

SECOND SESSION OF THE PREPARATORY COMMITTEE OF THE  
UNITED NATIONS CONFERENCE ON TRADE AND EMPLOYMENTINDIA'S RELATIVE ECONOMIC IMPORTANCE BEFORE AND AFTER  
PARTITION.

With reference to Part B, paragraph II (b) of the Report of the Committee on Voting and Membership of the Executive Board and paragraph 1(a) of the text of Article 72 recommended by that Committee (E/PC/T/143), the Indian Delegation wishes to circulate the following statistical data to show that in order of economic importance the Dominion of India will rank at least as high as India did before partition.

Before Partition.

The relative economic importance of India before partition is indicated by the following figures given on page 11 of the document E/PC/T/143.

Foreign Trade (average 1938/39 and latest 12 months available)	...	27 points
National Income, 1940	... ..	<u>24 points</u>
Total:		<u>51 points</u>

On the basis of these figures, India before partition ranked seventh, the first six countries being U.S.A., U.K., U.S.S.R., France, Canada and the Netherlands.

After Partition.1. National Income

The national income of the whole of India including Pakistan has been estimated at \$ 12,000 million. The population of Pakistan amounts to 69 million or 18 per cent of the total population of India including Pakistan, which is 386 million (1941 Census). On the basis of this ratio, the points to be assigned to the Dominion of India on account of national income at the rate of 2 points for every \$ 1,000 million, work out to 20.

2. Foreign Trade

The average foreign trade of India including Pakistan in 1938/39 and the latest 12 months amounted to Rs. 4,560 million, or roughly \$ 1,370 million, which, at the rate of 20 points for every \$ 1,000 million, is equivalent to 27 points.

3. The average foreign trade of the two ports of Pakistan, namely, Karachi and Chittagong during the same period was approximately Rs.636 million, or £ 191 million, which is equivalent to 4 points.

4. Therefore, if no account is taken of the trade between the Dominions of India and Pakistan, the points to be assigned to the Dominion of India on account of foreign trade would be 23.

5. The trade between the Dominions of India and Pakistan will, however, be part of the foreign trade of each. It is estimated on the basis of the average for 1938/39 and the latest year, that Pakistan will export to the Dominion of India at least 4.85 million bales of raw jute valued at Rs.504 million and at least 660,000 tons of wheat valued at Rs. 96 million. It is estimated, further, that exports of sugar from the Dominion of India to Pakistan will amount to at least 134,000 tons valued at Rs. 56 million. These figures are based on actual trade movements and involve no speculation as to the future. The total trade between India and Pakistan on account of these three commodities only, namely, jute, wheat and sugar, would thus amount to at least Rs. 656 million or £ 197 million, which is equivalent to 4 points. If only two more points were added to cover only a part of the trade in the numerous other commodities such as cotton piece-goods, cotton, rice, hides and skins, coal, jute manufactures, oilseeds, tea etc., the additional points to be allowed to the Dominion of India on account of its trade with Pakistan would be 6.

6. The total number of points to be assigned to the Dominion of India on account of its foreign trade on the basis of the preceding two paragraphs would, therefore, be 29. The net result is as follows:

National Income of the Dominion of India	20 points
Foreign Trade of the Dominion of India	<u>29 points</u> (minimum)
Total:	<u>49 points</u>

7. The above estimates have been made on the most conservative basis and are intended to serve only the immediate purpose. They will suffice to show that the Dominion of India taken by itself and independently of any customs relationship it may have with Pakistan will by no means rank lower than seventh in order of economic importance and would in fact rank much higher if all relevant factors were taken into account. The Dominion of India, therefore, should not have been excluded from the list of countries given in paragraph 1(a) of the text of Article 72 recommended by the Committee.