

**1963**  
**ECONOMIC**  
**REPORT**  
**TO THE**  
**GOVERNOR**



**COMMONWEALTH OF PUERTO RICO**  
**OFFICE OF THE GOVERNOR**  
**PUERTO RICO PLANNING BOARD**  
**PLANNING AREA**  
**BUREAU OF ECONOMIC AND SOCIAL ANALYSIS**

June 1964

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BUREAU

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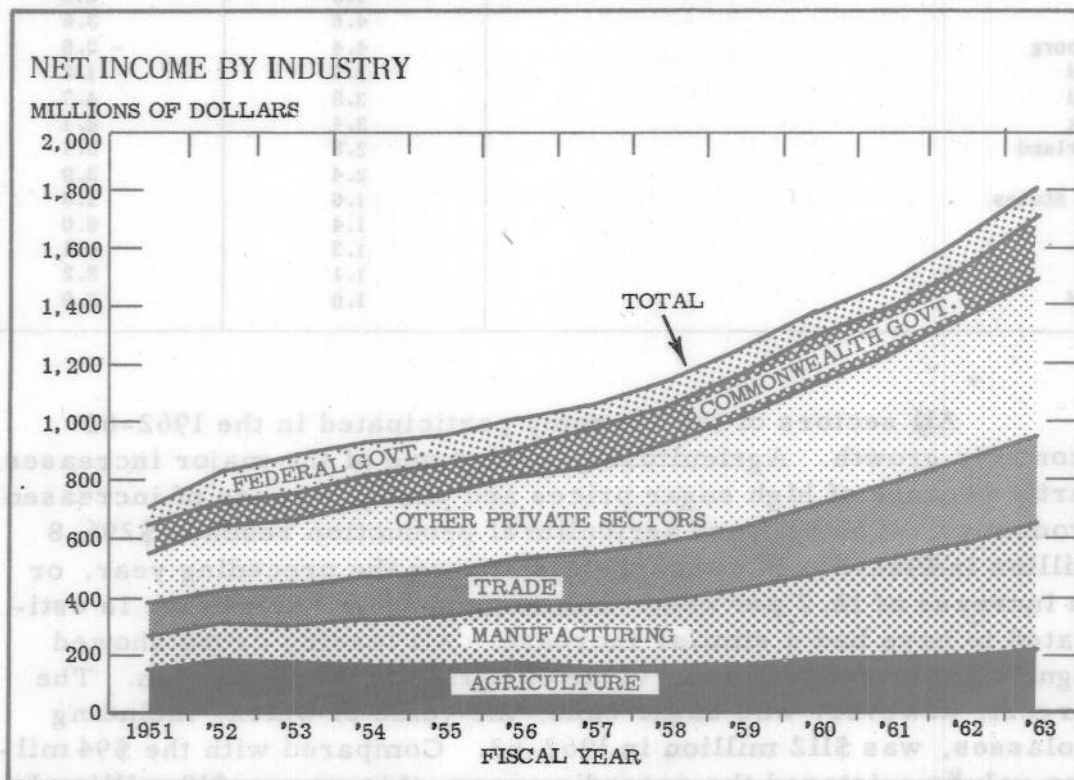
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## THE PUERTO RICAN ECONOMY, 1962-63

### Resume

In 1962-63, the Net Income of the Puerto Rican economy increased 10.6 per cent to \$1,811 million. This notable increase is more significant when the considerable increase of the preceding year, 10.8 per cent, is taken into account.

This kind of expansion which has characterized the entire period of development, especially during the present decade, is reflected not only in income in current dollars but also in real income, i. e., income in constant dollars after subtracting price increases. The price index went up approximately one per cent in 1962-63. It should be noted that this general price index prepared by the Planning Board reflects not only the prices of articles consumed by the working class but also by other consumers. In other words, all goods and services consumed in Puerto Rico are duly included in the price index. After subtracting price increases, the real Net Income showed a 9.6 per cent increase.



As a result of this increase in net income in constant prices, the real per capita increased 7.2 per cent in 1962-63. Last year's increase was preceded by a 6.1 per cent increase in the two-year period 1960-62, an annual rate of growth of 5.1 per cent in the decade 1950-60 and a rate of 4.1 per cent between 1940 and 1950. These increases place Puerto Rico among the free world countries with the most rapid rate of development. Japan has showed a consistently higher rate, as has Germany during the past decade. (See table below)

ANNUAL RATES OF GROWTH OF REAL NET PER CAPITA INCOME DURING THE DECADE  
1950-60 AND THE TWO YEAR PERIOD 1960-62

SELECTED COUNTRIES

Country	1950-60	1960-62
West Germany	8.4	3.9
Japan	7.4	8.4
Israel	5.6	5.5
PUERTO RICO	5.1	6.1
Italy	4.9	6.9
France	4.6	3.6
Luxembourg	4.4	- 2.6
Holland	3.9	1.2
Finland	3.9	4.7
Denmark	3.4	4.1
Switzerland	2.8	5.1
Sweden	2.4	3.9
United States	1.6	1.8
Mexico	1.4	0.0
Canada	1.3	5.1
Norway	1.1	2.2
Ireland	1.0	3.9

All sectors of the economy participated in the 1962-63 economic growth. Agriculture provided one of the major increases, partly because of high sugar prices and partly because of increased production. The value of agricultural production reached \$296.8 million in 1962-63, \$32 million higher than the preceding year, or an increase of 12.2 per cent. Net income from agriculture is estimated to have had a similar increase. All leading crops showed significant increases in the value of agricultural production. The largest, however, was sugar cane, the value of which, including molasses, was \$112 million in 1962-63. Compared with the \$94 million value registered the preceding year, this was an \$18 million increase in gross income received by farmers.



**NET INCOME BY SECTORS**  
(In millions of dollars)

Sectors	1961-62	1962-63	Percentage change
<b>TOTAL</b>	<b>1,637</b>	<b>1,811</b>	<b>10.6</b>
Agriculture	200	(1) 220	10.0
Manufacturing	395	432	9.4
Contract construction and mining	110	123	11.8
Transportation and other public services	152	167	9.9
Trade	272	293	7.7
Finance, insurance and real estate	164	181	10.4
Services	170	190	11.8
Commonwealth and municipal government	219	241	10.0
Rest of the world:			
Salaries, wages and supplements paid by the Federal Government	85	97	14.1
Other factor income received from the rest of the world	30	34	13.3
Less: Factor income paid to the rest of the world	- 159	- 166	4.4

(1) This net income figure does not reflect totally price increases. It is estimated that when final figures are available, net income from agriculture will be about 12 per cent higher than the preceding year. Estimates indicate that net income could reach \$224 million, if present price trends continue.

Manufacturing net income exceeded 1961-62 income by 9.4 per cent. The net income from manufacturing reached a record \$431.8 million in 1962-63. Net income from Fomento promoted plants was \$257.6 million in 1962-63 compared with \$228.4 million the preceding year. Non-Fomento factories showed a 4.8 per cent income increase.

Tourism increased considerably in terms of the money inflow from abroad. Expenditures of visitors coming to Puerto Rico reached \$79.7 million, up 17.4 per cent over the \$67.9 million registered in 1961-62. The largest increase in expenditures was by visitors staying with friends or relatives: this was an increase of \$6.1 million from \$26.3 million in 1961-62 to \$32.4 million last year. Visitors staying in hotels spent \$41.7 million last year, 15 per cent more than the preceding year.

Government was another sector contributing to the economic growth in 1962-63. Government paid salaries and wages 10 per cent above those paid the preceding year. In the rest of the economy (business, banking and insurance, services and the other sectors) income generated was 11 per cent above the preceding year.

It is estimated that the functional distribution of income, that is, the distribution between labor income and property income continued to show about 69 per cent income from labor. This high per cent is only surpassed by England, the United States and Canada.

FUNCTIONAL INCOME DISTRIBUTION: PROPORTION OF TOTAL INCOME RECEIVED FROM  
WAGES AND SALARIES: 1961

Country	Per cent
England	75.4
United States	71.5
Canada	69.8
Puerto Rico	68.5
Sweden	67.5
France	62.6
Costa Rica	61.9
New Zealand	60.4
Holland	59.5
Belgium	57.5
Argentina	50.7
Japan	50.6
Colombia	41.8
Philippine Islands	41.6

Source: Yearbook of National Accounts Statistics, 1962.

Once again, last year was a year of high investment. A total of \$487 million were invested last year in construction, machinery and equipment. Comparing this figure with the G. N. P., the investment rate was 22 per cent, thus maintaining the high investment rate typical of recent years. Some \$165 million were invested in machinery and equipment, 29 per cent higher than the preceding year. The value of construction during 1962-63 reached \$323 million, \$16 million higher than construction carried out in 1961-62. Private housing construction showed a major increase with an investment of \$115 million. Commonwealth and municipal government construction of public works also showed a considerable increase. The value of these public works, excluding those constructed by public corporations, reached \$58 million, compared with \$49 million in 1961-62. In addition, public enterprises carried out constructions valued at \$67 million. If the machinery and equipment bought by the Commonwealth and municipal government is also included, total public investment in 1962-63 reached \$139 million, 29 per cent of the total fixed investment of the economy.

Economic expansion was reflected in exports, which reached a volume of \$845 million, an approximate increase of \$88 million when compared with 1961-62. This is the highest increase registered since 1960-61. On the other hand, imports reached \$1,160 million, \$72 million higher than the preceding year. As a result of the fact that the increase in exports was greater than that of imports, the balance of trade gap narrowed to \$314 million, a decrease of \$16 million when compared to \$330 million in 1961-62. For the second time the balance of trade with foreign countries, which was \$177 million last year, was greater than the balance of trade gap with the United States which was \$139 million.

In addition to the balance of trade gap, deficits were registered in other items of the current account totalling \$85 million, which raised the total deficit of the current account of the balance of payments to \$399 million. This imbalance was partially offset by net transfers received from abroad which totalled \$177 million; the rest represented the net inflow of foreign capital which last year totalled \$212 million. <sup>1/</sup> External capital imports represented approximately 37 per cent of the total investment registered in Puerto Rico in 1962-63. This is a lower ratio than in earlier years when it was almost half. The bulk of external capital flowing to Puerto Rico last year was provided by the three typical sources of external financing: (a) bond sales by the public sector on the U. S. capital market; (b) direct investment by non-resident entrepreneurs mainly in business and industrial enterprises; (c) mortgage credits for private housing.

As a result of last year's economic advance, personal income reached \$740 per capita. The 6.6 per cent increase over the preceding year is less than the rate at which the Net Income grew because of the rapid population increase. It is well known that the external population movement last year showed a net departures of 4,798 people, compared with 11,363 the preceding year. As a result, the actual population increase was almost the same as natural population growth, which is 2.3 per cent or 60,000 people a year in Puerto Rico.

<sup>1/</sup> The other millions are "errors and omissions" in computing the Balance of Payments.

## MANUFACTURING

Net income from manufacturing reached the record figure of \$431.8 million in 1962-63, surpassing by 9.4 per cent the net income originated in 1961-62. Fomento-promoted factories were responsible for the largest percentage increase, boosting their net income from \$228 million in 1961-62 to \$257.6 million in 1962-63. Income of non-promoted Fomento factories grew by 4.8 per cent.

NET INCOME IN MANUFACTURING  
(Value in millions of dollars)

	Net income		Increase	
	1961-62	1962-63	Absolute	Relative
TOTAL	394.6	431.8	37.2	9.4
Fomento promoted factories	228.4	257.6	29.2	12.8
Other factories	166.3	174.2	7.9	4.8

The increase in net income from manufacturing, although below that of 1961-62, was substantial despite a reduction in continental demand that began with the January, 1963, dock strike and lasted for several months. The net income from manufacturing from January to March, 1963, the most severely affected quarter of the year, showed an annual rate of \$414.8 million. This figure is far below those of the other three quarters of 1962-63. Since manufacturing now generates more income than any other sector of the economy, it has also become difficult to maintain the extraordinarily high rates of growth it enjoyed for years during the past decade.

Exports of factories sponsored by Fomento under the industrialization program reached \$531 million in 1962-63, exceeding by \$34 million or 6.9 per cent the 1961-62 figure. Below are presented the exports of new products from Puerto Rico in 1961-62 and 1962-63.

Exports showing the highest increases were chemical products, tobacco and its derivatives, clothing and textiles and food products.

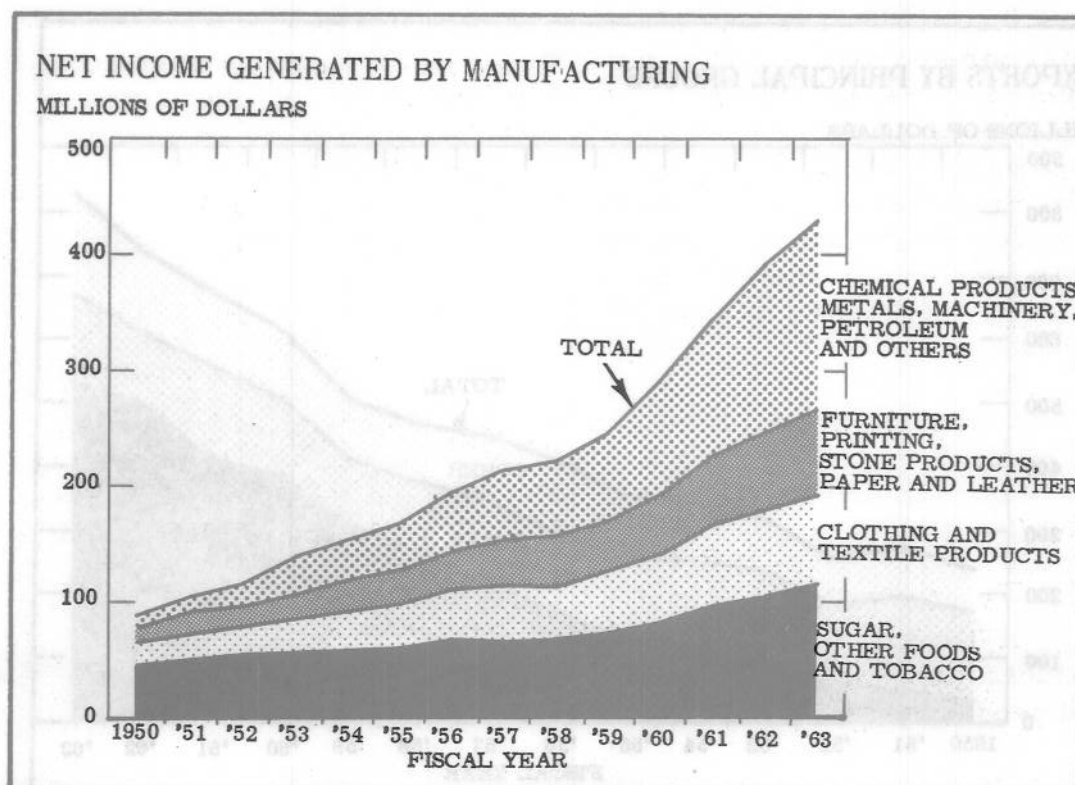


# EXPORTS OF NEW PRODUCTS, PUERTO RICO

(Thousands of dollars)

	1962-63	1961-62	Per cent change
<b>NEW PRODUCTS</b>	<b>531,307</b>	<b>497,113</b>	<b>6.9</b>
Food products	37,115	27,756	33.7
Tobacco and derivatives	55,512	46,430	19.6
Apparel and textiles	166,191	156,029	6.5
Chemical products	39,793	27,684	43.7
Machinery equipment and electrical appliances	65,971	73,026	-9.7
Shoes and leather products	38,681	33,818	14.4
Toys, jewelry and miscellaneous	41,674	48,333	-13.8
Petroleum and derivatives	63,507	62,315	1.9
Metals, paper and paper products	22,864	21,723	5.3

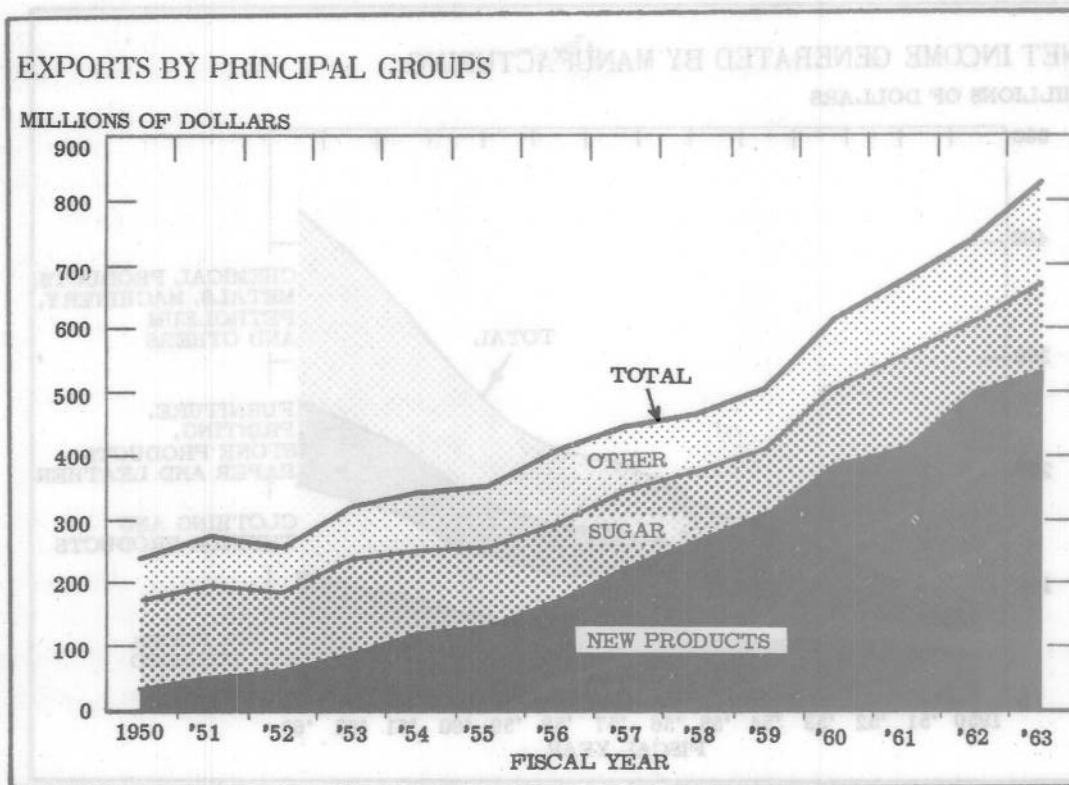
Although petroleum prices fell considerably during the year, the export value of petroleum and its derivatives showed a slight increase from \$62.3 million in 1961-62 to \$63.5 million in 1962-63.



Exports of toys, jewelry and miscellaneous products showed a marked decrease, a loss of some \$7 million when compared with the preceding year. These products have suffered from intense competition by foreign countries. The value of machinery and electrical appliances exports also fell \$7 million, both because of lower prices and the considerably decreased production of some electrical appliances manufacturers.

The chemical and related products industry increased production considerably. This is reflected in increased exports of these products. The net income of this industrial group increased from \$33.8 million in 1961-62 to \$42.5 million in 1962-63, an increase of 26 per cent. External sales of this group increased 44 per cent.

Paper production and income from printing also advanced. The clothing and related products industry also continued increasing its production, especially in Fomento-promoted factories. More than 30 Fomento factories for these products were promoted in 1962-63. Net income went up from \$62.1 million in 1961-62 to \$64.9 million in 1962-63, an increase of 4.5 per cent. Net income from tobacco products remained about the same, and there was a slight drop in the net income of the textile industry.



The latest information available on the net income of tax exempt factories under the industrial incentives law indicates that in 1960 these factories produced a net income of \$148.7 million, of which \$85.8 million were paid out in wages and salaries. The remaining \$62.9 million were earnings and interests of the stockholders, owners and other creditors of the factories.

NET INCOME ORIGINATED BY ALL MANUFACTURING ESTABLISHMENTS AND BY EXEMPT FACTORIES 1960				
(Millions of dollars)				
	All factories	IN EXEMPT FACTORIES		
		Total	Non-resident	Local
Total	291.0	148.7	131.0	17.7
Profits and interest	110.1	62.9	57.0	5.9
Compensation to employees	180.9	85.8	74.0	11.8

In 1960, the net income produced by all manufacturing, including non-exempt factories, was \$291 million. Half of this was created by exempt factories. Exempt factories of local origin generated \$17.7 million in 1960. It is expected, however, that the net income of this group of factories will continue to grow since during the past year and a half, the Economic Development Administration has intensified its aid to local industries, thus predisposing their more intense development. During 1962-63, Fomento granted financial aid in the form of construction, loans, minority, share-holding and incentives totalling \$3.5 million to local entrepreneurs. The Department of Puerto Rican Industries gave technical engineering aid to 35 local enterprises in addition to completing 32 marketing and feasibility studies of specific projects.

Local enterprises also benefited considerably from bids and sales arranged by Fomento either totally or in part. More than \$26 million in contracts were let during the year as a result of efforts made to obtain specific sales opportunities for local industries. These include \$22.6 million in Federal, Commonwealth and municipal government bids as well as those of public corporations.

Furthermore, sales totalling \$3.1 million were arranged to hotels and other private enterprise and \$103,000 in sales to the Caribbean resulted from a program begun in March, 1963.

#### EMPLOYMENT IN FOMENTO FACTORIES

(In thousands)

Item	Total		Promoted	
	June 1962	June 1963	June 1962	June 1963
In all factories	67.8	70.2	59.0	60.6
Starting in the Fomento Program in 1962-63	---	4.1	---	3.8
Starting in the Fomento Program in 1961-62	3.9	5.3	3.8	5.1
Starting in the Fomento Program prior to 1961-62	63.9	60.8	55.2	51.7

Average manufacturing employment during 1962-63 was 94,500, 5 per cent or 4,500 higher than in 1961-62. Fomento-promoted factories showed an increase in average employment from 55,700 in 1961-62 to 59,200 in 1962-63, while other plants increased from 34,300 to 35,300. In June 1963, 98,900 workers were employed in manufacturing, compared with 95,400 in June, 1962.

The increase in employment in Fomento-promoted factories was due solely to the factories established in 1961-62 and 1962-63 (see table above). The rest of the factories, those established before 1961-62, showed a reduced employment level.

Fomento-promoted factories established during 1961-62 with an employment of 3,800 in June 1962 increased their employment to 5,100 in June 1963, an increase which is typical of the second year of operations of these factories. The rest of the factories, those over two years old, showed a reduction in employment level as of June, 1963, although the decrease was less than that registered in 1957-58.



# FACTORY EMPLOYMENT BY YEAR OF ENTRANCE INTO INDUSTRIALIZATION PROGRAM

(Employment in thousands)

		All Fomento Factories	Promoted Factories			
Year		Employment in June	Total employment in June	Increase compared with June of the preceding year	Employment in June of factories established during the year	Changes in the employment of all other factories
Year	1962-63	70.2	60.6	1.6	3.8	- 2.2
"	1961-62	67.8	59.0	8.3	3.8	4.5
"	1960-61	59.2	50.7	4.8	5.9	- 1.1
"	1959-60	53.9	45.9	4.4	3.4	1.0
"	1958-59	49.2	41.5	8.2	4.6	3.6
"	1957-58	39.7	33.3	- 1.4	2.6	- 4.0
"	1956-57	40.6	34.7	4.6	2.9	1.7
"	1955-56	35.5	30.1	4.4	3.8	0.6
"	1954-55	30.7	25.7	4.0	2.0	2.0
"	1953-54	26.1	21.7	---	4.2	---

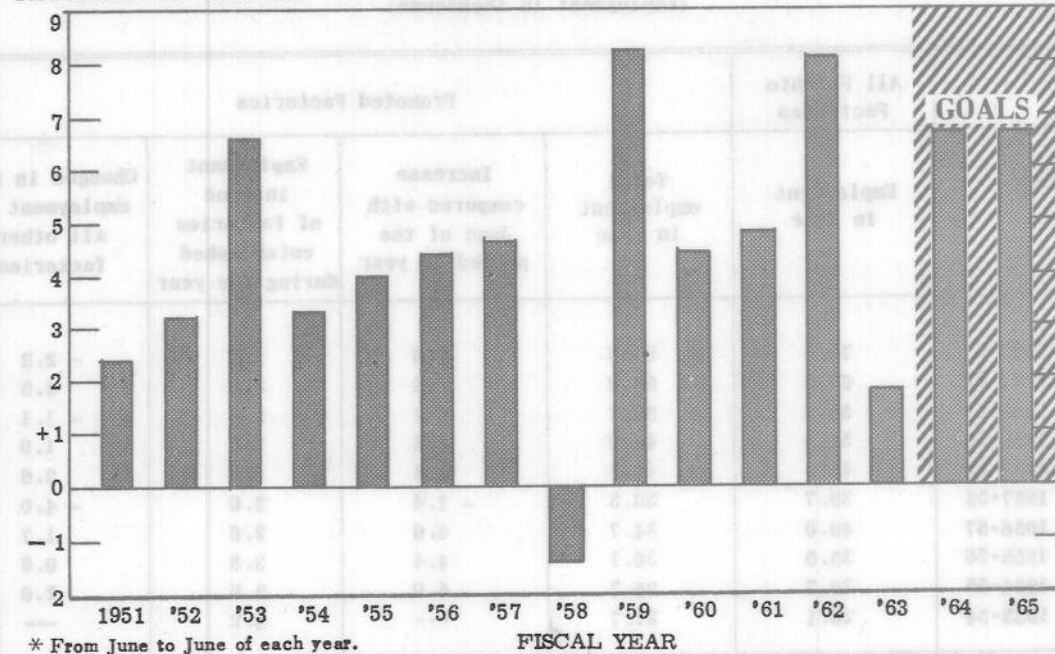
Average employment in Fomento-promoted factories was 59,200 in 1962-63, as indicated above. The government development plan sets a goal of 72,700 employees by 1965. This means that the average employment will have to increase by 13,500 during the two-year period 1963-65, an increase of 6,750 a year. The goal is not too ambitious. The fact is that from June 1961 to June 1962, Fomento-promoted factories increased their employment by 8,300 and from June 1958 to June 1959, the figure stood at 8,200.

In general, the factories contributing most to the increase in employment in a given year are those established during that year and those opened the preceding year which usually expand during the first months after their establishment.

Thus far, the year in which employment in manufacturing plants established that year has been highest was in 1960-61, when employment reached 5,900. During the past two years, employment in factories promoted and established in the course of the year was 3,800. If all plants in the Fomento industrialization program are included, the figures would be 3,900 and 4,100. To achieve the

# INCREASES IN EMPLOYMENT IN FOMENTO PROMOTED FACTORIES \*

THOUSANDS OF PERSONS



goals of the industrialization program, the Economic Development Administration must intensify its factory promotions so that factories established in 1963-64, for example, surpass the number established during the last two years.

## ANALYSIS OF THE NUMBER OF FACTORIES ENTERING IN FOMENTO PROGRAM DURING 1961-62 AND 1962-63

	Total		Promoted	
	1961-62	1962-63	1961-62	1962-63
Began operations or were included for the first time as a Fomento Plant	150	163	138	138
In the process of establishment on June 30	105	113	105	113
Existing as of June	966	1,097	770	877
Active at the end of June each year	926	1,030	738	818
Temporarily closed	40	67	32	59
Closed during the year	52	32	45	31

The number of Fomento promoted factories in 1962-63 was 152, compared with 169 in 1961-62. Of these, 63 began operations. In addition, 75 plants promoted in earlier years began operations, bringing to 138 the total number of factories opened in 1962-63 which equalled the record for new plants opened established in 1961-62. Furthermore, 56 factories expanded their plant area by 623,000 square feet, investing an additional \$7 million in new machinery and equipment and offering 2,500 additional employment opportunities.

At the end of the year there were some 1,097 Fomento-promoted factories of which 1,030 were active and 67 had suspended operations temporarily for reorganization, strikes or other reasons.

The proportion of women employed in Fomento factories has remained the same for the past five years, and remained significantly higher than in other factories. Last June, for each 100 jobs in Fomento-promoted factories, 58 were occupied by women.

No significant changes have occurred in recent years regarding employment by zone or regions. In October, 1960, the metropolitan San Juan area absorbed 35 per cent of employment in

MANUFACTURING EMPLOYMENT BY SEX, 1958 AND 1963

	June 1958		June 1963	
	Number	Per cent	Number	Per cent
Total employment	68,563	100	98,900	100
Male	28,682	42	44,800	45
Female	39,881	58	54,100	55
Fomento factories	39,656	100	70,200	100
Male	22,915	58	40,588	58
Female	16,741	42	29,612	42
Non fomento factories	28,907	100	28,700	100
Male	5,767	20	4,212	15
Female	23,140	80	24,488	85

manufacturing; in October, 1962, the figure stood at 34 per cent. This concentration in the metropolitan area is only slightly higher than population concentration which in 1960 was 28 per cent. However, the decentralization program is expected to reduce gradually the degree of concentration in San Juan. It should be mentioned here that the 1963 Legislature amended the industrial incentives law in order to stimulate the industrial growth of those municipalities requiring a higher rate of growth.

It is encouraging to note, regarding decentralization, that only 26.4 per cent of the jobs created by newly opened factories in 1962-63 were located in San Juan Metropolitan Area. As of June, 1963, only two municipalities, Culebra and Maricao, did not yet have Fomento-promoted factories.

In the period between March 1962 and March 1963, average wages in manufacturing increased 6 per cent. During the same period, the United States showed an increase of 3 per cent. In Puerto Rico various industries had even higher increases than this. Tobacco showed a 10 per cent increase; metals, 8 per cent; and petroleum, furniture and stone, each showed a 7 per cent increase. Increases in the United States for these same industries were 3 per cent, 1 per cent, 4 per cent, 2 per cent and 3 per cent respectively.

EMPLOYMENT IN FOMENTO FACTORIES AS OF JUNE 1963

	Entering the Fomento Program during 1962-63		All factories	
	Number	Per cent	Number	Per cent
San Juan Metropolitan Area	1,071	26.4	22,868	32.6
Rest of the Island	2,982	73.6	47,332	67.4
Total	4,053	100.0	70,200	100.0

During the past three years, the gap between the average wages in manufacturing in Puerto Rico and various states of the United States has been narrowing. Thus, the difference between Puerto Rico and North Carolina, which was 62 cents in 1960, went



down to 59 cents in 1962 and 55 cents in 1963. A similar decrease took place when comparing Puerto Rican wages with those of Mississippi, South Carolina and Arkansas. The difference between the average wages in manufacturing between Puerto Rico and the United States has been the same during the past two years after having been reduced from \$1.37 in March 1960 to \$1.33 in March 1962.

AVERAGE FACTORY WAGES IN PUERTO RICO, THE UNITED STATES AND  
SELECTED STATES

Area	Average hourly wage			Difference compared with puerto Rico		
	March 1960	March 1962	March 1963	March 1960	March 1962	March 1963
Puerto Rico	\$ 0.92	\$ 1.05	\$ 1.11	---	---	---
United States	2.29	2.38	2.44	1.37	1.33	1.33
Mississippi	1.51	1.61	1.67	.59	.56	.56
North Carolina	1.54	1.64	1.66	.62	.59	.55
South Carolina	1.57	1.69	1.69	.65	.64	.58
Arkansas	1.56	1.65	1.69	.64	.60	.58

Even though, for reason of clarity, a comparison has been made between the average wages of the entire manufacturing industry, in reality the average wages do not reflect faithfully the comparative level of wages. It is evident that if manufacturing industries of high capital content predominate, the average wage should be high because generally in these industries the hourly wage tends to be high. On the contrary, if manufacturing is predominated by factories of lower capital content like, for instance, the apparel industry, the average wage of the entire manufacturing industry will tend to be lower, independent of the specific salaries for each sector of the industry. The comparison between the wages in manufacturing for Puerto Rico and the United States suffers from this defect. With the same salary levels which Puerto Rico pays in each of the industrial groups, the average Puerto Rican wage would not have been \$1.11 as it was last March, but \$1.24, if the manufacturing structure, that is, the proportion of each industrial group, had been the same as that of the United States in that month. To put it another way, if the United States had the same industrial structure as Puerto Rico even with the same wages which are now paid in each group the average wage would be \$2.09 rather than \$2.44. The real difference

in hourly wages would be a maximum of \$.98. We say the maximum because the calculations were made arranging the industries in rather large groups, which in reality are not homogeneous either. For example, in the "apparel industry" group there are proportionately, more low capital content industries in Puerto Rico than in the United States. The same thing happens with the tobacco industry, since in Puerto Rico the tobacco stripping, a low wage job, is included, while it does not exist in the United States.

The next table shows the distribution of employment among the different industrial groups in Puerto Rico and the United States. As will be noted, industrial groups of high capital content and paying high wages like the "machinery products" group which in the United States absorbs 17 per cent of employment, in Puerto Rico does not account for more than one per cent. On the contrary, the lower capital content, lower wage industries, like the apparel industry, which only accounts for 9 per cent of total employment in the United States accounts for 29 per cent of total factory employment in Puerto Rico. Even though the wages were the same in each of the industrial groups, the average wage would be higher in the area where the machinery products group predominated.

DISTRIBUTION OF MANUFACTURING EMPLOYMENT AND AVERAGE HOURLY WAGE IN THE UNITED STATES AND PUERTO RICO, MARCH 1963

	Per cent of total employment		Hourly wage	
	United States	Puerto Rico	United States	Puerto Rico
Food	10	21	\$ 2.32	\$ 1.21
Tobacco	1	8	1.96	.79
Textiles	6	5	1.70	1.06
Apparel	9	29	1.69	1.02
Paper and printing	9	2	2.66	1.33
Chemicals	4	2	2.69	1.28
Petroleum rubber and plastics	3	2	2.83	1.47
Leather	3	6	1.75	.87
Wood and furniture	7	4	1.96	.97
Stone, glass, etc.	4	5	2.45	1.34
Metals	14	3	2.81	1.36
Machinery, except electrical and transportation equipment	17	1	2.87	1.38
Electrical machinery	8	5	2.44	1.32
Professional instruments	2	2	2.49	1.29
Miscellaneous industries	3	4	2.47	.95
<b>TOTAL</b>	<b>100</b>	<b>100</b>		
<b>AVERAGE</b>			<b>2.44</b>	<b>1.11</b>

## AGRICULTURE

The value of agricultural production rose to \$296.8 million in 1962-63. This figure is \$32 million higher than the preceding year and represents an increase of 12.2 per cent. This is the greatest increase in the value of agricultural production in the past ten years. It is estimated that the increase in agricultural net income is about the same.

### VALUE OF AGRICULTURAL PRODUCTION BY SECTORS

(In millions of dollars)

	Production value		Increase	
	1961-62	1962-63	Absolute	Per cent
Total value	264.5	296.8	32.3	12.2
Principles crops	126.3	147.3	21.0	19.1
Sugar cane and molasses	94.4	112.4	18.0	19.1
Tobacco	11.6	13.1	1.5	12.9
Coffee	20.3	21.8	1.5	7.4
Cattle and poultry	100.4	110.4	10.0	10.0
Milk	50.4	56.2	5.8	11.5
Other (1)	50.0	54.2	4.2	8.4
Other products	37.8	39.1	1.3	3.4

(1) Includes value of increases in cattle inventories.

All principal crops showed significant increases in the value of their production. The value of sugar cane production, including molasses, was \$112.4 million in 1962-63 compared with \$94.4 million the preceding year; this meant a net gain of some \$18 million in gross income received by farmers. The determining factor in this increase was the rise in the price of sugar, which went up to \$8 cwt., while it had been only \$6.45 the preceding year. Sugar production fell from 1,009,000 tons (crude value) to 989,000 tons last year, in spite of the fact that cane production increased from 9,663,000 to 10,100,000 tons. This



increase in the volume of cut cane did not result in an increase in cane production because of low sugar yield — the lowest yet registered. Yield fell to 9.67 per cent while the preceding year it had been approximately 10.3 per cent.

If sugar yield in 1962-63 had been the same as in 1961-62 (10.3 per cent) sugar production would have reached 1,040,000 tons (crude value), or an additional 51,000 tons of sugar. As a result, the value of cane production would have been \$118.6 million instead of \$112.4 million actually reached in 1962-63. In other words, lower yield meant a loss of \$6 million to sugar cane growers, a sum which otherwise would have formed part of their earnings.

Tobacco production increased from 307,000 cwt. in 1961-62 to 341,500 in 1962-63. The price increased from \$37.78 to \$38.50 per cwt., which contributed, together with increased production, to the increase in value from \$11.6 million to \$13.1 million in 1962-63.

Coffee production increased for the second consecutive year thus breaking the biennial cycle which was traditional. Last year, 375,000 cwt. of coffee were produced, topping the 1961-62 production by 25,000 cwt. or 7 per cent. The value of production reached \$21.8 million, compared with \$20.3 million the preceding year.

The fact is that the principal crops, cane, tobacco and coffee, were valued at \$147.3 million in 1962-63 compared with \$126.3 million in 1961-62, an absolute increase of \$21 million or 16.6 per cent.

Poultry and cattle production continued to increase, as it has been doing year after year. Value increased \$10 million, from \$100.4 million in 1961-62 to \$110.4 million last year. The total value in both years includes increases in livestock inventories, which were \$5.7 million last year and \$4.8 million the preceding year.

In the poultry and cattle sector, all items contributed to the increased production. However, what stands out, as usual, is the growth in commercial activity which is consistent with the

objective of increasing the efficiency of farm production. Milk production, in dairies classified as first class, increased from 183.5 to 206.5 million quarts, an increase of 12.5 per cent. Meanwhile the production of the rest of the dairies increased from 137.6 to 143.1 million quarts, an increase of only 4 per cent. All increases in poultry products came from commercial poultry and egg farms. Egg production in commercial farms increased 30.5 per cent while poultry production increased 5.7 per cent.

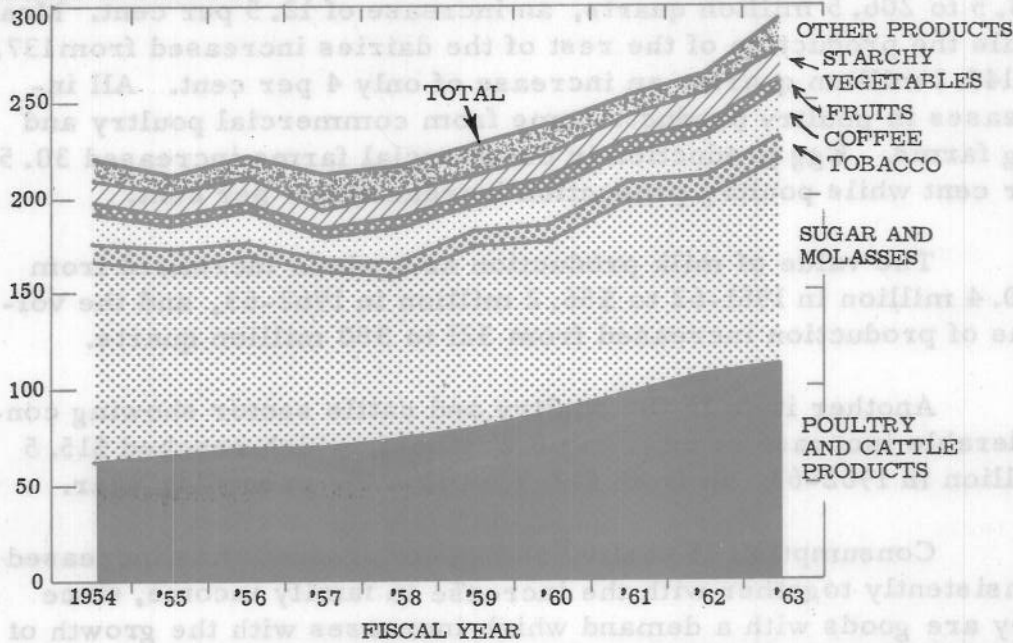
The value of milk production as a whole increased from \$50.4 million in 1961-62 to \$56.2 million in 1962-63, and the volume of production increased from 321 to 350 million quarts.

Another item in the poultry and cattle sector showing considerable increase in total value was beef, which reached \$15.5 million in 1962-63, up from \$13.9 million the preceding year.

Consumption of poultry and cattle products has increased consistently together with the increase in family income, since they are goods with a demand which increases with the growth of personal income. However, local demand has not been satisfied by local production. In the case of beef, the main reason is the scarcity of land either for pasturing cattle or for producing pasture at a cost which is in harmony with the price of the product and the maximization of social benefits from agricultural resources. It should be mentioned here that the social income from each "cuerda" (.9712 of an acre) used to raise cattle is \$20 and the employment generated is very low. On the other hand, one "cuerda" producing sugar generates an income of \$200 and one producing pineapple, \$430, with the majority of the compensation going to the workers, since these are labor intensive crops, (unlike cattle raising which is labor extensive.) Each 100 "cuerdas" of cane requires an average per year of 15 workers while each 100 "cuerdas" of pineapple require about 50, while 100 "cuerdas" dedicated to cattle raising require considerably less workers. The coffee and sugar incentives programs lead to the utilization of our scarce agricultural resources in these crops since they generate high social income and employment. Nevertheless, those lands which are proving to be marginal in crops generating high social income, due to their topography or low yield, should be those utilized for the expansion of the cattle industry.

# VALUE OF AGRICULTURAL PRODUCTION BY SECTORS

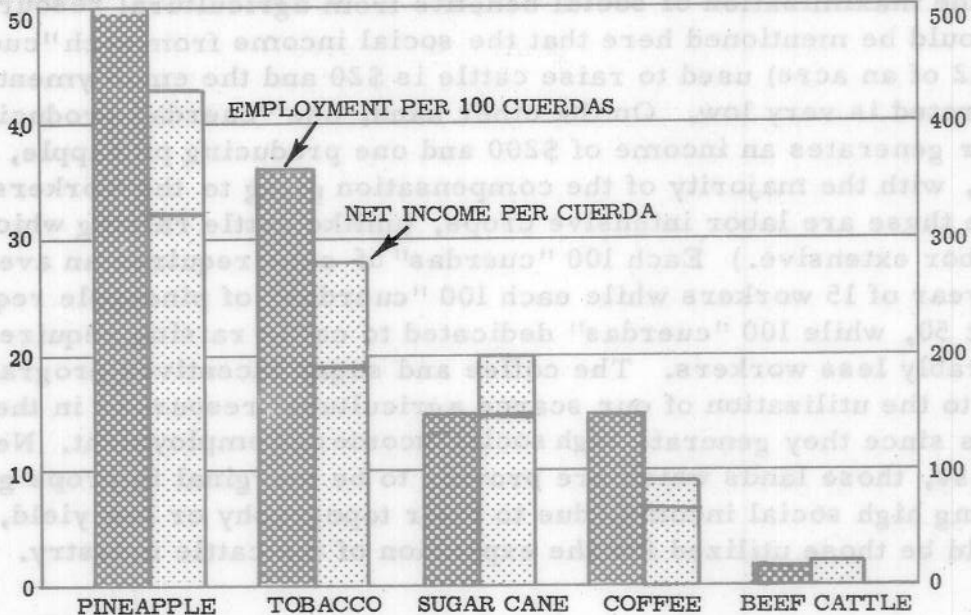
MILLIONS OF DOLLARS



## AVERAGE EMPLOYMENT PER 100 CUERDAS AND NET INCOME PER CUERDA \*

EMPLOYMENT PER 100 CUERDAS

NET INCOME PER CUERDA IN DOLLARS



\* In 1959-60 or 1961-62



# PER CAPITA BEEF CONSUMPTION

(In pounds)

Fiscal Year	Total (per cent)	Local (per cent)	Imported (per cent)
1956	17.6 (100)	10.2 (58)	7.4 (42)
1961	23.7 (100)	11.2 (47)	11.5 (53)
1962	25.7 (100)	12.1 (47)	13.6 (53)
1963	26.6 (100)	13.2 (49)	13.4 (51)

The per capita beef consumption, after converting the weight of canned, cured and other processed meat to fresh meat, was in 1955-56, 17.6 pounds; 10.2 pounds was local and 7.4 pounds imported. In 1962-63 it had risen to 26.6 pounds and imported meat surpassed local meat: 13.2 pounds was local and 13.4 pounds imported. It is probable that the proportion of imported meat will continue to increase because the lack of available land for cattle will make it difficult to absorb a significant proportion of the increase in demand, unless intensive land use techniques can be developed or the costs of pasturage can be reduced to a level compatible with the price of meat.

Other products in the poultry and cattle sector are not as limited in development possibilities as beef cattle whose production demand great quantities of land that if utilized in other crops would result in higher social benefits per acre of surface. The development of the milk industry and of hogs and poultry have great potentialities, given the per capita consumption. The utilization of these potentialities rests mainly on the improved efficiency of these enterprises in order to compete with imported products. The commercial farms have showed great progress in achieving this increased efficiency. Egg production is a good example of this. In 1954-55, per capita consumption was 94 eggs, 36 imported, and in later years, including the first years of this decade, the per capita consumption of imported eggs was virtually stabilized, while the consumption of local eggs increased from 58 eggs in 1954-55 to 89 eggs in 1962-63.

PER CAPITA EGG CONSUMPTION  
(Number of eggs)

Fiscal year	Total (per cent)	Local (per cent)	Imported (per cent)
1955	94 (100)	58 (62)	36 (38)
1960	108 (100)	71 (66)	37 (34)
1962	118 (100)	80 (68)	38 (32)
1963	129 (100)	89 (69)	40 (31)

The 30.5 per cent increase during the last decade in egg production by commercial farms confirms the great development which has occurred in the industry.

This industry has enormous potentialities. Per capita egg consumption in Puerto Rico reached 129 eggs in 1962-63, which is still too far below the United States consumption level which has been between 365 and 385 eggs per capita since 1949.

Poultry production has begun to show a pattern of growth during the past decade similar to that of egg production. The per capita poultry consumption in 1958-59 was 13.5 pounds; 7.3 pounds local and 6.2 pounds imported. In 1961-62 this consumption increased to 15.4 pounds per capita, with the per capita consumption of imported poultry about what it was in 1958-59. The local poultry industry supplied all the increase in per capita consumption. However, in 1962-63, probably because U. S. producers lost their European market, they sent their products to Puerto Rico at low prices. This resulted in a 9.8 pound per capita consumption of imported poultry, while the consumption of local poultry was only 9.6 pounds. In spite of this unexpected event the perspective is for a continuing increase in consumption, with the local industry absorbing most of the increased demand.

The hog industry still has much room to improve its efficiency. Last year pork production increased from 24 million pounds to 25.3 million pounds, an increase of 5.5 per cent. Per capita consumption is at present 35 pounds after converting the weight of salted and canned meat to fresh pork. Nearly 25 pounds are imported and about 10 pounds are local. A larger proportion of local pork can be expected in the future if the preparation of a cheap food concentrate is achieved and if the preparation of meat is developed, since a large portion of the imported meat is cured and canned, which is not done locally.



The milk industry was the first in the poultry and cattle sector to begin to increase its efficiency. Fresh milk consumption is supplied totally by local production. Between 1950-51 and 1961-62, fresh milk consumptions per capita doubled: it increased from 64 quarts to 128 quarts while the per capita consumption of prepared milk (converted to fresh milk) remained at 28 quarts. The potentialities of this industry lie not only in the increase in per capita consumption and the population growth, but also in the demand for fresh milk for the preparation of milk products. At present the production used for the preparation of milk products is not even one half of one per cent of total production.

## Real Production

The index of real agricultural production, using 1953-54 as the base year, i. e., valuing the production of each product at 1953-54 prices, showed an average annual rate of increase of 2 per cent up to 1960-61. However, in 1961-62 and 1962-63, a rapid growth occurred in real production, especially in the latter year when its index was 119.3; that is, from 1953-54 to 1962-63, the real production increased 19.3 per cent. In the last two years, the rate of growth was 3.9 per cent, while last year it was 6.6 per cent. This agricultural growth rate compares favorably with that of countries having large tracts of unused land available. Of the countries reporting agricultural statistics to the United Nations, Brazil registered the highest rate of increase --4.8 per cent-- between 1953 and 1959, which is a result of Brazil's great undeveloped agricultural potentialities. During the same period, however, (1953-59), no other country had a rate of growth higher than Puerto Rico's 3.9 per cent during the past two years, in spite of the island's scarcity of land. After Brazil, the two countries showing the highest rates of growth were Colombia and Greece, 3.5 per cent and 3.2 per cent respectively. Other countries had the following rates of growth: Ecuador, 2.8 per cent, Austria, 2.2 per cent, Finland, 1.9 per cent and Denmark, one per cent. It should be mentioned here that one of the objectives of agricultural development in Puerto Rico is to maintain the future rate of growth at approximately the same level as that of the past two years.

The index of real agricultural production, excluding the production of cane and molasses, shows that between 1953-54 and 1962-63 production rose 47.7 per cent which is a rate of 4.5 per cent per annum. However, during the same period the average rate of growth of all

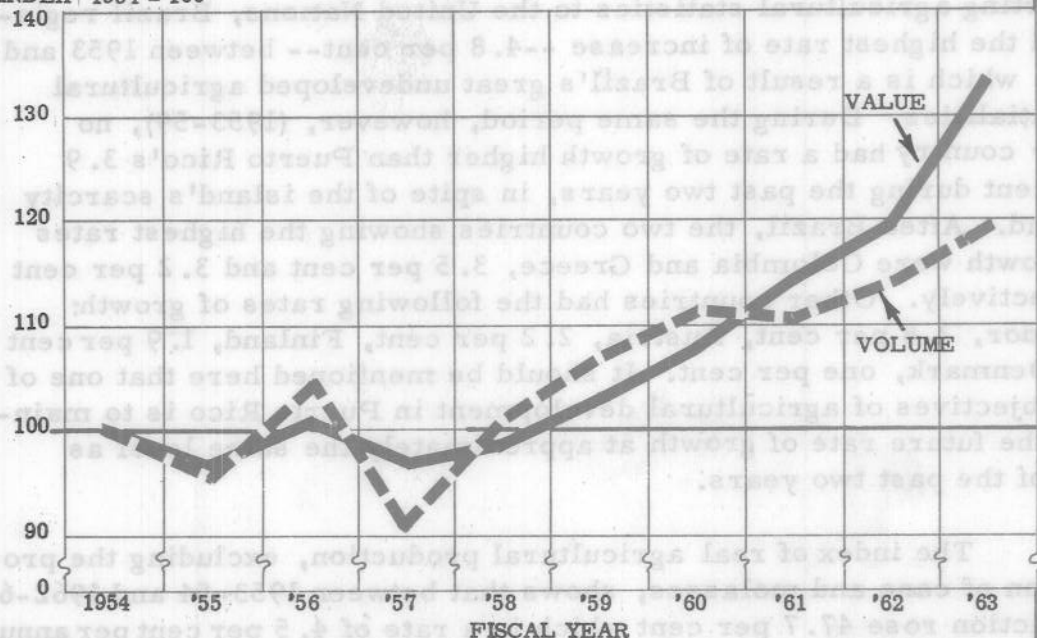
agricultural production was 2 per cent. Obviously, the difference is due to the fact that 1953-54 was a good year for the sugar cane industry but with the reestablishment in that year of individual quotas for cane production and other problems which hit the industry later -- problem of weather and increasing production costs without comparable increases in prices -- production contracted, which was reflected in the total production index. Nevertheless, in recent years

INDEX OF THE VOLUME OF AGRICULTURAL PRODUCTION (1953-54 = 100)

Fiscal year	Total	Sugar cane and molasses	Other products
1954	100.0	100.0	100.0
1955	95.2	90.8	99.4
1956	104.2	94.7	113.2
1957	90.7	80.1	100.8
1958	101.1	83.4	118.0
1959	106.7	93.7	119.2
1960	111.3	92.0	129.8
1961	110.6	95.5	125.1
1962	114.1	85.9	137.0
1963	119.3	89.7	147.7

# INDICES OF THE VOLUME AND VALUE OF AGRICULTURAL PRODUCTION: 1953-54 = 100

INDEX 1954 = 100



the contraction of cane production has ceased and it is expected to recover in the future, thus permitting all agricultural sectors to contribute to the increased volume of production. It should be made clear that since 1958-59, the year the drastic contraction of the cane industry ended, until 1962-63, the real agricultural production increased at an annual average rate of 2.8 per cent; excluding cane and molasses, the rate was 5.5 per cent. It is expected that once the dynamic sectors of agriculture represent a larger proportion of the agricultural structure, the objective of increasing agricultural production at a rate of 4 per cent per annum will be achieved.

## Distribution of Starchy Vegetables and Fruits

There was a marked deficiency in the distribution of starchy vegetables and fruits, judging from the differences existing in prices from farmer to retailer. This difference is greater for fruits than for starchy vegetables; this is because fruits are more perishable so that the distributors have to reimburse themselves for the cost of damaged products.

PRICE OF SELECTED STAPLES BY FARMERS  
AND RETAILERS: 1961-62

Product	Unit	Prices charged by:		Margin	
		Farmers (1)	Retailers	Absolute	Per cent
Starchy vegetables:					
Tanniers	Cwt.	\$ 7.00	\$ 15.00(2)	\$ 8.00	114
Sweet Potatoes	"	4.79	12.00(2)	7.21	151
Plantains	Thousand	27.35	65.00(3)	37.65	138
Fruit:					
Pineapples	Cwt.	2.23	8.00(2)	5.77	259
Oranges	Thousand	6.34	20.00(4)	13.66	215
Avocados	" "	30.22	150.00(5)	119.78	396

(1) Study of agricultural production value, 1961-62.

(2) Rio Piedras market, May.

(3) Rio Piedras market, August.

(4) Rio Piedras market December.

(5) Assuming 15 cents per unit.



The price of tanners at the level of the producer is usually \$7.00 per cwt. and as the product passes through the hands of middlemen, the price keeps on increasing until it reaches \$15 a cwt. This means about 7 cents a pound for the farmer up to 15 cents a pound for the retailer. The price per pound of sweet potatoes increases from 4.8 cents to 12 cents and plantains from 2.7 cents to 6.5 cents per unit. In the case of oranges and pineapple, the price triples, and for avocados at least quadruples.

The production and distribution of staple commodities is composed characteristically of small producers and distributors. This causes poor distribution since these enterprises have a low production volume and furthermore, they are operated by one person. Thus, in order to make distribution more efficient it will be necessary to establish cooperatives so that the farmers are not at the mercy of the middlemen and so that they can obtain the necessary machinery and equipment, transportation and warehousing. Also the installations necessary for the farmer to do business directly with the retailer in the market should be provided, because the retailers are one-man operations and usually do not leave their businesses for long periods of time to go on buying tours, which is what gives rise to middlemen.

## Imports of Farm Products

In 1962-63, \$117 million of farm products, which could be produced in Puerto Rico, were imported. The value of meat and meat products is the most important farm product import. The value of these imports reached \$38.1 million in 1962-63; \$33.6 million from the United States and \$4.5 million from foreign countries. This figure represents a 90 per cent increase over the \$20.1 million figure of 1954-55. The most important item is imported fresh or frozen beef which in 1954-55 reached \$4.9 million, of which \$4.1 million came from the United States and only \$800,000 from foreign countries. However, in 1962-63 imports from foreign countries rose to \$4.4 million and from the United States to \$6.7 million, bringing total imports of fresh or frozen beef to \$11.1 million.

The second most important item in the animals and animal products group is dairy products which in 1954-55 totaled \$19.2 million and in 1962-63 had risen to \$28.4 million. These products come for the most part from the United States. Cheese constituted almost

the entire value of imports from foreign countries. In 1961-62 cheese worth \$1.4 million was imported from foreign countries.

VALUE OF POULTRY AND CATTLE PRODUCTS BY SELECTED ORIGIN

(In thousands of dollars)						
Product and origin	1954-55	1959-60	1960-61	1961-62	1962-63	
<b>Fresh and frozen meat:</b>						
<b>Total</b>	20,068	29,563	29,726	31,686	38,087	
United States	19,215	27,501	27,364	28,742	33,590	
Foreign countries	853	2,062	2,362	2,944	4,497	
<b>Canned meat:</b>						
<b>Total</b>	4,970	9,092	11,929	13,780	13,720	
United States	3,307	5,629	7,831	9,185	8,846	
Foreign countries	1,663	3,463	4,098	4,595	4,874	
<b>Milk and milk products:</b>						
<b>Total</b>	19,166	23,605	23,115	26,905	28,395	
United States	17,844	22,419	21,480	25,381	26,885	
Foreign countries	1,322	1,186	1,635	1,524	1,510	
<b>Eggs:</b>						
<b>Total</b>	3,387	3,068	3,365	3,609	3,768	
United States	3,387	3,068	3,356	3,603	3,768	
Foreign countries	---	---	9	6	---	
<b>Total</b>	47,591	65,328	68,135	75,980	83,970	
United States	43,753	58,617	60,031	66,911	73,089	
Foreign countries	3,838	6,711	8,104	9,069	10,881	

The value of canned meat followed "milk and its products" in importance. In 1954-55, canned meats had an import value of \$5 million, but in 1962-63, it had risen to \$13.7 million. Nearly 33 per cent had been from foreign countries during this eight-year period.

Among vegetables, prepared tomato imports, which rose from \$3.3 million in 1954-55 to \$7.9 million in 1961-62, stand out;

# VALUE OF PREPARED TOMATO IMPORTS

(In thousands of dollars by fiscal year)

Product	1955	1960	1961	1962	1963
Juice	993	986	736	733	656
Paste and puree	175	670	752	838	635
Sauce	1,497	4,381	4,918	5,603	4,779
Canned tomatoes	137	122	126	148	190
Hot Sauce	465	416	496	529	592
<b>TOTAL</b>	<b>3,267</b>	<b>6,575</b>	<b>7,028</b>	<b>7,851</b>	<b>6,852</b>

in 1962-63, however they fell to \$6.9 million because tomatoes were begun to be prepared in Puerto Rico on a large scale. Unexpected changes are observed in imports of tomato products: until 1959-60, practically all were imported from the United States but by 1960-61, imports from abroad were \$49,000 and went up to \$332,000 in 1961-62 and then fell again to \$25,000 in 1962-63. Something similar happened to fresh vegetable imports. While formerly these were imported almost totally from the United States, in 1960-61 and 1961-62, in spite of the fact that total imports increased from \$4.2 million in 1960-61 to \$4.6 million in 1961-62, the value of imports from the United States decreased by nearly \$1 million, while the value of imports from foreign countries increased slightly over \$1 million. In 1962-63, the value of these imports decreased to \$4.3 million; nevertheless, imports from the United States in 1961-62 increased by \$400,000 and the same year imports from foreign countries decreased by \$700,000.

Canned fruits and juices all come from the United States. In 1954-55 canned fruit worth \$1.1 million was imported and in 1962-63, the figure increased to \$2.7 million; however, fruit juice showed a slight increase in these eight years. This rapid increase in the value of canned fruit imports, together with a slight increase in juice imports, can be attributed to the fact that fruit pulp was imported to produce juice locally.



# VALUE OF SELECTED VEGETABLE PRODUCTS BY ORIGIN

(In thousands of dollars)

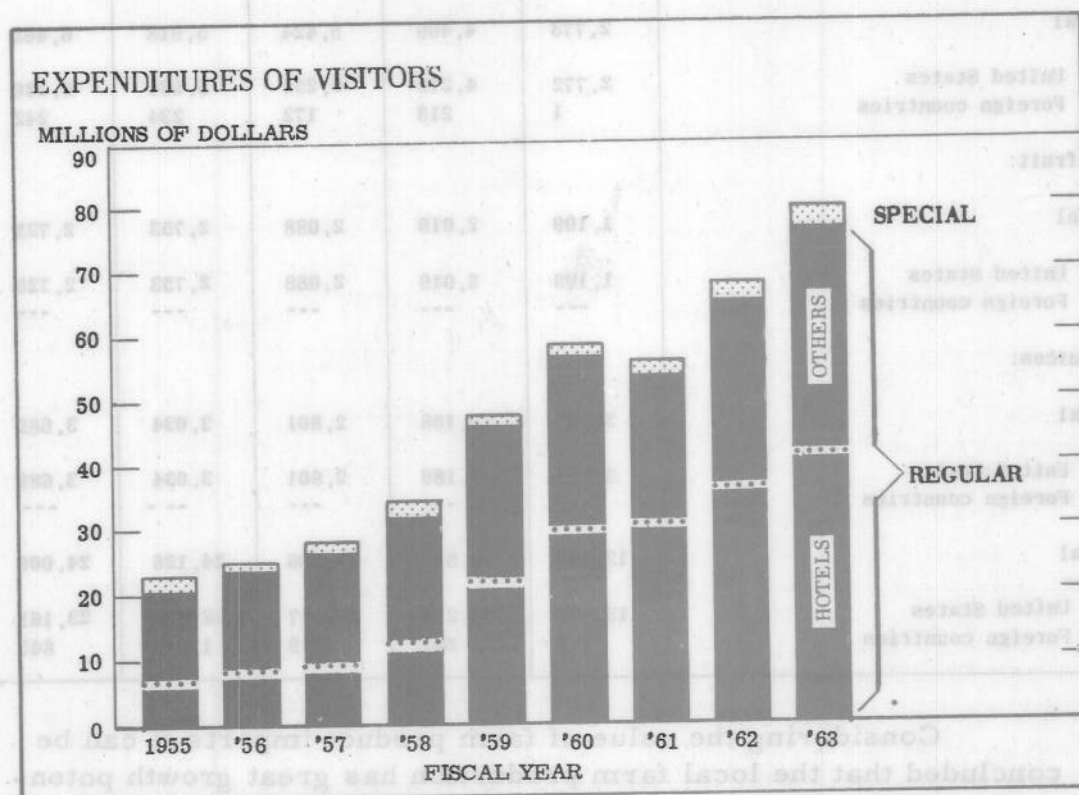
Product and origin	1954-55	1959-60	1960-61	1961-62	1962-63
<b>Fresh garden products:</b>					
<b>Total</b>	2,831	4,249	4,195	4,570	4,278
United States	2,687	4,220	4,097	3,310	3,700
Foreign countries	144	29	98	1,260	578
<b>Prepared tomatoes:</b>					
<b>Total</b>	3,267	6,575	7,028	7,851	6,852
United States	3,267	6,575	6,979	7,529	6,827
Foreign countries	---	---	49	322	25
<b>Other canned garden products:</b>					
<b>Total</b>	2,773	4,496	5,424	5,918	6,462
United States	2,772	4,278	5,252	5,684	6,220
Foreign countries	1	218	172	234	242
<b>Canned fruit:</b>					
<b>Total</b>	1,109	2,019	2,088	2,753	2,725
United States	1,109	2,019	2,088	2,753	2,725
Foreign countries	---	---	---	---	---
<b>Fruit juices:</b>					
<b>Total</b>	3,263	3,186	2,801	3,034	3,689
United States	3,263	3,186	2,801	3,034	3,689
Foreign countries	---	---	---	---	---
<b>Total</b>	13,243	20,525	21,536	24,126	24,006
United States	13,098	20,278	21,217	22,310	23,161
Foreign countries	145	247	319	1,816	845

Considering the value of farm product imports it can be concluded that the local farm production has great growth potentialities through the process of substituting imports. However, this requires improving agricultural efficiency and carrying out incentives programs, in the early stages, for industries which prepare agricultural products.

## Tourism

Tourism does not represent per-se an economic sector, but a nucleus of complementary sectors constituted by enterprises which provide a variety of services to the tourist, for example, hotels, recreation and entertainment and transportation. Intrinsically, the effects of this activity are felt in diverse areas of the economy.

If tourism is measured in terms of the monetary flow from abroad, or as it is popularly called, tourist expenditures, it demonstrates a persistent and ostensibly high dynamic growth. However, the level of net income generated by this sector is still relatively low when compared with such other sectors as manufacturing and agriculture. Last year expenditures by all visitors reached \$79.7 million or 17.4 per cent above the preceding year. The net income generated by these expenditures was \$33 million in 1962-63





and \$27 million in 1961-62. Net income generated by manufacturing and agriculture in 1962-63 was \$432 million and \$220 million respectively, so that net income originated by tourism was, in comparison with them, relatively low: 7.6 per cent of manufacturing and 15 per cent of agriculture.

The greatest increase in expenditures was by visitors staying with friends or relatives. These expenditures increased from \$26.3 million to \$32.4 million; they showed an absolute increase of \$6.1 million and a relative increase of 23 per cent. These visitors are mainly Puerto Ricans; this indicates the potential of increase for this type of visitors as the Puerto Rican population in the United States grows and its economic level improves.

Visitors staying in hotels spent \$41.7 million in 1962-63, surpassing by 14.6 per cent the level of \$36.4 million achieved the preceding year. These expenditures still are low when compared with Hawaii. Visitors to Hawaii, like those to Puerto Rico, more than 90 per cent in each case, come from the United States.

#### VISITOR EXPENDITURES ACCORDING TO TYPE OF LODGING

(In thousand dollars)

Type of lodging	1961-62	1962-63	Increase	
			Absolute	Relative
Hotels	36,366	41,662	5,296	14.6 %
Homes of friends and relatives	26,314	32,423	6,109	23.2 %
Guest houses	2,282	2,097	- 185	- 8.1 %
Special (1)	2,937	3,525	588	20.0 %
Total	67,899	79,707	11,808	17.4 %

In 1961 mainland visitors to Hawaii spent \$137 million, more than 3 times the total expenditures of a similar category of visitors to Puerto Rico during 1962-63. The difference lies in the fact that visitors to Hawaii in 1961 totalled 319,000 compared to 225,000 in Puerto Rico, and also, because the length of stay in Hawaii is much longer, an average of 17 days in Hawaii compared with 5 days in

Puerto Rico. The daily expenditures of visitors in both areas is approximately the same, varying between \$30 and \$35.

Because of the similarity of the two areas, it is to be expected that Puerto Rico will soon reach the levels achieved by Hawaii. However, this means increasing the number of hotel rooms. In 1961, Hawaii had 10,200 hotel rooms while Puerto Rico, as of June 1963, could only offer 4,028 tourist hotel rooms. Another indicator of the tourism potential in Puerto Rico is the high amount spent by United States tourists abroad. In 1960, United States residents spent \$1,750 million abroad. Their expenditures in Hawaii represented 7.4 per cent of this \$1,750 million, while what they spent in Puerto Rico represented but 1.7 per cent of the total. The \$42 million spent by hotel guests in Puerto Rico during 1962-63 represented only 2.4 per cent of the \$1,750 million spent by United States residents abroad in 1960.

In addition to the two classifications of tourists mentioned above, (1) visitors staying in the homes of friends or relatives and (2) visitors staying in hotels, two additional classifications exist: those who stay in guest houses and those who are termed "special". In the latter classification are included visitors on tourist ships and members of the armed forces who pass through Puerto Rico. These visitors increased their expenditures only slightly — from \$5.2 million in 1961-62 to \$5.6 million in 1962-63.

Last year the number of visitors, excluding those who arrive in tourist ships and sailors and military personnel, reached almost half a million, 465,000 to be exact; 227,000 stayed with friends or relatives, 225,000 in hotels and 13,000 in guest houses. By comparison, in 1961-62, 397,000 visitors were registered — 178,000 who stayed with friends and relatives, 206,000 in hotels and 12,000 in guest houses.

The occupancy rate in San Juan hotels fell to 69.2 per cent, the lowest in recent years. This low rate is not surprising, since the number of new hotel rooms added last year was considerable. The Americana, Holiday Inn, Tanamá and the expansion of the Condado Hotel added 967 rooms in San Juan. In addition, El Riviera was opened in Dorado which meant an additional 220 rooms, not to mention 200 new rooms added by small hotels throughout the island. As a result of the opening of these hotels, the number

of rooms in San Juan tourist hotels in June, 1963 reached 3,040 while the preceding year there were only 2,110. In the rest of the island the number of rooms in tourist hotels increased from 596 to 988. Commercial hotels showed no increase in the number of rooms.

The average length of stay of visitors staying in San Juan hotels remained at the same level as the preceding year, 4.6; on the other hand, the average number of persons per room was 1.6 which has been the average for the past 5 years. This implies that each hotel (given the occupancy rate, the average length of stay and the number of persons per room) was occupied on the average by 88 visitors in 1962-63. In 1961-62, since the occupancy rate was higher, the average went up to 95 visitors.

#### ROOMS IN TOURIST AND COMMERCIAL HOTELS

(As of June each year)

	1960		1961		1962		1963	
	Number	%	Number	%	Number	%	Number	%
Tourist	2,099	(100)	2,350	(100)	2,706	(100)	4,028	(100)
San Juan	1,586	( 76)	1,802	( 77)	2,110	( 78)	3,040	( 75)
Rest of island	513	( 24)	548	( 23)	596	( 22)	988	( 25)
Commercial	823	(100)	944	(100)	976	(100)	976	(100)
San Juan	555	( 67)	690	( 73)	730	( 75)	730	( 75)
Rest of island	268	( 33)	254	( 27)	246	( 25)	246	( 25)
Total	2,922	(100)	3,294	(100)	3,682	(100)	5,004	(100)
San Juan	2,141	( 73)	2,492	( 76)	2,840	( 77)	3,770	( 75)
Rest of island	781	( 27)	802	( 24)	842	( 23)	1,234	( 25)

Employment generated by tourism, when compared with other activities such as agriculture and manufacturing is not significant, although its growth is very rapid. In the hotels, where tourism originated the greatest number of jobs, some 6,393



people were working in February 1963, while in the same month the preceding year the figure was only 4,999. The increase was 1,394 jobs. Almost the entire increase occurred in San Juan Metropolitan Area hotels where employment increased from 3,184 to 4,113 comparing February 1962 with February 1963.

#### EMPLOYMENT GENERATED IN HOTELS

	All hotels			Tourist hotels (1)		
	1961	1962	1963	1961	1962	1963
February	4,446	4,999	6,393	2,873	3,184	4,113
March	4,440	4,941	6,264	2,693	2,917	4,037
Average for fiscal year	3,981	4,379	5,263	2,519	2,758	3,366

(1) San Juan Metropolitan Area

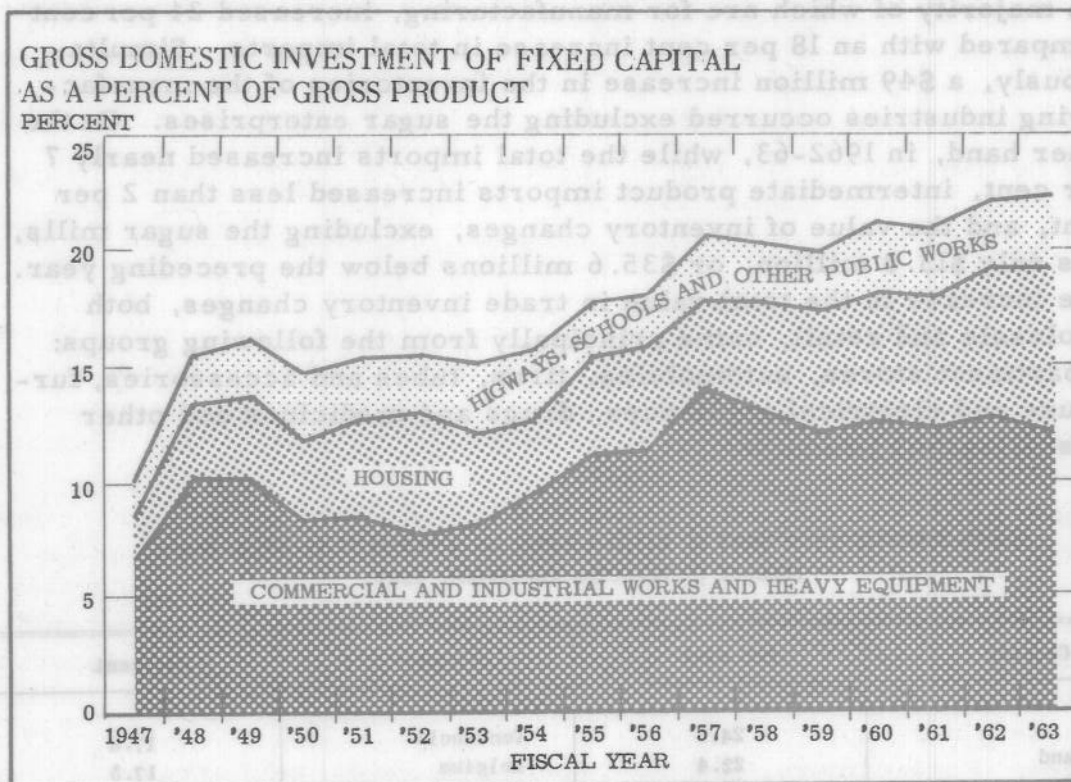
Tourism creates additional employment in other activities directly related to tourism. It is estimated that each tourist hotel room generates, on the average 1.5 jobs, and that other complementary activities such as restaurants, transportation, business and entertainment, generate .7 additional jobs. Thus, employment generated by tourism comes to 2.2 jobs per room. These jobs refer only to those originated through the primary effect of visitor expenditures since, there is a secondary effect that also generates jobs throughout the economy. That is to say, the primary expenditure of tourists have repercussions in activities quite different from direct tourist activity; their secondary impact is first reflected in those which supply hotels, restaurants, etc., with goods and services. Furthermore, the additional effective demand created by new job opportunities has an additional impact on the economy. In fact, it has been calculated that each tourist dollar has a multiplier effect of 2.7 which means that because of economic interrelationships each dollar spend by a tourist creates an additional gross income of \$1.70 in the rest of the economy.

This impact of tourist expenditures is also reflected by employment, and it has been estimated that for each job generated in the activities where the tourist makes his primary expenditures, 1.3 jobs are created in the rest of the economy.



## INVESTMENT

In the past fiscal year, total gross domestic investment, i. e., the value of all construction, acquisitions by enterprises of machinery and equipment and the value of the change in inventories reached \$566 million. Total investment increased during the past ten years at a rate of approximately 13.4 per cent per annum, compared with a 7.8 per cent annual increase in the gross product and it represented, in 1962-63, 25 per cent of the total gross product.



Total investment in fixed capital goods, i. e., total gross fixed domestic investment excluding change in inventories, registered last year a greater increase than gross domestic investment. While the value of investment in machinery and equipment and investment in new construction increased by 12 per cent over the preceding year, the value of the change in inventory fell from \$86 million in 1961-62 to \$79 million in 1962-63.

The decrease registered in total inventories was attributable to the manufacturing sector. In fact, business and agricultural inventories showed an increase over the preceding year. In the agricultural sector, increases in inventories of cattle, coffee and tobacco were \$2.4 million, and in the retail and wholesale business, \$33 million. On the other hand, manufacturing inventories decreased significantly. Apparently, this was because in 1961-62, manufacturing firms, anticipating good economic perspectives, accumulated large inventories of raw materials. During that year raw material imports and other intermediary products, the majority of which are for manufacturing, increased 24 per cent compared with an 18 per cent increase in total imports. Simultaneously, a \$49 million increase in the inventories of the manufacturing industries occurred excluding the sugar enterprises. On the other hand, in 1962-63, while the total imports increased nearly 7 per cent, intermediate product imports increased less than 2 per cent, and the value of inventory changes, excluding the sugar mills, was only \$13.8 million, or \$35.6 millions below the preceding year. The increase in the total value in trade inventory changes, both wholesale and retail, came principally from the following groups: department stores, automobiles, tires, tubes and accessories, furniture and electrical appliances, drugs and medicines and other miscellaneous products.

GROSS DOMESTIC INVESTMENT OF FIXED CAPITAL AS A PER CENT OF TOTAL GROSS  
PRODUCT BY SELECTED COUNTRIES, 1961

Country	Per cent	Country	Per cent
Holland	24.3	Venezuela	17.6
New Zealand	22.4	Belgium	17.5
Sweden	22.2	Costa Rica	17.4
Canada	21.8	Mexico	16.2
United States	20.0	Peru	15.8
Colombia	18.4	Brazil	15.0
France	17.8	Puerto Rico	20.9

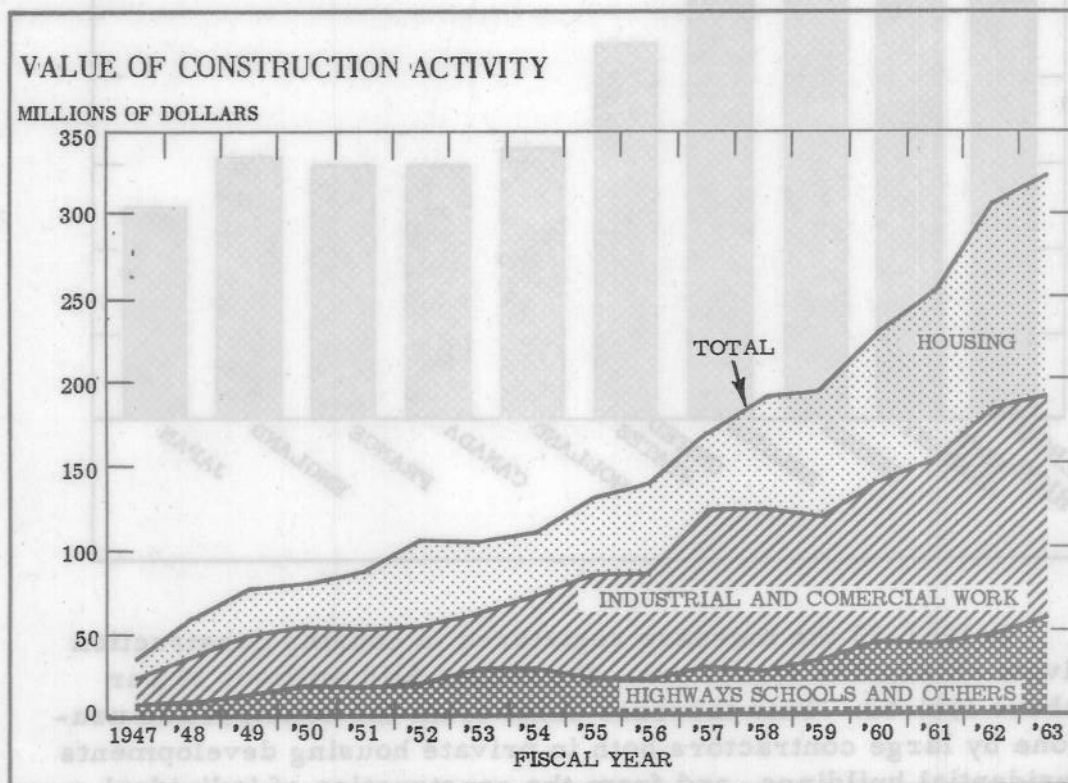
PUERTO RICO

Year	Per cent	Year	Per cent
1957	20.5	1960	21.1
1958	20.2	1962	22.0
1959	19.9	1963	22.0

The relation between the gross fixed domestic investment and the gross product in 1962-63 was 22 per cent. In other words, it was again above the 20 per cent level achieved and maintained since 1957. This per cent is characteristic of those countries which have achieved a high level of development.

## Construction

The total value of construction carried out by public and private enterprises and the Commonwealth and Municipal governments reached \$23 million in 1962-63, 5.2 per cent above the preceding year. The estimated level of \$325 million projected was almost attained.

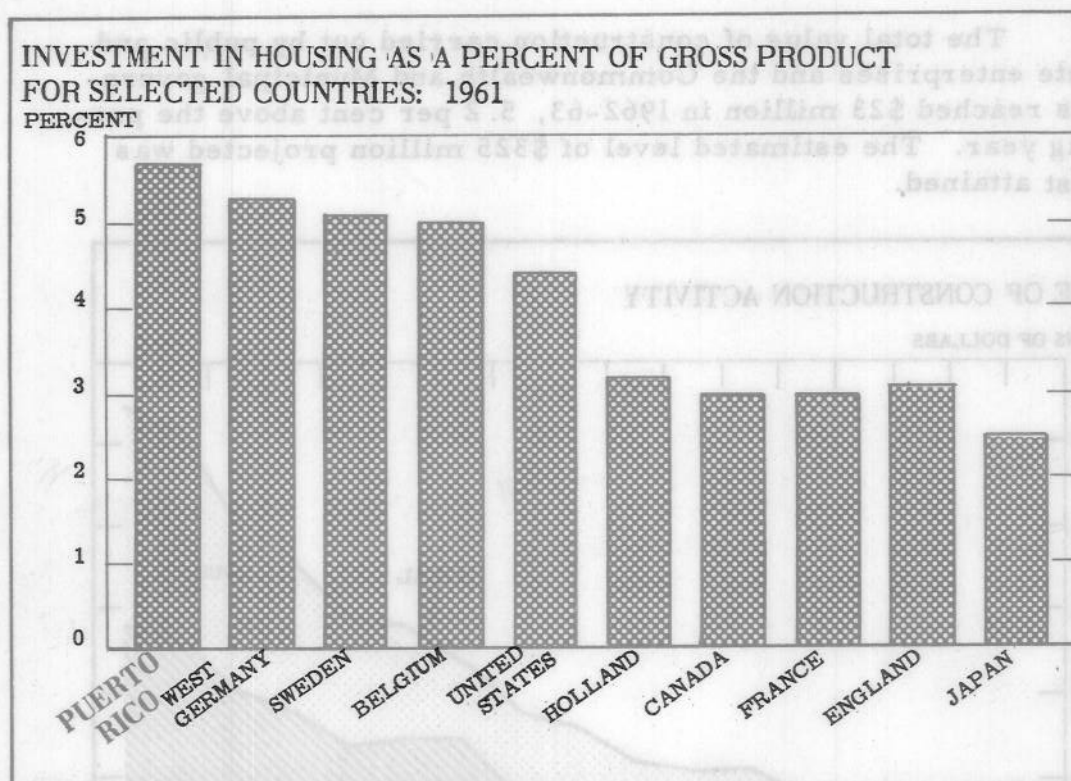


## Housing

Construction activity in public and private housing reached \$133 million, 6 per cent higher than in 1961-62. The importance of housing construction in the Puerto Rican economy can be judged by



comparing the value of this construction with the total gross product. In 1962-63 housing investment was 6 per cent of total gross product. This proportion has been increasing throughout the years. For example, in 1947 it was only 2 per cent, in 1950, 3.4 per cent, in 1955, 4 per cent, in 1960, 5.4 per cent and in 1963, 6 per cent. At present, Puerto Rico has one of the highest rates of investment in housing.



In 1962-63 the increase registered in housing construction by private enterprise stands out. It reached \$115 million, 19 per cent above 1961-62. This increase came from the construction usually done by large contractors both in private housing developments and residential buildings, and from the construction of individual homes and expansions. In fact, the projects carried out by construction firms in private housing developments were 24 per cent higher than the preceding year. In addition, the value of construction by these firms in apartment buildings and condominiums increased approximately 17 per cent over the preceding year. The increase registered by individual home construction was nearly 9 per cent higher



than in 1961-62. The notable increase in the construction of car-ports and other changes and expansions should be noted here. They reached \$12 million in 1962-63, an increase of 25 per cent. During this same period, bank loans for home improvements and repairs increased 22 per cent.

The number of new units constructed by private enterprise also reflects the growth in this type of construction. In the two-year period 1962-63, a total of 12,281 new units were constructed, compared with 9,950 in the two-year period 1960-61, an increase of 2,331 dwellings.

The increase in the number of units constructed per 1,000 inhabitants has been very significant. It represented 1.1 dwellings for each 1,000 inhabitants in 1952-53 increasing to 5 dwellings by 1962-63, or, in other words, the proportion nearly quadrupled. This figure is equal to that of Western and Central Europe in 1960, smaller than that of the United States with 7 units per 1,000 population and larger than that of Spain and Portugal with less than 4 units.

Of the total number of dwelling units constructed in the two-year period 1962-63, approximately 65 per cent were in San Juan-Río Piedras, Bayamón, Cataño, Guaynabo, Trujillo Alto and Carolina, which compose the metropolitan area of San Juan, and 35 per cent in the rest of the island. Ten years ago, in the two-year period 1952-53, the metropolitan area registered 57 per cent and the rest of the island, 43 per cent.

The construction of public housing projects decreased in 1962-63 compared with the preceding year. The total value of works constructed by the Urban Renewal and Housing Corporation in public housing projects reached \$18 million, about \$10 million less than in 1961-62. This decrease was caused principally by two factors: interruptions in construction work in public housing projects by some construction firms and delays in the date for beginning other projects. For example, projects for public housing developments to be built in Bayamón, Caguas, Morovis, Naranjito and San Juan originally planned to begin at the beginning of the year, began in later months. Other projects to be constructed in Maunabo, Mayaguez, Rincón and San Juan scheduled to begin last year, began in 1963-64.

## Private Industrial and Commercial Projects

Industrial and commercial projects carried out by private enterprise reached \$83.1 million last year, approximately \$1 million less than the preceding year. This level, although slightly below last year, is considered high since before 1961-62 the highest value of this type of construction was \$56 million, registered in 1960-61. In this type of project are included hotel construction, industrial buildings, shopping centers, construction by the telephone company and of other public services by private enterprises. If the petroleum refineries, the telephone company and other public services are subtracted, the industrial and business projects carried out by other private enterprise, far from remaining at the level of the preceding year, increased significantly. The total of this construction reached \$56 million in 1962-63 compared with \$41 million in 1961-62, an increase of 39 per cent.

VALUE OF CONSTRUCTION  
(In millions of dollars)

	1961-62	1962-63	Per cent change
<b>Total</b>	<b>307</b>	<b>323</b>	<b>5.2</b>
<b>Housing</b>	<b>126</b>	<b>133</b>	<b>5.6</b>
Private	97	115	18.6
Publics	28	18	-35.7
<b>Industrial and commercial</b>	<b>133</b>	<b>132</b>	<b>- .8</b>
Private	84	83	- 1.2
Publics	49	49	---
<b>Highways, schools and other public works</b>	<b>49</b>	<b>58</b>	<b>18.4</b>
Commonwealth Government	29	37	27.6
Municipalities	19	21	10.5

The principal element in the high level achieved in this type of construction was hotels. Hotel construction reached \$18 million, compared with \$9 million in the preceding year. The Americana, Dorado Hilton, Holiday Inn and the expansion of the Condado were completed in 1962-63. In addition the construction of the Sheraton Hotel was continued and the Ponce de León Hotel was begun. Hotels completed added 1,045 rooms last year while the other two will add 709 in 1963-64.

## Construction by Public Enterprise and Government

The value of construction carried out in 1962-63 by public enterprises, excluding the Urban Renewal and Housing Corporation, was slightly higher than the preceding year. Total construction by these enterprises last year reached \$49 million, \$.4 million more than in 1961-62. This was due to the fact that while construction carried out by the Puerto Rico Aqueducts and Sewers Authority and the Puerto Rico Water Resources Authority was substantially higher in 1962-63, construction by the Puerto Rico Industrial Development Corporation and the Ports Authority decreased when compared with the preceding year.

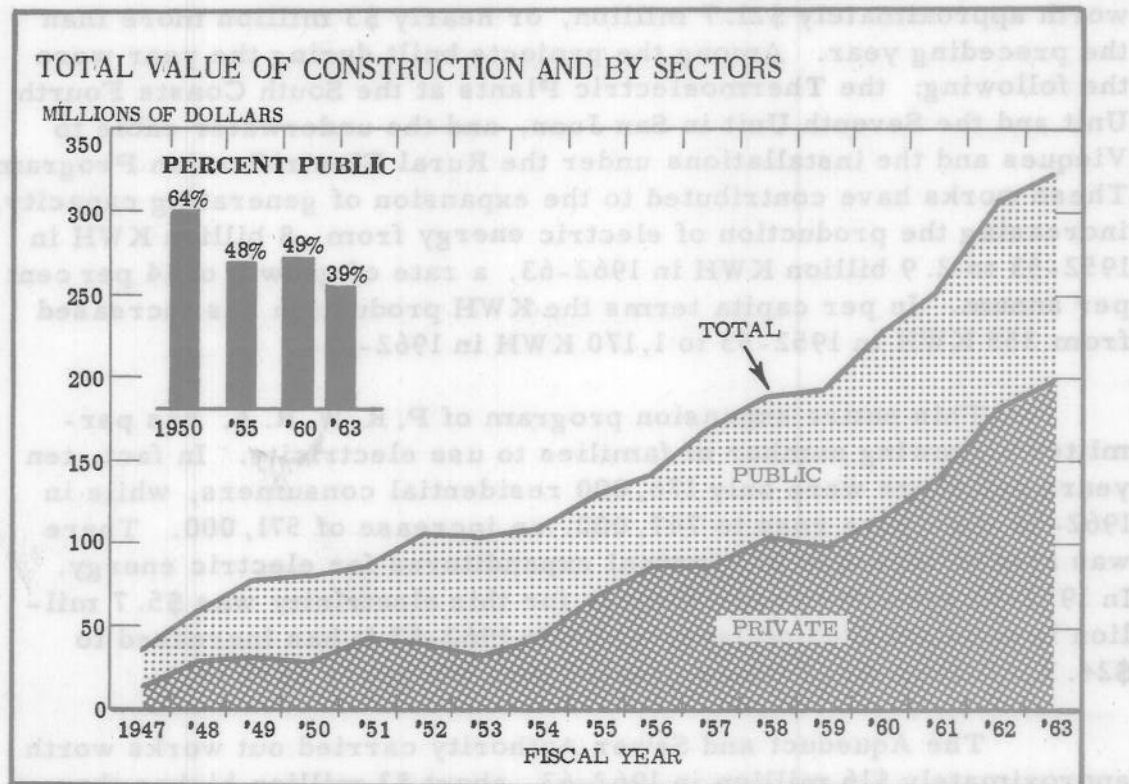
The Puerto Rico Water Resources Authority built works worth approximately \$21.7 million, or nearly \$3 million more than the preceding year. Among the projects built during the year were the following: the Thermoelectric Plants at the South Coasts Fourth Unit and the Seventh Unit in San Juan, and the underwater cable to Vieques and the installations under the Rural Electrification Program. These works have contributed to the expansion of generating capacity, increasing the production of electric energy from .8 billion KWH in 1952-53 to 2.9 billion KWH in 1962-63, a rate of growth of 14 per cent per annum. In per capita terms the KWH production has increased from 355 KWH in 1952-53 to 1,170 KWH in 1962-63.

This entire expansion program of P. R. W. R. A. has permitted a growing number of families to use electricity. In fact, ten years ago there were only 176,000 residential consumers, while in 1962-63 the figure rose to 747,000, an increase of 571,000. There was also an increase in personal expenditures for electric energy. In 1952-53 consumer expenditures for this electricity was \$5.7 million in constant 1963 dollars, while in 1962-63 it has increased to \$24.3 million, three times greater than ten years earlier.

The Aqueduct and Sewer Authority carried out works worth approximately \$16 million in 1962-63, about \$3 million higher than the preceding year, and \$11 million above 1952-53. This investment was principally in the following programs: improvements and expansion of urban aqueducts, and metropolitan sewerage and the construction of rural aqueducts. These high investments have made it possible to provide a larger number of families with water. In fact, water and sewerage services to Puerto Rican families has grown at an annual rate of 8.7 per cent between 1952-53 and 1962-63.



Commonwealth Government and municipal construction of highways, schools and other public works reached \$58 million in 1962-63, an increase of 18.4 per cent over the preceding year. The Commonwealth Government carried out \$37 million worth of works, approximately \$8 million more than the preceding year. Increases in highway construction are significant; investments rose from \$13 million in 1961-62 to \$23 million in 1962-63. This represented 62 per cent of all construction done by the Commonwealth Government in 1962-63. Among the Government projects being built in 1962-63 were the Caparra Intersection at Guaynabo, some sections of State Highway 2, the construction of Medical Centers in San Juan and Ponce and the expansion of the Alejandro Ruiz Soler Hospital.



Municipal public works totalled \$21 million, 11 per cent higher than the preceding year. These have been increasing significantly during recent years. Ten years ago, in 1952-53, they were only \$3 million. They have grown at a rate of 21 per cent in the last ten years.

The growth in the total value of construction is reflected in the increase in net income originated in the contract construc-



tion industry. It registered an increase of \$13 million or 12 per cent in 1962-63.

During that year, cement production reached 2,422.8 million pounds, 50.4 million pounds more than in 1961-62. Cement sales in the island were 1,846.6 million pounds, 5.3 per cent higher than the preceding year. Puerto Rico stands out as one of the countries in the world with the highest per capita cement production. In fact, in 1961 it produced 988 pounds per capita and was second in the world among the following: Belgium, 1,141; Sweden, 883; France, 752; United States, 681; Canada, 663; England, 599; New Zealand, 593; Japan, 577; Venezuela, 443; Argentina, 304; Chile, 250 and Colombia, 239.

## **Machinery and Equipment**

Total investment in machinery and equipment reached \$165 million in 1962-63, \$37 million more than in 1961-62. About \$150 million, 91 per cent of the total, was from private enterprise and \$15 million, 9 per cent of the total was invested by public enterprise and by the Commonwealth and municipal governments.

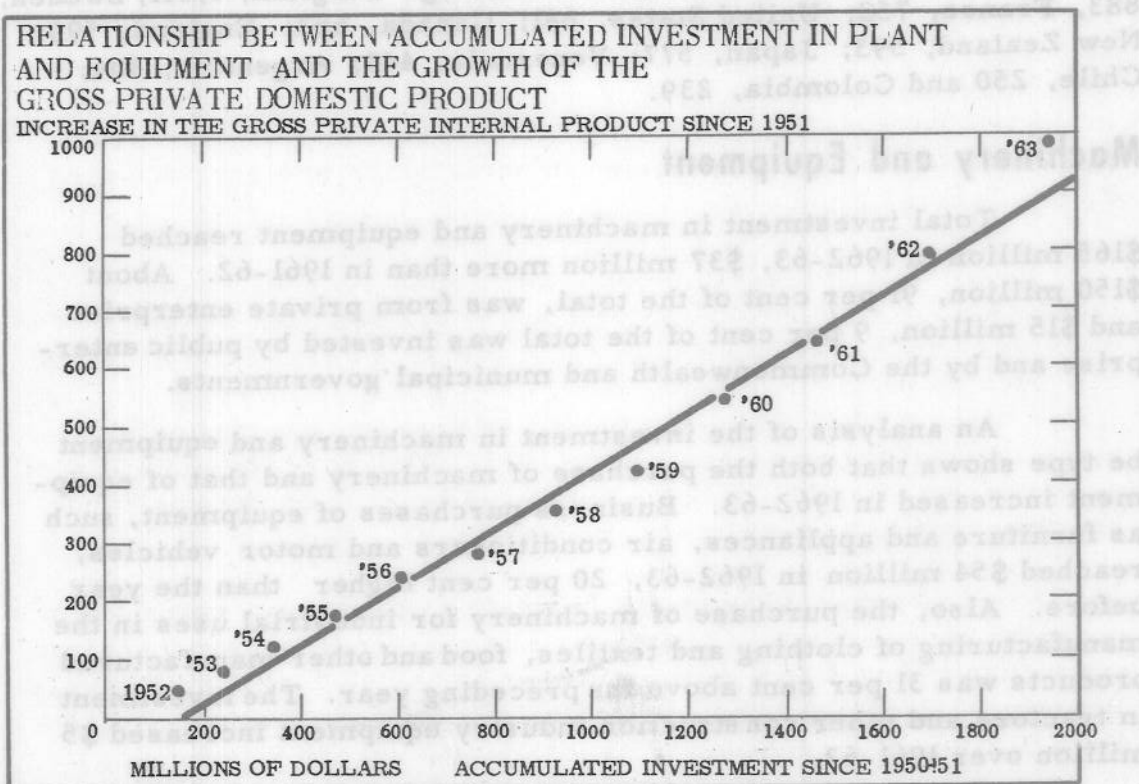
An analysis of the investment in machinery and equipment by type shows that both the purchase of machinery and that of equipment increased in 1962-63. Business purchases of equipment, such as furniture and appliances, air conditioners and motor vehicles, reached \$54 million in 1962-63, 20 per cent higher than the year before. Also, the purchase of machinery for industrial uses in the manufacturing of clothing and textiles, food and other manufactured products was 31 per cent above the preceding year. The investment in tractors and other construction industry equipment increased \$5 million over 1961-62.

## **Total Fixed Investment by Business Enterprises**

Total fixed investment by business enterprises, that is, the total invested by private and public enterprises in the construction of industrial and business projects and in machinery and equipment rose to \$290 million in 1962-63, 14 per cent more than in 1961-62. The purchase of machinery and equipment represented 54 per cent of the total investment. The importance of the high level achieved in total investment by business enterprises lies in the close relationship between investment in plants and equipment and the annual increase in the gross domestic product. During the decade 1950 to 1960, for each dollar increase in gross investment in plant and equipment, there was an

average increase in the private gross domestic product of 43 cents; thus, the capital output ratio of investment by business enterprise was 2.3. For the period 1960-63, this ratio changed: for each dollar invested, there was a 61 cent average increase in the gross private domestic product, the capital output ratio is now 1.64.

This high correlation between domestic investment in plant and equipment and the increase in the private domestic gross product is illustrated graphically below. Fluctuations in the capital output



ratio are noted, i.e., there are years when the increases in the gross private domestic product appear below what they should be for the investment of each dollar and viceversa. In the last two years, and especially in 1962-63, the increase in production is much greater than the growth expected on the basis of increased investment. The cause for this can be attributed to the fact that the increase registered some years ago in industrial projects did not have the effect expected upon the output of the following years and did at a later date. These plants did not begin to use their entire productive capacity immediately, but began to use it in later years. This phenomenon is observed in the manufacturing groups

of chemical and allied products and machinery and metal products where production has increased considerably in the past two or three years.

## GOVERNMENT INCOME

The receipts of the General Fund during fiscal year 1962-63 increased 16.3 per cent, reaching \$287.8 million compared with \$247.5 million in 1961-62. These receipts represent 14 per cent of the net national product. From state funds alone, \$233.9 million were received, which is more than 80 per cent of the total and 11.4 per cent of the net national product. The other \$53.8 million are receipts from Federal excise taxes on rum and tobacco exported to the United States and reverting to the Commonwealth Treasury and the customs taxes on foreign imports which are received also by the General Fund.

Among the public income from state sources, income taxes, which is the second largest source of state tax income, produced \$89.9 million, which, in terms of General Fund receipts represented more than 30 per cent. The absolute increase in this item, in the period 1953-63, was \$55 million, or approximately two and a half times as much as in 1953. The increase is the direct result of two factors: the rise in family income, on the one hand, and progressive income taxes, on the other.

The principal increase in income tax receipts came from personal income taxes. There was an increase in personal income tax returns from \$40.6 million in 1961-62 to \$49.4 million last year. Between 1952-53 and 1962-63 personal income tax receipts tripled--from \$15.9 million to \$49.4 million. However, its relationship to the general tax base, i. e., the proportion of personal income tax receipts to total personal income continue to be relatively low. This is significant due to the fact that income tax rates are progressive. The cause is found in the Puerto Rican income structure. There are still a large number of families in the lowest income levels where, by law, they are exempt from paying taxes or where the effective rate is nominal. In 1952-53, personal income tax receipts represented 1.8 per cent of the net income, while ten years later, in 1962-63 it had risen to 2.7 per cent. This growth in the tax burden is due to two factors: (1) a larger number and larger proportion of individuals economically active in better remunerated jobs, and (2) consequently the tax burdens to which they are subjected result higher.



During this fiscal year, a total of 168,964 individual income tax returns were filed, 10.3 per cent higher than the preceding fiscal year. Of these, 91,834 were taxable, 22 per cent higher than the preceding year. This, in part, is the direct result of new norms adopted to avoid income tax evasion. Among these measures was one to require evidence of proof by the taxpayer in order to obtain special exemptions. These measures, doubtlessly have contributed to the large increases in income tax receipts.

#### GENERAL FUND RECEIPTS

(In millions)

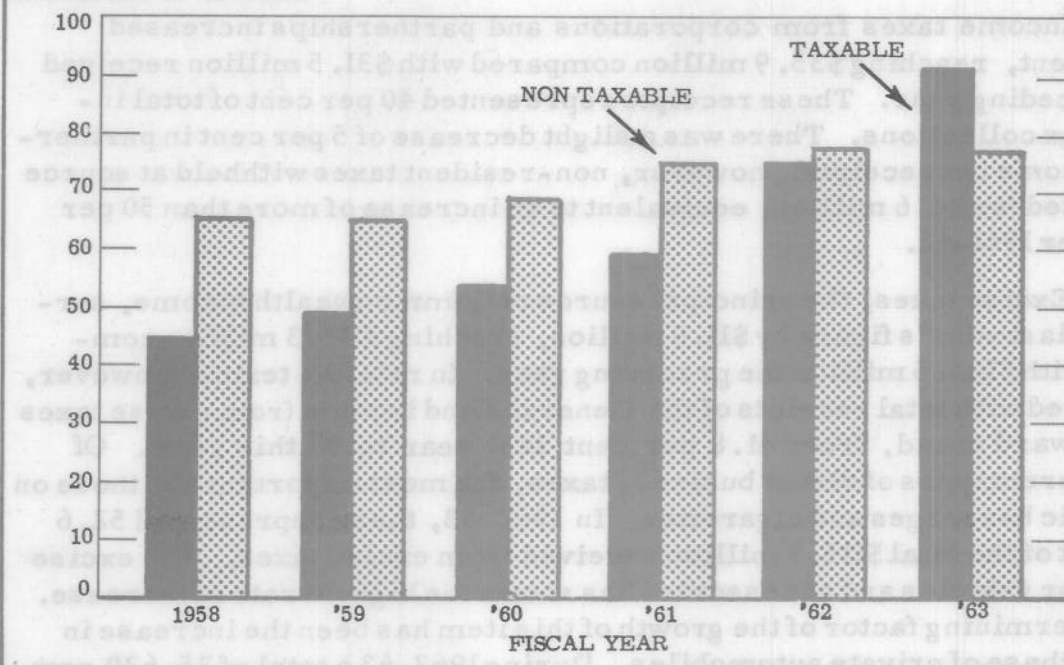
	1961-62	1962-63	Absolute	Relative
<b>TOTAL</b>	<b>247.5</b>	<b>287.8</b>	<b>40.3</b>	<b>16.3</b>
<b>Commonwealth sources</b>	<b>203.5</b>	<b>233.9</b>	<b>30.4</b>	<b>14.9</b>
Property taxes	.08	.07	-.01	- 2.5
Income tax	75.1	89.9	14.8	19.7
Individual	40.6	49.4	8.8	21.7
Corporate	29.4	33.9	4.5	15.3
Partnership	2.1	2.0	-.1	- 4.8
Non-resident withheld at source	3.0	4.6	1.6	53.3
Inheritance and gift taxes	1.8	2.1	.3	16.7
Excises	103.5	115.3	11.8	11.4
Alcoholic beverages	30.4	34.5	4.1	13.5
Cigarettes	24.6	26.1	1.5	6.1
Petroleum products	16.4	18.4	2.0	12.2
Motor vehicle and accessories	15.3	18.4	3.1	20.3
Electric and gas appliances	7.2	7.4	.2	2.8
Other	9.6	10.5	.9	9.4
Licenses	9.5	11.8	2.3	24.2
Non-taxable revenues	13.5	14.8	1.3	9.6
<b>Other sources</b>	<b>44.1</b>	<b>53.8</b>	<b>9.7</b>	<b>22.0</b>
Excise taxes on offshore shipments	33.1	42.3	9.2	27.8
Customs	11.0	11.6	.6	5.5

Last year taxable income declared by individuals increased by 16,600, while non-taxable returns fell by about 1,000. While in 1961-62 non-taxable returns exceeded taxable, in 1962-63, taxable surpassed non-taxable by 15,000. This was the first time taxable surpassed non-taxable returns. It is very significant in regard to the tax burden which now falls, as far as personal income tax is concerned, on a greater number of families and individuals with relatively high incomes. Three years ago, taxable returns were equivalent



# NUMBER OF INDIVIDUAL TAX RETURNS

THOUSANDS OF RETURNS



to 12 per cent of the total number of families, while in 1962-63, they constituted approximately 20 per cent. Between 1962 and 1963 the number of taxable income receipts filed increased by about 38,300, while during the same period the population increased by only 130,000, which is but approximately 27,000 families. It should be mentioned that in most cases each return filed represented a

NUMBER OF RETURNS FILLED IN FISCAL YEARS 1962 AND 1963

	1962-63	1961-62	Absolute	Relative
Individual:	168,964	153,155	15,809	10.3
Taxable	91,834	75,239	16,595	22.1
Non-taxable	77,130	77,916	- 786	- 1.0
Partnerships:	776	752	24	3.2
Taxable	481	444	37	8.3
Non-taxable	295	308	- 13	- 4.2
Corporations:	6,724	6,049	675	11.2
Taxable	2,555	2,275	280	12.3
Non-taxable	4,169	3,774	395	10.5
With hold at source	367	321	46	14.3
Trusts	419	---	419	---
<b>TOTAL</b>	<b>177,250</b>	<b>160,277</b>	<b>16,973</b>	<b>10.6</b>

family; however it did occur that on occasions more than one member of a family filed a return separately.

Income taxes from corporations and partnerships increased 14 per cent, reaching \$35.9 million compared with \$31.5 million received the preceding year. These receipts represented 40 per cent of total income tax collections. There was a slight decrease of 5 per cent in partnership income tax receipts; however, non-resident taxes withheld at source accounted for \$4.6 million, equivalent to an increase of more than 50 per cent over 1961-62.

Excise taxes, the principal source of Commonwealth income, surpassed last year's figure by \$11.8 million, reaching \$115.3 million compared with \$103.5 million the preceding year. In relative terms, however, compared with total receipts of the General Fund income from excise taxes a downward trend, from 41.8 per cent last year to 40 this year. Of the different types of direct business taxes, the most important are those on alcoholic beverages and cigarettes. In 1962-63, these represented 52.6 per cent of the total \$115.3 million received from excise taxes. The excise on motor vehicles and accessories has shown the highest rate of increase. The determining factor of the growth of this item has been the increase in the purchase of private automobiles. During 1962-63 a total of 35,629 new and used, foreign and American cars were imported. They had a taxable price of \$59.4 million and paid \$16.2 million in taxes. This is 28 per cent higher than the preceding year. As a result, excises on gasoline and other petroleum products also increased. They were 12 per cent above the preceding year — \$18.4 million compared with \$16.4 million. Taxes on electrical and gas appliances also reflected the upward trend of durable good consumer expenditures in Puerto Rico. This is logical since in developing economies, the propensity is to spend an ever increasing share of income on durable goods. This item produced \$7.4 million in 1962-63, an increase of almost 3 per cent over the preceding year.

General Fund collections from licenses were \$11.8 million, up \$2.3 million from 1961-62, a 24.2 per cent increase. Vehicle licenses accounted for more than 85 per cent of the total.

Receipts from non-domestic sources, which revert to the Commonwealth Treasury, as for example, custom duties and excises on rum and tobacco products exported to United States reached \$53.8 million, a 22 per cent increase over the preceding year. Excise taxes on exported goods increased 28 per cent to \$42.3 million, \$9.2 million higher than the preceding fiscal year, which was \$33.1 million. This was because of the increase in rum exports to the United States; they rose 36 per cent, reaching \$11.8 million in 1962-63.

## GOVERNMENT EXPENDITURES

Current expenditures of the Commonwealth Government and of the municipalities reached \$415.6 million in 1962-63. This was 10.2 per cent higher than in 1961-62. These expenditures include the purchases of goods and services, such as compensation to employees, materials and other purchases, transfer payments to individuals, subsidies, and other expenditures such as interest payments and transfers to the Federal Government.

### CURRENT EXPENDITURES OF THE COMMONWEALTH AND MUNICIPAL GOVERNMENTS

(Millions of dollars)

	1961-62	1962-63	Per cent change
<b>TOTAL</b>	<b>377.3</b>	<b>415.6</b>	<b>10.2</b>
<b>Purchases of goods and services</b>	<b>299.1</b>	<b>326.7</b>	<b>9.2</b>
Compensation to employees	217.2	238.4	9.8
Other purchases, excluding capital expenditures	81.9	88.2	7.7
<b>Public welfare and other transfer payments</b>	<b>57.4</b>	<b>59.3</b>	<b>3.3</b>
<b>Subsidies</b>	<b>10.0</b>	<b>16.3</b>	<b>63.0</b>
<b>Other current expenditures</b>	<b>10.8</b>	<b>13.4</b>	<b>24.1</b>

(1) Includes the funds of the regular agencies, University of Puerto Rico and trust and agency funds such as State Insurance Fund, Unemployment Insurance Fund, Savings and Loan Fund of the Employees of the Commonwealth Government and the Retirement Systems.

Expenditures for goods and services constitute the most important item in current government expenditures. They include payrolls and other expenditures for goods and non-personal services. Total expenditures for goods and services reached \$326.7 million, of which \$238.4 million were for compensation to employees and \$88.2 million were for other goods and services, excluding capital expenditures, which are part of the fixed capital investment and are not included in current expenses.

Employee compensation, which by definition is the net income of this sector, increased nearly 10 per cent compared with the preceding year. The relative increase in net income showed



by the government sector during 1962-63 was higher than that of manufacturing and trade, the two sectors which surpassed it in relative importance with respect to the net income in Puerto Rico.

Other important items in Government expenditures were non-personal services, like the rents of buildings, transportation conservation and repair of equipment. According to the accounting procedures used to calculate Social Accounts, food provided by the Federal Government for the school lunch and other programs for needy persons is included. This item reached \$25.8 million in 1962-63.

Commonwealth and Municipal Governments transfers to individuals totalling \$59.3 million, are payments in cash by the Government through its Social Security programs. These payments included unemployment compensation, workman's accident compensation, scholarships and other similar payments. This item increased 3.3 per cent over 1961-62. Unemployment compensation payments increased more than \$4 million while other transfer payments decreased significantly. Relief payments decreased by one million dollars since the number of cases receiving relief from public welfare decreased by 4,000 during 1962-63. In fact, this item has been decreasing since 1960-61, when a record \$19.6 million in relief aid under public welfare programs was registered.

Other transfer payments which decreased in 1962-63 were those falling under the compensatory social relief program established in 1957-58 in order to compensate employees displaced by the bulk sugar loading and later expanded to cover other workers unemployed because of mechanization. Most payments under this program were made in fiscal 1961-62, when they reached \$2.8 million. Since many of the people covered by this program preferred to receive total compensation rather than partial weekly payments, most workers have already received total compensation. That is why 1962-63 payments were reduced by \$2 million compared with the preceding year.

Another important expenditure is the subsidy paid to farmers and other sectors. This includes expenditures for incentives to sow new cane, pasture conservation, sowing and export subsidies for coffee, and special aid and incentives for industry and all transfers for operational costs of public corporation. In 1962-63, total Commonwealth expenditures for these purposes reached \$16.3 million.



## Functional Distribution of Public Expenditures

Of the total Commonwealth operational expenditures during 1962-63, \$113.7 million went for education. This represented an increase of \$4.8 million or 4.4 per cent over 1961-62. Expenditures for health and public welfare were \$54.8 million or \$5.7 million more than in 1961-62. Government expenditures for health and education together accounted for 7.5 per cent of the total G. N. P. of Puerto Rico in 1962-63.

### FUNCTIONAL DISTRIBUTION OF PUBLIC EXPENDITURES (1)

(Millions of dollars)

Function	1961-62	1962-63	Per cent change
General administration	28.3	28.4	.4
Public education	108.9	113.7	4.4
Public health and welfare	49.1	54.8	11.6
Protection of persons and property	21.7	27.6	27.2
Agriculture and industrial development	12.9	15.8	22.5
Transportation and communication	12.7	13.8	8.7
Labor relations	6.9	7.7	11.6
Pensions and social security	7.0	9.0	28.6
Other services and expenditures	72.7	107.8	48.3
Emergency rehabilitation	.7	.2	- 28.6
<b>TOTAL</b>	<b>320.9</b>	<b>378.8</b>	<b>18.0</b>

(1) This table excludes government enterprises, trust funds and municipalities.

The portion of the G. N. P. which Puerto Rico dedicates to education and health is relatively high compared with other countries.

As stated earlier, Government expenditures analyzed, in this section do not include capital expenditures. For example, expenditures in education do not include disbursements for school construction nor private expenditures for education; and health expenditures do not include public expenditures for hospital construction, health centers, etc. If expenditures for private education and for public classroom construction were added to public education

**CURRENT GOVERNMENT EXPENSES FOR EDUCATION AND HEALTH AS A PER CENT  
OF THE GROSS PRODUCT OF SELECTED COUNTRIES**

(Per cent)

Country and fiscal year		Education	Health	Education and health
Burma	1958	2.8	.9	3.7
India	1958	1.4	.6	2.0
Colombia	1957	.5	.3	.8
Ghana	1959-60	2.5	1.1	3.6
Peru	1957	2.4	.6	3.0
Chile	1956	2.7	2.8	5.5
Costa Rica	1958	3.1	.3	3.4
West Germany	1958	2.3	.3	2.6
Israel	1958	3.9	2.2	6.1
Venezuela	1955-56	1.2	1.2	2.4
Australia	1954-55	2.0	2.1	4.1
Canada	1956	2.7	1.3	4.0
United States	1958	3.8	1.1	4.9
England	1958	4.1	3.2	7.3
Norway	1955-56	3.2	1.1	4.3
New Zealand	1958	3.2	2.1	5.3
Sweden	1958	4.6	2.7	7.3
PUERTO RICO (Fiscal year)	1956	4.4	2.6	7.0
	1957	4.8	2.8	7.6
	1958	4.9	2.8	7.7
	1959	5.0	2.9	7.9
	1960	4.8	2.7	7.5
	1961	5.2	2.6	7.8
	1962	5.5	2.5	8.0
	1963	5.1	2.5	7.5

Source: "Report on the World Social Situation", United Nations, 1961 and Puerto Rico Planning Board.

expenditures, the figure of the Puerto Rican G. N. P. dedicated to education in 1962-63 would stand at 6 per cent. To put it another way, if, to the total investment in capital goods and inventories is added investment in "persons" represented by Government and private expenditures in education, it must be concluded that total investment in Puerto Rico is about 27.6 per cent of the G. N. P.

## BANKING ACTIVITY

The high rate of economic growth registered in 1962-63 has been accompanied by an even greater expansion in commercial banking activity. In fact, bank assets increased last year by 20.5 per cent and, for the first time, surpassed the billion dollar mark (\$1,004 million) as of June 30, 1963. On June 30, 1962, bank assets were \$833 million. In 1950 and 1960, they were \$339 million and \$701 million respectively.

### CONSOLIDATED BALANCE IN COMMERCIAL BANKS AS OF JUNE 30, 1963

(Millions of dollars)

Assets		Liabilities and capital	
Cash and balance in other banks	102	Government deposits	124
Bonds and investments	155	Private deposits	805
Loans and discounts	625	Other liabilities	29
Other assets	122	Capital account	46
	<b>1,004</b>		<b>1,004</b>

## Deposits

In 1962-63 bank deposits, the principal source of commercial banks to grant loans and make investments, increased 22.1 per cent from \$761 million to \$930 million, thus making possible the great increase in banking activity. The increase in total deposits depended principally upon private deposits, which increased \$148 million, while public deposits increased but \$20 million. Among private deposits, certificate of deposits stood out, with a 102 per cent increase. Savings accounts, current accounts and other deposits increased 18.7, 13.5 and 15.1 per cent respectively.

The great growth of deposits certificates, can be attributed to the fact that local as well as non-resident enterprises increased their funds in these kinds of account in order to obtain the higher interest rates prevailing on the credit market. It is estimated that on June 30, 1963, 52 per cent of all certificate of deposits, belonged to corporations.

Savings accounts deposits reached \$260 million on June 30, 1963, 18.7 per cent above the preceding year. Even though some of these deposits belong to corporations, most of them, belong to individuals. As of June 30, they accounted for 89 per cent of all savings accounts; the explanation is that the level of personal income is constantly increasing. Puerto Rican families and sole proprietorships are also using current accounts increasingly, so that by the end of the year they accounted for 36 per cent of these deposits, the rest belonging to corporations.

**BONDS AND OTHER INVESTMENTS ON HAND IN COMMERCIAL BANKS  
ON JUNE 30**

(Millions of dollars)

Item	1962	1963	Per cent change
<b>Total</b>	<b>116.1</b>	<b>154.8</b>	<b>33.3</b>
<b>U. S. Government securities</b>	<b>59.6</b>	<b>100.5</b>	<b>68.6</b>
Treasury drafts	29.1	70.0	140.5
Treasury notes	17.1	8.9	- 48.0
Bonds	12.2	14.8	21.3
Others	1.2	6.8	466.7
<b>Others</b>	<b>56.5</b>	<b>54.3</b>	<b>- 3.9</b>

## Investments

In 1962-63, the value of investments in commercial banks increased 33.3 per cent, the sharpest increase in recent years. The increase was centered around U. S. Treasury notes. Perhaps an explanation of the increase in this type of assets is that, since they are short term assets, they permit commercial banks to maintain a high level of liquid assets and at the same time take advantage of high U. S. interest rates resulting from the Federal policy to avoid the flight of capital.



# VALUE OF PRINCIPAL ASSETS IN COMMERCIAL BANKS ON JUNE 30

(Millions of dollars)

Type of asset	1962	1963	Per cent change
<b>TOTAL</b>	<b>833</b>	<b>1,004</b>	<b>20.5</b>
Cash and balances with other banks	85	102	20.0
Bonds and investments	116	155	33.6
Loans and discounts (1)	538	625	16.2
Other assets	94	122	29.8

(1) Excludes amortization of debt.

Commercial banks basically can use their funds for loans and investments; thus, as a result of the high rate of growth of banking investments, total commercial bank loans cannot expand as in recent years and thus they only increased 16.8 per cent. That is why the proportion of loans to deposits fell to 67.6 per cent, the lowest figure in the past eight years. This decrease may have resulted from the commercial banks policy of improving liquidity. The proportion of investments and loans to total deposits was 83.9 per cent in 1962.63, compared with 85.9 per cent the preceding year. Thus only a small change occurred in the relative use of available funds. On the other hand, cash, accounts with other banks and uncleared checks, — those assets which banks virtually keep out of circulation — increased as a proportion of total assets. In fact, they accounted for 10.1 per cent of total assets compared to 7.9 per cent the preceding year.

## VALUE OF COMMERCIAL BANK LOANS ON JUNE 30

(Millions of dollars)

Type loan	1962	1963	Per cent change
Real Estate	138.4	167.5	21.1
Agriculture	23.3	25.1	7.9
Commerce and Industry	243.5	279.1	14.6
Individual	111.5	132.0	18.4
Other	21.4	24.9	16.1

During 1962-63, the greatest increase in loans was registered for home mortgages. This is easily explained through the increase in private housing construction last year. Also, personal loans increased 18 per cent, commercial and industrial loans, 15 per cent and agricultural loans 8 per cent. This behavior of commercial bank loans last year was predictable on the basis of the variations in loan compositions during recent years.

The relative position of real estate loans as a proportion of total loans continued to grow; that of agricultural loans continued to decrease, while that of commercial industrial and personal loans continued to fluctuate around a fixed level. These trends are expected to continue in the future. In the case of real estate loans as a proportion of total loans, they should continue to grow since the home building industry offers assurance that it will continue to grow at the same rate in coming years. The proportion of agricultural loans to the total should continue to decrease because agriculture plays a decreasingly important role in Puerto Rico. The proportion of other loans should also decrease since one of their important components is overdrafts, which are being used decreasingly.

In 1962-63, some changes occurred in the composition of real estate loans. Home mortgages guaranteed by the Veterans Administration increased from \$.2 million in June, 1962, to \$2.5 million in June, 1963. Conventional mortgages, which decreased significantly in 1962, in 1963 surpassed 1961 levels, increasing from \$4.6 million to \$13.5 million, that is 193.5 per cent. Meanwhile, F.H.A. insured loans increased 19.6 per cent, a much smaller increase than in 1962 when they increased 70 per cent, and loans to contractors increased only 3.2 per cent. In spite of these changes, the relative importance of different types of real estate loans changed only slightly, and no change of importance was registered in the composition of this type of loan.

In 1963, changes in personal loans also occurred. Automobile loans and those for other consumer durables which had decreased in 1962, showed sizeable gains in 1963, surpassing 1961 levels. It is important to emphasize that this increase has occurred even though there has been a great expansion of financing concerns and of modern business enterprises which offer greater credit facilities. However, this can be explained by the great growth of personal

VALUE OF COMMERCIAL BANK LOANS ON REAL ESTATE  
AS OF JUNE 30

(Millions of dollars)

Type of loan	1962	1963	Per cent of change
<b>TOTAL</b>	<b>138.4</b>	<b>167.5</b>	<b>21.0</b>
Insured by the Federal Housing Administration	83.6	100.0	19.6
Guaranteed by the Veterans Administration	.2	2.5	1,125.0
Builders and Contractors	50.0	51.6	3.3
Commercial Mortgages	4.6	13.5	193.5

expenditures for automobiles and other durable consumer goods such as furniture, electrical appliances, etc., during 1962-63; they increased from \$56 million to \$68 million and from \$157 to \$188 million, respectively. Loans to repair and modernize private homes showed significant increases and the possibility exists that in coming years these will displace automobile loans for second place among personal loans. Loans for other personal expenses also showed a significant increase of 21 per cent in 1963. For the first time in the last five years their relative position improved among individual loans.

VALUE OF COMMERCIAL BANK LOAN TO INDIVIDUALS ON JUNE 30

(Millions of dollars)

Type loan	1962	1963	Per cent change
<b>TOTAL</b>	<b>111.5</b>	<b>132.0</b>	<b>18.4</b>
Purchase of cars on installments	25.8	28.5	10.5
Other installment purchases	1.6	2.6	62.5
Other personal expenses	58.3	70.5	20.9
One payment a year loans	9.9	11.1	12.1
Repair and modernization of homes	15.8	19.3	22.2



Last year, non-commercial banks, i.e., the Government Development Bank, the Cooperatives Bank and the recently created Housing Bank increased their loans from \$32.9 million to \$37.5 million; that is, a 14 per cent increase. Of this, 2.4 per cent was lent by the new Housing Bank. The growth of non-commercial bank loans was due almost entirely to business and industrial loans, mostly granted by the Government Development Bank.

## Increases in Personal Assets and Liabilities

Personal Savings for a given year is the difference between disposable personal income and personal consumption expenditures. Defined in this way, the statistics show that Personal Savings in Puerto Rico are insignificant. In the analysis that follows no attempt will be made to measure this savings too rigorously. Only some terms, like bank deposits and other financial assets, as well as personal debts, will be analyzed. Personal assets considered when preparing this estimate include net investment by individuals in housing and some financial assets; such as commercial bank deposits, savings in Federal Savings and Loan Associations, savings by Commonwealth Government employees in their Association, shares and savings in cooperatives, life insurance reserves and other assets. Personal liabilities considered are home mortgage debts, and

### CHANGES IN SELECTED ASSETS AND LIABILITIES OF FAMILY UNITS - FISCAL YEARS

(In millions of dollars)

	1953	1961	1962	1963	Per cent change 1962-63
<b>Assets:</b>	<b>34.7</b>	<b>150.3</b>	<b>164.9</b>	<b>207.4</b>	<b>25.8</b>
Gross investment in private housing	21.1	81.6	97.4	115.3	18.4
Less: Depreciation	11.8	24.6	26.7	33.4	25.1
Net investment in private housing	9.3	57.0	70.7	81.9	15.8
Financial assets	25.4	93.3	94.2	125.5	33.2
<b>Liabilities:</b>	<b>19.2</b>	<b>106.6</b>	<b>110.5</b>	<b>151.9</b>	<b>37.5</b>
Consumption debts	5.0	29.9	28.9	45.9	58.8
Mortgage debts on housing	14.2	76.7	81.6	106.0	29.9
<b>Net saving (Assets-Liabilities)</b>	<b>15.5</b>	<b>43.7</b>	<b>54.4</b>	<b>55.5</b>	<b>2.0</b>



individual debts with commercial banks, Savings and Loan Association of the Commonwealth Government Employees, credit unions, Federal Savings and Loan Associations and other financial institutions.

## Personal Assets

In 1962-63, there was a notable increase in the principal personal assets.

The net investment in private residential construction and other financial assets of households increased \$207.4 million. This increase is 26 per cent higher than that of 1961-62, which was \$164.9 million, and five times greater than in 1952-53, when it stood at \$34.7 million.

During 1962-63, the private housing construction activity reached \$115.3 million. Discounting depreciation, the increase over the preceding year was \$11.2 million in the net value of private housing investment. This means an increase of 15.8 per cent over the preceding year and about eight times greater than in 1952-53.

Simultaneously with the increase in housing construction, individuals increased their financial assets in \$125.5 million compared with \$94.2 million in 1961-62, an increase of 33.2 per cent. This annual increase in savings has been rising consistently throughout the years. The level reached in 1962-63 was almost four times greater than in 1952-53, when the net increase in financial assets reached \$25.4 million.

We have grouped financial assets in the following three groups: (a) deposits in current accounts, savings accounts and savings certificates; (b) reserves in pension funds and in life insurance companies, savings of public employees and shares in cooperatives; (c) Federal Government bonds, postal savings and miscellaneous investments abroad.

Total deposit of individuals in commercial banks and in Federal Savings and Loan Associations were about \$500 million on June 30, 1963. The net increase in these deposits in 1962-63 was \$96.5 million compared with \$63.8 million in 1961-62, a 51.3 per cent increase. Deposits of individuals in commercial banks increased by \$74.5 million, reaching \$388 million on June 30, 1963.

Ten years ago, these deposits were \$96 million. Deposits with Federal Savings and Loan Association increased by \$22 million; from \$85 million on June 30, 1962 to \$107 million on June 30, 1963.

NET INCREASE OF INDIVIDUAL DEPOSITS IN COMMERCIAL BANKS AND  
FEDERAL HOUSING AND LOAN ASSOCIATIONS BY FISCAL YEARS

(In millions of dollars)

	1953	1961	1962	1963	Per cent change 1963/1962
Deposits, total	14.2	63.3	63.8	96.5	51.3
Deposits in Commercial Banks	9.0	51.1	50.7	74.5	46.9
Deposits in Federal savings and Loan Association	5.2	12.2	13.1	22.0	67.9

Among the group of financial assets composed of reserves in pension funds and life insurance companies, public employees savings and shares in cooperatives, the reserves in public pension funds stand out. These reserves increased \$8.1 million in 1963, an increase of 6.6 per cent over the preceding year. Following in order of importance since 1961 are savings of Commonwealth Government employees in their association which increased \$5.1 million in 1963. Also important were assets in the form of shares in local cooperatives which increased to \$4.1 million last year compared with \$1 million ten years ago. These last two sources have been growing mainly because of the expansion of the level of public employment and the development of the cooperative movement in the island.

On the other hand, a decreasing growth rate has been registered during recent years in the following assets: reserves in life insurance companies, which in 1961 was the second source of savings of this group; and private pension funds savings, which have been affected adversely by the shut down of some sugar mills.

Of the third group, which includes Federal Government bonds, postal savings and miscellaneous investments abroad, the only important item is miscellaneous long-term investment abroad, although last year it increased at a lower rate than the preceding year.

# NET INCREASE IN VARIOUS FINANCIAL ASSETS BY FISCAL YEARS

(In millions of dollars)

	1953	1961	1962	1963	Per cent change
<b>TOTAL</b>	<b>13.6</b>	<b>22.7</b>	<b>23.2</b>	<b>23.3</b>	<b>0.4</b>
Reserves in public pension funds	6.1	8.2	7.6	8.1	6.6
Commonwealth Government Employees Association					
Savings	1.8	4.0	4.5	5.1	13.3
Local cooperative shares	1.0	3.4	3.9	4.1	5.1
Life insurance company reserves	3.9	4.1	3.9	3.3	- 15.4
Private pensions fund reserves	.6	2.5	2.4	2.3	- 4.2
Federal credit cooperative shares	.2	.5	.9	.4	- 55.6

Postal savings and Federal Government bonds held by Puerto Ricans has been decreasing also. This can be attributed to the relatively high interest rates prevailing in the island which attract the funds which would otherwise go to these groups.

## NET INCREASE IN OTHER FINANCIAL ASSETS BY FISCAL YEARS

(In millions of dollars)

	1953	1961	1962	1963	Per cent change
<b>TOTAL</b>	<b>- 2.4</b>	<b>7.3</b>	<b>7.2</b>	<b>5.7</b>	<b>- 20.8</b>
Federal Government bonds	- 2.6	- 1.8	- 2.3	- 1.5	34.8
Postal savings	.2	- .5	- .4	- .3	25.0
Miscellaneous investment abroad	ND	9.6	9.9	7.5	- 24.2

ND - No data.

## Liabilities

Puerto Rican families rely more heavily each year on net credit for their economic needs. Last year, they needed a volume of capital totalling \$151.9 million to finance the purchase of homes and consumer durable goods. Ten years ago, the capital required was only \$19.2 million; in other words this item has increased \$133 million in ten years.

Of the capital required in 1962-63, \$106 million was for mortgage debts and \$45.9 million for financing consumer durable goods. This is a 29.9 per cent increase in mortgage debts and a 58.8 per cent increase in consumer debts compared with last year.

## Personal Consumption Debt

Almost three quarters (74.1 per cent) of the credits needed to finance consumer debts, most of which are principally durable goods, tend to be granted by two kinds of enterprises: commercial banks and private financing institutions. Total consumer debt with these two credit institutions reached \$209 million on June 30, 1963. Following these two in order of importance are the Commonwealth Government Employees Savings and Loan Association, local credit cooperatives, public pension funds, Federal credit cooperatives and Federal Savings and Loan Associations.

### NET INCREASE IN CONSUMER DEBT BY FISCAL YEARS

(In million of dollars)

	1953	1961	1962	1963	per cent change 1963/1962
<b>TOTAL</b>	<b>5.0</b>	<b>29.9</b>	<b>28.9</b>	<b>45.9</b>	<b>58.8</b>
Commercial banks	- .4	7.8	5.6	22.4	300.0
Other financial institutions	2.9	10.6	15.1	11.6	- 23.2
Savings and Loan Association of Commonwealth Government employees	.8	4.4	3.6	5.1	41.7
Local Credit cooperatives	1.3	5.3	2.0	3.2	60.0
Public pensions funds	- .2	.7	1.5	2.3	53.3
Federal credit cooperatives	.2	.7	.8	.8	.0
Federal Savings and Loan Associations	.4	.4	.3	.5	66.7

It should be mentioned here that public pension funds have been granting loans for consumer expenditures increasingly, while the Federal Savings and Loan Associations, which have confined themselves almost exclusively to financing housing, have a low level for this kind of loan.



## Housing Mortgage Debt

On June 30, 1963, the net increase in the individual mortgage debt surpassed the \$100 million level (\$106 million). Ten years ago it was only \$14.2 million; thus the increase registered last year in the individual mortgage debt is \$91.8 million higher than in 1952-53. In 1962-63, 76.7 per cent of the increase registered was for F.H.A. insured loans. These showed a net growth of \$81.3 million compared with only \$1.7 million in mortgages insured by the Veterans Administration, and \$23 million, insured by other financial institutions. These latter include commercial banks, Federal Savings and Loan Associations, Commonwealth Government Employees Savings and Loan Association, public employees pension funds and private corporations financing homes.

### NET INCREASE IN MORTGAGE DEBT BY FISCAL YEARS

(In millions of dollars)

	1953	1961	1962	1963	Per cent change 1963/1962
<b>TOTAL</b>	<b>14.2</b>	<b>76.7</b>	<b>81.6</b>	<b>106.0</b>	<b>29.9</b>
F.H.A. insured	5.6	52.6	59.8	81.3	36.0
Insured by the Veterans Administration	1.2	4.5	3.5	1.7	- 51.4
Other financial institutions	7.4	19.6	18.3	23.0	25.7

The relative importance of the F.H.A. insured mortgages in the total mortgage debt has been increasing throughout the years. For example, in 1952-53, 39.4 per cent of the net increase registered in the home mortgage debt was accounted for by F.H.A. guaranteed loans. On the other hand, the relative importance of mortgages insured by the Veterans Administration and other financial institutions has been decreasing.

At the end of 1962-63, the total debt pending payment in F.H.A. mortgages surpassed \$400 million. Approximately 34 per cent of these were in the hands of local institutions. This local participation is higher than in 1959-60, when the net debt in F.H.A. mortgages was divided, as follows: 29 per cent in local institutions and 71 per cent in institutions abroad.

# CREDIT SOURCES FOR FINANCING F.H.A. GUARANTEED LOANS

	1960	1961	1962	1963
Pending debt as of June 30	209.6	262.3	322.0	403.3
Mortgages in the bonds of local institutions	60.8	77.4	115.2	136.8
Mortgages in the bonds of outside creditors	148.8	184.9	206.8	266.5

## EXTERNAL TRADE

**EXPORTS:** Exports of merchandise reached the highest figure ever — \$845 million, or \$88 million more than the preceding year. This figure represents an increase of 12 per cent over 1961-62 and of 36 per cent over 1959-60.

Exports of traditional products (sugar, etc.) were the ones which increased the most, especially sugar, because of increased sugar prices. Last year, sugar exports were valued at \$140.2 million, \$31.3 million above the preceding year. Another traditional export product which increased was rum. The value of rum exported rose from \$8.6 million in 1961-62 to \$11.7 million in 1962-63.

### COMPOSITION OF MERCHANDISE EXPORTS

(Millions of dollars)

	1949-50	1960-61	1961-62	1962-63
Exports (1)	235	674	740	829
Traditionals	202	260	243	298
New manufactured products	33	414	497	531

(1) Does not include Virgin Islands.

The exports of new products produced in factories promoted by Fomento under the Industrialization Program, reached \$531 million in 1962-63. It is significant that the entire increase in external trade registered in the last ten years, since 1952-53, has come from new products. Last year, the greatest increase occurred in non-cyclical exports (animal products, cigars and cigarettes, petroleum and related products and chemical products) which went up 25 per cent. Within this group the strongest increase was showed by exports of chemical products, which increased from \$26 million to \$37 million, an increase of 41 per cent. Other products classified as cyclical because they reflect rapidly changes in the United States economic picture, like leather products, apparel and textiles, electrical machinery, etc., increased slightly (5.5 per cent) compared with 1961-62, while new non-cyclical products increased considerably from \$159 to \$185 million. Among the cyclical items, the one with the greatest increase was apparel and textiles, which increased \$10 million from one year to the next. All other cyclical items showed a slight increase, except machinery and vehicles, and toys and jewelry which declined more than \$7 million each.

#### SHIPMENTS OF NEW PRODUCTS TO THE UNITED STATES

(Millions of dollars)

	1961-62	1962-63	Absolute increase
<b>TOTAL</b>	<b>493.6</b>	<b>520.2</b>	<b>26.6</b>
<b>Cyclical</b>	<b>334.2</b>	<b>335.5</b>	<b>1.3</b>
Leather products	33.7	38.4	4.7
Food	2.6	3.1	0.5
Apparel and textiles	155.8	165.9	10.1
Paper and paper products	5.8	6.0	0.2
Metals except machinery and vehicles	15.3	15.5	0.2
Machinery and vehicles	72.8	65.5	- 7.3
Toys, jewelry and miscellaneous	48.2	41.1	- 7.1
<b>Non-cyclical</b>	<b>159.4</b>	<b>184.7</b>	<b>25.3</b>
Animals products	24.8	33.6	8.8
Cigars and cigarettes	46.4	55.5	9.1
Petroleum and related products	62.1	58.9	- 3.2
Chemical products	26.1	36.7	10.6

## Destination and Composition of Exports to Foreign Countries

Exports to foreign countries reached \$27 million, a 78 per cent increase over the \$15 million exported the preceding year. This growth was due to the strong increase in exports of molasses to England, Belgium and Germany, fuel to Denmark, ammonium sulfate to Spain, distilled liquor and distilled spirits and their components to Canada, and green coffee to Italy.

The bulk of exports to foreign countries were made in the Caribbean area; the principal buyer was the Dominican Republic. Exports to this area were composed of a great variety of products, although outstanding were pharmaceutical products. Thus, for example, of \$4.8 million in products exported to the Dominican Republic, more than \$.5 million was composed of medicines, followed by electrical appliances (\$243,000) and aluminium and aluminium alloy in different forms (\$178,000). Another typical item exported to the Caribbean was flour. Principal exports to the Dutch islands were distilled spirits and other beverages which accounted for \$84,000 of a total of \$755,000 exported to these islands.

Following the Caribbean, the second most important area for Puerto Rican exports was the European Common Market, to which \$6 million worth of goods were exported in 1962-63. Holland (\$3 million) and West Germany (\$1.2 million) were the largest buyers within the Common Market. The main export to this area was coffee. Of a total \$815,000 exported to Italy, \$680,000 was green coffee. France received \$289,000 of Puerto Rican products of which \$197,000 was coffee. However, principal exports to West Germany were fuel (\$451,000) and molasses (\$420,000).

While most foreign imports into Puerto Rico were from Central and South America, these countries received only \$2 million in Puerto Rican exports. Principal exports to Venezuela were machinery and parts for sugar mills (\$232,000) and gas cylinders (\$197,000). Machinery and parts of sugar mills worth \$142,000 were also sold to Colombia.

Canada bought \$2 million worth of Puerto Rican products, of which \$.9 million were distilled spirits and \$.5 million molasses. England bought \$1.6 million worth of products of which \$1.2 million



were molasses. Denmark bought products worth \$973,000, of which 96 per cent was fuel. Merchandise worth \$160,000 was exported to Japan of which \$151,000 was scrap metal.

# PUERTO RICAN EXPORTS TO FOREIGN COUNTRIES 1962-63

(Thousands of dollars)

Area	1962-63
<b>Caribbean, Total</b>	<b>8,858.4</b>
Dominican Republic	4,786.4
French West Indies	1,258.5
Windward and Leeward Islands	813.8
Netherlands	755.4
Jamaica	332.4
Trinidad and Tobago	325.8
Bahamas	235.2
Haiti	177.9
Barbados	173.0
<b>Europe, Total</b>	<b>9,393.8</b>
Common Market, Total	5,970.5
Holland	3,026.4
West Germany	1,205.8
Italy	815.5
Belgium and Luxembourg	634.3
France	288.5
Other, Total	3,423.3
United Kingdom	1,615.6
Denmark	973.2
Spain	527.9
Others	306.6
<b>South and Central America, Total</b>	<b>2,031.0</b>
Venezuela	715.3
Colombia	149.7
Argentina	61.0
Nicaragua	18.4
Honduras	11.1
Peru	7.3
Others	1,068.2
<b>Other countries, Total</b>	<b>6,482.8</b>
Canada	1,971.7
Japan	160.3
Bermuda	98.3
Others	4,252.5
<b>TOTAL</b>	<b>26,766.0</b>

**IMPORTS:** Imports reached \$1,160 million in 1962-63, \$72 million higher than the preceding year, an increase of 7 per cent. This represented 64 per cent of the Net Income, i. e., the average propensity to import was 0.64.

Changes in the composition of imports have clearly reflected the evolution of the economy during the period of economic development. Stepped up investments were translated into a substantial increase in producers goods purchases. These purchases represented 58 per cent of the total value of imports, reaching an estimated \$676 million in 1962-63, up from an estimated \$660 million the preceding year. Of the total goods of this type imported, 73 per cent were raw materials and other intermediate products, and the rest were capital goods.

#### ECONOMIC CATEGORY OF IMPORTS

(Millions of dollars)

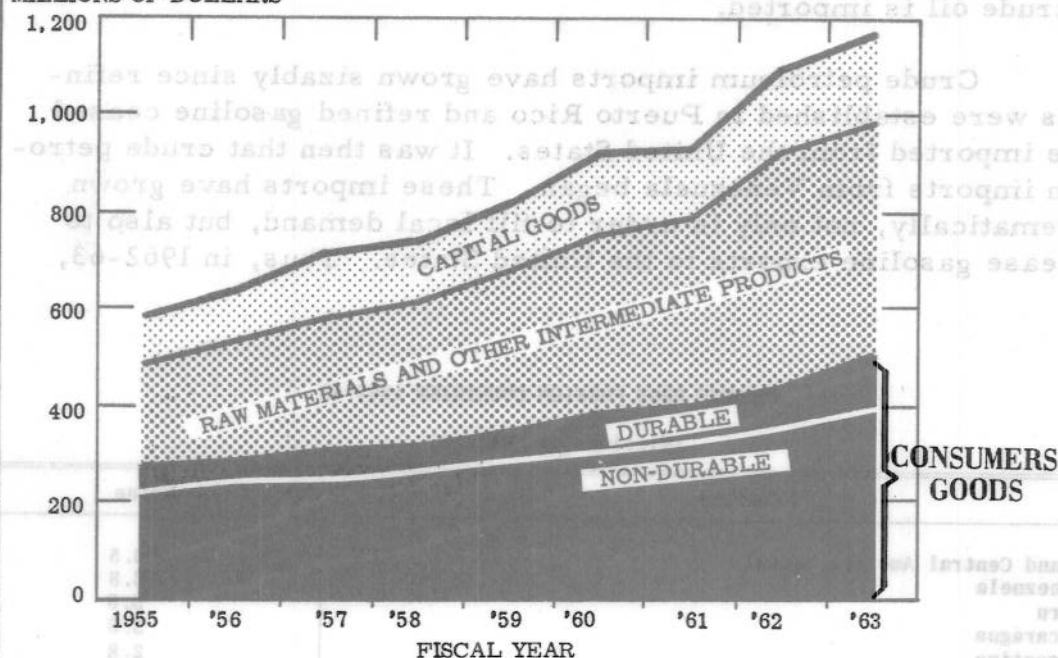
(Fiscal years)

Goods	1960	1961	1962	1963
<b>TOTAL</b>	<b>915.0</b>	<b>921.7</b>	<b>1,087.8</b>	<b>1,159.7</b>
<b>Consumer</b>	<b>380.9</b>	<b>390.3</b>	<b>439.2</b>	<b>483.3</b>
Durable	86.0	76.8	89.1	105.8
Non-durable	294.9	313.4	350.1	377.5
<b>Capital</b>	<b>169.8</b>	<b>140.9</b>	<b>176.2</b>	<b>180.2</b>
Intermediate for capital	65.4	52.7	64.2	61.2
Other capital goods	104.4	88.2	112.0	119.0
<b>Intermediate products</b>	<b>364.3</b>	<b>390.6</b>	<b>483.5</b>	<b>496.2</b>

But aside from purchases stimulated by investment and production themselves, other purchases resulted from the increase in income levels. These were consumer goods imports, which increased 10 per cent over the preceding year and constituted nearly 44 per cent of total imports. The relative importance of non-durable consumer goods in the composition of total imports is decreasing. In 1954 it was still 39 per cent of total imports, while last year it did not reach 33 per cent.

## IMPORTS BY ECONOMIC CATEGORY

MILLIONS OF DOLLARS



Durable consumer goods imports rose 17 per cent over the preceding year, reaching \$106 million. Almost the entire increase was composed of automobile and electrical appliance imports which increased 18 per cent and 11 per cent respectively over the preceding year.

## Source and Composition of Imports from Foreign Countries

Of total imports in 1962-63, 81 per cent were from the United States, 17 per cent from foreign countries and 2 per cent from the Virgin Islands. Even though imports from foreign countries were only \$203.9 million, such figure represented a 48 per cent increase over 1958-59.

Of total imports in 1962-63, \$100.5 million were from Central and South America, \$38.3 million from the European Common Market, \$12.5 million from the Caribbean and \$52.6

million from other countries. The major volume of imports from Central and South America came from Venezuela, from which almost all crude oil is imported.

Crude petroleum imports have grown sizably since refineries were established in Puerto Rico and refined gasoline ceased to be imported from the United States. It was then that crude petroleum imports from Venezuela began. These imports have grown systematically, not only in order to fill local demand, but also to increase gasoline exports to the United States. Thus, in 1962-63,

# IMPORTS FROM FOREIGN COUNTRIES 1962-63

(Millions of dollars)

Country	Value
South and Central America, Total	100.5
Venezuela	78.8
Peru	5.0
Nicaragua	3.6
Argentina	2.8
Honduras	2.0
Colombia	1.4
Others	6.9
Common Market, Total	38.3
West Germany	13.8
Belgium and Luxembourg	11.2
France	5.2
Italy	4.3
Holland	3.8
Caribbean, Total	12.5
Netherlands Antilles	5.3
Dominican Republic	3.6
Trinidad and Tobago	2.0
Haiti	1.0
Jamaica, Windward and Leeward Islands, French West Indies, Barbados and the Bahamas	0.6
Other countries, Total	52.6
Canada	14.3
Japan	11.7
United Kingdom	7.3
Spain	6.3
Denmark	3.2
French West Africa	1.2
Other	8.6
TOTAL	203.9



crude petroleum imports from Venezuela reached \$68 million. Other important imports from Central and South America are wood and meat, and the main sources are Honduras, Nicaragua and Argentina. Nicaragua and Honduras sold Puerto Rico wood worth \$1.8 million in 1962-63. These two countries together with Argentina sold meat worth \$4.5 million to Puerto Rico. Perú sold Puerto Rico principally tuna (\$4.4 million) and garlic (\$0.4 million). Argentina also sold the island leather worth \$0.4 million; Colombia, cement and tobacco worth \$1 million; and Venezuela, \$9 million worth of petroleum derivatives.

The European Common Market Countries sold Puerto Rico \$38.3 million worth of goods in 1962-63. Exporting countries were West Germany and Belgium and Luxembourg, which exported \$13.8 and \$11.2 million worth of goods respectively. Principal products imported from West Germany were automobiles and parts (\$5 million), chemical products (\$1.8 million), and telephones (\$0.6 million). Belgium and Luxembourg sold Puerto Rico principally metal products (\$6.5 million) and telephones (\$0.6 million). Principal imports from France were automobiles (\$1.4 million) and from Italy, shoes (\$0.9 million) and automobiles (\$0.5 million). Principal import from Holland was cheese (\$1.4 million).

From the Caribbean, Puerto Rico imported products worth \$12.5 million. The Netherlands Antilles, the most important exporter, sold \$5.3 million to Puerto Rico, principally fuel and petroleum by-products. The Dominican Republic, which was second, sold mainly raw tobacco (\$1.8 million) and corn (\$0.7 million).

Regarding other countries, Puerto Rico's most important supplier was Canada, from which the island imported \$14.3 million worth of products. Principal imports were fish (\$3 million), wood (\$4.8 million) and paper (\$1.4 million). The island bought \$11.7 million worth of merchandise from Japan, of which \$8.7 million was for fish, \$0.8 million transistor radios, and \$0.4 million, rubber shoes. England sold Puerto Rico, \$7.3 million worth of products, the most important were whiskey (\$1.1 million) and automobiles (\$0.8 million). Among other suppliers Spain, which sold Puerto Rico \$6.3 million worth of products, stands out. Principal imports from Spain were oil, fish and telephone wire.

**TRADE IMBALANCE:** The excess of imports over exports reached \$314 million in 1962-63, a decrease of about \$16 million

compared with the \$330 million negative balance the preceding year.

# NEGATIVE BALANCE OF TRADE WITH FOREIGN COUNTRIES

(Millions of dollars)

Year	Negative balance	Year	Negative balance
1949-50	2	1956-57	53
1950-51	20	1957-58	85
1951-52	18	1958-59	116
1952-53	27	1959-60	134
1953-54	33	1960-61	151
1954-55	42	1961-62	165
1955-56	44	1962-63	177

For the second time the deficit was greater with foreign countries than with the United States. Negative balance with the United States was \$139 million, while with foreign countries it was \$177 million. The entire increase in the deficit registered in recent years has been with foreign countries. It must be remembered that in 1949-50, for example, the negative balance with foreign countries was \$1.5 million. In 1951-52 it reached \$17.6 million. Later, when petroleum began to be imported from Venezuela, it began to increase rapidly and in 1959-60 it reached \$134 million. It has continued to increase, partially because of petroleum purchases, and in part for other kinds of purchases, so that by the end of last fiscal year it had climbed to \$177 million.

## PUERTO RICO EXTERNAL TRADE BY FISCAL YEARS

(Millions of dollars)

	1950	1952	1960	1962	1963
<b>TOTAL IMPORTS</b>	344.6	448.1	915.0	1,087.8	1,159.7
From the United States	318.0	411.2	760.8	900.3	941.8
From foreign countries	26.7	36.9	151.2	179.9	203.9
From the Virgin Islands	---	---	3.0	7.6	14.0
<b>TOTAL EXPORTS</b>	235.2	257.0	622.1	757.4	845.3
To the United States	210.0	237.8	594.3	725.2	802.6
To foreign countries	25.2	19.2	17.5	15.1	26.8
To the Virgin Islands	---	---	10.3	17.1	15.9
<b>BALANCE</b>	-109.5	-191.0	-292.9	-330.4	-314.4
With the United States	-107.9	-173.4	-166.5	-175.0	-139.2
With foreign countries	-1.5	-17.7	-133.6	-164.8	-177.1
With the Virgin Islands	---	---	7.3	9.5	1.9

## BALANCE OF PAYMENTS

The balance of trade, that is, the difference between imports and exports of merchandise, left a negative balance of \$314 million in 1962-63, \$16 million less than the preceding year.

The deficit in the island's external trade comes basically from the following items, in order of importance: machinery and vehicles, foodstuff, metals and metal products, wood and paper, non-metallic minerals and chemicals and related products.

The growth in the "machinery and vehicles" item is typical of developing countries like Puerto Rico. In 1950, the monetary value of these imports added up to a little less than \$45 million, and in 1962-63, it reached \$241 million, multiplying itself five times in the course of 13 years. The deficit for this item was only \$42.4 million in 1950 compared with \$168 million in 1962-63. This deficit is expected to continue to increase, given the growth anticipated in the Puerto Rican economy.

### BALANCE OF EXTERNAL TRADE IN SELECTED GROUPS OF ITEMS

(In millions of dollars)

Item	Exports less imports	
	1949-50	1962-63
I. Food, beverage, tobacco, clothing and other animal and vegetable products	18	41
II. Machinery and vehicles	- 42	- 168
III. Wood, paper, metal, chemical, petroleum and other non-metallic products	- 76	- 193
TOTAL	- 100	- 320

The majority of the external trade deficit is from the raw materials and basic products group, for example, wood, paper, metals, chemical products, petroleum and other non-metallic minerals and their derivatives, mostly raw materials which Puerto Rico lacks. As the economy develops, it requires substantial increases in these imports. They increased from \$83 million in 1949-50 to \$344 million in 1962-63. The deficit in 1962-63, however, was below that of 1961-62 which indicated that the island's

dependence on these products is being reduced through opening new factories and industrial complexes to produce steel products from scrap metal, paper from cane baggasse, or fertilizer and petrochemical products based on refining petroleum. These plants have had a double effect: first, by substituting imports, like iron bars, paper and fertilizers; and second, increasing net exports, as in the case of the petroleum refineries. The impact on external trade of the group of wood and paper, metals, etc. is seen since in 1962-63, the trade deficit attributable to this group, which is normally more than half of the balance of external trade, decreased by some \$8 million. It is possible that this trend will continue in the future not only because of the opening of export oriented factories, but also by the substitution of local production for these imports.

The balance of services, or of invisible items, showed a deficit of \$118 million in 1962-63, virtually the same as the preceding year.

Expenditures by visitors, mostly hotel guests, increased \$12 million. In 1962-63 visitors spent a total of \$80 million compared with \$68 million the preceding year and \$58 million in 1959-60. On the other hand, expenditures in travels abroad by Puerto Rican residents reached \$91 million in 1962-63, compared with \$79 million the preceding year. The balance, which was positive in 1959-60 (\$6 million) has been negative for the past three years because of the heavy increase in expenditures of Puerto Ricans abroad; the

**VISITOR EXPENDITURES**  
(In millions of dollars)

Year	Received			Paid	Difference
	Non resident expenditures in Puerto Rico			Expenditures of Puerto Rican residents abroad	
	Hotel guests	Others	Total		
1960	29.4	28.7	58.1	52.2	+ 5.9
1961	30.5	25.2	55.7	58.7	- 3.0
1962	36.4	31.5	67.9	79.4	- 11.5
1963	41.7	38.0	79.7	91.1	- 11.4

(1) Excludes seasonal workers and migratory persons.



deficit was \$11 million in 1962-63. The growth in these expenditures has made its impact felt on the island's economy, in various ways, including the construction of hotel facilities. The number of hotel rooms and rooms in guest houses increased from 1,730 in 1955, to 4,109 in 1962 to 5,402 in 1963.

Expenditures by Federal agencies in Puerto Rico is the second most important item in the services account. It is estimated that in 1962-63, these expenditures increased to \$108 million, compared with \$95 million the preceding year. In 1962-63, 81 per cent of total expenditures was by National Defense agencies and the remaining 19 per cent by other agencies.

Freight, insurance and other items related to transportation showed a negative balance of \$91 million. The economic growth has induced the considerable expansion of cargo and passenger movement between Puerto Rico and the rest of the world. The growth of the value of imports from \$915 million in 1960 to 1,160 million in 1962-63 was accompanied by shipping expenditures of \$72 million and \$88 million respectively. On the other hand, the maritime insurance receipts, fares, port expenditure by maritime companies and freights on exports reached \$37 million in 1962-63. The expenditures of the shipping companies in Puerto Rico were 32 per cent of the total paid these companies in 1959-60. These expenditures, however, have continued to be reduced through the introduction of new cargo handling techniques in the island.

Another item which adds to the debits in the Balance of Payments is "income on investments". In 1962-63, Puerto Rican income from this item, which is mainly the product of investment in Federal bonds and in stocks of United States industrial concerns, was an estimated \$18 million. However, the returns on non resident investment in Puerto Rico have been increasing consistently reaching \$166 million in 1962-63. The ratio between the increase in the total net income of the economy, which is the income received by those living in Puerto Rico, and the increase in the returns of non-resident capital was 6 to 1 in 1957-61. This means that for each dollar increase in the returns of non-resident capital, the net income of Puerto Rico has increased six dollars, six times as much.

The increase in the returns on non-resident capital is the result of the capital imports during the period of development. Non-resident returns from direct investment for earnings from branches, dividends from subsidiaries, undistributed profits of subsidiaries

and for interest from long and short term liabilities reached \$166 million in 1962-63. Of the total returns those which entail a contractual obligation for payment are the interests on external loans. These interests rose to \$54.3 million in 1962-63, compared with \$33 million in 1959-60. Among these, the most important is the item of interest paid on the debt of the Commonwealth Government agencies, which jumped from \$14.2 million in 1959-60 to \$24 million in 1962-63.

An analysis of the returns on direct non-resident investment reveals that a notable change has occurred in the sources originating these payments. The return as dividends and earnings from investment in agriculture in Puerto Rico showed no great change in the period between 1946-47 and 1960-61. The returns on dividends and earnings from the manufacturing industry which represented about 63 per cent of the total returns on direct investment in 1946-47 amounted to 81 per cent in 1960-61. Returns paid out by trade reached \$7.5 million in 1960-61, the last year for which final information data on this matter is available.

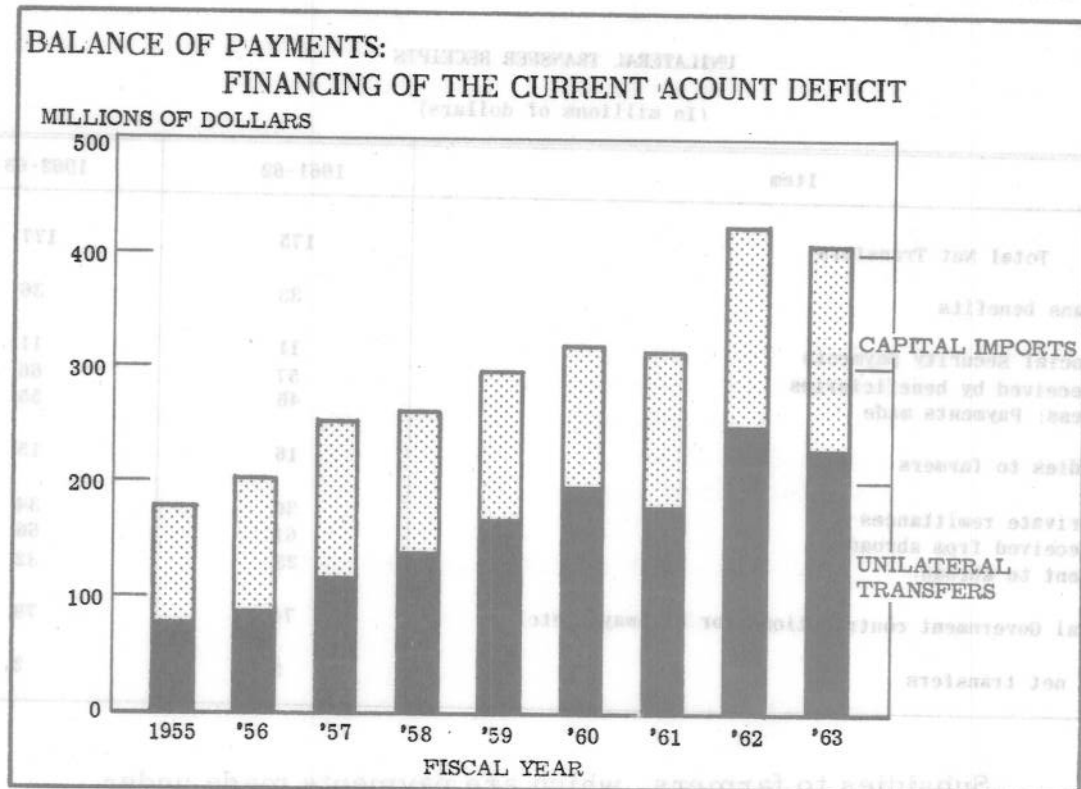
#### INCOME ON EXTERNALLY HELD DIRECT INVESTMENT

(In thousands of dollars)

Sector	1960-61
Agriculture	418
Mining	87
Manufacturing	83,722
Taxable	8,606
Exempt	75,116
Construction	75
Transportation and other public service	3,640
Business	7,542
Finance	5,154
Insurance, real estate and services	2,357
<b>TOTAL</b>	<b>102,821</b>

Miscellaneous services, which include advertising, communication, salaries, commissions, insurance, etc. show a negative balance of \$4 million in 1962-63. Among receipts for these service which were \$36 million in 1962-63, the ones produced by the income of seasonal workers and by the insurance companies stand out. The heaviest payments were represented by commissions, insurance, motion pictures rentals, advertising and communications.

Altogether the so-called current account of the balance of payments, shows a negative balance of \$399 million, of which seven tenths was produced by the trade balance and the rest by the so-called invisible item.



As is usual, part of this balance is offset by another important item in our balance of payments -- unilateral transfers. Among the net transfer received by the country are veterans benefits, net income from the Social Security System, agricultural subsidies, net private remittances, and federal contributions. The total net receipts for these transfers were \$177 million in 1962-63 compared with \$175 million in 1961-62. An important item among these transfers was veterans benefits which include readjustment compensation and pensions payments, military retirement pensions and national service life insurance. These benefits to veterans were \$36 million in 1962-63, \$3 million more than the preceding year, thus ending the downward trend which had started in the last decade.

Net Social Security payments did not change from 1961-62 to 1962-63 even though the benefits received by beneficiaries increased from \$57 million to \$66 million. The reason is that at the same time, contributions to the system increased from \$46 to \$55 million.

UNILATERAL TRANSFER RECEIPTS  
(In millions of dollars)

Item	1961-62	1962-63
Total Net Transfers	175	177
Veterans benefits	33	36
Net Social Security payments	11	11
Received by beneficiaries	57	66
Less: Payments made	46	55
Subsidies to farmers	16	15
Net private remittances	36	34
Received from abroad	61	66
Sent to abroad	25	32
Federal Government contributions for highways, etc.	74	79
Other net transfers	5	2

Subsidies to farmers, which are payments made under the Sugar Act and those made for soil conservation, suffered a slight decline, from \$16 million in 1961-62 to \$15 million in 1962-63.

Net private remittances maintained the same level from one year to the next. The remittances received by residents from relatives abroad totalled \$61 million and \$66 million respectively in 1961-62 and 1962-63. The remittances sent by residents to relatives abroad increased during the same period from \$25 to \$32 million.

Federal contributions to Commonwealth government agencies, which is a very important item in unilateral transfers, increased from \$74 million to \$79 million between 1961-62 and 1962-63. The most sizable increases were in contributions



made by the Department of Agriculture for experiment and extension work, food for free distribution and school lunch programs, etc. and the Department of Health, Education and Welfare for the construction of hospitals, education, public health and public assistance. These contributions represented 73 per cent of the Federal contributions to Commonwealth Government agencies.

When considering the \$177 million in unilateral transfers in 1962-63 the negative \$399 million balance in the current account is reduced to \$222 million which was financed by an equivalent inflow of non-resident capital.

### **CAPITAL INFLOW:**

The net external capital inflow totalled \$212 million in 1962-63. Considering that in 1962-63 the total external investment in Puerto Rico was of \$566 million, it can be concluded that the external financing equaled 37 per cent of the total investment, which is a lower proportion than that of previous years, which was typically of almost 50 per cent.

TOTAL INVESTMENT AND NET INFLOW OF EXTERNAL CAPITAL

Year	Total investment in Puerto Rico (in millions of dollars)	Net inflow of external capital (in millions of dollars)	Ratio of external capital to total investments
1962-63	566	212	37
1961-62	520	250	48
1960-61	387	190	49
1959-60	392	196	50
1958-59	332	161	48
1957-58	302	157	52

The bulk of external capital invested in Puerto Rico in 1962-63 was provided by three typical sources of external financing: (a) bond sales by the Government of Puerto Rico on the United States capital market; (b) direct investment of non-resident entrepreneurs, principally in industrial and commercial enterprises; (c) mortgage credits on private housing. From these three sources, a volume of \$296 million flowed into Puerto Rico, after discounting amortization paid out in 1962-63.

In 1962-63, 77 per cent of long-term non-resident capital flowing into Puerto Rico was used to finance public investment carried out by the Government and public corporation to provide electricity, water and sewers, roads, schools, housing, industrial buildings, equipment and other public works. In fact, the sale of public bonds to non-resident investors provided funds totalling \$155 million but at the same time, amortizations totalling \$48 million were made, which meant that the net inflow of external capital in the public sector was \$107 million. With this new public bond sale, the total long term public debt at the end of 1962-63 increased to \$790 million. This included all long term debts of the Commonwealth Government, the municipalities and the public corporations. Of this total debt the part in the hands of non-resident creditors was

#### NET EXTERNAL FINANCING

(Millions of dollars)

	1961-62	1962-63
Net bond sales	65	107
Net direct investment	131	153
Mortgage credits and others	97	60
Equals: Net external investment	293	320
Less: Puerto Rican investment abroad	43	108
Equals: Net capital inflow	250	212

\$733 million. This means that in relative terms 93 per cent of the public debt was in the hands of non-resident investors.

The second source of external capital consists of investment by non-resident entrepreneurs in businesses and enterprises located geographically in Puerto Rico; these are the so-called "direct investments" which, unlike those mentioned above, generally give the direct control of the businesses and enterprises to non-residents investors. It is estimated that last fiscal year, the total volume of direct investments, made in Puerto Rico was about \$153 million. In these direct investment statistics, under the international method used to calculate the balance of payments, not only new investments but also the undistributed profits of non-resident enterprises during the year are included. Thus, for

example, in a year like 1960-61, in which direct non-resident investment reached \$131 million, the part represented by undistributed earnings was \$45 million; the remaining \$86 million was really the actual inflow of new capital. These direct investments can be divided into two groups, depending on the market they are going to serve. We can classify in the first group those direct investments which serve the external market and in the second group those which serve local demand. Thus, all direct investments in industry can be classified in the first group, since most of them are invested in factories oriented toward the United States market. If they are oriented toward the local market they tend toward substituting imports. In the first group must also be included hotel investments which care for the non-resident demand represented by tourist expenditures. In the other group are included almost all of the rest of direct investment, that is to say, non-resident investment in the wholesale and retail business, in the construction industry, public services, finances, etc. which basically serve the local market.

The high rate of locally oriented investments is outstanding even though, as may be expected, the major share is represented by direct investment oriented toward external demand.

#### DIRECT INVESTMENT FROM ABROAD

(Millions of dollars)

Kind of activity	Investments as of June 30		Investments 1958-61
	1957	1961	
Group I. (mainly to satisfy external demand)	188.3	408.3	220.0
Manufacturing	180.4	391.0	210.6
Hotels	7.9	17.3	9.4
Group II. (mainly to satisfy local demand)	131.3	269.0	137.7
Business	63.7	116.4	52.7
Wholesale	54.2	80.8	26.6
Retail	9.5	35.6	26.1
Construction and real estate	13.9	43.1	29.2
Public services and transportation	28.6	63.9	35.3
Banking finance and insurance and others	25.1	45.6	20.5
TOTAL	319.6	677.3	357.7

In the four-year period from 1958 to 1961, specifically, total direct investment reached \$358 million. Of this total, \$220 million was investment in the first group, i.e., investment in manufacturing and hotels, which is export oriented, and in the second group a total of \$138 million, 38 per cent of the total, was invested. The principal increase in locally oriented investment was in trade.

Another important source of external financing is external capital for the construction of private housing. This type of construction has become one of the most dynamic activities in the Puerto Rican economy one which requires yearly increased external financing. This is so much the case that the pending payment of Federal Housing Administration guaranteed housing loans in the hands of financial institutions of the rest of the world as of June 30, 1960 and 1963 was \$164 million and \$250 million respectively. Local participation in this type of financing is less than non-resident not only because of the scarcity of capital resources but also because of the low returns on this type of investment. This financing only has repercussions on the deficit resulting from the payment of interests and other rents from abroad, since the principal, even though a drain on resources, counts as an addition to personal savings.

DIRECT INVESTMENT FROM ABROAD

(Millions of dollars)

Investments 1958-61	Investments as of June 30		Kind of activity
	1961	1957	
220.0	108.3	188.3	Group I: (mainly to satisfy external demand)
510.8	301.8	180.4	Manufacturing
9.2	17.3	7.8	Hotels
137.7	100.6	111.2	Group II: (mainly to satisfy local demand)
52.7	116.4	61.5	Construction
38.8	80.8	38.2	Wholesale
30.1	30.8	9.9	Retail
28.2	43.1	13.0	Construction and local hotels
38.2	83.0	58.6	Public services and transportation
38.2	42.6	35.1	Banking, finance and insurance and others
127.1	877.3	378.8	TOTAL



# INCOME LEVEL AND CONSUMPTION PATTERNS

## Income Level

Personal income, which in addition to the returns from labor and capital includes transfer payments, was \$1,819 million in 1962-63, an increase of 8.8 per cent over the preceding year. An outstanding fact is that for the fifth consecutive year personal income showed a growth of 8 per cent or more. Before 1959, the only higher increase was in 1952.

The three components of personal income are compensation to employees after deducting contributions to social insurance systems, transfer payments and earnings and other income from property.

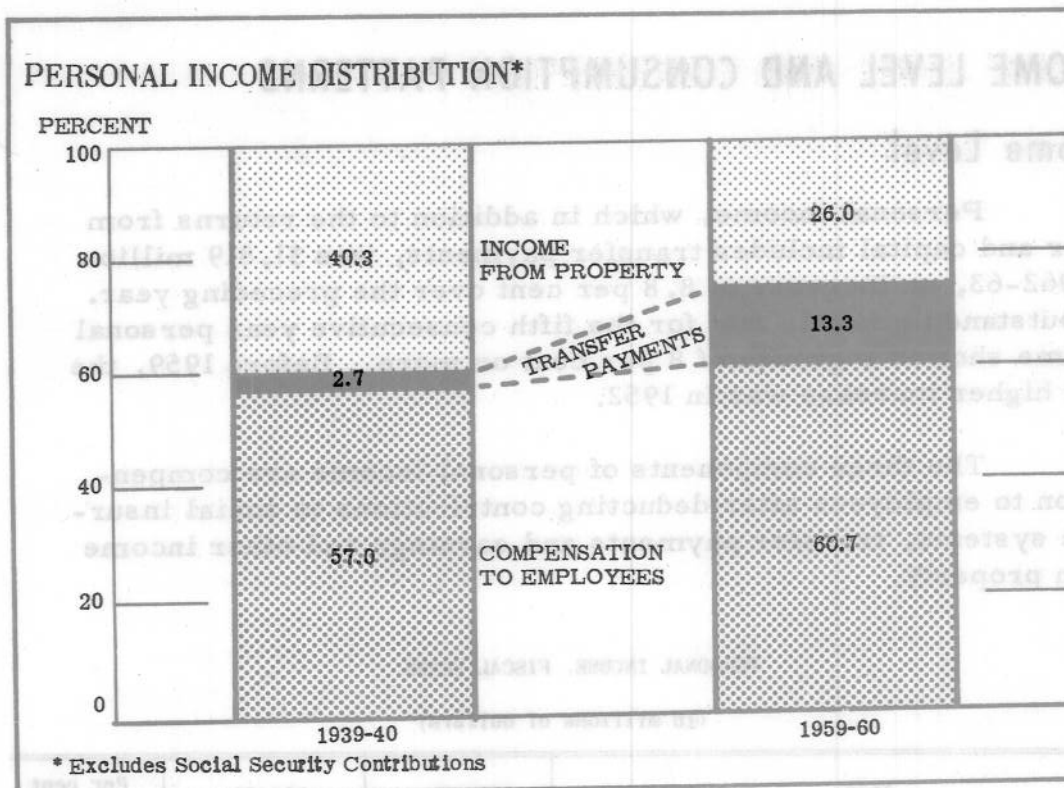
### PERSONAL INCOME, FISCAL YEARS

(In millions of dollars)

Item	1961-62	1962-63	Per cent change
<b>TOTAL</b>	<b>1,672</b>	<b>1,819</b>	<b>8.8</b>
Compensation to employees	1,132	1,241	9.6
Less: Social Security contributions	107	126	17.8
Property income	409	448	9.5
Transfer payments	238	257	8.0

Compensation to employees, after deducting contribution to social insurance systems, is the principal item of personal income. In 1962-63, it reached \$1,115 million compared with \$1,025 million in the preceding year, an 8.8 per cent increase. In 1962-63 it was 61.3 per cent of personal income compared with 57 per cent in the years 1940 and 1950.

The increase in this item in 1962-63 was smaller than the total increase in compensation to employees because social security contributions rose at higher rate. While total compensation grew



by 9.6 per cent, the contributions to social insurance increased 17.8 per cent. In 1962-63, for each dollar of compensation to employees, 10.2 cents were contributions to social insurance, compared with 9.0 cents in 1959-60 and 5.4 cents ten years ago. This indicates the growing importance of social insurance systems in Puerto Rico. Even though salaried workers cannot use funds contributed to these systems, some of these items, like the contributions paid to social security systems, constitute funds saved by individuals, to be received in the future as transfer payments.

Transfer payments represent another principal component in personal income. These include payment to veterans, Federal Social Security payments, scholarships, aid to the needy, personal remittances, and other help given to individuals. These payments reached \$257 million in 1962-63, an increase of 8 per cent over the preceding year. These transfer payments together with compensation to employees were 75 per cent of personal income in 1962-63. This proportion is the same that exists in the United States at present. In 1940, this rate in Puerto Rico was 59.7 per

cent and in the United States 66.5 per cent. By 1950, it had increased to 69.2 per cent in Puerto Rico and 71.1 per cent in the United States. In 1962, it had become equal in both countries, since in both Puerto Rico and the United States it was 75 per cent of personal income.

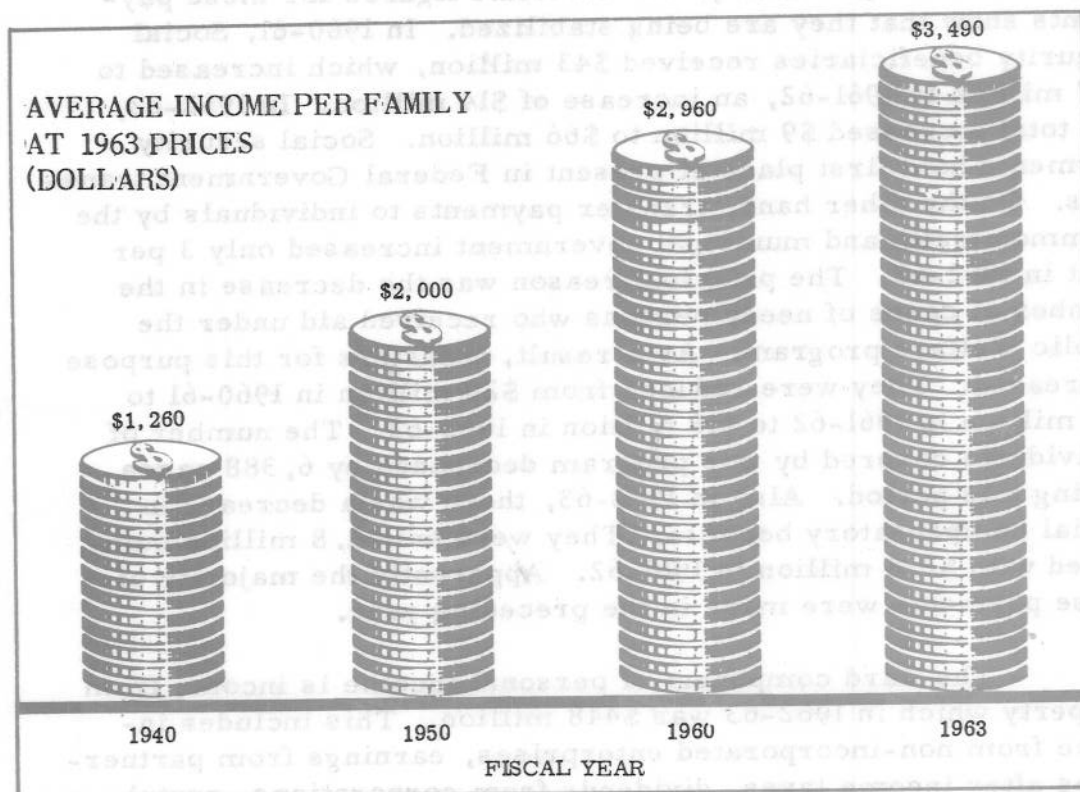
In 1962-63, there was a decline in the rate of growth of compensation to employees and transfer payments compared with the preceding year. That was because the transfer payments grew at a rate of only 8 per cent compared with 14 per cent in 1961-62. This decline in the rate of growth occurred in the principal kinds of transfer payments. In the case of the Federal Government, payments of pensions to beneficiaries of Social Security showed an increase of 15 per cent compared with 33 per cent the previous year. Absolute figures for these payments show that they are being stabilized. In 1960-61, Social Security beneficiaries received \$43 million, which increased to \$57 million in 1961-62, an increase of \$14 million. In 1962-63, the total increased \$9 million to \$66 million. Social security payments hold first place at present in Federal Government transfers. On the other hand, transfer payments to individuals by the Commonwealth and municipal government increased only 3 per cent in 1962-63. The principal reason was the decrease in the number of cases of needy persons who received aid under the Public Welfare program. As a result, transfers for this purpose decreased. They were reduced from \$20 million in 1960-61 to \$17 million in 1961-62 to \$16 million in 1962-63. The number of individuals covered by this program decreased by 6,388 cases during this period. Also in 1962-63, there was a decrease in social compensatory benefits. They were only \$.8 million compared with \$2.8 million in 1961-62. Apparently the majority of these payments were made in the preceding year.

The third component of personal income is income from property which in 1962-63 was \$448 million. This includes income from non-incorporated enterprises, earnings from partnerships after income taxes, dividends from corporations, rental income of persons and interests received by individuals. The ratio of this item to total personal income has been decreasing yearly. In 1940, it was 40 per cent of total personal income, in 1950, 31 per cent, in 1960, 26 per cent and in 1963, 25 per cent. As the relative importance of income from property decreases

and the total compensation to employees and transference payments has been increasing, it can be said that individuals have been obtaining gradually more income from salaries and recipients of transfer payments than as entrepreneurs, an evolution which generally goes hand in hand with a more equitable distribution of income.

## PER CAPITA INCOME

The per capita personal income in Puerto Rico was \$740 in 1962-63, 6.6 per cent higher than the preceding year. In real terms, that is to say, after discounting the nearly one per cent increase in prices, per capita income last year increased about 5.6 per cent.



The increase in personal income in 1962-63 made it possible for family income in current dollars to reach for the first time \$3,500 (\$3,488), or \$1,125 more than ten years ago. This



means that during the past three years, family income in constant prices has grown at an average rate of 5.6 per cent per annum, compared with only 4 per cent during the decade 1950 to 1960.

## CONSUMPTION PATTERNS

The increase in family income has been accompanied by changes in the patterns and levels of consumption by Puerto Ricans.

Personal consumption is the farthest reaching and most significant measure of the family standard of living. In 1963, total personal consumption expenditures reached \$1,747 million an increase of 10 per cent over the preceding year. In real terms this was reduced to 9 per cent because of the nearly one per cent increase in prices. This real increase is higher than the 7.6 per cent per annum increase between 1960 and 1963 and much higher than the 4.8 per cent increase from 1950 to 1960.

It is well known that once a certain income level is surpassed, the share spent on food, clothing and other non-durables goods tends to decline. At the same time, the demand for durable goods and services tends to increase more rapidly and at a faster rate than the consumption of food and other non-durables goods. In agreement with this general tendency, during the period 1960 to 1963, about the same trend as existed between 1950 and 1960 continued in the rate of growth of personal consumption, expenditures, i. e., durable goods, 12.2 per cent; non-durables goods, 6.4 per cent; and services, 8.0 per cent.

It is important to note that consumer expenditures for non-durables goods constitute the major share of total personal consumption expenditures. However, during the past two decades its relative importance has tended to decrease increasingly. In 1950, expenditures for non-durables goods were 63 per cent or almost two-thirds of total personal consumption expenditures. In 1960, however, this had decreased to 57 per cent and it stands at an estimated 55 per cent at present. Of total expenditures for non-durables goods, expenditures for food and clothing stand out and these items are the ones showing the highest tendency to decline among non-durables goods. The decreasing ratio of food consumption as a per cent of total personal consumption expenditures

is more obvious if the changing food consumption patterns of Puerto Ricans is considered. The changes have been toward increased consumption of products of a high nutritional value such as meat, eggs, milk, etc., with a higher per unit value accompanied by a decrease in the consumption of starchy vegetables and other cheaper products. The higher family income has not only permitted it to spend an increasingly large share of income on consumer goods other than food and clothing, but also to buy superior quality food.

PERSONAL CONSUMPTION EXPENDITURES ON DURABLE AND NON-DURABLE  
GOODS AND SERVICES FOR SELECTED FISCAL YEARS

(Millions of dollars)

Item	1950	Per cent of total	1960	Per cent of total
<b>PERSONAL CONSUMPTION EXPENDITURES</b>	<b>662.5</b>	<b>100.0</b>	<b>1353.6</b>	<b>100.0</b>
<b>Durable goods</b>	<b>54.5</b>	<b>8.2</b>	<b>172.4</b>	<b>12.7</b>
Automobiles	10.9	1.6	43.1	3.2
Tires, tubes, batteries and accessories	2.1	.3	9.6	.7
Furniture	10.7	1.6	29.3	2.2
Electrical appliances	14.6	2.2	43.5	3.2
Other durable goods	16.2	2.5	46.9	3.4
<b>Non-durable goods</b>	<b>417.4</b>	<b>63.0</b>	<b>769.9</b>	<b>56.9</b>
Food	239.0	36.1	410.3	30.3
Alcoholic beverages and tobacco products	55.4	8.3	117.8	8.7
Clothing and footwear (1)	58.0	8.8	111.4	8.2
Medical and pharmaceutical products	12.2	1.8	25.9	1.9
Gasoline and oil	5.7	.9	25.0	1.9
Other non-durable goods	47.1	7.1	79.5	5.9
<b>Services</b>	<b>190.6</b>	<b>28.8</b>	<b>411.1</b>	<b>30.4</b>
Housing	66.1	10.0	134.2	9.9
Personal services	5.5	.8	15.6	1.1
Home utilities	7.3	1.1	25.7	1.9
Medical and other health services	8.9	1.3	40.6	3.0
Local transportation	32.1	4.9	64.3	4.8
Recreation	28.1	4.2	73.9	5.5
Education	6.8	1.1	12.7	.9
Other services	35.8	5.4	44.1	3.3

(1) Does not include clothing provided to military personnel.

Source: Puerto Rico Planning Board, Division of Social Accounts.

The consumption of services, as previously indicated, is the second most important item in personal consumption. The trend is, in fact, upward, but not with the rapidity generally believed. In 1950, it was 29 per cent of total consumption, while in 1960, it was only 30 per cent. The majority of consumption of services are expenditures for housing, recreation and local transportation. It should be indicated that expenditures for home services — electricity, gas, water and telephone — have had rapid average rates of growth although the percentage of the total has remained virtually unchanged during the past thirteen years. Another item of services which would be mentioned is travel payments abroad. Puerto Rican expenditures for trips abroad increased at the average rate of 11.3 per cent in the years between 1950 and 1960 and 18.9 per cent between 1960 and 1963. Its relative importance has also been increasing. In 1950, it was 2.7 per cent of the total; in 1960, it was 3.9 per cent; in 1961, 4 per cent and finally in 1962 and 1963, 4.8 and 5 per cent respectively. When income increases as has been occurring in Puerto Rico, it is natural that once basic needs, food, housing and clothing, are covered, what is left over goes for other needs which although not basic, make life more comfortable.

Finally, personal expenditures for durable goods will be considered. Even though this is the smallest share of total personal consumption, its relative importance has been increasing. These are the expenditures with the highest average rate of growth. Thus, the ratio of these expenditures to total personal consumption expenditures has also increased. In 1950, it was 8 per cent; in 1960, 1961 and 1962, 13 per cent; and in 1963, 15 per cent of all personal consumption expenditures.

The Puerto Rican experience does not conform to the common belief that as development takes place, it is fundamentally the expenditures for services which show the greatest rate of growth. Apparently, this only tends to happen when the level of income of a country reaches a certain level. Thus, in the United States it is only in the past 13 years that real expenditures for services have increased at a higher rate than expenditures for durable goods. This is even more obvious when the real consumer expenditures, those after deflating for increased prices, are considered. In Puerto Rico, durable goods continue to show the highest growth rate. As indicated previously, during the past decade, the annual

rate of growth of durable goods consumption was 12.2 per cent compared with 8 per cent for services. This difference increases when considering consumption in constant prices. As a result of this rapid pace of advance, durable goods consumption was about 15 per cent of total consumption last year, compared with

CONTENT OF IMPORTS FOR EACH DOLLAR SPEND BY FAMILIES ON  
SELECTED ARTICLES, 1950 AND 1960

Item	1950	1960
	(Per cent)	
Durable goods		
Automobiles	59	64
Refrigerators, sewing machines and washing machines	60	65
Radios and televisions sets	59	66
Non-durable goods		
Food	53	53
Milk products	38	30
Fruits and vegetables	42	45
Alcoholic beverages	16	4
Tobacco	71	75
Shoes	74	73
Clothing	43	50

8 per cent in 1950. The increase in durable goods consumption is concentrated primarily on three items: (1) automobiles, (2) electrical appliances and (3) furniture. In 1950, personal expenditures for automobiles was 2 per cent of the total of personal consumption expenditures, while at the end of the decade it was 3 per cent and last year, an estimated 4 per cent. The same percentage are valid for personal consumption expenditures for electrical appliances. Expenditures for furniture maintained a rate of growth of 2 per cent during recent years, while in fiscal 1963 it increased to 3 per cent. In Puerto Rico's case the strong increase in durable goods consumption is not only the natural result of increased income, but also it was stimulated by extremely liberal financing facilities.

The reverse of this trend is the constant pressure exercised on imports because of the high proportion of imported durable consumer goods to total consumption of durable consumer goods. This



content of imports per dollar of personal consumption expenditures is not falling because of the strong growth of durable goods consumption. If the principal increase were registered in the consumption of services, which generally have almost no import content, it would be expected that the imports of consumer goods would increase at a lesser rate than total consumption expenditures. However, this has not been the case in Puerto Rico and according to studies for the future, this trend is not expected to change much in the near future.

As was mentioned earlier, there is a high content of imports in the consumption of durable goods. The fact that the consumption of these articles grows rapidly makes the pressure of general consumption on imports remain high and almost constant.

## ELECTRICITY

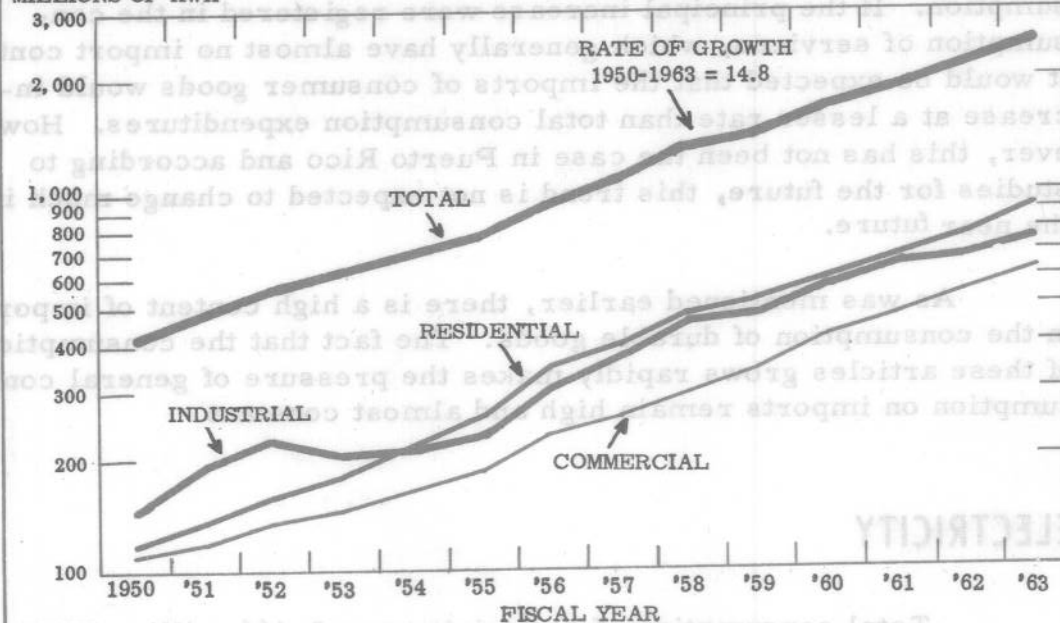
Total consumption of electricity was 2,466 million KWH in 1962-63. This figure represents an increase of 320 million KWH over last year, that is, a 14.9 per cent increase. This rate of increase is almost the same as the 14.8 per cent rate registered on the average during the past 13 years.

In 1962-63, the four types of electricity users increased their consumption, as has happened every year since 1955-56. The major relative increase occurred in commercial consumption, 18.1 per cent; then residential consumption, 16.8 per cent; other consumption, 16.6 per cent and industrial consumption, 9.9 per cent.

It is important that electricity consumption per factory worker increased from 7,556 kwh in 1961-62 to 7,910 in 1962-63, which implies a more intensive use of electric machinery, since the average hours worked by production workers has remained stable. During the month of June 1962 and 1963, the average hours worked by production workers were 37 and 36.8 hours respectively. Furthermore, electric consumption for industrial uses increased from 680 million kwh in 1961-62 to 747.5 million kwh in 1962-63, a 9.9 per cent increase, while income originated in the manufacturing sector increased 13.2 per cent. The more rapid increase in income generated than in electricity consumed can be attributed to various

# ELECTRIC ENERGY CONSUMPTION

MILLIONS OF KWH



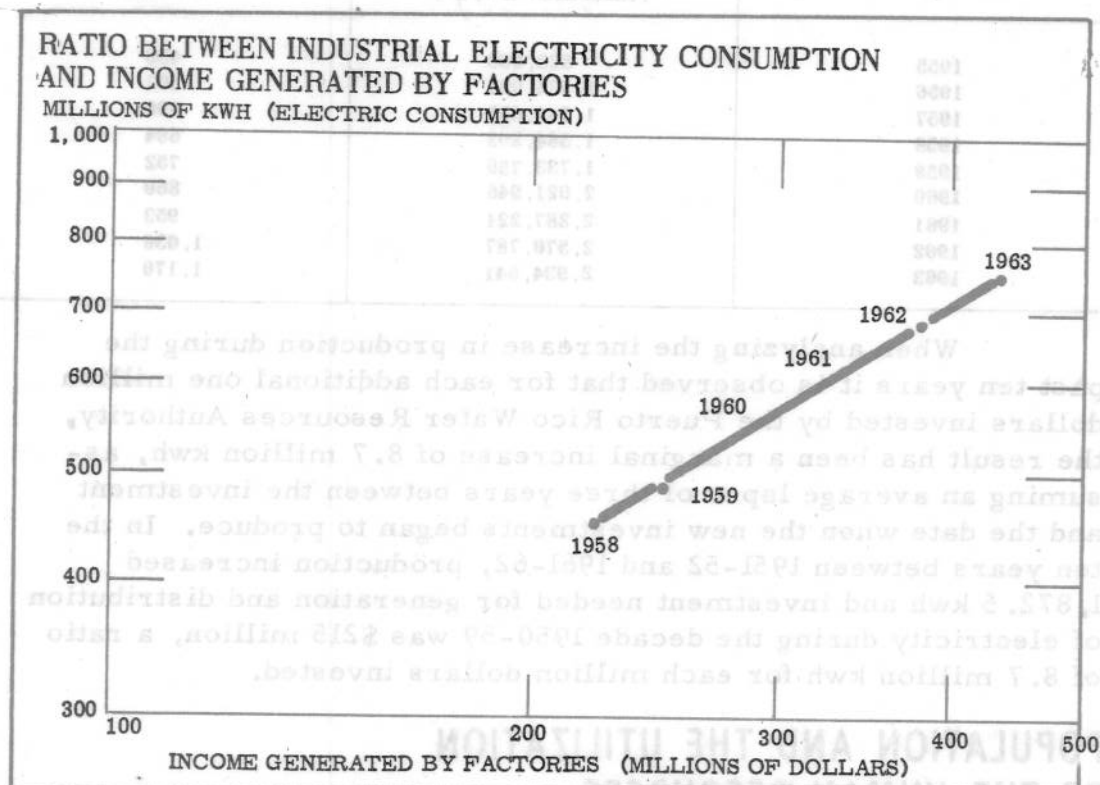
## ELECTRICITY CONSUMPTION BY TYPE OF CONSUMER

(In thousands of K.W.H.)

	1961-62	1962-63	Increase	
			Absolute	Per cent
Residential	772,933	902,675	129,742	16.8
Commercial	533,638	630,297	96,659	18.1
Industrial	680,002	747,477	67,475	9.9
Other	158,785	185,139	26,354	16.6
Total	2,145,360	2,465,587	320,227	14.9

factors, among others increased production per worker due to the more intensive use of electric machinery, since average manufacturing employment rose very slightly, from 90,000 in 1961-62 to 94,500 in 1962-63.

In the business sector, the consumption of electricity increased last year by 18.1 per cent, while the income generated by the sector increased 10.2 per cent.



The increase in residential consumption, which was 16.8 per cent, may be considered high since the number of residential users increased by only 6.2 per cent. Consumption per user increased from 1,920 kwh in 1961-62 to 2,110 kwh in 1962-63. This increase per user is the result of the increased use of electrical appliances by Puerto Rican families, which indicates an improvement in the standard of living. It should be observed that in 1960, 81 per cent of all dwellings had electricity compared with 49 per cent in 1950.

In Puerto Rico a fairly high rate of electric energy production per inhabitant (1,170 kwh in 1962-63) has been achieved, and it is expected that, given the increase observed in production, a per capita production level comparable to that of highly developed countries will be achieved. In Belgium, France and Holland, per capita production in 1961 was 1,745, 1,664 and 1,514 respectively.

# ELECTRIC ENERGY PRODUCTION

Fiscal year	Total (thousands K.W.H.)	Per capita (K.W.H.)
1955	963,060	430
1956	1,135,993	507
1957	1,341,625	596
1958	1,584,293	694
1959	1,733,759	752
1960	2,021,946	860
1961	2,287,221	953
1962	2,570,787	1,036
1963	2,934,541	1,170

When analyzing the increase in production during the past ten years it is observed that for each additional one million dollars invested by the Puerto Rico Water Resources Authority, the result has been a marginal increase of 8.7 million kwh, assuming an average lapse of three years between the investment and the date when the new investments began to produce. In the ten years between 1951-52 and 1961-62, production increased 1,872.5 kwh and investment needed for generation and distribution of electricity during the decade 1950-59 was \$215 million, a ratio of 8.7 million kwh for each million dollars invested.

## POPULATION AND THE UTILIZATION OF THE HUMAN RESOURCES

### Population

The almost vertical decrease in outmigration at the beginning of the present decade continued through 1962-63, when the movement of passengers abroad had a net balance of departures of 4,798 compared with 11,363 in 1961-62.

Simultaneously, the natural increase in population maintained a high growth rate. Specifically, in 1962-63, 76,000 children were born and 16,600 persons died, thus providing a natural increase of 59,400 persons. With this new increase, the total population of Puerto Rico increased last July to 2,513,000 people.

In spite of the fact that during the past decade, the birth rate showed a consistent descending trend, this decline was not reflected in the natural rate of growth of the population principally



because at the same time the death rate was decreasing. However, the death rate reached an extremely low level a few years ago, so that in the succeeding years it remained more or less stable at that level. As a result, the decrease in the birth rate began to be reflected fully in the natural population increase. Thus, the crude birth rate obtained through dividing the number of births in a given year by the total population in that year was already 40 per thousand in 1950 and by 1960 it had decreased to 33.5 per thousand. Simultaneously the mortality rate fell comparing the same years from 9.9 per thousand in 1950 to 6.7 per thousand in 1960. Thus the natural rate of growth, the difference between the two, decreased slightly from 30.1 per thousand in 1950 to 26.8 per thousand in 1960. After that date, the natural growth rate began to decline more; from 26.8 per thousand in 1960 to 24.1 per thousand in 1962. However, this decreasing rate in the natural population growth of Puerto Rico has been outweighed by the decrease in emigration, so that the Puerto Rican population has showed recently much great increases than in earlier periods. During the decade of 1950-60 the effective population of Puerto Rico only rose by .6 per cent annually, in 1960-61 it increased at the rate of 2.3 per cent and in the two preceding years, it had a growth rate of 2.1 and 2 per cent respectively. Even though this rate of growth falls far below that of many South American countries characterized by a high demographic growth, it is far above that of industrialized countries.

The systematic decline in the crude birth rate does not necessarily mean that fertility rate are also declining at the same pace. The high emigration during the past decade influenced the age distribution of the population, and this has been the principal cause for the rapid decline in the crude birth rate. Changes in population structure strongly affect the crude birth rates even when real fertility remains invariable. In 1960, Puerto Rico had a crude birth rate of 33.5 per thousand, and the United States in the same year had 23.7 per thousand, but this difference does not show the effective difference in fertility because the age and sex distribution is different. If Puerto Rico had the same population structure as the United States the crude birth rate would have been 29.8 per thousand (instead of 33.5 per thousand) which would be comparable with the United States rate of 23.7 per thousand. In other words, the population structure of Puerto Rico which has a large proportion of young women tends to

inflate the gross crude birth rate. The next table shows crude birth rate in Puerto Rico and the United States calculated on the basis of the supposition that in all years shown, the population structure in Puerto Rico were the same as in 1960.

The data underline the fact that Puerto Rican fertility has been decreasing systematically since 1940, at least. In the decade 1940-50, fertility decreased more than indicated by the crude birth rates, while in the decade 1950-60, fertility decreased less than the rates indicate. Since 1960 a rapid decrease in fertility appears to have coincided with decrease emigration.

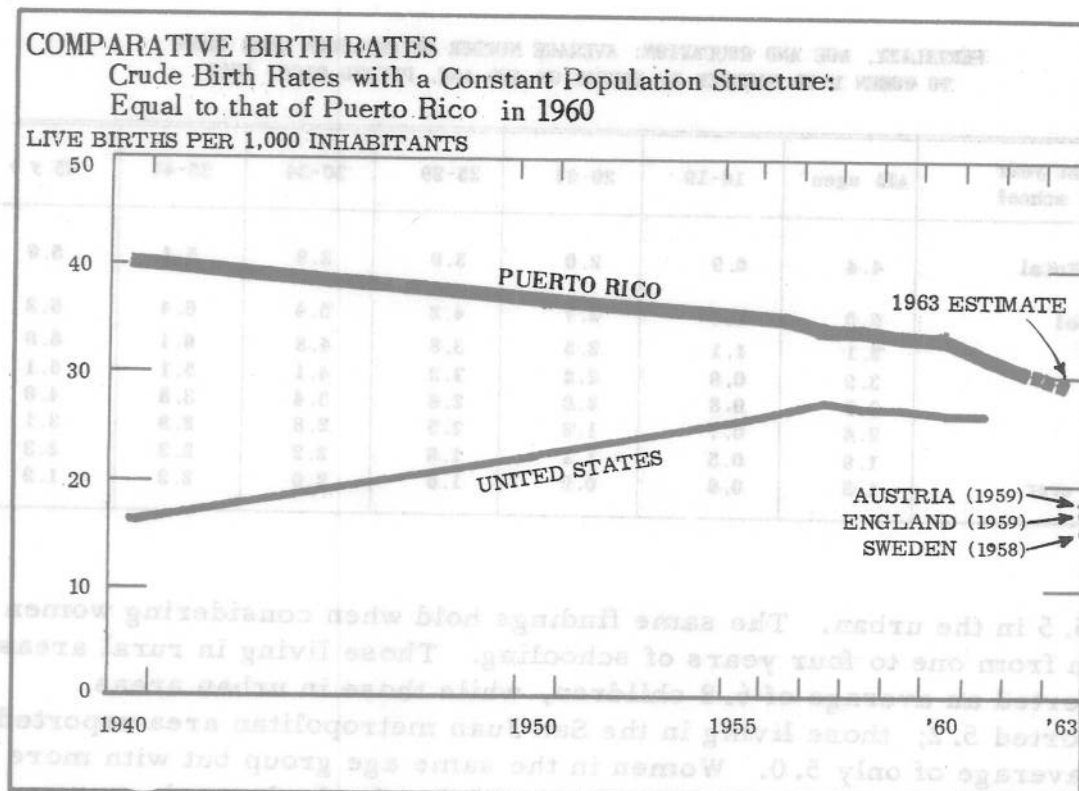
The second outstanding fact is that the difference in fertility with the United States has been greatly reduced since 1940, although it is still higher than in the United States and much higher than in countries like Sweden.

Two factors which generally show a close relationship with a decline in fertility are education and urbanization. Data from the last census show what earlier studies had indicated: the

CRUDE BIRTH RATES, PUERTO RICO AND THE UNITED STATES, 1960

	Crude birth rates with a constant population structure; equal to that of Puerto Rico in 1960 (by thousands)		Crude rates observed in the present population by thousands (adjusted rates)	
	Puerto Rico	United States	Puerto Rico *	United States
1940	40.1	16.3	43.9	19.4
1950	37.0	22.3	40.0	24.1
1955	35.6	25.8	36.9	25.0
1956	35.4	26.7	36.4	25.2
1957	34.5	27.3	35.1	25.3
1958	34.1	26.8	34.5	24.6
1959	33.3	26.8	33.6	24.3
1960	33.6	26.4	33.5	23.7
1961	31.5	26.2	32.7	23.3
1962	30.5		32.4	22.4
1963	29.3			

\* These rates are estimated by including births actually registered and those believed to have occurred but were not registered. It is estimated that underregistration is some 4%. In 1962, for example the birth rate, including only registrations, would be 30.9 percent.



existence of a clear correlation between education and effective fertility. The number of children born to women ever married from 30 to 34 years who had never attended school, was, according to the census, an average of 5.4 while that of women of the same age who had completed 13 or more years of schooling was 2 children. Similar differences are noted in the women of all ages. Thus, women from 35-44 who had never attended school had an average of 6.4 children and those who had completed but one to 4 years also had a high average of 6.1 children. The largest decrease is found after more than seven years of schooling. From seven to eight years, the average is 3.8 children. From nine to eleven, it falls to an average of 2.9 children. And women with more than 12 years of schooling had an average of only 2.3 children.

Aside from education, another important factor associated with fertility is place of residence. Women of the same age and education from urban areas, systematically report less children than those living in rural areas. Women who, in 1960, were between the ages of 35 and 44 years and who never went to school reported an average of 7.1 children when they lived in rural areas and an average

**FERTILITY, AGE AND EDUCATION: AVERAGE NUMBER OF CHILDREN EVER BORN  
TO WOMEN EVER MARRIED BY EDUCATION AND AGE, PUERTO RICO, 1960**

Last year of school	All ages	14-19	20-24	25-29	30-34	35-44	45 y +
Total	4.4	0.9	2.0	3.0	3.9	5.1	5.6
No school	6.0	1.5	2.7	4.2	5.4	6.4	6.3
1 - 4	5.1	1.1	2.5	3.8	4.8	6.1	6.0
5 - 6	3.9	0.9	2.2	3.3	4.1	5.1	5.1
7 - 8	3.2	0.8	2.0	2.8	3.4	3.8	4.0
9 - 11	2.4	0.7	1.6	2.5	2.8	2.9	3.1
- 12	1.9	0.5	1.1	1.8	2.2	2.3	2.3
13 and over	1.8	0.6	0.9	1.6	2.0	2.3	1.9

of 5.5 in the urban. The same findings hold when considering women with from one to four years of schooling. Those living in rural areas reported an average of 6.8 children, while those in urban areas reported 5.2; those living in the San Juan metropolitan area reported an average of only 5.0. Women in the same age group but with more schooling showed the same tendency. High school educated women from 35 to 44 living in rural areas had an average of 2.6 children while those living in cities had 2.3 and in the San Juan metropolitan area, this fell to 2.1. This negative correlation between urban residence and fertility holds true at all educational levels and in all ages.

Probably one of the principle causes of declining in the general fertility is the effect of Puerto Rican socio-economic growth on education and urbanization.

Aside from education, another important factor associated with fertility is place of residence. Women of the same age and education from urban areas, systematically report less children than those living in rural areas. Women who, in 1960, were between the ages of 35 and 44 years and who never went to school reported an average of 7.1 children when they lived in rural areas and an average



## EMPLOYMENT

According to labor force surveys carried out regularly by the Labor Department, the rapid growth of employment during the first two years of this decade continued although in a lesser degree during the last year. The average employment increased by approximately 43,000 persons during the two years between 1959-60 and 1961-62, while that of last year was 20,700 persons.

Last year, employment in manufacturing, rather than increasing as it had done previously, declined by about 500. It should be stated that employment obtained directly from manufacturing enterprises, which is more reliable, showed an increase of 4,500 workers; this can be considered low, however, when compared with earlier years. The dock strike in December 1962, made the operations of some factories difficult because of a lack of raw materials and delays in exporting finished products. Thus, some factories ceased or cut back operations with the resulting lay off

### AVERAGE EMPLOYMENT BY SECTOR

(Thousands of persons - fiscal years)

	1960	1961	1962	1963	Change
Sectors of increasing employment	387.7	402.5	420.8	439.5	18.7
Manufacturing (except home needlework)	81.2	84.1	91.4	90.9	-.5
Construction and mining (1)	39.9	41.8	46.7	48.7	2.0
Government (2)	80.9	87.4	83.8	88.8	5.0
Business	97.2	94.1	100.3	108.1	7.8
Transportation, communication and public services	38.8	39.2	39.1	40.7	1.6
Finance, insurance and real estate	5.8	6.8	6.8	7.5	.7
Services (except domestic) (3)	43.9	49.1	52.7	54.8	2.1
Sectors of decreasing employment	154.6	161.1	164.5	166.5	2.0
Agriculture	125.3	134.3	138.5	142.0	3.5
Home needlework	10.5	9.1	8.3	7.9	-.4
Domestic service	18.8	17.7	17.7	16.6	- 1.1
Total	542.3	563.6	585.3	606.0	20.7

(1) Does not include employment in administrative construction by government agencies.

(2) Includes employment in medical services by the government and employment in construction by the government.

(3) Does not include employment in medical services paid by the government.

versely affected.

another aspect in the evolution of total employment which

## Employment of Women

Since 1958, the proportion of women in non-agricultural employment has remained more or less constant, about 34 per cent. This is similar to the ratio of women in non-agricultural employment in the United States in 1959-60 when it was 35 per cent.

The trade sector in 1962-63 accounted for 23 per cent of the employment of women, a ratio which had varied only slightly since 1958. It is interesting to note that the ratio of women in trade in the United States in 1959-60 was 37 per cent.

Manufacturing is the sector which, after the home needle work industry and domestic service, employs the largest share of women. It was 43.8 per cent in 1959-60, 44.9 per cent in 1960-61, 48.7 per cent in 1961-62 and 46 per cent in 1962-63. The growth trend in these percentages of female employment is clear. The decrease in 1962-63 is due to the fact that in that year, the employment of men in manufacturing increased by 2,200 while that of women decreased by 2,700.

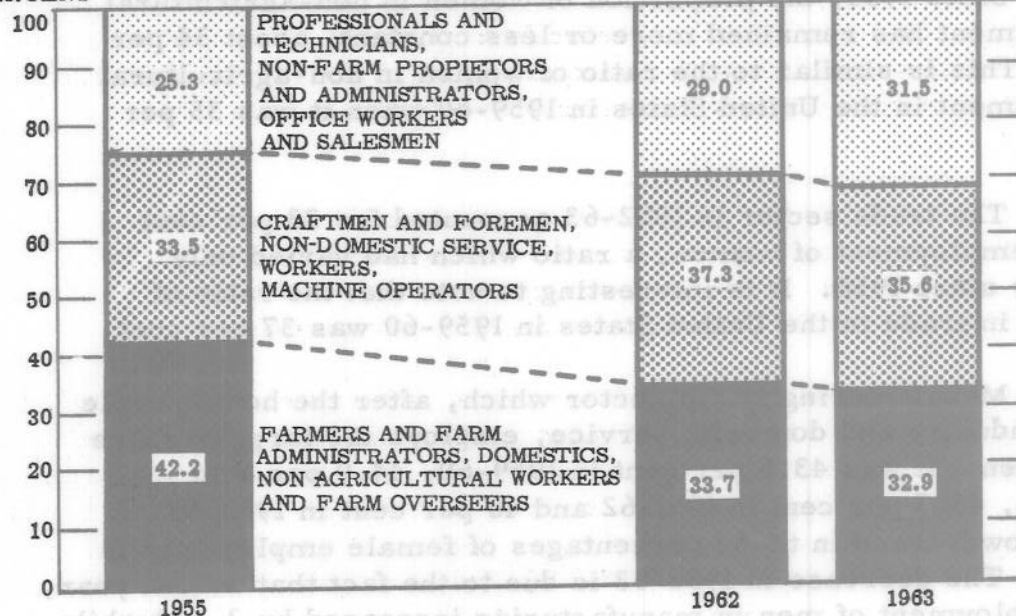
Government is the other sector where female employment is of great relative importance. In the four fiscal years from 1960 to 1963, women accounted for 45 per cent of the employment in that sector.

## Employment by Occupation

According to employment statistics, in April 1962 and 1963, the occupational groups where the number of employees decreased were: "operatives" and "non-agricultural workers", "foremen and farm workers", and "protective service" employees. The decrease in the number of operatives stands out since it was 9,600, four times that of the total employment in the other three occupational groups mentioned. On the other hand, the two occupational groups showing the greatest increase in their respective employment (about 16 per cent each) were "professionals and technicians" by 7,100 and "proprietors, officials and administrators" by about 8,000.

# PERCENT DISTRIBUTION OF EMPLOYMENT BY OCCUPATIONAL GROUP (as of APRIL)

PERCENT



In April, 1962, about 24 per cent of total employment was in agriculture. However, the employment created in agriculture in 1962-63, was 8 per cent of the increase in total employment.

The change in the composition of employment by occupation between April 1962 and 1963, shows that, like between 1961 and 1962, the increase in total employment in Puerto Rico has occurred basically in skilled employment.

It is obvious that the change of the occupational structure presupposes a rise in the educational level of the workers. There is evidence of an improvement of the education of employees by occupation. Data for April 1962 and 1963 indicate persistently an improvement in the educational level of workers in skilled jobs; and that in other jobs, the educational level is concentrated on late elementary school and junior high school. Furthermore, it has been observed that among skilled workers -- professionals and technicians, administrators, officials and proprietors, office workers and salesmen,



# EMPLOYMENT BY OCCUPATION AS OF APRIL

(thousands of persons)

	1960	1961	1962	1963	Change 1962-63
Professional workers	29.0	37.0	37.0	44.0	7.0
Semi-professional workers	6.8	5.9	5.9	6.4	.5
Farmers and farm administrators	40.0	35.3	40.0	42.8	2.8
Non-farm proprietors and administrators	54.0	52.6	49.8	57.8	8.0
Office workers, salesmen and related workers	88.0	81.9	85.5	92.2	6.7
Craftsmen, foremen and related workers	48.0	55.0	58.9	63.0	4.1
Machine operators and related workers	99.0	107.9	118.2	108.6	- 9.6
Domestic services	17.0	17.2	15.9	17.0	1.1
Protective service workers	8.6	8.8	9.3	8.7	- .6
Workers in services, other than domestic and protective	37.0	41.0	42.2	45.6	3.4
Farm workers and overseers	108.0	109.6	107.5	106.7	- .8
Non-farm workers	43.0	42.1	43.6	42.5	- 1.1
Total	578.4	594.5	614.4	635.3	20.9

craftsmen and foremen, and service workers with the exception of domestic service -- high school and college graduates increased at the expense of those who had an incomplete education on those two levels.

At the beginning of the past decade, in 1950, 9 per cent of all employees had a high school education or better, while in 1960, the ratio had increased to 23 per cent. This trend has continued to exist during the present decade so that by April 1963, 27 per cent of total employees had that level of education. It should be emphasized, however, that this increase is not only because of the marked changes in the occupational structure patent during the past decade, but also because of the more or less general improvement in academic preparation by specific occupation. The fact that those who enter the labor force annually for the first time are on the average young people who have more schooling than those who retire because of age, death or incapacity, also contributed to this increase. Therefore, the replacement of workers by the younger generation tends to result in an improvement of the educational level of the general labor force. Furthermore, many non-residents come to Puerto Rico each year to work. They tend to have more education than the thousands of residents who leave the island to work in the United States.

**EMPLOYMENT OF THOSE WITH A HIGH SCHOOL DIPLOMA  
OR MORE ADVANCED EDUCATION**

Fiscal year	Employment (1)	percent of total employment (2)
1950	51,000	8.6
1960	120,000	23.0
1962	145,700	24.9
1963	163,000	26.9

- (1) Annual average.  
(2) Per cent in April.

## UNEMPLOYMENT

Because of the upward spiral of the Puerto Rican population during the present decade the labor force increased. While the labor force decreased by approximately 60,000 during the past decade, it increased by 70,000 during the first three years of this decade, which means that during this decade, the demand for employment is growing at the rate of 23,300 per year. To satisfy this strong additional demand for employment, it was necessary for employment opportunities to grow at the same rate. And as indicated above, this was just what happened: while a net 50,000 jobs disappeared last decade, in the first three years of this decade, some 60,000 jobs were created. Had it not been for this unprecedented increase in employment opportunities it is obvious that the vertical increase in the labor force, if it had occurred, would have caused a sharp increase in unemployment. However, the rate of unemployment remained unchanged at 12.8 per cent (annual average).

The rate of unemployment, however, even if it is true that it gives an idea, even though imprecise, of the degree of subutilization of human resources, does not clarify the other important aspects of the economic situation of families who have unemployed members nor does it explain if the degree of human suffering involved is equivalent to that of other industrialized countries with

**LABOR FORCE AND UNEMPLOYMENT RATE, PUERTO RICO, 1960 AND 1963**

	Annual average	
	1960	1963
Labor force (thousands)	625	695
Employment (thousands)	545	606
Per cent unemployment	12.8%	12.8%

the same rate of unemployment. It is obvious that, by increasing wages, by increasing the family income and if other members of the family are better paid, some unemployed individuals can exercise an option which, formerly, with lower salaries and family income, they were not in position to choose.

One fact underlined by statistics is that unemployment is not necessarily accompanied by extreme poverty. Last March, a study was made of the income level of families which, during that month, had some unemployed member. The study showed that more than half of these "unemployed" families had an income over \$2,100 in 1962, that is, they had an income higher than that which is currently the minimum for an adequate but modest existence. The situation was almost the same in both urban and rural areas. In the urban areas, half of the families had incomes surpassing \$2,100 while in the rural areas half of the families had incomes surpassing \$2,086. It must be remembered, however, that in March, when the cane cutting season is at its height, the majority of the unemployed are not in agriculture; they are the unemployed of other economic sectors. It could be inferred from the above, that the study is applicable largely to families whose members are not employed in agriculture. In all probability, if the study were made during the "dead season" the income of unemployed families would tend to be smaller.

Labor force and unemployment statistics according to the international criteria used are not provided to measure all aspects related to the economic situation and the well-being of families, but rather, to underline the quantitative number of the active population unemployed and related matters. And in this sense they are accurate indexes of unemployment and they express adequately the

**INCOME IN THE NATURAL YEAR 1962 OF FAMILIES WHO IN MARCH 1963  
REPORTED SOME UNEMPLOYED MEMBER**

(Percentage distribution)

Intervals of annual income	All Puerto Rico	Urban area	Rural area
All "unemployed" families	100.0	100.0	100.0
Less than \$1,000	27.4	22.4	31.5
1,000 - 2,000	27.4	26.1	28.5
2,000 - 4,000	34.8	38.1	32.1
4,000 - 7,000	8.4	11.2	6.1
More than 7,000	2.0	2.2	1.8
Average family income	\$ 2,170	\$ 2,331	\$ 2,040

minimum underutilization of human resources.

One of the characteristics of unemployment in Puerto Rico is its short duration, in the sense that the comparatively large number of unemployed in a given week have worked the preceding week or the one before. The situation is totally different from that of the United States in this respect. In July 1962, 4 per cent of the mainland labor force had been unemployed for five weeks or more. During that same month the percentage for Puerto Rico was 5.2 per cent. The difference is far less than that observed in general unemployment rates.

Since November 1962, the Labor Department began to obtain monthly labor force data. Previously, as is well known, data were collected in July, October, January and April. Apparently the average annual unemployment figures obtained on the basis of these four months tends to be somewhat overestimated, at least for last year. On the basis of those four months, average unemployment for 1962-63 would have been 12.8 per cent while on the basis of twelve months it would be approximately 11.7 per cent. The unemployment coefficient reaches a maximum in December and January, the months when Puerto Rican seasonal migrant agricultural workers return from the mainland and in which activity in the sugar industry is very limited.

Any programs dedicated to eliminate male unemployment must take three factors into consideration: 1) 55 per cent of the male unemployed usually work in agriculture and construction;



that is to say, they have experience in these activities which generally provide interchangeable jobs. The high incidence of unemployment in these two industries and the fact that unemployment is higher in other manual work tends to explain the fact that only 8.7 per cent of unemployment is composed of office workers, salesmen and other white collar workers. 2) 27 per cent of all unemployed males are between the ages of 14 and 19, in other words, of school age. Another 24 per cent are between 20 and 24, so that more than half the unemployed males are under 25. The fact that the educational level of the young people is considerably higher than that of adult workers explains why, last July, 75 per cent of the male unemployed had more than six years schooling. 3) just as more than half of the unemployed males were under 24, 52 per cent were single or had no dependents last July.

## MIGRATION AND ITS CHARACTERISTICS

In 1962-63, 925,000 passengers entered Puerto Rico and 930,700 left. In other words, 4,800 more passengers left than entered Puerto Rico. Since no more precise data exist than the difference between arrivals and departures in a given year, this has been considered equivalent to the out-migration from Puerto Rico. However, at the end of each year there are an increasing number of tourists and an increasing number of people visiting the homes of friends and relatives. The increase in this "floating" population, that is, the difference between the number of people with these characteristics between the end and the beginning of the year is reflected in the net passenger movement but it cannot be called immigration. To the extent that this floating population increases yearly, the real net emigration appears to be underestimated. It may not be important in the long run, but in a given year it tends to confuse the picture.

The net departure of people during fiscal 1962-63 was the lowest in recent years (see next table). However, the net departure in the year ending in March had been the highest since 1960, although considerably less than the years before 1960.

# NET EMIGRATION FROM PUERTO RICO

Fiscal Years 1945-1963

THOUSANDS OF PERSONS

80

70

60

50

40

30

20

10

0

1945 '46 '47 '48 '49 '50 '51 '52 '53 '54 '55 '56 '57 '58 '59 '60 '61 '62 '63

Aside from the erratic changes depending on the month chosen to end the year, the basic fact is that net emigration in the present decade is considerably less than in the years of the past decade. From April 1st, 1960, when the census was taken, to last April, the net departure was 26,800 persons, which is an annual average of but 9,000. On the other hand, from April 1, 1950 to April 1, 1953, the net departure was 157,600 persons, that is a yearly average of about 53,000 persons.

## NET EMIGRATION

(Difference between those leaving and arriving)

	Fiscal year ending June 30	Year ending March 31
1959 - 1960	23,700	35,700
1960 - 1961	13,800	8,000
1961 - 1962	11,400	5,900
1962 - 1963	4,800	13,100

Emigration during the past decade was particularly high until 1957, with the exception of 1954-55, when it shrank because of the economic contraction in the United States. After 1957 it has fallen drastically and during three years it maintained the new decreased level. Later, after 1960, it fell to almost nothing where it has remained for the past three years.

ANNUAL NET EMIGRATION, 1940 TO 1963

Fiscal year	Net emigration	Fiscal year	Net emigration
1939-40	- 1,008	1951-52	- 61,658
1940-41	- 500	1952-53	- 74,603
1941-42	- 928	1953-54	- 44,209
1942-43	- 2,601	1954-55	- 31,182
1943-44	- 8,088	1955-56	- 61,647
1944-45	- 11,003	1956-57	- 48,284
1945-46	- 24,621	1957-58	- 25,956
1946-47	- 35,144	1958-59	- 37,212
1947-48	- 28,031	1959-60	- 23,742
1948-49	- 33,086	1960-61	- 13,762
1949-50	- 34,155	1961-62	- 11,363
1950-51	- 41,920	1962-63	- 4,798

In the first seven years of the past decade emigration maintained an average level of 52,000 per year, reaching a maximum of 75,000 persons in 1952-53 and a minimum of 31,000 in 1954-55. In the last three years of the past decade it only reached an average of 29,000 persons a year and in the first three years of this decade, 10,000 a year.

## The Two Migration Currents

The statistics obtained from the airport survey back up the well known fact that the migratory movement is composed of two currents: Puerto Rican who emigrate and non-residents who come to Puerto Rico to live. The difference between these two movements is the net emigration figure analyzed above. The data obtained from the sample of airport interviews to thousands of passengers who arrive and leave indicate the existence of these two movements, but do not indicate clearly their magnitude. At present, additional information is obtained from two sources:

1) the census and 2) data recently obtained by the Labor Department using the regular housing sample.

The results show that the two currents do exist, but indicate that their size is much smaller than the statistics indicated.

According to the census, in the five year period between 1955 and 1960, a total of 62,200 (who still lived here in April, 1960) over five years of age came to Puerto Rico to live. Furthermore, an additional 15,000 children under 5 years of age born outside Puerto Rico also arrived. In other words, during the five year period from April 1, 1955 to April 1, 1960, a total of 77,000 people whose residence in 1955 was not Puerto Rico or who were born afterwards outside of Puerto Rico came to the island.

If it is considered that during the same five year period net departures from Puerto Rico were 200,000 persons, it must be concluded that the emigration of residents in itself, i.e., the emigration of persons who resided in Puerto Rico on April 1, 1955 or who were born later here was 277,000. Thus the two migratory currents are delineated: an average of 55,000 residents leaving the island yearly, and the arrival of 15,000 non-residents yearly, thus leaving net migration or departures at 40,000 a year. Since in the preceding five year period the arrival of non-residents, principally of Puerto Rican descent, should have been much less because the Puerto Rican population in the United States was not very large, it must be concluded that the effective emigration of Puerto Rican residents in the second five year period must have been much more than the net departure figures indicate.

In the past three years the rate of arrivals on non-residents has increased. If in the last five years of the past decade the arrival on non-residentes was at the rate of 15,000 yearly, in the first three years of this decade it has increased to 28,000 a year. With this heavy current of immigration, it is not surprising that the emigration figures have registered a sharp decline. Although during this three year period the net departure was only 10,000 per year, the global emigration was 37,000, which supposes a rather high annual rate of emigration, although lower than the rate during the past decade.

In the year ending in April 1963 emigration began to



increase but immigration also increased considerably with the result that the net departure was only 13,000. This net departure was produced by an emigration of 53,000 persons, residents of Puerto Rico and an immigration of 40,000 persons who, as of April, 1962, were residents of other areas and who came to live in the island. In other words, were it not for the immigration, the net departure would have been as large as it was during the past decade.

The annual emigration rate fell considerably in the first two years of the present decade and that, together with the fact that the annual immigration rate went up, caused the difference, i. e., net emigration, to be lowered substantially compared with the preceding decade. Last year, the emigration rate was similar to that of the preceding decade. But the immigration rate

#### MIGRATION

(Number of persons)

	1955-60	1960-63	1962-63
<b>Number of migrants</b>			
<b>Emigrants</b>	277,000	113,000	53,000
<b>Immigrants</b>	77,000	86,000	40,000
<b>Net emigration</b>	200,000	27,000	13,000

was considerably higher thus producing a very low emigration figure.

### Composition of Immigrants

In 1962-63, 82 per cent of immigrants were Puerto Ricans by birth or the children of Puerto Ricans. In previous years the percentage of immigration composed of people born in Puerto Rico or of Puerto Rican parents was somewhat less, although it has always been high. In the five year period from 1955 to 1960, it was 62 per cent of total immigrants and in the following three years, 1960 to 1963, 74 per cent.

To be specific, of the 77,000 immigrants in the five year period between 1955 and 1960, 37,000 were born in Puerto Rico and another 11,000 were estimated to be the children with at least one Puerto Rican parent. In all, there were 48,000, or 62 per cent of total immigration.

In the three year period 1960 to 1963, of 86,000 immigrants some 64,000 were Puerto Ricans by birth or had Puerto Rican parents, and in 1962-63 of an immigration of 40,000 almost 33,000 were persons born in Puerto Rico or of Puerto Rican parents.

#### INMIGRATION

(From April to April)  
Total in the period

	1955-60	1960-63	1962-63
<b>TOTAL</b>	<b>77,328</b>	<b>85,800</b>	<b>40,200</b>
Born in Puerto Rico	36,112	48,700	26,000
Born in the United States	36,984	23,000	11,700
Puerto Rican descent	E 10,873	(1) 14,300	6,800
Other	E 26,111	8,700	4,900
Foreign born	4,232	14,100	2,500
Puerto Rican descent	E 800	800	200
Born in Cuba	N. D.	10,800	1,700
Others	N. D.	2,500	600

(E) Estimated.

(1) Does not include 5,900 children born after April, 1960.

N.D. - No data.

As to the immigration of persons born in the United States not the children of Puerto Rican parents, they were estimated at 26,000 during the five year period 1955 to 1960. It must be remembered that this figure is the number of Americans who in 1955 lived in the United States and when the census was taken in April 1960 lived in Puerto Rico. It does not mean that this is the net number of persons born in the United States, not descendants of Puerto Rican parents, who live in Puerto Rico, because it does not take into account that others of the same origin who may have

been living in Puerto Rico in 1955, could later go to the United States. This happens not only with the military population and their families but also with the civilian population, in which this phenomenon is also common.

In the following three years, between April 1960 and April 1963, 8,700 civilians born in the United States of non-Puerto Rican parents immigrated and in 1962-63, the total was 4,900. Thus in the five year period from 1955-60, the immigration of civilian Americans born in the United States had an annual rate of 5,000 and in 1962-63, some 4,900 arrived.

#### COMPOSITION OF IMMIGRATION

(Periods indicated from April to April)

	1955-60		1960-63		1962-63	
	Total	%	Total	%	Total	%
<b>TOTAL</b>	77,328	100.0	85,800	100.0	40,200	100.0
Born in Puerto Rico and born abroad of Puerto Rican descent	47,785	61.8	63,800	74.4	33,000	82.1
Born in United States of Puerto Rican origin	26,111	33.8	8,700	10.1	4,900	12.2
Foreign borns of Puerto Rican origin	3,432	4.4	13,300	15.5	2,300	5.7

#### ANNUAL RATES OF IMMIGRATION TO PUERTO RICO

(From April to April)

	1955-60	1960-63	1962-63
<b>TOTAL</b>	15,500	28,600	40,200
Born in Puerto Rico and born abroad of Puerto Rican descent	9,600	21,300	33,000
Born in Puerto Rico	7,200	16,200	26,000
Born abroad of Puerto Rican descent	2,400	5,000	7,000
Born in the United States of non-Puerto Rican descent	5,200	2,900	4,900
Foreign born of non-Puerto Rican descent	700	4,400	2,300

A total of 4,232 foreigners entered Puerto Rico between 1955 and 1960, including children under 5 born abroad, and whose parents, in some cases, were Puerto Ricans.

This immigration of persons born abroad is of the composition indicated in the table below, in which the total number of foreign born persons living in Puerto Rico in April 1960 is also presented.

IMMIGRANTS BORN ABROAD BY COUNTRY OF BIRTH

Country of birth	Foreign born	
	Number of immigrants over 5 during the period 1955-60	Foreign population April 1, 1960
<b>TOTAL</b>	<b>3,764</b>	<b>10,414</b>
Spain	608	2,558
Dominican Republic	420	1,812
Cuba	416	1,070
Germany	268	505
England	172	305
Panama	164	N. A.
Canada	140	206
Colombia	128	N. A.
Mexico	124	303
Venezuela	112	N. A.
Argentina	100	N. A.
France	72	280
Austria	56	N. A.
Others (including those who did not report origen)	984	3,375

N.A. - Not available.

In 1960, the immigration of Cubans still had not taken place. After 1960, it is estimated that till April, 1962, some 11,000 Cubans had immigrated as well as 2,500 other persons born abroad. In 1962-63, some 1,700 Cubans entered. In other words, between April 1955 and April 1960 some 3,400 foreign born persons entered Puerto Rico. Between April 1960 and April 1963 approximately



13,000 more entered, most of whom were Cubans.

## Age of Immigrants

The fact that the bulk of immigration was composed of Puerto Ricans returning from the United States makes it possible to anticipate the structure of that immigrating population should be quite representative of the Puerto Rican population in the United States. This is precisely what the 1960 Census indicated regarding the immigration registered in the five year period between 1955 and 1960. One third of the 77,000 immigrants during that period were between the ages of 25 and 44. This is approximately the proportion of this age in the total Puerto Rican population in the United States. However, it is much higher than the proportion of that age in the population of Puerto Rico. Among the immigrants, 33.4 per cent were 25 to 44 years of age, in the Puerto Rican population in the United States 31.2 per cent were of that age, while in Puerto Rico itself only 21.4 per cent fell in that age group.

However, it is not surprising that immigration is concentrated in these ages. These are the ages which many people who went to the United States in the 1950-60 decade would have in 1960. The emigration was composed principally of persons in these age groups. It must be remembered that for every 100 persons between 25 and 29 years old in Puerto Rico in 1960, there were 68 in the United States, counting both those born in Puerto Rico and those with Puerto Rican parents. Likewise, for every 100 persons between the ages of 30 and 34 living in Puerto Rico, there were 63 in the United States of Puerto Rican descent. In the rest of the age groups, the proportion was much smaller. It is evident that even though the propensity to immigrate was the same in all age groups, the above ages predominated in the structure of the immigrant population.

On the other hand, 200,000 children under 10 years of age born in the United States of one or both Puerto Rican parents lived in the United States in 1960. This explains why, among the immigrants, there is also a high proportion of children returning accompanying their parents. While in Puerto Rico children under 5 represent 15.1 per cent of the total population, in the immigrant-

population they represented 19.5 per cent of the total. Thus, the two groups of typical immigrant population -- children under 5 and persons between 25 and 44 -- constitute 52 per cent of the immigrant population, even though in Puerto Rico they constituted but 36.5 per cent of the population.

**PUERTO RICANS RESIDING IN PUERTO RICO AND IN THE  
UNITED STATES BY AGES: APRIL, 1960**

	Population of Puerto Rico in April, 1960	Puerto Rican Population in the United States	Puerto Rican population in the United States as a per cent of the total Population of Puerto Rico
All ages	2,349,540	892,513	37.99
5 years or less	355,172	144,933	40.80
5 - 9	324,292	109,963	33.91
10 - 14	324,212	90,100	27.79
15 - 19	250,948	75,784	30.20
20 - 24	169,900	88,458	52.06
25 - 29	134,212	91,846	68.43
30 - 34	127,112	80,156	63.05
35 - 39	131,480	63,139	48.02
40 - 44	109,972	42,964	39.07
45 - 49	106,492	34,404	32.31
50 - 54	75,824	23,136	30.51
55 - 59	64,864	18,255	28.14
60 - 64	56,640	12,243	21.62
65 - 69	46,008	7,708	16.75
70 - 74	30,584	4,927	16.11
75 or over	41,824	4,497	10.75

(1) Includes those born in Puerto Rico and children of Puerto Rico parents.

If the structure of the Puerto Rican population in the United States explains the high concentration of the immigrant population in the ages mentioned, it also explains the small proportion of immigrants over 65. It is due simply to the fact that there are very few Puerto Ricans in the United States of that age. According to the census, there were only 17,000 in 1960. However, there were 30,000 between the ages of 55 and 64, so that the immigration of these persons may increase as they reach retirement age. But even then, the fact that there is one person of that age for every four in Puerto Rico makes it appear that the net arrival of people

of those ages will remain relatively low in coming years, if there is a net arrival rather than a net departure.

COMPOSITION BY AGE OF PUERTO RICANS LIVING IN PUERTO RICO AND IN THE UNITED STATES AND OF IMMIGRANTS FROM 1955 TO 1960

	Immigrants between 1955-60	Population of Puerto Rico (1)	Puerto Rican population in the United States (1)
All ages	100.0	100.0	100.0
Under 5 years	19.5	15.1	16.2
25 - 44	33.4	21.4	31.2
Other ages			
5 - 14	19.8	27.6	22.4
15 - 24	16.9	17.9	18.4
45 - 64	8.0	12.9	9.9
65 or over	2.4	5.1	1.9

(1) April, 1960.

Hereafter it is necessary to keep in mind the age composition of the immigrant population to study the age structure of net emigration. If emigration is a typical phenomenon of the population between 20 and 24 years, and the immigration is concentrated on those over 25 and under 5, it is found that, even in years when net emigration is low, there is a strong current of emigration of those from 20 to 24 which is compensated by an immigration of persons slightly older and children. The fact that much of the young emigrant population is single or has not been married long, explains why relatively few children accompany them, the possibility existing that this number of children would be smaller than the number entering Puerto Rico accompanying immigrant families in which the parents are slightly older.

Even though there were no difference in educational level between the two migratory currents, the differences in ages should mean that Puerto Rico enjoys a net increase in skills and knowledge gained through experience: males returning after having worked in the United States bring with them specialization and work knowledge acquired there. On the contrary, emigration of women

under 24 lack, because of their age, the same degree of experience. In addition, it must also be kept in mind that emigration was doubtly selective: it was selective as to age, having drawn principally on the young population, and it was also selective regarding education because, apparently, of persons of the same age, it took a larger share of those with more education. According to estimates, the incidence of illiteracy for the same age groups was significantly higher among those remaining in Puerto Rico than among emigrant Puerto Ricans. As a matter of fact, it is estimated that while 9.2 per cent of Puerto Rican males between 25 and 34 were illiterate in 1960, the percentage fell to 5.3 for the same age Puerto Ricans living in the United States. It is even clearer in the case of women. Women between 35 and 44 living in Puerto Rico showed 18 per cent illiteracy, while those for the same group living in the United States registered but 8 per cent. If emigration attracted persons of higher levels of education than those who remained in the island it is evident that the improvement in the educational level and the illiteracy rate was actually much higher than the statistics indicate when applied to those remaining in Puerto Rico. If emigration was selective regarding education, it is evident that upon returning the former emigrants will have a higher educational level than the general population of the same age living in Puerto Rico.

## Occupation of Immigrants

According to the census, in April, 1960, immigrants during the five year period from 1955 to 1960 held close to 17,000 civilian jobs. These civilian jobs were concentrated precisely in those sectors of the economy which have shown the greatest increase under the industrial development program. Only three sectors--manufacturing, trade and restaurants- and professional services absorbed about 58 per cent of all immigrant employment. The concentration of employment in these, is clearly different from the usual structure of employment in Puerto Rico. It must be kept in mind that on the same date these three sectors of the economy provided but 42 per cent of total employment in Puerto Rico. One outstanding characteristic is the lack of willingness to work in agriculture. Even when in that month of April, when the cane cutting season is at its height, with one fourth of all Puerto Rican workers working in agriculture, only 5 per cent of the employed immigrants were working in agriculture.



Contrary to the widespread opinion that the main employment of Puerto Ricans in the United States is the marginal services sector, the fact must be pointed out that the vast majority do not work in the services but in the manufacturing industry. More than half (52 per cent, to be specific) of all Puerto Ricans employed in the United States work in the manufacturing industry. They hold more manufacturing jobs there -- 148,000 in April, 1960 -- than in all manufacturing employment in Puerto Rico. The concentration of employment in the manufacturing industry is clear when it is considered that in comparison to the 52 per cent employed in manufacturing there, in Puerto Rico itself, manufacturing accounts for but 17 per cent of total jobs.

Contrary to prevailing opinion, manufacturing employment of Puerto Ricans in the United States is not almost entirely, in non durable goods, like apparel and related industries. A large number work in durable goods industries. To be specific, in April, 1960, 63,000 persons of Puerto Rican descent worked in these industries. Of course, an even larger number work in the non-durable goods industries such as apparel and related products.

On the contrary, in the trade, restaurant, hotel and personal services sectors of the economy, which are generally identified as the typical jobs for Puerto Ricans in the United States, only 21.2 per cent were employed. This percentage is normal; it is the one also prevailing in Puerto Rico. Considering the large concentration of Puerto Ricans in the United States in the manufacturing industry, it is not surprising that the labor force which immigrated also contains a high proportion employed in the manufacturing industry.

In relation to the occupational distribution of jobs held by immigrants, the important aspect is the concentration of these jobs in occupations which generally require more training, like professional and technicians, administrators and managers, and office workers. Nearly one third of immigrants are employed in these three occupational groups. It must be remembered that at the same date, only 23 per cent of Puerto Rican workers were employed in comparable jobs. On the contrary, only a very small fraction of immigrants were employed as laborers, either in or out of agriculture. Even though in April 1960, 25 per cent of Puerto Rican workers were employed as unskilled laborers, in

**EMPLOYMENT BY SECTORS IN PUERTO RICO, OF PUERTO RICANS IN THE U.S.  
AND OF IMMIGRANTS IN PUERTO RICO: APRIL 1960**

Sectors	Employment of immigrants during the period 1955-60		Employment of Puerto Ricans in the U.S. (1)		Total employment in Puerto Rico	
Total employees	16,664	100.0	285,169	100.0	551,688	100.0
Agriculture, forestry, fishing and mining	864	5.2	6,974	2.4	137,492	25.0
Construction	912	5.5	5,884	2.1	47,432	8.2
Manufacturing	3,764	22.6	148,236	52.0	94,108	17.1
Transportation and communi- cation	1,316	7.9	11,636	4.1	39,264	7.1
Wholesaling and retailing	3,420	20.5	42,327	14.8	81,772	14.8
Finance, insurance, real estate and repairs	864	5.2	14,269	5.0	16,584	3.0
Hotels personal services, enter- tainment and recreation	1,652	9.9	18,242	6.4	41,912	7.6
Professional and related ser- vices	2,436	14.6	16,530	5.8	55,872	10.1
Public administration	940	5.6	6,005	2.1	29,764	5.4
Other	496	3.0	15,066	5.3	7,488	1.4

(1) Born in Puerto Rico and of Puerto Rican ancestry.

the case of the immigrants it scarcely reached 6 per cent of those who worked in such jobs. The typical jobs of immigrants belong, as was previously indicated, to the three groups which normally require greater skills and among these should be noted especially the professionals and technicians who account for 18.5 per cent of immigrant jobs. This proportion is somewhat padded since the majority of non Puerto Rican immigrants works precisely in these jobs. As a matter of fact, of a total of 3,000 immigrant professional and technicians, approximately half of them were born in Puerto Rico while the other half was not of Puerto Rican descent. The other occupational group in which a concentration of non Puerto Rican immigrants was found, was composed of administrators, managers and proprietors. Some 2,100 immigrants were employed in these activities of which 628 were born in the United States and 272 were foreigners.

Immigration has acted, to an extent, as the balancing factor in the supply and demand of qualified human resources. It must be noted that under the statistical definition of immigration,

immigrants were considered those who lived outside Puerto Rico in April, 1955 and in Puerto Rico in April, 1960. Under this definition are included Puerto Ricans who were studying in United States and foreign universities and who, after finishing their studies, returned to Puerto Rico. It is obvious that among the 1,444 professionals and technicians born in Puerto Rico who worked here in 1960, and who five years earlier lived abroad, there must be a large number of students.

EMPLOYMENT BY OCCUPATION IN PUERTO RICO, OF PUERTO RICANS IN UNITED STATES  
AND OF IMMIGRANTS TO PUERTO RICO: APRIL 1960

Occupation	Employment of immigrants during the period 1955-60		Employment of Puerto Ricans in the U.S. (1)		Total employment in Puerto Rico	
Total employees	16,664	100.0	285,160	100.0	551,688	100.0
Professionals technicians and related workers	3,080	18.5	8,691	3.0	43,116	7.8
Farmers and farm adminis- trators	160	1.0	227	.1	17,852	3.2
Non-farm managers, adminis- trators and owners	2,112	12.7	7,178	2.5	40,472	7.3
Office and related workers	1,756	10.5	26,092	9.1	42,768	7.8
Salesmen	1,456	8.7	7,670	2.7	34,888	6.3
Artisans foremen and related workers	1,784	10.7	22,297	7.8	60,748	11.0
Machine operators and related workers	3,108	18.7	131,823	46.2	99,196	18.0
Domestic servants	368	2.2	1,121	.4	18,988	3.4
Service workers, except domestics	1,408	8.4	39,401	13.8	42,508	7.7
Farm workers and foremen	548	3.3	5,878	2.1	109,492	19.8
Workers, except farm and mining	400	2.4	16,681	5.9	34,244	6.2
Others	484	2.9	18,110	6.4	7,416	1.3

(1) Born in Puerto Rico and of Puerto Rican ancestry.

An extremely high proportion of net employment created in the Puerto Rican economy in professional and technical occupations has been created by immigration. As a matter of fact, it is estimated that between April 1955 and April 1960 professional and technical jobs increased by 10,000. The immigrant employed as professionals and technicians were 3,000, which means that immigration provided 28 per cent of the net increase in professional and technical jobs. Similarly, of a net increase of 15,000 employees

registered in that five year period in office workers and store salesmen, some 3,200 immigrants were employed. Other occupation in which the immigrant population was concentrated was that of managers, administrators and proprietors (excluding agriculture). In spite of the fact that a large number of new jobs should have been created in this group, the net increase was only 6,000 during the five year period, since during the period a large number of small food stores and other small shops had disappeared. This net increase of 6,000 was accompanied by a net increase of 2,100 persons working in these jobs, approximately 36 per cent of the net increase in employment. Providing workers through immigration is a factor which must be considered when planning education and training in the light of the demand for qualified human resources required for economic development. It is sufficient to recall the important fact that in April, 1960 there were 50,000 Puerto Ricans working in the United States in jobs classified as "professionals and technicians", "managers", "administrators and proprietors (except in agriculture)", "office workers and related work", and "sales clerk in stores and salesmen". These 50,000 Puerto Ricans represent a potential reserve which can eventually make up for part of the scarcity of human resources which might occur in Puerto Rico. On the other hand, it is significant that 150,000 Puerto Ricans work in the United States as craftsmen and factory workers. It is clear that this group also constitutes an important potential source of specialized workers which at a given time could fill the needs of Puerto Rico. This does not mean that the planning of education and training, faced by the needs of economic development, should be made counting too heavily on these potential resources. One objective of the planning of human resources should be to create in Puerto Rico the necessary volume of skilled individuals to face the development without the need of counting on the potential source of workers comprised of Puerto Ricans now living in the United States.



## ECONOMIC PERSPECTIVES FOR 1963-64

### Manufacturing

Most products manufactured by Fomento promoted factories are exported to the United States. Therefore, the economic situation of the United States has a great influence on the activity of these export-oriented factories. The economic panorama of the United States is relatively good. The consensus is that during the present fiscal year the United States will continue to advance. Under the circumstances it is expected that Puerto Rican manufactures will expand during the present year, with manufacturing expanding its production at a higher rate than it did during the past fiscal year.

It is expected that the Economic Development Administration will promote some 200 factories this year compared to only 154 factories promoted last year. Experience indicates that 160 will begin operations at the end of the year with an employment of 5,900 employees. No great change is expected in employment, in the factories existing on June 30, 1963, since the expansion which some may have will be counter balanced by the contraction of others.

Thus, employment in June 1964 in Fomento promoted factories may come to 66,500 compared with 60,600 last June. The average employment during the year (the figure which permits estimates of income generated) to be made is estimated at 63,500 persons. It is estimated that this employment will be 7.3 per cent higher than in 1962-63.

It is expected that the increase in employment in non-Fomento promoted factories will be smaller than that of Fomento promoted factories. It is estimated that average employment in these last factories will be about 36,500 or 3.3 per cent higher than last year. Thus it is expected that average employment in manufacturing will increase from 94,500 in 1962-63 to 100,000 in 1963-64, and increase of 5.8 per cent.

Taking into account the expected increases in employment, wages and earnings, the conclusion is reached that the net income from manufacturing will be 11.4 per cent higher than in 1962-63. Fomento promoted plants will again account for expansion.

It is expected that their net income will come to 15 per cent. The other factories, the ones not promoted by Fomento, could increase their net income by 6 per cent. These relative increases imply that the net income from manufacturing is expected to increase from \$432 million in 1962-63 to \$481 million in 1963-64.

## Agriculture

The perspectives for 1963-64 are very good for poultry and cattle products, including the cattle inventories. It is expected that their production will continue to increase at the same rate as it has maintained during recent years. It is probable that the value of the production of these products will reach \$122 million compared to \$110 million last year. The most significant increases are expected to be in milk, egg and beef production. It is expected that milk production will reach 380 million quarts compared to 350 million in 1962-63. Egg production is expected to reach 20.5 million dozens, an increase of two million dozens over last year. The value of beef production is expected to increase from \$15.5 million to \$17.5 million. Cattle inventory value is expected to increase by \$7 million. Thus, the total value in the production of these items, including cattle inventories, is expected to increase by \$12 million.

Sugar production is expected to be up slightly over last year, about 40,000 to 50,000 tons more. On the other hand, except for unpredictable fluctuations always present on the sugar market, particularly at present, prices look like they will remain reasonably high. It is estimated that gross income to farmers for cane produced will be about \$115 million. Projected tobacco production is expected to be 350,000 cwt., a slight increase over this year. Coffee production is expected to drop 50,000 cwt., to 325,000. Other items in agricultural production are expected to show no significant changes.

It is expected that the value of total agricultural production will, for the first time, exceed \$300 million, reaching approximately \$310 million, \$13 million higher than this year.

## Construction

Construction value should be far higher in 1963-64 than in the preceding year, according to the construction plans of various public and private enterprises, the Commonwealth Government and

the municipal governments at the beginning of the year. At the end of the first three months of the present fiscal year, analyzing the progress of plans reported in a survey carried out in June and July, it appears that the projected growth will not be achieved. Many of the projects planned for the first quarter did not get under way until the second so that total construction is not expected to reach the goals originally planned.

Total construction activity is expected to reach \$348 million in 1963-64. Although this is lower than what had been projected, it is \$25 million or 8 per cent above 1962-63.

Increased construction activity will come principally from (a) the private housing construction, (b) construction of industrial and business facilities by public agencies and (c) highways and other public works construction by the Commonwealth and municipal governments.

Private housing construction is expected to be about 10 per cent higher than in 1962-63, according to the plans of home construction firms and other data available to the Planning Board. This includes housing units in private housing projects, the construction of apartment buildings, and the construction of individual residences.

Public housing construction is expected to maintain its 1962-63 level, although at the beginning of the year, increased activity was expected. However, delays have occurred in the expected date some of these projects were expected to begin, and the construction of some has been put off indefinitely, so that it will be impossible for this area to show growth in 1963-64.

A \$70 million level — less than in 1962-63 — is expected in the construction of private business and industrial projects, including hotel, shopping center, private plant and other commercial building construction. However, this figure may be considered high if compared to that of \$56 million in 1960-61.

When considering the expansion plans of certain selected enterprises, however, like Union Carbide, the petroleum refineries, the telephone company and other, an increase is expected over 1962-63, by about 30 per cent.

With the exception of the Urban Renewal and Housing Corporation, other public enterprises present an optimistic picture. Last year they accounted for 15 per cent of \$49 million in total construction activity, while in 1963-64, this type of construction is expected to be 35 per cent higher than the preceding year. The Puerto Rico Water Resources Authority plans to invest this year 40 per cent more than in 1962-63. The Puerto Rico Water Resources Authority is constructing the seventh unit of the San Juan thermo-electric plant, which is expected to require an \$8 million investment during the year. Furthermore, it is constructing the fourth unit on the South Coast and will soon begin construction of the eighth unit in San Juan. In addition, it is installing underground wiring in Santurce and will undertake extensive construction of rural electric lines.

The Puerto Rico Aqueducts and Sewers Authority will reach a new record in construction to be carried out this year. Last year the Puerto Rico Aqueducts and Sewer Authority, reached the highest investment in its history. It is estimated that 1963-64 construction will be at least 33 per cent higher than last year. The authority will concentrate its efforts on the continued construction of metropolitan area sewerage and continuation of rural aqueducts construction and expansion of urban aqueducts.

The Puerto Rico Industrial Development Company will increase the value of its construction in 1963-64. In addition to building new plants and industrial developments, the construction of the Mayaguez Hilton will be finished and the expansion of La Concha will begin.

The Recreation Development Company will carry out a number of new projects in 1963-64. Major projects will be public beaches and recreation areas, principally El Tuque Public Beach and the construction of the Cabo Rojo recreation Area.

The value of government construction is expected to reach a new high. The volume of public investment in 1962-63 was an all time high.

Commonwealth Government highway construction will maintain the same high level as in 1962-63, when \$22 million was invested in the program.



A significant increase in municipal construction is expected in 1963-64 when compared with the preceding year. During recent years, municipal government construction has been increasing gradually, reaching \$21 million in 1962-63.

Municipal construction should also show a significant increase over last year, mainly in the works affected by the Accelerated Public Works Program. These accelerated works, coupled with those normally constructed by the municipalities, lead to the estimate of over \$30 million for such works in 1963-64. Total Commonwealth and municipal construction will reach approximately \$67 million, 16 per cent higher than in 1962-63.

Based on the perspective for the construction industry, it is estimated that net income generated in the construction sector will be \$135 million in 1963-64, 10 per cent above the preceding year.

#### VALUE OF CONSTRUCTION ACTIVITY

(Millions of dollars)

	1962-63	1963-64	Per cent change
<b>TOTAL</b>	<b>323</b>	<b>348</b>	<b>7.7</b>
<b>Housing</b>	<b>133</b>	<b>144</b>	<b>8.3</b>
Private	115	127	10.4
Public	18	17	- 5.6
<b>Industrial and commercial construction</b>	<b>132</b>	<b>137</b>	<b>3.8</b>
Private	83	71	- 14.5
Public	49	66	34.7
<b>Roads, schools and other public works</b>	<b>58</b>	<b>67</b>	<b>15.5</b>
Commonwealth government	37	37	---
Municipal governments	21	30	42.9

## TOURISM

Tourism, which has become one of the most dynamic sectors of the Puerto Rican economy, last year generated \$80 million in expenditures. In 1963-64, it is expected to generate \$92 million, 15 per cent higher than 1962-63. The highest increase in expenditures is expected to come from visitors staying in tourist

hotels, who are expected to spend an estimated \$52 million compared with \$41.7 million in 1962-63. This increase coincides with the increase in new hotel rooms available for the winter tourist season. The Sheraton, Ponce de León and Mayaguez Hilton, which are the largest, will add 859 rooms to the 5,004 available in June 1963 in Puerto Rico's tourist and commercial hotels.

The visitors residing in the homes of friends and relatives are expected to spend about \$34 million compared with \$32.4 million in 1962-63, a slight increase compared with the extraordinary increase that year.

Lodgers in guest houses and inns are expected to spend about \$2 million the same as 1962-63, and special visitors expenditures are expected to increase from \$3.5 million in 1962-63 to \$4 million in 1963-64.

## Government

The commonwealth and municipal governments will contribute an estimated \$269.4 million to the economy of Puerto Rico during 1963-64, mostly in wages and salaries. This is a 12 per cent increase over 1962-63.

The major increase is expected to be in the education budget, where operating expenditures supposedly increase to approximately \$116 million, \$10 million higher than 1962-63. Another function to receive a higher budget will be Protection for Persons and Properties, because of the increase in the police force and the increase in salaries and wages for personnel.

## Total Net Income

Taking into account the impact of all these sectors on the rest of the economy, that is, not only on consumer expenditures but also of expenditures on materials and a variety of services, the net income is estimated to come to \$1,988 million, an increase of approximately 10 per cent over the net income in 1962-63.

NET INCOME BY SECTORS, 1963-64  
(In millions of dollars)

	1962-63	1963-64	Increase	
			Absolute	Per cent
Agriculture	220.1	228.1	8.0	3.6
Manufacturing	431.8	480.9	49.1	11.4
Fomento factories (1)	257.6	296.2	38.6	15.0
Other factories	174.2	184.7	10.5	6.0
Contract construction	119.9	132.0	12.1	10.1
Commonwealth and municipal governments	240.6	269.0	28.4	11.8
Derived sector (2)	834.0	920.2	86.2	10.3
Rest of the world	- 35.8	- 42.5	- 6.7	18.7
Salaries and wages and supplements paid by the Federal Government	96.7	100.0	3.3	3.4
Other factor income from abroad	33.9	38.0	4.1	12.1
Payments to factors of production from rest of the world	- 166.4	- 180.5	- 14.1	8.5
TOTAL	1,810.6	1,987.7	177.1	9.8

(1) Promoted.

(2) Includes mining.

The economic perspectives for 1963-64 are again optimistic from the viewpoint of the entire economy. They indicate that the accustomed economic growth experienced by Puerto Rico in the present decade will continue.

The economic perspectives for 1963-64 are again optimistic from the viewpoint of the entire economy. They indicate that the accelerated economic growth experienced by Puerto Rico in the present decade will continue.

(1) Projected.  
(2) Includes mining.

	Increase		1962-63	1963-64
	Absolute	Per cent		
TOTAL	1,810.6	177.1	1,887.7	177.1
Payments to factors of production from rest of the world	- 168.4	- 14.1	- 186.6	- 14.1
Other factor income from abroad	32.8	4.1	38.0	4.1
by the Federal Government	98.7	3.2	106.0	3.2
Salaries and wages and supplements paid	- 38.8	- 0.7	- 42.5	- 0.7
Rest of the world	834.0	86.2	920.2	86.2
Revised sector (2)	240.0	26.4	260.0	26.4
Commonwealth and municipal governments	119.0	13.1	132.0	13.1
Contract construction	174.2	18.7	184.7	18.7
Other factories	227.8	24.6	268.2	24.6
Foreign factories (1)	421.8	46.1	480.8	46.1
Manufacturing	220.1	23.8	228.1	23.8
Agriculture				

NET INCOME BY SECTOR, 1963-64  
(In millions of dollars)



INFORME ECONOMICO AL GOBERNADOR

1963

APENDICE ESTADISTICO

NEGOCIADO DE ECONOMIA Y ESTADISTICAS  
JUNTA DE PLANIFICACION DE PUERTO RICO

ECONOMIC REPORT TO THE GOVERNOR

1963

STATISTICAL APPENDIX

BUREAU OF ECONOMICS AND STATISTICS  
PUERTO RICO PLANNING BOARD

TRATADO DE COMERCIO DE LA REPUBLICA DE EL SALVADOR  
CON LA REPUBLICA DE GUATEMALA

ANEXO

1963

GOBIERNO DE LA REPUBLICA DE EL SALVADOR

TRATADO DE COMERCIO DE LA REPUBLICA DE EL SALVADOR  
CON LA REPUBLICA DE GUATEMALA

ANEXO

1963

GOBIERNO DE LA REPUBLICA DE EL SALVADOR

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TABLA 1 - PRODUCTO BRUTO: AÑOS ECONOMICOS

TABLE 1 - GROSS PRODUCT: FISCAL YEARS

(Millones de dólares - Million dollars)

Partida	1940	1950	1952	1955	1960	1962	1963	Item
PRODUCTO BRUTO	287	755	968	1,142	1,645	1,974	2,233	GROSS PRODUCT
Gastos de consumo personal	236	662	796	964	1,353	1,588	1,747	Personal consumption expenditures
Artículos duraderos	16	54	67	104	172	213	256	Durable commodities
Artículos no duraderos	147	417	506	586	770	866	936	Non-durable commodities
Servicios	72	191	223	275	411	509	556	Services
Gastos de consumo del gobierno	21	86	111	140	218	289	319	Government consumption expenditures
Estado Libre Asociado	{ 21	75	99	123	192	260	284	Commonwealth
Municipios		11	12	17	25	29	35	Municipalities
Inversión interna bruta, total	29	111	193	217	392	520	566	Gross domestic investment, total
Cambio en inventarios	6	- 1	42	14	44	86	79	Change in inventories
Inversión interna bruta de capital fijo	23	111	151	203	348	434	487	Gross fixed domestic investment
Construcción	10	79	105	130	227	307	323	Construction
Empresas privadas	6	29	39	68	115	181	198	Private enterprises
Empresas públicas	*	31	46	39	68	77	66	Public enterprises
Gobierno	(1) 5	19	19	23	44	49	58	Government
Estado Libre Asociado	*	17	16	19	29	29	37	Commonwealth
Municipios	*	2	3	3	15	19	21	Municipalities
Maquinaria y equipo	13	33	46	73	121	127	165	Machinery and equipment
Empresas privadas	(2) 13	23	38	62	103	113	150	Private enterprises
Empresas públicas	*	7	5	7	12	8	8	Public enterprises
Gobierno	*	3	3	5	6	6	7	Government
Estado Libre Asociado	*	3	3	4	5	5	6	Commonwealth
Municipios	*	---	---	1	1	1	1	Municipalities
Ventas netas al resto del mundo	1	- 105	- 132	- 179	- 319	- 424	- 399	Net sales to the rest of the world
Ventas al resto del mundo	136	346	455	584	901	1,077	1,208	Sales to the rest of the world
Gobierno Federal	31	63	128	131	112	124	142	Federal Government
Otros no residentes	105	283	327	454	788	954	1,066	Other nonresidents

(Continúa)

(Continued)



TABLA 1 - PRODUCTO BRUTO: AÑOS ECONOMICOS (Continuación)  
TABLE 1 - GROSS PRODUCT: FISCAL YEARS (Continued)

(Millones de dólares - Million dollars)

Partida	1940	1950	1952	1955	1960	1962	1963	Item
Compras al resto del mundo	135	450	587	764	1,219	1,501	1,607	Purchases from the rest of the world
Gobierno Federal	135	16	22	26	23	29	34	Federal Government
Otros no residentes	*	434	565	738	1,197	1,472	1,574	Other nonresidents
<p>* No hay información disponible. (1) Incluye la inversión fija de los gobiernos del Estado Libre Asociado y Municipios y las nuevas construcciones de las empresas Públicas. (2) Incluye compras de empresas públicas.</p> <p>* Data not available. (1) Includes fixed investment of the Commonwealth and Municipal Governments and new constructions of the public enterprises. (2) Includes purchases of public enterprises.</p> <p>Fuente: Junta de Planificación, Negociado de Análisis Económico y Social.</p> <p>Source: Planning Board, Bureau of Economic and Social Planning.</p>								
Industria	18	40	88	108	132	318	347	Industry
Minería	31	44	22	21	133	130	180	Mining
Construcción	72	23	92	82	130	104	167	Construction
Comercio	26	103	133	101	331	315	393	Commerce
Transportación y comunicaciones	18	46	21	42	132	120	161	Transportation and communications
Construcción del comercio	3	31	43	44	94	101	130	Construction of commerce
Industria	1	7	3	3	3	3	2	Industry
Minería	31	40	112	100	307	302	423	Mining
Construcción	30	146	102	100	188	156	330	Construction
Industria	332	914	837	800	1,203	1,621	1,671	Industry
Industria	1940	1950	1952	1955	1960	1962	1963	Industry

(Millones de dólares - Million dollars)

INDUSTRIA - INDUSTRIA DE TRANSFORMACION  
INDUSTRIA - INDUSTRIA DE TRANSFORMACION

V-3

TABLA 2 - INGRESO NETO POR ORIGEN INDUSTRIAL: AÑOS ECONOMICOS  
TABLE 2 - NET INCOME BY INDUSTRIAL ORIGIN: FISCAL YEARS

(Millones de dólares - Million Dollars)

Partida	1940	1950	1952	1955	1960	1962	1963	Item
TODAS LAS INDUSTRIAS	225	614	831	960	1,362	1,637	1,811	ALL INDUSTRIES
Agricultura	70	149	195	168	188	199	220	Agriculture
Manufactura	27	89	115	169	291	395	432	Manufacturing
Minería	*	1	2	2	2	3	3	Mining
Construcción por contrato	3	27	42	44	84	107	120	Contract Construction
Transportación y otros servicios públicos	18	49	57	75	123	152	167	Transportation and other public utilities
Comercio	26	102	123	161	237	272	293	Trade
Finanzas, seguros y bienes raíces	25	52	65	85	136	164	181	Finance, insurance and real estate
Servicios	21	44	55	67	132	170	190	Services
Gobierno	19	70	86	108	175	219	241	Government
Resto del mundo	16	31	91	80	- 5	- 45	- 36	Rest of the world
Sueldos, jornales y suplementos pagados por el Gobierno Federal	25	46	106	105	78	85	97	Wages and salaries and supplements paid by Federal Government
Otros ingresos de factores de producción recibidos del resto del mundo	(1)	7	10	19	23	30	34	Other factor income received from the rest of the world
Menos: Pagos a factores de producción del resto del mundo	8	22	25	44	106	159	166	Less: Factor income paid to the rest of the world

\* No hay información disponible.

(1) Menos de \$500,000.

Fuente: Junta de Planificación, Negociado de Análisis Económico y Social.

\* Data not available.

(1) Less than \$500,000.

Source: Planning Board, Bureau of Economic and Social Planning.

TABLA 3 - DISTRIBUCION FUNCIONAL DEL INGRESO NETO POR INDUSTRIAS: AÑOS ECONOMICOS  
TABLE 3 - NET INCOME BY DISTRIBUTIVE SHARES: FISCAL YEARS

(Millones de dólares - Million dollars)

Partida	1950	1952	1955	1960	1962	1963	Item
Ingreso Neto, Total	614	831	960	1,362	1,637	1,811	Net Income, Total
Compensación a empleados	389	539	634	922	1,132	1,241	Compensation of employees
Ingresos procedentes de la propiedad	225	292	326	440	505	570	Income from property
Agricultura	149	195	168	188	200	220	Agriculture
Compensación a empleados	66	81	69	71	75	82	Compensation of employees
Ingresos procedentes de la propiedad	83	114	99	117	125	138	Income from property
Manufactura	89	115	169	291	395	432	Manufacturing
Compensación a empleados	62	75	108	181	242	258	Compensation of employees
Ingresos procedentes de la propiedad	27	40	61	110	153	174	Income from property
Construcción por contrato y minería	28	44	46	87	110	123	Contract construction and mining
Compensación a empleados	23	36	33	64	80	89	Compensation of employees
Ingresos procedentes de la propiedad	5	8	13	23	30	34	Income from property
Transportación y otros servicios públicos	49	57	75	123	152	167	Transportation and other public utilities
Compensación a empleados	32	39	51	89	108	117	Compensation of employees
Ingresos procedentes de la propiedad	17	18	24	34	44	50	Income from property
Comercio	102	123	161	237	272	293	Trade
Compensación a empleados	49	61	85	132	152	164	Compensation of employees
Ingresos procedentes de la propiedad	53	62	76	105	120	129	Income from property
Finanzas, seguros y bienes raíces	52	65	85	136	164	181	Finance, insurance and real estate
Compensación a empleados	10	13	19	40	50	55	Compensation of employees
Ingresos procedentes de la propiedad	42	52	66	96	114	126	Income from property
Servicios	44	55	67	132	170	190	Services
Compensación a empleados	29	36	44	83	109	122	Compensation of employees

(Continúa)

(Continued)

TABLE 3 - DISTRIBUCION FUNCIONAL DEL INGRESO NETO, POR INDUSTRIAS: AÑOS ECONOMICOS (Continuación)  
TABLE 3 - NET INCOME BY DISTRIBUTIVE SHARES: FISCAL YEARS (Continued)

(Millones de dólares - Million dollars)

Partida	1950	1952	1955	1960	1962	1963	Item
Ingresos procedentes de la propiedad	15	19	23	49	61	68	Income from property
Gobierno	70	86	108	175	219	241	Government
Compensación a empleados	71	87	108	175	219	241	Compensation of employees
Ingresos procedentes de la propiedad	- 1	- 1	---	---	---	---	Income from property
Resto del mundo	31	91	79	- 5	- 45	- 36	Rest of the world
Compensación a empleados	48	112	117	88	98	113	Compensation of employees
Ingresos procedentes de la propiedad	- 17	- 21	- 38	- 93	- 143	- 149	Income from property

Fuente: Junta de Planificación, Negociado de Análisis Económico y Social.

Source: Planning Board, Bureau of Economic and Social Planning.



TABLA 4 - INGRESO PERSONAL, AÑOS ECONOMICOS  
TABLE 4 - PERSONAL INCOME, FISCAL YEARS

(Millones de dólares - Million dollars)

Partida	1940	1950	1952	1955	1960	1962	1963	Item
INGRESO PERSONAL	219	653	834	996	1,383	1,672	1,819	PERSONAL INCOME
Compensación a empleados	127	389	539	634	922	1,132	1,241	Compensation of employees
Empresas	*	254	321	389	632	786	856	Business
Gobierno (1)	*	70	86	108	174	217	238	Government (1)
Personas e instituciones sin fines de lucro	*	17	20	20	28	31	34	Household and nonprofit institutions
Resto del mundo	*	48	112	117	88	98	113	Rest of the world
Menos: Aportación al Seguro Social	2	15	28	38	83	107	126	Less: Contributions to Social Insurance
Empleados	1	5	10	16	32	42	49	Employees
Patronos	2	10	17	22	51	66	77	Employers
Ingresos procedentes de la propiedad	88	201	254	274	360	409	448	Income from property
Pagos de transferencia	6	78	69	126	184	238	257	Transfer payments
Gobierno del Estado Libre Asociado y Municipios	2	12	19	26	42	57	59	Commonwealth and Municipal Government
Gobierno Federal	1	50	23	60	81	100	110	Federal Government
Gobiernos Estatales	---	---	---	---	---	5	6	State Governments
Empresas	1	3	5	9	11	12	12	Business
Otros no residentes	2	13	22	31	51	65	70	Other nonresidents

\* No hay información disponible.

(1) Incluye solamente las agencias regulares del Gobierno del Estado Libre Asociado y los municipios.

Fuente: Junta de Planificación, Negociado de Análisis Económico y Social.

\* Data not available.

(1) Includes regular agencies of the Commonwealth and municipalities only.

Source: Planning Board, Bureau of Economic and Social Planning.

TABLA 5 - INGRESO NETO ORIGINADO EN TODA LA MANUFACTURA: FABRICAS PROMOVIDAS POR FOMENTO Y OTRAS. AÑOS ECONOMICOS  
TABLE 5 - NET INCOME ORIGINATING IN TOTAL MANUFACTURING: ECONOMIC DEVELOPMENT ADMINISTRATION PROMOTED PLANTS AND OTHER, FISCAL YEARS

(Millones de dólares - Million dollars)

Partida	1950	1952	1955	1960	1962	1963	Item
TOTAL	88.7	115.4	169.1	291.0	394.6	431.8	TOTAL
Alimentos	41.6	48.1	49.8	68.8	85.3	96.3	Food and related products
Productos de tabaco	5.0	6.3	11.0	11.2	18.9	18.9	Tobacco products
Productos textiles	1.1	2.5	7.0	14.3	13.9	13.6	Textile mill products
Ropa y productos relacionados	17.4	21.2	32.0	46.8	62.1	64.9	Apparel and related products
Muebles y artículos de madera	4.1	5.6	7.7	12.2	13.6	15.3	Wood products and furniture
Imprentas y editoriales	3.2	3.4	4.6	7.0	9.0	10.2	Printing and publishing
Productos químicos y derivados	5.5	5.9	7.6	11.1	33.8	42.5	Chemicals and allied products
Productos de piedra, arcilla y cristal	4.8	9.1	11.1	20.6	22.2	23.2	Stone, clay and glass products
Maquinaria y productos metálicos	2.7	5.7	19.8	52.9	73.3	74.3	Metal products and machinery
Otras manufacturas	3.4	7.6	18.5	46.1	62.4	72.6	Other manufacturing
PROMOVIDAS POR FOMENTO	3.1	9.1	58.9	158.6	228.4	257.6	PROMOTED BY FOMENTO
Alimentos	D	D	.7	4.3	10.9	16.1	Food and related products
Productos de tabaco	---	---	D	D	D	D	Tobacco products
Productos textiles	D	1.6	5.9	12.9	12.5	12.8	Textile mill products
Ropa y productos relacionados	D	2.4	15.3	35.2	46.8	52.6	Apparel and related products
Muebles y artículos de madera	D	D	D	D	D	D	Wood products and furniture
Imprentas y editoriales	---	D	D	D	D	D	Printing and publishing
Productos químicos y derivados	---	D	D	D	D	D	Chemicals and allied products
Productos de piedra, arcilla y cristal	D	D	4.5	7.2	5.7	6.0	Stone, clay and glass products
Maquinaria y productos metálicos	D	1.2	14.0	45.6	61.5	62.0	Metal products and machinery
Otras manufacturas	D	1.8	14.1	40.0	49.4	56.9	Other manufacturing
OTRAS	85.6	106.3	110.2	132.4	166.3	174.2	OTHER
Alimentos	D	D	49.1	64.5	74.4	80.2	Food and related products
Productos de tabaco	D	D	D	D	D	D	Tobacco products
Productos textiles	D	.9	1.1	1.4	1.4	.8	Textile mill products
Ropa y productos relacionados	D	18.8	16.7	11.6	15.3	12.3	Apparel and related products
Muebles y artículos de madera	D	D	D	D	D	D	Wood products and furniture
Imprentas y editoriales	D	D	D	D	D	D	Printing and publishing
Productos químicos y derivados	D	D	D	D	D	D	Chemicals and allied products
Productos de piedra, arcilla y cristal	D	D	6.6	13.4	16.5	17.2	Stone, clay and glass products
Maquinaria y productos metálicos	D	4.5	5.8	7.3	11.8	12.3	Metal products and machinery
Otras manufacturas	D	5.8	4.4	6.1	13.0	15.7	Other manufacturing

(D) Se omite para no revelar información de firmas individuales.

(D) Withheld to avoid disclosing figures for individual firms.

Fuente: Junta de Planificación Negociado de Análisis Económico y Social  
Source: Planning Board, Bureau of Economic and Social Planning.

TABLA 6 - GASTOS DE CONSUMO PERSONAL, POR TIPO PRINCIPAL DE PRODUCTO, AÑOS ECONOMICOS  
TABLE 6 - PERSONAL CONSUMPTION EXPENDITURES, BY MAJOR TYPE OF PRODUCT, FISCAL YEARS

(Millones de dólares - Million dollars)

Tipo principal de producto	1940	1950	1952	1955	1960	1962	1963	Major type of product
GASTOS DE CONSUMO PERSONAL	236	662	796	964	1,353	1,588	1,747	PERSONAL CONSUMPTION EXPENDITURES
Alimentos	106	239	287	321	410	429	483	Food
Bebidas alcohólicas y productos de tabaco		55	73	88	118	134	148	Alcoholic beverages and tobacco products
Ropa y accesorios	22	67	83	97	137	164	182	Clothing and accessories
Cuidado personal	3	9	11	15	23	29	29	Personal care
Viviendas	30	66	80	98	134	159	171	Housing
Funcionamiento del hogar	29	78	92	114	182	224	256	Household operations
Servicios médicos y funerarios	6	21	29	37	67	90	91	Medical care and death expenses
Negocios de personas	4	5	7	9	16	19	22	Personal business
Transportación	20	53	63	87	150	187	214	Transportation
Recreación	9	41	47	66	108	129	147	Recreational
Educación	1	7	6	9	13	15	16	Education
Instituciones religiosas y organizaciones sin fines de lucro	1	2	2	3	4	5	6	Religious and non-profit organizations, n.e.c.
Viajes al exterior	3	18	28	36	53	76	88	Foreign travel
Compras misceláneas	2	9	5	8	(1)	(1)	- 21	Miscellaneous purchases
Gastos totales de consumo de los puertorriqueños y de no residentes en Puerto Rico	236	671	811	989	1,415	1,660	1,831	Total consumption expenditures by Puerto Ricans and non-residents in Puerto Rico
Menos: Gastos de no residentes en Puerto Rico	1	8	15	25	62	72	84	Less: Expenditures of non residents in Puerto Rico

(1) Menos de \$500,000.

(1) Less than \$500,000.

Fuente: Junta de Planificación, Negociado de Análisis Económico y Social

Source: Planning Board, Bureau of Economic and Social Planning.

TABLA 7 - INVERSION INTERNA BRUTA DE CAPITAL FIJO, AÑOS ECONOMICOS  
TABLE 7 - GROSS FIXED DOMESTIC INVESTMENT IN PUERTO RICO, FISCAL YEARS

(Millones de dólares - million dollars)

Partida	1950	1952	1955	1960	1962	1963	Item
TOTAL	111	151	203	348	434	487	TOTAL
Construcción	79	105	130	227	307	323	Construction
Viviendas	26	51	46	88	126	133	Dwellings
Privadas	21	28	35	72	97	115	Private
Públicas	5	23	11	16	28	18	Public
Obras industriales y comerciales	34	35	61	95	133	132	Plant and equipment
Empresas privadas	8	11	33	43	84	83	Private enterprises
Empresas públicas	27	24	28	52	49	49	Public enterprises
Carreteras, escuelas y otras obras públicas	19	19	23	44	49	58	Roads, schools and other public works
Gobierno del Estado Libre Asociado	17	16	19	29	29	37	Commonwealth Government
Gobiernos municipales	2	3	3	15	19	21	Municipal Government
Maquinaria y equipo	33	46	73	121	127	165	Machinery and equipment
Empresas privadas	23	38	62	103	113	150	Private enterprises
Empresas públicas	7	5	7	12	8	8	Public enterprises
Gobierno	3	3	5	6	6	7	Government

Fuente: Junta de Planificación, Negociado de Análisis Económico y Social.

Source: Planning Board, Bureau of Economic and Social Planning.



**TABLA 8 - VALOR EN LA FINCA DE PRODUCTOS AGRICOLAS, AÑOS ECONOMICOS**

**TABLE 8 - FARM VALUE OF AGRICULTURAL COMMODITIES, FISCAL YEARS**

(Millones de dólares - Million dollars)

Partida	1940	1950	1952	1955	1960	1962	1963	Item
<b>VALOR BRUTO TOTAL</b>	<b>84</b>	<b>185</b>	<b>233</b>	<b>213</b>	<b>238</b>	<b>264</b>	<b>293</b>	<b>TOTAL GROSS VALUE</b>
Cosechas principales	52	118	143	120	119	126	144	Principal crops
Caña de azúcar (1)	44	106	120	97	90	94	109	Sugar cane (1)
Tabaco	4	5	8	11	9	12	13	Tobacco
Café	4	8	15	12	20	20	22	Coffee
Productos pecuarios	19	47	57	53	82	95	104	Livestock products
Leche	9	22	23	31	43	50	56	Milk
Huevos	1	4	5	6	8	9	10	Eggs
Carne de res	3	7	10	9	12	14	15	Beef
Carne de cerdo	3	4	8	7	8	8	9	Pork
Aves	3	8	9	9	9	11	11	Poultry
Cabros y otras carnes	(2)	(2)	1	1	1	1	1	Goats and other meats
Otros	---	---	1	1	2	2	2	Other
Legumbres	1	2	3	2	3	3	3	Legumes
Frutas	5	6	5	5	6	7	6	Fruits
Vegetales Farináceos	1	7	13	12	13	15	15	Starchy vegetables
Cereales	1	1	1	1	1	1	1	Cereals
Otros Vegetales	1	2	3	4	5	6	7	Yellow green and leafy vegetables
Otros productos agrícolas (1)	4	3	5	4	7	6	7	Other farm products (1)
Cambio en inventario de animales	*	1	3	2	2	5	6	Change in livestock inventories

\* No hay información disponible.

(1) Los pagos del Programa de Ajuste Agrícola están incluidos en caña de azúcar; los demás subsidios agrícolas bajo otros productos.

(2) Menos de \$500,000.

Fuente: Departamento de Agricultura y Comercio, Negociado de Economía Agrícola.

\* Data not available.

(1) Agricultural Adjustment Act payments are included under sugar cane; other agricultural benefit payments under other farm products.

(2) Less than \$500,000.

Source: Department of Agriculture and Commerce, Bureau of Agricultural Economics.

TABLA 9 - BALANZA DE PAGOS, AÑOS ECONOMICOS  
 TABLA 9 - BALANCE OF PAYMENTS, FISCAL YEARS

(Millones de dólares - Million dollars)

Partida	1942	1950	1952	1955	1960	1962	1963	Item
Exportaciones de artículos y servicios, total	220	329	433	558	878	1,048	1,175	Sales of goods and services, total
Mercancías, ajustadas	117	244	270	372	646	792	889	Merchandise, adjusted
Transportación	10	17	21	27	39	38	37	Transportation
Gastos de viajeros	1	7	14	23	58	68	80	Travel
Rendimientos de capital	1	4	4	6	13	17	18	Incomes on investments
Gastos de funcionamiento de las agencias federales en Puerto Rico	91	47	107	104	90	95	108	Operational disbursements of federal agencies in Puerto Rico
Servicios misceláneos	1	10	17	26	32	39	43	Miscellaneous services
Importación de artículos y servicios, total	197	435	565	737	1,197	1,472	1,574	Purchases of goods and services, total
Mercancías, ajustadas	159	350	454	580	922	1,099	1,170	Merchandise adjusted
Transportación	21	37	50	66	99	118	128	Transportation
Gastos de viajeros	3	11	17	23	35	54	64	Travel
Rendimientos de capital	9	22	25	44	106	159	166	Income on investment
Servicios misceláneos	5	15	18	24	35	42	46	Miscellaneous services
Saldo de las transacciones en artículos y servicios	23	- 105	- 132	- 179	- 319	- 424	- 399	Balance on goods and services
Transacciones unilaterales, neta, total	14	75	56	102	123	175	177	Unilateral transfers, net, total
Privadas	- 4	2	12	17	23	38	37	Private
Gobierno Federal	18	73	44	85	100	133	135	Federal Governments
Gobierno Estatal	8	9	14	23	47	74	79	Commonwealth Government
Otras	10	63	30	62	53	58	56	Other
Gobiernos Estatales	---	---	---	---	---	4	5	State Governments
Balance en artículos y servicios y pagos unilaterales	37	- 30	- 76	- 77	- 196	- 249	- 222	Balance on goods and services and unilateral transfers
Movimientos de capital, neto, total	- 43	38	67	77	196	250	212	Capital movements, net, total
Aumento (+) o disminución (-) neta en las inversiones del exterior en Puerto Rico	- 122	51	66	97	214	293	320	Net increase (+) or decrease (-) in external investments in Puerto Rico

(Continúa)

(Continued)

TABLE 9 - BALANCE OF PAYMENTS, FISCAL YEARS (Continued)

(Millones de dólares - Million dollars)

Partida	1942	1950	1952	1955	1960	1962	1963	Item
A largo plazo	- 2	52	45	59	223	251	301	Long term
A corto plazo	2	- 1	22	38	- 9	42	19	Short term
Aumento (-) o disminución (+) neta en inversiones de Puerto Rico en el exterior	- 43	- 14	1	- 19	- 18	- 43	-109	Net Increase (-) or decrease (+) in Puerto Rican Investments abroad
A largo plazo	- 2	- 18	- 15	- 18	- 26	- 30	- 44	Long term
A corto plazo	- 40	4	16	- 2	8	- 14	- 64	Short term
Errores y omisiones (transacciones desconocidas)	6	- 7	9	*	*	*	10	Errors and omissions (unknown transactions)
* Menos de \$500,000.								* Less than \$500,000.
<p>Nota: Una cifra positiva indica la creación de un crédito o un ingreso neto percibido del exterior; una cifra negativa indica la creación de un débito o egreso neto remitido al exterior.</p> <p>Fuente: Junta de Planificación, Negociado de Análisis Económico y Social, Sección de Balanza de Pagos.</p>								
<p>Note: A positive figure represents a creation of a credit or an inflow of funds; a negative figure represents a creation of a debit or an outflow.</p> <p>Source: Planning Board, Bureau of Economics and Social Planning, Balance of Payments Section.</p>								
Salario	30.3	10.1	11.0	10.3	18.3	11.8	30.8	Salary
Salario de la mano de obra	30.3	38.1	84.1	82.8	84.3	81.8	11.8	Wage of labor
Salario de la mano de obra	8	10.8	8.8	1.8	8.4	8.8	3.1	Wage of labor
Salario de la mano de obra	81.1	38.1	80.4	84.1	13.8	11.8	81.8	Wage of labor
Salario de la mano de obra	81.4	48.8	108.2	104.4	88.8	84.8	108.2	Wage of labor
Salario de la mano de obra	1843	1880	1823	1822	1890	1803	1882	Wage of labor

TABLA 10 - GASTOS DE FUNCIONAMIENTO DE AGENCIAS FEDERALES EN PUERTO RICO, AÑOS ECONOMICOS  
TABLE 10 - OPERATIONAL DISBURSEMENTS OF FEDERAL AGENCIES IN PUERTO RICO, FISCAL YEARS

(Millones de dólares - Million dollars)

Departamento o Agencia	1942	1950	1952	1955	1960	1962	1963	Department or Agency
GASTOS DE FUNCIONAMIENTO, TOTAL	91.4	46.8	106.5	104.4	89.8	94.6	108.5	OPERATIONAL DISBURSEMENTS, TOTAL
Agencias para la Defensa Nacional	61.1	36.7	95.4	94.1	73.6	77.0	87.6	Defense agencies
Administración de Veteranos	.6	10.9	9.9	7.8	8.4	8.6	9.1	Veterans Administration
Departamento de la Defensa	60.2	25.7	84.7	85.8	64.8	67.8	77.9	Defense Department
Servicio Selectivo	.3	.2	.8	.5	.5	.6	.6	Selective Service
Otras agencias	30.3	10.1	11.0	10.3	16.2	17.6	20.9	Non-defense agencies
Agencia Federal de Aviación	---	---	---	---	1.6	1.5	1.8	Federal Aviation Agency
Administración de Crédito Agrícola	---	.2	.1	.3	.3	.3	.3	Farm Credit Administration
Administración General de Servicios	---	.5	.1	*	.2	.2	.2	General Services Administration
Agencia Financiera de Hogares (a)	.2	.2	.2	.6	*	.1	.4	Housing and Home Finance Agency (a)
Comisión Federal de Comunicaciones	.1	*	*	*	*	*	*	Federal Communications Commission
Correo (a)	.5	.5	.3	.6	.2	.6	1.0	Post Office Department (a)
Departamento de Agricultura	1.2	2.3	2.5	2.2	2.9	2.9	3.1	Department of Agriculture
Departamento de Comercio	.1	.9	.9	.9	1.0	.6	.6	Department of Commerce
Departamento de Interior	.5	.3	.4	.1	.1	.2	.2	Department of Interior
Departamento de Justicia	.3	.4	.8	.8	1.1	1.1	1.2	Department of Justice
Departamento de Salud, Instrucción y Bienestar Social	2.0	.6	.7	.9	1.3	1.7	2.3	Department of Health Education and Welfare
Departamento del Tesoro (b)	.5	1.9	2.4	2.6	3.6	4.0	4.4	Department of the Treasury (b)
Departamento del Trabajo	.1	.7	.3	.4	.7	.8	.7	Department of Labor
Junta Nacional de Relaciones del Trabajo	*	.1	.1	.2	.2	.3	.3	National Labor Relations Board
Oficina Estabilización de Precios	*	.1	.5	---	---	---	---	Office of Price Administration
Otras Agencias (c)	26.0	---	*	*	.2	.4	.6	Other agencies (c)
Cargos imputados por servicios bancarios al Gobierno Federal	...	.5	.7	.5	.8	.8	1.0	Imputed service charges in Federal Government deposits
Contribución del Gobierno Federal al Sistema de Retiro	...	1.0	1.3	.1	1.7	2.1	2.5	Federal Government contributions to U.S. Civil Service Retirement Fund
Contribución del Gobierno Federal al seguro de vejez y sobrevivientes	---	---	---	.1	.2	.2	.4	Federal Government Contribution to old-age and survival insurance

\* Menos de \$50,000.

(a) Representa la diferencia entre los ingresos y gastos de esas agencias en Puerto Rico.

(b) Incluye la cantidad retenida por el Gobierno Federal para sufragar los gastos de recaudación de Aduana.

(c) Incluye: Administración de Pequeños Negocios, la Comisión de Servicio Civil Federal, Administración de Excedentes de Guerra, Comisión Marítima, Corporación de Reconstrucción Financiera, Administración de Trabajos Federales y Cuerpos de Paz.

Fuente: Junta de Planificación, Negociado de Análisis Económico y Social, Sección de Balanza de Pagos.

\* Less than \$50,000.

(a) Represents the difference between the receipts and the expenditures of these agencies in Puerto Rico.

(b) Includes the amount retained by the Federal Government to defray costs of customs collections.

(c) Includes: Small Business Administration, U.S. Civil Service Commission, War Assets Administration, Maritime Commission, Reconstruction Finance Corporation, Federal Works Agency and Peace Corps.

Source: Planning Board, Bureau of Economic and Social Planning, Balance of Payments Section.



TABLA 11 - APORTACIONES FEDERALES AL GOBIERNO ESTATAL PARA PROYECTOS COMUNES - AÑOS ECONOMICOS  
TABLE 11 - FEDERAL GRANTS TO THE COMMONWEALTH FOR JOINT PROJECTS - FISCAL YEARS

(En millones de dólares - Million dollars)

Agencia	1942	1950	1952	1955	1960	1962	1963	Agency
TOTAL	8.3	9.4	14.4	22.6	47.3	74.4	79.1	TOTAL
Departamento de Agricultura	5.0	4.8	4.6	7.4	16.6	32.7	35.1	Department of Agriculture
Trabajo experimental agrícola	.1	.2	.3	.4	.8	.9	.9	Agricultural experiment work
Servicio de extensión agrícola	.2	.5	.6	1.0	1.4	1.5	1.6	Agricultural extension work
Programa de comedores escolares	---	4.1	3.7	6.0	6.8	7.2	8.0	School lunch program
Alimentos para distribución gratuita	4.7	---	---	---	7.5	23.1	24.6	Food for free distribution
Otros	*	*	*	*	.1	*	*	Other
Departamento de Comercio	.6	1.9	1.8	3.1	7.2	4.2	6.6	Department of Commerce
Construcción de aeropuertos	---	.5	.6	.1	---	.6	.1	Airport construction
Construcción de carreteras	.6	1.4	1.2	3.0	7.2	3.5	6.5	Highway construction
Departamento de Salud, Instrucción y Bienestar Social	2.7	2.3	7.2	9.6	14.3	20.8	22.6	Department of Health, Education and Welfare
Construcción de hospitales	---	---	1.7	2.9	1.1	4.0	3.5	Hospital construction
Instrucción	1.3	.7	.8	.9	2.3	3.3	4.7	Education
Salud Pública	.5	1.0	1.0	1.5	2.4	4.5	5.2	Public Health
Asistencia pública	1.0	.7	3.7	4.3	8.5	9.0	9.2	Public assistance
Departamento de lo Interior	---	*	*	.2	*	*	*	Department of Interior
Departamento del Trabajo	---	---	.4	.5	.9	2.5	2.3	Department of Labor
Agencia de Financiamiento de Hogares	---	.3	.2	1.7	5.4	10.9	9.4	Housing and Home Finance Agency
Urbanizaciones públicas	---	.3	.2	1.4	4.4	8.0	7.2	Public Housing
Renovación urbana	---	---	---	.3	1.0	2.8	1.6	Urban renewal
Construcción de escuelas	---	---	---	*	---	---	.5	Schools construction
Administración de Cooperación Técnica	---	---	---	---	.5	.8	.8	International Cooperation Administration
Oficina de la Defensa Civil	---	---	*	*	.1	*	.1	Office of Civil Defense
Comisión de Energía Atómica	---	---	---	---	.8	1.4	.8	Atomic Energy Commission
Departamento de la Defensa	---	---	---	---	.2	.3	.2	Defense Department
Otras agencias	---	---	---	---	1.4	.9	1.2	Other agencies

\* Menos de \$50,000.

\* Less than \$50,000.

Fuente: Junta de Planificación, Negociado de Análisis Económico y Social, Sección Balanza de Pagos.

Source: Planning Board, Bureau of Economic and Social Planning, Balance of Payments Section.

TABLA 12 - PAGOS DE TRANSFERENCIA ENTRE PUERTO RICO, EL GOBIERNO FEDERAL, LOS GOBIERNOS ESTATALES  
Y OTROS NO RESIDENTES: AÑOS ECONOMICOS

TABLE 12 - TRANSFER PAYMENTS FROM AND TO THE FEDERAL GOVERNMENT, STATE GOVERNMENTS AND OTHERS  
NON RESIDENTS: FISCAL YEARS

(Millones de dólares - million dollars)

Partida	1942	1950	1952	1955	1960	1962	1963	Item
RECIBOS, TOTAL	12.2	69.1	41.1	77.7	95.6	120.4	131.2	RECEIPTS, TOTAL
Gobierno Federal, Total	12.2	69.1	41.1	77.7	95.6	116.0	125.3	Federal Government, Total
Transferencias a individuos	1.4	50.4	23.0	59.9	79.6	95.1	105.4	Transfers to individuals
Beneficios a veteranos	1.3	49.7	21.9	51.6	40.8	33.3	36.4	Veterans' benefits
Pagos de readaptación, com- pensación y pensiones	1.3	38.5	17.0	38.1	38.8	30.4	33.3	Readjustment, compensation and pension payments
Pagos a soldados licenciados	---	.4	1.2	6.7	---	---	---	Mustering out payments
Pensiones militares por retiro	---	1.3	1.3	1.6	1.9	2.9	3.0	Military retirement pensions
Seguro de vida por servicio nacional	---	9.6	2.4	5.2	.1	---	.2	National service life insurance
Dividendos	---	9.2	1.8	.2	.1	---	.2	Dividends
Compensaciones y pensiones	---	.4	.6	5.0	(1)	(1)	(1)	Compensations and pensions
Compensación a empleados	.1	.1	.1	.2	.4	3.0	.4	Employees' compensation
Beneficios del seguro de vejez y sobrevivientes	---	*	.3	7.4	36.9	57.2	66.8	Old-age and survivors insurance benefits
Pensiones del sistema de retiro Federal	---	.6	.7	.8	1.5	1.6	1.9	United States civil service retirement pensions and refunds
Transferencias a la agricultura	10.8	18.7	18.0	17.6	15.1	15.9	14.6	Transfers to Agriculture
Beneficios de la Ley Azucarera	9.5	17.7	17.1	16.7	14.2	14.9	13.6	Sugar act benefits
Conservación de suelos	1.3	1.0	.9	.9	.9	.9	1.0	Soil conservation
Transferencias a instituciones privadas	---	---	.1	.2	.9	5.0	5.3	Transfers to private institutions
Gobiernos Estatales, Total	---	---	---	---	---	4.5	5.9	State Governments, Total
Compensación por desempleo	---	---	---	---	---	4.5	5.9	Unemployment compensation
PAGOS, TOTAL	2.2	5.7	11.5	15.3	42.6	58.0	69.9	DISBURSEMENTS, TOTAL
Gobierno Federal, Total	2.2	5.7	11.5	15.3	42.6	57.7	69.3	Federal Government, Total
Impuesto sobre elaboración de azúcar	1.9	2.2	2.2	1.1	2.5	2.6	2.4	Sugar processing, tax
Contribución al seguro de vejez y sobrevivientes	---	---	4.8	10.7	33.8	46.4	55.0	Old-age and survivors insurance contribution
Contribución de los empleados al sistema de retiro Federal	...	1.2	1.7	1.4	1.7	2.1	2.5	Employees contribution to United States civil service retirement fund
Contribución del Gobierno Federal al sistema de retiro	...	1.0	1.3	.1	1.7	2.1	2.5	Federal contribution to United States civil service retirement fund

TABLA 12 - PAGOS DE TRANSFERENCIA ENTRE PUERTO RICO, EL GOBIERNO FEDERAL, LOS GOBIERNOS ESTATALES  
Y OTROS NO RESIDENTES: AÑOS ECONOMICOS (Continuación)  
TABLE 12 - TRANSFER PAYMENTS FROM AND TO THE FEDERAL GOVERNMENT, STATE GOVERNMENTS AND OTHERS  
NONRESIDENTS: FISCAL YEARS (Continued)

(Millones de dólares - Million dollars)

Partida	1942	1950	1952	1955	1960	1962	1963	Item
Contribución del Gobierno Federal al seguro de vejez y sobrevivientes	---	---	...	.1	.2	.2	.4	Federal Government contribution to old age and survivors insurance
Primas del seguro de vida por servicio nacional	---	.2	.2	.4	.3	.3	.3	Premiums on national service life insurance
Aduana (2)	.3	1.0	1.2	1.4	2.3	2.3	2.6	United States customs (2)
Derechos por pasaportes	...	*	*	*	*	*	.1	Passport fees
Contribución por desempleo	---	---	---	---	---	1.5	3.4	Unemployment contribution
Contribución del Gobierno de Puerto Rico para inspección del alcohol industrial	...	.1	.1	.1	.1	.1	.1	Commonwealth Government contribution for industrial alcohol inspection
Otros no residentes	---	---	---	---	---	.3	.6	Others non residents
Compensación por desempleo	---	---	---	---	---	.3	.6	Unemployment compensation
BALANCE NETO, TOTAL	10.0	63.4	29.6	62.3	53.0	62.5	61.2	NET BALANCE, TOTAL

\* Menos de \$50,000.

(1) Incluido en los pagos de readaptación, compensación y pensiones.

(2) Incluye solamente la cantidad retenida por el Gobierno Federal para sufragar los gastos de recaudación.

Fuente: Junta de Planificación, Negociado de Análisis Económico y Social, Sección Balanza de Pagos.

\* Less than \$50,000.

(1) Includes in readjustment, compensation and pension payments.

(2) Includes only the amount retained by Federal Government to defray cost of customs collections.

Source: Planning Board, Bureau of Economic and Social Planning, Balance of Payments Section.

TABLA 13 - ASIGNACIONES DE FONDOS DEL GOBIERNO ESTATAL, POR FUNCION, AÑOS ECONOMICOS  
TABLE 13 - APPROPRIATIONS OF COMMONWEALTH FUNDS BY FUNCTION, FISCAL YEARS

(Fondo general - General fund)

(Millones de dólares - Million dollars)

Función	1940	1950	1952	1955	1960	1962	1963	1964	Function
TOTAL	17	97	126	150	227	264	348	374	TOTAL
Instrucción pública	6	24	29	38	64	87	101	111	Education
Salud	2	18	19	25	32	36	49	47	Health
Bienestar público	1	5	6	9	15	17	19	21	Public welfare
Fomento industrial	---	2	11	7	11	6	9	9	Industrial development
Fomento agrícola	1	3	4	7	9	10	16	15	Agricultural development
Transportación	1	14	16	13	19	18	28	27	Transportation
Administración general	2	10	14	17	23	26	30	31	General administration
Protección y seguridad pública	3	13	16	18	23	28	33	35	Public safety, protection and correction
Otros servicios	1	8	11	16	31	36	63	78	Others

Fuente: Junta de Planificación, División de Finanzas.

Source: Planning Board, Division of Finance.



TABLA 14 - MOVIMIENTO DE PASAJEROS ENTRE PUERTO RICO Y EL EXTERIOR - AÑOS ECONOMICOS (a)  
TABLE 14 - PASSENGER TRAFFIC TO AND FROM OVERSEA COUNTRIES - FISCAL YEARS (a)

(Número de personas - Number of persons)

Medio de transportación y región	1942	1950	1952	1955	1960	1962	1963	Type of travel and region
<b>LLEGADAS</b>								<b>ARRIVALS</b>
Total	28,552	136,572	197,226	284,309	643,014	796,186	925,868	Total
Aire		129,114	189,170	280,127	637,226	790,509	922,200	Air
Agua		7,458	8,056	4,182	5,788	5,677	3,668	Water
Estados Unidos		85,163	132,219	211,369	469,635	576,095	605,788	United States
Aire		81,571	128,730	209,856	466,488	573,585	604,248	Air
Agua		3,592	3,489	1,513	3,147	2,510	1,540	Water
Islas Vírgenes		23,863	37,838	42,907	119,183	166,288	199,986	Virgin Islands
Aire		22,656	35,557	41,289	118,478	165,466	199,926	Air
Agua		1,207	2,281	1,618	705	822	60	Water
Países extranjeros		27,546	27,169	30,033	54,196	53,803	120,094	Foreign countries
Aire		24,887	24,883	28,982	52,260	51,458	118,026	Air
Agua		2,659	2,286	1,051	1,936	2,345	2,068	Water
<b>SALIDAS</b>								<b>DEPARTURES</b>
Total	29,480	170,727	258,884	315,491	666,756	807,549	930,666	Total
Aire		163,261	253,268	311,902	660,412	803,040	927,990	Air
Agua		7,466	5,616	3,589	6,344	4,509	2,676	Water
Estados Unidos		122,860	192,813	242,608	493,136	588,045	615,287	United States
Aire		119,457	190,728	241,437	489,726	586,211	614,193	Air
Agua		3,403	2,085	1,171	3,410	1,834	1,094	Water
Islas Vírgenes		22,803	35,030	42,519	117,873	165,502	197,844	Virgin Islands
Aire		21,045	33,031	40,922	117,086	164,759	197,782	Air
Agua		1,758	1,999	1,597	787	743	62	Water
(Continúa)	1943	1950	1952	1955	1960	1962	1963	(Continued)

TABLA 14 - MOVIMIENTO DE PASAJEROS ENTRE PUERTO RICO Y EL EXTERIOR - AÑOS ECONOMICOS (a) (Continuación)  
TABLE 14 - PASSENGER TRAFFIC TO AND FROM OVERSEA COUNTRIES - FISCAL YEARS (a) (Continued)

(Número de personas - Number of persons)

Medio de transportación y región	1942	1950	1952	1955	1960	1962	1963	Type of travel and region
Países extranjeros		25,064	31,041	30,364	55,747	54,002	117,535	Foreign Countries
Aire		22,759	29,509	29,543	53,600	52,070	116,015	Air
Agua		2,305	1,532	821	2,147	1,932	1,520	Water
BALANCE NETO								NET BALANCE
Total	- 928	-34,155	-61,658	-31,182	-23,742	-11,363	- 4,798	Total
Estados Unidos		-37,697	-60,594	-31,239	-23,501	-11,950	- 9,499	United States
Islas Vírgenes		1,060	2,808	388	1,310	786	2,142	Virgin Islands
Países extranjeros		2,482	- 3,872	331	- 1,551	- 199	2,559	Foreign countries

(a) Excluye viajeros en barcos turistas.

(a) Excludes visitors in cruise ships.

Fuente: Junta de Planificación, Negociado de Análisis Económico y Social, Sección de Balanza de Pagos.

Source: Planning Board Bureau of Economic and Social Planning, Balance of Payments Section.

TABLA 15 - POBLACION Y ESTADISTICAS DEMOGRAFICAS SELECCIONADAS, AÑOS ECONOMICOS  
TABLE 15 - SELECTED VITAL STATISTICS, FISCAL YEARS

Partida	1940	1950	1952	1955	1960	1962	1963	Item
Población a julio 1, en miles	1,878	2,218	2,202	2,235	2,358	2,455	2,513	Population as of July 1, thousands
Nacimientos, en miles	73	87	81	79	75	75	76	Births, thousands
Muertes, en miles	34	23	21	17	16	16	17	Deaths, thousands
Nacimientos por cada 1,000 habitantes	39.0	39.6	36.3	35.1	31.5	30.2	30.0	Birth rates per 1,000 population
Muertes por cada 1,000 habitantes	18.2	10.5	9.5	7.4	6.6	6.6	6.6	Death rates per 1,000 population
Aumento natural por cada 1,000 habitantes	20.8	29.1	26.8	27.7	24.9	23.6	23.4	Rate of natural increase per 1,000 population.

Fuente: Departamento de Salud de Puerto Rico y Negociado del Censo Federal.

Source: Puerto Rico Department of Health and United States Bureau of the Census.

Source: Puerto Rico Department of Health and United States Bureau of the Census.

Source: Puerto Rico Department of Health and United States Bureau of the Census.

Población a julio 1, en miles	1,878	2,218	2,202	2,235	2,358	2,455	2,513	Population as of July 1, thousands
Nacimientos, en miles	73	87	81	79	75	75	76	Births, thousands
Muertes, en miles	34	23	21	17	16	16	17	Deaths, thousands
Nacimientos por cada 1,000 habitantes	39.0	39.6	36.3	35.1	31.5	30.2	30.0	Birth rates per 1,000 population
Muertes por cada 1,000 habitantes	18.2	10.5	9.5	7.4	6.6	6.6	6.6	Death rates per 1,000 population
Aumento natural por cada 1,000 habitantes	20.8	29.1	26.8	27.7	24.9	23.6	23.4	Rate of natural increase per 1,000 population
Partida	1940	1950	1952	1955	1960	1962	1963	Item

(En miles - in thousands)

TABLA 16 - ESTADO DE EMPLEO DE LAS PERSONAS DE 14 AÑOS O MAS: AÑOS ECONOMICOS  
TABLE 16 - EMPLOYMENT STATUS OF PERSONS 14 YEARS OF AGE OR MORE; FISCAL YEARS

(En miles - In thousands)

Partida	1940	1950	1952	1955	1960	1962	1963	Item
Personas de 14 años o más	1,154	1,287	1,270	1,300	1,383	1,454	1,513	Persons of 14 years of age and over
Grupo trabajador	602	686	679	637	625	670	695	Labor Force
Empleados	512	596	571	539	543	585	606	Employment
Desempleados	90	88	108	97	82	84	89	Unemployment
Tasa de participación, por ciento	52.2	53.3	53.5	49.0	45.2	46.1	45.9	Rate of labor force participation, percent
Desempleo, por ciento	15.0	12.8	15.9	15.2	13.1	12.5	12.8	Unemployment, per cent

Fuente: Departamento del Trabajo, Negociado de Estadísticas, excepto para 1940 que se obtuvo del Censo de Población de 1940.

Source: Department of Labor, Bureau of Labor Statistics except for 1940 obtained from 1940 Census of Population.

CENSO DE POBLACION

Fuente: Departamento de Estadística de Población y Censos de 1940

ESTADO DE EMPLEO DE LAS PERSONAS

Fuente: Departamento de Estadística de Población y Censos de 1940

Personas de 14 años o más	50.8	56.1	52.0	53.1	54.8	55.0	53.4	Personas de 14 años o más
Grupo trabajador	10.2	10.2	8.2	7.4	6.8	6.0	6.0	Grupo trabajador
Empleados	30.0	38.0	36.2	35.7	31.2	30.3	30.0	Empleados
Desempleados	24	22	21	21	20	20	21	Desempleados
Tasa de participación, por ciento	13	21	21	20	22	20	20	Tasa de participación, por ciento
Desempleo, por ciento	1.038	1.038	1.038	1.038	1.038	1.038	1.038	Desempleo, por ciento
1940	1950	1952	1955	1960	1962	1963	1963	

ESTADO DE EMPLEO DE LAS PERSONAS DE 14 AÑOS O MAS: AÑOS ECONOMICOS

TABLE 16 - EMPLOYMENT STATUS OF PERSONS 14 YEARS OF AGE OR MORE; FISCAL YEARS A-22



TABLA 17 - PERSONAS EMPLEADAS POR INDUSTRIAS: AÑOS ECONOMICOS  
TABLE 17 - EMPLOYED PERSONS BY INDUSTRY: FISCAL YEARS

(En miles - In thousands)

Partida	1940	1950	1952	1955	1960	1962	1963	Item
TOTAL	512	596	571	539	543	585	606	TOTAL
Agricultura	229	214	190	162	124	138	140	Agriculture
Café	124	87	85	64	45	48	45	Sugar cane
Café	26	22	22	26	23	29	29	Coffee
Tabaco	18	20	14	14	9	10	13	Tobacco
Otras Fincas	61	85	68	59	47	51	54	Other farms
Silvicultura y Pesca	(1)	2	(1)	(1)	(1)	(1)	(1)	Forestry and fishing
Manufactura, excepto aguja en el hogar	56	55	57	66	82	91	91	Manufacturing, except home needlework
Azúcar	20	11	8	9	8	6	6	Sugar
Productos de tabaco	6	6	6	9	6	8	6	Tobacco products
Textiles y aguja en talleres	17	12	14	17	22	25	25	Textiles and apparel
Licores y cerveza	(1)	(1)	(1)	2	2	2	(1)	Alcoholic beverages and breweries
Otras industrias manufactureras	13	25	26	29	44	51	51	Other
Trabajo de aguja en el hogar	45	51	34	29	10	8	8	Home needlework
Minería	(1)	(1)	(1)	(1)	(1)	(1)	(1)	Mining
Construcción	16	27	33	34	45	51	51	Construction
Comercio	54	89	94	89	97	100	108	Trade
Al por mayor	6	8	8	7	9	12	13	Wholesale
Al detal	48	82	87	82	88	89	96	Retail
Finanzas, seguros y bienes raíces	2	3	4	3	6	7	8	Finance, insurance and real estate
Transportación	17	23	19	24	27	27	27	Transportation
Comunicación	1	2	2	3	4	5	5	Communication
Otros servicios públicos	2	5	4	7	8	7	8	Public utilities
Servicios	73	77	79	69	76	82	86	Services
Servicio doméstico	43	31	30	21	19	18	17	Domestic services
Otros	30	46	49	49	57	64	69	Other
Gobierno	13	45	51	50	63	67	71	Government

(1) Información no está disponible.

(1) Data not available.

Fuente: Departamento del Trabajo, Negociado de Estadísticas, excepto para 1940 que se obtuvo del Censo de Población de 1940.

Source: Department of Labor, Bureau of Labor Statistics except for 1940 obtained from 1940 Census of Population.

TABLA 18 - POBLACION DE PUERTO RICO: POBLACION DE PUERTORRIQUEÑOS EN ESTADOS UNIDOS Y POR CIENTO DE TOTAL  
 TABLE 18 - POPULATION OF PUERTO RICO: POPULATION OF PUERTO RICANS IN THE UNITED STATES AND PER CENT OF TOTAL

Edades - Ages	Población de P. R. a abril 1960 Population of P.R. as of April 1960	Población de Puertorriqueños en Estados Unidos Population of Puerto Ricans in the United States			Por ciento del total Per cent of total			
		Total	Nacidos en P. R. Born in P.R.	Ascendencia puertorriqueña Puerto Rican parents	Población de P. R. a abril 1960 Population of P.R. as of April 1960	Población de Puertorriqueños en Estados Unidos Population of Puerto Ricans in the United States		
						Total	Nacidos en P. R. Born in P.R.	Ascendencia puertorriqueña Puerto Rican parents
Todas las edades - All ages	2,349,540	892,513	617,056	275,457	100.00	100.00	100.00	100.00
Menor de 5 años - Less than 5 years	355,172	144,933	20,158	124,775	15.11	16.25	3.27	45.30
de 5 a 9 años - From 5 to 9 years	324,292	109,963	40,769	69,194	13.80	12.33	6.61	25.11
10 a 14 años - 10 to 14 years	324,212	90,100	59,653	30,447	13.81	10.09	9.67	11.05
13 a 19 años - 13 to 19 years	250,948	75,784	62,194	13,590	10.67	8.49	10.08	4.93
20 a 24 años - 20 to 24 years	169,900	88,458	78,849	9,609	7.23	9.91	12.78	3.49
25 a 29 años - 25 to 29 years	134,212	91,846	81,712	10,134	5.72	10.30	13.24	3.68
30 a 34 años - 30 to 34 years	127,112	80,156	72,830	7,326	5.41	8.98	11.80	2.66
35 a 39 años - 35 to 39 years	131,480	63,139	59,191	3,948	5.60	7.07	9.59	1.43
40 a 44 años - 40 to 44 years	109,972	42,964	40,934	2,030	4.68	4.81	6.63	0.74
45 a 49 años - 45 to 49 years	106,492	34,404	32,900	1,504	4.53	3.85	5.33	0.55
50 a 54 años - 50 to 54 years	75,824	23,136	21,815	1,321	3.23	2.59	3.54	0.48
55 a 59 años - 55 to 59 years	64,864	18,255	17,452	803	2.76	2.05	2.83	0.29
60 a 64 años - 60 to 64 years	56,640	12,243	11,967	276	2.41	1.37	1.94	0.10
65 a 69 años - 65 to 69 years	46,008	7,708	7,523	185	1.96	0.86	1.22	0.07
70 a 74 años - 70 to 74 years	30,584	4,927	4,771	156	1.30	0.55	0.77	0.06
75 ó más - 75 or more	41,824	4,497	4,338	159	1.78	0.50	0.70	0.06

Fuente: Censo de Población de Puerto Rico de 1960.  
 Source: 1960 Puerto Rico Census of Population.

TABLA 19 - EMPLEO POR INDUSTRIA DE LOS INMIGRANTES NACIDOS EN PUERTO RICO, EN ESTADOS UNIDOS Y EN EL EXTRANJERO  
TABLE 19 - EMPLOYMENT BY INDUSTRY OF INMIGRANTS BORN IN PUERTO RICO, UNITED STATES AND FOREIGN COUNTRIES

(Quinquenio 1955-60 - Period 1955-60)

Industria	Nacidos en Estados Unidos Born in United States		Nacidos en Puerto Rico Born in Puerto Rico		Nacidos en el extranjero Born in foreign countries		Industry
	Número Number	% del total % of total	Número Number	% del total % of total	Número Number	% del total % of total	
TOTAL, EMPLEADOS	12,036	100.0	3,140	100.0	1,488	100.0	TOTAL, EMPLOYEE
Agricultura, silvicultura, pesca y minería	816	6.7	40	1.3	8	.5	Agriculture, forestry, fisheries and mining
Construcción	692	5.7	184	5.9	36	2.4	Construction
Manufactura	2,976	24.7	536	17.1	252	16.9	Manufacturing
Transportación y comunicación	944	7.8	292	9.3	80	5.4	Transportation and communication
Comercio al por mayor y al detal	2,684	22.3	416	13.2	320	21.5	Wholesale and retail trade
Finanzas, seguros, bienes raíces y reparación	656	5.5	140	4.5	68	4.6	Finance, insurance, real estate and repair services
Hoteles, servicios personales, entretenimiento y recreación	1,236	10.3	160	5.1	256	17.2	Hotels, personal services, entertainment and recreational services
Profesionales y servicios relacionados	1,320	11.0	712	22.7	404	27.2	Professional and related services
Administración pública	524	4.4	364	11.6	52	3.5	Public administration
Otras	188	1.6	296	9.4	12	.8	Other

Fuente: Tabla 15-8 País de Nacimiento de Personas residiendo fuera de Puerto Rico en 1955. Censo de Población para Puerto Rico 1960. Tabulación especial.

Source: Table 15-8 Country of Birth of Persons Living outside of Puerto Rico in 1955. 1960 Puerto Rico Census of Population. Special tabulation.

TABLA 20 - EMPLEO POR OCUPACION DE LOS INMIGRANTES NACIDOS EN PUERTO RICO, EN ESTADOS UNIDOS Y EN EL EXTRANJERO  
TABLE 20 - EMPLOYMENT BY OCCUPATION OF INMIGRANTS BORN IN PUERTO RICO, UNITED STATES AND IN FOREIGN COUNTRIES

(Quinquenio 1955-60 - Period 1955-60)

Ocupación	Nacidos en Puerto Rico Born in Puerto Rico		Nacidos en Estados Unidos Born in United States		Nacidos en el extranjero Born in Foreign countries		Occupation
	Número Number	% del total % of total	Número Number	% del total % of total	Número Number	% del total % of total	
TOTAL - EMPLEADOS	12,036	100.0	3,140	100.0	1,488	100.0	TOTAL - EMPLOYEES
Profesionales, técnicos y relacionados	1,444	12.0	1,040	33.1	596	40.1	Professional, technical and kindred workers
Agricultores y administradores de fincas	152	1.3	8	.3	---	---	Farmers and farm managers
Gerentes, administradores y propietarios excepto fincas	1,212	10.1	628	20.0	272	18.3	Managers, officials and proprietors except farm
Oficinistas y relacionados	1,328	11.0	312	9.9	116	7.8	Clerical and kindred workers
Vendedores	1,116	9.3	180	5.7	160	10.8	Sales workers
Artesanos, capataces y relacionados	1,412	11.7	272	8.7	100	6.7	Craftmen, foremen and kindred workers
Operarios y relacionados	2,876	23.9	196	6.2	36	2.4	Operatives and kindred workers
Servicio doméstico	256	2.1	24	.8	88	5.9	Private household workers
Servicio, excepto servicio doméstico	1,192	10.0	120	3.8	96	6.5	Service workers, except private household
Obreros agrícolas y capataces	540	4.5	4	.1	4	.3	Farm laborers and farm foremen
Obreros, excepto agrícolas y mineros	352	2.9	36	1.1	12	.8	Laborers, except farm and mine
Otras	156	1.3	320	10.2	8	.5	Other

Fuente: Tabla 15-8 País de Nacimiento de Personas Residiendo fuera de Puerto Rico en 1955. Censo de Población para Puerto Rico 1960. Tabulación especial.

Source: Table 15-8 Country of Birth of Persons Living outside of Puerto Rico in 1955. 1960 Puerto Rico Census of Population. Special tabulation.