6.0	5.1
09	Misc. food preparation	1.4	1.4	—	1.1	1.4	1.1	8.6	8.6	6.7
11	<u>Beverages</u>	0.3	0.4	—	1.0	0.7	0.5	5.9	7.0	8.5
<u>Agricultural Raw Materials</u>										
121	Unmanufactured tobacco	0.5	0.1	—	1.6	1.2	1.3	6.3	8.4	8.8
21	Hides and skins	—	—	—	—	—	—	0.7	0.8	1.1
22	Oilseeds	0.9	0.9	—	0.2	0.4	0.1	8.1	7.2	6.9
231.1	Natural rubber	—	—	—	—	—	—	2.9	2.8	3.4
261-265	Natural fibers	5.3	2.4	—	0.9	1.2	1.2	75.0	75.7	87.0
29	Crude materials	1.4	0.7	—	1.2	0.9	1.0	21.6	21.3	21.8
4	Oils and fats	3.7	4.7	—	1.1	1.2	1.4	13.3	16.8	11.1
TOTAL 3/		36.8	32.8	—	146.0	137.7	138.1	378.4	421.4	452.1

Footnotes at end of table.

Table 4.--Far East and Oceania: Exports and imports of foods, beverages, and agricultural raw materials, selected countries, calendar years 1961-63--Continued

India			Japan			Korea, South			Malaya, States of			SITC code <u>1/</u>
1961	1962	1963	1961	1962	1963	1961	1962	1963	1961	1962	1963	
----- Million U.S. dollars -----												
2.0	1.6	1.3	1.2	1.2	1.4	2.5	1.5	3.7	0.6	0.3	0.5	00
2.3	3.3	3.7	2.2	3.2	3.8	--	--	--	0.1	0.1	0.1	01
0.6	0.2	--	4.8	5.2	3.4	--	--	--	0.8	1.0	1.0	02
9.1	7.3	11.8	162.7	245.2	202.7	4.0	8.1	9.0	5.8	6.1	6.7	03
0.2	0.3	0.9	4.6	6.9	7.2	0.5	8.9	0.8	3.6	3.9	2.3	04
55.1	54.4	63.1	51.3	47.5	44.0	1.3	1.0	1.7	15.9	17.6	17.8	05
30.6	33.0	56.6	2.5	1.6	1.9	--	--	--	0.2	0.1	0.4	06
314.8	310.6	325.7	6.8	8.1	5.5	--	--	--	7.6	8.4	6.6	07
34.9	60.9	75.2	3.6	7.5	5.7	--	--	--	0.1	0.1	0.2	08
0.2	0.2	0.2	17.0	3.8	4.2	--	--	--	0.7	0.8	0.9	09
--	--	--	2.4	2.3	2.2	0.2	0.1	--	0.1	0.1	0.1	11
31.2	39.2	47.8	5.5	6.9	7.2	--	0.1	0.2	--	--	0.2	121
18.0	21.8	23.8	0.9	1.0	2.5	0.1	0.1	0.1	0.2	0.2	0.2	21
9.0	10.1	7.9	--	--	--	0.5	0.1	--	8.6	5.2	6.7	22
--	--	--	--	0.1	--	--	--	--	471.4	446.9	449.0	231.1
64.1	59.6	60.2	64.7	79.9	70.1	3.4	4.3	5.1	0.1	0.1	0.1	261-265
43.6	40.0	42.7	10.4	11.1	10.5	4.2	3.9	7.4	2.0	2.0	1.4	29
12.1	21.2	38.3	34.7	24.3	31.2	0.1	0.1	0.1	29.2	28.6	29.8	4
627.9	663.6	759.3	375.4	456.0	403.7	16.6	28.2	28.1	547.1	521.5	524.2	
1.3	1.4	1.2	4.7	3.4	4.2	--	0.7	0.2	4.9	4.5	4.3	00
0.1	--	--	14.5	14.6	32.9	--	0.2	0.2	5.2	5.3	5.9	01
17.0	20.8	18.4	12.8	16.2	19.1	1.1	2.5	3.1	33.7	29.6	28.8	02
6.8	12.2	12.2	10.6	13.9	35.1	--	0.1	--	9.5	9.8	10.7	03
<u>4/385.2</u>	<u>4/312.1</u>	<u>4/357.8</u>	329.3	373.4	472.1	30.2	40.1	107.2	62.6	67.0	83.8	04
37.8	30.2	41.8	43.8	56.2	93.2	0.2	0.3	0.4	21.3	22.5	23.8	05
--	--	--	135.3	135.2	261.5	8.3	4.5	4.7	22.4	15.9	28.0	06
3.4	4.5	2.3	37.7	47.5	63.2	0.3	0.1	0.1	11.0	11.6	11.1	07
--	--	--	44.2	34.8	58.1	--	0.1	4.2	9.5	12.6	13.6	08
0.5	0.4	0.2	10.2	6.5	8.4	0.1	0.2	0.5	1.8	2.2	2.2	09
0.8	0.6	0.5	3.3	2.6	3.5	--	0.1	0.2	12.9	11.8	8.9	11
1.9	2.8	1.4	21.0	32.3	38.7	--	--	0.1	6.9	6.0	7.0	121
4.6	5.2	7.0	58.6	63.7	60.8	0.4	0.4	0.3	--	--	--	21
20.2	20.2	18.5	197.5	205.7	271.3	0.9	0.7	0.6	9.3	7.8	7.5	22
13.5	15.1	14.2	111.5	108.9	101.0	5.2	5.5	6.7	31.4	31.0	24.0	231.1
188.1	157.9	133.4	946.9	737.2	879.6	37.3	42.3	45.3	0.3	0.3	0.4	261-265
5.6	4.8	4.1	26.3	28.9	37.2	1.2	1.6	1.2	4.5	4.4	4.4	29
11.6	17.2	10.6	38.3	31.3	39.7	3.9	3.9	4.8	4.4	4.4	3.8	4
<u>4/698.4</u>	<u>4/605.6</u>	<u>4/623.7</u>	2,046.7	1,912.2	2,479.6	89.0	103.1	179.8	251.6	246.9	268.1	

Footnotes at end of table.

Table 4.--Far East and Oceania: Exports and imports of foods, beverages, and agricultural raw materials, selected countries, calendar years 1961-63--Continued

SITC code 1/	Direction and commodity group	Philippines			Singapore			Taiwan		
		1961	1962	1963 2/	1961	1962	1963 2/	1961	1962	1963
----- Million U.S. dollars -----										
<b>EXPORTS</b>										
<u>Food (including feed)</u>										
00	Live animals	0.1	0.3		5.1	4.0		2.0	1.4	0.7
01	Meat	—	—		2.9	2.9		—	0.1	0.1
02	Dairy products and eggs	—	—		13.4	11.0		0.1	0.2	0.2
03	Fish	0.1	0.1		7.7	8.0		0.1	0.2	0.9
04	Cereals	0.5	—		27.2	35.9		9.7	6.8	19.0
05	Fruits and vegetables	25.5	25.6		24.3	27.8		28.9	34.0	46.5
06	Sugar	139.4	131.1		7.2	5.0		56.9	46.0	103.1
07	Coffee, cocoa, tea, spices	0.3	0.6		55.0	53.7		8.9	7.4	7.6
08	Animal feed	6.5	11.7		6.7	9.0		—	—	—
09	Misc. food preparation	—	0.1		1.6	1.6		1.8	2.7	3.6
11	<u>Beverages</u>	0.4	0.4		10.0	9.3		0.2	0.1	0.1
<u>Agricultural Raw Materials</u>										
121	Unmanufactured tobacco	8.1	11.8		3.0	1.0		1.0	1.9	0.9
21	Hides and skins	0.2	0.1		2.8	2.5		—	—	—
22	Oilseeds	94.8	115.9		13.3	7.5		0.2	0.1	—
231.1	Natural rubber	—	—		372.5	358.9		—	—	—
261-265	Natural fibers	59.5	26.6		0.2	0.4		0.3	0.4	1.1
29	Crude materials	1.0	1.2		10.6	10.3		3.2	3.6	3.6
4	Oils and fats	15.5	31.3		15.3	12.6		0.1	0.2	0.3
TOTAL 3/		351.9	356.9		578.7	561.4		113.5	105.0	187.7
<b>IMPORTS</b>										
<u>Food (including feed)</u>										
00	Live animals	0.3	0.3		4.3	3.9		—	0.2	0.1
01	Meat	4.4	7.5		8.7	8.9		—	—	—
02	Dairy products and eggs	24.5	24.8		24.4	20.5		3.0	3.8	4.0
03	Fish	16.4	8.5		14.6	14.5		0.4	0.5	0.4
04	Cereals	28.4	27.7		61.8	74.4		28.1	22.8	29.6
05	Fruits and vegetables	3.5	3.8		41.4	42.7		1.0	1.3	2.3
06	Sugar	0.3	0.1		13.6	11.7		—	—	—
07	Coffee, cocoa, tea, spices	1.5	2.6		49.1	38.5		0.1	0.1	0.2
08	Animal feed	3.3	2.7		17.8	18.2		1.0	0.7	0.4
09	Misc. food preparation	0.2	1.1		2.8	3.3		0.7	0.2	0.2
11	<u>Beverages</u>	0.3	0.6		7.4	7.5		—	—	0.1
<u>Agricultural Raw Materials</u>										
121	Unmanufactured tobacco	0.1	1.5		5.2	4.6		2.8	3.0	4.0
21	Hides and skins	0.2	0.1		1.8	1.8		1.2	1.3	1.0
22	Oilseeds	0.2	—		17.3	14.0		15.9	7.1	20.3
231.1	Natural rubber	3.2	2.7		321.5	316.9		3.0	3.2	2.9
261-265	Natural fibers	22.0	24.7		1.1	0.3		32.2	35.6	49.7
29	Crude materials	1.1	0.6		9.7	8.5		2.6	3.4	3.0
4	Oils and fats	4.0	3.5		11.5	12.0		4.8	4.4	4.9
TOTAL 3/		113.9	113.0		613.9	602.3		97.0	87.7	123.1

Footnotes at end of table.

Table 4.--Far East and Oceania: Exports and imports of foods, beverages, and agricultural raw materials, selected countries, calendar years 1961-63--Continued

Thailand			Total of 11 countries			Australia			New Zealand			SITC code <u>1/</u>
1961	1962	1963 <u>2/</u>	1961	1962	1963 <u>2/</u>	1961 <u>5/</u>	1962 <u>5/</u>	1963 <u>5/</u>	1961	1962	1964 <u>5/</u>	
----- Million U.S. dollars -----												
8.2	8.8		22.7	20.0		3.3	3.3	3.7	0.2	1.5	1.7	00
0.1	0.1		8.5	10.4		162.0	200.8	252.4	214.8	218.7	254.6	01
6.2	1.9		27.2	20.9		87.8	97.4	101.9	177.1	187.4	218.3	02
2.0	2.0		197.2	285.2		10.0	14.7	14.3	3.3	4.3	4.3	03
203.5	182.5		407.7	427.5		337.3	430.1	330.3	0.2	0.3	0.4	04
26.2	25.1		265.9	277.0		70.9	85.2	85.9	9.8	12.0	13.4	05
1.3	2.9		245.8	231.2		79.2	76.6	102.7	1.3	1.5	1.7	06
1.5	1.7		638.7	642.8		1.2	1.4	1.2	—	—	—	07
0.6	0.5		70.9	110.9		3.8	6.5	7.7	1.0	1.2	1.7	08
0.9	0.8		28.7	15.9		4.1	4.6	4.3	2.0	0.3	0.4	09
—	—		14.5	13.8		5.1	5.4	5.8	0.3	—	0.3	11
0.6	1.5		50.4	63.2		0.1	0.1	0.4	—	—	0.2	121
4.0	3.4		27.5	30.9		60.9	72.0	82.5	33.8	34.4	42.2	21
9.6	12.3		149.6	168.0		—	0.1	0.1	—	—	0.3	22
102.4	101.4		1,007.0	974.4		0.1	0.1	0.3	—	—	—	231.1
30.2	28.0		240.7	221.9		749.5	834.2	849.0	279.0	269.8	377.1	261-265
9.0	9.5		101.2	99.5		5.5	6.3	6.8	7.9	6.2	26.4	29
0.5	0.8		133.2	146.3		11.0	15.9	15.8	7.7	7.8	10.2	4
406.9	383.2		3,637.4	3,759.6		1,591.7	1,854.6	1,865.1	738.4	745.4	953.3	
—	0.1		53.1	60.2		1.6	1.3	1.5	0.5	0.4	0.7	00
0.1	0.1		50.5	52.6		4.0	3.2	4.4	1.0	0.6	—	01
19.7	21.9		185.5	193.9		2.4	2.0	2.4	—	—	—	02
2.9	2.7		97.5	97.1		21.7	19.1	20.0	4.1	1.0	2.9	03
4.5	3.8		<u>4/</u> 1,057.3	<u>4/</u> 1,062.5		1.0	1.1	1.4	10.9	12.4	14.4	04
2.3	2.1		220.4	232.9		12.9	12.1	11.3	11.4	10.2	16.5	05
0.2	0.2		214.5	200.8		2.8	1.7	2.2	9.4	9.4	29.2	06
5.0	4.4		129.6	130.2		50.4	46.6	46.3	11.4	11.4	14.9	07
0.2	0.1		81.7	75.3		1.8	1.2	0.9	0.1	—	0.2	08
1.8	1.0		29.2	26.3		0.4	0.4	0.3	0.3	0.3	0.4	09
0.7	0.8		32.6	32.1		8.7	10.2	8.5	6.7	4.9	7.1	11
8.7	6.1		54.9	66.0		26.2	18.1	21.8	4.8	4.6	3.7	121
—	—		67.4	73.3		4.8	3.3	3.4	0.2	0.1	0.2	21
—	—		270.5	264.0		5.0	5.4	6.2	1.1	1.3	1.4	22
—	—		492.2	486.1		23.4	16.7	20.7	3.5	—	6.7	231.1
5.4	4.9		1,314.4	1,082.5		34.9	24.8	34.3	3.4	3.8	6.1	261-265
2.4	1.8		77.6	76.9		9.8	9.7	9.9	2.5	2.8	3.6	29
0.7	0.9		97.2	100.3		12.4	13.9	14.9	1.3	2.6	1.7	4
54.6	50.8		<u>4/</u> 4,526.3	<u>4/</u> 4,313.5		224.2	190.6	210.4	72.6	65.9	109.7	

1/ SITC is the Standard International Trade Classification, Revised.

2/ Data for 1963 not available for Burma, Philippines, Singapore, and Thailand.

3/ Columns may not add to totals because of rounding.

4/ Indian data for cereal imports adjusted to include quantities not reported in official trade returns.

5/ Year ending June 30.

Dash (—) indicates none or nil.

Table 5.--United States: Trade in foods, beverages, and agricultural raw materials with countries of the Far East and Oceania, calendar years 1962 and 1963

SITC code 1/	Direction and commodity group	Afghanistan		Ceylon		Hong Kong		India	
		1962	1963	1962	1963	1962	1963	1962	1963
----- Million dollars -----									
EXPORTS									
<u>Food (including feed)</u>									
00	Live animals	—	—	—	—	—	—	—	—
01	Meat	—	—	—	—	3.3	3.2	—	0.1
02	Dairy products and eggs	0.1	—	0.8	0.9	0.5	0.6	6.8	9.9
03	Fish	—	—	—	—	0.4	0.4	—	—
04	Cereals	—	3.1	6.2	7.2	2.1	2.3	243.2	303.2
05	Fruits and vegetables	—	—	0.1	0.1	8.0	8.1	0.3	0.2
06	Sugar	—	—	—	—	0.9	1.2	0.1	0.1
07	Coffee, cocoa, tea, spices	—	—	—	—	0.3	0.4	—	—
08	Animal feed	—	—	—	—	1.1	1.5	0.1	0.1
09	Misc. food preparation	—	—	—	—	0.7	0.6	—	0.1
11	<u>Beverages</u>	—	—	—	—	0.1	0.1	—	—
<u>Agricultural Raw Materials</u>									
121	Unmanufactured tobacco	—	—	0.3	0.4	4.1	5.3	2.6	2.0
21	Hides and skins	—	—	—	—	—	—	0.1	—
22	Oilseeds	—	—	—	—	0.9	0.2	—	—
231.1	Natural rubber	—	—	—	—	—	—	—	—
261-265	Natural fibers	—	—	—	—	11.0	12.8	37.2	43.5
29	Crude materials	—	—	—	—	2.6	2.8	0.1	0.1
4	Oils and fats	—	—	—	—	6.1	3.5	0.1	0.2
TOTAL 2/		0.2	3.3	7.5	8.6	42.3	43.3	290.6	359.5
IMPORTS									
<u>Food (including feed)</u>									
00	Live animals	—	—	—	—	—	—	0.5	0.4
01	Meat	—	—	—	—	—	0.1	0.6	0.9
02	Dairy products and eggs	—	—	—	—	—	—	—	—
03	Fish	—	—	—	—	1.7	1.4	3.9	6.5
04	Cereals	—	—	—	—	0.3	0.4	—	—
05	Fruits and vegetables	1.0	0.3	—	—	1.3	1.1	24.1	27.2
06	Sugar	—	—	—	—	0.1	0.1	13.5	14.0
07	Coffee, cocoa, tea, spices	—	—	24.7	25.5	0.3	0.2	24.9	19.0
08	Animal feed	—	—	—	—	—	—	—	—
09	Misc. food preparation	—	—	—	0.1	0.4	0.4	0.1	0.1
11	<u>Beverages</u>	—	—	—	—	0.1	0.1	—	—
<u>Agricultural Raw Materials</u>									
121	Unmanufactured tobacco	—	—	—	—	—	—	—	0.1
21	Hides and skins	13.0	14.3	—	—	—	—	6.4	6.5
22	Oilseeds	—	—	—	—	—	—	—	0.2
231.1	Natural rubber	—	—	6.8	7.1	—	—	—	—
261-265	Natural fibers	0.3	1.0	—	0.1	0.2	0.3	5.4	4.8
29	Crude materials	—	—	0.1	0.1	0.9	1.4	12.8	16.6
4	Oils and fats	—	—	—	—	—	—	0.1	0.1
TOTAL 2/		14.3	15.7	31.6	32.9	5.4	5.5	92.3	96.4

Footnotes at end of table.

Table 5.--United States: Trade in foods, beverages, and agricultural raw materials with countries of the Far East and Oceania, calendar years 1962 and 1963--Continued

Indonesia		Japan		Korea, South		Malaya, States of		Nansei Islands		Pakistan		SITC code 1/
1962	1963	1962	1963	1962	1963	1962	1963	1962	1963	1962	1963	
----- Million dollars -----												
—	—	0.3	1.4	0.3	0.1	—	—	—	0.1	—	—	00
0.1	0.1	0.4	8.2	—	—	0.2	0.1	0.3	0.6	0.1	0.1	01
1.6	1.8	7.9	10.5	1.7	2.4	0.3	0.2	1.0	1.0	1.4	3.3	02
—	—	0.9	5.7	—	—	0.2	—	—	—	—	—	03
34.0	34.6	133.0	203.2	46.5	65.3	1.6	0.9	5.3	13.4	49.3	121.5	04
0.1	—	11.9	12.4	0.2	0.2	0.7	0.8	0.6	0.7	0.1	0.2	05
—	—	0.4	1.2	0.1	0.2	0.1	0.1	0.3	0.3	0.1	0.1	06
—	—	13.6	14.4	—	—	—	—	0.7	0.7	0.1	0.1	07
—	—	8.2	13.4	—	—	0.1	0.1	—	—	—	—	08
—	—	1.9	2.5	1.5	1.5	0.2	0.2	1.7	1.8	—	0.2	09
—	—	0.1	0.1	—	—	—	—	0.1	0.1	—	0.1	11
2.1	1.0	22.1	27.1	—	—	3.8	2.7	0.2	0.2	1.9	2.3	121
—	—	32.0	30.7	1.1	1.1	—	—	—	—	—	—	21
—	—	111.7	148.3	2.2	0.9	—	—	1.1	1.1	—	—	22
—	—	0.1	—	—	0.5	—	—	—	—	—	—	231.1
6.3	6.1	116.8	148.6	34.3	35.8	—	—	—	—	7.4	2.6	261-265
—	—	5.3	7.5	0.1	0.1	—	0.1	—	—	—	0.1	29
—	0.1	19.1	25.5	2.7	2.1	—	—	—	0.2	29.5	32.9	4
44.3	43.8	485.7	660.7	90.8	110.3	7.2	5.3	11.4	20.4	89.9	163.5	
—	—	0.6	0.6	—	—	—	—	—	—	0.1	—	00
—	—	1.4	1.2	—	—	—	—	—	—	—	—	01
—	—	—	—	—	—	—	—	—	—	—	—	02
—	—	79.0	69.1	1.0	1.3	0.2	0.4	0.3	—	2.2	2.3	03
—	—	0.5	0.5	—	—	—	—	—	—	—	—	04
—	—	12.5	12.4	—	—	1.7	2.4	—	—	—	—	05
—	—	0.1	0.1	—	—	—	—	—	—	0.2	—	06
20.2	30.1	1.5	1.4	—	—	0.2	0.2	—	—	—	—	07
—	—	—	0.8	—	—	—	—	—	—	—	—	08
—	—	1.1	1.4	—	—	—	—	—	—	—	—	09
—	—	0.7	0.7	—	—	—	—	—	—	—	—	11
0.5	0.7	—	—	—	—	—	—	—	—	—	—	121
0.4	0.7	0.9	1.3	0.1	0.1	0.2	0.2	—	—	3.4	3.0	21
—	—	—	—	—	—	—	—	—	—	—	—	22
45.7	36.3	0.1	—	—	—	98.4	83.6	—	—	—	—	231.1
0.6	0.4	25.6	25.0	1.7	2.1	—	—	—	—	21.1	19.7	261-265
2.2	1.7	4.0	3.0	1.0	2.5	0.2	0.2	—	—	1.3	1.2	29
1.4	0.5	6.8	4.4	—	—	—	—	—	—	—	—	4
71.1	70.4	134.8	122.0	3.9	6.0	100.9	87.0	0.3	—	28.3	26.2	

Footnotes at end of table.

Table 5.--United States: Trade in foods, beverages, and agricultural raw materials with countries of the Far East and Oceania, calendar years 1962 and 1963--Continued

SITC code 1/	Direction and commodity group	Philippines		Singapore 3/		Taiwan		Thailand		Vietnam, South	
		1962	1963	1962	1963	1962	1963	1962	1963	1962	1963
----- Million dollars -----											
EXPORTS											
<u>Food (including feed)</u>											
00	Live animals	0.1	0.4	—	—	—	—	—	—	—	—
01	Meat	0.2	0.4	0.5	0.8	—	—	—	—	—	—
02	Dairy products and eggs	10.1	6.3	0.2	0.3	1.5	0.5	0.2	0.2	11.2	10.9
03	Fish	0.3	0.4	0.2	0.2	—	—	—	—	—	—
04	Cereals	16.9	22.0	0.6	0.6	21.7	28.2	0.3	0.3	15.2	11.0
05	Fruits and vegetables	2.5	3.8	1.6	2.0	0.1	0.1	0.2	0.2	0.2	0.2
06	Sugar	0.4	1.2	0.2	0.2	—	—	0.4	0.4	0.1	0.3
07	Coffee, cocoa, tea, spices	0.5	1.1	0.3	0.1	—	—	0.1	0.2	—	—
08	Animal feed	0.8	0.5	0.1	0.1	—	—	—	—	—	—
09	Misc. food preparation	0.5	1.5	0.3	0.3	0.2	0.4	0.2	0.2	0.2	1.2
11	<u>Beverages</u>	—	—	—	—	—	—	—	—	—	—
<u>Agricultural Raw Materials</u>											
121	Unmanufactured tobacco	—	—	1.4	1.2	3.1	2.6	5.3	6.5	2.2	5.5
21	Hides and skins	0.1	0.2	0.2	—	0.1	0.6	—	—	—	—
22	Oilseeds	—	1.7	—	—	9.3	14.0	—	—	—	—
231.1	Natural rubber	—	—	—	—	—	—	—	—	—	—
261-265	Natural fibers	20.9	14.0	—	—	30.7	26.5	3.3	3.6	5.2	6.8
29	Crude materials	0.5	0.5	0.2	0.2	0.1	0.2	0.1	0.1	—	—
4	Oils and fats	1.6	1.6	—	—	3.4	3.9	—	—	0.6	1.8
TOTAL 2/		55.4	55.6	6.0	6.1	70.4	77.2	10.2	11.9	35.1	37.7
IMPORTS											
<u>Food (including feed)</u>											
00	Live animals	0.4	0.1	—	—	—	—	0.2	0.2	—	—
01	Meat	—	—	—	—	—	—	—	—	—	—
02	Dairy products and eggs	—	—	—	—	0.1	0.1	—	—	—	—
03	Fish	0.1	0.1	—	0.1	0.3	0.9	0.2	1.0	0.1	0.1
04	Cereals	—	—	—	—	—	—	—	—	—	—
05	Fruits and vegetables	17.5	21.3	0.1	0.3	8.5	12.4	4.8	8.0	—	—
06	Sugar	151.9	164.8	—	—	12.0	8.6	—	—	—	—
07	Coffee, cocoa, tea, spices	0.6	0.7	0.2	0.2	1.7	1.8	—	—	—	0.2
08	Animal feed	0.7	0.5	—	—	—	—	—	—	—	—
09	Misc. food preparation	—	—	—	—	—	—	—	—	—	—
11	<u>Beverages</u>	0.2	0.4	—	—	—	—	—	—	—	—
<u>Agricultural Raw Materials</u>											
121	Unmanufactured tobacco	3.1	4.3	—	—	—	—	—	—	—	—
21	Hides and skins	—	—	0.1	—	—	—	0.1	—	—	—
22	Oilseeds	46.2	38.1	—	—	—	—	—	—	—	—
231.1	Natural rubber	—	—	9.3	4.8	—	—	23.0	20.6	2.4	0.9
261-265	Natural fibers	8.4	8.2	0.3	0.4	—	—	5.4	3.1	0.1	—
29	Crude materials	0.8	0.6	0.1	0.1	2.2	2.2	1.9	2.7	0.5	0.7
4	Oils and fats	25.4	38.9	—	—	—	—	—	—	—	—
TOTAL 2/		255.3	278.0	10.2	6.0	24.9	26.0	35.6	35.6	3.1	2.0

Footnotes at end of table.



Table 5.--United States: Trade in foods, beverages, and agricultural raw materials with countries of the Far East and Oceania, calendar years 1962 and 1963--Continued

Other Far East		Total Far East		Australia		New Zealand		Other Oceania		Total Oceania		SITC code <sup>1/</sup>
1962	1963	1962	1963	1962	1963	1962	1963	1962	1963	1962	1963	
----- Million dollars -----												
—	—	0.7	2.0	—	—	—	—	—	—	—	—	00
—	—	5.1	13.6	0.2	0.1	—	—	0.3	0.4	0.5	0.5	01
0.7	0.9	46.0	49.7	—	—	—	—	0.1	0.2	0.1	0.2	02
0.2	—	2.2	6.7	0.2	0.2	0.1	0.2	0.1	0.2	0.4	0.6	03
0.8	0.6	576.7	817.4	0.2	0.2	0.1	0.2	0.9	0.9	1.2	1.3	04
—	0.1	26.6	29.1	1.6	2.2	0.9	1.2	0.4	0.5	2.9	3.9	05
0.1	0.1	3.2	5.4	0.1	—	0.1	0.1	0.1	0.1	0.3	0.2	06
—	—	15.6	17.0	1.8	1.2	—	—	0.1	0.1	1.9	1.3	07
—	—	10.4	15.7	0.7	0.9	—	—	—	0.1	0.7	1.0	08
0.6	—	8.0	10.5	0.4	0.4	—	—	0.1	0.2	0.5	0.6	09
—	—	0.3	0.4	0.1	0.1	—	0.1	0.2	0.2	0.3	0.4	11
0.2	0.3	49.3	57.1	19.3	16.1	4.2	2.6	0.2	0.3	23.7	19.0	121
—	—	33.6	32.6	0.3	0.3	—	—	—	—	0.3	0.3	21
—	—	125.2	166.2	—	—	—	—	—	—	—	—	22
—	—	0.1	0.5	—	—	—	—	—	—	—	—	231.1
—	1.4	273.1	301.7	8.5	9.3	—	—	—	—	8.5	9.3	261-265
—	—	9.0	11.7	3.2	2.6	1.3	0.9	—	—	4.5	3.5	29
—	—	63.1	71.8	1.2	2.1	0.1	0.1	—	—	1.3	2.2	4
2.6	3.4	1,249.6	1,610.6	37.8	35.9	6.8	5.4	2.5	3.3	47.1	44.6	
0.1	—	1.9	1.3	0.3	0.3	0.2	0.2	—	—	0.5	0.5	00
—	—	2.0	2.2	150.9	177.6	70.3	81.2	—	—	221.2	258.8	01
—	—	0.1	0.1	0.5	1.5	2.8	4.2	—	—	3.3	5.7	02
—	—	89.0	83.2	14.5	12.2	3.1	3.4	3.1	1.0	20.7	16.6	03
—	—	0.8	0.9	0.9	0.1	—	—	—	—	0.9	0.1	04
0.2	—	71.7	85.4	0.6	0.7	0.3	0.3	—	—	0.9	1.0	05
—	—	177.8	187.6	17.6	28.7	—	—	1.5	7.1	19.1	35.8	06
—	—	74.3	79.3	—	0.1	0.9	0.7	2.1	2.6	3.0	3.4	07
—	—	0.7	1.3	—	0.1	0.1	0.1	—	—	0.1	0.2	08
—	—	1.6	2.0	1.3	1.4	0.5	0.4	—	—	1.8	1.8	09
—	—	1.0	1.2	—	—	—	—	—	—	—	—	11
—	—	3.6	5.1	—	—	—	—	—	—	—	—	121
0.1	0.1	24.7	26.2	3.8	3.2	14.6	15.7	—	—	18.4	18.9	21
—	—	46.2	38.3	—	—	—	—	0.6	—	0.6	—	22
4.8	6.1	190.5	159.4	—	—	—	—	—	—	—	—	231.1
0.4	0.3	69.5	65.4	47.4	45.0	41.2	57.0	—	—	88.6	102.0	261-265
0.2	0.1	28.2	33.1	2.9	3.2	3.4	4.8	—	—	6.3	8.0	29
—	—	33.7	43.9	0.2	0.2	—	—	—	—	0.2	0.2	4
5.9	6.6	817.9	816.3	240.9	274.3	137.4	168.0	7.3	10.7	385.6	453.0	

1/ SITC is the Standard International Trade Classification, Revised.

2/ Columns may not add to totals because of rounding.

3/ Includes former British Borneo.

Dash (—) indicates none or nil.

Table 6.--United States: Patterns of trade with the Far East and Oceania, 1963 1/

Region and country	Imports		Exports			Percent agricultural	
	All commodities	Agricultural	All commodities	Agricultural		Imports	Exports
				Total	Government program		
----- Million dollars -----							
<u>Far East</u>							
Afghanistan	15.7	1.4	13.3	3.3	4.6	9	25
Burma	1.1	0.3	11.8	1.6	1.5	31	14
Cambodia	6.2	6.1	9.1	0.7	0.5	99	8
Ceylon	34.4	33.1	14.0	8.6	3.1	96	62
Hong Kong	189.3	2.4	142.8	43.1	3.6	1	30
India	294.1	78.2	802.5	360.6	334.6	27	45
Indonesia	113.4	71.0	105.5	44.1	39.5	63	42
Japan	1,494.4	46.4	1,686.9	651.3	17.5	3	39
Korea, South	22.3	3.7	232.0	111.4	102.8	17	48
Laos	—	—	6.3	0.9	—	79	15
Malaya, States of	178.0	86.4	29.0	5.6	0.5	49	19
Nansei Islands	8.5	—	36.6	20.3	3.0	—	55
Nepal	—	—	0.2	—	—	—	5
Pakistan	44.2	22.3	337.8	164.9	169.4	50	43
Philippines	344.1	277.1	319.8	55.0	6.0	81	17
Singapore 2/	10.2	5.7	51.9	6.1	0.2	56	12
Taiwan	57.6	27.5	138.0	79.0	59.9	48	57
Thailand	39.2	33.3	95.8	11.9	—	85	12
Vietnam, South	2.4	1.9	115.3	38.3	43.0	81	33
Other	1.3	—	0.9	0.5	0.6	2	58
Total	2,856.4	696.9	4,199.5	1,607.3	790.4	24	38
<u>Oceania</u>							
Australia	314.4	256.5	436.7	35.9	—	82	8
New Zealand	171.6	166.0	71.7	5.1	—	97	7
Other	11.5	9.7	13.6	2.9	0.2	84	21
Total	497.5	432.2	522.0	43.9	0.2	87	8
<u>World</u>	17,013.7	4,011.2	22,921.7	5,585.4	1,621.0	24	24

1/ The values for agricultural trade given in this table are based upon the definition of agricultural commodities, traditionally used by the U.S. Department of Agriculture, which includes (1) nonmarine food products and (2) other products of agriculture which have not passed through complex processes of manufacture such as raw hides and skins, fats and oils, and wine. The values given in Table 5 are totals of specified SITC groups and, as indicated in the title are not strictly agricultural.

2/ Includes trade with British North Borneo, Brunei, and Sarawak.

Dash (—) indicates none or nil.

Table 7.--United States: Trade with the Far East, 1950-1963

Calendar year	Imports		Exports			Percent agricultural	
	All commodities	Agricultural	All commodities	Agricultural		Imports	Exports
				Total	Government program		
	----- Million dollars -----						
1950	1,354	866	1,187	583	<u>1/</u>	64	49
1951	1,753	1,243	1,883	937	<u>1/</u>	71	50
1952	1,618	1,003	1,819	917	<u>1/</u>	62	50
1953	1,404	757	1,724	718	<u>1/</u>	54	42
1954	1,259	666	1,641	649	<u>1/</u>	53	40
1955	1,579	833	1,728	660	<u>1/</u>	53	38
1956	1,666	775	2,292	891	<u>1/</u>	47	39
1957	1,713	728	2,953	1,115	600	43	38
1958	1,630	601	2,210	934	497	37	42
1959	2,230	777	2,268	880	463	35	39
1960	2,383	742	3,135	1,336	687	31	43
1961	2,284	686	3,580	1,302	564	30	36
1962	2,649	693	3,544	1,256	629	26	35
1963	2,856	697	4,200	1,607	790	24	38

1/ Data not available for years prior to 1957.

Table 8.--United States: Proportion of trade with the Far East, 1950-1963

Calendar year	Percent of all U.S. imports from the Far East		Percent of all U.S. exports from the Far East		
	All commodities	Agricultural	All commodities	Agricultural	
				Total	Government program
	----- Percent -----				
1950	15	22	12	20	<u>1/</u>
1951	16	24	13	23	<u>1/</u>
1952	15	22	12	27	<u>1/</u>
1953	13	18	11	25	<u>1/</u>
1954	12	17	11	21	<u>1/</u>
1955	14	21	11	21	<u>1/</u>
1956	13	20	12	21	<u>1/</u>
1957	13	19	14	25	39
1958	13	15	12	24	39
1959	15	19	13	22	38
1960	16	19	15	28	47
1961	16	19	17	26	36
1962	16	18	17	25	42
1963	17	17	18	29	49

1/ Data not available for years prior to 1957.

Table 9.--Far East and Oceania: Agricultural production, country by commodity, average 1952-54 and annual 1959 through 1964

Commodity	1952-54	1959	1960	1961	1962	1963	1964 <u>1/</u>
- - - - - <u>1,000 metric tons</u> - - - - -							
FAR EAST							
<u>Afghanistan</u>							
Rice, paddy	440	485	490	515	525	600	550
Wheat	2,030	2,300	2,175	2,175	2,300	2,200	2,300
Barley	275	340	330	330	340	345	350
Corn	645	635	610	635	660	610	685
Sugar	6	5	6	7	7	7	8
Sugar, non-cent. *	3	3	3	3	3	3	3
Oilseeds *	35	50	45	40	40	40	41
Fruits and nuts *	460	550	650	600	650	655	670
Cotton	13	17	17	17	17	22	23 *
Wool	8	8	8	8	8	8	8 *
Karakul skins	1	3	3	3	3	3 *	3 *
<u>Burma</u>							
Rice, paddy	6,890	7,847	7,575	7,800	8,000	8,400	8,300
Wheat	6	12	15	14	15	33	40
Corn	38	44	44	45	77	70	62
Millet	80	86	86	86	86	86	86 *
Pulses	193	214	239	249	285	300	305
White potatoes	36	30	30	30	34	41	40 *
Sugar, cent.	20	40	41	46	60	65	54
Sugar, non-cent.	80	145	142	152	159	157	142
Peanuts, shelled	118	186	238	270	285	220	290
Sesame	45	67	67	65	76	67	70 *
Cottonseed	54	44	38	40	41	33	44
Jute	1	6	10	4	8	32	32
Cotton	22	18	16	21	20	14	19
Bananas	203	117	117	118	132	140	145 *
Other fruit	375	549	549	549	550	555	566 *
Vegetables	850	914	914	914	925	940	960 *
Rubber	12	18	20	24	17	17 *	16 *
Tobacco	44	39	40	36	41	43	39
Tea	1	4	4	3	3	3	3 *

Footnotes on page 68.

Table 9.--Far East and Oceania: Agricultural production, country by commodity, average 1952-54 and annual 1959 through 1964--Continued

Commodity	1952-54	1959	1960	1961	1962	1963	1964 <u>1/</u>
- - - - - <u>1,000 metric tons</u> - - - - -							
<u>Burma</u> - Cont'd							
Milk	250	359	358	369	380	384	375 *
Eggs	90	97	97	98	102	105	105 *
Meat	120	95	86	88	89	92	95 *
<u>Cambodia</u>							
Rice, paddy	1,915	2,335	2,383	2,039	2,622	2,760	2,700
Corn	110	123	119	147	182	100	174
Pulses (mungbeans)	15	9	8	19	21 *	20 *	22 *
Sugar, non-cent.	33	27	56	57	58	58 *	58 *
Soybeans	6	5	3	9	10	11	11
Peanuts, shelled	3	3	2	5	7	6	8 *
Sesame	2	3	4	8	10 *	9 *	12 *
Cottonseed	<u>2/</u>	<u>2/</u>	4	20	5	4	5
Cotton	<u>2/</u>	<u>2/</u>	2	10	3	2	3
Kapok	4	5	5	7	7 *	7 *	7 *
Rubber	22	38	40	39	42	42	43 *
Tobacco	6	7	6	6	6 *	6 *	6 *
Pepper	1	2	2	1	2 *	1 *	1 *
Meat	24	40	42	49	50 *	51 *	52 *
<u>Ceylon</u>							
Rice, paddy	566	851	916	967	1,031	1,026	1,040
Corn	9	8	9	9	9 *	10 *	10 *
Millet	14	15	18	19	20 *	20 *	20 *
Sweetpotatoes	44	27	46	58	60 *	60 *	60 *
Cassava	219	146	264	297	300 *	305 *	310 *
Copra <u>3/</u>	453	506	480	565	608	550	560 *
Sesame	6	10	9	6	8 *	8 *	8 *
Tobacco	3	4	4	4	4	4	4
Rubber	98	93	99	98	104	106	108 *
Tea	155	187	197	206	212	220	218 *
Cacao	3	3	3	3	3	3	3
Spices	30	23	30	40	40 *	40 *	40 *
Meat	22	26	30	30	31 *	32 *	32 *

Footnotes on page 68.

Table 9.--Far East and Oceania: Agricultural production, country by commodity, average 1952-54 and annual 1959 through 1964--Continued

Commodity	1952-54	1959	1960	1961	1962	1963	1964 <u>1/</u>
- - - - - <u>1,000 metric tons</u> - - - - -							
<u>India</u>							
Rice, paddy	38,793	47,512	51,297	52,263	47,919	55,000	55,000
Wheat	7,264	9,929	10,251	10,992	12,039	10,829	9,708
Barley	2,737	2,715	2,717	2,866	3,152	2,423	1,985
Corn	2,943	4,070	4,015	4,269	4,578	4,527	4,800
Bajra (millet)	3,562	3,576	3,228	3,554	3,892	3,736	4,500
Jowar (sorghum)	8,251	8,133	9,363	7,741	9,621	9,000	9,604
Ragi (millet)	1,571	1,935	1,681	1,873	1,891	1,852	1,800
Small millet	2,301	2,062	1,970	1,970	2,031	2,031	2,000
Gram	4,197	6,991	5,590	6,324	5,827	5,343	4,478
Tur	1,798	1,698	1,694	2,081	1,339	1,592	1,292
Other pulses	3,428	4,389	4,435	4,247	4,465	4,505	4,271
White potatoes	1,887	2,364	2,766	2,699	2,550	3,131	2,473
Sweetpotatoes	1,169	1,137	1,281	1,600	1,600	1,600	1,600
Cassava	1,647	1,781	1,781	1,900	1,900	1,900	1,900
Sugarcane	52,346	71,588	76,409	104,127	99,853	94,470	101,606
Peanuts, shelled	2,479	3,193	3,123	3,280	3,375	3,704	3,920
Sesame	550	370	321	379	464	410	450
Flaxseed	363	458	446	395	456	433	385
Rape and mustard	891	1,042	1,063	1,356	1,337	1,294	909
Castor beans	106	112	115	90	101	101	101
Cottonseed	1,895	1,689	2,352	2,058	2,489	2,642	2,642
Copra <u>3/</u>	635	689	690	680	650	650	700
Jute	642	836	722	1,152	981	1,072	1,034
Cotton	812	724	1,010	884	1,074	1,138	1,138
Tobacco	242	265	286	312	349	366	336
Rubber	19	24	25	28	31	37	40
Tea	289	326	317	354	345	345	350
Coffee	24	42	50	68	46	56	69
<u>Indonesia</u>							
Rice, paddy	10,743	12,269	13,138	12,720	13,772	12,700	12,900
Corn	2,058	2,092	2,460	2,298	3,202	2,670	3,500
White potatoes	63	85	90 *	95 *	98 *	96 *	98 *
Sweetpotatoes	2,193	2,719	2,709	2,525	3,623	3,600	4,100
Cassava	8,625	12,697	11,376	12,106	10,976	11,889	12,500
Sugar, cent.	586	855	676	643	588	658	638
Sugar, non-cent.	218	264	303	313	300	300	300

Footnotes on page 68.

Table 9.--Far East and Oceania: Agricultural production, country by commodity, average 1952-54 and annual 1959 through 1964--Continued

Commodity	1952-54	1959	1960	1961	1962	1963	1964 <u>1/</u>
- - - - - <u>1,000 metric tons</u> - - - - -							
<u>Indonesia</u> - Cont'd							
Soybeans	331	431	443	426	389	373	400
Peanuts, shelled	206	255	256	252	252	269	270
Copra <u>3/</u>	1,107	1,107	1,166	1,247	1,186	1,360	1,400
Palm kernel	41	33	33	34	33	33	33
Palm oil	158	137	141	146	141	148	146
Kapok	14	31	36	32	22	24	25
Sisal <u>4/</u>	30	22	20	17	9	4	3
Rubber	742	705	620	682	682	582	600
Tobacco	65	75	74	81	69	76	77
Tea	65	63	67	66	70	60	62
Coffee	57	89	91	117	111	139	108
Spices	24	53	56	46	39	55	55
<u>Japan</u>							
Rice, brown	9,092	12,501	12,858	12,419	13,009	12,812	12,765
Wheat	1,476	1,416	1,531	1,781	1,630	716	1,245
Barley	2,277	2,308	2,301	1,976	1,726	759	1,205
Corn	64	104	113	116	104	103	86
Millet and sorghum	121	88	83	73	58	54	41
Other grain <u>5/</u>	191	220	214	212	189	190	176
Pulses	227	364	355	373	289	304	213
White potatoes	2,557	3,251	3,594	3,848	3,678	3,409	3,897
Sweetpotatoes	5,607	6,981	6,277	6,333	6,217	6,662	5,428
Sugar beets	268	999	1,074	1,136	1,200	1,153	1,164
Soybeans	442	426	418	387	336	318	256
Peanuts, shelled	22	63	84	99	100	101	103
Flaxseed	4	4	4	3	4	3	3
Rape and mustard	264	262	264	274	247	109	135
Fruit	1,538	2,698	2,977	3,213	3,239	3,426	3,666 *
Tobacco	104	129	121	126	139	166	213
Tea	60	80	78	81	77	81	82 *
Vegetables	6,970	8,420	9,924	9,869	10,100	10,571 *	10,818 *
Milk	742	1,715	1,887	2,114	2,437	2,769	3,101
Eggs	279	448	531	715	803	851	936
Meat	205	406	337	446	587	637	749

Footnotes on page 68.

Table 9.--Far East and Oceania: Agricultural production, country by commodity, average 1952-54 and annual 1959 through 1964--Continued

Commodity	1952-54	1959	1960	1961	1962	1963	1964 <u>1/</u>
- - - - - <u>1,000 metric tons</u> - - - - -							
<u>Laos</u>							
Rice, paddy	460	470	450	450	450	400	400 *
Corn	11	12	11	11 *	11 *	10 *	9 *
<u>Malaya, States of</u>							
Rice, paddy	640	714	903	976	926	1,006	873
Sweetpotatoes	79	108	113	117	127	112	116
Copra <u>6/</u>	159	127	176	165	136	140	102
Palm kernel	13	19	24	25	28	30	33
Palm oil	50	73	92	95	108	126	130
Pineapples	58	182	195	229	224	295	305
Bananas	220	327	345	356	341	336	353
Rubber	589	707	720	749	764	790	826
Tobacco	1	2	2	2	2	2	2
Tea	2	2	3	3	3	3	4
Coffee	3	4	3	4	4	4	6
Milk	16	16	15	20	19	19	19
Eggs	10	22	23	25	28	29	30
Meat	40	54	55	55	61	62	68
<u>Pakistan</u>							
Rice, paddy	13,080	14,434	16,069	16,133	14,963	17,741	16,171
Wheat	3,043	3,932	3,938	3,847	4,066	4,215	4,166
Barley	124	175	151	137	135	145	124
Corn	400	488	446	495	488	530	533
Bajra (millet)	364	329	306	370	423	362	356
Jowar (sorghum)	247	233	222	249	252	339	340
Gram	494	616	637	646	657	712	732
Other Pulses	485	441	416	829	593	506	509 *
Sugarcane	10,973	16,414	15,031	15,660	22,181	23,265	23,265
Peanuts, shelled	1	16	9	11	14	15	30
Sesame	37	35	31	35	34	34	35
Flaxseed	13	15	15	14	14	16	15
Rape and mustard	267	379	323	285	367	363	367
Cottonseed	622	631	647	674	782	897	833

Footnotes on page 68.



Table 9.--Far East and Oceania: Agricultural production, country by commodity, average 1952-54 and annual 1959 through 1964--Continued

Commodity	1952-54	1959	1960	1961	1962	1963	1964 <u>1/</u>
- - - - - 1,000 metric tons - - - - -							
<u>Pakistan</u> - Cont'd							
Jute	967	1,008	809	1,264	1,143	1,088	1,006
Cotton	293	295	304	317	369	422	392
Tobacco	82	101	89	86	102	102	103 *
Tea	23	25	19	26	24	25	25
Eggs	26	30	41	41	41	41	41
Meat	500	584	589	589	594	575	597
<u>Philippines</u>							
Rice, paddy	3,176	3,740	3,705	3,910	3,967	3,823	3,978
Corn	758	1,165	1,210	1,266	1,273	1,266	1,297
Pulses	38	49	42	33	33	31	35
White potatoes	7	7	7	10	11	15	15
Sweetpotatoes	644	849	827	739	695	749	755
Cassava	234	318	442	547	495	458	491
Other root crops	140	158	131	153	144	154	166
Sugar, cent.	1,152	1,387	1,317	1,468	1,451	1,750	1,816
Sugar, non-cent.	47	58	37	38	46	52	63
Peanuts, shelled	12	11	11	9	8	8	8
Desiccated coconut	44	50	57	60	60	69	76
Copra <u>6/</u>	925	1,000	1,143	1,057	1,385	1,645	1,162
Abaca <u>7/</u>	111	111	94	99	112	128	122
Kapok and Ramie	3	6	5	6	6	6	6
Citrus	26	37	43	54	62	62	63
Bananas	247	336	307	349	525	557	550
Other fruit	253	317	363	352	411	449	466
Vegetables	155	184	179	165	187	167	182
Rubber	2	2	3	4	4	5	6
Tobacco	27	52	64	60	70	68	66
Coffee	6	11	26	32	42	33	33
Cacao	1	2	4	4	3	3	3
Milk	18	25	26	27	28	30	32
Eggs	55	82	72	122	121	125	133
Meat	98	202	209	192	288	338	357

Footnotes on page 68.

Table 9.--Far East and Oceania: Agricultural production, country by commodity, average 1952-54 and annual 1959 through 1964--Continued

Commodity	1952-54	1959	1960	1961	1962	1963	1964 <u>1/</u>
- - - - - <u>1,000 metric tons</u> - - - - -							
<u>Singapore</u>							
Sweetpotatoes	8	5	8	6	3	3	3 *
Copra <u>3/</u>	3	3	3	3	3	3	3
Fruit	8	11	11	12	12	10	12
Vegetables	14	30	43	45	45	45	45
Rubber	2	2	2	3	3 *	2 *	2 *
Milk	2	3	3	3	3	3	3
Eggs	10	19	20	28	28	28	28
Meat	22	27	28	29	31	33	34
<u>South Korea</u>							
Rice, paddy	3,094	3,255	3,127	3,706	3,125	3,766	3,962
Wheat	101	144	139	171	145	66	160 *
Barley	765	1,049	1,054	1,128	1,075	305	1,180 *
Corn	12	14	14	16	18	20	22 *
Millet and sorghum	120	115	107	131	134	143	146 *
Other grain	40	41	39	40	38	25	42 *
Pulses	20	19	20	24	24	24	25 *
White potatoes	260	289	316	347	309	293	350 *
Sweetpotatoes	328	401	443	526	645	787	800 *
Soybeans	141	138	130	165	156	156	160 *
Cottonseed	32	16	11	17	12	7	9 *
Cotton	16	8	6	9	6	4	5 *
Hemp	6	7	6	6	6	5	6 *
Fruit	108	167	166	151	195	178	200 *
Vegetables	988	1,010	1,088	1,191	1,305	1,188	1,310 *
Tobacco	20	29	29	32	35	29	40
Meat	29	146	150	156	158	160	162 *

Footnotes on page 68.

Table 9.--Far East and Oceania: Agricultural production, country by commodity, average 1952-54 and annual 1959 through 1964--Continued

Commodity	1952-54	1959	1960	1961	1962	1963	1964 <u>1/</u>
- - - - - 1,000 metric tons - - - - -							
<u>South Vietnam</u>							
Rice, paddy	2,300	5,100	5,000	4,600	5,200	5,000	5,300
Corn	19	26	28	32	38	37	38
Pulses <u>8/</u>	3	9	11	12	16	19	20
Root crops	163	384	440	490	586	720	796
Sugar, cent.	1	9	10	13	12	11	5
Sugar, non-cent.	4	26	26	32	34	32	32
Copra <u>3/</u>	18	30	46	38	49	37	43
Rubber	50	75	78	79	78	76	75
Tobacco	6	5	8	8	8	7	7
Tea	2	4	4	5	5	5	5
Meat	40	64	73	70	67	66	70
<u>Taiwan</u>							
Rice, brown	1,636	1,856	1,912	2,016	2,113	2,109	2,215
Wheat	15	43	46	44	42	19	25
Corn	9	17	21	27	36	35	37 *
Millet and sorghum	6	9	9	10	11	6	12 *
Pulses	12	21	16	21	17	14	15 *
White potatoes	2	4	7	7	8	9	10 *
Sweetpotatoes	2,308	2,894	2,979	3,234	3,080	2,148	3,395 *
Cassava	116	147	159	226	224	217	230 *
Sugarcane	6,501	8,093	6,736	7,922	6,142	6,507	6,850 *
Soybeans	17	44	53	54	53	53	55 *
Peanuts, shelled	41	65	68	70	64	61	73 *
Sesame	2	3	4	5	4	2	4 *
Jute	13	24	21	14	11	10	10 *
Citrus	28	43	53	55	67	79	87 *
Pineapples	66	146	167	174	192	163	205 *
Bananas	100	104	114	130	135	132	138 *
Other fruit	25	45	49	55	58	60	64 *
Vegetables	626	749	803	814	841	911	956 *

Footnotes on page 68.

Table 9.--Far East and Oceania: Agricultural production, country by commodity, average 1952-54 and annual 1959 through 1964--Continued

Commodity	1952-54	1959	1960	1961	1962	1963	1964 <u>1/</u>
- - - - - <u>1,000 metric tons</u> - - - - -							
<u>Taiwan</u> - Cont'd							
Tobacco	10	16	16	16	16	17	17 *
Tea	12	17	17	18	20	21	22 *
Citronella oil	3	2	2	2	2	3	3 *
Meat	149	232	220	246	259	265	275 *
<u>Thailand</u>							
Rice, paddy	6,850	6,770	7,834	8,246	9,254	10,168	10,000
Corn, shelled	53	317	544	600	680	900	980
Pulses	57	101	110	91	96	78	79
Sugarcane	1,911	4,988	5,382	3,984	3,155	3,500	5,000
Soybeans	21	22	26	24	30	28	27
Peanuts, shelled	49	74	91	65	73	79	82
Copra <u>3/</u>	162	201	233	189	216	190	195
Sesame	9	17	19	13	16	17	18
Cottonseed	17	25	30	26	27	26	28
Castor beans	12	34	43	33	43	45	48
Cotton	8	12	15	13	14	13	14
Kenaf	12	50	181	339	134	140	180
Jute	1	4	6	12	7	12	13
Rubber	106	174	171	186	195	198	195
Tobacco	19	27	28	29	30	31	35
<u>OCEANIA</u> <u>9/</u>							
<u>Australia</u>							
Rice, paddy	81	128	114	132	134	140	153
Wheat	4,077	4,322	5,959	5,382	6,682	7,206	7,402
Barley	639	621	1,234	753	712	798	726
Oats	165	212	345	250	267	308	299
Corn	26	33	32	38	38	29	31
Sugarcane	8,829	9,147	9,314	9,731	12,941	12,315	14,258
Potatoes, white	436	524	408	476	603	510	489
Vegetables, other	454	468	471	503	625	550	525
Flaxseed	5	25	12	12	24	30	37
Peanuts, unshelled	13	18	22	14	12	19	21

Footnotes on page 68.

Table 9.--Far East and Oceania: Agricultural production, country by commodity, average 1952-54 and annual 1959 through 1964--Continued

Commodity	1952-54	1959	1960	1961	1962	1963	1964 <u>1/</u>
----- 1,000 metric tons -----							
<u>Australia</u> - Cont'd							
Fruits:							
Dried <u>10/</u>	92	71	83	98	69	105	100
Citrus	146	193	175	211	243	226	230
Deciduous	385	454	471	532	537	568	577
Tropical	128	205	185	186	187	202	200
Hops	2	2	2	2	2	1	2
Cotton, ginned	2	2	2	2	3	3	5
Tobacco	3	9	14	10	13	16	12
Milk	5,775	6,536	6,218	6,630	6,835	6,938	6,924
Eggs	113	116	123	123	117	126	131
Wool	576	762	737	771	759	808	822
Meat: <u>11/</u>							
Beef and veal	739	794	669	836	966	1,025	1,041
Mutton and lamb	403	604	605	619	626	616	633
Pork	93	110	112	125	119	116	120
Poultry	42	45	46	54	68	102	102
<u>New Zealand</u>							
Wheat	78	152	162	136	159	173	171
Oats	9	10	12	10	6	8	8
Barley	1	1	1	2	2	2	2
Corn	3	4	5	6	6	6	8
Potatoes, white	87	104	125	126	120	159	154
Peas, dry	13	16	14	13	18	14	19
Onions	11	13	15	12	18	20	20
Flaxseed	4	4	4	7	7	9	10
Fruits:							
Citrus	4	4	4	4	6	5	5
Deciduous	69	74	79	93	79	95	81
Hops	.4	.4	.4	.4	.4	.3	.3
Seeds <u>12/</u>	15	15	18	25	18	22	31
Tobacco	2	3	3	4	4	4	4
Milk	4,962	5,200	5,341	5,253	5,378	5,602	5,714
Eggs	25	32	27	33	33	37	39
Honey	6	6	6	6	6	6	6
Wool	196	262	267	266	281	279	288
Meat: <u>11/</u>							
Beef and veal	213	252	251	293	310	304	286
Mutton and lamb	353	466	474	489	481	505	499
Pork	41	42	42	41	44	47	48
Poultry	3	4	4	4	4	4	4

Footnotes on page 68.

FOOTNOTES FOR TABLE 9

- 1/ Forecast.
- 2/ Less than 500 metric tons.
- 3/ Copra equivalent of all coconuts produced.
- 4/ Includes manila hemp.
- 5/ Oats, rye, and buckwheat.
- 6/ Commercial production only.
- 7/ Government inspected baled fiber only.
- 8/ Includes soybeans.
- 9/ Production is adjusted for seed, feed, and waste. Production shown in given calendar year for most commodities includes production of split year beginning July 1 of year shown.
- 10/ Raisins and currants.
- 11/ Adjusted to include offals.
- 12/ Grass and clover.

\* ERS estimates.

Table 10.--Far East: Estimated production of selected agricultural commodities, average 1952-54 and annual 1959 through 1964

Commodity	1952-54	1959	1960	1961	1962	1963	1964 <sup>1/</sup>	Percent change 1964 from	
								1952-54	1963
----- 1,000 metric tons -----								----- Percent -----	
Rice paddy	102,455	123,839	131,464	132,490	130,783	141,168	140,032	37	- 0.8
Wheat	13,935	17,776	18,095	19,024	20,237	18,078	17,644	27	- 2.4
Barley	6,178	6,587	6,553	6,437	6,428	3,977	4,844	- 22	21.8
Corn	7,129	9,115	9,644	9,966	11,356	10,888	12,233	72	12.4
Millet and sorghum	16,637	16,581	17,073	16,076	18,419	17,629	18,905	14	7.2
Other grain	231	261	253	252	227	215	218	6	1.4
Pulses	10,967	14,921	13,573	14,949	13,662	13,448	11,996	9	-10.8
White potatoes	4,812	6,030	6,810	7,036	6,688	6,994	6,883	43	- 1.6
Sweetpotatoes	12,380	15,121	14,683	15,138	16,050	15,721	16,257	31	3.4
Cassava	12,983	17,404	16,337	17,546	16,365	17,239	17,901	38	3.8
Other root crops	303	542	571	643	730	874	962	217	10.1
Sugar beets <sup>2/</sup>	268	999	1,074	1,136	1,200	1,153	1,164	334	1.0
Sugarcane <sup>3/</sup>	71,731	101,083	103,558	131,693	131,331	127,742	136,721	91	7.0
Sugar, cent. <sup>4/</sup>	1,765	2,296	2,050	2,177	2,118	2,491	2,521	43	1.2
Sugar, non-cent. <sup>4/</sup>	385	523	567	595	600	602	598	55	- 0.7
Copra	3,462	3,663	3,942	3,944	4,233	4,575	4,165	20	- 9.0
Palm kernel	54	52	57	59	61	63	66	22	4.8
Palm oil	208	210	233	241	249	274	276	33	0.7
Soybeans	958	1,066	1,073	1,065	974	939	909	- 5	- 3.2
Peanuts, shelled	2,931	3,866	3,882	4,061	4,178	4,463	4,784	63	7.2
Castor beans	118	146	158	123	144	146	149	26	2.0
Flaxseed	380	477	465	412	474	452	403	6	-10.8
Rape and mustard	1,422	1,683	1,650	1,915	1,951	1,766	1,411	- 1	-20.1
Sesame	651	505	455	511	612	547	597	- 8	9.1
Cottonseed	2,620	2,405	3,082	2,835	3,356	3,609	3,561	36	- 1.3
Cotton	1,164	1,074	1,370	1,271	1,503	1,615	1,594	37	- 1.3
Jute	1,624	1,878	1,568	2,446	2,150	2,214	2,095	29	- 5.4
Other fibers	180	232	347	506	296	314	349	94	11.1
Tobacco	629	751	767	798	871	917	945	50	3.1
Rubber	1,642	1,838	1,778	1,892	1,920	1,855	1,911	16	3.0
Tea	609	708	706	762	759	763	771	27	1.0
Coffee	90	146	170	221	203	232	216	140	- 6.9
Cacao	4	5	7	7	6	6	6	50	0.0
Fruit	3,715	5,629	6,106	6,397	6,793	7,097	7,490	102	5.5
Desiccated coconut	44	50	57	60	60	69	76	73	10.1
Vegetables	9,603	11,307	12,951	12,998	13,403	13,822	14,271	49	3.2
Spices	55	78	88	87	81	96	96	75	0.0
Citronella oil	3	2	2	2	2	3	3	0	0.0

<sup>1/</sup> Forecast.

<sup>2/</sup> Japan only.

<sup>3/</sup> India, Pakistan, Taiwan, and Thailand only.

<sup>4/</sup> Excludes India, Japan, Pakistan, Taiwan, and Thailand.

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