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A COMPARATIVE STUDY OF TRADE PATTERNS OF THE PHILIPPINES AND THAILAND: 1900-1935

by

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This study is essentially concerned with the pattern of trade of the export sector of the Philippines and Thailand for the period 1900-1935. Both countries chave many things in common. In particular, their economies are based primarily on agriculture and place forestry. They are so-called traditional economies. The period of economic transformation of both countries from agrarian societies to commercial ones came after worden and the termination of the court of the court of the 1900. This created dual economies in the two countries and at which is a second of the second of th consisting of the traditional agrarian sector and the သည်သောကြာကြောင်း မျှန်းစည်းသည်၏ လူသည်၏ ကိုသို့ ချိုင်းသည်၏ မေသည် မြောက်မြောက် new commercial export sector. The central character-istic of these dual economies lay in the coexistence which the control of the well and the week of the land-based agrarian production sector and the Selena disposition of exect order of ceeps about the masked so deep are urban centered commercial production sector. However, ස් මෙරුක්වේ මස මෙබ්බ්රිකා ගම් රජයට ගම්සාවේණා ගුමුවට හැර most people worked in the traditional agrarian sector หลุงได้ที่ที่ได้ และอได้ลา สิราครอย ครามสามาร์ โด เป็น ได้เลือนอายุสิร and Myint has cited this as one reason why, even with o production of the contract o the expansion of exports, international trade did not han be the contract of the con contribute to the economic development of these ilda sa produce 🗘 tra a a li dare a coma taligada por a segunda esta de traba 👈 e percenta e la coma de la c countries. income applicabilità di Adrillia di Laborationi di Salari di Salari di Salari di Salari di Salari di Salari di

H. Myint, Economic Theory and the Underdeveloped Countries (London: Oxford University Press, 1971), p. 118.

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This study is a comparative analysis of the development of export trade in the Philippines and Thailand and the effects of this trade on the economic development of both countries during this period. The analysis will be centered on export growth in general and in each commodity of both countries in particular. This analysis will start with a short note on the theory of international trade which can be applied to underdeveloped countries.

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### THE COMPARATIVE ADVANTAGE THE COMPACT OF THE PROPERTY OF THE ADVANTAGE OF THE COMPACT OF THE COM

For trade analysis in underdeveloped countries, the classical theory on international trade is not adequate. According to Linder, the basic commercial policies of underdeveloped countries are characterized by a multitude of tariffs, quotas, and exchange restrictions rather than by free trade. Most underdeveloped countries lack the capacity to respond to the challenges of trade to make the effects of trading disadvantageous. The factor proportions theory of trade postulates that underdeveloped countries have a meager capital co-existing with little inventive and innovative activity, which situation does not permit trade in manufactures to any considerable level for these countries. However, most underdeveloped countries

abundantly supplied with natural resources might enjoy a comparative advantage in the production and trade of primary products which are natural-resource-intensive. Thus underdeveloped countries may be able to export various primary products subject however to the constraint that foreign demand for primary products is inelastic, so that the export maximum is determined by the maximum for each of the individual commodities. insid community access actor of whitebook in the comparation the Furthermore, primary product exports which do not supply e signicum jugai post retar se sutur a premere comerca avair internal demand usually are dominated by foreign entrepreneurs. For instance, during the period 1900-1935, one of the major export products in Thailand was tin COME BURGERS BUT COME FOR the entire output of which was always exported because ONLYRO ( Little ) I A MAN of the favourable world-market price and a high external demand at that time. At the same time, tin was produced largely by foreign labour, foreign capital, and foreign ed Person e 2**.4**00 oan Forestigen enterprise. The sector which is handled by foreigners ina note v arbit who trade in primary products of the underdeveloped .... countries is supposed to be called the "foreign

1. A. G. W. W.

Staffan Burenstam Linder, <u>An Essay on Trade</u>
and Transformation (New York: John Wiley and Sons,
1961), pp. 86-87.

Linder, Trade and Trade Policy for Development (London: Praeger, 1967), pp. 1-52.

James C. Ingram, <u>Economic Change in Thailand</u>
1950-1960 (Oxford University Press, 1971), pp. 93-111.

sector Lastly, the fluctuation of world prices hits trade in primary products hardest in the second section of world prices hits

in inappoint or or or our transference of the color of th A postulate called the law of declining atrocks of elete of year a case are the ose frobite iner importance of foreign trade states that although the eroo addres in mellere a anchalde all more, meller e eronia ratio of foreign trade to national income rises when et amundeng diseit, de combu in amor indi-litte a country enters more fully into the world economy, we become as much be broken to be seen as orders as the share of foreign trade in total income is bound to eridinouscop for the six as 6 toom with meet an odd Thus foreign trade decrease in a growing country. y legiple does of to fake eather in the ាន<sub>ន</sub>្ងសមារីជិក ខ្លាស់ការបានសិទ្ធាស៊ី plays a more important role for underdeveloped countries interpret Someth Lare of the dominator of Security and their economic development than for developed ones. accepts. 160 the standard the period 190 test. But most underdeveloped countries trade in primary at the beatiness of an els more a expandable to products and import manufactured goods, a reflection sananag (produce) នៃក្នុងស្រាយ នេះ នេះ មានប្រជាព្យាធិប្បធានារប្រជាព្យាធិប្បធានារាជ្រាយ និងប្រជាព្យាធិប្បធានារា not only of the utilization of existing factors but යිස් රැසටකට හැලි යේ සා වසය පුනුම්කල ව සා කළුවෙනි විශාල වෙන්ට විසිනවිනස්ව වන් ල දීම also of factor growth. Since export prices do not demand at they time. The dry time that the was produced rise as much as import prices or fall more than import Missip by tolerign labour foreign day to did foreign prices, the terms of trade of primary producers tend to deteriorate. Special difficulty also arises out of borged ev. Smedera and he has more vasaling his divers where the lack of flexibility in their production structure applicated the set followed to be to be found in the control to respond to changes in the terms of trade between their exports and their imports. Therefore, the real stormed ton (6 a York John Wiley and Sons

p. 92. Linder, An Essay on Trade and Transformation, p. 92. Linder, 1600 constant to the additional transformation, 1600 constant to the additional transformation.

Charles P. Kindleberger, Foreign Trade and the National Economy (New Haven: Yale University Press, 1962), pp. 179-182; a state of the National Economy (New Haven: Yale University Press, 1962), pp. 179-182; a state of the National Economy (New Haven: Yale University Press, 1962), pp. 179-182; a state of the National Economy (New Haven: Yale University Press, 1962), pp. 179-182; a state of the National Economy (New Haven: Yale University Press, 1962), pp. 179-182; a state of the National Economy (New Haven: Yale University Press, 1962), pp. 179-182; a state of the National Economy (New Haven: Yale University Press, 1962), pp. 179-182; a state of the National Economy (New Haven: Yale University Press, 1962), pp. 179-182; a state of the National Economy (New Haven: Yale University Press, 1962), pp. 179-182; a state of the National Economy (New Haven: Yale University Press, 1962), pp. 179-182; a state of the National Economy (New Haven: Yale University Press, 1962), pp. 179-182; a state of the National Economy (New Haven: Yale University Press, 1962), pp. 179-182; a state of the National Economy (New Haven: Yale University Press, 1962), pp. 179-182; a state of the National Economy (New Haven: Yale University Press, 1962), pp. 179-182; a state of the National Economy (New Haven: Yale University Press, 1962), a state of the National Economy (New Haven: Yale University Press, 1962), a state of the National Economy (New Haven: Yale University Press, 1962), a state of the National Economy (New Haven: Yale University Press, 1962), a state of the National Economy (New Haven: Yale University Press, 1962), a state of the National Economy (New Haven: Yale University Press, 1962), a state of the National Economy (New Haven: Yale University Press, 1962), a state of the National Economy (New Haven: Yale University Press, 1962), a state of the National Economy (New Haven: Yale University Press, 1962), a state of the National Economy (New Haven: Yale University Press, 1962), a state of the National Economy (New Haven: Yale Univers

problem of trade in underdeveloped countries often comes from the supply sector and is compounded by unstable export prices that causes instability in their export earnings. They can gain from participating in foreign trade, provided that they can move fast enough to take advantage of external demand.

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### THE PHILIPPINES

During the period under review (1900-1935), the Philippines was under American occupation. As is well known, during this period Philippine foreign trade, especially with the United States expanded and new products were developed.

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Table I shows the yearly volume of trade of the Philippines with all countries. Through most years in the beginning of the American occupation and during the period prior to World War I, the Philippines had a balance of trade deficit. In current pesos, total exports of the Philippines did not expand in every year. But on the average there was an export expansion of about 4.17 percent together with the expansion of total trade of about 3.83 percent. The leading export products of the Philippines were:

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3. Coconut -	copra
-	coconut oil
· · · · · · · · · · · · · · · · · · ·	copra cake
(VEEL CHE) CARVET TO	dessicated coconut
4. Tobacco -	raw leaf
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Table II shows the value, price and quantity indices of Philippine exports for the period. A very noticeable thing about this series is the unstable character of the index numbers of value, price, and quantity over the period. To illustrate this, Chart I plots the three index numbers for the Philippines! total value of exports, quantity and price. It seems that the movement of the value index before 1930 shows a very close relationship to the movement of the quantity index; but after 1930 the movement of the value index shows a very close relationship to the

movement of price index. Not as it being we a

The price elasticity of the export demand of the Philippines was computed, the results being in Table II. The value of the elasticity is very low (circa .42). This means that the total export earnings decreased if prices were increased since volume would not increase proportionately, and vice-versa.

index was regressed on the total quantity index and the price index to determine whether it was price or quantity which had greater effect on total export value. The regression estimates for one year, two year—and five year—moving averages are shown in equations (1), (2) and (3) respectively.

$$v_{20} = -49.20155 + 0.59626 P_{H20} + 0.77423 Q_{H20} + 0.07706$$

$$(0.04413) \qquad (0.07706)$$
has taken and  $v_{20} = 0.87358$  which (2)

$$v_3 = -21.62349 + 0.45857 P_{x_3} + 0.65240 Q_{x_3}$$
, (0.12296)  $R^2 = 0.76165$  (3)

EDIT 16  $\theta_{\rm in}$  = index of total value of exports (1964=100)

n = 1, 2, 3, one is for one year-moving
average, two for two year-moving average
and three for five year-moving average.

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- P = price index for exports in terms of the domestic currency; (1924=100)
- to the Q = index of total export quantity (1924=100)

The two-year and five-year moving averages have to be considered because they are long enough to exhibit the effects of total quantity index and price index on the total value of export index in the short run and in the long run. The three equations above are all significant because of the high value of R<sup>2</sup> and the values of the standard error of the regression coefficients (shown in parenthesis) are about a third of the absolute value of the regression .... coefficients. Among the three equations, the second one (with a two year lag) is the best because it exhibits the highest value of R2 (0.87358), This may implies that around 87 per cent of the variance of the total value index is accounted for by the total quantity index and the price index and 13 per cent is residual. From equation (2), a unit change in  $P_X$ produces around 0.59 change in V (Qx - constant and a unit change in Q produces around 0.77 change in V (P. - constant). However, the partial correlation and computed T-value are equal to 0.92241 and 13.51036 respectively, for Px and V, equal to 0.87138 and pairway are seen as uno property and the second second property and the second property are second property. 10:4732 for O and V. These would indicate that Px sparses price on the roll of the sparses of the contract of is more significant or has more influence on V than

has Qx. This result is reversed in the five-year moving average, equation (3). The partial correlation coefficient and computed T-value are equal to 0.813551 and 8.13551 for  $Q_{\rm X}$  and V, and equal to 0.56934 and 3.72950 for  $P_{x}$  and V. These seem to indicate that in the short run a change in  $P_{\mathbf{x}}$  has more influence on  $V_{\star}$ while over a longer period a change in  $Q_{\mathbf{X}}$  has more influence on V. This is reasonable because in that ... period, the Philippines exported mainly primary products that did not evince strong immediate response to changes in effective demand. That situation may be attributed to the fact that the Philippines traded almost all her major exports with the United States. From the time the United States market was opened to Philippine exports up to 1935, the U.S. accommodated all the latter could produce. After 1935 the system characterized significant parts of the trade between both countries. A case in point was sugar which led all other export products and went almost entirely to the United States, but which was subject to a quota. However Philippine sugar could not compete cost-wise with Cuban and Javan sugar. There were also quotas on tobacco and cordage. Another limitation was the lack of a vigorous Asian market since at that time most Asian countries were largely self-sufficient economies. These seem to be

the reasons, along with the structure of colonization, why her export value is correlated with quantity. This observation confirms that the fluctuations of export value depended on the fluctuations of export quantity. Therefore, the main problem of Philippine exports then revolved mostly around the supply side.

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## THAILAND

The economy of Thailand, is primarily based on agriculture, forestry, and fisheries. Rice and rubber are the most important among the major crops. Before 1850, production was only for self-sufficiency. Production increased when she started to trade with western countries, but the system of production was primitive, not much technology was used to improve agriculture. Even though there was irrigation already at that time, land suitable for cultivation was still greater than the irrigated area. The period from 1900-1935 exhibited a slow increase in production due primarily, it appears, to an anaemic supply response rather than to any appreciable price disincentive.

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John H., Van de Heidi, The Economic Development of Thailand During the Last Half Century, Journal of the Siam Society, III, Part II, (Bangkok: 1903), p. 76.

pace. Export demand was increasing satisfactorily.

Except for rubber, the problem of the slow increase in exports was a problem on the supply side, a problem in production more than in marketing.

Table III shows the yearly trade of Thailand during the years 1900-1935. During this time the leading export products were:

### 1. Rice - cargo

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4. Rubber - rubber waste personal constant of the substitutes of second of the substitute of

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- 6. Live Animals buffaloes
- made comit models as a superior bullocks from the masses.
- ostang representas en la elephants
  - goats and sheeps
  - through the same to game to horses and ponies
    - and books made a report . The poultry makely the related
      - swine
        - all others

Export expansion was around 3.1 per cent, which was very near the growth rate in total trade of about 2.9 per cent. Except for 1920 and 1924, the ending years showed a surplus in balance of trade. This means that the demand for imports was not high, the growth rate of the surplus balance of trade being around 4.9 per cent.

By using five major export products to represent all export products of Thailand (except live animals for which no data exist for comparison), indices of value, quantity, and prices were derived. The total value, quantity and price indices of Thai exports during the period are shown in Table IV.

From 1918 to 1930, there was a boom in export prices but the total export quantity did not increase significantly until after 1930. The relationships

the first of the second

among total value, quantity, and price indices can be seen from Chart II. This Chart shows the wide fluctuations of the above-mentioned variables; especially from 1918 to 1921. After 1930, however, a close positive relationship is exhibited by value, quantity and price indices.

Again from the data in table IV, and using the same method that was utilized for the Philippines, or an again of whether it is price or quantity which had more effect on the total value of Thai exports is shown in the regression equations (4), (5) and (6).

$$V_{1} = -102.76147 + 1.49648 P_{x1} + 0.65425 Q_{x1}, (0.11975) (0.05516)$$

$$R^{2} = 0.87133 (4)$$

$$V_{2} = -118.20740 + 1.57098 P_{x2} + 0.71380 Q_{x2}, (0.05520)$$

$$R^2 = 0.88967$$
 (5)  
 $V_3 = -126.20122 + 0.75407 P_{x_3} + 1.60515 Q_{x_3}$  (0.10987)

asymptotic and the special contains 
$$\sqrt{80.87} \pm \sqrt{0.91784}$$
  $^{-0.0}$  (6)

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Subscripts 1, 2, 3 are for one-year moving averages, two-year moving averages and five-year moving averages, respectively. The symbols have the same meaning as previously stated. These three equations are significant. It will be noticed in

the last equation that a unit charge in  $Q_{\mathbf{X}^1}$  changed  $\phi_{\mathbf{X}^2}$ V by 1.6 (Px - constant). Furthermore in the dast equation, the partial correlation and computed Terms value between  $Q_{\rm X}$  and V (0.93829 and 14.60991) where respectively) are bigger than the partial correlation and computed T-value between  $P_{\mathbf{X}}^{\text{op}}$  and  $V_{\mathbf{X}}$  (0.91181 and  $\mathbf{P}_{\mathbf{X}}^{\text{op}}$ 11.95831). All are different from the preceding two ralis Pro-The afron it spirit with no. equations. It seems that in the long pull the effect an មិកក្នុងរាស់ ទេ១ ២០០ ១០០ ១២០ ១២០ ១២០ ១០០ ខែបាន ១០១៩ of export quantity on the total export value was more ରିଥିବେ ଅନ୍ତିକ୍ତ । ବିଜେ ବ୍ୟବହର ଅନ୍ତର୍ଶ କରଣ । ୧୯୯୭ ଓ ଅନ୍ତର୍ଶ କରଣ । ୧୯୯୭ important than the effect of export price, and vice మేశ్రామం గుండికుండి. గునించి ఉందిన ఉండ్ మూడుకోగా అందుకుండా అనించి మహిత versa for the short pull. Hence, the main problem g (1) some seem in June german under der gebode ein einstegen. of Thai exports was in the quantity of exports. observation may be attributed to the fact that during this period, agricultural production took place largely in the Central Plain and irrigation was not used until 1920, so that production could not increase so fast. Although there was a high external demand for the leading exports, the gains from trade did not trickle down to the farmers; they accrued to the middlemen (a) who were foreigners, mostly Chinese. Thus there was no incentive for the farmers to increase production . Tating volve are also because the second of the second second of the second rapidly. and and the state of the second state of the state of the

The price elasticity of the export demand for

Thailand was low, (about .82) because the bulk of Thai exports was rice which was a primary product and a basic good whose demand changes but slowly through time. Compared with the Philippines, the price elasticity of the export demand for Thailand was higher, meaning that the latter lost less in foreign trade than the Philippines when her export prices increased.

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# viredite or everoniques (45 clears and or a Paris of A COMPARATIVE ANALYSIS

Thailand and the Philippines will now be considered.

The examination will focus on the terms of trade of both countries during the period. In trying to measure the terms of trade, one has to know the price indices of both exports and imports. Since no data on total imports in quantity terms is available, one both countries in quantity terms which are available for the period 1914-1929. Moreover, the commodity

<u> Parrot, all fina lacal distribution for the transplantation of the reserva</u>

In the case of the Philippines, the major exports consist of sugar, abaca, coconut and tobacco. The major imports consist of automobiles and accessories except tins, mineral oil, wheat flour and cotton cloth.

In the case of Thailand, the major exports consist of rice, teak, rubber, tin, and salted fish. The major imports consist of textiles including cotton and linen, tobacco, cigar and cigarettes, mineral oil (kerosene, benzine, liquid fuel) and machinery.

will be used to analyze terms of trade for both the

Philippines and Thailand.

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The terms of trade of the Philippines from ខេត្ត ខែស្តី ខែសារ ការ ខាន់ ខាន់ ខាន់ ខាន់ និងការ ខេត្ត ខេត្ត ទី២០ មួននៃសេវៈ១៩៛ 1914 to 1929 (1924=100) can be seen in Table .V. It is clear that the yearly terms are predominantly less t carre i frances a com i Pila gran najeli (Tan zajeli prati i zalest). than 1, except for the year 1917. That this is so IN CAUTION stems from the fact that during this period the major export products of the Philippines were primary products and most of the major imports were manufactured goods and generally, compared with othe boom year of 1924, the prices of primary products had less upward bias than the prices of manufactured goods. Added to the existence of price inelasticity of demand for Philippine export was the free trade already existing in the Philippines during that time. Both of these factors contrived to make export prices move up but slowly. From this observation, it might be con-Gluded that the Philippines had unfavourable "gains" from trade or that she was at the wrong end of an unequal international distribution of income, This achestatement is true even for the period 1917-1920 when to for of a consist that has now the forest of the contract of the formal of a trade boom was obtained since although the prices of her ្សាធាល់ ២០១៦ ទៅក្នុង កាស្រុក ស្រុក និង selecexports were high, they were lowersthan the prices of om the conditional transfer and the property of the property o m her imports. From the viewpoint of "income terms-ofguerri i li li la listraria (Ludicas vas il 1955 p. 1904 estot trade," as is shown in the last column of Table V, or

she had favourable gains from trade after 19245 indicating a welfare movement to a high day be attributed to the fact that after this year the volume of exports expanded very rapidly to offset the downtrend in export prices; a faut the total gains from trade increased:

much from our major exercice. The could be control

For Thailand the terms of trade are presented in Table VI. From 1914 to 1923, except for the 1916 and 1919, she had unfavourable terms of trade (1924=100). The reasons advanced for a similar trade (1924=100).

The reasons advanced for a similar trade in the Philippines also apply for Thailands of the year 1916 was an exception because at the height of world ward thailand just could hot get whatever trade the wanted and iff the quantity it wanted causing the volume of the reasons. In 1916, there was a drought and most of the recefficate were described, producing a collapse in the recefficate structure for rice, resulting in the field of the price structure for rice, resulting in the field of the price of the rice for rice, resulting in the field of the price of rice of the ric

a high external demand for rice resulted in a rapid land land of caped for deaders and which was brond for rice. Thus, the commodity terms that a form a barter of trade of trade and income terms of trade in those years were accorded to a condens. Hence, there was an greater than one, a favourable development.

Thaifand fared Better than the Philippines as to terms of trade. The conternation of trade. The conternation of trade.

fundamental foreign trade constraints. One was the problem of export supply which could not immediately respond to the increasing demand in the world market. Furthermore, most of the Philippine exports were primary products, a high percentage of which went to the United States. The Philippines did not benefit much from her major exports. She could not control her export prices. Thus she suffered from export instability, both in prices and quantities.

Less conspicuous relative to Thailand was the concentration in export products. During this period the three largest Philippine exports accounted for 83 per cent of total exports (sugar at 30.1 per cent, abaca 27.5 per cent, coconut 25.7 per cent). On the other hand, rice made up 75.79 per cent of total Thai exports for the same period. This fact has not been completely detrimental to the development of Thailand. Most of Thailand's population worked in the rice fields.

When she opened her doors to international trade, her economy was transformed from a barter economy to a money economy. Hence, there was an increase in total production due to internal and external demand pressures. A major factor in the growth of rice production was the introduction of a steady money demand for rice in Bangkok. The source of this

increased money demand was foreign. However, the composition of rice was still carried out by traditional methods, which brought about not read to a methods, which brought about not read to came productivity so that the expansion in production came only through an increase in the area of cultivated. The description of cultivated and an export prices increased sharply has an 1919; pruthermore, the demand for That rice in the neighboring and the croppin those countries. Thus, even if That laid escould leasily have produced an export surplus, the second effort was rively made. 10 store and a possible mi

and impute but also a change in the very atructure of Another observation from the tables is that outputs and inputs. Name, from the trade sectionism the export prices were not stable in both countries. shoop to ytidesup ban about the areas and filty energy In some years they increased but by less than import lof it to mai ecoloure, as will as for anapolitate. prices; when they decreased, they fell more than did Because international one, is now closely related to import prices. Both export and import prices flucal di vanoiden to a about duampoi vot bimomobe und tuated following the trade cycle. From this, it mi bedoitno ebend to a social era but a dome op wee would seem to follow that the terms of trade of the dygamin latbur than static terms. two countries, whose exports consisted largely of primary products and whose wimports consisted largely of manufactures, tended to deteriorate during

Ligottfried Marberlar, "Tears of Frade and Economic Development," Economics of Trade and Sevelopment, estimated and Jevelopment, estimated to the Commission of Sons Inc., 1960), p. 236.

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business cycle upswings: 11

CONCEUSIONS SCORES SANDONE CONCEUS SECTION OF THE CONCEUSIONS SANDONE SANDONE CONCEUSIONS SANDONE CONCEUSIONS SANDONE CONCEUSIONS SANDONE CONCEUSIONS SANDONE CONCEUSIONS SANDONE CONCEUSIONS SANDONE CONCEUSION CONCEUS CONCEUS CONCEUS CONCEUS CONCEUS CONC

omes melds Inoglassical theory, international trade creates the process of capital transfers from the capital-abundant country to the capital scarce country. Usually, the countries with less capital resources belong to the underdeveloped world. Capital transfers then serve to promote their economic development by opening up these countries to modernizing stimuli or -वलाहु अस by increasing external economies. Most often, the change that accompanies trade is not only an increase าร์ หย่า 3130 in efficiency in the production of traditional outputs A State of វេក ១៩២៩៦ ១៩ ៤ and inputs but also a change in the very structure of State A Religious sugar outputs and inputs. Hence, from the trade mechanism RELIGION OF STREET THE SECOND there will be increased kinds and quantity of goods for internal commerce as well as for external trade. BAR GOOD STOLL THE MILE ON Because international trade is now closely related to market in the state of the stat the economic development process of nations, it is Telephone Telephone special by the state of . . 15 TC now common to find the theory of trade enriched in dynamic rather than static terms. DE LA PARAL E L'ANGEN ARRENDE LA LA LA RABITATION DE LA CO

With However, the growth of trade in underdeveloped

the the street of the first of the contract of

Gottfried Harberler, "Terms of Trade and Economic Development," Economics of Trade and Development, edited by James D. Theberge (New York: John Wiley and Sons Inc., 1968), p. 236.

countries was noto really accompanied by important of developments in production methods even as growth of aper capita income was evident. It was accomplished because labour spilled over into the hinterland. For instance, before the onset of the Great Depression in the 1930's, although exports in Thailand and the interpression of the Philippines grew at an annual rate of 6 per cent or better, productivity increased only by approximately 0.2 per cent for Thailand and around 1 per cent for the Philippines.

In spite of export expansion in both countries during this time, their exports still followed the traditional pattern. There was no evidence of improvement in production of manufactured goods as was obvious with Japan which opened her doors to Western countries during the same period. Thus there was no industrial revolution in Thailand and the Philippines. There was only trade revolution in both countries since they entered the field of international trade. From one point of view, Thailand was in a better position than the Philippines during this time because the former was never colonized and she traded with many countries. Although most of her exports went to Great Britain and the British colonies, the percentage of these exports was still smaller than the percentage of Philippine total exports to

the United States : Philippine exports to the United States were as close as 80 per cent of her total work exports from These in the period 1900-1935 when there was an increase in general world export trade in Thailand's nterms of trade improved more than did those of the Philippines and increase in State and an accordance to the Philippines of the condition of

The apito of copost assammia beth countries during this bire, there are a chill i diswed the tribitional pathers. The livel of evidence of Concoverent 'r prefudtien of men dachured goode as ටෝ **අතුරා**ව යටත් ය සමඟ අවධුන්ම සමලදී ස්වර්ම සම්බර්ධය සමම Westing countyler Agrino the came period. Thus there was no incremining the term of land and the dilippings, then was only trail revolution in both countries of the way wheeld the Sield of interpation nel trade. The man point of viewerhalland was in a . Note at gostife, that the Milispoiner during this time because the former was never delibrated and the trades with many economical alchergh meet of her T exports work to Groce Tribain and the British delocios. the parky recutage of firms amporto was still smaller Man to the percentage of Philippine total exports to

#### TABLE I MALE

## Values of Annual Trade of the Philippines with 2000 X2 70 200 XA11 Countries 3 3 2800 X41 X420 C

(in million pesos at current prices )

YEAR REPORT	otal Trac	le <sup>a</sup> Total Export	Growth Rate of Total Export (per cent)	Balance, of	High S
1900 ( ) ( ) ( )	95,7	46.0	7.54.54C	g65 3.7	ije j
1901	109.3	49.0	6.3	-11.3	tH#4
1902	124.0	57.3	<u>3</u> 16.9	9.4	::(E
1903	132.4	64.8	13.1	20,07 2.8	Set s
1904	117.5	58.3	11.5 14.8	<b>6.8</b>	6000
1905 1906	127.0 118.1	66.9	2.5	12.5	194
	127.1	65.3	*** 1.4	5.3	700 E
1907 1908	123.6	65.2	1.5	6.8	i Alberta Labert
1909	132.0	69.8	7.1	7.6	
1910	180.7	35.08 <b>81.3</b>	16.4	-18.1	
1911	185.7	89.7	10.3	- 6.3	lici
1912	233.2	8.101,1	22.0	-13.5	\$10.
1913	202.2	95.5	15.0	70.711.1	£101
1914	194.6	97.3	1.9	0.1	31/1
1915	206.3	107.6	10.5	M 46:9	ELA
1916	230.9	139.9	30.0		33.0
1917	322.8	191.2	o <b>37</b>	<sub>415</sub> β \ <b>59.6</b>	7.10.
1918	467.6	270.4	41	73.2	215
1919	463.5	226.2	÷4. <b>₹19.5</b>	1,511.1	
1920 As China	601.1	302.2	ox . 34	55,88 <b>3.3</b>	* * * 1
192101.38	407.9	176.2	57 <b> 7 A</b> U	₹ <b>%</b> \$7 <b>55.1</b>	130
1944 47 66	351.6	191.2	8.5	W. AT 30.8	1.1.
1923 are 1	416.5	00. 241.5	26	66.5	$\sum_{i}\sum_{j} \sum_{i} \sum_{j} \sum_{j}$
1924 <sub>00,001</sub>	486.7	00.00270.7	12.0	54.7	178.19
1940	537.2	297.8	(10.0	58.3	( 54.
1946 <sub>20 (2)</sub>	513.4	273.8	- 8.8 13.6	35.2	33.4
1927	542.8	311.1 310.1	- 0.3	79.4	7.51
1928	579.4 623.2	₹2 ° 5310•1	6.0	34.6	
192901	512.5	328.9 266.3	-24	20.1	DE .
1930 and	406.3	207.9	- <b>2</b> 9	14 Jan 9.5	it.
1931 (1932) 1932 (1932)	349.5	190.7	- 9	31.9	35.5 35.5
1932 <u>(6. 8.)</u>	346.3	211.5	10.9	76.8	24°
1934	388.0	220.8	6 54.4	53.6	
1935 Six S	359,5	188.5	-17.1	May 17.117.5	

Average		Company of the State of the Sta	e 1.35
Growth 3.83%	<b>4</b> ,	.17	34 . F
<del>ىرى ئىرى بارى ئىرى ئىرى ئىلى ئىلى ئىلىنى ئىرى ئىرى ئىرى ئىرى ئىرى ئىرى ئىرى ئ</del>	the state of the second second	of the Committee of the Committee	or it and decided

a/Total exports plus total imports.

botal exports minus total imports.

Source: Bureau of Census and Statistics, Statistical Handbook of the Philippines 1903-1959 (Manila Bureau of Printing, 1954) Cpp 205-230.

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TABLE II

THE PHILIPPINES

TOTAL VALUE, QUANTITY AND PRICE INDICES OF EXPORTS

Q 250 250 g

YEAR	Total Value (in millions of pesos)	Total Value Index (1924 = 100)	Total Quantity Index (1924 = 100)	Price Index (1924 = 100)
1900	42.03	26.41	19.31	4.00
1901	45.82	18.48	21.51	139.11
1902	54.42	22.23	39,31	88.05
1903	60.02	24.64	32,13	57.22
1904	56.14	23.04	36.08	77.26
1905	63.99	25.52	44.93	64.19
1906	62,20	24.96	39.58	58.87
1907	63.83	25.83	41.36	64.95
1908	62.57	25.44	48.70	63.78
19 <b>0</b> 9	67.25	27.72	63.16	53.12
1910	77.55	31.50	50.26	44.01
1911	85.28	33.56	72.32	63.78
L912	102.11	41.18	72.32	48.74
L913	89.05	36.45	45.33	58.85
1914	91.52	36.96	44.59	81.20
1915	101.26	41.16	49.66	84.84
1916	125.53	51.33	59.41	84.28
917	173.02	71.30	62.07	87.34
918	249.47	101.91		115.21
.919	201,25	82.46	79.91 62.15	129.04
920	263,22	110.20	• • •	133.85
.921	153.87	63.51	58.25	190.34
922	0171.78	70.56	73.02	87.10
923	212.98	86.45	98.02	72.44
924	241.90	100.00	95.60	91.76
925	265.56	107.91	100.00	100.00
926	271.08	111.15	109.87	99.91
927	281.14	115.32	117.87	95.05
928	274.07	111.78	124.56	93.30
929	291.19	135.28	138.22	81.96
930	237.93	97.68	152.17	79.10
931	189.12	76.96	148.18	66.37
932	174.48	70.96	148.88	52.50
933	196.46	79.95	167.56	43.04
934	198.59	80.29	205.35	39.54
935	160.06	65.70	217.43 146.61	37.75

Sources: Bureau of Commerce and Industry, <u>Statistical Bulletin</u>
No. 3 of the <u>Philippine Islands</u>, 1920 (Manila; Bureau of Printing, 1921), pp. 178-184.

Bureau of Commerce and Industry, <u>Statistical Bulletin of the Philippine Islands</u>, 1929 (Manila: Bureau of Printing, 1930), pp. 97-166.

Bureau of Commerce, Summaries of Philippine Foreign Trade, 1931-1941 and 1946-1953 (Manila: Bureau of Printing, 1953), p. 1.

TABLE III
Values of Annual Trade of Thailand
With All Countries

in and his of ist

	Total	Total	Growth Rate	Balance of Trade b/
	Trade =/	Export	of Total Export	(Bh. million
YEAR	(Bh. million currencies)	(Bh. million currencies)	(per cent)	currencies)
1900	(**9 <b>5.3</b> 9****	52.00	equi one lo seus sim	
1901	124.07	75.54	(42.3%)	27.02
1902	155.53	85.81	( 13,5%)	16.00
1903	142.27	76.88	(-10,4%)	10.49
1904	180.19	104.13	( 35.4%)	28.07
1905	175.84	106.96	( <b>2.7%)</b>	38.08
1906	182.92	<sup>)53</sup> 105.86	(- 1.0%)	28.00
<b>1</b> 9 <b>07</b>	178.42	99.73	(- 5.7%)	21.04
1908	177.57	100.75	( 1.0%)	23.93
1909	172.37	102.56	( 1.7%)	32.75
1910	177.10	108.89 1.40 1.	6.1%)	40.00
1911	157.77	84.63	(-22.2%)	11,49
1912	158.23	81.97	t 1810(- 13.1%) surre	3.70
1913	206.30	115.51	( 40.9%)	24.72
1914	180.12	101.64	( <b>-12.0%)</b>	23.16
1915	181.42	105.97	( 4.2%)	30.52
1916	209.32	121.48	( 16.6%)	33.64
1917	220.87	123.79	( 1.9% <b>)</b>	26.71
1918	256.94	162.03	( 30.8%)	58.12
1919	315.73	177.29	( 9.4%)	38.85
1920	213.47	66.14	(-62.6%)	-81.19
1921	298.21	164.49	(148.6%)	30.79
1922	283.78	150.06	( <b>-</b> 8.7%)	16.34
1923	307.68	171.43	( 14.2%)	35.18
1924	335,31	165.94	( <b>-</b> 3 <b>.</b> 2%)	- 3.43
1925	377.96	196.58	( 18.4%)	15.20
1926	394.10	197.59	( 5.0%)	1.07
1927	477.36	276.26	( 39.8%)	75.18
1928	442,25	252.46	( <b>-</b> 8.6%)	62.67
1929	426.48	219.77	( 12.9%)	13.06
1930	316.52	161.51	( <b>-</b> 26 <b>.</b> 5%)	6.50
1931	234,12	134.21	(-16.9%)	34.30
1932	242.02	152.52	( 13.6%)	63.02
1933	237.03	144.07	( <del>-</del> 5.5%)	51.11
1934	274.32	172.59	( <b>19.7%)</b>	70.86
1935	266.97	158.22	<b>(- 8,3%)</b>	49.47
Average				
Growth	2.9%		3.1%	4.9%

# Table III (cont.)

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Sources

Statistics of the Import and Export Trade of Siam, 1906.

The Foreign Trade and Navigation of the Port of Bangkok, 1908-1927.

Annual Statement of the Foreign Trade and Navigation of the Kingdom of Siam, 1928-1936.

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a/Total exports plus total imports.

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b/Total exports minus total imports.

### TABLE IV

William SS	one State	Value Quantity a Indices of Expor	rts (apof gene)	
		rbai xebr (2012) (2012)		Antonia († 1822) 18. juni
YEAR	00.001 35 \ Total Value 50 \ (in millions 77.80 of baht)	Total Value Index (1931=100)	Quentity Index	26 Price Index (2)(1931=100)
	-	. Carlo		
1900	44.49	45.14	58.47	77,20
1901-	66.68	67.66	91.05	74.31
1902	72.41	78.58	99.05	80.34
1903	68.37	69.38	43.77	158.50
19 <b>04</b>	95.23	96.64	62.35	155.00
1905	97.43	98.88	63.48	155.76
1906	96.98 30 2063 33	98,39	60.54	162,52
1907	90.47	110.07	68,24	101.30
1908	93.11	94.49	63.00	147.04
19 <b>0</b> 9	30.82	95,21	67.93 sbari 42.420	140.16
1910	100.78	102.27	/2./6	140.56
1911	73.78	74.91	47.38 <sup>GNAC</sup>	" 158.11
1912	72,54	73.60	<b>42.91</b> Diemo <b>15</b> 0215 sua	171.52
1913	107.3245 s	23 deite <b>108,82</b> : 00 Hasid Fo <b>.208</b> 2atX :	74.87	143.33
1914	91.40	92.83	odi to 66.76	
1915	94.36	95.78	79.33	120.73
1916	106.76	108.35	83.71	129.44
1917	105.11	106.67	<b>79.80</b>	133.67
1918	139.10	141.18	60.04	235.14
1919	138.09	154.40	39.83	387.66
1920	43.60	44.23	24.91	177.54
1921	147.01	149.29	83.52	178.75
1922	133.05	121.08	84.11	160.48
1923	172.18	147.76	97.66	178.95
1924	173.67	176.28	87.16	202.25
1925	209.13	212.27	100.57	211.07
1926	206.13	196.71	96.12	217.65
1927	235.07	<b>238.5</b> 9	120.44	198.10
1928	212.83	<b>215.9</b> 9	111.31	194 <b>.0</b> 4
1929	178.98	188.64	93.38	194.52
1930	133.42	<b>135.3</b> 9	85.36	158.61

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Table IV (cont.)

/EAR	Total Valu (in million of baht	1 10 7 17 17 1	Total Quantity Index (1931=100)	Price Index (1931=100)
<b>1934</b> (00)	િલ્લા ( <b>પ115.87</b> & લ્લાઇપ્ર <b>ા41.41</b> 00	inmas 115,92 Jav	5.2 121.83 € 1.2 ×£ • 1.135.94 € 2.	105.57 ⊕ 105.57
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### TABLE V

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Salterns of Trade	of the Philippi	nes during the E	<b>Period 1914-1929</b> 	•
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x · <u> </u>	The space and a	4	$\mathbf{P}_{\chi}$	Macel
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828.	Price Index: Price Index of Exports of Imports			γε Commodity Terms. ευτο of Trade 236.			Income Terms	
.784 2.076 <b>SRABY</b>	Px	, az. 0 (42.2	P <sub>m</sub>	- 675. • - 483.	Px	.616 .674	<b>P</b>	
446.	-x	£4A.	- m		$P_{\rm m}$	aca.	A . O . 151	
. <b>53</b> 9		344		dRA.1	- m	1.258	ш <u>глэл</u>	
.497		1.334		1.507		2,143	101	
1914등	.7088	715°	.765	1.617	.927	, 727	.49 <mark>4</mark> 2.11	
1915	.6913	.847	<b>.69</b> 9	1,062	.989	248.	.598	
1916	.7830	.928	.798	25.0	.982	578. -42	.696	
1917	1.0745	.976	.986	∂∂√. 000.1	1.090	000.1	.725	
1918	1,3483	1.000	1.364	£89.	.989	1.045	.756	
1919	1.3606	Wal.i	1.860	8 <b>0</b> 2.	.732	1.977	.455	
1920	1.4754	1.214	2.183		.676	0.030	.431	
1921	.7635	1.223	1.766	608.	.433	6.V.C.	.360	
1922	.6033	1,232	.964	361.	.626 .843	883.	.736°. .870°	
1923	.8525		1.012		1.000		1.000	
1924	1.0000		1.000 <del>-1.051</del>			· Andrew Speech and the Speech of the Speech	1.005	
1 <del>925</del> 1926	<del>1.0087</del> .9 <b>0</b> 81		1.044		.870		.955	
1927	.9547		.965		.990		1.537	
1928	.8382		1.011		.829		1.120	
1929	.8051		.959		.840		1.229	

TABLE VI

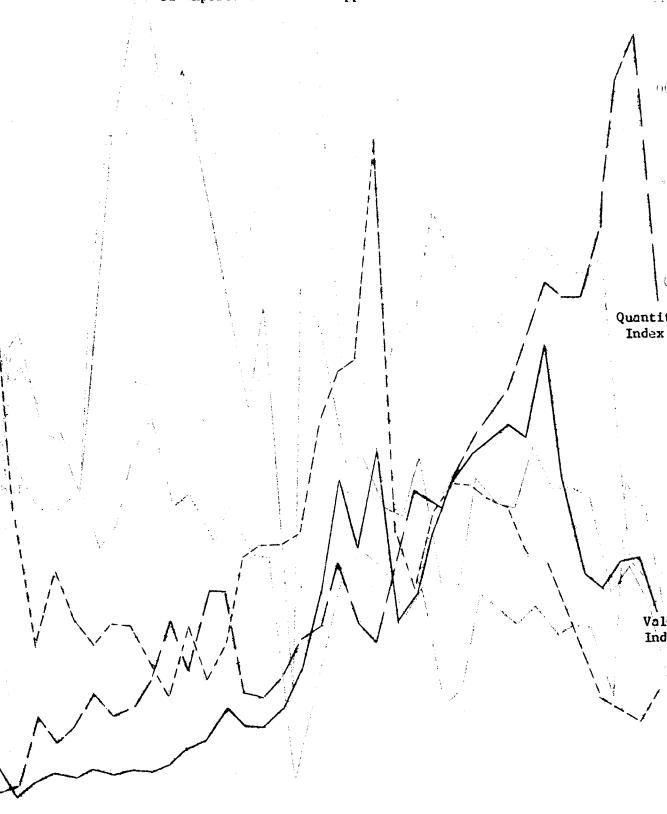
Terms of Trade of Thailand during the Period 1914-1929
(1924=100)

YEAR	Price Ind of Export P <sub>x</sub>	e <b>x</b> P	rice Ind f Import P <sub>m</sub>	lex:=4Xclic	of Trade	Terms In P	of Trade
1914	.6181 .616 .674 .698	oduty Te	.637 .693 .296 .940	ice Talax i Laserra T <sub>a</sub>	.971 .889 2.277 .743	Price Inde: of Exports: V <sub>x</sub>	.826 .784 2.076 .644 .539
1919 1920 1921 1922 1923 1924 1925	2.143 .927 .899 .878 .942 1.000 1.045	78 72 720 920 937.	1.607 1.617 1.062 .953 .966 1.000 .933	227. 207. 2089. 208. 208.	1.334 .574 .847 .928 .976 1.000 1.120	0.00 1.13 1.00 1.3483 1.3483	.494 .155 .797 .865 1.134 1.000
1927 1928 1929 000 . :	1.077 1.030 .978 .983	000. 000. 000. 000.;	.906 .849 .800 .798	9.753 9.768 9.964 1.012 1.000 1.064	1.189 1.214 1.223 1.232	0000.1 0000. 0000. 0000.1 0000.1 0000.1	1.309 1.468 1.534 1.275 200 029
VII. 1 42.1, f 202.1		964. 926. 948.		608. dafi.a 828.		7.44. 282x. 1808.	920 627 629 929

CHART I. Indices of Value, Quantity, and Price areas.

of Exports of the Philippines: 1900-1935.

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